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**CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS FOR THE NINE MONTHS PERIOD  
ENDED 30 SEPTEMBER, 2021 (UNAUDITED)**

**City Service SE**

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER, 2021  
(UNAUDITED)**

Beginning of the reporting period	1 January 2021
End of the reporting period	30 September 2021
Business name	City Service SE
Registration number	12827710
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E-mail	<a href="mailto:info@cityservice.eu">info@cityservice.eu</a>
Website	<a href="http://www.cityservice.eu">http://www.cityservice.eu</a>
Auditor	Ernst & Young Baltic AS

## CONTENTS

DECLARATION OF THE MANAGEMENT .....	4
CONSOLIDATED STATEMENT OF FINANCIAL POSITION .....	5
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME .....	7
STATEMENTS OF COMPREHENSIVE INCOME .....	8
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....	9
CONSOLIDATED STATEMENT OF CASH FLOWS .....	10
GENERAL INFORMATION .....	11
1.1. ACTIVITY .....	11
1.2. SHARE CAPITAL OF THE COMPANY .....	12
1.3. SHAREHOLDERS OF THE COMPANY .....	12
1.4. CITY SERVICE GROUP .....	13
1.5. COMPANY'S SUPERVISORY BOARD .....	18
1.6. COMPANY'S MANAGEMENT BOARD .....	19
1.7. ACTIVITY AND SEGMENT INFORMATION .....	21
ACCOUNTING POLICIES.....	23
GOODWILL .....	23
SIGNIFICANT EVENTS .....	25
OTHER INTANGIBLE ASSETS.....	28
PROPERTY, PLANT AND EQUIPMENT .....	29
RIGHT OF USE ASSETS AND LEASE .....	30
TRADE RECEIVABLES .....	31
BORROWINGS.....	31
COST OF SALES.....	32
GENERAL AND ADMINISTRATIVE EXPENSES.....	32
OTHER OPERATING INCOME (EXPENSES).....	32
INTEREST AND OTHER FINANCE INCOME AND (EXPENSES).....	33
DIVIDENDS PER SHARE .....	33
RELATED PARTY TRANSACTIONS .....	34
SUBSEQUENT EVENTS.....	35

## 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 2021

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As of 30 September 2021	As of 31 December 2020
Assets			
<b>NON-CURRENT ASSETS</b>			
Goodwill	3	9,811	9,253
Other intangible assets	5	25,769	24,749
Property, plant and equipment	6	5,464	6,584
Right of use assets	7	6,986	8,681
Investments into associates		216	216
Non-current receivables	8	7,682	8,924
Deferred income tax asset		3,563	3,785
<b>Total non-current assets</b>		<b>59,491</b>	<b>62,192</b>
<b>CURRENT ASSETS</b>			
Inventories		1,825	1,200
Prepayments		2,258	1,482
Trade receivables	8	24,190	31,493
Receivables from related parties	15	404	423
Contract assets		2,194	1,728
Other receivables and current assets		4,848	6,252
Cash and cash equivalents		5,515	14,119
<b>Total current assets</b>		<b>41,234</b>	<b>56,697</b>
Assets held for sale		277	1,210
<b>Total assets</b>		<b>101,002</b>	<b>120,099</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)**

	Notes	As of 30 September 2021	As of 31 December 2020
Equity and liabilities			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		9,483	9,483
Other reserves		948	948
Share premium		21,067	21,067
Foreign currency translation reserve		(3,212)	(3,501)
Retained earnings (deficit)		5,821	19,836
		<hr/>	<hr/>
		34,107	47,833
Non-controlling interests		429	413
<b>TOTAL EQUITY</b>		<b>34,536</b>	<b>48,246</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Non-current borrowings	9	18,919	17,305
Lease liabilities	7	5,297	7,096
Deferred income tax liabilities		2,682	2,882
Non-current payables		2,978	2,904
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>29,876</b>	<b>30,187</b>
<b>Current liabilities</b>			
Current portion of non-current borrowings	9	154	3,419
Current portion of lease liabilities	7	2,127	2,165
Current loans	9	1,941	113
Trade payables		8,724	10,831
Payables to related parties	15	1,419	202
Contract liabilities		11,029	8,994
Other current liabilities		11,196	15,904
<b>TOTAL CURRENT LIABILITIES</b>		<b>36,590</b>	<b>41,628</b>
Liabilities associated with assets held for sale		-	38
Total liabilities		66,466	71,853
<b>Total equity and liabilities</b>		<b>101,002</b>	<b>120,099</b>

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

	Notes	2021 Q3	2020 Q3
Revenue from contracts with customers	1.7	97,250	115,792
Cost of sales	10	(72,679)	(83,556)
<b>Gross profit (loss)</b>		<b>24,571</b>	<b>32,236</b>
General and administrative expenses	11	(22,698)	(23,465)
Credit loss expenses on financial assets		(1,029)	(1,142)
Other operating activity, net	12	159	1,008
<b>Profit (loss) from operations</b>		<b>1,003</b>	<b>8,637</b>
Interest and other finance income	13	763	296
Interest and other finance expenses	13	(757)	(1,665)
<b>Profit (loss) before tax</b>		<b>1,009</b>	<b>7,268</b>
Income tax		(1,365)	(1,417)
<b>Net profit (loss)</b>		<b>(356)</b>	<b>5,851</b>
<b>Other comprehensive income</b>			
Exchange differences on translation of foreign operations		302	(837)
<b>Total comprehensive income</b>		<b>(54)</b>	<b>5,014</b>
<b>Attributable to:</b>			
The shareholders of the Company		(359)	5,791
Non-controlling interests		3	60
		<b>(356)</b>	<b>5,851</b>
<b>Total comprehensive income attributable to:</b>			
The shareholders of the Company		(57)	4,954
Non-controlling interests		3	60
		<b>(54)</b>	<b>5,014</b>
<b>Basic and diluted earnings per share (EUR)</b>		<b>(0.01)</b>	<b>0.18</b>

**STATEMENTS OF COMPREHENSIVE INCOME**  
(for the period 1 July – 30 September)

	2021 Q3	2020 Q3
Sales	28,186	33,889
Cost of sales	(20,810)	(24,250)
<b>Gross profit (loss)</b>	<b>7,376</b>	<b>9,639</b>
General and administrative expenses	(7,384)	(7,348)
Credit loss expenses on financial assets	(345)	62
Other operating income, net	(102)	548
<b>Profit (loss) from operations</b>	<b>(455)</b>	<b>2,901</b>
Finance activity result, net	(500)	(343)
<b>Profit (loss) before tax</b>	<b>(955)</b>	<b>2,558</b>
Income tax	(546)	(351)
<b>Net profit</b>	<b>(1,501)</b>	<b>2,207</b>



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Notes	Share capital	Share premium	Foreign currency translation reserve	Other reserves	Retained earnings	Total	Non-controlling interest	Total
<b>Balance as of 1 January 2020</b>		<b>9,483</b>	<b>21,067</b>	<b>(2,701)</b>	<b>948</b>	<b>21,721</b>	<b>50,518</b>	<b>448</b>	<b>50,966</b>
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)
<b>Balance as of 30 September 2020</b>		<b>9,483</b>	<b>21,067</b>	<b>(3,481)</b>	<b>948</b>	<b>24,541</b>	<b>52,558</b>	<b>447</b>	<b>53,005</b>
<b>Balance as of 1 January 2021</b>		<b>9,483</b>	<b>21,067</b>	<b>(3,501)</b>	<b>948</b>	<b>19,836</b>	<b>47,833</b>	<b>413</b>	<b>48,246</b>
Net profit		-	-	-	-	(359)	(359)	3	(356)
Other comprehensive Income		-	-	289	-	-	289	13	302
Total comprehensive Income		-	-	289	-	(359)	(70)	16	(54)
Dividends declared	14	-	-	-	-	(13,656)	(13,656)	-	(13,656)
<b>Balance as of 30 September 2021</b>		<b>9,483</b>	<b>21,067</b>	<b>(3,212)</b>	<b>948</b>	<b>5,821</b>	<b>34,107</b>	<b>429</b>	<b>34,536</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2021 Q3	2020 Q3
<b>Cash flows from (to) operating activities</b>			
Net (loss) profit		(356)	5,851
<b>Adjustments for non-cash items:</b>			
Income tax expenses		1,365	1,417
Depreciation and amortisation	5,6,7	4,198	5,187
Impairment and discounting of accounts receivable		425	1,142
(Gain) on disposal of property, plant and equipment	12	(496)	(854)
(Gain) from sale of investments		(580)	(87)
Result on deconsolidation of subsidiaries		-	(204)
Other financial activity, net		574	1,456
		<b>5,130</b>	<b>13,908</b>
<b>Changes in working capital:</b>			
(Increase) decrease in inventories		(609)	99
Decrease in receivables, contract assets and other current assets		9,038	2,456
(Increase) in prepayments		(709)	(22)
(Decrease) in trade payables and payables to related parties		(1,320)	(3,803)
Income tax (paid)		(1,900)	(970)
(Decrease) increase in advances received, contract liabilities and other current liabilities		(2,266)	2,858
<b>Net cash flows from operating activities</b>		<b>7,364</b>	<b>14,526</b>
<b>Cash flows from (to) investing activities</b>			
(Acquisition) of non-current assets (except investments)	5,6	(3,019)	(1,188)
Proceeds from sale of non-current assets		1,670	3,213
(Acquisition) of investments in subsidiaries (net of cash acquired in the Group)		(282)	-
Disposal of investments in subsidiaries		715	90
Deconsolidation of investments in subsidiaries		-	(319)
Interest received		179	218
Loans (granted)		-	(3,861)
Loans repaid		38	862
<b>Net cash flows (to) investing activities</b>		<b>(699)</b>	<b>(985)</b>
<b>Cash flows from (to) financing activities</b>			
Dividends (paid)		(13,656)	(2,975)
Proceeds (repayment) of loans		677	(2,568)
(Repayment) of financial lease liabilities		(1,905)	(2,168)
Interest (paid)		(519)	(647)
<b>Net cash flows (to) financial activities</b>		<b>(15,403)</b>	<b>(8,358)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(8,738)</b>	<b>5,183</b>
<b>Foreign exchange difference</b>		<b>99</b>	<b>(705)</b>
<b>Cash and cash equivalents at the beginning of the period*</b>		<b>14,154</b>	<b>3,792</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>5,515</b>	<b>8,270</b>

\*Group cash flows for 2020 comprise total consolidated Group, including discontinued operations.

1.

**GENERAL INFORMATION**

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

The Company controls corporate group, engaged in provision of facility management and integrated utility services in 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.

**ACTIVITY**

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

The most important buildings segments, administered by the City Service group are: residential apartment buildings; commercial buildings; public buildings; industrial buildings. The total area of buildings under the management of the Group is 23.1 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 2021. 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 2021 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 2021 the total number of shareholders of the Company was 66.

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

**COMPANY'S SHARES DISTRIBUTION AMONG SHAREHOLDERS WHO HAVE MORE THAN 5% SHARES OF THE COMPANY AS OF 30 SEPTEMBER 2021 WAS THE FOLLOWING:**

	Number of shares held	Owned percentage of the share capital and votes, %
UAB ICOR, 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%
<b>TOTAL</b>	<b>31,610,000</b>	<b>100 %</b>

**1.4.**
**CITY SERVICE GROUP**

**AS OF 30 SEPTEMBER 2021 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 2021	Share of the stock held by the Group as of 30 September 2020	Main activities
UAB Acta iuventus	Lithuania	-	100%	Security services
UAB Alytaus namų valda	Lithuania	76%	76%	Dormant
UAB Algos saugos tarnyba	Lithuania	-	100%	Security services
UAB Apex intelligence	Lithuania	100%	100%	IT energy saving solutions for buildings
UAB Baltijos būsto priežiūra	Lithuania	100%	100%	Dormant
UAB Baltijos NT valdymas	Lithuania	100%	100%	Real estate management
UAB Baltijos transporto valdymas	Lithuania	100%	100%	Asset management
UAB Baltijos turto valdymas	Lithuania	100%	100%	Holding company
UAB Biržų butų ūkis	Lithuania	57.71%	57.71%	Administration of dwelling-houses
UAB BonoDomo	Lithuania	100%	100%	Dormant
UAB Butų ūkio valdos	Lithuania	100%	-	Administration of dwelling-houses
UAB Būsto aplinka	Lithuania	100%	100%	Maintenance and cleaning of dwelling-houses territories and premises
UAB Citenga	Lithuania	-	100%	Holding company
UAB City Service	Lithuania	100%	100%	Holding company
UAB City Service Cleaning	Lithuania	100%	100%	Maintenance and cleaning of commercial real estate, territories and premises
UAB City Service Engineering	Lithuania	100%	100%	Commercial real estate management and building maintenance
UAB City Service Digital	Lithuania	100%	100%	Dormant
UAB CSG IT	Lithuania	100%	100%	IT services
UAB Economus	Lithuania	-	100%	Administration of buildings
UAB Energijos taupymo paslaugos	Lithuania	100%	100%	Energy saving solution services
UAB Enter tech	Lithuania	100%	100%	Technical maintenance of gates and entrance automation
UAB EPC projektai	Lithuania	100%	100%	Dormant
UAB Neries būstas	Lithuania	100%	100%	Dormant
UAB Karoliniškių turgus	Lithuania	-	100%	Marketplace administration services
UAB Konarskio turgelis	Lithuania	-	100%	Marketplace administration services

UAB Mano aplinka	Lithuania	100%	100%	Maintenance and cleaning of public territories and premises
UAB Mano aplinka plus	Lithuania	100%	100%	Maintenance and cleaning of territories and premises
UAB Mano bendrabutis	Lithuania	100%	100%	Administration of buildings
UAB Mano Būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Alytus	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Baltija	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Dainava	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Neris	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas NPC	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Kaunas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Klaipėda	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Aukštaitija	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Radviliškis	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Sostinė	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Šiauliai	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Ukmergė	Lithuania	100%	-	Administration of dwelling-houses
UAB Mano Būstas Vakarai	Lithuania	99.84%	99.84%	Administration of dwelling-houses
UAB Mano Būstas Vilnius	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būsto Sauga	Lithuania	-	100%	Security services
UAB Mano Būsto priežiūra	Lithuania	100%	100%	Building maintenance
UAB Mano sauga LT	Lithuania	-	100%	Security services
UAB Medžiagų tiekimo centras	Lithuania	100%	100%	Supply of materials
UAB Merlangas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Nacionalinis renovacijos fondas	Lithuania	100%	-	Administration of dwelling-houses renovation projects
UAB Naujosios Vilnios turgavietė	Lithuania	-	100%	Marketplace administration services
UAB Pastatų priežiūra	Lithuania	100%	100%	Building maintenance
UAB Pastatų priežiūros tarnyba	Lithuania	100%	-	Technical maintenance of heating systems
UAB Pastatų valdymas	Lithuania	100%	100%	Administration of dwelling-houses
UAB PortalPRO	Lithuania	100%	100%	Supply chain management
UAB Rinkų vystymas	Lithuania	100%	100%	Dormant
UAB Saugos projektų valdymas	Lithuania	-	100%	Security services
UAB Skolos LT	Lithuania	100%	100%	Debt collection services
UAB Šiaulių NT valdymas	Lithuania	100%	100%	Dormant
UAB Unitechna	Lithuania	100%	100%	Maintenance and construction of gas stations
UAB Vaizdo stebėjimo sprendimai	Lithuania	-	100%	Dormant
UAB Valymo projektai 1	Lithuania	-	100%	Dormant
UAB Valymo projektai 2	Lithuania	-	100%	Dormant

UAB Valymo projektai 3	Lithuania	-	100%	Dormant
UAB Valymo projektai 4	Lithuania	-	100%	Dormant
UAB Valymo projektai Kaunas	Lithuania	-	100%	Dormant
UAB Valymo projektai Klaipėda	Lithuania	-	100%	Dormant
UAB Valymo projektai Šiauliai	Lithuania	-	100%	Dormant
Administracion Urbana y Rural Chorro, S.L.U.	Spain	-	100%	Administration of dwelling-houses
Afinem administración de finques, S.L.U.	Spain	-	100%	Administration of dwelling-houses
Aresi administracion de fincas S. L.	Spain	100%	100%	Administration of dwelling-houses
Aresi Gestion residencial, S.L.	Spain	-	100%	Administration of dwelling-houses
Concentra Servicios y Mantenimiento, S.A.*	Spain	100%	100%	Commercial real estate management and building maintenance
Elche administracion de fincas, S.L.U.	Spain	-	100%	Administration of dwelling-houses
Eurobroker Advisors Sorreduria de Seguros, S.L.	Spain	100%	100%	Insurance services
Euronamas Gestion de Fincas Levante, S.L.U.	Spain	-	100%	Dormant
Euronamas Gestion de Fincas Sur, S.L.	Spain	-	100%	Administration of dwelling-houses
Euronamas Gestion de Fincas Meseta Central, S.L.U.	Spain	-	100%	Dormant
Euronamas Gestion de Fincas Centro, S.L.	Spain	100%	100%	Administration of dwelling-houses
Euronamas gestion de fincas Madrid, S.L.	Spain	-	100%	Administration of dwelling-houses
EUROHUB, S.L.	Spain	100%	100%	Dormant
Grupo Aresi de Inversiones, S.L.	Spain	100%	100%	Holding company
Inmonamas, S.L.	Spain	100%	100%	Dormant
PORTALPRO, S.L.	Spain	100%	-	Dormant
URBAN HUB, S.L.	Spain	100%	100%	Supply chain management
Vetell dos iberica, S.L.*	Spain	100%	100%	Administration of dwelling-houses
SIA Connecto Pay	Latvia	100%	100%	Dormant
SIA City Service	Latvia	100%	100%	Holding company
SIA City Service Engineering	Latvia	100%	100%	Commercial real estate management and building maintenance
SIA Ēku pārvaldīšanas serviss	Latvia	100%	100%	Building maintenance
SIA Laba Energija	Latvia	100%	100%	Dormant
SIA Latvijas Namsaimnieks	Latvia	100%	100%	Administration of dwelling-houses
SIA Namu serviss APSE	Latvia	100%	100%	Administration of dwelling-houses
SIA NIRA Fonds apsaimniekošana	Latvia	100%	-	Administration of dwelling-houses

SIA NIRA Fonds apsaimniekošana 2	Latvia	100%	-	Administration of dwelling-houses
SIA NIRA Fonds apsaimniekosana-Salnas 21	Latvia	100%	-	Administration of dwelling-houses
SIA NIRA Fonds apsaimniekošana 3	Latvia	100%	-	Administration of dwelling-houses
SIA Ventspils nami	Latvia	100%	100%	Administration of dwelling-houses
Atrium 21 sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
City Service Polska sp. z o.o.	Poland	100%	100%	Country holding company
Certus-Serwis Sp. z o. o.	Poland	100%	100%	Administration of dwelling-houses
Concierge - Zarządzanie Nieruchomościami sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
Dom Best sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
EnergiaOK sp. z o.o.	Poland	100%	100%	Sale of electricity
Famix sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
Grupa Techniczna 24 sp. z o.o.	Poland	100%	100%	Building maintenance
Home Rent sp. z o.o.	Poland	50%	50%	Administration of dwelling-houses
Parama Blue sp. z o.o.	Poland	100%	100%	Dormant
Parama Group sp. z o.o.	Poland	100%	100%	Holding company
Parama Yellow sp. z o.o.	Poland	100%	100%	Dormant
Parama Red sp. z o.o.	Poland	100%	100%	Dormant
Parama White sp. z o.o.	Poland	100%	100%	Dormant
PORTALPRO sp. z o.o.	Poland	100%	-	Dormant
Progresline sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
Santer Zarządzanie Nieruchomościami sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
Skydas - Przeglądy Budowlane sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
TED sp. z o.o.	Poland	100%	100%	Real estate management
Tumieszkamy sp. z o. o.	Poland	100%	100%	Dormant
Wolska Aparthotel sp. z o. o.**	Poland	100%	100%	Accommodation services
Zespół Zarządców Nieruchomości sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
ZZN Inwestycje sp. z o.o.	Poland	100%	100%	Dormant
ОАО Сити Сервис / ОАО City service	St. Petersburg	100%	100%	Administration of dwelling-houses
ЗАО Сити Сервис / ЗАО City service	St. Petersburg	100%	100%	Administration of dwelling-houses
ООО Специализи-рованное ремонтно-наладочное управление	St. Petersburg	100%	100%	Construction and engineering
ООО МН Групп	St. Petersburg	100%	100%	Country holding company
ООО Жилкомсервис № 3 Фрунзенского района	St. Petersburg	80%	80%	Administration of dwelling-houses
ООО Чистый дом	St. Petersburg	100%	100%	Maintenance and cleaning of territories



ООО Подъемные механизмы	St. Petersburg	100%	100%	Elevator installing & tech. support
ООО ПорталПРО	St. Petersburg	100%	100%	Dormant

The Group's investment in an associate as of 30 September 2021 included an investment in Marijampolės butų ūkis UAB (34% of the share capital).

\* 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 2021, THE SUPERVISORY BOARD OF THE COMPANY COMPRISES OF THE FOLLOWING PERSONS:**

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

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

**Andrius Janukonis**

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

1.6.

**COMPANY'S MANAGEMENT BOARD**

**AS OF 30 SEPTEMBER 2021 AND AS OF DATE OF SUBMISSION OF THIS REPORT, THE MANAGEMENT BOARD OF THE COMPANY COMPRISES OF THE FOLLOWING PERSONS:**

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

**They do not own any shares of the Company.**



**Artūras Gudelis**

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

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



**Tomas Kleiva**

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

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

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

## 1.6.

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

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

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

**Dalius Šimaitis**

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

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

1.7.

**ACTIVITY AND SEGMENT INFORMATION**

**INFORMATION ON MAIN GROUP'S GEOGRAPHICAL SEGMENTS:**

2021 Q3	Baltic states	St. Petersburg	Poland	Spain	Total
Revenue from contracts with customers:	57,190	30,163	7,856	2,041	97,250
<b>Total revenue from contracts with customers</b>					<b>97,250</b>
Segment results	4,422	2,474	(3,274)	(2,207)	1,415
Unallocated expenses					(412)
<b>Profit from operations</b>					<b>1,003</b>
Net financial income					6
Profit before income tax					1,009
Income tax expenses					(1,365)
<b>Net profit for the year</b>					<b>(356)</b>

**OTHER SEGMENT INFORMATION**

Capital expenditure	2,961	89	6	42	<b>3,098</b>
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2020 Q3	Baltic states	St. Petersburg	Poland	Spain	Total
Revenue from contracts with customers:	66,810	31,245	14,192	3,545	115,792
<b>Total revenue from contracts with customers</b>					<b>115,792</b>
Segment results	8,240	2,092	13	(821)	9,524
Unallocated expenses					(887)
<b>Profit from operations</b>					<b>8,637</b>
Net financial income					(1,369)
Profit before income tax					7,268
Income tax expenses					(1,417)
<b>Net profit for the year</b>					<b>5,851</b>

**OTHER SEGMENT INFORMATION**

Capital expenditure	869	99	162	76	<b>1,206</b>
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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					
2021 Q3	57,190	30,163	7,856	2,041	97,250
2020 Q3	66,810	31,245	14,192	3,545	115,792

	Baltic states	St. Petersburg	Poland	Spain	Total
Segment non-current assets					
As of 30 September 2021	43,147	3,276	10,261	2,807	59,491
As of 30 September 2020	46,924	3,231	13,897	8,283	72,335

**MAIN ACTIVITY INDICATORS FOR THE GROUP:**

	2021 Q3	2020 Q3	Change
Area of residential apartment buildings under administration (million square meters)	18.9	25.6	(26.2%)
Area of public, commercial building and atypical properties under administration (million square meters)	4.2	4.1	2.4%
Number of employees	2,715	3,545	(23.4%)
Sales for the period	97,250	115,792	(16.0%)
Sales (main activity)*	81,450	98,553	(17.4%)
Gross margin*	30.2%	32.7%	(2.5) p.p.
EBITDA margin*	6.4%	14.0%	(7.6) p.p.
EBIT margin*	1.2%	8.8%	(7.6) p.p.
Net margin*	-0.4%	5.9%	(6.3) p.p.
Number of shares (thousand)	31,610	31,610	-
Return on equity	-1.0%	11.0%	(12.0) p.p.
Return on assets	-0.4%	4.7%	(5.1) p.p.
Financial Net Debt to equity**	44.9%	25.6%	19.3 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 2021 by responsible persons listed in the confirmation, which is attached to the Interim Financial Statements.

3.

**GOODWILL**

**COST:**

Balance as of 1 January 2020	11,624
Additions	47
Disposal of subsidiaries	(106)
Exchange differences	(174)
Discontinued operations and assets held for sale	(816)
Balance as of 31 December 2020	10,575
Additions	536
Exchange differences	9
Balance as of 30 September 2021	11,120

**IMPAIRMENT:**

Balance as of 1 January 2020	940
Exchange differences	(54)
Impairment recognized	436
Balance as of 31 December 2020	1,322
Exchange differences	(13)
Balance as of 30 September 2021	1,309

<b>Net book value as of 30 September 2021</b>	<b>9,811</b>
<b>Net book value as of 31 December 2020</b>	<b>9,253</b>

**3.**
**GOODWILL (cont'd)**

During reporting period the Company through its subsidiary acquired UAB Butų ūkio valdos, UAB Pastatų priežiūros tarnyba, SIA NIRA Fonds apsaimniekošana, SIA NIRA Fonds apsaimniekošana 2, SIA NIRA Fonds apsaimniekosana-Salnas 21 and SIA NIRA Fonds apsaimniekošana 3.

Fair value of assets, liabilities and contingent liabilities of acquired subsidiaries	Butų ūkio valdos	Pastatų priežiūros tarnyba	SIA NIRA	SIA NIRA	SIA NIRA	SIA NIRA
			Fonds apsaimniekošana	Fonds apsaimniekošana 2	Fonds apsaimniekosana-Salnas 21	Fonds apsaimniekošana 3
	25 March	17 June	03 September	03 September	03 September	03 September
Property, plant and equipment	8	-	-	-	-	-
Trade receivables	33	117	31	7	6	-
Other current assets	17	107	201	2	36	34
<b>Total assets</b>	<b>58</b>	<b>224</b>	<b>232</b>	<b>9</b>	<b>42</b>	<b>34</b>
Trade payables	5	243	24	2	27	7
Other current liabilities	15	12	220	3	13	27
<b>Total liabilities</b>	<b>20</b>	<b>255</b>	<b>244</b>	<b>5</b>	<b>40</b>	<b>34</b>
<b>Total identifiable net assets at fair value</b>	<b>38</b>	<b>(31)</b>	<b>(12)</b>	<b>4</b>	<b>2</b>	<b>-</b>
Fair value of acquired assets, liabilities and contingent liabilities	38	(31)	(12)	4	2	-
Goodwill	162	71	108	40	19	136
<b>Total purchase consideration</b>	<b>200</b>	<b>40</b>	<b>96</b>	<b>44</b>	<b>21</b>	<b>136</b>
Cash acquired	16	38	174	2	16	9
<b>Total purchase consideration, net of cash acquired</b>	<b>184</b>	<b>2</b>	<b>(78)</b>	<b>42</b>	<b>5</b>	<b>127</b>



## 4.

**SIGNIFICANT EVENTS****Investments and other changes during the nine months of the year 2021**

On 5 January 2021 the Group, through its Lithuanian subsidiary, sold 100% stake in UAB Valymo projektai Vilnius 4, which provided cleaning services. Value of the share sale-purchase agreement is EUR 24 thousand. Net assets of disposed subsidiary at the date of disposal amounted to EUR 14 thousand.

On 18 January 2021 the Supreme Court of Lithuania accepted the cassation appeals of the Vilnius City Municipality Administration and Prosecutor General's Office. The appeals were filed against the decision of the Court of Appeal of Lithuania that was adopted on October 8, 2020. The Company has already submitted responses to the appeals of the cassators within the set deadlines, stating the reasons for disagreement regarding the arguments submitted by the cassators in their cassation appeals

On 29 January 2021 the Group, through its Lithuanian subsidiary, sold 100% stake in UAB Valymo projektai Kaunas, UAB Valymo projektai Vilnius 2, UAB Valymo projektai Vilnius 3, which provided cleaning services. Value of the share sale-purchase agreements are EUR 12 thousand, EUR 50 thousand and EUR 37 thousand respectively. Net assets of disposed subsidiaries at the date of disposal amounted to EUR 68 thousand.

On 2 February 2021 the Group, through its Spanish subsidiary, voluntary liquidated two dormant companies Euronamas Gestion de Fincas Meseta Central, S.L.U. and Euronamas Gestion de Fincas Levante, S.L.U.

On 11 February 2021 ООО Территория комфорта company title was changed into ООО ПорталПРО. Other contact details did not change.

On 26 February 2021 the Group, through its Lithuanian subsidiary, sold 100% stake in UAB Valymo projektai Vilnius 1, which intended to provide cleaning services. Value of the share sale-purchase agreement is EUR 30 thousand. Net assets of disposed subsidiaries at the date of disposal amounted to EUR 15 thousand.

On 26 February 2021, a reduction of the share capital of UAB Konarskio turgelis was registered. As of 26 February 2021, the share capital of UAB Konarskio turgelis reduced to EUR 2,500.09. Share capital of the company is divided into 8,621 ordinary shares, the nominal value of which remained at EUR 0.29.

On 5 March 2021, the Group, through its Lithuanian subsidiary, sold 100% stake in UAB Konarskio turgelis, which carried out market administration services. Value of the share sale – purchase agreement is EUR 902 thousand. Net assets of disposed subsidiary at the date of disposal amounted to EUR 382 thousand.

On 25 March 2021 the Group, through its Lithuanian subsidiary, acquired 100% stake in UAB Butų ūkio valdos (acquisition price EUR 200 thousand) which provides administration of dwelling-houses services.

On 09 April 2021 UAB Pietų projektai company title was changed into UAB Enter Tech. Other contact details did not change.

On 12 April 2021 UAB Vilniaus turgus company title was changed into UAB eBūstas. Other contact details did not change.

On 30 April 2021 the Group established a new company PORTALPRO sp. z o.o. (share capital of company is PLN 5 thousand (EUR 1.1 thousand)).

On 06 May 2021 UAB Energinio efektyvumo paslaugos title was changed into UAB UAB Apex Intelligence. Other contact details did not change.

On 06 May 2021 reorganization of the companies UAB City Service Engineering and UAB Citenga was completed. After the process of reorganization UAB Citenga was incorporated into UAB City Service Engineering with all the assets, rights and obligations. UAB Citenga ceased operations and was deregistered. After reorganization UAB City Service Engineering management and other contact details did not change.

## 4.

**SIGNIFICANT EVENTS (cont'd)**

On 17 May 2021 Interlift Mantenimiento y Ascensores, S.L. title was changed into EUROHUB, S.L. Other contact details did not change.

On 01 June 2021 Portalpro Gestion Integral, S.L. title was changed into URBAN HUB, S.L.U. Other contact details did not change.

On 02 June 2021 the Group established a new company PORTALPRO, S.L. (share capital of company is EUR 3 thousand).

On 09 June 2021 the Group, through its Lithuanian subsidiary, signed the share sale – purchase agreement for the sale of 34 percent of shares of UAB Marijampolės butų ūkis which provided administration of dwelling-houses services. The sale procedure will be finished and the ownership will be transferred during the year 2021. Investment to associate, accounted in equity method, included in the consolidated financial statements as of 30 September 2021 amounted to EUR 216 thousand.

On 17 June 2021 the Group, through its Lithuanian subsidiary, acquired 100% stake in UAB Pastatų priežiūros tarnyba (acquisition price EUR 40 thousand) which provides technical maintenance of heating systems.

On 23 June 2021 UAB Nacionalinis renovacijos fondas title was changed into UAB Mano bendrabutis. Other contact details did not change.

On 30 June UAB Miesto butų ūkis title was changed into UAB Nacionalinis renovacijos fondas. Other contact details did not change.

On 07 July 2021 reorganization of the companies Aresi Gestion Residencial, SL, Euronamas Gestion de fincas Madrid, SL, Euronamas Gestion de Fincas Sur, S.L., administración urbana y Rural Chorro, SL, Afinem Administracio de Finques, SL, Elche administración de Fincas, SL and Euronamas Gestion de fincas Centro, SL was completed. After the process of reorganization Aresi Gestion Residencial, SL, Euronamas Gestion de fincas Madrid, SL, Euronamas Gestion de Fincas Sur, S.L., administración urbana y Rural Chorro, SL, Afinem Administracio de Finques, SL, Elche administración de Fincas, SL were incorporated into Euronamas Gestion de fincas Centro, SL with all the assets, rights and obligations. Aresi Gestion Residencial, SL, Euronamas Gestion de fincas Madrid, SL, Euronamas Gestion de Fincas Sur, S.L., administración urbana y Rural Chorro, SL, Afinem Administracio de Finques, SL, Elche administración de Fincas, SL ceased operations and were deregistered. After reorganization Euronamas Gestion de fincas Centro, SL management and other contact details did not change.

On 13 July 2021 the Supervisory Board of the Company adopted resolution to prolong the authorizations of all Management Board members. Artūras Gudelis (Chairman of the Management Board), Tomas Kleiva, Vytautas Turonis and Dalius Šimaitis will all act as Management Board members with a new 4 (four) year term as of 26 June 2021. Each member of the Management Board shall act and represent the Company individually within the same competence, accountability and responsibility prescribed to him, as it were before above-mentioned decision of the Supervisory Board.

On 15 July 2021 the Group, through its Lithuanian subsidiary, established a new company UAB Mano Būstas Ukmergė (share capital of company is EUR 2.5 thousand).

On August 31, 2021 the Company signed an amendment of financing agreement with AB SEB bankas, which allows the Company to borrow up to EUR 35.2 million. The loan shall be used to finance expansion of City Service group through acquisitions and other investments, to finance working capital and to refinance existing loans.

4.

**SIGNIFICANT EVENTS (cont'd)**

On 03 September 2021 the Group, through its Latvian subsidiary, acquired 100% stake in SIA NIRA Fonds apsaimniekošana-Salnas 21, SIA NIRA Fonds apsaimniekošana 3, SIA NIRA Fonds apsaimniekošana 2 ir SIA NIRA Fonds apsaimniekošana (acquisition price EUR 297 thousand) which provides management and administration services of residential facilities.

On 14 September 2021 UAB eBūstas title was changed into BonoDomo, UAB. Other contact details did not change.

The second quarantine for COVID-19, introduced in November of the previous year, had already been lifted in all countries, where Group companies operate by the middle of the year. However, as the number of illnesses starts to rise again, Group continues to observe requirements relating to the COVID-19 pandemic, a large number of employees continue to work remotely. In preparing the financial statements, the estimates and assumptions of the Group's management regarding the impact of COVID-19 for the period ended 30 September 2021 have not changed compared to the estimates presented in the previous financial statements for the period ended 30 June 2021. Group's management, assessed the potential impact of key COVID-19 factors on the Group's strategic goals, cash flows, financial results and 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.

5.

**OTHER INTANGIBLE ASSETS**

Movement of other intangible assets in 2021 Q3 and 2020 is presented below:

	<b>Total</b>
<b>COST:</b>	
Balance as of 1 January 2020	42,041
Additions	1,192
Exchange differences	(1,044)
Disposals of subsidiaries	(24)
Disposals and retirements	(211)
Discontinued operations	(944)
Balance as of 31 December 2020	41,010
Additions	2,813
Disposals and retirements	(7)
Exchange differences	1
Balance as of 30 September 2021	43,817
<b>ACCUMULATED AMORTISATION AND IMPAIRMENT:</b>	
Balance as of 1 January 2020	10,919
Charge for the year	2,394
Exchange differences	(296)
Disposals and retirements	(6)
Impairment recognised	3,743
Disposals of subsidiaries	(22)
Discontinued operations	(471)
Balance as of 31 December 2020	16,261
Charge for the period	1,814
Disposals and retirements	(9)
Exchange differences	(18)
Balance as of 30 September 2021	18,048
<b>Net book value as of 30 September 2021</b>	<b>25,769</b>
<b>Net book value as of 31 December 2020</b>	<b>24,749</b>

**6.**
**PROPERTY, PLANT AND EQUIPMENT**

Movement of fixed assets in 2021 Q3 and 2020 is presented below:

	Buildings	Vehicles	Other property, plant and equipment	Construction in progress*	Total
<b>COST:</b>					
Balance as of 1 January 2020	7,045	5,909	14,125	22	27,101
Additions	-	91	602	4	697
Disposals of subsidiaries	(62)	(5)	(116)	-	(183)
Disposals and retirements	(2,678)	(1,346)	(1,047)	-	(5,071)
Discontinued operations	(1,674)	(47)	(854)	-	(2,575)
Exchange differences	(125)	(262)	(757)	(1)	(1,145)
Reclassification to assets held for sale	(890)	-	-	-	(890)
Balance as of 31 December 2020	1,616	4,340	11,953	25	17,934
Additions arising from acquisitions of subsidiaries	-	8	-	-	8
Additions	-	22	263	-	285
Disposal of subsidiaries	-	(13)	(34)	-	(47)
Disposals and retirements	(273)	(945)	(685)	-	(1,903)
Exchange differences	(1)	45	(60)	(8)	(24)
Balance as of 30 September 2021	1,342	3,457	11,437	17	16,253
<b>ACCUMULATED DEPRECIATION:</b>					
Balance as of 1 January 2020	2,153	5,050	7,213	-	14,416
Charge for the year	232	301	1,453	-	1,986
Disposals and retirements	(353)	(1,192)	(870)	-	(2,415)
Disposals of subsidiaries	(3)	(23)	(79)	-	(105)
Discontinued operations	(1,066)	(40)	(706)	-	(1,812)
Exchange differences	(17)	(188)	(421)	-	(626)
Reclassification to assets held for sale	(94)	-	-	-	(94)
Balance as of 31 December 2020	852	3,908	6,590	-	11,350
Charge for the year	21	122	770	-	913
Disposals and retirements	(14)	(839)	(617)	-	(1,470)
Disposals of subsidiaries	-	-	-	-	-
Exchange differences	(6)	25	(23)	-	(4)
Balance as of 30 September 2021	853	3,216	6,720	-	10,789
<b>Net book value as of 30 September 2021</b>	<b>489</b>	<b>241</b>	<b>4,717</b>	<b>17</b>	<b>5,464</b>
<b>Net book value as of 31 December 2020</b>	<b>764</b>	<b>432</b>	<b>5,363</b>	<b>25</b>	<b>6,584</b>

\* Includes prepayments for tangible and intangible assets.

**7.**
**RIGHT OF USE ASSETS AND LEASE**

Effect to the consolidated statement of financial position as at 30 September 2021 and 31 December 2020:

	Buildings	Vehicles	Total
<b>ASSETS</b>			
<b>Cost</b>			
Balance as of 1 January 2020	<b>9,131</b>	<b>5,249</b>	<b>14,380</b>
Additions	1,772	-	1,772
Disposals and retirements	(1,721)	(600)	(2,321)
Exchange differences	(490)	-	(490)
Balance as of 31 December 2020	<b>8,692</b>	<b>4,649</b>	<b>13,341</b>
Disposals and retirements	(302)	(458)	(760)
Exchange differences	66	-	66
Balance as of 30 September 2021	<b>8,456</b>	<b>4,191</b>	<b>12,647</b>
<b>Accumulated depreciation</b>			
Balance as of 1 January 2020	<b>1,542</b>	<b>2,518</b>	<b>4,060</b>
Charge for the year	1,637	714	2,351
Disposals and retirements	(1,330)	(349)	(1,679)
Exchange differences	(72)	-	(72)
Balance as of 31 December 2020	<b>1,777</b>	<b>2,883</b>	<b>4,660</b>
Charge for the year	1,048	413	1,461
Disposals and retirements	(148)	(310)	(458)
Exchange differences	(2)	-	(2)
Balance as of 30 September 2021	<b>2,675</b>	<b>2,986</b>	<b>5,661</b>
<b>Right of use assets as of 30 September 2021</b>	<b>5,781</b>	<b>1,205</b>	<b>6,986</b>
<b>Right of use assets as of 31 December 2020</b>	<b>6,915</b>	<b>1,766</b>	<b>8,681</b>

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

	2021 Q3	2020 Q3
Depreciation expense of right-of-use assets	1,461	1,799
Interest expense on lease liabilities	103	129
Expense relating to leases of low-value assets (included in administrative expenses)	535	357
<b>Profit from operations</b>	<b>2,099</b>	<b>2,285</b>

Group has no variable lease payments.

The Group had total cash outflows for leases of EUR 1,905 thousand as at 30 September 2021 (EUR 2,168 thousand as at 30 September 2020). The Group had none non-cash additions to right-of-use assets and lease liabilities as at 30 September 2021 (EUR 1,417 thousand as at 30 September 2020).

8.

**TRADE RECEIVABLES**

**TRADE RECEIVABLES OF THE GROUP AS OF 30 SEPTEMBER 2021 AND 31 DECEMBER 2020 WERE AS FOLLOWS:**

	Balance as of 30 September 2021	Balance as of 31 December 2020
Trade receivables, gross	38,914	44,447
Less: allowance for doubtful trade receivables	(14,724)	(12,954)
<b>Trade receivables, net</b>	<b>24,190</b>	<b>31,493</b>

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 2021 AND 31 DECEMBER 2020 WERE AS FOLLOWS:**

Creditor	Currency	Balance as of 30 September 2021	Balance as of 31 December 2020
<u>SHORT-TERM LOANS</u>			
Bank loans	EUR	1,941	-
Bank loans	PLN	-	113
<b>SHORT-TERM LOANS BALANCE</b>		<b>1,941</b>	<b>113</b>
<u>LONG-TERM LOANS</u>			
Bank loans	EUR	19,073	20,724
Minus: long term loans of the current year		(154)	(3,419)
<b>LONG-TERM LOANS BALANCE</b>		<b>18,919</b>	<b>17,305</b>

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

UAB City Service, UAB Mano Būstas Baltija, UAB Mano Būstas Neris, UAB Mano Būstas NPC, UAB Mano Būstas Sostinė, UAB Mano Būstas Vilnius have pledged claim rights to receivables under concluded agreements, except for receivables under factoring agreement. Shares of UAB City Service are pledged to AB SEB bankas as well.

10.

**COST OF SALES**

	2021 Q3	2020 Q3
Services of subcontractors and materials used	46,932	51,044
Wages and salaries and social security	21,674	28,703
Cost of goods sold	1,636	1,059
Depreciation	380	698
Other	2,057	2,052
<b>Total cost of sales</b>	<b>72,679</b>	<b>83,556</b>

11.

**GENERAL AND ADMINISTRATIVE EXPENSES**

	2021 Q3	2020 Q3
Wages and salaries and social security	12,087	13,484
Depreciation and amortisation	3,818	4,489
Consulting and similar expenses	988	1,116
Computer software maintenance	807	673
Taxes other than income tax	702	642
Rent of premises and other assets	535	357
Advertising	495	184
Commissions for collection of payments	450	483
Transportation and fuel expenses	325	330
Communication expenses	296	232
Insurance	174	271
Representational costs	140	161
Bank payments	134	147
Business trips and training	124	122
Utilities	106	97
Charity and support	98	87
Net result of deconsolidated subsidiary due to loss of control	-	(204)
Other	1,419	794
<b>Total general and administrative expenses</b>	<b>22,698</b>	<b>23,465</b>

12.

**OTHER OPERATING INCOME (EXPENSES)**

	2021 Q3	2020 Q3
Gain on disposal of property, plant and equipment	496	854
Income from rent	30	31
Other (expenses) gain, net	(367)	123
<b>Total other operating activity</b>	<b>159</b>	<b>1,008</b>



13.

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

	2021 Q3	2020 Q3
Gain on sale of investments	580	87
Interest income	179	202
Foreign currency exchange gain	4	7
<b>Total finance income</b>	<b>763</b>	<b>296</b>
Interest (expenses)	(519)	(635)
Foreign currency exchange (loss)	(238)	(1,030)
<b>Total finance (expenses)</b>	<b>(757)</b>	<b>(1,665)</b>
<b>Financial activity, net</b>	<b>6</b>	<b>(1,369)</b>

14.

**DIVIDENDS PER SHARE**

	2021 Q3	2020 Q3
Approved dividends	13,656	2,975
Number of shares (in thousand)	31,610	31,610
<b>Approved dividends per share</b>	<b>0.43</b>	<b>0.09</b>

15.

**RELATED PARTY TRANSACTIONS**

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

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

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

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.

2021 Q3	Purchases	Sales	Receivables and prepayments	Payables
UAB ICOR	311	72	7	46
AB Axis Industries	-	5	1	-
Other subsidiaries of UAB ICOR	151	365	396	373
UAB Lag&d and its other subsidiaries	-	-	-	1,000
<b>Total</b>	<b>462</b>	<b>442</b>	<b>404</b>	<b>1,419</b>

## 16.

**SUBSEQUENT EVENTS**

On 4 October 2021 the Group, through its Lithuanian subsidiary, sold 34% stake in UAB Marijampolės butų ūkis, which carried out administration of dwelling-houses services. Value of the share sale – purchase agreement is EUR 400 thousand. Net assets of disposed subsidiary at the date of disposal amounted to EUR 216 thousand.

On 14 October 2021 the Extraordinary General Meeting of Shareholders of the Company has been held. The shareholders extended the agreement for the audit services with Ernst & Young Baltic AS, for a new period of 5 (five) years to perform audit of the Company and the Companies set of consolidated financial statements for the years 2021-2025 and shall evaluate Company's consolidated annual reports for the years 2021-2025. Shareholders also have set a remuneration for the audit.

On 21 October 2021 the Supreme Court of Lithuania issued a ruling in a case based on cassation appeals of the Vilnius City Municipality Administration and the General Prosecutor's Office. The Supreme Court of Lithuania annulled the decision of the Court of Appeal of Lithuania that was issued on 8 October 2020 and referred the case back to the Court of Appeal of Lithuania.

To this day, City Service SE (further - Company) subsidiaries in Spain has been operating in the field of apartment building administration and insurance brokerage businesses. Company management is looking forward to develop business in other forms, namely, PortalPRO, a transparent platform where customers can order various services. The operation of the platform is based on the sharing economy. On the platform, service providers will be able to offer their services related to housing and its maintenance and repair. As a result of developing PortalPRO business and by reason of apartment building administration business is not complying the profitability criterias requested by the Company management, Company determined to withdraw from the apartment building administration business in Spain. Considering above, on November 30, 2021 Company through its Spanish subsidiaries has signed business transfer agreement on sale of apartment building administration business and partial sale of insurance brokerage business in Spain. The buyer of sold businesses was a Spanish company, acting in apartment building administration and insurance brokerage sectors.

The full impact of the COVID-19 pandemic on economic activity is still unknown and the situation is still developing. The Company's management believes that COVID-19 will not have material impact on the business operations after the reporting date. However, this assumption is based on the information available at the time of signing these financial statements and the impact of future events on the Company's ability to continue as a going concern may differ from the management's assessment.



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