



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 June 30, 2022
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
Equity capital ¹ :	EUR 2 722 492 registered and paid-up capital.
Core businesses:	*Letting and renting of real-estate property
Chief executive officer:	Chairman of the Board of the Company: GINTS FENUKS TAMĀRA KAMPĀNE
Members of the Board:	MĀRTIŅŠ CAUNA
Members of the Supervisory Council:	LIGA CAUNA ERVINS KAMPANS EGILS ARAJS GUNTIS LIPIŅŠ RALFS FENUKS
Period of account:	01.01.2022. - 30.06.2022.

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 six months of 2022

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 June 30, 2022.

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



Management Report.

Joint-stock company VEF is a public joint-stock company, which is engaged in the management and administration of its real estate and renting out premises. The company's net turnover in the 6 months of 2022 is EUR 500,552 that is 4.32% higher than in the previous reporting period.

The company continues to provide the full scope of its services and is preparing for a planned renovation of its properties that is required after more than fifteen years of operating properties. Part of the restoration work has already been done, COVID19 during the resulting restrictions, using the lessee's work intensity reduction. The remaining amount of renovation work is in the planning and coordination stages, these works will require significant investments, which the Company is going to partially cover from their own funds, mostly by attracting a bank loan, and carrying out the renovation in several stages.

The company is preparing for the reconstruction and re-profiling of the former production premises in order to successfully attract new customers. The Company will cover the necessary funds for these works by attracting bank financing.

The company's activity is exposed to financial risks, including credit risk, risk of interest rate fluctuations. The Company's management tries to minimize the negative effect of potential financial risks on the Company's financial position. Mainly accounts receivable and accounts payable are positions that potentially expose the Company to a certain degree of credit risks. Account receivables are presented as recoverable amounts. Company's partners in money funds transactions are local financial institutions. The Company adheres to prudent liquidity risk management by ensuring settlement of credit obligations within the specified terms. The Company's management believes that the Company will have sufficient resources and its liquidity would not be compromised.



ASSETS			
	EUR	EUR	EUR
	30.06.2022	30.06.2021	31.12.2021
LONG-TERM INVESTMENTS			
Fixed Assets			
Land, buildings and other property	5 413 830	5 411 114	5 443 741
Other fixed assets and inventory	79 525	80 314	106 273
Total fixed assets	5 493 355	5 491 428	5 550 014
Long-term financial investments			
Investments in subsidiaries	3 000	3 000	3 000
Loans to subsidiaries	67 000	67 000	67 000
Long-term financial investments, total	70 000	70 000	70 000
Non-current assets, total	5 563 355	5 561 428	5 620 014
Debtors			
Customers and client debts	14 752	29 669	28 642
Other debtors	48 450	23 756	19 092
Future period	3 189	3 544	4 476
Future period expenses	12 428	11 807	26 667
Total debtors	78 819	68 776	78 877
Cash	89 169	246 496	148 514
Total Current assets	167 988	315 272	227 391
TOTAL ASSETS	5 731 343	5 876 700	5 847 405



LIABILITIES			
	EUR	EUR	EUR
	30.06.2022	30.06.2021	31.12.2021
Stockholder's Equity			
Common stock	2 722 492	2 722 492	2 722 492
Long-term investments revaluation reserve	632 913	641 099	632 913
Other reserves	44 477	44 477	44 477
Total accumulation			
Retained earnings from the previous years	62 613	53 860	53 860
Retained earnings of the financial years	17 605	- 2 923	8 753
Total stockholder's equity	3 480 100	3 459 005	3 462 495
LIABILITIES			
Long-term liabilities			
Borrowings from credit institutions	1 856 174	2 024 174	1 856 174
Prepayments from buyers	55 856	47 273	55 856
Other liabilities	83 018	77 050	83 018
Total long-term liabilities	1 995 048	2 148 497	1 995 048
Current liabilities			
Borrowings from credit institutions	84 000	84 000	168 000
Accounts payable	9 793	16 438	32 692
Taxes and social security payments	24 722	21 546	20 105
Other liabilities	15 294	14 845	13 524
Other borrowings	12 796	23 236	42 565
Accrued liabilities	89 100	93 143	100 180
Prepayments from buyers	20 490	15 990	12 796
Total current liabilities	256 195	269 198	389 862
Total liabilities	2 251 243	2 417 695	2 384 910
TOTAL LIABILITIES&STOCKHOLDER'S EQUITY	5 731 343	5 876 700	5 847 405



**PROFIT AND LOSSES ACCOUNT FOR YEAR, WHICH ENDS
ON JUNE 30.2022.**

		EUR 30.06.2022 -	EUR 30.06.2021 -
1	2	4	4
Net turnover		500 552	479 803
Cost of goods sold	1	-373 816	-375 734
Gross profit		126 736	104 069
Administrative expenses	2	-41 546	-47 391
Other income from operations	3	1 445	9 701
Other expenses from operations	4	-3 926	-888
Financial services expenses	6	-65 104	-68 414
Profit before taxes		17 605	-2 923
Other taxes	7	0	0
Net profit		17 605	-2 923

Earnings per share (EPS) on

30.06.2022 – 0.001 EUR

30.06.2021 -0.000 EUR

Chairman of the Board

G.Feņuks

Member of the Board

T.Kampāne



CASH FLOW STATEMENT FOR YEAR THAT ENDS ON JUNE 30, 2022

	2022 30.06.	2021 30.06.	2021 31.12.
	EUR	EUR	EUR
I. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before outstanding items and taxes (+)	17 605	-2 923	8 753
<i>Adjustments:</i>			
fixed assets depreciation (+)	58 201	52 679	109 028
financial services income	65 104	68 414	134 401
<i>Profit or losses before adjustments from current assets and liabilities</i>	140 910	118 170	252 182
<i>Adjustments:</i>			
debtors: increase (-); decrease (+)	58	-28 606	18 505
liabilities: increase (-); decrease (+)	-26 500	24 213	29 227
<i>Gross cash provided by operating activities</i>	114 468	113 777	299 914
Payments for financial	-65 104	-68 414	-134 401
<i>Net cash provided by operating activities before outstanding items:</i>			
Cash flow from outstanding items (-/+)			
Net cash provided by operating activities:	49 364	45 363	165 513
CASH FLOWS FROM INVESTING ACTIVITIES:			
Fixed assets purchase	-1 543	-2 099	-117 034
Loans to subsidiaries			
Interest in related companies	-2 000	-2 000	-2 000
II. Net cash used in investing activities:	-3 543	-4 099	-119 034
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payments for leased fixed assets	-21 166	-15 812	-35 009
Expenses for borrowings repayment	-84 000	-84 000	-168 000
Net cash provided by financing activities:	-105 166	-99 812	-203 099
Net cash flow	-59 345	-58 548	-156 530
IV. CASH AT BEGINNING OF YEAR	148 514	305 044	305 044
CASH AT END OF YEAR	89 169	246 496	148 514

**STATEMENT OF CHANGES IN EQUITY FOR YEAR THAT ENDS ON
JUNE 30, 2022**

	30.06.2022 EUR	30.06.2021 EUR	31.12.2021 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	632 913	641 099	641 099
Increase from			
Decrease from			- 8 186
Balance at the end of the financial year	632 913	641 099	632 913
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	62 613	53 860	53 860
Profit or losses of the financial year	17 605	- 2 923	8 753
Dividendes			
Included in accumulations			
Balance at the end of the financial year	80 218	50 937	62 613
Stockholder's equity (total)			
Balance at the beginning of the financial year	3 462 495	3 461 928	3 461 928
Balance at the end of the financial year	3 480 100	3 459 005	3 462 495

**(1) Net turnover**

Turnover consists of revenues that the Company gained in the first six months of 2022 from its core business-service provision without VAT

Type of commercial operations	2022.06.30	2021.06.30
	EUR	EUR
Office rent	319 200	298 649
Facilities management and utilities	181 352	181 154
Total	500 552	479 803

Distribution of net turnover by geographical markets

Country	2022.06.30	2021.06.30
	EUR	EUR
Latvia	500 552	479 803
Total	500 552	479 803

(2) Cost of sales

	2022.06.30	2021.06.30
	EUR	EUR
labor and social payments	110 436	101 249
depreciation	58 201	52 679
cash turnover expenses	142	169
Transport expenses	6 166	7 446
residential services (electricity, water....)	66 256	74 221
business travel expenses	4 794	0
telecommunication service	541	514
other costs tied to commercial operations	111 841	128 444
insurance (buildings)	1 255	2 766
real estate tax (buildings, land)	11 876	5 938
land rent to Possessor	2 308	2 308
Total	373 816	375 734



(3) Costs of administration	2022.06.31	2021.06.31
	EUR	EUR
labor and social payments	31 967	36 706
telecommunication service	540	514
office supplies	379	346
transport expenses for administrative needs	5 060	7 445
representative expenses	0	0
legal assistance or raid	1 293	0
NASDAQ ,CSD SE annual fee	2 307	2 380
Total	41 546	47 391

(4) Other revenues from commercial operation	2022.06.30	2021.06.30
	EUR	EUR
other income	1 445	9 701
Total	1 445	9 701

(5) Other costs of commercial operations	2022.06.30	2021.06.30
	EUR	EUR
support for the treatment of victims of the Ukrainian war	3 000	0
allowances and bonuses	926	888
Total	3 926	888

(6) Payments of interest and similar expenses	2022.06.30	2021.06.30
	EUR	EUR
credit interests	63 756	67 166
interest to Līzings	1 348	1 248
Total	65 104	68 414