



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, 2022



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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<br>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 <sup>1</sup> :       | EUR 2 722 492 registered and paid-up capital.  |
| Core businesses:                    | <br>*Letting and renting of real-estate property   |
| Chief executive officer:            | Chairman of the Board of the Company:<br>GINTS FEŅUKS<br>TAMĀRA KAMPĀNE  |
| Members of the Board:               | MĀRTIŅŠ CAUNA<br><br>LIGA CAUNA<br>ERVINS KAMPANS  |
| Members of the Supervisory Council: | EGILS ARAJS<br>GUNTIS LIPIŅŠ<br>RALFS FENUKS   |
| Period of account:                  | 01.01.2022. - 31.03.2022.  |

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<sup>1</sup> Paid-up and registered equity capital EUR 2 722 492

<sup>2</sup> 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 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 March 31, 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



| <b>ASSETS</b>                                 |                   |                   |                   |
|---|-------------------|-------------------|-------------------|
|   | <b>EUR</b>        | <b>EUR</b>        | <b>EUR</b>        |
|   | <b>31.03.2022</b> | <b>31.03.2021</b> | <b>31.12.2021</b> |
| <b>LONG-TERM INVESTMENTS</b>                  |                   |                   |                   |
| <b>Fixed Assets</b>                           |                   |                   |                   |
| Land, buildings and other property            | 5 428 786         | 5 425 914         | 5 443 741         |
| Other fixed assets and inventory              | 93 718            | 91 635            | 106 273           |
| <b>Total fixed assets</b>                     | <b>5 522 504</b>  | <b>5 517 549</b>  | <b>5 550 014</b>  |
| <b>Long-term financial investments</b>        |                   |                   |                   |
| Investments in subsidiaries                   | 3 000             | 3 000             | 3 000             |
| Loans to subsidiaries                         | 69 000            | 65 000            | 67 000            |
| <b>Long-term financial investments, total</b> | <b>72 000</b>     | <b>68 000</b>     | <b>70 000</b>     |
| <b>Non-current assets, total</b>              | <b>5 594 504</b>  | <b>5 585 549</b>  | <b>5 620 014</b>  |
| <b>Debtors</b>                                |                   |                   |                   |
| Customers and client debts                    | 16 861            | 17 899            | 28 642            |
| Other debtors                                 | 19 371            | 12 304            | 19 092            |
| Future period                                 | 3 189             | 3 544             | 4 476             |
| Future period expenses                        | 18 817            | 18 989            | 26 667            |
| <b>Total debtors</b>                          | <b>58 238</b>     | <b>52 736</b>     | <b>78 877</b>     |
| <b>Cash</b>                                   | <b>154 874</b>    | <b>309 952</b>    | <b>148 514</b>    |
| <b>Total Current assets</b>                   | <b>213 112</b>    | <b>362 688</b>    | <b>227 391</b>    |
| <b>TOTAL ASSETS</b>                           | <b>5 807 616</b>  | <b>5 948 237</b>  | <b>5 847 405</b>  |



| LIABILITIES                                       |                  |                  |                  |
|---|------------------|------------------|------------------|
|   | EUR              | EUR              | EUR              |
|   | 31.03.2022       | 31.03.2021       | 31.12.2021       |
| <b>Stockholder's Equity</b>                       |                  |                  |                  |
| Common stock                                      | 2 722 492        | 2 722 492        | 2 722 492        |
| Long-term investments revaluation reserve         | 632 913          | 649 285          | 632 913          |
| Other reserves                                    | 44 477           | 44 477           | 44 477           |
| <b>Total accumulation</b>                         |                  |                  |                  |
| Retained earnings from the previous years         | 62 613           | 53 860           | 53 860           |
| Retained earnings of the financial years          | 21 809           | 7 889            | 8 753            |
|   |                  |                  |                  |
| <b>Total stockholder's equity</b>                 | <b>3 484 304</b> | <b>3 469 817</b> | <b>3 462 495</b> |
|   |                  |                  |                  |
| <b>LIABILITIES</b>                                |                  |                  |                  |
|   |                  |                  |                  |
| <b>Long-term liabilities</b>                      |                  |                  |                  |
| 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           |
|   |                  |                  |                  |
| <b>Total long-term liabilities</b>                | <b>1 995 048</b> | <b>2 148 497</b> | <b>1 995 048</b> |
|   |                  |                  |                  |
| <b>Current liabilities</b>                        |                  |                  |                  |
| Borrowings from credit institutions               | 126 000          | 126 000          | 168 000          |
| Accounts payable                                  | 26 192           | 17 431           | 32 692           |
| Taxes and social security payments                | 20 975           | 22 966           | 20 105           |
| Other liabilities                                 | 13 493           | 15 057           | 13 524           |
| Other borrowings                                  | 31 096           | 24 691           | 42 565           |
| Accrued liabilities                               | 93 980           | 101 245          | 100 180          |
| Prepayments from buyers                           | 16 528           | 22 533           | 12 796           |
| <b>Total current liabilities</b>                  | <b>328 264</b>   | <b>329 923</b>   | <b>389 862</b>   |
|   |                  |                  |                  |
| <b>Total liabilities</b>                          | <b>2 323 312</b> | <b>2 478 420</b> | <b>2 384 910</b> |
|   |                  |                  |                  |
|   |                  |                  |                  |
| <b>TOTAL LIABILITIES&amp;STOCKHOLDER'S EQUITY</b> | <b>5 807 616</b> | <b>5 948 237</b> | <b>5 847 405</b> |

**PROFIT AND LOSSES ACCOUNT FOR YEAR, WHICH ENDS  
ON MARCH 31.2022.**

|                                |          | <b>EUR<br/>31.03.2022 -</b> | <b>EUR<br/>31.03.2021 -</b> |
|--------------------------------|----------|-----------------------------|-----------------------------|
| <b>1</b>                       | <b>2</b> | <b>4</b>                    | <b>4</b>                    |
| Net turnover                   |          | 258 056                     | 251 825                     |
| Cost of goods sold             | 1        | -177 431                    | -192 150                    |
| <b>Gross profit</b>            |          | <b>80 625</b>               | <b>59 675</b>               |
| Administrative expenses        | 2        | -25 095                     | -26 304                     |
| Other income from operations   | 3        | 1 445                       | 8 329                       |
| Other expenses from operations | 4        | -3 464                      | -442                        |
| Financial services expenses    | 6        | -31 702                     | -33 369                     |
| <b>Profit before taxes</b>     |          | <b>21 809</b>               | <b>7 889</b>                |
| Other taxes                    | 7        | 0                           | 0                           |
| <b>Net profit</b>              |          | <b>21 809</b>               | <b>7 889</b>                |

**Earnings per share (EPS) on****31.03.2022 – 0.001 EUR****31.03.2021 -0.0041 EUR**

Chairman of the Board

G.Feņuks

Member of the Board

T.Kampāne



## CASH FLOW STATEMENT FOR YEAR THAT ENDS ON MARCH 31, 2022

|  | 2022<br>31.03. | 2021<br>31.03. | 2021<br>31.12.  |
|--|----------------|----------------|-----------------|
|  | EUR            | EUR            | EUR             |
| <b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>                                  |                |                |                 |
| Profit before outstanding items and taxes (+)                                  | 21 809         | 7 889          | 8 753           |
| <i>Adjustments:</i>  |                |                |                 |
| fixed assets depreciation (+)  | 20 052         | 26 557         | 109 028         |
| financial services income  | 31 702         | 33 369         | 134 401         |
| <b>Profit or losses before adjustments from current assets and liabilities</b> | <b>82 563</b>  | <b>67 815</b>  | <b>252 182</b>  |
| <i>Adjustments:</i>  |                |                |                 |
| debtors: increase (-); decrease (+)  | 20 639         | 39 738         | 18 505          |
| liabilities: increase (-); decrease (+)  | -8 128         | -18 067        | 29 227          |
| <b>Gross cash provided by operating activities</b>                             | <b>95 074</b>  | <b>89 486</b>  | <b>299 914</b>  |
| Payments for financial   | -31 702        | -33 369        | -134 401        |
| <b>Net cash provided by operating activities before outstanding items:</b>     |                |                |                 |
| Cash flow from outstanding items (-/+)   |                |                |                 |
| <b>Net cash provided by operating activities:</b>                              | <b>63 372</b>  | <b>56 117</b>  | <b>165 513</b>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                   |                |                |                 |
| Fixed assets purchase  | -1 543         | -2 099         | -117 034        |
| Loans to subsidiaries  |                |                |                 |
| Interest in related companies  | -2 000         |                | -2 000          |
| <b>II. Net cash used in investing activities:</b>                              | <b>-3 543</b>  | <b>-2 099</b>  | <b>-119 034</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                                   |                |                |                 |
| Payments for leased fixed assets   | -11 469        | -7 110         | -35 009         |
| Expenses for borrowings repayment  | -42 000        | -42 000        | -168 000        |
| <b>Net cash provided by financing activities:</b>                              | <b>-53 469</b> | <b>-49 110</b> | <b>-203 009</b> |
| <b>Net cash flow</b>   | <b>6 360</b>   | <b>4 908</b>   | <b>-156 530</b> |
| <b>IV. CASH AT BEGINNING OF YEAR</b>   | <b>148 514</b> | <b>305 044</b> | <b>305 044</b>  |
| <b>CASH AT END OF YEAR</b>   | <b>154 874</b> | <b>309 952</b> | <b>148 514</b>  |



**STATEMENT OF CHANGES IN EQUITY FOR YEAR THAT ENDS ON  
MARCH 31, 2022**

|  | 31.03.2022<br>EUR | 31.03.2021<br>EUR | 31.12.2021<br>EUR |
|--|-------------------|-------------------|-------------------|
| <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                                    |                   |                   |                   |
| 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   | 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           |
| <b>Accumulations</b>                             |                   |                   |                   |
| 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            |
| <b>Retained earnings</b>                         |                   |                   |                   |
| Balance at the beginning of the financial year   | 62 613            | 53 860            | 53 860            |
| Profit or losses of the financial year           | 21 809            | 7 889             | 8 753             |
| Dividendes                                       |                   |                   |                   |
| Included in accumulations                        |                   |                   |                   |
| Balance at the end of the financial year         | 84 422            | 61 749            | 62 613            |
| <b>Stockholder's equity (total)</b>              |                   |                   |                   |
| 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         | 3 484 304         | 3 469 817         | 3 462 495         |

**(1) Net turnover**

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

| Type of commercial operations       | 2022.03.31     | 2021.03.31     |
|-------------------------------------|----------------|----------------|
|                                     | EUR            | EUR            |
| Office rent                         | 162 793        | 148 766        |
| Facilities management and utilities | 95 263         | 103 059        |
| <b>Total</b>                        | <b>258 056</b> | <b>251 825</b> |

**Distribution of net turnover by geographical markets**

| Country      | 2022.03.31     | 2021.03.31     |
|--------------|----------------|----------------|
|              | EUR            | EUR            |
| Latvia       | 258 056        | 251 825        |
| <b>Total</b> | <b>258 056</b> | <b>251 825</b> |

**(2) Cost of sales**

|   | 2022.03.31     | 2021.03.31     |
|---|----------------|----------------|
|   | EUR            | EUR            |
| labor and social payments                     | 52 026         | 60 835         |
| depreciation                                  | 29 052         | 26 557         |
| cash turnover expenses                        | 104            | 35             |
| Transport expenses                            | 4 390          | 5 520          |
| residential services (electricity, water....) | 42 383         | 46 941         |
| business travel expenses                      | 4 794          | 0              |
| telecommunication service                     | 205            | 248            |
| other costs tied to commercial operations     | 30 191         | 46 683         |
| insurance (buildings)                         | 1 255          | 1 207          |
| real estate tax (buildings, land)             | 11 876         | 2 969          |
| land rent to Possessor                        | 1 155          | 1 155          |
| <b>Total</b>                                  | <b>177 431</b> | <b>192 150</b> |



| (3) Costs of administration                 | 2022.03.31    | 2021.03.31    |
|---|---------------|---------------|
|   | EUR           | EUR           |
| labor and social payments                   | 16 667        | 16 609        |
| telecommunication service                   | 204           | 248           |
| office supplies                             | 144           | 182           |
| transport expenses for administrative needs | 4 389         | 5 521         |
| representative expenses                     | 0             | 1 200         |
| legal assistance or raid                    | 53            | 0             |
| NASDAQ ,CSD SE annual fee                   | 3 638         | 2 544         |
| <b>Total</b>                                | <b>25 095</b> | <b>26 304</b> |

  

| (4) Other revenues from commercial operation | 2022.03.31   | 2021.03.31   |
|--|--------------|--------------|
|  | EUR          | EUR          |
| other income                                 | 1 445        | 8 329        |
| <b>Total</b>                                 | <b>1 445</b> | <b>8 329</b> |

  

| (5) Other costs of commercial operations                  | 2022.03.31   | 2021.03.31 |
|---|--------------|------------|
|   | EUR          | EUR        |
| support for the treatment of victims of the Ukrainian war | 3 000        |            |
| allowances and bonuses                                    | 464          | 442        |
| <b>Total</b>  | <b>3 464</b> | <b>442</b> |

  

| (6) Payments of interest and similar expenses | 2022.03.31    | 2021.03.31    |
|---|---------------|---------------|
|   | EUR           | EUR           |
| credit interests                              | 31 006        | 32 739        |
| interest to Līzings                           | 696           | 640           |
| <b>Total</b>                                  | <b>31 702</b> | <b>33 379</b> |