



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, 2018



CONTENTS

General information

Report on the Management Board's responsibility

Balance sheet

Income statement

Cash flow statement

Statement of changes in equity

Notes to the financial statement



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:	01.01.2018. - 30.09.2018.
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 2018.

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, 2018.

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
	30.09.2018	30.09.2017	31.12.2017
LONG-TERM INVESTMENTS			
Intangible assets			
Concessions, patents, licences	43	50	49
Total intangible assets	43	50	49
Fixed Assets			
Land, buildings and other property	5 486 946	5 507 022	5 530 695
Other fixed assets and inventory	101 107	28 049	27 393
Total fixed assets	5 588 053	5 535 071	5 558 088
Long- term financial investments			
Investments in subsidiary	3 000	0	0
Loans to subsidiary	40 000	0	0
Total financial investments	43 000	0	0
Total long-term investments	5 631 096	5 535 121	5 558 137
Current assets			
Debtors			
Customers and client debts	54 816	38 488	11 488
Other debtors	22 908	46 773	20 073
Future period expenses	2 262	4 314	5 318
Future period income	0	0	49 728
Total debtors	79 986	89 575	86 607
Cash	308 649	138 466	212 060
Total Current assets	388 635	228 041	298 667
TOTAL ASSETS	6 019 731	5 763 162	5 856 804



LIABILITIES			
	EUR	EUR	EUR
	30.09.2018	30.09.2017	31.12.2017
Stockholder's Equity			
Common stock	2 722 492	2 722 492	2 722 492
Long-term investments revaluation reserve	665 655	673 774	665 655
Rezerve	44 477	44 477	44 477
Total accumulation			
Retained earnings from the previous years	-318 072	-570 644	-570 644
Retained earnings of the financial years	199 743	136 415	252 572
Total stockholder's equity	3 314 295	3 006 514	3 114 552
LIABILITIES			
Long-term liabilities			
Borrowings from credit institutions	2 432 612	2 572 955	2 432 612
Prepayments from buyers	30 547	30 547	30 547
Other liabilities	70 561	0	0
Total long-term liabilities	2 533 720	2 603 502	2 463 159
Current liabilities			
Borrowings from credit institutions	53 562	35 087	140 343
Accounts payable	33 870	40 383	50 320
Taxes and social security payments	28 938	19 992	32 782
Other liabilities	11 975	17 195	9 234
Prepayments from buyers	17 830	16 380	16 353
Accrued liabilities	21 846	15 701	24 896
Other loans	3 695	8 408	5 075
Total current liabilities	171 716	153 146	279 093
Total liabilities	2 705 436	2 756 648	2 742 252
TOTAL LIABILITIES&STOCKHOLDER'S EQUITY	6 019 731	5 763 162	5 856 804

EQUITY

**PROFIT AND LOSSES ACCOUNT FOR YEAR, WHICH ENDS ON SEPTEMBER
30.2018.**

		EUR 30.09.2018	EUR 30.09.2017	EUR 31.12.2017
1	2	3	4	5
Net turnover	1	955 012	921 962	1 299 550
Cost of goods sold	2	-605 628	-627 506	-826 878
Gross profit		349 384	294 456	472 672
Administrative expenses	3	-85 230	-82 179	-104 510
Other income from operations	4	16 045	2 806	25 886
Other expenses from operations	5	-1 827	-1 567	-30 211
Financial services expenses	6	-78 629	-77 101	-105 483
Profit before taxes		199 743	136 415	258 354
Corporate income tax		0	0	-5 782
Net profit		199 743	136 415	252 572

Earnings per share (EPS)
on 30.09.2017-0.05 EUR

Earnings per share (EPS)
on 30.09.2018- 0.10 EUR

Chairman of the Board

G.Feņuks

Member of the Board

T.Kampane



CASH FLOW STATEMENT FOR YEAR THAT ENDS ON SEPTEMBER 30, 2018

		2018 30.09.	2017 30.09.	2017 31.12.
		EUR	EUR	EUR
I.	CASH FLOW FROM OPERATING ACTIVITIES			
	Profit before outstanding items and taxes (+)	199 743	136 415	258 354
	<i>Adjustments:</i>			
	fixed assets depreciation (+)	54 273	54 157	70 739
	intangible assets depreciation (+)	5	5	7
	increase/decrease in provisions	0	0	0
	financial services income	78 629	77 101	105 483
	<i>Profit or losses before adjustments from current assets and liabilities</i>	332 650	267 678	434 583
	<i>Adjustments:</i>			
	debtors : increase (-); decrease (+)	6 621	57 971	60 939
	liabilities: increase (-); decrease (+)	-11 213	-22 806	-12 204
	<i>Gross cash provide by operating activities</i>	328 058	302 843	483 318
	Payments for financial	-78 629	-77 101	-105 483
	Income tax payments	0	0	0
	<i>Net cash provided by operating activities before outstanding items:</i>	249 429	225 742	377 835
	Cash flow from outstanding items (-/+)			
	Net cash provided by operating activities :	249 429	225 742	377 835
II.	CASH FLOWS FROM INVESTING ACTIVITIES :			
	Fixed assets purchase	0	-87 606	-127 205
	Investments in subsidiary	3 000	0	0
	Loans to subsidiary	40 000	0	0
	Net cash used in investing activities :	43 000	-87 606	-127 205
III.	CASH FLOWS FROM FINANCING ACTIVITIES:			
	Expenses for borrowings repayment	-86 781	-105 257	-140 343
	Payment Līzings,	-23 059	14 781	-18 595
	Net cash provided by financing activities :	-109 840	-120 038	-158 938
	Net cash flom	96 589	18 098	91 692
	CASH AT BEGINNING OF YEAR	212 060	120 368	120 368
	CASH AT END OF YEAR	308 649	138 466	212 060

**STATEMENT OF CHANGES IN EQUITY FOR YEAR THAT ENDS ON
SEPTEMBER 30, 2018**

	30.09.2018 EUR	30.09.2017 EUR	31.12.2017 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	665 655	673 774	673 774
Increase from			
Decrease from			- 8 119
Balance at the end of the financial year	665 655	673 774	665 655
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	-318 072	-570 644	-570 644
Profit or losses of the financial year	199 743	136 415	252 572
Dividendes			
Included in accumulations			
Balance at the end of the financial year	-118 329	-434 229	-318 072
Stockholder's equity (total)			
Balance at the beginning of the financial year	3 114 522	2 870 099	2 870 099
Balance at the end of the financial year	3 314 295	3 006 514	3 114 522

**(1) Net turnover**

Turnover consists of revenues that the Company gained in the first nine months of 2018 from its core business-service provision without VAT

Type of commercial operations	2018.09.30	2017.09.30
	EUR	EUR
power supply, distribution and servicing	212 552	232 005
office renting service	512 304	478 965
utility services	230 156	210 992
Total	955 012	921 962

Distribution of net turnover by geographical markets

Country	2018.09.30	2017.09.30
	EUR	EUR
Latvia	955 012	921 962
Total	955 012	921 962

(2) Cost of sales

	2018.09.30	2017.09.30
	EUR	EUR
labor and social payments	145 818	135 363
depreciation	54 273	54 157
transport	10 643	8 740
residential services (electricity, water)	287 279	305 780
personnel training	53	78
telecommunication service	972	1 189
other costs tied to commercial operations	88 070	89 499
insurance (buildings)	3 839	3 903
land rent to LPA	4 607	5 380
depreciation of license	5	5
real estate tax (buildings, land)	9 728	23 167
cash turnover expenses	341	245
Total	605 628	627 506



(3) Costs of administration	2018.09.30	2017.09.30
	EUR	EUR
labor and social payments	62 745	61 182
telecommunication service	972	1 189
office supplies	1 100	164
transport expenses for administrative needs	10 643	8 740
representative expenses	0	124
legal assistance or raid	3 402	5 440
NASDAQ RIGA annual fee	5 469	5 340
business travel expenses	899	0
Total	85 230	82 179

(4) Other revenues from commercial operation	2018.09.30	2017.09.30
	EUR	EUR
finances	705	1 691
other revenues	15 340	1 115
Total	16 045	2 806

(5) Other costs of commercial operations	2018.09.30	2017.09.30
	EUR	EUR
60% of representative costs	0	225
donations to Latvian orphans fund	737	200
allowances and bonuses	1 090	1 048
provisions for doubtful debts	0	54
finances	0	40
Total	1 827	1 567

(6) Payments of interest and similar expenses	2018.09.30	2017.09.30
	EUR	EUR
credit interests	78 291	76 783
Līzinga interest	338	318
Total	78 629	77 101



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