



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, 2018



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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 ¹ :	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
Members of the Supervisory Council:	MODRIS ZOMMERS ERVINS KAMPANS EGILS ARAJS GUNTIS LIPIŅŠ LAILA LIDUMA 01.01.2018. - 31.03.2018.
Period of account:	GUNTA DARKEVICA. Certificate Nbr.165
Qualified auditor:	



Report on the Management Board's responsibility to the non-audited financial statement of JSC „VEF” for the three 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 March 31, 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 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
	31.03.2018	31.03.2017	31.12.2017
LONG-TERM INVESTMENTS			
Intangible assets			
Concessions, patents, licences	47	54	49
Total intangible assets	47	54	49
Fixed Assets			
Land, buildings and other property	5 516 113	5 454 716	5 530 695
Other fixed assets and inventory	25 270	26 330	27 393
Total fixed assets	5 541 383	5 481 046	5 558 088
Total long-term investments	5 541 430	5 481 100	5 558 137
Debtors			
Customers and client debts	10 430	76 973	11 488
Other debtors	24 158	18 884	20 073
Future period	0	0	49 728
Future period expenses	4 694	5 430	5 318
Total debtors	39 282	101 287	86 607
Cash	278 193	195 425	212 060
Total Current assets	317 475	296 712	298 667
TOTAL ASSETS	5 858 905	5 777 812	5 856 804



LIABILITIES			
	EUR	EUR	EUR
	31.03.2018	31.03.2017	31.12.2017
Stockholder's Equity			
Common stock	2 722 492	2 722 492	2 722 492
Long-term investments revaluation reserve	665 655	673 744	665 655
Other reserves	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	30 847	53 054	252 572
Total stockholder's equity	3 145 399	2 923 153	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	21 475	30 547
Total long-term liabilities	2 463 159	2 594 430	2 463 159
Current liabilities			
Borrowings from credit institutions	105 257	105 257	140 343
Accounts payable	51 936	52 674	50 320
Taxes and social security payments	39 404	31 292	32 782
Other liabilities	12 553	7 555	9 234
Other borrowings	1 321	18 768	5 075
Accrued liabilities	24 986	15 701	24 986
Prepayments from buyers	14 890	28 982	16 353
Total current liabilities	250 347	260 229	279 093
Total liabilities	2 713 506	2 854 659	2 742 252
TOTAL LIABILITIES&STOCKHOLDER'S EQUITY	5 858 905	5 777 812	5 856 804

**PROFIT AND LOSSES ACCOUNT FOR YEAR, WHICH ENDS
ON MARCH 31.2018.**

		EUR 31.03.2018 -	EUR 31.03.2017 -
1	2	4	4
Net turnover		285 280	330 832
Cost of goods sold	1	-215 381	-233 559
Gross profit		69 899	97 273
Administrative expenses	2	-26 068	-24 342
Other income from operations	3	15 050	350
Other expenses from operations	4	-1 099	-391
Financial services expenses	5	-26 935	-19 836
Profit before taxes		30 847	53 054
Other taxes	6	0	0
Net profit		30 847	53 054

Earnings per share (EPS) on**31.03.2018 – 0.02 EUR****31.03.2017 -0.03 EUR**

Chairman of the Board

G.Feņuks

Member of the Board

T.Kampāne



CASH FLOW STATEMENT FOR YEAR THAT ENDS ON MARCH 31, 2018

	2018 31.03.	2017 31.03.	2017 31.12.
	EUR	EUR	EUR
I. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before outstanding items and taxes (+)	30 847	53 054	258 354
<i>Adjustments:</i>			
fixed assets depreciation (+)	16 706	20 577	70 739
intangible assets depreciation (+)	2	2	7
financial services income	26 935	19 836	105 483
Profit or losses before adjustments from current assets and liabilities	74 490	93 469	434 583
<i>Adjustments:</i>			
debtors : increase (-); decrease (+)	47 325	46 259	60 939
liabilities: increase (-); decrease (+)	10 093	-4 847	-12 204
Gross cash provide by operating activities	131 908	134 881	483 318
Payments for financial	-26 935	-19 836	-105 483
Net cash provided by operating activities before outstanding items:	104 973	115 045	377 835
Cash flow from outstanding items (-/+)		0	
Net cash provided by operating activities :	104 973	115 045	377 835
CASH FLOWS FROM INVESTING ACTIVITIES :			
Fixed assets purchase	0	0	-127 205
II. Net cash used in investing activities :	0	0	-127 205
CASH FLOWS FROM FINANCING ACTIVITIES:			
Expenses for borrowings repayment	-35 086	-35 086	-140 343
Expenses on lease liabilities	-3 754	-4 902	-18 595
III. Net cash provided by financing activities :	-38 840	-39 988	-158 938
Exchange rate fluctuation result :			
Net cash flom	66 133	75 057	91 692
IV. CASH AT BEGINNING OF YEAR	212 060	120 368	120 368
CASH AT END OF YEAR	278 193	195 425	212 060

**STATEMENT OF CHANGES IN EQUITY FOR YEAR THAT ENDS ON
MARCH 31, 2018**

	31.03.2018 EUR	31.03.2017 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			
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			
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	30 847	53 054	252 572
Dividends			
Included in accumulations			
Balance at the end of the financial year	-287 225	-517 590	-318 072
Stockholder's equity (total)			
Balance at the beginning of the financial year	3 114 552	2 870 099	2 870 099
Balance at the end of the financial year	3 145 399	2 923 153	3 114 552

**(1) Net turnover**

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

Type of commercial operations	2018.03.31	2017.03.31
	EUR	EUR
power supply, distribution and servicing	86 059	79 892
Rental income	110 488	160 748
utility services	88 733	90 192
Total	285 280	330 832

Distribution of net turnover by geographical markets

Country	2018.03.31	2017.03.31
	EUR	EUR
Latvia	285 280	330 832
Total	285 280	330 832

(2) Cost of sales

	2018.03.31	2017.03.31
	EUR	EUR
labor and social payments	47 967	40 249
depreciation	16 707	20 577
cash turnover expenses	109	109
transport	1 484	3 546
residential services (electricity, water....)	118 338	129 357
personnel training	53	25
telecommunication service	259	481
other costs tied to commercial operations	24 998	28 435
intangible asset depreciation	2	2
insurance (buildings)	1 239	1 263
real estate tax (buildings ,land)	2 432	7 722
land rent to LPA	1 793	1 793
Total	215 381	233 559

**(3) Costs of administration**

	2018.03.31	2017.03.31
	EUR	EUR
labor and social payments	20 915	17 764
telecommunication service	259	481
office supplies	291	119
transport expenses for administrative needs	1 484	3 135
representative expenses 40%	0	12
legal assistance or raid	1 339	1 051
NASDAQ annual fee	1 780	1 780
Total	26 068	24 342

(4) Other revenues from commercial operation

	2018.03.31	2017.03.31
	EUR	EUR
finances	130	329
other income	14 920	21
Total	15 050	350

(5) Other costs of commercial operations

	2018.03.31	2017.03.31
	EUR	EUR
60% of representative costs	0	22
allowances and bonuses	363	349
donations	736	0
finances	0	20
Total	1 099	391

(6) Payments of interest and similar expenses

	2018.03.31	2017.03.31
	EUR	EUR
credit interests	26 913	19 700
Interest to Swedbank Līzings	0	29
interest to SEB Līzings	22	107
Total	26 935	19 836