



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, 2020  
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 <sup>1</sup> :	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, 2020: The company's capital consists of the 623 528 (32 %) bearer shares And 1 312 109 ( 68% ) registered shares
Subsidiary	SIA „VEF Projekts „(100%)”, Brivibas gatve 214,Riga
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

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<sup>1</sup> 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 2020.**

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, 2020.

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



<b>ASSETS</b>			
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
	<b>30.09.2020</b>	<b>30.09.2019</b>	<b>31.12.2019</b>
<b>LONG-TERM INVESTMENTS</b>			
<b>Intangible assets</b>			
Concessions, patents, licences	29	36	35
<b>Total intangible assets</b>	<b>29</b>	<b>36</b>	<b>35</b>
<b>Fixed Assets</b>			
Land, buildings and other property	5 455 513	5 514 711	5 499 911
Other fixed assets and inventory	114 055	102 432	92 985
Advance payments for fixed assets	0	0	0
<b>Total fixed assets</b>	<b>5 569 568</b>	<b>5 617 143</b>	<b>5 592 896</b>
<b>Long- term financial investments</b>			
Investments in subsidiary	3 000	3 000	3 000
Loans to subsidiary	60 000	60 000	60 000
<b>Total financial investments</b>	<b>63 000</b>	<b>63 000</b>	<b>63 000</b>
<b>Total long-term investments</b>	<b>5 632 597</b>	<b>5 680 179</b>	<b>5 592 896</b>
<b>Current assets</b>			
<b>Debtors</b>			
Customers and client debts	11 937	9 360	23 901
Other debtors	38 223	24 023	24 799
Future period expenses	2 567	2 691	4 830
Future period income	21 943	27 163	37 262
<b>Total debtors</b>	<b>74 670</b>	<b>63 237</b>	<b>90 762</b>
<b>Cash</b>	<b>380 376</b>	<b>339 576</b>	<b>370 392</b>
<b>Total Current assets</b>	<b>455 046</b>	<b>402 813</b>	<b>461 184</b>
<b>TOTAL ASSETS</b>	<b>6 087 643</b>	<b>6 082 992</b>	<b>6 117 115</b>



<b>LIABILITIES</b>			
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
	<b>30.09.2020</b>	<b>30.09.2019</b>	<b>31.12.2019</b>
<b>Stockholder's Equity</b>			
Common stock	2 722 492	2 722 492	2 722 492
Long-term investments revaluation reserve	657 470	657 470	657 470
Rezerve	44 477	44 477	44 477
<b>Total accumulation</b>			
Retained earnings from the previous years	40 907	-81 389	-81 389
Retained earnings of the financial years	56 250	108 403	122 296
<b>Total stockholder's equity</b>	<b>3 513 411</b>	<b>3 451 453</b>	<b>3 457 161</b>
<b>LIABILITIES</b>			
<b>Long-term liabilities</b>			
Borrowings from credit institutions	2 150 174	2 318 174	2 150 174
Prepayments from buyers	47 273	47 273	47 273
Other liabilities	109 559	84 331	61 594
<b>Total long-term liabilities</b>	<b>2 307 006</b>	<b>2 449 778</b>	<b>2 259 041</b>
<b>Current liabilities</b>			
Borrowings from credit institutions	84 000	42 000	168 000
Accounts payable	21 676	52 964	34 658
Taxes and social security payments	24 850	26 225	30 891
Other liabilities	14 795	12 431	13 699
Prepayments from buyers	32 571	21 890	32 930
Accrued liabilities	81 704	22 573	99 514
Other loans	7 630	3 678	21 221
<b>Total current liabilities</b>	<b>267 226</b>	<b>181 761</b>	<b>400 913</b>
<b>Total liabilities</b>	<b>2 574 232</b>	<b>2 631 539</b>	<b>2 659 954</b>
<b>TOTAL LIABILITIES&amp;STOCKHOLDER'S</b>	<b>6 087 643</b>	<b>6 082 992</b>	<b>6 117 115</b>

**EQUITY**

**PROFIT AND LOSSES ACCOUNT FOR YEAR, WHICH ENDS ON SEPTEMBER  
30.2020.**

		<b>EUR 30.09.2020</b>	<b>EUR 30.09.2019</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Net turnover	1	812 063	847 399
Cost of goods sold	2	-592 399	-558 587
<b>Gross profit</b>		<b>219 664</b>	<b>288 812</b>
Administrative expenses	3	-61 766	-84 220
Other income from operations	4	1 532	4 521
Other expenses from operations	5	-2 847	-3 253
Financial services expenses	6	-100 333	-97 457
<b>Profit before taxes</b>		<b>56 250</b>	<b>108 403</b>
<b>Net profit</b>		<b>56 250</b>	<b>108 403</b>

Earnings per share (EPS)  
on 30.09.2019 -0.06 EUR

Earnings per share (EPS)  
on 30.09.2020- 0.03 EUR

Chairman of the Board

G.Feņuks

Member of  
the Board

T.Kampane



**CASH FLOW STATEMENT FOR YEAR THAT ENDS ON SEPTEMBER 30, 2020**

	2020 30.09.	2019 30.09.	2019 31.12.
	EUR	EUR	EUR
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before outstanding items and taxes (+)	56 250	108 403	122 296
<i>Adjustments:</i>			
fixed assets depreciation (+)	77 109	68 332	92 578
intangible assets depreciation (+)	5	5	7
financial services income	100 333	97 457	129 531
<i>Profit or losses before adjustments from current assets and liabilities</i>	<b>233 697</b>	<b>274 197</b>	<b>344 412</b>
<i>Adjustments:</i>			
debtors : increase (-); decrease (+)	16 122	11 623	15 932
liabilities: increase (-); decrease (+)	16 904	42 477	45 101
<i>Gross cash provide by operating activities</i>	<b>266 723</b>	<b>328 297</b>	<b>405 445</b>
Payments for financial	-100 333	-97 457	-129 531
<i>Net cash provided by operating activities before outstanding items:</i>	<b>166 390</b>	<b>230 840</b>	<b>275 914</b>
Cash flow from outstanding items (-/+)			
<b>Net cash provided by operating activities :</b>		<b>230 840</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES :</b>			
Fixed assets purchase	-53 780	-119 394	-85 458
<b>II. Investments in subsidiary</b>	<b>0</b>	<b>0</b>	<b>0</b>
Loans to subsidiary	0	0	0
<b>Net cash used in investing activities :</b>	<b>-53 780</b>	<b>-119 394</b>	<b>-86 458</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Expenses for borrowings repayment	-84 000	-102 000	-144 000
<b>III. Payment Lizings,</b>	<b>-18 626</b>	<b>-13 208</b>	<b>-18 402</b>
<b>Net cash provided by financing activities :</b>	<b>-102 626</b>	<b>-115 208</b>	<b>-162 402</b>
<b>Net cash flow</b>	<b>9 984</b>	<b>-3 762</b>	<b>27 054</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>370 392</b>	<b>343 338</b>	<b>343 338</b>
<b>CASH AT END OF YEAR</b>	<b>380 376</b>	<b>339 576</b>	<b>370 392</b>



**STATEMENT OF CHANGES IN EQUITY FOR YEAR THAT ENDS ON  
SEPTEMBER 30, 2020**

	<b>30.09.2020 EUR</b>	<b>30.09.2019 EUR</b>	<b>31.12.2019 EUR</b>
<b>Stockholder's equity</b>			
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
<b>Long-term investments revaluation reserve</b>			
Balance at the beginning of the financial year	649 285	657 470	657 470
Increase from			
Decrease from			8 185
Balance at the end of the financial year	649 285	657 470	649 285
<b>Accumulations</b>			
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
<b>Retained earnings</b>			
Balance at the beginning of the financial year	40 907	-81 389	-81 389
Profit or losses of the financial year	56 250	108 403	122 296
Dividendes			
Included in accumulations			
Balance at the end of the financial year	97 157	27 014	40 907
<b>Stockholder's equity (total)</b>			
Balance at the beginning of the financial year	<b>3 457 161</b>	<b>3 343 050</b>	<b>3 343 050</b>
Balance at the end of the financial year	<b>3 513 411</b>	<b>3 451 453</b>	<b>3 457 161</b>

**(1) Net turnover**

Turnover consists of revenues that the Company gained in the first nine months of 2020 from its core business-service provision without VAT

Type of commercial operations	2020.09.30	2019.09.30
	EUR	EUR
power supply, distribution and servicing	77 358	90 600
office renting service	542 245	558 355
utility services	192 460	198 444
<b>Total</b>	<b>812 063</b>	<b>847 399</b>

**Distribution of net turnover by geographical markets**

Country	2020.09.30	2019.09.30
	EUR	EUR
Latvia	812 063	847 399
<b>Total</b>	<b>812 063</b>	<b>847 399</b>

**(2) Cost of sales**

	2020.09.30	2019.09.30
	EUR	EUR
labor and social payments	187 821	163 580
depreciation	77 109	68 332
transport	9 020	11 120
residential services ( electricity, water )	150 609	194 194
personnel training	0	106
telecommunication service	631	651
other costs tied to commercial operations	143 481	104 546
insurance (buildings)	3 705	3 664
land rent to LPA	3 467	3 653
depreciation of license	5	5
real estate tax (buildings, land )	16 366	8 179
cash turnover expenses	185	557
<b>Total</b>	<b>592 399</b>	<b>558 587</b>



(3) Costs of administration	2020.09.30	2019.09.30
	EUR	EUR
labor and social payments	41 477	60 968
telecommunication service	631	650
office supplies	101	415
transport expenses for administrative needs	9 020	11 120
representative expenses, personal cost	1 129	2 144
legal assistance or raid	3 450	3 294
NASDAQ RIGA annual fee	5 958	4 450
business travel expenses	0	1 179
<b>Total</b>	<b>61 766</b>	<b>84 220</b>

  

(4) Other revenues from commercial operation	2020.09.30	2019.09.30
	EUR	EUR
finances	0	518
other revenues	1 532	4 003
<b>Total</b>	<b>1 532</b>	<b>4 521</b>

  

(5) Other costs of commercial operations	2020.09.30	2019.09.30
	EUR	EUR
allowances and bonuses	2 847	2 711
finances	0	42
other costs	0	500
<b>Total</b>	<b>2 847</b>	<b>3 253</b>

  

(6) Payments of interest and similar expenses	2020.09.30	2019.09.30
	EUR	EUR
credit interests	98 686	96 346
Līzinga interest	1 647	1 111
<b>Total</b>	<b>100 333</b>	<b>97 457</b>



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