

CITYSERVICE

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City Service SE

(incorporated in Estonia with limited liability, corporate ID code 12827710)

PROSPECTUS OF ADMISSION OF 31,610,000 ORDINARY REGISTERED SHARES IN CITY SERVICE SE TO TRADING ON THE WARSAW STOCK EXCHANGE with a nominal value of EUR 0.30 each

This prospectus (the "Prospectus") was prepared by City Service SE (the "Company" or the "Issuer") for the purpose of admission of all the issued 31,610,000 shares of the Company (the "Shares") to trading on the Warsaw Stock Exchange (in Polish: *Giełda Papierów Wartościowych w Warszawie S.A.*, the "WSE").

All the Shares of the Company are currently listed on the Main List of AB NASDAQ OMX Vilnius ("OMX"). On 23 October 2015 the closing price of Shares on the OMX was EUR 1.620. No securities issued by the Company are currently admitted to trading on any other regulated market.

No public offering of any part of Shares shall be executed by the Company. Consequently, information communicated by this Prospectus does not constitute or form part of, and should not be construed as, an offer, solicitation or invitation to subscribe for, underwrite or otherwise acquire, any securities of the Company or any member of its group nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities of the Company or any member of its group, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever.

Distribution of this Prospectus in certain jurisdictions may be restricted by law. Thus, persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or under any securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

This Prospectus constitutes a prospectus for the purposes of Articles 3.3 and 5.3 of Directive 2003/71/EC of the European Parliament and of the Council, dated 4 November 2003, as amended (the "Prospectus Directive") and Article 157 of the Securities Market Act of the Republic of Estonia, as amended (the "Securities Market Act") and Commission Regulation (EC) 809/2004 of 29 April 2004, as amended (the "Prospectus Regulation"). The Estonian Financial Supervision Authority (in Estonian: *Finantsinspeksioon*, the "EFSA") in its capacity as the competent authority in Estonia under the Securities Market Act, has approved this document as a prospectus. Following the requirements of Article 37 of the Polish Act of 29 July 2005 on Public Offerings and Conditions governing the Admission of Financial Instruments to Trading on Organized Markets, and on Listed Companies (as amended from time to time (the "Public Offering Act")), the EFSA has provided to the competent authority in Poland, Polish Financial Supervision Authority (in Polish: *Komisja Nadzoru Finansowego*, the "PFSA") (i) a certificate of approval attesting that this Prospectus has been drawn up in accordance with the Prospectus Directive, (ii) a copy of the Prospectus in English, (iii) a Polish translation of the Prospectus summary, and (iv) website address of the EFSA, on which the electronic version of the Prospectus is published. The Issuer will be authorised to apply for admission and introduction of the Shares to trading on the WSE, once the EFSA has provided the PFSA with a certificate of approval of this Prospectus and after the Prospectus has been made available to the public together with a translation of the Prospectus summary into Polish language.

All the Shares are ordinary registered shares and are registered with the Estonian Central Register of Securities (in Estonian: *AS Eesti Väärtpaberikeskus*, the "ECRS") under ISIN EE3100126368. Prior to listing of Shares on the WSE, they will also be registered in the Polish settlement institution – the National Depository for Securities (in Polish: *Krajowy Depozyt Papierów Wartościowych S.A.*, the "NDS"), which will be acting as a secondary depository for the Shares.

Although the whole text of this document should be read, the attention of persons receiving this document is drawn, in particular, to the section headed "Risk Factors" contained in Part III of this document. All statements regarding the Group's business, financial position and prospects should be viewed in light of the risk factors set out in Part III of this document.

Based on this Prospectus, the Issuer intends to apply for 31,610,000 Shares to be admitted and introduced to listing and trading on the WSE (the "Admission"). The Issuer expects that trading in Shares on the WSE will commence till the middle of November 2015.

The date of this Prospectus is 30 October 2015

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I IMPORTANT INFORMATION

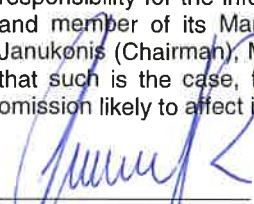
Governing Law. The listing and trading of the Shares on the WSE shall be conducted in accordance with and governed by the Polish laws, as well as the WSE and NDS rules. The listing and trading of the Shares on the OMX are currently conducted in accordance with and governed by the Estonian and Lithuanian laws and the OMX rules. The Company is organised and exists under the Estonian law. Also the Estonian law will be applicable with regards to the procedure of approval of this Prospectus and its supplements (if applicable) and certain other issues, related thereto.

Prospectus. This Prospectus has been prepared by the Company in connection with the Admission, solely for the informational purposes. The information contained in the Prospectus has been provided by the Issuer and other sources identified herein. This Prospectus is a prospectus in the form of a single document within the meaning of the Prospectus Directive and the Prospectus Regulation. This Prospectus has been prepared in accordance with Annex I (Minimum Disclosure Requirements for the Share Registration Document) and Annex III (Minimum Disclosure Requirements for the Share Securities Note) of the Prospectus Regulation. A summary of the Prospectus contains the key information items set out in Annex XXII (Disclosure Requirements in Summaries) of the Prospectus Regulation.

This Prospectus was approved by the EFSA and notified to the PFSA according to the Securities Market Act, Public Offering Act and other applicable legal acts and regulations. The Prospectus is published on the EFSA's website (www.fi.ee) and the Company's website (www.cityservice.eu).

1.1 Responsibility for this Prospectus

Persons Responsible. The person responsible for the information provided in this Prospectus is City Service SE, corporate ID code 12827710, with the registered office at Narva mnt. 5, 10117 Tallinn, Estonia. The Company accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Company and member of its Management Board Mr. Jonas Janukėnas and members of the Supervisory Board Mr. Andrius Janukonis (Chairman), Mr. Gintautas Jaugielavičius and Mr. Artūras Gudelis having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.


Andrius Janukonis
Chairman of the Supervisory Board


Gintautas Jaugielavičius
Member of the Supervisory Board


Artūras Gudelis
Member of the Supervisory Board


Jonas Janukėnas
Member of the Management Board

Limitations of Liability. Without prejudice to the above, no responsibility is accepted by the person responsible for the information given in this Prospectus solely on the basis of the summary of this Prospectus, unless such summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information.

The person responsible does not accept any responsibility for the information pertaining to the Admission of the Shares to trading on the WSE, the Group or its operations, where such information is disseminated or otherwise made public by third parties either in connection with the Admission or otherwise.

Any persons in possession of this Prospectus should not assume that the information in this Prospectus is accurate as of any other date than the date of this Prospectus. The delivery of this Prospectus at any time after the conclusion of it will not, under any circumstances, create any implication that there has been no change in the Company's (its Group's) affairs since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date. In case until the term of validity of this Prospectus or until the Admission (depending on what will happen earlier), material changes in operations of the Issuer occur, they will be reflected in supplements to the Prospectus, which will be subject to an approval by the EFSA and notification to the PFSA. The supplement (if any) will be published in the same manner as the Prospectus.

In case of a dispute related to this Prospectus, the plaintiff may have to resort to the jurisdiction of the Estonian courts and consequently a need may arise for the plaintiff to cover relevant state fees and translation costs in respect of this Prospectus or other relevant documents.

1.2 Presentation of Financial and Other Information

The Company was established in Estonia on 2 April 2015 under the name City Service EU AS. As from 8 April 2015 until completion of the below described cross-border merger on 10 August 2015, the sole shareholder of the Company was a Lithuanian company City Service AB (the "Former Parent Company"), the shares of which were listed on the OMX as from 8 June 2007. On 10 August 2015 the Former Parent Company was merged to the Company by way of cross-border merger, and as a result of the merger the Former Parent Company ceased to exist and the Company continues and is a legal successor of the Former Parent Company and continues to be listed on the OMX.

Furthermore, on 27 October 2015 the Company was converted into a European public limited liability company (a *Societas Europaea*, SE). For more information on these processes please see Section 4.3.1 *History and Development of the Group*.

Thus, the financial information that will be prepared by the Company for the periods after 10 August 2015 will already include financial results of the merged entities (the Issuer and the Former Parent Company). The Management of the Company believes that for the purposes of this Prospectus presenting the historical financial information of the Former Parent Company (that ceased to exist after the indicated cross-border merger) is deemed to be appropriate in order to understand the activities and the financial status of the Company and its subsidiaries.

For the reasons above, the historical financial statements of the Former Parent Company, as indicated in Section 1.4 *Information Incorporated by Reference* are incorporated in this Prospectus.

Any financial information for the six month period, ended 30 June 2015, presented in the Prospectus is derived from the respective financials, and was not audited nor subject to review.

Euro values for the periods 2014-2012 are not derived from the audited financial statements. They represent the numbers derived from audited financial statements and converted to EUR using official fixed conversion rate of EUR 1 = LTL 3.4528 for the convenience of readers. Any financial information, expressed in EUR for the periods earlier than 1 January 2015 was not subject to audit or review.

Discontinued operations. Throughout the period from 2014 till 2015 the Group has divested two components of its activities: (i) Ecoservice Group (sold on 31 March 2014) which operates in waste management business in Lithuania (after the sale, the Group no longer has any presence in waste management industry in Lithuania) as well as (ii) companies operating in the city of Stavropol (sold on 3 August 2015) which operate in dwelling-houses administration segment.

Thus, the financial data related to these components was classified as discontinued operations where necessary.

Approximation of Numbers. Numerical and quantitative values in this Prospectus (e. g. monetary values, percentage values, etc.) are presented with such precision which the Company deems sufficient in order to convey adequate and appropriate information on the relevant matter. From time to time, quantitative values have been rounded up to the nearest reasonable decimal or whole value in order to avoid excessive level of detail. As a result, certain values presented as percentages do not necessarily add up to 100% due to the effects of approximation. Exact numbers may be derived from the financial statements of the Group, to the extent that the relevant information is reflected therein.

Dating of Information. This Prospectus is drawn up based on information which was valid on 30 June 2015. Where not expressly indicated otherwise, all information presented in this Prospectus (including the consolidated financial information of the Group, the facts concerning its operations and any information on the markets in which it operates) must be understood to refer to the state of affairs as of the aforementioned date. Where information is presented as of a date other than 30 June 2015, this is identified by either specifying the relevant date or by the use of expressions as "*the date of this Prospectus*", "*to date*", "*until the date hereof*" and other similar expressions, which must all be construed to mean the date of this Prospectus (30 October 2015).

Currencies. In this Prospectus, financial information for the periods after 31 December 2014 is presented in Euro (EUR), i. e. the official currency of the EU Member States participating in the Economic and Monetary Union, including in Lithuania (as from 1 January 2015) and Estonia (as from 1 January 2011). Taking into consideration that until finalisation of the cross-border merger the Former Parent Company was registered in Lithuania, its financial information of the annual financial statements for the years, ended 31 December 2014, 2013 and 2012 is presented in Litas (LTL), which was the official currency of Lithuania until 31 December 2014. However, in this Prospectus certain financial information for the years ended 31 December 2014, 2013 and 2012 has been translated to EUR for convenience purposes only, using EUR. The exchange rate between Euro and Lithuanian Litas is fixed at LTL 3.4528 for EUR 1. Amounts originally available in other currencies have been converted to Euro as of the date for which such information is expressed to be valid. With respect to the state fees, taxes and similar country specific values, information may occasionally be presented in currencies other than EUR. The exchange rates between such currencies and Euro may change from time to time.

Updates. The Company will update the information contained in this Prospectus only to such extent, at such intervals and by such means as required by applicable law or considered necessary and appropriate by the Company. The Company is under no obligation to update or modify forward-looking statements included in this Prospectus.

Third Party Information and Market Information. With respect to certain portions of this Prospectus, some information may have been sourced from third parties. Such information has been accurately reproduced as far as the Company is aware and is able to ascertain from the information published by such other third parties that no facts have been omitted, which would render the reproduced information inaccurate or misleading. Certain information with respect to the markets, on which the Company and its subsidiaries are operating, is based on the best assessment made by the Management. With respect to the industry, in which the Group is active, and certain jurisdictions, in which its operations are being conducted, reliable market information might be unavailable or incomplete. While every reasonable care was taken to provide the best possible estimate of the relevant market situation and the information on the relevant industry, such information may not be relied upon as final and conclusive. Investors are encouraged to conduct their own investigation

into the relevant market or seek professional advice. Information on market shares represents the Management's views, unless specifically indicated otherwise.

1.3 Forward Looking Statements

This Prospectus includes forward-looking statements. Such forward-looking statements are based on current expectations and projections about future events, which are in turn made on the basis of the best judgment of the Management. Certain statements are based on the belief of the Management as well as assumptions made by and information currently available to the Management. Any forward-looking statements included in this Prospectus are subject to risks, uncertainties and assumptions about the future operations of the Group, the macro-economic environment and other similar factors.

In particular, such forward-looking statements may be identified by use of words such as *strategy, expect, forecast, plan, anticipate, believe, will, continue, estimate, intend, project, goals, targets* and other words and expressions of similar meaning. Forward-looking statements can also be identified by the fact that they do not relate strictly to historical or current facts. As with any projection or forecast, they are inherently susceptible to uncertainty and changes in circumstances, and the Company is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements contained in this Prospectus whether as a result of such changes, new information, subsequent events or otherwise.

The validity and accuracy of any forward-looking statements is affected by the fact that the Group operates in a competitive business. This business is affected by changes in domestic and foreign laws and regulations, taxes, developments in competition, economic, strategic, political and social conditions and other factors. The Group's actual results may differ materially from the Management's expectations because of the changes in such factors. Other factors and risks could adversely affect the operations, business or financial results of the Group (please see Section III *Risk Factors* for a discussion of the risks which are identifiable and deemed material at the date hereof).

1.4 Information Incorporated by Reference

The following information is incorporated in this Prospectus by reference in accordance with Article 28 of the Prospectus Regulation:

- City Service AB audited consolidated and company's financial statements for the year ended 31 December 2014 together with the consolidated annual report and the independent auditor's report (they may be found at http://www.nasdaqomxbaltic.com/upload/reports/cts/2014_ar_en_ltl_con_ias.pdf);
- City Service AB audited consolidated and company's financial statements for the year ended 31 December 2013 together with the consolidated annual report and the independent auditor's report (they may be found at http://www.nasdaqomxbaltic.com/upload/reports/cts/2013_ar_en_ltl_con_ias.pdf);
- City Service AB audited consolidated and company's financial statements for the year ended 31 December 2012 together with the consolidated annual report and the independent auditor's report (they may be found at http://www.nasdaqomxbaltic.com/upload/reports/cts/2012_ar_en_ltl_con_ias.pdf);
- City Service AB unaudited consolidated interim financial statements for the six months period ended 30 June 2015 together with the consolidated interim report (they may be found at http://www.nasdaqomxbaltic.com/upload/reports/cts/2015_q2_en_eur_con_ias.pdf);
- Statutes of the Company (they may be found at <https://newsclient.omxgroup.com/cdsPublic/viewDisclosure.action?disclosureId=676163&messageId=843010>).

It is possible to get acquaintance with the aforementioned documents on the websites of the Company at www.cityservice.eu, of OMX at www.nasdaqomxbaltic.com also on the website of the central base of regulated information of Lithuania at www.crib.lt.

Documents on Display. Throughout the lifetime of this Prospectus, the aforementioned documents may also be inspected at the following addresses: in Lithuania – Company's office at Smolensko str. 12, Vilnius, Lithuania; in Estonia – law firm's Tark Grunte Sutkiene office at Roosikrantsi str. 2, Tallinn, Estonia. Any interested party may obtain a copy of these documents from the Company without charge.

1.5 Definitions and Abbreviations

In this Prospectus, the definitions in capital letters will have the meaning indicated below unless the context of the Prospectus requires otherwise. Definitions are listed in alphabetical order and the list is limited to the definitions which are considered to be of more importance. Other definitions may be defined elsewhere in the Prospectus.

Admission	Admission of the Shares to trading on the WSE
Annual Reports	Consolidated annual reports of City Service AB for the years ended 31 December 2012, 31 December 2013 and 31 December 2014
Audit Committee	Audit Committee of the Company
CIT	Polish Act of 15 February 1992 on Corporate Income Tax (as amended from time to time)

Commercial Code	Commercial Code of the Republic of Estonia, dated 1 September 1995 (as amended from time to time)
Commercial Register	Commercial Register of the Republic of Estonia (in Estonian: <i>äriregister</i>)
Company, Issuer or City Service SE	City Service SE (former names City Service EU AS and City Service AS), European public limited liability company (a <i>Societas Europaea</i> , SE) established and existing under the laws of the Republic of Estonia, corporate ID code 12827710, with its registered address at Narva mnt. 5, 10117 Tallinn, Estonia, which following the Merger as indicated below has taken over of all the assets, rights and liabilities of the Former Parent Company and was further converted into the SE, the Shares of which shall be Admitted to trading on the WSE based on this Prospectus
Consolidated Interim Financial Information or Consolidated Interim Financial Statements	City Service AB unaudited consolidated interim financial statements for the six months period, ended 30 June 2015, prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" together with the consolidated interim report for the six months period, ended 30 June 2015
Conversion	Conversion of the Company from public limited liability company (in Estonian: <i>aktsiaselts</i>) into a European public limited liability company (a <i>Societas Europaea</i> , SE) under the Plan of Conversion and Draft Terms of Conversion as well as other related documents of 13 August 2015, approved by the general meeting of shareholders of the Company on 16 September 2015, which was finalised on 27 October 2015
ECRS	Estonian Central Register of Securities (in Estonian: <i>AS Eesti Väärtpaberikeskus</i>) – the settlement institution in Estonia
EEA	European Economic Area
EFSA	Estonian Financial Supervision Authority (in Estonian: <i>Finantsinspeksioon</i>), the capital market regulatory authority of the Republic of Estonia
ESPI	<i>Elektroniczny System Przekazywania Informacji</i> , electronic system for transmission of information operated by the PFSA
EU	European Union
EUR, €, Euro	The lawful currency of the European Union Member States that have adopted the single currency, including Estonia and Lithuania
Former Parent Company or City Service AB	City Service AB, which existed before its Merger to the Company, which was finalised on 10 August 2015 and which transferred all the assets, rights and liabilities to the Company following completion of the Merger and was dissolved without going into liquidation
General Meeting	General Meeting of Shareholders of the Company
Group	Company and all its Subsidiaries, as set out in Section 4.5 <i>Organisational Structure</i>
IAS	International Accounting Standards as adopted by the European Union
IFRS	International Financial Reporting Standards as adopted by the European Union
IFRS Financial Statements	City Service AB audited consolidated and company's financial statements for the years ended 31 December 2014, 31 December 2013 and 31 December 2012, prepared in accordance with IFRS together with the independent auditor's reports for the years ended 31 December 2014, 31 December 2013 and 31 December 2012
Key Executives	Executive Manager of the Company, Head of the Group companies, operating in Lithuania, Head of the Group companies, operating in Poland, Head of the Group companies, operating in Spain, Head of the Group companies, operating in Latvia, Head of the Group companies, operating in Russia collectively
Law on Securities	Law on Securities of the Republic of Lithuania, dated 18 January 2007 (as amended from time to time)
LTL, Lithuanian Litas	Litas, the lawful currency of the Republic of Lithuania until 31 December 2014
Major Shareholders	The Company's major shareholders, i. e. the shareholders, holding more than 5 per cent of the share capital and votes, which are ICOR UAB, East Capital (Lux) Funds and Genesis Emerging Markets OPP FD LTD, as indicated in Section 4.16 <i>Major Shareholders</i>
Management	The Management Board and Key Executives of the Company
Management Board or Board	Management Board of the Company (in Estonian: <i>juhatus</i>)
Member State	A Member State of the European Economic Area
Merger	The merger of the Former Parent Company to the Company under the Common Draft Terms of Cross-Border Merger of the Former Parent Company and the Company of 19 May 2015, approved by the general meeting of shareholders of the Former Parent Company, dated 30 June 2015 and by the sole shareholder of the Company on 29 June

	2015, which was finalised on 10 August 2015
MiFID	Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC (as amended from time to time)
N/A	'not applicable'
NDS	<i>Krajowy Depozyt Papierów Wartościowych S.A. (KDPW S.A)</i> , the National Depository for Securities – the settlement institution in Poland
OMX	NASDAQ OMX Vilnius AB (Vilnius stock exchange), a public limited liability company established and existing under the laws of the Republic of Lithuania, corporate ID code 110057488, with its registered address at Lvovo str. 25, Vilnius, Lithuania
OMX Corporate Governance Code	Corporate Governance Code for the Companies Listed on the OMX (as amended from time to time)
PFSa	Polish Financial Supervision Authority (in Polish: <i>Komisja Nadzoru Finansowego</i>), the capital market regulatory authority of the Republic of Poland
PLN, Polish zloty	The lawful currency of the Republic of Poland
Prospectus	This document, prepared solely for the purpose of the Admission, its annex and all the supplements (if any)
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC (as amended from time to time)
Prospectus Regulation	Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (as amended from time to time)
Public Offering Act	Polish Act of 29 July 2005 on Public Offerings and Conditions governing the Admission of Financial Instruments to Trading on Organized Markets, and on Listed Companies (as amended from time to time)
Related Parties	As defined in International Accounting Standard 24 <i>Related Party Disclosures</i>
Section	A section of this Prospectus
Securities Market Act	Securities Market Act of the Republic of Estonia, dated 17 October 2001 (as amended from time to time)
Shares	Any ordinary registered shares of the Company with the nominal value of EUR 0.30 each issued and outstanding at any time
Statutes	Statutes of the Company (in Estonian: <i>põhikirin</i>)
Subsidiaries	Subsidiaries of the Company, as set out in Section 4.5 <i>Organisational Structure</i>
Summary	The summary of this Prospectus
Supervisory Board	Supervisory Board of the Company (in Estonian: <i>nõukogu</i>)
Takeover Directive	Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids (as amended from time to time)
Trading in Financial Instruments Act	Polish Act of 29 July 2005 on Trading in Financial Instruments (as amended from time to time)
USD, \$, US\$ or U.S. Dollars	The lawful currency of the United States of America
VAT	The value added tax applicable in the Republic of Estonia
WSE	Warsaw Stock Exchange (in Polish: <i>Giełda Papierów Wartościowych w Warszawie S.A.</i>), a regulated market in Poland
WSE Corporate Governance Code	Code of Best Practice for WSE Listed Companies (as amended from time to time)

II SUMMARY

This Summary is made up of disclosure requirements known as “Elements” in accordance with the Annex XXII (Disclosure Requirements in Summaries) of the Prospectus Regulation. These elements are numbered in Sections A – E (A.1 – E.7) below. This Summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the Summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the Summary with the mention of ‘not applicable’.

Section A — Introduction and warnings

Element	Title	Disclosure
A.1	Introduction and warnings	<p>This Summary is not the prospectus for the listing of Shares of the Company and should be read merely as an introduction to the same. This Summary presents the facts and circumstances that the Company considers important with respect to the Company's business and the Admission and is a summary of certain information appearing in more detail elsewhere in the Prospectus. Any decision to invest in the Company's Shares on the secondary market should be based by each investor on the Prospectus (including any amendments or supplements thereto) as a whole and not merely on this Summary.</p> <p>Prospective investors are cautioned that where a claim relating to the information contained in the Prospectus (or this Summary) is brought before a court, the plaintiff investor might, under the national legislation of the relevant state, have to bear the costs of translating the entire Prospectus before court proceedings are initiated. The Company accepts civil liability in respect of this Summary (including any translation hereof) solely in the case where this Summary is found to be misleading, inaccurate or inconsistent when read together with the Prospectus as a whole or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2		Not applicable.

Section B — Issuer

Element	Title	Disclosure
B.1	Legal and commercial name	City Service SE.
B.2	Domicile / legal form / legislation / country of incorporation	The Issuer is a European public limited liability company (<i>Societas Europaea</i> , SE) with its registered address at Narva mnt. 5, 10117 Tallinn, Estonia. It is registered with the Commercial Register under number 12827710. The Issuer is incorporated and operates under the laws of the Republic of Estonia.
B.3	Key factors regarding current operations, principal activities, categories of products sold and services performed. Principal markets	<p>For management purposes the Group is organized into business units based on services provided and have the below listed segments:</p> <ul style="list-style-type: none"> – Apartment building maintenance; – Commercial, industrial and public facility management; – Maintenance and cleaning of territories; – Other activities (security, building renovation, debt administration, etc.). <p>The Group provides its services in Lithuania, Poland, Latvia, Spain and Russia.</p> <p>The segment financial information of the Group is presented as analysed by chief operating decision maker of the Group (the Management Board), i.e. allocated to Baltic states, St. Petersburg, Stavropol (discontinued operations), Poland and Spain.</p> <p>Segment of Waste management (discontinued operations) included services of collecting and processing of waste.</p> <p>No operating segments have been aggregated to form the above reportable operating segments.</p> <p>Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, financing (including finance costs and finance income) and income taxes of the Group are managed on a Group basis and are not allocated to operating segments.</p> <p>Transfer prices between operating segments are based on the prices set by the Management, which Management considers to be similar to transactions with third parties.</p>

The following table presents the revenue information on the Group's reportable operating segments (EUR'000):

Business Segment	As at 30 June		As at 31 December		
	2015	2014	2014	2013	2012
Baltic states	32,449	36,185	69,005	68,633	58,082
St. Petersburg	17,382	21,919	40,309	46,461	74,813
Poland	12,929	11,754	23,481	21,966	-
Spain	20,979	22,934	47,662	12,313	-
Stavropol (discontinued operations)	7,881	4,264	10,320	9,101	10,232
Discontinued operations (waste management business in Lithuania)	-	3,058	3,058	13,146	11,427
Total	91,620	100,114	193,835	171,620	154,554

Source: Consolidated Interim Financial Information, IFRS Financial Statements, the Company

B.4a Significant recent trends affecting the industry

There were no material recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the Prospectus. Furthermore, there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year.

Disregarding the above the cross-border Merger of the Former Parent Company to the Issuer was completed on 10 August 2015.

On the indicated Merger Date the Former Parent Company was merged to the Issuer which took over all the assets, rights and liabilities of the Former Parent Company. The Former Parent Company was dissolved without going into liquidation and the Issuer continues the activities following the completion of the Merger and is the legal successor of the Former Parent Company, i.e. the company resulting from the Merger. On the indicated Merger Date all the shareholders of the Former Parent Company became the shareholders of the Issuer, directly holding 100 per cent of all votes and shares in the Issuer. On the Merger Date each shareholder of the Former Parent Company held the same number of shares in the Issuer that it had held in the Former Parent Company up to and until the Merger Date. Furthermore, following completion of the Merger the Issuer continues to be further listed on the OMX.

The Issuer was further converted to the European company (*Societas Europaea*) on 27 October 2015 and continues to be further listed on the OMX.

B.5 Group description. Position of the Company within the Group

The controlling shareholder of the Company is ICOR UAB, holding 66.23% shares of the Company. The ultimate parent of the Company is Global Energy Consulting OÜ, a holding company registered in Estonia. Shares of this holding company are held in equal parts by Andrius Janukonis (Chairman of the Supervisory Board of the Company and Chairman of the management board of ICOR UAB), Gintautas Jaugielavičius (member of the Supervisory Board of the Company and member of the management board of ICOR UAB) and by Linas Samuolis and this company is controlled by the above persons.

The Company together with the Subsidiaries form a Group of companies, as indicated below:

Company	Registration country	Share of the stock held by the Group (%)
		as at the date of the Prospectus
Antakalnio būstas UAB	Lithuania	100%
Apkaba UAB	Lithuania	100%
Aukštaitijos būstas UAB	Lithuania	100%
Baltijos būsto priežiūra UAB	Lithuania	100%
Baltijos NT valdymas UAB	Lithuania	100%
Baltijos pastatų valdymas UAB	Lithuania	100%
Baltijos turto valdymas UAB	Lithuania	100%
Dainavos būstas UAB	Lithuania	100%
Danės būstas UAB	Lithuania	100%
Economus UAB	Lithuania	100%
Justiniškių būstas UAB	Lithuania	100%

		Jūros būstas UAB	Lithuania	100%									
		Kauno centro būstas UAB	Lithuania	100%									
		Karoliniškių būstas UAB	Lithuania	100%									
		Karoliniškių turgus UAB	Lithuania	100%									
		Konarskio turgelis UAB	Lithuania	100%									
		Lazdynų butų ūkis UAB	Lithuania	100%									
		Lazdynų būstas UAB	Lithuania	100%									
		Mano aplinka UAB	Lithuania	100%									
		Mano aplinka plus UAB	Lithuania	100%									
		Mano Būstas UAB	Lithuania	100%									
		Mano Sauga UAB	Lithuania	99.27%									
		Mano sauga LT UAB	Lithuania	100%									
		Namų priežiūros centras UAB	Lithuania	100%									
		Naujamesčio būstas UAB	Lithuania	100%									
		Nemuno būstas UAB	Lithuania	100%									
		Nemuno būsto priežiūra UAB	Lithuania	100%									
		Pastatų priežiūra UAB	Lithuania	100%									
		Pašilaičių būstas UAB	Lithuania	100%									
		Pempininkų būstas UAB	Lithuania	100%									
		Radviliškio būstas UAB	Lithuania	100%									
		Skolos LT UAB	Lithuania	100%									
		Šiaulių būstas UAB	Lithuania	100%									
		Šiaulių namų valda UAB	Lithuania	100%									
		Šilutės būstas UAB	Lithuania	99.84%									
		Vėtrungės būstas UAB	Lithuania	100%									
		Vilkpėdės būstas UAB	Lithuania	100%									
		Vilniaus turgus UAB	Lithuania	100%									
		Vingio būstas UAB	Lithuania	100%									
		Viršuliškių būstas UAB	Lithuania	100%									
		Žaidas UAB	Lithuania	99.33%									
		Žardės būstas UAB	Lithuania	100%									
		Žirmūnų būstas UAB	Lithuania	100%									
		Administraciones SantaPola S.L.	Spain	100%									
		Administracion Urbana y Rural Chorro S.L.U.	Spain	100%									
		Afimen administración de finques S.L.U.	Spain	100%									
		Concentra Servicios y Mantenimiento S.A.	Spain	100%									
		Elche administracion de fincas S.L.U.	Spain	100%									
		City Service SIA	Latvia	100%									
		Namu serviss APSE SIA	Latvia	100%									
		Riga City Service SIA	Latvia	100%									
		City Service Poland sp. z o.o.	Poland	100%									
		City Service Polska sp. z o.o.	Poland	100%									
		City Service Grupa Techniczna sp. z o.o.	Poland	100%									
		EnergiaOK sp. z o.o.	Poland	100%									
		Progresline sp. z o.o.	Poland	100%									
		Zespół Zarządców Nieruchomości sp. z o.o.	Poland	100%									
		FAMIX sp. z o.o.	Poland	100%									
		SANTER Zarządzanie Nieruchomościami sp. z o.o.	Poland	100%									
		Сити Сервис ОАО	Russia	100%									
		Сити Сервис ЗАО	Russia	100%									
		Специализи-рованное ремонтно-наладочное управление ОАО	Russia	100%									
		Жилкомсервис № 3 Фрунзенского района ООО	Russia	80%									
		Чистый дом ООО	Russia	100%									
		Подъемные механизмы ООО	Russia	99%									
		<i>Source: the Company</i>											
B.6	Persons, directly or indirectly, having interest in the Company's capital or voting rights notifiable under Estonian law and the amount of such interest. Voting rights of major	<p>On the day of this Prospectus the authorised capital of the Company is EUR 9,483,000 and is divided into 31,610,000 ordinary registered Shares with a nominal value of EUR 0.30 each. All the Shares issued by the Company are fully paid up and entitle to equal voting rights to their holders.</p> <p>In the table below the information is provided on shareholders of the Company having more than 5% of authorised capital of the Company on the date of this Prospectus:</p> <table border="1"> <thead> <tr> <th>Shareholder</th> <th>Number of owned shares and votes</th> <th>Total, %</th> </tr> </thead> <tbody> <tr> <td>ICOR UAB</td> <td>20,935,618</td> <td>66.23</td> </tr> <tr> <td>East Capital (Lux) Funds</td> <td>3,334,788</td> <td>10.55</td> </tr> </tbody> </table>			Shareholder	Number of owned shares and votes	Total, %	ICOR UAB	20,935,618	66.23	East Capital (Lux) Funds	3,334,788	10.55
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	shareholders. Direct or indirect control of the Company	<p>Genesis Emerging Markets OPP FD LTD 1,605,183 5.08</p> <p>Source: the Company</p> <p>Major shareholders of the Issuer do not have different voting rights.</p> <p>Apart from the fact that the biggest shareholder of the Company (ICOR UAB; the ultimate parent of the Company is Global Energy Consulting OÜ, a holding company registered in Estonia, shares of which are held in equal parts by Andrius Janukonis (Chairman of the Supervisory Board of the Company and Chairman of the management board of ICOR UAB), Gintautas Jaugielavičius (member of the Supervisory Board of the Company and member of the management board of ICOR UAB) and by Linas Samuolis and which is controlled by the above persons) holds 66.23% Shares in the Company, the Company is not aware on any direct or indirect ownership or control relations. There are no measures in place to ensure that the above control is not abused.</p> <p>The Issuer is not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Issuer.</p>																																																																																																																																								
B.7	Selected historical key financial information. Narrative description of significant change to the Company's financial condition and operating results subsequent to the period covered by selected historical key financial information	<p>The tables below present certain selected financial information of the Group for the years ended 31 December 2014, 31 December 2013, 31 December 2012 and for the six month periods ended 30 June 2015 and 30 June 2014 that is extracted without material adjustment from the IFRS Financial Statements and Consolidated Interim Financial Information as well as key ratios and indicators. Selected financial information for the periods ended 31 December 2014 and earlier for convenience purposes is converted from Litas (LTL) to Euro (EUR) at official exchange rate of LTL 3.4528 to EUR 1.</p> <p>The ratios and indicators set in the table below are provided to illustrate certain aspects of the business of the Group and its financial performance. Some of these ratios and indicators are used by the Management to evaluate the performance of the Group, while others are provided for the benefit of possible investors into the Company. These ratios and indicators are not calculated in accordance with the IFRS, but they are calculated from the data extracted from the IFRS Financial Statements. The Management believes that the ratios and indicators set forth below are customary and often used by public companies to illustrate their business and financial performance.</p> <p>Selected information from the IFRS Financial Statements and Consolidated Interim Financial Information and key ratios and indicators (EUR'000)</p> <table border="1"> <thead> <tr> <th rowspan="2">Selected information from the Statements of Comprehensive Income</th> <th colspan="2">6 months ended 30 June</th> <th colspan="3">Year ended 31 December</th> </tr> <tr> <th>2015</th> <th>2014</th> <th>2014</th> <th>2013</th> <th>2012</th> </tr> </thead> <tbody> <tr> <td colspan="6">Continuing operations</td> </tr> <tr> <td>Total revenue</td> <td>83,739</td> <td>92,792</td> <td>181,266</td> <td>149,663</td> <td>143,048</td> </tr> <tr> <td>Operating costs</td> <td>(80,842)</td> <td>(87,489)</td> <td>(172,350)</td> <td>(139,293)</td> <td>(130,033)</td> </tr> <tr> <td>Operating profit</td> <td>2,897</td> <td>5,303</td> <td>8,916</td> <td>10,370</td> <td>13,015</td> </tr> <tr> <td>Income (costs) from financial activities</td> <td>1,985</td> <td>(1,340)</td> <td>(1,982)</td> <td>(1,696)</td> <td>(2,157)</td> </tr> <tr> <td>Profit for the reporting period before tax</td> <td>4,882</td> <td>3,963</td> <td>6,934</td> <td>8,674</td> <td>10,858</td> </tr> <tr> <td>Income tax (costs)</td> <td>(910)</td> <td>(947)</td> <td>(1,813)</td> <td>(1,660)</td> <td>(1,596)</td> </tr> <tr> <td>Net profit for the reporting period</td> <td>3,972</td> <td>3,016</td> <td>5,121</td> <td>7,014</td> <td>9,262</td> </tr> </tbody> </table> <p>Source: Consolidated Interim Financial Information, IFRS Financial Statements, the Company</p> <table border="1"> <thead> <tr> <th rowspan="2">Selected information from the Balance Sheets</th> <th colspan="2">As at 30 June</th> <th colspan="3">As at 31 December</th> </tr> <tr> <th>2015</th> <th>2014</th> <th>2014</th> <th>2013</th> <th>2012</th> </tr> </thead> <tbody> <tr> <td colspan="6">ASSETS</td> </tr> <tr> <td>Non-current assets</td> <td>69,248</td> <td>54,728</td> <td>72,777</td> <td>50,970</td> <td>64,312</td> </tr> <tr> <td>Current assets</td> <td>64,418</td> <td>74,731</td> <td>62,401</td> <td>71,255</td> <td>51,955</td> </tr> <tr> <td>Assets held for sale</td> <td>5,201</td> <td>-</td> <td>2,342</td> <td>18,320</td> <td>-</td> </tr> <tr> <td>Total assets</td> <td>138,867</td> <td>129,459</td> <td>137,520</td> <td>140,545</td> <td>116,267</td> </tr> <tr> <td colspan="6">EQUITY AND LIABILITIES</td> </tr> <tr> <td>Total equity</td> <td>68,137</td> <td>64,256</td> <td>65,208</td> <td>60,885</td> <td>53,592</td> </tr> <tr> <td colspan="6">Liabilities</td> </tr> <tr> <td>Non-current liabilities</td> <td>20,286</td> <td>18,843</td> <td>21,800</td> <td>19,287</td> <td>15,577</td> </tr> <tr> <td>Current liabilities</td> <td>44,608</td> <td>46,360</td> <td>47,674</td> <td>55,470</td> <td>47,098</td> </tr> <tr> <td>Liabilities associated</td> <td>5,836</td> <td>-</td> <td>2,838</td> <td>4,903</td> <td>-</td> </tr> </tbody> </table>	Selected information from the Statements of Comprehensive Income	6 months ended 30 June		Year ended 31 December			2015	2014	2014	2013	2012	Continuing operations						Total revenue	83,739	92,792	181,266	149,663	143,048	Operating costs	(80,842)	(87,489)	(172,350)	(139,293)	(130,033)	Operating profit	2,897	5,303	8,916	10,370	13,015	Income (costs) from financial activities	1,985	(1,340)	(1,982)	(1,696)	(2,157)	Profit for the reporting period before tax	4,882	3,963	6,934	8,674	10,858	Income tax (costs)	(910)	(947)	(1,813)	(1,660)	(1,596)	Net profit for the reporting period	3,972	3,016	5,121	7,014	9,262	Selected information from the Balance Sheets	As at 30 June		As at 31 December			2015	2014	2014	2013	2012	ASSETS						Non-current assets	69,248	54,728	72,777	50,970	64,312	Current assets	64,418	74,731	62,401	71,255	51,955	Assets held for sale	5,201	-	2,342	18,320	-	Total assets	138,867	129,459	137,520	140,545	116,267	EQUITY AND LIABILITIES						Total equity	68,137	64,256	65,208	60,885	53,592	Liabilities						Non-current liabilities	20,286	18,843	21,800	19,287	15,577	Current liabilities	44,608	46,360	47,674	55,470	47,098	Liabilities associated	5,836	-	2,838	4,903	-
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with assets held for sale

Total liabilities	70,730	65,203	72,312	79,660	62,675
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Source: Consolidated Interim Financial Information, IFRS Financial Statements, the Company

Selected information from the Cash Flow Statements	6 months ended 30 June		Year ended 31 December		
	2015	2014	2014	2013	2012
Profit for the reporting period (including discontinued operations)	3,854	4,270	6,109	7,296	4,429
Net cash flow from operating	(227)	(7,658)	(2,021)	10,115	5,284
Net cash flow from investing activities	1,854	12,173	8,150	(5,844)	(7,828)
Net cash flow from financing activities	(2,443)	(2,944)	(4,634)	(1,175)	4,822
Impact of currency exchange	118	-	(705)	-	-
Net change	(698)	1,571	790	3,096	2,278
Opening balance	13,419	11,158	12,629	9,533	7,255

Source: Consolidated Interim Financial Information, IFRS Financial Statements, the Company

Key Ratios and Indicators	6 months ended 30 June		Year ended 31 December		
	2015	2014	2014	2013	2012
Basic and diluted earnings per share (EUR) ¹	0.13	0.14	0.19	0.23	0.14
EBITDA margin ²	5.8%	7.4%	6.8%	8.9%	10.4%
EBIT margin ³	3.5%	5.7%	4.9%	6.9%	9.1%
Net profit margin ⁴	4.7%	3.3%	2.8%	4.7%	6.5%
Return on equity (ROE) ⁵	5.7%	6.6%	9.4%	12.0%	8.3%
Return on assets (ROA) ⁶	2.8%	3.3%	4.4%	5.2%	3.8%
Debt to equity ratio ⁷	104%	101%	111%	131%	117%
Gearing ratio ⁸	35%	32%	37%	35%	36%

Source: Consolidated Interim Financial Information, IFRS Financial Statements, the Company

¹ **EPS** = Basic earnings per share have been calculated by dividing net profit (including both continued and discontinued operations) for the period attributable to equity shareholders of the parent by the number of ordinary Shares of the Company.

² **EBITDA margin** = EBITDA / Revenue from continuing operations. The EBITDA margin measures the ratio of EBITDA and sales revenue, providing information about the Group's profitability from the operations of its business and is independent of the Group's financing and tax items as well as depreciation-related estimates.

³ **EBIT margin** = (Operating profit from continuing operations + other activity result from continuing operations) / Revenue from continuing operations. The operating and other activity profit margin measures the ratio of operating and sales revenue, providing information about the Group's profitability from the operations of its business and is independent both of the Group's financing and tax items.

⁴ **Net profit margin** = Net profit from continuing operations / Revenue from continuing operations. The net profit margin measures the ratio of net and sales revenue, providing information about the Group's profitability from its business.

⁵ **Return on equity (ROE)** = Net profit (both from continued and discontinued operations) / Total equity. Return on equity excludes debt in the denominator and compares net profit for the period with total shareholders' equity. It measures the rate of return on shareholders' investment and is, therefore, useful in comparing the profitability of the Group with its competitors.

⁶ **Return on assets (ROA)** = Net profit (both from continued and discontinued operations) / Total assets. Ratio compares net profit for the period with total assets owned by the Group. It measures the rate of return on assets used in Group's activity and is, therefore, useful in comparing the profitability of the Group with its competitors.

⁷ **Debt to equity ratio** = Group's total liabilities / Group's total equity.

⁸ **Gearing ratio** = Group's total financial liabilities / Group's total equity.

B.8 Selected key pro

Not applicable. The Prospectus does not contain pro forma financial information.

	forma financial information	
B.9	Profit forecast or estimate	Not applicable. The Issuer has not made a decision to include the profit forecasts or estimates in the Prospectus.
B.10	Qualifications in the audit report on the historical financial information	Not applicable. There are no qualifications in the audit reports on the historical financial information incorporated by reference in this Prospectus.
B.11	Working capital	The Management is of the opinion that the working capital of the Group, which amounts to EUR 19,810 thousand as at 30 June 2015 (calculated as a difference between current assets and current liabilities) is sufficient to meet its present requirements for at least the next 12 months following the date of the Prospectus.

Section C — Securities

Element	Title	Disclosure
C.1	Type and class of securities and security identification number	<p>The Shares are ordinary registered shares with a nominal value of EUR 0.30 each. The security identification number (ISIN) of the Shares is EE3100126368.</p> <p>All the Shares are <i>pari passu</i> (at an equal pace without preference) with regard to property and non-property rights they grant to shareholders.</p> <p>This Prospectus was not prepared for the public offering of the Shares (or any part thereof) and was prepared solely for the purpose of the Admission of the Shares to trading on the WSE.</p>
C.2	Currency of the issue	EUR.
C.3	Number of shares issued and fully paid / issued but not fully paid. Nominal value per share	As of the day of this Prospectus the authorised capital of the Company is EUR 9,483,000 and is divided into 31,610,000 ordinary registered Shares with a nominal value of EUR 0.30 each. As of the day of this Prospectus all the Shares issued are fully paid and there are no other types of shares issued by the Company.
C.4	Rights attached to the securities	<p>The rights conferred by the Shares are as follows:</p> <ul style="list-style-type: none"> – to receive a portion of the Company's profit (dividends); – to receive the Company's funds when the capital of the Company is reduced with a view to paying out the Company's funds to the shareholders; – to receive shares without payment if the capital is increased from the shareholders' equity (bonus issue); – to have a pre-emption right in acquiring the shares or convertible debentures issued by the Company, except in the case when the General Meeting decides to withdraw the pre-emption right for all the shareholders; – to receive a part of the assets of the Company in liquidation; – to attend General Meetings; – to vote at General Meetings according to voting rights carried by their shares; – to receive information on the activities of the Company from the Management Board at the General Meeting, unless this may cause significant damage to the interests of the Company; – to demand the calling of a General Meeting, if this is demanded by shareholders whose shares represent at least one-twentieth of the share capital of the Company; – to call a General Meeting, if the Management Board does not call a General Meeting within one month after receipt of such a demand by shareholders whose shares represent at least one-twentieth of the share capital of the Company; – to demand at the General Meeting a resolution on conduct of a special audit on matters regarding the management or financial situation of the Company, if this is demanded by shareholders whose shares represent at least one-tenth of the share capital of the Company; – other property and non-property rights set out in the Commercial Code.
C.5	Restrictions on free transferability of securities	<p>There are no restrictions on transfer of Shares as they are described in the applicable Estonian laws.</p> <p>However, according to the knowledge of the Issuer, part of Shares of the Issuer, held by the biggest shareholder ICOR UAB (55.03% of all the Shares) are pledged to a bank.</p>
C.6	Admission to trading / Name of the regulated market	The Shares are admitted to trading on the Main List of the OMX. Application will be made for the Shares to be admitted to listing and trading on the Parallel Market of the WSE and it is expected that the Admission to trading of the Shares on the WSE will become effective on or around 15 November 2015.

		<p>The Issuer will not be seeking to apply for listing of temporary share receipts, such as "rights to shares". No entity has a commitment of any kind to act in secondary trading in the Shares or provide liquidity through bid and offer rates.</p> <p>Thus, this Prospectus was prepared exclusively for the purpose of the Admission of the Shares to trading on the WSE. None of the Shares will be offered publically based on this Prospectus.</p> <p>Trading in the Shares is expected to commence till the middle of November 2015.</p>															
C.7	Dividend policy	<p>The Company does not have an approved policy on dividend distributions and any restrictions thereon. Decision on distribution of dividends to shareholders is adopted by the General Meeting.</p> <p>As from the year 2011 the Company (the Former Parent Company) has paid to its shareholders the following amounts of dividends:</p> <table border="1"> <thead> <tr> <th>Dividend for year/payment reflected in</th> <th>Distributed dividends in total, LTL</th> <th>Distributed dividends per share, LTL</th> </tr> </thead> <tbody> <tr> <td>2011/ 2012</td> <td>7,270,300 (approx. EUR 2,105,624)</td> <td>0.23 (approx. EUR 0.07)</td> </tr> <tr> <td>2012/ 2013</td> <td>-</td> <td>-</td> </tr> <tr> <td>2013/ 2014</td> <td>4,014,000 (approx. EUR 1,162,535)</td> <td>0.13 (approx. EUR 0.04)</td> </tr> <tr> <td>2014/ 2015</td> <td>3,274,290 (approx. EUR 948,300)</td> <td>0.10 (approx. EUR 0.03)</td> </tr> </tbody> </table> <p>The Company cannot ensure that dividends will be paid in the future, or if dividends will be paid, how much they will amount to. The declaration and payment by the Company of any future dividends and the amount thereof will depend on the Company's results of operations, financial condition, cash requirements, future prospects and other aspects as well as the resolutions adopted by the General Meeting.</p> <p>It must also be noted that certain Subsidiaries are parties to financing arrangements, terms and conditions of which restrict payment of dividends, unless the respective creditors consent to the respective payments.</p>	Dividend for year/payment reflected in	Distributed dividends in total, LTL	Distributed dividends per share, LTL	2011/ 2012	7,270,300 (approx. EUR 2,105,624)	0.23 (approx. EUR 0.07)	2012/ 2013	-	-	2013/ 2014	4,014,000 (approx. EUR 1,162,535)	0.13 (approx. EUR 0.04)	2014/ 2015	3,274,290 (approx. EUR 948,300)	0.10 (approx. EUR 0.03)
Dividend for year/payment reflected in	Distributed dividends in total, LTL	Distributed dividends per share, LTL															
2011/ 2012	7,270,300 (approx. EUR 2,105,624)	0.23 (approx. EUR 0.07)															
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Section D – Risks

Element	Title	Disclosure
D.1	Key risks specific to the Company, to the Group or the industry	<p>General Business Risks:</p> <p><i>General economic situation.</i></p> <p><i>Potential challenges to implementing business strategy and achieving desired results.</i></p> <p><i>The recent global sovereign debt crisis could result in higher borrowing costs and more limited availability of credit, as well as impact the overall industry, in which the Group operates and the financial health of the Group's counterparties.</i></p> <p><i>Inflation.</i></p> <p><i>Increase of salaries in the Baltic States and Poland.</i></p> <p><i>Success of previous, current, and future investment projects.</i></p> <p><i>Catastrophic events, terrorist attacks, acts of war, hostilities, riots, civil unrest, pandemic diseases and other unpredictable events may materially adversely affect the Group.</i></p> <p>Risk Factors Characteristic of the Group:</p> <p><i>Dependence on external financing.</i></p> <p><i>Dependence on the team of top managers.</i></p> <p><i>Transactions with related parties.</i></p> <p><i>Dependence on Subsidiaries.</i></p> <p><i>Group's performance also depends on its ability to attract qualified and semi-qualified personnel in the market.</i></p> <p><i>Regulatory and legislation risk.</i></p> <p><i>The tariffs of residential facility management and other parameters are subject to regulation by municipalities.</i></p> <p><i>Dependence on major contracts.</i></p>

		<p><i>Competition risk.</i></p> <p><i>Political and legal uncertainty related to operations in Russia.</i></p> <p><i>Compliance with legal acts.</i></p> <p><i>Contingencies related to foreign Subsidiaries.</i></p> <p><i>The Group entities are exposed to liability against clients.</i></p> <p><i>Reputation may be affected by adverse publicity in relation to the Group and its services.</i></p> <p><i>Subcontractor risks.</i></p> <p><i>Acquisition and integration of acquired companies.</i></p> <p><i>Dependence on IT.</i></p> <p><i>Company's liquidity.</i></p> <p><i>Interest rate risk.</i></p> <p><i>Foreign exchange risk.</i></p> <p><i>Credit risk.</i></p> <p><i>Risk, related to future audited financial results of the Company.</i></p> <p>Legal and Taxation Risk Factors:</p> <p><i>The rights of Estonian company shareholders may differ from the rights of shareholders of a Polish company and the legislation, interpretation and application of legal acts may be different in Estonia from that in Poland.</i></p> <p><i>Judgments of Polish courts against the Company and the Group may be more difficult to enforce than if the Company and its management were located in Poland.</i></p> <p><i>Tax treatment for non-Estonian investors in an Estonian company may vary.</i></p> <p><i>Litigation risks.</i></p> <p><i>Reorganization risk.</i></p> <p><i>Risk, related to change of the jurisdiction of the legal acts, applicable to the Company's activities.</i></p> <p><i>The Issuer does not fully comply with the OMX Corporate Governance Code.</i></p> <p><i>The Company's non-compliance with the corporate governance rules of the WSE may have an adverse effect on value and liquidity of the Shares.</i></p> <p><i>Tax risks.</i></p>
D.3	Key risks that are specific to the Shares	<p>Risk Factors Related to the Company's Shares:</p> <p><i>The price of the Company's Shares may fluctuate significantly.</i></p> <p><i>Turmoil in emerging markets could cause the value of the Shares to suffer.</i></p> <p><i>The market value of Shares may be adversely affected by future sales or issues of substantial amounts of Shares.</i></p> <p><i>The marketability of the Shares may decline and the market price of the Company's Shares may fluctuate disproportionately in response to adverse developments that are unrelated to the Company's operating performance.</i></p> <p><i>Securities or industry analysts may cease to publish research or reports about the Company's business or may change their recommendations regarding the Shares.</i></p> <p><i>There is no guarantee that the Company will pay dividends in the future.</i></p> <p><i>The Issuer may be unable to list the Shares on the WSE.</i></p> <p><i>There is no guarantee that the Company will remain listed on the WSE.</i></p> <p><i>Once the Shares of the Issuer are listed on the WSE the necessary actions will be taken by the Company for delisting them from trading on the OMX.</i></p> <p><i>Dual listing of the Shares (until they are delisted from the OMX) results in differences in liquidity, settlement and clearing systems, trading currencies and transaction costs between the two exchanges where the Shares are listed. These and other factors may hinder the transferability of the Shares between the two exchanges.</i></p> <p><i>Trading in the Company's Shares on the WSE may be suspended.</i></p>

		<p><i>There can be no assurance regarding the future development of the market for the Shares and its liquidity.</i></p> <p><i>The shareholders may be not able to exercise preferential right to subscribe for new shares and may face dilution as a result.</i></p> <p><i>Risks regarding the use of nominee accounts.</i></p> <p><i>The Issuer has been, and will continue to be, influenced by the major shareholder.</i></p> <p><i>Differences in availability of public information and reporting and rights of shareholders.</i></p>
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Section E – Offer

<i>Element</i>	<i>Title</i>	<i>Disclosure</i>
E.1	Total net proceeds. Estimate of total expenses of the Admission (including estimated expenses charged to the investor)	<p>Not applicable, as this Prospectus was prepared solely for the purpose of the Admission of the Shares to trading on the WSE, also because there is no public issue/offer of the Shares (or any part thereof). Furthermore, no proceeds will be received by the Company as a result of the Admission.</p> <p>Following the preliminary calculations, the Issuer's fixed expenses, related to the Admission, shall comprise of up to EUR 47 thousand (including, without limitation, the fixed fees (if any) for the Estonian, Lithuanian and Polish legal counsels, fees to the EFSA for approval of the Prospectus, fees to the ECRS, NDS and WSE, fees for preparation of the Prospectus).</p> <p>The Issuer does not intend to charge any expenses to the investors, related to the Admission.</p>
E.2a	Reasons for the Offering / Use of proceeds / Estimated net amount of proceeds	Not applicable, as this Prospectus was prepared solely for the purpose of the Admission of the Shares to trading on the WSE. There is no public issue/offer of the Shares (or any part thereof). Furthermore, no proceeds will be received by the Company as a result of the Admission.
E.3	Terms and conditions of the Offering	Not applicable. This Prospectus was not prepared for the public offering of the Shares (or any part thereof) and was prepared solely for the purpose of the Admission of the Shares to trading on the WSE. The Company expects that the Shares will be admitted to trading on the WSE till the middle of November 2015.
E.4	Interests material to the Offering / Conflicting interests	Not applicable. Taking into consideration that this Prospectus was prepared solely for the purpose of the Admission of the Shares to trading on the WSE as well as that there is no public issue/offer of the Shares (or any part thereof), there are no interests, including conflicting ones related to the Admission of the Shares to trading on the WSE.
E.5	Name of the person or entity offering to sell the security. Lock-up agreements: parties involved; period of lock-up	<p>Not applicable. This Prospectus was not prepared for the public offering of the Shares (or any part thereof) and was drafted exclusively for the purpose of the Admission of the Shares to trading on the WSE.</p> <p>Furthermore, as far it is known to the Company, there are no lock-up agreements, related to the Shares.</p>
E.6	Immediate dilution. Amount and percentage of immediate dilution if Existing Shareholder not Subscribing during Offering	Not applicable, as there is no public offering of Shares (or any part thereof) and the Prospectus was prepared solely for the purpose of the Admission of the Shares to trading on the WSE.
E.7	Estimated Expenses charged to the Investor by the Company	Not applicable. The Issuer does not intend to charge any expenses to the investors.

III RISK FACTORS

The risk factors exist, related to activities of the Issuer and investment into its securities. If any of the events described below actually occur, the Group's business, financial condition or results of operations could be materially adversely affected, and the value and trading price of the Shares may decline, resulting in a loss of all or a part of any investment in the Shares. Furthermore, the risks described below are not the only risks the Group faces. The order of the risk factors described below is not an indication of their relative importance for the Group, the probability of their occurrence or their potential influence on the Group's activity. Additional risks not currently known or which are currently believed to be immaterial may also have a material adverse effect on the business, financial condition and results of operations of the Group.

3.1 General Business Risks

General economic situation

The Group's business, financial performance and financial condition may be materially affected by changes in general economic, political and financial market conditions, such as a global or local recession, inflation and/or fluctuations in interest rates.

The demand for facility management services generally correlates with economic activity, including growth in gross domestic product, in the countries in which the Group operates. Although the facility management services industry is normally considered to be less sensitive to economic cycles than a number of other industries, both weak and strong economic activity, presents a challenge for the Group. Periods of recession may have an adverse impact on prices, payment terms and on the demand for services. This may adversely affect the Group's financial performance and financial condition.

In periods of rapid economic growth, the Group may encounter problems in recruiting qualified employees and tends to experience inflation-driven increases in certain of its costs, such as staff costs, that are sensitive to rises in the general price levels. In this situation, due to competitive pressures or administratively set tariffs in case of residential facility management segment, the Group may be not able to raise the prices it charges on its services sufficiently to preserve operating margins. Accordingly, high rates of inflation could increase the Group's costs and have a material adverse effect on the Group's financial performance and its financial condition.

Potential challenges to implementing business strategy and achieving desired results

The Group expects to provide a greater volume of its services and subsequently to earn higher returns in the future. However, these results are not guaranteed and are subject to variation due to numerous factors. The Group's financial results might not develop as projected because of a lower global demand, increased competition or the Group's inability to implement its business strategy. In addition, the Management team may fail to correctly anticipate future market trends and make worse than optimal decisions regarding future development of the Group.

The recent global sovereign debt crisis could result in higher borrowing costs and more limited availability of credit, as well as impact the overall industry, in which the Group operates and the financial health of the Group's counterparties

Due to on-going recession and financial disturbance in Europe the availability of capital can be limited and therefore the cost of borrowing can increase. Poor economic situation in Greece, Spain, Cyprus and other EU Member States might further negatively affect the commercial situation of many banks operating in Europe. In addition, the risk of lower consumer confidence can have an adverse impact on financial markets and economic conditions in the EU and throughout the world and, in turn, the market's anticipation or reflection of these impacts could have a material adverse effect on the Group's business in a variety of ways:

- difficulty or inability to acquire capital for further business expansion and to cover financial obligations of current debt;
- increased risk of weak financial condition of the Group's counterparties resulting from current economic situation;
- exposure to increased bank risk, if banks issue letters of credit or other forms of guarantees to the Group in lieu of cash security deposit from its counterparties, such banks may fail to pay when the Group seeks to draw on these letters of credit.

Inflation

The upcoming years may entail considerable inflation (this is particularly relevant to Russia due to drastic drop of exchange rate of Russian Rouble and other reasons). Relevant expenses of the Group, e. g., investment to equipment and workforce, are closely related to the general price level. Growing inflation may prevent the Issuer from changing the prices of its products and/or services respectively to preserve the existing profit margin or may lead to higher losses. Thus, the Group's expenditures would increase considerably due to inflation and the Issuer would have to cover its

increased costs from internal resources, unless the Issuer manages to increase its prices. Thus, strong inflation may have a considerable adverse influence on the Issuer's financial situation and business results.

Increase of salaries in the Baltic States and Poland

Labour costs make a considerable part of the cost of the Group's services. Though workforce is cheaper in the Baltic States and Poland than in old EU Member States, the difference should decrease constantly as the economy of these countries is catching up with the average of the EU. Willing to remain competitive and retain its employees, the Issuer and the Group may be forced to increase its labour costs at a faster pace than it used to do previously. If they fail to increase labour efficiency and effectiveness by increasing these costs, this may have a considerable adverse effect on the Group's financial situation and business results.

Success of previous, current, and future investment projects

The Issuer has implemented and may implement in the future investment projects of a large scope. Though the Issuer and its employees invoke all available information and analytical resources when planning investments, there is no guarantee, that all information on which the investments planned were based was true and exhaustive. Furthermore, there is no guarantee that the investment plans and the investments made will generate anticipated or planned return on investment; there is no guarantee that investment will not cost more than it was anticipated.

Failure of already implemented or anticipated investment projects, where return on investment from these projects is lower than it was expected or prices of such investments are higher than it was planned, may have a significant adverse effect on the Issuer's activities, its financial situation and business results.

Catastrophic events, terrorist attacks, acts of war, hostilities, riots, civil unrest, pandemic diseases and other unpredictable events may materially adversely affect the Group

Catastrophic events, terrorist attacks, acts of war or hostilities, riots, civil unrest, pandemic diseases and other similarly unpredictable events, and responses to those events or acts, may reduce the number of workable days and therefore prevent the Group and its employees from being able to provide services to its customers.

Those events and acts may also create economic and political uncertainties which may have an adverse effect on the economic conditions in such countries or decrease the demand for or increase the costs of the Group's services. Such events and acts are difficult to predict and may also affect employees, including key employees. If the Group's business continuity plans do not fully address such events or cannot be implemented under the circumstances, it may incur losses. Unforeseen events can also lead to lower revenue or additional operating costs, such as fixed employee costs not recovered by revenue due to inability to deliver services, higher insurance premiums and the implementation of redundant back-up systems. Insurance coverage for certain unforeseeable risks may also be unavailable. A materialisation of these risks may have a material adverse effect on the Group's business, results of operation or financial condition.

3.2 Risk Factors Characteristic of the Group

Dependence on external financing

The Group's operations are partially financed by short and medium term loans from several financial institutions. As of 30 June 2015 the Group's borrowings and financial lease obligations constituted EUR 23,548 thousand, including current and non-current financial liabilities in the amounts of EUR 6,872 thousand and EUR 16,676 thousand respectively (as at 30 June 2014 these amounts were EUR 20,770 thousand, EUR 7,538 thousand and EUR 17,932 thousand respectively). The existing credit facilities of the Group contain financial covenants and provide for certain other obligations and representations the violation of which may lead to an event of default and acceleration of the loans.

While the Group has not breached such provisions in the past, however, the Group's ability to comply with covenants and restrictions contained in the loan agreements may be affected by events beyond its control, including, without limitation, prevailing economic, financial, legal and industry conditions. In the event that these obligations were to be breached, the creditors would be able to declare an event of default pursuant to the relevant facility agreements and require prepayment of the entire outstanding amounts. Such events may cause interruptions in regular business activities, loss of collateral or, in extreme cases, a financial distress for the Issuer.

Dependence on the team of top managers

Group's business depends on the team of the top managers, responsible for the development, growth of business and appropriate day-to-day activities. Therefore, the Group's ability to survive in the competitive environment and to implement its growth strategy is mostly determined by their experience, knowledge, personal relations and other characteristics. The Group's ability to attract and hire highly competent managers also contributes to the Group's success. As the competition for high qualification personnel is strong and constant, it is probable that the Group's managers and main employees can decide to change their jobs and to leave the Issuer or other Group companies. Loss of such employees or the Group's inability to hire new managing personnel with appropriate knowledge and capabilities or shortage of such people in the market can have a negative effect on the prospects of the Group's business, financial situation and performance.

Transactions with related parties

In the past the Group has engaged in significant transactions with other companies controlled by its main shareholder ICOR UAB and by other related parties. Detailed information about such transactions is presented in Section 4.17 *Related Party Transactions*.

The Issuer believes that such related party transactions have been on arm's length terms, however, there has been no independent assessment of the terms of such transactions (except for intra-group sale of Subsidiaries/investments). Furthermore, the Group has not fully adopted a formal transfer pricing policy supporting the pricing of intra-group transactions (except for intra-group sale of Subsidiaries/investments), and the lack of documentation may give rise to the tax claims to the Group. If any related party transactions were to transfer excessive benefits from one or more of the members of the Group to related parties that do not form part of the Group, or give rise to the tax claims, they could have a material adverse effect on the Group's financial performance or its financial position.

Dependence on Subsidiaries

The Company is a holding company, which conducts its business through its Subsidiaries. The Company does not own operating assets and is to a large extent dependable on the cash flows generated by its Subsidiaries. These cash flows are supposed to finance the Company's expenses and dividend payments to shareholders. The Company may encounter limitations on free and unlimited fund transfers from the Subsidiaries as may be imposed by legal regulations of incorporation countries or restricted by covenants in bank loans.

The ability of these Subsidiaries to pay dividends and the Group's ability to receive distributions from its investments in other entities are subject to applicable laws and other restrictions. In addition, such dividends and distributions may be subject to withholding and other taxes which may lead to double taxation or other costs to the Group.

Group's performance also depends on its ability to attract qualified and semi-qualified personnel in the market

The Group's competitive strength depends upon its ability to attract, train and retain employees. The facility management services industry, in general, is characterized by a relatively high staff turnover. To the extent that the Group is unable to offer satisfactory pay and working conditions, the Group could experience labour shortage. Labour shortage may also arise due to low unemployment and increased competition for workers, which would likely increase personnel costs. Thus, the Group's inability to attract and retain the required number of qualified employees could have a material adverse effect on its business, financial performance and financial condition.

Regulatory and legislation risk

The Group's business is subject to extensive regulation and associated regulatory and legal risks (including the effects of changes in the laws, regulations, policies or their respective interpretations) which could have a material adverse effect on the Group's business, prospects, financial performance and financial position.

The tariffs of residential facility management and other parameters are subject to regulations by municipalities

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 (except in Poland and Spain, where these issues are negotiated directly with the housing partnerships or owners of apartments (houses)). Local authorities are empowered to set the 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, and to 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 for additional obligations of 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.

Dependence on major contracts

The municipalities, government institutions and corporate and other private entities, which regularly award contracts to the Group, could limit or discontinue the awarding of major contracts. Outsourcing of services depends on the economic and political climate. A decline in contracts could have a material adverse effect on the net assets, financial performance and financial position of the Group. However, taking into consideration that such agreements are concluded by way of tenders, the management of the Company considers that the political climate should not have a decisive impact on conclusion and execution thereof, if the Group duly participates and wins the respective tenders.

Competition risk

The Group faces competition from a number of different market players in many spheres of its activities in every geographic region and business segment including competition for clients, employees and acquisitions.

Each market is characterized by intense competition. In each of the markets and business segments, the Group competes primarily on the basis of its service range, pricing, established client relationships, technical knowledge and the efficient handling of service contracts. If the Group is unable to continue to provide its services to existing clients, to develop new services portfolios and to attract new clients, to respond to client trends, to increase its operating efficiency and to reduce its operating and overhead costs, it may be not able to successfully compete in the relevant markets. Should the Group fail to maintain its market position in the relevant markets and business segments, this could have a material adverse effect on the net assets, financial position and financial performance of the Group.

It is also important that in Eastern Europe the competition (especially in the activities of cleaning and security) is distorted by entities, which potentially do not pay or only partly pay the applicable taxes. For this reason the Group must seek as much as possible efficiency in its activities, which would allow competing with such potentially dishonest market players as well.

Political and legal uncertainty related to operations in Russia

A part of the Group's operational assets is located in, and important part of its revenues derives from Russia. There are certain risks associated with an investment in developing markets, including Russia, which may be greater than risks inherent in more developed markets.

Generally, investing in Russia is suitable for sophisticated investors who fully appreciate the significance of the risks involved in, and are familiar with investing in the Russian market. In particular as related its operations in Russia, the Group bears the risk to be undermined by economic instability, high level of crime and corruption, changes in the foreign policy of the Russian Government, expropriation and nationalization, uncertain business environment due to underdeveloped legal system, tax law and practice being not fully developed and subject to frequent changes. Russian legislation and administrative policy may more than commonly accepted be influenced by changes in the political arena. Moreover, administrative discretion may be exercised in a manner that is detrimental to a particular market participant or the whole industry. Accordingly, economic, legal, tax or political instability in Russia could have a material adverse effect on the business, prospects, financial performance and financial condition of the Group.

It is also important that the income of the Group in Russia is *inter alia* increased by the resale of energetic sources, which is stipulated by the specific legal regulation. Thus, in case of change of such resale rules and/or requirements in a way, which is unfavourable to the Group, this could have an adverse effect on the business, prospects, financial performance and financial condition of the Group.

Furthermore, taking into consideration that starting from the year 2014 certain sanctions have been applied to Russia for the 2014 pro-Russian unrest in Ukraine, the Group is even more exposed to political risks that could have a negative impact on the Group's sales and profitability, and the value of its assets. In this market with increased political risk, the Group is monitoring even more closely the operations of its companies and adjusting its business activities to the given level of risk. Despite these efforts, the Company finds the political risks increased, in part due to the current political turmoil in Ukraine and in some other countries.

Compliance with legal acts

The Subsidiaries and the Company are required to comply with large number of laws and regulations in numerous countries relating, but not limited to operational procedures and quality standards. Any failure to comply with the applicable laws and regulations may expose Subsidiaries to administrative penalties and civil remedies including fines or injunctions, as well as in certain cases even minor infringement proceedings can be started. Although the Group has policies in place throughout its entire organization to protect against such non-compliance, the risk of failure to comply with all legal requirements may not be totally excluded. Should any material non-compliance be established by competent authorities and not rectified in due time, it may have serious financial consequences for the Group and negative impact on Subsidiaries reputation.

Contingencies related to foreign Subsidiaries

Due to lack of taxation practices and clear legislative requirements, Group Subsidiaries, carrying out business operations in the region of St. Petersburg, namely ЗАО „Сити сервис“, ОАО „Сити сервис“, ООО Жилкомсервис № 3 Фрунзенского района were dealing with some uncertainties related to tax treatment of bad debts and their validity. The Management accounted bad debts based on the market operating practices methodology, but it is not stipulated by the Russian Tax code. In case local authorities challenge the Management's view on treatment of bad debts and their validity, for companies, operating in the region of St. Petersburg, additional profit taxes may be calculated.

Estimation of the Management regarding the maximum exposure of additional tax risk, including penalties, is provided in note 33 of the Consolidated and Company's Financial Statements for the year ended 31 December 2014.

As of 31 December 2014 the Subsidiary of the Company Concentra Servicios y Mantenimiento, S.A. had non-current accruals associated with legal claims due to disputes with employees for the amount of EUR 527 thousand.

The Group entities are exposed to liability against clients

The Group entities get access to a number of customers' premises with all equipment, personal belongings and other assets located inside those premises under facility management contracts and as a service provider the Group assumes civil liability for the damage to the customers' property, operations, as well as to the persons that may be present in the facilities. Subject to negotiations with the customers, to limited extent the Group restricts its liability contractually. In addition the Group has taken out civil liability insurance to protect itself against risks in an amount it believes is appropriate.

However, there is no guarantee that the Group will be able to obtain corresponding coverage on acceptable terms in the future or that the insurance will provide sufficient coverage for all potential claims. If sufficient insurance coverage is not in place in any individual case, or the cover amount is not sufficient for a claim asserted against the Group, this could have a material adverse effect on the net assets, financial performance and financial position of the Group.

Reputation may be affected by adverse publicity in relation to the Group and its services

The public interest in the facility management services and, concurrently, the publicity of the service are increasingly growing. Moreover, the residential facility management business inherently includes solving of utility problems many of which are beyond the Group's control, and dealing with a wide circle of price-sensitive private individuals. Therefore, by nature many major events including accidents, breakdowns, emergencies and also price changes in residential facility management are periodically followed and in many cases inadequately reflected in the local mass media. As the Group is the largest provider of facility management services in Lithuania, the Group occasionally draws adverse publicity and may get engaged in public disputes for the Group's reputation. If the latter occurs, the adverse publicity and disputes may impose additional costs for defending these disputes and harm the Group's reputation, which could thereby have adverse effect on the Group's financial performance and its financial position.

Subcontractor risks

In provision of facility management services the Group relies heavily on provision of services by external subcontractors. If such subcontractors fail to provide their services in a quality manner or on time, this may have an adverse effect on the reputation, business, financial performance and financial position of the Group.

Furthermore, the market price and availability of subcontractor services which the Group uses for its operations may be subject to significant fluctuations. Generally the Group seeks to secure the prices and availability of subcontractor services or to enter into contractual arrangements aiming to pass on corresponding price increases to its customer in full or in part, the success of such measures is not certain. This could have a material adverse effect on the net assets, financial position and financial performance of the Group.

Acquisition and integration of acquired companies

In the past the Group has acquired numerous businesses in order to expand its operations. The Group intends to continue to acquire businesses in a targeted manner in the future. In this regard, there is no guarantee that the Group will be able to identify suitable businesses and to acquire them on favourable terms. Moreover, the Group cannot guarantee that it will be able in the future to generate sufficient funds to finance envisaged corporate acquisitions. There is also a risk that not all material risks in connection with the acquisition of a company will be identified in the due diligence process and will not be or could not be sufficiently taken into account in the decision on the acquisition and in the purchase agreement. These risks could materialize only after a company has been acquired, and may not be covered by the warranties in the purchase agreement or by insurance policies.

The integration of newly acquired businesses is always associated with considerable uncertainties and risks and, among other things, requires the ability to integrate the newly acquired companies into the Group and to retain, or quickly replace, a sufficient number of qualified management staff and other key personnel. In the past, a large number of businesses have been successfully integrated into the Group. There is no guarantee, however, that the integration process will also be successful with potential future acquisitions. Moreover, with regards to corporate acquisitions the Group may not be able to realize planned savings, synergies and/or growth potentials. The businesses acquired or the joint ventures could also turn out to be less profitable than expected. As a result, depreciations on the assets of the businesses acquired or an impairment of goodwill reported in connection with the acquisition could be necessary. Each of the aforementioned factors could have a material adverse effect on the net assets, financial position and financial performance of the Group.

Dependence on IT

The Group is dependent on an efficient and uninterrupted operation of its information and communication systems. Information and communication systems are generally prone to failures, damage, power outages, computer viruses, fire and similar events. A failure or interruption in the operation of these systems can therefore not be ruled out. Failures or interruptions in the operation of the computer and data processing systems used by the Group could encounter losses and/or they may cause reputational damage to the Group (e.g. in case of disorders of timely and quality provision of

services, the claims of the clients would be possibly incurred and/or they would possibly initiate termination of the respective agreements). This could have an adverse effect on the net assets, financial position and financial performance of the Group.

Company's liquidity

In addition to other financial ratios, the Company calculates and presents comparative values of the current ratio and the quick ratio in its annual and interim reports. Though the values of the current ratio and the quick ratio of the Company (on unconsolidated basis) as at 30 June 2015 are the same (4.81) (as at 30 June 2014 they were also the same (4.89)), still a theoretical risk remains that circumstances could appear in which the Company would fulfil their current obligations only partially.

In addition to the above-mentioned liquidity ratios, the Company also calculates and presents comparative values of the debt-to-equity ratio and the debt ratio in its annual and interim reports. The values of the debt-to-equity ratio and the debt ratio of the Company (on unconsolidated basis) as at 30 June 2015 are 1.04 and 0.17 respectively (as at 30 June 2014 – 1.01 and 0.16 respectively). Taking this into account, a theoretical risk remains that circumstances could appear in which credit institutions can request that the Company offer additional guarantees for credits given to the Subsidiaries or for new credits that could be given. Also, there is a theoretical possibility that the Company could reach such a level of liabilities, where credit institutions would lend funds to the Company under less favourable conditions than they lend on the date of the Prospectus. Appearance of such circumstances could have an adverse effect on the Issuer's possibilities to raise borrowed funds for investments.

Interest rate risk

The major part of the Group's and the Company's borrowings (loans and financial lease obligations) are subject to variable rates, related to EUR LIBOR, EURIBOR and EONIA, which create an interest rate risk. This exposes the Group to a risk that borrowing costs might increase significantly in the event that the relevant benchmark market interest rates rise. Adverse interest rate fluctuations, if not hedged, may negatively impact the Group's financial performance and its financial position. There are no financial instruments designated by the Group to manage the exposure to the interest rate risk outstanding.

Foreign exchange risk

Majority of the Company's monetary assets and liabilities as of 30 June 2015 are denominated in EUR, except for loan issued in PLN which amounts to EUR 1,197 thousand as of 30 June 2015 (EUR 1.208 thousand as of 30 June 2014) and the receivables in Russian Rouble, which amounts to EUR 700 thousand as of 30 June 2015 (there were no material receivables in Russian Rouble as of 30 June 2014). Therefore, the Management of the Company believes that foreign exchange risk is insignificant.

Credit risk

The Group's and the Company'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. Credit risk of the main customer of the Company Vilnius City Municipality, is considered as relatively low. Receivables from Vilnius City Municipality as of 30 June 2015 amounted to 30% and 54% of the Group's and the Company's trade accounts receivable, respectively (21% and 96% as of 30 June 2014 respectively). As of 30 June 2015 long-term part of receivables from Vilnius City Municipality amounted to 70% of the Group's non-current accounts receivable (35% as of 30 June 2014). Usual payment term for trade accounts receivable varies from 30 to 90 days.

Risk, related to future audited financial results of the Company

The Company acts in its current status (after the merger of the Former Parent Company to the Company) as from 10 August 2015. Thus, there are neither audited annual financial statements of the Company of its current status for a full financial year, nor interim financial statements. Thus, there is a risk that the financial information of the Company (Former Parent Company), presented in the Consolidated Interim Financial Information may differ from financial information, presented in the audited annual financial statements for the year 2015.

3.3 Risk Factors Related to the Company's Shares

The price of the Company's Shares may fluctuate significantly

The trading price of the Company's shares may be subject to significant price and volume fluctuations in response to many factors including, but not limited to:

- variations in the Group's operating results and those of other companies operating in the same sphere of activities as the Group operates;
- negative research reports or adverse brokers comments;
- future sales of shares owned by the Issuer's major shareholders, or the perception that such sales will occur;
- general economic, political or regulatory conditions in the Baltic States or in the sector, where the Group operates generally; and

- price and volume fluctuations on the WSE and/or OMX or other stock exchanges, including those in other emerging markets.

Fluctuations in the price and volume of the shares may not be correlated in a predictable way to the Group's performance or operating results.

Turmoil in emerging markets could cause the value of the Shares to suffer

Financial or other turmoil in emerging markets has in the recent past adversely affected market prices in the world's securities markets for companies operating in the affected developing economies. There can be no assurance that renewed volatility stemming from future financial turmoil, or other factors, such as political unrests, that may arise in other emerging markets or otherwise, will not adversely affect the value of shares even if the Estonian economy remains relatively stable.

The market value of Shares may be adversely affected by future sales or issues of substantial amounts of Shares

There can be no assurance as to whether the Shares will be sold on the market or not. The Company cannot predict what affect such possible future sales or offerings of Shares, if any, may have on the market price of the Shares. However, such transactions may have a material adverse effect, even if temporary, on the market price of the Shares. Therefore, there can be no assurance that the market price of the Shares will not decrease due to subsequent sales of the Shares held by the existing shareholders of the Company or a new share issue by the Company.

The marketability of the Shares may decline and the market price of the Company's Shares may fluctuate disproportionately in response to adverse developments that are unrelated to the Company's operating performance

The Company cannot assure that the marketability of Shares will improve or remain consistent. Shares listed on regulated markets, such as the WSE and/or OMX, have from time to time experienced, and may experience in the future, significant price fluctuations in response to developments that are unrelated to the operating performance of particular companies. The market price of Shares may fluctuate widely, depending on many factors beyond the Company's control. These factors include, amongst other things, actual or anticipated variations in operating results and earnings by the Group companies and/or their competitors, changes in financial estimates by securities analysts, market conditions in the industry and in general the status of the securities market, governmental legislation and regulations, as well as general economic and general market conditions, such as recession. These and other factors may cause the market price and demand for the Shares to fluctuate substantially and any such development, if adverse, may have an adverse effect on the market price of Shares which may decline disproportionately to the Group companies' operating performance. The market price of Shares is also subject to fluctuations in response to further issues of shares by the Company, sales of Shares by the Company's major shareholders, the liquidity of trading in the shares and capital reduction or purchases of Shares by the Company as well as investor perception.

Securities or industry analysts may cease to publish research or reports about the Company's business or may change their recommendations regarding the Shares

The market price and/or trading volume of Shares may be influenced by the researches and reports that industry or securities analysts publish about the Company's business or the business of the Subsidiaries of the Company. There can be no guarantee of continued and sufficient analyst research coverage for the Company, as the Company has no influence on analysts who prepare such researches and reports. If analysts fail to publish researches and reports on the Company regularly, or cease to publish such reports at all, the Company may lose visibility in the capital markets, which in turn could cause the Company's Shares price and/or trading volume to decline. Furthermore, analysts may downgrade the Company's Shares or give negative recommendations regarding the Company's Shares, which could result in a decline of the Share price.

There is no guarantee that the Company will pay dividends in the future

The Company is under no lasting and definite obligation to pay regular dividends to its shareholders and no representation can be made with respect to the payment and amount of future dividends, if any. The Management's recommendations for the distribution of profit will be based on financial performance, working capital requirements, reinvestment needs and strategic considerations which may not necessarily coincide with the short-term interests of all the shareholders.

The payment of dividends and the amount thereof will be subject to the ultimate discretion of the majority of the Company's shareholders. Furthermore, for payment of dividend as well as execution of many other actions (e.g. (i) undertaking any financial obligations under credit, financial leasing, operative lease, or other financing agreements; (ii) undertaking any obligations towards third parties under guarantee, surety, mortgage, pledge or similar undertakings; (iii) issuing loans to third parties, etc.) prior written consents of certain banks, with which the relevant credit agreements were signed, would be needed.

The Issuer may be unable to list the Shares on the WSE

The admission of the Shares to trading on the WSE requires that (i) the PFSA received a certificate from the EFSA confirming that the Prospectus had been approved in Estonia, (ii) the Shares were allowed for registration in the NDS systems, and (iii) the management board of the WSE approved that the Shares are listed and traded on the WSE. One of the requirements provided for in the rules of the WSE, and a requirement on which the admission of the Shares to trading on the regulated market depends, is to ensure the proper liquidity of the Shares. Moreover, some of the criteria with respect to the admission and introduction of the Shares to trading on the regulated market are discretionary and left to the WSE to assess. The Company cannot guarantee that these approvals and consents will be obtained and that the Shares will be admitted and introduced to trading on the regulated market of the WSE. The Issuer intends to take all the necessary steps to ensure that the Shares are admitted to trading on the WSE as soon as possible. However, there is no guarantee that all of the aforementioned conditions will be met and that the Shares will be admitted to trading on the WSE on the date expected or at all.

There is no guarantee that the Company will remain listed on the WSE

If the Company fails to fulfil certain requirements or obligations under the applicable provisions of securities laws, including in particular the requirements and obligations provided for under the Public Offering Act and the Trading in Financial Instruments Act, the PFSA could impose a fine on the Company or delist its Shares from trading on the WSE.

The WSE management board will delist the Shares from trading upon the request of the PFSA, if the PFSA concludes that trading in the Shares imposes a significant threat to the proper functioning of the WSE or the safety of trading on that exchange, or infringes investors' interests. The mandatory delisting will also be effected by the WSE management board where: (i) transferability of Shares has become restricted; (ii) Shares are no longer in book entry form; (iii) the PFSA has requested so in accordance with the Trading in Financial Instruments Act; (iv) the Shares have been delisted from regulated market by the EFSA or another competent supervisory authority over such market.

The WSE management board may also delist the Shares where, (i) the Shares cease meeting all requirements for admission to trading on the WSE; (ii) the Company persistently violates the regulations of the WSE; (iii) the Company has requested so; (iv) the Company has been declared bankrupt or a petition for bankruptcy has been dismissed by the court because the Company's assets do not suffice to cover the costs of the bankruptcy proceedings; (v) the WSE management board considers it necessary in order to protect the interests of the market participants; (vi) following a decision on a merger, split or transformation of the Company; (vii) no trading was effected in the Shares within a period of three previous months; (viii) the Company has become involved in a business that is illegal under the applicable provisions of laws; and (ix) the Company is in liquidation proceedings.

Delisting of the Shares from trading on the WSE could have an adverse effect on the liquidity of the Shares and, consequently, on investors' ability to sell the Shares at a satisfactory price.

Once the Shares of the Issuer are listed on the WSE the necessary actions will be taken by the Company for delisting them from trading on the OMX

As it was indicated in the material event notification of the Former Parent Company, dated 30 April 2015, the general meeting of shareholders of the Former Parent Company, which was merged to the Company and ceased to exist following the completion of the Merger, has *inter alia* decided to initiate the admission of all the outstanding shares of the company to trading on the WSE. It has also established that the Board of the company has the right to select such a mechanism of admission of shares of the company to trading on the regulated market the WSE, which would ensure either direct admission of shares of the European company (*Societas Europaea*), formation of which is provided for in the decision on agenda matter No. 7 of the indicated general meeting of shareholders, to trading on the above-indicated regulated market, or at first of the shares of City Service AB, then of the shares of City Service AS, and only then of the shares of the European company (*Societas Europaea*) (following completion of the Merger and Conversion, these two last alternatives became irrelevant).

Furthermore, the indicated general meeting of shareholders has also decided taking into account the method of formation of the European company (*Societas Europaea*) chosen by the decision on agenda matter No. 7 of the indicated meeting, to postpone adoption of the decision on initiation of the delisting of shares of the Company from trading on the regulated market OMX until the European company (*Societas Europaea*) is formed and its shares are admitted to trading on the regulated market the WSE.

Thus, if the Admission is successfully executed and the decision regarding delisting of Shares of the Company from trading on the OMX is adopted by the General Meeting, the Shares will be delisted from trading on the indicated market under the procedure, established under the applicable legal acts.

For the above reasons the Company has called the General Meeting on 6 November 2015, which should adopt the necessary decision regarding delisting of the Shares from trading on the OMX subject to above condition (following the applicable laws this decision has to be taken by the qualified majority of $\frac{3}{4}$ of votes, participating in the General Meeting). Following the Law on Securities which is applicable in case of delisting of shares from trading on the Lithuanian regulated market, the shareholders, who will vote for the decision to delist the Shares from trading on the OMX (unless these shareholders agree that one or several shareholders will perform this obligation for other shareholders), will have to submit the circular of the tender offer, aimed at delisting the Shares from trading on the OMX, to the Bank of Lithuania

for approval. The tender offer price will be established by these shareholders (shareholder) and must be no less than the average weighted market price of the Shares within 6 months before the public announcement about the intention to delist the Shares from trading on the OMX (the average weighted market price of the Shares on this regulated market in the period from 15 April 2015 to 14 October 2015 is EUR 1.657). Furthermore, after execution of the above actions, the OMX has to adopt a respective decision regarding delisting of Shares from trading on Lithuanian regulated market.

The Company will take all the necessary actions to ensure delisting of Shares from trading on the OMX, if all the above conditions are met ((i) listing of shares on the WSE, (ii) adoption of the decision of the General Meeting regarding delisting of Shares from trading on the OMX, (iii) implementation of the tender offer by the indicated shareholders (shareholder)). However, the Company may not assure that all of them will be met and that the Shares will be delisted from trading on the OMX, as none of them depend on the actions to be taken by the Company.

All the announcements related to the above actions will be communicated by way of material event notifications, as required under the applicable legal acts.

Dual listing of the Shares (until they are delisted from the OMX) results in differences in liquidity, settlement and clearing systems, trading currencies and transaction costs between the two exchanges where the Shares are listed. These and other factors may hinder the transferability of the Shares between the two exchanges

Once the Shares will be listed on the WSE they will also remain listed on the OMX (until delisting thereof from trading on this regulated market as indicated above). Therefore for some time trading and liquidity of the Shares will be split between those two exchanges. Furthermore, the price of the Shares may fluctuate and may at any time be lower on the OMX than the price at which the shares are traded on the WSE and vice versa.

Differences in settlement and clearing systems, trading currencies, transaction costs and other factors may hinder the transferability of Shares between the two exchanges. This could adversely affect the trading of the Shares on these exchanges and increase their price volatility and/or adversely affect the price and liquidity of the Shares on these exchanges.

The shares are quoted and traded in EUR on the OMX and are quoted and traded in PLN on the WSE. The shares traded on the OMX are settled and cleared through the ECRS, as the Company is registered in Estonia. The shares traded on the WSE are settled and cleared through the NDS. The transfer of the shares between the OMX and the WSE are effectuated through a direct settlement link between the ECRS and the NDS. Although the Polish and Estonian settlement systems operated by the NDS and the ECRS currently settle transfers of shares between NDS and ECRS participants, they are under no obligation to perform or to continue to perform such procedures and such procedures may be discontinued at any time, which may limit the liquidity of the Shares and have a negative impact on the efficiency of the pricing mechanisms of the secondary market of the Shares.

Trading in the Company's Shares on the WSE may be suspended

The WSE management board has the right to suspend trading in the Shares for up to three months (i) at the request of the Company; (ii) if the Company fails to comply with the respective regulations of the WSE (such as specific disclosure requirements); or (iii) if it concludes that such a suspension is necessary to protect the interests and safety of market participants.

Furthermore, the WSE management board will suspend trading in Shares for up to one month upon the request of the PFSA.

Any suspension of trading could adversely affect the Share price.

There can be no assurance regarding the future development of the market for the Shares and its liquidity

All the existing Shares are listed (and all the shares of the Former Parent Company were listed) on the OMX. However, the past performance of such Shares on the OMX cannot be treated as indicative of likely future development of market and future demand for the Shares on the WSE.

As of the date of the Prospectus, the Company's free float, i.e. a part of the capital which is held by minority shareholders holding each less than 5% of that Company's share capital, amounts to 5,734,411 shares, which is 18.14% of the Shares and which value is below EUR 17 million required for admission of shares to trading on Primary Market of the WSE. Consequently, the Company will seek application of the Shares to trading on the Parallel Market of the WSE. In addition planned delisting tender offer on the OMX could lower the Company's free float.

The lack of liquid public market for the Shares on the WSE may have a negative effect on the ability of shareholders to sell their Shares or adversely affect the price at which the holders are able to sell their Shares. There can be no assurance as to the liquidity of any trading in the Shares, or that the Shares will be actively traded on the WSE in the future.

The shareholders may be not able to exercise preferential right to subscribe for new shares and may face dilution as a result

Pursuant to the Commercial Code, shareholders of an Estonian company have generally the preferential right to subscribe for new shares in proportion to their existing shareholding. However, such preferential right can be barred by a resolution of the general meeting of shareholders by a majority of 3/4 of the votes represented at such general meeting of shareholders. As a result of an issuance of additional shares with exclusion of preferential right to subscribe for new shares, the shareholding and voting rights in the Company and the earnings per share may be diluted. If a shareholder is unable to exercise preferential right to subscribe for new shares, such shareholder's shareholding may be diluted as a result.

Risks regarding the use of nominee accounts

All Shares in the Company must be registered and held in the securities' accounts opened in the ECRS. An investor may either open a securities account or contact a nominee account holder to hold the shares in the nominee account opened in the ECRS for the account of the investor. If the investors decide to hold the shares in a nominee account, such investors become exposed to the specific risks related to the nominee account, including the risk that the owner of the nominee account does not comply with the requirements arising from the Estonian laws or breaches its contractual obligations towards the investor. Further, it is not clear whether the company must treat each investor whose shares are held via a nominee account as a separate investor. As a result, there can be no assurance that such investors intending to exercise their shareholders' rights (including voting rights and pre-emptive rights) will be able to do so. Investors holding the Shares on a nominee account may not be able to exercise pre-emptive rights, and as a result may experience substantial dilution.

The Issuer has been, and will continue to be, influenced by the major shareholder

As of the date of the Prospectus the major shareholder (ICOR UAB) owns 66.23% of the Issuer's share capital. Thus, this major shareholder generally has the ability to influence most actions requiring shareholders' approval, including electing the supervisory board members and determining the outcome of most corporate matters, without recourse to the Issuer's minority shareholders. As a result, the major shareholder could, for example, cause the Group to pursue transactions, which may involve higher risk for the Group. Moreover, the interests of the indicated major shareholder may, in some circumstances, conflict with the interests of other holders of the shares. If circumstances were to arise where the interests of the major shareholder conflicted with the interests of other holders of the Shares, it could take actions materially adverse to the interests of holders of the Shares.

Differences in availability of public information and reporting and rights of shareholders

The disclosure requirements applicable to public companies in Estonia differ in certain respects from those applicable to public companies in other countries (e.g. in Poland). As a result, public companies in Estonia, such as the Issuer, may disclose less information or at different dates than public companies in certain other countries (e.g. in Poland). In particular, the following differences in publication standards exist under Estonian law: (i) the Issuer is not required to publish separate half year results, which would be reviewed by an independent auditor; and (ii) quarterly results may be published in the form of interim management statement.

Moreover, to exercise certain of their shareholder rights, the shareholders will have to comply with certain requirements of Estonian law. Therefore, there can be no assurance that shareholders intending to exercise their corporate rights, including voting rights and pre-emptive rights, will be able to do so in a timely manner, if at all, and without incurring additional costs.

3.4 Legal and Taxation Risk Factors

The rights of Estonian company shareholders may differ from the rights of shareholders of a Polish company and the legislation, interpretation and application of legal acts may be different in Estonia from that in Poland

The Company is organized and exists under the laws of Estonia. Accordingly, the Company's corporate structure as well as rights and obligations of the shareholders may be different from the rights and obligations of shareholders in Polish companies listed on the WSE. The exercise of certain shareholders' rights for non-Estonian investors in an Estonian company may be more difficult and costly than the exercise of rights in a Polish company. For example, an action with view of declaring a resolution invalid must be filed with, and will be reviewed by the Estonian court, in accordance with the Estonian law. In addition, Estonian regulations may provide shareholders with particular rights and privileges which could not exist in Poland and, *vice versa*, certain rights and privileges that shareholders may benefit from in Polish companies may not be guaranteed.

Even though Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders in listed companies had to be transposed into the national law of Poland and Estonia, there still might be differences in regulation of the shareholder rights and exercise thereof across the countries. In addition, even where the regulation is comparable, there might still be differences in its interpretation and application.

Furthermore, the conflicts regarding the applicable laws (Estonian or Polish) with regards to disclosures of information in connection with the Admission and other relevant issues on the Admission may arise.

Estonia is the home Member State of the Issuer for the purpose of the European Union securities regulations, and Poland is the host Member State. The EU directives provide different competencies for the home Member State and host Member State with respect to rights and obligations of the investors in public companies, depending on the subject of regulations. In addition, the directives are not always implemented in the proper manner at a national level. Consequently, investors in the Shares may be forced to seek complex legal advice in order to comply with all regulations when exercising their rights or when fulfilling their obligations. In case an investor fails to fulfil its obligations or violates law when exercising rights from or regarding the Shares, he or she may be fined or sentenced for such non-compliance or be unable to exercise rights from the Shares.

In addition, the exercise of pre-emption and certain other shareholder rights for Polish or non-Estonian investors in an Estonian company may be more difficult and costly than the exercise of rights in a Polish company listed on the WSE. Resolutions of the General Meeting may be taken with majorities different from the majorities required for adoption of equivalent resolutions in Polish companies. Moreover, certain protections such as anti-takeover measures may not be available to holders of the Shares or their application may be uncertain.

Judgments of Polish courts against the Company and the Group may be more difficult to enforce than if the Company and its management were located in Poland

The Company was formed in accordance with the Estonian law and its registered office is in Estonia. The majority of the assets of the Company are located in markets outside Poland and the majority of the management personnel working for the Company reside in countries other than Poland. For this reason Polish investors may encounter difficulties in serving summons and other documents relating to court proceedings on any of the entities within the Group and/or the management personnel working for the Group. For the same reason it may be more difficult for Polish investors to enforce a judgment of the Polish courts issued against any entities within the Group and/or the management personnel working for the Group than if those entities and/or the management personnel were located in Poland.

Tax treatment for non-Estonian investors in an Estonian company may vary

The Company is organised and existing under the laws of Estonia and, as such, the Estonian tax regime applies to the distribution of profit and other payments from the Company to its investors. The taxation of income from such payments as well as other income, for instance, from the sale of the Shares, may vary depending on the tax residence of particular investors as well as the existence and the provisions of double tax treaties between an investor's country of residence and Estonia. Tax provisions applying to particular investors may be unfavourable and/or may change in the future in a way which has an adverse effect on the tax treatment of an investor's holding of the Shares.

Each investor may be subject to taxation outside Estonia and should therefore consult with its own tax adviser. There can be no assurance that any activities, which the Company may conduct at any time in the future, would result in the investor becoming subject to any further taxes.

Litigation risks

In the course of their ordinary business operations, companies of the Group are involved in several court and official proceedings, as plaintiffs or defendants, the outcome of which cannot currently be predicted with any certainty. For more information on the material governmental, legal or arbitral proceedings, which may have or have had in the past, significant effects on the Issuer's and or the Group's financial position or profitability please see Section 4.18.4 *Legal and Arbitration Proceedings*.

The Group may be required under a court order or settlement agreement to pay considerable amounts, which may also exceed any provisions set up for this purpose. In addition to these amounts, the legal costs incurred by the Group and in some cases of its opponent would also have to be borne. This could have a material adverse effect on the net assets, financial position and financial performance of the Group.

Reorganization risk

Following the Merger the Issuer took over all the assets, rights and liabilities of the Former Parent Company and it is the legal successor of the same. For any obligation of the Former Parent Company the Issuer, continuing operations after the Merger, took the responsibility.

Risk, related to change of the jurisdiction of the legal acts, applicable to the Company's activities

Up until the Merger the Former Parent Company was registered in the Republic of Lithuania. Consequently, legal acts of the Republic of Lithuania were applicable to its activities, regulation of activities, tax regime and to other aspects. Following completion of the Merger, whereby the Issuer took over all the assets, rights and liabilities of the Former Parent Company, legal acts of the Republic of Estonia became applicable to all the requirements of activity of the Issuer.

Although the Company takes all the necessary actions, that following the Merger of the Former Parent Company to the Issuer, its activities and other issues in connection therewith fully complied to the applicable Estonian legal requirements, a theoretical risk remains, that the Issuer will implement such new requirements not to their full extent, will apply or interpret them not correctly, etc.

In case of occurrence of such circumstances, the competent Estonian institutions could require to execute the requirements of the respective legal acts, impose fines or other sanctions, which could harm the reputation of the Company and/or have adverse effect on the Company's financial performance and its financial position.

The Issuer does not fully comply with the OMX Corporate Governance Code

The Issuer does not fully comply with the OMX Corporate Governance Code: it has not formed the Nomination and Remuneration Committee, the collegial bodies of the Issuer do not conduct the assessment of their activities every year, the meetings of the bodies of the Company are not convened regularly according to the schedule approved in advance, no public statements are made regarding the Company's remuneration policy, etc. (exhaustive information about its compliance with the Code is given in Annex 1 of the consolidated Annual Report of the Former Parent Company for the year ended 31 December 2014).

The Company's non-compliance with the corporate governance rules of the WSE may have an adverse effect on value and liquidity of the Shares

As a result of, among others, the differences between Polish and Estonian law, the Company is not, as of the date of this Prospectus, in full compliance with the "Best Practices in Public Companies" approved by the WSE (the "WSE Corporate Governance Rules"). Certain principles contained in the WSE Corporate Governance Rules will apply to the Company only to the extent they are compatible with Estonian law. The Company's declaration on compliance with the WSE Corporate Governance Rules will be published pursuant to the applicable provisions of law and respective regulations. Despite the fact that the WSE Corporate Governance Rules apply on the basis of "comply or explain" principle, Polish investors consider companies that comply with the WSE Corporate Governance Rules more transparent and reliable. Hence, non-complying with the WSE Corporate Governance Rules may have an adverse effect on the value and liquidity of Shares.

Tax risks

The Group regularly reviews the applicable local and foreign taxation rules in order to identify new developments and make the relevant adjustments. Due to the complexity and dynamics of both tax legislation and the interpretation of applicable law by the tax authorities, it is possible that the outcome of the tax audits performed in the Baltic States, Poland and in other states where the Group operates may not be as expected and that the tax amounts determined by the tax authorities may exceed the provisions set up for this purpose, so that additional liquid funds must be applied to pay the tax owed, which would affect the net assets, financial position and results of operations of the Group.

IV INFORMATION ABOUT THE ISSUER

4.1 Statutory Auditors

The IFRS Financial Statements of the Former Parent Company were audited by Ernst & Young Baltic UAB. Ernst & Young Baltic UAB headquarters are registered at Subačiaus str. 7, LT-01302 Vilnius, Lithuania, tel. +370 5 274 2200, fax +370 5 274 2333. Ernst & Young Baltic UAB audit licence number is 001335. The audit of the financial statements for the year ended 31 December 2014 was executed by Mrs. Inga Gudinaite, auditor's licence No. 000366 and for the years ended 31 December 2013 and 31 December 2012 – by Mr. Jonas Akelis, auditor's licence No. 000003.

Following the decision of the founder of the Company dated 30 March 2015, Ernst & Young Baltic AS was appointed as the auditor of the Company. Thus, the indicated auditor will audit the annual financial statements of the Issuer for the year 2015. Ernst & Young Baltic AS headquarters are registered at Rävåla 4, Tallinn 10143, Estonia, tel. +372 6 114 610, fax +372 6 114 611.

The Consolidated Interim Financial Information was neither audited nor subject to reviewed by an independent auditor.

4.2 Selected Financial Information

The tables below present certain selected financial information of the Group for the years ended 31 December 2014, 31 December 2013, 31 December 2012 and for the six month periods ended 30 June 2015 and 30 June 2014 that is extracted without material adjustment from the IFRS Financial Statements and Consolidated Interim Financial Information as well as key ratios and indicators. Selected financial information for the periods ended 31 December 2014 and earlier for convenience purposes is converted from Litas (LTL) to Euro (EUR) at official exchange rate of LTL 3.4528 to EUR 1.

The ratios and indicators set in the table below are provided to illustrate certain aspects of the business of the Group and its financial performance. Some of these ratios and indicators are used by the Management to evaluate the performance of the Group, while others are provided for the benefit of possible investors into the Company. These ratios and indicators are not calculated in accordance with the IFRS, but they are calculated from the data extracted from the IFRS Financial Statements. The Management believes that the ratios and indicators set forth below are customary and often used by public companies to illustrate their business and financial performance.

Table 1. Selected information from the IFRS Financial Statements and Consolidated Interim Financial Information and key ratios and indicators (EUR'000)

SELECTED INFORMATION FROM THE STATEMENTS OF COMPREHENSIVE INCOME	6 months ended 30 June		Year ended 31 December		
	2015	2014	2014	2013	2012
Continuing operations					
Total revenue	83,739	92,792	181,266	149,663	143,048
Operating costs	(80,842)	(87,489)	(172,350)	(139,293)	(130,033)
Operating profit	2,897	5,303	8,916	10,370	13,015
Income (costs) from financial activities	1,985	(1,340)	(1,982)	(1,696)	(2,157)
Profit for the reporting period before tax	4,882	3,963	6,934	8,674	10,858
Income tax (costs)	(910)	(947)	(1,813)	(1,660)	(1,596)
Net profit for the reporting period	3,972	3,016	5,121	7,014	9,262

Source: Consolidated Interim Financial Information, IFRS Financial Statements, the Company

SELECTED INFORMATION FROM THE BALANCE SHEETS	As at 30 June		As at 31 December		
	2015	2014	2014	2013	2012
ASSETS					
Non-current assets	69,248	54,728	72,777	50,970	64,312
Current assets	64,418	74,731	62,401	71,255	51,955
Assets held for sale	5,201	-	2,342	18,320	-
Total assets	138,867	129,459	137,520	140,545	116,267
EQUITY AND LIABILITIES					
Total equity	68,137	64,256	65,208	60,885	53,592
Liabilities					
Non-current liabilities	20,286	18,843	21,800	19,287	15,577
Current liabilities	44,608	46,360	47,674	55,470	47,098
Liabilities associated with assets held for sale	5,836	-	2,838	4,903	-
Total liabilities	70,730	65,203	72,312	79,660	62,675

Source: Consolidated Interim Financial Information, IFRS Financial Statements, the Company

SELECTED INFORMATION FROM THE CASH FLOW STATEMENTS	6 months ended 30 June		Year ended 31 December		
	2015	2014	2014	2013	2012
Profit for the reporting period (including discontinued operations)	3,854	4,270	6,109	7,296	4,429
Net cash flow from operating activities	(227)	(7,658)	(2,021)	10,115	5,284
Net cash flow from investing activities	1,854	12,173	8,150	(5,844)	(7,828)
Net cash flow from financing activities	(2,443)	(2,944)	(4,634)	(1,175)	4,822
Impact of currency exchange	118	-	(705)	-	-
Net change	(698)	1,571	790	3,096	2,278
Opening balance	13,419	11,158	12,629	9,533	7,255

Source: Consolidated Interim Financial Information, IFRS Financial Statements, the Company

KEY RATIOS AND INDICATORS	6 months ended 30 June		Year ended 31 December		
	2015	2014	2014	2013	2012
Basic and diluted earnings per share (EUR) ¹	0.13	0.14	0.19	0.23	0.14
EBITDA margin ²	5.8%	7.4%	6.8%	8.9%	10.4%
EBIT margin ³	3.5%	5.7%	4.9%	6.9%	9.1%
Net profit margin ⁴	4.7%	3.3%	2.8%	4.7%	6.5%
Return on equity (ROE) ⁵	5.7%	6.6%	9.4%	12.0%	8.3%
Return on assets (ROA) ⁶	2.8%	3.3%	4.4%	5.2%	3.8%
Debt to equity ratio ⁷	104%	101%	111%	131%	117%
Gearing ratio ⁸	35%	32%	37%	35%	36%

Source: Consolidated Interim Financial Information, IFRS Financial Statements, the Company

¹ **EPS** = Basic earnings per share have been calculated by dividing net profit (including both continued and discontinued operations) for the period attributable to equity shareholders of the parent by the number of ordinary Shares of the Company.

² **EBITDA margin** = EBITDA / Revenue from continuing operations. The EBITDA margin measures the ratio of EBITDA and sales revenue, providing information about the Group's profitability from the operations of its business and is independent of the Group's financing and tax items as well as depreciation-related estimates.

³ **EBIT margin** = (Operating profit from continuing operations + other activity result from continuing operations) / Revenue from continuing operations. The operating and other activity profit margin measures the ratio of operating and sales revenue, providing information about the Group's profitability from the operations of its business and is independent both of the Group's financing and tax items.

⁴ **Net profit margin** = Net profit from continuing operations / Revenue from continuing operations. The net profit margin measures the ratio of net and sales revenue, providing information about the Group's profitability from its business.

⁵ **Return on equity (ROE)** = Net profit (both from continued and discontinued operations) / Total equity. Return on equity excludes debt in the denominator and compares net profit for the period with total shareholders' equity. It measures the rate of return on shareholders' investment and is, therefore, useful in comparing the profitability of the Group with its competitors.

⁶ **Return on assets (ROA)** = Net profit (both from continued and discontinued operations) / Total assets. Ratio compares net profit for the period with total assets owned by the Group. It measures the rate of return on assets used in Group's activity and is, therefore, useful in comparing the profitability of the Group with its competitors.

⁷ **Debt to equity ratio** = Group's total liabilities / Group's total equity.

⁸ **Gearing ratio** = Group's total financial liabilities / Group's total equity.

4.3 Information about the Group

The Issuer is a holding company which manages one of the largest corporate groups engaged in facility management and integrated utility services in Europe. The Group companies engage in facility management process administration, engineering systems maintenance and repairs, energy resources management and renovation, buildings' technical and energetic auditing, territory maintenance and cleaning and provide security services.

4.3.1 History and Development of the Group

Legal and commercial name of the Issuer	City Service SE
Place of registration of the Issuer (registered office)	Narva mnt. 5, 10117 Tallinn, Estonia

Address for correspondence in Lithuania	Smolensko str. 12, LT-03200 Vilnius, Lithuania
Corporate ID code of the Issuer	12827710
Legal form of the Issuer	European public limited liability company (<i>Societas Europaea</i> or SE)
Legislation under which the Issuer operates	Estonian
Country of incorporation of the Issuer	Republic of Estonia
Date of incorporation of the Issuer	2 April 2015
Telephone number	+370 5 239 49 00
Fax number	+370 5 239 48 48
Email	www.cityservice.eu
Internet address	info@cityservice.eu

The origins of the Group date back to 1997, when the Former Parent Company was established in Lithuania. The Former Parent Company acted under the name Rubicon Apskaitos Sistemos UAB and was a producer of heating and water meters. In 1999 the Former Parent Company started providing commercial facility management services. The heating facility renovation and residential facility management services were added to its activities in 2000.

The rapid growth in residential facility management segment has been mainly driven by acquisitions, as the Group took active part in the privatization of municipal residential facility management companies. As the Former Parent Company became increasingly active in facility management, the operations of heating meter production were gradually phased out in 2005.

In 2006 the Group entered foreign markets by acquiring 3 residential facility management companies in Russia and establishing subsidiary in Latvia.

In 2007 the Former Parent Company raised EUR 17.9 million through an initial public offering and listed its shares on the Main List of OMX.

In 2009 the Former Parent Company took over control of the companies Fervėja UAB, Būsto investicijų valdymas UAB, Karoliniškių būstas UAB, Viršuliškių būstas UAB, Naujamiesčio būstas UAB and Antakalnio ūkis UAB. The aforementioned companies administered 1.9 million sq. m facilities area in Vilnius.

In 2010 the Group further expanded its service offering by acquiring the largest waste management company as well as regional elevator installation and maintenance company in Lithuania.

In December 2012 the Former Parent Company acquired a residential facility management company and started to provide its services in Poland. In 2012 also the provision of heat facility renovation projects were terminated by the Company.

In 2013 the Former Parent Company purchased Aldesa Servicios y Mantenimiento S.A, operating in Spain under the Concentra brand. The acquired Subsidiary provides commercial buildings maintenance and other related services. The company has subsidiaries throughout the country; the total area of maintained facilities is more than 5.8 million sq. m.

In 2014 the Former Parent Company signed the agreement on transfer of stock of Ecoservice UAB to AWT Holding UAB, which is owned by Baltcap. After closing the transaction, the Company has no shares or management rights in waste management companies in Lithuania.

Furthermore, in the same year the Group has purchased a Polish company Progresline Sp. z.o.o., which provides apartment buildings administration services in Lodz, Poland. The Group has also purchased the Namu Serviss APSE SIA in Latvia, which provides apartment buildings administration services in Liepaja. The Issuer was established in Estonia on 2 April 2015 under the name City Service EU AS. As from 8 April 2015 until completion of the Merger, the sole shareholder of the Issuer was the Former Parent Company.

On 30 April 2015 the general meeting of shareholders of the Former Parent Company decided *inter alia* to approve the participation of the Former Parent Company in the formation of the European company (*Societas Europaea*), during which the Former Parent Company will be merged to its wholly owned subsidiary (the Issuer), as indicated below and to establish that the formation of the European company will be performed in 2 (two) stages:

- (i) by way of the cross-border Merger of limited liability companies, during which the Former Parent Company, which will cease its activities after the Merger without undergoing the liquidation procedure, will be merged to its subsidiary (the Issuer);
- (ii) after the implementation of the procedure indicated in item (i) above, by way of conversion of the Issuer, to which all the rights and obligations of the Former Parent Company will pass after the performance of the Merger, into the European company (*Societas Europaea*).

After execution of all the formalities foreseen under the applicable Lithuanian and Estonian laws, the indicated cross-border Merger of the Former Parent Company to the Issuer was completed on 10 August 2015 (the "Merger Date").

On the indicated Merger Date the Former Parent Company was merged to the Issuer which took over all the assets, rights and liabilities of the Former Parent Company. The Former Parent Company was dissolved without going into liquidation and the Issuer continues the activities following the completion of the Merger and is the legal successor of the Former Parent Company, i.e. the company resulting from the merger. On the indicated Merger Date all the shareholders of the Former Parent Company became the shareholders of the Issuer, directly holding 100 per cent of all votes and shares in the Issuer. On the Merger Date each shareholder of the Former Parent Company held the same number of shares in the Issuer that it had held in the Former Parent Company up to and until the Merger Date. Furthermore, following completion of the Merger the Issuer continues to be further listed on the OMX.

Based on the aforementioned decision of the general meeting of shareholders of the Former Parent Company, the Issuer was further converted to the European company (*Societas Europaea*) on 27 October 2015 and continues to be further listed on the OMX.

Formation of a European company (*Societas Europaea*) was executed in Estonia for the reason that, in the opinion of the Management, this country has an advanced system of management of companies and formation of SE in this country will help to achieve the aims of the Company more effectively and to ensure interests of its shareholders.

4.3.2 Investments

The investment activity of the Issuer and its Subsidiaries can be divided into two types: (i) acquisition of new companies operating in residential and commercial property maintenance and administration industry and (ii) capital expenditures in long-term assets required for the activities of the Group. During the last several years the Group regularly implemented acquisitions of new Subsidiaries, operating in Spain, Poland, Latvia and Lithuania.

Table 2. Principal investments of the Group (EUR'000)

Year	Name	Location	Method of financing	Investment
2012	Žirmūnų būstas UAB	Lithuania	External	2,876
2012	Zespół Zarządców Nieruchomości WAM Sp. z o.o.	Poland	External	10,946
2013	Concentra Servicios y Mantenimiento S.A.	Spain	External	626
2014	Mūsų butas UAB	Lithuania	External	263
2014	Namu serviss APSE SIA	Latvia	External	591
2014	Progresline Sp. z o.o.	Poland	External	676
2015	Administracion Urbana y Rural Chorro S.L.U., Afimen administracion de finques S.L.U., Elche administracion de fincas S.L.U.	Spain	Internal	640
2015	Šiaulių namų valda UAB, Apkaba UAB	Lithuania	External	619
2015	FAMIX Sp. z o.o.			723
2015	SANTER Zarządzanie Nieruchomościami Sp. z o.o.	Poland	External	516

Source: Consolidated Interim Financial Information, IFRS Financial Statements, the Company

Fixed assets of the Group increased by stable amounts over the last several years, as the Group made investments into renewal of key groups of assets necessary for operational activities of the Group.

Table 3. Additions of tangible assets by the Group (continued operations) (EUR'000)

Item	As at 30 June		As at 31 December		
	2015	2014	2014	2013	2012
Buildings	192	959	1,086	266	80
Vehicles	622	827	1,632	762	837
Other tangible assets	533	610	1,685	136	692
Construction in progress	158	342	897	242	-
Total	1,505	2,738	5,300	1,406	1,609

Source: Consolidated Interim Financial Information, IFRS Financial Statements, the Company

Furthermore, the Issuer and its Subsidiaries are constantly looking for the opportunities to invest into companies of maintenance of residential apartment buildings and commercial buildings, acting in the European markets. However, as of the date hereof the Issuer does not execute any investments and has no future investments on which its Management bodies have already made firm commitments.

4.4 Business Overview

4.4.1 Principal Activities and Principal Markets

For management purposes the Group is organized into business units based on services provided and have the below listed segments:

- Apartment building maintenance;
- Commercial, industrial and public facility management;
- Maintenance and cleaning of territories;
- Other activities (security, building renovation, debt administration, etc.).

The above activities of the Group were the principal activities in the period from 2012 till 2014 and currently are the principle activities of the Group.

In addition to that the Group was engaged in waste management activities in Lithuania, which included services of collecting and processing of waste. However, as from 2014 these activities were discontinued.

No significant new services have been introduced by the Group as from the beginning of the year 2014.

Apartment building maintenance

The Group companies provide apartment buildings administration services, i.e. perform all the activities, necessary in order to preserve the collectively used objects and use them according to their purpose, also to perform continuous technical maintenance. The Group companies take care of supporting the mechanical endurance of principal building structures, eliminating small defects thereof, preventive actions and adjusting the commonly used engineering equipment, ensuring safe use, eliminating emergencies.

The Group provides apartment buildings administration and maintenance services in Lithuania, Poland, Latvia, Spain and Russia.

The table below presents the change of maintained apartment buildings' areas throughout the Group companies.

Table 4. Change of maintained apartment buildings' areas throughout the Group companies (as at the end of each respective year; million sq. m.)

	2007	2008	2009	2010	2011	2012	2013	2014	First half of 2015
Apartment buildings' areas	7.906	8.904	15.623	15.846	14.375	19.417	20.919	22.580	24.327

Source: Consolidated Interim Financial Information

Apartment building maintenance remains the most important field of activities of the Group of companies in *Lithuanian* market. Quality of services and handling activities are being constantly improved and innovations implemented in this field of activities.

In the year 2013 the Subsidiary Mano Būstas UAB has introduced its standard of building maintenance. The standard consists of 7 elements which complement each other and the entirety of the standard ensures convenient, pleasant, safe and warm living at home. All blocks of flats administered by this Subsidiary are maintained in compliance with this standard.

In order to reduce heat losses in the blocks of flats under maintenance of the Group companies, the Lithuanian Subsidiaries have further implemented the *Five Step Heat Saving Programme*. Measures of saving of heat energy have been implemented actively in the houses, maintained by the Group.

Furthermore, all the customers in Lithuania were granted access to the new self-service portal which allows convenient payment for utility services, reviewing payment related notices, receipt of detail information on the works planned in their buildings and contacting the manager which is responsible for maintenance of the respective buildings.

Mano Būstas UAB also implements the house renovation projects under the JESSICA programme.

Total area of buildings maintained by the Group in Lithuania was 8.4 million sq. meters in 2013, 9 million sq. meters in 2014 and 9.9 million sq. meters as at the date of this Prospectus.

In the end of 2012 the Company made the biggest investment in its history by acquiring Polish company Zespół Zarządców Nieruchomości sp. z o.o. It is the leader company in Poland's apartment building maintenance market and was established in 2004. By acquiring Zespół Zarządców Nieruchomości sp. z o.o. the Group started its activities in *Poland's* apartment building maintenance market. During the year 2013 the Company underwent active organic growth in this market. The management structure of this Subsidiary was modified in order to achieve more rapid development of the company.

Expansion of activities of administration of apartment buildings in Poland was carried out in 2014 as well. During this year the Subsidiary City Service Polska sp. z o.o. acquired 100 per cent of shares in Progresline sp. z o.o., which provides maintenance services for the total area of 600 thousand sq. meters in Lodz, Poland.

In addition to that two Polish Subsidiaries, engaged in administration of apartment buildings (FAMIX Sp. z o.o. and SANTER Zarządzanie Nieruchomościami Sp. z o.o.) were acquired by the Group in September of the year 2015. Total area administered by these Subsidiaries is 441 thousand sq. meters.

Total area of buildings administered by the Group in Poland was 9 million sq. meters in 2013, 9.9 million sq. meters in 2014 and as at the date of this Prospectus.

In *Spain* the Subsidiary Concentra Servicios y Mantenimiento S.A. entered the market of maintenance of apartment buildings in the year 2013 and commenced provision of technical maintenance and administration services for 7,000 flats.

In 2014 the indicated Subsidiary acquired the company Administraciones SantaPola S.L., which administers 211 thousand sq. meters of area of apartment buildings in Alicante region, Spain. Active development continued in market of administration of apartment buildings in the year 2015 as well. Three Subsidiaries (Administracion Urbana y Rural Chorro S.L.U., Afimen administracion de finques S.L.U. and Elche administracion de fincas S.L.U.) were acquired by the Group in Alicante region in March 2015.

Total area of houses maintained by the Group in Spain was 0.45 million sq. meters in 2013, 0.49 million sq. meters in 2014 and 1.8 million sq. meters as at the date of this Prospectus.

In *Latvia* the Subsidiary Namu serviss APSE SIA was acquired by the Group in 2014. This Subsidiary provides services of administration of apartment buildings in Liepaja, Latvia. The development was pursued in 2015 as well, when the new contracts on administration of apartment buildings have been signed.

Total area of the buildings serviced by the Group in Latvia reached 0.267 million sq. meters in 2015.

The Subsidiaries of the Group, operating in *Russian* pursued organic growth in the field of maintenance of apartment buildings during the last 3 years.

Total area of buildings maintained by the Group in Russia was 3 million sq. meters in 2013, 3.1 million sq. meters in 2014, and 3.2 million sq. meters in 2015.

Commercial, Industrial and Public Facility Management

The Group companies provide commercial facility management services, ensuring reliable functioning of buildings' systems and lower maintenance costs. The companies take care of buildings' maintenance from the engineering equipment, management and saving of energy resources to cleaning and security of indoor facilities.

The Group companies provide commercial facility management services in Lithuania, Latvia, Poland, Spain and Russia.

The table below presents the change of commercial, public and industrial facilities' areas throughout the Group companies.

Table 5. Change of commercial, public and industrial facilities' areas throughout the Group companies (as at the end of each respective year; million sq. m.)

	2007	2008	2009	2010	2011	2012	2013	2014	First half of 2015
Commercial, public and industrial facilities' areas	2.194	2.517	2.526	2.662	3.000	3.248	9.556	10.154	10.591

Source: Consolidated Interim Financial Information

In *Lithuania* a group of commercial customers has been expanded during the year 2013, when 80 new contracts have been signed. The Subsidiaries of the Group acting in Lithuania commenced provision of complex building facility management services to the concern Achemos grupė UAB, Impuls LTU UAB (the company controlling the largest network of sport clubs in Lithuania), Newsec (the Swedish real estate consultation company), KG Constructions UAB (manufacturer of aluminium systems and facades), Finnish company Technopolis, etc. New contracts have also been signed on maintenance of service stations of ORLEN.

During the year 2014 75 new contracts have been signed. The Group started to provide complex building facility management services to companies such as BLOK, Eika UAB, Profista UAB, Lesto AB, Girtėka UAB, Vilnius International Airport, Domus centras UAB, BPT Optima Retail, etc.

Development of the Group in this sphere of activities continues in 2015 in Lithuania as well: 16 new contracts have been signed during the first half of the year.

Total area of buildings maintained by the Group in Lithuania was 3 million sq. meters in 2013, 3.5 million sq. meters in 2014 and as at date of this Prospectus.

In *Poland* the Group commenced maintenance of facilities of commercial buildings in the year 2014, when the contracts on maintenance of shopping centre and office building have been signed. The Group has also signed the maintenance contract with shopping centre Neptums in first half of the year 2015.

Total area of buildings maintained by the Group in Poland was 181 thousand sq. meters in 2014 and 236 thousand sq. meters as at the date of this Prospectus.

In *Spain* the Group companies started active development of this sphere of activities in the year 2013, when the Subsidiary Aldesa Servicios y Mantenimiento S.A, operating in Spain under the Concentra brand was acquired on 25 September. The acquired Subsidiary provides services of commercial building maintenance and related services to public and industrial facilities.

In the year 2014 this Subsidiary commenced maintenance of buildings of the national television RTV Andalusia y RTV Aragonesa, the police, the railway Renfe and the telecommunication company Telefonica Madrid, etc. Priority trend of activities in this segment in Spain is attraction of customers which have large portfolio of small dotted facilities.

During the first half of the year 2015 the Group renewed contracts with the most important customers: Xunta de Galicia, Hospital Fuenlabrada, FNAC, Iberdrola and INVIED. The Group is concentrated in further retention of existing customers and increase of profitability as well as improvement of services to its customers.

Total area of buildings maintained by the Group in Spain was 5.8 million sq. meters in 2013, 5.9 million sq. meters in 2014 and 6.2 million sq. meters as at the date of this Prospectus.

In *Russia* the Group commenced maintenance of facilities of commercial buildings in the year 2014. Some important contracts, including contracts on maintenance of the centre of logistics Nordway and the studio of animation movies Melnitsa were signed during this year. Due to worsening economical conditions and low level of outsourcing in the market, the Management does not consider maintenance of commercial buildings in Russia to be a strategically important field of activity in the nearest future.

In *Latvia* the Subsidiary Riga City Service SIA increased the maintained area of commercial buildings in the year 2013. This Subsidiary commenced provision of complex building facility maintenance services to all IKI shops in Latvia. The Subsidiary has also strengthened the segment of maintenance of public sector, when the contract on maintenance of buildings was signed with the Latvian state energy company Latvenergo.

In addition to that in the year 2014 the Group has also commenced management of police and fire protection service buildings and posts of the State Boarded Guard in Kurzeme, Vidzeme and Latgale regions in Latvia.

During the first half of the year 2015 the Group has signed the contracts on maintenance of utility systems with the state enterprises Latvenergo and Rigas Siltums.

Total area of buildings maintained by the Group in Latvia was 775 thousand sq. meters in 2013, 815 thousand sq. meters in 2014 and 937 thousand sq. meters as at the date of this Prospectus.

Maintenance and Cleaning of Territories

The Group provides a full range of cleaning and gardening services. Namely it performs maintenance works on the interior and exterior of properties, maintenance of private estates and public urban spaces, cleaning of snow, sand and leaves, lawn mowing, specialty cleaning works and supply of cleaning materials which the subcontractors need.

The Group provides cleaning and gardening services in Lithuania, Latvia, Spain and Russia.

In *Lithuania* cleaning and gardening services provided by the Group are available in the whole country. The Group manages both multi-apartment buildings and commercial properties and maintains public urban spaces. The Group keeps expanding its range of services and continuously invests in the latest technologies.

In 2014 the total area of premises and territories under supervision of the Group was 20 million square meters in Lithuania. It is expected that this area will grow up to 22 million square meters by the end of the year 2015.

In *Latvia* the Group provides cleaning and gardening services for multi-apartment buildings, commercial properties and public buildings.

In 2014 the total area of premises and territories under supervision of the Group was 53 thousand square meters in Latvia. It is expected that this area will grow up to 60 thousand square meters by the end of the year 2015.

In *Spain* the Group mostly provides cleaning services for commercial properties and buildings of national importance.

In 2013 and 2014 the total area of premises and territories the Group was in charge of was 1.1 million square meters. It is expected that this area will grow up to 1.2 million square meters by the end of the year 2015.

In *Russia* the Group provides cleaning services to multi-apartment buildings.

In 2014 the total area serviced by the Group was 3.4 million square meters. In the first half of the year 2015 this figure has not changed.

Other Activities

Apart from their principal activities, the Group companies also provide other services in Lithuania, Poland and Russia.

In *Lithuania* the Group companies provide security, building renovation and debt management services.

In *Poland* the Group companies are engaged in generation and supply of heat, installation of heat boiler stations and retail trade in electricity.

In *Russia* the Group companies provide services of utility resale.

Financial Information of Business Segments

The segment information is presented as analysed by chief operating decision maker of the Group (the Management Board), i.e. allocated to Baltic states, St. Petersburg, Stavropol (discontinued operations), Poland and Spain.

Segment of Waste management (discontinued operations) included services of collecting and processing of waste.

No operating segments have been aggregated to form the above reportable operating segments.

Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, financing (including finance costs and finance income) and income taxes of the Group are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are based on the prices set by the Management, which Management considers to be similar to transactions with third parties.

The following table presents the revenue information on the Group's reportable operating segments.

Table 6. Revenue of the Group's operating segments (EUR'000)

Item	Business Segment	As at 30 June		As at 31 December		
		2015	2014	2014	2013	2012
	Baltic states	32,449	36,185	69,005	68,633	58,082
	St. Petersburg	17,382	21,919	40,309	46,461	74,813
	Poland	12,929	11,754	23,481	21,966	-
	Spain	20,979	22,934	47,662	12,313	-
Sales to external customers	Stavropol (discontinued operations)	7,881	4,264	10,320	9,101	10,232
	Discontinued operations (waste management business in Lithuania)	-	3,058	3,058	13,146	11,427
	Total	91,620	100,114	193,835	171,620	154,554

Source: Consolidated Interim Financial Information, IFRS Financial Statements, the Company

Dependence of the Issuer on patents or licences, industrial, commercial or financial contracts or new manufacturing processes

The Issuer is not dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes and these aspects are not material to the Issuer's business or profitability.

Statements regarding the competitive position of the Issuer

To the best of the Management's knowledge, no current, reliable and comprehensive reviews of the competitive situation in the markets in which the Group operates were publicly available as of the date of this Prospectus. As a consequence, in presenting the overview of the competitive position of the Group in the principal markets, the Group has relied principally on its own assessment and analysis of such competitive position. In doing so, the Management has used the market information collected by its own staff and advisors for such purpose, either available on the basis of public information or derived from the same.

4.5 Organisational Structure

The current structural chart of the Group is provided in the figure below.

Figure 1. Group's structure as of the date of the Prospectus

CITY SERVICE SE							
Latvia	Lithuania				Russia	Poland	Spain
100 %	99,33 %	100 %	100 %	100 %	100 %	100 %	100 %
SIA Riga City Service	UAB Žaidas	UAB Vilkpėdės būstas	UAB Vėtrungės būstas	UAB Mano aplinka	OAO City Service	ZZN Sp. z o.o.	Concentra Servicios Y Mantenimiento, S.A
100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %
SIA Namu serviss APSE	UAB Nemuno būstas	UAB Namų priežiūros centras	UAB Jūros būstas	UAB Šiaulių būstas	OAO Spec RNU	City Service Grupa Techniczna Sp. z o.o.	Administraciónes Senta Pola S.L.
100 %	100 %	100 %	100 %	99,84 %	100 %	100 %	100 %
SIA City Service	UAB Nauja miesčio būstas	UAB Lazdynų būty ūkis	UAB Vingio būstas	UAB Šilutės būstas	ООО СИТИ СЕРВИС	Progresline Sp. z o.o.	Afimen administración de finques, S.L.U.
	100 %	100 %	100 %	99,27 %	100 %	100 %	100 %
	UAB Economus	UAB Aukštaitijos būstas	UAB Danės būstas	UAB Mano sauga	ZAO City Service	Energia OK Sp. z o.o.	Administración Urbana y Rural Chorro, S.L.U.
	100 %	100 %	100 %	100 %	99 %	100 %	100 %
	UAB Baltijos NT valdymas	UAB Skolos LT	UAB Žardės būstas	UAB Karoliniškų turgus	ООО ПАВЛОВСКИЕ НЕДВИЖИМОСТИ	FAMIX Sp. z o.o.	Elche administración de fincas, S.L.U.
	100 %	100 %	100 %	100 %	80 %	100 %	
	UAB Mano aplinka plus	UAB Justiškių būstas	UAB Pempinkių būstas	UAB Mano Būstas	ООО ПИЛОВСКИЕ НЕДВИЖИМОСТИ ПАРИЖ	SANTER Zarządzenie Nieruchomościami Sp. z o.o.	
	100 %	100 %	100 %	100 %		100 %	
	UAB Pašilaičių būstas	UAB Antakalnio būstas	UAB Karoliniškų būstas	UAB Radviliškio būstas		City Service Polska	
	100 %	100 %	100 %	100 %		100 %	
	UAB Žirmunų būstas	UAB Viršuliškių būstas	UAB Konarskio turgelis	UAB Šiaulių namų valda		City Service Poland	
	100 %	100 %	100 %	100 %			
	UAB Mano sauga LT	UAB Pastatų priežiūra	UAB Apkaba	UAB „Baltijos turto valdymas“			
	100 %	100 %	100 %	100 %			
	UAB „Baltijos būsto priežiūra“	UAB „Vilniaus turgus“	UAB „Nemuno būsto priežiūra“	UAB „Kauno centro būstas“			
	100 %	100 %	100 %				
	UAB „Dainavos būstas“	UAB „Baltijos pastatų valdymas“	UAB „Lazdynų būstas“				

The controlling shareholder of the Company is ICOR UAB, holding 66.23% shares of the Company. For more information on this issue please see Section 4.16 *Major Shareholders*.

The ultimate parent of the Company is Global Energy Consulting OÜ, a holding company registered in Estonia.

The Company together with the Subsidiaries form a Group of companies, as indicated below and in Figure 1 above.

Table 7. Shareholdings of the Company, held in the Subsidiaries as on the date of the Prospectus

Company	Country	Share of the stock held by the Group as of the date hereof	Share of the stock held by the Group as of 30 June 2014	Main activities
Antakalnio būstas UAB	Lithuania	100%	100%	Administration of dwelling-houses
Apkaba UAB	Lithuania	100%	-	Administration of dwelling-houses
Aukštaitijos būstas UAB	Lithuania	100%	100%	Administration of dwelling-houses
Baltijos būsto priežiūra UAB	Lithuania	100%	100%	Dormant
Baltijos NT valdymas UAB	Lithuania	100%	100%	Real estate management
Baltijos pastatų valdymas UAB	Lithuania	100%	100%	Dormant
Baltijos turto valdymas UAB	Lithuania	100%	100%	Dormant
Dainavos būstas UAB	Lithuania	100%	100%	Dormant
Danės būstas UAB	Lithuania	100%	100%	Administration of dwelling-houses
Economus UAB	Lithuania	100%	100%	Administration of construction-buildings
Justiniškių būstas UAB	Lithuania	100%	100%	Administration of dwelling-houses
Jūros būstas UAB	Lithuania	100%	100%	Administration of dwelling-houses
Kauno centro būstas UAB	Lithuania	100%	100%	Dormant
Karoliniškių būstas UAB	Lithuania	100%	100%	Administration of dwelling-houses
Karoliniškių turgus UAB	Lithuania	100%	100%	Marketplace administration services
Konarskio turgelis UAB	Lithuania	100%	100%	Marketplace administration services
Lazdynų butų ūkis UAB	Lithuania	100%	100%	Administration of dwelling-houses
Lazdynų būstas UAB	Lithuania	100%	100%	Dormant
Mano aplinka UAB	Lithuania	100%	100%	Maintenance and cleaning of territories and premises
Mano aplinka plius UAB	Lithuania	100%	100%	Maintenance and cleaning of territories and premises
Mano Būstas UAB	Lithuania	100%	100%	Commercial real estate management and building maintenance
Mano Sauga UAB	Lithuania	99.27%	99.27%	Security services
Mano sauga LT UAB	Lithuania	100%	-	Security services
Namų priežiūros centras UAB	Lithuania	100%	100%	Administration of dwelling-houses
Naujamiesčio būstas UAB	Lithuania	100%	100%	Administration of dwelling-houses
Nemuno būstas UAB	Lithuania	100%	100%	Administration of dwelling-houses
Nemuno būsto priežiūra UAB	Lithuania	100%	100%	Dormant
Pastatų priežiūra UAB	Lithuania	100%	-	Building maintenance
Pašilaičių būstas UAB	Lithuania	100%	100%	Administration of dwelling-houses
Pempininkų būstas UAB	Lithuania	100%	100%	Administration of dwelling-houses
Radviliškio būstas UAB	Lithuania	100%	100%	Administration of dwelling-houses
Skolos LT UAB	Lithuania	100%	100%	Debt collection services
Šiaulių būstas UAB	Lithuania	100%	100%	Administration of dwelling-houses
Šiaulių namų valda UAB	Lithuania	100%	-	Administration of dwelling-houses
Šilutės būstas UAB	Lithuania	99.84%	99.84%	Administration of dwelling-houses
Vėtrungės būstas UAB	Lithuania	100%	100%	Administration of dwelling-houses
Vilkipėdės būstas UAB	Lithuania	100%	100%	Administration of dwelling-houses
Vilniaus turgus UAB	Lithuania	100%	100%	Dormant
Vingio būstas UAB	Lithuania	100%	100%	Administration of dwelling-houses
Viršuliškių būstas UAB	Lithuania	100%	100%	Administration of dwelling-houses
Žaidas UAB	Lithuania	99.33%	99.33%	Administration of dwelling-houses
Žardės būstas UAB	Lithuania	100%	100%	Administration of dwelling-houses
Žirmūnų būstas UAB	Lithuania	100%	100%	Administration of dwelling-houses
Administraciones SantaPola S.L.	Spain	100%	100%	Administration of dwelling-houses
Administracion Urbana y Rural Chorro S.L.U.	Spain	100%	-	Administration of dwelling-houses
Afimen administración de finques S.L.U.	Spain	100%	-	Administration of dwelling-houses
Concentra Servicios y	Spain	100%	100%	Commercial real estate

Company	Country	Share of the stock held by the Group as of the date hereof	Share of the stock held by the Group as of 30 June 2014	Main activities
Mantenimiento S.A.				management and building maintenance
Elche administracion de fincas S.L.U.	Spain	100%	-	Administration of dwelling-houses
City Service SIA	Latvia	100%	-	Dormant
Namu serviss APSE SIA	Latvia	100%	-	Administration of dwelling-houses
Riga City Service SIA	Latvia	100%	100%	Commercial real estate management and building maintenance
City Service Poland sp. z o.o.	Poland	100%	100%	Dormant
City Service Polska sp. z o.o.	Poland	100%	100%	Dormant
City Service Grupa	Poland	100%	100%	Building maintenance
Techniczna sp. z o.o.				
EnergiaOK sp. z o.o.	Poland	100%	100%	Sale of electricity
Progresline sp. z o.o.	Poland	100%	-	Administration of dwelling-houses
Zespół Zarządców	Poland	100%	100%	Administration of dwelling-houses
Nieruchomości sp. z o.o.				
FAMIX sp. z o.o.	Poland	100%	-	Administration of dwelling-houses
SANTER Zarządzanie Nieruchomościami sp. z o.o.	Poland	100%	-	Administration of dwelling-houses
Сити Сервис ОАО	Russia	100%	100%	Administration of dwelling-houses
Сити Сервис ЗАО	Russia	100%	100%	Administration of dwelling-houses
Специализированное ремонтно-наладочное управление ОАО	Russia	100%	100%	Construction and engineering
Жилкомсервис № 3 Фрунзенского района ООО	Russia	80%	80%	Administration of dwelling-houses
Чистый дом ООО	Russia	100%	100%	Maintenance and cleaning of territories
Подъемные механизмы ООО	Russia	99%	99%	Elevator installing & tech. support

Source: the Company

The main registration data of the Subsidiaries are provided below (the registration data of the Issuer is provided in Section 4.3.1 *History and Development of the Group*).

Table 8. Registration information of the Subsidiaries

Subsidiaries operating in Lithuania:

Name of the company	Antakalnio būstas UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	121449152
Date of incorporation	11 June 1992
Registered address	Antakalnio str. 51, LT-10325 Vilnius, Lithuania
Principal place of business	Antakalnio str. 51, LT-10325 Vilnius, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, e-mail info@antakalniobustas.lt
Website	www.antakalniobustas.lt

Name of the company	Apkaba UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	144620064
Date of incorporation	1 June 1992
Registered address	J. Sondeckio str. 20, Šiauliai, Lithuania
Principal place of business	J. Sondeckio str. 20, Šiauliai, Lithuania
Contacts of the Company	Tel. +370 41 55 29 67, e-mail valda@pius.lt
Website	www.siauliunamuvalda.lt

Name of the company	Aukštaitijos būstas UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	302496548
Date of incorporation	6 April 2010
Registered address	Medeinos str. 8A, LT-06112 Vilnius, Lithuania
Principal place of business	Medeinos str. 8A, LT-06112 Vilnius, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, e-mail info@aukstaitijosbustas.lt
Website	www.aukstaitijosbustas.lt

Name of the company	Baltijos būsto priežiūra UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	302496377
Date of incorporation	6 April 2010
Registered address	Medeinos str. 8A, LT-06112 Vilnius, Lithuania
Principal place of business	Medeinos str. 8A, LT-06112 Vilnius, Lithuania

Name of the company	Baltijos NT valdymas UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	302711125
Date of incorporation	12 January 2012
Registered address	Kęstučio str. 9, LT-08118 Vilnius, Lithuania
Principal place of business	Kęstučio str. 9, LT-08118 Vilnius, Lithuania
Contacts of the Company	Tel. +370 5 239 49 00, e-mail info@cityservice.eu

Name of the company	Baltijos pastatų valdymas UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	302692963
Date of incorporation	30 November 2011
Registered address	Medeinos str. 8A, LT-06112 Vilnius, Lithuania
Principal place of business	Medeinos str. 8A, LT-06112 Vilnius, Lithuania

Name of the company	Baltijos turto valdymas UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	303411390
Date of incorporation	2 October 2014
Registered address	Elektrinės str. 3, LT-03150 Vilnius, Lithuania
Principal place of business	Elektrinės str. 3, LT-03150 Vilnius, Lithuania

Name of the company	Dainavos būstas UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	302709722
Date of incorporation	10 January 2012
Registered address	Medeinos str. 8A, LT-06112 Vilnius, Lithuania
Principal place of business	Medeinos str. 8A, LT-06112 Vilnius, Lithuania

Name of the company	Danės būstas UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	140336725

Date of incorporation	16 August 1991
Registered address	S. Daukanto str. 37, LT-92229 Klaipėda, Lithuania
Principal place of business	Kauno str. 5, LT-91156 Klaipėda, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, e-mail info@danusbustas.lt
Website	www.danusbustas.lt

Name of the company	Economus UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	300582646
Date of incorporation	12 July 2006
Registered address	Medeinos str. 8A, LT-06112 Vilnius, Lithuania
Principal place of business	Medeinos str. 8A, LT-06112 Vilnius, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, e-mail info@economus.lt
Website	www.economus.lt

Name of the company	Justiniškių būstas UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	220664740
Date of incorporation	22 May 1991
Registered address	Medeinos str. 8A, LT-06112 Vilnius, Lithuania
Principal place of business	Medeinos str. 8A, LT-06112 Vilnius, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, e-mail info@justiniskiubustas.lt
Website	www.justiniskiubustas.lt

Name of the company	Jūros būstas UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	140514359
Date of incorporation	12 June 1992
Registered address	Minijos str. 130, LT-93244 Klaipėda, Lithuania
Principal place of business	Minijos str. 130, LT-93244 Klaipėda, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, e-mail info@jurosbustas.lt
Website	www.jurosbustas.lt

Name of the company	Kauno centro būstas UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	302798639
Date of incorporation	8 June 2012
Registered address	Medeinos str. 8A, LT-06112 Vilnius, Lithuania
Principal place of business	Medeinos str. 8A, LT-06112 Vilnius, Lithuania

Name of the company	Karoliniškių būstas UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	121457971
Date of incorporation	18 June 1992
Registered address	A. J. Povilaičio str. 18, LT-04338 Vilnius, Lithuania
Principal place of business	A. J. Povilaičio str. 18, LT-04338 Vilnius, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, e-mail info@karoliniskiubustas.lt
Website	www.karoliniskiubustas.lt

Name of the company	Karoliniškių turgus UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers

Code	303121177
Date of incorporation	16 August 2013
Registered address	Medeinos str. 8A, LT-06112 Vilnius, Lithuania
Principal place of business	Loretos Asanavičiūtės str. 35, LT-04318 Vilnius, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, e-mail info@manobustas.lt

Name of the company	Konarskio turgelis UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	303121451
Date of incorporation	16 August 2013
Registered address	Medeinos str. 8A, LT-06112 Vilnius, Lithuania
Principal place of business	J. Basanavičiaus str. 44 / Muitinės str. 43, LT-03109 Vilnius, Lithuania
Contacts of the Company	Tel. +370 5 239 49 00, e-mail info@manobustas.lt

Name of the company	Lazdynų butų ūkis UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	121449348
Date of incorporation	11 June 1992
Registered address	Architektų str. 13, LT-04118 Vilnius, Lithuania
Principal place of business	Architektų str. 13, LT-04118 Vilnius, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, e-mail info@lazdynubustas.lt
Website	www.lazdynubustas.lt

Name of the company	Lazdynų būstas UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	302798646
Date of incorporation	8 June 2012
Registered address	Medeinos str. 8A, LT-06112 Vilnius, Lithuania
Principal place of business	Medeinos str. 8A, LT-06112 Vilnius, Lithuania
Contacts of the Company	Tel. +370 5 239 49 00, e-mail info@cityservice.eu

Name of the company	Mano aplinka UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	303297727
Date of incorporation	25 April 2014
Registered address	Elektrinės str. 3, LT-03150 Vilnius, Lithuania
Principal place of business	Elektrinės str. 3, LT-03150 Vilnius, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, e-mail info@manoaplinka.lt

Name of the company	Mano aplinka plus UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	303039285
Date of incorporation	11 April 2013
Registered address	Elektrinės str. 3, LT-03150 Vilnius, Lithuania
Principal place of business	Elektrinės str. 3, LT-03150 Vilnius, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, e-mail info@manoaplinka.lt

Name of the company	Mano Būstas UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	300883806
Date of incorporation	19 June 2007

Registered address	Konstitucijos av. 7, LT-09308 Vilnius, Lithuania
Principal place of business	Smolensko str. 12, LT-03201 Vilnius, Lithuania
Contacts of the Company	Tel. +370 5 239 49 00, Fax +370 5 239 48 48, e-mail info@manobustas.lt
Website	www.manobustas.lt

Name of the company	Mano Sauga UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	302628213
Date of incorporation	17 May 2011
Registered address	Medeinos str. 8A, LT-06112 Vilnius, Lithuania
Principal place of business	Medeinos str. 8A, LT-06112 Vilnius, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, e-mail info@msauga.lt
Website	www.msauga.lt

Name of the company	Mano sauga LT UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	303430960
Date of incorporation	23 October 2014
Registered address	Elektrinės str. 3, LT-03150 Vilnius, Lithuania
Principal place of business	Elektrinės str. 3, LT-03150 Vilnius, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, e-mail info@msauga.lt
Website	www.msauga.lt

Name of the company	Namų priežiūros centras UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	125596783
Date of incorporation	2 May 2001
Registered address	Medeinos str. 8A, LT-06112 Vilnius, Lithuania
Principal place of business	Medeinos str. 8A, LT-06112 Vilnius, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, e-mail info@npc.lt
Website	www.npc.lt

Name of the company	Naujamiesčio būstas UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	121452091
Date of incorporation	11 June 1992
Registered address	Medeinos str. 8A, LT-06112 Vilnius, Lithuania
Principal place of business	Smolensko str. 12, LT-03201 Vilnius, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, e-mail info@naujamiescio-bustas.lt
Website	www.naujamiesciobustas.lt

Name of the company	Nemuno būstas UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	135836853
Date of incorporation	4 December 2001
Registered address	Medeinos str. 8A, LT-06112 Vilnius, Lithuania
Principal place of business	Maironio str. 14B-4, LT-44298 Kaunas, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, e-mail info@bustas.net
Website	www.bustas.net

Name of the company	Nemuno būsto priežiūra UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania

Administrator of the register	State Enterprise Centre of Registers
Code	302709715
Date of incorporation	10 January 2012
Registered address	Kęstučio str. 9, LT-08118, Vilnius, Lithuania
Principal place of business	Kęstučio str. 9, LT-08118, Vilnius, Lithuania
Contacts of the Company	Tel. +370 5 239 49 00

Name of the company	Pašilaičių būstas UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	121474935
Date of incorporation	9 July 1992
Registered address	Medeinos str. 8A, LT-06112 Vilnius, Lithuania
Principal place of business	Medeinos str. 8A, LT-06112 Vilnius, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, e-mail info@pasilaiciubustas.lt
Website	www.pasilaiciubustas.lt

Name of the company	Pastatų priežiūra UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	303363198
Date of incorporation	5 August 2014
Registered address	Elektrinės str. 3, LT-03150 Vilnius, Lithuania
Principal place of business	Elektrinės str. 3, LT-03150 Vilnius, Lithuania

Name of the company	Pempininkų būstas UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	140514544
Date of incorporation	12 June 1992
Registered address	Šilutės rd. 40, LT-94137 Klaipėda, Lithuania
Principal place of business	Taikos av. 117, LT-94231 Klaipėda, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, e-mail info@pempininkubustas.lt
Website	www.pempininkubustas.lt

Name of the company	Radviliškio būstas UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	171205389
Date of incorporation	13 December 1990
Registered address	Maironio str. 65, LT-82129 Radviliškis, Lithuania
Principal place of business	Maironio str. 65, LT-82129 Radviliškis, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, email info@radviliskiobustas.lt
Website	www.radviliskiobustas.lt

Name of the company	SKOLOS LT UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	302496530
Date of incorporation	6 April 2010
Registered address	Medeinos str. 8A, LT-06112 Vilnius, Lithuania
Principal place of business	Medeinos str. 8A, LT-06112 Vilnius, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, e-mail info@skoloslt.lt

Name of the company	Šiaulių būstas UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers

Code	144619514
Date of incorporation	1 June 1992
Registered address	Žemaitės str. 20, LT-77167 Šiauliai, Lithuania
Principal place of business	Žemaitės str. 20, LT-77167 Šiauliai, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, e-mail info@siauliubustas.lt
Website	www.siauliubustas.lt

Name of the company	Šiaulių namų valda UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	144619667
Date of incorporation	13 March 1995
Registered address	J. Sondeckio str. 20, Šiauliai, Lithuania
Principal place of business	J. Sondeckio str. 20, Šiauliai, Lithuania
Contacts of the Company	Tel. +370 41 55 29 67, e-mail valda@plius.lt
Website	www.siaulionamuvalda.lt

Name of the company	Šilutės būstas UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	177000697
Date of incorporation	13 November 1990
Registered address	Lietuvinių str. 60, LT-99116 Šilutė, Lithuania
Principal place of business	Lietuvinių str. 60, LT-99116 Šilutė, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, e-mail info@silutesbustas.lt
Website	www.silutesbustas.lt

Name of the company	Vėtrungės būstas UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	140337065
Date of incorporation	16 August 1991
Registered address	Kauno str. 5, LT-91156 Klaipėda, Lithuania
Principal place of business	Kauno str. 5, LT-91156 Klaipėda, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, e-mail info@vetrungebustas.lt
Website	www.vetrungebustas.lt

Name of the company	Vilkpėdės būstas UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	121480265
Date of incorporation	9 July 1992
Registered address	Architektų str. 13, LT-04118 Vilnius, Lithuania
Principal place of business	Architektų str. 13, LT-04118 Vilnius, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, e-mail info@vilkpedesbustas.lt
Website	www.vilkpedesbustas.lt

Name of the company	Vilniaus turgus UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	303005920
Date of incorporation	21 February 2013
Registered address	Architektų str. 86, Vilnius, Lithuania
Principal place of business	J. Basanavičiaus str. 44 / Muitinės str. 43, LT-03109 Vilnius, Lithuania
Contacts of the Company	Tel. +370 5 239 49 00, email info@manobustas.lt

Name of the company	Vingio būstas UAB
Legal form	Private limited liability company

Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	140524990
Date of incorporation	12 June 1992
Registered address	I. Simonaitytės str. 29, LT-95131 Klaipėda, Lithuania
Principal place of business	Taikos av. 117, LT-94231 Klaipėda, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, e-mail info@vingiobustas.lt
Website	www.vingiobustas.lt

Name of the company	Viršuliškių būstas UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	121446576
Date of incorporation	11 June 1992
Registered address	A. J. Povilaičio str. 18, LT-04338 Vilnius, Lithuania
Principal place of business	A. J. Povilaičio str. 18, LT-04338 Vilnius, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, e-mail info@virsuliskiubustas.lt
Website	www.virsuliskiubustas.lt

Name of the company	Žaidas UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	149650823
Date of incorporation	30 July 1992
Registered address	Žiburio str. 10-2, LT-63235 Alytus, Lithuania
Principal place of business	Žiburio str. 10-2, LT-63235 Alytus, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, e-mail info@zaidas.lt
Website	www.zaidas.lt

Name of the company	Žardės būstas UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	140524848
Date of incorporation	12 June 1992
Registered address	Taikos av. 117, LT-94231 Klaipėda, Lithuania
Principal place of business	Taikos av. 117, LT-94231 Klaipėda, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, e-mail info@zardesbustas.lt
Website	www.zardesbustas.lt

Name of the company	Žirmūnų būstas UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	121483222
Date of incorporation	9 July 1992
Registered address	Kalvarijų str. 156, LT-08207 Vilnius, Lithuania
Principal place of business	Kalvarijų str. 156, LT-08207 Vilnius, Lithuania
Contacts of the Company	Tel. +370 7 005 59 66, e-mail info@zirmunubustas.lt
Website	www.zirmunubustas.lt

Subsidiaries operating in Latvia, Poland, Russian Federation and Spain:

Name of the company	City Service SIA
Legal form	Limited liability company
Country of incorporation	Republic of Latvia
Administrator of the register	Register of Enterprises of the Republic of Latvia
Code	40103846938
Date of incorporation	21 November 2014
Registered address	G. Astras iela 8b, Riga, Latvia
Principal place of business	G. Astras iela 8b, Riga, Latvia

Contacts of the Company	Tel. +371 67 511 222, Fax +371 67 511 223, e-mail office@rigacs.lv
Website	www.rigacs.lv

Name of the company	Namu serviss APSE SIA
Legal form	Limited liability company
Country of incorporation	Republic of Latvia
Administrator of the register	Register of Enterprises of the Republic of Latvia
Code	42103033900
Date of incorporation	17 December 2014
Registered address	Peldu iela 41-2, LV-3401 Liepaja, Latvia
Principal place of business	Peldu iela 41-2, LV-3401 Liepaja, Latvia
Contacts of the Company	Tel. +371 66 342 1750, Fax +371 66 348 3219, e-mail info@apse.lv
Website	www.apse.lv

Name of the company	Riga City Service SIA
Legal form	Limited liability company
Country of incorporation	Republic of Latvia
Administrator of the register	Register of Enterprises of the Republic of Latvia
Code	40003819844
Date of incorporation	19 April 2006
Registered address	G. Astras iela 8b, Riga, Latvia
Principal place of business	G. Astras iela 8b, Riga, Latvia
Contacts of the Company	Tel. +371 67 511 222, Fax +371 67 511 223, e-mail office@rigacs.lv
Website	www.rigacs.lv

Name of the company	City Service Poland Sp.z.o.o.
Legal form	Private limited liability company
Country of incorporation	Republic of Poland
Administrator of the register	Polish register of enterprises: National Court registre (Krajowy Rejestr Sądowy – KRS)
Code	0000441249
Date of incorporation	22 November 2012
Registered address	ul. 17 Stycznia 48, 02-146 Warsaw, Poland
Principal place of business	ul. 17 Stycznia 48, 02-146 Warsaw, Poland

Name of the company	City Service Polska Sp.z.o.o.
Legal form	Private limited liability company
Country of incorporation	Republic of Poland
Administrator of the register	Polish register of enterprises: National Court registre (Krajowy Rejestr Sądowy – KRS)
Code	0000483372
Date of incorporation	28 October 2013
Registered address	ul. 17 Stycznia 48, 02-146 Warsaw, Poland
Principal place of business	ul. 17 Stycznia 48, 02-146 Warsaw, Poland

Name of the company	City Service Grupa Techniczna Sp.z.o.o.
Legal form	Private limited liability company
Country of incorporation	Republic of Poland
Administrator of the register	Polish register of enterprises: National Court registre (Krajowy Rejestr Sądowy – KRS)
Code	0000494272
Date of incorporation	16 January 2014
Registered address	ul. 17 Stycznia 48, 02-146 Warsaw, Poland
Principal place of business	ul. 17 Stycznia 48, 02-146 Warsaw, Poland

Name of the company	ENERGIAOK Sp.z.o.o.
Legal form	Private limited liability company
Country of incorporation	Republic of Poland
Administrator of the register	Polish register of enterprises: National Court registre (Krajowy Rejestr Sądowy – KRS)
Code	0000515123
Date of incorporation	28 July 2014
Registered address	ul. 17 Stycznia 48, 02-146 Warsaw, Poland
Principal place of business	ul. 17 Stycznia 48, 02-146 Warsaw, Poland

Name of the company	PROGRESLINE Sp.z.o.o.
Legal form	Private limited liability company
Country of incorporation	Republic of Poland
Administrator of the register	Polish register of enterprises: National Court registre (Krajowy Rejestr Sądowy – KRS)
Code	0000533531
Date of incorporation	28 November 2014
Registered address	Piotrkowska, No. 197, 90-451 Lodz, Poland
Principal place of business	Piotrkowska, No. 197, 90-451 Lodz, Poland

Name of the company	Zespół Zarządców Nieruchomości Sp.z.o.o.
Legal form	Private limited liability company
Country of incorporation	Republic of Poland
Administrator of the register	Polish register of enterprises: National Court registre (Krajowy Rejestr Sądowy – KRS)
Code	0000218420
Date of incorporation	29 September 2004
Registered address	Wolnej Wszechnicy 5, 02-097 Warsaw, Poland
Principal place of business	Wolnej Wszechnicy 5, 02-097 Warsaw, Poland
Contacts of the Company	Tel. +48 22 572 55 70, Fax +48 22 659 27 77, e-mail biuro@zzn.pl
Website	www.zzn.pl

Name of the company	FAMIX Sp. z o.o.
Legal form	Private limited liability company
Country of incorporation	Republic of Poland
Administrator of the register	Polish register of enterprises: National Court registre (Krajowy Rejestr Sądowy – KRS)
Code	0000130182
Date of incorporation	11 September 2002
Registered address	Chopina, No. 5A/20, 00-559, Warsaw, Poland
Principal place of business	Chopina, No. 5A/20, 00-559, Warsaw, Poland
Contacts of the Company	Tel. +48 22 629 36 13, Fax +48 22 622 39 79, e-mail info@famix.waw.pl
Website	http://famix.waw.pl/

Name of the company	SANTER Zarządzanie Nieruchomościami Sp. z o.o.
Legal form	Private limited liability company
Country of incorporation	Republic of Poland
Administrator of the register	Polish register of enterprises: National Court registre (Krajowy Rejestr Sądowy – KRS)
Code	0000009951
Date of incorporation	27 April 2001
Registered address	Sieradzka, No. 10, 60-163, Poznan, Poland
Principal place of business	Sieradzka, No. 10, 60-163, Poznan, Poland
Contacts of the Company	Tel. +48 61 661 94 74, Fax +48 61 661 94 75, e-mail santer@santer.pl
Website	www.santer.pl

Name of the company	Administraciones SantaPola S.L.
Legal form	Limited liability company
Country of incorporation	Kingdom of Spain
Administrator of the register	Spain register of enterprises
Code	B-53159968
Date of incorporation	30 December 1996
Registered address	Cl. Marqués de Molins 25 entlo, DCHA 03130 Santa Pola, Alicante, Spain
Principal place of business	Cl. Marqués de Molins 25 entlo, DCHA 03130 Santa Pola, Alicante, Spain
Contacts of the Company	Tel. 96 541 60 60, Fax 96 669 03 80, e-mail oficina@afsp.es

Name of the company	Administracion Urbana y Rural Chorro S.L.U.
Legal form	Private limited liability company
Country of incorporation	Kingdom of Spain
Administrator of the register	Spain register of enterprises
Code	A-84659614
Date of incorporation	January 1996
Registered address	Nº 7 Bloque 1, 3º, Avenida Condomina, Alicante, Spain

Principal place of business	Nº 7 Bloque 1, 3º, Avenida Condomina, Alicante, Spain
Name of the company	Afimen administracion de finques S.L.U.
Legal form	Private limited liability company
Country of incorporation	Kingdom of Spain
Administrator of the register	Spain register of enterprises
Code	A-54340153
Date of incorporation	April 2008
Registered address	Nº 7 Bloque 1, 3º, Avenida Condomina, Alicante, Spain
Principal place of business	Nº 7 Bloque 1, 3º, Avenida Condomina, Alicante, Spain

Name of the company	Concentra Servicios y Mantenimiento S.A
Legal form	Limited liability company
Country of incorporation	Kingdom of Spain
Administrator of the register	Spain register of enterprises
Code	A-84659614
Date of incorporation	7March 2006
Registered address	Calle Bahía de Pollensa 13, 28042 Madrid, Spain
Principal place of business	Calle Bahía de Pollensa 13, 28042 Madrid, Spain
Contacts of the Company	Tel. 91 381 92 20, Fax 91 381 78 03, e-mail flopez@concentra-servicios.es

Name of the company	Elche administracion de fincas S.L.U.
Legal form	Private limited liability company
Country of incorporation	Kingdom of Spain
Administrator of the register	Spain register of enterprises
Code	B-54408331
Date of incorporation	20 February 2009
Registered address	nº 27 Bajo, calle Padre Manjón, en Elda, Spain
Principal place of business	nº 27 Bajo, calle Padre Manjón, en Elda, Spain

Name of the company	Сити Сервис ОАО
Legal form	Public company with limited liability
Country of incorporation	Russian Federation
Administrator of the register	St. Petersburg Federal Office, Inter regional inspection No. 15
Code	780701001
Date of incorporation	3 October 2003
Registered address	198260, St. Petersburg, ул. Петергофское шоссе дом 3/2
Principal place of business	195197, St. Petersburg, Финляндский пр. 4А, Бизнес-центр "Петровский Форт", офю 435
Contacts of the Company	Tel. +7 812 742 19 19, Fax +7 812 742 19 19, e-mail cityservice@spcs.spb.ru

Name of the company	Сити Сервис ЗАО
Legal form	Private limited liability company
Country of incorporation	Russian Federation
Administrator of the register	St. Petersburg Federal Office, Inter regional inspection No. 15
Code	780101001
Date of incorporation	3 December 2004
Registered address	199397, St. Petersburg, ул. Кораблестроителей, д. 31, корп. 2
Principal place of business	199397, St. Petersburg, ул. Кораблестроителей, д. 31, корп. 2
Contacts of the Company	Tel. +7 812 352 50 66, Fax +7 812 352 57 42, e-mail cityservice@bk.ru

Name of the company	Специализированное ремонтно-наладочное управление ОАО
Legal form	Public company with limited liability
Country of incorporation	Russian Federation
Administrator of the register	St. Petersburg Federal Office, Kalinino regional inspection
Code	044030791
Date of incorporation	2 June 2003
Registered address	195009, St. Petersburg, Бобруйская ул., д. 5
Principal place of business	195197, St. Petersburg, Кондратьевский пр., д.15, к. 3
Contacts of the Company	Tel. +7 812 542 95 00, Fax +7 812 542 95 00, e-mail specnu@rambler.ru

Name of the company	Жилкомсервис № 3 Фрунзенского района ООО
Legal form	Company with limited liability

Country of incorporation	Russian Federation
Administrator of the register	St. Petersburg Federal Office, Inter regional inspection No. 15
Code	7816451699
Date of incorporation	6 October 2008
Registered address	192283, Санкт-Петербург, ул. Купчинская, д. 30, корп. 2
Principal place of business	192283, Санкт-Петербург, ул. Купчинская, д. 30, корп. 2
Contacts of the Company	Tel. +7 812 771 75 52, Fax +7 812 771 75 52

Name of the company	Чистый дом ООО
Legal form	Company with limited liability
Country of incorporation	Russian Federation
Administrator of the register	St. Petersburg Federal Office, Inter regional inspection No. 15
Code	7804437890
Date of incorporation	12 May 2010
Registered address	195197, Санкт-Петербург, Кондратьевский пр., д. 15, к. 3
Principal place of business	195197, Санкт-Петербург, Кондратьевский пр., д. 15, к. 3
Contacts of the Company	Tel. +7 812 458 55 69, Fax +7 812 458 55 69

Name of the company	Подъемные механизмы ООО
Legal form	Company with limited liability
Country of incorporation	Russian Federation
Administrator of the register	St. Petersburg Federal Office, Inter regional inspection No. 15
Code	780401001
Date of incorporation	19 January 2010
Registered address	195197, Санкт-Петербург, Кондратьевский пр., д. 15, к. 3
Principal place of business	195197, Санкт-Петербург, Кондратьевский пр., д. 15, к. 3
Contacts of the Company	Tel. +7 812 742 19 19, Fax +7 812 742 19 19, e-mail cityservice@spcs.spb.ru

4.6 Property, Plant and Equipment

The main tangible fixed assets, designated to execute the main activities of the Group is concentrated in the Subsidiaries of the Issuer, which constantly invest to renewal thereof. Thus, the Issuer has no material tangible fixed assets and does not plan to acquire them directly.

Table 9. Carrying value of tangible fixed assets (EUR'000)

Item	As at 30 June		As at 31 December		
	2015	2014	2014	2013	2012
Property, plant and equipment					
Buildings	8,778	9,106	8,879	8,424	10,224
Vehicles	3,248	3,081	3,145	2,835	5,802
Other tangible assets	7,357	6,916	7,313	6,913	9,149
Construction in progress	183	427	47	122	42
Total	19,566	19,530	19,385	18,293	25,217

Source: Consolidated Interim Financial Information, IFRS Financial Statements, the Company

There were no material changes in separate long-term assets groups, used in the activities of the Group, as its companies regularly substitute depreciated and out-dated assets with the new purchases.

As at 30 June 2015 shares of Mano Būstas UAB, part of property, plant and equipment of the Group with a total book value of EUR 3,046 thousand (as at 30 June 2014 – EUR 3,584 thousand) and part of Bank accounts of the Group were pledged as collateral to secure bank borrowings.

A description of any environmental issues that may affect the Issuer's utilisation of the tangible fixed assets

There are no environmental issues that may affect the Issuer's utilization of the tangible fixed assets.

4.7 Operating and Financial Review

4.7.1 Financial Condition

Acquisitions and divestments

List of the new investments during the last three years is provided in Section 4.3.2 *Investments*. Purchases of the investments mainly were financed by leveraged capital (change in total financial debt throughout the years 2012-2015 is

provided in the table below). However, healthy capital structure is sustained, as gearing ratio for the Group (Group's total financial liabilities / Group's total equity) amounts to 35% as of 30 June 2015.

Composition of expenses

Detailed split of operating expenses is provided in the IFRS Financial Statements and in the Consolidated Interim Financial Information, incorporated by reference in the Prospectus. The key item of cost of services provided and operating expenses are payroll costs, which comprise more than a half of operating expenses.

Refinancing; financing costs; capitalisation

During the last three years, the Group was mainly funded by its own funds as well as the debt capital (for more information please see Section 4.8 *Capital Resources*). Effective rate on borrowings from the external parties was between 3, 2.6 and 2.4 percent during the years 2014, 2013 and 2012 respectively.

4.7.2 Operating Results

As of the date of this Prospectus the operating results of the Group are stable and for the past three years the Group was profitable. Year by year material changes in profit and loss as well as in the balance sheet structure arise because of acquisitions of new Subsidiaries and entering into new markets (notably, acquisition in 2013 of Concentra Servicios y Mantenimiento S.A. in Spain and acquisition in 2012 of Zespół Zarządców Nieruchomości Sp. z o.o. in Poland).

Financial results

Below is presented the summary of items of the IFRS Financial Statements and Consolidated Interim Financial Information, related to financial results of the Group.

Table 10. Financial results of the Group (EUR'000)

Key profit (loss) items (continued operations)	As at 30 June		As at 31 December		
	2015	2014	2014	2013	2012
Revenue	83,739	92,792	181,266	149,663	143,048
EBITDA	4,861	6,892	12,317	13,331	14,914
EBIT	4,882	3,963	6,934	8,674	10,858
Net Profit	3,972	3,016	5,121	7,014	9,262
Key balance sheet items					
Non-current assets	69,248	54,729	72,777	50,970	64,311
Current assets	64,418	74,730	62,401	71,254	51,956
<i>of which cash</i>	12,650	12,729	13,362	11,158	9,533
Assets held for sale	5,201	-	2,342	18,320	-
Total assets	138,867	129,459	137,520	140,544	116,267
Equity	68,137	64,256	65,208	60,886	53,592
Non-current liabilities	20,286	18,844	21,800	19,286	15,577
<i>of which financial debt</i>	16,676	15,416	18,068	16,017	10,418
Current liabilities	44,608	46,359	47,674	55,469	47,098
<i>of which financial debt</i>	6,872	5,353	5,995	5,221	9,025
Liabilities associated with assets held for sale	5,836	-	2,838	4,903	-
Total liabilities and equity	138,867	129,459	137,520	140,544	116,267
Total financial debt	23,548	20,769	24,063	21,238	19,443

Source: Consolidated Interim Financial Information, IFRS Financial Statements, the Company

The following information briefly describes the financial development of the Group for the last three years, providing additional insight as to how the financial results of the Group have developed. The Group has grown both organically and by acquisitions of Subsidiaries. Within the below indicated period the Group managed to sustain annual EBITDA margin between 7 to 10%.

Table 11. Financial development of the Group following the financial statements (EUR'000)

	As at 30 June		As at 31 December		
	2015	2014	2014	2013	2012
Sales	83,739	92,792	181,266	149,663	143,048
EBITDA	4,861	6,892	12,317	13,331	14,914
EBITDA margin, %	5.8%	7.4%	6.8%	8.9%	10.4%

Source: Consolidated Interim Financial Information, IFRS Financial Statements, the Company

Apart from the circumstances, indicated in Section 3.2 *Risk Factors Characteristic of the Group* (risk factor *Political and legal uncertainty related to operations in Russia*) the Issuer is not aware of other governmental, economic, fiscal,

monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the Issuer's operations.

4.8 Capital Resources

The primary objectives of the Group's capital management are to ensure that the Group complies with externally imposed capital requirements and maintains healthy capital ratios in order to support the business and to maximise the shareholders' value. For the purposes of capital management, the capital comprises equity attributable to equity holders of the parent Company.

The Group manages capital structure and makes adjustments thereto in the light of changes in economic conditions and risk characteristics of activities of the Group. To maintain or adjust the capital structure, the Group and the Company may propose to the General Meeting to issue new shares, adjust the dividend payment to shareholders and/or return capital to shareholders. In any case such decisions will finally be taken by the General Meeting.

No changes were made in the objectives, policies or processes of the capital management during the years ended 31 December 2014, 2013 and 2012.

In addition the Company has committed to its lenders to keep its capital requirements to certain minimum level. There were no other externally imposed capital requirements on the Group and the Company. As of 31 December 2014, 2013 and 2012 the Company was not in breach of the above requirements.

The Group monitors its capital by using debt to equity ratio. There is no target debt to equity ratio set out by the Management. However, current ratios presented below are treated as good performance indicators, taking into account the changes in the Group.

Table 12. Debt to equity ratio (EUR'000)

Item	As at 30 June		As at 31 December		
	2015	2014	2014	2013	2012
Non-current liabilities (including deferred tax)	20,286	18,844	21,800	19,286	15,577
Current liabilities	50,444	46,359	50,513	60,372	47,098
Liabilities	70,730	65,203	72,313	79,658	62,675
Equity	68,137	64,256	65,208	60,886	53,592
Debt to equity ratio	104%	101%	111%	131%	117%

Source: Consolidated Interim Financial Information, IFRS Financial Statements, the Company

The Group's external funding structure is presented in the table below.

Table 13. External funding structure of the Group (EUR'000)

Item	As at 30 June		As at 31 December		
	2015	2014	2014	2013	2012
Short term loans balance	3,734	2,746	2,219	2,938	5,478
Long term loans balance	17,362	16,051	19,357	16,635	11,357
Leasing liabilities balance	2,452	1,972	2,487	1,665	2,608
Total financial liabilities	23,548	20,769	24,063	21,238	19,443
Total equity	68,137	64,256	65,208	60,886	53,592
Gearing ratio (Group's total financial liabilities / Group's total equity)	35%	32%	37%	35%	36%

Source: Consolidated Interim Financial Information, IFRS Financial Statements, the Company

In case of a need to do the investments in the future the Issuer may use the available financial sources under the current credit agreements.

Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the Issuer's operations

There are no restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the Issuer's operations.

4.9 Research and Development, Patents and Licences

The Company has no patents, licenses. Furthermore, it does not have and did not apply research and development policies.

4.10 Trend Information

There were no material recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the Prospectus. Furthermore, there are no known trends, uncertainties, demands,

commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year.

Disregarding the above, after announcement of the last Consolidated Interim Financial Information the Merger was finalised on 10 August 2015, whereby City Service AB was merged to the Company. Furthermore, the Company was converted to European company (SE). For more information on these processes please see Section 4.3.1 *History and Development of the Group*.

4.11 Profit Forecasts or Estimates

The Issuer has not made a decision to include the profit forecasts or estimates in the Prospectus.

4.12 Administrative, Management and Supervisory Bodies and Senior Management

The Company has a two-tier management system, i.e. the Supervisory Board and the Management Board of the Company.

The Supervisory Board shall plan the activities of the Company, organise the management of the Company and supervise the activities of the Management Board. It shall also be responsible for the appointment and removal of the members of the Management Board, adoption of other corporate decisions which are economically feasible for the Company, etc. The members of the Supervisory Board elect among themselves a Chairman of the Supervisory Board who is responsible for organising the activities of the Supervisory Board.

The Management Board is a directing body of the Company which represents and directs the Company and is responsible for its accounting and for calling the General Meetings.

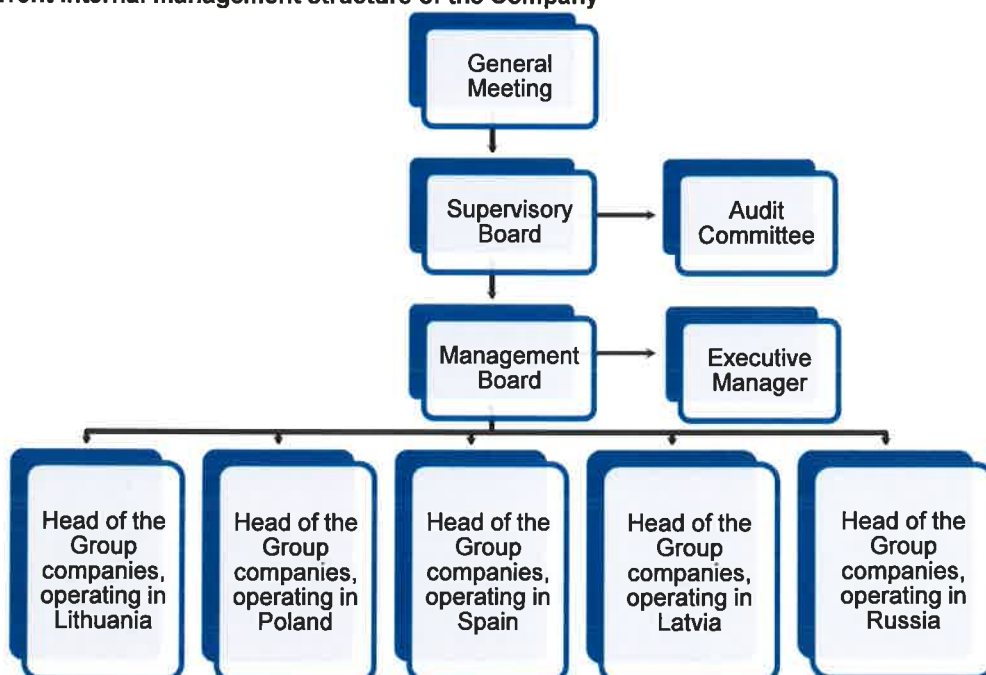
The competences of the aforementioned bodies of the Company are indicated in Section 4.19.2 *Statutes* in detail.

In addition, the Company employs several Key Executives: Executive Manager of the Company, Head of the Group companies, operating in Lithuania, Head of the Group companies, operating in Poland, Head of the Group companies, operating in Spain, Head of the Group companies, operating in Latvia, Head of the Group companies, operating in Russia. All the Key Executives of the Company are directly subordinated and report to the Management Board.

4.12.1 Management Structure of the Company

Current internal management structure of the Company is indicated below.

Figure 2. Current internal management structure of the Company



4.12.2 Members of the Administrative, Management and Supervisory Bodies and Key Executives

Management Board

Following Article 6.2 of the Statutes, the Management Board shall have one member, elected for a term of four years.

Table 14. Member of the Management Board

Name	Position in the Company
Jonas Janukėnas	Member of the Management Board

Source: the Company

Jonas Janukėnas. Jonas Janukėnas (born in 1976) holds a Master's degree in Business Administration. Since 2007 he was the Financial and Administrative Manager of the Former Parent Company. Jonas Janukėnas is also the Chairman of the management board at Mano Būstas UAB (since July 2012). Prior to employment in the Company, Jonas Janukėnas worked as the Financial Manager of Litesko UAB (2001 – 2007) and Senior Auditor and Risk Management Consultant at the Vilnius division of Andersen (1998 – 2001). Currently the main tasks of Jonas Janukėnas are to head the Group and take charge of planning and coordination of important development projects in Lithuania and other foreign markets.

Places of Jonas Janukėnas employment for the last 5 years (except for the positions, held in the Company and in the Former Parent Company):

Zespól Zarządców Nieruchomości Sp.z.o.o – member of the supervisory board (since January 2013);
Mano Būstas UAB – Chairman of the management board (since June 2012);
Aukštaitijos būstas UAB – manager (from March 2010 till August 2011).

Jonas Janukėnas holds no shares in the Company.

Supervisory Board

Following Article 7.7 of the Statutes, the Supervisory Board shall have three to five members, elected for a term of four years. The current Supervisory Board of the Company is formed from three (3) members.

Table 15. Member of the Supervisory Board

Name	Position in the Company
Andrius Janukonis	Chairman of the Supervisory Board
Gintautas Jaugielavičius	Member of the Supervisory Board
Artūras Gudelis	Member of the Supervisory Board

Source: the Company

Andrius Janukonis. Andrius Janukonis (born in 1971) holds a Master's degree in Law. He was the Chairman of the management board of the Former Parent Company (since 2009). He currently works as a consultant for ICOR UAB and is the Chairman of the management board of this company (since 2004).

Places of Andrius Janukonis employment for the last 5 years (except for the positions, held in the Company and in the Former Parent Company):

Zespól Zarządców Nieruchomości Sp.z.o.o – member of the supervisory board (since January 2013);
Realco UAB – member of the management board (since September 2012);
Mano Būstas UAB – member of the management board (since June 2012);
Axis Industries AB – member of the management board (since April 2012);
Lag&d UAB – Chairman of the management board (since December 2011);
Komunalinių įmonių kombinatas UAB – Chairman of the management board (from July 2011 till March 2014);
Ecoservice UAB – Chairman of the management board (from June 2011 till March 2014);
ICOR UAB – member of the management board (since April 2004);
Pirmoji galimybė UAB – member of the management board (from January 2011 till the end of June 2015);
Vandens parkas UAB – member of the management board (since February 2010);
Vilniaus energija UAB – member of the management board (from April 2014 till the beginning of July 2015);
LITESKO UAB – member of the management board (from April 2012 till the beginning of July 2015);
Dalkia Lietuva UAB – member of the management board (from April 2012 till June 2012);
Eco holding UAB – member of the management board (from November 2010 till January 2012);
Ozantis UAB – Chairman of the management board (from January 2009 till January 2011).

Andrius Janukonis holds no shares in the Company directly. However, he (together with Gintautas Jaugielavičius and Linas Samuolis) holds in equal parts shares of the ultimate parent of the Company, Global Energy Consulting OÜ, and these persons control thereof. For more information on this issue please see Section 4.16 *Major Shareholders*.

Gintautas Jaugielavičius. Gintautas Jaugielavičius (born in 1971) holds a Bachelor's degree in Economics. He was the member of the management board of the Former Parent Company (since 2005). He currently works as a consultant for ICOR UAB and is the member of the management board of this company (since 2004).

Places of Gintautas Jaugielavičius employment for the last 5 years (except for the positions, held in the Company and in the Former Parent Company):

Zespól Zarządców Nieruchomości Sp.z.o.o – member of the supervisory board (since January 2013);

Realco UAB – member of the management board (since September 2012);
 Mano Būstas UAB – member of the management board (since June 2012);
 Axis Industries AB – Chairman of the management board (since April 2012);
 Lag&d UAB – member of the management board (since December 2011);
 Ecoservice UAB – member of the management board (since June 2011);
 ICOR UAB – member of the management board (since April 2004);
 Pirmoji galimybė UAB – member of the management board (from January 2011 till the end of June 2015);
 Vandens parkas UAB – member of the management board (since February 2010);
 BORA UAB – manager (since August 2014);
 Dalkia Lietuva UAB – member of the management board (from April 2012 till June 2012);
 Eco holding UAB – member of the management board (from November 2010 till January 2012).

Gintautas Jaugielavičius holds no shares in the Company directly. However, he (together with Andrius Janukonis and Linas Samuolis) holds in equal parts shares of the ultimate parent of the Company, Global Energy Consulting OÜ, and these persons control thereof. For more information on this issue please see Section 4.16 *Major Shareholders*.

Artūras Gudelis. Artūras Gudelis (born in 1977) acquired university education by graduating from Klaipėda University, Economic Faculty. He gained Bachelor degree in economics and Master in business management.

Places of Artūras Gudelis employment for the last 5 years (except for the positions, held in the Company and in the Former Parent Company):

General Investment Group UAB – manager (since June 2015);
 Kolekta UAB – manager (since June 2015);
 Lag&d UAB – manager (since October 2009);
 Reenergy UAB – Chairman of the management board (since March 2012);
 Show Alliance UAB – manager (since January 2010);
 Prime Capital UAB – member of the management board (since July 2013);
 Movestas UAB – manager (since November 2009).

Artūras Gudelis holds no shares in the Company.

Key Executives

Table 16. Key Executives

Name	Position in the Company
Vytautas Turonis	Head of the Group companies, operating in Lithuania
Edvinas Paulauskas	Executive Manager of the Company
Remigijus Jakubauskas	Head of the Group companies, operating in Poland
Fernando López Abril	Head of the Group companies, operating in Spain
Jonas Šimkevičius	Head of the Group companies, operating in Latvia
Vytautas Junevičius	Head of the Group companies, operating in Russia

Source: the Company

Vytautas Turonis (born in 1972) acquired university education by graduating from the Vilnius University. He holds a Bachelor's degree in International Business. In 2004 he started working in the Company as the Market Development Department Manager. Previously he worked as the Marketing Manager of Specialus Autotransportas UAB (from 2003 till 2004).

Places of Vytautas Turonis employment for the last 5 years (except for the positions, held in the Company and in the Former Parent Company):

Mano Būstas UAB – general manager (since 2012);
 Šilutės būstas UAB – Chairman of the management board (since 2012);
 Nacionalinė pastatų administratorių asociacija (in English: *National Association of Administrators of Buildings*) – President, Chairman of the council (since 2008);
 VšĮ Mūsų kiemui (in English: *Public Institution For Our Yard*) – director (since 2010);
 Žaidas UAB – Chairman of the management board (since 2012);
 Nemuno būstas UAB – Chairman of the management board (since 2011);
 Marijampolės butų ūkis UAB – member of the management board (since 2011);
 Mano Sauga UAB – Chairman of the management board (since 2013).

Vytautas Turonis holds no shares in the Company.

Edvinas Paulauskas (born in 1976) acquired university education by graduating the Environment engineering at Vilnius Gediminas Technical University. He holds a Bachelor's degree in Environment Engineering. From 2005 till 2006 he was the Project Manager in the Company; since 2013 he worked as the Commercial Director of the Company.

Places of Edvinas Paulauskas employment for the last 5 years (except for the positions, held in the Company and in the Former Parent Company):

Mano Būstas UAB – Executive Manager (since 2012);
Mano Sauga UAB – member of the management board (since 2013).

Edvinas Paulauskas holds no shares in the Company.

Remigijus Jakubauskas (born in 1974) acquired higher education by graduating Thermal technologies and exploitation of heat networks at Alytaus Kolegija. He has an educational background in energetics. Previously Remigijus Jakubauskas worked at Litesko UAB as a Technical Director (from 2005 till 2009) and as a Director (from 2009 till 2013). Since 2013 he has been working in the Company's subsidiaries in Poland, firstly as a project manager in the Former Parent Company and then as a Branch Manager in Zespół Zarządców Nieruchomości Sp. z o.o., Chairman of the management board of City Service Grupa Techniczna and Chairman of the management board of Energia OK Sp. z o.o. Currently he holds the position of President of Zespół Zarządców Nieruchomości Sp. z o.o and City Service Polska Sp. z o.o.

Places of Remigijus Jakubauskas employment for the last 5 years (except for the positions, held in the Company and in the Former Parent Company):

Zespół Zarządców Nieruchomości Sp. z o.o – president (since 2014);
City Service Polska Sp. z o.o. – president (since 2015);
Energia OK Sp.z.o.o. – president (from 2014 till 2015);
Zespół Zarządców Nieruchomości sp. z o.o. Oddział Energetyki Ciepłej – Branch Manager (from 2013 till 2014);
Litesko Biržų šiluma UAB Branch – Director (from 2009 till 2013);
Litesko Biržų šiluma UAB Branch – Technical Director (from 2005 till 2009).

Remigijus Jakubauskas holds no shares in the Company.

Fernando López Abril (born in 1969) acquired university education by graduating from Universidad Politécnica (Madrid). He holds the Master of Sciences degree in agricultural engineering. Fernando López Abril has educational background in Management Development Program-PDD (IE Business School) and Master of Safety and Health (EOI). From 2010 till 2012 he held the position of the Executive Manager of the Former Parent Company. Before joining the Group company, Fernando López Abril was employed as Commercial Director at AMS-ALDESA (from 2007 till 2010), also worked as a regional manager at CESPFA-FERROVIAL (from 2004 till 2007) and held position of Director of Technological Systems and Nuclear Services Department at BORG Service (from 1999 till 2004).

Places of Fernando López Abril employment for the last 5 years (except for the positions, held in the Company and in the Former Parent Company):

Concentra Servicios y Mantenimiento – general director (since 2012);
Concentra Servicios y Mantenimiento – Business Development Director (from 2010 till 2012).

Fernando López Abril holds no shares in the Company.

Jonas Šimkevičius (born in 1980) acquired university education by graduating Construction engineering at Vilnius Gediminas technical university. He has the Bachelor's degree in constructions. Previously Jonas Šimkevičius worked as a project manager of the Former Parent Company (from 2005 till 2007). Before that he held different positions in the companies Limatika UAB (from 2004 till 2005) and Ranga IV UAB (from 2002 till 2004).

Places of Jonas Šimkevičius employment for the last 5 years (except for the positions, held in the Company and in the Former Parent Company):

Namu serviss APSE SIA – Chairman of the management board (since 2015);
Rīga City Service SIA – member of the management board (since 2007);
City Service SIA – member of the management board (since 2014).

Jonas Šimkevičius holds no shares in the Company.

Vytautas Junevičius (born in 1965) acquired university education by graduating Management at Kaunas University of Technology. He has a bachelor's degree in management. Vytautas Junevičius commenced his activities in the Group as the head of Kaunas subsidiary Žaidas UAB (from 2007 till 2014).

Places of Vytautas Junevičius employment for the last 5 years (except for the positions, held in the Company and in the Former Parent Company):

City Service OAO – general manager (since 2014);
Žaidas UAB – director (from 2007 till 2014).

Vytautas Junevičius holds no shares in the Company.

4.12.3 Declarations

To the best knowledge of the Company, for the last five years neither any member of the Supervisory Board, Management Board nor any Key Executive of the Company (i) was convicted for any fraudulent offences, (ii) was associated with any bankruptcies, receiverships or liquidations in their capacity as members of the administrative, management or supervisory bodies, partners with unlimited liability, founders or senior managers, or (iii) was subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of the company or from acting in the management or conduct of the affairs of any entity.

Disregarding the above information, currently the criminal proceeding No. 1-174-256/2015 is being executed in Vilnius Regional Court, in Lithuania. In this proceeding, accusations based on Articles 228 (1) (Abuse of Office), 182 (2) (Fraud) and 184 (2) (Embezzlement) of the Criminal Code of the Republic of Lithuania are submitted against Andrius Janukonis. This case is neither directly nor indirectly related to activities of Andrius Janukonis within the Company or the activities of the Company itself.

4.12.4 Conflicts of Interest of Members of the Administrative, Management and Supervisory Bodies and Key Executives

The Company is not aware of any potential conflict of interests between any duties to the Company of the members of the Supervisory Board, Management Board or the Key Executives of the Company.

Furthermore, none of the members of the Supervisory Board is related to any other member of this body as well as to any other member of the Management Board and/ or the Key Executives by blood or marriage.

There are no arrangements or understandings with the major shareholders of the Issuer, customers, suppliers or others, pursuant to which any member of the Supervisory Board, Management Board and/or the Key Executive were selected as a member of the administrative, management or member of senior management.

There are no restrictions on transferring the Issuer's Shares for the members of the Supervisory Board, Management Board and/or the Key Executives except the restrictions, foreseen in the applicable laws, which forbids trading in securities of the Issuer during certain time periods.

4.13 Remuneration and Benefits

During the year 2014 the amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to the Management by the Issuer (Former Parent Company) and its Subsidiaries for services in all capacities to the Issuer and its Subsidiaries amounted to EUR 717,844.

Table 17. Remuneration and benefits paid to the Management

Remuneration and benefits to:	Item	Amount during the year 2014, EUR
Members of the Management Board and Supervisory Board (General Manager and members of the management board of the Former Parent Company)	Monthly average for 1 member	3,611
	Total amount for all members of the Management Board and Supervisory Board	173,322
Key Executives	Monthly average for 1 member	8,891
	Total amount for all the Key Executives	544,522

Source: the Company

The Group has not set aside or accrued any amounts to provide pension, retirement or similar benefits to any member of the Supervisory Board, Management Board or Key Executive of the Company.

There are no loans granted by the Group to the members of the Supervisory Board, Management Board or the Key Executives of the Company. Furthermore, there are no guarantees or warranties provided, according to which execution of their obligations is ensured, also there were no paid or counted amounts or transfer of assets.

4.14 Board Practices

Term of office

The term of office of the Management Board, the Supervisory Board and the Key Executives as well as the period, during which respective persons hold positions, are provided herein below.

Table 18. Tenure of the Management Board, the Supervisory Board and the Key Executives

Name	Position in the Company	In the position	
		Since	Until
Supervisory Board			
Andrius Janukonis	Chairman of the Supervisory Board	9 April 2015	9 April 2019
Gintautas Jaugielavičius	Member of the Supervisory Board	9 April 2015	9 April 2019
Artūras Gudelis	Member of the Supervisory Board	29 June 2015	29 June 2019
Management Board			
Jonas Janukėnas	Member of the Management Board	29 June 2015	29 June 2019
Key Executives			
Vytautas Turonis	Head of the Group companies, operating in Lithuania	29 June 2012	Indefinite
Edvinas Paulauskas	Executive Manager of the Company	8 October 2013	Indefinite
Remigijus Jakubauskas	Head of the Group companies, operating in Poland	4 March 2013	Indefinite
Fernando López Abril	Head of the Group companies, operating in Spain	25 September 2013	Indefinite
Jonas Šimkevičius	Head of the Group companies, operating in Latvia	1 December 2009	Indefinite
Vytautas Junevičius	Head of the Group companies, operating in Russia	17 January 2014	Indefinite

Source: the Company

There is no limitation on the number of terms of office a member of the Management Board and the Supervisory Board may serve.

Information about members of the administrative or management bodies' service contracts with the Issuer or any of its Subsidiaries providing for benefits upon termination of employment

Apart from statutory payments the agreements entered between the members of the Supervisory Board, Management Board, Key Executives and the Issuer or its Subsidiaries do not provide for any other severance payments or benefits upon termination of such agreements.

Audit Committee and Nomination and Remuneration Committee

The Regulations of the activity of the Audit Committee were approved and its members were re-elected according to the decision of the Supervisory Board, dated 17 August 2015.

According to the Regulations of the activity of the Audit Committee the main functions of this committee are as follows:

- to monitor and analyse processing of financial information, including to observe the process of the preparation of financial reports of the Company;
- to provide the Supervisory Board with recommendations regarding the selection and/or removal of an external audit company;
- to provide the Supervisory Board with recommendations regarding the selection and/or removal of the internal auditor;
- to observe the efficiency of the internal control systems, risk management and internal audit systems;
- to observe the process of carrying out an external audit;
- to observe how the external auditor or audit company follow the principles of independence and objectivity;
- to fulfil other functions specified in the legal acts of the Republic of Estonia, including to:
 - monitor and analyse efficiency of risk management and internal control;
 - monitor and analyse the process of auditing of annual accounts and consolidated accounts;
 - monitor and analyse independence of an audit firm and a sworn auditor representing an audit firm on the basis of law and compliance of the activities thereof with other requirements of the Auditors Activities Act of the Republic of Estonia (in Estonian: *auditortegevuse seadus*);

- make recommendations or proposals to the Supervisory Board regarding prevention or elimination of problems and inefficiencies in an organisation and compliance with laws and the good practice of professional activities;
- to immediately inform the Supervisory Board about the information presented to the Audit Committee by the audit company regarding any problem issues arisen during the audit especially in the event of the establishing of significant shortcomings of internal control related to financial reports.

Members of the Audit Committee shall be appointed by the Supervisory Board. The Audit Committee consists of 3 members, one of whom shall be independent and the other two members shall be appointed out of the non-overhead staff of the Administration of the Company or Subsidiaries of the Company. The internal auditor, a member of the Management Board of the Company or a procurator or a person performing an audit of the Company shall not be a member of the Audit Committee. At least two of the members of the Audit Committee shall be experts in accounting, finance or law. The criteria of independency and eligibility requirements to be appointed a member of the Audit Committee are determined in the Regulations of the activity of the Audit Committee.

The term of office of the Audit Committee shall be 4 (four) years. An uninterrupted term of office of a member of the Audit Committee shall be no longer than 12 years. A member of the Audit Committee shall have the right to resign upon submitting before 10 days written notice to the Supervisory Board. The Supervisory Board shall have the right to recall one or all the members of the Audit Committee should they fail to perform their functions and/or should they no longer conform to the requirements specified in the applicable legal acts or the Regulations of the activity of the Audit Committee.

Members of the Audit Committee may receive remuneration for their functions in the Audit Committee. Remuneration amount and the payment procedure shall be set by the Supervisory Board.

The decisions of the Audit Committee shall be deemed adopted if the majority of members of the Audit Committee vote for it.

Current members of the Audit Committee are the following: Saulius Leonavičius (independant member); Jonas Mačiuitis and Irena Veligor. However, new members were appointed to the Audit Committee (Saulius Leonavičius (independant member), Tomas Kleiva and Justinas Damašas) as from 1 November 2015.

The Issuer has not formed the Nomination and Remuneration Committee.

Compliance with the Corporate Governance Regime

Information on compliance of the Former Parent Company with the OMX Corporate Governance Code is provided in Annex 1 of the Annual Report for 2014.

The WSE, on which the Shares are planned to be listed, has a corporate governance code the „Best Practice in Public Companies”, the most recent version being the Appendix to Resolution No.19/1307/2012 of the Exchange Supervisory Board dated 21 November 2012 (the “WSE Corporate Governance Code”).

The same as in case of OMX Corporate Governance Code, with respect to the WSE Corporate Governance Code, the “comply or explain” principle is applied. The Company will be obliged to report on each non-compliance together with a justification of such non-compliance and will be obliged to include summary information on non-compliance with the WSE Corporate Governance Code in the annual report.

The Company acknowledges the importance of good corporate governance and intends to seek the compliance with the WSE Corporate Governance Code to the extent possible. Especially, the Company intends to be as transparent as it is legally and practically possible using multilingual Company’s website. However, due to, *inter alia*, differences between Polish and Estonian corporate law the Company does not comply with the following rules of the WSE Corporate Governance Code:

- Rule II.1.9a, according to which the Company should publish on its corporate website a record of the Shareholders’ Meeting in audio or video format. Currently the Company does not comply with this rule. However, it does not rule out applying thereof in the future;
- Rule III.6, according to which at least two members of the Supervisory Board should be independent. Currently the Company does not comply with this rule. However, taking into consideration that following the Statutes of the Company the Supervisory Board is comprised of three to five members, depending on circumstances, the Company does not rule out proposing to the General Meeting to elect one or two independent members to the Supervisory Board in the future;
- Rule III.8, according to which annex I to the Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) council should apply to the tasks and the operation of the committees of the Supervisory Board. As at the date of this Prospectus, the Supervisory Board has not formed any committee, however due to the limited number of the Supervisory Board members the entire Supervisory Board will act as the particular committee and it will aim to apply the rules indicated in the Commission Recommendation mentioned above;

– Rule IV 10, according to which the Company should enable its shareholders to participate in a General Meeting using electronic communication means through real-life broadcast of General Meetings and real-time bilateral communication where shareholders may take the floor during a General Meeting from a location other than the General Meeting. The Company does not enable participation in the General Meeting by using electronic communication means through real-life broadcast and real-time bilateral communication. However, the Company does not exclude that such means will be adopted in the future.

Furthermore, the Company does not comply with the following recommendations:

– Recommendation I.5, according to which the Company should have a remuneration policy and rules of defining the policy. The Company has not adopted such policy, since the Company's Group is developing and the number of employees and members of management do not justify implementation of a complex set of rules;

– Recommendation I.9, according to which a balanced proportion of women and men in management and supervisory functions should be ensured. Currently, there are no women in governing bodies of the Company. However, the Company does not exclude that this recommendation will be implemented in the future;

– Recommendation I.12, according to which the Company should enable its shareholders to exercise the voting right during a General Meeting either in person or through a proxy, outside the venue of the General Meeting, using electronic communication means. Currently, the Company does not envisage possibility to enable its shareholders to exercise the voting right during a General Meeting outside the venue of the General Meeting, using electronic communication means. However, the Company does not exclude that relevant solutions will be introduced in the future.

The Company's report as to its compliance with the recommendations in the WSE Corporate Governance Code will be included in the annual report of the Company for the first time for the financial year ending 31 December 2015.

4.15 Employees

Number of Employees

On 30 June 2015 the Group had 5,452 full-time employees. The breakdown of full-time employees of the Group by companies, business segments and geographic locations is presented in the tables below. These breakdowns exclude secondary employments in case an employee is employed in several companies of the Group at the same time.

Table 19. The breakdown of employees of the Group by companies (on the last day of the year)

Company	2014	2013	2012
City Service SE	55	54	49
Antakalnio būstas UAB	8	11	13
Apkaba UAB	-	-	-
Aukštaitijos būstas UAB	8	4	2
Baltijos būsto priežiūra UAB	-	-	-
Baltijos liftai UAB	-	17	16
Baltijos NT valdymas UAB	4	1	-
Baltijos pastatų valdymas UAB	-	-	-
Dainavos būstas UAB	-	-	-
Danės būstas UAB	6	8	11
Economus UAB	17	13	12
Jūros būstas UAB	6	16	18
Justiniškių būstas UAB	3	4	4
Karoliniškių būstas UAB	10	12	15
Karoliniškių turgus UAB	4	5	1
Konarskio turgelis UAB	2	2	-
Lazdynų butų ūkis UAB	6	16	14
Mano aplinka plius UAB	4	345	-
Mano aplinka UAB	789	302	221
Mano būstas UAB	909	755	769
Mano sauga LT UAB	2	-	-
Mano sauga UAB	119	110	51
Mūsų butas UAB	-	20	18
Namų priežiūros centras UAB	32	31	28
Naujamiesčio būstas UAB	20	90	496
Nemuno būstas UAB	4	8	16
Pastatų priežiūra UAB	17	5	5

Company	2014	2013	2012
Pašilaičių būstas UAB	2	2	3
Pempininkų būstas UAB	3	8	8
Radviliškio būstas UAB	6	6	21
Saulėtos dienos UAB	-	1	-
Skolos LT UAB	11	9	12
Šiaulių būstas UAB	16	12	19
Šiaulių liftas UAB	-	36	43
Šiaulių namų valda UAB	-	-	-
Šilutės būstas UAB	31	32	32
Vėtrungės būstas UAB	7	17	21
Vilkpėdės būstas UAB	4	3	3
Vingio būstas UAB	2	3	3
Viršuliškių būstas UAB	2	2	5
Žaidas UAB	26	27	32
Žardės būstas UAB	4	12	14
Žirmūnų būstas UAB	16	17	18
Riga City Service SIA	60	39	45
Zespół Zarządców Nieruchomości Sp.z.o.o.	880	785	815
Concentra Servicios y Mantenimiento	1,510	1,718	-
Чистый дом ООО	21	25	21
Сити Сервис ОАО	232	228	212
Сити Сервис ЗАО	120	122	126
Специализированное ремонтно-наладочное управление ОАО	67	59	4
Жилкомсервис № 3 Фрунзенского района ООО	68	73	206
Подъемные механизмы ООО	24	30	-
Total for the Group:	5,137	5,095	3,422

Source: the Company (data of the total number of employees for the Group and for the Company is audited; other data – unaudited)

Table 20. The breakdown of employees of the Group by geographic locations (on the last day of the year)

Geographic location	2014	2013	2012
Lithuania	2,155	2,016	1,993
Latvia	60	39	45
Poland	880	785	815
Russia	532	537	569
Spain	1,510	1,718	-
Total for the Group:	5,137	5,095	3,422

Source: the Company (data of the total number of employees for the Group and for the Company is audited; other data – unaudited)

Shareholdings and stock options

None of the members of the Supervisory Board, Management Board or the Key Executives owns shares and any options over such shares in the Issuer.

Arrangements for involving the employees in the capital of the Issuer

There are no such arrangements.

4.16 Major Shareholders

On the day of this Prospectus the authorised capital of the Company is EUR 9,483,000 and is divided into 31,610,000 ordinary registered Shares with a nominal value of EUR 0.30 each. All the Shares issued by the Company are fully paid up and entitle to equal voting rights to their holders.

In the table below the information is provided on shareholders of the Company having more than 5% of authorised capital of the Company on the date of this Prospectus.

Table 21. Shareholders of the Company, holding more than 5% of the authorised capital of the Company

No.	Shareholder	Number of owned shares and votes	Total, %
1.	ICOR UAB, legal entity code 300021944, address Konstitucijos av. 7, Vilnius, Lithuania	20,935,618	66.23
2.	East Capital (Lux) Funds, legal entity code LUESSE22	3,334,788	10.55
3.	Genesis Emerging Markets OPP FD LTD, legal entity, code OC 306866, address Cricket Square, Hutchins Drive KY 1-1111, Cayman Islands	1,605,183	5.08

Source: the Company

Major shareholders of the issuer do not have different voting rights.

Apart from the fact that the biggest shareholder of the Company (ICOR UAB; the ultimate parent of the Company is Global Energy Consulting OÜ, a holding company registered in Estonia, shares of which are held in equal parts by Andrius Janukonis (Chairman of the Supervisory Board of the Company and Chairman of the management board of ICOR UAB), Gintautas Jaugielavičius (member of the Supervisory Board of the Company and member of the management board of ICOR UAB) and by Linas Samuolis and this company is controlled by the above persons) holds 66.23% shares in the Company, the Company is not aware on any direct or indirect ownership or control relations. There are no measures in place to ensure that the above control is not abused.

The Issuer is not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Issuer.

4.17 Related Party Transactions

The parties are considered related when one party has the possibility to control the other one or has significant influence over the other party in making financial and operating decisions.

The related parties of the Group and the Company are as follows:

- Global Energy Consulting OÜ – the ultimate shareholder of the Company (Former Parent Company) since 2013;
- Lag&d UAB – controlled by the same above indicated ultimate shareholder;
- ICOR UAB – the shareholder of the Company (Former Parent Company);
- subsidiaries and associates of ICOR UAB (same ultimate controlling shareholder);
- Subsidiaries and associates of the Company (Former Parent Company);
- members of Management and Supervisory Board of the Company (Former Parent Company).

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.

The sales price for the intercompany subsidiary purchase and sale transactions are established by the management and shareholders of UAB ICOR and/or Global Energy Consulting OÜ and the Issuer (Former Parent Company) considering the results of independent valuations, if any, undertaken for the purposes of the transfer pricing regulations – which may not always be at their fair value.

There are no guarantees or pledges given or received in respect of the related party payables and receivables. Related party receivables and payables are expected to be settled in cash or set-off against payables / receivables to / from a respective related party.

The Management believes that there are no arrangements between the related parties influencing main business of the Company either directly or indirectly.

Transactions with related parties are as follows:

Table 22. Related Party Transactions, EUR'000

	Purchases	Sales	Receivables and prepayments	Loans granted	Payables (long and short-term)
As at 30 June 2015					
ICOR UAB	254	4	2	-	336
Subsidiaries of ICOR UAB: Axis Industries AB	253	213	31	-	237
Other subsidiaries of ICOR UAB	3	202	114	-	3
Associates and other related parties	327	45	8	-	9
Total	837	464	155	-	585
As at 30 June 2014					
ICOR UAB	294	4	-	-	127
Subsidiaries of ICOR UAB: Axis	250	125	6	-	96

Industries AB					
Other subsidiaries of ICOR UAB	539	268	89	-	1
Associates and other related parties	922	110	19	-	780
Total	2,005	507	114	-	1,004
As at 31 December 2014					
ICOR UAB	543	8	1	-	108
Subsidiaries of ICOR UAB: Axis Industries AB	574	295	19	-	90
Other subsidiaries of ICOR UAB	561	456	47	-	3
Other shareholders of the Former Parent Company	-	-	8	-	-
Associates	2,627	290	8	-	1,129
Total	4,306	1,049	82	-	1,331
As at 31 December 2013					
ICOR UAB	802	7	-	-	2,952
Subsidiaries of ICOR UAB: Axis Industries AB	854	528	1	-	810
Other subsidiaries of ICOR UAB	429	598	40	-	95
Management of the Former Parent Company	-	1	-	-	-
Other shareholders of the Former Parent Company	-	-	7	-	-
Total	2,085	1,135	49	-	3,857
As at 31 December 2012					
ICOR UAB	736	7	2	-	3,318
Subsidiaries of ICOR UAB: Axis Industries AB	675	257	1	-	235
Other subsidiaries of ICOR UAB	403	793	265	-	73
Management of the Former Parent Company	-	-	-	59	-
Other shareholders of the Former Parent Company	-	-	7	-	-
Total	1,813	1,056	275	59	3,627

Source: Consolidated Interim Financial Information, IFRS Financial Statements, the Company

4.18 Financial Information Concerning the Issuer's Assets and Liabilities, Financial Position and Profit and Losses

4.18.1 Unaudited Interim Financial Information

Consolidated Interim Financial Statements, incorporated by reference in this Prospectus are provided in the tables below. Unless otherwise stated, this information should be read in conjunction with, and is qualified in its entirety by reference to such Consolidated Interim Financial Statements and related notes. Most recent Interim Financial Statements were authorised for issue on 31 August 2015 by responsible persons listed in the confirmation, which is attached to the Interim Financial Statements.

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*.

The statement of the financial position of the Former Parent Company for the 6 months periods ended 30 June 2015 and 30 June 2014 and consolidated statement of the financial position of the Group for the 6 months periods ended 30 June 2015 and 30 June 2014 based on the Consolidated Interim Financial Statements are provided in the table below. Note references to consolidated statement of financial position are as follows: Note 3 – goodwill, Note 4 – non-current intangible assets, Note 5 – property, plant and equipment, Note 6 – borrowings from financial institutions, Note 11 – related party transactions.

Table 23. Statement of the financial position, EUR'000

	The Group			The Company		
	As of 30 June 2015	As of 31 December 2014	As of 30 June 2014	As of 30 June 2015	As of 31 December 2014	As of 30 June 2014
ASSETS						
Non-current assets						
Goodwill	9,464	9,304	9,683	-	-	-

Non-current intangible assets	18,179	16,603	15,559	142	160	157
Property, plant and equipment	19,566	19,385	19,530	460	356	421
Investment property	503	527	81	-	-	-
Investments into subsidiaries	-	-	-	32,629	32,604	35,262
Investments into associates	225	2,234	1,825	-	1,480	1,480
Trade and other amounts receivable	16,105	19,324	3,107	19,844	19,842	5,170
Deferred income tax asset	5,206	5,400	4,944	89	118	126
Total non-current assets	69,248	72,777	54,729	53,164	54,560	42,616
Current assets						
Inventories	1,545	1,145	1,335	-	-	-
Prepayments and deferred charges	1,800	904	1,553	47	36	43
Trade receivable	43,912	41,485	52,985	1,260	3,020	11,390
Receivables from related parties	155	82	114	9,518	8,329	9,548
Other current assets and amounts receivable	4,356	5,423	6,014	182	719	1,622
Cash and cash equivalents	12,650	13,362	12,729	8,038	5,837	4,467
Total current assets	64,418	62,401	74,730	19,045	17,941	27,070
Assets held for sale	5,201	2,342	-	-	-	-
Total assets	138,867	137,520	129,459	72,209	72,501	69,686
EQUITY AND LIABILITIES						
Equity						
Share capital	9,167	9,155	9,155	9,167	9,155	9,155
Share premium and reserves	22,986	23,125	23,372	24,036	24,036	24,036
Retained earnings (loss)	35,423	32,328	31,144	22,209	17,988	16,995
Non-controlling interest	561	600	585	-	-	-
Total equity	68,137	65,208	64,256	55,412	51,179	50,186
Liabilities						
Non-current liabilities						
Non-current loans	14,834	16,404	13,902	12,646	13,779	13,638
Financial lease liabilities	1,842	1,664	1,514	153	153	204
Deferred income tax liability	3,007	2,876	2,517	-	-	-
Non-current payables	603	856	911	39	119	117
Total non-current liabilities	20,286	21,800	18,844	12,838	14,051	13,959
Current liabilities						
Current portion of non-current loans	2,528	2,953	2,149	2,267	2,267	2,094
Current portion of financial lease liabilities	610	823	458	30	52	23
Short term loans	3,734	2,219	2,746	-	-	72
Trade payables	15,068	21,409	20,706	618	4,061	2,530
Advances received	6,234	5,616	4,646	766	685	570
Other current liabilities	16,434	14,654	15,654	278	206	252
Total current liabilities	44,608	47,674	46,359	3,959	7,271	5,541
Liabilities associated with assets held for sale	5,836	2,838	-	-	-	-
Total liabilities	70,730	72,312	65,203	16,797	21,322	19,500
Total equity and liabilities	138,867	137,520	129,459	72,209	72,501	69,686

Source: Consolidated Interim Financial Statements, the Company

The statement of the comprehensive income of the Former Parent Company and the Group for the 6 month periods ended 30 June 2015 and 30 June 2014 based on the Consolidated Interim Financial Statements are provided in the table below.

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 unless significant acquisitions or divestments of certain subsidiaries occur during the reporting period. No such events occurred in continued operations activity in the first half of 2015 and 2014 respectively. Note references to consolidated statement of comprehensive income are as follows: Note 7 – cost of sales, Note 8 – administrative costs, Note 9 – other operating revenue/costs, Note 10 – financial activity.

Table 24. Statement of the comprehensive income, EUR'000

	The Group		The Company	
	Six months ended on 30 June 2015	Six months ended on 30 June 2014	Six months ended on 30 June 2015	Six months ended on 30 June 2014
Continuing operations				
Sales revenue	83,739	92,792	1,347	6,830
Cost of sales	(66,998)	(75,299)	(1,111)	(5,352)
Gross profit	16,741	17,493	236	1,478
Administrative costs	(14,303)	(12,295)	(1,103)	(1,195)
Other operating revenue/costs	459	105	44	45
Operating profit	2,897	5,303	(823)	328
Finance income	2,349	153	6,317	5,434
Finance expenses	(419)	(1,649)	(284)	(3,042)
Share profit of associates	55	156	-	-
Profit for the reporting period before tax	4,882	3,963	5,210	2,720
Income tax (costs)	(910)	(947)	(29)	4
Net profit (loss) from continued operations	3,972	3,016	5,181	2,724
Net profit (loss) from discontinued operations	(118)	1,254	-	-
Net profit	3,854	4,270	5,181	2,724
Attributable to:				
Shareholders of the parent company	3,893	4,406	5,181	2,724
Non-controlling interests	(39)	(136)	-	-
<i>Other comprehensive income (expenses) which can be subsequently regrouped to profit or loss</i>				
Currency translation differences	23	(33)	-	-
Net of other comprehensive income (expenses) which can be subsequently regrouped to profit or loss	23	(33)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD LESS THE INCOME TAX	3,877	4,237	5,181	2,724
Attributable to:				
Shareholders of the parent company	3,916	4,373	5,181	2,724
Non-controlling interests	(39)	(136)	-	-
Basic and diluted earnings per share (EUR)				
From continued operations	0.13	0.10		
From discontinued operations	0.00	0.04		
Other information (non-IFRS indicators):				
Operating profit (above)	2,897	5,303		
add: Depreciation and amortisation	1,964	1,589		
EBITDA (sum of operating profit (as above) and depreciation and amortisation)	4,861	6,892		

Source: Consolidated Interim Financial Statements, the Company

The statement of changes in equity of the Former Parent Company and the Group for the periods ended 30 June 2015 and 30 June 2014 based on the Consolidated Interim Financial Statements are provided in the table below.

Table 25. Statement of changes in equity, EUR'000

The Group	Equity attributable to equity holders of the parent							Total equity	
	Share capital	Share premiums	Foreign currency translation reserve	Other reserves	Retained earnings	Discontinued operations	Total		
Balance as at 1 January 2014	9,155	21,383	(634)	2,656	27,605	-	60,165	721	60,886
Total comprehensive income during the period	-	-	-	-	4,406	-	4,406	(136)	4,270
Currency translation differences	-	-	(33)	-	-	-	(33)	-	(33)
Total comprehensive income during the period	-	-	(33)	-	4,406	-	4,373	(136)	4,237
Dividends paid	-	-	-	-	(1,163)	-	(1,163)	-	(1,163)
Balance as at 30 June 2014	9,155	21,383	(667)	2,656	30,848	-	63,375	585	63,960
Balance as at 1 January 2015	9,155	21,383	(914)	2,656	32,671	(343)	64,608	600	65,208
Total comprehensive income during the period	-	-	-	-	3,893	-	3,893	(39)	3,854
Currency translation differences	-	-	23	-	-	-	23	-	23
Total comprehensive income during the period	-	-	23	-	3,893	-	3,916	(39)	3,877
Currency translation effect to share capital	12	-	-	-	(12)	-	-	-	-
Reserves of a disposal group classified as held for sale	-	-	(162)	-	-	162	-	-	-
Dividends paid	-	-	-	-	(948)	-	(948)	-	(948)
Balance as at 30 June 2015	9,167	21,383	(1,053)	2,656	35,604	(181)	67,576	561	68,137

(cont'd on the next page)

Statements of changes in equity (cont'd)

The Company	Share capital	Share premiums	Legal and other reserves	Retained earnings	Total
Balance as at 1 January 2014	9,155	21,383	2,653	15,432	48,623
Total comprehensive income during the period	-	-	-	2,724	2,724
Dividends paid	-	-	-	(1,163)	(1,163)
Balance as at 30 June 2014	9,155	21,383	2,653	16,993	50,184
Balance as at 1 January 2015	9,155	21,383	2,653	17,988	51,179
Total comprehensive income during the period	-	-	-	5,181	5,181
Currency translation effect to share capital	12	-	-	(12)	-
Dividends paid	-	-	-	(948)	(948)
Balance as at 30 June 2015	9,167	21,383	2,653	22,209	55,412

(the end)

Source: Consolidated Interim Financial Statements, the Company

The statement of the cash flows of the Former Parent Company and the Group for the 6 month periods ended 30 June 2015 and 30 June 2014 based on the Consolidated Interim Financial Statements are provided in the table below. Note references to consolidated statement of cash flows are as follows: Note 3 – goodwill, Note 4 – non-current intangible assets, Note 5 – property, plant and equipment, Note 6 – borrowings from financial institutions, Note 7 – cost of sales, Note 8 – administrative costs, Note 9 – other operating revenue/costs, Note 10 – financial activity.

Table 26. Statement of the cashflows, EUR'000

	The Group		The Company	
	As of 30 June 2015	As of 30 June 2014	As of 30 June 2015	As of 30 June 2014
Cash flows from operating activities				
Profit from continued operations	3,972	3,016	5,181	2,724
(Loss) profit from discontinued operations	(118)	1,254	-	-
Non-cash flows:				
Income tax expenses (gain)	1,031	909	29	(4)
Depreciation and amortisation	1,991	1,621	79	51
Impairment and discounting of accounts receivable	856	1,050	4	28
Impairment of intangible assets	(347)	-	-	-
(Gain) loss on disposal of property, plant and equipment	(210)	1	-	-
Dividend (income)	(10)	(10)	(3,560)	(5,120)
(Loss) gain from sale of investments	(1,435)	(123)	(2,019)	1,369
Other	(508)	438	(454)	1,359
Working capital adjustments:				
(Increase) decrease in inventories	(357)	60	-	-
(Increase) decrease in receivables and other current assets	(344)	(6,675)	1,611	1,942
(Increase) decrease in prepayments	(935)	87	(11)	10
(Decrease) increase in trade payables	(4,647)	(10,796)	(3,361)	(8,462)
Income tax (paid)	(1,264)	(1,557)	-	(13)
Increase (decrease) in other current liabilities	2,098	3,067	75	(151)
Net cash flows from operating activities	(227)	(7,658)	(2,426)	(6,267)
Cash flows from investing activities				
Acquisition of non-current assets (except investments)	(1,280)	(1,469)	(166)	(120)
Proceeds from sale of non-current assets	356	201	1	-
(Acquisition) of investments in subsidiaries (net of cash acquired in	(1,169)	(45)	(25)	-

the Group)				
Disposal of investments in subsidiaries and associates	3,498	13,470	3,498	13,420
Dividends and interest received	449	16	3,788	5,121
Net cash flows from investing activities	1,854	12,173	7,096	18,421
Cash flows from financing activities				
Dividends (paid)	(948)	(1,163)	(948)	(1,163)
(Repayment) proceeds from loans	(484)	(776)	(1,133)	(6,350)
(Repayment) of financial lease liabilities	(530)	(431)	(22)	(29)
Interest (paid)	(481)	(574)	(366)	(416)
Net cash flows from financing activities	(2,443)	(2,944)	(2,469)	(7,958)
Impact of currency exchange on cash and cash equivalents	118	-	-	-
Net increase (decrease) in cash and cash equivalents	(698)	1,571	2,201	4,196
Cash and cash equivalents at the beginning of the period	13,419	11,158	5,837	271
Cash and cash equivalents at the end of the period (attributable to continued operations)	12,650	12,729	8,038	4,467
Cash and cash equivalents at the end of the period (attributable to discontinued operations)	71	-	-	-

Source: Consolidated Interim Financial Statements, the Company

Table 27. Segment information, EUR'000

Six months ended on 30 June 2015	Baltic states	St. Petersburg	Poland	Spain	Stavropol (discontinued operations)	Total
Revenue	32,021	17,382	12,929	20,979	7,881	91,192
Unallocated income						428
Total revenue						91,620
Segment results	3,107	117	315	(99)	3	3,443
Unallocated expenses						(543)
Profit from operations						2,900
Net financial income						1,985
Profit / (loss) before income tax						4,815
Income tax expenses						(1,031)
Net profit for the year						3,854
Other segment information						
Capital expenditure	1,052	73	564	140	3	1,832
Six months ended on 30 June 2015						
	Poland	Spain	Baltic states	St. Petersburg	Total	
Revenue						
Sales to external customers	12,929	20,979	32,449	17,382	83,739	
Segment revenue	12,929	20,979	32,449	17,382	83,739	
As of 30 June 2015						
	Poland	Spain	Baltic states	St. Petersburg	Total	
Non-current assets						
Segment assets	13,900	5,317	48,210	1,821	69,248	
Total assets	13,900	5,317	48,210	1,821	69,248	

Six months ended on 30 June 2014	Baltic states	St. Petersburg	Poland	Spain	Stavropol (discontinued operations)	Discontinued operations (waste management business in Lithuania)	Total
Revenue	33,863	23,860	11,754	22,934	4,264	3,058	99,733
Unallocated income							381
Total revenue							100,114
Segment results	3,901	1,157	548	118	(220)	387	5,891
Unallocated expenses							(421)
Profit from operations							5,470
Net financial income							(291)
Profit / (loss) before income tax							5,179
Income tax expenses							(909)
Net profit for the year							4,270

Other segment information

Capital expenditure	2,200	84	565	395	-	673	3,917
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Six months ended on 30 June 2014	Baltic states	St. Petersburg	Poland	Spain	Total
Revenue					
Sales to external customers	34,244	23,860	11,754	22,934	92,792
Segment revenue	34,244	23,860	11,754	22,934	92,792

As of 30 June 2014	Poland	Spain	Baltic states	St. Petersburg	Total
Non-current assets					
Segment assets	11,886	3,334	54,688	2,869	72,777
Total assets	11,886	3,334	54,688	2,869	72,777

Source: Consolidated Interim Financial Statements, the Company

4.18.2 Audited Financial Information

IFRS Financial Statements, incorporated by reference in this Prospectus are provided in the tables below. Audited separate and consolidated IFRS Financial Statements for the years ended 31 December 2014, 31 December 2013 and 31 December 2012 were prepared and audited in Lithuanian Litas (LTL). Information below which was derived from the IFRS Financial Statements for convenience purposes is provided below in EUR thousand, converted by the Company using the official conversion rate of LTL 3.4528 to EUR 1. Unless otherwise stated, this information should be read in conjunction with, and is qualified in its entirety by reference to, such IFRS Financial Statements and related notes.

The statement of the financial position of the Former Parent Company for the years ended 31 December 2014, 31 December 2013 and 31 December 2012 and consolidated statement of the financial position of the Group for the years ended 31 December 2014, 31 December 2013 and 31 December 2012 based on the audited IFRS Financial Statements are provided in the table below.

Table 28. Statement of the financial position, EUR'000

	The Group			The Company		
	As of 31 December 2014	As of 31 December 2013	As of 31 December 2012	As of 31 December 2014	As of 31 December 2013	As of 31 December 2012
ASSETS						
Non-current assets						
Goodwill	9,304	9,646	13,115	-	-	-
Non-current intangible assets	16,603	15,772	22,179	160	142	1
Property, plant and equipment	19,385	18,293	25,217	356	235	121
Investment property	527	81	107	-	-	-
Investments into subsidiaries	-	-	-	32,604	34,774	46,931
Investments into associates	2,234	189	170	1,480	-	-

Trade and other amounts receivable	19,324	2,105	584	19,842	14,692	115
Deferred income tax asset	5,400	4,884	2,939	118	122	131
Total non-current assets	72,777	50,970	64,312	54,560	49,965	47,299
Current assets						
Inventories	1,145	1,649	1,483	-	-	-
Prepayments and deferred charges	904	2,906	3,553	36	53	50
Trade receivable	41,485	51,125	34,180	3,020	13,693	8,445
Receivables from related parties	82	44	275	8,329	1,748	15,953
Other current assets and amounts receivable	5,423	4,372	2,932	719	958	654
Cash and cash equivalents	13,362	11,158	9,533	5,837	271	37
Total current assets	62,401	71,254	51,956	17,941	16,723	25,139
Assets held for sale	2,342	18,320	-	-	15,955	-
Total assets	137,520	140,544	116,267	72,501	82,643	72,438
EQUITY AND LIABILITIES						
Equity						
Share capital	9,155	9,155	9,155	9,155	9,155	9,155
Share premium and reserves	23,125	23,405	23,408	24,036	24,036	24,036
Retained earnings (loss)	32,328	27,605	20,361	17,988	15,432	9,543
Non-controlling interest	600	721	668	-	-	-
Total equity	65,208	60,886	53,592	51,179	48,623	42,734
Liabilities						
Non-current liabilities						
Non-current loans	16,404	14,822	8,606	13,779	14,685	8,606
Financial lease liabilities	1,664	1,195	1,812	153	98	73
Deferred income tax liability	2,876	2,354	3,828	-	-	-
Non-current payables	856	915	1,331	119	117	113
Total non-current liabilities	21,800	19,286	15,577	14,051	14,900	8,792
Current liabilities						
Current portion of non-current loans	2,953	1,812	2,751	2,267	1,750	2,728
Current portion of financial lease liabilities	823	470	796	52	27	18
Short term loans	2,219	2,939	5,478	-	5,719	10,122
Trade payables	21,409	31,332	24,954	4,061	10,737	7,274
Advances received	5,616	4,551	5,241	685	555	490
Other current liabilities	14,654	14,365	7,878	206	332	280
Total current liabilities	47,674	55,469	47,098	7,271	19,120	20,912
Liabilities associated with assets held for sale	2,838	4,903	-	-	-	-
Total liabilities	72,312	79,658	62,675	21,322	34,020	29,704
Total equity and liabilities	137,520	140,544	116,267	72,501	82,643	72,438

Source: IFRS Financial Statements, the Company

The statement of the comprehensive income of the Former Parent Company and the Group for the periods ended 31 December 2014, 31 December 2013 and 31 December 2012 based on the audited IFRS Financial Statements are provided in the table below.

Table 29. Statement of the comprehensive income, EUR'000

	The Group			The Company		
	2014	2013	2012	2014	2013	2012
Continuing operations						
Sales revenue	181,266	149,663	143,048	11,816	13,037	15,370
Cost of sales	(147,115)	(121,380)	(114,953)	(9,608)	(10,378)	(12,177)
Gross profit	34,152	28,283	28,095	2,208	2,659	3,193
Administrative costs	(26,118)	(19,378)	(21,884)	(3,583)	(2,373)	(3,235)
Other operating revenue/costs	883	1,465	6,804	82	86	530
Operating profit	8,916	10,370	13,015	(1,293)	372	488
Finance income	801	217	443	6,454	6,505	5,680
Finance expenses	(3,349)	(1,931)	(2,603)	(1,440)	(982)	(3,974)

Share profit of associates	566	18	3	-	-	-
Profit for the reporting period before tax	6,934	8,674	10,858	3,721	5,895	2,194
Income tax (costs)	(1,813)	(1,660)	(1,596)	(3)	(5)	(127)
Net profit (loss) from continued operations	5,121	7,014	9,262	3,718	5,890	2,067
Net profit (loss) from discontinued operations	989	282	(4,833)	-	-	-
Net profit	6,110	7,296	4,429	3,718	5,890	2,067
Attributable to:						
Shareholders of the parent company	6,230	7,244	4,090	3,718	5,890	2,067
Non-controlling interests	(120)	52	339	-	-	-
<i>Other comprehensive income (expenses) which can be subsequently regrouped to profit or loss</i>						
Currency translation differences	(770)	(3)	(103)	-	-	-
Net of other comprehensive income (expenses) which can be subsequently regrouped to profit or loss	(770)	(3)	(103)	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD LESS THE INCOME TAX	5,340	7,293	4,326	3,718	5,890	2,067
Attributable to:						
Shareholders of the parent company	5,460	7,241	3,987	3,718	5,890	2,067
Non-controlling interests	(120)	52	339	-	-	-
Basic and diluted earnings per share (EUR)	0.19	0.23	0.14			
From continued operations	0.16	0.22	0.29			
From discontinued operations	0.03	0.01	(0.15)			
Other information (non-IFRS indicators):						
Operating profit (above)	8,916	10,370	13,016			
add: Depreciation and amortisation	3,401	2,961	1,899			
EBITDA (sum of operating profit (as above) and depreciation and amortisation)	12,317	13,331	14,915			

Source: IFRS Financial Statements, the Company

The statement of changes in equity of the Former Parent Company and the Group for the periods ended 31 December 2014, 31 December 2013 and 31 December 2012 based on the audited IFRS Financial Statements are provided in the table below.

Table 30. Statement of changes in equity, EUR'000

The Group	Equity attributable to equity holders of the parent							Total equity	
	Share capital	Share premiums	Foreign currency translation reserve	Other reserves	Retained earnings	Discontinued operations	Total		
Balance as at 31 December 2012	9,155	21,383	(631)	2,656	20,361	-	52,924	668	53,592
Total comprehensive income for the period	-	-	-	-	7,244	-	7,244	52	7,926
Currency translation differences	-	-	(3)	-	-	-	(3)	-	(3)
Total comprehensive income for the period	-	-	(3)	-	7,244	-	7,241	52	7,923
Balance as at 31 December 2013	9,155	21,383	(634)	2,656	27,605	-	60,165	720	60,885
Total comprehensive income during the period	-	-	-	-	6,230	-	6,230	(120)	6,110
Currency translation differences	-	-	(770)	-	-	-	(770)	-	(770)
Total comprehensive income during the period	-	-	(770)	-	6,230	-	5,460	(120)	5,340
Disposal of subsidiaries	-	-	146	-	-	-	146	-	146
Reserves of a disposal group classified as held for sale	-	-	343	-	(1,163)	(343)	-	-	-
Dividends paid	-	-	-	-	(1,163)	-	(1,163)	-	(1,163)
Balance as at 31 December 2014	9,155	21,383	(915)	2,656	32,672	(343)	64,608	600	65,208

(cont'd on the next page)

Statements of changes in equity (cont'd)

The Company	Share capital	Share premiums	Legal and other reserves	Retained earnings	Total
Balance as at 31 December 2012	9,155	21,383	2,653	9,543	42,733
Total comprehensive income during the period	-	-	-	5,890	5,890
Balance as at 31 December 2013	9,155	21,383	2,653	15,432	48,623
Total comprehensive income during the period	-	-	-	3,718	3,718
Dividends paid	-	-	-	(1,163)	(1,163)
Balance as at 31 December 2014	9,155	21,383	2,653	17,988	51,179

(the end)

Source: IFRS Financial Statements, the Company

The statement of the cash flows of the Former Parent Company and the Group for the periods ended for 31 December 2014, 31 December 2013 and 31 December 2012 based on the audited IFRS Financial Statements are provided in the table below.

Table 31. Statement of the cashflows, EUR'000

	The Group			The Company		
	2014	2013	2012	2014	2013	2012
Cash flows from operating activities						
Profit from continued operations	5,121	7,014	9,262	3,718	5,890	2,067
Profit (loss) from discontinued operations	989	282	(4,833)	-	-	-
Non-cash flows:						
Income tax expenses	1,866	1,825	1,735	3	5	127
Depreciation and amortisation	3,977	5,077	3,800	122	45	77
Impairment and discounting of accounts receivable	2,106	1,083	3,323	1,184	(27)	(244)
Gain from bargain purchase	(497)	(1,015)	(6,375)	-	-	-
Impairment of intangible assets	(74)	655	-	-	-	-
Loss (gain) on disposal of property, plant and equipment	94	28	(104)	6	-	(4)
Dividend (income)	(10)	-	-	(5,120)	(2,722)	(5,381)
(Loss) gain from sale of investments	(564)	62	2,000	93	-	-
Impairment of goodwill	(63)	735	5,543	-	-	-
Impairment of investments in subsidiaries	-	-	-	-	(3,171)	(3,458)
Other	1,329	1,322	270	13	165	206
Working capital adjustments:						
Decrease (increase) in inventories	61	(320)	64	-	-	203
(Increase) decrease in receivables and other current assets	(11,295)	(7,774)	(13,519)	703	254	(4,962)
Decrease (increase) in prepayments	334	1,053	(1,400)	18	14	23
(Decrease) increase in trade payables	(4,675)	552	5,424	(6,819)	3,868	2,059
Income tax (paid)	(2,528)	(1,810)	(1,755)	(13)	(60)	(173)
Increase (decrease) in other current liabilities	1,808	1,346	1,849	5	392	(1,218)
Net cash flows from operating activities	(2,021)	10,115	5,284	(6,087)	4,653	(3,762)
Cash flows from investing activities						
Acquisition of non-current assets (except investments)	(3,385)	(2,337)	(1,315)	(160)	(300)	(57)
Proceeds from sale of non-current assets	435	1,399	405	25	-	1
(Acquisition) of investments in subsidiaries (net of cash acquired in the Group)	(719)	(4,906)	(6,919)	(23)	(1,116)	(6)
Disposal of investments in subsidiaries and associates	12,666	1	1,213	13,421	-	-
Loan (granted) repaid	(956)	-	16	(1,198)	(5,672)	(12,206)
Dividends and interest received	109	-	-	5,252	2,330	5,403
Prepayments for investments	-	-	(1,227)	-	-	-
Net cash flows from investing activities	8,150	(5,843)	(7,827)	19,713	(4,758)	(6,865)
Cash flows from financing activities						
Dividends (paid)	(1,163)	-	(2,106)	(1,163)	-	(2,106)
Proceeds from loans	2,656	19,089	11,147	1,383	18,293	15,676
(Repayment) proceeds of financial lease liabilities	(941)	(1,015)	(1,491)	(51)	33	(536)
Interest (paid)	(1,167)	(491)	(382)	(741)	(394)	(370)
Loan (repaid)	(4,019)	(18,759)	(2,347)	(7,488)	(17,593)	(2,063)
Net cash flows from financing activities	(4,634)	(1,176)	4,821	(8,060)	339	10,601
Impact of currency exchange on cash and cash equivalents	(705)	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	790	3,096	2,278	5,566	234	(26)

Cash and cash equivalents at the beginning of the period	12,629	9,533	7,255	271	37	63
Cash and cash equivalents at the end of the period	13,419	12,629	9,533	5,837	271	37

Source: IFRS Financial Statements, the Company

Summary of Independent Auditor's Reports

The separate and consolidated IFRS Financial Statements for the years ended 31 December 2014, 31 December 2013 and 31 December 2012, incorporated by reference in this Prospectus, have been audited by Ernst & Young Baltic UAB, who issued unqualified auditor's reports on the IFRS Financial Statements, stating that in the opinions of the auditor on all the IFRS Financial Statements the financial statements present fairly, in all material respects, the financial position of the Former Parent Company and the Group as at 31 December 2014, 31 December 2013 and 31 December 2012 respectively, and their financial performance and their cash flows for the years then ended in accordance with IFRS, as adopted by the EU. Complete statements of auditor's opinions are provided in the IFRS Financial Statements incorporated by reference in this Prospectus.

4.18.3 Dividend Policy

The Company does not have an approved policy on dividend distributions and any restrictions thereon. Decision on distribution of dividends to shareholders is adopted by the General Meeting.

As from the year 2011 the Company (the Former Parent Company) has paid to its shareholders the following amounts of dividends:

Table 32. Distributed amounts of dividends

Dividend for the year	Financial period when the payment was reflected	Distributed dividends in total, LTL	Distributed dividends per share, LTL
2011	2012	7,270,300 (approx. EUR 2,105,624)	0.23 (approx. EUR 0.07)
2012	2013	-	-
2013	2014	4,014,000 (approx. EUR 1,162,535)	0.13 (approx. EUR 0.04)
2014	2015	3,274,290 (approx. EUR 948,300)	0.10 (approx. EUR 0.03)

Source: IFRS Financial Statements, the Company

The Company has not issued other type class of shares than the ordinary registered shares.

The Company cannot ensure that dividends will be paid in the future, or if dividends will be paid, how much they will amount to. The declaration and payment by the Company of any future dividends and the amount thereof will depend on the Company's results of operations, financial condition, cash requirements, future prospects and other aspects as well as the resolutions adopted by the General Meeting.

It must also be noted that certain Subsidiaries are parties to financing arrangements, terms and conditions of which restrict payment of dividends, unless the respective creditors consent to the respective payments.

4.18.4 Legal and Arbitration Proceedings

Neither the Company nor any of its Subsidiaries have, during the 12 months preceding the date of this Prospectus, been or are currently involved in any material governmental, legal or arbitral proceedings (including any such proceedings which are pending or threaten of which the Company is aware) or material disputes which may have or have had a significant adverse effect on the business, results of operations or financial position or profitability of the Company and/or the Group as a whole, except for the following proceedings:

Embezzlement of assets in Mano Būstas UAB

Currently the case is being examined by the appellate court, which was appealed by the Company acting as a civil plaintiff in the case.

First instance court has ordered LTL 1 million (EUR 289,620) damages in favor of the Company. The Company has appealed against the judgement of the Court, as the damages actually amount to LTL 2.3 million (EUR 666,126.04).

The trial started in 2009 after a Company's Subsidiary Fervėja UAB (current name Mano Būstas UAB) applied to the Lithuanian Financial Crime Investigation Service for initiating the investigation and a compensation of LTL 2.3 million (approx. EUR 666,126.04) of damages described below.

The application was made because a former director of Būsto Investicijų Valdymas UAB (the company acquired by Mano Būstas UAB and currently merged with Naujamiesčio Būstas UAB) on 1 August 2008, have signed an agreement with BAS OOO, a company registered in Kaliningrad district, according to which, the latter company was paid LTL 2.3 million (approx. EUR 666,126.04) for market research services that actually had not been carried out.

Mano sauga UAB cases

On 7 January 2014 a Group's company (Mano sauga UAB) as a defendant got an action from Trikampis žiedas UAB bankruptcy administrator Karaliaučiaus group UAB. In this case the administrator seeks that an agreement signed on 27 September 2012 between Trikampis žiedas UAB and Mano sauga UAB would be declared as null and void. Bankruptcy administrator also requires to apply restitution in this case and to receive from Mano sauga UAB in favor of Trikampis žiedas UAB the sum of LTL 3.5 million (approx. EUR 1.014 million).

In the opinion of the Company, the bankruptcy administrator brought groundless action which is not based on any objective calculations in order to determine the value of the assets transferred from Trikampis žiedas UAB to Mano sauga UAB.

At this stage, Group's company Mano sauga UAB has presented to the court its legal opinion expressing disagreement with the stated legal action. The court has appointed an independent expert to determine the value of the assets transferred, and the trial proceedings are suspended until the expert gives its opinion.

If the court adopts negative decision in this case, Mano sauga UAB will defend its rights in appeal procedure. Separate civil actions against the former manager and shareholder of Mano sauga UAB may also be brought. The carrying value of the net assets of Mano sauga UAB, consolidated in the Group's IFRS Financial Statements as at 31 December 2014 amounted to LTL (310) thousand (approx. EUR (89,782)).

Currently the pre-trial investigation is being executed in Vilnius District Prosecutor's Office, in Lithuania. In this proceeding, Mano sauga UAB, having its civil insurance, is participating as a civil defendant (the sum of civil action – EUR 0.25 million). Accusations are based on Article 178 (3) of the Criminal Code of the Republic of Lithuania may be submitted against employees of Mano sauga UAB.

4.18.5 Significant Changes in the Issuer's Financial or Trading Position

There were no significant changes in the Group's financial or trading position, which has occurred since the end of 30 June 2015, except that on 10 August 2015 the Merger was completed as a result of which all the assets, rights and liabilities of the Former Parent Company were transferred to the Issuer and all the shareholders of the Former Parent Company became the shareholders of the Issuer. Furthermore, on 27 October 2015 the Issuer was converted from public limited liability company to European public limited liability company (*Societas Europaea*, SE). For more information on the indicated Merger and Conversion please see Section 4.3.1 *History and Development of the Group*.

In addition to that, as the Former Parent Company informed in its notification on material event of 3 August 2015, following the decision to withdraw from Stavropol (Russia) residential facilities management market, the shares of the Group companies active in Stavropol were transferred on the date of the notification for the total price of RUB 4 million. In the IFRS Financial Statements, Stavropol companies were accounted as discontinued operations. Activities in Stavropol were loss making due to resale of communal resources. Thus, the disposal of the companies will not have any negative impact on financial result of the Company and its Group.

4.19 Additional Information

4.19.1 Share Capital

Table 33.

Name of securities	Number of securities	Nominal value, EUR	Total nominal value, EUR	Part in the share capital, %
Ordinary registered shares	31,610,000	0.30	9,483,000	100

Source: the Company

The authorised capital (also the number of Shares and their nominal value) of the Issuer is the same as the authorised capital of the Former Parent Company before the Merger.

When the Issuer was established on 2 April 2015 it had a minimal authorised capital under the Estonian law (EUR 25,000), which was divided into 250,000 ordinary registered shares with a nominal value of EUR 0.10 each. Following the provisions of the Merger Terms all these shares of the Issuer, held by its sole shareholder (Former Parent Company), were annulled on the Merger Date (10 August 2015) and exchanged to newly issued shares of the Issuer, the number of which is the same as the number of shares issued in the Former Parent Company before the Merger. Thus, on the Merger Date all newly issued shares of the Company are considered as fully paid by making non-monetary contribution to the Company by transfer of assets of City Service AB to the Company.

All shares of the Issuer are fully paid and grant their owners equal rights set by the legal acts and Statutes of the Issuer.

Under the knowledge of the Issuer, on the date of this Prospectus a freefloat of Shares comprised of 5,734,411 (18.15% of the authorised capital). The Shares, freely floating shall be deemed the Shares, which are owned by the shareholders of the Issuer, not holding more than 5% of share capital of the Issuer and if such shareholders are not related to other shareholders, holding more than 5% of share capital of the Issuer.

Amendments to share capital of the Issuer within 3 last years

Apart from the above, there were no amendments of the share capital of the Issuer.

The authorised capital of the Former Parent Company was changed as indicated in the table below.

Table 34. Amendments to share capital of the Former Parent Company within 3 last years

Registration of the amended share capital	Amount of share capital prior to amendment, LTL	Amendment, LTL	Reason	Share capital after the amendment, LTL
14-05-2015	31,610,000	-	Conversion of the authorised capital and nominal value of shares from LTL to EUR	EUR 9,166,900, divided into 31,610,000 shares par value of EUR 0.29 each
01-07-2015	EUR 9,166,900	+ EUR 316,100	Increase of the share capital from the own funds of the Former Parent Company	EUR 9,483,000, divided into 31,610,000 shares par value of EUR 0.30 each

Source: the Company

Information on shares, not representing capital

The Issuer has not issued shares, not representing its capital.

The number, book value and face value of shares in the Issuer held by or on behalf of the Issuer itself or by Subsidiaries of the Issuer

The Issuer has no shares of its own, held by itself or which are held on Issuer's behalf or which are held by the Subsidiaries.

The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription

The Issuer has not issued any convertible securities, exchangeable securities or securities with warrants.

Information about and terms of any acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital

The Issuer has not issued any acquisition rights and has no obligations over authorised but unissued capital or an undertaking to increase the capital.

Information about any capital of any member of the Group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate

None of the aforementioned transactions are signed by any member of the Group.

4.19.2 Statutes

Issuer's objects and purposes

Following the applicable Estonian laws, the planned principal activity of the issuer is notified with the Commercial Register upon establishment of the issuer. Upon submission of an annual report to the Commercial Register, the annual report must indicate the fields of activity during the financial year that has ended and the planned fields of activity during the following financial year. If the company's fields of activity change in the middle of a financial year, notice must be given of changes in the fields of activity upon submission of the annual report.

As from the day of establishment of the Company, the object and purpose of the Issuer are activities of the holding company, which were registered with the Commercial Register upon establishment of the Company (2 April 2015).

Bodies of the Company

Pursuant to Part 4 of the Statutes, corporate bodies of the Company are:

- the General Meeting of Shareholders (General Meeting);
- the Management Board;
- the Supervisory Board.

The General Meeting

The competence of the General Meeting does not differ from the competence of the general meeting of shareholders as provided for in the Commercial Code. According to Article 5.4 of the Statutes the General Meeting of the Company shall be competent to:

- (i) amend the Statutes;
- (ii) increase and reduce share capital;
- (iii) issue convertible bonds;
- (iv) elect and remove members of the Supervisory Board;
- (v) decide on conclusion and terms as well as conditions of transactions with the members of the Supervisory Board, decide on the conduct of legal disputes with the members of Supervisory Board, and appoint the representative of the Company in such transactions and disputes;
- (vi) elect an auditor;
- (vii) designate a special audit;
- (viii) approve the annual report and distribute profit;
- (ix) decide on the dissolution, merger, division or transformation of the Company;
- (x) decide on other matters assigned to the competence of the General Meeting by law.

Decision making of the General Meeting does not differ from the rules of the Commercial Code which are the following.

A resolution of a General Meeting shall be adopted if over one-half of the votes represented at the General Meeting are in favour unless the law prescribes a greater majority requirement, i.e. the issues, indicated in items (i), (ii) and (ix), as well as the decision to remove the Supervisory Board members require the qualified majority of at least 2/3 votes represented at the General Meeting. The decision to bar pre-emptive right to subscribe for new shares requires the qualified majority of at least 3/4 votes represented at the General Meeting. In the election of a person at the General Meeting, the candidate who receives more votes than the others shall be deemed to be elected.

The Management Board

Pursuant to Part 6 of the Statutes the Management Board is a directing body of the Company which represents and directs the Company. The Management Board shall have one member. The member of the Management Board is elected for a term of four years. Member of the Management Board may represent the Company in all legal acts.

The Management Board shall organise the accounting of the Company. After the end of each financial year the Management Board shall prepare an annual report pursuant to the procedure provided by law. Approval of the annual report shall be decided by the shareholders. The Management Board is also entitled to make advance payments to the shareholders with the consent of the Supervisory Board after the end of a financial year and before approval of the annual report on account of the presumed profit in the amount of up to one half of the amount subject to distribution among the shareholders.

The Supervisory Board

Pursuant to Part 7 of the Statutes the Supervisory Board shall plan the activities of the Company, organise the management of the Company and supervise the activities of the Management Board. The Supervisory Board is accountable before the shareholders of the Company (acting through the General Meeting).

In accordance with the Commercial Code, before the annual General Meeting is held, the Supervisory Board must review the annual accounts and provide the General Meeting with a written report on the annual accounts indicating whether Supervisory Board approves the accounts but also providing information on how the Supervisory Board has organised and supervised the activities of the Company. In practise the referred report is made available along with the notice on convocation of the annual General Meeting.

The Supervisory Board shall have three to five members. The members of the Supervisory Board are elected for a term of 4 years.

Following Article 7.2 of the Statutes, the prior consent of the Supervisory Board is required for conclusion of such transactions on behalf of the Company which are beyond the scope of everyday economic activities of the Company and, above all, for adopting the following decisions:

- to elect and remove from the office the members of the Management Board, set their remuneration, other terms of office (employment), approve Management Board regulations;
- to appoint and remove procurators;
- for the Company to become a founder or a member of other legal entities, to acquire, transfer or dissolve (liquidate) any such entities, as well as decisions to transfer or encumber any shares (parts, shares of stock) or rights assigned thereto held by the Company to other persons;
- to establish or terminate activities of affiliates or representative offices of the Company, approve their regulations;
- to transfer, lease or encumber immovables or registered movables of the balance value exceeding 1/20 (one-twentieth) of the Company's share capital (per each type of transaction);
- to make investments exceeding approved budget for the current financial year;
- to assume loans or debt obligations exceeding approved budget for the current financial year;

- to offer surety or guarantee of obligations of third parties for an amount in excess of 1/20 (one-twentieth) of the share capital of the Company;
- to acquire long-term assets at a price exceeding 1/20 (one-twentieth) of the Company's share capital;
- to engage the Company into new business activities or to discontinue any specific activity currently performed;
- to approve participation and (or) conclusion of peaceful settlement agreements in legal proceedings where the amount of claims made to or by the Company exceeds 1/5 (one fifth) of the share capital of the Company;
- to issue debentures of the Company or other forms of borrowing from any natural or legal persons (regardless of the amount);
- to conclude transactions between the Company and the Management Board members which are beyond the scope of everyday economic activities of the Company or exceed the market price;
- to determine which information will be considered the Company's commercial (industrial) secret and confidential information;
- to approve operating strategy, annual report, interim report, management structure of the Company, as well as positions of employees, positions to which employees are recruited by holding competitions;
- to determine the methods used by the Company to calculate the depreciation of tangible assets and the amortization of intangible assets.

The Supervisory Board has also the right to decide on other issues which are not assigned to the competence of the Management Board or the General Meeting pursuant to law or the Statutes.

The Supervisory Board shall analyse and evaluate documents submitted by the Management Board on:

- the implementation of the operating strategy of the Company;
- the organization of the activities of the Company;
- the financial status of the Company;
- the results of business activities, income and expenditure estimated, stocktaking data, and other accounting data of changes in the assets.

The Supervisory Board analyses and assesses the Company's draft of annual set of financial statement and draft of profit/loss statement and with annual report of the Company submits them to the General Meeting. The Supervisory Board analyses and evaluates the project of the decision on dividends for a shorter period of the financial year, its interim financial statements, which together with the Company's interim report are submitted to the General Meeting.

Rights conferred by the Shares of the Company

The rights conferred by the Shares are as follows:

- to receive a portion of the Company's profit (dividends);
- to receive the Company's funds when the capital of the Company is reduced with a view to paying out the Company's funds to the shareholders;
- to receive shares without payment if the capital is increased from the shareholders' equity (bonus issue);
- to have a pre-emption right in acquiring the shares or convertible debentures issued by the Company, except in the case when the General Meeting decides to withdraw the pre-emption right for all the shareholders;
- to receive a part of the assets of the Company in liquidation;
- to attend General Meetings;
- to vote at General Meetings according to voting rights carried by their shares;
- to receive information on the activities of the Company from the Management Board at the General Meeting, unless this may cause significant damage to the interests of the Company;
- to demand the calling of a General Meeting, if this is demanded by shareholders whose shares represent at least one-twentieth of the share capital of the Company;
- to call a General Meeting, if the Management Board does not call a General Meeting within one month after receipt of such a demand by shareholders whose shares represent at least one-twentieth of the share capital of the Company;
- to demand at the General Meeting a resolution on conduct of a special audit on matters regarding the management or financial situation of the Company, if this is demanded by shareholders whose shares represent at least one-tenth of the share capital of the Company;
- other property and non-property rights set out in the Commercial Code.

All the Shares confer equal rights to all the shareholders.

Procedure of amending the Statutes of the Company

The amendment of the Statutes normally requires a qualified majority of at least 2/3 of all votes present at the General Meeting. If a company has more than one type of shares, changing the rights attached to a particular class of shares requires in addition to the above the consent of at least 2/3 of votes of shareholders that are present at the General Meeting in each type of shares.

Procedures of the General Meeting

The procedures of the General Meetings are regulated by the Commercial Code.

The main rules of convocation of and attending the General Meeting are as follows:

The right of initiative to convene the General Meeting is vested in the shareholders representing at least 1/20 of the share capital, the Supervisory Board or the auditor. As a rule, the General Meetings are convened by a decision of the Management Board. However, If the Management Board fails to convene the extraordinary General Meeting within one month after the receipt of a relevant demand from the shareholders (or the Supervisory Board or the auditor), then the respective shareholders (or, respectively, the Supervisory Board or the auditor) have the right to convene the extraordinary General Meeting themselves.

General Meetings are annual and extraordinary.

The annual General Meeting is held once a year pursuant to the procedure and at the time set forth by law and the Statutes. Despite the fact that according to the Commercial Code the annual General Meeting must be held within six months as from the end of a financial year, the Securities Market Act further specifies that the audited annual accounts of listed and publicly traded companies must be made public within four months as from the end of a financial year. In accordance with the Commercial Code, before the annual General Meeting is held, the Supervisory Board must review the annual accounts and provide the General Meeting with a written report on the annual accounts indicating whether the Supervisory Board approves the accounts or not but also providing information on how the Supervisory Board has organised and supervised the activities of the management of the Company.

The Management Board must call an extraordinary General Meeting, if: (i) the net assets of the Company are less than one-half of the share capital or less than EUR 25,000; or (ii) this is demanded by shareholders whose shares represent at least one-twentieth of the share capital; or (iii) this is demanded by the Supervisory Board or the auditor; or (iv) this is clearly in the interests of the Company. Nevertheless, an extraordinary General Meeting shall not be called if the time between becoming aware of the decrease of assets or submission of the demand and the annual General Meeting is less than two months.

A notice on convocation of a General Meeting shall be given at least three weeks in advance through the OMX distribution system as a material event, and is also to be published on the Company's website www.cityservice.eu. According to applicable Estonian law, the notice on convening the General Meeting must also be published in at least one national daily newspaper in Estonia.

Once the Shares will be listed on the WSE, a notice of convocation of the General Meeting is to be also made public through the WSE stock exchange information distribution system as a material event as well.

According to the Commercial Code, if there is a material breach of the requirements of convening a General Meeting, such General Meeting does not have the capacity to adopt resolutions, except if all the shareholders participate at the meeting. Resolutions adopted at such meeting are void unless the shareholders with respect to whom the procedure for calling the General Meeting was violated approve of the resolutions.

As a rule, the agenda of a General Meeting is determined by the Supervisory Board. However, if the General Meeting is convened by the shareholders or the auditor, the agenda is determined by them. Furthermore, the Management Board or the shareholders whose shares represent at least 1/20 of the share capital of the Company may demand the inclusion of a certain item in the agenda. An item which is initially not in the agenda of a General Meeting may be included in the agenda upon the consent of at least 9/10 of the Shareholders who participate in the General Meeting if their shares represent at least 2/3 of the share capital.

A General Meeting may adopt resolutions if shareholders who own over one-half of the votes represented by shares participate in the General Meeting. If an insufficient number of shareholders are present, the Management Board shall, within three weeks but not earlier than after seven calendar days, call another meeting with the same agenda. This General Meeting is competent to adopt resolutions regardless of the number of votes represented at the meeting.

The set of shareholders entitled to take part in a General Meeting shall be determined as at the seventh calendar day before the date of holding the General Meeting. A shareholder in person or a representative of a shareholder may participate in a General Meeting. The representation right of a representative must be proven with a written document (proxy) or the Company must be notified thereof in a secure manner, if the Company provides with such a possibility. The participation of a representative does not deprive the shareholder of the right to participate in the General Meeting.

A person attending the General Meeting and entitled to vote must present a document which is a proof of his identity. A person who is not a shareholder must additionally present a document attesting to his right to vote at the General Meeting.

Under Article 5.5 of the Statutes, the shareholders may participate in the General Meeting and exercise their rights using electronic means without physically attending the General Meeting and without appointing a representative if it is possible in a technically secure manner. However, for this purpose the Management Board has to determine the ways and procedure of electronic participation in the General Meeting (including the moment of time until which it is possible to vote using electronic means prior to the General Meeting or during the General Meeting). As currently the Management Board has not determined these conditions, there is no possibility to attend the General Meeting and to vote by means of electronic communications.

However, the Statutes foresee the possibility to vote on the draft resolutions prepared in respect to the items of the agenda of a General Meeting by submitting their votes to the Company prior to the General Meeting in writing, i.e. vote

by filling a general ballot paper. A filled-in general ballot paper must contain the full name and personal number of the shareholder who is a natural person; the name and registration number of the shareholder who is a legal person. The Filled-in general ballot papers shall be signed by a shareholder or another person entitled to vote by the shares held by this shareholder. If the filled-in general ballot paper is signed by the person who is not a shareholder, the document confirming the right to vote must be attached to the filled-in general ballot paper. The duly completed general ballot paper shall be submitted to the Company by electronic means of communication if the security of the information transmitted is ensured and the identity of the shareholder may be established. A general ballot paper shall be deemed to be valid and may not be recalled if it meets the requirements laid down in the Statutes and is received by the Company before the General Meeting. A general ballot is valid only in case if the blank form published on the home page of the Company is used. If a general ballot paper does not meet the above requirements, a shareholder shall be considered not to have voted in advance. If a general ballot paper has been filled-in in a manner making it impossible to determine the will of a shareholder on a separate issue, the shareholder shall be considered not to have voted in advance. The shareholders who take a written vote in advance must be included for counting the quorum of the meeting and voting results. The general ballot papers of the meetings that have not taken place are valid at repeat meetings. A shareholder is not entitled to vote at a General Meeting for a decision about which he has already expressed his will in advance in writing.

A description of any provision of the Statutes, charter or bylaw that would have an effect of delaying, deferring or preventing a change in control of the Issuer

There are no such provisions.

An indication of the Statutes, charter or bylaw provisions, if any, governing the ownership threshold above which shareholder ownership must be disclosed

There are no such provisions. This information is disclosed following the procedure set by Articles from 185 to 187¹ of the Securities Market Act.

A description of the conditions imposed by the memorandum and Statutes, charter or bylaw governing changes in the capital, where such conditions are more stringent than is required by law

Conditions governing changes in the capital are set according to the applicable legal acts. The Statutes of the Issuer does not provide for any special conditions with this respect.

However, the Statutes (Item 2.1) foresee that the Issuer's authorised capital is from EUR 9,000,000 till 36,000,000. This means that within the limits of the indicated minimum and maximum authorised capital, the Issuer's authorized capital may be increased or reduced, without amending the Statutes.

4.20 Material Contracts

For 2 years preceding the date of this Prospectus neither the Company nor any Subsidiary has entered into material contract, other than contracts entered into in the ordinary course of business. Furthermore, there are no other agreements entered by any of the Group companies (except being entered into in the ordinary course of business), which contains any provision under which any Group company has any obligation or entitlement which is material to the Group as at the date of the Prospectus.

Material contracts and agreements that are entered as ordinary course of business

1. Integrated facilities management agreement with Phillip Morris Lietuva UAB

On 2 August 2010 the Subsidiary Mano Būstas UAB, as a service provider, and Phillip Morris Lietuva UAB have entered into a contract for integrated facilities management services. The object of the contract is to provide engineering maintenance, fire safety, office support, cleaning, employees transportation and CMMS services to Phillip Morris factory in Klaipėda, Lithuania. Phillip Morris Lietuva UAB simplifies its processes by getting integrated facilities management services from a single provider – Mano Būstas UAB. The service provider shall take all steps necessary to avoid or minimize any disruption to the client's business operations.

2. Agreement with Vilnius City Municipality

On 6 January 2015 the ESCO (energy saving company) agreement was concluded between the Subsidiary Mano Būstas UAB and Vilnius City Municipality for the provision of heating energy efficiency services to Vilnius educational institutions. The object of the contract is to provide the energy efficiency services, including but not limited to invest, taking over building engineering systems and performing their maintenance and optimizing the costs for the contracting authorities. Agreement is valid for the term of 36 months.

3. Cleaning services agreements with Grinda UAB

On 12 April 2013 the Subsidiary Mano aplinka UAB has entered into cleaning agreements with Grinda UAB. Under these agreements the indicated Subsidiary obliged to provide sanitary cleaning and basic maintenance services in public areas of Vilnius city. The agreements are valid for the term of 60 months as from signing thereof.

4. Financing agreements with Nordea Bank AB Lithuanian branch

On 9 September 2013 the Former Parent Company has entered into long-term and short-term loan agreements with Nordea Bank AB Lithuanian branch. These financing agreements allowed the Former Parent Company (currently the Company) to borrow the funds of up to EUR 28 million for a term of 5 years. These loans are used to finance active expansion of the Group through acquisitions in foreign markets as well as working capital's need.

As of 30 June 2015 the aggregate amount outstanding for repayment by the Company to Nordea Bank was approximately EUR 14,913 million.

5. Agreement with the Military Housing Agency

The Subsidiary Zespół Zarządców Nieruchomości sp. z o.o has concluded the agreement with 11 Regional Branches of the Military Housing Agency for managing the assets of the agency. The cooperation in rendering services for the Military Housing Agency has started in the year 2009 and the validity of the agreement is 31 December 2018. Duties of the indicated Subsidiary as the service provider mainly include administrative and advisory activities, ongoing services to the tenants' association, its members, cooperation with the management board of the tenants' association and handling the economic and financial affairs thereof.

4.21 Information on Holdings

In addition to the holdings of shares in its Subsidiaries as indicated in Section 4.5 *Organisational Structure*, the Issuer also holds 1,987 shares in Marijampolės butų ūkis UAB, code 151005356, registered at the address Šaulių str. 4, Marijampolė, Lithuania (34% of all the shares of this company).

V SHARE SECURITIES NOTE

5.1 Working Capital Statement

In the opinion of the Company, the working capital of the Group, which amounts to EUR 19,810 thousand as at 30 June 2015 (calculated as a difference between current assets and current liabilities), is sufficient to meet the Group's needs for at least the next 12 months from the date of the Prospectus.

5.2 Capitalisation and Indebtedness

The tables below present a statement of capitalisation and indebtedness as at 31 July 2015.

Table 35. Capitalisation

Item, EUR'000	As at 31 July 2015
Total Current Debt	6,038
Guaranteed	-
Secured	2,267
Unguaranteed/ Unsecured	3,771
Total Non-Current Debt (excluding current portion of long – term debt)	15,158
Guaranteed	-
Secured	12,990
Unguaranteed/ Unsecured	2,168
Shareholder's Equity:	33,202
Share Capital	9,483
Legal Reserve	915
Other Reserves	22,804
Total	54,398

Source: the Company

Table 36. Indebtedness

Item, EUR'000	As at 31 July 2015
A. Cash	11,446
B. Cash Equivalent (Detail)	-
C. Trading Securities	-
D. Liquidity (A) + (B) + (C)	11,446
E. Current Financial Receivable	42,516
F. Current Bank Debt	3,509
G. Current portion of non-current debt	2,528
H. Other current financial debt	597
I. Current Financial Debt (F) + (G) + (H)	6,634
J. Net Current Financial Indebtedness (I) - (E) - (D)	-47,328
K. Non-current Bank Loans	15,159
L. Bonds Issued	-
M. Other non-current Loans	1,906
N. Non-current Financial Indebtedness (K) + (L) + (M)	17,065
O. Net Financial Indebtedness (J) + (N)	-30,263

Source: the Company

There was no indirect or conditional indebtedness as at 31 July 2015.

As at 30 June 2015 shares of Mano Būstas UAB, part of property, plant and equipment of the Group with a total book value of EUR 3,046 thousand (as at 30 June 2014 – EUR 3,584 thousand) and part of Bank accounts of the Group were pledged as collateral to secure bank borrowings.

5.3 Interest of Natural and Legal Persons Involved in the Issue/Offer

Not applicable. Taking into consideration that this Prospectus was prepared solely for the purpose of the Admission of the Shares to trading on the WSE as well as that there is no public issue/offer of Shares of the Company (or any part thereof), there are no interests, including conflicting ones related to the Admission of Shares to trading on the WSE.

5.4 Reasons for the Offer and Use of Proceeds

Not applicable, as this Prospectus was prepared solely for the purpose of the Admission of the Shares to trading on the WSE, also because there is no public issue/offer of Shares of the Company (or any part thereof). Furthermore, no proceeds will be received by the Company as a result of the Admission.

5.5 Information Concerning the Securities to be Admitted to Trading

Description of the Shares of the Company

Type of the Shares:	ordinary registered Shares, with a nominal value of EUR 0.30 each
ISIN number:	EE3100126368
Number of Shares:	31,610,000
Currency of Shares:	EUR
Form of Shares:	Registered dematerialised shares in book-entry form held by ECRS (address: Tartu road 2, Tallinn 10145, Estonia)

The Shares have been created pursuant to Estonia law including the Commercial Code (Est. *äriseadustik*) and other relevant legal acts of the Republic of Estonia.

Decision by which the Shares are issued

The Shares have been issued on the basis of the Plan of Conversion and Draft Terms of Conversion as well as Statutes of the Issuer. Plan of Conversion, Draft Terms of Conversion as well as the Statutes have been approved by the decision of the General Meeting, dated 16 September 2015.

Transfer restrictions

There are no restrictions on transfer of Shares as they are described in the applicable Estonian laws. However, according to the knowledge of the Issuer, part of Shares of the Issuer, held by the biggest shareholder ICOR UAB (55.03% of all the Shares) are pledged to a bank.

Rights and obligations granted by securities

All the Shares are *pari passu* (at an equal pace without preference) with regard to property and non-property rights they grant to shareholders.

Exercise of rights granted by Shares of the Company may be limited only on the grounds and under the procedure prescribed by laws. The Statutes do not provide for any exceptions to this rule.

The list of the shareholders' rights indicated in the Statutes is provided in Section 4.19.2 *Statutes*. Below is the brief description of certain material rights of the Company's shareholders.

Dividend and other distributions

Pursuant to the Commercial Code, the Issuer may distribute its profits or assets to shareholders only (i) by paying dividend; (ii) in case of liquidation of the Issuer; or (iii) in case of reduction of the authorised capital of the Issuer.

Dividend

All the shareholders of the Company have the right to participate in the distribution of profit of the Company and have the right to receive dividends proportionally to their shareholdings in the Company. If the share is not fully paid-up and the time limit for the payment has expired, no dividend is paid.

Resolving the distribution of profit and the payment of dividends is in the competence of the General Meeting. The resolution of the distribution of profit and the payment of dividends is adopted on the basis of the approved annual accounts for the preceding financial year, whereas according to the Commercial Code, the Management Board is under obligation to make a proposal for the distribution of profit and the payment of dividends in the annual accounts or in a separate document accompanying the annual accounts. Such a proposal of the Management Board is subject to a review by the Supervisory Board, which is entitled to introduce amendments to the proposal.

The resolution regarding distribution of profit and payment of dividends must include the following information: (i) the amount of net profit; (ii) the payments into the statutory capital reserve; (iii) the payments into other reserves if such exist according to applicable law or the Statutes (which is not the case for the Company); (iv) the amount of profit being distributed among the shareholders; and (v) using the profit for other purposes, if applicable. The shareholders who are entitled to participate in the distribution of profit and receive dividends shall be determined on the basis of the list of shareholders as maintained by the ECRS, which is fixed on the date determined by the General Meeting resolving the distribution of profit. The list of shareholders shall be fixed as at the end of the respective trading day, i.e. at 23:59 local Estonian time. While distributing profit and making dividend payments to the shareholders, the Company is under obligation to treat all the shareholders equally.

Following listing of the Company's Shares on the WSE dividend payments and other payments made by the Issuer will be conducted through the ECRS, acting as primary depository. The Issuer shall transfer via the ECRS system to the NDS the amount due to the shareholders which Shares are listed on the WSE. The NDS shall redistribute the dividend and other payments among its participants (e.g. brokerage houses) and the NDS participants shall credit the respective investors' accounts. The dividend will be paid out in EUR. Taking into consideration the above, the NDS will redistribute

the dividend to the NDS participants' accounts kept in EUR. The participants will either convert EUR into PLN and transfer it to the shareholder account run by them or directly transfer dividend in EUR to the shareholder account run by them in EUR. In case of the conversion NDS participants may charge conversion fee for such operation. This mechanism may be subject to changes after the ECRS and NDS further arrangements (if any).

Dividend is paid to shareholders pro rata to the aggregate nominal value of shares held by them. The Issuer has not issued any preference shares with cumulative dividend, owners of which would be guaranteed the right to dividend in the amount indicated in such shares.

The Issuer must pay dividend within the time specified in the decision of the General Meeting on allocation and payment of dividend. The term of limitations with respect to filing a dividend payment claim with the court expires 3 years after the date the dividend had to be paid, in which case the unpaid dividend amount goes to the Issuer.

The Commercial Code also provides with a possibility to pay advance payment of dividend to shareholders (advanced payment of dividend). The following conditions for distribution of advanced payment of dividend are established:

- (i) articles of association (Statutes) give the management board the right to make advance payments to the shareholders after the end of a financial year and before approval of the annual report on account of the presumed profit;
- (ii) the consent of the supervisory board;
- (iii) in the amount of up to one half of the amount subject to distribution among the shareholders.

Both residents and non-residents of Estonia are subject to the same dividend payment rules, except for the taxation matters described in Section *Taxation*.

For more information on dividends please also see Section 4.18.3 *Dividend Policy*.

Distribution of the Issuer's assets in case of liquidation

In case of liquidation of the Issuer, the Issuer's assets remaining after settlement of accounts with creditors are distributed to shareholders pro rata to the aggregate nominal value of shares held by them. In case of voluntary liquidation of the Issuer, the Issuer's assets can be distributed among shareholders only after the Issuer settles accounts with its creditors and upon a lapse of six months after a public notice about liquidation made pursuant to requirements of the laws. In case of disputes in court regarding fulfilment of the Issuer's debt obligations, the Issuer's assets are distributed among shareholders only upon final resolution of the disputes and settlement of accounts with creditors.

Other cases of distribution of the Issuer's capital

The Issuer may distribute funds to its shareholders by reducing its authorised capital in accordance with the procedure set by the Commercial Code. The authorised capital may be reduced by way of annulment of shares or reduction of the nominal value of shares, but the reduced authorised capital of the Issuer may not be less than the minimum amount of the authorised capital provided for in the Commercial Code (i.e. EUR 25,000).

Only the General Meeting may adopt the decision to reduce the share capital with the purpose of paying funds to the shareholders, provided that all of the following conditions are met: (i) the set of annual financial statements and the profit distribution account have been approved; (ii) the Management Board shall, within fifteen days after adoption of the resolution on reduction of share capital, send notice concerning the new amount of share capital to the known creditors of the Issuer who have claims against the Issuer which predate the adoption of the resolution on reduction of share capital. The Management Board shall publish a public notice on reduction of share capital and invite all creditors to submit their claims.

The decision to reduce the share capital with the purpose of paying out the funds to its shareholders may not be adopted if on the date of the decision the Company is insolvent or after the payment of funds would become insolvent. The funds must be paid within three months from the registration of the amended Statutes with the Commercial Register. The funds are paid pro rata to the nominal value of shares held by each shareholder and may only be paid in cash.

Further Capital Calls by the Company

If the Company's distributable result, as approved by the annual General Meeting, is negative and the meeting adopts a decision to cover the Company's losses or part thereof by additional contributions of the shareholders, according to the Commercial Code, the shareholders who voted in favour of such decision are obliged to pay the contributions to the Company. The shareholders who did not participate at the General Meeting or voted against such decision are entitled not to pay any additional contributions to the Company.

Modification of Shareholders' Rights

The Statutes do not provide for any specific conditions regarding modification of shareholders' rights. Shareholders' rights may be modified only pursuant to the provisions of Estonian laws.

Conditions of Conversion

Currently, the Issuer has not issued any convertible securities.

Conditions of Acquisition or Taking as Security of Own Shares

Pursuant to the Commercial Code, the Issuer has the right to acquire or take as security its own shares. The total nominal value of shares acquired or taken as security by the Issuer cannot be more than 1/10 of the authorised capital. If the aggregate number of the repurchased shares exceeds 10% of the share capital of the Company, it must transfer the excess shares to other persons within 12 months after exceeding the threshold. Upon acquisition of its own shares, the Issuer has no right to exercise property and non-property rights conferred by such shares.

A detailed procedure of acquisition of own shares is provided for in the Commercial Code. The Company may not purchase own shares if this would cause the net assets to become less than the total of share capital and reserves which pursuant to law or the Statute shall not be paid out to shareholders. As a general rule, the Company may not repurchase its shares which are not fully paid.

Voting rights

Pursuant to the Commercial Code and the Statutes, each share of the Company confers one vote in the General Meeting. Only shareholders who have fully paid-up their shares are entitled to vote at the General Meeting. Persons, who were shareholders of the Company at the record date of the General Meeting, are entitled to attend and vote at the General Meeting or repeated General Meeting. The record date of the General Meeting of the Company is the seventh calendar day before the General Meeting.

The shareholders may vote personally or through their proxies or persons with whom a voting rights transfer agreement is concluded. The shareholders may also vote in writing (by filling in the general ballot paper).

Pre-emptive rights

Pursuant to the Commercial Code, the Company's share capital may be increased by a decision of the General Meeting and may be effected by (i) issuing additional shares; (ii) increasing the nominal value of existing shares; or (iii) issuing convertible bonds.

Increases in share capital by way of issuance of additional shares may be effected through one or a combination of the following: (i) in consideration for cash; (ii) in consideration for assets contributed in kind; (iii) by conversion of bonds previously issued; (iv) from the Company's own funds (i.e. by capitalisation of profits or share premiums), etc.

If the Company issues additional shares or convertible bonds other than from the Company's own funds, current shareholders will have a pre-emptive right to subscribe for such securities on a pro rata basis. The pre-emptive right requires that the Company give priority treatment to current shareholders. The Company must announce the proposal to exercise the pre-emptive rights as well as the period of such exercising as a material event. Once the Company's Shares are also listed on the WSE, the relevant Polish regulatory provisions regarding publication of the respective information will also be applicable to the Company. The term for subscription of shares with a pre-emptive right shall be two weeks from the adoption of a resolution on increase of share capital unless the resolution of the General Meeting prescribes a longer term.

The pre-emptive right to subscribe for shares or convertible bonds of a certain issue can be withdrawn by a decision of the General Meeting, which has to be adopted by a ¾ majority of votes present in the meeting. The pre-emptive right can be withdrawn only in respect of all the shareholders of the Company. A written proposal to withdraw the pre-emptive right to subscribe for securities must be given by the Management Board, indicating reasons and causes for such withdrawal, substantiation of the issue price, as well as persons who would be offered to acquire the newly issued securities. The General Meeting, taking a decision on withdrawal of the pre-emptive right, must justify the necessity to withdraw such a right and specify the person or persons who are given the right to subscribe for newly issued securities, save for cases when the pre-emptive right is withdrawn because of the intention to make a public offering of securities of the Issuer.

The Company's share capital may be increased from the Company's own funds. In such case the current shareholders are entitled to receive the new additional shares free of charge on a pro rata basis. Furthermore, the nominal value of all the Company's shares may be increased.

Under the applicable Estonian laws the shareholders are entitled to transfer to other persons the pre-emptive right to acquire the Company's shares or convertible bond to be newly issued.

Right to receive information

Pursuant to the Commercial Code, the shareholders have the right to receive information on the activities of a Company from the Management Board at the General Meeting. However, the Management Board may refuse to give information if there is a reason to presume that this may cause significant damage to the interests of the Company. In the event the Management Board refuses to give information, the shareholders may require the General Meeting to decide on the legality of such refusal or submit a respective claim to a competent court.

Challenging of Decisions

Decisions of bodies of the Company may be invalidated in court if they are in conflict with imperative rules of law, incorporation documents of the Company or the principles of reasonability or fairness. A statement of claim may be filed

by a member of the Management Board of the Company, a shareholder or other persons specified in the law. Such claim may be filed in a competent court of Estonia within 3 months as of the day on which a relevant person learnt or should have learnt about the challenged decision.

In addition, a shareholder may apply to the court for the compensation of damages caused by the members of the Management Board or the Supervisory Board by non-performance or improper performance of their duties prescribed by the laws of the Republic of Estonia and the Statutes, as well as in other cases provided by laws.

Certain Estonian and Polish Securities Market Regulations

All the Issuer's existing Shares are currently admitted to trading on the OMX. The Issuer also intends to apply for the Admission to trading and to list all the Shares on the WSE. As a result, following the Admission as well as delisting of Shares from trading on the OMX (as indicated in Section 3.3 *Risk Factors Related to the Company's Shares* and in this Section below) the Issuer will in the future be subject to certain Polish securities and capital market regulations. Moreover, the Issuer, being incorporated under the laws of Estonia is subject to certain aspects of the EU and Estonian securities regulation. The Issuer is also subject to the supervision of relevant regulatory authorities, in particular the EFSA and, after execution of the above actions will also be subject to supervision of the PFSA to a limited extent.

The information set out below describes certain aspects of the Estonian and Polish securities market regulations regarding mandatory takeover bids, squeeze-out and sell-out rules as well as rules on jurisdiction of regulatory bodies, disclosure of information and prohibition of market abuse as well as rules on jurisdiction of regulatory bodies, disclosure of information and prohibition of market abuse that may be applied to the Shares and is included for general information purposes only. This summary does not purport to be a comprehensive description of all Estonian and Polish securities market regulatory considerations that may be relevant to a decision to acquire, hold or dispose of the Shares. Moreover, conclusions derived from the description below may not fully reflect a proper interpretation of Estonian and Polish laws. Each prospective investor should consult a professional legal adviser regarding the legal consequences of acquiring, holding and disposing of the Shares under the laws of their country and/or state of citizenship, domicile or residence.

This summary is based on legislation, published case law, treaties, rules, regulations and similar documentation in force as at the date of the Prospectus, without prejudice to any amendments introduced at a later date and implemented with retroactive effect.

EU Takeover Bid Regulations

Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004, on takeover bids ("Takeover Directive") was adopted by the Council on 30 March 2004, and became effective on 20 May 2004. It has been implemented into the laws of Estonia by the Securities Market Act and has been implemented into the laws of Poland primarily through the Public Offering Act.

The relevant conflict of law provisions of the Takeover Directive do explicitly state that if the offeree company's shares are not admitted to trading on a regulated market in the Member State in which the company has its registered office, and if the offeree company's shares are admitted to trading on regulated markets in another Member State, then the authority competent to supervise the bid for all the remaining shares in the company shall be that of the Member State of the market on which the shares are admitted to trading, i. e. in the present case, the competent financial authority in Poland, the PFSA.

With respect to governing law, matters related to the consideration offered in the case of a bid for all of the remaining shares in the company in particular, the price, and matters related to the bid procedure in particular, the information on the offeror's decision to make a bid, the contents of the offer document and the disclosure of the bid, shall be dealt with in accordance with the rules of the Member State of the competent authority, i. e. in the present case, the competent financial authority in Poland, the PFSA. However, the Securities Market Act has also a conflicting provision, which states that the requirements with respect to the consideration offered in case of mandatory takeover bid established by the Securities Market Act *mutatis mutandis* shall be applicable with respect to securities of the Estonian company which are not traded on the Estonian regulated market or the Estonian multilateral trading facility. In the absence of regulatory guidance, a clear resolution as to such conflicts of laws cannot be provided.

However, in matters related to the information to be provided to the employees of the offeree company and in matters related to company law in particular, the percentage of voting rights which confer control and any derogation from the obligation to launch a bid for all the remaining shares in the company, the applicable rules and the competent authority shall be those of the Member State in which the offeree company has its registered office, i. e. in the present case, the EFSA which is the competent authority in Estonia.

Regulatory authority of the Estonian and Polish security market authorities

After the Issuer's (an Estonian company) Shares will be admitted to trading on the WSE and delisted from trading on the OMX, Estonia shall remain to be the home state and Poland shall be the host state of the Issuer.

Regulations of the Estonian Securities Market Act shall apply to shareholder reporting, disclosure requirements and rules on publication of information. Under the Securities Market Act and Directive 2003/6/EC of the European Parliament and of the Council of 28 January 2003 on insider dealing and market manipulation (market abuse), the Estonian Securities Market Act shall be applicable to market abuse which takes place in Estonia. The Estonian Securities Market Act shall further be applied with regard to takeover bids to the extent concerning notification of the employees of target issuers,

holding of voting rights and control over the company, the exception concerning a mandatory takeover bid, protective measures and other provisions relating to corporate law.

The EFSA shall have regulatory authority over the Issuer to the extent the Estonian Securities Market Act is applicable. Further, the EFSA shall cooperate with the PFSA in supervising the Issuer and its compliance with any applicable regulations. In general, in cases of non-compliance by the Issuer with its obligations as a listed company, the PFSA shall contact the EFSA in order to commence procedures that shall result in remedy of the breach and in case the ESFA does not undertake sufficient actions, the PFSA will impose sanctions set forth in Polish regulations.

Regulation of the Polish Securities Market

Shareholder reporting and disclosure requirements

Under the Public Offering Act, any entity who: (i) has achieved or exceeded 5%, 10%, 15%, 20%, 25%, 33%, 33 1/3%, 50%, 75% or 90% of the total vote in a public company; or (ii) held at least 5%, 10%, 15%, 20%, 25%, 33%, 33 1/3%, 50%, 75% or 90% of the total vote in a public company, and as a result of a reduction of its equity interest holds 5%, 10%, 15%, 20%, 25%, 33%, 33 1/3%, 50%, 75% or 90% or less of the total vote, respectively is obliged to notify the PFSA and the public company of the fact not later than four business days from the date on which the entity becomes, or by exercising due care could have become, aware of such change, and if the change resulted from the acquisition of shares in a public company in a transaction executed on a regulated market not later than within six trading days from the date of the transaction.

In case of achieving or exceeding 10% a notifying entity should provide information on any intention to further increase the share in the total vote within 12 months from the notification date and on the purpose of such increase.

The notification requirement applies also to a shareholder who: (a) held over 10% of the total vote and this share has changed by at least: (i) 2% of the total vote in the case of a public company whose shares have been admitted to trading on the official stock-exchange listing market (as of the date of this document, such market is the Main Market of the WSE); or (ii) 5% of the total vote in the case of a public company whose shares have been admitted to trading on a regulated market other than the official stock-exchange listing market; (b) held over 33% of the total vote and this share has changed by at least 1%.

The notification requirement also applies to any shareholder who reaches or exceeds a specified threshold of the total vote as a result of: (i) the occurrence of a legal event other than an act in law; (ii) acquisition or disposal of financial instruments conferring the unconditional right or obligation to acquire shares in a public company which are already in issue; and (iii) indirect acquisition of shares in a public company. Furthermore, the obligation arises also if the voting rights are attached to securities comprising collateral; unless the entity for the benefit of which the collateral is established has the right to exercise the voting rights and has declared its intention to do so, in which case the voting rights are deemed to be held by the entity for the benefit of which the collateral was established.

Such notification requirement does not apply if upon the settlement in the depository of securities of a few transactions executed on the regulated market on a single day, the change of a shareholder's share in the total vote in a public company as at the end of the settlement day does not result in reaching or exceeding any threshold which triggers the notification requirement. The Public Offering Act specifies the detailed scope of the information to be included in a notification sent to the PFSA and a public company, to which the notification requirement is applied.

Disclosure of transactions involving persons holding managerial responsibilities within listed stock corporations

The following persons are obliged to notify the PFSA and the Company on any transactions executed by them or by persons related to them for their own account, whereby they acquire or dispose of any Company shares, derivative rights attached thereto and other financial instruments related to the Company shares:

- members of the Management and Supervisory Boards and/or proxies of the Company;
- other persons who hold management posts in the organisational structure of the Company, have permanent access to inside information related, whether directly or indirectly, to the Company, and are authorized to make decisions concerning the Company's development and economic prospects.

The transactions made by related persons should also be disclosed. However, the notification itself is sent by one of the persons mentioned in the first two indents and not by the related person.

Under Polish regulations the concept of related persons of the persons referred above means:

- such person's spouse or cohabitating partner;
- such person's dependent children and persons related through adoption, custody or guardianship;
- other persons related through blood or marriage who are members of the same household with such person for at least one year;
- entities: (a) in which such person or a related person indicated above is a member of the management or supervisory body or holds a management post within the organisational structure of such entity, has permanent access to inside information related to such entity and is authorized to make decisions concerning such entity's development and economic prospects, or (b) which are directly or indirectly controlled by such person or a related person indicated above, or (c) from whose activities such person or such a related person indicated above derives

profits, or (d) whose economic interests are equivalent to the economic interests of such person or a related person indicated above.

The person obliged to notify the transactions should notify a transaction to the Company. Notification should be done within five business days following the execution date of the transaction. Notification to the PFSA should be done in accordance with Estonian law.

If value of the transaction is below EUR 5 thousand, a notification should be made within 5 business days from the date when sum of transactions executed to date reached or exceeded EUR 5 thousand. If value of transactions in a calendar year does not exceed EUR 5 thousand, transactions from that year should be notified not later than on 31 January of the next year.

Mandatory takeover regulations – before and after the planned delisting from the OMX

Before the planned delisting from the OMX, the event triggering the mandatory takeover bid with respect to Shares in the Company's share capital should be determined according to Polish regulations and it is an aim to exceed 66% of the total vote in a public company.

A shareholder may exceed 66% of the total vote in a public company only as a result of a tender offer to acquire or exchange the remaining shares in a public company. If a shareholder exceeds the 66% threshold as a result of an indirect acquisition of shares, acquisition of shares of a new issue, acquisition of shares in a public offering or as a non-cash contribution to the company, merger or demerger of the company, consequently to amendment of the company's articles of association, expiry of preference rights attached to shares, or otherwise as a result of a legal event other than a legal action, the shareholder or the entity which has indirectly acquired the shares in question shall be obliged, within three months from exceeding the 66% threshold, to: announce a tender offer to subscribe for the sales or exchange of all the remaining shares of that company, unless within that period the share of such shareholder or of the entity who has indirectly acquired the shares in the total vote decreases to no more than 66% of the total vote as a result of a share capital increase, amendment of the company's articles of association, or expiry of preference rights attached to shares, respectively. If a shareholder exceeds the 66% threshold as a result of inheritance, then the obligation referred to above applies only if following such an acquisition the shareholder's share in the total vote increases further. The time to perform the obligation commences on the day of the event leading to an increase in the shareholder's share in the total vote.

After the planned delisting from the OMX, the event triggering the mandatory takeover bid with respect to shares in the Company's share capital should be determined according to Estonian regulations; however the procedures regarding the mandatory takeover bid with respect to Shares in the Company's share capital will be governed by Polish law as stipulated by Article 90a of the Public Offering Act.

A tender offer may be announced only after a security is created for not less than 100% of the value of the shares covered by the tender offer. The security should be documented with a certificate issued by a bank or another financial institution which granted, or intermediated in the granting of, the security. A tender offer should be announced and carried out through an entity conducting brokerage activities in Poland. The price in the tender offer must be determined in accordance with the rules set out in detail in Article 79 of the Public Offering Act.

Upon receipt of the notification of the intention to announce a tender offer, the PFSA may, not later than three business days before opening the subscription period, request that within a specified period of not less than two days the tender offer be amended or supplemented as necessary or that clarifications of its wording be provided. The opening of the subscription period under a tender offer will be suspended until the entity obliged to announce the tender offer carries out the actions specified in the request referred to in the preceding sentence.

A tender offer may not be abandoned unless another entity announces a tender offer for the same shares after the first tender offer has been announced. A tender offer for the remaining shares in a given company may be abandoned only if another entity announces a tender offer for the remaining shares in the company at a price not lower than the price of the first tender offer.

In the period between the notification of the intention to announce a tender offer and the closing of the tender offer: (i) the entity obliged to announce the tender offer; (ii) its subsidiaries; (iii) its parent entity; or (iv) the parties to an agreement concluded with the entity obliged to announce the tender offer regarding the acquisition of a public company's shares by these entities or voting in concert at the general meeting of that company on matters significant for that company:

- may acquire shares in the company whose shares are covered by the tender offer only as part of the tender offer and in a manner defined therein;
- may not during the tender offer dispose of shares in the company whose shares are covered by the tender offer or enter into any agreement under which they would be obligated to dispose of the shares; and
- may not indirectly acquire shares in a public company which the tender offer concerns.

After the tender offer is announced, the entity obliged to announce the tender offer and the management board of the company whose shares are covered by the tender offer should provide information on the tender offer, including the contents of the tender offer document, to the representatives of trade unions active at the company, and if there are no such trade unions, directly to employees.

If shares covered by the tender offer are admitted to trading on a regulated market in Poland and in another Member State, the entity announcing the tender offer is obliged to ensure quick and convenient access, in the territory of such Member State, to all information and documents which are published in connection with the tender offer in a manner defined in the applicable laws and regulations of the member state.

Following the completion of the tender offer, the entity which announced the tender offer is obliged to disclose, in the manner provided for in Article 69 of the Public Offering Act, the number of shares acquired in the tender offer and their percentage share in the total vote achieved as a result of the tender offer.

If within six months from a tender offer for the sale or exchange of all remaining shares in a public company a shareholder acquires further shares in the company at a price higher than the price set in the tender offer other than by way of a tender offer or as a result of the exercise of the squeeze-out obligation referred to in Article 83 of the Public Offering Act, then the shareholder is obliged, within a month from such acquisition, to pay the difference in the share price to all persons that sold shares by accepting the tender offer, except for certain persons who accepted the tender offer and from whom shares constituting at least 5% of all shares in the public company were acquired at a reduced price, where the entity announcing the tender and such person decided to reduce the share price. This provision applies accordingly to an entity which indirectly acquired shares in a public company.

Price of the shares in the tender offer

If any of the shares in the company are subject to trading in the regulated market, the share price proposed in the tender offer may not be lower than: (i) the average market price in the period of six months preceding the tender offer announcement during which the shares were traded on the main market; or (ii) the average market price in a shorter period if the trading of the shares on the main market was shorter than the period determined in the above clause.

If the price cannot be determined in accordance with the above rules and in the case of a company in relation to which arrangement or bankruptcy proceedings have been instigated, the price may not be lower than the fair value of the shares.

The price of the shares proposed in the tender offer may also not be lower than:

- the highest price for which the shares subject to the tender offer were purchased within 12 months before the tender offer announcement by the entity obliged to announce the tender offer, the entities dependent on the entity obliged to announce the tender offer or by the parent entity of the same, or by the entity being a party to an arrangement concluded with the entity obliged to announce the tender offer with regard to the purchase by the said entity of the shares of a public company or voting in concert at the general meeting regarding the major affairs of the company; or
- the highest value of the assets or rights issued by the entity obliged to announce the tender offer or the entities mentioned in the above clause in exchange for the shares subject to the tender offer within 12 months before the tender offer announcement.

The share price proposed in the tender offer for the sale or exchange of all the remaining shares in a public company may also not be lower than the average market price within three months of trading the shares in the regulated market preceding the tender offer announcement.

The share price proposed in the tender offer may be lower with regard to shares constituting at least 5% of all the shares of the company that will be purchased within the tender offer from an identified person replying to the tender offer, should the company obliged to announce the tender offer and the said person so decide.

In the case when the average market price of shares established in accordance with the above rules materially differs from the fair value of those shares due to:

- granting the shareholders pre-emptive right, right to dividend, right to acquire shares of the acquirer in connection with the demerger of a public company by spin-off, or other property rights related to their holding shares of a public company;
- considerable deterioration of financial condition or assets of the company due to events or circumstances that could not have been foreseen or prevented by the company; or
- threat of permanent insolvency of the company,

the entity announcing the tender offer may apply to the PFSA for consent to propose the price in the tender offer which does not comply with the criteria set forth above. The PFSA may give its consent thereto, provided that the proposed price is not lower than the fair value of these shares, and the call for tender does not breach the legitimate interest of the shareholders.

Entities subject to regulations on acquisition of significant blocks of shares

The obligations set out in the provisions regarding the notification to the PFSA about reaching or exceeding a particular threshold of the total number of votes in a public company, tender offers, squeeze-outs or sell-outs are imposed on:

- any entity that reaches or exceeded the threshold of the total vote determined in the Public Offering Act as a result of acquisition or disposal of depository receipts issued in connection with the shares in such public company;

- an investment fund also if it reaches or exceeds a given threshold of the total vote determined in the Public Offering Act in connection with shares held jointly by other investment funds managed by the same investment fund company or other investment funds established outside of the territory of Poland and managed by the same entity;
- an entity that reaches or exceeds a given threshold of the total vote set out in the Public Offering Act in connection with the possession of shares by: (i) a third party on its own behalf, however to the order or for the benefit of such entity, excluding the shares purchased within the execution of activities which involve buying and selling of broker's financial instruments for the benefit of the person giving the order; (ii) within the framework of activities which involve management of a portfolio that includes one or greater number of broker's financial instruments, determined in the Trading in Financial Instruments Act and Polish Investment Funds Act of 27 May 2004 (as amended from time to time) regarding the shares included in the managed securities portfolios, for which the entity as a management company may enforce the right to vote at the general meeting on behalf of the ordering parties; and (iii) a third party with whom the entity has concluded an agreement to transfer the right to vote;
- the proxy who within a power of attorney to represent the shareholder at the general meeting was authorised to exercise the right to vote resulting from the shares of a public company if the shareholder has not issued any binding orders as to the method of voting;
- all entities which are bound by a written or oral arrangement regarding the purchasing by the entities of the shares of a public company or voting in concert at the general meeting regarding the major affairs of the company, if at least one of such entities made or planned to make activities resulting in the origin of such duties;
- entities that concluded the arrangement mentioned above possessing the shares of a public company in a number ensuring the joint achievement or excess of the given threshold of the total number of votes determined in the regulations. In the cases mentioned above in the two latest sub-items, the duties determined in the regulations regarding the major stakes of shares may be fulfilled by one of the parties to the arrangement identified by the parties to the arrangement.

Obligations set forth in the provisions concerning the notification to the PFSA about reaching and exceeding the specified threshold of votes in a public company, tender offers, squeeze-out or sell-out arise also in the case where the voting rights are related to securities deposited or registered with the entity that may dispose of them at its own discretion.

Other mandatory tender offers

Tender pursuant to Article 72 of the Public Offering Act

According to the Public Offering Act, an acquisition of shares in a public company in a number resulting in increasing the aggregate number of votes by more than: (i) 10% of the total number of votes within less than 60 days by an entity whose share in the total number of votes was lower than 33%; (ii) 5% of the total number of votes within less than 12 months by an entity whose share in the total number of votes was higher than 33%, may only be effected by announcing a tender offer for the sale or exchange of such shares in the number not lower than 10% or 5%, respectively.

The obligations under Article 72 do not arise if the shares in a public company are acquired on the primary market, as a result of being contributed to a company in-kind, or as a result of merging or demerging with a company.

Tender pursuant to Article 73 of the Public Offering Act

Pursuant to Article 73 of the Public Offering Act, a shareholder may exceed 33% of the total vote in a public company only as a result of a tender offer to sell or exchange shares in such company, concerning a number of shares which confers the right to 66% of the total vote, unless the 33% threshold is to be exceeded as a result of a tender offer for the sale or exchange of all remaining shares.

If a shareholder exceeds the 33% threshold as a result of an indirect acquisition of shares, acquisition of new issue shares, acquisition of shares in a public offering, non-cash contribution to the company, merger or demerger of the company, introduction of amendments to the company's statute, expiry of preference rights attached to shares, or otherwise as a result of a legal event other than a legal transaction, the shareholder or entity which indirectly acquired the shares is obliged, within three months from exceeding the 33% threshold: (i) to announce a tender offer to sell or exchange the shares in the company, concerning a number of shares conferring the right to 66% of the total vote; or (ii) to dispose of such a number of shares as to hold shares conferring the right to no more than 33% of the total vote; unless within that period the share of such shareholder or the entity which indirectly acquired the shares in the total vote decreases below 33% as a result of a share capital increase, introduction of amendments to the company's statute, or expiry of preference rights attached to such shareholder's shares.

If a shareholder exceeds the 33% threshold as a result of inheritance, then the obligation referred to above applies only if following such an acquisition the shareholder's share in the total vote increases further. The time to perform the obligation commences on the day of the event leading to an increase in the shareholder's share in the total vote.

Additional regulations regarding tender offers under Articles 72 and 73 of the Public Offering Act

Article 75 of the Public Offering Act sets forth certain exemptions from the obligations arising under Articles 72 and 73 thereof.

The obligations arising under Article 72 of the Public Offering Act are not triggered if the shareholder acquires shares in primary trading, through a non-cash contribution or as a result of a merger or demerger of a company.

Additionally, pursuant to Article 75 of the Public Offering Act the following acquisitions of shares do not trigger the obligations arising under Articles 72 and 73 thereof:

- in a company whose shares have been introduced to an alternative trading system only or have not been traded in organized trading;
- from a member of the same group;
- by way of a procedure provided for in bankruptcy regulations or enforcement proceedings;
- under an agreement establishing financial collateral between qualifying entities, concluded on terms and conditions defined in the Act on Certain Types of Financial Collaterals;
- encumbered with a pledge in order to satisfy pledge entitled, under statutes, to satisfy his or her claims by foreclosure of a pledged asset; or
- by inheritance, except for cases referred to in Article 73 of the Public Offering Act.

Procedure and prices

Procedures and prices applicable to mandatory tender offers under Article 72 and 73 of the Public Offering Act are the same as in case of mandatory takeover bids, except that the share price proposed in the tender offer may be lower than the average market price within three months of trading the shares in the regulated market preceding the tender offer announcement.

The shares being subject of a tender offer may be also exchanged for dematerialized shares in another company, dematerialized depository receipts, dematerialized mortgage bonds, or Treasury bonds.

Squeeze-out rules

Pursuant to Article 82 of the Public Offering Act, a shareholder in a public company that, on its own or together with its subsidiaries or parent companies or with companies which are parties to an agreement regarding the purchase of shares, voting in concert at the shareholders' meeting or conducting long-term policy against the company, reaches or exceeds 90% of the overall number of votes in such public company, may demand, within three months from the date on which such shareholder reaches or exceeds of the relevant threshold, that the remaining shareholders sell all the shares held by them to such shareholder.

The price to be paid for shares should be determined as in case of a takeover bid. If the 90% threshold was achieved as a result of a tender offer, the price for squeeze-out shares should not be lower than the price in the tender offer.

A right of squeeze-out shall be announced and carried out through the intermediation of an investment firm conducting brokerage activities in Poland. The PFSA and the WSE should be notified of the intent to announce the right of squeeze-out not later than 14 business days prior to the exercise of the right of squeeze-out. Squeeze-out may be announced after collateral is created for not less than 100% of the value of the shares covered by the right of squeeze-out. An announced right of squeeze-out may not be abandoned.

Sell-out rules

Pursuant to Article 83 of the Public Offering Act, a shareholder in a public company may demand that another shareholder, which has reached or exceeded 90% of the total number of votes, purchase from it the shares it holds in such company. The demand is made in writing within three months from the date on which such shareholder reaches or exceeds the relevant threshold.

The price to be paid for shares should be determined as in case of a takeover bid. If the 90% threshold was achieved as a result of a tender offer, the price for sell-out shares should not be lower than the price in the tender offer.

The Warsaw Stock Exchange

The WSE operates one of the two regulated markets in Poland within the meaning of the MiFID. The other regulated market (BondSpot, the subsidiary of the WSE) concentrates mainly on bond trading and OTC transactions. The WSE is a joint-stock company which shares are listed on Main Market of the WSE and is controlled by the State Treasury of the Republic of Poland. Members of the WSE include banks and Polish and international brokers.

Shares listed on the WSE may be traded in a continuous price-setting system or in the single-price auction system, depending on capitalisation and intensity of trading. In addition, there are two markets for shares: Main and Parallel, the latter being for smaller, less liquid issuers. To be traded in a specific market and segment, certain non-statutory criteria must be met by the securities in addition to the statutory listing criteria. Shares of companies which have high price volatility, or which are under bankruptcy proceedings may be classified into the Alert List segment and then moved to listing under the single-price auction system.

Settlement of all transactions executed on the WSE is handled by the NDS, a joint-stock company in which the WSE has a 33.3% stake (with the remaining shares held by the National Bank of Poland and the State Treasury of the Republic of Poland) and clearance of all transactions are executed on the WSE is handled by the KDPW_CCP, wholly owned NDS subsidiary.

The electronic trading system used by the WSE is UTP, which is also used inter alia by NYSE Euronext in New York, Paris, Lisbon, Amsterdam and Brussels.

As at 30 September 2015, shares of 476 companies, including 52 foreign companies, were listed on the WSE Main Market.

Regulation of the Estonian Securities Market

Shareholder reporting and disclosure requirements

Under the Securities Market Act, every person who (directly or indirectly, personally or together with other persons acting in concert) acquires or increases the number of votes in an issuer of shares to 5%, 10%, 15%, 20%, 25% or 50%, or to 1/3 or 2/3 of all the votes represented by the issuer's shares, or exceeds such amounts, must promptly but not later than within four trading days inform the issuer and the EFSA of the number of shares belonging to such person. A notification must also be made if the number of votes falls below any of such amounts. Moreover, the notification obligation also applies if the number of the person's votes in the issuer of shares reaches, exceeds or falls below the specified amounts due to an event changing the breakdown of the voting rights.

The notification must contain at least the following information:

- breakdown of voting rights according to the situation at hand;
- where possible, information concerning the controlled companies through which the securities related to such voting rights are actually held;
- the date of reaching or exceeding the corresponding limit amount;
- information concerning the shareholder, including in the case where the shareholder has no right to perform the voting right, and information concerning the person who has the right to perform the voting right on behalf of such shareholder.

If more than one person has the notification obligation, such persons may submit a joint one-time notice. The submission of a joint one-time notice does not release any of the persons from compliance with the obligations related to the notice of such person.

With respect to voting rights represented by an issuer's shares which a person has the right to acquire on the basis of the securities held by him or her directly or indirectly only on own initiative and on the basis of a binding arrangement pursuant to the law applicable thereto, the person holding the securities must total all the securities related to the underlying the same issuer's shares and must correspondingly give notice thereof.

The above notification obligation does not apply to:

- shares which are acquired only for settlement purposes within a short settlement cycle (maximum three trading days following the transaction);
- shares held by a person providing the service of safekeeping of shares, within the limits of its authority to provide such service, provided that such service provider is permitted to perform the voting rights represented by such shares only in writing or based on instructions received through electronic media;
- a 5% holding acquired or transferred by a market-maker within its market-making authority, provided that the market-maker does not interfere with the management of the issuer or influence the issuer to buy the shares held by the market-maker or to guarantee their price;
- voting rights represented by the shares included in the trading book of the credit institution or investment firm, provided that such voting rights do not exceed 5% of all the voting rights represented by the shares issued by the issuer and the credit institution or investment firm guarantees that such voting rights are not performed or used to interfere in the management of the issuer.

Upon demand of the EFSA or the issuer, the person who notified of the number of votes based on the notification requirement described above is required to provide certification concerning the number of votes directly or indirectly owned thereby, and on the size, acquisition, possession or transfer of the holding.

The issuer must organise the publication of the information received on the basis of the above described notification requirements without delay but not later than within three trading days after receiving the notice, unless the information is published by the EFSA within three trading days after receiving the notice.

If the issuer acquires or transfers the shares itself or through a third person acting in its own name but at the expense of the issuer, and as the result the proportion of its shares in the voting rights reaches, exceeds or falls below 5 or 10%, then the issuer is required to make public such proportion without delay but not later than within four trading days after the acquisition or transfer of the shares. The proportion of own shares is calculated on the basis of all the voting rights represented by the shares issued by the issuer.

Rules for Publication of Information for Investors

The issuer is subject to obligation to disclose regulated information, i.e.:

- inside information (i.e. undisclosed precise information pertaining directly or indirectly to the shares or the issuer and which, if disclosed, would probably have a significant effect on the price of the shares);
- periodic information (annual reports, semi-annual reports and interim management statements); and

- certain other information (such as information on convening general meetings of shareholders, information regarding acquisition and disposal of shares in the issuer above the thresholds describe above).

The issuer must make public the regulated information in a form which allows rapid access thereto in a uniform manner. For the publication of information, the issuer is required to use media channels which may be presumed to actually and efficiently transmit the information to the public all over the EU. The issuer is required to also disclose inside information on its website at the earliest opportunity.

Once the Company will be listed on the WSE and delisted from the OMX, all the above information will be made public through *Elektroniczny System Przekazywania Informacji*, an electronic system for information transfer, maintained by the PFSA (the "ESPI" system).

Market manipulation

According to the Securities Market Act, abuse of the stock market is defined as either mishandling of inside information or manipulating the market. Provisions of the Securities Market Act relating to disclosure of confidential information also apply to securities that are not traded in the Estonian Stock market or in any of the Member States of the European Economic Area, but whose value depends on the financial instruments traded on those markets.

The Securities Market Act prohibits market manipulation. The term "market manipulation" means the following:

- transactions or orders to trade which give, or are likely to give, false or misleading signals as to the supply of, demand for or price of financial instruments, unless the person who entered into the transactions or issued the orders to trade establishes that his or her reasons for so doing are legitimate and that these transactions or orders to trade conform to accepted market practices on the market concerned;
- transactions or orders to trade which secure, by a person, or persons acting in collaboration, the price of one or several financial instruments at an abnormal or artificial level, unless the person who entered into the transactions or issued the orders to trade establishes that his or her reasons for so doing are legitimate and that these transactions or orders to trade conform to accepted market practices on the market concerned;
- transactions or orders to trade which employ fictitious devices or any other form of deception;
- dissemination of information in media channels, including in Internet or in any other manner, which gives, or is likely to give, false or misleading signals, where the person who made the dissemination knew, or ought to have known, that the information was false or misleading;
- other transactions or acts which constitute market manipulation and which are similar to the transactions or acts provided under above items of this list.

Market manipulation is punishable as a misdemeanour offence with a fine of up to EUR 1,200 in case of individuals and with of fine of up to EUR 400,000 in case of legal persons. Moreover, market manipulation may also be punishable as a crime, if committed:

- by the manager of an issuer or its consolidation group or persons close thereto or employees thereof, an employee of a professional securities market participant or its consolidation group, a producer or distributor of investment recommendations, if this resulted in significant damage; or
- by a group.

The punishments for such violation may amount to a pecuniary punishment of 30 to 500 daily wages or up to 3 years' imprisonment in case of individuals and a pecuniary punishment of up to EUR 4 thousand to 16 million in case of legal persons.

In case an individual is convicted of such a criminal offense, part or all of the offender's assets may be confiscated, if the nature of the criminal offense, the legal income, or the difference between the financial situation and the standard of living of the person, or another fact gives reason to presume that the person has acquired the assets through commission of the criminal offense. In case a legal person is convicted of such a criminal offense, a part or all of the offender's assets may be confiscated, if the nature of the criminal offense or other facts give reason to presume that the principal activity of the legal person is aimed at committing offences and the assets have been acquired through commission of the criminal offense. In certain cases, assets belonging to third persons at the time of conviction may be confiscated.

Insider trading

The Securities Market Act sets out detailed rules regarding the treatment of inside information, including obligations to refrain from abusing inside information, to disclose inside information, to keep a list of insiders, etc. Inside information is defined as unpublished specific information that directly relates to the issuer or its securities and when published may probably significantly affect the price of the security. An insider is a member of the management board or the supervisory board of the issuer, a person who obtains access to insider information in discharge of his/her professional duties or a shareholder, as well as certain third persons such as friends and relatives who have insider information and who know or should have known that it is insider information. Inside information is usually regarded to be misused when used as a basis for transactions (or attempt to make a transaction or as basis for advice to third parties) or disclosed to the public.

As a general principle, the issuer is required to maintain the confidentiality of inside information and monitor access thereto. The issuer is required to organise the prohibition on access to inside information to persons who do not need the inside information for the performance of their functions at the issuer. The issuer is required to ensure that persons who have access to inside information are aware of their obligations in relation to the inside information and of the sanctions

applicable upon misuse of inside information. Further, the issuer needs to take measures to publish insider information that has been disclosed to third persons.

The violation of various obligations related to inside information and insider trading rules is punishable with a fine of up to EUR 1,200 in case of individuals and with a fine of up to EUR 400,000 in case of legal persons. Abuse of inside information may also be punishable as a crime if:

- proprietary benefits to a significant extent were received thereby;
- causing of significant damage or significant fall in the price of financial instruments was prevented thereby;
- the act was committed or access to inside information was obtained by taking advantage of official position in the issuer, professional securities market participant or its consolidation group, and as a producer or distributor of investment recommendations; or
- the act was committed by a group, if the securities market's reliability was significantly damaged thereby.

The punishments for such violation may amount to a pecuniary punishment of 30 to 500 daily wages or up to 3 years' imprisonment in case of individuals and a pecuniary punishment of up to EUR 4 thousand to 16 million in case of legal persons.

In case an individual is convicted of such a criminal offense, a part or all of the offender's assets may be confiscated, if the nature of the criminal offence, the legal income, or the difference between the financial situation and the standard of living of the person, or another fact gives reason to presume that the person has acquired the assets through commission of the criminal offence. In case a legal person is convicted of such a criminal offence, a part or all of the offender's assets may be confiscated, if the nature of the criminal offence or other facts give reason to presume that the principal activity of the legal person is aimed at committing offences and the assets have been acquired through commission of the criminal offence. In certain cases, assets belonging to third persons at the time of conviction may be confiscated.

Takeover Bids and sell-out and squeeze-out rules

Under the applicable Estonian laws, a mandatory takeover bid must be made by a shareholder who, acting alone or in concert with others, gains control over a company whose shares are publically traded. According to the law, control is obtained when a person: (i) owns over 50% of the votes represented by shares, or (ii) as a shareholder of the company, has the right to assign or recall a majority of the Management Board or Supervisory Board of the company, or (iii) as a shareholder of the company, controls at least 50% of the votes represented by shares on the basis of an agreement entered into with other shareholders.

A person acquiring control over a listed company has to make a mandatory takeover bid for all the outstanding shares of the company within 20 days. Only in special cases, the EFSA can make exceptions from the above rule.

Furthermore, the Commercial Code allows majority shareholder to take over a public limited company. The precondition for such a squeeze-out is the acquisition of at least 90% of the voting rights in a public limited company. Adopting the squeeze-out resolution is in the competence of the General Meeting, requiring the affirmative vote of 95/100 of the votes represented at the General Meeting. The amount of compensation for the minority shares, which are subject to takeover, is to be determined on the basis of the value of shares as at ten days prior to the date on which the notice on convening the General Meeting was published. In addition to the squeeze-out rights established by the Commercial Code, take-over bids may be made in respect of companies listed on the regulated market and upon certain circumstances majority shareholders of listed companies are under the obligation to launch a take-over bid (please see above for more details).

The main difference of the takeover bids if compared to squeeze-out rights is that in the first case the minority shareholders are entitled to decide whether or not to participate in the bid, which is not the case for the squeeze-out – once the resolution of the General Meeting of shareholders on the squeeze-out of minority shares is duly adopted, the minority shares are transferred to the majority shareholder upon the latter's respective application to the ECRS.

An indication of public takeover bids by third parties in respect of the Issuer's equity, which have occurred during the last financial year and the current financial year

Within the indicated period no takeover bids were submitted by third parties in respect of the Issuer's equity.

Disregarding the above, as it was indicated in the material event notification of the Former Parent Company, dated 30 April 2015, the general meeting of shareholders of the Former Parent Company, which was merged to the Company and ceased to exist following the completion of the Merger, has *inter alia* decided to initiate the admission of all the outstanding shares of the company to trading on the WSE. It has also established that the Board of the company has the right to select such a mechanism of admission of shares of the company to trading on the regulated market the WSE, which would ensure either direct admission of shares of the European company (*Societas Europaea*), formation of which is provided for in the decision on agenda matter No. 7 of the indicated general meeting of shareholders, to trading on the above-indicated regulated market, or at first of the shares of City Service AB, then of the shares of City Service AS, and only then of the shares of the European company (*Societas Europaea*) (following completion of the Merger and Conversion, the last two alternatives became irrelevant).

Furthermore, the indicated general meeting of shareholders has decided taking into account the method of formation of the European company (*Societas Europaea*) chosen by the decision on agenda matter No. 7 of the indicated meeting, to postpone adoption of the decision on initiation of the delisting of shares of the Company from trading on the regulated

market OMX until the European company (*Societas Europaea*) is formed and its Shares are admitted to trading on the regulated market the WSE.

Thus, if the Admission is successfully executed and the decision regarding delisting of Shares of the Company from trading on the OMX is adopted by the General Meeting, the Shares will be delisted from trading on the indicated market under the procedure, established under the applicable legal acts.

For the above reasons the Company has called the General Meeting on 6 November 2015, which should adopt the necessary decision regarding delisting of Shares from trading on the OMX subject to above condition (following the applicable laws this decision has to be taken by the qualified majority of $\frac{3}{4}$ of votes, participating in the General Meeting). Under the Law on Securities of the Republic of Lithuania, which is applicable in case of delisting of shares from trading on Lithuanian regulated market, shareholders, who will vote for the decision to delist the Shares from trading on the OMX (unless these shareholders agree that one or several shareholders will perform this obligation for other shareholders), will have to submit the circular of the tender offer, aimed at delisting the Shares from trading on the OMX, to the Bank of Lithuania for approval. The tender offer price will be established by these shareholders (shareholder) and must be no less than the average weighted market price of the Shares within 6 months before the public announcement about the intention to delist the Shares from trading on the OMX (the average weighted market price of the Shares on this regulated market in the period from 15 April 2015 to 14 October 2015 is EUR 1.657). Furthermore, after execution of the above actions, the OMX has to adopt a respective decision regarding delisting of Shares from trading on Lithuanian regulated market.

The Company will take all the necessary actions to ensure delisting of Shares from trading on the OMX, if all the above conditions are met ((i) listing of shares on the WSE, (ii) adoption of the decision of the General Meeting regarding delisting of Shares from trading on the OMX, (iii) implementation of the tender offer by the indicated shareholders (shareholder)). However, the Company may not assure that all of them will be met and that the Shares will be delisted from trading on the OMX as none of them depend on the actions to be taken by the Company.

All the announcements related to the above actions will be communicated by way of material event notifications, as required under the applicable legal acts.

Taxation of the Issuer's Shares

The following is a summary of certain Estonian and Polish tax implications of ownership and disposition of the Shares. The summary is based on the tax laws of Estonia and Poland as in effect on the date of this Prospectus, and is subject to changes in such laws, including changes that could have a retroactive effect. The summary does not purport to be a comprehensive description of all the tax implications that may be relevant for making a decision to purchase, own or dispose of the Shares. You are advised to consult your own professional tax advisors as to the Estonian, Polish and other tax implications of the purchase, ownership and disposition of the Shares. Investors who may be affected by the tax laws of other jurisdictions should consult their own tax advisors with respect to the tax implications applicable to their particular circumstances.

Taxation in Estonia

Corporate Income Tax

The system of taxation of corporate income currently in force in Estonia differs from the traditional model of corporate income taxation in that it shifts the point of corporate taxation from the moment of earning to the moment of distribution. Therefore, in Estonia corporate income tax is charged only on the distributed profit with the reinvested profits remaining untaxed until distribution. Corporate income tax is charged on profit distributions such as dividends, payments in the course of the reduction of share capital and redemption of own shares, as well as on implicit distributions such as fringe benefits, gifts and donations, expenditures and payments not related to the business activities of the Company.

All of the above profit distributions are taxed at the rate of 20/80 (approximately 25%) of the net amount of the distribution, i.e. 20% of the gross amount of the distribution. The corporate income tax charged on above profit distributions is payable only at the company level with the Company being responsible for calculating, declaring and paying of the respective corporate income tax. Corporate income tax imposed on distributed profit is not a withholding tax and thus is not influenced by the applicable international tax treaties.

Payments made in the course of the reduction of share capital and redemption of shares are taxable at the company level only to the extent such payments exceed the monetary and non-monetary contributions previously made by the shareholders into the company.

Taxation of Dividends

Dividend payments made by Estonian resident companies are exempt from income tax in Estonia at the level of the recipient of dividend payments, regardless of the corporate (legal person or individual) and residential status of the recipient. Therefore, no withholdings are made from the dividends. Instead, all distributions in the form of dividends are taxed with corporate income tax at the company level as described above.

Please note that the non-resident shareholders receiving dividends from the Company may be subject to declaring and paying income tax from such dividend payments in their respective countries of residence. There are certain exceptions, however, under which Estonian resident companies are exempt from the payment of income tax on dividends. In

particular, dividend payments are not subject to income tax, if the income underlying the dividends originates from dividends that have been received by the Estonian resident company from a company which is a resident taxpayer in an EEA member state or Switzerland (except offshore territories), and provided that at the moment of receiving the dividends the Estonian company was the owner of at least 10% of the votes in the subsidiary.

Capital Gains from Sale or Exchange of Shares

Gains realized by Estonian resident individuals upon the sale or exchange of Shares shall be subject to income tax at the rate of 20%. Since all earnings of resident legal persons, including capital gains, are taxed only upon distribution, capital gains realized by resident legal persons are not subject to immediate taxation.

Income tax is charged on capital gains realized by non-residents from the sale or exchange of shares in an Estonian company only under very limited circumstances. Namely, non-residents will be subject to paying income tax at the rate of 20% in Estonia only in the case of sale or exchange of shares in a company of whose property, at the time of transfer or during certain period within two years immediately preceding the transfer, more than 50% was directly or indirectly made up of immovable property or structures as movables located in Estonia, and in which at the time of transfer such nonresident held at least a 10% shareholding.

For the purposes of capital gains taxation, the gain derived from the sale of shares is the difference between the acquisition cost and the sales price of the shares. The gain derived from the exchange of shares is the difference between the acquisition cost of the shares subject to exchange and the market price of the property received as the result of the exchange. The certified expenses directly related to the sale or exchange of shares may be deducted from the shareholder's gain. Estonian resident individuals and non-residents are subject to paying income tax (20%) on the gains from the receipt of payments in the course of the reduction of share capital or redemption of shares or from the receipt of liquidation proceeds. The taxable gain is calculated as the difference between the value of the received payment and the acquisition cost of the relevant shareholding (which has been reduced, redeemed or liquidated), whereas part of the gain that has been already taxed at company level, shall be exempt.

Taxation in Poland

The information set out below describes the principal Polish tax consequences of the acquisition, holding and disposal of the Shares, and is included for general information only. This summary does not purport to be a comprehensive description of all Polish tax considerations that may be relevant to a decision to acquire, to hold or to dispose of the Shares. Unless provided otherwise, this summary describes only certain material Polish tax consequences for (i) shareholders who are residents for tax purposes in Poland (i.e. Polish Corporate Investors and Polish Individual Investors as defined below), and do not have a permanent establishment or fixed base outside of Poland with which the Shares are effectively connected and (ii) shareholders who are not residents for tax purposes in Poland (i.e. Non-Polish Corporate Investors and Non-Polish Individual Investors as defined below) and do not have a permanent establishment or fixed base in Poland.

No individual circumstances, financial situations or particular investment objectives of any prospective investor as purchaser, owner of the Shares are taken into account for the purposes of this summary.

Each prospective investor should consult a professional tax adviser regarding the tax consequences of acquiring, holding and disposing of the Shares under the laws of their country and/or state of citizenship, domicile or residence. This summary is based on tax legislation, published case law, treaties, rules, regulations and similar documentation in force as at the date of this Prospectus, without prejudice to any amendments introduced at a later date or implemented with retroactive effect.

General Remarks

Holding and alienation of shares may trigger different tax consequences in Poland for individual shareholders and corporate shareholders, being divided furtherly based on whether the shareholder is subject to taxation on worldwide income or solely on Polish-based income.

Legal persons, capital companies in organization, as well as other unincorporated entities (except civil, general, limited partnerships and professional partnerships), including – with certain exceptions – limited joint-stock partnerships, that are considered resident in Poland for tax purposes, i.e. those having their registered office (in Polish: *siedziba*) or place of management (in Polish: *miejsce zarządu*) in Poland ("Polish Corporate Investors") are subject to corporate income taxation in Poland on their worldwide income. Other legal persons, capital companies in organization, as well as other unincorporated entities not considered resident in Poland for tax purposes ("Non-Polish Corporate Investors") are subject to corporate income taxation in Poland only on their Polish-sourced income.

Individuals resident in Poland for tax purposes, i.e. those who have their place of residence (in Polish: *miejsce zamieszkania*) in Poland ("Polish Individual Investors") are subject to personal income taxation in Poland on their worldwide income. Individuals are deemed to have their place of residence in Poland if they (i) have their centre of vital interests or (ii) stay in Poland for a period longer than 183 days in a given tax year. Other individuals ("Non-Polish Individual Investors") are subject to personal income taxation in Poland only on their Polish-sourced income.

Taxation of income relating to Holding Shares

Dividends and other income (revenue) actually earned by Polish Corporate Investors on holding shares (such as remuneration for redeemed shares, liquidation proceeds) are subject to taxation in Poland under the Corporate Income Tax Act (Polish Corporate Income Tax). They are taxed at the 19% Polish Corporate Income Tax rate.

Pursuant to Article 20, section 3 of the Polish Corporate Income Tax Act, income (revenue) from dividends and other revenue from share in the profits generated by Estonian companies are tax exempt if all of the following conditions are satisfied jointly:

- the entity paying out the dividends and other revenue from participation in profits generated by legal persons, is a company liable to pay income tax in any of the EU member states other than the Republic of Poland or in any other country of the European Economic Area (EEA), with respect to its world-wide income, regardless of the place where it is generated;
- the entity receiving income (revenue) from dividends and other revenue from participation in profits generated by legal persons, as referred to in section (i), is a company liable to pay income tax in the Republic of Poland and has its registered seat or place of effective management within the territory of the Republic of Poland and is not exempt from income tax in relation to its world-wide income; and
- the company referred to in section (ii) has at least 10% direct shareholding in the share capital of the company which pays out the dividend (company referred to in section (i)), and
- company referred to in section (ii) is the legal owner of the shares, and
- the entities have one of the legal forms specified in the Attachment 4 to the Polish Corporate Income Tax Act.

The above-stated exemption applies if the company receiving income (revenue) from dividends and other revenue from participation in profits generated by Estonian companies has at least 10% uninterrupted shareholding in the Estonian company for two years. The exemption also applies if the two-year period of uninterrupted holding of shares in the required amount by a company gaining income (revenue) from participation in profits generated by the Estonian company ends after the date of obtaining such income (revenue). In the case of failure to satisfy the condition of uninterrupted holding shares in the required amount for two years, the company which benefited from the exemption is obliged, under the relevant regulations, to submit a corrected declaration for the fiscal years of gaining the exemption. The above-mentioned exemption will not apply, however, if distributions are made upon liquidation of a company or upon buy-back of shares. Moreover, the exemption does not apply as far as the dividend is deductible from taxable base (including as tax deductible cost), income or tax paid by the company paying the dividend.

The Double Tax Treaty concluded by Poland and Estonia (“Double Tax Treaty”) provides that dividends paid by a company with its registered office in Estonia to Polish Corporate Shareholders may be taxed both in Poland and Estonia, although such Estonian tax cannot exceed 15% of the gross amount of the dividend (or 5% in case dividend is earned by a company owning at least 25% of the share capital in a company distributing the dividend).

It should be noted that in relation to the dividends which may be subject to taxation in Estonia, pursuant to Article 24, section 1(b) of the Double Tax Treaty, a tax credit applies in Poland.

Pursuant to the provisions of the Double Tax Treaty, if a Polish Corporate Investor pursues economic activity in Estonia through a permanent establishment situated in Estonia (i.e. a fixed place of business through which the business of an enterprise is wholly or partly carried on), and the shares in respect of which the dividends are paid are effectively connected with such permanent establishment, dividends will be taxed in Estonia as business profits earned by that permanent establishment.

Taxation of Income from Disposal of Shares

Income earned by Polish Corporate Investors on disposal of shares of an Estonian company is subject to the Polish Corporate Income Tax in accordance with the general rules. This income is aggregated with the business incomes of the given fiscal year, and subject to the general 19% Polish Corporate Income Tax rate.

The income is computed as the difference between the revenue (in principle, the price agreed for the shares) and tax deductible costs (in principle, the costs of acquisition of the shares and costs related to the sale).

However, it should be noted that if the value of shares expressed in the price specified in the agreement on the disposal of shares differs materially, without a legitimate reason, from the market value of the shares, such agreed price may be challenged by the tax authorities.

In accordance with Article 13, section 4 of the Double Tax Treaty, any gains from the disposal of shares for any form of consideration are subject to taxation exclusively in the country of the legal seat of the corporate person disposing of the shares. However, on the basis of Article 13, section 1 of the Double Tax Treaty, where an Estonian company's assets consist majorly of Estonian real property, any gains from the disposal of shares may be taxed in Estonia. Moreover, pursuant to Article 13, section 2 of the Double Tax Treaty, gains from disposal of assets belonging to an Estonian permanent establishment of a Polish resident company may be taxed in Estonia. In absence of these exceptions, any income from the disposal of Shares earned by corporate persons who are Polish tax residents is taxed exclusively in Poland.

Non-Polish Corporate Investors

Taxation of Income Relating to Holding Shares

Pursuant to Article 3, section 2 of the Polish Corporate Income Tax Act Non-Polish Corporate Investors are subject to tax obligation in Poland only with respect of income earned by them in the territory of the Republic of Poland.

Although this is not expressly provided for in Polish tax law, it should be noted that dividends from an Estonian company (being Estonian tax resident) should not be treated as income derived from Poland, even if the company is listed on the WSE. Consequently, it should be noted that dividends paid by an Estonian company (being Estonian tax resident) to a non-Polish investor should not be subject to Polish income tax. However, if a Non-Polish Corporate Investor pursues economic activity in Poland through a permanent establishment situated in Poland and such income is attributable to this permanent establishment, then income may be taxed in Poland.

Taxation of Income from Disposal of Shares

Polish tax law does not give clear direction on whether income from a sale of shares of an Estonian company should be treated as income derived from Poland if the shares are traded on the WSE. The tax authorities may claim that trades on the WSE concerning shares of companies with registered seats in Poland shall be treated as Polish sourced income. Consequently, as a rule, such income would be subject to Polish income tax and settled on general rules. However, with respect to trades on the WSE concerning shares in an Estonian company, Non-Polish Corporate Investors may argue that the source of income is not located in Poland and is not subject to taxation in Poland. In practice, most of the tax treaties would exempt such income from taxation in Poland even if it is considered to be obtained within the territory of Poland. This should be verified on a case-by-case basis. Still, if the Non-Polish Corporate Investor pursues economic activity in Poland through a permanent establishment situated in Poland and such income is attributable to this permanent establishment, then income may be taxed in Poland.

Polish Individual Investors

Taxation of Income Relating to Holding Shares

Pursuant to Article 30a, section 1, point 4 of the Polish Personal Income Tax Act (Polish Personal Income Tax), dividends and other revenue from the share in legal person's profits earned by Polish Individual Investors is not aggregated with income from any other sources. Such is subject to taxation at a flat rate of 19% of the income earned. The Polish Personal Income Tax is settled on an annual basis. Annual tax returns should be filed by 30 April of the calendar year following the year in which the income was earned.

It is not absolutely clear whether the tax due on dividend income earned by a Polish Individual Investor from an Estonian company shall be withheld by a Polish brokerage house assisting in the payment or not. On the one hand, there is a regulation (Article 41, section 4 of the Polish Personal Income Tax Act) that clearly imposes on brokerage houses the obligation to withhold the tax upon payment and remit the tax to the relevant tax authority. On the other hand, there is a regulation which provides that amounts of tax due on dividends earned outside Poland and the amounts of tax paid outside Poland on such dividends should be reported by a taxpayer (i.e. Polish Individual Investor) in his annual tax return (Article 30a, section 11 of the Polish Personal Income Tax Act).

Moreover, pursuant to Article 41, section 4d of the Polish Personal Income Tax Act, a Polish brokerage house is required to withhold income tax with respect to dividends paid to a Polish tax resident only where two conditions are jointly met: (i) the dividend income is earned within the territory of Poland and is connected with securities registered on brokerage accounts kept by a brokerage house, and (ii) the dividend income is paid out through a Polish brokerage house. It should be noted that under the prevailing approach, dividends from a company being tax resident of Estonia should not be treated as income earned within the territory of Poland, even if the company is listed on the WSE. Therefore, the first condition shall not be met with respect to dividends and other income (revenue) actually earned on holding shares paid by the company being tax resident of Estonia. Thus, it is likely that a Polish brokerage house would not withhold any tax on dividend income obtained by the Polish Individual Investor from the company being tax resident of Estonia, listed on the WSE.

The Double Tax Treaty provides that dividends paid by a company with its registered office in Estonia to Polish Individual Investors may be taxed both in Poland and Estonia, but such Estonian tax cannot exceed 15% of the gross amount of the dividend.

It should be noted that in relation to dividends which may be subject to tax in Estonia, the tax credit method of avoidance of double taxation shall apply in Poland, pursuant to Article 24, section 1(b) of the Double Tax Treaty.

Pursuant to the provisions of the Double Tax Treaty, if the Polish Individual Investor pursues economic activity in Estonia through a permanent establishment situated in Estonia (i.e. a fixed place of business through which the business of an enterprise is wholly or partly carried on) or performs in Estonia independent personal services from a fixed base situated in Estonia, and the shares in respect of which the dividends are paid are effectively connected with such permanent establishment or fixed base, dividends will be taxed in Estonia as business profits or as income from independent personal services earned by that permanent establishment or fixed base.

Taxation of Income from Disposal of Shares

In accordance with Article 13, section 4 of the Double Tax Treaty, any gains from the disposal of shares for any form of consideration are subject to taxation exclusively in the country of residency of the individual disposing of the shares. However, on the basis of Article 13, section 1 of the Double Tax Treaty, where an Estonian company's assets consist majorly of Estonian real property, any gains from the disposal of shares may be taxed in Estonia. Moreover, pursuant to Article 13, section 2 of the Double Tax Treaty, gains from disposal of assets belonging to an Estonian permanent establishment of a Polish individual may be taxed in Estonia. In absence of these exceptions, any income from the disposal of Shares earned by Polish Individual Investors is taxed exclusively in Poland.

Income earned by Polish Individual Investors on the sale of shares should be classified as income from capital gains and as such it should not be combined with incomes from other sources, but should be subject to the 19% flat Polish Personal Income Tax rate.

Taxable income is computed as the difference between the amount of revenue earned on gainful disposal of securities, including shares (in principle, the price for the shares less costs related to the sale) and tax-deductible expenses (in principle, the costs of acquisition of the shares). Such revenue is subject to taxation as revenue due – even if it has not yet actually been received. The tax is settled on an annual basis. Annual tax returns should be filed by 30 April of the calendar year following the year in which gains / losses arose (this also being the deadline for paying the tax). No obligation exists to pay tax advances during the tax year.

It is not clear under the Polish tax law, if the above mentioned regulations apply when a sale of securities for any form of consideration is performed as part of business activity. If the consideration for the sale of shares is treated as a capital gain for a tax purposes, the above mentioned regulations apply. However, if the consideration for the sale of shares is treated as a business profit for tax purposes, revenues and relevant expenses should be settled according to the terms that apply to the taxation of business activity. In such a case, income tax shall be paid at the progressive tax rates, which varies from 18% to 32%, or at the 19% flat rate (depending on the form of taxation chosen by the given Polish Individual Investor).

It should be noted that if the value of shares expressed in the price specified in the agreement on the disposal of shares differs materially, without a legitimate reason, from the market value of the shares, this may be challenged by the tax authorities.

It should also be noted that pursuant to Article 9, section 6 of the Polish Personal Income Tax Act, any losses incurred during a fiscal year on account of the disposal of shares may be deducted from the income received from that source of revenue over five consecutive fiscal years, provided that the amount of the deduction does not exceed 50% of the amount of the loss in any single fiscal year of the five-year period.

Non-Polish Individual Investors

Taxation of Income Relating to Holding Shares

Non-Polish Individual Investors are subject to Polish Personal Income Tax only with respect to the profits that are derived from sources of income from the territory of Poland.

Although this is not expressly provided for in Polish tax law, it should be noted that dividends from an Estonian company should not be treated as income derived from Poland, even if the company is listed on the WSE. Consequently, it should be noted that dividends paid by an Estonian company to a Non-Polish Individual Investor should not be subject to Polish income tax. However, if a Non-Polish Individual Investor pursues economic activity in Poland through a permanent establishment situated in Poland and such income is attributable to this permanent establishment, then income may be taxed in Poland.

Taxation of Income from Disposal of Shares

Polish tax law does not give clear direction on whether income from a sale of shares of an Estonian company should be treated as income derived from Poland if the shares are traded on the WSE. The tax authorities may claim that trades on the WSE concerning shares of companies with registered seats in Poland shall be treated as Polish source income. Consequently, as a rule, such income would be subject to Polish income tax and settled on general rules. However, with respect to trades on the WSE concerning shares in an Estonian company, Non-Polish Individual Investors may argue that the source of income is not located in Poland and is not subject to taxation in Poland. In practice, most of the tax treaties would exempt such income from taxation in Poland even if it is considered to be obtained within the territory of Poland. This should be verified on a case-by-case basis. Still, if the Non-Polish Individual Investor pursues economic activity in Poland through a permanent establishment situated in Poland and such income is attributable to this permanent establishment, then income may be taxed in Poland.

Transfer Tax (Tax on Civil Law Transactions)

The tax on civil law transactions ("TCLT") is levied on agreements providing for a sale or exchange of rights, provided that these rights are executed in Poland or, if executed abroad, that the purchaser is a Polish tax resident and the transaction is effected in Poland. This is applicable to both Corporate and Individual Investors.

The tax rate on the sale of shares and the exchange of shares is 1% of their market value and should be paid by the purchaser of shares within fourteen days of the date on which the tax obligation arose (that is, the date the sale or exchange agreement is concluded), unless the sale of shares and the exchange of shares agreements are concluded in a form of a notary deed. In that case the due tax should be collected by the notary public acting as a tax remitter. The purchaser of shares is liable for paying the due tax on civil law transactions. In the case of an exchange of shares, the liability for paying the due tax is borne jointly and severally by the parties to the exchange of shares transaction.

Exemptions from the TCLT apply, without limitation, to transactions concerning (i) the sale of shares to investment companies or to foreign investment companies or (ii) the sale of shares through an intermediation of such companies, or (iii) the sale of shares within a regulated market (e.g. WSE), and (iv) the sale of such instruments made by investment companies or foreign investment companies outside a regulated market, provided that such instruments were acquired by those companies within a regulated market, as defined in the Trading in Financial Instruments Act. In general, trading in shares on the WSE is exempt from the TCLT.

5.6 Share Offer

This Prospectus was not prepared for the public offering of the Shares (or any part thereof) and was prepared solely for the purpose of the Admission of the Shares to trading on the WSE.

Following the decisions of the General Meeting of the Former Parent Company which was merged to the Company and ceased to exist following the completion of the Merger, dated 30 April 2015 it was decided to initiate the Admission of all the outstanding shares of the company to trading on the WSE. It was also established that the Board has the right to select such a mechanism of the Admission, which would ensure either direct admission of shares of the European company (*Societas Europaea*), formation of which is provided for in the decision on agenda matter No. 7 of the indicated general meeting of shareholders, to trading on the above-indicated regulated market, or at first of the shares of City Service AB, then of the shares of City Service AS, and only then of the shares of the European company (*Societas Europaea*) (following completion of the Merger and Conversion, these last two alternatives became irrelevant). It was also established that the Admission of Shares to trading on the regulated market the WSE must be implemented no later than within 18 (eighteen) months after taking of the above decision. For more information on the Admission please see Section 5.7 *Admission of the Shares to trading on the regulated market* below.

The Issuer has not granted and will not grant any overallotment option or the green shoe type option and therefore no overallotment is foreseen. Furthermore, no entity has a commitment of any kind to act in secondary trading in the Shares or provide liquidity through bid and offer rates. No stabilisation will be undertaken.

The Issuer has not appointed any intermediary with respect to the Shares, as there will be no public offering thereof.

5.7 Admission of the Shares to trading on the regulated market

As of the date of this Prospectus, all the existing Shares of the Issuer (31,610,000 Shares) are listed on the Main List of the OMX. The Issuer also intends to make an application to the WSE for the admission of the Shares to trading on the Parallel Market of the WSE. Thus, this Prospectus was prepared solely for the purpose of the Admission of the Shares to trading on the WSE.

This Prospectus was not prepared for a public offering of the Shares (or part thereof), as none of the Shares will be offered publically.

The admission and introduction of the Shares to trading on the WSE requires the approval of the Prospectus by the EFSA and notification to the PFSA and execution of other actions, as indicated below.

Under the laws of Estonia and Poland the following registration and other processes are needed in order the Shares to be eligible for listing on the WSE: (i) execution by the Issuer of an agreement with the NDS to register the Shares in the NDS, (ii) an application to be made, and resolutions of the NDS's management board adopted, to register the Shares in the NDS; (iii) registration of the Shares on the NDS foreign account in the ECRS; (iv) an application to be made, and resolutions of the WSE's management board adopted, to admit and introduce the Shares to trading on the WSE.

The Company will take all the necessary actions under the applicable laws, needed in order to admit the Shares to trading on the WSE.

The Issuer will not be seeking to apply for listing of temporary share receipts, such as "rights to shares" within the meaning of article 3.1.a of the Trading in Financial Instruments Act.

Application will be made for the Shares to be admitted to listing and trading on the Parallel Market of the WSE and it is expected that the Admission will become effective on or around 15 November 2015.

Any dealings in the Shares prior to the start of trading on the WSE (if any) will be at the sole risk of investor concerned.

5.8 Expenses of the Admission

Following the preliminary calculations, the Issuer's fixed expenses, related to the Admission, shall comprise of up to EUR 47 thousand (including, without limitation, the fixed fees (if any) for the Estonian, Lithuanian and Polish legal counsels,

fees to the EFSA for approval of the Prospectus, fees to the ECRS, NDS and WSE, fees for preparation of the Prospectus).

5.9 Dilution

Not applicable, as there is no public offering of the Shares (or any part thereof) and the Prospectus was prepared solely for the purpose of the Admission of the Shares to trading on the WSE.