



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

JOINT STOCK COMPANY VEF
(Unified registration number 40003001328)

NON- AUDITED FINANCIAL STATEMENTS
For the period ended on September 30, 2019
In accordance with the Law of the Republic of Latvia



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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 Phone: 7270618.
Equity capital ¹ :	EUR 2 722 492 paid and registered equity capital.
Core businesses:	*Power supply - distribution of power; *Letting and renting of real-estate property
Name of the holder of shares and share capital (%)	As on September 30, 2018: *VEF KOMUNIKĀCIJU SERVISS SIA - 45.52 % ; * Laila Līduma - 6.31 %; * Tamāra Kampāne - 11.68 % ; * Gints Feņuks -24.50 % ; *Other shareholders - 11.99 %.
Subsidiary	SIA „VEF Projekts „ (100%)”, Brivibas gatve 214,Rīga
Chief executive officer:	Chairman of the Board of the Company: GINTS FENUKS
Members of the Board:	TAMĀRA KAMPĀNE MARTINS CAUNA MODRIS ZOMMERS
Members of the Supervisory Council:	EGILS ARAJS LAILA LIDUMA GUNTIS LIPINŠ ERVINS KAMPANS
Period of account:	01.01.2019. - 30.09.2019.
Qualified auditor:	GUNTA DARKEVICA. Certificate Nbr.165

¹ Paid-up and registered equity capital 2 722 492 common shares
The company's capital consists of the 623 528 bearer shares and 1 321 109 registered shares
Nominal value of a common share is EUR 1.40.



Report on the Management Board's responsibility to the non-audited financial statement of JSC „VEF” for the nine 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 September 30, 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 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
	30.09.2019	30.09.2018	31.12.2018
LONG-TERM INVESTMENTS			
Intangible assets			
Concessions, patents, licences	36	43	42
Total intangible assets	36	43	42
Fixed Assets			
Land, buildings and other property	5 514 711	5 486 946	5 472 362
Other fixed assets and inventory	102 432	101 107	93 719
Advance payments for fixed assets	0	0	5 762
Total fixed assets	5 617 143	5 588 053	5 571 843
Long- term financial investments			
Investments in subsidiary	3 000	3 000	3 000
Loans to subsidiary	60 000	40 000	60 000
Total financial investments	63 000	43 000	63 000
Total long-term investments	5 680 179	5 631 096	5 634 885
Current assets			
Debtors			
Customers and client debts	9 360	54 816	8 383
Other debtors	24 023	22 908	22 372
Future period expenses	2 691	2 262	5 312
Future period income	27 163	0	38 793
Total debtors	63 237	79 986	74 860
Cash	339 576	308 649	343 338
Total Current assets	402 813	388 635	418 198
TOTAL ASSETS	6 082 992	6 019 731	6 053 083



LIABILITIES			
	EUR	EUR	EUR
	30.09.2019	30.09.2018	31.12.2018
Stockholder's Equity			
Common stock	2 722 492	2 722 492	2 722 492
Long-term investments revaluation reserve	657 470	665 655	657 470
Rezerve	44 477	44 477	44 477
Total accumulation			
Retained earnings from the previous years	-81 389	-318 072	-318 072
Retained earnings of the financial years	108 403	199 743	236 683
Total stockholder's equity	3 451 453	3 314 295	3 343 050
LIABILITIES			
Long-term liabilities			
Borrowings from credit institutions	2 318 174	2 432 612	2 318 174
Prepayments from buyers	47 273	30 547	47 273
Other liabilities	84 331	70 561	57 117
Total long-term liabilities	2 449 778	2 533 720	2 422 564
Current liabilities			
Borrowings from credit institutions	42 000	53 562	144 000
Accounts payable	52 964	33 870	45 778
Taxes and social security payments	26 225	28 938	20 992
Other liabilities	12 431	11 975	13 139
Prepayments from buyers	21 890	17 830	25 658
Accrued liabilities	22 573	21 846	24 457
Other loans	3 678	3 695	13 445
Total current liabilities	181 761	171 716	287 469
Total liabilities	2 631 539	2 705 436	2 710 033
TOTAL LIABILITIES&STOCKHOLDER'S EQUITY	6 082 992	6 019 731	6 053 083

EQUITY

**PROFIT AND LOSSES ACCOUNT FOR YEAR, WHICH ENDS ON SEPTEMBER
30.2019.**

		EUR 30.09.2019	EUR 30.09.2018	EUR 31.12.2018
1	2	3	4	5
Net turnover	1	847 399	955 012	1 254 476
Cost of goods sold	2	-558 587	-605 628	-808 380
Gross profit		288 812	349 384	446 096
Administrative expenses	3	-84 220	-85 230	-120 548
Other income from operations	4	4 521	16 045	25 802
Other expenses from operations	5	-3 253	-1 827	-2 293
Financial services expenses	6	-97 457	-78 629	-112 374
Profit before taxes		108 403	199 743	236 683
Net profit		108 403	199 743	236 683

Earnings per share (EPS)
on 30.09.2018-0.10 EUR

Earnings per share (EPS)
on 30.09.2019- 0.06 EUR

Chairman of the Board

G.Feņuks

Member of
the Board

T.Kampane



CASH FLOW STATEMENT FOR YEAR THAT ENDS ON SEPTEMBER 30, 2019

		2019	2018	2018
		30.09.	30.09.	31.12.
		EUR	EUR	EUR
I.	CASH FLOW FROM OPERATING ACTIVITIES			
	Profit before outstanding items and taxes (+)	108 403	199 743	236 683
	<i>Adjustments:</i>			
	fixed assets depreciation (+)	68 332	54 273	76 244
	intangible assets depreciation (+)	5	5	7
	financial services income	97 457	78 629	112 374
	<i>Profit or losses before adjustments from current assets and liabilities</i>	274 197	332 650	425 308
	<i>Adjustments:</i>			
	debtors : increase (-); decrease (+)	11 623	6 621	-11 809
	liabilities: increase (-); decrease (+)	42 477	-11 213	99 856
	<i>Gross cash provide by operating activities</i>	328 297	328 058	513 355
	Payments for financial	-97 457	-78 629	-112 374
	<i>Net cash provided by operating activities before outstanding items:</i>	230 840	249 429	400 981
	Cash flow from outstanding items (-/+)			
	Net cash provided by operating activities :	230 840	249 429	400 981
	CASH FLOWS FROM INVESTING ACTIVITIES :			
	Fixed assets purchase	-119 394	0	-84 236
II.	Investments in subsidiary	0	3 000	-3 000
	Loans to subsidiary	0	40 000	-60 000
	Net cash used in investing activities :	-119 394	43 000	-147 236
	CASH FLOWS FROM FINANCING ACTIVITIES:			
	Expenses for borrowings repayment	-102 000	-86 781	-110 781
III.	Payment Līzings,	-13 208	-23 059	-11 686
	Net cash provided by financing activities :	-115 208	-109 840	-122 467
	Net cash flom	-3 762	96 589	131 278
	CASH AT BEGINNING OF YEAR	343 338	212 060	212 060
	CASH AT END OF YEAR	339 576	308 649	343 338

**STATEMENT OF CHANGES IN EQUITY FOR YEAR THAT ENDS ON
SEPTEMBER 30, 2019**

	30.09.2019 EUR	30.09.2018 EUR	31.12.2018 EUR
Stockholder's equity			
Balance at the beginning of the financial year	2 722 492	2 722 492	2 722 492
Increase from			
Decrease from denomination of shares from lats to euro			
Balance at the end of the financial year	2 722 492	2 722 492	2 722 492
Long-term investments revaluation reserve			
Balance at the beginning of the financial year	657 470	665 655	673 774
Increase from			
Decrease from			- 8 185
Balance at the end of the financial year	657 470	665 655	657 470
Accumulations			
Balance at the beginning of the financial year	44 477	44 477	44 477
Increase from denomination of shares from lats to euro			
Decrease from			
Balance at the end of the financial year	44 477	44 477	44 477
Retained earnings			
Balance at the beginning of the financial year	-81 389	-318 072	-318 072
Profit or losses of the financial year	108 403	199 743	236 683
Dividendes			
Included in accumulations			
Balance at the end of the financial year	27 014	-118 329	-81 389
Stockholder's equity (total)			
Balance at the beginning of the financial year	3 343 050	3 114 552	3 114 552
Balance at the end of the financial year	3 451 453	3 314 295	3 343 050

**(1) Net turnover**

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

Type of commercial operations	2019.09.30	2018.09.30
	EUR	EUR
power supply, distribution and servicing	90 600	212 552
office renting service	558 355	512 304
utility services	198 444	230 156
Total	847 399	955 012

Distribution of net turnover by geographical markets

Country	2019.09.30	2018.09.30
	EUR	EUR
Latvia	847 399	955 012
Total	847 399	955 012

(2) Cost of sales

	2019.09.30	2018.09.30
	EUR	EUR
labor and social payments	163 580	145 818
depreciation	68 332	54 273
transport	11 120	10 643
residential services (electricity, water)	194 194	287 279
personnel training	106	53
telecommunication service	651	972
other costs tied to commercial operations	104 546	88 070
insurance (buildings)	3 664	3 839
land rent to LPA	3 653	4 607
depreciation of license	5	5
real estate tax (buildings, land)	8 179	9 728
cash turnover expenses	557	341
Total	558 587	605 628



(3) Costs of administration	2019.09.30	2018.09.30
	EUR	EUR
labor and social payments	60 968	62 745
telecommunication service	650	972
office supplies	415	1 100
transport expenses for administrative needs	11 120	10 643
representative expenses, personal cost	2 144	0
legal assistance or raid	3 294	3 402
NASDAQ RIGA annual fee	4 450	5 469
business travel expenses	1 179	899
Total	84 220	85 230

(4) Other revenues from commercial operation	2019.09.30	2018.09.30
	EUR	EUR
finances	518	705
other revenues	4 003	15 340
Total	4 521	16 045

(5) Other costs of commercial operations	2019.09.30	2018.09.30
	EUR	EUR
donations to Latvian orphans fund	0	737
allowances and bonuses	2 711	1 090
finances	42	0
other costs	500	0
Total	3 253	1 827

(6) Payments of interest and similar expenses	2019.09.30	2018.09.30
	EUR	EUR
credit interests	96 346	78 291
Līzinga interest	1 111	338
Total	97 457	78 629



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