



JSC VEF, Brīvības gatve 214, Rīga, LV-1039

**JOINT STOCK COMPANY VEF**  
(Unified registration number 40003001328)

**NON- AUDITED FINACIAL STATEMENTS**  
For the period ended on March 31, 2019



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## GENERAL INFORMATION

Title of enterprise	Joint stock company VEF
Legal type of enterprise	Public joint stock company
Registered:	On April 15, 1991 in the Register of Enterprises of the Republic of Latvia, re-registered on December 7, 2000 with Nbr. 000300132 On April 14, 2004 registered in the Commercial Register, Nbr. 40003001328
Taxpayers' Reg. Nbr.	LV 40003001328
Legal address	Brīvības gatve 214, Rīga, LV-1039, Republic of Latvia
Equity capital <sup>1</sup> :	EUR 2 722 492 registered and paid up capital.
Core businesses:	*Power supply - distribution of power; *Letting and renting of real-estate property
Chief executive officer:	Chairman of the Board of the Company: GINTS FEŅUKS TAMĀRA KAMPĀNE
Members of the Board:	MĀRTIŅŠ CAUNA MODRIS ZOMMERS ERVINS KAMPANS
Members of the Supervisory Council:	EGILS ARAJS GUNTIS LIPIŅŠ LAILA LIDUMA 01.01.2019. - 31.03.2019.
Period of account:	GUNTA DARKEVICA. Certificate Nbr.165
Qualified auditor:	_____

<sup>1</sup> Paid-up and registered equity capital EUR 2 722 492

<sup>2</sup> The company's capital consists of the 623 528 bearer shares and 1 321 109 registered shares nominal value of shares EUR 1.40



**Report on the Management Board's responsibility to the non-audited financial statement of JSC „VEF” for the three months of 2019**

Management Board of JSC „VEF” (hereinafter – the Company) is responsible for preparation of the middle-term financial statements of the Company. The middle-term financial statements are not audited.

Middle-term financial statements are prepared based on justifying documents and represent true and clear overview on the Company's Assets and Equity and Liabilities, its financial standing and results of activity as well as cash flows within the reporting period ended on March 31, 2019.

Accounting principles used in preparation of the middle-term financial statements have not been changed comparing to the previous reporting period. During preparation of the middle-term financial statements decisions taken by the Management Board and estimations made have been cautious and well-founded. The information included in the middle-term management's report is true.

The Management Board of the Company is responsible for ensuring the corresponding accounting system, securing the assets of the Company, as well as for prevention and exposure of fraud and other violation within the Company.

On behalf of the Management Board of JSC „VEF”,

Gints Feņuks  
Chairman of the Management Board



ASSETS			
	EUR	EUR	EUR
	31.03.2019	31.03.2018	31.12.2018
<b>LONG-TERM INVESTMENTS</b>			
<b>Intangible assets</b>			
Concessions, patents, licences	39	47	42
<b>Total intangible assets</b>	<b>39</b>	<b>47</b>	<b>42</b>
<b>Fixed Assets</b>			
Land, buildings and other property	5 457 779	5 516 113	5 472 362
Other fixed assets and inventory	86 331	25 270	93 719
Advance payments for fixed assets	11 524		
<b>Total fixed assets</b>	<b>5 555 634</b>	<b>5 541 383</b>	<b>5 571 843</b>
<b>Long-term financial investments</b>			
Investments in subsidiaries	3 000		3 000
Loans to subsidiaries	60 000		60 000
<b>Long-term financial investments, total</b>	<b>63 000</b>		<b>63 000</b>
<b>Non-current assets, total</b>	<b>5 618 673</b>	<b>5 541 430</b>	<b>5 634 885</b>
<b>Debtors</b>			
Customers and client debts	53 234	10 430	8 383
Other debtors	76 773	24 158	22 372
Future period	4 432	4 694	5 312
Future period expenses	36 107	0	38 793
<b>Total debtors</b>	<b>170 546</b>	<b>39 282</b>	<b>74 860</b>
<b>Cash</b>	<b>260 331</b>	<b>278 193</b>	<b>343 338</b>
<b>Total Current assets</b>	<b>430 877</b>	<b>317 475</b>	<b>418 198</b>
<b>TOTAL ASSETS</b>	<b>6 040 550</b>	<b>5 858 905</b>	<b>6 053 083</b>



LIABILITIES			
	EUR	EUR	EUR
	31.03.2019	31.03.2018	31.12.2018
<b>Stockholder's Equity</b>			
Common stock	2 722 492	2 722 492	2 722 492
Long-term investments revaluation reserve	657 470	665 655	657 470
Other reserves	44 477	44 477	44 477
<b>Total accumulation</b>			
Retained earnings from the previous years	-81 389	-318 072	-318 072
Retained earnings of the financial years	35 196	30 847	236 683
<b>Total stockholder's equity</b>	<b>3 378 246</b>	<b>3 145 399</b>	<b>3 343 050</b>
<b>LIABILITIES</b>			
<b>Long-term liabilities</b>			
Borrowings from credit institutions	2 318 174	2 432 612	2 318 174
Prepayments from buyers	47 273	30 547	47 273
Other liabilities	57 117		57 117
<b>Total long-term liabilities</b>	<b>2 422 564</b>	<b>2 463 159</b>	<b>2 422 564</b>
<b>Current liabilities</b>			
Borrowings from credit institutions	120 000	105 257	144 000
Accounts payable	37 679	51 936	45 778
Taxes and social security payments	25 458	39 404	20 992
Other liabilities	14 599	12 553	13 139
Other borrowings	9 728	1 321	13 445
Accrued liabilities	22 573	24 986	24 457
Prepayments from buyers	18 703	14 890	25 658
<b>Total current liabilities</b>	<b>248 740</b>	<b>250 347</b>	<b>287 469</b>
<b>Total liabilities</b>	<b>2 671 304</b>	<b>2 713 506</b>	<b>2 710 033</b>
<b>TOTAL LIABILITIES&amp;STOCKHOLDER'S EQUITY</b>	<b>6 049 550</b>	<b>5 858 905</b>	<b>6 053 083</b>



**PROFIT AND LOSSES ACCOUNT FOR YEAR, WHICH ENDS  
ON MARCH 31.2019.**

		<b>EUR 31.03.2019 -</b>	<b>EUR 31.03.2018 -</b>
<b>1</b>	<b>2</b>	<b>4</b>	<b>4</b>
Net turnover		305 349	285 280
Cost of goods sold	1	-209 284	-215 381
<b>Gross profit</b>		<b>96 065</b>	<b>69 899</b>
Administrative expenses	2	-28 746	-26 068
Other income from operations	3	329	15 050
Other expenses from operations	4	-387	- 1 099
Financial services expenses	6	-32 065	-26 935
<b>Profit before taxes</b>		<b>35 196</b>	<b>30 847</b>
Other taxes	7	0	0
<b>Net profit</b>		<b>35 196</b>	<b>30 847</b>

**Earnings per share (EPS) on**

**31.03.2018 – 0.01 EUR**

**31.03.2019 -0.01 EUR**

Chairman of the Board

G.Feņuks

Member of the Board

T.Kampāne



**CASH FLOW STATEMENT FOR YEAR THAT ENDS ON MARCH 31, 2019**

	<b>2019 31.03.</b>	<b>2018 31.03.</b>	<b>2018 31.12.</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before outstanding items and taxes (+)	<b>35 196</b>	<b>30 847</b>	<b>236 683</b>
<i>Adjustments:</i>			
fixed assets depreciation (+)	21 971	16 706	76 244
intangible assets depreciation (+)	2	2	7
financial services income	32 065	26 935	112 374
<b>Profit or losses before adjustments from current assets and liabilities</b>	<b>89 234</b>	<b>74 490</b>	<b>425 308</b>
<i>Adjustments:</i>			
debtors : increase (-); decrease (+)	-95 686	47 325	-11 809
liabilities: increase (-); decrease (+)	-16 773	10 093	99 856
<b>Gross cash provide by operating activities</b>			
Payments for financial	-32 065	-26 935	-112 374
<b>Net cash provided by operating activities before outstanding items:</b>			
Cash flow from outstanding items (-/+)			
<b>Net cash provided by operating activities :</b>	<b>-55 290</b>	<b>104 973</b>	<b>400 981</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES :</b>			
Fixed assets purchase	0	0	-84 236
Loans to subsidiaries			-60 000
Interest in related companies			-3 000
<b>II. Net cash used in investing activities :</b>	<b>0</b>	<b>0</b>	<b>-147 236</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Payments for leased fixed assets	-3 717	-3 754	-11 686
Expenses for borrowings repayment	-24 000	-35 086	-110 781
<b>Net cash provided by financing activities :</b>	<b>-27 717</b>	<b>-38 840</b>	<b>-122 467</b>
<b>Net cash flow</b>	<b>-83 007</b>	<b>66 133</b>	<b>131 278</b>
<b>IV. CASH AT BEGINNING OF YEAR</b>	<b>343 338</b>	<b>212 060</b>	<b>212 060</b>
<b>CASH AT END OF YEAR</b>	<b>260 331</b>	<b>278 193</b>	<b>343 338</b>



**STATEMENT OF CHANGES IN EQUITY FOR YEAR THAT ENDS ON  
MARCH 31, 2019**

	<b>31.03.2019 EUR</b>	<b>31.03.2018 EUR</b>	<b>31.12.2018 EUR</b>
<b>Stockholder's equity</b>			
Balance at the beginning of the financial year	2 722 492	2 722 492	2 722 492
Increase from			
Decrease from			
Balance at the end of the financial year	2 722 492	2 722 492	2 722 492
<b>Long-term investments revaluation reserve</b>			
Balance at the beginning of the financial year	657 470	665 655	665 655
Increase from			
Decrease from			-8 185
Balance at the end of the financial year	657 470	665 655	657 470
<b>Accumulations</b>			
Balance at the beginning of the financial year	44 477	44 477	44 477
Increase from			
Decrease from			
Balance at the end of the financial year	44 477	44 477	44 477
<b>Retained earnings</b>			
Balance at the beginning of the financial year	-81 389	-318 072	-318 072
Profit or losses of the financial year	35 196	30 847	236 683
Dividendes			
Included in accumulations			
Balance at the end of the financial year	-46 193	-287 225	-81 389
<b>Stockholder's equity (total)</b>			
Balance at the beginning of the financial year	<b>3 343 050</b>	<b>3 114 552</b>	<b>3 114 552</b>
Balance at the end of the financial year	<b>3 378 246</b>	<b>3 145 399</b>	<b>3 343 050</b>

**(1) Net turnover**

Turnover consists of revenues that the Company gained in the first three months of 2019 from its core business-service provision without VAT

Type of commercial operations	2019.03.31	2018.03.31
	EUR	EUR
power supply, distribution and servicing	41 247	86 059
Rental income	178 864	110 488
utility services	85 238	88 733
<b>Total</b>	<b>305 349</b>	<b>285 280</b>

**Distribution of net turnover by geographical markets**

Country	2019.03.31	2018.03.31
	EUR	EUR
Latvia	305 349	285 280
<b>Total</b>	<b>305 349</b>	<b>285 280</b>

**(2) Cost of sales**

	2019.03.31	2018.03.31
	EUR	EUR
labor and social payments	48 711	47 967
depreciation	21 971	16 707
cash turnover expenses	166	109
transport	3 709	1 484
residential services (electricity, water....)	91 398	118 338
personnel training	0	53
telecommunication service	263	259
other costs tied to commercial operations	38 264	24 998
intangible asset depreciation	2	2
insurance (buildings)	1 087	1 793
real estate tax (buildings ,land)	1 887	2 432
land rent to LPA	1 826	1 792
<b>Total</b>	<b>209 284</b>	<b>215 381</b>



(3) Costs of administration	2019.03.31	2018.03.31
	EUR	EUR
labor and social payments	22 989	20 915
telecommunication service	263	259
office supplies	126	291
transport expenses for administrative needs	3 709	1 484
representative expenses	460	0
legal assistance or raid	309	1 339
NASDAQ annual fee	890	1 780
<b>Total</b>	<b>28 746</b>	<b>26 068</b>

  

(4) Other revenues from commercial operation	2019.03.31	2018.03.31
	EUR	EUR
finances	327	130
other income	2	14 920
<b>Total</b>	<b>329</b>	<b>15 050</b>

  

(5) Other costs of commercial operations	2019.03.31	2018.03.31
	EUR	EUR
allowances and bonuses	387	363
donations	0	736
<b>Total</b>	<b>387</b>	<b>1 099</b>

  

(6) Payments of interest and similar expenses	2019.03.31	2018.03.31
	EUR	EUR
credit interests	31 723	26 913
interest to SEB Līzings	342	22
<b>Total</b>	<b>32 065</b>	<b>26 935</b>