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**CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE NINE MONTHS PERIOD
ENDED 30 SEPTEMBER, 2020 (UNAUDITED)**

City Service SE

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER, 2020
(UNAUDITED)**

Beginning of the reporting period	1 January 2020
End of the reporting period	30 September 2020
Business name	City Service SE
Registration number	12827710
Legal address	Narva mnt. 5, 10117 Tallinn, the Republic of Estonia
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Website	http://www.cityservice.eu
Auditor	Ernst & Young Baltic AS

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Declaration of the management

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

Chairman of the Management Board



Artūras Gudelis

30 November 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As of 30 September 2020	As of 31 December 2019
Assets			
NON-CURRENT ASSETS			
Goodwill	3	10,584	10,684
Other intangible assets	5	29,332	31,122
Property, plant and equipment	6	8,824	12,685
Right of use assets	7	9,257	10,320
Investments into associates		182	182
Non-current receivables	8	10,120	8,667
Deferred income tax asset		4,036	4,250
Total non-current assets		72,335	77,910
CURRENT ASSETS			
Inventories		1,470	1,811
Prepayments		1,705	1,794
Trade receivables	8	31,189	36,471
Receivables from related parties	15	3,792	362
Contract assets		2,299	4,398
Other receivables and current assets		3,133	3,674
Cash and cash equivalents		8,270	3,792
Total current assets		51,858	52,302
Total assets		124,193	130,212

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)

	Notes	As of 30 September 2020	As of 31 December 2019
Equity and liabilities			
Equity attributable to equity holders of the Company			
Share capital		9,483	9,483
Other reserves		948	948
Share premium		21,067	21,067
Foreign currency translation reserve		(3,481)	(2,701)
Retained earnings (deficit)		24,541	21,721
		52,558	50,518
Non-controlling interests		447	448
TOTAL EQUITY		53,005	50,966
Liabilities			
Non-current liabilities			
Non-current borrowings	9	17,902	18,523
Lease liabilities	7	7,454	7,857
Deferred income tax liabilities		3,025	3,259
Non-current payables		1,811	2,103
TOTAL NON-CURRENT LIABILITIES		30,192	31,742
Current liabilities			
Current portion of non-current borrowings	9	2,998	2,717
Current portion of lease liabilities	7	2,506	3,522
Current loans	9	931	3,628
Trade payables		9,911	15,736
Payables to related parties	15	344	471
Contract liabilities		7,571	7,426
Other current liabilities		16,735	14,004
TOTAL CURRENT LIABILITIES		40,996	47,504
Total liabilities		71,188	79,246
Total equity and liabilities		124,193	130,212

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(for the period 1 January – 30 September)

	Notes	2020 Q3	2019 Q3
Revenue from contracts with customers	1.7	115,792	126,769
Cost of sales	10	(83,556)	(94,508)
Gross profit (loss)		32,236	32,261
General and administrative expenses	11	(23,465)	(27,474)
Credit loss expenses on financial assets		(1,142)	(1,094)
Other operating activity, net	12	1,008	(60)
Profit (loss) from operations		8,637	3,633
Interest and other finance income	13	296	473
Interest and other finance expenses	13	(1,665)	(894)
Profit (loss) before tax		7,268	3,212
Income tax		(1,417)	(810)
Net profit (loss)		5,851	2,402
Other comprehensive income			
Exchange differences on translation of foreign operations		(837)	213
Total comprehensive income		5,014	2,615
Attributable to:			
The shareholders of the Company		5,791	2,368
Non-controlling interests		60	34
		5,851	2,402
Total comprehensive income attributable to:			
The shareholders of the Company		4,954	2,584
Non-controlling interests		60	31
		5,014	2,615
Basic and diluted earnings per share (EUR)		0.18	0.07

STATEMENT OF COMPREHENSIVE INCOME

(for the period 1 July – 30 September)

	2020 Q3	2019 Q3
Sales	33,889	38,625
Cost of sales	(24,250)	(28,725)
Gross profit (loss)	9,639	9,900
General and administrative expenses	(7,348)	(8,947)
Credit loss expenses on financial assets	62	(41)
Other operating income, net	548	37
Profit (loss) from operations	2,901	949
Finance activity result, net	(343)	(146)
Profit (loss) before tax	2,558	803
Income tax	(351)	(218)
Net profit	2,207	585

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital	Share premium	Foreign currency translation reserve	Other reserves	Retained earnings	Total	Non-controlling interest	Total
Balance as of 1 January 2019		9,483	21,067	(2,936)	948	20,287	48,849	404	49,253
Net profit		-	-	-	-	2,368	2,368	34	2,402
Other comprehensive Income		-	-	192	-	-	192	21	213
Total comprehensive Income		-	-	192	-	2,368	2,560	55	2,615
Dividends declared	14	-	-	-	-	-	-	(3)	(3)
Balance as of 30 September 2019		9,483	21,067	(2,744)	948	22,655	51,409	456	51,865
Balance as of 1 January 2020		9,483	21,067	(2,701)	948	21,721	50,518	448	50,966
Net profit		-	-	-	-	5,791	5,791	60	5,851
Other comprehensive Income		-	-	(780)	-	-	(780)	(57)	(837)
Total comprehensive Income		-	-	(780)	-	5,791	5,011	3	5,014
Dividends declared	14	-	-	-	-	(2,971)	(2,971)	(4)	(2,975)
Balance as of 30 September 2020		9,483	21,067	(3,481)	948	24,541	52,558	447	53,005

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2020 Q3	2019 Q3
Cash flows from (to) operating activities			
Net profit		5,851	2,402
Adjustments for non-cash items:			
Income tax expenses		1,417	810
Depreciation and amortisation	5,6,7	5,187	5,847
Impairment and discounting of accounts receivable		1,142	1,049
(Gain) on disposal of property, plant and equipment	12	(854)	(20)
(Gain) from sale of investments		(87)	(361)
Other financial activity, net		1,252	782
		13,908	10,509
Changes in working capital:			
Decrease (increase) in inventories		99	(274)
Decrease (increase) in receivables, contract assets and other current assets		2,456	(1,739)
(Increase) decrease in prepayments		(22)	232
Decrease (increase) in trade payables and payables to related parties		(3,803)	484
Income tax (paid)		(970)	(1,782)
Increase in advances received, contract liabilities and other current liabilities		2,858	2,131
		14,526	9,561
Net cash flows from operating activities			
Cash flows from (to) investing activities			
(Acquisition) of non-current assets (except investments)	5,6	(1,188)	(2,808)
Proceeds from sale of non-current assets		3,213	649
(Acquisition) of investments in subsidiaries (net of cash acquired in the Group)		-	(106)
Disposal of investments in subsidiaries		90	168
Deconsolidation of investments in subsidiaries		(319)	-
Interest received		218	98
Loans (granted)		(3,861)	-
Loans repaid		862	197
		(985)	(1,802)
Net cash flows (to) investing activities			
Cash flows from (to) financing activities			
Dividends (paid)		(2,975)	(3)
(Repayment) of loans		(2,568)	(4,645)
(Repayment) of financial lease liabilities		(2,168)	(2,533)
Interest (paid)		(647)	(618)
		(8,358)	(7,799)
Net cash flows (to) financial activities			
Net increase (decrease) in cash and cash equivalents		5,183	(40)
Foreign exchange difference		(705)	47
Cash and cash equivalents at the beginning of the period		3,792	5,302
Cash and cash equivalents at the end of the period		8,270	5,309

1.**GENERAL INFORMATION**

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

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

1.1.**ACTIVITIES**

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

The most important buildings segments, administered by the City Service group are: residential apartment buildings; commercial buildings; public buildings; industrial buildings. The total area of buildings under the management of the Group is 29.7 million sq. m. at present.

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

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

1.2.

SHARE CAPITAL OF THE COMPANY

The share capital of the Company is EUR 9,483 thousand as of 30 September 2020. It is divided into 31,610 thousand ordinary shares with the nominal value of EUR 0.30 each. All shares of the Company are paid up.

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

As of 30 September 2020 all 31,610 thousand ordinary shares of the Company are included into the Parallel Market of Warsaw Stock Exchange (ISIN Code of the shares is EE3100126368). Trading Code of the shares on Warsaw Stock Exchange is CTS.

1.3.

SHAREHOLDERS OF THE COMPANY

As of 30 September 2020 the total number of shareholders of the Company was 245.

COMPANY'S SHARES DISTRIBUTION AMONG SHAREHOLDERS WHO HAVE MORE THAN 5% SHARES OF THE COMPANY AS OF 30 SEPTEMBER 2020 WAS THE FOLLOWING:

	Number of shares held	Owned percentage of the share capital and votes, %
ICOR, UAB, legal entity code 300021944, address: Ozo str. 12A, Vilnius, Lithuania	26,813,293	84.83%
Other private and institutional shareholders	4,796,707	15.17%
TOTAL	31,610,000	100 %

1.4.
CITY SERVICE GROUP

AS OF 30 SEPTEMBER 2020 THE CITY SERVICE GROUP CONSISTS OF CITY SERVICE SE AND THE FOLLOWING SUBSIDIARIES (HEREINAFTER REFERRED TO AS „THE GROUP“):

Company	Region	Share of the stock held by the Group as of 30 September 2020	Share of the stock held by the Group as of 30 September 2019	Main activities
Acta iuventus, UAB	Lithuania	100%	100%	Security services
Alytaus namų valda, UAB	Lithuania	76%	76%	Dormant
Algos saugos tarnyba, UAB	Lithuania	100%	100%	Security services
Baltijos būsto priežiūra, UAB	Lithuania	100%	100%	Dormant
Baltijos NT valdymas, UAB	Lithuania	100%	100%	Real estate management
Baltijos transporto valdymas, UAB	Lithuania	100%	100%	Asset management
Baltijos turto valdymas, UAB	Lithuania	100%	100%	Holding company
Biržų butų ūkis, UAB	Lithuania	57.71%	57.71%	Administration of dwelling-houses
Būsto aplinka, UAB	Lithuania	100%	100%	Maintenance and cleaning of dwelling-houses territories and premises
Būsto mokėjimai, UAB	Lithuania	-	100%	Dormant
Citenga, UAB	Lithuania	100%	100%	Holding company
City Service, UAB	Lithuania	100%	100%	Holding company
City Service Cleaning, UAB	Lithuania	100%	100%	Maintenance and cleaning of commercial real estate, territories and premises
City Service Engineering, UAB	Lithuania	100%	100%	Commercial real estate management and building maintenance
City Service Digital, UAB	Lithuania	100%	-	IT services
CSG IT, UAB	Lithuania	100%	-	IT services
Economus, UAB	Lithuania	100%	100%	Administration of buildings
Energijos taupymo paslaugos, UAB	Lithuania	100%	100%	Energy saving solution services
Energinio efektyvumo paslaugos, UAB	Lithuania	100%	100%	Dormant
EPC projektai, UAB	Lithuania	100%	100%	Dormant
Neries būstas, UAB	Lithuania	100%	100%	Dormant
Karoliniškių turgus, UAB	Lithuania	100%	100%	Marketplace administration services
Konarskio turgelis, UAB	Lithuania	100%	100%	Marketplace administration services
Mano aplinka, UAB	Lithuania	100%	100%	Maintenance and cleaning of public territories and premises
Mano aplinka plus, UAB	Lithuania	100%	100%	Maintenance and cleaning of territories and premises
Mano Būstas, UAB	Lithuania	100%	100%	Administration of dwelling-houses
Mano Būstas Alytus, UAB	Lithuania	100%	100%	Administration of dwelling-houses
Mano Būstas Baltija, UAB	Lithuania	100%	100%	Administration of dwelling-houses
Mano Būstas Dainava, UAB	Lithuania	100%	100%	Administration of dwelling-houses
Mano Būstas Neris, UAB	Lithuania	100%	100%	Administration of dwelling-houses
Mano Būstas NPC, UAB	Lithuania	100%	100%	Administration of dwelling-houses
Mano Būstas Kaunas, UAB	Lithuania	100%	100%	Administration of dwelling-houses
Mano Būstas Klaipėda, UAB	Lithuania	100%	100%	Administration of dwelling-houses
Mano Būstas Aukštaitija, UAB	Lithuania	100%	100%	Administration of dwelling-houses

Mano Būstas Radviliškis, UAB	Lithuania	100%	100%	Administration of dwelling-houses
Mano Būstas Sostinė, UAB	Lithuania	100%	100%	Administration of dwelling-houses
Mano Būstas Šiauliai, UAB	Lithuania	100%	100%	Administration of dwelling-houses
Mano Būstas Vakarai, UAB	Lithuania	99.84%	99.84%	Administration of dwelling-houses
Mano Būstas Vilnius, UAB	Lithuania	100%	100%	Administration of dwelling-houses
Mano Būsto Sauga, UAB	Lithuania	100%	100%	Security services
Mano Būsto priežiūra, UAB	Lithuania	100%	100%	Building maintenance
Mano sauga LT, UAB	Lithuania	100%	100%	Security services
Medžiagų tiekimo centras, UAB	Lithuania	100%	100%	Supply of materials
Merlangas, UAB	Lithuania	100%	100%	Administration of dwelling-houses
Nacionalinis renovacijos fondas, UAB	Lithuania	100%	100%	Administration of dwelling-houses renovation projects
Naujosios Vilnios turgavietė, UAB	Lithuania	100%	100%	Marketplace administration services
Pastatų priežiūra, UAB	Lithuania	100%	100%	Building maintenance
Pastatų valdymas, UAB	Lithuania	100%	100%	Administration of dwelling-houses
Pietų projektai, UAB	Lithuania	100%	100%	Dormant
PortalPRO, UAB	Lithuania	100%	100%	Supply chain management
Rinkų vystymas, UAB	Lithuania	100%	100%	Dormant
Saugos projektų valdymas, UAB*	Lithuania	100%	100%	Security services
Skolos LT, UAB	Lithuania	100%	100%	Debt collection services
Šilalės būstas, UAB	Lithuania	-	100%	Administration of dwelling-houses
Šiaulių NT valdymas, UAB	Lithuania	100%	100%	Dormant
Tauragės būstas, UAB	Lithuania	-	100%	Administration of dwelling-houses
Unitechna, UAB	Lithuania	100%	100%	Maintenance and construction of gas stations
Vaizdo stebėjimo sprendimai, UAB	Lithuania	100%	100%	Dormant
Valymo projektai 1, UAB	Lithuania	100%	-	Dormant
Valymo projektai 2, UAB	Lithuania	100%	-	Dormant
Valymo projektai 3, UAB	Lithuania	100%	-	Dormant
Valymo projektai 4, UAB	Lithuania	100%	-	Dormant
Valymo projektai Kaunas, UAB	Lithuania	100%	-	Dormant
Valymo projektai Klaipėda, UAB	Lithuania	100%	-	Dormant
Valymo projektai Šiauliai, UAB	Lithuania	100%	-	Dormant
Vilniaus turgus, UAB	Lithuania	100%	100%	Dormant
Voverės, UAB	Lithuania	-	100%	Catering services
Administracion Urbana y Rural Chorro, S.L.U.	Spain	100%	100%	Administration of dwelling-houses
Afinem administración de finques, S.L.U.	Spain	100%	100%	Administration of dwelling-houses
Aresi administracion de fincas S. L.	Spain	100%	100%	Administration of dwelling-houses
Aresi Euroinmo, S.L.	Spain	100%	100%	Dormant
Aresi Gestion residencial, S.L.	Spain	100%	100%	Administration of dwelling-houses
Concentra Servicios y Mantenimiento, S.A.**	Spain	100%	100%	Commercial real estate management and building maintenance
Elche administracion de fincas, S.L.U.	Spain	100%	100%	Administration of dwelling-houses
Eurobroker Advisors Sorreduria de Seguros, S.L.	Spain	100%	100%	Insurance services
Euronamas Gestion de Fincas Levante, S.L.U.	Spain	100%	100%	Dormant

Euronamas Gestion de Fincas Sur, S.L.	Spain	100%	100%	Administration of dwelling-houses
Euronamas Gestion de Fincas Meseta Central, S.L.U.	Spain	100%	100%	Dormant
Euronamas Gestion de Fincas Centro, S.L.	Spain	100%	100%	Administration of dwelling-houses
Euronamas gestion de fincas Madrid, S.L.	Spain	100%	100%	Administration of dwelling-houses
Grupo Aresi de Inversiones, S.L.	Spain	100%	100%	Holding company
Interlift Mantenimiento y Ascensores, S.L.	Spain	100%	100%	Dormant
Portalpro Gestion Integral S.L.	Spain	100%	100%	Supply chain management
Vetell dos iberica, S.L.**	Spain	100%	100%	Administration of dwelling-houses
Connecto Pay, SIA	Latvia	100%	100%	Dormant
City Service, SIA	Latvia	100%	100%	Holding company
City Service Engineering, SIA	Latvia	100%	100%	Commercial real estate management and building maintenance
Ēku pārvaldīšanas serviss, SIA	Latvia	100%	100%	Building maintenance
Laba Energija, SIA	Latvia	100%	100%	Dormant
Latvijas Namsaimnieks, SIA	Latvia	100%	100%	Administration of dwelling-houses
Namu serviss APSE, SIA	Latvia	100%	100%	Administration of dwelling-houses
Ventspils nami, SIA	Latvia	100%	100%	Administration of dwelling-houses
Atrium 21 sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
City Service Polska sp. z o.o.	Poland	100%	100%	Country holding company
Certus-Serwis Sp. z o. o.	Poland	100%	100%	Administration of dwelling-houses
Concierge - Zarządzanie Nieruchomościami sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
Dom Best sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
EnergiaOK sp. z o.o.	Poland	100%	100%	Sale of electricity
Famix sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
Grupa Techniczna 24 sp. z o.o.	Poland	100%	100%	Building maintenance
Home Rent sp. z o.o.	Poland	50%	50%	Administration of dwelling-houses
Parama Blue sp. z o.o.	Poland	100%	100%	Dormant
Parama Group sp. z o.o.	Poland	100%	100%	Holding company
Parama Yellow sp. z o.o.	Poland	100%	100%	Dormant
Parama Red sp. z o.o.	Poland	100%	100%	Dormant
Parama White sp. z o.o.	Poland	100%	100%	Dormant
Progresline sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
Santer Zarządzanie Nieruchomościami sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
Skydas - Przeglądy Budowlane sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
TED sp. z o.o.	Poland	100%	100%	Real estate management
Tumieszkamy sp. z o. o.	Poland	100%	100%	Dormant
Wolska Aparthotel sp. z o. o.***	Poland	100%	100%	Accommodation services
Zespół Zaradców Nieruchomości sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
ZZN Inwestycje sp. z o.o.	Poland	100%	100%	Dormant

ОАО Сити Сервис / City service, ОАО	St. Petersburg	100%	100%	Administration of dwelling-houses
ЗАО Сити Сервис / City service, ЗАО	St. Petersburg	100%	100%	Administration of dwelling-houses
ООО Специализированное ремонтно-наладочное управление	St. Petersburg	100%	100%	Construction and engineering
ООО МН Групп	St. Petersburg	100%	100%	Country holding company
ООО Жилкомсервис № 3 Фрунзенского района	St. Petersburg	80%	80%	Administration of dwelling-houses
ООО Чистый дом	St. Petersburg	100%	100%	Maintenance and cleaning of territories
ООО Подъемные механизмы	St. Petersburg	100%	100%	Elevator installing & tech. support
ООО Территория комфорта	St. Petersburg	100%	100%	Dormant

The Group's investment in an associate as of 30 September 2020 included an investment in Marijampolės butų ūkis, UAB (34% of the share capital).

* The Group ceased to consolidate Saugos projektų valdymas, UAB in its Financial statements after bankruptcy administrator was appointed on 24 July 2017, as from that date the Group has lost its control.

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

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

1.5.

COMPANY'S SUPERVISORY BOARD

AS OF 30 SEPTEMBER 2020, THE SUPERVISORY BOARD OF THE COMPANY COMPRISES OF THE FOLLOWING PERSONS:

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

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



Andrius Janukonis

Andrius Janukonis (born in 1971) is the Chairman of the Supervisory Board of City Service SE (since 2009 until 2015 the Chairman of the Board). He holds a Master's degree in Law. He is a member of the board of ICOR, UAB (since 2004).



Gintautas Jaugielavičius

Gintautas Jaugielavičius (born in 1971) is a Member of the Supervisory Board of City Service SE (since 2005 until 2015 a Member of the Board). He holds a Bachelor's degree in Economics. At present, he works as a consultant for ICOR, UAB and is a member of the board of ICOR, UAB (since 2004).

1.6.

COMPANY'S MANAGEMENT BOARD

AS OF 30 SEPTEMBER 2020 AND AS OF DATE OF SUBMISSION OF THIS REPORT, THE MANAGEMENT BOARD OF THE COMPANY COMPRISES OF THE FOLLOWING PERSONS:

Name and surname	Position within the Group	Start of term	End of term
Artūras Gudelis	Chairman of the Management Board	June 26, 2017	June 26, 2021
Tomas Kleiva	Member of the Management Board	June 26, 2017	June 26, 2021
Vytautas Turonis	Member of the Management Board	June 26, 2017	June 26, 2021
Dalius Šimaitis	Member of the Management Board	February 1, 2019	February 1, 2023

They do not own any shares of the Company.



Artūras Gudelis

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

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



Tomas Kleiva

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

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

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

1.6.

COMPANY'S MANAGEMENT BOARD (cont'd)**Vytautas Turonis**

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

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

**Dalius Šimaitis**

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

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

1.7.

ACTIVITY AND SEGMENT INFORMATION

INFORMATION ON MAIN GROUP'S GEOGRAPHICAL SEGMENTS:

2020 Q3	Baltic states	St. Petersburg	Poland	Spain	Total
Revenue from contracts with customers:	66,810	31,245	14,192	3,545	115,792
Total revenue from contracts with customers					115,792
Segment results	8,240	2,092	13	(821)	9,524
Unallocated expenses					(887)
Profit from operations					8,637
Net financial income					(1,369)
Profit before income tax					7,268
Income tax expenses					(1,417)
Net profit for the year					5,851

OTHER SEGMENT INFORMATION

Capital expenditure	869	99	162	76	1,206
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2019 Q3	Baltic states	St. Petersburg	Poland	Spain	Total
Revenue from contracts with customers:	72,565	31,896	17,922	4,386	126,769
Total revenue from contracts with customers					126,769
Segment results	3,713	1,041	54	(301)	4,507
Unallocated expenses					(874)
Profit from operations					3,633
Net financial income					(421)
Profit before income tax					3,212
Income tax expenses					(810)
Net profit for the year					2,402

OTHER SEGMENT INFORMATION

Capital expenditure	969	65	166	2,250	3,450
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1.7.

ACTIVITY AND SEGMENT INFORMATION (cont'd)

INFORMATION ON MAIN GROUP'S GEOGRAPHICAL SEGMENTS:

	Baltic states	St. Petersburg	Poland	Spain	Total
Revenue from contracts from external customers					
2020 Q3	66,810	31,245	14,192	3,545	115,792
2019 Q3	72,565	31,896	17,922	4,386	126,769

	Baltic states	St. Petersburg	Poland	Spain	Total
Segment non-current assets					
As of 30 September 2020	46,924	3,231	13,897	8,283	72,335
As of 30 September 2019	49,419	4,475	17,854	9,884	81,632

MAIN ACTIVITY INDICATORS FOR THE GROUP:

	2020 Q3	2019 Q3	Change
Area of residential apartment buildings under administration (million square meters)	25.6	31.3	(18.2%)
Area of public, commercial building and atypical properties under administration (million square meters)	4.1	4.7	(12.8%)
Number of employees	3,545	4,337	(18.3%)
Sales for the period	115,792	126,769	(8.7%)
Sales (main activity)*	98,553	109,220	(9.8%)
Gross margin*	32.7%	29.5%	3.2 p.p.
EBITDA margin*	14.0%	8.7%	5.3 p.p.
EBIT margin*	8.8%	3.3%	5.5 p.p.
Net margin*	5.9%	2.2%	3.7 p.p.
Number of shares (thousand)	31,610	31,610	-
Return on equity	11.0%	4.6%	6.4 p.p.
Return on assets	4.7%	1.8%	2.9 p.p.
Financial Net Debt to equity**	25.6%	39.8%	(14.2) p.p.

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

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

2.

ACCOUNTING POLICIES

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

In the Interim Financial Statements same accounting policies and methods of computation are followed as compared with the most recent annual financial statements.

Interim Financial Statements are prepared in compliance with International Accounting Standard (IAS) 34 Interim financial reporting.

These Interim Financial Statements were authorised for issue on 30 November 2020 by responsible persons listed in the confirmation, which is attached to the Interim Financial Statements.

3.

GOODWILL

COST:

Balance as of 1 January 2019	11,673
Disposals	(135)
Exchange differences	86
Balance as of 31 December 2019	11,624
Disposal of subsidiaries	30
Exchange differences	(171)
Balance as of 30 September 2020	11,483

IMPAIRMENT

Balance as of 1 January 2019	707
Exchange differences	6
Impairment recognized	227
Balance as of 31 December 2019	940
Exchange differences	(41)
Balance as of 30 September 2020	899

Net book value as of 30 September 2020	10,584
Net book value as of 31 December 2019	10,684

4.

SIGNIFICANT EVENTS**Investments and other changes during the nine months of the year 2020**

On 12 February 2020 the Supervisory Board of the Company adopted resolution to recall Algė Jablonskienė from the Management Board of the Company.

On 10 March 2020 the Group, through its Lithuanian subsidiary, sold 100% stake in Būsto mokėjimai, UAB, which intended to carry out transfer payment activity. Value of share sale – purchase agreement is EUR 231 thousand. Net assets of disposed subsidiary at the date of disposal amounted to EUR 145 thousand.

On March 2020, quarantine has been announced in the countries where the Group companies operate. During the quarantine, work changes took place: part of Group employees started to work remotely and remaining staff which are working in client's premises took special precautions. The first wave of COVID-19 did not have a significant impact on the Group companies operations and results. At the moment of issuance of these financial statements, the impact of the second wave of COVID-19 on the Group companies operations cannot yet be reliably assessed, however, considering that the first wave of COVID-19 did not have a significant impact on the Group, the management assessed that this matter will not affect the Group's ability to continue as going concern as the Group companies remained less affected by the current economic situation, except the event described below.

On 24 March 2020 the Supervisory Board of the Company adopted resolution to recall Aivaras Šimkus from the Management Board of the Company.

On 30 March 2020 the Group, through its Polish subsidiary has submitted a petition for bankruptcy of Wolska Aparthotel sp. z o. o. to official institutions in Poland. The bankruptcy was determined by the state of pandemic threat of SARS-CoV-2 virus which resulted the significant loss of revenues in subsidiary, after the Company was forced to stop running the Aparthotel.

On 3 June 2020 bankruptcy administrator was appointed to Wolska Aparthotel sp. z o. o. From this date the Group ceased to consolidate this subsidiary in its Financial statements as from that date the Group has lost its effective control to it. Wolska Aparthotel sp. z o. o. is still presented in the Group's structure (Note 1.4) as City Service SE remains indirect shareholder of the subsidiary until the end of bankruptcy process.

On 26 June 2020 the Annual General Meeting of Shareholders of the Company has been held. The shareholders approved the set of consolidated annual financial statements of the Company for 2019 and distributed the Company's profit for the year 2019.

On 27 July 2020, a reduction of the share capital of Mano Būsto priežiūra, UAB was registered. The share capital of Mano Būsto priežiūra, UAB reduced to EUR 381,808.64 and divided into 13,184 ordinary shares, the nominal value of which remained at EUR 28.96.

On 8 September 2020 the Group, through its Lithuanian subsidiary, established a new company Valymo projektai 1, UAB (share capital EUR 2.5 thousand).

On 9 September 2020 the Group, through its Lithuanian subsidiary, established a new companies Valymo projektai 2, UAB, Valymo projektai 3, UAB, Valymo projektai 4, UAB, Valymo projektai Kaunas, UAB, Valymo projektai Klaipėda, UAB, Valymo projektai Šiauliai, UAB (share capital of each company is EUR 2.5 thousand).

Movement of other intangible assets in 2020 Q3 and 2019 is presented below:

	Total
COST:	
Balance as of 1 January 2019	39,646
Additions arising from acquisitions of subsidiaries	123
Additions	2,648
Exchange differences	303
Disposals of subsidiaries	(701)
Disposals and retirements	(32)
Reclassifications from property, plant and equipment	54
Balance as of 31 December 2019	<u>42,041</u>
Additions	773
Disposals of subsidiaries	(20)
Disposals and retirements	(32)
Exchange differences	(1,029)
Balance as of 30 September 2020	<u>41,733</u>
ACCUMULATED AMORTISATION:	
Balance as of 1 January 2019	7,011
Charge for the year	2,901
Exchange differences	75
Disposals and retirements	(32)
Impairment recognised	1,081
Disposals of subsidiaries	(117)
Balance as of 31 December 2019	<u>10,919</u>
Charge for the period	1,803
Disposals and retirements	(15)
Disposals of subsidiaries	(18)
Exchange differences	(288)
Balance as of 30 September 2020	<u>12,401</u>
Net book value as of 30 September 2020	29,332
Net book value as of 31 December 2019	31,122

6.
PROPERTY, PLANT AND EQUIPMENT
MOVEMENT OF FIXED ASSETS IN 2020 Q3 AND 2019 IS PRESENTED BELOW:

	Buildings	Vehicles	Other property, plant and equipment	Construction in progress*	Total
COST:					
Balance as of 1 January 2019	8,997	11,394	14,544	22	34,957
Reclassification to right of use assets (IFRS 16 application)	-	(5,200)	-	-	(5,200)
Additions	-	54	663	46	763
Disposals of subsidiaries	-	(9)	(337)	-	(346)
Disposals and retirements	(2,153)	(438)	(904)	-	(3,495)
Exchange differences	21	92	188	-	301
Reclassifications	180	16	(29)	(46)	121
Balance as of 31 December 2019	7,045	5,909	14,125	22	27,101
Additions	1	41	387	4	433
Disposal of subsidiaries	(62)	(22)	(27)	-	(111)
Disposals and retirements	(2,906)	(1,015)	(743)	-	(4,664)
Exchange differences	(105)	(238)	(732)	(1)	(1,076)
Balance as of 30 September 2020	3,973	4,675	13,010	25	21,683
ACCUMULATED DEPRECIATION:					
Balance as of 1 January 2019	2,905	6,700	6,350	-	15,955
Reclassification to right of use assets (IFRS 16 application)	-	(1,888)	-	-	(1,888)
Charge for the year	319	596	1,848	-	2,763
Disposals and retirements	(1,177)	(428)	(905)	-	(2,510)
Disposals of subsidiaries	-	(2)	(161)	-	(163)
Exchange differences	-	61	92	-	153
Reclassifications	106	11	(11)	-	106
Balance as of 31 December 2019	2,153	5,050	7,213	-	14,416
Charge for the year	212	243	1,132	-	1,587
Disposals and retirements	(919)	(935)	(657)	-	(2,511)
Disposals of subsidiaries	(2)	(23)	(8)	-	(33)
Exchange differences	(3)	(187)	(410)	-	(600)
Balance as of 30 September 2020	1,441	4,148	7,270	-	12,859
Net book value as of 30 September 2020	2,532	527	5,740	25	8,824
Net book value as of 31 December 2019	4,892	859	6,912	22	12,685

* Includes prepayments for tangible and intangible assets.

7.

RIGHT OF USE ASSETS AND LEASE

Movement of right of use assets in 2020 Q3 and 2019 is presented below:

	Rent contracts	Vehicles	Total
ASSETS			
Cost			
Initial IFRS 16 application	12,673	-	12,673
IFRS 16 application (reclassification from property, plant and equipment)	-	5,200	5,200
Additions	1,353	388	1,741
Disposals and retirements	(5,110)	(339)	(5,449)
Exchange differences	215	-	215
Balance as of 31 December 2019	9,131	5,249	14,380
Additions	1,417	-	1,417
Disposals and retirements	(443)	(407)	(850)
Exchange differences	(520)	-	(520)
Balance as of 30 September 2020	9,585	4,842	14,427
Accumulated depreciation			
IFRS 16 application (reclassification from property, plant and equipment)	-	1,888	1,888
Charge for the year	2,624	714	3,338
Disposals and retirements	(1,248)	(84)	(1,332)
Impairment	155	-	155
Exchange differences	11	-	11
Balance as of 31 December 2019	1,542	2,518	4,060
Charge for the year	1,243	557	1,800
Disposals and retirements	(350)	(231)	(581)
Exchange differences	(109)	-	(109)
Balance as of 30 September 2020	2,326	2,844	5,170
Right of use assets as of 30 September 2020	7,259	1,998	9,257
Right of use assets as of 31 December 2019	7,589	2,731	10,320

As of 30 September 2020 EUR 2,633 thousand lease obligations were treated as lease obligations according to IAS 17 and IFRIC 4 until the 31 December 2018 and EUR 7,327 thousand is related to IFRS 16 standard application after the 1 January 2019.

7.

RIGHT OF USE ASSETS AND LEASE (cont'd)

Effect to the consolidated statement of comprehensive income as at 30 September 2020:

	EUR, thousand
Depreciation (expenses)	(1,240)
Rent expenses (which would have been recognized if IFRS 16 would not be applied)	1,297
Result on deconsolidation of subsidiary	178
Profit from operations	235
Interest and other finance (expenses)	(74)
Profit (loss) before tax	161

8.

TRADE RECEIVABLES

TRADE RECEIVABLES OF THE GROUP AS OF 30 SEPTEMBER 2020 AND 31 DECEMBER 2019 WERE AS FOLLOWS:

	Balance as of 30 September 2020	Balance as of 31 December 2019
Trade receivables, gross	43,309	48,658
Less: allowance for doubtful trade receivables	(12,120)	(12,187)
Trade receivables, net	31,189	36,471

Trade receivables and other receivables generally have 30 - 90 days payment terms.

Non-current receivables mainly comprise of long-term part of receivables for residential buildings' repair works performed.

9.

BORROWINGS

BORROWINGS OF THE GROUP AND THE COMPANY AS OF 30 SEPTEMBER 2020 AND 31 DECEMBER 2019 WERE AS FOLLOWS:

Creditor	Currency	Balance as of 30 September 2020	Balance as of 31 December 2019
SHORT-TERM LOANS			
Bank loans	EUR	764	3,432
Bank loans	PLN	167	196
SHORT-TERM LOANS BALANCE		931	3,628
LONG-TERM LOANS			
Bank loans	EUR	20,900	21,240
Minus: long term loans of the current year		(2,998)	(2,717)
LONG-TERM LOANS BALANCE		17,902	18,523

For the loans and overdraft the Company and its subsidiaries have pledged to the bank real estate and bank accounts of the Company and its subsidiaries in Lithuania. Zespół Zarządców Nieruchomości sp. z o.o. also has pledged part of its fixed assets for overdraft agreement. Shares of Mano Būsto priežiūra, UAB and City Service, UAB are pledged to SEB, AB bankas as well.

10.

COST OF SALES

	2020 Q3	2019 Q3
Services of subcontractors and materials used	51,044	59,736
Wages and salaries and social security	28,703	31,745
Cost of goods sold	1,059	166
Depreciation	698	823
Other	2,052	2,038
Total cost of sales	83,556	94,508

11

GENERAL AND ADMINISTRATIVE EXPENSES

	2020 Q3	2019 Q3
Wages and salaries and social security	13,484	14,975
Depreciation and amortisation	4,489	5,024
Consulting and similar expenses	1,116	1,297
Computer software maintenance	673	581
Taxes other than income tax	642	624
Commissions for collection of payments	483	441
Rent of premises and other assets	357	615
Transportation and fuel expenses	330	506
Insurance	271	281
Communication expenses	232	227
Advertising	184	254
Representational costs	161	517
Bank payments	147	153
Business trips and training	122	299
Utilities	97	170
Charity and support	87	29
Net result of deconsolidated subsidiary due to loss of control	(204)	-
Other	794	1,481
Total general and administrative expenses	23,465	27,474

12.

OTHER OPERATING INCOME (EXPENSES)

	2020 Q3	2019 Q3
Gain on disposal of property, plant and equipment	854	20
Income from rent	31	34
Other expenses, net	123	(114)
Total other operating activity	1,008	(60)

13.

**INTEREST AND OTHER FINANCE INCOME AND
(EXPENSES)**

	2020 Q3	2019 Q3
Investments sales profit	87	361
Interest income	202	98
Foreign currency exchange gain	7	14
Total finance income	296	473
Foreign currency exchange (loss)	(1,030)	(275)
Interest (expenses)	(635)	(619)
Total finance (expenses)	(1,665)	(894)
Financial activity, net	(1,369)	(421)

14.

DIVIDENDS PER SHARE

	2020 Q3	2019 Q3
Approved dividends	2,975	3
Number of shares (in thousand)	31,610	31,610
Approved dividends per share	0.09	0.00

15.

RELATED PARTY TRANSACTIONS

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

- Global energy consulting OU – the ultimate parent of the company;
- Lag&d, UAB – controlled by the same ultimate parent;
- ICOR, UAB – the shareholder of the Company;
- Subsidiaries and associates of ICOR, UAB (same ultimate controlling shareholder);
- Associates of City Service SE subsidiaries (for the list of the associates, see also Note 1.4);
- A. Gudelis, T. Kleiva, V. Turonis, D. Šimaitis (Company's management board);

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

Mano Būsto priežiūra, UAB, Zespół Zarządców Nieruchomości sp. z o.o., Latvijas Namsaimnieks, SIA and City Service, UAB have provided surety for City Service SE to SEB, AB bankas under credit agreement. Companies are liable to the extent of all its assets to the Bank with respect to the same amount as the City Service SE. Shares of Mano Būsto priežiūra, UAB and City Service, UAB are pledged to SEB, AB bankas as well.

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

2020 Q3	Purchases	Sales	Receivables and prepayments	Loans granted	Payables
ICOR, UAB	304	64	15	3,405	311
Axis Industries, AB	3	7	1	-	-
Other subsidiaries of Lag&d	221	787	371	-	33
Total	528	858	387	3,405	344

On 8 October 2020 Court of Appeal of Lithuania announced its decision in appeal case in which Vilnius City Municipality Administration and Prosecutor General's Office claimed EUR 20,6 million in losses from the Company. The Court of Appeal of Lithuania decided to annul the decision of Vilnius County Court dated 25 July 2019 and adopted a new decision – to dismiss Vilnius City Municipality Administration's and Prosecutor General's Office's claim in full. The above mentioned decision of Court of Lithuania takes effect from the date of its adoption.

On 20 October 2020 bankruptcy procedure of Saugos projektų valdymas, UAB was finished and it was deregistered from the Registry of legal entities.

On 28 October 2020 the Extraordinary General Meeting of Shareholders of the Company has been held. The shareholders amended the profit distribution decision approved by the annual general meeting held on 26 June 2020 and adopted a new decision on the Company's profit for the year 2019.

On 30 October 2020 the Group, through its Lithuanian subsidiary, sold 100% stake in UAB Valymo projektai Šiauliai, which intended to provide cleaning services. Value of share sale – purchase agreement is EUR 5 thousand. The carrying value of the net asset of the subsidiary disposed included in the consolidated financial statements as of 30 September 2020 amounted to EUR 2 thousand.

On 26 November 2020 the Group, through its Lithuanian subsidiary, sold 100% stake in UAB Valymo projektai Klaipėda, which intended to provide cleaning services. Value of share sale – purchase agreement is EUR 10 thousand. The carrying value of the net asset of the subsidiary disposed included in the consolidated financial statements as of 30 September 2020 amounted to EUR 2 thousand.



City Service SE

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