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**CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE NINE MONTHS PERIOD
ENDED 30 SEPTEMBER, 2018 (UNAUDITED)**

City Service SE

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER, 2018
(UNAUDITED)**

Beginning of the reporting period	1 January 2018
End of the reporting period	30 September 2018
Business name	City Service SE
Registration number	12827710
Legal address	Narva mnt. 5, 10117 Tallinn, the Republic of Estonia
Telephone	+370 5 239 49 00
Fax	+370 5 239 48 48
E-mail	info@cityservice.eu
Website	http://www.cityservice.eu
Auditor	Ernst & Young Baltic AS

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Declaration of the management

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

Chairman of the Management Board



Artūras Gudelis

30 November 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As of 30 September 2018	As of 31 December 2017
Assets			
NON-CURRENT ASSETS			
Goodwill	3	14,346	11,597
Other intangible assets	5	28,374	27,870
Property, plant and equipment	6	19,239	18,463
Investment property		72	81
Investments into associates		162	162
Non-current receivables	7	6,035	5,791
Deferred income tax asset		3,007	2,693
Total non-current assets		71,235	66,657
CURRENT ASSETS			
Inventories		2,080	1,493
Prepayments		2,475	1,703
Trade receivables	7	29,796	30,657
Receivables from related parties	14	475	169
Other receivables and current assets		5,519	5,324
Cash and cash equivalents		4,785	7,797
Total current assets		45,130	47,143
Total assets		116,365	113,800

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)

	Notes	As of 30 September 2018	As of 31 December 2017
Equity and liabilities			
Equity attributable to equity holders of the Company			
Share capital		9,483	9,483
Other reserves		948	2,689
Share premium		21,067	21,067
Foreign currency translation reserve		(2,850)	(2,499)
Retained earnings (deficit)		20,845	24,554
		49,493	55,294
Non-controlling interests		433	354
TOTAL EQUITY		49,926	55,648
Liabilities			
Non-current liabilities			
Non-current borrowings	8	16,730	14,611
Financial lease obligations		3,752	2,717
Deferred income tax liabilities		3,539	3,747
Non-current payables		1,929	2,272
TOTAL NON-CURRENT LIABILITIES		25,950	23,347
Current liabilities			
Current portion of non-current borrowings	8	2,727	3,290
Current portion of financial lease obligations		541	995
Short-term loans	8	8,381	-
Trade payables		10,634	13,951
Payables to related parties	14	608	959
Advances received		5,170	5,275
Other current liabilities		12,428	10,335
TOTAL CURRENT LIABILITIES		40,489	34,805
Total liabilities		66,439	58,152
Total equity and liabilities		116,365	113,800

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(for the period 1 January – 30 September)

	Notes	2018 Q3	2017 Q3
Sales	1.8	116,760	118,110
Cost of sales	9	(84,996)	(90,342)
Gross profit (loss)		31,764	27,768
General and administrative expenses	10	(25,418)	(21,374)
Other operating activity, net	11	(258)	(366)
Profit (loss) from operations		6,088	6,028
Finance income	12	505	625
Finance expenses	12	(1,074)	(985)
Profit (loss) before tax		5,519	5,668
Income tax		(1,091)	(1,243)
Net profit (loss)		4,428	4,425
Other comprehensive income			
Exchange differences on translation of foreign operations		(354)	(145)
Total comprehensive income		4,074	4,280
Attributable to:			
The shareholders of the Company		4,349	4,446
Non-controlling interests		79	(21)
		4,428	4,425
Total comprehensive income attributable to:			
The shareholders of the Company		3,995	4,301
Non-controlling interests		79	(21)
		4,074	4,280
Basic and diluted earnings per share (EUR)		0.14	0.14

STATEMENTS OF COMPREHENSIVE INCOME

(for the period 1 July – 30 September)

	2018 Q3	2017 Q3
Sales	35,815	33,703
Cost of sales	(25,480)	(23,804)
Gross profit (loss)	10,335	9,899
General and administrative expenses	(8,366)	(7,578)
Other operating income, net	(113)	(652)
Profit (loss) from operations	1,856	1,669
Finance activity result, net	130	(254)
Profit (loss) before tax	1,986	1,415
Income tax	(328)	(372)
Net profit	1,658	1,043

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 2017		9,483	21,067	(2,426)	2,689	38,002	68,815	317	69,132
Net profit		-	-	-	-	4,446	4,446	(21)	4,425
Other comprehensive Income		-	-	(145)	-	-	(145)	-	(145)
Total comprehensive Income		-	-	(145)	-	4,446	4,301	(21)	4,280
Dividends declared	13	-	-	-	-	(19,598)	(19,598)	-	(19,598)
Disposal of subsidiaries		-	-	17	-	-	17	-	17
Acquisition of non-controlling interest		-	-	-	-	-	-	35	35
Balance as of 30 September 2017		9,483	21,067	(2,554)	2,689	22,850	53,535	331	53,866
Balance as of 1 January 2018		9,483	21,067	(2,499)	2,689	24,554	55,294	354	55,648
Net profit		-	-	-	-	4,349	4,349	79	4,428
Other comprehensive Income		-	-	(354)	-	-	(354)	-	(354)
Total comprehensive Income		-	-	(354)	-	4,349	3,995	79	4,074
Dividends declared	13	-	-	-	-	(9,799)	(9,799)	-	(9,799)
Transfer of other reserves		-	-	-	(1,741)	1,741	-	-	-
Disposal of subsidiaries		-	-	3	-	-	3	-	3
Balance as of 30 September 2018		9,483	21,067	(2,850)	948	20,845	49,493	433	49,926

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2018 Q3	2017 Q3
Cash flows from (to) operating activities			
Net profit		4,428	4,425
Adjustments for non-cash items:			
Income tax expenses		1,091	1,243
Depreciation and amortisation	5,6	3,623	3,254
Impairment and discounting of accounts receivable		685	474
(Gain) loss on disposal of property, plant and equipment	11	(2)	650
Loss from sales of investments		80	433
Result on remeasuring of assets and liabilities to liquidation value (subsidiary Concentra)		-	(2,025)
Other financial activity, net		490	(124)
		<u>10,395</u>	<u>8,330</u>
Changes in working capital:			
(Increase) decrease in inventories		(387)	104
(Increase) in receivables and other current assets		(146)	(2,883)
(Increase) in prepayments		(977)	(957)
(Decrease) increase in trade payables and payables to related parties		(3,219)	918
Income tax (paid)		(1,865)	(2,100)
Increase in advances received and other current liabilities		1,686	3,595
		<u>5,487</u>	<u>7,007</u>
Net cash flows from operating activities			
Cash flows from (to) investing activities			
(Acquisition) of non-current assets (except investments)	5,6	(3,996)	(3,367)
Proceeds from sale of non-current assets		301	1,161
(Acquisition) of investments in subsidiaries (net of cash acquired in the Group)		(3,127)	13
Disposal of investments in subsidiaries		4	(422)
Prepayment for investments		-	(166)
Interest received		115	299
		<u>(6,703)</u>	<u>(2,482)</u>
Net cash flows (to) investing activities			
Cash flows from (to) financing activities			
Dividends (paid)		(9,799)	(19,598)
Proceeds of loans		30,754	42
(Repayment) of loans		(21,348)	(2,317)
(Repayment) of financial lease liabilities		(917)	(1,094)
Interest (paid)		(326)	(307)
		<u>(1,636)</u>	<u>(23,274)</u>
Net cash flows (to) financing activities			
Net (decrease) in cash and cash equivalents		(2,852)	(18,749)
Foreign exchange difference		(160)	180
Cash and cash equivalents at the beginning of the period		7,797	30,271
Cash and cash equivalents at the end of the period		4,785	11,702

NOTES TO THE FINANCIAL STATEMENTS

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 35.3 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 2018. 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 2018 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 2018 the total number of shareholders of the Company was 257.

COMPANY'S SHARES DISTRIBUTION AMONG SHAREHOLDERS WHO HAVE MORE THAN 5% SHARES OF THE COMPANY AS OF 28 SEPTEMBER 2018 (THE LAST OPERATING DAY IN SEPTEMBER OF ESTONIAN CENTRAL SECURITIES DEPOSITORY) 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%
TOTAL	31,610,000	100 %

1.4.

CITY SERVICE GROUP

AS OF 30 SEPTEMBER 2018 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 2018	Share of the stock held by the Group as of 30 September 2017	Main activities
UAB Acta iuventus	Lithuania	100%	-	Security services
UAB Alytaus būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Alytaus namų valda	Lithuania	76%	76%	Dormant
UAB Antakalnio būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Aukštaitijos būstas	Lithuania	100%	100%	Administration of dwelling-houses
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%	Dormant
UAB Birštono būstas	Lithuania	100%	100%	Dormant
UAB Biržų butų ūkis	Lithuania	57.71%	57.71%	Administration of dwelling-houses
UAB Būsto mokėjimai	Lithuania	100%	-	Dormant
UAB Citenga	Lithuania	100%	-	Dormant
UAB City Service	Lithuania	100%	-	Dormant
UAB City Service Cleaning	Lithuania	100%	-	Dormant
UAB City Service Engineering	Lithuania	100%	100%	Commercial real estate management and building maintenance
UAB Connecto Pay	Lithuania	100%	-	Dormant
UAB CSG IT	Lithuania	100%	-	Dormant
UAB Dainavos būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Danės būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Economus	Lithuania	100%	100%	Administration of buildings
UAB Energijos taupymo paslaugos	Lithuania	100%	-	Dormant
UAB Energijos efektyvumo paslaugos	Lithuania	100%	-	Dormant
UAB Grindos būstas	Lithuania	100%	100%	Dormant
UAB Justiniškių būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Jūros būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Karoliniškių būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Karoliniškių turgus	Lithuania	100%	100%	Marketplace administration services
UAB Kauno centro būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Klaipėdos būstas LT	Lithuania	100%	100%	Administration of dwelling-houses
UAB Konarskio turgelis	Lithuania	100%	100%	Marketplace administration services
UAB Lazdynų butų ūkis	Lithuania	100%	100%	Administration of dwelling-houses
UAB Lazdynų būstas	Lithuania	100%	100%	Dormant

UAB Mano aplinka	Lithuania	100%	100%	Maintenance and cleaning of territories and premises
UAB Mano aplinka plus	Lithuania	100%	100%	Maintenance and cleaning of territories and premises
UAB Mano Būstas	Lithuania	100%	100%	Building maintenance
UAB Mano Būsto Sauga	Lithuania	100%	100%	Security services
UAB Mano būsto valdymas	Lithuania	100%	-	Dormant
UAB Mano sauga LT	Lithuania	100%	100%	Security services
UAB Merlangas	Lithuania	100%	-	Administration of dwelling-houses
UAB Nacionalinis renovacijos fondas	Lithuania	100%	100%	Dormant
UAB Namų priežiūros centras	Lithuania	100%	100%	Administration of dwelling-houses
UAB Naujamiesčio būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Naujosios Vilnios turgavietė	Lithuania	100%	100%	Marketplace administration services
UAB Nemuno būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Pastatų priežiūra	Lithuania	100%	100%	Building maintenance
UAB Pastatų valdymas	Lithuania	100%	-	Administration of dwelling-houses
UAB Pašilaičių būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Pietinis būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Radviliškio būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Rinkų vystymas	Lithuania	100%	100%	Dormant
UAB Saugos projektų valdymas*	Lithuania	100%	100%	Security services
UAB Skolos LT	Lithuania	100%	100%	Debt collection services
UAB Šiaulių būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Šilalės būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Šilutės būstas	Lithuania	99.84%	99.84%	Administration of dwelling-houses
UAB Šiaulių NT valdymas	Lithuania	100%	-	Dormant
UAB Tauragės būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Toirenta	Lithuania	100%	100%	Rental of bio toilets and sewage disposal services
UAB Unitechna	Lithuania	100%	-	Maintenance and construction of gas stations
UAB Vaizdo stebėjimo sprendimai	Lithuania	100%	-	Dormant
UAB Vėtrungės būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Vilkpėdės būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Vilniaus turgus	Lithuania	100%	100%	Dormant
UAB Viršuliškių būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Voverės	Lithuania	100%	-	Catering services
UAB Žirmūnų būstas	Lithuania	100%	100%	Administration of dwelling-houses
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 Madr, S.L.	Spain	100%	100%	Administration of dwelling-houses
Euronamas Gestion de Fincas Mrc, S.L.	Spain	100%	100%	Administration of dwelling-houses
Euronamas gestion de fincas Madrid, S.L.	Spain	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
Vetell dos iberica, S.L.**	Spain	100%	100%	Administration of dwelling-houses
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%	Sale of electricity
SIA Latvijas Namsaimnieks	Latvia	100%	100%	Administration of dwelling-houses
SIA Namu serviss APSE	Latvia	100%	100%	Administration of dwelling-houses
Atrium 21 sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
City Service Poland sp. z o.o.	Poland	-	100%	Dormant
City Service Polska sp. z o.o.	Poland	100%	100%	Country holding company
Certus-Serwis Sp. z o. o.	Poland	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
Gerente - Serwis Nieruchomości sp. z o.o.	Poland	-	100%	Commercial real estate management and building maintenance
Grupa Techniczna 24 sp. z o.o.	Poland	100%	100%	Dormant
Home Rent sp. z o.o.	Poland	50%	50%	Administration of dwelling-houses
Hoone - Usługi Budowlane sp. z o.o.	Poland	-	100%	Construction and engineering
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%	Construction and engineering
TED sp. z o.o.	Poland	100%	100%	Real estate management
Tumieszkamy sp. z o. o.	Poland	100%	-	Dormant
Wolska Aparthotel sp. z o. o.	Poland	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 Территория комфорта	St. Petersburg	100%	100%	Dormant

The Group's investment in an associate as of 30 September 2018 included an investment in Marijampolės butų ūkis UAB (34% of the share capital).

* The Group ceased to consolidate UAB Saugos projektų valdymas 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.

1.5.

COMPANY'S SUPERVISORY BOARD

AS OF 30 SEPTEMBER 2018, 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	April 8, 2015	April 9, 2019
Gintautas Jaugielavičius	Member of the Supervisory Board	April 8, 2015	April 9, 2019

The Supervisory Board members do not control 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 works as a consultant for UAB ICOR and is the chairman 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 2018, 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
Edvinas Paulauskas	Member of the Management Board	June 26, 2017	June 26, 2021
Vytautas Turonis	Member of the Management Board	June 26, 2017	June 26, 2021
Algė Jablonskienė	Member of the Management Board	June 26, 2017	June 26, 2021
Ignas Krasauskas	Member of the Management Board	October 17, 2017	October 17, 2021

They do not control 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)**Edvinas Paulauskas**

Edvinas Paulauskas (born in 1976) is a Member of the Management Board of City Service SE (since 2017). Previously he worked as the Executive Manager at City Service SE (2015 - 2017), Commercial director (2008 – 2015). Edvinas Paulauskas started working in the Company as the Project Manager (2005 – 2006). He holds a Bachelor's degree in an Environment Engineering.

Edvinas Paulauskas is responsible and accountable for the organization and supervision of Group activities (except for financial and HR matters) in Poland and Spain.

**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 but except for HR matters) in Lithuania, Latvia and Estonia.

**Algė Jablonskienė**

Algė Jablonskienė (born in 1971) is a Member of the Management Board of City Service SE (since 2017). Previously she worked as the HR Director of City Service SE (2017). She has a Master's degree in Psychology and an Executive Master's degree in Business Administration. Previously Mrs. Jablonskienė was working as the Human Resources and Administration Director within international and local companies. She also brings nearly 10 years experience as a business consultant.

Mrs. Jablonskienė is responsible and accountable for human resources matters within the Group in all jurisdictions.

**Ignas Krasauskas**

Ignas Krasauskas (born in 1983) is a member of the Management Board of City Service SE (since 2017). He also is an Executive manager at Mano Būstas (since 2016). Mr. Krasauskas works in City Service SE since year 2007. Previously he worked as the director of Legal department at City Service SE (2007-2013) and the director of Administration and legal department at Mano Būstas (2013-2016). Mr. Krasauskas holds a Bachelor's degree in Economics and a Master's degree in Law.

Ignas Krasauskas is responsible for the Group's information technology policy and enforcement, e-commerce and legal issues in countries.

1.7.

GROUP'S MANAGEMENT

AS OF 30 SEPTEMBER 2018 AND AS OF DATE OF SUBMISSION OF THIS REPORT, THE KEY MANAGERS OF THE COMPANY AND OF THE GROUP ARE AS FOLLOWS:

Name and surname	Position within the Group	Start of employment
Anna Górecka – Kolasa	Head of the Group's companies, operating in Poland	2013
Larijus Lapinskas	Chairman of the Board of the Group companies operating in St. Petersburg	2017
Evgejjj Grachiov	Head of the Group companies, operating in Spain (residential building administration)	2012

They do not control any shares of the Company.



Anna Górecka – Kolasa

Anna Górecka - Kolasa (born 1975) is the Head of the Group companies, operating in Poland. Anna Górecka – Kolasa has been working for the Group since 2013, prior to that she held positions of Management and Control Director, Chief Analysis Specialist and Deputy Accountant General (2004 – 2013). Anna Górecka-Kolasa has a higher education in the area of management and marketing.

Anna Górecka-Kolasa is responsible for the Group's day-to-day activities in Poland.



Larijus Lapinskas

Larijus Lapinskas (born 1972) is the Chairman of the Board for the City Service Group companies, operating in St. Petersburg, since 2017. Larijus Lapinskas has a Bachelor's degree in Information Technology.

Larijus Lapinskas is responsible for the Group's activities in St. Petersburg.



Evgenij Grachiov

Evgenij Grachiov (born 1985) is the Chairman of the Board of Grupo Aresi De Inversiones S.L, operating in residential buildings administration segment in Spain, since 2017. Evgenij Grachiov works in Company since year 2012. Previously he worked as LEAN projects manager at City Service SE (2012 - 2017). E. Grachiov holds a Master's degree in an Industry Engineering and Management.

Evgenij Grachiov is responsible for the Group's residential buildings administration activities in Spain.

1.8.

ACTIVITY AND SEGMENT INFORMATION

INFORMATION ON MAIN GROUP'S GEOGRAPHICAL SEGMENTS:

2018 Q3	Baltic states	St. Petersburg	Poland	Spain	Total
Revenue:	65,597	30,052	18,320	2,791	116,760
Total revenue					116,760
Segment results	5,037	1,658	328	53	7,076
Unallocated expenses					(988)
Profit from operations					6,088
Net financial income					(569)
Profit before income tax					5,519
Income tax expenses					(1,091)
Net profit for the year					4,428
OTHER SEGMENT INFORMATION					
Capital expenditure	3,056	369	476	1,448	5,349

2017 Q3	Baltic states	St. Petersburg	Poland	Spain	Total
Revenue:	60,526	30,129	19,157	8,298	118,110
Total revenue					118,110
Segment results	5,661	1,196	25	(270)	6,612
Unallocated expenses					(584)
Profit from operations					6,028
Net financial income					(360)
Profit before income tax					5,668
Income tax expenses					(1,243)
Net profit for the year					4,425
OTHER SEGMENT INFORMATION					
Capital expenditure	2,275	73	1,169	946	4,463

1.8.

ACTIVITY AND SEGMENT INFORMATION (cont'd)

INFORMATION ON MAIN GROUP'S GEOGRAPHICAL SEGMENTS:

	Baltic states	St. Petersburg	Poland	Spain	Total
Sales to external customers					
2018 Q3	65,597	30,052	18,320	2,791	116,760
2017 Q3	60,526	30,129	19,157	8,298	118,110

	Baltic states	St. Petersburg	Poland	Spain	Total
Segment non-current assets					
As of 30 September 2018	40,425	2,248	21,720	6,842	71,235
As of 30 September 2017	39,779	2,622	17,099	4,013	63,513

MAIN ACTIVITY INDICATORS FOR THE GROUP:

	2018 Q3	2017 Q3	Change (%)
Area of residential apartment buildings under administration (million square meters)	31.3	30.2	3.6%
Area of public, commercial building and atypical properties under administration (million square meters)	4.0	4.1	(2.4%)
Number of employees	4,280	4,162	2.8%
Sales for the period	116,760	118,110	(1.1%)
Sales (main activity)*	99,848	100,698	(0.8%)
Gross margin*	31.8%	27.6%	15.2%
EBITDA margin*	9.7%	9.2%	5.4%
EBIT margin*	6.1%	6.0%	1.7%
Net margin*	4.4%	4.4%	-
Number of shares (thousand)	31,610	31,610	-
Return on equity	8.9%	8.2%	8.5%
Return on assets	3.8%	4.0%	(5.0%)
Financial Net Debt to equity**	46.2%	13.6%	239.7%

* 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 2018 by responsible persons listed in the confirmation, which is attached to the Interim Financial Statements.

3.

GOODWILL

COST:

Balance as of 1 January 2017	11,616
Additions	122
Disposals	(13)
Exchange differences	(44)
Balance as of 31 December 2017	11,681
Additions	2,871
Disposals	(35)
Exchange differences	(87)
Balance as of 30 September 2018	14,430

IMPAIRMENT

Balance as of 1 January 2017	84
Balance as of 31 December 2017	84
Balance as of 30 September 2018	84

Net book value as of 30 September 2018 **14,346**

Net book value as of 31 December 2017 **11,597**

3.
GOODWILL (cont'd)

During reporting period the Company through its subsidiary acquired UAB Acta iuventus, UAB Merlangas, UAB Pastatų valdymas, UAB Voverės and UAB Unitechna. At the acquisition of these subsidiaries a goodwill of EUR 2.871 thousand has been accounted for.

Fair value of assets, liabilities and contingent liabilities of acquired subsidiaries	Acta iuventus	Merlangas	Pastatų valdymas	Voverės	Unitechna
At the date of acquisition	18 January	5 July	5 July	25 July	9 August
Intangible assets	11	-	-	2	-
Property, plant and equipment	160	-	11	90	85
Deferred tax assets	-	-	-	5	-
Trade receivables	27	7	272	173	357
Other current assets	9	16	2	11	604
Total assets	207	23	285	281	1,046
Long-term liabilities	186	11	-	10	-
Current portion of long-term liabilities	-	162	-	-	339
Trade payables	20	28	4	48	138
Other current liabilities	24	44	5	98	104
Total liabilities	230	245	9	156	581
Total identifiable net assets at fair value	(23)	(222)	276	125	465
Fair value of acquired assets, liabilities and contingent liabilities	(23)	(222)	276	125	465
Goodwill	312	479	64	446	1,570
Total purchase consideration	289	257	340	571	2,035
Cash acquired	2	-	1	4	358
Total purchase consideration, net of cash acquired	287	257	339	567	1,677

At the date of acquisition, the fair value of the trade receivables was EUR 836 thousand. The gross amount of trade receivables was EUR 893 thousand. The difference between the fair value and the gross amount is allowance for doubtful trade receivables.

4.

SIGNIFICANT EVENTS**Investments and other changes during the nine months of the year 2018**

On 12 January 2018 the Group, through its Polish subsidiary, established new company Tumieszkamy sp. z o. o. (the share capital EUR 1.2 thousand).

On 18 January 2018 the Group, through its Lithuanian subsidiary, acquired 100% stake in UAB Acta iuventus (acquisition price EUR 289 thousand) which provides security services.

On 28 February 2018 reorganization of the companies City Service Poland sp. z.o.o. and City Service Polska sp. z.o.o. was completed. After the process of reorganization City Service Poland sp. z.o.o. was incorporated into City Service Polska sp. z.o.o. with all the assets, rights and obligations. City Service Poland sp. z.o.o. ceased operations and was deregistered. After reorganization City Service Polska sp. z.o.o. management and other contact details did not change.

On 16 March 2018 the Group, through its Lithuanian subsidiary, established a new company UAB Citenga (share capital EUR 2.5 thousand).

On 23 March 2018 the Group, through its Lithuanian subsidiary, established a new company UAB Šiaulių NT valdymas (share capital EUR 2.5 thousand).

On 9 April 2018 the Group, through its Lithuanian subsidiary, established a new company UAB Energijos taupymo paslaugos (share capital EUR 2.5 thousand).

On 25 May 2018 the Group, through its Lithuanian subsidiary, established a new company UAB Energinio efektyvumo paslaugos (share capital EUR 2.5 thousand).

On 11 June 2018 Eurodrauda Correguria de Seguros, S.L.U. company title was changed into Eurobroker Advisors Sorreduria de Seguros, S.L. Other contact details did not change.

On 28 June 2018 the Annual General Meeting of Shareholder of the Company has been held. The shareholders approved the set of consolidated annual financial statements of the Company for 2017 and distributed the Companies profit for the year 2017.

On 5 July 2018 the Group, through its Lithuanian subsidiary, acquired 100% stake in UAB Merlangas (acquisition price EUR 257 thousand) which manages residential facilities in Panevėžys.

On 5 July 2018 the Group, through its Lithuanian subsidiary, acquired 100% stake in UAB Pastatų valdymas (acquisition price EUR 340 thousand) which manages residential facilities in Panevėžys.

On 12 July 2018 the Group, through its Lithuanian subsidiary, established a new company UAB City Service (share capital EUR 2.5 thousand).

On 12 July 2018 the Group, through its Lithuanian subsidiary, established a new company UAB CSG IT (share capital EUR 2.5 thousand).

On 12 July 2018 the Group, through its Lithuanian subsidiary, established a new company UAB Būsto aplinka (share capital EUR 2.5 thousand).

4.

SIGNIFICANT EVENTS (cont'd)

On 19 July 2018 the Group, through its Lithuanian subsidiary, established a new company UAB City Service Cleaning (share capital EUR 2.5 thousand).

On 25 July 2018 the Group, through its Lithuanian subsidiary, acquired 100% stake in UAB Voverès (acquisition price EUR 571 thousand) which provides catering services.

On 27 July 2018 ОАО Специализированное ремонтно-наладочное управление legal form was reorganized into ООО Специализированное ремонтно-наладочное управление.

On 31 July 2018 the Group, through its Polish subsidiary, sold 100% stake in Gerente - Serwis Nieruchomości sp. z o.o. which provided commercial real estate management and building maintenance services. Value of share sale – purchase agreement is PLN 80 thousand. Net assets of disposed subsidiary as of 30 September 2018 amounted to PLN 374 thousand.

On 31 July 2018 the Group, through its Polish subsidiary, sold 100% stake in Hoone - Usługi Budowlane sp. z o.o. which provided Construction and engineering services. Value of share sale – purchase agreement is PLN 40 thousand. Net assets of disposed subsidiary as of 30 September 2018 amounted to PLN (54) thousand.

On 1 August 2018 reorganization of Zespół Zarządców Nieruchomości sp. z o.o. was completed. Method of reorganization was separation. After separation of property, rights and responsibilities was established a new company Wolska Aparthotel sp. z o.o. After reorganization Zespół Zarządców Nieruchomości sp. z o.o. management and other contact details did not change.

On 9 August 2018 City Service SE, through its Lithuanian subsidiary, acquired 100% stake in UAB „Unitechna“ (acquisition price EUR 2,035 thousand). UAB „Unitechna“ provides gas station construction, equipment trading and technical maintenance services for the main gas stations operating in Lithuania.

On 20 August 2018 the Group, through its Lithuanian subsidiary, established a new company UAB Mano Būsto valdymas (share capital EUR 2.5 thousand).

On 28 August 2018 the Group, through its Lithuanian subsidiary, established a new company UAB Būsto mokėjimai (share capital EUR 2.5 thousand).

On 29 August 2018 UAB Būsto aplinka company title was changed into UAB Connecto Pay. Other contact details did not change.

On 4 September 2018 the Company signed a financing agreements with AB SEB bankas, enterprise code 112021238, which allows the Company to borrow up to EUR 42 million. The loan shall be used to finance active expansion of City Service group through acquisitions and to refinance existing loans.

5.

OTHER INTANGIBLE ASSETS

Movement of other intangible assets in 2018 Q3 and 2017 is presented below:

	Total
COST:	
Balance as of 1 January 2017	31,339
Additions arising from acquisitions of subsidiaries	478
Additions through business acquisitions	1,971
Disposals of subsidiaries	(526)
Exchange differences	422
Retirements	(89)
Reclassifications	175
Balance as of 31 December 2017	<u>33,770</u>
Additions arising from acquisitions of subsidiaries	13
Additions	1,699
Exchange differences	(343)
Retirements	(9)
Reclassifications	27
Balance as of 30 September 2018	<u>35,157</u>
ACCUMULATED AMORTISATION:	
Balance as of 1 January 2017	5,247
Charge for the year	1,197
Reversal of impairment	(34)
Disposals of subsidiaries	(511)
Exchange differences	42
Retirements	(41)
Balance as of 31 December 2017	<u>5,900</u>
Charge for the period	942
Exchange differences	(50)
Retirements	(9)
Balance as of 30 September 2018	<u>6,783</u>
Net book value as of 30 September 2018	28,374
Net book value as of 31 December 2017	27,870

6.
PROPERTY, PLANT AND EQUIPMENT
MOVEMENT OF FIXED ASSETS IN 2018 Q3 AND 2017 IS PRESENTED BELOW:

	Buildings	Vehicles	Other property, plant and equipment	Construction in progress*	Total
COST:					
Balance as of 1 January 2017	10,159	7,936	11,637	482	30,214
Additions arising from acquisitions of subsidiaries	3	3	5	-	11
Additions	58	2,180	1,667	844	4,749
Disposals of subsidiaries	-	(414)	(1,080)	-	(1,494)
Disposals	(1,432)	(76)	(50)	(3)	(1,561)
Exchange differences	123	45	359	18	545
Retirements	(116)	(50)	(298)	-	(464)
Reclassifications	258	18	614	(1,065)	(175)
Balance as of 31 December 2017	9,053	9,642	12,854	276	31,825
Additions arising from acquisition of subsidiaries	-	71	275	-	346
Additions	11	1,298	1,917	424	3,650
Disposals	(306)	(85)	(28)	-	(419)
Exchange differences	(48)	(76)	(250)	(7)	(381)
Retirements	-	(27)	(360)	-	(387)
Reclassifications	182	-	(6)	(203)	(27)
Balance as of 30 September 2018	8,892	10,823	14,402	490	34,607
ACCUMULATED DEPRECIATION:					
Balance as of 1 January 2017	2,323	4,616	4,669	-	11,608
Charge for the year	420	1,143	1,611	-	3,174
Reversal of impairment	-	-	(39)	-	(39)
Disposals of subsidiaries	-	(167)	(925)	-	(1,092)
Disposals	(77)	(16)	(34)	-	(127)
Exchange differences	17	12	93	-	122
Retirements	(53)	(49)	(182)	-	(284)
Balance as of 31 December 2017	2,630	5,539	5,193	-	13,362
Charge for the period	308	972	1,394	-	2,674
Disposals	(73)	(44)	(24)	-	(141)
Exchange differences	(3)	(47)	(110)	-	(160)
Retirements	-	(17)	(350)	-	(367)
Balance as of 30 September 2018	2,862	6,403	6,103	-	15,368
Net book value as of 30 September 2018	6,030	4,420	8,299	490	19,239
Net book value as of 31 December 2017	6,423	4,103	7,661	276	18,463

* Includes prepayments for tangible and intangible assets.

7.

TRADE RECEIVABLES

TRADE RECEIVABLES OF THE GROUP AS OF 30 SEPTEMBER 2018 AND 31 DECEMBER 2017 WERE AS FOLLOWS:

	Balance as of 30 September 2018	Balance as of 31 December 2017
Trade receivables, gross	39,566	39,973
Less: allowance for doubtful trade receivables	(9,770)	(9,316)
Trade receivables, net	29,796	30,657

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.

8.

BORROWINGS

BORROWINGS OF THE GROUP AND THE COMPANY AS OF 30 SEPTEMBER 2018 AND 31 DECEMBER 2017 WERE AS FOLLOWS:

Creditor	Currency	Balance as of 30 September 2018	Balance as of 31 December 2017
<u>SHORT-TERM LOANS</u>			
Bank loans	EUR	7,972	-
Bank loans	PLN	409	-
SHORT-TERM LOANS BALANCE		8,381	-
<u>LONG-TERM LOANS</u>			
Bank loans	EUR	19,457	17,901
Minus: long term loans of the current year		(2,727)	(3,290)
LONG-TERM LOANS BALANCE		16,730	14,611

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 UAB Mano Būstas and UAB City Service are pledged to AB SEB bankas as well.

9.

COST OF SALES

	2018 Q3	2017 Q3
Services of subcontractors and materials used	54,305	54,777
Wages and salaries and social security	27,727	32,431
Depreciation	655	799
Cost of goods sold	155	-
Other	2,154	2,335
Total cost of sales	84,996	90,342

10.

GENERAL AND ADMINISTRATIVE EXPENSES

	2018 Q3	2017 Q3
Wages and salaries and social security	13,474	12,937
Depreciation and amortisation	2,961	2,439
Consulting and similar expenses	1,390	1,482
Rent of premises and other assets	1,381	1,088
Allowance for and write-off of receivables	672	427
Advertising	518	319
Commissions for collection of payments	501	516
Taxes other than income tax	447	364
Computer software maintenance	423	375
Representational costs	375	252
Insurance	353	281
Business trips and training	345	253
Fuel expenses	301	332
Utilities	267	227
Communication expenses	262	280
Bank payments	142	116
Transportation	130	204
Charity and support	75	68
Consulting and tax expenses related with acquisitions, disposals and reorganisation	-	51
Result on remeasuring of assets and liabilities to liquidation value (associated with subsidiary Concentra)	-	(2,025)
Other	1,401	1,388
Total general and administrative expenses	25,418	21,374

11.

OTHER OPERATING INCOME (EXPENSES)

	2018 Q3	2017 Q3
Income from rent	90	113
Gain (loss) on disposal of property, plant and equipment	2	(650)
Depreciation of rented assets	(7)	(16)
Other (expenses) income, net	(343)	187
Total other operating activity	(258)	(366)

12.

FINANCE INCOME AND (EXPENSES)

	2018 Q3	2017 Q3
Interest income	162	424
Foreign currency exchange gain	343	201
Total finance income	505	625
Interest (expenses)	(398)	(399)
Foreign currency exchange (loss)	(596)	(153)
Loss on sale of investments	(80)	(433)
Total finance (expenses)	(1,074)	(985)
Financial activity, net	(569)	(360)

13.

DIVIDENDS PER SHARE

	2018 Q3	2017 Q3
Approved dividends	9,799	19,598
Number of shares (in thousand)	31,610	31,610
Approved dividends per share	0.31	0.62

14.

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;
- 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);
- A. Gudelis, T. Kleiva, E. Paulauskas, V. Turonis, A. Jablonskienė, I. Krasauskas, A. Górecka – Kolasa, L. Lapinskas, E. Grachiov (Management of the Group companies);

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

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

2018 Q3	Purchases	Sales	Receivables and prepayments	Payables
UAB ICOR	303	82	1	523
Subsidiaries of UAB ICOR:				
AB Axis Industries	16	51	17	3
Other subsidiaries of UAB ICOR	243	711	457	82
Total	562	844	475	608

15.

SUBSEQUENT EVENTS

On 5 November 2018 the Group, through its Latvian subsidiary, established a new company SIA Connecto Pay (share capital EUR 2.8 thousand).

On 15 November 2018 City Service SE, through its Lithuanian subsidiary UAB Vaizdo stebėjimo sprendimai, acquired 100% stake in UAB ALGOS saugos tarnyba (acquisition price EUR 450 thousand). UAB ALGOS saugumo tarnyba provides security services. At the moment of issuance of these financial statements Group's management was not able to obtain reliable financial information of the newly acquired company and evaluate fair value of net assets as at the acquisition.

On 16 November 2018 the Extraordinary General Meeting of Shareholder of the Company has been held. The shareholders elected Ernst & Young Baltic AS, as the audit company which shall perform the Company's and the Company's set of consolidated financial statements audit for the years 2018-2020 and shall evaluate Company's consolidated annual reports for the years 2018-2020. Shareholders also have set a remuneration for the audit listed above.

On 20 November 2018 UAB Grindos būstas company title was changed into UAB Neries būstas. Other contact details did not change.



City Service SE

Narva mnt. 5, 10117,
Tallinn, the Republic of Estonia;
address in Lithuania:
Ozo str. 12A, LT – 08200 Vilnius,
Phone (+370 5) 2394900,
fax (+370 5) 2394848,
E-mail. info@cityservice.eu
www.cityservice.eu