



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, 2017



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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
Name of the holder of shares And share capital (%) ² :	As on march 31. 2017 ; *VEF KOMUNIKĀCIJU SERVISS SIA” 45.52 % ; * Laila Līduma 6.31 % ; * Tamāra Kampāne 10.41 % ; * Gints Feņuks 24.50 % ; *Other shareholders 13.26 % .
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 01.01.2017. - 31.03.2017.
Period of account:	GUNTA DARKEVICA. Certificate Nbr.165
Qualified auditor:	

¹ Paid-up and registered equity capital EUR 2 722 492

² 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 2017

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, 2017.

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
	31.03.2017	31.03.2016	31.12.2016
LONG-TERM INVESTMENTS			
Intangible assets			
Concessions, patents, licences	54	88	56
Total intangible assets	54	88	56
Fixed Assets			
Land, buildings and other property	5 454 716	5 511 858	5 469 001
Other fixed assets and inventory	26 330	24 444	32 621
Advance payments for fixed assets	0	31 400	0
Total fixed assets	5 481 046	5 567 702	5 501 622
Total long-term investments	5 481 100	5 567 790	5 501 678
Debtors			
Customers and client debts	76 973	77 886	73 367
Other debtors	18 884	16 430	9 144
Future period	0	0	60 230
Future period expenses	5 430	2 092	4 085
Total debtors	101 287	96 408	147 546
Cash	195 425	84 629	120 368
Total Current assets	296 712	181 037	267 914
TOTAL ASSETS	5 777 812	5 748 827	5 769 592



LIABILITIES			
	EUR	EUR	EUR
	31.03.2017	31.03.2016	31.12.2016
Stockholder's Equity			
Common stock	2 722 492	2 722 492	2 722 492
Long-term investments revaluation reserve	673 744	805 396	673 744
Other reserves	44 477	44 477	44 477
Total accumulation			
Retained earnings from the previous years	-570 644	-1 069 412	-875 629
Retained earnings of the financial years	53 054	18 791	304 985
Total stockholder's equity	2 923 153	2 521 744	2 870 099
PROVISIONS			
Other provisions	0	13 056	0
Total provisions	0	13 056	0
LIABILITIES			
Long-term liabilities			
Borrowings from credit institutions	2 572 955	2 713 298	2 572 955
Prepayments from buyers	21 475	39 608	30 547
Other liabilities	0	24 824	0
Deferred tax liability	0	209 998	0
Total long-term liabilities	2 594 430	2 987 727	2 603 502
Current liabilities			
Borrowings from credit institutions	105 257	105 257	140 343
Accounts payable	52 674	49 683	54 625
Taxes and social security payments	31 292	37 245	27 297
Other liabilities	7 555	8 597	10 083
Other borrowings	18 768	14 021	23 670
Accrued liabilities	15 701	0	19 501
Prepayments from buyers	28 982	11 497	20 472
Total current liabilities	260 229	226 300	295 991
Total liabilities	2 854 659	3 214 027	2 899 493
TOTAL LIABILITIES&STOCKHOLDER'S EQUITY	5 777 812	5 748 827	5 769 592



**PROFIT AND LOSSES ACCOUNT FOR YEAR, WHICH ENDS
ON MARCH 31.2017.**

		EUR 31.03.2017 -	EUR 31.03.2016 -
1	2	4	4
Net turnover		330 832	323 486
Cost of goods sold	1	-233 559	-225 063
Gross profit		97 273	98 423
Selling expenses			
Administrative expenses	2	-24 342	-29 181
Other income from operations	3	350	1 476
Other expenses from operations	4	-391	-568
Financial services income	5	0	0
Financial services expenses	6	-19 836	-31 135
Profit before taxes		53 054	39 015
Other taxes	7	0	-4 009
Deferred tax		0	-16 215
Net profit		53 054	18 791

Earnings per share (EPS) on

31.03.2016 – 0.01 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, 2017

	2017 31.03.	20165 31.03.	2016 31.12.
	EUR	EUR	EUR
I. CASH FLOW FROM OERATING ACTIVITIES			
Profit before outstanding items and taxes (+)	53 054	39 015	304 985
<i>Adjustments:</i>			
fixed assets depreciation (+)	20 577	20 458	-45 085
intangible assets depreciation (+)	2	84	116
increase/decrease in provisions	0	0	0
profit or losses from exchange rates fluctuation (+/-)	0	0	0
financial services income	19 836	31 135	120 317
Profit or losses before adjustments from current assets and liabilities	93 469	90 692	380 333
<i>Adjustments:</i>			
debtors : increase (-); decrease (+)	46 259	1 753	- 49 395
inventory: increase (-); decrease (+)	0	0	0
liabilities: increase (-); decrease (+)	-4 847	8 430	- 8 472
Gross cash provide by operating activities	134 881	100 875	322 466
Real iestate tax paid	0	-4 009	0
Payments for financial	-19 836	-31 135	-120 317
Net cash provided by operating activities before outstanding items:	115 045	65 731	202 149
Cash flow from outstanding items (-/+)	0	0	0
Net cash provided by operating activities :	115 045	65 731	202 149
CASH FLOWS FROM INVESTING ACTIVITIES :			
Fixed assets purchase	0	-24 849	-5 722
II. Interest received	0	0	0
Net cash used in investing activities :	0	-24 849	-5 722
CASH FLOWS FROM FINANCING ACTIVITIES:			
III. Expenses for borrowings repayment	-35 086	-35 086	-140 343
Expenses on lease liabilities	-4 902	-4 801	-19 350
Net cash provided by financing activities :	-39 988	-39 887	-159 693
Exchange rate fluctuation result :		0	
IV. Net cash flom	75 057	995	36 734
CASH AT BEGINNING OF YEAR	120 368	83 634	83 634
CASH AT END OF YEAR	195 425	84 629	120 368

**STATEMENT OF CHANGES IN EQUITY FOR YEAR THAT ENDS ON
MARCH 31, 2017**

	31.03.2017 EUR	31.03.2016 EUR	31.12.2017 EUR
Stockholder's equity			
Balance at the beginning of the financial year	2 722 492	2 722 492	2 766 969
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	673 774	805 396	805 396
Increase from			
Decrease from			-131 622
Balance at the end of the financial year	673 774	805 396	673 774
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	-570 644	-1 069 412	-1 069 412
Profit or losses of the financial year	53 054	18 791	498 768
Dividendes			
Included in accumulations			
Balance at the end of the financial year	-517 590	-1 050 621	-570 644
Stockholder's equity (total)			
Balance at the beginning of the financial year	2 870 099	2 502 953	2 502 953
Balance at the end of the financial year	2 923 153	2 521 744	2 870 099

**(1) Net turnover**

Turnover consists of revenues that the Company gained in the first three months of 2017 from its core business-service provision without VAT

Type of commercial operations	2017.03.31	2016.03.31
	EUR	EUR
power supply, distribution and servicing	79 892	81 001
Rental income	160 748	159 525
utility services	90 192	82 960
Total	330 832	323 486

Distribution of net turnover by geographical markets

Country	2017.03.31	2016.03.31
	EUR	EUR
Latvia	330 832	323 486
Total	330 832	323 486

(2) Cost of sales

	2017.03.31	2016.03.31
	EUR	EUR
labor and social payments	40 249	39 628
depreciation	20 577	20 458
cash turnover expenses	109	90
transport	3 546	1 796
residential services (electricity, water....)	129 357	128 541
personnel training	25	106
telecommunication service	481	352
other costs tied to commercial operations	28 435	30 795
intangible asset depreciation	2	84
insurance (buildings)	1 263	1 420
real estate tax (buildings ,land)	7 722	0
land rent to LPA	1 793	1 793
Total	233 559	225 063



(3) Costs of administration	2017.03.31	2016.03.31
	EUR	EUR
labor and social payments	17 764	21 770
telecommunication service	481	352
office supplies	119	486
transport expenses for administrative needs	3 135	1 795
representative expenses 40%	12	7
legal assistance or raid	1 051	2 991
NASDAQ annual fee	1 780	1 780
Total	24 342	29 181

(4) Other revenues from commercial operation	2017.03.31	2016.03.31
	EUR	EUR
finances	329	257
other income	21	1 219
Total	350	1 476

(5) Other costs of commercial operations	2017.03.31	2016.03.31
	EUR	EUR
60% of representative costs	22	13
allowances and bonuses	349	343
finances	20	212
Total	391	568

(6) Payments of interest and similar expenses	2017.03.31	2016.03.31
	EUR	EUR
credit interests	19 700	30 855
Interest to Swedbank Līzings	29	70
interest to SEB Līzings	107	210
Total	19 836	31 135

(7) Other taxes	2017.03.31	2016.03.31
	EUR	EUR
real estate tax (buildings ,land)		4 009
Total		4 009