



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, 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 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, 2017: *VEF KOMUNIKĀCIJU SERVISS SIA - 45.52 % ; * Laila Līduma - 6.31 % ; * Tamāra Kampāne - 11.36 % ; * Gints Feņuks -24.50 % ; *Other shareholders - 12.31 %.
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:	01.01.2017. - 30.09.2017.
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 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 September 30, 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 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
	30.09.2017	30.09.2016	31.12.2016
LONG-TERM INVESTMENTS			
Intangible assets			
Concessions, patents, licences	50	57	56
Total intangible assets	50	57	56
Fixed Assets			
Land, buildings and other property	5 507 022	5 516 244	5 469 001
Equipment and machinery			
Other fixed assets and inventory	28 049	12 146	32 621
Total fixed assets	5 535 071	5 528 390	5 501 622
Total long-term investments	5 535 121	5 528 447	5 501 678
Current assets			
Debtors			
Customers and client debts	38 488	53 273	73 367
Other debtors	46 773	12 170	9 144
Future period expenses	4 314	2 602	4 085
Future period income	0	0	60 230
Total debtors	89 575	68 045	147 546
Cash	138 466	109 001	120 368
Total Current assets	228 041	177 046	267 914
TOTAL ASSETS	5 763 162	5 705 493	5 769 592



LIABILITIES			
	EUR	EUR	EUR
	30.09.2017	30.09.2016	31.12.2016
Stockholder's Equity			
Common stock	2 722 492	2 722 492	2 722 492
Long-term investments revaluation reserve	673 774	805 396	673 774
Rezerve	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	136 415	40 908	304 985
Total stockholder's equity	3 006 514	2 543 861	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	30 547	39 608	30 547
Other liabilities	0	24 823	0
Deferred tax liability	0	243 205	0
Total long-term liabilities	2 603 502	3 020 934	2 603 502
Current liabilities			
Borrowings from credit institutions	35 087	35 086	140 343
Accounts payable	40 383	38 367	54 625
Taxes and social security payments	19 992	24 934	27 297
Other liabilities	17 195	12 476	10 083
Prepayments from buyers	16 380	13 056	20 472
Accrued liabilities	15 701	0	19 501
Other loans	8 408	3 723	23 670
Total current liabilities	153 146	127 642	295 991
Total liabilities	2 756 648	3 148 576	2 899 493
TOTAL LIABILITIES&STOCKHOLDER'S	5 763 162	5 705 493	5 769 562
EQUITY			

**PROFIT AND LOSSES ACCOUNT FOR YEAR, WHICH ENDS ON SEPTEMBER 30.2017.**

		EUR 30.09.2017	EUR 30.09.2016	EUR 31.12.2016
1	2	3	4	5
Net turnover	1	921 962	947 360	1 297 712
Cost of goods sold	2	-627 506	-671 911	-890 635
Gross profit		294 456	275 449	407 077
Administrative expenses	3	-82 179	-78 481	-110 503
Other income from operations	4	2 806	1 182	148 590
Other expenses from operations	5	-1 567	-2 036	-19 862
Financial services expenses	6	-77 101	-93 757	-120 317
Profit before taxes		136 415	102 357	304 985
Other taxes	7	0	-12 027	0
Deferred tax	8	0	-49 422	0
Net profit		136 415	40 908	304 985

Earnings per share (EPS)
on 30.09.2016-0.02 EUR

Earnings per share (EPS)
on 30.09.2017- 0.07 EUR

Chairman of the Board

G.Feņuks

Member of the Board

T.Kampane



CASH FLOW STATEMENT FOR YEAR THAT ENDS ON SEPTEMBER 30, 2017

		2017 30.09.	2016 30.09.	2016 31.12.
		EUR	EUR	EUR
I.	CASH FLOW FROM OPERATING ACTIVITIES			
	Profit before outstanding items and taxes (+)	136 415	102 357	304 985
	<i>Adjustments:</i>			
	fixed assets depreciation (+)	54 157	61 543	-45 085
	intangible assets depreciation (+)	5	114	116
	increase/decrease in provisions	0	0	0
	financial services income	77 101	93 757	120 317
	<i>Profit or losses before adjustments from current assets and liabilities</i>	267 678	257 771	380 333
	<i>Adjustments:</i>			
	debtors : increase (-); decrease (+)	57 971	30 106	-49 395
	liabilities: increase (-); decrease (+)	-22 806	-29 499	-8 472
	<i>Gross cash provided by operating activities</i>	302 843	258 378	322 466
	Payments for financial	-77 101	-93 757	-120 317
	Income tax payments	0	-12 027	0
	<i>Net cash provided by operating activities before outstanding items:</i>	225 742	152 594	202 149
	Cash flow from outstanding items (-/+)		0	
	Net cash provided by operating activities :	225 742	152 594	202 149
II.	CASH FLOWS FROM INVESTING ACTIVITIES :			
	Fixed assets purchase	-87 606	-7 496	-5 722
	Net cash used in investing activities :	-87 606	-7 496	-5 722
III.	CASH FLOWS FROM FINANCING ACTIVITIES:			
	Expenses for borrowings repayment	-105 257	-105 257	-140 343
	Payment Līzings,	14 781	-14 474	-19 350
	Net cash provided by financing activities :	-120 038	-119 731	-159 693
	Net cash flow	18 098	25 367	36 734
	CASH AT BEGINNING OF YEAR	120 368	83 634	83 634
	CASH AT END OF YEAR	138 466	109 001	120 368



**STATEMENT OF CHANGES IN EQUITY FOR YEAR THAT ENDS ON
SEPTEMBER 30, 2017**

	30.09.2017 EUR	30.09.2016 EUR	31.12.2016 EUR
Stockholder's equity			
Balance at the beginning of the financial year	2 722 492	2 766 969	2 722 492
Increase from			
Decrease from denomination of shares from lats to euro		44 477	
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	0	44 477
Increase from denomination of shares from lats to euro		44 477	
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	136 415	40 908	498 768
Dividendes			
Included in accumulations			
Balance at the end of the financial year	-434 229	-1 028 504	-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	3 006 514	2 543 861	2 870 099

**(1) Net turnover**

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

Type of commercial operations	2017.09.30 EUR	2016.09.30 EUR
power supply, distribution and servicing	232 005	223 596
office renting service	478 965	490 630
utility services	210 992	233 134
Total	921 962	947 360

Distribution of net turnover by geographical markets

Country	2017.09.30 EUR	2016.09.30 EUR
Latvia	921 962	947 360
Total	921 962	947 360

(2) Cost of sales

	2017.09.30 EUR	2016.09.30 EUR
labor and social payments	135 363	127 629
depreciation	54 157	61 543
transport	8 740	6 825
residential services (electricity, water)	305 780	335 092
personnel training	78	106
telecommunication service	1 189	1 075
other costs tied to commercial operations	89 499	130 002
insurance (buildings)	3 903	3 953
land rent to LPA	5 380	5 380
depreciation of license	5	114
real estate tax (buildings, land)	23 167	0
cash turnover expenses	245	192
Total	627 506	671 911



(3)	Costs of administration	2017.09.30	2016.09.30
		EUR	EUR
	labor and social payments	61 182	59 769
	telecommunication service	1 189	1 075
	office supplies	164	1 164
	transport expenses for administrative needs	8 740	6 825
	representative expenses	124	71
	legal assistance or raid	5 440	5 127
	NASDAQ RIGA annual fee	5 340	4 450
	Total	82 179	78 481
(4)	Other revenues from commercial operation	2017.09.30	2016.09.30
		EUR	EUR
	finances	1 691	348
	other revenues	1 115	834
	Total	2 806	1 182
(5)	Other costs of commercial operations	2017.09.30	2016.09.30
		EUR	EUR
	60% of representative costs	225	129
	donations to Latvian orphans fund	200	400
	allowances and bonuses	1 048	1 030
	provisions for doubtful debts	54	0
	finances	40	477
	Total	1 567	2 036

**Payments of interest and similar expenses**

(6)		2017.09.30	2016.09.30
		EUR	EUR
	credit interests	76 783	93 036
	Līzinga interest	318	721
	Total	77 101	93 022

Other taxes

(7)		2017.09.30	2016.09.30
		EUR	EUR
	real estate tax (buildings, land)	0	12 027
	Total	0	12 027