



Cross-Sectoral
Coordination Centre of
the Republic of Latvia

Public Report on
the State-Owned and
Municipalities-Owned
Enterprises and Shares
in 2020

Riga, 2021

State-Owned Enterprises* in economy of Latvia in 2021

* Information is compiled for **166 capital companies**, which include both groups and consolidated data.

The State has direct ownership in **85** capital companies, of which **66** are fully State-Owned Enterprises (100% owned by the State), **4** - directly and effectively controlled by the State (>50% and <100% the State ownership), in **15** - the State has not direct and effective control (the State ownership <50%). State-Owned Enterprises have ownership in **67** companies.

Total assets* of State-Owned Enterprises:

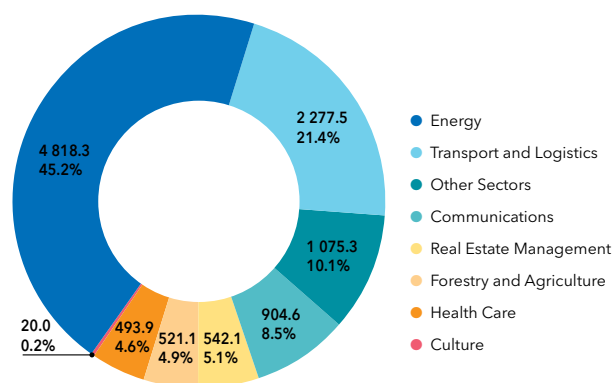
* Long-term investments and current assets

EUR **10.6** billion

The 3 largest State-Owned Enterprises ("Latvenergo", "Augstsprieguma tīkls", "Air Baltic Corporation") by asset value account for

51.8% of total assets.

Total assets of State-Owned Enterprises by Sector in 2020 (million EUR, % of total assets)



Total turnover of State-Owned Enterprises*:

* Total operating revenue

EUR **3.29** billion

The 3 largest State-Owned Enterprises ("Latvenergo", "Latvijas valsts meži", "Latvijas dzelzceļš") by turnover account for

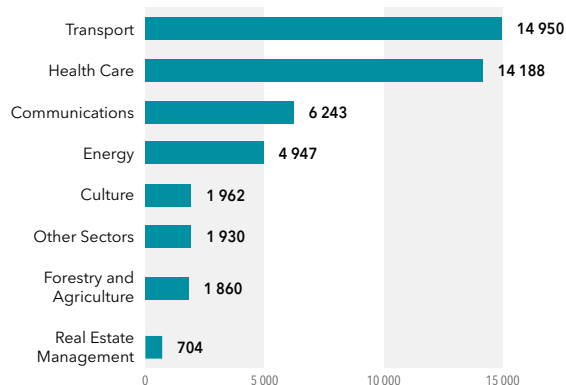
41.9% of the total turnover.

Employees in State-Owned Enterprises

46 784 or **5.0%** of all employees in Latvia are employed in State-Owned Enterprises.

35.4% of the total number of employees of State-Owned Enterprises are employed in the 3 largest State-Owned Enterprises ("Latvijas dzelzceļš", "Rīgas Austrumu klīniskā universitātes slimnīca", "Latvenergo").

The Number of Employees by Sector



The State-Owned Enterprises earned

EUR **21.2** million

and paid in dividends EUR **200.9** million

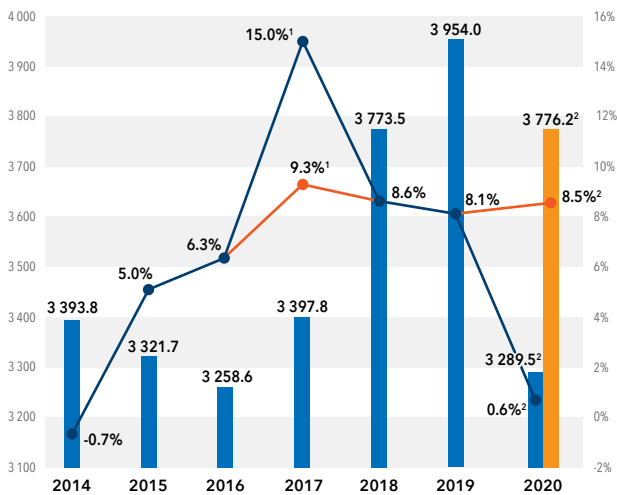
The 3 largest State-Owned Enterprises ("Latvenergo", "Latvijas valsts meži", "Tet"), which paid the largest amount of dividends to the budget, account for

94.5% of the total dividends paid.

The State-Owned Enterprises have to pay dividends to the owner (the State) for the use of capital, especially in cases where the activity of the State-Owned Enterprise is wholly or mainly commercial.

Dynamics of financial results

Total Turnover (EUR million) and Profitability (%)

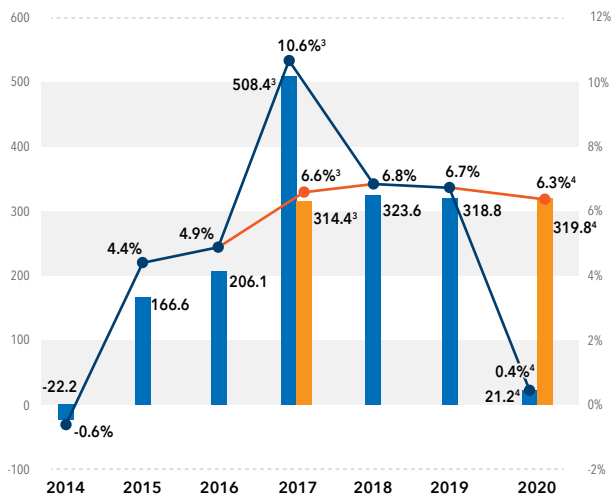


- Total Turnover, million EUR
- Total Turnover (without the impact of Covid-19 in 2020), million EUR
- Total Profitability, %
- Total Profitability (without the Corporate Income Tax reform and the Compulsory Procurement Component grant in 2017 and without the impact of Covid-19 in 2020), %

¹ The impact of the Corporate Income Tax reform on the profits of 25 largest capital companies by assets and the overall effect of the compulsory procurement component grant is estimated at 5.7 percentage points, which would reduce profitability to 9.3%.

² According to the information provided by the capital companies (own assessment, not all capital companies have provided information), the overall impact of Covid-19 on turnover is estimated at EUR 486.7 million as revenue foregone, while the impact on profits is seen as an additional loss of EUR 298.6 million. **Without the impact of Covid-19, turnover is estimated at EUR 3 776.2 million, profits are estimated at EUR 319.8 million and profitability would reach 8.5%**; the impact of Covid-19 on profitability is estimated at 7.9 percentage points.

Total Profit (million EUR) and Return on Equity (ROE, %)

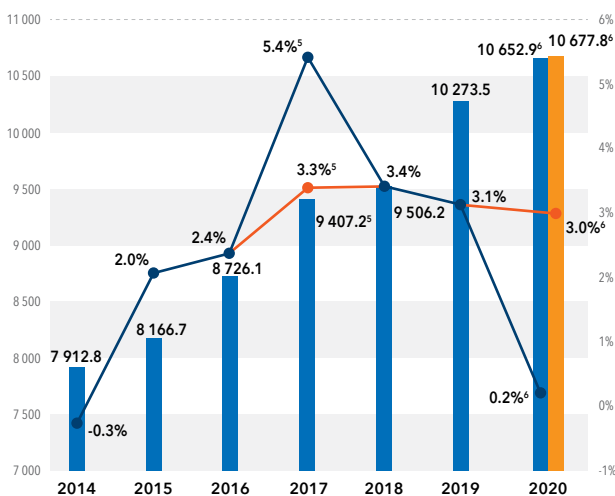


- Total Profit/Loss, million EUR
- Total Profit/Loss (without the Corporate Income Tax reform and the Compulsory Procurement Component grant in 2017 and without the impact of Covid-19 in 2020), million EUR
- Return on Equity (ROE), %
- Return on Equity (ROE) (without the Corporate Income Tax reform and the Compulsory Procurement Component grant in 2017 and without the impact of Covid-19 in 2020), %

³ The impact of the Corporate Income Tax reform on the profits of the 25 largest capital companies by assets and the total effect of the mandatory procurement public service obligation grant are estimated at 4 percentage points, which would reduce the return on equity to 6.6%.

⁴ According to the information provided by the capital companies (own assessment, not all capital companies have provided information), the overall impact of COVID-19 on profits should be assessed as additional losses of EUR 298.6 million. **Without the impact of COVID-19, the profit amounts to EUR 319.8 million and the return on equity would reach 6.3%**. The impact of COVID-19 on the return on equity is estimated at 5.9 percentage points.

Total Assets (million EUR) and Return on Assets (ROA, %)



- Total Assets, million EUR
- Total Assets (without the impact of Covid-19 in 2020), million EUR
- Return on Assets (ROA), %
- Return on Assets (ROA) (without the Corporate Income Tax reform and the Compulsory Procurement Component grant in 2017 and without the impact of Covid-19 in 2020), %

⁵ The impact of the Corporate Income Tax reform on the profits of the 25 largest capital companies by assets and the effect of the mandatory procurement public service obligation grant is estimated at 2.1 percentage points, which would reduce the return on assets to 3.3%.

⁶ According to the information provided by the capital companies (own assessment, not all capital companies have provided information), the total impact of COVID-19 on the investments made is estimated at EUR 24.9 million as planned while investments, which have not been made and the impact on profit is assessed as additional loss of EUR 298.6 million. **Without the impact of COVID-19, the assets should be valued at EUR 10 677.8 million, the profit is estimated at EUR 319.8 million and the return on assets would reach 3.0%**. The impact of COVID-19 on the return on assets should be estimated at 2.8 percentage points.

Learn more about Latvian State-Owned Enterprises at: <http://www.valstskapitals.lv>



The Cross-Sectoral Coordination Centre has been drawing up a report on State-Owned Enterprises and state-owned shares on an annual basis since 2015. This report provides information to the public on the governance and operational performance of State-Owned Enterprises in 2020. For the second year in a row, it also contains information on municipalities-owned capital shares.

Dear cooperation partners and readers of the report!

Although the year 2020 was, to a large extent, marked by the Covid-19 pandemic, and we all had to learn to continue work under conditions of an emergency situation, the economy, including State-Owned Enterprises, has demonstrated that even such serious risks cannot stop the production and delivery of services. Adaptability to the new situation resulted in a slower decline in economic development (-3.6%) than expected.

The State also had to invest in those State-Owned Enterprises, which almost completely ceased to operate due to these external circumstances, but whose role in the national economy and regional competition is essential. Profits of capital companies declined significantly, however, they provided dividend contributions to the state and municipality budgets.

The year 2020 was devoted to organising and improving the governance of State-Owned and Municipalities-Owned Enterprises, in line with the principles of best practice in corporate governance. We – the Cross-Sectoral Coordination Centre (hereinafter – the CSCC), have also actively contributed to it, both in terms of improving regulation and legislation, and by practically engaging to make changes a reality.

As from 2020, we launched in practice the uniform selection of members of Boards and Councils of Municipalities-Owned and State-Owned Enterprises in cooperation with shareholders - the previously adopted amendments to the "Law on Governance of Capital Shares of a Public Person and Capital Companies" became effective. The process thus becomes more

uniform and transparent. The CSCC ensures the work of the Nomination Commission – organises the development of all draft documents of the Commission, ensuring a common approach to the selection processes. In January 2020, the Cabinet of Ministers adopted the rules for the selection of the Board and Council Members of State-Owned and Municipalities-Owned Capital Companies, drafted by the CSCC, which help to establish professional institutions for governance of capital companies of the State and derived public person (incl. municipality).

The CSCC developed three new and specified two existing guidelines for good corporate governance to raise awareness of how to apply the regulatory framework to governance of capital companies, thus taking a step forward in strengthening the internationally recognised principles for governance of capital companies and ensuring uniformity and transparency of the process – the "Guidelines for the Preparation and Disclosure of the Annual Report on Capital Companies and Capital Shares of a Derived Public Person", the "Guidelines for the Annual Self-assessment of the Council's Work", the "Guidelines for the Evaluation of the Performance of the Board and Council Members", the "Guidelines for Disclosure of Information for Capital Companies of a Public Person and Shareholders", as well as the "Guidelines for Determining the Remuneration of the Board of Governors and the Members of the Board of Directors of a Public Person and Publicly Private Capital Companies", were also drafted at the end of the year, which entered into force at the beginning of 2021. Before the approval of the guidelines, they have been discussed with all the parties concerned at the Council of the Institution Coordinating the Governance of State-Owned Capital Shares and State-Owned Enterprises.

When implementing the tasks set out in the Declaration and Action Plan of the Government to develop a clear policy for governance of State-Owned and Municipalities-Owned capital companies and proposals for transferring the functions of the holder of State-owned capital shares to one professional holder of State-owned capital shares, which were developed by the CSCC and presented for the public consultation in spring 2020 the conceptual draft report "On the Policy for Governance of State-Owned and Municipalities-Owned Capital Companies, Division of the State-Owned Enterprises and the Gradual Centralisation of Functions of Governance of Capital Companies" did not make further progress in government due to differing views of ministries. Therefore, the governance is being further improved within the existing model, by gradually reviewing individual elements of governance of capital companies. This time, it focuses on decision-making processes for creating an optimal capital structure in State-Owned Enterprises and attracting sufficient funding. The project was completed in summer 2021, and we will forward the recommendations for consultation and implementation.

In 2020, we continued, in cooperation with the European Commission's Structural Reform Support Service, to implement the second project to strengthen the government's policy for governance of State-Owned Enterprises, in order to find the best solutions for the capital structure of capital companies, their funding and development.

In 2020, we launched monitoring of the information disclosed by holders of State-owned and Municipalities-owned shares, and how holders of State-owned capital shares and State-Owned Enterprises comply with the information disclosure requirements specified in the Law. An examination has also been carried out in 2021, and it reveals that more detailed information is being published. The work undertaken has already produced results. The society has been able to better track the activities of capital companies. The conclusions on information disclosure are also included in this annual report.

Last year, the CSCC undertook the management of the State-Owned Enterprises' Innovation Initiative, which also continued throughout 2021. The Innovation Initiative's Group looked for and identified the causes for lack of investment in R&D and how to reduce the barriers and identify the ways to increase investment in R&D in public capital companies. In 2021, in cooperation with the Innovation Initiative Group, we prepared an informative report "On Promoting Innovation and Setting R&D Objectives for State-Owned Enterprises". It aims to achieve a breakthrough in R&D investment in State-Owned Enterprises and contribute to the overall transformation of the economy to ensure that, following the investment in R&D, Latvia can, finally, break with the stagnation.

I would like to thank all the partners with whom we worked hand-in-hand to ensure that capital companies can more efficiently achieve their objectives and implement good governance in accordance with internationally recognised principles and best practices, and to make greater and more transparent contribution to society. We have shared experience with each other, learned a great deal from each other, and together developed our skills and wisdom. I would like to thank each and every socially active individual who follows our work, values it and helps maintain our standards high!

It is only through efficient partnership that we can achieve better results.

I invite you to read this annual report! Let's act responsibly for Latvia's future!

I also commend the colleagues from the Capital Companies' Governance Division of the Cross-Sectoral Coordination Centre whose professional work helps us achieve the objectives we pursue.

Pēteris Vilks

Head of the Cross-Sectoral Coordination Centre

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Terms and abbreviations

Ainaži	SLLC Bērnu psihoneiroloģiskā slimnīca "Ainaži"	IT	information technologies
airBaltic	JSC Air Baltic Corporation	JRT	SLLC Jaunais Rīgas teātris
ALTUM	JSC Attīstības finanšu institūcija "Altum"	JSC	joint-stock company
AST	JSC Augstsprieguma tīkls	KB	SLLC Kremerata Baltica
ATD	SLLC Autotransporta direkcija	LAU	SJSC Latvijas autoceļu uzturētājs
BKT	LLC Bobsleja un kamaniņu trase Sigulda	LDz	SJSC Latvijas dzelzceļš
BKUS	SLLC Bērnu klīniskā universitātes slimnīca	LGS	SJSC Latvijas gaisa satiksme
CIT	corporate income tax	LJA	SLLC Latvijas Jūras administrācija
CSCC	Cross-Sectoral Coordination Centre	LK	SLLC Latvijas Koncerti
CSDD	SJSC Ceļu satiksmes drošības direkcija	LL	SJSC Latvijas Loto
DailesT	SLLC Dailes teātris	LLKC	LLC Latvijas Lauku konsultāciju un izglītības centrs
Daugavas stadions	SLLC Kultūras un sporta centrs Daugavas stadions	LLT	SLLC Latvijas Leļļu teātris
DPNS	SLLC Daugavpils psihoneiroloģiskā slimnīca	LMC	LLC Ludzas medicīnas centrs
DT	SLLC Daugavpils teātris	LMT	LLC Latvijas mobilais telefons
EBITDA	Earnings before interest, tax, depreciation and amortization	LNMC	LLC Latvijas Nacionālais metroloģijas centrs
EDzL	LLC Eiropas dzelzceļa līnijas	LNOB	SLLC Latvijas Nacionālā opera un balets
EUR	euro	LNSO	SLLC Latvijas Nacionālais simfoniskais orķestris
ERDF	European Regional Development Fund	LNT	SLLC Latvijas Nacionālais teātris
EU	European Union	LP	SJSC Latvijas Pasts
ĢM	SLLC Slimnīca "Ģintermuiža"	LPB	SLLC Latvijas Proves birojs
IMP	SLLC Iekšlietu ministrijas poliklīnika	LR	SLLC Latvijas Radio
IS	information system	LSO	SLLC Liepājas simfoniskais orķestris
		LSP	SLLC Lielstraupes pils

LTV	SLLC Latvijas Televīzija	ROA	return on assets
LV	SLLC Latvijas Vēstnesis	ROE	return on equity
LVC	SLLC Latvijas valsts ceļi	RTRIT	SLLCRīgas Tūrisma un radošās industrijas tehnikums
LVĢMC	SLLC Latvijas Vides, ģeoloģijas un meteoroloģijas centrs	SCM	LLC Sporta centrs "Mežaparks"
LVM	JSC Latvijas valsts meži	SJSC	state joint-stock company
LVRTC	SJSC Latvijas Valsts radio un televīzijas centrs	SLLC	state limited liability company
LVS	LLC Latvijas standards	SPNS	SLLC Strenču psihoneiroloģiskā slimnīca
MP	SLLC Meliorprojekts	ŠN	SLLC Šampētera nams
OECD	Organization for Economic Cooperation and Development	TCL	LLC Tenisa centrs "Lielupe"
R&D	Research&Development	TET	LLC Tet
PJS	SLLC Piejūras slimnīca	TNA	LLC Tiesu namu aģentūra
Possessor	LLC Publisko aktīvu pārvaldītājs "Possessor"	TOS	SLLC Traumatoloģijas un ortopēdijas slimnīca
PSKUS	SLLC Paula Stradiņa klīniskā universitātes slimnīca	Vaivari	SLLC Nacionālais rehabilitācijas centrs "Vaivari"
PV	JSC Pasažieru vilciens	VAKL	SLLC Valsts Akadēmiskais koris "Latvija"
RAKUS	LLC Rīgas Austrumu klīniskā universitātes slimnīca	VASES	SJSC Elektroniskie sakari
RC	SLLC Rīgas cirks	VDT	SLLC Valmieras drāmas teātris
RIX	SJSC Starptautiskā lidosta "Rīga"	VIF	LLC Vides investīciju fonds
RKT	SLLC Mihaila Čehova Rīgas Krievu teātris	VNĪ	SJSC Valsts nekustamie īpašumi
RPNC	SLLC Rīgas Psihiatrijas un narkoloģijas Centrs	VO	JSC Ventas osta
		ZMNĪ	SLLC Zemkopības ministrijas nekustamie īpašumi

Introduction

State-owned enterprises (SOEs) play an important role in the Latvian economy. SOEs not only eliminate market failures and perform strategically important tasks for society but also contribute to economic development in general, provide financial benefits to society and ensure accessible and high-quality services. To illustrate the role of SOEs in the national economy, their contribution from 2014 to 2019 will be examined below.

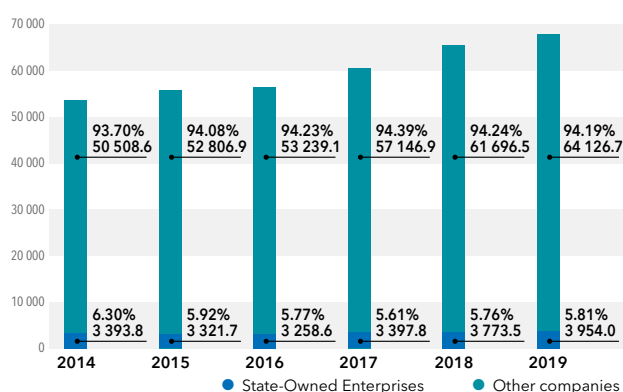


Figure 1. Turnover of SOEs from the total turnover of all commercial companies in 2014 - 2019, million EUR, %

The total turnover achieved by capital companies in 2019 was more than EUR⁷ 68.1 billion, which is by EUR +2.6 billion more than in 2018, and represents an increase of +3.99%. The growth in 2018 compared to 2017 was EUR +4.9 billion or +8.13%, which indicates that the growth of SOEs in 2019 has slowed down.

5.81% of the total turnover of commercial companies was generated by SOEs, which represents an increase both in financial terms (EUR +180.5 million) and in percentage terms (+0.04 percentage points) compared to 2018, indicating that the turnover of SOEs has grown slightly faster than the turnover of private companies for the second year in a row (an increase in 2017 – +0.15 percentage points). The biggest drop in turnover among the SOEs in 2019 compared to 2018 was for JSC Latvenergo (consolidated) – EUR -36.4 million (the largest drop also in 2018 – EUR -46.7 million). Turnover decreased by more than one million euro also in SJSC Latvijas dzelzceļš (consolidated – EUR -27.4 million), JSC Pasažieru vilciens (consolidated, EUR -13.2 million), JSC Augstsprieguma tīkls (EUR -9.1 million), SJSC Latvijas autoceļu uzturētājs (EUR -4.0 million) and JSC Rīgas siltums (consolidated EUR -3.0 million).

The largest increase in turnover in 2019 was for JSC Air Baltic Corporation (consolidated, EUR +100.2 million; the largest turnover also in 2018 – EUR +99.7 million), JSC Latvijas valsts meži (consolidated, EUR +41.9 million; the second largest turnover among the SOEs in 2018 – EUR +57.4 million), LLC (consolidated, EUR +46.4 million) and JSC Augstsprieguma tīkls (EUR +35.0 million), LLC Rīgas Austrumu klīniskā universitātes slimnīca (EUR +23.7 million),

LLC Tet (group of companies, EUR +15.7 million), SLLC Paula Stradiņa universitātes slimnīca (EUR +13.1 million), LLC Latvijas Mobilais Telefons (consolidated, EUR +12.8 million) and SLLC Bērnu klīniskās universitātes slimnīca (EUR +11.0 million).

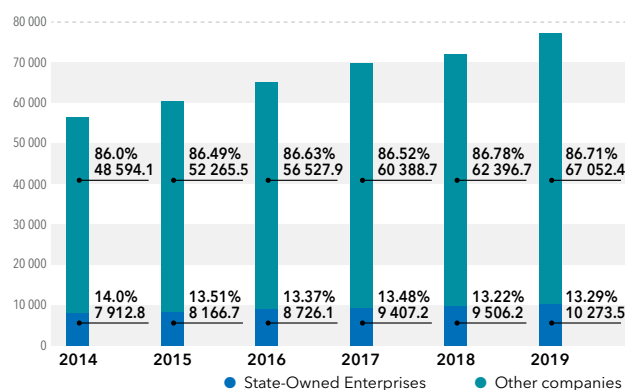


Figure 2. Assets of SOEs from total assets of all commercial companies in 2014 - 2019, million EUR, %

The assets of capital companies show theoretical potential for generating income and profits. The assets of all SOEs in 2019 represented 13.29%⁸ of the total assets held by capital companies in the country, amounting to EUR 10.27 billion, and compared to 2018, this represented an increase in the structure of total assets by +0.07 percentage points. In 2019, the assets of SOEs increased by EUR +767.3 million or +8.07%.

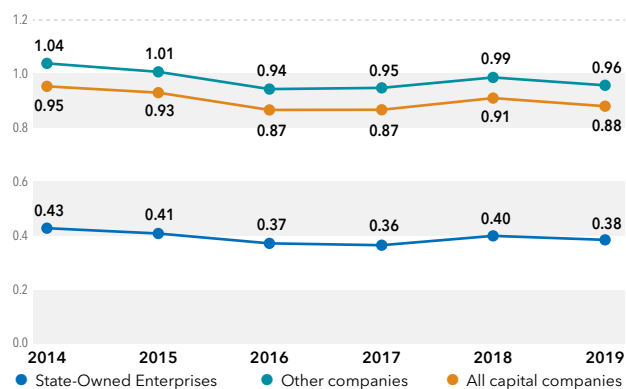


Figure 3. Average asset turnover ratio (net turnover/total assets) for the state, other and all capital companies in 2014 - 2019, ratio

Overall, the turnover-to-asset ratio is better in the private sector, due to different asset composition targets. One of the main goals of the private sector is to make the highest profit possible with the least possible involvement of assets and capital. Another aspect is the composition of assets – many SOEs maintain and provide a base for the provision of public services (hospitals, public infrastructure) as well as large-scale infrastructure in the

⁷ Database of the Central Statistical Bureau, Profit or Losses of Economic Operators (EUR million), source: https://data.stat.gov.lv/pxweb/lv/OSP_PUB/START_ENT_UF_UFF/UFF020.

⁸ Database of the Central Statistical Bureau, assets and liabilities of commercial companies at year-end (NACE 2. red.), (million euro), source: https://data.stat.gov.lv/pxweb/lv/OSP_PUB/START_ENT_UF_UFF/UFF040.

energy and transport sectors. The functioning of these sectors is possible only with large capital investments (hydroelectric power plants, railway and air infrastructure, etc.).

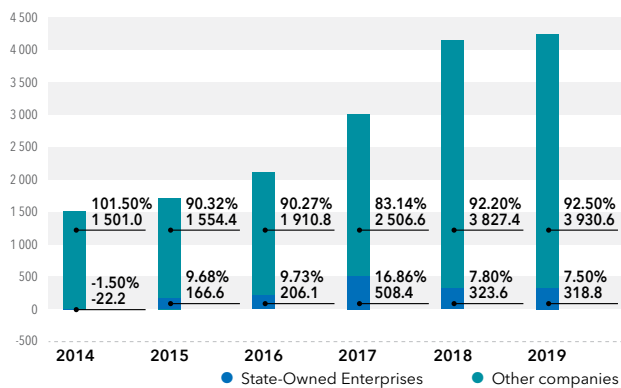


Figure 4. Profit of SOEs from the total profit of all commercial companies in 2014 - 2019, million EUR, %

7.50% of the total profit of capital companies reported in 2019 (EUR 4.25 billion)⁹ was generated by SOEs, which, represents a slight decrease of -0.29 percentage points of the total profit of all capital companies compared to 2018. Overall, the profits of SOEs decreased by EUR -4.9 million or -1.5% in 2019 and amounted to EUR 318.8 million. In the light of the fact that EUR 194.0 million of the 2017 profit is due to the impact of the Corporate Income Tax Law reform related to the reverse deferred CIT and the combined effect of limiting the growth of the mandatory procurement public service obligation (OIK) and waiving future revenues, the adjusted economic profit in 2017 amounted to EUR 314.4 million, consequently, the SOEs have earned a relatively constant amount – EUR 310 - 325 million per year from 2017 to 2019.

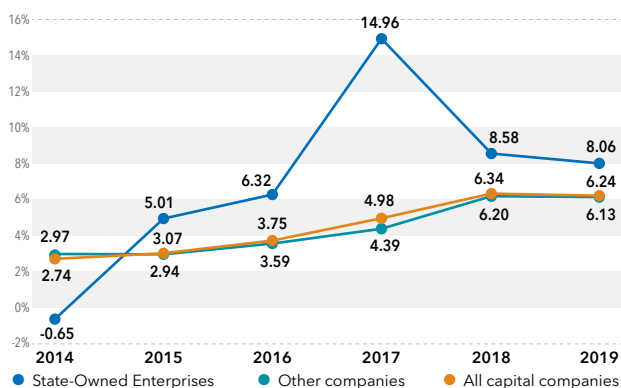


Figure 5. Profitability (total profit/net turnover) for the state, other and all capital companies in 2014 - 2019, %

Assessing the profit against turnover or profitability, the results of SOEs in 2019 are slightly better than in the private sector – 8.06% (in SOEs) and 6.13% (in private sector’s capital companies), but when assessing the return on assets, it is better in private sector – 3.10% and 5.86% respectively.

Overall, there has been a decrease in profitability and return on assets in both public and private capital companies compared to 2018, but the relationship between them has not changed significantly – SOEs show higher profitability, but lower asset returns and in percentages in the same amounts – profitability returns by 38.3% in 2018 and 31.5% in 2019 higher than in private capital companies, while the return on assets by 44.5% (2018) and 47.1% (2019) lower than in private capital companies.

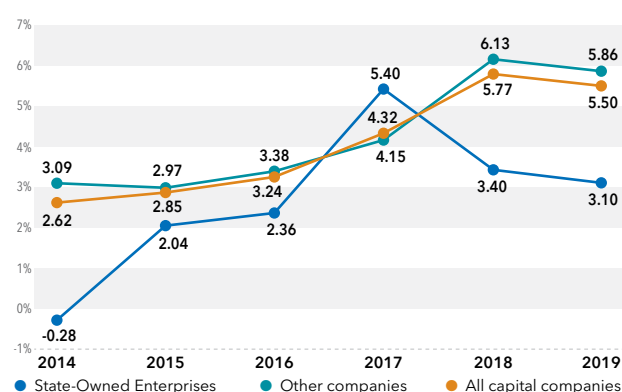


Figure 6. Return on assets (total profit/total assets) for the state, other and all capital companies in 2014 - 2019, %

The total indicators of SOEs in 2020, compared to 2019, have changed considerably for some indicators. Turnover decreased by EUR -664.5 million (-16.8%) amounting to EUR 3.29 billion. The profit decreased by EUR -297.5 million (-93.3%) to EUR 21.2 million. EBITDA decreased by EUR -322.4 million (-34%) reaching EUR 604.1 million. EBITDA profitability decreased by 5.1 percentage points or 21.5% amounting to 18.4% in 2020.

Investments have also decreased by EUR 343.6 million (-34.5%), amounting to EUR 635.5 million.

There has been a slight change in the volume of assets (+ EUR 379.4 million or +3.7%, a total of EUR 10.65 billion), equity (+282.1 million euro or +5.9%, total EUR 5.05 billion), dividends paid to the state budget (EUR -10.9 million or -4.7%, a total of EUR 220.9 million), contributions to state and local government budgets (EUR -15.2 million or -1.8%, a total of EUR 849.8 million). The largest increases are related to the amount of funding received from the state budget (+ EUR 492.5 million or 68.7%), amounting to EUR 1.21 billion and total equity capital (+ EUR 536.1 million or +14.0%), amounting to EUR 4.37 billion. The donations made have decreased (EUR -1.2 million or -18.8%), while the donations received (EUR +0.7 million or +68.8%) have increased, amounting to EUR 5.1 million and EUR 1.8 million respectively.

⁹ Database of the Central Statistical Bureau, Profit or Loss of Merchants (million euros), source: https://data.stat.gov.lv/pxweb/lv/OSP_PUB/START_ENT_UF_UFF/UFF020.

Table 1. Aggregate financial indicators characterizing the activities of state-owned enterprises and state-owned equity shares in 2017 - 2020

Principal financial indicators, million EUR				
	2017	2018	2019	2020
Turnover	3 397.8	3 773.5	3 954.0	3 289.5
Profit/loss	508.4	323.6	318.8	21.2
EBITDA	910.7	835.6	926.5*	604.1
Total assets	9 407.2	9 506.2	10 273.5	10 652.9
Share capital	4 088.1	3 764.5	3 833.6	4 369.7
Equity	4 787.8	4 736.1	4 772.1	5 054.2
Investment	647.7*	725.4*	979.1*	635.5
Dividends paid to state budget	148.7	232.5	231.8	220.9
Contributions made to the state and local government budget	810.0	859.6*	865.0*	849.8
Donations received	2.9*	1.18*	1.07*	1.8
Donations made	5.2	5.7*	6.3	7.8
Funding received from the state budget	1 043.3	695.2*	716.9	1 209.4
Principal financial indicators, % and coefficients				
Profit and turnover ratio, %	14.96	8.58	8.06	0.65
Return on assets, ROA, %	5.40	3.40	3.10	0.20
Return on equity, ROE, %	10.62	6.83	6.68	0.42
Total liquidity indicator	1.33	1.04	1.57	1.48
Liabilities-to-equity ratio	0.95	0.99	1.13	1.08
Other indicators				
Number of employees	51 018	49 908*	49 482*	46 784
Average gross remuneration per employee per year, thousand EUR	13.6	15.3	16.3	17.2
Gender representation in management, f/m	67/158* (29.8%/70.2%)	68/166* (29.1%/70.9%)	71/177* (28.6%/71.4%)	62/156 (28.4%/71.6%)
Annual report in accordance with IFRS (yes/no)	19/56 (25.3%/74.7%)	20/55 (26.7%/73.3%)	20/56 (26.3%/73.7%)	19/56 (25.3%/74.7%)

* Corrections to calculations have been made.

Investment volumes in 2020 have considerably decreased compared to 2019. Although theoretically this could have been affected by the COVID-19 pandemic, SOEs have not reported any major impact.

According to the information provided by SOEs (own assessment, not all SOEs have provided information), the COVID-19 pandemic has had a slight impact on investments, i.e. a decrease by only EUR 24.96 million. In 2020, investments decreased by EUR -343.6 million or -35.1% compared to 2019, amounting to total investment volume of EUR 635.5 million.

The transport sector experienced the biggest decline in investment in 2020 – EUR 329.4 million or -72.7%. Only four out of 13 capital companies did not have a decline in the investment amount, and none of these capital companies had increased the investment volume as much as EUR 0.5 million, although SJSC Latvijas Valsts ceļi had a relative increase in the investment volume of EUR + 0.3 million or + 30.0%. JSC Air Baltic Corporation experienced the biggest fall in investment of EUR -255.9 million or -76.6%, reaching investment volume of EUR 78.0 million (EUR 333.9 million in 2019).

JSC Pasažieru vilciens also had a comparatively large fall in investment volume of EUR -36.3 million or -95.1%, reaching a total investment volume of EUR 1.9 million; however, it has experienced such decreases also in previous years. Only one capital company out of nine capital companies in the transport sector, which faced a decline in investment, has experienced a decline of less than -35%. The decline in investment in SOEs in the health sector has been EUR + 8.5 million, or 22.2%, reaching a total investment of EUR 47.0 million in 2020. The largest investments in 2020 were in SOEs of the energy sector, amounting to EUR 261.3 million, which is still represents a decline by EUR 12.8 million or -4.7% compared to 2019. The ten largest SOEs have made 84.1% of total investments in 2020. Two thirds of total investments of JSC Latvenergo in the amount of EUR 168.9 million were made to modernise electricity networks, EUR 18.5 million were invested in the reconstruction of hydropower units of the Daugava hydropower plant (EUR 16.6 million in 2019 and EUR 21.1 million in 2018) – in total, six out of eleven hydropower units of the reconstruction programme have been reconstructed, by increasing their capacity, efficiency and power generation. Each megawatt hour of electricity produced by the Daugava hydropower plant reduces CO₂ emissions by 0.345 t/MWh, assuming that this energy should be produced in thermal power plants in condensation mode using natural gas as fuel.

In 2020, TEC-2 continued construction of the largest thermal storage system in the Baltics, which will be put into operation in 2021. The 17 800 m³ storage tank will allow for the storage of heat produced from cogeneration and the optimal adaptation of the TEC operating modes to changing market conditions, as well as to cover peak loads. It is planned that the heat storage system will provide the accumulation of heat (at least 65 GWh/year), primary energy savings (at least 2.4 GWh/year), CO₂ emission reduction (at least 9 000 t/year). In addition, the TEC-2 heat storage system will increase the safety of heating on the right bank of the centralized heating system of Rīga.

In 2020, the TEC-1 gas turbines have also been upgraded, thereby increasing the installed electrical capacity of the plant by 10% (14 MW) and a 15 - 25% reducing NO_x concentration in waste gases depending on the operating mode chosen. Total investment of JSC Latvenergo in TEC in 2020 – EUR 17.8 million (2019 – EUR 10.1 million)¹⁰.

In turn, investment in distribution networks amounted to EUR 87.4 million in 2020 (EUR 95.1 million in 2019). The investment was directed towards: (1) an automation programme, which includes the construction of remotely controlled power switches and fault site bearers and the gradual connection of the 20 kV network to an automatic fault localisation system, which allows for faster localisation of network damage and restoration of electricity supply, thus reducing the duration of the interruption; in 2020, all 20 kV network sections technically suitable for the automatic fault localisation system were connected to it, (2) the introduction of smart electricity meters that improve customers' awareness of electricity consumption, promote energy efficiency and reduce costs for both the

¹⁰ JSC Latvenergo Sustainability Annual Report 2020, pp. 31, 42, source: <https://latvenergo.lv/lv/investoriem/parskati>.

distribution system operators, customers and electricity traders, (3) the replacement of overhead power lines with cable lines (mainly in forested areas), which allows reduce weather damage to the power supply system, (4) restoration of power lines, 110 kV substations switchgear and transformer substations.

In 2020, JSC Air Baltic Corporation supplemented the airline's fleet with three aircrafts type Airbus A220-300, thereby the total number of A220 aircraft amounted to 25 – one in September and two in December. In addition, there are 12 aircrafts of type Q400.

Due to the COVID-19 pandemic, in the second quarter of the year, the management decided to terminate the exploitation of the fleet of Q400 and Boeing 737 aircraft – two out of four Boeing 737 aircraft were sold at the end of December and two were returned to the lessor. In order to reconcile the delivery of aircraft with the expected growth after the end of the COVID-19 crisis and the new business plan Destination 2025 CLEAN, in the third quarter of 2020, the airline successfully negotiated with Airbus on changes in the A220 aircraft delivery flow. It is planned to deliver seven new A220 aircraft in 2021. The goal of the renewed business plan Destination 2025 CLEAN remains to increase airBaltic's fleet to 50 aircraft by the end of 2024¹¹.

In 2020, the project "Construction of the Electrical Transmission Line "Riga TEC-2 – Riga HPP"" was completed, in which a new 330 kV overhead/cable line with an indicative length of 15 km was put into operation, and the 330 kV substation "Riga TEC-2" was expanded. The European Union co-financed 50 % of the project with the Connecting Europe Facility (CEF) funding.

In 2020, the new Estonian-Latvian interconnector was activated. All construction works have been completed in the development project "Estonia–Latvia 3rd Interconnection", and the newly built 330 kV line from Estonia to Rīga CHP-2 in Latvia has been put into operation. From 1 January 2021, the line shall be taken into account when calculating the transmission capacity allocated to the electricity market.

The implementation of this project was also 50% co-financed by the European Union from the CEF's funds.

The decision of the Supervisory Council of the Public Utilities Commission of 20 October 2020 "On Electricity Transmission System Development Plan" approved the electricity transmission system development plan developed by JSC Auktsprieguma tīkls for the period 2021 - 2030, which determines the development of the transmission system and the necessary financial investments in the transmission infrastructure for next 10 years, providing for an investment of EUR 405 million for the electricity transmission system development, including the European Union's co-financing of EUR 177 million and revenues of EUR 37 million gained from congestion charges.

In 2020, investments of EUR 40.8 million¹² were also made in the forest infrastructure (EUR 46.4 million in 2019): construction of forest roads – EUR 34.5 million (EUR 40.2 million in 2019; EUR 25.3 million in 2018) – 352 km of forest roads were put into service (389 kilometres in 2019), of which 116 km were rebuilt but 236 km built anew; the renovation of forest drainage systems in 2020 – EUR 5.9 million (EUR 6.0 million in 2019; EUR 5.5 million in 2018); the supervision and maintenance of bridges, level intersections, water abstraction facilities, etc.

LLC Latvijas mobilais telefons (hereinafter – LMT) continues to make investments of EUR 21.5 million (EUR 23.4

million in 2019) in the development of mobile communication network infrastructure, including the installation, upgrading a total of 392 objects of communication network; LMT was the first in the Baltics to introduce LTE-M network of the new generation of the Internet of Things and NB IoT, which are designed for more static equipment. LMT has introduced Voice Over Long-Term Evolution Technology, which will provide higher quality voice communication through the data transmission network. In 2020, LMT also focused on a number of new innovations involving cross-sectoral cooperation, by developing a number of innovative solutions – drones, smart cities, the Internet of Things, digital roads, connected cars and public safety, and launched four European Union research and technological development projects¹³.

In 2020, LLC Tet Group launched the development of a new television platform that will provide customers with the opportunity to personalize their own TV content. The new TV platform is built on the basis of micro-services, which will allow it to be replenished and changed more flexibly by developing new additional services. LLC Tet Group continued to invest in IT infrastructure making it safer and more efficient; it made further investments in technologies and platforms that improve the provision of the Internet and data services to business customers (OSV, KC platforms, Virtual Business Network), as well as in network protection against cyber-attacks, making the services safer (DDoS protection services).

The funds were also invested in the construction of the optical network, which provides the customers with a fast and stable Internet connection both in large cities and beyond. In addition, the latest technologies to improve the speed and availability of copper network data (VDSL Vectoring) were further introduced. The planned switchover of outdated voice services to modern technologies – IP voice and optics – was also continued. The investments were further made in the digital transformation of the parent company LLC Tet, incl. the replacement of the essential IT systems necessary for the operation of the company and a comprehensive review of business processes, thereby making the company more efficient, improving customer experience and substantially accelerating customer service¹⁴.

The capital companies of the health sector made investments of EUR 47.0 million. LLC Rīgas Austrumu klīniskā universitātes slimnīca "Gaiļezers" (hereinafter – RAKUS)¹⁵ has completed the reconstruction and renovation of the 1st block of the hospital "Gaiļezers" (total investments – EUR 14.5 million). Consequently, the departments' premises have been re-planned, ensuring their compliance with contemporary requirements for patient safety, incl. epidemiological safety; the units with separate sanitary facilities and showers have been built for patients, as well as manipulation rooms, intensive care units equipped with necessary technologies – medical gas supply system, personnel call system.

The renovation of premises and engineering networks of the State Pathology Centre was also carried out in the amount of EUR 3.5 million and the necessary technologies and equipment were purchased to ensure the operation of the centre, as well as the validation of the new methods and staff training. The renovation of the water supply and economic sewerage system of the hospital Latvijas Onkoloģijas centrs has been carried out in a number of departments for EUR 1.24 million. In terms of financial allocation of EUR 7.7 million for the contribution to the share capital from the "Contingency Funds" programme, medical equipment and disposable additional equipment for

¹¹ JSC Air Baltic Corporation Sustainability Annual Report 2020, p.107, source: <http://www.ur.gov.lv>.

¹² JSC Latvijas valsts meži Sustainability and Annual Report 2020, pp.16, 41, source: <https://www.lvm.lv/par-mums/skaitli-un-finanses/finanses/2020-g>.

¹³ LLC Latvijas Mobilais Telefons Annual Report 2020, pp.4, 5, source: www.ur.gov.lv.

¹⁴ LLC Tet Annual Report 2020, pp.5, 6, source: <https://www.tet.lv/par-tet/par-mums/gada-parskati>.

¹⁵ LLC Rīgas Austrumu klīniskās universitātes slimnīca Annual Report 2020, pp. 12., 13., source: <https://www.aslimnica.lv/lv/content/gada-parskats>.

the operation of medical equipment were purchased in 2020 to ensure the treatment of patients infected with the COVID-19 virus, as well as to increase the operational capacity of RAKUS in order to be able to react promptly during new outbreak of COVID-19.

In the invasive cardiology laboratory, the cardiac mapping equipment has been partially restored by purchasing a new radio frequency generator, a catheter for ablation for EUR 60.5 thousand; ten multifunctional electric beds were purchased for toxicology and sepsis clinic, equipped with a weighting system and active anti-decubitus mattresses, as well as artificial lung ventilation equipment and equipment for extracorporeal membrane oxygenation for EUR 76.6 thousand, for hospitals "Tuberkulozes un plaušu slimību centrs" and "Bīķernieki", where some outdated monitors for surveillance of patients' vital functions have been replaced with the new ones for EUR 69.0 thousand. In order to meet the requirements for radiation protection and preparation of pharmaceutical products for intravenous administration, two specially designed laminar flow cabinets for the packaging of radioactive products have been purchased for EUR 42.3 thousand.

In July 2020, training of users of the Electronic Drug Prescription System IS PalmaMedical has been completed, and all hospitals have started to use the system on a daily basis; work also continues on the improvement of the system and the use of additional functionality. The IT infrastructure was also updated, by completing the upgrading of the RAKUS data centre, installing new key computer network switches and purchasing new computer equipment for users; total investments in IT amounted to EUR 1.3 million.

On 11 May 2020, the Ministry of Health increased the share capital of the SLLC Paula Stradiņa klīniskā universitātes slimnīca¹⁶ (hereinafter – PSKUS) by allocating EUR 3.70 million for the purchase of medical equipment in order to ensure the state of preparedness for possible COVID-19 outbreak by improving medical equipment to be able to mitigate the potential impact of the COVID-19 pandemic on the hospital's medical departments and, if necessary, to establish a unit with all the necessary medical equipment that can assess the vital parameters of clinically severe patients and maintain the necessary parameters for patients with artificial ventilators. By replacing the outdated, discarded medical equipment with more advanced higher functionality technologies, the medical staff was able to perform up-to-date patient care, diagnosis and treatment. High-quality transplant compatibility laboratory equipment was provided, as well as support in equipping COVID-19 units by providing the necessary medical technological equipment to treat infectious patients.

In 2020, a number of significant decisions of the Cabinet of Ministers were adopted on granting additional funding of EUR 42.5 million to PSKUS – renovation of the 15th building block of PSKUS (EUR 0.66 million), PSKUS A building block for the provision of full functional capacity of stage II (EUR 20.0 million), renovation of PSKUS blocks No. 15, 33, 32 and 109 (including the creation of modular buildings) (EUR 15.6 million), improving accessibility of PSKUS services in blocks 25, 38 and 15 (EUR 6.2 million).

In 2020, PSKUS has launched and continues to implement the infrastructure development projects in 11 blocks of PSKUS and carry out the medical equipment procurement procedures. On 21 July 2020, the PSKUS Procurement Committee adopted a decision to award the contract to the tenderer and on 27 August 2020 the contract "Provision of Stage II of Construction Works

of Block A in Rīga, 13 Pilsõņu Street" was signed for the total amount of EUR 106.9 million. On 1 October 2020, the act on the commissioning of the construction site was signed and the execution of the construction works for stage II of Block A started. In accordance with the contract, the construction deadline is 31 March 2023. In 2020, two construction contracts were also concluded for the construction project development and supervision services for Block 15, Block 21, boiler house, Block 109, for renovation works, and two construction contracts were concluded for renovation of Block 32. In Q4 of 2020, an extraordinary negotiation procedure was launched on the establishment of modular structures by 31 December 2021, in order to ensure, as soon as possible, medical care in accordance with epidemiological requirements in the premises of the Emergency Medical Centre, as well as to increase the number of operating rooms. As a result, additional 40 hospital beds will be provided for patients of the Emergency Medical Centre, including 20 isolation blocks, as well as three new operating rooms. In cooperation with the Ministry of Health, an informative report on the development of the new Block B of SLLC Paula Stradiņa klīniskā universitātes slimnīca was prepared in Q4 of 2020 providing for the mobilisation of funding from the ERDF for the new programming period of the European Union funds and the request for funding for the reconstruction of the historical blocks of PSKUS within the framework of the Recovery and Resilience Facility. The implementation of the investment plan for the renovation of existing PSKUS infrastructure for 2020 amounts to 110%.

In order to strengthen the capacity of the SLLC Bērnu klīniskā universitātes slimnīca¹⁷ (hereinafter – BKUS) and improve the preparedness for recurrent emergencies and addressing the consequences of COVID-19, BKUS received additional funding of EUR 3.6 million on 15 May 2020 for the purchase of medical equipment, thus increasing the share capital of BKUS. In 2020, a decision was made on the allocation of additional EUR 10.2 million for the construction of the outpatient blocks (with a reception department) and the observation unit. The equity capital of the capital company was increased by allocating EUR 120.8 thousand on 7 October 2020 to launch designing. In 2020, the BKUS submitted requests for funding and calculations to ensure the strengthening of hospital capacity, infrastructure development, purchase of medical equipment and development of digital solutions of more than EUR 50 million, including the Recovery and Resilience Facility funding, funding within the framework of the high-preparedness project and other COVID-19 recovery funding. As a result, the year 2021 will be a very intense for the development of BKUS projects.

In 2020, SJSC Latvijas Valsts radio un televīzijas centrs¹⁸ (hereinafter – LVRTC) invested EUR 20.05 million in the acquisition and establishment of fixed assets and intangible investments; its activities largely related to investments in the development of information and communication technology service platforms (development of trust services and electronic identity services, extension of the data transmission network, 2nd stage of the projects "Development of Next Generation Electronic Communication Networks in Rural Areas", "Improving Access to Electronic Communications Infrastructure in Rural Areas", "Logically Unified Data Centre", reconstruction and improvement of Riga Radio and Television Station).

Despite the decrease in freight traffic, SJSC Latvijas dzelzceļš¹⁹ continued to provide high-quality infrastructure and services and an adequate level of safety, and the total amount of capital investments made in the group amounted to EUR 16.0

¹⁶ Annual Report of LLC Paula Stradiņa klīniskā universitātes slimnīca 2020, pp. 9, 10., source: <http://www.stradini.lv/lv/content/audititi-gada-parskati>.

¹⁷ Annual Report of SLLC Bērnu klīniskā universitātes slimnīca 2020, p.4, source: <https://www.bkus.lv/lv/content/parskati-un-darbibas-raditaji>.

¹⁸ SJSC Latvijas Valsts radio un televīzijas centrs Annual Report 2020, p.4, source: <https://www.lvrte.lv/par-lvrte/finanses/>.

million (without capital investments made within the Group) in 2020. Financial resources are invested in the renovation, modernisation and acquisition of fixed assets, intangible investments, as well as construction of new objects. In 2020, the total capital investment of SJSC Latvijas dzelzceļš amounts to EUR 11.26 million. EUR 9.68 million have been invested in the capital repairs of railway infrastructure, EUR 185 thousand in the renovation of existing IT systems; during the reporting period, technological equipment for repairs and maintenance of railway tracks was purchased, as well as equipment for further development of IS and communication tools and other intangible assets in the amount of EUR 653 thousand, and 738 thousand were invested in infrastructure development. The total amount of capital investments made by LLC LDZ CARGO in 2020 amounted to EUR 2.1 million, which were invested in the restoration, modernisation and acquisition of fixed assets. In 2020, funds were invested in the capital repairs, modernisation and introduction of diesel locomotives and introduction of new technologies to improve the technological process. The total capital investments made by LLC LDZ ritošā sastāva serviss in 2020 amounted to EUR 1.97 million.

The most important projects are: capital repairs of locomotives in accordance with the rules for repair of diesel locomotives – major repairs of 2TE116 locomotives have been carried out to provide carriers with the necessary traction rolling stock for freight transport for EUR 1.74 million; ROBOKON 4155 bearing roller control and sorting semi-automatic device (completed works for a total amount of EUR 38 thousand) and ROBOKON 4156 bearing roller control and sorting semi-automatic device (work for a total amount of EUR 48 thousand during the reporting period).

According to the decision by the Cabinet of Ministers of 23 April 2020 to provide support to SJSC Starptautiskā lidosta "Rīga"²⁰ (hereinafter – RIX) by investing EUR 49.9 million in equity capital with a view to ensure the economic crisis management and stabilisation of economic situation in the sector, as well as by leaving RIX a profit of EUR 4.5 million for the year 2019 to cover the losses caused by the COVID-19 crisis, the implementation of those investment projects was supported, which are mandatory in accordance with effective international and Latvian legislation, or where the breach of commitments of the agreements, would generate additional costs and litigation risks for RIX.

By 31 December 2020, fixed assets were purchased and investment projects were implemented from investments made into RIX budget, as well as advance payments of EUR 13.9 million have been made. During 2020, despite the COVID-19 crisis, a number of major investment projects were carried out, including: the construction of the cargo platform, expansion of the 2nd platform, as well as completion of the access road to DHL cargo handling centre and construction of the parking lot. There are also projects close to commissioning such as: construction of rapid exit taxiway Y, restoration of runway and taxiway A pavement and installation of platform axis line lights, construction of helicopter landing area and reconstruction of public part rainwater drainage system and reconstruction of the Museum Street.

In 2020, investments continued also in the real estate owned by or transferred to SJSC Valsts nekustamie īpašumi (hereinafter – VNĪ). During the pandemic, the VNĪ made investments of EUR 13.4 million, and 35 major development and maintenance projects with a total budget of EUR 29.9 million were completed.

The most important projects are the adapting of the historical police building in Rīga, 7 Aspazijas Boulevard to the needs of the Prosecutor's Office, where 9 departments of the Prosecutor's Office will be located at one single address; the energy efficiency projects were completed at the President's residence in Jūrmala and building of the Latvian National Archive in Daugavpils, 9 Komandanta Street, as well as in Staņislavs Broks Daugavpils Music Secondary School, 2A Kandavas Street.

Facade, window and entrance portal restoration works were carried out at the Museum of the History of Riga and Navigation in Rīga, 2 Palasta Street, the Pharmacy Museum at 13 R.Vāgnera Street and the exhibition hall "Arsenāls".

Facades have been renovated for such important buildings as the Ministry of Economics in Rīga, 55 Brīvības Street and the Ombudsman's Office in Rīga, 25 Baznīcas Street. Roof renovation and restoration of windows, as well as entrance portal and staircase restoration works have been carried out for the administrative building in Rīga, 1 Smilšu Street (users – the Ministry of Finance, the Treasury and the Central Finance and Contracts Agency).

At the end of 2020, the VNĪ worked on 73 infrastructure development projects amounting to EUR 152 million and 32 new project ideas. Significant development projects were continued, for instance, the reconstruction of the Latvian Occupation Museum building, incl. the construction of a new building "The House of the Future" and the Memorial, the reconstruction of the New Riga Theatre building in Rīga, 25 Lāčplēša Street, improvement of infrastructure at the border crossing points "Terehova", "Pāternieki" and "Silene", development of reconstruction project of the concert hall "Great Guild", revitalisation of degraded areas by creating a complex of prototype workshops in Rīga, 13 A. Briāna Street, an interdisciplinary cultural centre in Rīga, Miera Street 58A, and the Latvian National Opera and Ballet Decoration Centre in Rīga, 2 Meirāna Street, projects to improve the energy efficiency of buildings of the Dailes Theatre in Rīga, 75 Brīvības Street, the Latvian Puppet Theatre in Rīga, 16/18 K. Barona Street, the Valmiera Drama Theatre in Valmiera, 4 Lāčplēša Street, the Latvian State Archives in Rīga, 14 Skandu Street²¹. In 2020, LLC Tiesu namu aģentūra made investments of EUR 2.7 million, mentioning the implementation of energy efficiency improvement projects as the main achievement in real estate management in Rīga, 58 Daugavgrīvas Street and 10 Lomonosova Street, in order to provide institutions of the judicial system with work premises, which are necessary to carry out their functions²². Work on the organisation of construction of the new prison in Liepāja was continued. In 2020, EUR 106.5 thousand were spent for the organisation of construction.

Investments in road maintenance of EUR 6.1 million (EUR 12.8 million in 2019) continued in 2020, including capital investments of 2019 in the amount of EUR 3.6 million, by using own funds and attracting borrowed capital, the most significant of which are: lorries of EUR 0.94 million, excavators (with an excavation cup capacity of 0.5 m³ and more) for EUR 0.73 million, car trailers of EUR 0.49 million, wheeled tractors (with a capacity above 110 PS) of EUR 0.35 million, asphalt concrete mill of EUR 0.30 million, road surface restoration installation of EUR 0.19 million.

Procurement procedures for the acquisition of technological equipment and machines for EUR 5.73 million were completed, the delivery of which will take place in 2021. The most important of them are trucks with additional equipment of

¹⁹ SJSC Latvijas dzelzceļš Consolidated Annual Report 2020, p.7, source: <https://www.ldz.lv/lv/auditeti-gada-parskati>.

²⁰ JSC Starptautiskā lidosta "Rīga" Annual Report 2020, p.7., source: <https://www.riga-airport.com/par-lidostu/finanses/gada-parskats>.

²¹ SJSC Valsts nekustamie īpašumi Annual Report 2020, pp.6,7, source: <https://vni.lv/par-mums/par-uznemumu#Finances>.

²² LLC Tiesu namu aģentūra Annual Report 2020, pp.4,5, source: <https://www.tna.lv/par-mums/finanses/>.

EUR 2.39 million, front loaders (including both excavator and excavator equipment) of EUR 1.04 million, motor grader and hauled graders of EUR 0.45 million, mowers with hydraulic manipulators of EUR 0.46 million²³.

In 2020, SLLC Kultūras un sporta centrs "Daugavas stadions" received a construction permit and started the construction of the ice hall. It is planned to complete the construction in 2021. In 2020, the construction board received an agreement on the fulfilment of the design conditions for the construction project of the Athletics Multifunctional Manege in minimum composition and the development of procurement documentation was started in the "design and construction" call for tenders. The procurement documentation has also been drafted to design the planned reconstruction of the athletics training area, the central square and a reserve football pitch. In 2020, active cooperation with sports organisations and representatives of the cultural sector was organised to regularly inform on the progress of the project and to listen to stakeholders' interests in terms of infrastructure development and opportunities for cooperation²⁴.

SLLC Rīgas Tūrisma un radošās industrijas tehnikums (hereinafter – RTRIT) implemented the ERDF project "Reconstruction of the Building of Service Hotel of the Preiļi Branch" and purchased fixed assets for the educational programmes "Production of Flour Products" and "Hotel Services" to be supported within the framework of the project, and reconstruction started in Rīga, 41A Deglava Street. The reconstruction of the RTRIT stadium and construction of the new sports block are also successfully continued. In 2021, it is planned to grant additional funding for high-level preparedness projects for the reconstruction of the service hotel in Rīga, 41B Deglava Street²⁵.

In 2020, SJSC Latvijas Pasts completed the acquisition of the automatic mail sorting equipment, a new data array, as well as the development and improvement of various information systems aimed at facilitating day-to-day processes both within the organisation and improving customer experience of using services²⁶.

In 2020, SJSC Latvijas gaisa satiksme revised the investment plans by suspending new investments, but continued to implement the commitments made, including the design agreement for the new air traffic control tower, the modernisation of the ATRACC system and the expansion and modernisation of the VOR/DME network²⁷.

At the end of 2020, SLLC Latvijas Televīzija purchased a modern program release complex, which, as an essential unit of technological performance and development, will ensure the transition of the company to high definition (HD) broadcasting²⁸.

SJSC Ceļu satiksmes drošības direkcija (hereinafter – CSDD) decided to freeze part of the investment projects in 2020 by focusing on the most important investment projects related to the performance of the state delegated functions, by completing the investment projects started in 2019 – the construction of two new customer service centres in Jelgava and Tukums and the reconstruction of the largest customer service centre of the CSDD in Rīga, the reconstruction of the Biķernieki complex

sports base office building, which was started to ensure that the Biķernieki complex sports facility building is suitable for the managing of major sports events. In order to increase the safety of participants, staff and visitors, safety equipment and track cover have been restored in several stages of the Biķernieki complex sports base/motor race track²⁹.

On 16 July 2019, the government approved³⁰ the funding of EUR 255.9 million for the supply of electric passenger trains and the equipment necessary for their maintenance, training of staff, as well as the construction of train repairs centre.

The funds will be used to purchase 32 new electric trains, spare parts' fund and equipment for maintenance of electric trains, as well as for training of staff. On 30 July 2019, a contract was concluded with ŠKODA VAGONKA a.s., and an advance payment of EUR 36.3 million for new electric trains was made in 2019. In spring 2020, ŠKODA VAGONKA a.s. informed JSC Pasažieru vilciens about the possible impact of the COVID-19 pandemic on the performance of the contract – the production of electric trains will be postponed by a few months, resulting in delayed delivery of the first trains, but it will not affect the last trains' delivery deadline. Procurement for electric train production monitoring has been launched and the work is underway on the harmonisation of technical regulations, exterior and interior design, radio stations and electromagnetic brake installation issues³¹. A number of other smaller investment projects were carried out.

The number of employees of SOEs continued to decrease much more intensively compared to 2019, reaching -5.5% or -2 698 employees. The SOEs have been facing a decrease in the number of employees for already five years in a row. In 2016, it decreased by 603 employees or -1.1%, in 2017 - by 1 102 employees or -2.1%, in 2018 – by 1 219 employees or -2.4%, in 2019 – by 370 employees or -0.7%.

In total, 46.8 thousand people are employed in SOEs, representing 5.03%³² of the active population, and there is a slight decrease of -0.29 percentage points compared to 2019. The number of country's active population decreased only slightly -by 0.3 thousand or 0.03%, reaching 930.5 thousand people aged 15 - 64.

This has been the case for the last 12 consecutive years. SOEs are seeking ways to make their activities more efficient and review their operational processes. The decrease in employment in SOEs accounted for only 3.4% of the total number of unemployed in 2020.

The unemployment rate reached 8.4% in 2020, increasing by 1.9 percentage points compared to 6.5% in 2019 (7.6% in 2018, 8.9% in 2017 and 9.9% in 2016)³³. Average wages, however, continue to grow steadily as wages increased by + 5.2 % in 2017 compared to 2016, by + 12.6 % in 2018 compared to 2017, by + 6.9 % in 2019 compared to 2018 and by + 5.7 % in 2020, which was slightly lower than the average monthly wage growth of employees in the country in 2020 (+ 6.2 %)³⁴. The average annual wage in SOEs was by 25.7% higher than in the country as a whole in 2020 and amounted to EUR 17.2 thousand.

²³ SJSC Latvijas autoceļu uzturētājs Annual Report 2020, pp.5, 6, source: <https://www.lau.lv/la/finanses>.

²⁴ SLLC Kultūras un sporta centrs "Daugavas stadions" Annual Report 2020, pp. 6, 7, source: <https://vni.lv/par-mums/par-uznemumu/Finanses>.

²⁵ SLLC Rīgas Tūrisma un radošās industrijas tehnikums Annual Report 2020, pp.5-7, source: <https://www.ur.gov.lv>.

²⁶ SJSC Latvijas Pasts Annual Report 2020, p.7, source: https://www.pasts.lv/par-mums/parskati_un_statistika/#finansu-raditaji.

²⁷ SJSC Latvijas gaisa satiksme Annual Report 2020, pp.6, 7, source: Pārskati – Latvijas Gaisa Satiksme (lgs.lv).

²⁸ Information provided by SLLC Latvijas Televīzija.

²⁹ SJSC Ceļu satiksmes drošības direkcija Annual Report 2020, pp. 11., 12, source: <https://csdd.lv/finanses/2021-gada-finansu-parskati>.

³⁰ JSC Pasažieru vilciens Annual Report 2019, p.4, 41, source: <https://www.pv.lv/par-mums/finansu-parskati/>, Minutes of the Cabinet of Ministers sitting No. 33 on July 16, 2019, source: <https://likumi.lv/ta/id/308329-ministru-kabineta-sedes-protokols>, publication "Government approves funding for new electric train procurement project", source: <https://www.mk.gov.lv/aktualitates/valdiba-apstiprina-finansejumu-jauno-elektrovilcienu-iepirkuma-projektam>.

³¹ JSC Pasažieru vilciens Annual Report 2020, p.4, source: <https://www.pv.lv/par-mums/finansu-parskati/>.

³² The figures are calculated for the 15-64 age group using data from: https://data.stat.gov.lv/pxweb/lv/OSP_PUB/START_EMP_NBB_NBA/NBA010.

³³ The figures are calculated for the 15-64 age group using data from: https://data.stat.gov.lv/pxweb/lv/OSP_PUB/START_EMP_NBB_NBA/NBA010.

³⁴ According to data from: https://data.stat.gov.lv/pxweb/lv/OSP_PUB/START_EMP_DS_DSV/DSV010 the average monthly salary of employees in 2020 was EUR 1 143.

1. Governance of State-Owned Enterprises

Governance of SOEs is regulated by the "Law on Governance of Capital Shares of a Public Person and Capital Companies", which came into force on 1 January 2015. The highest decision-making body as regards the governance of state-owned shares and capital companies is the Cabinet of Ministers, which decides on the:

- acquisition, retention and termination of public participation in the capital company and the assessment of terms of participation;
- defining the general strategic objective;
- approval of different of dividend payments for capital companies both for the period of the medium-term strategy and the previous financial year.

The tasks of the co-ordination institution are performed by the Cross-Sectoral Coordination Centre, performing the coordination and supervision of governance of state-owned companies and state-owned shares. The CSCC shall:

- draw up guidelines and regulations of the Cabinet of Ministers regarding corporate governance practices of SOEs;
- issue a statement to holders of state-owned capital shares on the financial objectives set in the medium-term operational strategy of the capital company and on the financial indicators of the performance (profit share to be disbursed in dividends, profit indicators, return on capital, etc.), as well as on the conformity of such objectives with the non-financial objectives set in the medium-term operational strategy;
- issue a statement to the Cabinet of Ministers on obtaining, maintaining or terminating State participation;
- provide advice to the Prime Minister, the Cabinet of Ministers, holders of capital shares of a public person (ministries), and management of capital companies, as well as organizes training on issues related to corporate governance of SOEs;
- ensure that current information is published regarding SOEs and capital companies under decisive influence of the State, as well as the preparation of an annual public report on SOEs and State capital shares in the previous year;
- ensure regular exchange of information with the OECD Working Party on State Ownership and Privatization, participate in its work and facilitate the implementation of the OECD recommendations on governance of SOEs, as well as compliance of Latvian SOEs with good corporate governance practices recognized by developed countries.

In order to ensure efficient governance of capital companies of public persons and capital shares, a collegial body – the Council of the Institution Coordinating Governance of State-Owned Capital Shares and State-Owned Capital Companies (hereinafter – the Council of the Co-ordination Institution) was established, which reviews the draft guidelines drawn up by the Co-ordination Institution in the field of management of capital shares of a public person and harmonizes them before approval, as well as in the cases specified by law, assesses the statement of the Co-ordination Institution regarding the draft medium-term operational strategy of a capital company, if the holder of state-owned capital shares or the council of a capital company (if such has been established) does not agree with the statement prepared by the Co-ordination Institution and the holder of state-owned

capital shares or the council of a capital company has requested to examine the issue at the Council of the Co-ordination Institution. It should be noted that up to now the Council of the Co-ordination Institution has not had to deal with such issues. The Council of the Co-ordination Institution shall also be entitled to provide proposals to the Co-ordination Institution regarding other issues related to the management of capital shares of a public person. The Council consists of representatives of eight ministries and representatives from the Free Trade Union Confederation of Latvia, the Latvian Association of Local and Regional Governments, the Latvian Chamber of Commerce and Industry and the Employers' Confederation of Latvia. The representative of the Baltic Institute of Corporate Governance is invited to attend the Council's meetings without voting rights.

A holder of state-owned capital shares in a capital company shall be a ministry or other State administration institution appointed as the holder of state-owned capital shares by the Cabinet of Ministers. The Cabinet of Ministers shall determine the ministry, which is of significance in management of specific state-owned capital shares in the respective sector (hereinafter - the line ministry). If a ministry is the holder of state-owned capital shares, decisions of the holder of capital shares shall be taken by the State Secretary of the ministry or another official of the ministry determined by an order of the State Secretary. A holder of capital shares:

- or a line ministry may propose obtaining or termination of state participation as well as obtaining or termination of decisive influence in a capital company. A conformity assessment of obtaining the participation or decisive influence with the conditions of Section 88, Paragraph one of the "State Administration Structure Law" in relation to participation of a public person in a capital company, as well as with the general strategic objective that the submitter of the proposal offers for the State to achieve through the participation in the capital company, shall be appended to the proposal;
- ensures that a medium-term strategy is in drawn up;
- determines the profit share to be disbursed as dividends;
- assesses the performance results of the capital company;
- publishes on its website up-to-date information on capital companies where it holds shares;
- proposes the candidate nomination process for the position of a member of the council or board of the capital company (if the council has not been established);
- adopts decisions within the competence of the meeting of participants on the approval of the annual report of the company; distribution of profit; election and revocation of the members and chairperson of the executive board, except cases where a council has been established in the company; election and revocation of the members of the Council (if any); election and revocation of the auditor; bringing a claim against a member of the executive board or supervisory board (if any) or withdrawal of claim against them, as well as to appointment of a representative to represent the company in court; approval and amendment of the company's statutes; the amount of remuneration for an auditor, members of the Council (if any) and the members of the executive board (except for the cases when the Council is established); increase or decrease of equity capital; company's reorganization; election and revocation of the liquidator; the approval of medium-term operational strategy, unless the Council has been established.

A council may be established in a SOE only if the company's indicators in the previous reporting year meet both of the following criteria:

- 1) the net turnover exceeds EUR 21 million;
- 2) the balance sheet total exceeds EUR 4 million.

As of 1 June 2020, all joint stock companies must have a council, but a council may be established if the company's performance in the previous reporting year meets both of the following criteria:

- 1) the net turnover exceeds EUR 8 million;
- 2) the balance sheet total exceeds EUR 4 million.

At the end of 2020, the Councils operated in 19 SOEs. According to the "Law on the Governance of Capital Shares of a Public Person and Capital Companies", the council shall have the task to:

- 1) elect and revoke the chairperson and the members of the executive board;
- 2) determine the remuneration for members of the executive board;
- 3) approve the medium-term operational strategy and monitor its implementation;
- 4) constantly supervise that the matters of the company are conducted in accordance with the requirements of laws and regulations, articles of association of the company, and decisions of the meeting of shareholders;
- 5) examine the annual report of the company, the report of the executive board and proposals of the executive board on profit distribution, to prepare a report of the supervisory board thereon, and to submit them to the shareholders' meeting;
- 6) represent the company in court regarding all claims brought by the company against members of the executive board and claims brought by members of the executive board against the company;
- 7) approve concluding of a transaction between the company and a member of the executive board or an auditor;
- 8) examine in advance all issues within the competence of the shareholder or shareholders' meeting or the issues initiated by members of the executive board or members of the supervisory board recommended for examination at the meeting of stockholders, and to provide a statement on such issues;
- 9) submit proposals to the shareholder on improvement of the operation of the company.
- 10) approve the annual budget and monitor its implementation;
- 11) to supervise the functioning of internal control and risk management systems, to review their adequacy and effectiveness;
- 12) to approve the most relevant policies, which define the principles of operation of the corporation in relation to risk management, prevention of conflict of interest, fight against corruption, corporate governance and other issues;
- 13) to perform an annual self-assessment of the work of the council.

Considering the Councils' contribution and changes to the law related to governance of capital companies, in 2020 the councils were established in SJSC Bērnu klīniskā universitātes slimnīca, LLC Rīgas Austrumu klīniskā universitātes slimnīca, SLLC Paula Stradiņa Klīniskā universitātes slimnīca, SJSC Latvijas Valsts radio un televīzijas centrs, SJSC Elektroniskie sakari.

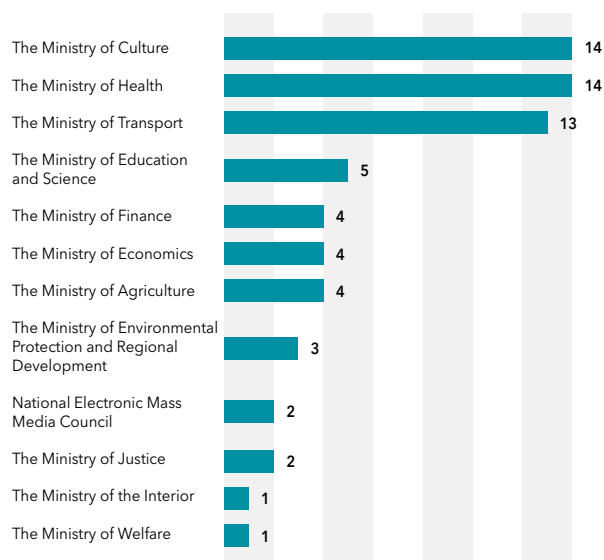


Figure 7. Holders of state-owned shares in SOEs in 2020, number of capital companies

1.1. Public Participation and General Strategic Objective

In 2020, in general, no significant changes have taken place in the state participation in capital companies. By realizing the plan of the Ministry of Health to optimize the provision of psychiatric services, which will result in the reorganization of several psychoneurological hospitals, in 2020, in accordance with the Order No. 12 of the Cabinet of Ministers of 7 January 2020, the SLLC Aknīste Psychoneurological Hospital and the SLLC Daugavpils Psychoneurological Hospital were reorganised, by merging the capital companies and transferring the property of SLLC Aknīste Psychoneurological Hospital (acquired company) to the SLLC Daugavpils Psychoneurological Hospital (acquiring company). The decision to complete the reorganisation entered into force on 4 January 2021.

Pursuant to Order of the Cabinet of Ministers No. 457 of 25 August 2020, SJSC Ceļu satiksmes drošības direkcija will suspend participation in LLC Auteko & TŪV Latvija of 51%, LLC Autests of 20%, LLC Scantest of 20% and LLC Ventests of 50% by disposing their shares in the auction. The disposal of shares has been initiated and is organised by the LLC Publisko aktīvu pārvaldītājs "Possessor". Consequently, SJSC Ceļu satiksmes drošības direkcija will hand over to private operators the component of the state roadworthiness testing of vehicles – technical inspection, which may be carried out by economic operators under market conditions.

In addition, the Cabinet of Ministers at the sitting of 18 August 2020 (prot. No. 49 §38) decided to support the maintenance of State participation in the SLLC Latvijas Vēstnesis, to confirm its general strategic objective, as well as to declare Cabinet Order No. 575 of 24 September 2015 on the initiation of the transformation of the SLLC Latvijas Vēstnesis into the state agency Latvijas Vēstnesis as null and void.

Since, pursuant to Section 7(1) of the "Law on Governance of Capital Companies", a public person is obliged to reassess each of its direct shareholdings in a capital company at least once every five years and its compliance with the conditions referred to in Section 88(1) of the "Public Administration Structure Law" (unless the law provides that the capital shares or shares of the capital company in question are not to be disposed of), a reassessment of the holding of several SOEs was initiated in 2020, which continues in 2021.

In 2020, the general strategic objectives of two capital companies of the transport sector were approved – SJSC Latvijas Pasts and SJSC Latvijas Valsts radio un televīzijas centrs, as well as SLLC Piejūras slimnīca.

1.2. Strategy Development

In 2020, the CSCC received 17 draft medium-term operational strategies (hereinafter – the Strategy) and issued 23 opinions as well as 12 recurrent opinions with recommendations and proposals for improvements.

In 2020, 28 strategies or amendments to them were received and approved, including ten Strategies of the capital companies of the Ministry of Health.

As regards the deadlines for Strategy approval, it could be observed that most Strategies were approved when their period of operation had begun, moreover, many Strategies had a deadline in 2020 - 2022, which, in fact, means that the Strategies had a future perspective only for next two years (23 in total).

The CSCC had already received information from representatives of capital companies in certain sectors that capital companies face difficulties in developing Strategies for a period longer than three years. For example, in the health sector, where the revenues and investments of capital companies depend significantly on the funds allocated from the state budget, all capital companies, except SLLC Bērnu klīniskā universitātes slimnīca, in 2020 approved Strategies until 2022.

The late approval is also due to the fact that, the overall process of aligning the Strategies with the shareholder and the CSCC requires sufficient time. If the Strategies were harmonized once every seven years, this would not be so important, however, when the Strategies are drafted for a short term and amendments are made on an annual basis, the harmonization places a sufficiently high burden on both the shareholder and the CSCC, contributing to the fact that the Strategies are approved for the period of Strategies in progress.

In addition, the constraints caused by the COVID-19 pandemic and accelerated technological changes often put pressure on companies to think in an ever closer perspective, which may pose a risk of a short-term vision. International consultancy company Deloitte in a recent publication³⁵ points out that it is essential to balance short-term and long-term objectives. They refer to a previous Harvard Business Review study on the situation after the previous three crises, that those companies (out of 4 700 public companies), which reduced the costs most rapidly and most substantially, were the least likely to gain a competitive advantage after the crisis had ended.

Deloitte points out that a long-term vision is still important. At the same time, it is concluded that supporting the Strategy on the same scenario can be short-sighted, therefore we need to think immediately about a number of options for future development that the company can adapt to.

In the case of SOEs, the approach should also be such that Strategies are not developed only to achieve short-term goals, as well as different development scenarios should be considered. If the Strategy is developed for a short period, it is likely that it will be an operational action plan rather than a Strategy.

The need for the Strategy is also highlighted in the Corporate Governance Code³⁶ approved at the end of 2020.

Principle 1 of the Code requires that the company needs an approved Strategy setting out the company's objectives and progress towards long-term value growth. In other words, the role of a Strategy is to help the company identify the best development direction that fits its purpose of existence, and to set milestones to help assess whether the company is moving in the chosen direction. The existence of a Strategy facilitates the drawing up of other subordinate plans (investment plan, plan for attracting human resources, financial plan, etc.)

The quality of the Strategy is evidenced by the fact that the employees of the company know and take into account the Strategy in the development of operational plans. In any case, these should not be too voluminous documents, as this makes it more difficult to use them extensively. The world is increasingly using the so-called 'one-page' strategies.

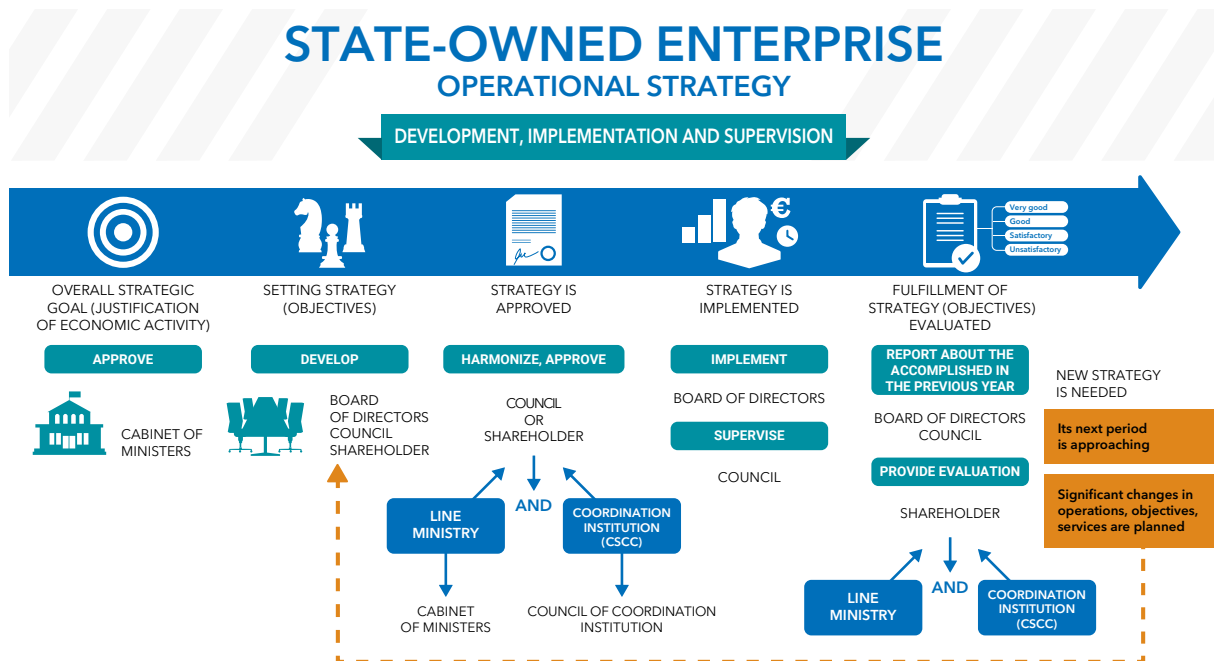


Figure 8. Process of harmonizing and validating the draft strategy

³⁵ Monitor Deloitte. How is COVID-19 reshaping the role of corporate strategy? (2020). Accessed on: 27.09.2021, <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/process-and-operations/us-strategy-function-in-a-post-covid-world.pdf>

³⁶ https://www.tm.gov.lv/sites/tm/files/media_file/korporativas-parvaldibas-koodekss_0.pdf

1.3. Dividend Policy

Regulation of the Cabinet of Ministers No. 806 "Procedure by which State-Owned Capital Companies and Public-private Capital Companies in which the State is a Participant (shareholder) Forecast and Determine the Share of Profit to be Paid in Dividends and Make Payments to the State Budget for the use of State Capital" (hereinafter – the Procedure) of 22 December 2015 governs that the minimum expected share of profit to be paid in dividends and the share of profit to be paid in dividends is 80% of the net profit of the capital company in the reporting year. The procedure also states that the Cabinet of Ministers, upon a proposal justified by the holder of State-owned capital shares, may authorise the determination of a different share of profit to be paid out in dividends in the Strategy of a capital company.

Thus, SOEs may pay in dividends more or less than 80% of the profit of the reporting year, but it must be justified by the SOEs' strategy and the decision of the Cabinet of Ministers.

The State Budget Law provides for an exception for four SOEs in 2020, i.e. to transfer certain amount (no less than) to the State budget (incl.CIT): JSC Latvenergo has to pay EUR 127.1 million (incl.CIT) in dividends, JSC Latvijas valsts meži – EUR 76.1 million (incl.CIT), SJSC Latvijas Loto – EUR 2.2 million (incl.CIT) and JSC Augstsprieguma tīkls – EUR 1.7 million (incl.CIT). In 2020, all these SOEs paid in dividends the amount laid down in the Law on the State Budget, only SJSC Latvijas Loto paid a higher amount of EUR 6.2 million (incl.CIT).

Such duplication of legal norms has led to the situation that, in fact, the dividends calculated and paid by some SOEs were less than 80% of the profit for the reporting year, however, the Cabinet of Ministers has not taken a decision thereon.

When making a proposal to the Cabinet of Ministers regarding a different share of profit to be paid out in dividends, it is necessary to assess whether the reduction of dividends qualifies as aid for commercial activity. Several SOEs have had to reconcile different dividend policies with the European Commission.

In 2020, a large number of capital companies used the opportunity to determine a different share of profit to be paid in dividends by the decision of the Cabinet of Ministers.

The amount of profit to be paid in dividends for some SOEs was directed to compensate the expenses for performing the functions delegated by the State or to fulfil the obligations laid down in regulatory enactments to ensure high-quality services.

In 2020, the CSCC and the Ministry of Finance worked together on an informative report in order to sort out the presentation of the profits made available to SOEs in the balance sheet items of the capital companies, because the SOEs had a different perception of whether profits are distributed and whether corporate tax should be paid in those cases where in fact dividends were not paid into the State budget. The SOEs will have to apply a common approach to profit distribution, payment of CIT and disclosure of dividend payments in financial statements as of 2022.

1.4. Nomination Committees and Nomination Processes

Amendments to the "Law on the Governance of Capital Shares and Capital Companies of a Public Person" entered into force on 1 January 2020 and on 25 January 2020, Regulation of the Cabinet of Ministers No. 20 "Procedure for Nomination of Members of the Management Board and Council in Capital Companies in Which Capital Shares Belong to the State or a Derivative Public Person" (hereinafter – the Nomination Regulations) entered into force and establishes a new uniform

approach to the selection of candidates for the council and board of directors of capital companies.

The new selection procedure helps to strengthen internationally recognised governance principles, ensures compliance of the nomination process of the board of directors and council members with the principles of good practice of corporate governance, as well as open, fair and professional selection of members of the board of directors and council, which facilitates the establishment of a professional and competent state and derived public person management body of a capital company. Starting from 2020, the same principles should be applied in the nomination processes of the members of the board of directors and council of municipalities-owned capital companies as in the selection of members of the board of directors and council of SOEs, as the approved procedures must be followed for selection and assessment of candidates for members of the board of directors and council in case of management of state-owned capital shares, capital shares of a derived public person, as well as in dependent capital companies of capital companies of a public person and capital companies of a derived public person.

The Nomination Regulation provides that decision-makers involved in the nomination process must take into account that it will not be possible to nominate a person who is or has been an official of a political party or an association of political parties in the last 24 months as a candidate for a member of the board of directors or council, in order to reduce the risk associated with political representation or undue political influence in the governing bodies of capital companies.

The Nomination Regulation improves the criteria for assessing candidates' competences and requires candidates to have knowledge of at least one of the official languages of the European Union as a foreign language.

A person for whom insolvency proceedings have been declared or who does not have an impeccable reputation may not be nominated to the board of directors or council of a capital company. The tender notice shall be published in the database of vacancies of the State Employment Agency, on the website of the holder of capital shares, on the capital company's website and in cases of selection of members of the council and board of SOEs on the website of the co-ordination institution; the advertisement may also be published on other websites to ensure that reaches as broad audience of potential candidates as possible.

In the process of nomination of members of the board of directors and councils of large state-owned and municipality-owned capital companies (with a net turnover of more than EUR 21 million and balance sheet total of more than EUR 4 million), a recruitment consultant should also be involved. The Nomination Regulation provides for the possible duties of a recruitment consultant. The capital company to which the nomination process of candidates for members of the board of directors or council is ensured shall enter into an agreement with a recruitment consultant and cover the expenses related to the implementation thereof.

It is essential that information about candidates is confidential throughout the selection and evaluation process and that it is prohibited for the shareholder, the board of the capital company and the Nomination Committee to disclose it to third parties in order to guarantee candidates' anonymity and to prevent any negative consequences for candidates in relation to their participation in the nomination process.

According to the amendments to the "Law on the Governance of Capital Shares and Capital Companies of a Public Person" and the Nomination Regulation, the CSCC has been ensuring since 2020 all selection processes for candidates to the post of the member of the Council of SOEs together with the holder of capital shares and manages the work of the Nomination Committee, as well as ensures the organisation of the nomination process, documentation of the sessions and publishing of information on the nomination process.

The aim is to implement a uniform and professional approach to the selection of members of the SOEs' Council, to strengthen internationally recognised governance principles, to ensure uniformity and transparency of the process, as well as to promote constant exchange of knowledge at all stages of the selection process.

In 2020, by implementing the new function, the CSCC has ensured the chairing of the Nomination Committee meetings and the organisation of the nomination processes in the selection of three members of the SOEs' Council of state-owned:

1. The selection of candidates for three Council members of the State Joint Stock Company Latvijas Valsts radio un televīzijas centrs. The process was organised in cooperation with the Ministry of Transport. A new council was set up in the capital company and experts with professional experience and knowledge in all areas necessary for the implementation of the functions of the council were sought in the composition. A total of 33 applications submitted by 27 candidates were received and examined for the vacant positions of the Board members. As a result of the selection process, the nomination committee adopted a decision to promote five candidates for the positions of members of the Board of SJSC Latvijas valsts radio un televīzijas centrs for assessment by the holder of state-owned capital shares, indicating them in the order of priority according to the result of the total number of points obtained in all selection rounds.

2. Selection of candidates for the post of the Council member of the State Joint Stock Company Starptautiskā lidosta "Rīga". The process was organised in cooperation with the Ministry of Transport. 28 applications were received for the vacant post of the Council member. The Nomination Committee took a decision to promote two candidates, whose education, competence and work experience were the most appropriate for the respective vacant post of the Council member of SJSC Starptautiskā lidosta "Rīga" to the holder of state-owned capital shares for making a final decision.

3. Selection of candidates for the post of the Council member of the State Limited Liability Company Bērnū klīniskā universitātes slimnīca. The process was organised in cooperation with the Ministry of Health. The competition sought a member of the Council with competence in financial matters and audit, risk management and internal control system. 15 applications were received for the vacant post of the Council member. Having summarised the evaluation of candidates in three rounds of the competition, the Nomination Committee adopted a decision to promote two candidates for the vacant post of the Board member of SLLC Bērnū klīniskā universitātes slimnīca to the holder of the state-owned capital shares for making a final decision, by indicating them in the order of priority according to the results of the total number of points obtained in all selection rounds.

In 2020, all three selection processes for the Council members of SOE managed by the CSCC produced a result; the holder of capital shares of each capital company has taken the final decision and five new Council members have been appointed to the post. For each selection process of the SOE Council member, the information is available electronically on the website www.valstskapitals.gov.lv under the section 'Nomination Process of Members of the Council of State-Owned Capital Companies'.³⁷

In accordance with the "Law on Governance of Capital Companies", representatives of the line ministry or the capital company's Council participate in the nomination commissions of the Board of Directors and Councils of SOEs with voting rights; one employee delegated by the CSCC, external independent experts and, if necessary, observers with advisory rights, participate in each nomination commission.

To summarize the information on the nomination processes in 2020, in which the CSCC's representative had participated

as a member of the Commission, a total of 23 processes for selection of members of the Board and Council of state-owned and municipality-owned capital companies (excluding three nomination processes led by the CSCC) were launched, including 17 nomination processes for Board members and 6 Council members; there were 27 vacant positions of Board members and 15 positions for Council members. As a result, 18 members of the board of Directors were appointed by the state shareholders or supervisory boards and in six cases the final decision was not taken, 13 Council members were appointed, as well as in five cases the competition ended without the result.

In each process of selection of candidates, the participation of independent experts in the nomination panels is an essential contribution to the open nomination process.

In 2020, representatives of various fields participated with voting rights in the Nomination Commissions of the Council of SOEs and the board of Directors as independent experts, i.e. Andris Grafs, Vice President of the Latvian Representation of the Baltic Institute of Corporate Governance; Dace Helmane, Member of the Board of the Institute of Corporate Sustainability and Responsibility; Līga Meņģelšone, Director General of the Latvian Employers' Confederation; Ilona Kiukucāne, Deputy Director General of the Latvian Employers' Confederation, Expert in Policy Planning Documents; Jānis Endziņš, Chairman of the Board of the Latvian Chamber of Commerce and Industry; Katrīna Zariņa, Member of the Board of the Latvian Chamber of Commerce and Industry, Director of the Political Department; Dr. iur. Irēna Liepiņa, President of the Latvian Trade Union of Communication Employees; Sanita Bajāre, Chairman of the Board of the Financial Sector's Association; Kristīne Černaja-Mežmale, Member of the Council of the Financial and Capital Market Commission; Kristīna Bērziņa, Chairman of the Board of the Latvian Private and Equity Capital Association; Signe Bāliņa, President of the Latvian Information and Communication Technology Association; Laura Keršule, Vice President for Administrative Legal Affairs at LLC Latvijas mobilais telefons, Member of the Board; Uldis Biķis, President of the Council at JSC Latvijas Finieris; Aivars Āboliņš, Chairman of LAB Enerģija; Elīna Salava, Financial Adviser to the Management Board of JSC Attīstības finanšu institūcija Altum; Dr. med. Prof. Viesturs Boka, Representative of Latvian Medical Association; Jānis Vētra, Member of the Board of the Latvian Association of Health Care Management Specialists; Māris Rēvalds, Chairman of Board of LLC Veselības 4; Ilze Aizsilniece, President of the Latvian Medical Association; Harijs Gals, Representative of the Latvian Association of Oncology Patient Organisations "Onkoaliansē" and member of the Board of the Association of Flax Cancer Patients and Families; Ieva Leimane – Veldmeijere, Director of the Resource Centre "ZELDA" for People with Mental Disorders; Raivo Bisenieks, Head of Aerodrome Standards and Safety Department at SA Civilās aviācijas aģentūra; Artūrs Kokars, Member of Board at association Latvijas Aviācijas Asociācija; Aivita Ļubļina – Goldmane, Head of the Division of European Union Affairs and International Relations at SA Civilās aviācijas aģentūra, Daiga Auziņa – Melalksne, Chairperson of the Board at Nasdaq Rīga; Ivo Ošenieks, President of the Association Latvijas Pasažieru pārvadātāju asociācija.

When developing the new guidelines for the selection and evaluation of candidates for the board of Directors and Council of capital companies, the CSCC will include the experience gained by representatives of the CSCC and knowledge on the practical course of the nomination processes, including participation in nomination processes, organisation and management of selection processes for members of the SOEs Council, as well as the best practice recommendations of non-governmental organisations, international and other institutions.

³⁷ <http://www.valstskapitals.gov.lv/uznemumu-vaditajiem-un-kapitala-dalu-turetajiem/valsts-kapitalsabiedribu-padomes-loceklu-nominacija/>

When organising the selection processes for SOEs' Councils, the CSCC has developed documents for the work of the Nomination Committee and the organisation of nomination processes, which will serve as examples and will be incorporated into the new guidelines.

1.5. Remuneration to the Board and Council Members

In 2020, there were no changes in the legal regulation on the remuneration of the members of the Board and the Council. On 1 January 2020, new requirements for disclosure of information on capital companies entered into force. According to the new procedure, as of 2020, the capital companies are obliged to publish on the website of the holder of capital shares not only the principles of remuneration policy, but also information on the remuneration of each member of the board of Directors and Council.

The Regulation of the Cabinet of Ministers No.63 "Regulations Regarding the Number of Members of the Board of Directors and Council of Capital Companies of a Public Person and Public Private Capital Companies, as well as the Maximum Amount of Monthly Remuneration of Members of the Board of Directors and Council" adopted on 4 February 2020, which follow the amendments to the "Law on Governance of Capital Companies" supplement the previous regulation indicating that the number of Council members in small capital companies may not exceed three members, and the maximum amount of their monthly remuneration shall be determined by applying a coefficient of 1.5 to the average monthly salary of employees in the country in the previous year. The previous regulation also stipulated that the coefficient applicable to determining the monthly remuneration of the chairman of the Board was not more than 10 in a large capital company, not more than eight in the medium, and not more than five in a small company. The coefficients are applied to the amount of the average salary of the previous year. For the Chairman of the Council, this ratio was not more than three in a large capital company, and not more than 2.4 in a medium-sized company. The monthly remuneration of the members of the Board and the Council was set at up to 90% of the monthly remuneration of the Chairman of the Board or the Council. The members of the Board also had a variable component, namely a bonus, which does not exceed two months remuneration.

In 2020, the CSCC drafted the "Guidelines for Determination of Remuneration of Members of the Board of Directors and Council of Public Person's Capital Companies and Public Private Capital Companies", which are Intended to be Supplemented after the Conclusion of the Study "On the Practice of Determining Remuneration of Members of the Board of Directors and Council Members and the Amount of Remuneration in Public Capital Companies and Private Capital Companies in Latvia and Abroad" launched in 2021. The results of the study will also be used to implement the recommendations prepared by the State Audit Office "Is the Regulation on Remuneration of Board Members of Capital Companies Directly and Indirectly Owned by the State Sufficient?".

1.6. Disclosure of Information in the Capital Companies of a Public Person

On 1 January 2020, the amendments to the "Law on Governance of Capital Shares and Capital Companies of a Public Person" entered into force and provide for the promotion of disclosure of information of public capital companies. According to the amendments, SOEs and municipality-owned capital

companies shall disclose information about all shareholder meetings announced, also regarding agendas and decisions. It is also necessary to ensure that certain information is publicly available for at least the last five years, including information on the results of financial and non-financial objectives and other additional information to be provided.

Pursuant to the amendments to the "Law on Governance of Capital Shares and Capital Companies of a Public Person", from 1 March 2020, the CSCC has a duty to monitor the compliance with the requirements for disclosure of information laid down in the law by state and municipality shareholders, as well as by state-owned and municipality-owned (large) capital companies. Until then, monitoring of the transparency of information on state-owned and municipality-owned capital companies was entire responsibility of the shareholder.

In 2020, the CSCC started monitoring the compliance with the above requirements and in total the information published on the websites by 13 state and 115 municipal shareholders, as well as 69 SOEs and 7 large municipality-owned capital companies was examined. As a result of the examinations carried out by the CSCC, summaries are drawn up regarding the provision of information requirements to be published on the websites of state and local government shareholders and state-owned and municipality-owned (large) capital companies. The results of the examination carried out in 2021 can be found in sections 1.11 and 1.4 of this Public Report (Public Report on the State-Owned and Municipalities-Owned Enterprises and Shares in 2020).

The CSCC maintains and continuously updates the latest and most relevant information on the website – database www.valstskapitals.gov.lv, which provides information on the governance of SOEs and allows for assessing the performance of capital companies with decisive influence of the State and compare their indicators by year (general indicators, balance sheet indicators, profitability and financial indicators, information on payments made in the budget and received from the budget). In the second half of 2020, work on the development of the database was launched to make the database more functional, modern and user-friendly and easier to administer for its operator – the CSCC.

1.7. Trainings and Consultations for Capital Companies and Shareholders

In March 2020, with the onset of the COVID-19 pandemic and the declaration of the emergency situation in Latvia, working conditions changed to remote organisation of meetings on the Internet platforms. In view of the spread of the COVID-19 pandemic, the CSCC organised its work very responsibly in 2020 and training was organised remotely in order to protect employees and business partners from the risk of infection.

The CSCC organised training – a two-day seminars in November 2020 to explain the principles of good corporate governance, to introduce with the role of the shareholder, council, board and internal audit, responsibility and cooperation, involvement in setting the company's strategy and goals, international trends and recommendations in organising the nomination process, as well as attracting professionals from the private sector for work in the boards and councils of capital companies, determining the remuneration of members of the board of directors and council, combining positions in the capital company and issues of practical operation of the council, both for those who have recently started work on the SOEs governance and for experienced managers. These seminars were organised by the CSCC in cooperation with the Baltic Institute of Corporate Governance. The training was well received - it was attended by 70 capital companies.

Those who have recently started working in the field of SOE governance – representatives from both ministries and councils

of capital companies, learned, in a two-day seminar cycle on 4 and 9 November, the most important aspects to take into account in governance: what is the regulatory framework, what principles should be considered, incl. the OECD principles and guidelines, as well as major norms and explanations included in regulatory enactments.

The participants of 45 seminar cycle got acquainted with the role, responsibilities and cooperation of the holder of capital shares, council, board of Directors and internal audit, involvement in defining the strategy and objectives of the company, international trends and recommendations in organising the nomination process, and how to attract professionals from the private sector for work in boards and councils of companies, as well as on the determination of remuneration for members of the board of directors and council, the combining of positions in the capital company and issues of practical operation of the council. In turn, seminars on 5 and 11 November for employees who have experience in SOE governance were held more in a discussion format – exchange of views in groups, analysis of practical situations and suggestions.

On the first day of training, representatives of the State Audit Office were invited. They reported on the results of the inspection of remuneration in SOEs. On both days, participants of the seminar were divided into four, five groups, where they had discussions for 20 minutes, exchanged experiences and then presented the results to colleagues from other groups, who were also able to participate in the exchange of ideas.

Discussions were intense both on setting financial and non-financial objectives and evaluating performance results, including for members of the board of Directors, as well as on remuneration. People in the groups had experience of governing different capital companies, as groups were created randomly by the Zoom platform where the training took place.

The diversity of group members was a positive factor, as everyone was able to share their experiences. A lot has been discussed about the financial objectives – to possibly move more towards objectives set out not as absolute amounts but relative values, linking parameters such as the general economic situation, trends in a given sector or group of sectors.

The following lecturers took part in the seminars: Andris Grafts, Head of the Baltic Institute of Corporate Governance in Latvia; Dzintra Gašīne, Head of the SOE Governance Division. The seminar cycles were led by Vladislavs Vesperis, Deputy Head of the CSCC and Head of Development Monitoring and Evaluation Unit. Representatives from the private sector were invited to share their practical experience – Andris Laučiņš (Ernst & Young Partner in the Baltic States), Anrī Leimanis (Chairman of Council of JSC RB Rail and Board Member of LMT) and Ainārs Ozols (LLC Rīgas namu pārvaldnieks and Chairman of the Board of LLC Rīgas Satiksme, Member of Council of JSC Valmieras Stikla šķiedra, as well as owner of LLC AO Consilium).

In the two-day training cycle organised by the representatives of the Latvian local governments in December 2020, about 90 representatives of Latvian municipalities and the Baltic Institute of Corporate Governance learned the approach to and good practice in evaluating the participation of the municipality in capital companies, setting strategic goals, developing medium-term operational strategies and defining financial and non-financial objectives – why this is important and how it affects the operation of the capital company. The entire spectrum of local governments in Latvia was represented in the training – both large cities and small municipalities.

On the first day of the seminar, the focus was on the principles of corporate governance, which are laid down in various OECD guidelines and how they are reflected in the Latvian regulatory enactments, as well as the connection with the procedures to be determined by municipalities themselves, for example, the procedure for the development of a medium-term operational

strategy for capital companies and the procedure for evaluating the performance of capital companies.

On the second day of training, more attention was devoted to the nomination and remuneration of board members, as well as to the practical functioning of the board – division of responsibilities between its members, the creation of a calendar and self-assessment of the councils.

In 2020, amendments to laws and regulations entered into force, which provide for a number of changes regarding how municipalities govern their capital companies. Although there is a number of mechanisms, which are only now being put in place, they mark a substantial progress in improving the governance.

The functions of the shareholder of municipality-owned capital shares have been transferred to the executive director of municipality, thus the governance of capital companies is less politicised.

Although the number of municipalities will change during the administrative territorial reform and amendments to the law have been adopted by the Saeima, which lay down the time limits within which participation in capital companies will have to be evaluated in those municipalities where changes are taking place due to the reform, the conditions of governance of capital companies will not change, for example, the establishment of councils, evaluation of activities, issues of remuneration. The procedure for nominating the members of the Board and the Council shall be the same for municipality-owned capital companies as for SOEs. Municipalities use the governance of SOEs as a good practice.

Participants of the seminar had a number of questions about the nomination process, the determination of remuneration, possible conflicts of interest in the nomination processes. It was explained how to assess these situations and how to deal with each of them. Questions were also raised about the long absence of board members in cases of illness or for other reasons and the setting of non-financial objectives – in which policy documents they should be included, and what is the supporting document, what is the decision on the basis of which they are formed.

The CSCC has developed successful cooperation with many municipalities. In 2019, the CSCC organised a seminar for the Latgale region in Daugavpils and participated in training for executive directors of municipalities. In spring 2020, the CSCC participated in a video seminar of the Latvian Association of Local and Regional Governments, where it explained the amendments made to the "Law on Governance of Capital Companies", which applies to capital companies of derived persons such as municipalities. The CSCC has been involved as an advisor to the Advisory Council of Riga City Council, where it participates in the development of principles of governance of the municipality-owned capital companies.

1.8. International Cooperation in Corporate Governance

Representatives of the CSCC participate on a regular basis in the OECD Working Party on State Participation and Privatization. The main priorities of this working group during the reporting period were:

- Development and review of the work program for 2021 - 2022, including a discussion on the priority thematic areas of work, where there was a broad consensus that further work should be linked to the core competencies of the working group (Monitoring the implementation of the OECD Guidelines for Corporate Governance for Public Enterprises and supporting the implementation of the Anti-Corruption and Integrity Guidelines), without prejudice to matters outside them, even if they relate to the governance of public companies.

- Work on the development of a standard for the disclosure of information of SOEs involved in international transactions to internationally active SOEs in the context of the principle of competitive neutrality.
- Development and review by a working group of a report on the implementation of the OECD Guidelines for Corporate Governance for Public Enterprises in OECD Member States.

Vladislavs Vesperis, Deputy Head of the CSCC is a member of the Management Bureau of the OECD Working Party on Governance and Privatization Practices of State-Owned Capital Companies. Latvia has been actively involved with its expertise in the OECD activities in other countries.

In 2020, V. Vesperis was actively involved in the OECD and Norwegian Government's project on reforms of governance of SOEs in Ukraine, by making proposals on the project report prepared by the OECD Secretariat, its conclusions and recommendations, and as one of the experts of the OECD Working Group participated in the expert mission organised by the OECD in January 2020 in Kiev and in the final event of the project of 24 June 2020 on SOE governance reforms in the electricity sector.

In 2020, V. Vesperis, as a representative of the working group, was also involved in the project of the Structural Reform Service of Croatia and the European Commission on improving corporate governance of SOEs in Croatia, including by participating in the project launch seminar on 24 June 2020. On 15 September 2020, V. Vesperis participated in the webinar of the OECD Working Group on support measures necessary for SOEs due to the impact of COVID-19, as well as at the webinar "Essential Goods" of the OECD Working Group held on 25 January 2021.

In 2021, participation in the corporate governance evaluation project of Ukrainian SOEs continued, and V. Vesperis participated in the process of drafting the assessment report on the compliance of Ukraine with the OECD guidelines, and on 24 June 2021, in the final round table of the project. V. Vesperis also participated in the project of the Structural Reform Service of Croatia and the European Commission on the improvement of corporate governance of state-owned enterprises in Croatia.

Latvia's priorities in the future work of the OECD Working Group on Governance and Privatization Practices of State-Owned Enterprises are as follows:

- An important priority, in the light of the findings of the OECD study on the implementation of fair business practices in SOEs at both OECD and national level, would be the promotion and implementation of the OECD Guidelines for Anti-Corruption and Fair Business at the national level. Work is underway on the development of broader recommendations for the implementation and enforcement of the OECD Guidelines for Anti-Corruption and Fair Business. This work should definitely be continued in order to promote the successful implementation and enforcement of the guidelines in OECD member states, including Latvia.
- In the Operational Program for 2021 - 2022, the issues related to linking the broader policy topics with SOE governance, development of recommendations for state action as a capital company owner, as well as privatization and reduction of state participation in capital companies were highlighted as possible priorities for further research. Among these issues, the following could be prioritized for the Latvian state: management of groups of capital companies, remuneration system for members of the Board and Council of SOEs, management of development investment companies, as well as the role of the state in implementing climate policy and responsible business practices. New areas would be entirely dependent on possible additional funding from the Member States.

In order to develop the ongoing reform of SOEs and strengthen the professional and sustainable governance model, the CSCC, in cooperation with the EC Structural Reform Support Service, started implementing the second project to strengthen the governance policy of SOEs in autumn 2019. The project is implemented by a team of international consultants from the European Bank for Reconstruction and Development (EBRD) and PricewaterhouseCoopers Ltd. The main goal of the project is to develop a methodology that will allow for improving the decision-making processes regarding the creation of an optimal capital structure in SOEs and the attraction of appropriate funding. This is achieved by involving shareholders and representatives of SOEs, and it concluded in the first half of 2021 with valuable recommendations for further improvement of governance of SOEs, including the definition of financial objectives, the creation of an optimal capital structure, as well as establishing a methodology for determining the needs for raising capital and the criteria for selecting the most appropriate financial instruments. Within the framework of the project, the meetings were held with representatives of Lithuania and Estonia on corporate governance issues, as well as consultations with representatives of Finland.

1.9. Corporate Governance Improvement Initiatives in 2020

Through various projects and partners, the CSCC regularly identifies up-to-date information on corporate governance development issues in order to improve the current practices in Latvia and implement the best solutions used elsewhere in the world.

In 2020, the CSCC continued work on the second State ownership review – part II, funded by the European Commission. This project attracted an international consultancy company PricewaterhouseCoopers and the European Bank for Reconstruction and Development. The main task of the project was to develop a methodology for the establishment of optimal capital structures of SOEs, at the same time promoting more extensive use of financial instruments. The shareholders and SOE representatives were also involved in the project. The results of the project will be made public in 2021. It is expected that the recommendations obtained during the project will contribute to a more active strengthening of the role of the shareholder by giving clear guidance to SOEs on the expected result. This project will also be important in terms of encouraging the SOEs to use the opportunities of the capital market to attract financing.

Despite working in a remote environment, the Innovation Initiative, the main objective of which is to strengthen the innovation culture in public and private companies, continued to be active in 2020. It brings together individual large or medium-sized SOEs active in the field of technological development.

The Innovation Initiative was led by the CSCC during this period. Concluding that there is practically no active promotion of innovation by shareholders and SOEs, work was launched in 2020 on an informative report on the promotion of innovation and setting R & D targets for SOEs.

The proposals of the report envisage re-evaluation of Section 88(1) of the "Public Administration Structure Law" to ensure that its interpretation would also include the State's interest in promoting the development of innovative products, the lack of innovation being understood as a market failure.

The report also calls for R&D objectives to be set in all SOEs, which would contribute to higher quality of services and equity value. One of the solutions proposed to clarify what does the shareholder of state-owned shares expects from SOEs is a letter of the shareholder's expectations. This option was also reiterated in a project funded by the European Commission.

In 2021, the CSCC plans to advance these proposals and solutions for approval by the government and to further improve SOEs' corporate governance practices in Latvia.

1.10. Development of Corporate Governance in 2021

The CSCC continues an in-depth study of the development of corporate governance issues through various projects in order to find the best solutions for improvement of SOEs' corporate governance practices in Latvia.

As mentioned in Section 1.8 of this Public Report, the CSCC actively participates in various international projects and experience exchange activities, which allow to analyse information and prepare more specific proposals for the improvement of corporate governance of SOEs.

In mid-2021, the project on the evaluation of governance of SOEs (Part 2) developed by the CSCC in cooperation with the Structural Reform Support Service of the European Commission (hereinafter – the EC) was completed. Within the framework of the project, the EC experts from the European Bank for the Development of Reconstruction and PricewaterhouseCoopers, who had been involved for quite a long time, prepared recommendations to improve corporate governance (see Section 1.9 of this Public Report).

Within the framework of the project, consultants in cooperation with the CSCC organised discussions with SOEs and shareholders of SOEs to discuss the implementation of the proposed solutions. A report will be prepared in 2021, which will conceptually examine the proposed changes and encourage their implementation in legislation.

In 2021, it is planned to complete the implementation of the regulatory enactments, which were addressed in the informative report "On Problems and Solutions for the Presentation of Profits Left at the Disposal of State-Owned Capital Companies in the Balance sheet Items of the Capital Company", which included proposals to ensure uniform procedures for accounting for profit distribution and reflection in the financial statements of capital companies.

The results of the project launched in 2019 are also planned to be used to improve the regulatory framework, which will facilitate the preparation of shareholders' decisions on the capital structure and the justification of investment financing sources.

It is planned to develop new and substantially updated "Guidelines for Selection and Evaluation of Candidates for Members of the Board of Directors and Council of Capital Companies", to which samples of documents and forms to be prepared during the nomination process will be added, for example, a sample of regulations, sample assessment form, etc.

Taking into account the recommendations of the Council of the Coordination Institution and the issues highlighted in the Report by the State Audit Office, work will be carried out in 2021 on the study "On the Practice of Determining Remuneration for Members of the Board of Directors and Council and the Amount of Remuneration in State – Owned Capital Companies and Private Capital Companies in Latvia and Abroad" in order to prepare conclusions and proposals for the improvement of the remuneration system for the members of the board of Directors and Council of SOEs and to address certain issues related to the mandate agreements of the members of the board of Directors.

1.11. Information Disclosed

The CSCC has been performing the task specified in the "Law on Governance of Capital Shares and Capital Companies of a Public Person" (Law on Governance of Capital Companies) for the second year (in accordance with the amendments of 1 January 2020) – to monitor the fulfilment of the public

disclosure requirements on the websites of the holders of state-owned capital shares and SOEs (the CSCC has verified how shareholders of state-owned shares and SOEs comply with the disclosure requirements laid down in Section 29(2) and Section 58 of the "Law on Governance of Capital Companies").

On 27 July 2020, the Council of the Co-ordination Institution has harmonised the updated guidelines prepared by the CSCC "Information Disclosure Guidelines for Capital Companies of a Public Person and Shareholders", which include issues regarding the public disclosure obligations of capital companies and holders of capital shares of public persons, the form and content of this information.

Each year, the CSCC sends reminders to the holders of state-owned capital shares on the obligation to update the information published on the websites of the shareholders of state-owned capital shares regarding the capital companies in which it holds shares, in accordance with the requirements of the law, as well as a request to verify whether capital companies and their subsidiaries have ensured the disclosure of the information required by law.

Pursuant to the "Law on Governance of Capital Companies", last year the CSCC also includes in the Public Report on the State-Owned and Municipalities-Owned Enterprises and Shares in the previous year information on how a derived public person and the capital companies owned by them have fulfilled the information requirements laid down in the "Law on Governance of Capital Companies".

Pursuant to Section 29, Paragraph two of the "Law on Governance of Capital Companies" holders of state-owned capital shares shall provide the following up-to-date information on its website regarding the capital companies in which it is a shareholder:

- 1) the company name, legal address, amount of share capital and amount of state participation in the capital company;
- 2) compliance of state participation with the provisions of the law and the overall strategic objective;
- 3) the participation of the capital company in other companies and its compliance with the provisions of law;
- 4) a representative of the holder of state-owned capital shares in the capital company;
- 5) the annual report approved by the capital company;
- 6) dividends paid by the capital company to the state and payments made to the state budget;
- 7) information that the state intends to terminate the participation in the capital company;
- 8) information regarding the initiated reorganization or transformation of the capital company;
- 9) other information which the holder of the state capital shares considers necessary to disclose or the disclosure of which is specified in the guidelines developed by the coordinating institution.

If there are objective reasons for which the above information, which has the status of a trade secret, cannot be disclosed, the holder of state-owned capital shares shall make public the explanation provided by the relevant capital company.

Table 2 "Information Disclosure on the Websites of Holder of State-owned Capital Shares" contains aggregated information on the CSCC's checks on the fulfilment of the public disclosure requirements on the websites of state shareholders as of September 2021.

In total, information on 82 capital companies published on

the websites of 13 shareholders was examined, incl. state-owned capital shares of SJSC Attīstības finanšu institūcija "Altum" are managed by three ministries (Ministry of Finance 40%, Ministry of Economics 30% and Ministry of Agriculture 30%) and current information about this company is disclosed on the websites of each shareholder of state-owned shares.

Table 2. Information disclosure on the websites of holder of state-owned capital shares*

Holder of capital shares	Number of capital companies under supervision**	1) company name, legal address, amount of the share capital and amount of the state participation	2) the compliance of the state participation with the conditions of Section 4, Paragraph one of the Law	2a) the general strategic objective	3) the participation of the capital company in other companies	3a) and its compliance with the conditions of Section 4, Paragraph two of the Law	4) the representative of the holder of state-owned capital shares in the capital company	5) the approved annual report of the capital company	6) dividends paid by the capital company to the state	6a) payments made by the capital company to the state budget	7) information that the state intends to terminate its participation in the capital company	8) information regarding the initiated reorganization or transformation of the capital company
Ministry of Economics	7	●	●	●	●	●	●	●	●	●	●	●
Ministry of Finance	5	●	●	●	●	●	●	●	●	●	●	●
Ministry of the Interior	1	●	●	●	●	●	●	●	●	●	●	●
Ministry of Education and Science	6	●	●	●	●	●	●	●	●	●	●	●
Ministry of Culture	15	●	●	●	●	●	●	●	●	●	●	●
Ministry of Welfare	1	●	●	●	●	●	●	●	●	●	●	●
National Electronic Mass Media Council	2	●	●	●	●	●	●	●	●	●	●	●
Ministry of Transport	14	●	●	●	●	●	●	●	●	●	●	●
Ministry of Justice	2	●	●	●	●	●	●	●	●	●	●	●
Public Assets Manager Possessor	10	●	●	●	●	●	●	●	●	●	●	●
Ministry of Healthy	13	●	●	●	●	●	●	●	●	●	●	●
Ministry of Environment Protection and Regional Development	3	●	●	●	●	●	●	●	●	●	●	●
Ministry of Agriculture	5	●	●	●	●	●	●	●	●	●	●	●

* Information has been verified and compiled from 20 - 22 September 2021.

** According to the database of the Company Register of the Republic of Latvia on 22 September 2021.

- **Fulfilled** - the information has been published in full for all supervised capital companies;
- **Overallly fulfilled** - the information has been published for more than half of the supervised capital companies or the amount of the disclosed information is more than half;

- **Partially fulfilled** - the information has been published to no more than half of the supervised capital companies or the amount of the published information is half;
- **Not fulfilled** - the information has not been published or the amount of the published information does not reach at least one positive value for at least one of the supervised capital companies;
- **No information** - not applicable.

There are significant positive changes related to the search for information on the websites of holders of state-owned shares, which is due to the transition of ministries to a single website platform. The information published on the websites is structured; this makes it easier for users to search for information. Currently, the information about the subordinate capital companies can be found on the websites of almost all ministries in one place and, the information obtained as a result of examinations of compliance with the requirements for information disclosure, allows to conclude that the information published on the websites of shareholders of state-owned shares has been implemented in accordance with the requirements of the law to a greater extent than last year.

The result indicated in the report on the fulfilment of the disclosure requirements of each holder of state-owned capital shares was influenced by the amount of information published in accordance with the requirements laid down in the law on capital companies where it is the shareholder, as well as the number of capital companies under supervision.

Compared to last year's results, improvements can be found on the websites of the Ministry of Transport, the Ministry of Justice and the Ministry of Welfare. The holder of state – owned capital shares LLC Publisko aktīvu pārvaldītājs "Possessor" carries out the privatisation of state-owned capital shares under its management and implements the alienation of state-owned capital shares, therefore, it has published on its website the information on the state-owned capital shares held, privatisation, alienation and management thereof, but the requirements for disclosure of information laid down in the law are partially applicable.

Holders of state-owned capital demonstrate the best result for the fulfilment of disclosure requirement regarding the list of capital companies under supervision, their legal address, the amount of equity capital and the amount of state participation. This information has been provided in full by 12 out of 13 holders of state-owned shares, however, it should be noted that, following the quality check, the information disclosed on the size of the equity capital had not been updated for a number of capital companies. The result on compliance of the capital company's participation in other companies with the provisions of the Law (3a) is most often indicated 'not applicable', because it is in cases where the SOE does not have participation in other companies.

The lowest result with regard to information published on the websites of the holders of state-owned capital shares is regarding the requirement to present "7) information that the State intends to terminate participation in a capital company and "8) information on the commenced reorganisation or conversion of the capital company. According to Paragraph 22 of the "Information Disclosure Guidelines for Capital Companies and Shareholders of a Public Person", of 27 July 2020 the requirement to disclose that information is also applicable in cases where there is no intention to terminate the participation in a capital company or the reorganisation or conversion of a capital company.

In addition to requirements for information to be disclosed, laid down by the law, information on the composition of the board of Directors and Council of capital companies has been published on the websites of the holders of state-owned capital shares, as well as a link to the website of the capital company is indicated. When any information is published, it is necessary to make sure that the information is correct, as well as to keep it up-to-date in accordance with changes.

By monitoring how holders of state-owned capital shares comply with information disclosure requirements, the CSCC also verified the quality or accuracy of the disclosed information, and it is possible to get acquainted with detailed information on the results of the inspection electronically on the website: www.valstskapitals.gov.lv in section Annual Reports.

In accordance with the requirements for information disclosure referred to in Section 58 of the "Law on Governance of Capital Companies", a capital company of a public person and a public-private capital company shall publish the following information on its website:

- 1) the general strategic objectives of the capital company;
- 2) information regarding the types of activities and commercial activities of the capital company;
- 3) the results of the implementation of the financial and non-financial objectives for at least the last five years;
- 4) contributions made to the state or municipality budget for at least the last 5 years;
- 5) information regarding the state or municipality funding received and its use (if applicable) for at least the last five years;
- 6) reports prepared by the capital company for at least the last five years (including an interim report for three, six and nine months, as well as an annual report and an annual report audited by a sworn auditor);
- 7) information on the ownership structure (including participation in other companies);
- 8) information on the organizational structure;
- 9) information regarding the value of each donation (gift) received and made and the recipients for at least the last five years;
- 10) information on procurements for at least the last five years;
- 11) articles of association
- 12) the by-laws of the Board, Council (if any) or other equivalent document regulating its activities;
- 13) information on the professional experience, education, positions in other companies, terms of office of the members of the Council (if any) and the Board (for each separately); as well as the compliance of a member of the Council with the criteria for an independent member specified in this Law;
- 14) information regarding all announced meetings of the shareholders of the capital company, including the agenda and decisions;
- 15) the principles of the remuneration policy and information regarding the remuneration of each member of the Board and the Council;
- 16) the donation strategy and procedure.

If the capital company's net turnover exceeds EUR 21 million and a balance sheet total exceeds EUR 4 million, it shall also publish the following information on its website:

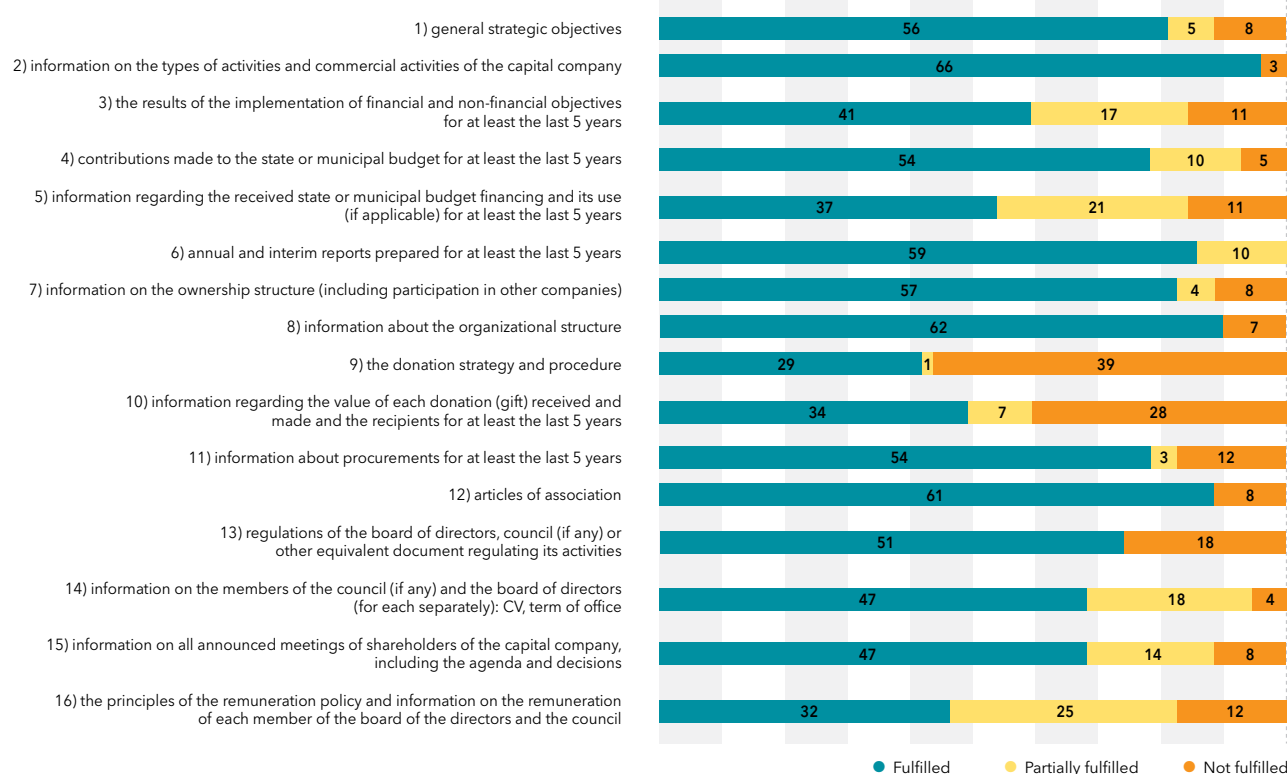
1. at least once a year:
 - information on expected risk factors;
 - information regarding the main elements of the internal control and risk management system which are applied in the preparation of financial statements;
 - a description of the administrative institutions, as well as their committees, composition and activities;
 - if a policy is implemented regarding the diversity of the members of the management bodies of a capital company (multilateral policy), - a description of the objectives, implementation measures and results of this policy in the reporting year;
 - information regarding the committees of the Council (if any) and the audit committee (if any); including the by-laws, as well as information on the members of the committee;
2. constantly updating, as necessary:
 - information regarding typical or significant transactions with related parties within the meaning of the Financial Instruments Market Law for at least last five years;
 - the most important policies of the capital company, which define the operating principles of the capital company in relation to risk management, prevention of conflicts of interest, fight against corruption, corporate governance and other issues.

If there are objective reasons why the capital company cannot disclose this information, because it has a trade secret status in accordance with the "Commercial Law", the capital company shall post an appropriate explanation on the website.

In accordance with the task specified in the "Law on Governance of Capital Companies", the CSCC supervises the fulfilment of information disclosure requirements by SOEs. The CSCC carries out an examination of the information disclosure requirements on the websites of SOEs, as well as on the websites of capital companies under the decisive influence of the state, in total 69 capital companies.

It is easier for users to search for information on websites if it is structured or summarised in a table form. Depending on the structure of the state-owned company's website, the necessary information about the state-owned company's structure, financial results, etc. can be found more easily and conveniently or in a more complex way. The most easily accessed information about the SOE was available on the websites of LLC Publisko aktīvu pārvaldītājs "Possessor", SLLC Latvijas Koncerti, SJSC Latvijas gaisa satiksme, SJSC Latvijas Jūras administrācija, SJSC Latvijas Pasts, and websites of other SOEs.

Figure 9 "Fulfilment of information disclosure requirements for state-owned enterprises" summarises information on the examinations carried out by the CSCC regarding the fulfilment of information disclosure requirements on the websites of SOEs and capital companies under decisive influence of the state from 30 July to 8 November 2021.



* Information was examined from 30 July to 8 November 2021.

Figure 9. Fulfilment of information disclosure requirements for state-owned enterprises*

The information to be disclosed according to Section 58 of the "Capital Companies' Governance Law" may also be included in the company's annual report, sustainability report and other documents published on the website. The CSCC has familiarised with the information published on the websites of each capital company, including the information in the documents published, and if the requirement for the information to be published is included in the full amount, for example, in the annual report of the company, then it is considered as 'executed'. Most often, the annual reports of capital companies contain detailed information on the payments made to the State or municipality budget, which are in line with the requirements regarding the information to be published in accordance with the law.

The annual report of a capital company may also include information on the ownership structure of the capital company, the financing received from the State or local government budget and its use, on the main elements of the internal control and risk management system of the capital company, which are applied in the preparation of financial statements, etc.

Information on the types of commercial activities of a capital company is usually included in the articles of association.

In cases where the requirement to publish the particular information is not applicable, but the capital company has not indicated it on the website, in the summary – Figure 9 "Fulfilment of information disclosure requirements for state-owned enterprises", it was included as 'not fulfilled', however, with detailed information on the results of verification of the websites of SOEs, it is possible to get acquainted electronically on the website: www.valstskapitals.gov.lv in Section 'Annual Reports'; in the report, the cases are also recorded where the specific criterion of information to be published is not applicable to the capital company.

The highest results regarding the information disclosed are related to the requirement to publish "2) information about the types of activities of the capital company", "8) information about the organizational structure" and "the articles of association". The lowest results are regarding the requirement to publish "9) donation (gift) strategy and donation (gift) procedure", "10) information on the amount of each donation (gift) received and made and the beneficiaries over at least the last five years".

There is a possibility that these requirements are not applicable to certain capital companies, but if it is not indicated on the website of the capital company, then it is reflected in the summary as 'not fulfilled'. It is advisable that SOEs indicate the requirement for information disclosure on the funding received from the state or municipality budget and the use thereof for at least the last five years also if it is not applicable, i.e. the SOE does not receive financing from the State or municipality budget.

Figure 10. "Level of fulfilment of requirements for information to be disclosed (%) on websites of state-owned capital companies" presents a summary of the information obtained as a result of inspections, which reflects how many capital companies have complied with the information disclosure requirements laid down in the law and to what extent.

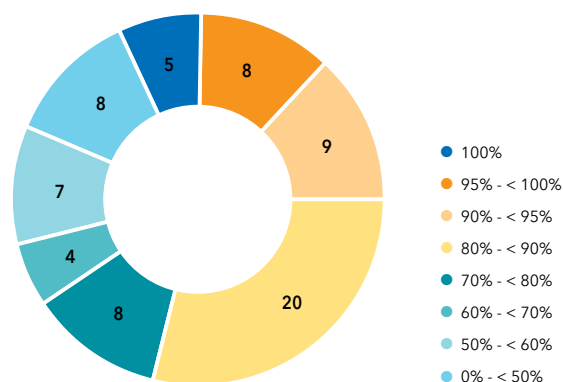


Figure 10. Level of fulfilment of requirements for information to be disclosed (%) on websites of state-owned capital companies

The information published on the websites of capital companies is indicative of the fact that five capital companies fully (100%) meet the information disclosure requirements on the websites, in line with requirements specified in Section 58 of the "Law on Governance of Capital Companies", incl. SLLC Bērnu klīniskā universitātes slimnīca, SLLC Daugavpils psihoneiroloģiskā slimnīca, JSC Latvijas Valsts radio un televīzijas centrs, LLC Ludzas medicīnas centrs, SLLC Piejūras slimnīca and eight other capital companies have published information of more than 95%, i.e. JSC Augstsprieguma tīkls, SJSC Ceļu satiksmes drošības direkcija, SJSC Latvijas autoceļu uzturētājs, SLLC Latvijas Koncerti, SJSC Latvijas Valsts meži, SLLC Nacionālais rehabilitācijas centrs "Vaivari", SLLC Paula Stradiņa klīniskā universitātes slimnīca, SLLC Strenču psihoneiroloģiskā slimnīca.

In addition to the task delegated by the "Law on Governance of Capital Companies", the CSCC also verified the fulfilment of the information requirements published on the websites of SOEs and capital companies under decisive influence of the State in accordance with Regulation of the Cabinet of Ministers No. 630 "Regulation on Fundamental Requirements of the Internal Control System for Prevention of Corruption and Risk of Conflict of Interest in an Institution of a Public Person" of 27 October 2017, which provides for capital companies to publish on the website once a year and no later than three months after approval of the annual report the information on the measures taken by the capital company in the previous year to prevent the risk of corruption.

From the information obtained as a result of inspections, it was concluded that this requirement was met by 66.7% or 46 capital companies and 23 capital companies did not comply with the disclosure requirement.

The CSCC cooperates with the holders of the state-owned shares to explain the shortcomings identified on the websites of holders and SOEs under their governance and to agree on their elimination, thus improving the overall disclosure indicators.

2. Management of Municipality-Owned Capital Companies

2.1. Changes in Governance of Municipality-Owned Capital Companies in 2020

On 1 January 2020, the amendments to the "Law on Governance of Capital Shares and Companies of a Public Person", became effective, which also introduced a number of important changes in the governance of municipality-owned capital companies, such as:

- in order to minimise the impact of political decisions on capital companies, decisions of the holder of capital shares in municipalities shall be taken by the executive director or another subordinate official appointed by the executive director. Until now these duties have been performed by the Chairman of the Council or deputy, the executive director of the municipality or the head of the structural unit of the city (municipality) to whom the management of the relevant shares of the local government has been entrusted;
- the procedure for selecting members of the board of Directors and Council of capital companies has been improved, and municipalities should apply the same principles in the nomination of members of the board of Directors and Council of capital companies (including dependent capital companies of municipality-owned capital companies) as in the selection of members of the board of Directors and Council of SOEs (Regulation of the Cabinet of Ministers No.20 "Procedure for Nomination of the Board and Council Members in Capital Companies in which Capital Shares belong to the State or a Derived Public Person" of 25 January 2020).

Along with the implementation of the administrative territorial reform, changes in the membership of capital companies in which the municipalities affected by the reforms hold shares are expected in 2021. Strengthening administrative capacity of municipalities as a result of the reform, improvements in the management of capital shares of municipalities are also expected.

2.2. Information Disclosed

Based on the amendments to the "Law on the Management of Capital Shares and Capital Companies of a Public Person" (Law on Governance of Capital Companies), which entered into force on 1 January 2020, which provided for more information to be made public also regarding municipality-owned capital companies, the CSCC performs the task laid down in the "Law on Governance of Capital Companies", for already the second year, has been monitoring how municipalities and municipality-owned capital companies (limited liability companies and joint stock companies) which meet the criteria laid down in Section 78, Paragraph two of this Law, meet the information disclosure requirements laid down in Section 36 and 58 of the "Law on Governance of Capital Companies".

Following the examinations carried out last year on the fulfilment of the information disclosure requirements (the first year when the CSCC performed the function of monitoring the information to be published under the "Law on Governance of Capital Companies"), the CSCC has informed all municipalities about the results, as well as the inaccuracies in the information disclosed were indicated in the summary.

The CSCC liaises with municipalities and periodically updates the report published on the website www.valstskapitals.gov.lv according to the updates made by municipalities in the information disclosed.

On 27 July 2020, the Council of the Management Coordination Institution of State-Owned Capital Shares and Capital Companies has harmonised the updated guidelines prepared by the CSCC "Information Disclosure Guidelines for Capital Companies and Holders of Capital Shares of a Public Person", which include matters regarding the information disclosure obligations for capital companies and holders of capital shares of public persons, the form and content of this information.

Pursuant to the "Law on Governance of Capital Companies", the CSCC shall also include in its annual public report on SOEs and state-owned capital shares the information on how municipalities and capital companies owned by them have fulfilled the disclosure requirements laid down in the "Law on Governance of Capital Companies".

Pursuant to Section 36 of "Law on Governance of Capital Companies", municipalities shall ensure the disclosure of up-to-date information on the capital companies in which they participate, including the following information:

- 1) a list of capital companies grouped by industry or size;
- 2) the name of the capital company, legal address, the amount of the share capital and the amount of the participation of municipality;
- 3) compliance of the participation of municipality with the provisions of the law and general strategic objective;
- 4) participation of the capital company in other companies and its compliance with the provisions of law;
- 5) a representative of the holder of the municipality-owned capital shares in the capital company;
- 6) the annual report approved by the capital company;
- 7) dividends paid by the capital company to the municipality and payments made to the state budget and municipality budgets (including deductions and tax payments);
- 8) information that the municipality intends to terminate its participation in the capital company;
- 9) information regarding the initiated reorganization or transformation of the capital company;
- 10) any other information the municipality deems necessary for publication;
- 11) not later than by 1 October of each year – an annual report on capital companies and capital shares owned by a derived public person, which shall also include information on how the municipality and municipality-owned capital companies have fulfilled the requirements of Sections 36 and 58 of this Law.

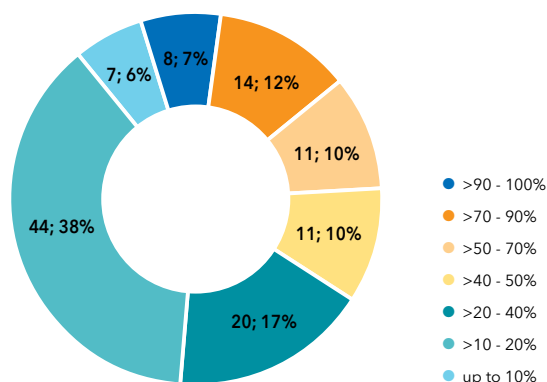
The CSCC has monitored how municipalities have complied with the information disclosure requirements in accordance with the "Law on Governance of Capital Companies" on capital companies in which they have a holding and verified the information published on the websites of municipalities.

Websites of 114 municipalities and the information published thereon regarding 341 capital companies have been inspected (see Annex 2 "Municipalities-Owned Capital Companies and Capital Shares" of this Public Report), but given that capital shares of some capital companies are owned by several municipalities, information on 617 units was actually checked on municipality websites.

Given that the structure of each municipality's website is different, information could be found more easily and transparently on some websites, while on some websites it was difficult to find the necessary information.

Transparent information about capital companies under its supervision has been reflected, in accordance with the requirements of the Law by, for example, Alūksne Municipality, Balvi Municipality, Bauska Municipality Council, Liepāja City Council, Ludza County Municipality, Rīga City Council, Rucava County Municipality, Saldus County Municipality, Zilupe County Municipality.

Figure 11 "Extent of compliance with information disclosure requirements (%) on local government website" shows the summary drawn up as a result of inspection of compliance with the information disclosure requirements, which shows how and to what extent municipalities have complied with the statutory publication information on the capital companies in which they hold a stake.



* The information was checked and compiled by 3 October 2021.

Figure 11. Extent of compliance with information disclosure requirements (%) on municipality websites, number and percentage of municipalities

The information included in the summary is based on the number of capital companies of each municipality where it owns capital shares, the amount of information disclosed about them and the fulfilment of the information disclosure requirements in accordance with the requirements laid down in Section 36 of the "Law on Governance of Capital Companies".

In cases where a municipality has not indicated a capital company in which it owns shares and has not disclosed information about this capital company, it also significantly affected the overall result of the municipality.

Detailed results of the inspection of all municipality websites are available electronically on the website www.valstskapitals.gov.lv in Section 'Annual Reports'.

The following eight municipalities show the highest results regarding the information published on their websites about capital companies where they own shares, in accordance with the requirements of the Law, i.e., the result achieved is more than 90% to 100%: Balvi Municipality (capital shares in 5 capital companies), Jēkabpils City Municipality (8 capital companies), Ludza Municipality (4 capital companies), Bauska Municipality (6 capital companies), Ventspils City Council (15 capital companies), Alūksne Municipality (7 capital companies), Kārsava Municipality (3 capital companies), Zilupe Municipality (4 capital companies).

Among the requirements for information disclosure laid down in the "Law on Governance of Capital Companies", the municipalities on their websites most often did not indicate whether the municipality intended to terminate the participation in the capital company and information on the initiated reorganisation or conversion of the capital company.

This information shall also be provided in cases where the municipality has not planned to terminate the participation in the capital company or it is not planned to commence reorganisation or conversion of the capital company. The address and name of the company and the address of its website are indicated on the websites of some municipalities as the only information about a capital company, but this is not sufficient to ensure disclosure requirements in accordance with the Law.

Following the examination of the information published on municipality websites in accordance with the Law and the compilation of the results, it can be concluded that 72% of all municipalities have insufficiently fulfilled the information disclosure requirements laid down in the Law, as the amount of information published on their websites and compliance with the requirements of the Law on capital companies in which the municipality holds shares is below 50%.

On 1 July 2020, the administrative territorial reform became effective and 43 municipalities were established instead of the previous 119 municipalities, as a result of which in the second half of 2020 changes to the shareholder of municipality-owned capital companies were registered in the database of the Register of Enterprises of the Republic of Latvia.

The CSCC will continue to cooperate with holders of municipality-owned shares in order to explain the provision of information transparency requirements on the websites of a public person derived from the Law and, if necessary, provide explanations of the requirements of the Law.

Municipal capital companies with a net turnover exceeding EUR 21 million and a balance sheet total exceeding EUR 4 million are required to disclose the following information in accordance with Section 58 of the "Law on Governance of Capital Companies":

- 1) the general strategic objectives of the capital company;
- 2) information regarding the types of activities and commercial activities of the capital company;
- 3) the results of the implementation of the financial and non-financial objectives of the capital company for at least the last five years
- 4) contributions made to the state or municipality budget for at least the last five years (incl. dividends, deductions, tax payments);
- 5) information regarding the received state or municipality budget financing and its use (if applicable) for at least the last five years; 6. reports prepared by the capital company for at least the last five years.
- 6) reports prepared by the capital company for at least the last five years, incl. an interim report of 3, 6, 9 months and annual report checked by a sworn auditor, an annual report verified by a sworn auditor;
- 7) information on the structure of the property (including participation in other companies);
- 8) information on the organisational structure;
- 9) the strategy of donation and the procedures for donation of the capital company;
- 10) information regarding the amount of each donation (giving gift) received and made and the recipients for at least the last five years;
- 11) information on procurements for at least the last five years;
- 12) articles of association;
- 13) the by-laws of the board of directors, the council (if any) or other document equivalent thereto, regulating the activities thereof;
- 14) information regarding the members of the council (if any) and the board of directors (for each individual): professional work experience, education, positions in other capital companies, terms of office;
- 15) information regarding all announced meetings of shareholders (stockholders) of the capital company, including regarding the agenda and decisions;
- 16) the principles of the remuneration policy and information on the remuneration of each member of the board of directors and council.

In addition, the following information shall be published on its website:

1. at least once a year:
 - information on foreseeable risk factors;
 - information regarding the main elements of the internal control and risk management system of the capital company which are applied in the preparation of financial statements;
 - the composition and description of the activities of the regulatory bodies, as well as their committees;

- if the capital company implements a policy regarding the diversity of the members of the management bodies of the capital company (multilateralism policy), - a description of the objectives, implementation measures and results of this policy in the reporting year;

- information regarding the committees of the council (if any) and the audit committee (if any), including the by-laws, as well as information regarding the members of the committee;

2. constantly updating, as necessary:

- information regarding atypical or significant transactions with related parties within the meaning of the "Financial Instruments Market Law" for at least last five years;

- key policies defining operating principles for risk management, conflict of interest prevention, anti-corruption, corporate governance and other issues.

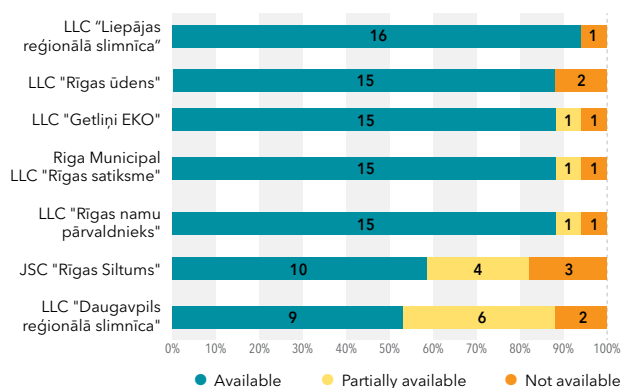
If there are objective reasons why a capital company cannot publish this information because it has a trade secret status in accordance with the "Commercial Law", the capital company shall publish an appropriate explanation on the website.

Pursuant to the "Law on Governance of Capital Companies", the CSCC monitors how capital companies of large enterprises, i.e. capital companies with a net turnover of more than EUR 21 million and a balance sheet total of more than EUR 4 million meet the information disclosure requirements.

The CSCC assessed the financial indicators of municipality-owned capital companies (net turnover and balance sheet total) for the year 2020, as a result of which the provision of information requirements was examined for seven capital companies: LLC Liepājas reģionālā slimnīca, LLC Rīgas ūdens, LLC Getliņi EKO, LLC Rīgas satiksme of Riga City Council, LLC Rīgas namu pārvaldnieks, JSC Rīgas Siltums, LLC Daugavpils reģionālā slimnīca. In the last reporting year, the fulfilment of the information disclosure requirements was inspected for six capital companies, this year LLC Getliņi EKO was added to the list.

Figure 12 "Disclosure of information on websites of large municipality-owned capital companies, number of requests" presents the aggregated information on the inspections carried out by the CSCC on the fulfilment of the information disclosure requirements on the websites of large municipality-owned capital companies on 4 October 2021. The summary includes the results of the fulfilment of 16 information disclosure requests pursuant to Section 58 of the "Law on Governance of Capital Companies" (see previously in this section), as well as the result of the fulfilment of the disclosure requirement specified in the Regulation of the Cabinet of Ministers No.630 "On the Fundamental Requirements of the Internal Control System for the Prevention of Corruption and Risks of Conflict of Interest in an Institution of a Public Person" of 27 October 2017.

This Regulation provides for capital companies to publish on the website once a year and not later than three months after approval of the annual report information on the measures taken by the capital company in the previous year for the prevention of corruption risk. The CSCC has verified this information on the websites of large capital companies in addition to the task delegated by the "Law on Governance of Capital Companies".



* Information verified and summarised on 4 October 2021.

Figure 12. Disclosure of information on websites of large municipality-owned companies, number of requests

The results regarding the fulfilment of requirements for information to be published on the websites of municipality-owned capital companies are generally good, because most of the requirements have been fulfilled or partially fulfilled, and only in certain cases, i.e. only 6.7%, some information to be published pursuant to the law is not available.

Non-fulfillment of information disclosure requirement in each of the cases differs, for example, information about all notified meetings of shareholders (shareholders) of the capital company has not been published on one website of the capital company, two capital companies have not published information on the measures taken in the previous year to prevent the risk of corruption, in one case the results of implementation of financial objectives and non-financial objectives, etc.

Detailed information on the conformity of information published on the websites of municipality-owned large capital companies with the results of the verification required by the Law is available electronically on the website: www.valstskapitals.gov.lv under section 'Annual Reports'.

As regards the supervision of information transparency of all municipality-owned capital companies, the Law provides that a derived public person – the municipality – must ensure that an annual report is published on its website, which includes consolidated information on the participation of the municipality in capital companies, its invested resources and their returns, services provided by capital companies, contributions to the State budget and municipality budgets, State or municipality budget grants received; regarding the sectors in which capital companies with participation of the municipality operate, the processes of nomination of members of the board of Directors and Council, which have taken place, other information necessary to provide an overview of the municipality-owned capital companies and capital shares, as well as information on how the municipality and the capital companies owned by it have met the information disclosure requirements laid down in the Law.

Annual reports are published mainly on the websites of municipalities, however, the information on capital companies included in the annual reports of municipalities is general and in most cases there is no information on the processes of nomination of members of the board of Directors and Council, as well as information on how the municipality and capital companies owned by it have fulfilled the information disclosure requirements.

3. Methodology Used in the Report

In the public report on SOEs and state-owned capital shares, public reports have been used to obtain data (annual reports of capital companies, published activity reports of capital companies, other published information of capital companies); as well as reports on specific indicators prepared for the needs of the capital companies and information received from the State Revenue Service (SRS) of the Republic of Latvia, which also serves as a verification tool for data quality. The following indicators have been obtained from reports specially prepared by capital companies: EBITDA, investments, real estate tax paid, other taxes and fees paid, which do not include the corporate income tax, the personal income tax, the value added tax, the real estate tax, the mandatory state social insurance contributions, donations received and made, and funding received from the budget.

These indicators have been calculated by capital companies individually, thus small methodological differences are possible in the calculations. Other indicators, as well as the initial data for the derived indicators, are obtained from publicly available data sources. The indicators have been prepared according to a common methodology, but may differ depending on the individual data interpretations (management reports) of each capital company. The reliability of these data has been further verified in a systematic and selective manner by comparing the obtained and published data, including from the annual reports of capital companies. In some cases, the reliability of these data has not been further verified by relying on the accuracy of public data and reports.

Financial ratios such as profitability, ROA, ROE, liquidity and liability ratio are calculated from the publicly available information.

- Profitability - profit to turnover ratio, expressed as a percentage.
- ROA (*return on assets*) – return on assets. Ratio of profit to total value of assets, expressed as a percentage.
- ROE (*return on equity*) – profit to equity ratio, expressed as a percentage.
- Total liquidity - the ratio of short-term assets (receivables, inventories, cash) to short-term creditors.
- Liabilities ratio - the ratio of total liabilities to equity.

Contributions paid to the state and municipality budgets include the balance of contributions or the difference between those paid to the state budget and reimbursed from the state budget for corporate income, personal income, value added and real estate tax and mandatory state social insurance contributions. In addition, it includes real estate tax and other taxes and fees paid, as well as dividends paid to the state budget. The average gross remuneration is calculated using the personnel costs and the average number of employees referred to in the annual reports. The indicator reflects the average gross salary per employee per year (also includes remuneration of board and council members for the performance of official duties). In certain situations where social contributions are not indicated separately in the publicly available report, the gross

remuneration is calculated using the employer's general state social insurance mandatory contribution rate (from 1 January 2018 – 24.09%). Such a calculation makes small deviations from the real value, but the deviation is not statistically significant. Various financial benefits – accumulative life insurance, contributions to the 3rd pension pillar, various benefits - are not included in the calculation. Gross wages and salaries in each individual capital company are accounted for in accordance with the accounting principles and policies of the capital company, and may therefore contain different elements.

The general financial analysis of SOEs also includes those capital companies in which the state has a decisive influence (50% + 1 share), and certain SOEs and companies with a decisive influence, including due to voting rights, or economically significant (JSC Rīgas Siltums) capital companies with close to 50% of the shares. In some cases, corporations are included because their parent companies do not consolidate their results in their financial statements. These capital companies are LLC Latvijas Mobilais Telefons, LLC Tet, LLC Veselības centrs Biķernieki, LLC Rīgas hematoloģijas centrs, LLC Latvijas Lauku konsultāciju un izglītības centrs, LLC Ludzas medicīnas centrs, JSC Rīgas Siltums and JSC Reverta.

The list of capital companies specified in Annex 1 to the report "State-Owned Enterprises, Shares Owned by State, State-Owned Enterprises and Companies under Decisive Influence of the State " includes various capital companies - SOEs, SOEs' dependent companies, public-private capital companies with state ownership, capital companies under decisive influence of the state, as well as private capital companies with state-owned capital shares in which the state does not have a decisive influence; the report provides more information about SOEs or capital companies under decisive influence of the state. The state owns many corporations that serve society and have social rather than commercial goals. This complicates financial analysis, as valuation techniques and methods for valuing typical companies are generally ill-suited to analysing and objectively assessing the benefits to society and the non-financial objectives achieved. Only those dividends, which are paid into the State budget, are included in the calculation of dividends paid to the State.

The financial analysis uses consolidated (group) financial information, including the results of operations of subsidiaries. The exceptions are JSC Publisko aktīvu pārvaldītājs Possessor and LLC Rīgas Austrumu klīniskās universitātes slimnīca. In the case of JSC Publisko aktīvu pārvaldītājs "Possessor", the consolidated financial information has been used, not including JSC Reverta, which is included separately. In the case of LLC Rīgas Austrumu klīniskās universitātes slimnīca, the information of this capital company was used in the analysis, not including all the information of dependent capital companies (LLC Veselības centrs Biķernieki, LLC Rīgas hematoloģijas centrs), but including them separately.

Annex 1 to the report "State-Owned Enterprises, Shares Owned by State, State-Owned Enterprises and Companies under Decisive Influence of the State" presents both consolidated information and information of all subsidiaries.

In order to ensure continuity, the annual report and analysis are prepared annually, as well as measures are taken to improve and enhance the compliance of the performance indicators of SOEs with the form of the company's activities, including in the field of finance and corporate governance. This report mainly analyses the financial data of capital companies for 2019 - 2020, but in some sections it analyses the data for 2014 - 2019, if at the time of preparing the report statistical data for 2020 were not available; as well as for various other periods depending on the amount of data collected and the transparency of the presentation of information. The report does not analyse, but only indicates the non-financial objectives of capital companies, as well as does not provide the assessment of their impact on financial indicators.

There are photos in the report submitted by SOEs, including photos related to the history of capital companies. Their publication in the informative materials developed by the CSCC without restrictions has been agreed.

The report also uses the corporate identity submitted by SOEs in the form of a company's logo.

4. Operational Results of State-Owned Capital Companies

4.1. Summary of SOE's operational results

Total assets of SOEs

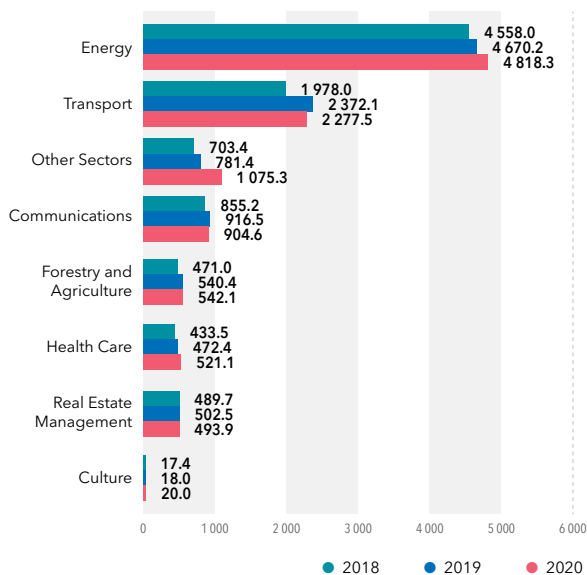


Figure 13. Total assets of SOEs by sector in 2018 - 2020, million EUR

When assessing the assets, it can be seen that the total increase is +3.7% or EUR +379.4 million, i.e. has decreased twice compared to 2019 (increase in 2019 was +8.1% or EUR 767.3 million). The largest increase can be observed in other sectors (EUR +294.0 million or +37.6%), which is mainly related to JSC Attīstības Finanšu institūcija "Altum" (EUR +290.6 million or +51.9% increase compared to 2019), which in 2020 received funding from the Ministry of Economics and the European Investment Bank for the implementation of state aid programs to mitigate the impact of Covid-19. There is also a large increase in assets in absolute volumes in the energy sector (EUR +148.0 million or +3.2%), which is related to annual investments in this sector, such as modernisation of transmission and distribution networks and renovation of Daugava hydropower plants³⁸.

There is also an increase in assets in the health sector (EUR +48.7 million or +10.3%) and in the cultural sector (EUR +2.0 million or +11.3%). The largest reduction in assets is in the transport sector (EUR -94.6 million or -4.0%), attributable to the high impact of COVID-19 in this sector, significantly decreased passenger flows, the transport sector as a whole suffered loss of EUR 315.6 million in 2020 (JSC Air Baltic Corporation's loss of EUR 264.6 million) and the investment volume under COVID-19 decreased by EUR 9.7 million following an assessment by the equity companies themselves.

Individually and in absolute terms, JSC Latvenergo has the largest decrease in assets (-EUR 506.1 million or -13.1%), which is mainly related to the Protocol Resolution of the Cabinet of Ministers No.46 §38 of 8 October 2019, which supported the introduction of the ownership model of the electricity transmission system operator "Full Ownership Unbundling".

On 10 June 2020, JSC Latvenergo terminated its participation in the subsidiary JSC Latvijas elektriskie tīkli and the transmission system assets worth EUR 694.3 million were separated from the Latvenergo Group, transferring all shares of JSC Latvijas elektriskie tīkli in fair value of EUR 222.7 million to the Ministry of Economics³⁹.

On 25 November 2020, the owner of the transmission assets JSC Latvijas elektriskie tīkli was added to JSC Augstsprieguma tīkls (hereinafter – AST) and as part of the reorganisation AST took over all the assets and liabilities of JSC Latvijas elektriskie tīkli.

AST also has the largest increase in assets (EUR +991.6 million or +466.8%), taking into account the acquisition of assets of JSC Latvijas elektriskie tīkli and 34.10% of shares of JSC Conexus Baltic Grid, thus fulfilling the task assigned by the Cabinet of Ministers and increasing the control of the company to 68.46% and including it in the balance sheet of the AST group.

Along with this transaction, full control of the gas transmission system in the country is ensured, thus contributing to the strengthening of the national energy security and further development of the gas system in accordance with the energy policy objectives⁴⁰. There are a total of 27 capital companies with a decrease in assets, but a large proportion of them are small in absolute values. Relatively large percentage reductions in assets (greater than 20%) are for one cultural capital company (LLC Kremerata BALTICA), one real estate (SLLC Zemkopības ministrijas nekustamie īpašumi), one capital company of the forestry and agriculture sector (LLC Meliorprojekts) and one from other sector (LLC Tenisa centrs Lielupe).

The largest assets in SOEs were in the energy and transport sectors -45.2% (45.5% in 2019) and 21.4% (21.4% in 2019) of total assets, however, it should be taken into account that in some sectors part of the state-owned assets are not included in the balance sheets of capital companies, but they are managed, for example, forests are in the balance sheet of the Ministry of Agriculture and not in the balance sheet of JSC Latvijas valsts meži.

Compared to 2019, assets of the energy sector as a percentage of total assets decreased by 0.3 percentage points while the assets of the transport sector decreased by 1.7 percentage points.

³⁸ Sustainability and Annual Report of Latvenergo Corporation 2020, p.100, source: <https://latvenergo.lv/lv/investoriem/parskati>.

³⁹ Latvenergo Corporation Sustainability and Annual Report 2020, p.153, source: <https://latvenergo.lv/lv/investoriem/parskati>.

⁴⁰ JSC Augstsprieguma tīkls Corporation Consolidated Report and of JSC Augstsprieguma tīkls Annual Report 2020, p.8, source: <https://www.ast.lv/lv/content/finansu-parskati>.

Total equity of SOEs

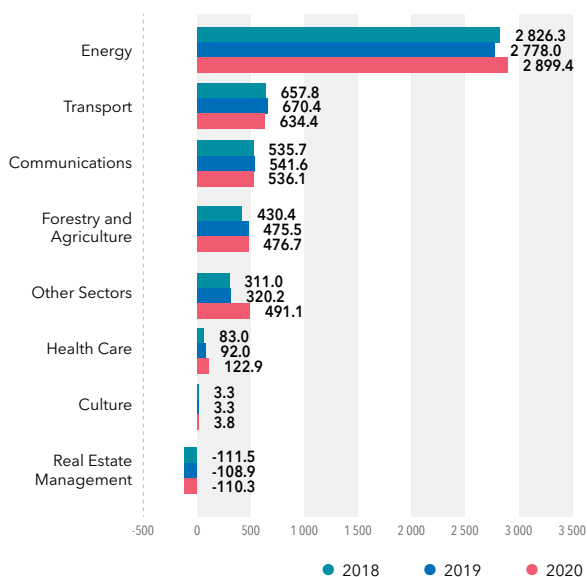


Figure 14. Total equity of SOEs by sector in 2018 - 2020, million EUR

In total, equity has increased by +5.9% or EUR +282.1 million in all SOEs in 2020, compared to 2019, which is a much higher increase than in 2019 when it was +0.8% or + EUR 36.0 million. The largest increases are in the forestry and agriculture sector and transport sector, EUR 45.1 million or 10.5% and EUR 12.6 million or 1.9% respectively. Individually, the largest increases in equity are for JSC Latvijas valsts meži (EUR 45.1 million or 10.5%), SJSC Starptautiskā lidosta Rīga (EUR 19.7 million or 36.3%) and JSC Attīstības finanšu institūcija Altum (EUR 11.1 million or 5.0%), which is related to the profit of the reporting year and the profit of the previous years, which is not paid in dividends and is invested in share capital.

A high percentage increase in equity is also in the health sector +33.5% or EUR +30.8 million. Individually, the largest increases in equity are for JSC Augstsprieguma tīkls (EUR +569.2 million or 813.7%), which is attributable to the inclusion of JSC Conexus Baltic Grid in the group and the takeover of assets and liabilities of JSC Latvijas elektriskie tīkli as a result of reorganisation, incl. by making an investment of EUR 299.7 million in share capital according to the decision of the shareholders' meeting of 15 June 2020⁴¹, and JSC Attīstības finanšu institūcija Altum (EUR +149.9 million or +64.4%), which includes a significant increase of EUR 120.0 million in surplus capital to mitigate the consequences of COVID-19 (financing of EUR 50 million for loans to fund current assets for economic operators affected by the spread of COVID-19; EUR 25 million for a loan holiday guarantee for investment loans, financial leasing, loans for financing working capital, including credit lines, and a guarantee for new loans to finance current assets to ensure access to finance for economic operators affected by the spread of COVID-19; EUR 25 million to mitigate the consequences of the COVID-19 crisis through the implementation of the Portfolio Guarantee Programme pursuant to Cabinet Regulation No. 537 "Portfolio Guarantees for Promotion of Small (Micro), Small and Medium-Sized

Enterprises" of 5 September 2017, and EUR 20 million to support viable large merchants (Midcaps) whose activities due to the spread of COVID-19 require funding to restore, maintain and enhance their competitiveness as well as increase turnover, including exports) and EUR 25 million AIF Altum kapitāla fonds⁴².

Equity decreased in three sectors – transport, communications and real estate. The major decrease in equity was in the transport sector, i.e. by EUR 36.0 million or -5.4% compared to 2019.

In the communications and real estate sectors, the reduction in equity was relatively small, amounting to EUR -5.4 million or -1.0% and EUR -1.4 million respectively, i.e. -1.3%. In the real estate sector, equity is still negative – EUR -110.3 million (2019 – EUR 108.9 million, 2018 – EUR 111.5 million) due to JSC "Reverta".

Equity of JSC "Reverta" – EUR -433.7 million in 2019 and -EUR 434.0 million in 2020, as the company continued to operate with a loss of EUR 282 thousand (in 2019 – loss of EUR 419 thousand). EUR -433.7 million in 2019 and -EUR 434.0 million in 2020, as the company continued to operate with a loss of EUR 282 thousand (in 2019 – loss of EUR 419 thousand).

In the transport sector, the largest decrease in equity was for JSC Air Baltic Corporation (EUR -16.9 million or -49.8%, compared to 2019), which corresponds approximately to the total difference between the increase in the equity capital of the capital company of EUR 250 million and the loss incurred by the capital company in the amount of EUR 266.7 million in 2020, and SJSC Starptautiskā lidosta Rīga (EUR -15.8 million or -21.4%), which corresponds to the loss of the capital company in 2020 of EUR 15.8 million. In 2020, there were -73% or only 1.34 million passengers compared to 2019; compared to 5.05 million passengers carried in 2019, fuel fixed contracts amounting to EUR 14.6 million and the decision to stop using the Q400 fleet resulted in the loss of EUR 103 million from depreciation of assets and recognition of provisions for unfavourable contracts⁴³.

In 2020, the equity reduced in 25 capital companies (23 in 2019), but a large part of them are small in absolute values, while the total decrease in equity for such capital companies was much higher than in 2019 – EUR -533.8 million (in 2020) and EUR -81.2 million (2019).

Two capital companies of the transport sector (JSC Airbaltic Corporation, SJSC Starptautiskā lidosta Rīga) had a relatively large percentage decrease in assets (more than 20%), one capital company of the forestry and agriculture sector (SLLC Meliorprojekts) and two other sectors (SLLC Latvijas Vides, ģeoloģijas un meteoroloģijas centrs, SLLC Tenisa centrs "Lielupe"), which is by one capital company more than in 2019.

In 2020 like in 2019, the share capital of capital companies increased. The share capital increased in the following capital companies: JSC Augstsprieguma tīkls (EUR +299.7 in 2020), JSC Air Baltic Corporation (EUR +250.0 million), SJSC Latvijas dzelzceļš (consolidated) (EUR 32.4 million), SLLC Paula Stradiņa klīniskā universitātes slimnīca (EUR 15.3 million), LLC Rīgas Austrumu klīniskā universitātes slimnīca (EUR 12.9 million), SJSC Latvijas gaisa satiksme (EUR 6.0 million), SLLC Bērnu klīniskā universitātes slimnīca (EUR 4.6 million), SLLC Kultūras un sporta centrs Daugavas stadions (EUR 1.2 million), LLC Rīgas hematoloģijas centrs (EUR 0.5 million), SLLC Daugavpils psihoneiroloģiskā slimnīca (EUR 0.5 million), SLLC Slimnīca Ģintermuiža (EUR 0.4 million),

⁴¹ Consolidated Annual Report of JSC Augstsprieguma tīkls 2020, p.67, source: <https://www.ast.lv/lv/content/finansu-parskati>.

⁴² Consolidated and Individual Annual Report of JSC Attīstības finanšu institūcija "Altum" for the year, which ended on 31 December 2020, p.85, source: <https://www.altum.lv/lv/par-altum/finansu-informacija/>.

⁴³ Sustainability and Annual Report of JSC Air Baltic Corporation 2020, pp. 104-105, source: <http://www.ur.gov.lv>.

LLC Eiropas dzelzceļa līnijas (EUR 0.4 million), LLC Sporta centrs "Mežaparks" (EUR 0.3 million), SLLC Latvijas Nacionālā opera un balets (EUR 0.2 million) and LLC Lielstraupes pils (EUR 7.3 thousand).

The share capital of JSC Latvenergo was reduced by a total of EUR 44.5 million in 2020, but it consisted of a reduction of the share capital of EUR 222.7 million, by separating transmission assets from Latvenergo corporation on 10 June 2020, transferring all shares of JSC Latvijas elektriskie tīkli to the Ministry of Economics and reducing the share capital of JSC Latvenergo by EUR 222.7 million and increasing the equity capital of EUR 178.1 million, on 9 July 2020, taking into account the decision of the Cabinet of Ministers of the Republic of Latvia of 8 October 2019 on unbundling of transmission assets, deciding to increase the share capital of JSC Latvenergo at the shareholders' meeting of JSC Latvenergo by investing in the equity capital retained profit of JSC Latvenergo of EUR 178.1 million in previous years⁴⁴.

Total turnover of SOEs

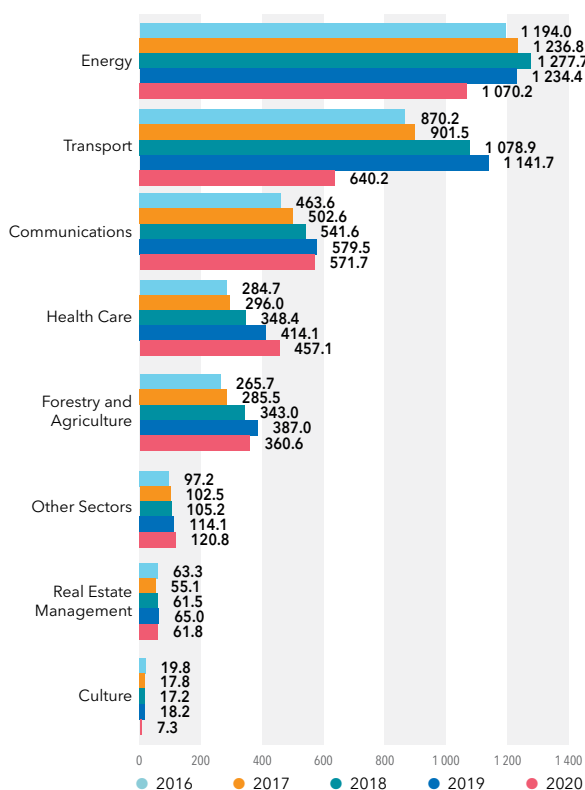


Figure 15. Turnover of SOEs by sector in 2016 - 2020, million EUR

Overall turnover figures fell by -16.8% or EUR -664.5 million in 2020 compared to 2019 (in 2019 EUR + 180.5 million or +4.8% compared to 2018). The largest turnover from the total turnover of SOEs was made up of the energy sector (32.5%), followed by transport sector (19.5%) and communications (17.4%).

In all sectors, except healthcare and other capital companies, there is a decline in turnover. In 2020, the most substantial decline in turnover is in the transport sector – EUR -501.5

million, or -13.3%, where reductions in passenger and freight transport affected the majority of companies in the sector. SJSC "Starptautiskā lidosta Rīga" faced a decrease in the number of flights handled -59.1% and a decrease in the number of passengers handled -74.2%⁴⁵; the volume of freight traffic of SJSC Latvijas dzelzceļš was reduced by -41.9% compared to 2019⁴⁶, SJSC Latvijas gaisa satiksme had a significant decrease in the number of flights handled -55.3% in the Riga Flight Information Area compared to 2019⁴⁷; in January and February 2020, JSC Air Baltic Corporation reached a record number of passengers carried during this period with an increase of 18% compared to 2019, but due to the COVID-19 pandemic, the airline suspended its commercial flights in March and resumed them with a significantly reduced number of seats offered in May, however, given the intensification of the pandemic in the second half of the year as of August, capacity was significantly reduced⁴⁸, total decrease in the number of passengers transported in 2020 versus -73%⁴⁹ in 2019), and JSC Pasažieru vilciens had a decrease in the number of passengers transported -30.4%, the number of passenger-kilometres by -32.2% and the performance of trains by -17.2 percentage points to 40.5% compared to 2019⁵⁰.

Turnover in the energy sector decreased by EUR -164.3 million or -13.3%, which is attributable to the fact that (1) by 534 GWh or 11% less electricity was produced, incl. in the Daugava hydroelectric power plant by 272 GWh, but in the Latvenergo thermoelectric power station by 264 GWh, (2) the price of electricity sold was also lower, which was due to a significant price reduction in the wholesale market (the average price of Nord Pool in Latvia in 2020 was EUR 34.0/MWh, which is 29% lower than planned – EUR 48.1/MWh), driven by lower energy demand due to both warmer weather conditions and the global economic recession due to COVID-19; (3) with warmer weather conditions, lower revenues were generated from the sale of thermal energy, 2020 was the warmest year in the history of observations⁵¹ and (4) a successful reform of the ownership rights of the transmission system was carried out, the implementation of which ensured faster improvement of efficiency of processes and cost optimisation, and the new transmission asset construction service was no longer recognised in revenues, which was provided to JSC Latvijas elektriskie tīkli (LET) after JSC Augstsprieguma tīkls carried out the takeover of LET before the deadline specified in the Cabinet Resolution and budget⁵².

The forestry and agriculture sector also had a decrease in turnover of EUR -26.4 million or -6.8%, where the majority of JSC Latvijas Valsts meži revenues fell by EUR -25.5 million or -6.8%. The highest percentage decrease in turnover was in the cultural sector, i.e. -59.9% or EUR -10.9 million, where 13 out of 14 capital companies experienced a decline in turnover above -50%, which is explained by the restrictions on public events to reduce the spread of the COVID-19 virus.

For example, the number of visits to the SLLC Latvijas Nacionālā opera un balets (excluding the audience reached online) was by 61% lower than in 2019, taking into account that for less than five months out of 10, the events in 2020 took place under a complete ban on public activities while, for two months, the activity took place under limited restrictions, the attendance of halls fell from 91% to 72%, although within the limits of the

⁴⁵ Information provided by SJSC Starptautiskā lidosta "Rīga".

⁴⁶ Information provided by SJSC Latvijas dzelzceļš.

⁴⁷ Information provided by SJSC Latvijas gaisa satiksme.

⁴⁸ Information provided by JSC Air Baltic Corporation.

⁴⁹ Annual Sustainability Report 2020 of JSC Air Baltic Corporation, pp.104.-105, source: <http://www.ur.gov.lv>.

⁵⁰ Information provided by JSC Pasažieru vilciens.

⁵¹ Information provided by JSC Latvenergo.

⁵² Information provided by JSC Augstsprieguma tīkls.

⁴⁴ Sustainability and Annual Report 2020 of corporation Latvenergo, p.138, source: <https://latvenergo.lv/lv/investoriem/parskati>.

allowed number of visitors, the average attendance remained above 90%⁵³. The cultural sector tried to adapt its activities and, for example, SLLC Jaunais Rīgas Teātris (JRT) adapted its activities in order to reach its audience with the help of digital projects, thus exceeding the planned total number of visitors on several occasions (more than 5 times).

For example, in 2020, 79% of the total audience distribution or 360 462 visitors were listeners of the readings of books by the JRT's actors, while only 6% of the total audience or 29 179⁵⁴ visitors attended the JRT's premises in person, which is -67% decrease compared to 2019, when the number of visitors in the JRT's premises was 88 539⁵⁵.

The largest increase in turnover was in the health sector – EUR +43.0 million or +10.4%. According to the information provided by the capital companies of the Ministry of Health, the increase in turnover is mainly due to the increase in tariffs for health care services to ensure the increase in wages, for example, the average salary of medical personnel of LLC Rīgas Austrumu klīniskās universitātes slimnīca has increased by 15% in 2020 compared to 2019⁵⁶, and also with the COVID-19 funding, e.g. to cover COVID-19 inpatient treatment costs, laboratories to cover the COVID-19 testing services, in addition to the restrictions adopted by the government; this idle time was compensated by downtime allowances, as well as COVID-19 overtime allowances for medical staff were compensated and funds were received to increase medical supplies.

The increase of EUR +6.8 million or +5.9% for capital companies in other sectors can be attributed mainly to the increase in turnover of SJSC Latvijas Loto in the amount of EUR +8.8 million or +18.2%.

In 2020, the following capital companies had the highest individual decreases in turnover compared to 2019: JSC Air Baltic Corporation (EUR -363.3 million or -72.3%), SJSC Latvijas dzelzceļš (EUR -83.8 million or -24.8%), JSC Latvenergo (EUR -68.2 million or -8.1%), JSC Augstsprieguma tīkls (EUR -39.9 million or -21.6%), SJSC Starptautiskā lidosta "Rīga" (EUR -35.2 million EUR or -54.1%), JSC Latvijas valsts meži (EUR -25.5 million or -6.8%), SJSC Latvijas gaisa satiksme (EUR -16.6 million or -53.8%), JSC Pasažieru vilciens (EUR -14.1 million or -24.9%). In 2020, the largest increase in turnover compared to 2019 was in the following capital companies: LLC Rīgas Austrumu klīniskās universitātes slimnīca (EUR +22.6 million or +15.9%), SJSC Latvijas autoceļu uzturētājs (EUR+10.2 million or +14.1%), SLLC Paula Stradiņa klīniskās universitātes slimnīca (EUR +10.0 million or +8.4%), SJSC Latvijas Loto (EUR 8.8 million or 18.2%) and SLLC Bērnu klīniskās universitātes slimnīca (EUR 5.5 million or 10.2%).

The highest percentage reductions in turnover were for: SLLC Kremerata Baltica (-80.9% or EUR -0.7 million), JSC Air Baltic Corporation (-72.3% or EUR -363.3 million) and SLLC Valsts Akadēmiskais koris Latvija (-68.3% or EUR -0.2 million). The highest percentage increases in turnover were for SLLC Vides investīciju fonds (+1 261.8% or EUR +0.2 million), LLC Tenisa centrs "Lielupe" (+45.9% or EUR +0.1 million) and LLC Latvijas Nacionālais metroloģijas centrs (+20.4% or EUR +0.2 million).

Number of employees and average remuneration

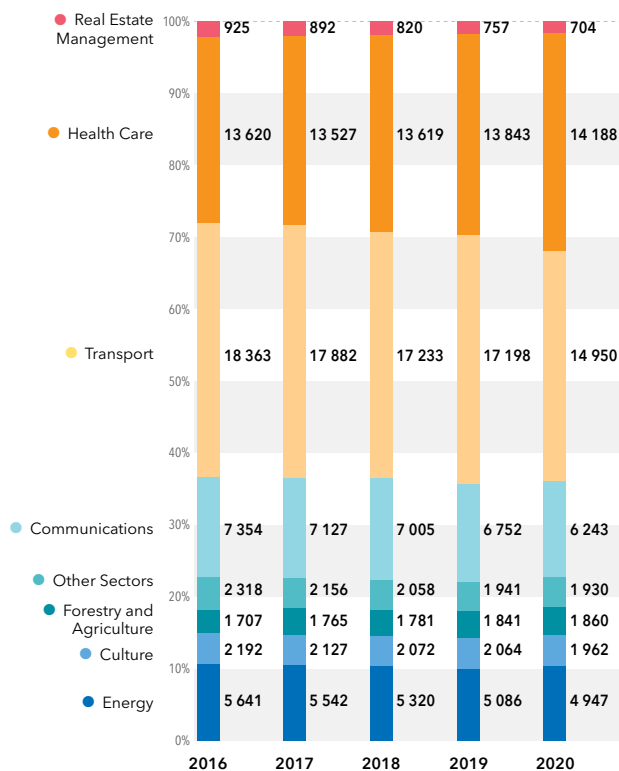


Figure 16. Average number of employees in SOEs per year by sector in 2016 - 2020, number and percentage

There has been some change in the structure of employees. In the distribution of employees by sector in SOEs (total = 100%), the largest number of people are employed in the transport sector, i.e. 32.0% of all employees employed in SOEs; there is a decrease of -2.8 percentage points compared to 2019, when 34.8% of all employees of SOEs were employed in the transport sector.

The transport sector is followed by the health sector - 32.3% of all employees, an increase of +2.3 percentage points compared to 2019. In other sectors, the change does not exceed 0.5 percentage points in the overall distribution.

For the fifth consecutive year, there has been a decrease in the number of employees in SOEs. The number increased significantly in 2020 to -5.5%, compared to -0.9% in 2019 and -2.2% in 2018. In absolute terms, the reduction – 1 102 employees in 2017 and 1 110 employees in 2018, 426 employees in 2019 while 2 698 employees in 2020.

⁵³ Report of SLLC Latvijas Nacionālā opera un balets 2020, p.5, source: <https://www.opera.lv/par-mums/parskati-un-finansu-raditaji/darbibas-parskats/>.

⁵⁴ Annual Report of SLLC Jaunais Rīgas teātris 2020, pp.5.-6, source: <https://www.jrt.lv/teatris/merki-parskati/>.

⁵⁵ Annual Report of SLLC Jaunais Rīgas teātris 2019, p.5, source: <https://www.jrt.lv/teatris/merki-parskati/>.

⁵⁶ Annual Report of LLC Rīgas Austrumu klīniskās universitātes slimnīca 2020, p.10, source: <https://aslimnica.lv/par-mums/kapitalsabiedribas-darbibu-raksturojosa-informacija/gada-parskati/>.

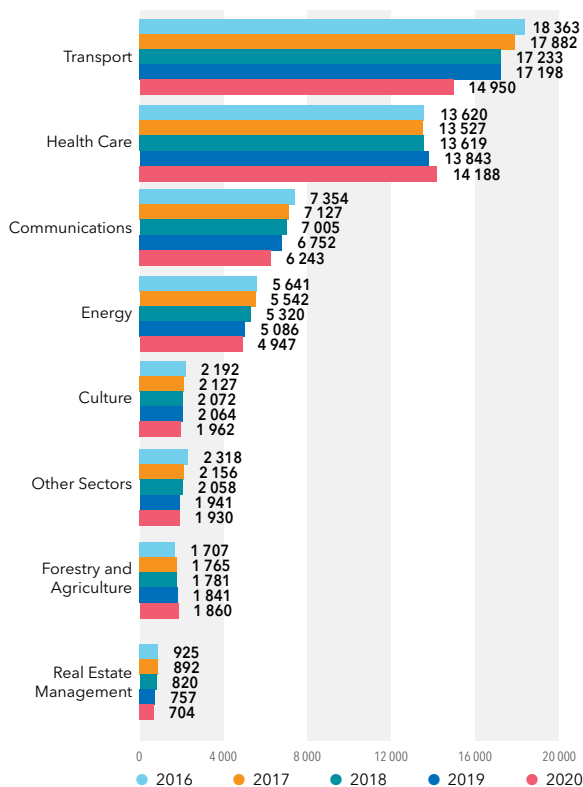


Figure 17. Average number of employees in SOEs per year by sector in 2016 - 2020, number

The largest reductions are in the transport sector (-2 248 employees or -13.1%) and communications sector (-509 employees or -7.5%) while the most substantial increase is for the health care (+345 employees or +2.5%). SJSC Latvijas dzelzceļš faced the major reduction in staff (-1 616 employees or -15.9%). The reduction by over 100 employees occurred in another five capital companies – SJSC Latvijas Pasts (-382 employees or -10.4%), JSC Air Baltic Corporation (-332 employees or -20.0%), SJSC Starptautiskā lidosta "Rīga" (-230 employees or -17.5%), LLC Tet (-142 employees or -8.1%) and JSC Latvenergo (-114 employees or -3.3%). In turn, the increase in the number of employees by over 100 employees in 2020 was at JSC Augstsprieguma tīkls (+335 employees or +60.7%, because the survey data were consolidated with JSC Conexus Baltic Grid, while the reduction in the parent company - 6 employees⁵⁷), LLC Rīgas Austrumu klīniskā universitātes slimnīca (+187 employees or +4.2%) and SLLC Paula Stradiņa klīniskā universitātes slimnīca (+131 employees or +4.5%).

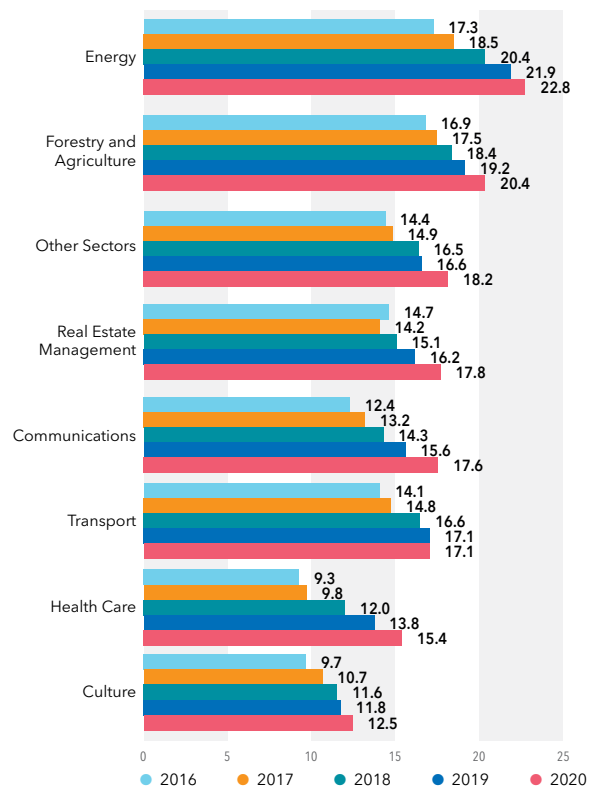


Figure 18. Average gross remuneration per employee per year in 2016 - 2020, thousand EUR

Information on the level of remuneration in capital companies has been collected, and the analysis of information regarding remuneration can be used to identify general trends. Remuneration policy is determined in each capital company according to internally approved principles depending on the nature of the capital company's activities, labor market situation and resources available. There may be different principles for the variable component of remuneration or for the granting and payment of other fringe benefits. The choice of a business model also has an impact on the remuneration policy, thus capital companies with a higher share of outsourcing will often have a higher level of remuneration; the share of non-financial goals and the income generation model of the capital company are also important. Despite the COVID-19 pandemic, the overall remuneration level has increased in all sectors except transport. In the transport sector, average wages have remained practically stable, with a decrease of EUR -0.05 thousand per year or -0.3%.

The highest percentage increase is in the communications sector – +12.6% or EUR +2.0 thousand annually for the second year in a row, reaching an average salary of EUR 17.6 thousand a year. This is followed by the health sector with a percentage increase in wages of +11.3% or EUR +1.6 thousand per year, reaching an average wage of EUR 15.4 thousand a year.

In 2020, as for all the previous five years, SOEs in the energy and forestry sector and the agricultural sector take the lead on the salary scale, respectively – EUR 22.8 thousand per year (EUR 22.1 thousand in 2019) and EUR 20.4 thousand per year (2019: EUR 19.2 thousand). In 2020, as in the last three years, the lowest wage levels are in the cultural and health sector.

⁵⁷ Consolidated Report of corporation JSC Augstsprieguma tīkls and Annual Report of JSC Augstsprieguma tīkls 2020, p.5, source: <https://www.ast.lv/lv/content/finansu-parskati>.

The average remuneration in SOEs in 2020 was EUR 17.2 thousand, which is EUR 0.9 thousand per year or by 5.7% more than in 2019, when the average salary was EUR 16.3 thousand. The highest average salary individually in one capital company amounted to EUR 43.1 thousand (LLC Eiropas dzelzceļa līnijas)⁵⁸ (2019: EUR 46.3 thousand) and lowest – EUR 7.4 thousand (SLLC Rīgas cirks⁵⁹) (EUR 7.1 thousand in 2019).

Excluding some capital companies with less than 10 employees, where the changes are more related to the reorganization of their activities, leaving only managerial staff, the average remuneration decreased by 12.6% to 18.7% in 19 SOEs; it is not possible to evaluate one SOE, because it was established only at the end of 2019, the remuneration of 52 SOEs increased – for 25 increased to 10%, while for 23 increased to 20%, but for four – above 20%.

The largest increase was for SJSC Latvijas autoceļu uzturētājs (increase by +21.3%, average remuneration – EUR 20.9 thousand a year), SLLC Latvijas Vides, ģeoloģijas un meteoroloģijas centrs (increase +21.2%, average remuneration – EUR 15.7 thousand a year) and SLLC Daugavpils teātris (increase +27.5%, average remuneration – EUR 11.1 thousand a year).

Dividends

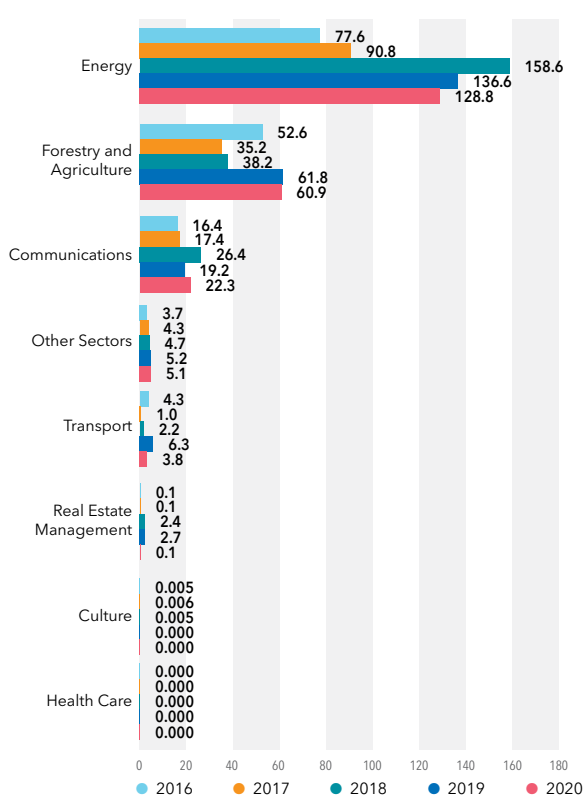


Figure 19. Dividends paid to the State for the previous reporting year in SOEs by sector in 2016 - 2020, million EUR

In 2020, the State received a total of EUR 220.9⁵⁹ million in dividends, i.e. by EUR -10.9 million or -4.7% less than in 2019. For comparison, in 2019 EUR 231.8 million was paid in dividends and EUR 232.5 million in 2018.

When assessing the payment of dividends to the State as a whole, in 2020 leaders were the same: energy sector with 58.3% (in 2019 – 58.9%, in 2018 – 68.2%, in 2017 – 61.1%, in 2016 – 50.1%), the forestry sector with 27.6% (in 2019 – 26.6%, in 2018 – 16.4%, in 2017 – 23.7%, in 2016 – 34.0%) and the communications sector with 10.1% (in 2019 – 8.3%, in 2018 – 11.4%, in 2017 – 11.7%, in 2016 – 10.6%) of all dividends paid by capital companies. The contribution of other capital companies to the dividend distribution is significantly lower and has not exceeded 5 % of the total dividend distributions – 4.1% in 2020, 6.1% in 2019, 4.0% in 2018, 3.6% in 2017 and 5.3% in 2016.

Considering that capital companies in both the energy and communications sectors are equally successful and less successful in the forestry and agriculture sectors, but with positive results have continued to operate successfully in 2020 in terms of profit and economy, dividends are paid in or above the planned amounts. Paragraph three of Regulation of the Cabinet of Ministers No. 806 "Procedure by which, State-Owned Capital Companies and Public Private Capital Companies in which the State is a Shareholder, Forecast and Determine the Profit Share to be Paid in Dividends and Makes Payments to the State Budget for the Use of State Capital" (hereinafter – the CoM Regulation No. 806) laid down the amounts of dividend distributions, the rules on corporate income tax and the procedure for determining a different minimum share of profits to be distributed in dividends: *The minimum forecasted profit share to be disbursed in dividends and the profit share to be disbursed in dividends shall be 80% of the profit of the reporting year of the capital company, unless otherwise specified in the medium-term operational strategy (hereinafter – the Strategy) of the capital company in accordance with Chapter II of this Regulation. The profit share to be distributed in dividends includes payment for the use of State capital and corporate tax. Paragraph five of the CoM Regulation 806 established that the Cabinet of Ministers, on the basis of a proposal of the holder of state-owned capital shares, may allow, by the order of the Cabinet of Ministers, to determine in the strategy of the capital company different expected profit share to be paid out in dividends (as a percentage of the forecasted profit for the reporting year) than indicated in Paragraph three of this Regulation or other legal acts.*

Sections 33, 34, 35. un 36 of the Law "On the State Budget for 2020" (hereinafter – the Budget Law) laid down conditions and specific amounts for disbursement of dividends for four capital companies – JSC Latvenergo (hereinafter – LE), JSC Latvijas valsts meži (hereinafter – LVM), SJSC Latvijas Loto (hereinafter – LL) and JSC Augstsprieguma tīkls (hereinafter – AST).

Section 33 of the Budget Law required LE to pay at least EUR 127.1 million (including EUR 101.7 million payment for the use of State capital and EUR 25.4 million in corporate income tax), EUR 127.1 million, which includes only the amount for use of State's capital (the CIT was neither paid in nor repaid in 2020, the CIT calculated in 2020 – EUR 6.2 million)⁶⁰. In 2019, the Law "On the State Budget for 2019" required LE to pay EUR 132.9 million (including EUR 106.3 million payment for use of State's capital and EUR 26.6 million the CIT) and EUR 132.9 million were disbursed, which includes which includes only an amount for the use of the State's capital (the CIT was only paid in 2019 in the amount of EUR 488.54, but EUR 10.0 million

⁵⁸ From corporations with at least 10 employees.

⁵⁹ Only dividends paid into the State budget are included in the calculation of dividends paid to the State.

⁶⁰ Information provided by the State Revenue Service of the Republic of Latvia.

was repaid⁶¹). In 2018, the law imposed a disbursement of EUR 94.2 million for 2017, but a higher payment of EUR 156.4 million was made in view of the high profit figures resulting from the corporate income tax reform. In 2017, LE paid EUR 90.1 million to the State in dividends.

Section 34 required LVM to pay no less than EUR 76.1 million (including EUR 60.9 million for the use of State capital and EUR 15.2 million for CIT), EUR 60.9 million were paid for the use of State capital and CIT was paid in the amount of EUR 9.6 million in 2020 and EUR 421 repaid, CIT was calculated at EUR 13.8 million⁶².

In 2019, Section 46 of the Law "On the State Budget for 2019" required LVM to pay EUR 77.2 million (including EUR 61.8 for the use of State capital and CIT was paid in the amount of EUR 15.4 million), EUR 61.8 million were paid for use of the State capital (the sum included in dividend calculation) and CIT was paid in the amount of EUR 15.4 million⁶³. LVM paid EUR 38.2 million in dividends in 2018 and EUR 35.2 million in 2017.

Section 35 of the Budget Law required LL to pay at least EUR 2.24 million (including a payment of EUR 1.79 million for the use of State capital and EUR 0.45 million in corporate income tax), EUR 4.98 million for the use of State capital was paid out in 2020 and a contribution of EUR 1.23 million to CIT was made and was not reimbursed.

However, although the Law "On the State Budget for 2019" no longer specified the amount to be disbursed to LL, which was classified with other capital companies, LL also paid out a significant amount of dividends in 2019 – EUR 5.1 million, which represented 79.2% of profit for 2018. In 2018, Section 44 of the Law "On the State Budget for 2018" required the disbursement of 80% of the profits of the capital company concerned, but not less than EUR 2.8 million. In 2018, EUR 4.7 million was disbursed, representing 80% of the EUR 6.5 million profit realised in 2017. In 2017, LL paid EUR 4.2 million in dividends.

Section 36 of the Budget Law required AST to pay at least EUR 1.74 million (including EUR 1.39 million for the use of State capital and EUR 0.35 million for the CIT), EUR 1.39 million for the use of State capital and CIT in the amount of EUR 2.7 million was paid and CIT of EUR 0.35 million was repaid⁶⁴. In 2019, Section 47 of the Law "On the State Budget for 2019" required AST to pay EUR 3.6 million (including the payment of EUR 2.9 million for the use of State capital and EUR 0.7 million in CIT), the payment of EUR 2.9 million for the use of State capital (included in the calculation of dividends) and the calculation of CIT – EUR 0.7 million⁶⁵. AST paid EUR 0.2 million in dividends 2018 and EUR 0.3 million in 2017.

This percentage of dividends paid by the four capital companies established by the Budget Law in 2020, including the CIT⁶⁶ from profits in 2019, accounted for 134.7% for LE, 67.0% for LVM, 84.4% for LL and 52.9% for AST.

The leading position of the forestry sector is largely explained by the fact that the main production asset is forest land for which depreciation is not calculated. As a result, smaller assets are accumulated for asset renewal and profits against EBITDA are relatively the highest across sectors.

Both LLC Tet (hereinafter – Tet) and LLC Latvijas Mobilais Telefons (hereinafter – LMT) continue to operate successfully in the communications sector, by paying the State EUR 20.7 million (EUR 16.4 million in 2019, EUR 20.3 million in 2018,

EUR 16.1 million in 2017) and EUR 1.4⁶⁷ million (EUR 1.1 million in 2019; EUR 1.2 million in 2018 and EUR 1.2 million in 2017) in dividends in 2020. In 2020, the SJSC Ceļu satiksmes drošības direkcija also paid dividends of EUR 2.9 million (EUR 2.9 million in 2019). Another 16 companies paid dividends in 2020 for a total amount of EUR 1.47 million.

The percentage of dividends paid to the State from the total profits of capital companies last year amounted to 69.3%; 71.6% in 2019, 45.7% in 2018, 72.2% in 2017, 92.9% in 2016, while EUR 124.9 million were paid in dividends in 2015, although in 2014 all SOEs incurred losses of EUR 22.2 million.

In turn, the total dividend distribution ratio in 2020, i.e. also dividends paid to other owners, was 84.9% of the previous year's profits in all capital companies, while in 2019 – 87.7%, 57.7% in 2018, 92.0% in 2017, 112.6% in 2016; in 2015 dividends totalled EUR 158.2 million, although in 2014 all SOEs incurred a total loss of EUR 22.2 million. However, by excluding from calculations capital companies, which did not work with profit in the previous year and had negative equity or equity lower than equity capital, the dividend distribution rate from 2015 to 2019 is – 90.4% in 2015, 84.0% in 2016, 72.2% in 2017, 51.2% in 2018, 83.1% in 2019 and 77.5% in 2020.

SOEs' contributions to the State Budget

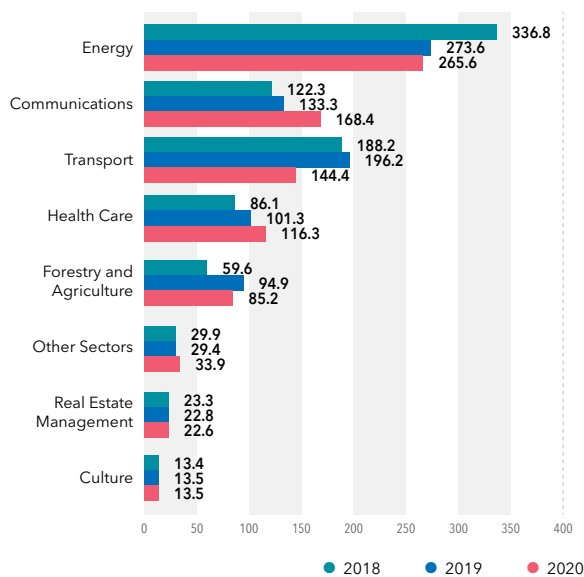


Figure 20. SOEs' contributions to the state budget by sector in 2018 - 2020, million EUR

Contributions to state and local government budgets consist of taxes, fees and dividends. In total, SOEs have made contributions of EUR 849.8 million, which is by EUR 15.2 million or -1.8% less than in 2019. The largest contributors in 2020, like in 2016 - 2019, were capital companies of the energy sector (EUR 265.6 million or 31.3% of the total contributions to the state budget in 2020, EUR 273.6 million or 31.6% in

⁶¹ Information provided by the State Revenue Service of the Republic of Latvia.

⁶² Consolidated Annual Report of JSC "Latvijas valsts meži" 2020, p.40, source: <https://www.lvm.lv/par-mums/skaitli-un-finanses/finanses/2020-g>.

⁶³ Information provided by the State Revenue Service of the Republic of Latvia.

⁶⁴ Information provided by the State Revenue Service of the Republic of Latvia.

⁶⁵ Information provided by the State Revenue Service of the Republic of Latvia.

⁶⁶ Information provided by the State Revenue Service of the Republic of Latvia.

⁶⁷ Industry calculation includes only the part of the dividend paid directly to the state from the profit of the capital company.

2019, EUR 336.8 million or 39.2% in 2018). In the context of the COVID-19 pandemic, the communications sector became the second largest contributor to the state budget due to the challenges faced by the capital companies of the transport sector in 2020 (EUR 168.4 million or 19.8% of the total contributions to the state budget in 2020, EUR 133.3 million or 15.4% in 2019, EUR 122.3 million or 14.2% in 2018), by ranking the capital companies of the transport sector in the third place (EUR 168.4 million or 19.8% in 2020; EUR 196.2 million or 22.7% in 2019; EUR 188.0 million or 21.9% in 2018). The capital companies in the communications sector had the largest increase in contributions to the state budget, i.e. EUR +35.1 million or +26.3%. Relatively large increase was also for contributions made to the state budget by capital companies of the health sector, i.e., EUR +15.0 million or +14.8% in 2020, reaching a total contribution of EUR 116.3 million. In 2020, the three largest contributors paid 44.5% of the total contributions made by SOEs to the state budget, and they were JSC Latvenergo (corporation's data), JSC Latvijas valsts meži (consolidated data) and LLC Tet (corporation's data), paying, respectively, EUR 226.4 million or 26.6% of the total contributions to the state budget (EUR 249.0 million or 28.8% in 2019, EUR 292.8 million or 34.1% in 2018), EUR 80.1 million or 9.4% (EUR 90.1 million or 10.4% in 2019, EUR 55.3 million or 6.4% in 2018) in 2018 – EUR 71.6 million or 8.4% (EUR 63.8 million or 7.4% in 2019, EUR 65.8 million or 7.7% in 2018). In 2020, there were changes in terms of the largest taxpayers, as in 2019 they included SJSC Latvijas dzelzceļš (consolidated) (EUR 61.9 million or 7.3% of total contributions by SOEs to the state budget in 2020, in 2019 – EUR 63.8 million or 7.4%, in 2018 – EUR 65.8 million or 7.7%), but Tet was not included.

State Budget Funding received by SOEs

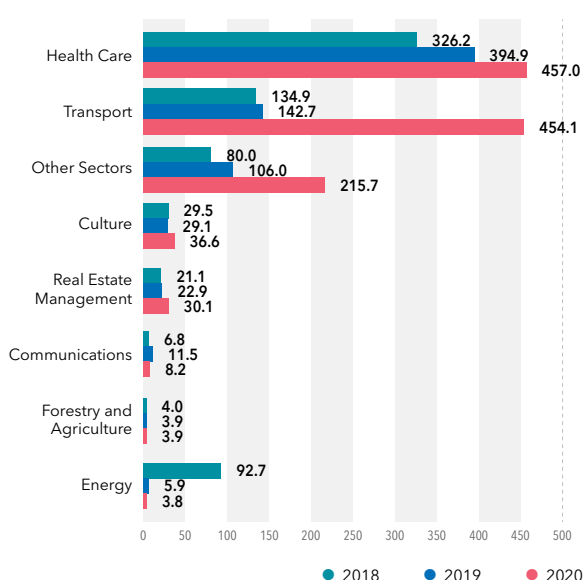


Figure 21. Funding received by SOEs from state budget by sector in 2018 - 2020, million EUR

Funding received from the state budget includes various types of revenue – both compensation mechanisms such as the earmarked grant paid to JSC Latvenergo to fix the mandatory procurement component, and fees for services purchased by the state, such as health care services and maintenance of facilities for hospitals or grants for the production of performances and concerts for theatres, orchestras and other types of cultural capital companies and other financial means such as loans and financing to ensure the financial stability of capital companies during the COVID-19 pandemic, e.g. by increasing the equity capital.

Compared to 2019, the state budget funding increased by EUR 492.5 million or +68.7% in 2020, reaching a total of EUR 1.21 billion received from the state budget.

A large part of the increase is due to the fact that, in response to the COVID-19 crisis, JSC Air Baltic Corporation reduced the number and costs of flights and seats offered. As a result, 30% of employees were dismissed.

Taking into account the forecasts by various industry experts regarding the negative long-term impact of the COVID-19 pandemic on the aviation sector, airBaltic developed a new business plan – Destination 2025 CLEAN. Based on this plan, airBaltic contacted shareholders with a request for additional funding and successfully increased the share capital by EUR 250 million. On 15 July 2020, the shareholders approved an increase in the share capital, and, as a result, the Latvian government invested EUR 250 million, thus acquiring 96.14% of airBaltic shares.

The European Commission acknowledged that the contribution meets the requirements of the EU internal market pursuant to Article 107(3)(b) of the Treaty on the Functioning of the European Union (pursuant to the decision of the European Commission of 3 July 2020 in case SA.56943)⁶⁸. According to the Decision of the European Commission of 3 July 2020 in case No. SA.56943 the Government is required to reduce its equity participation to at least 80% over the next five to seven years. In order to ensure the possibility of such a divestment, the airline is likely to seek to initiate the initial public offer process for the next three years.

The large part of the increase in funding received from the State budget is related to the increase in the funding received by JSC Attīstības finanšu institūcija "Altum" (hereinafter – Altum) by EUR +103,2 million or +151.6%, a total funding received in 2020 was EUR 171.3 million. According to Order of the Cabinet of Ministers No.122 of 25 March 2020, Order of the Cabinet of Ministers No.389 of 15 July 2020, and Regulation of the Cabinet of Ministers No 454 of 14 July 2020, this funding included a significant buffer capital increase of EUR 120.0 million to mitigate the consequences of COVID-19 (EUR 50 million to finance loans for working capital for economic operators affected by the spread of COVID-19, EUR 25 million of credit holidays guarantee for investment loans, financial leasing, loans for working capital financing, including credit lines, and a guarantee for new loans for working capital financing to ensure access to funding for economic operators, affected by the spread of the coronavirus disease COVID-19, EUR 25 million to mitigate the consequences of the COVID-19 crisis through the Portfolio Guarantee Programme, in accordance with Regulation of the Cabinet of Ministers No. 537 of 5 September 2017 on Portfolio Guarantees to facilitate lending to small (micro, small

⁶⁸ Sustainability and Annual Report of JSC Air Baltic Corporation 2020, pp.101, 108, source: <http://www.ur.gov.lv>.

and medium-sized enterprises) and EUR 20 million to support viable large merchants (midcaps) whose activities due to the spread of COVID-19 require funding to restore, maintain and enhance their competitiveness, as well as increase turnover, including exports) and EUR 25 million of the AIF Altum Capital Fund⁶⁹. JSC Altum continued to receive state funding to compensate expenses related to the management of state aid programmes, as compensation for venture capital funds management commissions, as a reserve capital increase for the implementation of the Study and Trusting Portfolio Guarantee Programme, the Treasury loans for the implementation of the support programmes, amounting to a total of EUR 171.3 million of state budget financing in 2020.

The third significant increase in funding received is attributable to SJSC Latvijas dzelzceļš – an increase of EUR +61.2 million or +313.9%, amounting to a total funding of EUR 80.7 million. The financing received in 2020 was related to Order of the Cabinet of Ministers No.392 "On Increasing the Share Capital of SJSC Latvijas dzelzceļš", which supported the increase of LDz's share capital by investing EUR 32.4 million in the maintenance and development of public-use railway infrastructure, as well as in order to stabilise the financial situation in the sector, Order of the Cabinet of Ministers No.391 "On Granting Financial Balance from the State Budget Program "Funds for Contingencies" granted advance payment of EUR 13.0 million to ensure financial equilibrium, Order No. 01-03/23 of the Ministry of Transport of 27 January 2020 on the grant for compensation of the costs of the minimum access package to SJSC Latvijas dzelzceļš and maintenance of service facilities for 2020", (with an amendment by Order No. 01-03/220 of 16 December 2020) and Order of the Ministry of Transport No.01-03/156 "On the Grant for SJSC Latvijas dzelzceļš to Compensate the Costs of the Minimum Access Package for the Second Half of 2020" of 14 August 2020, State budget funding of EUR 30.2 million to the public-use railway infrastructure manager and EUR 308 thousand for maintenance of unused service facilities⁷⁰.

The fourth increase in funding received is attributable to SOEs in the health sector – an increase of EUR +62.1 million or 15.7% compared to 2019. Among the public limited companies in this sector, the main beneficiaries of the State funding are: SLLC Rīgas Austrumu klīniskā universitātes slimnīca (total funding received in 2020 of EUR 159.4 million, increase EUR +20.3 million or +14.6%), SLLC Paula Stradiņa klīniskā universitātes slimnīca (total funding received in 2020 of EUR 134.9 million, increase EUR +21.9 million or +19.4%) and SLLC Bērnu klīniskā universitātes slimnīca (total funding received in 2020 of EUR 63.8 million, increase EUR +13.2 million or +19.4%).

This increase is attributable to the increase in average wages for medical staff in 2020, including Covid-19 related funding, such as for the payment of COVID-19 inpatient treatment costs, laboratory payments for COVID-19 testing services, in addition, due to the restrictions adopted by the government, planned hospital and outpatient assistance during the pandemic, which was compensated by downtime compensation, as well as for allowances and overtime of COVID-19 medical staff and funds were received to increase the stock of medicines.

Capital companies in the health sector were also the largest recipients of state budget funding in 2020, receiving a total of EUR 457.0 million or 37.8% of the total State budget financing in all SOEs and providing state-funded health care services, training for residents and increasing equity capital.

Capital companies in the transport sector ranked in the second place after the total funding received from the State budget. In 2020, they received EUR 454.1 million or 37.5% of the total funding received from the State budget (in 2019 received EUR 142.7 million or 19.9% of total financing, received EUR 134.9 million or 19.4% of total financing), in the third place – other companies in the sector, which in 2020 received EUR 215.7 million or 17.8% of total financing (EUR 106.0 million or 14.8% in 2019, received EUR 92.7 million or 11.5% in 2018).

Significant budget funding is directed to the transport sector, where a large part of the support is paid for public services, e.g. under a delegation agreement for the daily maintenance of public roads (EUR 67.0 million in 2020, EUR 62.6 million in 2019, EUR 61.0 million in 2018), under a delegation agreement on the administration of funding of the public road network, keeping and organising public procurements for national purposes (EUR 17.8 million in 2020, EUR 15.3 million in 2019, EUR 16.1 million in 2018); fees for the management services of the RB Rail project (EUR 2.6 million in 2020, EUR 2.8 million in 2019, EUR 2.5 million in 2018), funding for the organisation of public transport services (EUR 855 thousand in 2020, EUR 839 thousand in 2019). Compensation and grants have been paid in the form of compensation for the loss incurred while performing the public transport service contract in the rail sector (EUR 18.3 million in 2020, EUR 12.1 million in 2019, EUR 9.9 million in 2018), compensation for charges for the use of public-use railway infrastructure (EUR 7.5 million in 2020, EUR 21.9 million in 2019, EUR 38.0 million in 2018), compensation for the carriage of rail passengers benefiting from the exemption from fare fees (EUR 2.1 million in 2020, EUR 2.7 million in 2019, EUR 2.1 million in 2018), a grant to ensure the financial balance of the public-use railway infrastructure manager (EUR 22.5 million in 2020, EUR 13.6 million in 2019) and a grant for the organisation of public transport services by rail to compensate for the full amount of ineligible costs (EUR 14.2 million in 2020 and EUR 14.8 million in 2019).

A grant was awarded⁷¹ to public media (EUR 26.9 million in 2020; EUR 22.3 million in 2019; EUR 22.9 million in 2018) and funding for capital companies in the cultural sector (EUR 30.1 million in 2020, EUR 29.1 million in 2019, EUR 29.5 million in 2018, including EUR 9.8 million from the State budget for SLLC Latvijas Nacionālā opera un balets in 2020; EUR 9.9 million in 2019 and EUR 9.1 million in 2018) for the delegation of certain public administration tasks in the field of culture.

⁶⁹ Consolidated and Individual Annual Report of JSC Altum for the Year which Ended on 31 December, p.85, source: <https://www.altum.lv/lv/par-altum/finansu-informacija/>.

⁷⁰ Information provided by JSC Latvijas dzelzceļš, Unaudited Condensed Interim Financial Statements of SJSC Latvijas dzelzceļš for a Period of 6 Months, which Ended on xx June 2020, p.6. and 9-month period, which ended on 30 September 2020, p.4.

⁷¹ Includes the general government grant.

Donations made by SOEs

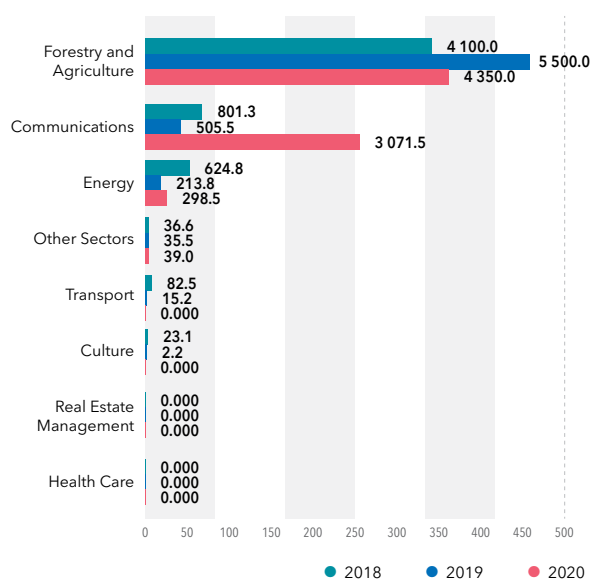


Figure 22. Donations made by SOEs by sector in 2018 - 2020, thousand EUR⁷²

In 2020, SOEs donated a total of EUR 7.76 million, which is by EUR 1.49 million or +23.7% more than in 2019. In 2019, SOEs donated a total of EUR 6.27 million, which is EUR +603.8 thousand or +10.7% more than in 2018. In 2018, SOEs donated EUR 5.67 million, which was EUR 477.4 thousand or 9.2% more than in 2017 (EUR 5.19 million).

The forestry sector and JSC Latvijas Valsts meži have been, for many years, among the most active donors. They allocated approximately EUR 4.35 million in 2020 to various donation programs (EUR 5.5 million in 2019, EUR 4.1 million in 2018). The forestry sector is followed by the communications sector whose donations often serve as a marketing incentive. Among the active contributors are LLC Tet, LLC Latvijas Mobilais Telefons, JSC Latvenergo and SJSC Latvijas Loto.

Donations received by SOEs

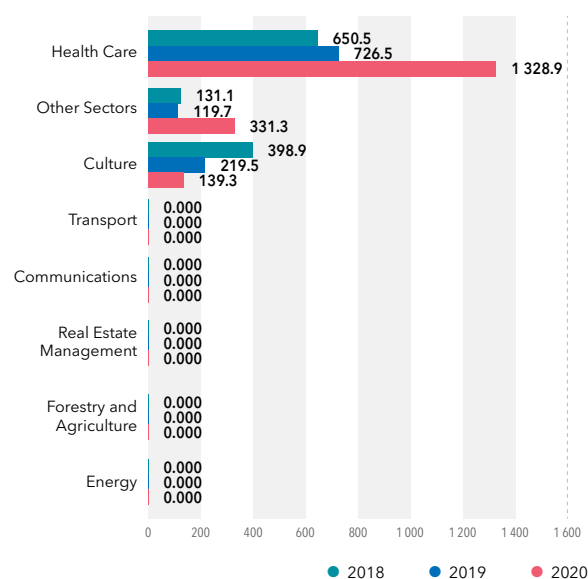


Figure 23. Donations received by SOEs by sector in 2018 - 2020, thousand EUR

In 2020, SOEs received donations of EUR 1.799 million, which is EUR +733.7 thousand or +68.8% more than in 2019 (2019 – EUR 1.065 million in 2019, which is EUR- 114.7 thousand or -9.7% less than in 2018, when donations amounted to EUR 1.180 million. As is the case each year, capital companies in the health sector are the leading recipients of donations (EUR 1.329 million in 2020, EUR 726.5 thousand in 2019, EUR 650.5 thousand in 2018).

In 2020, capital companies in the cultural sector have received donations (EUR 139.3 thousand in 2020, EUR 219.5 thousand in 2019, EUR 398.9 thousand in 2018) and capital companies of other sectors (EUR 331.3 thousand in 2020, 119.7 thousand in 2019, EUR 131.15 thousand in 2018).

The main recipient of donations in 2020 was SLLC Bērnu klīniskā universitātes slimnīca (EUR 1.037 million in 2020; EUR 390.5 thousand in 2019; EUR 538.6 thousand in 2018). In the health sector, donations have mainly been aimed at improving the quality of health services, such as improving the hospital's technical support for patients' needs, improving and developing the environment (infrastructure), and donations have also been material, such as blood pressure measuring equipment, cradles, wool socks and diapers. In the field of culture, donations were mostly to support performances, including new productions, or concerts, and donations have also been material, for example, equipment for performances, musical instruments, light, video and audio equipment, and stage curtain. The largest donations were received by SLLC Latvijas Televīzija (EUR 331.3 thousand in 2020, EUR 118.7 thousand in 2019, EUR 131.1 thousand in 2018), SLLC Paula Stradiņa klīniskā universitātes slimnīca (EUR 196.3 million in 2020, EUR 331.2 thousand in 2019, EUR 103.0 thousand in 2018).

⁷² Adjusted based on the data of SOEs, not the data on donations provided by the State Revenue Service of the Republic of Latvia, because in the reports provided by associations it is not possible to assess the specific donor by their registration number in all cases. Data are also consolidated for subsidiaries.

4.2. Return of State-Owned Capital Companies

For a large part of the SOEs, their main task is to meet non-financial objectives. The main task of these capital companies is to carry out the functions, which are critical for society.

In the areas such as education (one capital company), health care (15 capital companies, including LLC Veselības centrs "Bīķernieki") and culture (14 capital companies), which represent 29 capital companies or about half of the capital companies under the decisive influence of the state, the main objectives are non-financial. Of course, the return of these capital companies is also measurable by financial indicators, but their public benefit derives directly from their qualitative contribution to the achievement of the objectives of the industry. Consequently, the financial data presented in an aggregate form are not directly comparable to private equity of commercial companies, for which, as a rule, financial objectives and tasks are the most important, since the costs of non-financial objectives set for SOEs, which can be determined differently – with and without State payment, with and without a rate of return included.

In order to manage capital companies efficiently, as a rule, the financial objective of a non-commercial SOE is to work without a loss or with a small profit, ensuring financial stability. When analysing data for the last seven years, we can observe improvements in the area of return of capital companies.

The impact of the financial crisis was still present in 2014. During the crisis, several illiquid assets from Parex banka came into the ownership of the State, which was managed by the asset management company Reverta, but later also by the unrealised LLC Hiponia, which managed the problematic assets of the restructured Hipotēku banka. The realisation of these assets resulted in significant loss for capital companies operating in this sector. In 2017, capital companies with illiquid assets had significantly decreased, the impact of the corporate income tax reform led to an additional improvement, and the one-off state compensation of EUR 454.4 million to JSC Latvenergo for refusing to receive 75% of annual electric capacity payments for CHP plants in the energy sector, as well as the overall profitability figures respectively improved, reaching 15% per year. In 2018, the impact of the compensation no longer existed and the impact of the corporate tax reform was no longer so significant, resulting in a decrease in profitability rates to 8.6%. In 2019, profitability rates deteriorated slightly compared to 2018 and reached 8.1%, with a further increase in total turnover to EUR 3.95 billion. The slight impact of the financial crisis and the problems of underfunding in certain sectors such as the health sector over the whole period 2014 - 2019 and the negative profitability of the real estate sector between 2014 and 2017 are also present in the financial results, when the total profitability of SOEs was negative in 2014, but during the period 2014 - 2019 companies of the energy, forestry and communications sector significantly compensated the impact of these problematic companies, when profitability reached 5.0% in 2015, 6.3% in 2016, 15.0% in 2017, 8.6% in 2018 and 8.1% in 2019 respectively. In addition, total turnover fell by 2.1% in 2015 and 1.9% in 2016, but has experienced a faster upturn from 2017 onwards, reaching an increase of 4.3% in 2017 and returning to 2014 levels. In 2018 and 2019, turnover continued to increase by 11.1% and 4.8% respectively.

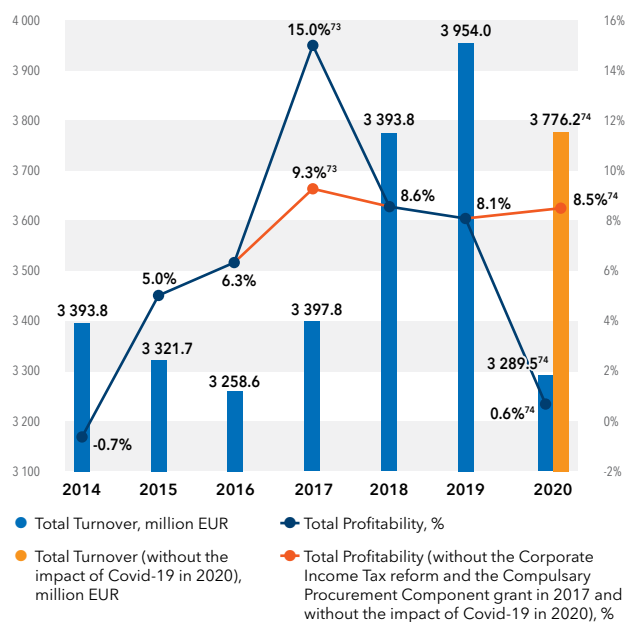


Figure 24. Total turnover of SOEs, million EUR and profitability, %, 2014 - 2020

Unfortunately, 2020 unexpectedly surprised by the COVID-19 pandemic. As a result, some SOEs had to temporarily suspend their income-generating activities, both fully and partially, and to operate under limited conditions. This resulted in a significant drop in turnover and profitability. Overall, the total turnover of SOEs decreased by EUR -664.5 million or -16.8% to EUR 3.29 billion in 2020 and profitability decreased by -7.4 percentage points or -92.0% to 0.6% in 2020 compared to 2019. According to the SOEs' own assessment of COVID-19, the overall impact on turnover is estimated at EUR 486.7 million as revenue foregone, while the impact on profits is assessed as additional losses of EUR 298.6 million. Without the impact of COVID-19, the turnover would have been estimated at EUR 3 776.2 million, the profit is estimated at EUR 319.8 million and profitability would have reached 8.5%, hence the impact of COVID-19 on profitability should be assessed negatively at 7.9 percentage points.

Three SOEs have had a greater impact on turnover and profitability, although other companies were also affected by COVID-19, but their impact on overall results is less significant given their low turnover or, for example, there was a drop in turnover in some sectors, but not from COVID-19 restrictions, but from other changes, such as in the energy sector, where the fall in turnover by EUR -164.3 million, or -13.3%, is attributable to process efficiency and cost optimisation, resulting in lower end prices; also due to reduced energy output for natural processes (seasonal air temperature, water influx), however, it has not had such a significant impact on profits as it has remained or even increased. SJSC Latvijas dzelzceļš also had a drop in turnover and, at the same time, profit, which was directly affected by COVID-19 restrictions mainly on passenger transport; however, the major part of the group's turnover is made by freight transport, which, according to the information provided,

⁷³ The impact of the Corporate Income Tax reform on the profits of 25 largest capital companies by assets and the overall effect of the compulsory procurement component grant is estimated at 5.7 percentage points, which would reduce profitability to 9.3%.

⁷⁴ According to the information provided by the companies (self-assessment, not all companies provided), the total impact of Covid-19 on turnover is estimated at EUR 486.7 million in lost revenue, while the impact on profit is estimated at an additional loss of EUR 298.6 million. Excluding the impact of Covid-19, the turnover is estimated at EUR 3 776.2 million, the profit is estimated at EUR 319.8 million and profitability would reach 8.5%, and the impact of Covid-19 on profitability would be estimated at 7.9 percentage points.

decreased by 41.9% in 2020 compared to 2019, however, the impact of COVID-19 restrictions cannot be assessed in such a direct manner and numerical values. No information on this was provided. The turnover of SJSC Latvijas Dzelzešs decreased by EUR -83.8 million or -24.8% in 2020, amounting to EUR 253.9 million in 2020 (EUR 337.6 million in 2019), and the group suffered losses of EUR -35.5 million, which was EUR -26.2 million or 2.8 times higher than in 2019, when the group suffered losses of EUR 9.3 million. Three capital companies, which had a very large impact on the overall turnover and profitability results due to the COVID-19 pandemic, were related to the transport sector, or more precisely aviation – JSC Air Baltic Corporation, SJSC Latvijas gaisa satiksme, SJSC Starptautiskā lidosta "Rīga". JSC Air Baltic Corporation's turnover decreased by EUR -363.3 million or -72.3% and a losses amounted to EUR 255.5 million, which was 28 times higher than in 2019, the turnover of SJSC Starptautiskā lidosta "Rīga" decreased by EUR -35.2 million or -54.1% and the loss amounted to EUR 15.8 million, as opposed to a profit of EUR 22.1 million in 2019, and SJSC Latvijas gaisa satiksme's turnover decreased by EUR -16.6 million or -53.8% and the loss amounted to EUR -7.6 million, as opposed to profit of EUR 2.5 million in 2019. Excluding the impact of the COVID-19 restrictions on these three capital companies could result in a turnover of EUR 3.78 billion and a profitability of 8.4%. On the other hand, by excluding these three companies from the calculations at all, the profitability of all other capital companies reached 10.0%.

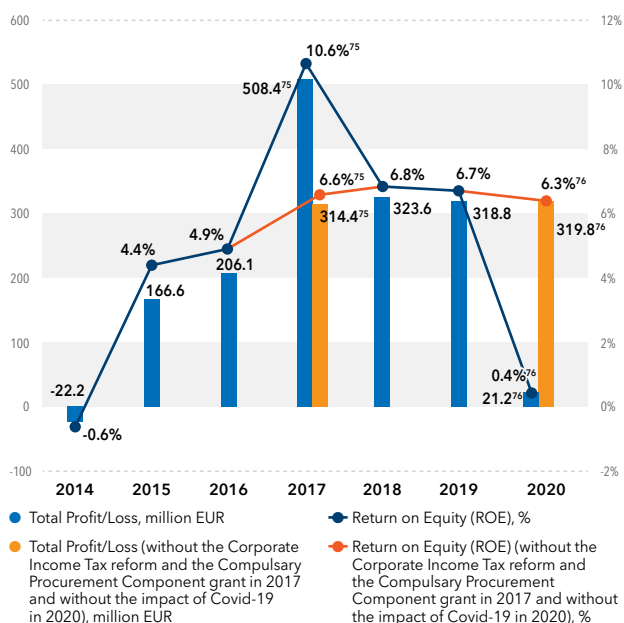


Figure 25. Profit of SOE, million EUR, and return on equity (ROE), %, 2014 - 2020

Profit and return on equity actually reflect a similar trend as turnover and profitability in the period 2014 - 2020. Illiquid assets have decreased, turnover and profitability have increased, thus the overall return on equity has improved significantly - from -0.6% in 2014 to 6.7% in 2019. Due to the COVID-19 pandemic it fell to 0.4% in 2020 and reached a particularly good rate of return on equity in 2017 (10.6%), when this indicator was further improved by the CIT reform and a one-off government grant to JSC Latvenergo Group for the abandonment from 75% of annual electricity capacity payments for CHP plants in the future, the impact of the CIT reform was one-off and can be estimated at around EUR 191.8 million⁷⁷, while the one-off unconditional grant for the abandonment in the future to receive 75% of annual electric capacity payments for CHP plants in 2017 amounted to EUR 140 million, but at the same time a decrease in the value of the assets in Riga TEC by EUR 116.8 million was also recognised, as well as the CIT increased by EUR 21 million, reducing the overall effect to EUR 2.2 million, while the second part of the grant, which amounted to EUR 314.4 million and is classified as revenue from subsequent periods, is to be assessed without any impact on future profits, as it will compensate for the decrease in revenue. Thus, in 2017, SOEs had worked economically with a profit of EUR 314.5 million and a return on equity of 6.6%, which is approximately the same level as in 2018, with a total increase of EUR +9.1 million or +2.1%. In 2019, this return decreased slightly compared to 2018, reaching 6.7%, i.e. 0.1 percentage point lower than in 2018.

In 2020, SOEs achieved a total profit ratio of EUR 21.2 million, a decrease of EUR -297.5 million or -93.3% compared to 2019, and reached a rate of return on equity of 0.4%, a decrease of 6.3 percentage points. According to the information provided by SOEs (own assessment, information not provided by all capital companies), the overall impact of the COVID-19 pandemic on profits is assessed as additional losses of EUR 298.6 million. Without the impact of COVID-19, the return on equity would have been estimated at EUR 319.8 million and the return on equity would have reached 6.3% (more precisely 6.33%), the impact of the COVID-19 pandemic on return on equity should be assessed negatively at 5.9 percentage points.

Similarly, by excluding the impact of the COVID-19 pandemic on three capital companies in the transport sector, which had a very large impact on the results due to the COVID-19 pandemic – JSC Air Baltic Corporation, SJSC Latvijas gaisa satiksme, SJSC Riga International Airport could have achieved a total profit of EUR 316.6 million and a return on equity of 6.26%. By excluding these three capital companies from the calculations, the return on equity amounted to EUR 309.3 million and the return on equity reached -6.267%.

⁷⁵ The impact of the corporate income tax reform on the profits of the 25 largest companies by assets and the total effect of the mandatory procurement component grant is estimated at 4 percentage points, which would reduce the return on equity to 6.6%.

⁷⁶ According to the information provided by the capital companies (own assessment, information not provided by all capital companies), the overall impact of COVID-19 on profits should be assessed as additional losses of EUR 298.6 million. Without the impact of COVID-19, the return on equity amounts to EUR 319.8 million and the return on equity would reach 6.3%, the impact of COVID-19 on the return on equity should be estimated at 5.9 percentage points.

⁷⁷ The assessment was performed for 25 largest companies by assets in 2017.

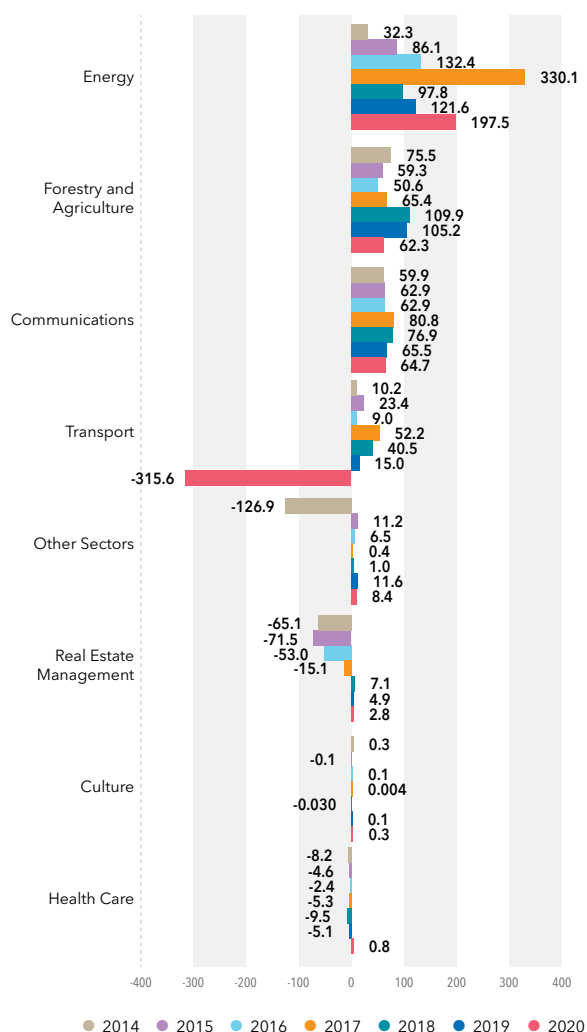


Figure 26. Total profits of SOEs by sector, 2014 - 2020, million EUR

When assessing the return on equity by sector, the two leaders in 2020 are the energy sector with a total profit of EUR 197.5 million (profit of EUR 21.6 million in 2019, EUR 97.8 million in 2018, EUR 330.1 million in 2017, less the impact of the corporate tax reform, EUR 173.0 million in 2017). In 2020, the communications sector, with a profit of EUR 64.7 million (EUR 65.5 million in 2019, EUR 76.9 million in 2018, EUR 80.8 million in 2017, less the impact of the corporate tax reform, EUR 67.0 million in 2017), has outpaced the 2018 leaders in the forestry sector (EUR 62.3 million in 2020, EUR 105.2 million in 2019, EUR 109.9 million in 2018, EUR 65.4 million less the impact of the corporate income tax reform, in 2017, EUR 60.2 million).

The transport sector has experienced a very large drop in 2020 with very substantial loss of EUR 315.6 million (profits of EUR 15.0 million in 2019, EUR 40.5 million in 2018 and EUR 52.2 million in 2017).

Companies in other sectors have worked with relatively good results due to the successful work and profit of SJSC Latvijas Loto and JSC Altum – EUR 11.2 million in 2020 (EUR 7.4 million in 2019) and EUR 5.5 million (EUR + 8.1 million in 2019), which have been mitigated by a loss of -8 in 2020 at SLLC Latvijas Vides ģeoloģijas un meteoroloģijas centrs; EUR 7 million, which is related to the total reduction in the value of

real estate, which amounted to EUR 8.0 million – loss from the depreciation of real estate, according to an independent valuer’s fair value of EUR 5.9 million and loss from the write-off of the Salaspils nuclear reactor’s book value of EUR 2.1 million.

After a gap of many years, companies of the health sector have worked overall without losses, reaching a total profit of EUR 0.8 million in 2020 (in 2019 – loss of EUR 5.1 million, in 2018 – loss of EUR 9.5 million).

Despite the significant impact of the COVID-19 pandemic on the cultural sector, capital companies in this sector continued to operate on a loss-free basis in 2020, reaching a profit of EUR 0.3 million in 2020 (EUR 0.1 million in 2019), largely due to additional public funding and the optimisation of certain costs.

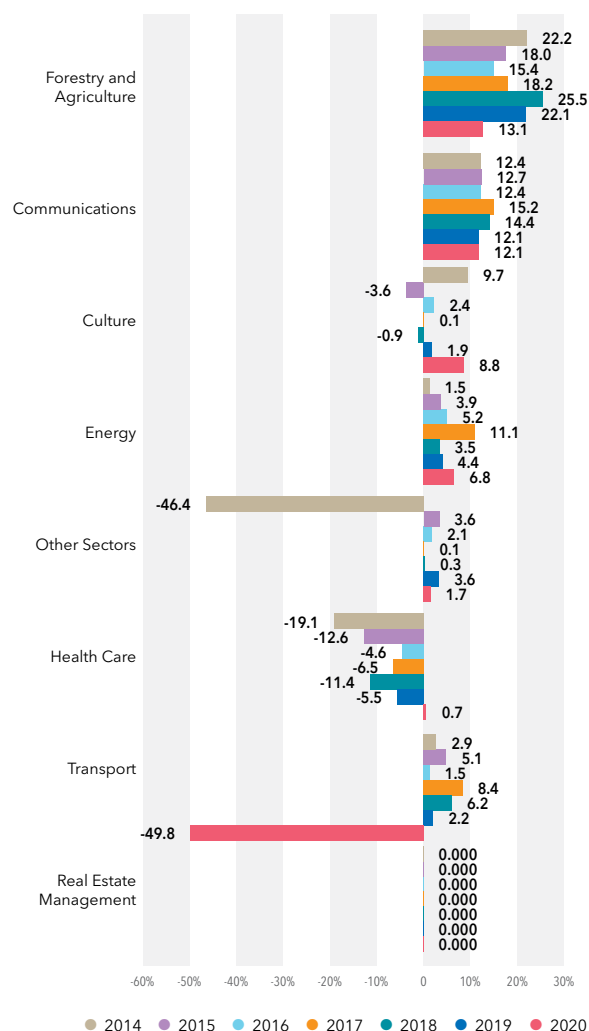


Figure 27. Return on Assets (ROA) of SOEs by sector in 2014 - 2020, %

When assessing the rate of return on equity by sector, in 2020 leaders are the same as in 2019 – the forestry (13.1% in 2020, 22.1% in 2019, 25.5% in 2018, 18.2% in 2017, minus the impact of the corporate tax reform, 16.8% in 2017⁷⁸) and communications (12.1% in 2020, 12.1% in 2019, 14.4% in 2018, 15.2% in 2017, 16.8%). In third place, with a return on equity of 8.8% in 2020, capital companies in the cultural sector have worked with variable success so far (return on equity – 1.9% in 2019, -0.9% in 2018 and 0.1% in 2017), which is somewhat due to the increase in funding received from the state budget of EUR +7.5 million or +25.6% in 2020 and the relatively small equity – EUR 3.8 million. Companies in the energy sector continue to work with a positive return on equity, reaching a return on equity of 6.8% in 2020, which is an increase of 2.4 percentage points compared to 2019. Taking into account the fact that capital companies in the health sector worked at low profits in 2020, the return on capital of health companies has been positive and reached 0.7% in 2020. In 2020, companies in the transport sector worked with a very negative return on equity – -49.8%, which means that the negative impact of COVID-19 in 2020 continues to the same extent, the equity of a capital company in the transport sector will be close to zero and it will be impossible for capital companies to continue working in the long term without additional financial support.

Total Assets (million EUR) and Return on Assets (ROA, %)

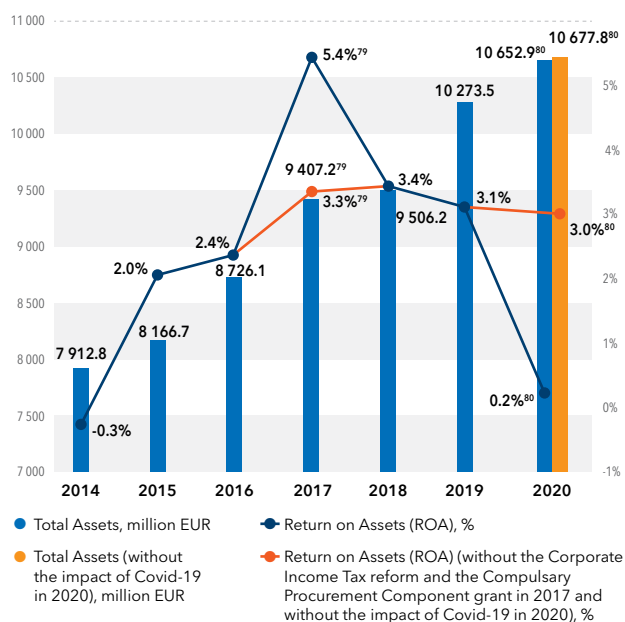


Figure 28. Total assets of SOEs, million EUR and return on assets (ROA) in 2014 - 2020, %

When assessing total assets and return on assets between 2014 and 2020, the return on assets shows a similar trend as profitability and return on equity – an increase until 2017, including a sharp increase in 2017 due to the CIT reform and OIC grants, and then a decrease with comparatively similar results in 2018 and 2019 and a sharp drop in 2020 as a result of the impact of the COVID-19 pandemic. In 2020, the assets of all SOEs amounted to EUR 10.6 billion and the return on assets was 0.2%, representing an increase of EUR +379.4 million in assets versus 2019 and a decrease of EUR -2.9 percentage points in the return on assets. According to the information provided by the capital companies (own assessment, information not provided by all capital companies), the overall impact of the COVID-19 pandemic on the investments made is estimated at EUR 24.9 million, but the investments not executed and the impact on profit are assessed as additional losses of EUR 298.6 million. Without the impact of the COVID-19 pandemic, assets could reach EUR 10 677.8 million and profits could reach EUR 319.8 million and return on assets could reach 3.0%, the impact of the COVID-19 pandemic on asset return should be assessed negatively at 2.8 percentage points. By excluding the impact of the COVID-19 pandemic (the loss and investments not made due to the COVID-19 pandemic) on three capital companies in the transport sector, whose results were severely affected by the COVID-19 pandemic – the JSC Air Baltic Corporation, SJSC Latvijas gaisa satiksme, SJSC Starptautiskā lidosta “Rīga” return on assets could have reached -2.97%. By excluding these three capital companies from the calculations – the return on the assets of all other capital companies reached – 3.25%. Thus, it can be concluded that investments in all other capital

⁷⁸ Equity is valued against 2017 in this calculation.

⁷⁹ The impact of the corporate income tax reform on the profits of the 25 largest capital companies after assets and the total grant effect of the mandatory procurement component are estimated at 2.1 percentage points, which would reduce the return on assets to 3.3%.

⁸⁰ According to the information provided by the capital companies (own assessment, information not provided by all capital companies), the overall impact of the COVID-19 pandemic on investments made is estimated at EUR 24.9 million as planned, while not executed investments and the impact on profit is assessed as additional losses of EUR 298.6 million. Without the impact of the COVID-19 pandemic, an asset value of EUR 10 677.8 million, a profit of EUR 319.8 million and an asset return of 3.0%, the impact of the COVID-19 pandemic on asset return should be estimated at 2.8 percentage points.

companies except for the three aforementioned – JSC Air Baltic Corporation, SJSC Latvijas gaisa satiksme, SJSC Starptautiskā lidosta “Rīga” – have been channelled to slightly more profitable areas than in 2019. In contrast, in the case of absence of the impact of the COVID-19 pandemic, the investments would have been channelled to less profitable areas than in 2019. The forestry sector is among the leaders like every year (11.5% in 2020, 19.5% in 2019, 23.3% in 2018, 16.7% in 2017, deducting the impact of CIT reform, 15.3% in 2017), the communications (7.2% in 2020, 7.2% in 2019, 9.0% in 2018, 9.7% in 2017, 9.7% in 2017, deducting the impact of CIT reform, 8.1% in 2017), and the energy (4.1% in 2020, 2.6% in 2019, 2.1% in 2018, 6.9% in 2017, minus the impact of CIT reform 3.6% in 2017).

Capital companies in the cultural sector, other sectors, real estate and health sectors have worked with low asset returns – 1.7%, 0.8%, 0.6% and 0.2% in 2020. In 2020, the return on assets of capital companies in the transport sector is negative, reaching -13.9%, which is a decrease in return on assets of 14.5 percentage points compared to 2019.

The return on assets in investment-intensive sectors – energy and transport – must be critically assessed, as investments are usually a longer-term goal, which creates a long-term rather than immediate impact on the profits of the capital company. It should also be taken into account that, in the forestry sector, part of the assets owned by the State is not included in the balance sheets of capital companies, but they are managed, for example, forests are in the balance sheet of the Ministry of Agriculture and not in the balance sheet of JSC Latvijas valsts meži.

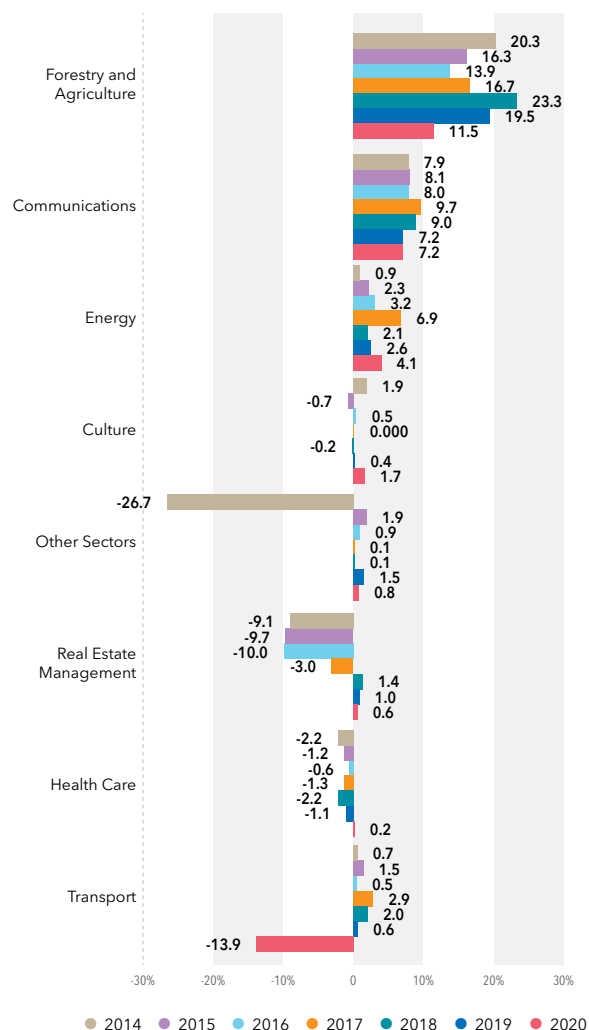


Figure 29. Return on Assets (ROA) of SOEs by sector, 2014 - 2020, %

5. Changes in SOEs in 2020

On 8 October 2019, the Cabinet of Ministers of the Republic of Latvia by Protocol Resolution No.46 §38, supported the introduction of the ownership model "Full Ownership Unbundling" of the electricity transmission system operator. On 10 June 2020, JSC Latvenergo ceased its participation in the subsidiary JSC Latvijas elektriskie tīkli and the transmission system assets worth EUR 694.3 million were separated from the Latvenergo Group, transferring all shares of JSC Latvijas elektriskie tīkli in the fair value of EUR 222.7 million to the Ministry of Economics. Pursuant to the decision of the Register of Enterprises of the Republic of Latvia of 25 November 2020, JSC Latvijas elektriskie tīkli was removed from the Register of Enterprises on 25 November 2020. Following the reorganisation

in accordance with the provisions of Paragraph four, Section 335, of the Commercial Law, JSC Latvijas elektriskie tīkli ceased to exist without liquidation proceedings, JSC Latvijas elektriskie tīkli (company being acquired) transferred all its property, rights and obligations to JSC Augstsprieguma tīkls (acquiring company). After the reorganisation, the acquiring company continues the business of the company being acquired. On 21 July 2020, JSC Augstsprieguma tīkls, has concluded a transaction with SJSC Gazprom on the acquisition of 34.10% of shares in JSC Conexus Baltic Grid, thus increasing control of the company to 68.46%.

With regard to Cabinet Order No 652 of 18 December 2019 (Minutes No. 59 76. §) JSC Augstsprieguma tīkls was

allowed to terminate the participation of JSC Nord Pool Holding (renamed as JSC TSO Holding) with a 2% share of the capital. The share purchase agreement with Statnett SF was signed on 24 May 2020 and the changes in the register of shareholders of JSC TSO Holding entered into force on 1 July 2020, thus JSC Augstsprieguma tīkls is no longer a shareholder.

In response to the crisis, the JSC Air Baltic Corporation reduced the number of seats and costs offered, resulting in the release of approximately 30% of its employees. Taking into account the forecasts of various industry experts about the negative long-term impact of the COVID-19 pandemic on the aviation sector, airBaltic developed a new business plan – Destination 2025 CLEAN. On the basis of this plan, airBaltic addressed a request for additional funding to its shareholders and increased its share capital by EUR 250 million. On 15 July 2020, the shareholders approved an increase in the share capital, which led the Latvian government to invest EUR 250 million, thus acquiring 96.14% (previously 80.054746%) of airBaltic shares. The European Commission found the investment compatible with the internal market of the European Union pursuant to Article 107(3)(b) of the Treaty on the Functioning of the European Union (pursuant to the European Commission Decision of 3 July 2020 in case SA.56943).

JSC Aviation Crew Resources JSC Air Baltic Corporation's share capital has increased to 100%, previously 92,%. On 18 February 2020, LLC VHITER and LLC BLAKER (the sole shareholder of JSC Air Baltic Corporation) adopted a decision to terminate and liquidate the companies. LLC VHITER was liquidated on 7 August 2020, while LLC BLAKER was liquidated on 10 August 2020.

LLC Lattelecom became a 27.12% shareholder of LLC SWG Riga Fund 1 on 29 July 2020 (reg. No 40003754567), previously owned by T2T. Tet's 100% shareholding in LLC T2T was changed on August 3, 2020 – AKTSIAELTS Helmes became the owner. On 3 March 2020, the insolvency proceedings of JSC VRC Zaslauks were initiated.

On 31 July 2020, the limited partnership AIF Altum Capital Fund, owned by JSC Attīstības finanšu institūcija Altum (hereinafter - Altum), was registered. In 2020, Altum has a 3.57% shares in the 3SIIF - Three Seas Initiative Investment Fund S.A. SICAV-RAIF. On 27 November 2020, the limited partnership Otrais eko fonds, 33% owned by Altum, was liquidated.

Pursuant to Order No.12 of 7 January 2020 "On Reorganisation of SLLC Aknīstes psihoneiroloģiskā slimnīca and the SLLC Daugavpils psihoneiroloģiskā slimnīca" SLLC Daugavpils psihoneiroloģiskā slimnīca became a successor of assets, rights, as well as liabilities of SLLC Aknīstes psihoneiroloģiskā slimnīca, and on 1 January 2021 SLLC Aknīstes psihoneiroloģiskā slimnīca ceased to exist as a separate legal entity without the liquidation process.

On 19 January 2021, real estate valuation reports were received from the property valuer. The draft order "On the Investment of State-Owned Real Estate in the Equity Capital of LLC Lielstraupes pils and the Transfer of State-Owned Capital Shares to the Local Government" is being directed for consideration by the Cabinet of Ministers regarding a permit to the Ministry of Health to invest in the equity capital of LLC Lielstraupes pils, registration No. 40003342456, as a property contribution to the real estate of the State, which are entered in the Land Register in the name of the State in the person of the Ministry of Health. Pursuant to Order of the Cabinet of Ministers No.344 of 25 June 2020 "On the Sale of Capital Shares of SLLC

Latvijas Radio", 0.58 capital shares of SJC Kurzemes radio owned by SLLC Latvijas radio were sold in the auction of 22 December 2020.

By 2 November 2020, all assets held by SLLC Hiponia (100% shareholder – JSC Publisko aktīvu pārvaldītājs "Possessor") were sold and the remaining funds in the accounts were transferred to the Ministry of Finance (the Treasury) for repayment of the State loan. On 2 November 2020, the State notary of the Register of Enterprises took a decision to exclude SLLC Hiponia from the Commercial Register.

The liquidation process of LLC Reverta (96.89% shareholder of LLC Publisko aktīvu pārvaldītājs "Possessor") is still ongoing. On 31 December 2020, one subsidiary, Regalite Holdings Limited (Republic of Cyprus), remained in group LLC Reverta.

On 3 January 2020, State-owned capital shares in the amount of 4.81% were sold to JSC Stendes selekcijas un izmēģinājumu stacija, but on 19 October 2020, 19.06% of the State-owned capital share package of JSC "Rīgas kinostudija" were sold.

On 29 May 2020, JSC Transinform was liquidated and removed from the Register of Enterprises, where 2.91% of the shares were held by JSC Possessor. On 21 September 2020, MAS Latvijas zoovetapgāde was liquidated and removed from the Register of Enterprises, where 2.60% of the shares were held by JSC Publisko aktīvu pārvaldītāja "Possessor".

According to information provided by the State Revenue Service of the Republic of Latvia, the share capital in 2020 compared to 2019 has changed in a total of 14 SOEs (in 2019 there were 10 such companies).

The share capital of one SOE - JSC Latvenergo, has decreased. For 13 capital companies the share capital increased: JSC Augstsprieguma tīkls, JSC Conexus Baltic Grid, SJSC Latvijas dzelzceļš, SJSC Latvijas gaisa satiksme, JSC Air Baltic Corporation, LLC Eiropas dzelzceļa līnijas, LLC Sporta centrs "Mežaparks", SLLC Kultūras un sporta centrs "Daugavas stadions", SLLC Slimnīca "Ģintermuiža", SLLC Paula Stradiņa klīniskā universitātes slimnīca, SLLC Bērnu klīniskā universitātes slimnīca, LLC Rīgas Austrumu klīniskā universitātes slimnīca, SLLC Daugavpils psihoneiroloģiskā slimnīca, SLLC Latvijas Nacionālā opera un balets.

In 2020, several companies changed their legal form, i.e. from joint stock companies to companies with limited liability (SLLC Latvijas Valsts ceļi, LLC Tiesu namu aģentūra, SLLC Latvijas Jūras Administrācija, LLC Publisko aktīvu pārvaldītājs "Possessor").

6. Description of State-Owned Enterprises

6.1. Energy



JSC Augstsprieguma tīkls (AST)

Reg. No 40003575567

Web: www.ast.lv

State ownership 100%

Related companies and shares:

JSC Conexus Baltic Grid (CBG) 68,46%*

JSC Pirmais slēgtais pensiju fonds 1.90%

The principal activity of AST (in English - High Voltage Network) is ensuring the functions of the electricity transmission system operator, efficient management of the energy supply system assets, transmission and storage of natural gas.

General strategic objective

To ensure the security of Latvia's energy supply, to provide a continuous, high-quality and accessible energy supply transmission service, and implement sustainable management of energy supply assets, which are of strategic national importance, promote their integration into the European Union's internal energy market.

Most important events in 2020

- Reform of the asset ownership of the electricity transmission system was completed by taking over the transmission assets from JSC Latvenergo, thereby significantly improving operational efficiency and achieving cost savings.
- Gained decisive influence in CBG, contributing to strengthening of national energy security.
- Construction of 330 kV power lines from Riga TEC-2 to Riga HPP and from Estonia to Riga TEC-2 has been completed, which is an essential prerequisite for synchronisation with Europe. The implementation of both projects is accompanied by the EU co-financing.
- Latvia is integrated into a single European system of guarantees of origin for electricity.

Major events planned in 2021

- In the field of energy security - synchronisation with the transmission networks of continental Europe, the development of electricity and ancillary service markets and integration in European markets.
- In the field of high-quality energy supply - high-quality energy supply at the lowest possible tariff, geared towards innovation and safe working conditions.
- In the area of financial stability - ensure an optimal return on public investment.

Principal financial objectives

- Investment-grade credit rating.
- Ensure effective management of transmission assets, avoiding any impairment of their balance sheet value.
- Ensure dividends to be paid into the state budget.

Principal non-financial objectives

- Ensure that the efficiency of AST is improved by minimising the costs attributable to electricity transmission tariffs.
- By developing infrastructure connections, promote the synchronisation of the Latvian energy system with the continental European network.
- Reduction of the impact of development projects on electricity transmission tariffs by attracting EU co-financing to Latvian projects included in the European 10-year plan.

Results achieved

- Financial and non-financial objectives achieved.



Governance

Shareholder – Ministry of Finance

Representative of Shareholder – Baiba Bāne

Chair of Supervisory Council – Kaspars Āboliņš

Members of Supervisory Council – Olga Bogdanova,

Armands Eberhards, Aigars Ģērmanis, Madara Melne

Chair of Management Board – Varis Boks

Members of Management Board – Arnis Staltmanis,

Imants Zviedris, Mārcis Kauliņš, Gatis Junghāns

Principal financial indicators, thousand EUR

	2019	2020
Turnover	184 742.1	144 886.2
Profit/loss	7 067.0	65 358.5
EBITDA	40 514.9	55 028.4
Total assets	221 934.4	1 213 515.4
Share capital	64 218.1	363 896.1
Equity	69 955.7	639 202.5
Investment	3 163.3	57 668.5
Dividends paid to state budget	2 878.7	1 388.8
Contributions made to the state and local government budget	4 114.3	28 806.8
Donations received	0.0	0.0
Donations made	6.9	1.5
Funding received from the state budget	7.7	7.7

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	3.83	45.11
Return on assets, ROA, %	3.18	5.39
Return on equity, ROE, %	10.10	10.23
Total liquidity indicator	1.20	0.71
Liabilities-to-equity ratio	2.13	0.89

Other indicators

Number of employees	552	887
Average gross remuneration per employee per year, thousand EUR	21.9	18.5
Gender representation in management, f/m	2/8	2/8
Annual report in accordance with IFRS (yes/no)	yes	yes
Sustainability report has been developed (yes/no)	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR**	825	976

Unconsolidated data for 2019 while consolidated data for 2020.

* 34.36% until 20.07.2020., 68.46% from 21.07.2020.

** Capital investment in the electricity transmission system

JSC Latvenergo

Reg. No 40003032949

Web: www.latvenergo.lv

State ownership 100%

Related companies and shares:

JSC Sadales tīkls 100%

JSC Enerģijas publiskais tirgotājs 100%

OÜ Elektrum Eesti 100%

UAB Elektrum Lietuva 100%

LLC Liepājas enerģija 51%

JSC Pirmais Slēgtais Pensiju Fonds 48%

JSC Rīgas siltums 0.005%

Latvenergo Group is the largest energy supply service provider in the Baltics, which deals with electricity and thermal energy production and trade, the provision of electricity distribution services and trade in natural gas. Latvenergo is the largest green electricity producer in the Baltics and was recognised as the most valuable energy company in the Baltics in 2020 (<https://top101.lv/baltic-top-10>).

General strategic objective

Sustainable, responsible and economically justifiable provision of goods and services in the energy sector, which is important for competitiveness and economic growth, as well as an efficient management of resources and infrastructure that is of strategic importance for the development and security of the state, by contributing to increasing energy security.

Major events in 2020

- Elektrum strengthens its position in the solar panel market in the Baltics and starts trading electricity for Lithuanian households, gaining more than 13 thousand household customers by the end of the year.
- The development of the electric car charging network is continuing.

Most significant events planned in 2021

- By ensuring the largest green energy development in the Baltics, the restoration of the Daugava HPP will continue, while in 2021, it is planned to complete the largest heat storage system in order to make the CHP even more efficient and more flexible to adapt to changing market conditions.
- The distribution network will continue to focus on the digitalisation of the network, while also continuing ambitious cost optimisation, which allowed for tariff reductions in 2020.

Principal financial objectives

- Return on equity (ROE)* – 7% (achieved 8%).
- Net borrowing to equity – 0.29 (achieved 0.26).

Principal non-financial objectives

- Employee involvement, TRIM Employee commitment – 56 (achieved 66).
- Customer satisfaction – trade, CSI index – 3.9 (achieved 4.2).

Results achieved

The results of 2020 are considered as very good, both in terms of financial results, as well as the company's ability to adapt quickly and ensure continuous, high-quality and safe work in the context of the COVID-19 crisis.



Governance

Shareholder – Ministry of Economics

Representative of Shareholder – Edmunds Valantis

Chair of Supervisory Council – Ivars Golsts

Members of Supervisory Council – Kaspars Rokens,

Aigars Laizāns, Toms Siliņš, Gundars Ruža

Chair of Management Board – Guntars Baļčūns

Members of Management Board – Kaspars Cikmačs,

Arnis Kurgs

Principal financial indicators, thousand EUR

	2019	2020
Turnover	841 636.0	773 391.0
Profit/loss	94 359.0	116 309.0
EBITDA	243 526.0	277 894.0
Total assets	3 864 941.0	3 358 835.0
Share capital	834 883.0	790 348.0
Equity	2 265 487.0	2 118 242.0
Investment	229 427.0	168 855.0
Dividends paid to state budget	132 936.0	127 071.0
Contributions made to the state and local government budget	248 964.5	226 432.5
Donations received	0.0	0.0
Donations made	169.3	297.0
Funding received from the state budget	5 891.2	3 792.4

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	11.21	15.04
Return on assets, ROA, %	2.44	3.46
Return on equity, ROE, %	4.17	5.49
Total liquidity indicator	2.04	1.49
Liabilities-to-equity ratio	0.70	0.58

Other indicators

Number of employees	3 476	3 362
Average gross remuneration per employee per year, thousand EUR	22,2	23,6
Gender representation in management, f/m	1/6	0/8
Annual report in accordance with IFRS (yes/no)	yes	yes
Sustainability report has been developed (yes/no)	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR	16 400	19 400

Consolidated data reported.

* The target has been determined and assessed by including the results of JSC Sadales tīkls from the results of the group, as well as the assessment has been carried out at the annual average water supply indicators in Daugava.

6.2. Forestry and Agriculture



LLC Latvijas Lauku konsultāciju un izglītības centrs (LLKC)

Reg. No 40003347699
 Web: www.llkc.lv
 State ownership 99.32%
 Related companies and shares:
 LLC Vējkalni 12.5%



LLKC (in English – Latvian Rural Advisory and Training Centre) plays an important role in the strategically important economic sector - promoting the development of the agricultural (including forestry) sector, ensuring the fulfilment of the tasks of the State administration delegated by the LLKC. As the leading agricultural and rural business consulting company in Latvia, it provides independent advice to rural entrepreneurs in various sectors. The LCC also carries out information analysis and exchange measures for the implementation of rural development policy, as well as farm assessments.

General strategic objective

Provision of rural entrepreneurs, organizations and citizens with advice and services related to the industry's production process, accounting and business planning, promotion of rural and fisheries development by promoting entrepreneurial start-ups and economic efficiency, and by carrying out studies, educating and informing the public, supporting innovation in the rural development and fisheries.

Most important events in 2020

- The LCC's medium-term operational strategy for 2021 - 2025 has been developed.
- There has been a successful reorientation towards a remote learning process for clients and employees.
- Significant investments have been made to promote digital accessibility of LLKC services.
- Work continued on improving the professional qualifications of employees to ensure customer growth.

Most significant events planned in 2021

- Start providing a business incubator-based service to rural entrepreneurs.
- Continue work on promoting the digital accessibility of LLKC services.
- Implement the sustainable management approach of natural capital in the provision of LLKC services.
- Increase investment in the development of the advisory staff's expertise.

Principal financial objectives

- Net turnover of EUR 8.8 million (EUR 10.4 million ensured).
- Total liquidity 1.01 (achieved 1.070).
- Estimated taxes at EUR 4.7 million (EUR 4.8 million reached).
- Investment of EUR 192 thousand (achieved EUR 464 thousand).

Principal non-financial objectives

- Accredited educational institution.
- Total number of customers: 44 thousand.
- Long-term (at least three years) cooperation with customers.
- Start-ups – 20 (38 achieved).
- Number of young people involved in the Youth in Action Program – 200 (225 achieved).

Governance

Shareholder – Ministry of Agriculture
 Representative of Shareholder – Liene Jansone
 Chair of Management Board – Mārtiņš Cimiermanis
 Members of Management Board – Edgars Linde, Kaspars Žūriņš

Principal financial indicators, thousand EUR

	2019	2020
Turnover	11 174.4	10 415.8
Profit/loss	12.2	11.9
EBITDA	154.0	169.0
Total assets	5 911.7	5 750.7
Share capital	1 139.3	1 139.3
Equity	1 534.5	1 536.6
Investment	356.9	463.7
Dividends paid to state budget	6.4	9.7
Contributions made to the state and local government budget	4 590.4	4 857.2
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	3 855.9	3 870.2

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.11	0.11
Return on assets, ROA, %	0.21	0.21
Return on equity, ROE, %	0.80	0.77
Total liquidity indicator	1.07	1.07
Liabilities-to-equity ratio	2.69	2.58

Other indicators

Number of employees	441	437
Average gross remuneration per employee per year, thousand EUR	12.2	13.3
Gender representation in management, f/m	0/3	0/3
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	457	489

Results achieved

- Overall, all the financial and non-financial objectives were achieved, except for work with students, which was carried out to a lesser extent due to COVID-19 restrictions.
- The LLKC made an active transition to remote learning, but not all group working methods could be provided remotely due to COVID-19. As a result, the company's turnover decreased by 7% compared to the previous year.
- Investment in innovation has increased by 7% compared to 2019.

JSC Latvijas valsts meži (LVM)

Reg. No 40003466281

Web: www.lvm.lv

State ownership 100%

Related companies and shares:

LLC Jaunmoku pils 100%

LLC Meža un koksnes produktu pētniecības un attīstības institūts 40%

JSC Latvijas Finieris 0.98804%

The principal activity of LVM (in English - Latvia's State Forests) is forestry. In addition, the LVM provides hunting and recreational services, produces bred seed and plants, offers resources of subterranean depths, and land lease for resource extraction as well as geospatial information technology development services. LVM manages 1.62 million hectares of land in the Republic of Latvia, including 1.59 million hectares of forest land, of which the forest is 1.39 million hectares.

General strategic objective

Implementation of sustainable (economically viable, environmentally friendly, socially responsible) management of assets of strategic national importance, including the state forest property transferred in the possession and the development of the necessary infrastructure, services and knowledge.

Most important events in 2020

- On 14 October 2020, the Council approved the LVM's medium-term operational strategy for 2021 - 2025.
- Evaluation of the sales process of LVM's round timber assortment was carried out, which concluded that the process of selling round timber assortment organised by LVM complies with the requirements of legislation and internal legal acts of the company, and was economically justified in the period from 2016 - 2020.

Most significant events planned in 2021

- It is planned to realise 6.83 million m³ of logs assortment, 0.17 million m³ of trees growing, 415 thousand MWh chips, 54.4 million forest tree seedlings, 541 thousand m³ of aggregates and their mixtures.
- It is planned to build or renovate 338 km of forest roads and renovate 19.2 thousand hectares of forest drainage system.
- Reforestation is planned to be carried out for 17.4 thousand ha, while care for coppice will be carried out in an area of 33.2 thousand hectares.

Principal financial objectives

- EBITDA EUR 79.7 million (achieved - EUR 112,3 million).
- Forest capital value: EUR 2 608 million (in fact EUR 2 608 million).
- Profit paid in dividends \geq 50% (in fact 72%).

Principal non-financial objectives

- The forest area for the production and harvesting of wood, percentage of forest: $>$ 84% (actually 82%).
- Average annual volume of the most significant wood products per 20-year cycle – 3.6 million m³ of coniferous saw logs (up to 3.8), – birch veneer blocks 0.4 million m³ (achieved - 0.4).

Results achieved

- Overall, the financial and non-financial objectives were met - out of 25 indicators, 19 are in line with the plan or exceed the planned. On the other hand, 6 indicators are lagging behind the planned, including 4 indicators with minor under-achievements.

LATVIJAS VALSTS MEŽI

Governance

Shareholder – Ministry of Agriculture

Representative of Shareholder – Arvīds Ozols

Chair of Supervisory Council – Jūrgis Jansons

Members of Supervisory Council – Arnis Muižnieks,

Mārtiņš Gaigals, Irina Pilvere, Elmārs Švēde

Chair of Management Board – Roberts Strīpnieks

Members of Management Board – Gints Bumbieris,

Arnis Melnis, Edvīns Zakovics, Jānis Lapiņš

Principal financial indicators, thousand EUR

	2019	2020
Turnover	375 238.8	349 756.2
Profit/loss	105 179.6	62 385.9
EBITDA	152 094.1	112 307.5
Total assets	534 196.8	536 161.0
Share capital	353 647.8	353 647.8
Equity	473 765.0	475 134.4
Investment	57 892.5	53 954.3
Dividends paid to state budget	61 760.0	60 852.4
Contributions made to the state and local government budget	90 074.0	80 091.5
Donations received	0.0	0.0
Donations made	5 500.0	4 350.0
Funding received from the state budget	0.0	0.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	28.03	17.84
Return on assets, ROA, %	19.69	11.64
Return on equity, ROE, %	22.20	13.13
Total liquidity indicator	5.71	5.13
Liabilities-to-equity ratio	0.11	0.11

Other indicators

Number of employees	1 377	1 397
Average gross remuneration per employee per year, thousand EUR	21.6	22.8
Gender representation in management, f/m	1/9	1/9
Annual report in accordance with IFRS (yes/no)	yes	yes
Number of employees	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR	1 128	1 295

Consolidated data have been provided.

SLLC Meliorprojekts (MP)

Reg. No 50003017621

Web: www.meliorprojekts.lv

State ownership 100%

MP has no ownership in other capital companies

MP (in English - Land reclamation project) was established to promote the implementation of the Ministry of Agriculture's policy on rural development, sustainable management of land and water resources and rural infrastructure, landscape conservation and landscaping, and to provide engineering and construction design services at economically reasonable prices, ensuring state control over the functions of national significance in a specific sector of the economy – the hydromeliorative construction.

General strategic objective

Contribution to the preservation, enhancement and sustainable use of nature capital and to supporting a climate friendly economy, providing market research and design services in the context of market shortages in the field of the drainage and flood risk management.

Most important events in 2020

- Annual construction award (1st place) for the reconstruction project of the Gauja - Baltezers Canal.
- Rail Baltica airport construction project has been completed.

Most significant events planned in 2021

- Ķekava bypass project.
- Rail Baltica Riga region project.

Principal financial objectives

- Revenue: EUR 520 thousand (achieved - EUR 396 thousand).
- Long-term investments EUR 20 thousand (achieved - EUR 47 thousand).

Principal non-financial objectives

- To ensure engineering research and design of agricultural and forest land drainage systems and hydrotechnical structures construction, renovation and reconstruction works – 40 projects (52 projects achieved).
- To participate in projects implementing the Rural Development Programme and the National Flood Risk Prevention and Management Programme – 5 projects (2 projects achieved).
- To maintain the archiving of original documents of drainage, hydrotechnical structures and drainage hydrometry carried out by the territory of Latvia in earlier years. Ensure the availability of documentation and technical information necessary for the management, design and cadastre of the sector.

Results achieved

- 37% decrease in revenue due to lack of EU-funded projects and reduction of project orders resulting from the impact of the COVID-19 pandemic.



Governance

Shareholder – Ministry of Agriculture

Representative of Shareholder – Arvīds Ozols

Chair of Management Board – Zigurds Zēns

Principal financial indicators, thousand EUR

	2019	2020
Turnover	592.4	396.4
Profit/loss	2.5	-84.2
EBITDA	11.1	-63.7
Total assets	250.5	153.9
Share capital	115.7	115.7
Equity	159.1	72.8
Investment	41.3	16.4
Dividends paid to state budget	0.0	2.0
Contributions made to the state and local government budget	236.5	203.4
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	0.0	0.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.42	-21.24
Return on assets, ROA, %	1.00	-54.73
Return on equity, ROE, %	1.57	-115.62
Total liquidity indicator	2.15	1.32
Liabilities-to-equity ratio	0.57	1.11

Other indicators

Number of employees	23	26
Average gross remuneration per employee per year, thousand EUR	12.1	9.9
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no

6.3. Transport



JSC Air Baltic Corporation (airBaltic)

Reg. No. 40003245752

Web: www.airbaltic.com

State ownership: 96.14%

Related companies and shares:

LLC Air Baltic Training 100%

LLC Baltijas kravu centrs 100%

JSC Aviation Crew Resources 100%

LLC Loyalty Services 100%

airBaltic is the leading airline of Latvia and Estonia which operates direct flights from all Baltic capitals - Rīga, Vilnius and Tallinn. airBaltic is a hybrid airline combining best practices from traditional network airlines and low-cost carriers. As the network airline, airBaltic is able to establish Rīga as a connecting point.

General strategic objective

Not approved.

Most important events in 2020

- airBaltic continued to grow at the beginning of 2020, with 19% more passengers in January and 16% more passengers in February than in the corresponding months of 2019.
- Seeing a significant reduction in the flight demand, airBaltic reduced costs and revised its business plan for Destination 2025 CLEAN and decided to implement sooner the plan to introduce the most efficient Airbus A220 aircraft of the same type.
- Based on the revised business plan, the state of Latvia as the largest shareholder of airBaltic invested EUR 250 million in airBaltic's equity to compensate for the negative impact of the COVID-19 pandemic.

Most significant events planned in 2021

- To resume airBaltic operations, identify and implement activities that contribute to Latvia's GDP growth.
- To renew of post COVID-19 schedule, which strengthens the connectivity between Latvia and the Baltics.
- To develop and improve the IPSO (Initial Public Share Offer) plan to reduce the state participation in airBaltic and to facilitate the return of public investments to the shareholder.
- To develop A220 aircraft maintenance services in Rīga.
- To facilitate further progress towards environmental standards by moving towards the most efficient fleet of the best aircraft in its class and thus contributing to the achievement of aviation objectives in line with the European Green Deal.

Principal financial objectives

- Financial results of the reporting period: profit of EUR 571 thousand (achieved: loss of EUR 278 million).
- Net turnover of EUR 576 million (achieved: EUR 148 million).

Principal non-financial objectives

- Number of passengers: 5 771 thousand (achieved: 1 341 thousand).
- Average site performance 79% (achieved: 51.6%).

Results achieved

- Due to the COVID-19 pandemic, airBaltic suspended its commercial flights in March and resumed them in May with a significant reduction in the number of seats offered, however, given the intensification of the pandemic in the second half of the year, capacity has been significantly reduced since August. This had a negative impact on the performance of all financial and non-financial indicators.



Governance

Shareholder – Ministry of Transport

Representative of Shareholder – Ilonda Stepanova

Chair of Supervisory Council – Nikolajs Sigurds Bulmanis

Members of Supervisory Council – Kaspars Āboliņš,

Toms Siliņš, Lars Thuesen

Chair of Management Board – Martin Alexander Gauss

Members of Management Board – Pauls Juris Cālītis,

Vitolds Jakovļevs

Principal financial indicators, thousand EUR

	2019	2020
Turnover	502 255.0	138 921.0
Profit/loss	-9 114.0	-264 597.0
EBITDA	103 568.0	-159 900.0
Total assets	971 236.0	941 041.0
Share capital	256 473.0	506 473.0
Equity	33 912.0	17 039.0
Investment	333 885.0	77 971.0
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	30 379.1	19 129.7
Donations received	0.0	0.0
Donations made	9.7	0.0
Funding received from the state budget	0.0	250 000.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-1.81	-190.47
Return on assets, ROA, %	-0.94	-28.12
Return on equity, ROE, %	-26.88	-1 552.89
Total liquidity indicator	1.10	1.52
Liabilities-to-equity ratio	27.06	51.02

Other indicators

Number of employees	1 663	1 331
Average gross remuneration per employee per year, thousand EUR	32.2	31.0
Gender representation in management, f/m	0/7	0/7
Annual report in accordance with IFRS (yes/no)	yes	yes
Sustainability report has been developed (yes/no)	yes	yes

Consolidated data have been provided.

SLLC Autotransporta direkcija (ATD)

Reg. No. 40003429317

Web: www.atd.lv

State ownership: 100%

ATD has no ownership in other capital companies

ATD (in English - Road Transport Directorate) implements a uniform national policy in the field of passenger and cargo transportation. ATD's activities are related to the planning of public transport - passenger transportation by bus and train, the licensing of commercial freight and passenger transport and the licensing of international transport.

General strategic objective

Ensuring a single, sustainable and accessible public transport service in the public interest for a regional route network and a minimum volume of public transport services guaranteed by the State, and maintaining and implementing a high-quality service package (system) in order to ensure equal access to the market for hauliers in the road transport sector.

Most important events in 2020

- In an open tender for the right to operate public transport services on regional routes by coach and bus, the winners have been identified for 5 out of 16 parts of the route.
- In the area of public transport services, due to the restrictive measures imposed by the spread of the COVID-19 virus, there has been a significant drop in the number of passengers and revenues generated by carriers.
- The development of the Single Public Transport Ticket Warehouse system has started.
- Fast-track and high-quality information on international road transport conditions abroad due to COVID-19.

Most significant events planned in 2021

- Identify the winners of an open tender for the right to provide public transport services on regional routes with buses on the remaining parts of the 11 routes network.
- Develop a Single Public Transport Ticket Warehouse System.
- Replacement of plates at regional route stops throughout the territory of Latvia.
- Increasing the quality of customer service by creating a Customer Service Centre with a one-stop shop approach.
- Maintain a high-level of customer satisfaction.

Principal financial objectives

- Turnover: EUR 4.2 million (achieved: EUR 3.5 million).
- EBIT: EUR 494 thousand (achieved: EUR 497 thousand).
- Return on equity (ROE): 13.3% (achieved: 13.1%).

Principal non-financial objectives

- Measures to implement a single public transport ticketing system.
- Customer satisfaction rate in percentage for individual services: 73% (achieved: 84%).
- Single ticket for the entire trip, regardless of the number of connections on regional routes.



AUTOTRANSPORTA
DIREKCIJA

Governance

Shareholder – Ministry of Transport

Representative of Shareholder – Ligita Austrupe

Chair of Management Board – Kristiāns Godiņš

Member of Management Board – Modris Jaunups

Principal financial indicators, thousand EUR

	2019	2020
Turnover	4 110.3	3 480.8
Profit/loss	895.5	496.5
EBITDA	1 111.3	698.6
Total assets	4 331.9	4 176.7
Share capital	200.9	200.9
Equity	4 007.5	3 787.6
Investment	294.1	172.0
Dividends paid to state budget	892.0	716.4
Contributions made to the state and local government budget	2 105.8	1 797.0
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	839.0	855.4

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	21.79	14.26
Return on assets, ROA, %	20.67	11.89
Return on equity, ROE, %	22.35	13.11
Total liquidity indicator	12.07	9.73
Liabilities-to-equity ratio	0.08	0.10

Other indicators

Number of employees	93	90
Average gross remuneration per employee per year, thousand EUR	23.9	24.0
Gender representation in management, f/m	0/2	0/2
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- Net turnover by 16% lower, which is most directly affected by the COVID-19 crisis, resulting in a fall of up to 30% in the sector.
- In view of the fall in turnover, measures were taken to reduce costs, resulting in an increase in EBIT of 0.63%.
- COVID-19 increased the number of services provided in the e - environment, which was 264% higher than expected.

SJSC Ceļu satiksmes drošības direkcija (CSDD)

Reg. No. 40003345734

Web: www.csdd.lv

State ownership 100%

Related companies and shares:

LLC Auteko & TUV Latvija 51%

LLC Autests 20%

LLC Scantest 20%

LLC Venttests 50%

The CSDD (in English – Road Traffic Safety Directorate), carries out economic activities and provides the following main services as part of the delegated tasks of the public administration: registers vehicles (TL) and small vessels, issues registration documents and state registration number plates, performs the State technical inspection and general supervision of the means of transport, ensures and maintains the state register of the means of transport and their drivers, grants the right to drive, issues driving licences and maintains the driver's violation point record system, ensure the operation of the national Bīķernieki Complex Sports Centre (BKSB) and Riga Motor Museum, carries out public education and information, develops training tools on traffic safety issues, prevention of road traffic accidents.

General strategic objective

To ensure high-quality and innovative contribution to sustainable road safety, maintain and develop vehicle and inland waterway vessels tracking and driver qualification services, roadworthiness testing and control services, as well as maintain significant traffic-related infrastructure.

Most important events in 2020

- Construction of new customer service centres in Jelgava and Tukums has been completed, as well as partial reconstruction of Riga KAC.
- 40 electrical charging stations were built and entered into operation.

Most significant events planned in 2021

- To further expand the range of e-registration service and increase its share. Promote the use of e-services, make them more intuitive and user-friendly.
- Start work on selecting the companies that will carry out the technical inspection of vehicles as part of the public procurement procedure, while maintaining the availability and quality of the roadworthiness testing service.

Principal financial objectives

- Net turnover > EUR 51 million (achieved: EUR 48 million).
- EBIT margin >4.5% (achieved: 4.1%).
- ROE (profit/equity) >5% (achieved: 4.8%).

Principal non-financial objectives

- Maintenance and development of the e-environment-number of registered users in e.csdd.lv - 550 thousand. (achieved: 690 thousand).
- Customer satisfaction - 98% (achieved: 98%).
- Coordinate the implementation of the electromobility plan - 40 fast charging stations have been set up on TEN-T and their connecting roads (achieved: 40).



Governance

Shareholder – Ministry of Transport

Representative of Shareholder – Ilonda Stepanova

Chair of Supervisory Council – Juris Bērziņš

Members of Supervisory Council – Kristiāns Godiņš,

Andris Kēniņš

Chair of Management Board – Andris Lukstiņš

Members of Management Board – Aivars Aksenoks,

Jānis Kancēvičs, Mārtiņš Krieviņš

Principal financial indicators, thousand EUR

	2019	2020
Turnover	49 848.8	48 363.3
Profit/loss	4 248.7	3 116.8
EBITDA	9 001.2	7 805.4
Total assets	55 194.2	53 976.7
Share capital	23 117.3	23 117.3
Equity	46 175.6	46 422.7
Investment	5 954.6	2 243.2
Dividends paid to state budget	2 887.4	2 923.6
Contributions made to the state and local government budget	16 504.3	16 172.7
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	358.1	348.2

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	8.52	6.44
Return on assets, ROA, %	7.70	5.77
Return on equity, ROE, %	9.20	6.71
Total liquidity indicator	1.35	2.06
Liabilities-to-equity ratio	0.20	0.16

Other indicators

Number of employees	787	764
Average gross remuneration per employee per year, thousand EUR	18.9	19.6
Gender representation in management, f/m	0/7	0/7
Annual report in accordance with IFRS (yes/no)	yes	yes

Consolidated data have been provided.

Results achieved

Due to the COVID-19 pandemic, individual financial and non-financial objectives were not fully achieved. The impact of the pandemic and the state of emergency affected the services of the Motor Museum and the BKSB most severely.

LLC Eiropas dzelzceļa līnijas (EDzL)

Reg. No. 40103836785
Web: www.edzl.lv
State ownership 100%
Related companies and shares:
JSC RB Rail 33.33%

EDzL (in English - European Railway Lines) supervises the construction of the European public railway infrastructure in accordance with the needs of the national economy and its development, the interests of stable traffic, as well as the requirements of environmental protection, including collecting, compiling and providing information to policy planners for further sector policy-making. EDzL has become Rail Baltica infrastructure manager in Latvia with the aim to create a unified Rail Baltica management system at the level of the Baltic States. EDzL ensures the alienation of real estate that is necessary for the development of Rail Baltica and its management until handover to the builder.

General strategic objective

Ensuring the development of assets, services and knowledge necessary for the establishment and management of the strategic infrastructure of national importance - the European gauge railway line Rail Baltica - by promoting the implementation of a common infrastructure management model of the Baltic States and the integration of Rail Baltica into the unified European railway area.

Most important events in 2020

- Construction works launched at the Riga Central Railway Station.
- The contract was signed with the builder for the construction of the Rail Baltica station and the section at the Riga International Airport.

Most significant events planned in 2021

- Construction of Riga Central Railway Station, investing at least EUR 102.2 million.
- At least EUR 14.8 million funds have been invested in the development of Rail Baltica station in Riga International Airport.
- CEF8 application has been prepared, providing funding for further development of Rail Baltica.
- Continue work on the development of a unified Rail Baltica infrastructure management system.
- Start the management of alienated real estate until handover to builders.

Principal financial objectives

- Turnover: EUR 3.9 million (achieved: EUR 2.6 million).

Principal non-financial objectives

- Two procurement procedures organised without competitive dialogue (number of public procurement procedures) – achieved: 6.
- The necessary documentation has been prepared to enable decision making regarding real estate alienation, and submitted to the Ministry of Transport (number of real estate for which documentation was prepared) – 50 (achieved: 77).



Governance

Shareholder – Ministry of Transport
Representative of Shareholder – Inguna Strautmane
Chair of Management Board – Kaspars Vingris
Member of Management Board – Tālis Laizāns

Principal financial indicators, thousand EUR

	2019	2020
Turnover	2 808.6	2 551.3
Profit/loss	-3.4	-0.4
EBITDA	50.8	16.9
Total assets	4 355.9	4 802.2
Share capital	4 020.0	4 445.4
Equity	3 993.1	4 418.1
Investment	24.0	25.9
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	997.9	880.1
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	2 808.6	2 551.3

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-0.12	-0.01
Return on assets, ROA, %	-0.08	-0.01
Return on equity, ROE, %	-0.08	-0.01
Total liquidity indicator	1.33	2.55
Liabilities-to-equity ratio	0.09	0.09

Other indicators

Number of employees	47	49
Average gross remuneration per employee per year, thousand EUR	46.3	43.1
Gender representation in management, f/m	0/2	0/2
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- Tender announced for the design of the Skulte Infrastructure Maintenance Point.
- The development of the Rail Baltica infrastructure management system has been started, including, the cooperation format of the three Baltic States in infrastructure management has been activated.
- Implementation of the infrastructure management system has been launched.

SJSC Latvijas autoceļu uzturētājs (LAU)

Reg. No. 40003356530

Web: www.lau.lv

State ownership 100%

LAU has no ownership in other capital companies

LAU (in English - Latvia Road Maintainer) is a strategic state road infrastructure maintenance company, which ensures the planning and execution of the complex daily road maintenance work of the state roads, the daily maintenance of the main roads of municipalities, transit streets and other roads, as well as produces construction materials – dolomite macadam, crushed gravel and prepared sand. In accordance with the Delegation Agreement, LAU carries out a complex daily maintenance work of public roads.

General strategic objective

To ensure the planning and execution of complex daily state road maintenance works in an efficient and environmentally friendly manner throughout the territory of Latvia.

Most important events in 2020

- New requirements for energy management (ISO 50001: 2018) and occupational safety and health (ISO 45001: 2018) standards and a re-certified integrated management system have been introduced.
- LAU has received Platinum category in the assessment of the Sustainability Index of Latvian companies and a special certificate from the Ministry of Welfare - the status of a family-friendly economic operator.
- LAU has won the award as one of the fairest salary payers within the framework of the General Remuneration Research 2020 conducted by LLC Fontes Management consultations.

Most significant events planned in 2021

- Transition of the technical park to the use of environmentally friendly technologies.
- Integration of IT systems and improvement of key business information systems to improve business processes and optimise costs.

Principal financial objectives

- Ratio of equity to total assets 63% (achieved: 62%).
- Return on assets (ROA) 4.4% (achieved: 4.1%).
- Commitment Coverage Ratio (DSCR) 1.9 (achieved: 2.5).
- Net turnover EUR 77 million (achieved: EUR 82.5 million).
- Net profit of 3.5% (up to 3.6%).

Principal non-financial objectives

- Provision of a share of other services not less than 20% of financial turnover (achieved: 12.4%).
- Average assessment of the quality of the daily maintenance of national roads during the winter season 4.1 'good' (achieved 4.9 'good'), 4.1 'good' in the summer season (achieved 4.8 'good').
- Restoration of surface roughness of regional and local roads with black cover of the total length (km) >1.6% (achieved: 4.9%).



LATVIJAS AUTOCEĻU UZTURĒTĀJS

Governance

Shareholder – Ministry of Transport

Representative of the Shareholder – Dins Merirands

Chair of the Management Board – Uldis Reimanis

Members of Council – Ivars Pāže, Normunds Narvaišs

Chair of Management Board – Vilnis Vitkovskis

Member of Management Board – Rita Kubarko

Principal financial indicators, thousand EUR

	2019	2020
Turnover	72 359.9	82 530.9
Profit/loss	2 512.3	2 953.8
EBITDA	9 724.7	10 837.0
Total assets	70 139.9	72 162.6
Share capital	35 202.3	35 202.3
Equity	45 085.9	44 825.6
Investment	12 836.9	6 142.5
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	13 624.3	15 143.9
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	66 656.1	73 963.9

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	3.47	3.58
Return on assets, ROA, %	3.58	4.09
Return on equity, ROE, %	5.57	6.59
Total liquidity indicator	1.57	1.35
Liabilities-to-equity ratio	0.52	0.56

Other indicators

Number of employees	1 293	1 277
Average gross remuneration per employee per year, thousand EUR	17,2	20,9
Gender representation in management, f/m	0/6	1/4
Annual report in accordance with IFRS (yes/no)	yes	yes
Expenditure and/or capital investment in R & D, thousand EUR	1 293	1 277

Results achieved

- Most financial and non-financial objectives were met. This is explained by an increase of EUR 10.2 million (+ 16.5%) in revenue from the Ministry of Transport for the fulfilment of the tasks of the State administration delegated by the Ministry of Transport.

SJSC Latvijas dzelzceļš (LDz)

Reg. No. 40003032065

Web: www.ldz.lv

State ownership 100%

Related companies and shares:

LLC LDZ CARGO 100%

LLC LDZ ritošā sastāva serviss 100%

LLC LDZ infrastruktūra 100%

LLC LDZ apsardze 100%

JCS LatRailNet 100%

LLC LDZ Loģistika 100%

LLC STREK 5.84%

Belarus-Latvia joint venture MIRIGO 3%

LDz (in English – Latvian Railway) is one of the largest companies Latvia, which through its economic activities makes a significant contribution to the national economy by ensuring the use of railway infrastructure for passenger and freight transport.

General strategic objective

Provision of the railway infrastructure management and logistics services in line with interests of the Latvian economy. To take the leading position in cargo turnover by rail infrastructure in the Baltics. To ensure competitive rail infrastructure in terms of quality and costs, transport and logistics services, and to develop environmentally friendly and an efficient rail transport by electrifying major routes and restoring traction parks.

Most important events in 2020

- Renovation of railway tracks – overhaul of type “A” 7.1 km (EUR 3.3 million).
- Replacement of tracks for new rails 14.7 km (EUR 2.3 million).
- Repair of railway tracks - “B” type overhaul 5.6 km (EUR 1.2 million).
- Overhaul of station buildings (EUR 498 thousand in 2020).

Most significant events planned in 2021

- Modernisation of the Riga Railway Node Sarkandaugava -Mangali - Ziemeļblāzma (EUR 10.1 million).
- Introduction of digital radio stations (EUR 3.5 million).
- Refurbishment of traction substations equipment (EUR 1.7 million).
- Renovation of railway tracks - “A” type overhaul 3.5 km (EUR 1.6 million).

Principal financial objectives

- Net turnover: EUR 148.3 million (achieved: EUR 156.5 million).
- Profit (or loss) – EUR 9.75 million (achieved: EUR 0).
- Return on equity (ROE) -2.85% (achieved: 0%).

Principal non-financial objectives

- Capacity of freight transportstion through the East-West Railway Corridor – 73 million t/year (achieved: 73 million t).
- Number of serious accidents per 1 million train -km -1.5 (achieved: 0.74).
- Average section speed of freight trains 31 km/h (achieved: 39.3 km/h).

Results achieved

- 100% change in the rate of return on equity relates to the allocation of revenues from public funds to net turnover of EUR 9.5 million, as a result of which the company’s operational result is 0.



Governance

Shareholder – Ministry of Transport

Representative of Shareholder – Ilonda Stepanova

Chair of Supervisory Council – Jānis Lange

Members of Supervisory Council – Aigars Laizāns, Andris

Maldups, Andris Liepiņš, Reinis Ceplis

Chair of Management Board – Māris Kleinbergs

Members of Management Board – Ēriks Šmuksts,

Vīta Balode-Andrūsa

Principal financial indicators, thousand EUR

	2019	2020
Turnover	337 645.0	253 866.0
Profit/loss	-9 328.0	-35 515.0
EBITDA	58 760.0	28 956.0
Total assets	946 012.0	903 236.0
Share capital	256 720.0	289 142.0
Equity	397 038.0	393 919.0
Investment	29 742.0	16 044.0
Dividends paid to state budget	0.0	26.0
Contributions made to the state and local government budget	99 334.3	61 943.7
Donations received	0.0	0.0
Donations made	5.0	0.0
Funding received from the state budget	19 492.4	80 673.1

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-2.76	-13.99
Return on assets, ROA, %	-0.99	-3.93
Return on equity, ROE, %	-2.35	-9.02
Total liquidity indicator	0.97	1.38
Liabilities-to-equity ratio	1.38	1.28

Other indicators

Number of employees	10 155	8 539
Average gross remuneration per employee per year, thousand EUR	13.2	13.1
Gender representation in management, f/m	0/9	1/7
Annual report in accordance with IFRS (yes/no)	yes	yes
Sustainability Report has been prepared (yes/no)	yes	yes
Expenditure and/or capital investment in R & D, thousand EUR	10 155	8 539

Consolidated data have been provided.

SJSC Latvijas gaisa satiksme (LGS)

Reg. No. 40003038621

Web: www.lgs.lv

State ownership 100%

LGS has no ownership in other capital companies

The main activity of LGS (in English - Air Traffic of Latvia) is to use the airspace of the Republic of Latvia and organize air traffic, implementing the public interest, providing safe air navigation services, observing the requirements of international and national air traffic control safety standards, while meeting the requirements of both military and civilian operators.

General strategic objective

LGS operates in a strategically important sector and ensures the implementation of national development and safety interests by providing the air navigation services and control of the airspace of the State of Latvia.

Most important events in 2020

- According to data collected by Eurocontrol, LGS remains one of the financially and operationally most efficient air traffic service providers in Europe.
- LGS continued to implement the new air traffic control tower design contract.
- Further modernisation of the ATRACC air traffic control system and modernisation and expansion of the VOR/DME network.
- In 2020, the first group of new air traffic controllers to be trained started working in the company on a permanent basis.

Most significant events planned in 2021

- Completion of the design of the new air traffic control tower and obtaining construction permits.
- Completed modernisation of the ATRACC air traffic control system.
- To further expand and modernise the VOR/DME network and the "MSS -W RIX" territorial surveillance system.

Principal financial objectives

- Unit charge per en route unit (E1) at EUR 27.27 has been set.
- Net turnover: EUR 33.3 million (achieved: EUR 14.2 million).

Principal non-financial objectives

- Level of effectiveness of safety management (ANSP level plan) - D.
- Violation of the minimum distance $\leq 1.6 \times 10^{-5}$ (achieved: 1.49×10^{-5}).

Results achieved

- The number of flights served fell by 55.4% compared to 2019. At the same time, no flight delays were recorded in the airspace of Latvia (in 2019-0.01 minute per flight).
- As flights decreased by 53.8%, LGS's turnover also decreased.



Governance

Shareholder – Ministry of Transport

Representative of Shareholder – Ilonda Stepanova

Chair of Supervisory Council – Dins Merirands

Member of Supervisory Council – Zinta Zālīte-Rukmane

Chair of Management Board – Dāvids Tauriņš

Members of Management Board – Elmārs Švēde,

Ilze Aleksandroviča, Iveta Virse

Principal financial indicators, thousand EUR

	2019	2020
Turnover	30 764.5	14 208.4
Profit/loss	2 457.2	-7 637.9
EBITDA	6 672.9	-3 947.3
Total assets	43 807.6	45 941.5
Share capital	22 765.9	28 765.9
Equity	37 149.1	35 511.2
Investment	9 019.7	3 628.8
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	6 711.6	5 206.3
Donations received	0.0	0.0
Donations made	0.5	0.0
Funding received from the state budget	0.0	0.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	7.99	-53.76
Return on assets, ROA, %	5.61	-16.63
Return on equity, ROE, %	6.61	-21.51
Total liquidity indicator	3.33	1.98
Liabilities-to-equity ratio	0.18	0.29

Other indicators

Number of employees	363	358
Average gross remuneration per employee per year, thousand EUR	34.8	30.4
Gender representation in management, f/m	3/3	3/4
Annual report in accordance with IFRS (yes/no)	yes	yes

SLLC Latvijas Jūras administrācija (LJA)

(until 23.12.2020. SJSC Latvijas Jūras administrācija)

Reg. No. 40003022705

Web: www.lja.lv

State ownership 100%

LJA has no ownership in other capital companies



The LJA (in English - Maritime Administration of Latvia) provides navigation and hydrographic services, certification and examination of Latvian seafarers, registration of ships and their technical audits, prepares and distributes navigational charts and related data; representation in international forums shall be ensured within the framework of its competence. The activities of the LJA are functionally divided between four units: Ship Register, Seafarers Register, Maritime Safety Department and Hydrography Service.

General strategic objective

Ensuring the provision of services and operations that contribute to growth, sustainability and development of a maritime sector that is competitive at European and regional level, by applying high environmental, safety and security standards.

Most important events in 2020

- Reorganisation of LJA from state joint-stock company to state limited liability company.
- 10 navigation maps and 1 edition have been developed and issued.
- LJA repeatedly participates in the evaluation of the Sustainability Index organised by the Institute of Corporate Sustainability and Responsibility in 2020, where repeatedly won the gold prize.

Most significant events planned in 2021

- Based on the internal evaluation of UVVIS carried out in 2020, a contract for the modernisation and improvement of the system is expected in 2021.
- Development and approval of a new strategy for the next period.
- In order to reduce the administrative burden on shipowners and to facilitate the registration of ships in the Latvian Ship Register, it is planned to continue work on the amendments to the relevant laws and regulations, as well as to create a user-friendly information exchange platform.

Principal financial indicators

- Turnover: EUR 4.6 million (achieved: EUR 3.9 million).
- Equity: EUR 4.6 million (achieved: EUR 4.1 million)
- Total liquidity ratio: 3.35 (achieved: 2.72)

Principal non-financial indicators

- Inspections of Latvia flag ships – 255 (in fact - 273).
- Measurement volume with a multi-ray echoline (km²) – 450 (in fact - 518).
- Seafarers' certification – 5 785 (in fact – 6 564).
- Inspection of fishing boats – 220 (in fact – 237).
- Recreational craft inspections – 60 (in fact – 69).

Results achieved

- Financial indicators are affected by the decrease in total transit traffic in Latvian ports, the inclusion of Ventspils Freeport Authority in the US sanctions list at the end of 2019, as well as the absence of cruise ships and restrictions on the provision of services to seafarers and shipowners during the COVID -19 pandemic.

Governance

Shareholder – Ministry of Transport

Representative of Shareholder – Ligita Austrupe

Chair of Management Board – Jānis Krastiņš

Member of Management Board – Artūrs Brokovskis-Vaivods

Principal financial indicators, thousand EUR

	2019	2020
Turnover	4 427.9	3 904.0
Profit/loss	56.6	-319.2
EBITDA	331.9	-39.3
Total assets	5 205.9	4 846.7
Share capital	1 533.9	1 533.9
Equity	4 541.9	4 121.4
Investment	212.7	232.2
Dividends paid to state budget	0.0	34.0
Contributions made to the state and local government budget	1 585.1	1 654.3
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	248.8	248.8
Principal financial indicators, % and coefficients		
Profit and turnover ratio, %	1.28	-8.18
Return on assets, ROA, %	1.09	-6.59
Return on equity, ROE, %	1.25	-7.74
Total liquidity indicator	3.08	2.72
Liabilities-to-equity ratio	0.15	0.18
Other indicators		
Number of employees	111	106
Average gross remuneration per employee per year, thousand EUR	25.0	26.8
Gender representation in management, f/m	0/2	0/2
Annual report in accordance with IFRS (yes/no)	no	no

SLLC Latvijas valsts ceļi (LVC)

Reg. No. 40003344207

Web: www.lvceli.lv

State ownership 100 %

LVC has no ownership in other capital companies

LVC (in English - Latvian State Roads) manages the national road network, administers the allocated funding, plans and directs the maintenance and development of the national road network, organizes the public procurement of works and services on the state road network, orders and manages drafting of standards and technical regulations of the national road network, maintains and improves the list of state and municipal roads, as well as supervises the compliance of municipal road maintenance with the requirements of regulatory documents.

General strategic objective

To become the most competent and efficient provider of road management services while implementing the activities of the capital company – the state road network management, managing the funding of the national road network and managing and executing the control of related work programs, organizing procurement for the needs of the state, managing the state road construction programs and the supervision of construction, monitoring the traffic organization, as well as monitoring the municipal, merchant and private road construction, renovation, daily maintenance and periodical maintenance.

Most important events in 2020

- Construction works on the national road network were completed in 2020 on a total of 1 123 km of roads, a total of 236 sites.
- The National Road Development Strategy 2020 - 2040 has been developed and approved.
- Launch of the market for road maintenance on a daily basis.

Most significant events planned in 2021

- LVC medium-term operational strategies 2022. Development and approval for 2024.
- Conclusion of a public-private partnership (PPP) project “Ķekava bypass” contract.
- Open tender for the opening of the daily road maintenance market to free competition and the conclusion of public road maintenance contracts.

Principal financial objectives

- Turnover: EUR 14.8 million (actually EUR 17.9 million).
- Return on equity: 1.7% (in fact 6.4%).
- Profitability of assets: 1.1% (in fact 3.8%).

Principal non-financial objectives

- Construction projects implemented at 97% of the planned (in fact: 224%).
- Construction works on the road network of 500 km (in fact 1 371 km).
- The number of ‘black roads’ in bad and very poor condition has been reduced by 3% compared to the previous year (in fact 6.2%).



Governance

Shareholder – Ministry of Transport

Representative of Shareholder – Dins Merirands

Chair of Management Board – Jānis Lange

Member of Management Board – Mārtiņš Lazdovskis, Gundars Kains

Principal financial indicators, thousand EUR

	2019	2020
Turnover	15 788.8	17 865.1
Profit/loss	81.8	295.2
EBITDA	940.9	1 309.6
Total assets	7 052.1	7 788.1
Share capital	4 155.6	4 155.6
Equity	4 370.9	4 600.7
Investment	1 097.2	1 426.6
Dividends paid to state budget	81.6	65.4
Contributions made to the state and local government budget	4 587.7	5 466.4
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	15 275.1	17 995.6

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.52	1.65
Return on assets, ROA, %	1.16	3.79
Return on equity, ROE, %	1.87	6.42
Total liquidity indicator	1.22	1.02
Liabilities-to-equity ratio	0.40	0.52

Other indicators

Number of employees	336	333
Average gross remuneration per employee per year, thousand EUR	25.9	30.0
Gender representation in management, f/m	0/2	0/3
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- Overall, financial and non-financial objectives were achieved. Impact of the COVID-19 pandemic: positive.
- The total net turnover exceeded the target by 20%. The return on equity is 278% higher and the return on assets is 245% higher than expected.
- Instead of the planned 500 km, construction works on the road network were carried out for 1 371 km. The number of black roads in bad and very poor condition has been reduced by 6.2% compared to the previous year.

JSC Pasažieru vilciens (PV)

Reg. No 40003567907
Web: www.pv.lv
State ownership 100%
Related companies and shares:
JSC VRC Zaslauks 51%

PV (in English – Passenger Train) is a 100% state-owned rail passenger carrier and a public transport operator under a public service contract concluded in 2008.

General strategic objective

Ensuring sustainable, accessible and uninterrupted passenger transport services that meet the needs of efficient mobility and promote regional accessibility, enhance citizens' confidence in public rail transport by making it an informed and rational choice for the convenience and quality of the services provided, and develop competitive and economically viable mobility services in the Baltic region.

Most important events in 2020

- Procurement for monitoring the production of electric trains has been launched; further work has been carried out on harmonising the technical rules of the train, exterior and interior design, radio stations and electromagnetic brake installation issues.
- A medium-term strategy for 2021 - 2025 has been developed.
- A new cash register system for BUKS ticket sales.
- In order to limit the spread of the infectious disease COVID-19, measures were taken to reduce the number of persons in public transport and to ensure physical distancing.

Most significant events planned in 2021

- The new electric train project, attracting funding from the EU Funds.
- Depot construction project.
- Ensuring the movement of trains during the construction of the Riga Central Station.
- Ticket vending machine, digital passenger information, e-subscription ticket projects.
- Repair and purchase of M756B diesel engines. Critical diesel train renewal works by transferring all electrical, mechanical, pneumatic and other equipment to the newly acquired DR1A series diesel railcar body.

Principal financial objectives

- Coverage of transport costs: 65%.
- Return on equity: 4.49%.
- Net profitability (adjusted for compensation for infrastructure use): 2.38%.
- Profit: EUR 939 129.

Principal non-financial objectives

- Number of trips: 17 612 328.
- Market share of toll passengers in regional passenger transport: 37%
- Train accuracy: 98.6%
- Customer satisfaction index: 90%
- In 2020, the PV maintained excellent train accuracy of 99.4% above both the planned and 2019 levels.



PASAŽIERU VILCIENS

Governance

Shareholder – Ministry of Transport
Representative of Shareholder – Dins Merirands
Chair of Supervisory Council – Sandis Šteins
Members of Supervisory Council – Lita Kalniņa,
Inta Liepa
Chair of Management Board – Rodžers Jānis Grigulis
Members of Management Board – Aldis Daugavvanags

Principal financial indicators, thousand EUR

	2019	2020
Turnover	56 735.6	42 630.4
Profit/loss	1 031.4	1 012.9
EBITDA	7 859.4	7 930.8
Total assets	86 501.7	82 743.7
Share capital	20 868.0	20 868.0
Equity	20 003.4	21 016.3
Investment	38 128.5	1 865.9
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	2 738.5	5 977.5
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	36 991.5	26 839.2

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.82	2.38
Return on assets, ROA, %	1.19	1.22
Return on equity, ROE, %	5.16	4.82
Total liquidity indicator	0.80	1.11
Liabilities-to-equity ratio	3.32	2.94

Other indicators

Number of employees	1 035	1 004
Average gross remuneration per employee per year, thousand EUR	14.4	13.9
Gender representation in management, f/m	3/3	2/3
Annual report in accordance with IFRS (yes/no)	yes	yes

Results achieved

- Cost reduction measures have been implemented through cost minimising measures, resulting in cost optimisation by EUR 4.07 million or 5.33%, which also led to a reduction in the amount of grant.

SJSC Starptautiskā lidosta "Rīga" (RIX)

Reg. No. 40003028055

Web: www.riga-airport.com

State ownership 100%

RIX has no ownership in other capital companies



RIX (in English – Riga International Airport) is the largest international airport in Latvia and the largest air traffic infrastructure company in the Baltics, providing regular international air transportation of passengers, cargo and mail. RIX is part of the Trans-European Transport Network (TEN-T), which ensures accessibility and mobility within the European Union. RIX plays a strategic role in the development of Latvia's economy and provides significant support for military and state-relevant flights in Latvia.

General strategic objective

Provide up-to-date air transport infrastructure and services appropriate to the regional traffic centre, offering convenient and safe connectivity for passengers and business, as well as promoting sustainable development and competitiveness.

Most important events in 2020

- The aviation sector experienced an unpredictable and unprecedented decline due to the COVID-19 pandemic.
- A draft new medium-term strategy for 2021 - 2027 has been developed.
- The first Sustainability Report 2019 was approved, which has been prepared in accordance with the International Global Reporting Initiative (GRI) standard.
- Under the Airport Carbon Accreditation programme, the Airport developed its first Carbon Management Plan for 2020 - 2023 in 2020, the first step towards achieving climate neutrality by 2050.

Most significant events planned in 2021

- To implement the state aid to mitigate the consequences of the COVID-19 pandemic by increasing the Airport's base capital by EUR 35.2 million and leaving dividends in the amount of EUR 4.5 million for 2019 at the Airport's disposal.
- To ensure the operation of the Airport and mitigate the impact of COVID-19 on financial stability and passenger handling.
- To conclude work on the development of the construction design of the 6th stage of the passenger terminal expansion, as well as to implement the project "Development of Safe and Environmentally Friendly Infrastructure at Riga International Airport".

Principal financial objectives

- Net turnover: EUR 64 499 000.
- Profit: EUR 4 144 490.

Principal non-financial objectives

- Flights, number: 87 434.
- Passengers, number: 7 840 298.
- Transhipped cargo, tons: 28 495
- The airport has significantly reduced its operating costs and revised its investment plans.

Governance

Shareholder – Ministry of Transport

Representative of the Shareholder – Ilonda Stepanova

Chair of the Supervisory Council – Juris Kanels

Members of the Supervisory Council – Eduards Toms

Chair of the Management Board – Laila Odiņa

Members of the Management Board – Artūrs Saveljevs,

Normunds Feierbergs

Principal financial indicators, thousand EUR

	2019	2020
Turnover	64 986.7	29 797.9
Profit/loss	22 140.6	-15 846.3
EBITDA	16 988.2	-3 634.2
Total assets	178 286.4	156 177.1
Share capital	28 608.9	28 608.9
Equity	74 151.6	58 305.2
Investment	21 847.5	13 900.5
Dividends paid to state budget	2 405.5	0.0
Contributions made to the state and local government budget	17 618.1	11 130.1
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	42.7	572.4

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	34.07	-53.18
Return on assets, ROA, %	12.42	-10.15
Return on equity, ROE, %	29.86	-27.18
Total liquidity indicator	1.18	0.33
Liabilities-to-equity ratio	1.40	1.68

Other indicators

Number of employees	1 315	1 085
Average gross remuneration per employee per year, thousand EUR	19.5	16.9
Gender representation in management, f/m	3/4	1/4
Annual report in accordance with IFRS (yes/no)	yes	yes
Sustainability report has been prepared (yes/no)	yes	yes

Results achieved

- The leading role in the Baltics maintained, handling 43% of passengers, 40% of flights, as well as 44% of freight volumes.
- The impact of COVID-19 has led to a significant reduction in the number of passengers and flights handled at the Airport (-74% of passengers/-59% of flights as originally scheduled). A lower fall against the initially planned: 19% was for planned transhipped cargoes, while against the updated: +13%.

JSC Ventas osta (VO)

Reg. No. 40203235757

Web: www.sam.gov.lv/lv/ventas-osta-0

State ownership 100%

VO has no ownership in other capital companies

VO's (in English - Port of Venta) activities are aimed at ensuring the management of the infrastructure of strategic importance for the development and safety of Ventspils port, providing and developing port services, which are strategically important for the competitiveness and growth of the economy.

General strategic objective

Ensuring the management of Ventspils port as an infrastructure that is of strategic importance for the development and safety of the State in a sustainable, responsible and economically justifiable manner by providing and developing port services which are strategically important for the competitiveness and growth of the economy.

Most important events in 2020

- The Ventspils Freeport Authority and VO both operate in the Ventspils Port Authority, where a cooperation agreement has been concluded between Ventspils Freeport Authority and VO, according to which both parties have agreed on cooperation, exchange of information and mutual provision of services.

Most significant events planned in 2021

- By continuing its cooperation with Ventspils Freeport Authority until the adoption of the Law on Ports, VO will be further involved in the operation of the port of Ventspils and will cover the costs related to the maintenance and use of the infrastructure and related assets in the possession and management of the Ventspils Freeport Authority.

Principal financial objectives

- Net turnover: EUR 1 800 000.
- Profit: EUR 20 000.
- Return on Equity (ROE): 36.36%.
- Total liquidity ratio: 1.5.

Principal non-financial objectives

- Prepare a review of the Real Estate Portfolio (including information on ships) of the Ventspils Freeport Authority.
- Ships serviced, number: 110.

Results achieved

In 2020, VO established a joint commission with the Ventspils Freeport Authority (VBP) and prepared an overview of the real estate portfolio and draft plan of the Ventspils Freeport Authority, which provides for the implementation of changes in four stages, maintaining the continuity of port functions, using detailed information on VBP liabilities, concluded contracts, identifying risks, as well as preparing for the takeover of VBP assets and liabilities, ensuring continuity of operations of the Ventspils Freeport.



Governance

Shareholder – Ministry of Transport

Representative of Shareholder – Uldis Reimanis

Members of Supervisory Council – Baiba Jirgena,
Diāna Rancāne, Daina Sirlaka, Iveta Zalpētere

Board Member – Baiba Vīlpa

Principal financial indicators, thousand EUR

	2019	2020
Turnover	n/a	2 079.7
Profit/loss	n/a	398.1
EBITDA	n/a	398.1
Total assets	n/a	618.1
Share capital	35.0	35.0
Equity	n/a	433.1
Investment	n/a	0.0
Dividends paid to state budget	n/a	0.0
Contributions made to the state and local government budget	n/a	-135.7
Donations received	n/a	0.0
Donations made	n/a	0.0
Funding received from the state budget	n/a	35.0
Principal financial indicators, % and coefficients		
Profit and turnover ratio, %	n/a	19.14
Return on assets, ROA, %	n/a	64.41
Return on equity, ROE, %	n/a	91.92
Total liquidity indicator	n/a	3.34
Liabilities-to-equity ratio	n/a	0.43
Other indicators		
Number of employees	n/a	14
Average gross remuneration per employee per year, thousand EUR	n/a	9.8
Gender representation in management, f/m	5/0	5/0
Annual report in accordance with IFRS (yes/no)	n/a	no



6.4. Communications



SJSC Elektroniskie sakari (VASES)

Reg. No. 40003021907

Web: www.vases.lv

State ownership 100%

VASES has no ownership in other capital companies



VASES (in English – Electronic communications) ensures efficient management of national scarce resources (radio spectrum and numbering) and acceptance of technical projects for the installation of radio equipment, creating preconditions for the development of the electronic communications market in accordance with public and national interests, as well as providing commercial services of high added value and quality.

General strategic objective

Ensure rational and efficient management of radio spectrum and numbering resources in the electronic communications sector, improve the radio frequency management mechanism, ensure continuous radio spectrum monitoring and efficient frequency resource planning.

Most important events in 2020

- The main tasks of VASES have been successfully carried out - management of radio spectrum and numbering has been ensured, as well as examination and acceptance of technical projects for the installation of radio equipment.
- E-authorization concept developed.
- The Development Strategy for Radio Frequency Monitoring 2022 - 2026 and the “Radio Frequency Planning System Development Guidelines 2021 - 2026 ” were developed.
- International 5G ecosystem forum “5GTechrity” was organized, which received the international award as the best online event in 2020.

Most significant events planned in 2021

- To provide customers with easy access to information about the use of radio frequency assignment permissions and bills on the customer self-service portal.
- Restoring and improving the technological resource base of companies.
- Implementation of the LEAN system.
- Designing of the development and innovation concept.

Principal financial objectives

- Profit: EUR 95 649.
- Income from commercial activity: EUR 235 297.
- Return on assets, ROA: 0.8%
- Dividends expected in the State budget from the previous year's net profit: EUR 43 449.

Principal non-financial objectives

- Ensuring e-access to authorisations to use radio frequency assignments: Provision of e-access for $\geq 80\%$ of the total number of authorisations for use of radio frequency assignments issued.
- Examination of applications for harmful radio interference, %: 100.
- Customer satisfaction rate: $\geq 80\%$
- Increase in the number of website visitors and followers of social media accounts: 10%.

Governance

Shareholder – Ministry of Environmental Protection and Regional Development

Representative of the Shareholder – Edvīns Balševics

Chair of Supervisory Council – Ilze Oša

Members of Management Board – Tina Kukka,

Elita Baklāne-Ansberga

Chair of Management Board – Jānis Bārda

Member of Management Board – Vija Gēme

Principal financial indicators, thousand EUR

	2019	2020
Turnover	7 703.3	7 322.1
Profit/loss	94.1	98.9
EBITDA	1 187.9	1 030.8
Total assets	12 528.7	12 544.7
Share capital	8 995.6	8 995.6
Equity	9 642.4	9 666.0
Investment	1 115.4	1 134.3
Dividends paid to state budget	71.2	75.3
Contributions made to the state and local government budget	2 276.3	2 279.6
Donations received	0.0	0.0
Donations made	0.9	0.0
Funding received from the state budget	141.5	19.5

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.22	1.35
Return on assets, ROA, %	0.75	0.79
Return on equity, ROE, %	0.98	1.02
Total liquidity indicator	4.53	4.22
Liabilities-to-equity ratio	0.16	0.16

Other indicators

Number of employees	92	93
Average gross remuneration per employee per year, thousand EUR	42.1	41.6
Gender representation in management, f/m	1/1	4/1
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- Overall, all the financial and non-financial objectives were met.
- The total customer satisfaction index, which reflects customers' assessment of VASES' performance and the services it provides, is 90.06% of the maximum 100%, which is highly appreciated.

LLC Tet (TET)

Reg. No. 40003052786

Web: www.tet.lv

State ownership 100%

Related companies and capital shares:

LLC Citrus Solutions 100%

LLC Lattelecom 100%

LLC Latvijas Mobilais Telefons 23%

JSC Pirmais Slēgtais Pensiju Fonds 42.59%

The main activities of Tet Group are the provision of network electronic communications services (voice and data transmission, and internet services), information technology related services, contact centre services for commercial companies and private customers, the sale and servicing of electronic communications and data transmission equipment, electricity trading services, TV content and advertising placement services, as well as the design, construction and maintenance of electronic communications infrastructure.

General strategic objective

TET has no defined general strategic objective.

Most important events in 2019

- 8th place in the annual “TOP101” of the most valuable Latvian companies, as well as TOP3 company with state-owned share, which has paid the largest amount of dividends into the state budget.
- By promoting cooperation between SOEs on innovation ecosystem issues, innovation forums of outstanding companies of Latvia have been organised.
- A significant increase in electricity customers, resulting in a 14% market share in the retail electricity market.
- Successfully presented the Tet studio brand, which will further promote the content created by the Tet Group companies and become the premiere of the most ambitious psychological thriller serial offered by Tet studio “Missing Disappeared” by Tet Studio.
- Creation of a new TV platform (Tet +) to enable customers to personalise their TV content.
- In support of the Emergency Medical Service, the State Chancellery and the Latvian society as a whole, Tet’s specialists quickly set up the 8303 and 8345 phone numbers that contribute to the fight against the COVID-19 pandemic.

Most significant events planned in 2021

- Increasing the efficiency of the company’s operations, including the continuation of the digital transformation program, where the company’s product portfolio is reviewed, business processes and business lines are gradually transferred to a new IT infrastructure.
- Continue developing a new generation of content and entertainment platforms and offers.
- It is planned to increase investments in the improvement of telecommunications infrastructure – the construction of optic networks and the updating of customers’ terminal equipment.

Principal financial objectives

- Revenues, million: EUR 226.2.
- EBITDA profit margin: 29%
- ROCE (profit before tax versus average capital employed during the accounting year): 15.2%.



Governance

Shareholder – JSC Publisko aktīvu pārvaldītājs Possessor
Representative of Shareholder – Management Board on JSC Publisko aktīvu pārvaldītāja Possessor (Andris Gādmanis, Marina Podvinska, Dace Gaile)
Chair of Supervisory Council – Gatis Kokins
Members of Supervisory Council – Jānis Brazovskis, Hannu-Matti Mäkinen, Dan Olov Strömberg, Jens Fredrik Nissen, Jānis Grēviņš, Justin Wesley Bancroft
Chair of Management Board – Uldis Tatarčuks
Members of Management Board – Gints Bukovskis, Ingrīda Rone, Gusts Muzikants

Principal financial indicators, thousand EUR

	2019	2020
Turnover	227 603.0	222 644.0
Profit/loss	36 202.0	30 389.0
EBITDA	67 400.0	65 600.0
Total assets	340 013.0	333 158.0
Share capital	207 852.0	207 852.0
Equity	279 056.0	268 284.0
Investment	29 929.0	32 112.0
Dividends paid to state budget	16 404.2	20 739.7
Contributions made to the state and local government budget	63 848.3	71 621.5
Donations received	0.0	0.0
Donations made	237.9	2 669.0
Funding received from the state budget	0.0	0.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	15.91	13.65
Return on assets, ROA, %	10.65	9.12
Return on equity, ROE, %	12.97	11.33
Total liquidity indicator	1.92	1.77
Liabilities-to-equity ratio	0.22	0.24

Other indicators

Number of employees	1 760	1 618
Average gross remuneration per employee per year, thousand EUR	22.8	25.3
Gender representation in management, f/m	1/11	1/10
Annual report in accordance with IFRS (yes/no)	yes	yes

Data reported on a consolidated basis.

Principal non-financial objectives

The group does not have non-financial objectives.

SJSC Latvijas Pasts (LP)

Reg. No. 40003052790

Web: www.pasts.lv

State ownership 100%

Related companies and capital shares:

LLC Mailmaster 100%

LP (in English – Latvia Post) provides quality postal services throughout the territory of Latvia. LP is a modern, business-based company that competes effectively in the postal market with a solid reputation, high customer service standards and motivated employees.

General strategic objective

To ensure efficient, convenient and affordable provision of high-quality domestic and cross-border postal services focused on current needs of customers, based on a modern approach, information and communication technologies, promoting efficient operation and sustainable development of postal services and high integrity and accessibility of the postal network and strengthening the image of a secure and reliable partner, as well as being a leader in the Latvian postal services market.

Most important events in 2020

- The first fully automated mail weighing, scanning, measuring and sorting equipment was opened, completing the most ambitious investment project in recent years.
- One - third of the total number of mail terminals has been replaced and the capacity of the network of copy mail terminals has been increased by 40%, or by more than 1000 compartments. Most significant events planned in 2021
- Intense work is planned in the 2nd half of 2021 on developing the network of postal terminals and services in general and expanding the network, purchasing another 60 postal terminals, reaching a total of 121 postal terminals throughout Latvia; introduction of the use of payment cards at these terminals.
- Start using the Shipment Processing System (SAS), which is an information system developed by LP to ensure the most complete processing of shipments in the company. With the introduction of the SAS, the process of handling the shipments will be as simple as possible and will take less time – it will be possible to ensure all the necessary data exchange in one place, etc.

Principal financial objectives

- Net turnover, millions: EUR 97.4.
- Profit: EUR 810 000.
- Profit before interest payments, taxes, depreciation and amortisation allowances (EBITDA), million: EUR 4.25.

Principal non-financial objectives

- Change unprofitable PPSV forms, number: 64.
- Introduction of sorting line in production: 31.12.2020.
- Parcels received at postal terminals, number: 307 400.

Results achieved

• In the context of the COVID-19 pandemic in Latvia, as well as in other parts of the world, international passenger flights, which deliver postal items to most countries of the world, were cancelled for security reasons. LP found alternative solutions for shipping cross-border items, thus ensuring cross-border parcel delivery. These solutions helped LP to conclude agreements with several other countries' postal administrations on the channelling of postal items through Latvia as an alternative route instead of traditional mail routes. However, such restrictions had a direct impact on shipment flows and deliveries.



Governance

Shareholder – Ministry of Transport

Representative of the Shareholder – Dins Merirands

Chair of the Supervisory Council – Aigars Vītols

Members of the Supervisory Council – Andris Ikvilds,

Andris Nātriņš

Chair of the Management Board – Mārcis Vilcāns

Members of the Management Board – Anda Ozola,

Kristaps Krūmiņš, Agris Timma

Principal financial indicators, thousand EUR

	2019	2020
Turnover	96 167.9	94 132.6
Profit/loss	1 489.8	4 213.0
EBITDA	3 972.6	8 723.6
Total assets	118 945.8	128 366.7
Share capital	10 578.5	10 578.5
Equity	13 340.3	18 092.4
Investment	3 630.0	3 597.1
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	16 950.2	17 366.6
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	6 297.0	6 653.5

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.55	4.48
Return on assets, ROA, %	1.25	3.28
Return on equity, ROE, %	11.17	23.29
Total liquidity indicator	0.96	1.01
Liabilities-to-equity ratio	7.80	5.91

Other indicators

Number of employees	3 687	3 305
Average gross remuneration per employee per year, thousand EUR	7.8	9.4
Gender representation in management, f/m	1/6	1/6
Annual report in accordance with IFRS (yes/no)	yes	yes

SJSC Latvijas Valsts radio un televīzijas centrs (LVRTC)

Reg. No. 40003011203

Web: www.lvrvc.lv

State ownership 100%

Related companies and capital shares:

LLC Latvijas Mobilais Telefons 23%

LVRTC (in English - Latvia State Radio and Television Centre) is one of the leading ESP providers and its activities include the broadcasting of radio and tv programs, trust and identity services, data transmission, cybersecurity solutions, data centers, cloud computing and infrastructure rental services. The LVRTC provides and develops high availability, integrity and security information and ICT infrastructure and services, strengthening effective public administration, security and promoting economic growth. LVRTC's customers are broadcasters, operators, ministries and public authorities, companies and residents.

General strategic objective

To provide and develop information and communication technology infrastructure and services of high availability, integrity and security, thus strengthening efficient state administration, security and promoting economic growth.

Most important events in 2020

- As part of the broadband project, 1 654 km have been built, 157 access points have been established, preliminary agreements have been concluded with MT operators for construction of connections. Project funding increased by EUR 3 million to create an optical network infrastructure in the vicinity of educational institutions.
- COVID-19 significantly increased the usability of trust services and the number of users.
- At Zaķusalas krastmala 1, Riga, a new 3rd level data centre was built.
- A tender has been concluded and a service provider has been selected, which will ensure the provision of pay-TV services for terrestrial broadcasting by the end of 2026.

Most significant events planned in 2021

- For the project of Riga Radio and Television Station, a project development programme for 2021 was prepared, construction procurement will continue. The planning process is underway with the parties involved in the development of the RRTS project content concept.
- Further expansion of cooperation with mobile network operators is planned within the framework of the broadband project; it is planned to conclude preliminary agreements for the construction of at least 7 communication towers.
- As regards the broadcasting business, the head station will be replaced.

Principal financial objectives

- Net turnover, million: EUR 21.24.
- Return on equity (ROE): 0.97%
- Liabilities (only borrowed capital) to equity: 0%
- Turnover per employee, excluding electricity and other income: EUR 74 410.

Principal non-financial objectives

- Cumulative number of access points built under the second round of broadband: 166.
- Number of national department information systems linked to the client portfolio of the National Centre for Electronic Communications Services (VESPC), number of IS: 97.



LATVIJAS VALSTS RADIO UN TELEVĪZIJAS CENTRS

Governance

Shareholder – Ministry of Transport

Representative of Shareholder – Ilonda Stepanova

Chair of Management Board – Aldis Greitāns

Members of Supervisory Council – Jānis Leimanis,

Normunds Feierbergs

Members of Management Board – Mariss Mežgals, Ģirts Ozols

Principal financial indicators, thousand EUR

	2019	2020
Turnover	19 011.4	20 052.9
Profit/loss	-1 199.1	2 757.7
EBITDA	6 009.5	6 048.5
Total assets	124 861.6	137 315.7
Share capital	78 454.7	78 454.7
Equity	81 941.8	84 653.6
Investment	21 002.7	19 864.2
Dividends paid to state budget	1 635.7	0.0
Contributions made to the state and local government budget	7 380.2	33 994.9
Donations received	0.0	0.0
Donations made	1.5	0.0
Funding received from the state budget	5 063.7	1 502.2

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-6.31	13.75
Return on assets, ROA, %	-0.96	2.01
Return on equity, ROE, %	-1.46	3.26
Total liquidity indicator	2.71	3.19
Liabilities-to-equity ratio	0.52	0.62

Other indicators

Number of employees	249	251
Average gross remuneration per employee per year, thousand EUR	23.1	27.2
Gender representation in management, f/m	0/3	0/6
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- Overall, all profit indicators were achieved and exceeded achievement indicators.
- Turnover represents an increase of 6% year-on-year, overall almost achieved (within a deviation of 1%), the deviation is primarily due to a decrease in electricity prices and lower costs for the functions delegated by the State.
- 12 national information systems have been added to the number of users of the services of the National Electronic Communications Service Centre.



6.5. Real Estate Management



SLLC Šampētera nams (ŠN)

Reg. No. 50003000771

Web: www.sampeteranams.lv

State ownership 100%

ŠN has no ownership in other capital companies



ŠAMPĒTERA NAMS

The ŠN (in English - Šampēteris House) manages the state real estate registered in the name of the State in person of the Minister of Welfare, provides the functions of the central purchasing body of the sector, as well as implements cooperation with the Ministry of Welfare and industry institutions in the context of the state real estate management and welfare sector policy, namely, the process of long-term social care and deinstitutionalisation.

General strategic objective

To manage, administer, maintain, repair and renovate the real estate owned by the Ministry of Welfare in a high-quality, professional and regulatory manner and to ensure the continuity of the functioning of the Ministry's institutions.

Most important events in 2020

- Activities under the Operational Programme "Promote the Improvement of Energy Efficiency in Public Buildings" have been carried out in seven real estates under the management of the ŠN.
- Works have been carried out to improve the accessibility of the environment in the real estate owned by ŠN at 53 Ventspils iela, Riga.
- Efforts have been made to promote the safety of clients of national social care centres and reduce the risk of COVID-19 infection.

Most significant events planned in 2021

- Continue the implementation of energy efficiency improvement measures in public buildings.
- Ensure the re-certification of the energy management system in accordance with ISO 50001:2018 standard.
- Continue the infrastructure development activities in the real estate owned by the Ministry of Welfare, including the implementation of sectoral policy in the provision of services close to the family environment.
- To improve the accessibility of the environment in the real estate owned by ŠN and in the real estate owned by the Ministry of Welfare

Principal financial objectives

- Total liquidity ratio: 1.
- Profit: EUR 800.
- Net turnover: EUR 1 733 000.
- Liabilities to equity: 146.9%

Principal non-financial objectives

- Positive average customer satisfaction rate (good, very good and excellent) in the overall score of at least: 73%.
- Ensure efficiency in the use of administrative and industrial buildings and maintain their load factor at an existing level (building load): 97%.
- To ensure sustainable arrangement and improvement of the real estate infrastructure of the Ministry of Welfare, in accordance with the priority directions of the sector, budget possibilities and the coordinated investment policy, facilities: 11.

Governance

Shareholder – Ministry of Welfare

Representative of the Shareholder – Ingus Alliks

Member of the Management Board – Māris Bluķis

Principal financial indicators, thousand EUR

	2019	2020
Turnover	2 432.1	2 271.0
Profit/loss	3.0	0.2
EBITDA	28.9	37.3
Total assets	3 272.6	4 159.4
Share capital	335.8	335.8
Equity	532.8	877.4
Investment	734.4	175.9
Dividends paid to state budget	1.9	0.4
Contributions made to the state and local government budget	1 082.8	547.1
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	150.6	194.3

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.12	0.01
Return on assets, ROA, %	0.09	0.00
Return on equity, ROE, %	0.56	0.02
Total liquidity indicator	1.07	1.06
Liabilities-to-equity ratio	5.07	3.70

Other indicators

Number of employees	20	20
Average gross remuneration per employee per year, thousand EUR	16.4	18.7
Gender representation in management, f/m	1/0	0/1
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- The total liquidity ratio in 2020 is 1.06. The deviation is insignificant (6%) and indicates the stability of the company's operations.
- The net turnover of the capital company was 2 270 974 EUR and exceeds the planned by 31%, which can be explained by the provision of additional work in the real estate of the Ministry of Welfare..
- The profit is EUR 665, which is 17% less than planned due to a 3% reduction in the total load of buildings, as several private tenants stopped the rental relationship due to the COVID-19 pandemic.

LLC Tiesu namu aģentūra (TNA)

Reg. No. 40003334410

Web: www.tna.lv

State ownership 100%

TNA has no ownership in other capital companies



The main activity of TNA (in English – Courthouse Agency) is to provide the Ministry of Justice, its subordinate institutions and courts with the premises necessary for the performance of their functions, to manage real estate in accordance with the requirements of the justice sector and to implement new court house projects. TNA also maintains and develops the information and communication technology infrastructure of the courts, as well as provides legal education to the public by publishing legal literature.

General strategic objective

To ensure effective management of the infrastructure of strategic importance for the implementation of the justice sector policy and the provision of legal literature necessary for the operation of institutions of the justice system, taking into account the requirements of the justice sector and pursuing public interests in the field of justice.

Most important events in 2020

- Completion of reconstruction of Kurzeme district court building in Ventspils and construction of new court buildings and entry into service.
- Transfer of the energy efficiency improvement project of the administrative building Rīga, 58 Daugavgrīvas Street to the operator.
- Completion of the construction works of the energy efficiency improvement project of the administrative building in Rīga, 10 Lomonosova Street.

Most significant events planned in 2021

- Adaptation of the 4th floor of the court house in Jelgava, 12 Dambja iela to the needs of court work.
- Adaptation of the premises of building in Rīga, Raiņa bulvāris 15, to the needs of the Administration of the Maintenance Guarantee Fund, as well as the construction of ramps for people with special needs and renovation of the facade of the building.
- Organisation of construction works for the new prison in Liepāja, 29 Alsungas Street.

Principal financial objectives

- Increase in net turnover: 2.5%.
- Profit: EUR 90 000.
- Share of equity in the company's total capital structure: 67%.

Principal non-financial objectives

- Satisfaction of the courts, the Ministry of Justice and its subordinate institutions with the technical condition of the leased premises is assessed as 'good' and 'very good', % of the total rating: 65.
- Total capital investment and repair investments for real estate development from TNA total net turnover: 30%.
- Satisfaction of the courts, the Ministry of Justice and its subordinate institutions with the speed of provision of the service provided by TNA in the field of information technology, % of the total rating: 95%.

Governance

Shareholder – Ministry of Justice

Representative of Shareholder – Raivis Kronbergs

Member of Management Board – Santa Sausiņa

Principal financial indicators, thousand EUR

	2019	2020
Turnover	7 773.6	8 111.0
Profit/loss	101.1	91.2
EBITDA	2 098.1	2 288.4
Total assets	65 785.7	66 452.6
Share capital	38 369.6	38 369.6
Equity	42 211.1	42 217.8
Investment	11 805.7	2 741.8
Dividends paid to state budget	97.8	80.9
Contributions made to the state and local government budget	2 617.1	2 786.1
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	0.0	0.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.30	1.12
Return on assets, ROA, %	0.15	0.14
Return on equity, ROE, %	0.24	0.22
Total liquidity indicator	0.63	0.87
Liabilities-to-equity ratio	0.56	0.57

Other indicators

Number of employees	114	112
Average gross remuneration per employee per year, thousand EUR	16.0	17.9
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- Overall, all financial targets have been achieved, including an overall liquidity ratio of 45% higher than expected.
- Overall, all non-financial targets have been achieved, including a significantly improved staff turnover rate from a projected 15% to 8% due to the implementation of changes in the functioning of the IT component; as a result of the COVID-19 pandemic, the number of orders from TNA e-bookshop has been exceeded by 42% due to the increase in the number of orders from TNA's e-bookshop and TNA kiosks.

SJSC Valsts nekustamie īpašumi (VNĪ)

Reg. No. 40003294758

Web: www.vni.lv

State ownership 100%

VNĪ has no ownership in other capital companies

The core activity of VNĪ (in English - State Real Estate) is the management, lease and sale of the state's real estate and provision of state institutions with the premises necessary for performing their functions.

General strategic objective

In the public interest, to ensure targeted and efficient management, including the preservation and enhancement of value, of the real estate, which is strategically important for national security and necessary for the performance of the State's functions, preservation of cultural heritage, development of the administrative territory of the state or local government. SJSC Valsts nekustamie īpašumi shall provide useful handling of unused real estate for the performance of State's functions.

Most important events in 2020

- Completed construction works in 17 significant real estate development objects with a total budget of 29.5 million euros. The most extensive of them is the historical police house in Aspazijas bulvāris 7, Riga, for which the first place in the nomination 'Reconstruction' of the competition "Latvian Construction Industry Annual Award 2020" was received.
- The number of environmentally degrading facilities has been reduced by 83. Out of all Riga slums in the management of SRE only 1.3%.
- Received an assessment of the "Gold" category in the Sustainability Index Assessment.

Most significant events planned in 2021

- Ensuring the continuity and stability of VNĪ business during and after the COVID-19 global pandemic.
- Arrange or dispose of at least 20 environmentally degrading sites.
- Handing over of 12 real estate development objects, including the works of the Occupation Museum complex, energy efficiency improvement works in the building Skandu iela 14, Riga (Latvian National Archives) and the building at Brīvības iela 75, Riga (Dailes Theatre).

Principal financial objectives

- Net turnover, millions: EUR 39.65.
- EBITDA, million : EUR 14.94.
- Profitability: 10.52%
- Return on equity: 1.48%
- Reduction in the share of administrative costs in relation to turnover: 14.3%

Principal non-financial objectives

- Ensure the expropriation of public private land (PAZ).
- Dispose of real estate, which is not necessary for the performance of public functions.
- To ensure the maintenance of the information system on the management of the state real estate and the disclosure of information on the treatment of state-owned real estate, as well as real estate rented to public authorities.



Governance

Shareholder – Ministry of Finance
Representative of Shareholder – Baiba Bāne
Chair of Supervisory Council – Jānis Garisons
Members of Supervisory Council – Inta Komisare, Ieva Braunfelde
Chair of Management Board – Renārs Griškevičs
Member of Management Board – Andris Vārna

Principal financial indicators, thousand EUR

	2019	2020
Turnover	40 246.8	37 988.8
Profit/loss	5 198.1	2 987.1
EBITDA	16 727.7	14 810.0
Total assets	397 694.3	401 640.1
Share capital	142 152.4	142 152.4
Equity	278 738.3	277 285.4
Investment	12 352.0	13 380.0
Dividends paid to state budget	2 595.4	0.0
Contributions made to the state and local government budget	13 563.5	13 741.8
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	18 585.8	25 280.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	12.92	7.86
Return on assets, ROA, %	1.31	0.74
Return on equity, ROE, %	1.86	1.08
Total liquidity indicator	1.01	0.89
Liabilities-to-equity ratio	0.43	0.45

Other indicators

Number of employees	465	421
Average gross remuneration per employee per year, thousand EUR	17.0	18.8
Gender representation in management, f/m	2/4	2/3
Annual report in accordance with IFRS (yes/no)	yes	yes
Sustainability report has been prepared (yes/no)	yes	yes

Results achieved

- The financial objectives have been partially achieved. The COVID-19 restrictions hampered the achievement of the objectives.
- All three non-financial targets with nine performance indicators have been met and overachieved.
- Out of 38 non-financial performance indicators, 30 indicators were achieved and 22 were significantly overachieved (positive deviation of 15% or more).

SLLC Zemkopības ministrijas nekustamie īpašumi (ZMNĪ)

Reg. No. 40003338357

Web: www.zmni.lv

State ownership 100%

ZMNĪ has no ownership in other capital companies

ZMNĪ (in English - Real Estate of Ministry of Agriculture) manages the land units in the possession of the Ministry of Agriculture, which are under the ownership of the Ministry of Agriculture and are owned by the State, including the structures located on them. Implements rational and legally justified use of buildings in management and ownership, providing subordinate institutions of the Ministry of Agriculture with premises necessary for the performance of their functions. Provides a drainage system management mechanism that regulates the humidity regime in polder territories, forest massifs and “new” villages, promotes better harvests for farmers, allows peat extraction, and ensures the protection of the populated area from floods, safe operation of structures and road infrastructure throughout Latvia. Provides the interested parties with data of the drainage cadastre information system on the development possibilities and restrictions of the part of the territory of the country.

General strategic objective

Implement the maintain the State property that is of strategic importance for the development of the territory of state - drainage systems and hydrotechnical structures - and drainage cadastre, ensuring economically beneficial, environmentally friendly and socially responsible sustainability of agricultural and forestry land resources.

Most important events in 2020

- Participation in the national competition “Latvian Construction Awards 2020” and 1st place in the nomination “Engineering Reconstruction”, project “Renewal of Gauja - Daugava Canal in Ādaži Municipality”.
- Data transmission of the drainage cadastre information system to mobile devices with geolocation is ensured.
- By taking over the real estate from the sub-ministerial institutions in their management, it has been possible to consolidate the administrative functions of the sector of the administrative territory into one property.
- Participation in the LIFE GOODWATER integrated project “Implementation of Latvian River Basin Management Plans for achieving good surface water quality status” has started.

Most significant events planned in 2021

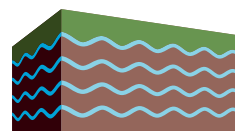
- Use the funding available from the European Union’s Rural Development Programme 2014 - 2020 for the renewal of national drainage systems worth EUR 7 million.
- Direct for divestment four State-owned real estates that are not adaptable to discharge of the public sector's functions.
- Start implementing the principles of good governance: quality Management System ISO 9001:2017 and Environmental Management System ISO 14001:2015.

Principal financial objectives

- Profit: EUR 16 800.
- Return on equity, (ROE): 0.50%.
- Total liquidity ratio: 1.
- Ensure a load factor of not less than 80% for administrative buildings of real estate: 82.4.

Principal non-financial objectives

- Restore the value of national drainage systems (EU funding), EUR: 12 160 thousand.
- Promote sustainable land resource productivity as well as infrastructure development: length of regulated water courses maintained, km: 2 225,6.
- Raise public awareness of current events of drainage systems: to provide information in the media about current events of drainage systems in different regions of Latvia, number: 7.



ZMNĪ

ZEMKOPIBAS MINISTRIJAS
NEKUSTAMIE IPAŠUMI

Governance

Shareholder – Ministry of Agriculture
Representative of Shareholder – Jānis Šnore
Chair of Management Board – Roberts Dilba
Member of Management Board – Sergejs Zikins

Principal financial indicators, thousand EUR

	2019	2020
Turnover	14 583.8	13 400.6
Profit/loss	21.5	13.6
EBITDA	278.5	294.7
Total assets	32 757.8	18 848.8
Share capital	3 422.0	3 422.0
Equity	3 344.7	3 344.5
Investment	285.7	314.7
Dividends paid to state budget	6.2	13.8
Contributions made to the state and local government budget	5 507.5	5 464.5
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	4 118.7	4 608.8

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.15	0.10
Return on assets, ROA, %	0.07	0.07
Return on equity, ROE, %	0.64	0.41
Total liquidity indicator	1.00	0.99
Liabilities-to-equity ratio	8.79	4.64

Other indicators

Number of employees	157	150
Average gross remuneration per employee per year, thousand EUR	13.9	14.9
Gender representation in management, f/m	0/2	0/2
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- Non-financial targets have been fully met and overachieved: the planned length of the maintained polder dams is exceeded by 12.9%; a total of 16.4% higher value of state drainage systems has been restored; information is provided in the media on current developments related to drainage systems in the amount of 42.9%.
- The decisions taken by the government to mitigate the impact of the crisis situation during the COVID-19 pandemic affected the profits of the financial targets and the related default rates by 19%.



6.6. Health Care



SLLC Bērnu klīniskā universitātes slimnīca (BKUS)

Reg. No. 40003457128

Web: www.bkus.lv

State ownership 100%

BKUS has no ownership in other capital companies

BKUS (in English - Children Clinical University Hospital) is the largest specialised multi-profile medical institution in Latvia, which provides a wide range of tertiary level, emergency and planned services for children both in hospital and outpatient and day hospital. BKUS also works in the field of social services, as well as provides interest education activities. At the same time, it also provides a clinical base for the education and knowledge transfer of medical practitioners to the regions and promotes the development of science and research.

General strategic objective

Maintaining, improving and restoring children's health by ensuring high-quality, efficient and accessible wide range of tertiary, emergency and planned health services for children, while providing a clinical base for health education and knowledge transfer to the regions, as well as promoting the development of science and research.

Most important events in 2020

- Successfully adapted treatment organisation under COVID-19 pandemic conditions. Additional precautions have been put in place to ensure that patients have access to all services.
- Developed, approved and communicated BKUS Strategy 2020 - 2025.
- Calculations have been made for the necessary funding to strengthen hospital capacity - for infrastructure development, purchase of medical equipment and equipment and development of digital solutions, including Recovery and Resilience Facility funding, high readiness project funding and other COVID -19 recovery funding.

Most significant events planned in 2021

- Implementation of the principle 'an individual-focused care' as a systematic approach and the development of a culture of patient safety.
- Introduction of new value models - integrated, patient-specific treatment and care, implementing infrastructure and environmental development projects - Rehabilitation Clinic Reconstruction, Emergency Medical Care and Observatory Department, Outpatient Clinic, Psychiatric Centre and Sleep Centre construction, territory improvement according to project plans.
- Implementation of the ECOSISTEM for Child Health according to the project plan and strategy.

Principal financial objectives

- Profit: EUR >0.
- Positive (balanced) cash flow: EUR >0.
- Total liquidity ratio: ≥ 1 .
- Capital structure (liabilities to equity): <5.

Principal non-financial objectives

- Number of delayed scheduled operations (%): <10%.
- Lethality in hospital: <0.3%.
- Total number of patient safety cases recorded: >350.
- Customer satisfaction with hospital services (RR >30%): 70%.



Bērnu klīniskā universitātes slimnīca

Governance

Shareholder – Ministry of Health

Representative of the Shareholder – Daina Mūrmane-Umbraško

Chair of Supervisory Council – Katrīne Judovica

Members of Supervisory Council – Jari Petaja, Juris Lapše

Chair of the Management Board – Valts Ābols

Members of the Management Boards – Zane Straume,

Iluta Riekstiņa

Principal financial indicators, thousand EUR

	2019	2020
Turnover	54 256.7	59 784.1
Profit/loss	7.5	272.6
EBITDA	4 926.9	4 057.1
Total assets	70 490.4	78 914.1
Share capital	5 724.6	10 327.3
Equity	8 044.2	12 919.6
Investment	2 267.8	5 334.5
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	13 116.0	15 411.9
Donations received	390.5	1 037.3
Donations made	0.0	0.0
Funding received from the state budget	50 629.5	63 788.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.01	0.46
Return on assets, ROA, %	0.01	0.35
Return on equity, ROE, %	0.09	2.11
Total liquidity indicator	0.90	0.96
Liabilities-to-equity ratio	7.76	5.11

Other indicators

Number of employees	1 946	1 955
Average gross remuneration per employee per year, thousand EUR	13.4	15.3
Gender representation in management, f/m	2/1	3/3
Annual report in accordance with IFRS (yes/no)	yes	yes

Results achieved

- The financial objectives have been achieved; profit as a result of economic activity, cash flow is balanced.
- Liquidity and liability ratios have improved compared to the previous year – total liquidity ratio by 0.06 percentage points, a commitment to equity by 2.65 percentage points.
- Non-financial targets have been achieved. There is a trend towards a culture of patient safety.
- A positive assessment by DNV GL auditors about the compliance of hospital processes with ISO 9001:2015.

SLLC Bērnu psihoneiroloģiskā slimnīca "Ainaži" ("Ainaži")

Reg. No. 44103017181

Web: www.ainazuslimnica.lv

State ownership 100%

BPNS "Ainaži" has no ownership in other capital companies



Ainaži (in English - Children's Psychoneurological Hospital "Ainaži") is the only specialised hospital in the country providing qualified and professional psychiatric assistance to children and adolescents with long-term psychiatric disorders and illnesses. The multi-professional team model is used at work, specialists of all profiles are available in the hospital, hydrotherapy department is active. The treatment and rehabilitation process takes place until the mental state is stabilised, which allows to continue mental health care outside hospital.

General strategic objective

To maintain, improve and restore mental health of children and young people, ensuring the provision of high-quality, effective, patient-centred psychiatry services for children and young people in Latvia with lasting illnesses.

Most important events in 2020

- Completed recruitment of multi-professional team – all profile team members are available, including music therapist, Montessori pedagogy specialist, audiologist therapist, two physiotherapists/hydrotherapy specialists, ergotherapist, sports specialist.
- Hospital employs certified psychiatrist, doctor - resident child psychiatrist, two clinical psychologists of different sexes, social worker.
- Assembling the necessary equipment and work materials for professionals to ensure effective work.

Most significant events planned in 2021

- Technical inspection of the hospital building indicated in the decision of the State Construction Control Bureau.
- Construction of a hangar of a lightweight structure/warehouse with the construction of a siding.
- Construction/reconstruction of isolation/observatory chambers with atraumatic equipment in both departments of the hospital.

Principal financial indicators

- Profit: EUR 5 747.
- Net cash flow of operating activities: EUR 73 245.
- Total liquidity ratio: 3.26.
- Capital structure (liabilities to equity): 108%.

Principal non-financial indicators

- Total number of fixed beds: 45.
- Proportion of medical practitioners in the age group from 25 to 40 years from the total number of medical practitioners in the institution: 29%.
- Average duration of treatment: 85 days.
- Bed occupancy: 75%.

Governance

Shareholder – Ministry of Health

Representative of the Shareholder – Daina Mūrmane-Umbraško

Member of the Management Board – Aigars Kišuro

Principal financial indicators, thousand EUR

	2019	2020
Turnover	1 502.7	1 645.0
Profit/loss	-14.9	-31.9
EBITDA	37.4	21.2
Total assets	4 251.2	4 222.8
Share capital	1 683.4	1 683.4
Equity	2 038.5	2 006.7
Investment	5.6	12.3
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	519.3	600.2
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	1 502.7	1 645.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-0.99	-1.94
Return on assets, ROA, %	-0.35	-0.75
Return on equity, ROE, %	-0.73	-1.59
Total liquidity indicator	3.56	3.16
Liabilities-to-equity ratio	1.09	1.10

Other indicators

Number of employees	87	94
Average gross remuneration per employee per year, thousand EUR	12.0	12.5
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

The year 2020 was concluded with a loss because COVID-19 led to the purchase of additional disinfectants for the protection of patients and staff, which also had a negative impact on the total net cash flow. During the reporting period, the duration of in-patient treatment was increased in order to ensure more stable and prolonged remission and stabilisation of patients' mental state.

SLLC Daugavpils psihoneiroloģiskā slimnīca (DPNS)

Reg. No. 50003407881

Web: www.dpns.gov.lv

DPNS has no ownership in other capital companies

DPNS (in English - Daugavpils Psychoneurological Hospital) is one of the largest medical institutions of psychiatric profile in Latvia, which provides the residents of Daugavpils city and surrounding regions with all the necessary spectrum of mental health care services, including home mental health care services, outpatient mental health care services, inpatient mental health care services, including compulsory treatment by court order, and long-term social care and social rehabilitation services.

General strategic objective

To maintain, improve and restore the health of the population, ensuring patient-centred, high-quality mental health care services for residents of Latgale region.

Most important events in 2020

- Project No. LLI - 368 "Implementation of Social Inclusion Measures in Daugavpils and Rokiškis Psychiatric Hospitals", within the framework of which "Family House" (children and their relatives can receive social rehabilitation services) was established.
- Significantly improved access to multi-professional rehabilitation services: recruiting specialists and introducing new rehabilitation technologies.
- Repair works in the building "Closed Type Department for Long-term Care of Mentally Ill Persons" and "Department for the Care of Mentally Ill Persons" have been completed.

Most significant events planned in 2021

- Within the framework of the ongoing project No 4.2.1.2/19/I/031, it is planned to implement energy efficiency improvement measures in the administrative-economic building of the hospital.
- Within the framework of project No 4.2.1.2/20/I/008, the development of construction planning documents and construction works in the hospital building at Siguldas iela 24 Daugavpils are initiated, by introducing energy efficiency measures. After the renovation of the building, it will host a patient reception department and other hospital departments.
- Implement the Business Intelligence system.

Principal financial objectives

- Profit: EUR 2 000.
- Net cash flow of operating activities: EUR 394 074.
- Total liquidity ratio: 1.18.
- Capital structure (liabilities to equity): 552.77%

Principal non-financial objectives

- Total number of fixed beds (at the end of the period): 375.
- Average duration of treatment: 29.80.
- Proportion of medical practitioners in the age group from 25 to 40 years from the total number of medical practitioners: 23%.



Governance

Shareholder – Ministry of Health

Representative of Shareholder – Daina Mūrmane-Umbraško

Chair of Management Board – Sarmīte Čīkuste

Member of Management Board – Reinis Joksts

Principal financial indicators, thousand EUR

	2019	2020
Turnover	10 692.1	12 422.4
Profit/loss	2.0	2.2
EBITDA	338.4	338.3
Total assets	19 153.2	21 403.6
Share capital	1 975.6	2 465.8
Equity	2 499.3	2 991.8
Investment	367.9	387.5
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	3 346.1	4 199.7
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	10 712.2	12 451.8

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.02	0.02
Return on assets, ROA, %	0.01	0.01
Return on equity, ROE, %	0.08	0.07
Total liquidity indicator	1.16	1.16
Liabilities-to-equity ratio	6.66	6.09

Other indicators

Number of employees	617	634
Average gross remuneration per employee per year, thousand EUR	11.8	13.3
Gender representation in management, f/m	1/1	1/1
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- Overall, all the financial and non-financial targets were met, profits were 11% higher than expected and an overall liquidity ratio of 1.7% lower than planned.
- A 12% higher than planned proportion of medical practitioners aged 25 - 40 due to the trend towards attracting younger staff, as well as improving the qualifications of existing staff (nurse assistants).

SLLC Iekšlietu ministrijas poliklīnika (IMP)

Reg. No. 40003400059

Web: www.poliklinika.iem.gov.lv

State ownership 100 %

IMP has no ownership in other capital companies



IMP (in English - Polyclinic of the Ministry of the Interior) is an outpatient treatment facility that provides primary and secondary outpatient health care. The Central Medical Examination Commission established by the IMP carries out health inspections of officials with special service ranks and candidate officials of the Ministry of the Interior's system institutions and Prison Administration, thus participating in the development of an effective personnel policy in the sector.

General strategic objective

Participate in the provision of appropriate staff for the performance of service duties in the institutions of the Ministry of the Interior and the Prison Administration by controlling the health status of officials, accepting officials for service, during service, as well as upon leaving the service, as well as providing quality outpatient health care services to other individuals.

Most important events in 2020

- Provision of the Central Medical Expertise Commission after lifting of restrictions on the provision of health care services to the maximum possible amount of health examinations for officials of the Ministry of the Interior with special ranks of service and their candidates.
- Laboratory accreditation.
- Improving and increasing the basket of social security guarantees for employees.

Most significant events planned in 2021

- To continue to develop IMPs into a modern, competitive company in the healthcare market.

Principal financial objectives

- Turnover in EUR: 2 221 000.
- Return on equity: 11.08%.
- Net cash flow of operating activities: EUR 7 670.
- Total liquidity: 2.84.

Principal non-financial objectives

- Number of medical examinations for officials with special service ranks, thousand: 12.
- Number of medical examinations of candidates with special service ranks: 1 000.
- Number of medical examinations related to the annual determination of the severity of health disorders of officials suffering from accidents with special service ranks: 400.

Results achieved

- Overall, the financial and non-financial objectives were met.
- Swiftly-planned losses (impact of COVID-19 restrictions) reduced by 50%.
- The operationally planned negative return on equity ROE (impact of COVID-19 restrictions) has been reduced by 52%.
- Liquidity ratio 2.92.

Governance

Shareholder – Ministry of the Interior

Representative of the Shareholder – Dimitrijs Trofimovs

Member of the Management Board – Didzis Āzens

Principal financial indicators, thousand EUR

	2019	2020
Turnover	2 263.8	2 334.3
Profit/loss	0.8	-30.1
EBITDA	73.6	12.2
Total assets	835.3	826.4
Share capital	571.7	571.7
Equity	598.9	568.2
Investment	33.0	22.1
Dividends paid to state budget	1.9	0.0
Contributions made to the state and local government budget	742.5	802.8
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	1 465.7	1 596.6
Principal financial indicators, % and coefficients		
Profit and turnover ratio, %	0.03	-1.29
Return on assets, ROA, %	0.09	-3.64
Return on equity, ROE, %	0.13	-5.29
Total liquidity indicator	3.12	2.92
Liabilities-to-equity ratio	0.39	0.45
Other indicators		
Number of employees	138	134
Average gross remuneration per employee per year, thousand EUR	13.2	14.4
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no

LLC Ludzas medicīnas centrs (LMC)

Reg. No. 40003258973
Web: www.ludzahospital.lv
State ownership 57.95%



LMC (in English - Ludza Medical Centre) is a medical treatment institution providing stationary (in-patient) health services in the care department, primary ambulatory (outpatient) health services, secondary ambulatory (outpatient) health services, ambulatory (outpatient) laboratory services and short-term social care.

General strategic objective

Not approved.

Most important events in 2020

- The capital company expanded the range of services offered.
- Investment in development by purchasing haemodialysis equipment, 64-line computed tomography, transoesophageal probe.
- Replacement of the roof covering of the old building of the hospital.
- By the end of 2020, the beds of 30 care patients were adapted to treat COVID-19 patients.

Most significant events planned in 2021

- It is planned to repair the old building of the hospital in accordance with the decision of the State Construction Control Bureau and the opinion of the technical inspection of the structures.
- It is planned to purchase medical equipment and additional equipment in accordance with the State budget funds allocated by the National Health Service.
- It is planned to carry out repairs in the administrative building of the hospital.

Principal financial objectives

- Profit or loss: EUR 78 698.
- Operating cash flow: EUR 105 629.
- Total liquidity ratio: 3.12.
- Investment: EUR 130 000.

Principal non-financial objectives

- Total number of fixed beds: 47.
- Average duration of inpatient treatment: 8 days.
- Bed occupancy: 85%.

Results achieved

- The capital company has achieved the financial objectives, except for the amount of investments, which reached only EUR 45 953, because during the reporting period the replacement of the roof of the hospital's medical department (the old building) was started later than planned.
- The capital company has not achieved non-financial targets, except for the average duration of treatment. The achievement of non-financial targets has been hampered by COVID-19 containment measures, which resulted in a reduction in the number of beds in hospital and total bed load was lower than planned.

Governance

Shareholder – Ministry of Health
Representative of Shareholder – Daina Mūrmane-Umbraško
Member of Management Board – Juris Atstupens

Principal financial indicators, thousand EUR

	2019	2020
Turnover	3 239.1	3 336.9
Profit/loss	450.6	244.4
EBITDA	637.8	464.1
Total assets	8 556.6	9 325.0
Share capital	7 321.7	7 321.7
Equity	7 386.8	7 631.3
Investment	364.5	702.5
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	854.3	968.5
Donations received	0.0	0.3
Donations made	0.0	0.0
Funding received from the state budget	2 773.7	2 895.0
Principal financial indicators, % and coefficients		
Profit and turnover ratio, %	13.91	7.32
Return on assets, ROA, %	5.27	2.62
Return on equity, ROE, %	6.10	3.20
Total liquidity indicator	3.03	2.60
Liabilities-to-equity ratio	0.16	0.22
Other indicators		
Number of employees	180	181
Average gross remuneration per employee per year, thousand EUR	9.6	10.9
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no

SLLC Nacionālais rehabilitācijas centrs "Vaivari" ("Vaivari")

Reg. No. 40003273900

Web: www.nrcvaivari.lv

State ownership 100%

"Vaivariem" has no ownership in other capital companies



Vaivari (in English - National Rehabilitation Center Vaivari) is an object of national significance for medical rehabilitation, health and social care, education and science - the largest medical institution of this type in Latvia. The main areas of activity of SLLC Vaivari are hospital and outpatient medical rehabilitation, provision of technical aid function and manufacture of technical aids.

General strategic objective

To preserve, improve and restore the health of the population by ensuring the provision of complex multidisciplinary rehabilitation services and technical aids to the population of Latvia, including children, while providing a clinical basis for the education of medical personnel and promoting the development of science and research.

Most important events in 2020

- During the reporting period, Vaivari acquired the status of a well-trained rehabilitation centre at European level.
- Received accreditation of the spinal patient rehabilitation programme for 5 years in the European Union of Medical Professionals' Physical Rehabilitation Medical Sections.
- Preparation of the amputation programme for accreditation.
- Implemented Clinical Methodical Management Project in the Rehabilitation Sector.
- A new robotised running device Lokomat Pro has been purchased.

Most significant events planned in 2021

It is planned to carry out the simplified renovation of Department 1, the design and construction of a new outpatient department, as well as to start the operation of the Functional Assessment Laboratory.

Principal financial objectives

- Profit of loss: EUR 5 000.
- Net cash flow from operating activities: EUR: 3 160 611.
- Total liquidity ratio: 1.05.
- Projected investments: EUR 2 906 059.

Principal non-financial objectives

- Bed occupancy: 80%.
- Total number of fixed beds at the end of the period: 250.
- Average duration of treatment, days: 12.5.
- Average number of overtime worked per medical person working overtime during the period: 168%.

Results achieved

- During the reporting period, the capital company partially achieved its financial objectives. The amount of investment did not reach the projected due to delays in the implementation of the ERDF project, as well as reduced demand for technical aids as a result of the spread of COVID-19. In the context of COVID-19, the capital company reduced the number of beds in hospital, as well as reduced the load on the beds due to the lower patient flow than planned.

Governance

Shareholder – Ministry of Health

Representative of Shareholder – Daina Mūrmāne-Umbraško

Chair of the Management Board – Anda Nulle

Member of Management Board – Mārtiņš Oļiņš

Principal financial indicators, thousand EUR

	2019	2020
Turnover	13 958.0	14 907.6
Profit/loss	17.6	23.2
EBITDA	1 756.0	2 794.3
Total assets	14 689.9	15 316.3
Share capital	793.7	793.7
Equity	1 971.4	1 994.6
Investment	3 987.2	2 450.0
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	3 123.0	3 091.9
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	12 746.7	13 882.9

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.13	0.16
Return on assets, ROA, %	0.12	0.15
Return on equity, ROE, %	0.89	1.16
Total liquidity indicator	0.95	1.13
Liabilities-to-equity ratio	6.45	6.68

Other indicators

Number of employees	465	451
Average gross remuneration per employee per year, thousand EUR	11.2	13.1
Gender representation in management, f/m	2/1	1/1
Annual report in accordance with IFRS (yes/no)	no	no

SLLC Paula Stradiņa klīniskā universitātes slimnīca (PSKUS)

Reg. No. 40003457109

Web: www.stradini.lv

State ownership 100%

PSKUS has no ownership in other capital companies

PSKUS (in English - Pauls Stradiņš Clinical University Hospital) is a multi-profile hospital that provides full-scale emergency and planned medical assistance, as well as pre-diploma and post-diploma education, conducts scientific research and ensures the approbation and implementation of new therapeutic methods and technologies in Latvia.

General strategic objective

To preserve, improve and restore the health of the population by providing high-quality, efficient and accessible wide-range tertiary, emergency and planned health care services to the population of Latvia, implementing the principle of territorial cooperation of medical institutions in Rīga and Pierīga region, while ensuring a clinical base for medical education and knowledge transfer to regions, as well as promoting the development of science and research.

Most important events in 2020

- Refurbishment and appropriate provision of space and technology according to patients' needs.
- Provided response to crisis with limited staff resources.
- Work on the implementation of infrastructure projects to strengthen the capacity of the hospital has continued.

Most significant events planned in 2021

- Improving the access to services, increasing efficiency and quality, promoting efficient resource management and sustainable development of the hospital will continue.
- The technological park and infrastructure will be improved by implementing the construction of a medical centre and operation unit in modular structures.
- Work on the implementation of the research and medical education programme will continue.
- The financial stability of the hospital's operations will be improved.

Principal financial objectives

- Profit or loss: EUR -2 989 715.
- Net cash flow of operating activities: EUR 1 972 446.
- Total liquidity ratio: 0.72.
- Capital structure (liabilities to equity): 346%.
- Investment amount: EUR 23 126 181.

Principal non-financial objectives

- Number of patients treated in hospital: 49 002.
- Number of outpatient visits: 264 210.
- Average duration of treatment, days: 5.30.
- Bed load: 80%.
- Number and percentage of re-hospitalisations: 220 or 0.46.

Results achieved

- In 2020, services were provided for a total of 281 117 patients. The non-execution of the planned number of patients is related to the restrictions imposed on the provision of planned services for epidemiological safety purposes. Effective provision of health services during the reporting period, ensuring high bed occupancy and low average duration of treatment. The financial results are better than expected: the loss is below the expected and the operating cash flow is significantly higher than projected.



PAULA STRADIŅA
KLĪNISKĀ UNIVERSITĀTES
SLIMNĪCA

Governance

Shareholder – Ministry of Health

Representative of Shareholder – Daina Mūrmane-Umbraško

Chairman of Supervisory Council – Reinis Ceplis

Member of Supervisory Council – Juris Lapše,

Renaldas Jurkevivičius

Chair of Management Board – Rinalds Muciņš

Members of Management Board – Ilze Kreicberga,

Agra Ločmele, Jānis Naglis

Principal financial indicators, thousand EUR

	2019	2020
Turnover	118 730.9	128 686.2
Profit/loss	-3 407.2	-448.6
EBITDA	3 264.2	6 083.8
Total assets	142 750.6	163 567.8
Share capital	49 968.8	65 304.0
Equity	32 124.1	47 010.7
Investment	11 280.9	12 956.4
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	25 442.5	29 784.4
Donations received	331.2	196.3
Donations made	0.0	0.0
Funding received from the state budget	113 010.6	134 900.6

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-2.87	-0.35
Return on assets, ROA, %	-2.39	-0.27
Return on equity, ROE, %	-10.61	-0.95
Total liquidity indicator	0.81	1.26
Liabilities-to-equity ratio	3.44	2.48

Other indicators

Number of employees	2 941	3 072
Average gross remuneration per employee per year, thousand EUR	16.4	17.6
Gender representation in management, f/m	2/1	2/5
Annual report in accordance with IFRS (yes/no)	yes	yes

SLLC Piejūras slimnīca (PJS)

Reg. No. 40003343729

Web: www.piejurasslimnica.lv

State ownership 100%

PJS has no ownership in other capital companies

PJS (in English – Seaside Hospital) is the only medical institution of psychiatric profile in Kurzeme, which provides mental health care services for residents of Liepāja, Ventspils, Kuldīga and surrounding regions – outpatient and inpatient health care services, including forced treatment following the court decision, and rehabilitation facilities for patients with psychiatric profile.

General strategic objective

To preserve, improve and restore mental health of the population by ensuring the provision of high-quality, efficient, patient-oriented psychiatric services to the residents of the Kurzeme region.

Most important events in 2020

- Development of alternative or expansion of rehabilitation and medical treatment services, expanded multidisciplinary rehabilitation team.
- Cross-border project INTERREG No. LLI-336 “Successful Psychosocial and Sensory Rehabilitation for Children and Adults Suffering from Mental and Behavioural Disorders” (SUPER).
- Implementation of the cross-border project INTERREG No. LLI-445 “Sensory Gardens for Inclusion of Socially Vulnerable Groups in Society in LAT-LIT Territory” (sensory gardens) has been launched.

Most significant events planned in 2021

- It is planned to continue the development of alternative or expand outpatient health services, rehabilitation and medical treatment services.
- The implementation of the cross-border project INTERREG No. LLI -45 “Sensory Gardens for Inclusion of Socially Vulnerable Groups in Society LAT-LIT territories” will continue.
- It is planned to expand and modernise hospital reception and patient observation unit.

Principal financial objectives

- Profit or loss: EUR 567.
- Total liquidity ratio: 1.48.
- Capital structure (liabilities to equity): 25.4%.
- Planned investments: EUR 355 342.

Principal non-financial objectives

- Total number of fixed beds: 95.
- Average duration of in-patient treatment, days: 32.
- Bed load: 92.
- Ratio of the number of doctors and nurses practising: 17/47.
- Proportion of medical practitioners working in the institution aged 25 - 40 of the total number of medical practitioners in the institution: 9.8%.



P I E J Ū R A S
S L I M N Ī C A

Governance

Shareholder – Ministry of Health

Representative of Shareholder – Daina Mūrmane-Umbraško

Chair of Management Board – Artūrs Bērziņš

Principal financial indicators, thousand EUR

	2019	2020
Turnover	5 143.3	4 154.9
Profit/loss	3.8	39.0
EBITDA	282.5	296.0
Total assets	10 408.0	9 910.2
Share capital	699.5	699.5
Equity	8 054.8	7 952.4
Investment	93.1	149.6
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	1 458.7	1 565.9
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	5 051.3	4 115.5

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.07	0.94
Return on assets, ROA, %	0.04	0.39
Return on equity, ROE, %	0.05	0.49
Total liquidity indicator	1.22	1.44
Liabilities-to-equity ratio	0.29	0.25

Other indicators

Number of employees	205	172
Average gross remuneration per employee per year, thousand EUR	15.2	15.7
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- The financial objectives have been partially achieved. Profit exceeds the planned by 68%, the investment plan was realised at 43%. The projected investment amount has not been realised due to the transfer of certain purchases to 2021. Exacerbations, the duration of treatment and bed load in the hospital were increased.
- Consequences of COVID-19 and restrictions introduced during the emergency situation lead to an increase in the number of patients with mental health problems.

LLC Rīgas Austrumu klīniskā universitātes slimnīca (RAKUS)

Reg. No. 40003951628

Web: www.aslimnica.lv

State ownership 100%

Related companies and shares:

LLC Rīgas hematoloģijas centrs 100%

LLC Veselības centrs Biķernieki 99.58%

RAKUS (in English -Riga East Clinical University Hospital) is the largest multi-profile hospital of utmost strategic importance in the country, providing highly specialised hospital and outpatient healthcare services. RAKUS carries out scientific research work and develops innovations, provides training of young specialists and implements measures for public education and health promotion. The hospital consists of five hospitals – “Gaiļezers”, “Latvijas Onkoloģijas centrs” (in English - Latvian Oncology Centre), “Biķernieki”, “Latvijas Infektoloģijas centrs” (in English - Latvian Infectology Centre) and “Tuberkulozes un plaušu slimību centrs” (in English - Tuberculosis and Lung Diseases Centre), as well as “Patoloģijas centrs” (in English - Pathology Centre).

General strategic objective

To preserve, improve and restore the health of the population by providing high-quality, efficient and accessible wide-range tertiary, emergency and planned health care services to the population of Latvia, by implementing the principle of territorial cooperation of medical institutions in Pierīga region and Riga, while ensuring clinical base for medical education and knowledge transfer to regions, as well as promoting the development of science and research.

Most important events in 2020

- RAKUS has become the leading treatment institution for COVID-19 patients in Latvia. In 2020, 1 372 COVID-19 patients were treated, representing 35% of all patients treated in the hospitals of Latvia.
- The reconstruction process of the 1st building of the hospital “Gaiļezers” has been completed.
- The electronic medicines prescription system has been introduced.

Most significant events planned in 2021

- It is planned to implement the patients' reporting system.
- Develop RAKUS as a competence centre for professional skills and skills development of medical and medical support staff in Latvia.
- The EU-accredited Cancer Centre project will be launched.

Principal financial indicators

- Profit or loss: EUR -2 604 762.
- Net cash flow of operating activities: EUR 7 559 979.
- Total liquidity ratio: 0.9.

Principal non-financial indicators

- The proportion of first consultations and diagnostic examinations of the “green corridor” provided during the period specified in regulatory enactments, not less than: 85%.
- Re-hospitalisation with the same diagnosis within 24 hours, no more than: 0.5%.
- Number of new clinical trial contracts, not less than: 20.
- Percentage of physical infrastructure (buildings and structures) refurbished over the past 5 years, not less than: 34%.



Governance

Shareholder – Ministry of Health

Representative of Shareholder – Daina Mūrmane-Umbraško

Chair of Supervisory Council – Tīna Kukka

Members of Supervisory Council – Valts Ābols, Erki Moelder

Chair of Management Board – Imants Paeglītis

Members of Management Board – Kaspars Plūme,

Aleksejs Višņakovs, Andis Pinkulis

Principal financial indicators, thousand EUR

	2019	2020
Turnover	142 203.2	164 767.1
Profit/loss	-3 581.6	-533.7
EBITDA	10 449.6	14 836.4
Total assets	131 760.7	144 640.1
Share capital	37 486.0	50 336.2
Equity	-8 166.0	4 150.4
Investment	15 807.6	22 755.6
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	34 785.0	39 198.8
Donations received	0.0	71.4
Donations made	0.0	0.0
Funding received from the state budget	139 041.5	159 390.6

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-2.52	-0.32
Return on assets, ROA, %	-2.72	-0.37
Return on equity, ROE, %	n/a	-12.86
Total liquidity indicator	0.84	1.19
Liabilities-to-equity ratio	n/a	33.85

Other indicators

Number of employees	4 468	4 655
Average gross remuneration per employee per year, thousand EUR	14.1	15.8
Gender representation in management, f/m	1/5	1/6
Annual report in accordance with IFRS (yes/no)	yes	yes

Results achieved

- The best profit/loss calculation since 2010 – by EUR 2.1 million higher than expected.
- Investments of EUR 22.7 million have been made in the renovation of infrastructure and equipment, which is by EUR 6.9 million more than last year.
- Cash flow from operating activities was 55% higher than expected.
- The number of new clinical trial contracts increased by 25%.

SLLC Rīgas Psihiatrijas un narkoloģijas centrs (RPNC)

Reg. No. 50003342481

Web: www.rpnc.lv

State ownership 100%

RPNC has no ownership in other capital companies

RPNC (in English - Riga Centre of Psychiatry and Narcology) is the leading medical institution in the area of mental health care and treatment in psychiatry and narcology. The RPNC provides publicly accessible high-level outpatient and inpatient health care services in the field of mental health disorders and to addictive patients at all stages of treatment - prevention, diagnosis, treatment, medical rehabilitation and patient care, as well as provides ample opportunities for student training and research in psychiatry and narcology. The RPNC is also a forensic institution and the seat of professional associations.

General strategic objective

To preserve, improve and restore the mental health of the population by ensuring the provision of high-quality, efficient, patient-oriented emergency and planned psychiatry and narcology services to the population of Latvia; as well as to provide forensic expertise in the field of psychiatry, psychology and narcology and the application of all forms of coercive measures of a medical nature, while maintaining the clinical base for the education of medical personnel and promoting the development of science and research.

Most important events in 2020

- Medium-term operational strategy of RPNC for 2020 - 2022 approved.
- New facilities have been created for the work of psychologists.
- Further infrastructure improvement works and outdoor improvement works have been carried out.

Most significant events planned in 2021

- Participation in the project of the ERDF Operational Programme "Growth and Employment" Specific Support Objective 4.2.1 "Promote Energy Efficiency in Public and Residential Buildings".
- Development and author's supervision of multifunctional outpatient centre in Riga, 2 Tvaika Street.
- Improvement of IS systems.
- Development of RPNC Human Resources Management and Technology Development Strategies.
- Construction of modular houses (modular system) in the amount of 324 m² Riga, 2 Tvaika Street.

Principal financial objectives

- Profit or loss: EUR 5 000.
- Net cash flow of operating activities: EUR 594 300.
- Total liquidation rate: 1.20.
- Capital structure (liabilities to equity): 50%.
- Projected investments: EUR 1 582 954.

Principal non-financial objectives

- Total number of fixed beds: 536.
- Average duration of treatment: 24 days.
- Number of patients treated in hospital: 7 325.
- Number of outpatient visits: 84 251.
- Number of patients in day-care hospital : 581.



RĪGAS PSIHIATRIJAS UN
NARKOLOĢIJAS CENTRS

ANNO 1824

Governance

Shareholder – Ministry of Health

Representative of Shareholder – Daina Mūrmane-Umbraško

Chair of Management Board – Iveta Ķiece

Members of Management Board – Irina Starkova

Principal financial indicators, thousand EUR

	2019	2020
Turnover	20 104.8	20 458.4
Profit/loss	22.4	4.9
EBITDA	1 038.7	522.2
Total assets	26 371.2	27 805.2
Share capital	11 818.7	11 818.7
Equity	18 013.4	18 466.3
Investment	1 904.6	802.1
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	6 540.9	7 264.4
Donations received	0.0	2.8
Donations made	0.0	0.0
Funding received from the state budget	18 639.6	20 134.9

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.11	0.02
Return on assets, ROA, %	0.08	0.02
Return on equity, ROE, %	0.12	0.03
Total liquidity indicator	1.13	1.42
Liabilities-to-equity ratio	0.46	0.51

Other indicators

Number of employees	996	1 002
Average gross remuneration per employee per year, thousand EUR	12.1	13.8
Gender representation in management, f/m	2/1	2/0
Annual report in accordance with IFRS (yes/no)	yes	yes

Results achieved

- The number of patients treated in hospital has decreased by 18% as a result of restrictions on the prevalence of the pandemic.
- In-patient average daily treatment duration was by 8% higher than expected, an increase due to COVID-19.
- The number of patients in hospital per day decreased by 28% versus planned, the decrease is due to the impact of COVID-19.
- The net cash flow of operating activities is below 80% compared to planned due to a significant decrease in net turnover for 2020, due to restrictions on the provision of healthcare services during the COVID-19 emergency.
- The implementation of the investment plan is less than 49% relative to the planned implementation of the investment projects (construction works suspended; construction works were postponed to the next year due to their seasonality).

SLLC Slimnīca Ģintermuiža (ĢM)

Reg. No. 40003407396

Web: www.gintermuiza.lv

State ownership 100%

ĢM has no ownership in other capital companies

ĢM (in English – Ģinter-manor) is a specialised medical institution that provides outpatient and inpatient health care services in psychiatry and narcology, as well as implements several social care and social rehabilitation service programmes for people with mental disorders and addiction problems.

General strategic objective

To preserve, improve and restore the mental health of the population by ensuring the provision of high-quality, efficient, patient-oriented psychiatric and narcological services to the residents of Zemgale and Kurzeme regions, including children.

Most important events in 2020

- Implementation of the measures of the plan to improve access to mental health care for 2019 - 2020.
- Initiation of the reconstruction process of the 24-hour hospital reception department.
- Implementation of the cross-border cooperation project ACCESSlife LLI365 “Development of Social Services and Social Inclusion Measures for Vulnerable Groups” - Construction of Infrastructure for Garden of Feelings.
- The introduction of a number of measures related to patient safety and quality of healthcare in the treatment and care process.

Most significant events planned in 2021

- Reconstruction of the 24-hour hospital's reception department.
- Development of a construction design for a psychosocial rehabilitation centre.
- Expansion of rehabilitation services, attraction of functional specialists, diversification of the service.
- In-patient approbation of the methodology for determining and evaluating the self-care level of patients.

Principal financial objectives

- Profit: EUR 23 593.
- Net cash flow of operating activities: EUR 214 183.
- Total liquidity ratio: 0.78.
- Liabilities to equity, %: 252%.
- Planned investments: 472 180.

Principal non-financial objectives

- Total number of fixed beds: 325.
- Ratio of the number of practitioners (without dentists and residents) and nurses practising: 42/113.
- Proportion of medical practitioners working in the institution in the age group 25 - 40 of the total number of medical practitioners working in the institution, %: 22.
- Average duration of treatment (days) in hospital: 30.

Results achieved

- Minor non-fulfilment of financial targets, with the exception of overtime work rates that have increased as a result of the COVID-19, ensuring the replacement of sick employees.
- Profits significantly exceed expectations, the liquidity of the capital company has improved significantly.



ĢINTERMUIŽA

Governance

Shareholder – Ministry of Health

Representative of Shareholder – Daina Mūrmāne-Umbraško

Member of Management Board – Artūrs Bērziņš

Principal financial indicators, thousand EUR

	2019	2020
Turnover	8 738.8	9 607.9
Profit/loss	309.2	219.3
EBITDA	533.9	452.4
Total assets	14 340.0	14 901.3
Share capital	3 383.0	3 811.0
Equity	3 825.0	4 472.3
Investment	103.7	568.4
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	2 715.0	3 336.9
Donations received	4.6	20.8
Donations made	0.0	0.0
Funding received from the state budget	8 865.0	9 412.6

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	3.54	2.28
Return on assets, ROA, %	2.16	1.47
Return on equity, ROE, %	8.08	4.90
Total liquidity indicator	1.15	1.11
Liabilities-to-equity ratio	2.75	2.33

Other indicators

Number of employees	521	557
Average gross remuneration per employee per year, thousand EUR	10.8	11.5
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no

LLC Lielstraupes pils (LSP)

Reg. No. 40003342456

State ownership 100%

SNS has no ownership in other capital companies

Previous name: LLC Straupes |Narkoloģiskā slimnīca (SNS)

LSP was registered on May 19, 1997. Until 1 January 2018, the main activity of the SNS was the provision of inpatient medical care to the population and the rehabilitation of adolescents addicted to psychoactive substances. Taking into account that since 2018 the LSP no longer provides health care services and does not generate income and functions of the Ministry of Health are not related to the maintenance of cultural monuments, as well as there are no resources at its disposal for the management of the castle, as well as for repair works to ensure the preservation of Lielstraupe Palace as a cultural monument and a significant tourism site, as well as a historical symbol of the municipality, a Cooperation Agreement was concluded between the Ministry of Health and the Municipality of Pārgauja on 22 February 2018, providing that until the moment the Ministry of Health invests real estate in the share capital of the Company and transfers its shares of the Company's capital free of charge, the Local Government shall take over the management of real estate.

General strategic objective

(as of 31.12.2018; no longer relevant)

To be a high-level professionals in narcology, to help alcohol addicts fight their addiction and return to the labor market and public life.

Most important events in 2020

In 2020, real estate valuation was carried out.

Most significant events planned in 2021

On 19 January 2021, real estate valuation reports were received from the property valuer. The draft order "On the Investment of the State real estate in the Equity Capital of LLC "Lielstraupes pils" and the transfer of State-owned capital shares to the local government" is being submitted to the Cabinet of Ministers for examination of the issue regarding permission for the Ministry of Health to invest in LLC Lielstraupes pils, registration No. 40003342456, as a property contribution to the State real estate, which are entered in the Land Register in the name of the State in the person of the Ministry of Health.

Principal financial objectives

Utility revenue: EUR 2 533.

Principal non-financial objectives

Not set.

Results achieved

Does not carry out active economic activities.

Governance

Shareholder – Ministry of Health

Representative of Shareholder – Daina Mūrmane-Umbraško

Member of Management Board – Maruta Drubiņa

Principal financial indicators, thousand EUR

	2019	2020
Turnover	0.0	0.0
Profit/loss	-4.7	-4.2
EBITDA	0.0	0.0
Total assets	55.6	57.7
Share capital	96.1	103.5
Equity	51.6	54.7
Investment	0.0	0.0
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	3.5	2.1
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	0.0	0.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	n/a	n/a
Return on assets, ROA, %	-8.51	-7.29
Return on equity, ROE, %	-9.18	-7.69
Total liquidity indicator	13.66	19.63
Liabilities-to-equity ratio	0.08	0.05

Other indicators

Number of employees	1	1
Average gross remuneration per employee per year, thousand EUR	4.2	4.6
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no

SLLC Strenču psihoneiroloģiskā slimnīca (SPNS)

Reg. No. 50003408181

Web: www.strencupns.lv

State ownership 100%

SPNS has no ownership in other capital companies

SPNS (in English – Strenči Psychoneurological Hospital) is a specialised medical institution covering the entire Vidzeme region with highly qualified, varied staff capable of providing treatment, care and rehabilitation to patients with mental illnesses in hospital, in the day-care hospital and in hospital, applying the most modern methods of therapy. One of the best specialised hospitals in the country where to recover mental health and work.

General strategic objective

To preserve, improve and restore the mental health of the population by ensuring the provision of high-quality, efficient, patient-oriented psychiatric and narcological services to the population of Vidzeme region.

Most important events in 2020

- SPNS received awards: Diversity in the category “Our Principles”; The Silver category of the Sustainability Index; LDDK Balance Award in the category “Support Measures for Employees with Children under 18”; LTBF J.Leimanis Award for Artist M.Everte; A Silver-level participant of the in-depth cooperation programme; MoH Awards for specialists.
- An outdoor fitness area has been created in the SPNS' area.
- New service: an early health check for drivers; agreement was reached on the launch of the day-care hospital services in 2021.
- Environmental accessibility assessment.

Most significant events planned in 2021

- To start providing day-care hospital services in a multi-professional team.
- To take energy efficiency improvement measures, indoor reconstruction and reconstruction of the building in Department 6.
- To increase the average monthly income per employee by 22%.
- To implement a cooperation project on knowledge transfer in the application of the MEKT treatment method.
- To create a sensory room.
- To provide an electroencephalography service for adults and children.

Principal financial objectives

- Close the year with a profit: EUR 238 111.
- Positive operating cash flow: EUR 741 450.
- Total liquidity ratio: 1.35.
- Implementation of the investment plan: EUR 1 029 219.

Principal non-financial objectives

- Keep the optimal number of open beds: 300.
- Maintain the average duration of treatment, days: 25.
- Bed load: 90%.
- Proportion of medical practitioners working in the institution aged 25 - 40 of the total number of medical practitioners in the institution: 21%.



Governance

Shareholder – Ministry of Health

Representative of Shareholder – Daina Mūrmane-Umbraško

Member of Management Board – Maija Ancverīņa

Principal financial indicators, thousand EUR

	2019	2020
Turnover	7 658.9	8 010.5
Profit/loss	447.8	372.5
EBITDA	833.0	777.5
Total assets	7 597.4	7 847.4
Share capital	2 584.0	2 584.0
Equity	4 829.9	5 266.5
Investment	469.5	351.0
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	2 193.7	2 702.8
Donations received	0.2	0.0
Donations made	0.0	0.0
Funding received from the state budget	7 623.2	8 102.1

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	5.85	4.65
Return on assets, ROA, %	5.89	4.75
Return on equity, ROE, %	9.27	7.07
Total liquidity indicator	2.32	4.09
Liabilities-to-equity ratio	0.57	0.49

Other indicators

Number of employees	338	315
Average gross remuneration per employee per year, thousand EUR	12.7	15.0
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

Financial objectives have been partially achieved: the profit of the capital company exceeds the planned, positive cash flow is ensured, but does not reach the projected indicator. The impact of COVID-19 was 1.7% lower than expected. Providing standby regime for the treatment of COVID-19 patients, reducing the number of hospitalised patients by 15%, reducing the workload of beds and reducing the number of employees by 7 loads, which significantly reduced the planned reimbursement costs; the delay in the necessary legislative amendments led to a deviation from the investment plan of EUR 575 963 (Energy Efficiency Measures, Chapter 1).

SLLC Traumatoloģijas un ortopēdijas slimnīca (TOS)

Reg. No. 40003410729

Web: www.tos.lv

State ownership 100%

TOS has no ownership in other capital companies.

TOS's (in English - Hospital of Traumatology and Orthopaedics) main activity is the provision of secondary outpatient and inpatient medical services. The company's activities are: outpatient consultations, diagnostics, surgery, rehabilitation, training, research activities. There are several departments in the hospital – the Backbone Surgery Center, the Palm and Microsurgery Department, the Injury Center, the Joint Surgery Center. Their vision: to become a hospital for traumatology and orthopaedics of European importance, where the synthesis of treatment, education and research provides a modern package of medical treatment for patients.

General strategic objective

To preserve, improve and restore the health of the population by ensuring the provision of high-quality, efficient and accessible emergency and planned medical care, as well as tertiary health care services in traumatology and orthopedics to the Latvian population, while providing a clinical base for medical education and promoting scientific and research development.

Most important events in 2020

- The bone allograft preparation project has been adjusted and equipment.
- Within the framework of the ERDF project, the 3rd block of the hospital has been reconstructed.
- Development perspective of TOS as the center of national importance traumatology and orthopedy has been elaborated.
- Re-establishment of patients' medical equipment.
- Continuous training courses for staff.

Most significant events planned in 2021

- To carry out reconstruction works within the framework of the project "SLLC" Traumatology and Orthopaedic Hospital "5th Operation Block Reconstruction, Establishment of Endoprosthetic Operating Room".
- To implement phase 1 of the sterile material logistics system – Synapsis part 1 of the surgical instruments and sterile materials tracking system.
- To prepare a reconstruction plan for the rehabilitation department.
- To create a tissue bank for the preparation of bone allografts.

Principal financial objectives

- Profit: EUR 444 841.
- Net cash flow of operating activities: EUR 1 190 915.
- Total liquidity ratio: 2.03.
- Liabilities to equity, %: 122.
- Implementation of the Investment Plan: EUR 415 490.

Principal non-financial objectives

- Total number of fixed beds: 220.
- Average duration of treatment, days: 6.2.
- Bed load: 64.13%.
- Number of computed tomography examinations for inpatient and outpatient patients in total: 4 324.



TRAUMATOLOĢIJAS UN ORTOPĒDIJAS SLIMNĪCA

Governance

Shareholder – Ministry of Health

Representative of Shareholder – Daina Mūrmane-Umbraško

Chair of Management Board – Anita Vaivode

Members of Management Board – Inese Rantiņa,

Modris Ciems

Principal financial indicators, thousand EUR

	2019	2020
Turnover	18 683.4	19 173.1
Profit/loss	586.7	670.6
EBITDA	1 316.0	1 390.7
Total assets	14 046.2	14 998.8
Share capital	3 947.0	3 947.0
Equity	6 220.2	6 832.0
Investment	1 184.6	430.4
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	4 388.2	4 969.9
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	16 109.6	17 139.9

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	3.14	3.50
Return on assets, ROA, %	4.18	4.47
Return on equity, ROE, %	9.43	9.82
Total liquidity indicator	1.90	1.60
Liabilities-to-equity ratio	1.25	1.18

Other indicators

Number of employees	542	561
Average gross remuneration per employee per year, thousand EUR	15.0	16.3
Gender representation in management, f/m	2/1	2/1
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- Profit indicators have been overachieved by 23%. The hospital was able to balance revenue and expenditure in line with the COVID-19 pandemic. The number of beds relative to the planned decrease by 8% as the number of fixed beds was reduced during the reconstruction of the 3rd block. The average duration of treatment decreased slightly. The indicator is positive due to significant improvements in the Rehabilitation Unit. The load on the beds falls short of the planned 19%. Decline in indicator due to COVID-19.

6.7. Culture



SLLC Dailes teātris (DailesT)

Reg. No. 40003783138

Web: www.dailesteatris.lv

State ownership 100%

DailesT has no ownership in other capital companies

DailesT (in English - Dailes Theatre) - a theatre with the most brilliant history of directing theatre in the culture of Latvia whose style was formed by its founder – the actor and director Eduards Smiļģis for more than forty years. DailesT is the largest professional repertory theatre in Latvia with three stages. The Chamber Hall and the Small Hall are dedicated to close-up demanding psychological performances, experimental productions and searches for theatre aesthetics, but the 1000-seat Great Hall - for the widest range of performances for a variety of tastes.

General strategic objective

To promote a mentally full-fledged, economically active society, its cultural education and recreation opportunities, the availability of theatrical art and the preservation of Latvia's cultural identity.

Most important events in 2020

- Ticket revenues generated to achieve the strategic objectives of the Daile Theatre amount to EUR 1 153 779.
- 12 new productions.
- The project to improve the energy efficiency of the DailesT building has been launched.

Most significant events planned in 2021

- Provision of professional repertoire covering the widest audience, new productions.
- Continuation of the project to improve the energy efficiency of the building.

Principal financial indicators

- Revenues from ticket sale: EUR 2 479 768.
- Profit: EUR 1 136.
- Income from lease of premises: EUR 288 291.
- Planned donations: EUR 7 600.

Principal non-financial objectives

- Number of visitors per year: 190 000.
- Number of performances per year: 480.
- Number of new productions per year: 16.
- Number of guest performances per year: 18.
- Continuous occupancy of the halls: 87.

Results achieved

- The reporting year shows a significant reduction in performances, shows and visits directly related to the introduction of COVID-19 pandemic containment measures.
- Actual turnover by 49% lower than expected, as epidemiological safety measures have led to reduced rental and ticketing revenues, while actual profits are higher than expected;
- Return on equity increased.
- During the reporting year DailesT received EUR 4 435 566 from the state/municipal government budget, which was invested to carry out urgent repair works of cultural infrastructure – renovation works for the building in Rīga, at 75 Brīvības Street.



DAILES TEĀTRIS

Governance

Shareholder – Ministry of Culture

Representative of Shareholder – Baiba Zakevica

Member of Management Board – Juris Žagars

Principal financial indicators, thousand EUR

	2019	2020
Turnover	2 633.5	1 260.2
Profit/loss	4.8	4.9
EBITDA	137.1	107.3
Total assets	1 084.7	1 336.5
Share capital	54.2	54.2
Equity	31.3	36.2
Investment	90.4	395.4
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	1 384.2	1 406.9
Donations received	7.6	0.3
Donations made	0.0	0.0
Funding received from the state budget	2 012.3	4 435.6

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.18	0.39
Return on assets, ROA, %	0.45	0.37
Return on equity, ROE, %	15.45	13.66
Total liquidity indicator	0.87	1.60
Liabilities-to-equity ratio	33.68	35.89

Other indicators

Number of employees	231	204
Average gross remuneration per employee per year, thousand EUR	10.2	12.1
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no

SLLC Daugavpils teātris (DT)

Reg. No. 41503037608

Web: www.daugavpilsteatris.lv

State ownership 100%

DT has no ownership in other capital companies

DT (in English - Daugavpils Theatre) is the only professional theatre in Latgale. It ensures the availability of artistically high-quality professional theatrical arts to the inhabitants of Latgale region by developing and improving the unique image of trilingual, musically dramatic theatre, including preserving and promoting Latgalian cultural values and contributing to the strengthening of national identity.

General strategic objective

Creation, distribution, preservation and promotion of cultural values in the field of theatre art.

Most important events in 2020

- Mikhail Samodahov, actor of DT was nominated for the "Spēlmaņu Night" Award in the category "Actor of the Year in the Role of the Second Plan".
- Latvian television broadcast "Theater.zip" recorded and showed comedy in Latgalian "Auditor in Sylagolā".
- Cooperation agreements were signed with J. Kupala National Academic Theatre (Minsk) and Evgeny Vahtangov Moscow Academic Theatre.
- Participation in two international festivals in Lithuania and remote participation in international festival in Russia.

Most significant events planned in 2021

- Creation of a new actor course in collaboration with Stanislavs Broks Daugavpils Secondary School of Music.
- Creation of a small hall in the premises of the Vienības House in the semi-basement.
- Reconstruction of decorations and costume storage facilities.
- Completion of new productions (B.Akunin, "Kaija - II", A.Vampilova, "Provincial Anecdotes", A.Mīrsva, "Samson's Journey", M.Zīle's musical production "In the Footsteps of the Bear of Happiness") and at least four new performances.

Principal financial objectives

- Profit: EUR 930.
- Revenues from ticket sales: EUR 122 000.
- Other own revenues: EUR 12 000.

Principal non-financial objectives

- Number of new performances: 8.
- Number of performances: 111.
- Number of visitors per year: 23 500.

Results achieved

- The epidemiological restrictions had a significant impact on the number of new productions, performances and visitors per year, thus the projected non-financial objectives were not met, as well as other own revenues and revenues from ticket sale reduced.
- The own revenue plan has been completed by 87%, with revenue from ticket sales amounting to 69% of the planned. The profit is higher than expected.
- DT has staged six new productions, which is by 25% less than planned;
- The number of visits is by 53% lagging behind schedule.



Governance

Shareholder – Ministry of Culture

Representative of Shareholder – Baiba Zakevica

Chair of Management Board – Oļegs Šapošņikovs

Member of Management Board – Rita Strode

Principal financial indicators, thousand EUR

	2019	2020
Turnover	242.1	94.5
Profit/loss	0.9	5.1
EBITDA	42.2	46.6
Total assets	209.7	462.4
Share capital	32.8	32.8
Equity	66.8	71.8
Investment	43.3	33.6
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	385.8	464.1
Donations received	11.3	4.0
Donations made	0.0	0.0
Funding received from the state budget	1 097.3	1 591.8

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.37	5.38
Return on assets, ROA, %	0.43	1.10
Return on equity, ROE, %	1.35	7.08
Total liquidity indicator	1.00	1.04
Liabilities-to-equity ratio	2.14	5.44

Other indicators

Number of employees	84	84
Average gross remuneration per employee per year, thousand EUR	8.7	11.1
Gender representation in management, f/m	1/1	1/1
Annual report in accordance with IFRS (yes/no)	no	no

SLLC Jaunais Rīgas teātris (JRT)

Reg. No. 40003094953

Web: www.jrt.lv

State ownership 100%

JRT has no ownership in other capital companies

JRT (in English – The New Riga Theatre) is a professional repertoire theater that offers its viewers a smart, attractive and unusual repertoire - a modern view of classics, original Latvian drama and works by foreign authors. JRT's target audience are spectators who want to see a depiction of the sense of life in the modern world in the theater. JRT is currently staying in temporary premises at 58a Miera Street (opposite the Maternity Home), showing performances on two playgrounds, while the historic building in the center of Riga is under reconstruction.

General strategic objective

Creation, dissemination, preservation and promotion of Latvian cultural identity in the field of theatre art.

Most important events in 2020

- Under the impact of the COVID-19 pandemic, the theatre activity is severely restricted, suspending performances for a prolonged period of time;
- Development of new artistic solutions for reaching the audience and generating own revenue, the main project – production and distribution of 10 series of a multi-series film "Agency";
- Restructuring of the capital company's employment by adapting to the remote work, including the project – JRT READS BOOKS AT HOME

Most significant events planned in 2021

- Restoration of theatre's repertoire in the context of COVID-19 containment, with the opportunity to show as many live performances as possible to the widest possible audience;
- Preparation of new artistic solutions to reach the audience and generate own revenues under COVID-19, the largest project – preparation of the film "The White Helicopter";
- Preservation of theater troupe, ensuring theatrical productions in on-site working mode.

Principal financial objectives

- Revenue from ticket sales: EUR 1 100 000.
- Other own revenue: EUR 24 334.
- Average ticket price per year: EUR 16.
- Share of own revenue in total revenue: 40.58%.

Principal non-financial objectives

- Number of visitors per year: 75 000.
- Total number of performances per year: 300.

Results achieved

- Theatre maintained its activity also under epidemiological safety conditions. The total number of performances planned has not been reached, by 45% (135 performances).
- New Artistic Solutions were developed adapted to COVID-19. were developed. With regard to the collection of revenue from the Agency project, the performance of the indicator 'other own revenue' exceeds the plan by EUR 372698.
- Theatre's activity was adapted to epidemiological safety measures, by attracting audience in a digital environment (57300 views).

JAUNAIS RĪGAS TEĀTRIS

Miera iela 58a
pie Dzemdību nama

Governance

Shareholder – Ministry of Culture

Representative of Shareholder – Baiba Zakevica

Member of Management Board – Gundega Palma

Principal financial indicators, thousand EUR

	2019	2020
Turnover	1 976.2	703.7
Profit/loss	6.0	7.0
EBITDA	99.5	116.2
Total assets	1 653.0	1 525.2
Share capital	42.1	42.1
Equity	526.9	533.8
Investment	84.5	29.4
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	949.0	780.7
Donations received	2.2	62.2
Donations made	0.6	0.0
Funding received from the state budget	1 702.7	2 149.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.30	0.99
Return on assets, ROA, %	0.36	0.46
Return on equity, ROE, %	1.13	1.31
Total liquidity indicator	2.17	2.04
Liabilities-to-equity ratio	1.61	1.38

Other indicators

Number of employees	84	75
Average gross remuneration per employee per year, thousand EUR	24.2	20.8
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no

SLLC Kremerata Baltica (KB)

Reg. No. 40003487546

Web: www.kremerataltica.com

State ownership 100%

KB has no ownership in other capital companies

In 1997, the outstanding violinist Gidon Kremer founded the KB Chamber Orchestra, which consisted of outstanding young musicians from three Baltic countries - Latvia, Lithuania and Estonia. Within a few years, this group of talented musicians has developed into one of the best international chamber orchestras in the world and has secured an excellent reputation by performing in the world's most important concert halls. Kremer and KB have toured all over the world, performing on the world's most prestigious festival and concert hall stages.

General strategic objective

Preservation of the national cultural heritage in the field of professional symphonic music; strengthening, developing, updating and popularizing Latvian symphonic music culture in Latvia and abroad; as well as ensuring the availability of world music culture achievements in Latvia.

Most important events in 2020

- CD recording with G. Kremers, M. Gržinīti Til and Birmingham Orchestra received Gramophone2020 award.
- New Latvian music CD recording "PPP=3,12" has been created.
- KB continued its idiosyncratic programme – to promote opportunities for Baltic listeners to hear world-class stars from the Baltic States.
- Participation in international festival in Tartu, Estonia.

Most significant events planned in 2021

- Concerts in Latvia, Lithuania, Estonia with world-class soloists.
- KB series of concerts in the world: Europe, Asia, USA and Canada.
- KB XVIII Festival in Dzintari.
- Concert activity abroad.

Principal financial indicators

- Other operating income, thous. EUR: 574.
- Total liquidity ratio: 0.20.
- Share of own revenue vs. turnover: 28%.

Principal non-financial indicators

- Number of new programmes: 4.
- Number of concerts per year, including entries: 17.
- Number of visits per year, thousands: 7.5.
- Attendance (hall occupancy): 95%.
- Number of concerts abroad, including recordings, per year: 10.

Results achieved

- The reporting year is concluded with a profit of EUR 533, as well as due to COVID-19 restrictions, there is a very significant drop in net turnover and the non-financial targets have been partially achieved.
- In the reporting year KB has played 19 concerts, as well as prepared 6 new programmes.
- Due to COVID-19 restrictions, many concerts abroad were cancelled, however, KB has performed 10 concerts abroad (Germany, Lithuania, Belarus, Russia, Estonia).

K R E M E R A T A
B A L T I C A

Governance

Shareholder – Ministry of Culture

Representative of Shareholder – Dace Vilsone

Member of Management Board – Ingrīda Zemzare

Principal financial indicators, thousand EUR

	2019	2020
Turnover	887.1	169.3
Profit/loss	1.5	0.6
EBITDA	2.9	8.2
Total assets	165.8	71.4
Share capital	2.8	2.8
Equity	2.2	2.8
Investment	13.5	18.9
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	263.6	251.9
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	482.5	520.6

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.16	0.33
Return on assets, ROA, %	0.88	0.77
Return on equity, ROE, %	65.06	19.79
Total liquidity indicator	0.87	0.61
Liabilities-to-equity ratio	72.98	24.55

Other indicators

Number of employees	25	25
Average gross remuneration per employee per year, thousand EUR	18.0	17.5
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no

SLLC Latvijas Koncerti (LK)

Reg. No. 40003374610

Web: www.latvijaskoncerti.lv

VState ownership 100%

LK has no ownership in other capital companies

LK (in English – Latvia’s Concerts) is the only capital company in Latvia and abroad that has exclusive rights to represent the interests of the Latvian Radio Choir, State Chamber Orchestra Sinfonietta Rīga and Latvian Radio Big Bend worldwide, as well as to ensure their operation. LK owns several brands of festivals and concert cycles, which combine the most extensive musical events of professional music genres and styles. LK is a strategically important partner for the Latvian Parliament, government and other state and municipal institutions in organising events of national importance. LK represents the interests of Latvian professional musicians in Latvia and abroad.

General strategic objective

Preservation of diverse national cultural heritage in the field of music, strengthening, developing, updating and popularising Latvian professional music culture in Latvia and abroad, as well as ensuring access to world music cultural achievements in Latvia.

Most important events in 2020

- A new line of activity has been created and developed, offering concert broadcasts on terrestrial television and on the Internet, attracting an audience of more than 100 thousand spectators.
- Successfully offered digital concerts within the framework of the project “School Bag”.
- Major events: Grand Music Award Ceremony, Provision of State Festival Concert, Organisation of the Grand Concert of Latvian Symphony Music.

Most significant events planned in 2021

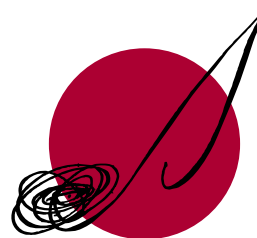
- Development of digital programmes to ensure access to professional arts.
- Maintaining the artistic professional abilities of musicians.
- Grand Music Award Ceremony, Grand Concert of Latvian Symphony Music, organisation of National Festival concerts.

Princial financial indicators

- Profit, thous.: EUR 10.5.
- Total liquidity ratio: 1.08.
- Net cash flow from operating activities, thous.: EUR 257.
- Cost-effectiveness: 0.89%.

Princial non-financial indicators

- Development of educational programmes for children and young people, concerts per year: 35.
- Operation of the chamber orchestra “Sinfonietta Rīga”, “Latvijas Radio koris”, “Latvijas Radio bigbend”, concerts of the year: 100.
- Concerts in the regions of Latvia in cooperation with municipalities per year: 70.
- Organisation of international festivals per year: 3.



LATVIJAS KONCERTI

Governance

Shareholder – Ministry of Culture

Representative of the Shareholder – Baiba Zakevica

Member of the Management Board – Guntars Ķirsis

Principal financial indicators, thousand EUR

	2019	2020
Turnover	1 465.0	550.0
Profit/loss	17.0	11.1
EBITDA	69.9	69.5
Total assets	922.7	1 186.5
Share capital	42.8	42.8
Equity	215.1	226.1
Investment	44.7	49.4
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	1 116.4	988.5
Donations received	0.0	4.0
Donations made	0.0	0.0
Funding received from the state budget	3 075.5	2 784.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.16	2.01
Return on assets, ROA, %	1.84	0.93
Return on equity, ROE, %	7.89	4.89
Total liquidity indicator	1.17	1.11
Liabilities-to-equity ratio	3.29	4.25

Other indicators

Number of employees	118	117
Average gross remuneration per employee per year, thousand EUR	14.5	14.3
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- The company worked on the introduction of new products, offering concert programmes in digital format.
- The accounting year concluded with a positive result – profit EUR 11 thousand, i.e. 5.4% higher than planned.
- Due to COVID-19 restrictions, in 2020, concert activities were completely banned for a long time, or with a limited presence of listeners, which did not generate the projected own revenues from the concert session. Compared to 2019, net turnover fell by 62%.

SLLC Latvijas Leļļu teātris (LLT)

Reg. No. 40003782984

Web: www.lelluteatris.lv

State ownership 100%

LLT has no ownership in other capital companies

LLT (in English – Latvia Puppet Theatre) is a professional puppet theatre that stages performances for children, teenagers and adults in Latvian and Russian. Productions are made for two halls — the large hall (230 seats), the small hall (80 seats) and performances for the smallest theatre museum premises (50 seats). The cooperation of LLT with schools, cultural houses and orphanages, as well as with regions of Latvia, has expanded significantly, organising collective visits and excursions in the theater. LLT is also actively involved in ensuring availability of theatrical service in the regions of Latvia by organising off-site performances.

General strategic objective

To promote an intellectually wholesome society, opportunities for cultural education and recreation, accessibility of theatre art and preservation of cultural identity of Latvia.

Most important events in 2020

- Through the State Culture Capital Foundation's funding for digital projects, professional video recordings of four performances were made.
- The actors of the Latvian Puppet Theatre are involved in the formation of the educational project "Your Class", preparing three Drama lessons for 6 - 12 grade students.
- At the windows of the LLT building an exhibition "Dolls Behind Glass" was opened on May 31 with the first open-air radio broadcast "Balloon Voices".

Most significant events planned in 2021

- Reconstruction works of the LLT building and thus it is planned to transfer the entire administrative part of the theatre in Rīga, Lāčplēša Street.
- It is planned to stage seven new productions, as well as to develop digital projects.
- Preparing digital versions of high-quality performances. Participation in virtual puppet festivals.

Principal financial objectives

- Profit, thous.: EUR 15.
- Total funding activity (net) cash flow in millions: EUR 1.19.
- Total liquidity ratio: 0.55.
- Liabilities to equity: 107%.

Principal non-financial objectives

- Total number of performances per year: 580.
- Number of performances outside the theatre's building in Latvia: 45.
- Number of new productions per year: 10.
- Number of visits per year, thousands: 75.
- Average ticket price: EUR 10.



Governance

Shareholder – Ministry of Culture

Representative of Shareholder – Baiba Zakevica

Member of Management Board – Vilnis Beķeris

Principal financial indicators, thousand EUR

	2019	2020
Turnover	751.1	249.0
Profit/loss	69.5	15.1
EBITDA	139.0	159.9
Total assets	472.0	394.8
Share capital	32.8	32.8
Equity	204.3	219.4
Investment	58.6	100.2
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	524.3	605.5
Donations received	4.8	0.0
Donations made	0.0	0.0
Funding received from the state budget	973.7	1 499.7

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	9.26	6.06
Return on assets, ROA, %	14.73	3.82
Return on equity, ROE, %	34.04	6.88
Total liquidity indicator	0.65	0.86
Liabilities-to-equity ratio	1.31	0.80

Other indicators

Number of employees	80	83
Average gross remuneration per employee per year, thousand EUR	13.0	13.0
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- In the context of the COVID-19 pandemic, the core tasks due have been partially realised.
- The total number of performances decreased by 59% of the planned, the number of performances outside the theatre's permanent venue in Latvia decreased by 60% of the planned.
- Seven new productions, which is by three performances less than planned.
- The number of visits decreased by 66% of the planned.
- The total liquidity ratio was 56% higher than expected and a profit of 1% higher than expected.

SLLC Latvijas Nacionālais simfoniskais orķestris (LNSO)

Reg. No. 40003373615

Web: www.lnso.lv

State ownership 100%

LNSO has no ownership in other capital companies

The LNSO (in English – Latvian National Symphony Orchestra) is one of the cornerstones of national culture with a history of almost a hundred years. The mission of the LNSO is to offer listeners a wide range of symphonic music repertoire in excellent artistic performance, acquainting the Latvian audience with the basic values and current events of world music, while foreign audiences - with the treasures of Latvian music. One of the main directions of the LNSO's activity is to attract more and more audiences with educational programs in a modern, creatively surprising form.

General strategic objective

To prepare and make available to the public high-quality professional music concerts, to stage works by Latvian composers, to promote creativity in the field of Latvian symphonic music, as well as to popularize symphonic music in Latvia and abroad.

Most important events in 2020

- Regular digital live broadcast of concerts in audio - video format started.
- Received the Grand Music Awards and Awards “Kilogram of Culture” nominations in various categories.
- LNSO Summer Festival for the 1st time in Ventpils Concert Hall.

Most significant events planned in 2021

- Implementation of the projects postponed in 2020, including: Projects funded by LV100.
- Preparation of the removal process before the repair in Lielāyes guild.
- LNSO Summer Festival implementation at Latgale Embassy “GORS”.

Principal financial objectives

- Profit, thousand: EUR 2.
- Revenue from ticket sales, thousand: EUR 245.
- Other own revenue, thousand: EUR 265.

Principal non-financial objectives

- Number of visits per year, thousand: 48.
- Total number of concerts per year: 58.
- Attendance at the concert hall: 76%.
- Number of concerts for young people and children under 17 years of age per year: >15.

Results achieved

- The budget was balanced thanks to an additional funding of EUR 173 thousand to mitigate the COVID-19 crisis.
- In the context of COVID-19 restrictions many live concerts had to be cancelled, leading to a 48% reduction in ticket revenues, as well as a 59% decrease in other own revenues.
- A large new audience in the digital environment has been reached, including in 2020, there were 24th thousand digitally broadcast concerts.
- Four audio recordings of Latvian music were made and released in CD format.



LATVIJAS
NACIONĀLAIS
SIMFONISKAIS
ORĶESTRIS

Governance

Shareholder – Ministry of Culture

Representative of Shareholder – Dace Vilsone

Member of Management Board – Indra Lūkina

Principal financial indicators, thousand EUR

	2019	2020
Turnover	638.9	237.3
Profit/loss	14.9	14.5
EBITDA	59.1	55.0
Total assets	872.9	1 076.0
Share capital	52.8	52.8
Equity	153.8	168.3
Investment	60.3	31.7
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	880.7	927.1
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	2 114.1	2 457.1

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	2.33	6.11
Return on assets, ROA, %	1.70	1.35
Return on equity, ROE, %	9.66	8.62
Total liquidity indicator	0.72	0.82
Liabilities-to-equity ratio	4.68	5.39

Other indicators

Number of employees	143	135
Average gross remuneration per employee per year, thousand EUR	13.1	13.8
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no

SLLC Latvijas Nacionālais teātris (LNT)

Reg. No. 40003786149

Web: www.teatris.lv

State ownership 100%

LNT has no ownership in other capital companies

The Latvian National Theater (LNT) is one of the leading professional repertoire theaters in Latvia, which is proud of its traditions and 100-year history. An eclectic style building of the theatre is a monument of architecture and art of national significance. One of its main tasks is to popularize the Latvian drama, therefore each season begins with a new production of a work by a Latvian author. The theater also organizes national play competitions.

General strategic objective

Creation, distribution, preservation and promotion of cultural values in the field of theatre art.

Most important events in 2020

- GRAND PRIX of the Theater Award “Players' Night” for the performance “The Boy, Who Saw in the Dark”.
- The creation of a new form of theatre in a digital environment, e-theater, offering performances and audiobooks.
- An artistically high-quality programme to adapt to new circumstances.
- Successful involvement of LNT in the project “School bag” in digital format and e-environment.
- Continuing cooperation between LNT and Riga City Council on the Theatre Extension – Design and Planning of the New Hall.

Most significant events in 2021

- Continuation of cooperation with Latvian schools within the framework of the project “School bag”.
- In cooperation with Riga City Council, there are planned extensions to the theatre building — the construction of a new hall (Black Box) and additional premises instead of tennis courts adjoining the theatre, as well as LNT will work as a consultant and cooperation partner in the project.
- The creation and staging of e-theatre performances will continue.
- In the second half of the year, it is planned to resume guest performances in the regions of Latvia.

Principal financial objectives

- Ticket sales, million. EUR 1.8.
- Other own revenues, thous.: EUR 278.

Principal non-financial objectives

- Number of new productions per year: 15.
- Total number of performances per year: 480.
- Number of visits per year, thous.: 162.
- Attendance at theater premises: 86%.

Results achieved

- Compared to 2019, the number of performances has decreased by 43.5% as a result of COVID-19 restrictions and the number of visitors decreased by 55.5%, resulting in 45% lower revenue from ticket sales than planned.
- In 2020, the theatre played a total of 321 performances, watched by 77 690 spectators.
- LNT has successfully adapted to the digital environment – e-theater.

LATVIJAS NACIONĀLAIS TEĀTRIS

Governance

Shareholder – Ministry of Culture

Representative of Shareholder – Baiba Zakevica

Member of Management Board – Jānis Vimba

Principal financial indicators, thousand EUR

	2019	2020
Turnover	2 639.3	1 199.0
Profit/loss	7.1	1.3
EBITDA	7.1	1.3
Total assets	1 686.1	1 827.4
Share capital	52.8	52.8
Equity	611.6	607.2
Investment	142.5	53.2
Dividends paid to state budget	5.7	1.0
Contributions made to the state and local government budget	1 430.7	1 242.6
Donations received	63.3	42.0
Donations made	1.6	0.0
Funding received from the state budget	2 185.7	3 791.5

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.27	0.11
Return on assets, ROA, %	0.42	0.07
Return on equity, ROE, %	1.16	0.21
Total liquidity indicator	0.95	1.02
Liabilities-to-equity ratio	1.76	2.01

Other indicators

Number of employees	285	267
Average gross remuneration per employee per year, thousand EUR	8.1	9.1
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no

SLLC Latvijas Nacionālā opera un balets (LNOB)

Reg. No. 40103208907

Web: www.opera.lv

State ownership 100%

LNOB has no ownership in other capital companies

The LNOB (in English – Latvian National Opera and Ballet) is a repertoire opera house. The LNOB respects the traditional values of classical and romantic opera and ballet, but also tries to look for contemporary forms of expression. Successful productions of classical operas, modern masterpieces of opera and ballet, children's operas and original Latvian works are regularly performed on the stage of the Latvian National Opera and Ballet. On average, during the season, the theater hosts about 200 performances, as well as symphonic and chamber music concerts.

General strategic objective

Preservation of national cultural heritage in the opera and ballet genre, strengthening and development of Latvian national opera, ballet and music culture, updating and popularization in Latvia and abroad, as well as ensuring the availability of world opera, ballet and music culture achievements in Latvia.

Most significant events in 2020

- As a result of the national emergency and other epidemiological safety measures, public activities took four months compared to nine months in other years.
- Five new productions, three productions premiered in the reporting year: P. Tchaikovsky's opera "Pike Lady", P. Tchaikovsky's ballet "Swan Lake" and J. Puchini opera "Toska".
- Cooperation with Théâtre du Capitole (Toulouse, France) in opera co-production started.
- Combining the extraordinary support provided by the Ministry of Culture and the cost reduction measures taken by the Board of LNOB has maintained the financial stability of the company.

Most significant events planned in 2021

- Premieres of five new productions are planned.
- Guest performances of opera and ballet troupes in the United Arab Emirates (Dubai Opera) in September 2021.
- Investments to ensure the sustainability of infrastructure (fire safety).

Principal financial objectives

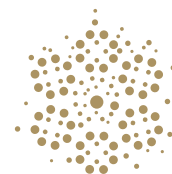
- Total liquidity ratio: 0.86.
- Improvement of the artistic technical base, thous.: EUR 20.
- Profit, thous.: EUR 10.

Principal non-financial objectives

- Number of new productions per year: 5.
- Number of visitors per year, thous.: 150.
- Attendance: 90%.

Results achieved

Given the limitations of artistic and economic activity, the achieved values of non-financial objectives fall well behind the medium-term operational strategy, while at the same time LNOB has adapted to exceptional circumstances and strengthened financial stability, which is an essential prerequisite for business continuity in times of crisis.



LATVIJAS NACIONĀLĀ OPERA UN BALETS

Governance

Shareholder – Ministry of Culture

Representative of Shareholder – Nauris Puntulis

Chair of Management Board – Egils Siliņš

Members of Management Board – Inese Eglīte, Sandis Voldiņš

Principal financial indicators, thousand EUR

	2019	2020
Turnover	3 694.7	1 462.4
Profit/loss	3.8	11.1
EBITDA	995.8	1 010.8
Total assets	7 845.3	8 980.8
Share capital	146.8	366.8
Equity	1 145.7	1 376.8
Investment	968.2	559.1
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	3 998.6	4 080.2
Donations received	110.4	6.3
Donations made	0.0	0.0
Funding received from the state budget	9 908.9	9 753.8

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.10	0.76
Return on assets, ROA, %	0.05	0.12
Return on equity, ROE, %	0.33	0.81
Total liquidity indicator	0.55	1.42
Liabilities-to-equity ratio	5.85	5.52

Other indicators

Number of employees	596	553
Average gross remuneration per employee per year, thousand EUR	11.5	12.5
Gender representation in management, f/m	1/2	1/2
Annual report in accordance with IFRS (yes/no)	no	no

SLLC Liepājas simfoniskais orķestris (LSO)

Reg. No. 42103049403

Web: www.lso.lv

State ownership 100%

LSO has no ownership in other capital companies

LSO (in English – Liepāja Symphony Orchestra) has inherited and developed the unique Liepāja symphonic music tradition, which, with its high professional and artistic standard, represents the deeply European cultural heritage and values of the Kurzeme region, while consistently promoting the creative process of Latvian music, which ensures the enhancement and promotion of the spiritual heritage of our people in society. In addition to providing a regular symphonic concert life, the concert hall “Lielais Dzintars” offers professionally high-quality concerts both in other Latvian cities, including small ones and abroad.

General strategic objective

To prepare and make available to the public high-quality professional music concerts, to stage works by Latvian composers, to promote creativity in the field of Latvian symphonic music, as well as to popularize symphonic music in Latvia and abroad.

Most important events in 2020

- The annual music record award “Golden Microphone 2020” in category “classical music album” with CD “Vēja mirdzums”, as well as an audio collection of symphonic music by Imants Kalniņš and album by Rihards Dubra has been released.
- A new series of digitally broadcast concert interviews “Tuvāk” has been created, which introduces LSO musicians.
- In cooperation with the concert hall “Lielais Dzintars” a cycle of musical excursions was launched.
- High-quality concerts in Liepāja, Riga, Jelgava, Rundāle, Tukums, Priekule, Talsi, Dobele, Klaipēda, Kaunas and Vilnius.

Most significant events planned in 2021

- Development of new digitally broadcast concert cycles “Simfonija Tuvāk”.
- Launch of a long-term music recording project by recording a series of Latvian composers’ albums.
- It is planned to create and implement a new festival “The South Kurzeme Festival “Rimbenieks””.

Principal financial objectives

- Profit: EUR 200.
- Net turnover (own revenues), thous.: EUR 260.
- Proportion of planned other own revenues to turnover, %: 54%.

Principal non-financial objectives

- Total number of concerts per year: 60.
- Number of visits per year: 28 thousand.
- Number of new recordings, i.e. CDs: 2.
- Number of new productions / new programs: 25.



Governance

Shareholder – Ministry of Culture

Representative of Shareholder – Baiba Zakevica

Member of Management Board – Uldis Lipskis

Principal financial indicators, thousand EUR

	2019	2020
Turnover	309.8	138.4
Profit/loss	-59.6	59.7
EBITDA	-86.6	87.3
Total assets	322.8	293.3
Share capital	58.1	58.1
Equity	10.3	69.5
Investment	31.3	41.4
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	582.9	709.3
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	1 746.2	1 986.1

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-19.25	43.15
Return on assets, ROA, %	-18.48	20.35
Return on equity, ROE, %	-579.66	85.88
Total liquidity indicator	0.53	0.93
Liabilities-to-equity ratio	30.37	3.22

Other indicators

Number of employees	97	98
Average gross remuneration per employee per year, thousand EUR	14.1	14.0
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- Number of new productions and Latvian music performances against the planned +60%, overflow related to cooperation with LLC “Lielais Dzintars”.
- The accounting year ended with a profit of EUR 58.7 thous., well above planned. It is related to the coverage of losses in 2019, optimisation of operations and support to overcome the COVID-19 crisis.
- Fulfilment of ticket revenue against the projected in the strategy - 67% and performance of concerts against strategiyes planned -23%, non-execution related to assembly restrictions.

SLLC Mihaila Čehova Rīgas Krievu teātris (RKT)

Reg. No. 40003793653

Web: www.mct.lv

State ownership 100%

RKT has no ownership in other capital companies

RKT (in English – Mikhail Chekhov Riga Russian Theatre) is a professional dramatic repertoire theatre that stages productions of various genres in Russian, plays in its permanent premises in Rīga, as well as provides guest performances outside them. Theater was founded in 1883, which ranks it among the oldest, theaters in Latvia, which rich in traditions. RKT is also the oldest Russian theatre located outside Russia and plays a special role in Latvia's cultural policy, cultural diplomacy and social integration.

General strategic objective

Creation, distribution, preservation and promotion of cultural values in the field of theatre art.

Most important events in 2020

- The project “Bridge Riga - Hollywood” has launched a series of projects that promote Mikhail Chekhov and his role on the world stage - the website www.mchekhov.lv is complemented by an interactive digital tour in the urban environment of Riga, preparing spectators for the performance – the story of M. Chekhov and the theatre's Great Stage.
- The recording of “Mumu” at the festival “THEATER FEST” in Bulgaria, after the jury's overall evaluation, wins a stable 1st place.
- During the downtime, a social responsibility project – an online charity auction “Theater inspires - in Care of the Animals!”

Most significant events planned in 2021

- Latvian Academy of Culture, in cooperation with RKT and Latvian National Theatre, plans to announce the reception of an international actor course.
- The theatre will prepare for a special concert “Winter” dedicated to the 85th anniversary of Raimonds Pauls, directed by Sergei Goolomazov.
- An unprecedented digital project will be prepared for children and young people “ZOOM Wise Meetings”, where one to one will meet an actor and spectator will meet one-on-one.

Principal financial objectives

- Own revenue, thous.: EUR 8 285.
- Share of own revenue in total revenue: 31%.
- Average annual ticket price: EUR 16.

Principal non-financial objectives

- Total number of performances per year: 134.
- Number of visits per year, thous.: 40.
- New productions per year: 6.
- Attendance in the theatre's permanent premises: 80%.
- Number of performance titles in the repertoire per year: 35.



Governance

Shareholder – Ministry of Culture

Representative of Shareholder – Dace Vilsone

Members of Management Board – Dana Bjorka

Principal financial indicators, thousand EUR

	2019	2020
Turnover	1 819.4	714.0
Profit/loss	14.3	161.2
EBITDA	88.7	236.4
Total assets	865.9	739.0
Share capital	32.8	32.8
Equity	149.4	261.6
Investment	41.3	54.9
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	876.0	870.3
Donations received	3.0	5.0
Donations made	0.0	0.0
Funding received from the state budget	1 309.8	2 168.9

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.79	22.57
Return on assets, ROA, %	1.65	21.81
Return on equity, ROE, %	9.59	61.61
Total liquidity indicator	0.54	0.71
Liabilities-to-equity ratio	4.80	1.83

Other indicators

Number of employees	127	122
Average gross remuneration per employee per year, thousand EUR	13.8	13.3
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- Six new productions, seven guest performances in Latvia, three online performances in the framework of international cooperation, five new cooperation projects.
- Additional EUR 6.6 thousand (VKKF), 12 thousand EUR (Hakatons “Riga 2020”) for the project “Bridge Riga - Hollywood”.
- Due to COVID-19, the optimisation of economic expenses and accounting year completed with profit, fully covering accumulated loss of previous years.

SLLC Rīgas cirks (RC)

Reg. No. 40003027789

Web: www.cirks.lv

State ownership 100%

RC has no ownership in other capital companies

RC (in English – Riga Circus) is a multifunctional art centre that is focused not only on offering significant and topical circus performances to an ever larger audience, but also in the long term contributes to the development and recognition of circus industry in Latvian society. The company works mainly in three strategic directions – offering high-quality world-class performances, organising activities with an educational focus within the Riga Circus School, as well as organising an international art residency programme.

General strategic objective

Development, updating and popularization of professional circus art in Latvia and abroad, as well as ensuring its accessibility to all members of society.

Most important events in 2020

- Due to COVID-19 restrictions, it was not possible to implement the planned artistic programme, as well as changes in staff had to be made.
- Decision on amendments to the articles of association of the capital company, which entered into force on 10 December, providing for 1 member of the board of directors, entrusting these duties to Liene Pērkone.
- Within the framework of the energy efficiency project, the construction project was completed, as well as procurements for construction supervision and construction services were announced during this year.

Most significant events planned in 2021

- It is planned to start construction of the Energy Efficiency project, as well as to work on attracting additional financing so that during construction the circus building can be adapted to the specifics of the circus area.
- At the beginning of the year, the activities of the Riga Circus School will take place remotely, later moving to outdoor classes, but when the epidemiological situation will improve in autumn, it is planned to resume activities by offering classes for both children and adults.

Principal financial objectives

- Other own revenues: EUR 322 thousand.
- Ticket and education program revenues: EUR 78 thousand.
- Profit: EUR 435.

Principal non-financial objectives

- Number of visitors per year, thousand: 3.
- Participation in internationally significant circus art events of the year: 12.
- Number of students of Riga Circus School permanently involved during a year: 48 and number of short-term students per year: 400.
- Public discussions and conversations with circus artists, residents, researchers, etc., number of events per year: 9.



Governance

Shareholder – Ministry of Culture

Representative of Shareholder – Dace Vilsone

Member of Management Board – Liene Pērkone

Principal financial indicators, thousand EUR

	2019	2020
Turnover	132.3	69.3
Profit/loss	-30.6	35.1
EBITDA	42.3	139.8
Total assets	1 003.8	1 148.7
Share capital	3.1	3.1
Equity	0.4	35.6
Investment	721.9	267.2
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	134.7	133.7
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	396.6	484.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-23.10	50.69
Return on assets, ROA, %	-3.04	3.06
Return on equity, ROE, %	-7 344.47	98.83
Total liquidity indicator	1.54	1.47
Liabilities-to-equity ratio	2 260.39	31.31

Other indicators

Number of employees	23	26
Average gross remuneration per employee per year, thousand EUR	7.1	7.4
Gender representation in management, f/m	2/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- In the reporting year, the COVID-19 restrictions have led to a significant decrease in own revenues due to the fact that for the most of the year the RC was not able to fully implement the planned artistic programme.
- During 2020, there were significant restrictions on attendance during performances, which hampered the achievement of the non-financial targets.
- The attendance rates of the Riga Circus School have been significantly exceeded, as it was possible to provide this programme remotely and to motivate students to go further on the same path.

SLLC Valmieras drāmas teātris (VDT)

Reg. No. 44103038376

Web: www.vdt.lv

State ownership 100%

VDT has no ownership in other capital companies

VDT (in English – Valmiera Drama Theater) The VDT is the only professional theatre in Vidzeme region, which ensures access to professional theatrical arts for various target groups of society, promoting the decentralisation of cultural processes in Latvia, and ensures a higher quality standard in the field of theatre arts in accordance with cultural policy priorities.

General strategic objective

To promote mentally wholesome, economically active society, opportunities for cultural education and recreation, the accessibility of the theatre art and the preservation of Latvian cultural identity.

Most important events in 2020

- In cooperation with SJSC Valsts nekustamie īpašumi, work is underway on the reconstruction project “Increasing Energy Efficiency and Creation of Decoration Workshops in Valmiera Drama Theatre in Valmiera, 4 Lāčplēša Street”.
- Investments to improve theatrical material base – sound, light and video equipment, instruments and equipment for the production of performances.
- Valmiera Summer Theatre Festival organised in cooperation with Valmiera City Municipality, which was also supported by the State Culture Capital Foundation. During the festival, the audience had the opportunity to get to know and watch four new productions made by Latvia’s best young directors.

Most significant events planned in 2021

- In cooperation with SJSC “Valsts nekustamie īpašumi”, work is ongoing on the reconstruction project “Increasing Energy Efficiency and Creation of Decoration Workshops in Valmiera Drama Theatre in Valmiera, 4 Lāčplēša Street”.
- Investments to improve theatrical material base – sound, light and video equipment, instruments and equipment for the production of performances.
- Valmiera Summer Theatre Festival organised in cooperation with Valmiera City Municipality, which was also supported by the State Culture Capital Foundation. During the festival, the audience had the opportunity to get to know and watch four new productions made by Latvia’s best young directors.

Principal financial objectives

- Profit: EUR 159.
- Proportion of planned own revenues to turnover: 69%.
- Ticket revenues: EUR 637 thousand.
- Other own revenues: EUR 88 thousand.

Principal non-financial objectives

- Number of guest shows in regions of Latvia per year: 50.
- New productions per year: 11.
- Total number of performances per year: 320.
- Number of visits per year: 57 thousand.
- Attendance: 76%.



Governance

Shareholder – Ministry of Culture

Representative of Shareholder – Dace Vilsone

Member of Management Board – Evita Ašeradena

Principal financial indicators, thousand EUR

	2019	2020
Turnover	757.7	367.8
Profit/loss	12.5	6.0
EBITDA	118.3	111.4
Total assets	683.4	784.9
Share capital	32.8	32.8
Equity	151.0	157.0
Investment	55.4	93.9
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	594.3	641.5
Donations received	16.9	15.4
Donations made	0.0	0.0
Funding received from the state budget	1 121.2	1 762.7

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.64	1.63
Return on assets, ROA, %	1.82	0.76
Return on equity, ROE, %	8.25	3.82
Total liquidity indicator	0.63	0.75
Liabilities-to-equity ratio	3.53	4.00

Other indicators

Number of employees	106	108
Average gross remuneration per employee per year, thousand EUR	9.8	11.0
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- Performance of non-financial indicators (number of visitors, number of performances, attendance (in % of occupancy of the hall, %)) was negatively affected by the regulations related to COVID-19 prevalence restrictions, which also did not allow to reach the financial indicator – own revenues, including ticket receipts.
- In the reporting year 266 performances were played, attended by 27 110 spectators, as well as 11 new productions were staged.

SLLC Valsts Akadēmiskais koris "Latvija" (VAKL)

Reg. No. 40003373761

Web: www.koris.lv

State ownership 100%

VAKL has no ownership in other capital companies

VAKL (in English – Latvian Academic Choir “Latvia”) ensures the highest artistic and technical quality of music and its performance on Latvian and world professional music stages. The objectives of the State Academic Choir “Latvia” are the preservation of the national cultural heritage in the choir music genre, the strengthening, development, updating and popularisation of the Latvian professional choir music culture in Latvia and abroad, as well as ensuring the accessibility of the achievements of the world choir music culture in Latvia.

General strategic objective

Preservation of national cultural heritage in the choir music genre; strengthening, developing, updating and popularizing the Latvian professional choir music culture in Latvia and abroad; as well as ensuring the availability of world choir music cultural achievements in Latvia.

Most important events in 2020

- Concert performance “Kēniņš Edips” in Amsterdam has received outstanding feedback, the concert production was organised in cooperation with the Royal Dutch Symphony Orchestra.
- Participation in regional concerts in Ventspils concert hall “Latvia”, Latgale Embassy “GORS”, Smiltene, Preiļi, Cēsis.
- Successfully realised the 23th International Sacred Music Festival.
- Successfully cooperating with the municipality of Stopiņi, the choir with outstanding performance participated in the opening of the cultural centre “Ulbroka Pearl”.

Most significant events planned in 2021

- VAKL intends to continue the cooperation with the state concert organisations (LNSO, LSO, LNOB) and municipalities in Latvia – Rēzekne, Liepāja, etc.
- Maintaining international competitiveness and introducing new cooperation partners to the activities of the VAKL, as well as launching and renewing cooperation with: Szczecin Philharmonic (Poland); Estonian Concert Organisations; Concert agency in Spain (Centro de iniciativas de Tolosa).

Principal financial objectives

- Net cash flow of the investment activity, thous.: EUR 11.2.
- Revenues from ticket sales: EUR 17 thousand.
- Profit or loss: EUR 2.2 thousand.

Principal non-financial objectives

- Total number of concerts per year: 47.
- Number of concerts including Latvian music per year: 10.
- Number of concerts abroad per year: 17.



Governance

Shareholder – Ministry of Culture

Representative of the Shareholder – Dace Vilsone

Member of the Management Board – Māris Ošlejs

Principal financial indicators, thousand EUR

	2019	2020
Turnover	260.4	82.5
Profit/loss	2.6	3.2
EBITDA	2.6	3.2
Total assets	193.9	195.6
Share capital	2.8	2.8
Equity	52.5	55.6
Investment	12.3	12.0
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	367.6	446.7
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	1 013.2	1 218.3

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.00	3.83
Return on assets, ROA, %	1.34	1.61
Return on equity, ROE, %	4.97	5.68
Total liquidity indicator	1.53	1.56
Liabilities-to-equity ratio	2.70	2.52

Other indicators

Number of employees	65	65
Average gross remuneration per employee per year, thousand EUR	11.1	13.2
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no

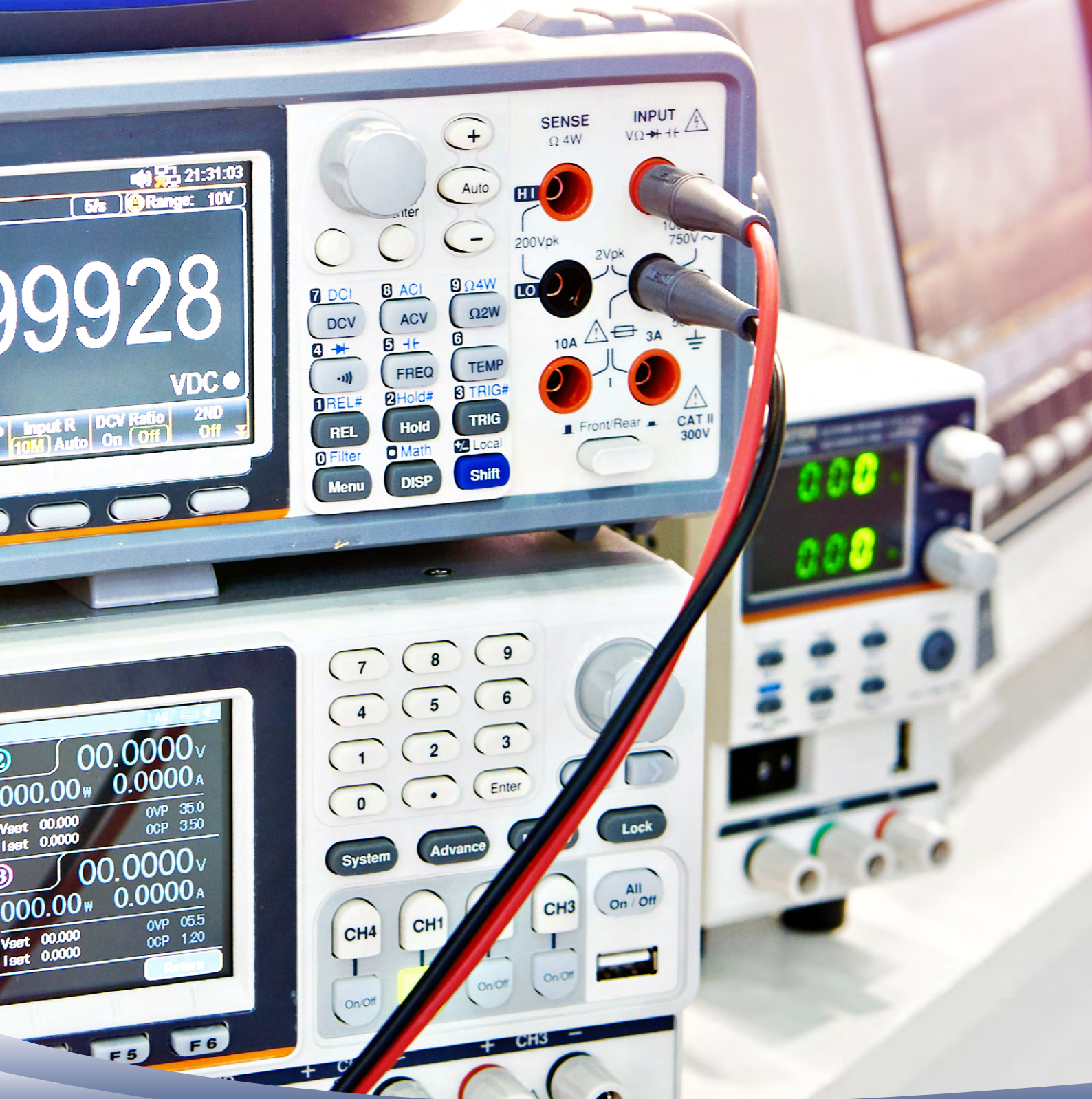
Results achieved

- VAKL successfully gave concerts in Latvia and abroad, performing the tasks delegated to it and representing the country.
- The profit for the reporting year is by 44% higher than planned due to the increase in profitability of the concerts that took place.
- Revenue from ticket sales is EUR 13 thousand. i.e. 23% lower than planned due to fewer concerts due to COVID-19 restrictions, i.e. 23.



6.8. Other Sectors

6.8.1. Certification, Conformity Assessment and Metrology



LLC Latvijas Nacionālais metroloģijas centrs (LNMC)

Reg. No. 40003435328

Web: www.lnmc.lv

State ownership 100%

LNMC has no ownership in other capital companies

The main activity of LNMC (in English – Latvian National Metrology Centre) is the provision of metrological services - verification, calibration and testing services for measuring instruments, as well as certification of electrical goods. Most of the structural units of LNMC are located in the main building in Rīga. LNMC has a regional department in Daugavpils and inspection sites in Liepāja, Talsi and Valmiera, where verification and calibration services are provided. In 2020, LNMC has been active in the field of development of new services, maintaining a leading position in the market for the provision of metrology services.

General strategic objective

To perform reliable and accurate measurements, to provide the metrological services necessary for the public, mainly operating in the market segments where the competition is lacking, or other market participants do not provide services.

Most important events in 2020

- LNMC has maintained the status of a participant of the State Revenue Service's in-depth cooperation programme Bronze level.
- The LNMC developed a climate maintenance project and purchased climate maintenance equipment with appropriate computer equipment to account for climatic parameters.
- Successful implementation of the enterprise information, data circulation and accounting digitisation project.

Most significant events planned in 2021

- The LNMC has identified the quality of the service provided and the accuracy of measurements as priorities for the future.
- Participation in international interlaboratory benchmarking, maintaining the best measurement capabilities and service delivery.
- Maintenance of the reference base of the physical units of measurement and reproduction of units of measurement in accordance with the requirements of the Republic of Latvia and international legislation in the field of metrology.
- Promoting cooperation with non-governmental organisations, universities and regional National Metrology Institutes, thus strengthening the capacity of the Metrology Office.

Principal financial objectives

- Return on equity, ROE: -2,2%.
- EBITDA, thous.: EUR 28.

Principal non-financial objectives

- Number of inter-laboratory comparative measurement programmes: 3.
- An innovative wireless climate control system has been introduced and maintained: 1.
- Number of high-precision technological equipment purchased per year: 2.



Governance

Shareholder – Ministry of Economics

Representative of Shareholder – Zaiga Liepiņa

Member of Management Board – Iveta Blaua

Principal financial indicators, thousand EUR

	2019	2020
Turnover	1 076.3	1 295.4
Profit/loss	-54.1	0.8
EBITDA	-2.5	51.7
Total assets	1 074.8	1 131.9
Share capital	633.5	633.5
Equity	894.9	895.7
Investment	27.7	36.2
Dividends paid to state budget	0.0	2.0
Contributions made to the state and local government budget	647.5	676.5
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	151.3	151.3

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-5.02	0.07
Return on assets, ROA, %	-5.03	0.07
Return on equity, ROE, %	-6.04	0.09
Total liquidity indicator	3.33	2.89
Liabilities-to-equity ratio	0.20	0.26

Other indicators

Number of employees	71	66
Average gross remuneration per employee per year, thousand EUR	11.2	12.7
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- LNMC has worked with a profit of EUR 843 during the reporting period, although loss of EUR 19 thousand was planned.
- During the reporting year, the LNMC has maintained its accredited spheres of measurement in the areas of verification, calibration and testing, as well as extended the scope of accreditation in the field of calibration.
- LNMC has participated in four international interlaboratory comparative measurement programmes to demonstrate the best measurement capabilities of laboratories.

LLC Latvijas standarts (LVS)

Reg. No. 40203084591

Web: www.lvs.lv

State ownership 100%

LVS has no ownership in other capital companies

LVS (in English – Latvian Standard) is the national standardization institution, which implements national standardisation policies and develops the functioning of the standardisation system in the country for the provision of quality infrastructure. The LVS is the only government-recognised standardisation body at national level, operating in a limited competitive environment in the field of standardisation and representing Latvia in the European (CEN and CENELEC) and International (ISO and IEC) standardisation organisation.

General strategic objective

To provide publicly available and reliable standardization services by organizing the development of Latvian national standards and the adaptation of European and international standards in accordance with international standardization principles, eliminating market failure and promoting the productivity, competitiveness, export ability and the integration into global value chains of Latvian companies.

Most important events in 2020

- CEN -CENELEC Submission of the LVS Self Assessment to the Membership Relations and Monitoring Committee, received an opinion on the full compliance of the LVS with CEN-CENELEC membership criteria.
- A standard reading room to support the containment of COVID-19 has been created, 3 European standards for personal protective equipment have been translated.
- The integration of a neuron machine translator (NMT) on the company's website has been developed, which is used to support the translation of European standards.
- Re-certification of the Public Quality Management System in accordance with the requirements of ISO 9001:2015.

Most significant events planned in 2021

- Creation of a platform "e - Committee" for the provision of experts from technical standardisation committees in e - environment.
- Development of information technology infrastructure in line with the LVS Investment Plan, ensuring continuity of service provision (e-shop cloud computing) and refurbishment of data centre infrastructure.
- Development of neural machine translation infrastructure.
- Participation in international projects.

Principal financial objectives

- Net turnover, thous.: EUR 317.
- Profit, thous.: EUR 17.5.
- Return on equity: 15.40%.
- Total liquidity ratio: 2.6.
- Liabilities to equity: 0.53.

Principal non-financial objectives

- Adapted European standards: 100%.
- Users registered in the standardisation information system, thous.: 2.1.
- Number of Latvian STC experts, number of delegations received per year: 8.
- Standard translations are processed using the technological solution of the translation industry >60%.



Governance

Shareholder – Ministry of Economics

Representative of Shareholder – Zaiga Liepiņa

Member of Management Board – Ingars Pilmanis

Principal financial indicators, thousand EUR

	2019	2020
Turnover	275.7	327.8
Profit/loss	29.8	42.7
EBITDA	60.7	67.6
Total assets	352.2	362.7
Share capital	11.5	11.5
Equity	188.7	231.4
Investment	18.0	32.7
Dividends paid to state budget	0.0	2.0
Contributions made to the state and local government budget	227.8	235.8
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	438.5	502.6

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	10.79	13.03
Return on assets, ROA, %	8.45	11.78
Return on equity, ROE, %	15.77	18.46
Total liquidity indicator	2.28	2.81
Liabilities-to-equity ratio	0.87	0.57

Other indicators

Number of employees	16	17
Average gross remuneration per employee per year, thousand EUR	19.4	21.1
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- During the reporting year, the LVS has achieved the non-financial objectives covered by the medium-term strategy by reaching and exceeding the planned indicators.
- The achievement of the financial targets set by the Strategy does not differ significantly from the projected indicators, including: in the context of COVID-19, the investment plan is implemented at 61.6%, in line with the precautionary principle.



6.8.2. Public Electronic Media



SLLC Latvijas Radio (LR)

Reg. No. 40003080614

Web: www.latvijaradio.lsm.lv

State ownership 100%

LR has no ownership in other capital companies

LR (in English – Latvian Radio) is a cultural institution and the largest programme producer in Latvia – with radio theater and children’s vocal group. Currently, LR provides five framework programmes and several artistic departments that have achieved high achievements in their fields of activity. The main activity of the LR is to ensure free and comprehensive dissemination of information about events in Latvia and abroad, to ensure the development of the Latvian language and culture, and to create comprehensive music programs.

General strategic objective

LR has not defined a general strategic objective.

Most important events in 2020

- Within the framework of the funding allocated to the priority measures of the LR, it implemented the efficiency and structural reform measures for 2020 - 2022.
- Revised and concluded in a new wording the collective agreement of the Trade Union of the Latvian Radio.
- The Law on Public Electronic Mass Media and its Management was adopted, as a result of which the LR took all preventive actions for exiting the advertising market and preparing new content projects.

Most significant events planned in 2021

- LR will completely exit the advertising market, replacing advertising breaks with new programmes. In total, it is planned to provide content with more than 600 additional broadcasting hours.
- The LR has planned to significantly increase the investment by transferring 10% of the turnover of the capital company.
- It is planned to extend the broadcasting of the channel Latvijas Radio 2 and the channel Latvijas Radio 5.

Principal financial objectives

- Own revenues from commercial activities: EUR 953 thousand.
- Profitability (EBITDA): 3.02%.
- Total liquidity ratio: 0.82%
- Return on assets (ROA): 0.02%.

Principal non-financial objectives

- Radio broadcasting time, hours: 44 112.
- LR market share (part of the total radio listening time of the Latvian Radio program): 35.40%.
- LR total audience, thous.: 823.

Results achieved

- Overall, Latvian Radio has successfully implemented public service objectives and tasks in 2020, and financial indicators have improved significantly. Own revenues from commercial activities were 11% higher than planned.
- The LR fulfilled and exceeded all financial objectives.
- Non-financial targets have been partially achieved; radio programme coverage and a market share of 35.1% have been achieved.



Latvijas
Radio

Governance

Shareholder – National Electronic Mass Media Council

Representatives of the Shareholder – Jānis Eglītis,
Ivars Āboliņš, Patriks Grīva, Aurēlija Ieva Druviete,
Ieva Kalderauska

Chair of Management Board – Una Klapkalne

Members of Management Board – Sanita Dika-Bokmeldere,
Mārīte Tukiša

Principal financial indicators, thousand EUR

	2019	2020
Turnover	9 676.1	10 321.9
Profit/loss	-182.8	50.7
EBITDA	204.4	434.6
Total assets	6 698.4	6 817.7
Share capital	1 854.7	1 854.7
Equity	5 311.9	5 359.9
Investment	267.2	500.0
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	2 711.5	2 948.9
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	8 325.2	9 262.5
Principal financial indicators, % and coefficients		
Profit and turnover ratio, %	-1.89	0.49
Return on assets, ROA, %	-2.73	0.74
Return on equity, ROE, %	-3.44	0.95
Total liquidity indicator	0.65	0.89
Liabilities-to-equity ratio	0.26	0.27
Other indicators		
Number of employees	280	280
Average gross remuneration per employee per year, thousand EUR	17.5	18.4
Gender representation in management, f/m	3/0	3/0
Annual report in accordance with IFRS (yes/no)	no	no

SLLC Latvijas Televīzija (LTV)

Reg.No. 40003080597

Web: www.ltv.lsm.lv

State ownership 100%

LTV has no ownership in other capital companies

LTV (in English – Latvian Television) is a SOE, which performs the statutory function of public electronic media. It operates within the framework of public procurement, creating a wide and diverse range of programs in the public interest and its needs on two television channels LTV1 and LTV7, on the Internet portal www.lsm.lv, as well as on social networks.

General strategic objective

LTV has not defined its general strategic objective.

Most important events in 2020

- The Public Electronic Mass Media and its Management Law entered into force, which separately regulates the activities of public media, their management, as well as provides for the establishment of new institutions – the Council for Public Electronic Mass Media and the Ombudsman.
- LTV acquired a modern program release complex, which, as an essential unit of technological performance and development, will ensure the transition of the company to high-definition (HD) broadcasting.
- The work has been continuously adapted throughout the year to the constraints of the core activities caused by the COVID-19 pandemic.

Most significant events planned in 2021

- This will be the first year when LTV will be outside the advertising market, which imposes new obligations both to successfully cooperate with the rest of the industry and to enrich the content offered to viewers.
- Significant changes are planned to the content of the LTV7 channel – the traditional content in minority language will be redirected and will be available on the newly created multimedia platform, creating LTV7 as a lifestyle and sports channel.

Principal financial objectives

- Own revenues from economic activities, including advertising, millions: EUR 2.85.
- Overall liquidity ratio: > 1.12.
- Profit before interest, tax and depreciation costs (EBITDA, %): 8.36.
- Return on assets (APO, %): not worse than -0.92.

Principal non-financial objectives

- Market share of LTV linear TV, Market share (LTV1 and LTV7), viewing time share CSOV %, 4 +: 16.
- Number of unique visitors to LTV multimedia platforms on average per month, thousand: 520.
- ATV Multimedia Platform Reach (%) all audiences: 35.



LATVIJAS TELEVĪZIJA

Governance

Shareholder – National Electronic Mass Media Council

Representatives of Shareholder – Ieva Kalderauska,
Ivars Āboliņš, Patriks Grīva, Aurēlija Ieva Druvietē,
Jānis Eglītis

Member of Management Board – Ivars Priede

Principal financial indicators, thousand EUR

	2019	2020
Turnover	19 532.6	19 093.0
Profit/loss	-233.9	-7.1
EBITDA	1 498.9	1 575.1
Total assets	13 715.0	17 041.2
Share capital	4 837.4	4 837.4
Equity	7 009.8	7 002.7
Investment	979.6	2 911.7
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	4 714.6	5 404.3
Donations received	118.7	331.3
Donations made	0.0	0.0
Funding received from the state budget	15 271.4	18 962.1

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-1.20	-0.04
Return on assets, ROA, %	-1.71	-0.04
Return on equity, ROE, %	-3.34	-0.10
Total liquidity indicator	1.22	0.92
Liabilities-to-equity ratio	0.87	1.35

Other indicators

Number of employees	477	484
Average gross remuneration per employee per year, thousand EUR	16.6	19.0
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no
Sustainability report has been developed (yes/no)	yes	yes

Results achieved

- Most non-financial objectives have been achieved or exceeded due to highly recognized content, in particular in the context of the COVID-19 pandemic, where the reliability of content is critical in everyday circumstances.
- Own revenues from economic activities are significantly better than expected and the accounting year is closed with a minimum net loss, which is a significant improvement in the performance.
- The liquidity ratio has decreased due to an increase in the revenue position in the company's liabilities in the following periods.



6.8.3. Education and Sport



LLC Bobsleja un kamaniņu trase Sigulda (BKT)

Reg. No. 40003005137

Web: www.bobtrase.lv

State ownership 100%

BKT has no ownership in other capital companies

BKT's (in English - Bobsleigh and luge track Sigulda) activities are aimed at ensuring international competitions and competitions of the Republic of Latvia in bobsleigh, skeleton and luge sport, as well as training of different level teams of Latvian sports federations and ensuring training of foreign athletes. BKT is a national sports base.

General strategic objective

Not approved.

Most important events in 2020

- European Cup stage in bobsleigh and skeleton 13.01 - 19.01.2020
- Viessmann PK stage in luge sport 20.01. - 26.01.2020.
- IBSF PK stage and European Bobsleigh and Skeleton Championships 11.02. - 16.02.2020.
- IBSF PK 1st and 2nd stage in bobsleigh and skeleton 16.11. - 29.11.2020.

Most significant events planned in 2021

- The 52nd FIL European Championship and the 6th Eberspacher PK in luge sport from 04.01. - 10.01.2021.
- Intercontinental cup in skeleton and European cup in skeleton 09.12. - 12.12.2021.
- IBSF PK in bobsleigh and skeleton from 27.12. - 02.01.2022.

Principal financial objectives

- Own revenues: EUR 375 thous.

Principal non-financial objectives

- Organisation of Latvian and international sports competitions.
- Provision of training of Latvian and international sports teams.

Results achieved

- In the context of the COVID-19, BKT's financial performance has deteriorated. In 2020, own revenue decreased by EUR 90 thousand compared to the previous year.
- Non-financial targets were achieved.



Governance

Shareholder – Ministry of Education and Science

Representative of Shareholder – Edgars Severs

Chair of Management Board – Daniēls Nātriņš

Principal financial indicators, thousand EUR

	2019	2020
Turnover	519.0	428.9
Profit/loss	-172.3	-273.4
EBITDA	254.6	153.2
Total assets	10 394.4	9 777.8
Share capital	10 840.9	10 840.9
Equity	8 494.8	8 221.3
Investment	54.4	27.6
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	301.5	306.7
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	314.4	325.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-33.20	-63.76
Return on assets, ROA, %	-1.66	-2.80
Return on equity, ROE, %	-2.03	-3.33
Total liquidity indicator	0.93	0.49
Liabilities-to-equity ratio	0.22	0.19

Other indicators

Number of employees	31	33
Average gross remuneration per employee per year, thousand EUR	15.7	15.8
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no

SLLC Kultūras un sporta centrs Daugavas stadions (Daugavas stadions)

Reg. No. 50003140671

Web: www.daugavasstadions.lv

State ownership 100%

Daugavas stadions has no ownership in other capital companies

Daugavas stadions (in English - Culture and Sports Center Daugava Stadium) is a multifunctional stadium in Rīga, where national football and athletics competitions, as well as major performances of the General Latvian Song and Dance Festival, take place. The aim of Daugavas stadions is to ensure the management and development of the national sports base – Daugavas stadions (Rīga), providing conditions for the training process of athletes, high-level sports and cultural events, as well as providing residents with the opportunity to engage in organized physical activities using the sports base.

General strategic objective

Not approved.

Most important events in 2020

- Construction permit was issued for the construction of the ice hall of the Daugava Stadium.
- The construction board has received an agreement on the fulfilment of the design conditions for the construction design of the athletics multifunctional cubicle in minimum composition. The development of procurement documentation “design and construction” for the purpose of launching a call for competition has started. The procurement documentation has also been developed to design the planned reconstruction of the athletics training area, the central square and the football reserve area.
- During 2020, there were three international UEFA games and six training sessions.

Most significant events planned in 2021

- Launch of the ice hall.
- Athletics manages with multifunctionality development of construction design.
- Development of documentation for the construction of the central sports field.

Principal financial objectives

No financial targets have been set.

Principal non-financial objectives

- To provide a multifunctional infrastructure to ensure the operation of the sports and cultural district – to begin the reconstruction of the central sports field, as well as reconstruction of adjacent streets, overpasses and crossings.
- Continue implementation of the project “Cultural and Sports Quarter” in the vicinity of Grīziņkalns.

Results achieved

The objective of providing multifunctional infrastructure for the functioning of the sports and cultural district has been achieved by 74%. The reasons for non-execution are mainly related to the actual execution of the cash flow planned in the contract for the construction of the Ice Hall.

NACIONĀLAIS STADIONS

DAUGAVA



Governance

Shareholder – Ministry of Education and Science

Representative of Shareholder – Edgars Severs

Member of Management Board – Daniēls Nātriņš

Principal financial indicators, thousand EUR

	2019	2020
Turnover	296.0	193.0
Profit/loss	-703.8	-100.3
EBITDA	12.9	616.4
Total assets	28 477.2	36 450.6
Share capital	9 727.1	10 957.8
Equity	7 224.0	8 354.3
Investment	3 251.3	7 669.3
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	85.8	23.1
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	233.7	1 456.7

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-237.77	-51.98
Return on assets, ROA, %	-2.47	-0.28
Return on equity, ROE, %	-9.74	-1.20
Total liquidity indicator	2.84	2.74
Liabilities-to-equity ratio	2.94	3.36

Other indicators

Number of employees	19	19
Average gross remuneration per employee per year, thousand EUR	9.0	8.6
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no

SLLC Rīgas Tūrisma un radošās industrijas tehnikums (RTRIT)

Reg. No. 40003480798

Web: www.rtrit.lv

State ownership 100%

RTRIT has no ownership in other capital companies

RTRIT (in English - Riga Technical School of Tourism and Creative Industry) is a dynamic and creative vocational education institution that provides high-quality and highly valued vocational education in the labour market and life-long development of the potential for everyone. It offers the 3rd and 4th LQF level programmes, continuing vocational education and development programmes, evaluation and recognition of professional competences acquired outside formal education. RTRIT has modern study premises and two renovated service hotels in Rīga, 26 Nīcgales Street and in Preiļi, 2 A.Paulāna Street.

General strategic objective

Not approved.

Most important events in 2020

- Full provision of remote theoretical and practical training.
- Realised virtual mobility for learners and educators.
- Remote participation of learners in professional mastery competitions.
- Psychological and emotional support to learners and educators.

Most significant events planned in 2021

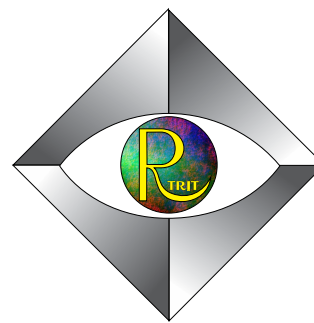
- To put into operation the training block, the block of training workshops in Rīga, 41A Deglava Street and the sports complex in Rīga, 26 Nīcgales Street, within the time limits set by the project and to purchase the equipment provided for in the project.
- Within the framework of the ERDF project, to start reconstruction and renovation of the service hotel in Rīga, 41A A.Deglava Street.
- Implement the recommendations of the Accreditation Commission.
- Approve the strategy for 2021 - 2027.

Principal financial objectives

- Implement a project for modernisation of RTRIT within the framework the specific support objective 8.1.3 “Increasing the Number of Modernised Vocational Training Institutions”: EUR 6.5 million.
- Erasmus+ projects, mobility projects: EUR 271.9 thous.
- Own revenue: EUR 303.3 thous.

Principal non-financial objectives

- Number of admissions to State budget places: 731.
- Contingent in the national budget (data as at 31 December): 1 639.
- Graduation for state budget places: 341.
- ESF project “Support to Reduce Early School Leaving”, number of individual plans: 610.



Governance

Shareholder – Ministry of Education and Science

Representative of the Shareholder – Jānis Volberts

Member of the Management Board – Ilze Ločmane

Principal financial indicators, thousand EUR

	2019	2020
Turnover	5 896.0	5 647.7
Profit/loss	129.9	60.3
EBITDA	405.0	312.1
Total assets	17 145.6	20 688.7
Share capital	6 637.0	6 637.0
Equity	6 755.8	6 732.9
Investment	2 332.7	6 549.7
Dividends paid to state budget	64.1	83.2
Contributions made to the state and local government budget	2 157.1	3 045.3
Donations received	1.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	5 352.6	5 306.7

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	2.20	1.07
Return on assets, ROA, %	0.76	0.29
Return on equity, ROE, %	1.92	0.89
Total liquidity indicator	2.06	1.39
Liabilities-to-equity ratio	1.54	2.07

Other indicators

Number of employees	301	283
Average gross remuneration per employee per year, thousand EUR	10.9	11.8
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- Implementation of the specific support objective 8.1.3 “Increasing the Number of Modernised Vocational Training Establishments” continued to be implemented for the modernisation of the RTRIT project.
- Improved remote study process according to the epidemiological situation.
 - We first launched virtual mobility projects under Erasmus+ projects from vocational education institutions.
 - COVID-19 restrictions led to a 49% decrease in own revenue compared to 2019.

LLC Sporta centrs Mežaparks (SCM)

Reg. No. 40003044327

Web: www.scmzaparks.lv

State ownership 100%

SCM has no ownership in other capital companies

The aim of SCM's (in English – Sports Centre Mežaparks) activity is to provide a full-service training and competition sports base for the needs of high-end, youth athletes and sports society in order to promote the competitiveness of the best Latvian athletes in the world. SCM provides services of a sports centre (sports halls, gyms and fitness halls, outdoor tennis courts), hotels and seminars, premises and land rental, etc.

General strategic objective

Not approved.

Most important events in 2020

- Completion of Phase 1 of the energy efficiency project of the building and launch of stage 2.
- Reconstruction of the seminar hall.
- A fitness hall has been created.
-

Most significant events planned in 2021

- Completed stage 2 of the energy efficiency project of the building.
- Refurbishment of foyer premises.
- Installed energy-efficient lighting for tennis courts.

Principal financial indicators

- Revenue from sports centre services: EUR 55.5 thous.
- Revenue from hotel services: EUR 79.9 thous.
- Revenue from the lease of premises and land: EUR 112.6 thous.
- Revenue from parking and quay: EUR 21.3 thous.

Principal non-financial indicators

- Organisation of international competitions (number): 1.
- Compliance with COVID-19 safety measures, creating a safe environment.
- Customer satisfaction rate - 75%.

Results achieved

- Full service provided for national teams of various sports and high-level athletes.
- Additional sports facilities and outdoor areas have been created that allowed you to play under COVID-19 safe conditions.
- One international competition has taken place.



Governance

Shareholder – Ministry of Education and Science

Representative of Shareholder – Edgars Severs

Member of Management Board – Ieva Zunda

Principal financial indicators, thousand EUR

	2019	2020
Turnover	381.2	322.6
Profit/loss	0.7	1.6
EBITDA	83.1	82.7
Total assets	16 126.8	16 883.8
Share capital	15 811.1	16 111.1
Equity	15 436.8	15 738.4
Investment	56.3	733.4
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	122.1	119.4
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	320.5	482.4

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.20	0.51
Return on assets, ROA, %	0.005	0.01
Return on equity, ROE, %	0.005	0.01
Total liquidity indicator	7.26	0.80
Liabilities-to-equity ratio	0.04	0.07

Other indicators

Number of employees	20	17
Average gross remuneration per employee per year, thousand EUR	8.3	9.7
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no

LLC Tenisa centrs Lielupe (TCL)

Reg. No. 40003030774

Web: www.tenisslielupe.lv

State ownership 100%

TCL has no ownership in other capital companies

TCL ((in English – Tennis Centre Lielupe) is the largest tennis center in Latvia, which has currently nine open tennis courts, nine closed tennis courts, one children's closed tennis court, 3 squash courts, 1 beach tennis/volleyball court.

General strategic objective

Not approved.

Most important events in 2020

- TCL revised a number of supplier contracts (Elis, LMT, Sadales Network) resulting in cost savings of around EUR 5.2 thousand over 12 months.
- TCL revised prices for services, resulting in revenue growth by around 10%.
- Until the introduction of the COVID-19 restrictions, the court load was significantly increased: closed tennis courts (+55%); squash (+265%); mini tennis court (+79%).

Most significant events planned in 2021

- Restore the painting of tennis courts in reconstructed tennis hall to ensure equal quality of tennis courts in both halls.
- Complete the fitting-out of the gym and start selling the subscriptions.
- Attract new advertisers to place advertisements both indoors and outdoors.

Principal financial objectives

- Net turnover: EUR 298.7 thous.
- Net profit or loss: EUR – 139.1 thous.

Principal non-financial objectives

- Increase in the number of international competitions (number): 5.

Results achieved

- The financial and non-financial objectives were met.
- Achievement of higher net turnover was hampered by the restrictions introduced by the COVID-19 pandemic (the TCL was fully closed between 16 March and 3 May 2020 and between 21 December and 31 December). In addition, double games and group training indoors were prohibited as of 17 October 2020.
- International tennis tournaments were successfully organised despite the COVID-19 pandemic.

NACIONĀLAIS TENISA CENTRS

LIELUPE



Governance

Shareholder – Ministry of Education and Science

Representative of Shareholder – Edgars Severs

Member of Management Board – Daniēls Nātriņš

Principal financial indicators, thousand EUR

	2019	2020
Turnover	207.9	303.4
Profit/loss	-352.4	-138.3
EBITDA	-71.7	409.6
Total assets	23 109.2	17 841.3
Share capital	14 964.0	14 964.0
Equity	14 203.2	9 829.6
Investment	3 793.8	339.5
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	81.4	142.8
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	36.0	101.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-169.50	-45.58
Return on assets, ROA, %	-1.52	-0.78
Return on equity, ROE, %	-2.48	-1.41
Total liquidity indicator	0.57	0.55
Liabilities-to-equity ratio	0.63	0.82

Other indicators

Number of employees	13	16
Average gross remuneration per employee per year, thousand EUR	13.0	12.7
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no

6.8.4. Other State-Owned Enterprises



JSC Attīstības finanšu institūcija Altum (ALTUM)

Reg. No. 50103744891
 Web: www.altum.lv
 State ownership 100%
 Related companies and shares:
 KS Baltcap Latvia Venture Capital Fund 67%
 KS Imprimatur Capital Technology Venture Fund 67%
 KS Imprimatur Capital Seed Fund 100%
 KS ZGI-3 95%
 KS FlyCap investment Fund 95%
 KS Expansion Capital fund 95%
 Baltic Innovation Fund 20%
 Baltic Innovation Fund 2 16,99%
 Trīs jūru iniciatīvas investīciju fonds (3SIIF) 3,57%
 KS Overkill Ventures Fund I AIF 100%
 KS Overkill Ventures Fund II AIF 80%
 KS Buildit Latvia Seed Fund AIF 80%
 KS Buildit Latvia Pre-Seed Fund AIF 100%
 KS Commercialization Reactor Pre-seed Fund 100%
 KS Commercialization Reactor Seed Fund 80%
 KS ZGI-4 AIF 60%
 KS INEC 1 75%
 KS INEC 2 90%
 KS FlyCap Mezzanine Fund II 60%
 KS AIF "Altum kapitāla fonds" 48.9%

ALTUM (in English – Development Finance Institution ALTUM) is a state-owned financial institution that implements support and development programs in the form of financial instruments and grants, implementing state policy in the national economy, as well as ensuring the fulfillment of other delegated state tasks specified in regulatory enactments. The main goal of ALTUM is to eliminate market failures in the form of various support instruments, promoting economic development.

General strategic objective

Not approved.

Most important events in 2020

- Altum has been actively involved in mitigating the negative impact of COVID-19 in the business sector in Latvia by introducing new support financial instruments.
- A new financial instrument was created in the AIF Altum Equity Fund.
- To provide the new financial instruments, the investment in the capital of the ALTUM reserve amounted to EUR 145 million in 2020.

Most significant events planned in 2021

- Realisation of financial instruments intended for mitigation of COVID-19 (guarantees, loans and equity fund).
- Widening the scope and efficiency of operations and programmes, designing and implementing new programmes.
- Investing in the form of financial instruments under the Recovery and Resilience Facility for Europe (RRF).
- Development of proposals for financial instruments for the new programming period for EU funds (2021 - 2027).

Principal financial objectives

- Return on capital ROE: $\geq 1.3\%$.
- Profit: EUR 3 192 thous.
- Equity: EUR 230 534 thous.

Principal non-financial objectives

- Volume of new transactions, (without grants): EUR 207 million.
- Gross portfolios at year-end, (without grants): EUR 657 million.
- Moody's credit rating: Not more than two grades below the rating assigned to the Latvian state.



Governance

Shareholders – 40% Ministry of Finance,
 30% Ministry of Economics, 30% Ministry of Agriculture
 Representatives of the Shareholder – Baiba Bāne,
 Dace Lucaua, Edmunds Valantis
 Chair of Supervisory Council – Līga Kļaviņa
 Members of Supervisory Council – Jānis Šnore, Kristaps Soms
 Chair of Management Board – Reinis Bērziņš
 Members of Management Board – Jēkabs Krieviņš, Inese Zīle,
 Aleksandrs Bimbirulis

Principal financial indicators, thousand EUR

	2019	2020
Turnover	15 519.0	13 826.0
Profit/loss	8 131.0	5 539.0
EBITDA	8 917.7	6 455.0
Total assets	560 061.0	850 704.0
Share capital	204 862.0	204 862.0
Equity	232 738.0	382 594.0
Investment	802.0	1 037.0
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	3 575.8	4 036.4
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	68 074.0	171 287.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	52.39	40.06
Return on assets, ROA, %	1.45	0.65
Return on equity, ROE, %	3.49	1.45
Total liquidity indicator	1.69	2.08
Liabilities-to-equity ratio	1.27	1.14

Other indicators

Number of employees	202	211
Average gross remuneration per employee per year, thousand EUR	26.0	27.3
Gender representation in management, f/m	2/5	2/5
Annual report in accordance with IFRS (yes/no)	yes	yes

Consolidated data

Results achieved

- The main financial objective has been achieved: ensure a positive return on capital through the implementation of State aid programmes and exceed the indicators of the financial targets.
- Successful implementation of the key non-financial objective: supporting and promoting access to funding for business and promoting economic development. The rapid launch of COVID-19 mitigation programmes and other new support programmes has resulted in a significant increase in the volume of new transactions (+69%, EUR 130 million vs. 2019).

SJSC Latvijas Loto (LL)

Reg. No. 40003083998
Web: www.latloto.lv
State ownership 100%
Related companies and shares:
LLC Latloto nams 100%

LL (in English – Latvia Loto) is a state-owned enterprise that organizes licensed national lotteries at an internationally recognized level of social responsibility, safety and quality, directing consumers to the game in a socially responsible, safe and legal environment.

General strategic objective

Organise licensed games at the internationally recognised level of social responsibility, safety and quality, ensuring higher quality standards and protection of the public interest and players' rights in Latvia, eliminating the market failure.

Most important events in 2020

- Further upgrade of LOTO terminals – 847 new generation terminals have been installed.
- 5 national scratch cards and 9 interactive lotteries have been introduced, including an international brand snapshot – 007TM, which allows using James Bond's movie theme.
- As part of the implementation of the centenary lottery's socially important goal, 342 top graduates of secondary education institutions in Latvia received a scholarship of EUR 500.
- The Cabinet of Ministers supports a new draw project with a public interest objective in support of sport. The concept has been developed in cooperation with the Latvian Olympic Committee.

Most significant events planned in 2021

- To complete the upgrade of LOTO terminals.
- To develop and implement two new national lotteries – Scratch lottery and interactive draw "Everyone Goes in for Sport", with a socially important goal - financial support for the promotion of sports life in educational institutions of Latvia, as well as organisation of the Camp Personality Academy.
- To introduce the new game formula of the international lottery Vikinglotto, launch the Eurojackpot modernisation project of the number draw.

Principal financial objectives

- Net turnover: EUR 44 658 000.
- Net profit: EUR 4 468 000.
- Net profit ratio: >9%.
- Return on equity: >35%.
- EBITDA profitability: >18%.

Principal non-financial objectives

- To ensure compliance of the company's activities with the standards of quality, safety and social responsibility (Responsible Games) - ISO 9001, ISO 27001, WLA/SCS, EL/RG, WLA/RGF, and regulatory enactments.
- Customer satisfaction index: >70.
- To organise one national draw with a public benefit purpose.
- To implement the modernisation of LOTO terminals, ensure the availability of national lotteries products at sales points Latvia.
- To ensure safe and socially responsible development of internet sales channels. Availability of central lotteries data processing system >98.5%.
- To continue to participate in the Sustainability Index Initiative, the State Revenue Service in-depth cooperation programme.



LATVIJAS
LOTO

Governance

Shareholder – Ministry of Finance
Representative of the Shareholder – Baiba Bāne
Chair of Supervisory Council – Nils Sakss
Members of Supervisory Council – Antra Duntava,
Ingars Eriņš
Chair of the Management Board – Maija Kubli
Members of Management Board – Edgars Lediņš, Jānis Pone

Principal financial indicators, thousand EUR

	2019	2020
Turnover	48 345.3	57 141.2
Profit/loss	7 356.1	11 183.6
EBITDA	11 597.7	15 631.7
Total assets	21 532.6	26 258.7
Share capital	1 400.0	1 400.0
Equity	13 802.9	18 691.5
Investment	1 566.9	1 047.7
Dividends paid to state budget	5 149.2	4 975.7
Contributions made to the state and local government budget	10 568.3	12 525.5
Donations received	0.0	0.0
Donations made	35.5	39.0
Funding received from the state budget	0.0	0.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	15.22	19.57
Return on assets, ROA, %	34.16	42.59
Return on equity, ROE, %	53.29	59.83
Total liquidity indicator	8.20	17.05
Liabilities-to-equity ratio	0.15	0.07

Other indicators

Number of employees	119	117
Average gross remuneration per employee per year, thousand EUR	21.2	21.4
Gender representation in management, f/m	2/4	2/4
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- All financial objectives were met and some performance indicators were significantly exceeded, including the level of net profit expected to exceed 150%.
- Fulfilment of non-financial objectives, including organised national draw with public benefit purpose – Scratch Card Centenary Lottery.

SLLC Latvijas Proves birojs (LPB)

Reg. No. 40103264961

Web: www.prove.lv

State ownership 100%

LPB has no ownership in other capital companies

The LPB (in English - Assay Office of the Republic of Latvia) ensures surveillance of precious metals' market, performs assay determination of precious metals, precious stones, sealing, composition analysis, expertise, evaluation and issuance of quality certificates.

General strategic objective

To ensure the interests of the society and the state by creating an orderly, safe and reliable market for precious metals, precious stones and their products, promoting an excellent business environment and access to testing services for all market participants in accordance with the highest quality standards.

Most important events in 2019

- Despite the significant impact of COVID-19 restrictions on the market for precious metals, precious stones and their products, LPB has ensured a financially successful year.
- Instrumentalisation of the testing process started to improve the quality of testing (measurement of product grade using XRF spectrometry).
- New testing services have been introduced to ensure that consumers are aware of the quality parameters of embedded gemstones.

Most significant events planned in 2021

- Ensuring financial stability
- Implementation of the priorities set out in the "Medium-Term Operational Strategy 2021 - 2025".
- Launch of instrumentation of testing process, purchase of technological equipment and training of personnel.

Principal financial objectives

- Profit or loss: EUR 49 621.
- EBITDA: EUR 7 879.
- Return on assets (ROE): -5.7%.
- Total liquidity ratio: >9.4.

Principal non-financial objectives

- Hallmarked, stamped, articles of precious metal: 565 thousand pcs.
- Tested articles with precious stones: 29 thousand pcs.
- Checks at the place of economic activity (number): 168.

Results achieved

- COVID-19 restrictions for retail and assembly restrictions have led to a 21% decrease in the number of products in place and a decrease of 17% in the number of business site inspections.
- Overall, the financial objectives have been met, with a 16% reduction in own revenues from services provided.



LATVIJAS PROVES BIROJS

Governance

Shareholder – Ministry of Finance

Representative of Shareholder – Baiba Bāne

Chair of Management Board – Pēters Brangulis

Principal financial indicators, thousand EUR

	2019	2020
Turnover	679.4	592.2
Profit/loss	40.7	43.1
EBITDA	122.6	106.0
Total assets	927.1	941.0
Share capital	836.3	836.3
Equity	888.4	899.0
Investment	73.5	42.7
Dividends paid to state budget	9.3	32.6
Contributions made to the state and local government budget	245.0	248.6
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	77.2	86.7

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	5.99	7.28
Return on assets, ROA, %	4.39	4.58
Return on equity, ROE, %	4.58	4.79
Total liquidity indicator	12.05	11.87
Liabilities-to-equity ratio	0.04	0.05

Other indicators

Number of employees	18	17
Average gross remuneration per employee per year, thousand EUR	13.5	15.0
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no

SLLC Latvijas Vēstnesis (LV)

Reg. No. 40003113794

Web: www.lv.lv

State ownership 100%

LV has no ownership in other capital companies

LV (in English – Latvia's Messenger) is the official publisher of the Republic of Latvia, which implements public policy in the field of official publication and systematisation of information and provides a unified platform for public, civil and legal information by promoting individuals' understanding of the rights and obligations laid down in laws and regulations, as well as public participation and the quality of laws and regulations.

General strategic objective

Ensure the functioning of a sustainable, universally accessible and unified platform that directly provides the public with important and high-quality state, civic and legal information, improving public understanding of the rights and obligations of individuals specified in regulatory enactments, promotes the development of legal opinion of the society in accordance with the principles of a democratic state and encourages quality public debate by maintaining feedback between society and the state.

Most important events in 2020

- In the event of an emergency declared in the country due to COVID-19, fast access to relevant information for the public is ensured, with thematic content sections created on all channels, so that all legislation and explanatory information on measures to halt COVID-19 can be accessed in one place.
- In cooperation with the State Chancellery, continued participation in the creation of the Single Portal for Drafting and Harmonisation of Legal Acts.
- In cooperation with the Ministry of Justice, a guide to administrative responsibility has been developed on the website "likumi.lv" to guide on changes in the field of administrative responsibility reform.

Most significant events planned in 2021

- In order to ensure the availability of binding regulations of all local governments in one place, and in a systematic manner, preparatory measures have been implemented for the publication of all binding regulations of local governments in the official gazette Latvijas Vēstnesis and systematisation on the law portal Likumi.lv from 1 January 2022.
- Further development of the LV portal, including the thematic channel Moneyval, and the magazine "Jurista Vārds".
- Activities within the framework of the project "Constitution 100" have been implemented.

Principal financial objectives

- Profit before interest payments, taxes, depreciation and amortisation allowances (EBITDA): EUR 75 100.
- Return on equity (ROE): 0.50%.
- Total liquidity ratio: 2.40

Principal non-financial objectives

- The number of real users of the informative LV's e-services in Latvia on average per month: 360 thousand
- Official publications ("vestnesis.lv") number of real users on average per month: 90 thousand.
- Number of real users of website for systematisation of regulatory acts "likumi.lv" on average per month: 227 thous.
- Average number of real users per month "LVportal": 235 thousand.
- Number of real users of the portal "Jurista Vārds" on average per month: 12 300.



LATVIJAS VĒSTNESIS

Governance

Shareholder – Ministry of Justice

Representative of Shareholder – Raivis Kronbergs

Chair of Management Board – Daina Ābele

Member of Management Board – Dainis Mjartāns

Principal financial indicators, thousand EUR

	2019	2020
Turnover	1 512.8	1 503.0
Profit/loss	-631.0	55.1
EBITDA	-551.5	128.4
Total assets	1 433.9	1 488.2
Share capital	711.4	711.4
Equity	903.0	958.1
Investment	108.3	52.6
Dividends paid to state budget	0.0	2.0
Contributions made to the state and local government budget	695.2	769.8
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	0.0	773.2

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-41.71	3.67
Return on assets, ROA, %	-44.01	3.71
Return on equity, ROE, %	-69.88	5.76
Total liquidity indicator	2.45	2.56
Liabilities-to-equity ratio	0.59	0.55

Other indicators

Number of employees	67	65
Average gross remuneration per employee per year, thousand EUR	18.9	20.6
Gender representation in management, f/m	1/1	1/1
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- Financial and non-financial objectives have been met overall.
- The number of users of e-services provided has increased.
- Due to the high public demand for high-quality information on the current legal framework provided in all thematic content sections COVID-19, the number of actual Latvian users of informative e-services increased by 10% on average per month.

SLLC Latvijas Vides, ģeoloģijas un meteoroloģijas centrs (LVĢMC)

Reg. No. 50103237791

Web: www.lvģmc.lv

State ownership 100%

LVĢMC has no ownership in other capital companies

The main activities of the LVĢMC (in English - Latvian Centre for Environment, Geology and Meteorology) are the collection, accumulation and provision of environmental information to the public and state and local government institutions; environmental monitoring; identification and evaluation of subterranean resources; hazardous waste management; radioactive waste management; participation in the implementation of national policies in the fields of geology, meteorology, climatology, hydrology, water and air quality, transboundary air pollution impacts and radioactive and hazardous waste management.

General strategic objective

To provide high-quality services of strategic importance for the development of the country in the fields of geology, hydrology, air quality, climatology, meteorology and hazardous waste management, as well as to ensure efficient management of the infrastructure necessary for the provision of these services.

Most important events in 2020

- Implementation of measure 5.4.2.2. Development of the Environmental Monitoring and Control System and Promotion of Public Participation in Environmental Management of the Cohesion Fund projects 5.4.2.2/17/I/001, 5.4.2.2/18/I/001 "Development of Environmental Monitoring and Control System" development".
- Implementation of ERDF project No 2.2.1.1/17/I/027 "Development and Improvement of Information Systems for Geospatial and Daugava Basin Flood Data".
- Implementation of the project "Implementation of Latvian River Basin Management Plans for Good Surface Water Status" (LIFE GoodWater IP).

Most significant events planned in 2021

- Continuation of Cohesion Fund projects 5.4.2.2/17/I/001, 5.4.2.2/18/I/001 "Development of Environmental Monitoring and Control System".
- Continuation of implementation of ERDF project 2.2.1.1/17/I/027 "Development and Improvement of Information Systems for Geospatial and Daugava Basin Flood Data".
- Continuation of the project "Implementation of Latvian River Basin Management Plans for Good Surface Water Status" (LIFE GoodWater IP).

Principal financial objectives

- Result before depreciation (EBITDA): EUR 526 thous.
- Total liquidity ratio: 2.10.
- Net cash flow of the investment activity: EUR -6.490 million.

Principal non-financial objectives

- Hazardous waste accepted for disposal: 200 t.
- Authorisation of biocidal products (number of authorisations): 22.
- New contracts concluded (existing re-signed): 450.



LATVIJAS VIDES, ĢEOLOĢIJAS
UN METEOROĢIJAS CENTRS

Governance

Shareholder – Ministry of Environmental Protection and Regional Development

Representative of Shareholder – Edvīns Balševics

Chair of Management Board – Ingemars Harmsens

Member of Management Board – Egils Zariņš

Principal financial indicators, thousand EUR

	2019	2020
Turnover	6 168.4	6 868.7
Profit/loss	-610.5	-8 699.2
EBITDA	946.0	850.6
Total assets	31 404.4	25 446.8
Share capital	27 151.0	27 151.0
Equity	17 986.4	9 287.2
Investment	6 215.6	2 649.7
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	2 348.6	2 345.4
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	7 277.2	6 528.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-9.90	-126.65
Return on assets, ROA, %	-1.94	-34.19
Return on equity, ROE, %	-3.39	-93.67
Total liquidity indicator	1.11	1.06
Liabilities-to-equity ratio	0.75	1.74

Other indicators

Number of employees	229	228
Average gross remuneration per employee per year, thousand EUR	12.9	15.7
Gender representation in management, f/m	0/2	0/2
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- The financial targets set have been partially met, the pre-depreciation result (EBITDA) is by 61.8% higher than planned, the overall liquidity ratio is lower than expected and the net cash flow of the investment activity has been met with a significant negative deviation.
- Non-financial targets have been partially achieved, hazardous waste for disposal has been adopted at levels planned, biocidal product permits and new contracts have been concluded to a lesser extent than planned.

LLC "Publisko aktīvu pārvaldītājs Possessor" (Possessor)

Reg. No. 40003192154
 Web: www.possessor.gov.lv
 State ownership 100%
 Related companies and shares:
 LLC FeLM 100%
 LLC REAP 100%
 JSC Reverta in liquidation 96.89%

Possessor (in English - Public Asset Manager Possessor) is the leading seller of real estate and shares in the state, as well as the sole manager of public apartment estates in Latvia. Possessor is engaged in the management of distressed assets (subsidiaries). Since its foundation in 1994, Possessor has worked with almost 10 thousand public property objects. Possessor and its subsidiaries own and hold assets in the amount of EUR 200 million.

General strategic objective

Ensure professional management of state-owned capital shares and distressed assets, as well as disposal and privatization of assets held by Possessor that are not necessary for the performance of state functions.

Most important events in 2020

- Despite the COVID-19 pandemic, Possessor has ensured quality and continuous performance of delegated public administration tasks.
- By selling the state assets held and managing subsidiaries, the group made contributions of EUR 7.03 million to state and municipality budgets.
- During the reporting period, capital companies, whose State-owned capital shares are under the management of Possessor, have paid dividends of EUR 22.37 million into the State budget.
- Liquidation of LLC "Hiponia" has been completed.

Most significant events planned in 2021

- Approve Possessor's medium-term strategy for 2021 - 2023.
- To conclude 240 contracts for the purchase of State assets of EUR 2.89 million, as well as to pay in state and local government budgets at least EUR 1.83 million.
- Within the framework of the cooperation agreement with the SJSC Ceļu satiksmes drošības direkcija, to organise the sale of its shareholdings in four road roadworthiness testing companies.

Principal financial objectives

- Statutory deductions: EUR 1.260 million.
- Normalised EBITDA: EUR 503 thous.
- Normalised gains or losses: EUR 640 thous.

Principal non-financial objectives

- Contributions to the State budget and other state institutions from privatisation, alienation and lease: EUR 900 thous.
- The total value of agreements signed on the purchase of apartments is EUR 200 thous.
- Management of public shares and distressed assets.
- Stable operation of the certificate accounts system is ensured for 95% of the working time.

Publisko aktīvu pārvaldītājs

Possessor

Governance

Shareholder – Ministry of Economics
 Representative of Shareholder – Edmunds Valantis
 Chair of Management Board – Andris Gādmanis
 Members of Management Board – Marina Podvinska, Dace Gaile

Principal financial indicators, thousand EUR

	2019	2020
Turnover	3 954.1	2 781.4
Profit/loss	-1 108.6	728.0
EBITDA	-1 003.0	838.0
Total assets	42 502.7	36 928.7
Share capital	446 064.9	446 064.9
Equity	-17 874.9	10 135.4
Investment	1 095.5	162.2
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	812.3	991.2
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	0.0	349.8

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-28.04	26.17
Return on assets, ROA, %	-2.61	1.97
Return on equity, ROE, %	n/a	7.18
Total liquidity indicator	0.71	7.02
Liabilities-to-equity ratio	n/a	2.58

Other indicators

Number of employees	67	64
Average gross remuneration per employee per year, thousand EUR	24.1	22.9
Gender representation in management, f/m	0/3	2/1
Annual report in accordance with IFRS (yes/no)	no	no

Consolidated data

Results achieved

- In 2020, Possessor reached a total of three and exceeded two out of five non-financial targets and significantly exceeded the financial targets.
- 291 transaction of sale of State assets were concluded during the accounting year. The value of transactions – EUR 2.18 million.
- EBRD-funded consultation project "Improving the Legal, Regulatory and Institutional Framework of the Privatisation Process of the Republic of Uzbekistan" has been completed. The liquidation process of SLLC Hyponia has been completed.

LLC Vides investīciju fonds (VIF)

Reg. No. 40003339615

Web: www.lvif.gov.lv

State ownership 100%

VIF has no ownership in other capital companies

VIF (in English - Environmental Investment Fund) was established to finance environmentally friendly projects by pooling domestic and foreign financial resources. VIF has three main lines of activity: Development of ESKO projects; monitoring the implementation and monitoring of projects financed by the Climate Change Financial Instrument and the Emissions Auction Facility and raising public awareness of environmental protection projects.

General strategic objective

To promote Latvia's contribution to reducing global climate change, by creating a sustainable financing model, taking into account Latvia's environmental, social and economic interests.

Most important events in 2020

Within the framework of Horizon 2020 programme, the following projects prepared with the participation of SWFs have been approved:

- "Promotion of the Initiative Smart Finance for Smart Buildings in the Baltic region – Poland, Latvia and Denmark - RoundBaltic";
- "Energy Communities as a Platform for the use of RES in electricity generation: promoting the implementation of long-term visions through immediate action (COME RES)";
- Modular big data applications for holistic energy services in buildings (MATRYCS);
- "Big Data for Next Generation Energy (BD4NRG)".

Most significant events planned in 2021

- Financing of energy efficiency ESCO projects for street lighting.
- Reducing the greenhouse gas emissions in the transport sector - support for the purchase of zero- and low-emission vehicles (tendering).
- Reducing the greenhouse gas emissions in protected architectural monuments of national significance (second stage) call for tender.

Principal financial objectives

- Turnover: EUR 517 993.
- Return on assets (ROA): 0.24%.
- Equity: EUR 6 252 268.

Principal non-financial objectives

- Number of ESCO projects implemented: 6.
- Monitoring of implemented projects: 376.
- Number of new cross-border cooperation projects prepared: 4.
- Training for representatives of municipalities and commercial companies: 8.



Governance

Shareholder – Ministry of Environmental Protection and Regional Development

Representative of Shareholder – Edvīns Balševics

Chair of Management Board – Egils Zariņš

Principal financial indicators, thousand EUR

	2019	2020
Turnover	13.1	178.8
Profit/loss	-84.6	-52.0
EBITDA	-82.5	-47.9
Total assets	6 414.3	6 579.1
Share capital	6 299.3	6 299.3
Equity	6 222.4	6 170.4
Investment	10.6	2.6
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	107.4	118.5
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	156.7	171.8

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-644.28	-29.08
Return on assets, ROA, %	-1.32	-0.79
Return on equity, ROE, %	-1.36	-0.84
Total liquidity indicator	22.62	11.71
Liabilities-to-equity ratio	0.03	0.07

Other indicators

Number of employees	11	13
Average gross remuneration per employee per year, thousand EUR	18.6	17.3
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- Overall, the financial objectives have been met with significant negative deviations. The impact on the achievement of the financial objectives was due to the low interbank interest rates and the uncertainty caused by the COVID-19 pandemic, which delayed the realisation of ESCO projects by 100%.
- Successful monitoring of the implementation of the KPFI and ENII projects, but no new ENII calls were launched in 2020.
- In 2020, four new cross-border projects were contracted with funding of EUR 568 000 for Latvia.

Annex 1

State-Owned Enterprises, Shares Owned by State, State-Owned Enterprises and Companies under Decisive Influence of the State (31.12.2020)

No.	Reg. No.	Name of the capital company	Sector	Turnover, 2020, EUR '000	Profit/Loss, 2020, EUR '000	Total assets, 31.12.2020, EUR '000	Proportion of capital shares, holder or owner	Supplementary information
State-Owned Enterprises								
1	40003032949	JSC "Latvenergo" (Group)	Energy	773 391.0	116 309.0	3 358 835.0	100% Ministry of Economics	
2	40003466281	JSC "Latvijas valsts meži" (consolidated)	Forestry	349 756.2	62 385.9	536 161.0	100 % Ministry of Agriculture	
3	40003032065	SJSC "Latvijas dzelzceļš" (consolidated)	Transport	253 866.0	-35 515.0	903 236.0	100 % Ministry of Transport	
4	40003951628	LLC "Rīgas Austrumu klīniskā universitātes slimnīca"	Health care	164 767.1	-533.7	144 640.1	100 % Ministry of Health	
5	40003575567	JSC "Augstsprieguma tīkls" (consolidated)	Energy	144 886.2	65 358.5	1 213 515.4	100 % Ministry of Finance	Added JSC "Latvijas elektriskie tīkli" on 25.11.2020. ⁸¹
6	40003457109	SLLC "Paula Stradiņa klīniskā universitātes slimnīca"	Health care	128 686.2	-448.6	163 567.8	100 % Ministry of Health	
7	40003052790	SJSC "Latvijas Pasts"	Communications	94 132.6	4 213.0	128 366.7	100% Ministry of Transport	
8	40003356530	SJSC "Latvijas autoceļu uzturētājs"	Transport	82 530.9	2 953.8	72 162.6	100% Ministry of Transport	
9	40003457128	SLLC "Bērnu klīniskā universitātes slimnīca"	Health care	59 784.1	272.6	78 914.1	100% Ministry of Health	
10	40003083998	SJSC "Latvijas Loto" (consolidated)	Other	57 141.2	11 183.6	26 258.7	100% Ministry of Finance	
11	40003345734	SJSC "Ceļu satiksmes drošības direkcija" (consolidated)	Transport	48 363.3	3116.8	53976.7	100% Ministry of Transport	
12	40003567907	JSC "Pasažieru vilciens"	Transport	42 630.4	1 012.9	82 743.7	100% Ministry of Transport	
13	40003294758	SJSC "Valsts nekustamie īpašumi"	Real estate management	37 988.8	2 987.1	401 640.1	100% Ministry of Finance	
14	40003028055	SJSC "Starptautiskā lidosta "Rīga""	Transport	29 797.9	-15 846.3	156 177.1	100% Ministry of Transport	
15	50003342481	SLLC "Rīgas Psihiatrijas un narkoloģijas centrs"	Health care	20 458.4	4.9	27 805.2	100% Ministry of Health	
16	40003011203	SJSC "Latvijas Valsts radio un televīzijas centrs"	Communications	20 052.9	2757.7	137 315.7	100% Ministry of Transport	
17	40003410729	SLLC "Traumatoloģijas un ortopēdijas slimnīca"	Health care	19 173.1	670.6	14 998.8	100% Ministry of Health	
18	40003080597	SLLC "Latvijas televīzija"	Public electronic mass media	19 093.0	-7.1	17 041.2	100% National Electronic Mass Media Council	
19	40003344207	SLLC "Latvijas Valsts ceļi"	Transport	17 865.1	295.2	7 788.1	100% Ministry of Transport	Changed from SJSC to SLLC on 09.12.2020.
20	40003273900	SLLC "Nacionālais rehabilitācijas centrs Vaivari"	Health care	14 907.6	23.2	15 316.3	100% Ministry of Health	
21	40003038621	SJSC "Latvijas gaisa satiksme"	Transport	14 208.4	-7 637.9	45 941.5	100% Ministry of Transport	
22	50103744891	JSC "Attīstības finanšu institūcija Altum" (consolidated)	Other	13 826.0	5 539.0	850 704.0	40% Ministry of Finance, 30% Ministry of Economics and 30% Ministry of Agriculture	

⁸¹ Decision of the Cabinet of Ministers No 46 of 8 October 2019, §38, supported the introduction of the ownership model of the electricity transmission system operator 'Full ownership unbundling'. On 10 June 2020, JSC Latvenergo ceased its 100% participation in the subsidiary JSC "Latvijas Electric tīkls" and the transmission system assets of EUR 694.3 million were separated from the group, transferring all shares of JSC "Latvijas Electric tīkls" in the fair value of EUR 222.7 million to the Ministry of Economics. In accordance with the decision of the Register of Enterprises of 25 November 2020, JSC "Latvijas elektriskie tīkli" has been removed from the company register, and AST took over the assets and liabilities of JSC "Latvijas elektriskie tīkli" and continued the commercial activities of the acquired company.

No.	Reg. No.	Name of the capital company	Sector	Turnover, 2020, EUR `000	Profit/Loss, 2020, EUR `000	Total assets, 31.12.2020, EUR `000	Proportion of capital shares, holder or owner	Supplementary information
23	40003338357	SLLC "Zemkopības ministrijas nekustamie īpašumi"	Real estate management	13 400.6	13.6	18 848.8	100% Ministry of Agriculture	
24	50003407881	SLLC "Daugavpils psihoneiroloģiskā slimnīca"	Health care	12 422.4	2.2	21 403.6	100% Ministry of Health	SLLC "Aknīstes psihoneiroloģiskā slimnīca" was added to the company on 01.01.2021. ⁸²
25	40003080614	SLLC "Latvijas radio"	Public electronic mass media	10 321.9	50.7	6 817.7	100% National Electronic Mass Media Council	
26	40003407396	SLLC "Slimnīca "Ģintermuiža""	Health care	9 607.9	219.3	14 901.3	100% Ministry of Health	
27	40003334410	LLC "Tiesu namu aģentūra"	Real estate management	8 111.0	91.2	66 452.6	100% Ministry of Justice	Changed from SJSC to LLC on 10.12.2020
28	50003408181	SLLC "Strenču psihoneiroloģiskā slimnīca"	Health care	8 010.5	372.5	7 847.4	100% Ministry of Health	
29	40003021907	SJSC "Elektroniskie sakari"	Communications	7 322.1	98.9	12 544.7	100% Ministry of Environmental Protection and Regional Development	
30	50103237791	SLLC "Latvijas Vides, ģeoloģijas un meteoroloģijas centrs"	Other	6 868.7	-8 699.2	25 446.8	100% Ministry of Environmental Protection and Regional Development	
31	40003480798	SLLC "Rīgas Tūrisma un radošās industrijas tehnikums"	Education	5 647.7	60.3	20 688.7	100% Ministry of Education and Science	
32	40003,453643	SLLC "Aknīstes psihoneiroloģiskā slimnīca"	Health care	5 643.6	1.1	6 631.5	100% Ministry of Health	Added to LLC "Daugavpils psihoneiroloģiskā slimnīca" on 01.01.2021. ⁸²
33	40003343729	SLLC "Piejūras slimnīca"	Health care	4 154.9	39.0	9 910.2	100% Ministry of Health	
34	40003022705	SLLC "Latvijas Jūras administrācija"	Transport	3 904.0	-319.2	4 846.7	100% Ministry of Transport	
35	40003429317	SLLC "Autotransporta direkcija"	Transport	3 480.8	496.5	4 176.7	100% Ministry of Transport	
36	40003192154	LLC "Publisko aktīvu pārvaldītājs Possessor" (consolidated)	Other	2 781.4	728.0	36 928.7	100% Ministry of Economics	Changed from SJSC to LLC on 09.10.2020
37	40103836785	LLC "Eiropas dzelzceļa līnijas"	Transport	2 551.3	-0.4	4 802.2	100% Ministry of Transport	
38	40003400059	SLLC "Iekšlietu ministrijas poliklīnika"	Health care	2 334.3	-30.1	826.4	100% Ministry of the Interior	
39	50003000771	SLLC "Šampētera nams"	Real estate management	2 271.0	0.2	4 159.4	100% Ministry of Welfare	
40	40203235757	JSC "Ventas osta"	Transport	2 079.7	398.1	618.1	100% Ministry of Transport	
41	44103017181	SLLC "Bērnu psihoneiroloģiskā slimnīca "Ainaži""	Health care	1 645.0	-31.9	4 222.8	100% Ministry of Health	
42	40003113794	SLLC "Latvijas Vēstnesis"	Other	1 503.0	55.1	1 488.2	100% Ministry of Justice	
43	40103208907	SLLC "Latvijas Nacionālā opera un balets"	Culture	1 462.4	11.1	8 980.8	100% Ministry of Culture	
44	40003435328	LLC "Latvijas Nacionālais metroloģijas centrs"	Other	1 295.4	0.8	1 131.9	100% Ministry of Economics	
45	40003783138	SLLC "Dailes teātris"	Culture	1 260.2	4.9	1 336.5	100% Ministry of Culture	

⁸² In accordance with Order of the Cabinet of Ministers No 12 of 7 January 2020 on the reorganisation of the SLLC "Aknīstes psihoneiroloģiskā slimnīca" and LLC "Daugavpils psihoneiroloģiskā slimnīca" the SLLC "Daugavpils psihoneiroloģiskā slimnīca" has become the successor of all the property, rights and liabilities of the SLLC "Aknīstes psihoneiroloģiskā slimnīca", and on 1 January 2021 SLLC "Aknīstes psihoneiroloģiskā slimnīca" ceased to exist as a separate legal entity without liquidation proceedings.

No.	Reg. No.	Name of the capital company	Sector	Turnover, 2020, EUR '000	Profit/Loss, 2020, EUR '000	Total assets, 31.12.2020, EUR '000	Proportion of capital shares, holder or owner	Supplementary information
46	40003786149	SLLC "Latvijas Nacionālais teātris"	Culture	1 199.0	1.3	1 827.4	100% Ministry of Culture	
47	40003793653	SLLC "Mihaila Čehova Rīgas Krievu teātris"	Culture	714.0	161.2	739.0	100% Ministry of Culture	
48	40003094953	SLLC "Jaunais Rīgas teātris"	Culture	703.7	7.0	1 525.2	100% Ministry of Culture	
49	40103264961	SLLC "Latvijas Proves birojs"	Other	592.2	43.1	941.0	100% Ministry of Finance	
50	40003374610	SLLC "Latvijas Koncerti"	Culture	550.0	11.1	1 186.5	100% Ministry of Culture	
51	40003005137	LLC "Bobsleja un kamanīņu trase "Sigulda""	Sport	428.9	-273.4	9 777.8	100% Ministry of Education and Science	
52	50003017621	SLLC "Meliorprojekts"	Other	396.4	-84.2	153.9	100% Ministry of Agriculture	
53	44103038376	SLLC "Valmieras drāmas teātris"	Culture	367.8	6.0	784.9	100% Ministry of Culture	
54	40203084591	LLC "Latvijas standarts"	Other	327.8	42.7	362.7	100% Ministry of Economics	
55	40003044327	LLC "Sporta centrs "Mežaparks""	Sport	322.6	1.6	16 883.8	100% Ministry of Education and Science	
56	40003030774	LLC "Tenisa centrs "Lielupe""	Sport	303.4	-138.3	17 841.3	100% Ministry of Education and Science	
57	40003782984	SLLC "Latvijas Leļļu teātris"	Culture	249.0	15.1	394.8	100% Ministry of Culture	
58	40003373615	SLLC "Latvijas Nacionālais simfoniskais orķestris"	Culture	237.3	14.5	1 076.0	100% Ministry of Culture	
59	50003140671	SLLC "Kultūras un sporta centrs "Daugavas stadions""	Sport	193.0	-100.3	36 450.6	100% Ministry of Education and Science	
60	40003339615	SLLC "Vides investīciju fonds"	Other	178.8	-52.0	6 579.1	100% Ministry of Environmental Protection and Regional Development	
61	40003487546	SLLC "KREMERATA BALTICA"	Culture	169.3	0.6	71.4	100% Ministry of Culture	
62	42103049403	SLLC "Liepājas simfoniskais orķestris"	Culture	138.4	59.7	293.3	100% Ministry of Culture	
63	41503037608	SLLC "Daugavpils teātris"	Culture	94.5	5.1	462.4	100% Ministry of Culture	
64	40003373761	SLLC "Valsts Akadēmiskais koris "Latvija""	Culture	82.5	3.2	195.6	100% Ministry of Culture	
65	40003027789	SLLC "Rīgas cirks"	Culture	69.3	35.1	1 148.7	100% Ministry of Culture	
66	40003342456	LLC "Lielstraupes pils"	Health care	0.0	-4.2	57.7	100% Ministry of Health	
State-Owned Enterprises effectively controlled by the State								
67	40003052786	LLC "Tet" (corporation)	Communications	222 644.0	30 389.0	333 158.0	51% LLC "Publisko aktīvu pārvaldītājs Possessor"	
68	40003245752	JSC "Air Baltic Corporation" (consolidated)	Transport	138 921.0	-264 597.0	941 041.0	96.13% Ministry of Transport	On 04.08.2020 the amount of holding was increased: before 80.054746%.
69	40003347699	LLC "Latvijas Lauku konsultāciju un izglītības centrs"	Agriculture	10 415.8	11.9	5 750.7	99.32% Ministry of Agriculture	
70	40003258973	LLC "Ludzas medicīnas centrs"	Health care	3 336.9	244.4	9 325.0	57.94648% Ministry of Health	

No.	Reg. No.	Name of the capital company	Sector	Turnover, 2020, EUR `000	Profit/Loss, 2020, EUR `000	Total assets, 31.12.2020, EUR `000	Proportion of capital shares, holder or owner	Supplementary information
Capital companies with direct State ownership of 20% to 50% (including)								
71	40003286750	JSC "Rīgas siltums" (consolidated)	Energy	151 879.8	15 825.1	245 926.6	48.995% Ministry of Economics, 0.005% Latvenergo.	Other holders of capital shares: 49% Rīga City Council. 2% LLC "Energijas risinājumi. RIX".
72	40003212111	LLC "Latvijas Olimpiskā vienība"	Sport	2 840.6	253.5	783.1	29% Ministry of Education and Science	
73	41203024801	LLC "Starptautiskā Rakstnieku un tulkotāju māja"	Real estate management	2.8	0.2	149.1	33.33% Ministry of Culture	
Capital companies with direct State ownership up to 20%								
74	40003000642	JSC "Latvijas Gāze" (consolidated)	Energy	190 494.0	11 189.0	455 549.0	0.00029% Ministry of Economics	
75	40003044346	JSC "Rīgas sanitārā transporta autobāze" (consolidated)	Other	26 259.7	822.4	35 575.2	10.07% LLC "Publisko aktīvu pārvaldītājs Possessor"	
76	40003034263	JSC "Ceļu pārvalde" (consolidated)	Other	25 932.8	840.9	22 703.7	0.93% LLC "Publisko aktīvu pārvaldītājs Possessor"	Shares without voting rights
77	40003026603	JSC "Rīgas dzimavnieks"	Other	24 119.5	-372.6	22 461.0	3.680% LLC "Publisko aktīvu pārvaldītājs Possessor"	
78	41503002447	JSC "Daugavpils specializētais autotransporta uzņēmums"	Other	4 768.6	599.9	3 540.9	3.2% LLC "Publisko aktīvu pārvaldītājs Possessor"	
79	40003028394	Rēzeknes SEZ JSC "REBIR"	Other	1 981.7	26.4	1 659.9	5% LLC "Publisko aktīvu pārvaldītājs Possessor"	
80	40003028515	JSC "Jelgavas mašīnbūves rūpnīca"	Other	646.7	-277.2	2 681.7	3.68% LLC "Publisko aktīvu pārvaldītājs Possessor"	
81	40003019851	JSC "Latgales ciltslietu un mākslīgās apsūkšanas stacija"	Other	243.0	-69.0	328.8	4.91% LLC "Publisko aktīvu pārvaldītājs Possessor"	
82	40003047677	LLC "Sanatorija "Dzimtene""	Health care	13.7	-3.4	44.1	10% LLC "Publisko aktīvu pārvaldītājs Possessor"	
83	42103008388	LLC "Liepājas sērkociņi"	Other	0.0	-44.3	466.6	9.99935% LLC "Publisko aktīvu pārvaldītājs Possessor"	
84	41703004525	LLC "UNI SAN"	Other	0.0	-187.4	21.3	5% LLC "Publisko aktīvu pārvaldītājs Possessor"	
Capital companies with direct state ownership up to 20% that were sold								
85	50003021241	JSC "Rīgas Kinostudija"	Other	n/a	n/a	n/a	19.06% LLC "Publisko aktīvu pārvaldītājs Possessor"	Sale of the State's shareholding on 19.10.2020.
86	40003017121	JSC "Stendes selekcijas un izmēģinājumu stacija"	Other	323.9	189.7	3913.0	4.81% JSC "Publisko aktīvu pārvaldītājs Possessor"	State-owned capital shares sold on 03.01.2020.

No.	Reg. No.	Name of the capital company	Sector	Turnover, 2020, EUR `000	Profit/Loss, 2020, EUR `000	Total assets, 31.12.2020, EUR `000	Proportion of capital shares, holder or owner	Supplementary information
Capital companies with direct state ownership up to 20% that have terminated economic activity, are in the process of liquidation or have been liquidated								
87	40003014197	IJSC "Liepājas metalurģs"	Other	0.0	0.0	0.0	2.5% LLC "Publisko aktīvu pārvaldītājs Possessor"	Insolvency from 13.11.2013. Excluded from the Enterprise Register on 19.02.2021.
88	40003009764	JSC "Transinform"	Other	n/a	n/a	n/a	2.91% JSC "Publisko aktīvu pārvaldītājs Possessor"	Liquidated and excluded from the Enterprise Register on 29.05.2020.
89	40003020174	IJSC "Latvijas zoovetapgāde"	Other	0.0	0.0	0.0	2.6% JSC "Publisko aktīvu pārvaldītājs Possessor"	Liquidated and excluded from the Enterprise Register on 21.09.2020.
Subsidiaries 100% owned by State-Owned Enterprises								
90	40003857687	JSC "Sadales tīkls"	Energy	296 307.0	22 050.0	1 823 934.0	100% JSC "Latvenergo"	
91	40003788421	LLC "LDZ Cargo"	Transport	162 326.3	-3 302.6	142 465.4	100% SJSC "Latvijas dzelzceļš"	
92	301506046	UAB "Elektrum Lietuva"	Other	59 733.0	77.0	13 648.0	100% JSC "Latvenergo"	
93	40003788351	LLC "LDZ rītošā sastāva serviss"	Transport	49 111.0	-5 293.7	87 815.0	100% SJSC "Latvijas dzelzceļš"	
94	11399985	OÜ "Elektrum Eesti"	Other	41 147.0	239.0	10 785.0	100% JSC "Latvenergo"	
95	40003988480	LLC "LDZ Loģistika"	Transport	15 619.9	-126.7	1 481.1	100% SJSC "Latvijas dzelzceļš"	
96	40003620112	LLC "LDZ apsardze"	Other	7 726.1	159.5	1 950.5	100% SJSC "Latvijas dzelzceļš"	
97	40003788258	LLC "LDZ infrastruktūra"	Transport	4 094.4	-3 216.8	13 212.7	100% SJSC "Latvijas dzelzceļš"	The Supervisory Board of SJSC "Latvijas dzelzceļš" approved the plan to liquidate LLC "LDZ Infrastruktūra" in 2021. In order to start the liquidation of LLC "LDZ Infrastruktūra", it is necessary to obtain the consent of the shareholder and the Cabinet of Ministers to carry out these activities.
98	40103762700	JSC "Energijas publiskais tirgotājs"	Energy	1 829.6	0.0	91 321.5	100% JSC "Latvenergo"	Changed from SJSC to LLC on 31.03.2021.
99	40103361063	JSC "LatRailNet"	Transport	1 247.1	64.5	1 435.4	100% SJSC "Latvijas dzelzceļš"	
100	40003423460	LLC "LatLoto nams"	Other	891.7	58.6	264.7	100% SJSC "Latvijas Loto"	
101	40003665610	LLC "Jaunmoku pils"	Other	822.0	99.8	1 788.8	100% SJSC "Latvijas valsts meži"	
102	40003266519	LLC "Mailmaster"	Communications	506.2	-26.8	401.5	100% SJSC "Latvijas Pasts"	
103	40103981332	LLC "FeLM"	Other	97.9	0.0	8 367.3	100% LLC "Publisko aktīvu pārvaldītājs Possessor"	
104	50103306171	KS Imprimatur Capital Seed Fund	Other	0.0	261.5	4 103.9	100% JSC Attīstības finanšu institūcija Altum	

No.	Reg. No.	Name of the capital company	Sector	Turnover, 2020, EUR `000	Profit/Loss, 2020, EUR `000	Total assets, 31.12.2020, EUR `000	Proportion of capital shares, holder or owner	Supplementary information
105	40203106704	LLC "REAP"	Other	0.0	0.0	15 361.4	100% LLC "Publisko aktīvu pārvaldītājs Possessor"	
106	40203141610	KS "Overkill Ventures Fund I AIF"	Other	0.0	0.0	0.0	100% JSC "Attīstības finanšu institūcija Altum"	
107	40003510448	LLC "Rīgas hematoloģijas centrs"	Health care	0.0	-0.1	190.2	100% LLC "Rīgas Austrumu klīniskā universitātes slimnīca"	Economic activity terminated on 13.12.2018.
108	44103115707	KS "Commercialization Reactor Pre-seed Fund" AIF	Other	0.0	-295.5	817.0	100% JSC "Attīstības finanšu institūcija Altum"	
109	43603080677	KS "Buildit Latvia Pre-Seed Fund" AIF	Other	0.0	-343.1	1 542.4	100% JSC "Attīstības finanšu institūcija Altum"	
Subsidiaries 100% owned by state-owned capital companies which have been reorganised								
110	40103379313	JSC "Latvijas elektriskie tīkli"	Energy	31 509.0	6 514.3	709 611.2	100% JSC "Latvenergo"	Acquired by JSC "Augstsprieguma tīkls" on 25.11.2020. ⁸³
Shareholdings with decisive influence of State capital companies or capital companies under direct or indirect decisive influence of the State								
111	50003050931	LLC "Latvijas Mobilais Telefons" (consolidated)	Communications	227 505.6	27 225.7	293 244.7	23% SJSC "Latvijas Valsts radio un televīzijas centrs", 23% LLC "Tet" un 5% LLC "Publisko aktīvu pārvaldītājs Possessor"	
112	40103148504	LLC "LMT Retail&Logistics"	Communications	99 580.9	1 432.4	58 049.6	100% LLC "Latvijas Mobilais Telefons"	
113	40203041605	JSC "Conexus Baltic Grid"	Energy	53 867.3	13 111.8	453 092.0	68.46% JSC "Augstsprieguma tīkls"	On 21.07.2020, JSC "Augstsprieguma tīkls", by fulfilling the task assigned by the Cabinet of Ministers, concluded a transaction with SJSC Gazprom on the purchase of 34.10 % of shares in JSC Conexus Baltic Grid, thereby increasing control of the company to 68.46 %.
114	40103587651	JSC "Aviation Crew Resources"	Other	26 818.6	664.8	6 579.5	100% JSC "Air Baltic Corporation"	Previously 92.00%.
115	50003752271	LLC "CITRUS Solutions"	Other	23 684.5	1 030.9	13 047.0	100% LLC "Tet"	
116	42103035386	LLC "Liepājas enerģija"	Energy	15 370.8	3 554.9	36 023.4	51% JSC "Latvenergo"	
117	40003201762	LLC "AUTEKO & TUV LATVIJA - TUV Rheinland grupa"	Other	7 724.1	1 213.3	6 173.9	51% SJSC "Ceļu satiksmes drošības direkcija"	Changed name on 04.01.2021., previously LLC "Auteko & TUV Latvija". Alienation process has been initiated.
118	40103360903	LLC "Helio Media"	Communications	6 281.8	118.4	4 149.1	100% LLC "Lattelcom"	

⁸³ Protocol Resolution of the Cabinet of Ministers No. 46 of 8 October 2019, §38, supported the introduction of the ownership model of the electricity transmission system operator 'Full ownership unbundling'. On 10 June 2020, JSC Latvenergo ceased its 100 % participation in the subsidiary JSC "Latvijas Electric tīkls" and the transmission system assets of EUR 694.3 million were separated from the group, transferring all shares of JSC "Latvijas Electric tīkls" of EUR 222.7 million in fair value to the Ministry of Economics. In accordance with the decision of the Register of Enterprises of 25 November 2020, JSC "Latvijas Electric tīkls" has been removed from the company register, JSC Augstsprieguma tīkls has taken over the assets and liabilities of JSC Latvijas elektriskie tīkli and continues the commercial activities of the acquired company.

No.	Reg. No.	Name of the capital company	Sector	Turnover, 2020, EUR '000	Profit/Loss, 2020, EUR '000	Total assets, 31.12.2020, EUR '000	Proportion of capital shares, holder or owner	Supplementary information
119	40103272422	LLC "Air Baltic training"	Other	3 104.6	-57.9	6 723.1	100% JSC "Air Baltic Corporation"	
120	40003320463	LLC "Veselības centrs "Bīķernieki""	Health care	2 118.2	12.3	526.8	99,58% LLC "Rīgas Austrumu klīniskā universitātes slimnīca"	
121	50003138501	LLC "Baltijas datoru akadēmija"	Other	1 607.4	49.4	916.9	100% LLC "Lattelecom"	
122	40103273540	LLC "Loyalty Services"	Other	1 578.8	-798.0	2 037.5	100% JSC "Air Baltic Corporation"	Coalition Rewards Asset Management Oy (Corporation registered in Finland, 100% owned by "Loyalty Services" LLC), PINS Finland Oy (Corporation registered in Finland, 100% owned by pieder Coalition Rewards Asset Management Oy.
123	40003458674	LLC "BALTIJAS KRAVU CENTRS"	Other	584.9	-185.5	265.4	100% JSC "Air Baltic Corporation"	
124	40003754567	LLC "Lattelecom"	Communications	293.3	329.9	4 694.6	100% LLC "Tet"	
125	40103419565	LLC "Rīgas vagonbūves uzņēmums "Baltija""	Other	6.5	-58.3	292.6	100% LLC "LDZ Ritošā sastāva serviss"	
126	40103306235	CC "Imprimatur Capital Technology Venture Fund"	Other	0.0	2 263.4	9 825.4	67% JSC "Attīstības finanšu institūcija Altum"	
127	40103266178	CC "BaltCap Latvia Venture Capital Fund AIF"	Other	0.0	961.4	7 544.8	67% JSC "Attīstības finanšu institūcija Altum"	Changed name on 24.11.2020., previously CC "BaltCap Latvia Venture Capital Fund".
128	40103697947	CC "Alternatīvo ieguldījumu fonds ZGI-3"	Other	0.0	631.2	4 414.3	95% JSC "Attīstības finanšu institūcija Altum"	
129	40003448943	JSC "Pirmais slēgtais pensiju fonds"	Other	0.0	0.0	139.9	50% LLC "Tet" and subsidiaries, 48.15% JSC "Latvenergo" and 1.85% JSC "Augstsprieguma tīkls"	
130	40203141593	CC "Overkill Ventures Fund II AIF"	Other	0.0	0.0	0.0	80% JSC "Attīstības finanšu institūcija Altum"	
131	40103587327	LLC "Elektrum Latvija"	Other	0.0	-0.1	2.2	100% OÜ "Elektrum Eesti"	
132	40203123846	CC "Buildit Latvia Seed Fund" AIF	Other	0.0	-28.2	244.4	80% JSC "Attīstības finanšu institūcija Altum"	
133	44103115711	CC "Commercialization Reactor Seed Fund" AIF	Other	0.0	-56.3	0.9	80% JSC "Attīstības finanšu institūcija Altum"	
134	40103697951	CC "Flycap Investment Fund I" AIF	Other	0.0	-238.9	5 659.3	95% JSC "Attīstības finanšu institūcija Altum"	
135	40203139743	CC "INEC1 AIF"	Other	0.0	-281.7	2 854.6	75% JSC "Attīstības finanšu institūcija Altum"	
136	40203206885	CC "FlyCap Mezzanine Fund II AIF"	Other	0.0	-371.4	516.5	60% JSC "Attīstības finanšu institūcija Altum"	
137	44103116670	CC "INEC2 AIF"	Other	0.0	-381.5	1 125.0	90% JSC "Attīstības finanšu institūcija Altum"	
138	40103697913	CC "Expansion Capital Fund" AIF	Other	0.0	-1 429.1	9 418.5	95% JSC "Attīstības finanšu institūcija Altum"	

No.	Reg. No.	Name of the capital company	Sector	Turnover, 2020, EUR `000	Profit/Loss, 2020, EUR `000	Total assets, 31.12.2020, EUR `000	Proportion of capital shares, holder or owner	Supplementary information
139	40203111495	"ZGI-4" AIF CC	Other	0.0	-1 582.5	5 278.7	60% JSC "Attīstības finanšu institūcija Altum"	
Shares under effective control owned by State-Owned Enterprises or capital companies under direct or indirect effective control of the State that are in the process of insolvency proceedings								
140	50003621571	JSC "VRC Zaslauks"	Other	9.4	-5.1	1.6	51% JSC "Pasažieru vilciens"	On 03.03.2020, the insolvency procedes have been initiated.
Shares under effective control owned by State-Owned Enterprises or capital companies under direct or indirect effective control of the State that are in the process of liquidation or have been liquidated								
141	40103350801	LLC "TravelLounge"	Other	0.0	0.0	46.2	100% JSC "Air Baltic Corporation"	Liquidated on 19.10.2021.
142	40103875320	LLC "Blaker"	Other	0.0	0.0	0.0	100% JSC "Air Baltic Corporation"	Liquidated on 10.08.2020.
143	40103875316	LLC "Vhiter"	Other	0.0	0.0	0.0	100% JSC "Air Baltic Corporation"	Liquidated on 07.08.2020.
144	HE93438	"Regalite Holdings" Ltd	Financial services	0.0	0.0	0.0	100% JSC "Reverta"	Liquidation was launched in 2017. On 31 2019, only one subsidiary of LJSC "Reverta" – Regalite Holdings Limited (Republic of Cyprus) remained.
145	40003426895	LLC "Hiponia"	Real Estate Management	0.0	-146.2	0.0	100% JSC "Publisko aktīvu pārvaldītājs Possessor"	On 02.11.2020. excluded from the Commercial Register.
146	40003074590	JSC "Reverta"	Real Estate Management	0.0	-282.1	2 831.0	96.89% LLC "Publisko aktīvu pārvaldītājs Possessor"	In the process of liquidation since 2017.
Shares owned by State-Owned Enterprises or subsidiaries of State-Owned Enterprises with holding of 20% to 50% (including)								
147	40003348247	LLC "Scantest"	Other	3 807.0	805.2	2 011.3	20% SJSC "Ceļu satiksmes drošības direkcija"	Expropriation process initiated.
148	40003425353	LLC "Autests"	Other	2 304.9	353.4	3 215.1	20% SJSC "Ceļu satiksmes drošības direkcija"	Expropriation process initiated.
149	43603022749	LLC "Meža un koksnes produktu pētniecības un attīstības institūts"	Other	1 427.8	1.1	991.0	40% SJSC "Latvijas valsts meži"	
150	40003425118	LLC "Venttests"	Other	289.3	59.3	497.6	50% SJSC "Ceļu satiksmes drošības direkcija"	Expropriation process initiated.
151	40203116929	LLC "Overkill Ventures" AIFP	Other	7.0	49.1	147.4	35% LLC "Latttelecom" (reģ. Nr. 40003754567)	
152	No reg. No. address: Luxembourg	"Baltic Innovation Fund"	Other	0.0	0.0	0.0	20% JSC "Attīstības finanšu institūcija Altum"	Without reg.No., adrese: European Investment Fund, 37B, avenue J.F. Kennedy, L-2968 Luxembourg
153	40203015814	LLC "SWG Riga Fund 1"	Other	0.0	-1.1	144.6	27.12% LLC "Latttelecom"	From 29.07.2020. 27.11624% shareholder is LLC "Latttelecom", before-LLC "T2T".
154	40103845025	JSC "RB Rail"	Transports	0.0	-60.1	33 614.7	33.33% LLC "Eiropas dzelzceļa līnijas"	
155	40203252367	CC "AIF "Altum kapitāla fonds"	Other	0.0	-379.2	11.1	48.90% JSC "Attīstības finanšu institūcija Altum"	Registered on: 31.07.2020.

No.	Reg. No.	Name of the capital company	Sector	Turnover, 2020, EUR `000	Profit/Loss, 2020, EUR `000	Total assets, 31.12.2020, EUR `000	Proportion of capital shares, holder or owner	Supplementary information
Shares held by state-owned capital companies or subsidiaries of state-owned capital companies with a participation of between 20% and 50% inclusive, which are being liquidated up have been liquidated								
156	40003837498	CC "Otrais Eko fonds	Other	0.0	-2 237.0	0.0	33% JSC "Attīstības finanšu institūcija Altum"	Liquidated on 27.11.2020.
Shares held by state-owned capital companies or capital companies under direct or indirect decisive influence by the State with decisive influence which have been sold or changed ownership								
157	40003016728	LLC "T2T"	Communications	6 730.0	608.2	2 860.2	100% LLC "Tet"	On 03.08.2020 AKTISIASELTS HELMES becomes 100% shareholder.
Shares of State-owned capital companies or subsidiaries of state-owned capital companies with a participation of up to 20%								
158	40003094173	JSC "Latvijas Finieris" (consolidated)	Other	223 550.1	12 134.3	327 299.2	0.98804% SJSC "Latvijas valsts meži"	
159	40003034583	LLC "Strek"	Other	7 757.0	-21 204.4	19 221.6	5.84% SJSC "Latvijas dzelzceļš"	
160	40103326439	LLC "IT Kompetences centrs"	Other	98.2	45.4	328.4	18.5% LLC "Lattelecom"	From 31.07.2020. 18.5% shareholder - LLC "Lattelecom", before - LLC "T2T".
161	400255276	Latvia-Belarus joint venture "MIRIGO"	Other	0.0	0.0	0.0	3% SJSC "Latvijas dzelzceļš"	
162	No Reg. No., address: Luxembourg	"Baltic Innovation Fund 2"	Other	0.0	0.0	0.0	16.99% JSC "Attīstības finanšu institūcija Altum"	Without reg. No., address: European Investment Fund, 37B, avenue J.F. Kennedy, L-2968 Luxembourg
163	B234989, address: Luksemburga	"Three Seas Initiative Investment Fund S.A." SICAV-RAIF	Other	0.0	0.0	0.0	3.57% JSC "Attīstības finanšu institūcija Altum"	Address: 5, rue Jean Monnet L-2180 Luxembourg R.C.S. Luxembourg: B 234.989
164	40003143445	LLC "Vējkalni"	Agriculture	0.0	-0.6	174.3	12.5% LLC "Latvijas Lauku konsultāciju un izglītības centrs"	
Shares of State-owned capital companies or subsidiaries of state-owned capital companies with a participation of up to 20 %, where participation has been terminated								
165	919422505	JSC "TSO Holding"	Other	n/a	n/a	n/a	2% JSC "Augstsprieguma tīkls"	From 01.07.2020. AST is not a shareholder ⁸⁴
Shares held by state-owned capital companies or subsidiaries of state-owned capital companies with a participation of up to 20%, which have been sold								
166	41203007892	JSC "Kurzemes radio"	Other	230.5	5.0	88.7	0.58% SLLC "Latvijas radio"	According to Order of the Cabinet of Ministers No.344 "On the Sale of Shares of SLLC Latvijas Radio of 25.06.2020 on 22.12.2020. the shares were sold at the auctions.

⁸⁴ Cabinet Order No 652 of 18 December 2019 (Minutes No 59 76. §) – JSC "Augstsprieguma tīkls" to terminate the participation of JSC "Nord Pool Holding" (renamed JSC "TSO Holding") and to establish a joint venture for the management of JSC "Nord Pool Holding" by acquiring a 2 % participation therein. The share purchase agreement with "Statnet" SF was signed bilaterally on 24.05.2020. The changes to the register of shareholders of "TSO Holding" JSC entered into force on 1 July 2020.

Annex 2

Municipalities-Owned Capital Companies and Capital Shares⁸⁵ (31.12.2020.)

No.	Reg. No.	Name of the capital company	Turnover, 2020, EUR '000	Profit/Loss, 2020, EUR '000	Total assets, 31.12.2020, EUR '000	Proportion of capital shares, holder or owner	Supplementary information/notes
Capital companies with decisive direct participation of municipalities 100%							
1	40003619950	Rīga Municipal LLC "Rīgas satiksmē"	173 529.5*	1 068.4*	442 198.7*	100% Rīga City Council	*Consolidated Annual Report
2	40103023035	LLC "Rīgas ūdens"	55 656.2	8 097.8	301 866.6	100% Rīga City Council	
3	40103362321	LLC "Rīgas namu pārvaldnieks"	55 605.8	-4 625.8	110 609.8	100% Rīga City Council	
4	40003367816	LLC "Getliņi EKO"	27 480.4	592.8	75 240.9	97.7% Rīga City Council, 2.3% Stopiņu novada dome	
5	40003439279	LLC "Rīgas 1. slimnīca"	18 881.0	669.2	14 999.5	100% Rīga City Council	
6	40003982628	LLC "Rīgas meži"	18 212.3	648.6	133 416.6	100% Rīga City Council	
7	40003223971	LLC "Rēzeknes slimnīca"	17 246.8	885.3	15 832.9	100% Rēzekne City Council	
8	41503002945	Municipal LLC "Daugavpils siltumtīkli"	15 415.1	-275.3	29 175.2	100% Daugavpils City Council	
9	50003356621	LLC "Jēkabpils reģionālā slimnīca"	14 131.5	73.3	11 390.0	100% Jēkabpils Municipality Council	
10	41703007038	LLC "JELGAVAS PILSĒTAS SLIMNĪCA"	13 588.3	-110.5	15 107.8	100% Jelgava Municipality	
11	50003590021	LLC "Rīgas pilsētbūvnieks"	13 319.0	188.5	114 570.7	100% Rīga Municipality	
12	40003194600	LLC "Rīgas Dzemdību nams"	11 581.7	451.5	5 318.1	100% Rīga City Council	
13	40003222317	LLC "OGRES RAJONA SLIMNĪCA"	10 215.4	1 245.0	14 568.6	61.35% Ogre Municipality Council, 17.08% Lielvārde Municipality Council, 12.02% Ikšķile Municipality Council, 9.54% Kēgums Municipality Council	
14	44103015509	LLC "ZAAO" (consolidated)	9 024.3*	72.8*	7 910.2*	59.48% Valmiera Municipality Council, 26.72% Cēsis Municipality Council, 7.36% Limbaži Municipality Council, 3.57% Smiltene Municipality Council, 2.55% Valka Municipality Council, 0.24% Sigulda Municipality Council, 0.04% Saulkrasti Municipality Council, 0.03% Balvi Municipality Council	
15	40003220000	LLC "Jūrmalas slimnīca"	8 889.3	408.1	9 820.3	100% Jūrmala City Council	
16	40003356507	Madonas Municipality Council's LLC "Madonas slimnīca"	8 859.2	462.6	6 338.5	100% Madona Municipality Council	
17	40003215480	LLC "Rēzeknes siltumtīkli"	8 576.5	33.8	17 532.8	100% Rēzekne City Council	
18	40103941081	LLC "Ogres Namsaimnieks"	8 554.8	206.8	6 339.7	100% Ogre Municipality Council	
19	50103807561	LLC "Rīgas veselības centrs"	8 007.9	-150.5	4 545.4	100% Municipality of Rīga State city	

⁸⁵ Source: Databases of the Register of Enterprises of the Republic of Latvia and the State Revenue Service.

No.	Reg. No.	Name of the capital company	Turnover, 2020, EUR '000	Profit/Loss, 2020, EUR '000	Total assets, 31.12.2020, EUR '000	Proportion of capital shares, holder or owner	Supplementary information/notes
20	40003184960	LLC"Rīgas 2. slimnīca"	7 463.8	270.8	3 262.9	100% Rīga City Council	
21	44103057729	LLC"CĒSU KLĪNIKA"	7 200.6	261.5	13 538.1	100% Cēsis Municipality Council	
22	40003007655	Municipal LLC "Ventpils siltums"	7 012.2	396.1	24 825.2	100% Municipality of Ventpils State city	
23	40003551323	LLC"Dobeles un apkārtnes slimnīca"	6 907.1	515.7	9 909.4	100% Dobeles Municipality Council	
24	40003004220	LLC "VTU VALMIERA"	6 866.6	290.6	10 506.7	100% Valmiera Municipality Council	
25	50003197651	LLC "Kuldīgas slimnīca"	6 835.1	-190.8	5 452.8	90.83% Kuldīga Municipality Council, 9.17% Aizpute Municipality Council	
26	44103033608	LLC "Valmieras ūdens"	6 643.5	82.4	39 173.6	100% Valmiera Municipality Council	
27	50003249741	JSC "Rīgas Centrāltirgus"	6 374.9	-254.3	16 942.5	100% Rīgas City Council	
28	42803008058	LLC "Jūrmalas siltums"	6 213.6	598.3	18 458.6	100% Jūrmala City Council	
29	50003182001	JSC "OLAINES ŪDENS UN SILTUMS"	6 206.6	649.7	25 945.5	100% Olaine Municipality Council	
30	40003152664	LLC "JELGAVAS AUTOBUSU PARKS"	6 149.2	77.0	2 765.2	100% Local government of Jelgava State city	
31	40003275333	LLC "Jūrmalas ūdens"	5 675.8	-126.3	76 315.5	100% Jūrmala City Council	
32	41503002485	LLC "Daugavpils dzīvokļu un komunālās saimniecības uzņēmums"	5 589.1	-126.3	76 315.5	100% Daugavpils City Council	
33	41503002432	LLC "Daugavpils ūdens"	5 380.3	100.3	53 928.1	100% Daugavpils City Council	
34	40103233177	LLC "Tukuma slimnīca"	5 298.2	-232.3	4 989.4	100% Tukums Municipality Council	
35	40003124730	LLC "Siguldas slimnīca"	5 291.7	-15.8	2 607.2	100% Sigulda Municipality Council	
36	41203001052	Municipal LLC "Ventpils labiekārtošanas kombināts"	5 252.7	-57.6	8 952.0	100% Ventpils City Council	
37	45403003245	LLC "Jēkabpils autobusu parks"	4 614.8	321.4	5 640.6	51% Jēkabpils City Council, 13% Krustpils Municipality Council, 12% Jēkabpils Municipality Council, 9% Sala Municipality Council, 9% Viesīte Municipality Council, 6% Aknīste Municipality Council	
38	40103058501	LLC "Rīgas serviss"	4 573.7	62.2	1 334.7	100% Rīga City Council	
39	42103000897	LLC "LIEPĀJAS ŪDENS"	4 529.7	34.2	57 164.4	100% Liepāja City Municipality	
40	41703007095	LLC "JELGAVAS POLIKLĪNIKA"	4 294.0	54.5	3 273.8	100% Jelgava City Council	
41	40003525848	LLC "Atkritumu apsaimniekošanas sabiedrība "PIEJŪRA""	4 088.3	331.2	12 344.9	52,53% Talsi Municipality Council, 47,26% Tukums Municipality Council, 0,2% Jūrmala City Council	
42	40003359306	LLC "Ķekavas nami"	4 058.4	-140.6	17 866.6	100% Ķekava Municipality Council	
43	43603011548	LLC "Jelgavas nekustamā īpašuma pārvalde"	4 009.3	17.6	5 209.9	100% Local government of Jelgava State city	
44	41503002269	JSC "Daugavpils satiksme"	3 951.8	-81.7	30 965.8	100% Daugavpils City Council	

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45	41503029988	LLC "ATKRITUMU APSAIMNIEKOŠANAS DIENVIDLATGALES STARPPAŠVALDĪBU ORGANIZĀCIJA"	3 894.6	442.9	5 370.1	51.27% Daugavpils City Council, 20.18% Augšdaugava Municipality Council, 14.36% Krāslava Municipality Council, 5.46% Līvāni Municipality Council, 4.91% Preiļi Municipality Council, 2.73% Aglona Municipality Council, 1.09% Vārkava Municipality Council	
46	40003333256	Municipal LLC "Ventpils reiss"	3 864.2	270.8	6 089.5	100% Ventpils City Council	
47	41503032140	LLC "Krāslavas slimnīca"	3 863.0	99.4	3 486.8	100% Krāslava Municipality Council	
48	41703001321	LLC "JELGAVAS ŪDENS"	3 824.2	46.3	52 408.1	100% Jelgava City Council	
49	40003109638	LLC "Rīgas nami"	3 585.0	-388.5	113 129.7	100% Rīgas City Council	
50	40003252612	LLC "Alūksnes slimnīca"	3 462.5	0.1	3 521.8	81.92% Alūksne Municipality Council, 18.08% Smiltene Municipality Council	
51	40103032521	LLC "Rīgas Nacionālais zooloģiskais dārzs"	3 454.6	50.8	31 940.4	100% Rīga City Council	
52	41203035896	LLC "TALSU NAMSAIMNIEKS"	3 314.8	23.7	4 603.2	100% Talsi Municipality Council	
53	40003007778	LLC "Jēkabpils siltums"	3 235.5	352.4	6 218.2	100% Jēkabpils Municipality Council	
54	40003361616	LLC "LIMBAŽU SLIMNĪCA"	3 222.5	-31.9	2 143.3	54.45% Limbaži Municipality Council, 25.26% Salacgrīva Municipality Council, 16.13% Aloja Municipality Council, 4.16% Krimulda Municipality Council	
55	41203000983	Municipal LLC "ŪDEKA"	3 202.1	330.9	54 398.2	100% Ventpils City Council	
56	40003410894	LLC "Jelgavas novada KU"	3 113.9	-105.5	11 155.7	100% Jelgavas Municipality Council	
57	43603017682	LLC "Bauskas slimnīca"	3 065.8	54.7	3 361.3	100% Bauska City Council	
58	40003310183	LLC "Salaspils Siltums"	2 921.8	124.6	13 216.6	100% Salaspils Municipality Council	
59	45903001693	LLC "Krāslavas nami"	2 879.3	57.4	27 566.3	100% Krāslava Municipality Council	
60	56103000221	LLC "KULDĪGAS KOMUNĀLIE PAKALPOJUMI"	2 878.4	23.6	2 582.1	100% Kuldīga Municipality Council	
61	47703001720	LLC "PREIĻU SAIMNIEKS"	2 857.5	105.1	11 588.8	100% Preiļi Municipality Council	
62	43603000807	LLC "VIDES SERVISS"	2 750.7	94.4	1 219.7	100% Bauska Municipality Council	
63	45403006010	LLC "JĒKABPILS PAKALPOJUMI"	2 741.0	249.2	1 618.0	100% Jēkabpils City Council	
64	44103022271	LLC "VALMIERAS NAMSAIMNIEKS"	2 729.1	60.3	14 971.9	100% Valmiera Municipality Council	
65	41503003033	LLC "Labiekārtošana-D"	2 708.1	37.6	1 292.5	100% Daugavpils City Council	
66	40103111018	JSC "Mārupes komunālie pakalpojumi"	2 659.7	8.7	31 181.0	100% Mārupe Municipality Council	
67	40103666190	Ogre County Municipality LLC "MS siltums"	2 643.0	82.5	11 808.5	100% Ogre Municipality Council	
68	41203001885	Municipal LLC "Ventpils nekustamie īpašumi" (consolidated)	2 588.2*	113.3*	9 804.0*	100% Ventpils City Council	
69	45103001156	LLC "DOBELES AUTOBUSU PARKS"	2 323.3	77.5	1 141.3	100% Dobeles Municipality Council	

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70	42403015020	LLC "LUDZAS APSAIMNIEKOTĀJS"	2 317.6	5.8	14 063.8	100% Ludza Municipality Council	
71	40003201921	LLC "BALOŽU KOMUNĀLĀ SAIMNIECĪBA"	2 307.7	24.0	9 291.8	100% Ķekava Municipality Council	
72	47403003224	LLC "LIELVĀRDES REMTE"	2 223.9	-49.0	10 316.2	100% Lielvārde Municipality Council	
73	45403000484	LLC "JK Namu pārvalde"	2 153.3	23.0	1 938.7	100% Jēkabpils Municipality Council	
74	40003215461	LLC "Rēzeknes namsaimnieks"	2 129.9	12.1	2 561.7	100% Rēzekne City Council	
75	40003219995	Municipal LLC "Kauguru veselības centrs"	2 124.3	32.4	1 743.0	100% Jūrmala City Council	
76	41503008685	LLC "NAUJENES PAKALPOJUMU SERVISS"	2 122.3	-168.1	7 321.4	100% Daugavpils Municipality Council	
77	45403004471	LLC "Madonas Siltums"	2 111.4	21.2	11 114.7	100% Madona Municipality Council	
78	40003525725	LLC "Ķekavas sadzīves servisa centrs"	2 104.1	29.1	1 291.9	100% Ķekava Municipality Council	
79	40003246298	Municipal LLC "Ventspils poliklīnika"	2 065.2	29.2	594.4	100% Ventspils City Council	
80	49203001267	LLC "Tukuma siltums"	2 013.6	-68.3	5 540.0	100% Tukums Municipality Council	
81	42103012383	LLC "GROBIŅAS NAMSERVISS"	1 984.8	4.1	7 353.3	100% Grobiņa Municipality Council	
82	42403013918	LLC "ALAAS"	1 969.4	11.1	5 283.2	49.3% Rēzekne City Council 17.51% Rēzekne Municipality Council, 16.7% Ludza Municipality Council, 6.31% Viļāni Municipality Council, 5.09% Kārsava Municipality Council, 3.26% Zilupe Municipality Council, 1.83% Cibla Municipality Council	
83	42403028557	LLC "Rēzeknes satiksme"	1 966.8	8.8	3 097.2	100% Rēzekne City Council	
84	55403015551	LLC "Vidusdaugavas SPAAO"	1 965.9	152.4	9 195.9	42.33% Jēkabpils Municipality Council, 30.67% Aizkraukles Municipality Council, 26.12% Madona Municipality Council, 0.88% Varakļāni Municipality Council	
85	40003422041	LLC "ĀDAŽU NAMSAIMNIEKS"	1 944.6	6.2	1 070.2	100% Ādaži Municipality Council	
86	42803002568	LLC "Jūrmalas gaisma"	1 938.8	75.7	1 340.3	100% Jūrmala City Council	
87	48503003963	LLC "SALDUS SILTUMS"	1 923.4	-87.2	2 323.8	100% Saldus Municipality Council	
88	40003218631	LLC "Rēzeknes ūdens"	1 922.6	155.3	16 331.1	100% Rēzekne City Council	
89	40003187473	LLC "Saldus medicīnas centrs"	1 890.2	-44.4	1 298.6	100% Saldus Municipality Council	
90	40103073411	LLC "VILKME"	1 884.4	84.8	6 093.2	100% Ropaži Municipality Council	
91	40003207873	LLC "Salaspils veselības centrs"	1 874.7	18.1	1 550.9	100% Salaspils Municipality Council	
92	42103005911	LLC "LIEPĀJAS TRAMVAJS"	1 868.3	-218.4	21 216.8	100% Liepāja City Council	
93	41703003356	LLC "Ozolnieku KSDU"	1 861.2	-80.9	8 540.6	100% Jelgava Municipality Council	
94	41503007355	LLC "Daugavpils zobārstniecības poliklīnika"	1 842.0	-28.6	720.7	100% Daugavpils City Council	
95	41503010497	LLC "LĪVĀNU DZĪVOKĻU UN KOMUNĀLĀ SAIMNIECĪBA"	1 835.2	-69.8	15 501.4	100% Līvāni Municipality Council	

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96	40003006715	LLC "LIMBAŽU SILTUMS"	1 808.8	84.3	10 800.1	100% Limbaži Municipality Council	
97	40003369018	Municipal LLC "Valgums-S"	1 759.0	161.6	19 120.3	100% Salaspils Municipality Council	
98	45403000395	LLC "Jēkabpils ūdens"	1 756.3	14.8	16 616.7	100% Jēkabpils Municipality Council	
99	48503021348	LLC "DOBELES NAMSAIMNIEKS"	1 739.1	-11.2	4 454.6	100% Dobeles Municipality Council	
100	45103002039	LLC "Dobeles enerģija"	1 717.3	282.3	3 088.4	100% Dobeles Municipality Council	
101	48503007414	LLC "BROCĒNU SILTUMS"	1 716.0	-34.8	3 042.5	100% Saldus Municipality Council	
102	49003000076	LLC "TALSU ŪDENS"	1 703.6	-94.3	20 551.4	100% Talsi Municipality Council	
103	48703000781	Aizkraukle County LLC "LAUMAA"	1 658.7	8.8	1 357.8	100% Aizkraukle Municipality Council	
104	40003231451	Līvānu novada domes pašvaldības LLC "Līvānu slimnīca"	1 639.6	217.3	1 381.7	100% Līvāni Municipality Council	
105	40003273506	LLC "Rehabilitācijas centrs "Līgatne""	1 620.3	3.8	1 280.9	100% Līgatne Municipality Council	
106	49503000754	Cēsis City LLC "VINDA"	1 616.7	81.6	18 290.9	100% Cēsis Municipality Council	
107	40003218218	LLC "PRIEKULES SLIMNĪCA"	1 578.6	74.3	488.8	56.61% Priekule Municipality Council, 10.98% Durbe Municipality Council, 10.98% Grobiņa Municipality Council, 10.98% Rucava Municipality Council, 10.45% Vaiņode Municipality Council	
108	45103000470	LLC "DOBELES ŪDENS"	1 528.9	-16.7	15 502.0	100% Dobeles Municipality Council	
109	41503021397	LLC "Daugavpils bērnu veselības centrs"	1 504.9	0.8	1 527.4	100% Daugavpils pilsētas dome	
110	40003007886	Aizkraukles Municipality Councils LLC "AIZKRAUKLES SILTUMS"	1 491.1	202.6	1 959.9	100% Aizkraukle Municipality Council	
111	49203000859	LLC "Tukuma ūdens"	1 488.4	111.7	22 230.2	100% Tukums Municipality Council	
112	41203017566	LLC "VNK serviss"	1 478.7	-235.8	6 443.7	100% Ventspils Municipality Council	
113	43903000435	LLC "Smiltene NKUP"	1 438.2	50.1	11 327.7	100% Smiltene Municipality Council	
114	40003007890	LLC "KULDĪGAS SILTUMTIKLI"	1 389.1	-72.9	3 674.4	100% Kuldīga Municipality Council	
115	40103055793	LLC "SALTAVOTS"	1 379.9	7.4	10 708.9	100% Sigulda Municipality Council	
116	45103000466	LLC "Dobeles komunālie pakalpojumi"	1 379.3	58.5	1 039.8	100% Dobeles Municipality Council	
117	45103000574	LLC "AUCES KOMUNĀLIE PAKALPOJUMI"	1 367.3	-28.8	6 723.7	100% Auce Municipality Council	
118	50003220021	Pašvaldības LLC "Veselības un sociālās aprūpes centrs-Sloka"	1 364.9	-84.5	1 605.5	100% Jūrmala City Council	
119	43603001681	LLC "BAUSKAS SILTUMS"	1 361.2	4.4	2 754.7	100% Bauska Municipality Council	
120	41503014677	LLC "Veselības centrs Ilūkste"	1 354.8	-62.8	196.7	100% Augšdaugava Municipality Council	
121	41503007196	LLC "Daugavpils autobusu parks"	1 334.7	154.2	2 831.5	100% Daugavpils City Council	
122	42103004583	LLC "Liepājas namu apsaimniekotājs"	1 329.4	188.2	10 773.0	100% Liepāja City Council	
123	40003275352	LLC "Rehabilitācijas centrs "Tērvete""	1 319.4	236.8	972.1	100% Dobeles Municipality Council	

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124	40003189328	LLC "Sarkanā Krusta Smiltenes slimnīca"	1 275.9	-8.3	1 208.3	100% Smiltene Municipality Council	
125	40003929148	LLC "Ādažu Ūdens"	1 249.2	128.9	9 361.9	100% Ādaži Municipality Council	
126	40003131022	Pašvaldības LLC "ĀDAŽU SLIMNĪCA"	1 241.1	21.1	1 073.2	100% Ādaži Municipality Council	
127	48503000219	LLC "SALDUS KOMUNĀLSERVISS"	1 210.7	-63.3	12 385.3	100% Saldus Municipality Council	
128	40003419183	LLC "ZEIFERTI"	1 208.9	-99.1	13 206.0	100% Olaine Municipality Council	
129	54603000121	LLC "Gulbenes nami"	1 179.2	-233.0	8 332.6	100% Gulbene Municipality Council	
130	40003708356	Pašvaldības LLC "GARKALNES KOMUNĀLSERVISS"	1 178.5	25.7	835.1	100% Ropaži Municipality Council	
131	44103055060	LLC "Valkas Namsaimnieks"	1 167.1	8.9	3 921.7	100% Valka Municipality Council	
132	46103000234	LLC "KULDĪGAS ŪDENS"	1 162.7	60.1	11 882.1	100% Kuldīga Municipality Council	
133	43603016206	LLC "Dzīvokļu komunālā saimniecība"	1 146.6	48.1	10 500.4	100% Iecava Municipality Council	
134	42103025570	LLC "GROBIŅAS HES"	1 102.1	30.9	720.3	100% Grobiņa City Council	
135	40103027944	LLC "Saulkrastu komunālserviss"	1 097.2	0.4	12 231.5	100% Saulkrasti Municipality Council	
136	50103420091	LLC "Komunālserviss TILDe"	1 096.7	-108.3	2 811.9	100% Tukums Municipality Council	
137	40103032305	Siguldas pilsētas LLC "JUMIS"	1 090.5	135.6	569.5	100% Sigulda Municipality Council	
138	43203003117	LLC Alūksnes enerģija	1 053.0	0.2	3 719.9	100% Alūksne Municipality Council	
139	40003482591	LLC "LĪVĀNU SILTUMS"	1 037.7	327.2	3 169.57	100% Līvāni Municipality Council	
140	40003145751	LLC "BABĪTES SILTUMS"	1 026.2	-46.4	8 121.1	100% Babīte Municipality Council	
141	48503000168	LLC "SALDUS NAMU PĀRVALDE"	1 005.4	50.8	1 654.0	100% Saldus Municipality Council	
142	50003142371	LLC "Vangažu Namsaimnieks"	980.9	4.9	2 953.9	100% Sigulda Municipality Council	
143	46603000255	Limbažu pilsētas LLC "LIMBAŽU KOMUNĀLSERVISS"*	972.4**	46.4**	5 588.3**	100% Limbaži Municipality Council	* Reorganized on 21.10.2020. - added to LLC "LIMBAŽU SILTUMS" ** results of 2019, as the submission of Annual Report of 2020 has not been registered
144	41503002428	Pašvaldības LLC "Sadzīves pakalpojumu kombināts"	967.7	-49.6	1 322.8	100% Daugavpils City Council	
145	47103000233	LLC "Madonas namsaimnieks"	966.9	59.3	743.2	100% Madonas Municipality Council	
146	55403000931	LLC "VĪGANTS"	966.0	-64.3	693.3	100% Jēkabpils Municipality Council	
147	41203006844	LLC "Kandavas komunālie pakalpojumi"	949.6	16.1	8 015.0	100% Tukums Municipality Council	
148	43203003672	LLC "GULBENES AUTOBUSS"	929.1	42.6	1 170.9	100% Gulbene novada dome	
149	48703002782	LLC "Bērzaunes komunālais uzņēmums"	916.0	-65.3	6 420.4	100% Madona Municipality Council	
150	40003312216	Pašvaldības LLC "NORMA K"	908.5	-40.5	2 939.2	100% Sigulda Municipality Council	
151	41503003743	LLC "ORNAMENTS"	903.9	-18.0	3 283.0	100% Augšdaugava Municipality Council	
152	41203022001	LLC "SKRUNDAS KOMUNĀLĀ SAIMNIECĪBA"	888.3	-25.0	6 065.4	100% Kuldīga Municipality Council	

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153	44103018609	LLC "LĪVENA APTIEKA"	887.4	9.0	140.0	100% Smiltene Municipality Council	
154	42103018367	LLC "Pansionāts Rokaizi"	877.4	-16.1	393.6	100% Aizpute Municipality Council	
155	40103416198	Iksšķiles Municipality Councils LLC "Iksšķiles māja"	853.6	-192.7	16 295.4	100% Ogre Municipality Council	
156	40003227117	LLC "ĶEGUMA STARS"	851.0	12.6	7 894.7	100% Ogre Municipality Council	
157	46603000240	LLC "NAMSAIMNIEKS"	848.5	-28.0	2 628.6	100% Limbaži Municipality Council	
158	48703000457	LLC "Pļaviņu Komunālie pakalpojumi"	802.9	20.6	3 385.0	100% Aizkraukle Municipality Council	
159	40003124779	Pašvaldības LLC "Saulkrastu slimnīca"*	802.3	-12.1	656.2	100% Saulkrasti Municipality Council	* Registered on 14.04.1993. Liquidated on 02.08.2021.
160	40003378932	LLC "Dzintaru koncertzāle"	793.2	-380.8	1 094.9	100% Jūrmala City Council	
161	49003000396	LLC "Rojas DzKU"	784.8	-48.5	3 698.4	100% Talsi Municipality Council	
162	54103099071	LLC "Līgatnes komunālserviss"	755.7	-13.5	1 509.3	100% Līgatne Municipality Council	
163	42403000932	Pašvaldības LLC "Maltas dzīvokļu-komunālās saimniecības uzņēmums"	753.1	37.1	4 361.4	100% Rēzekne Municipality Council	
164	48703001147	LLC "Kokneses Komunālie pakalpojumi"	744.7	-28.1	3 790.8	100% Aizkraukle Municipality Council	
165	40003410625	LLC "ALŪKSNES NAMI"	743.8	-29.3	1 588.7	100% Alūksne Municipality Council	
166	42103024382	Municipal LLC "Vecleipājas primārās Health cares centrs"	726.0	2.4	1 498.7	100% Liepāja City Council	
167	44103089090	LLC "Vidzemes koncertzāle"	725.1	47.3	283.1	100% Cēsis Municipality Council	
168	40003411141	LLC "Siguldas Sporta serviss"	724.3	-264.0	1 013.6	100% Sigulda Municipality Council	
169	48703000438	LLC "Aizkraukles KUK"	707.6	8.9	321.8	100% Aizkraukle Municipality Council	
170	40003275348	LLC "Rehabilitācijas centrs "Rāzna""	702.4	77.9	447.8	100% Rēzekne City Council	
171	44103026358	LLC "AP Kaudzītes"	698.8	46.7	3 521.5	28.23% Alūksne Municipality Council, 28.23% Gulbene Municipality Council, 26.61% Balvi Municipality Council, 16.93% Madona Municipality Council	
172	40003261206	LLC "Mazsalacas slimnīca"	689.5	63.7	164.9	100% Valmiera Municipality Council	
173	43603011586	LLC "Bauskas ūdens"	687.0	22.9	6 804.1	100% Bauska Municipality Council	
174	56803002941	LLC "KĀRSĀVAS NAMSAIMNIEKS"	666.8	99.8	6 633.8	100% Kārsava Municipality Council	
175	44103096618	LLC "Kocēnu komunālā saimniecība"	649.1	-188.6	7 924.4	100% Valmieras Municipality Council	
176	40003097945	LLC "Iecavas siltums"	643.6	-107.8	1 838.7	100% Iecava Municipality Council	
177	42103024397	LLC "JAUNLIEPĀJAS PRIMĀRĀS HEALTH CARES CENTRS"	637.4	10.5	652.1	100% Liepāja City Council	
178	48703000404	Aizkraukle County LLC "Aizkraukles ūdens"	626.9	3.1	3 735.2	100% Aizkraukle Municipality Council	
179	53203000201	LLC "RŪPE"	626.8	-96.6	11 252.5	100% Alūksne Municipality council	
180	42103002652	LLC "AIZPUTES NAMI"	624.8	31.9	1 525.8	100% Aizpute Municipality Council	

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181	42103001430	LLC "AIZPUTES KOMUNĀLAIS UZŅĒMUMS"	612.8	-72.5	6 038.4	100% Aizpute Municipality Council	
182	40103280684	Municipal LLC "Garkalnes inženiertīkli"	600.3	3.3	815.4	100% Garkalne Municipality Council	
183	44103091517	LLC "Alojas Novada Saimniekserviss"	596.4	-44.4	5 449.8	100% Aloja Municipality Council	
184	41503015297	LLC "GRĪVAS POLIKLĪNIKA"	590.4	28.3	531.3	100% Daugavpils Municipality Council	
185	42103020465	LLC "PRIEKULES NAMI"	589.0	-30.0	5 888.2	100% Priekule Municipality Council	
186	40003235190	LLC "Viļānu slimnīca"	539.5	-12.3	509.1	100% Rēzekne Municipality Council	
187	41703007451	LLC "Medicīnas sabiedrība "OPTIMA 1""	520.1	3.3	696.2	100% local government of Jelgava State city	
188	45403004912	LLC "Pils rajona Namu pārvalde"	514.5	70.1	382.0	100% Jēkabpils City Council	
189	44603000098	LLC "ALBA"*	484.8**	23.5**	1 165.7**	100% Gulbene Municipality Council	* Registered on 18.10.1991. Liquidated on 25.01.2021. ** results of 2019, as the submission of Annual Report of 2020 has not been registered
190	40003249082	LLC "Irlavas Sarkanā Krusta slimnīca"	471.5	9.1	119.0	100% Tukums Municipality Council	
191	55403000541	LLC "Viesītes komunālā pārvalde"	469.5	-87.7	3 655.1	100% Jēkabpils Municipality Council	
192	44103103680	LLC "Aprūpes nams "Urga""	467.2	-1.6	370.3	100% Aloja Municipality Council	
193	44103002754	LLC "BN KOMFORTS"	464.9	40.9	1 318.8	100% Valmiera Municipality Council	
194	47103000676	Varakļāni LLC "Dzīvokļu komunālais uzņēmums"	462.0	-17.5	6 990.3	100% Varakļāni Municipality Council	
195	43603018936	LLC "Mūsu saimnieks"	459.9	-55.1	2 276.7	100% Vecumnieki Municipality Council	
196	46803003381	LLC "ZILUPES LTD"	459.7	1.4	2 429.4	100% Zilupe Municipality Council	
197	40003295397	LLC "BŪKS"	426.1	-111.9	7 108.8	100% Baldone Municipality Council	
198	44103023807	Municipal LLC "RŪJIENAS SILTUMS"	421.2	-57.4	8 053.2	100% Valmiera Municipality Council	
199	45903000289	LLC "Dagdas komunālā saimniecība"	420.0	-27.2	5 106.0	100% Krāslava Municipality Council	
200	40003158864	Krimulda County Municipality LLC "Entalpija-2"	413.6	-2.5	447.0	100% Krimulda Municipality Council	
201	40103431587	Pašvaldības LLC "Tukuma ledus halle"	410.3	-121.7	228.6	100% Tukums Municipality Council	
202	40103217948	LLC "Garkalnes ūdens"	394.6	-46.2	10 680.3	80.81% Garkalne Municipality Council, 19.19% Ādaži Municipality Council	
203	40003325367	LLC "Viesītes veselības un sociālās aprūpes centrs"	390.6	83.7	175.4	100% Jēkabpils Municipality Council	
204	42403028190	LLC "Olimpiskais centrs "Rēzekne""	390.2	-181.5	551.8	100% Rēzekne City Council	
205	42103041202	LLC "Durbes KS"	382.2	-19.3	654.1	100% Dienvidkurzeme Municipality Council	
206	42403006333	LLC "STRŪŽĀNU SILTUMS"	374.5	36.2	380.7	100% Rēzekne Municipality Council	
207	40003431326	LLC "Jaunpils pils"	365.3*	-15.1*	62.7*	100% Jaunpils Municipality Council	* Results of 2019, as the submission of Annual Report of 2020 has not been registered

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208	40003365196	LLC "Varakļānu Health cares centrs"	354.8	-1.3	93.3	100% Varakļāni Municipality Council	
209	40003331306	LLC "Aknīstes veselības un sociālās aprūpes centrs"	344.0	1.6	146.9	100% Jēkabpils Municipality Council	
210	40003257677	LLC "Zilupes veselības un sociālās aprūpes centrs"	342.0	19.6	160.0	100% Zilupe Municipality Council	
211	42403026217	LLC "Austrumlatvijas koncertzāle"	340.4	3.9	445.0	100% Rēzekne City Council	
212	54103072471	LLC "Salacgrīvas ūdens"	339.9	-124.5	9 343.3	100% Limbaži Municipality Council	
213	40003274925	Pašvaldības LLC "VANGAŽU AVOTS"	336.9	-19.9	6 166.6	100% Sigulda Municipality Council	
214	44103031378	LLC "ALOJAS VESELĪBAS APRŪPES CENTRS"	330.0	6.0	107.6	100% Aloja Municipality Council	
215	42403003341	LLC "VIĻĀNU SILTUMS"	329.5	-0.9	766.3	100% Rēzekne Municipality Council	
216	42103019377	LLC "LIEPĀJAS TEĀTRIS"	327.7	26.0	478.8	100% Liepāja City Council	
217	58703000641	LLC "Skrīveru saimnieks"	319.3	-4.2	5 726.4	100% Aizkraukle Municipality Council	
218	52403003451	LLC "VIĻĀNU NAMSAIMNIEKS"	316.3	-60.9	1 246.2	100% Rēzekne Municipality Council	
219	43603031135	LLC "Zemgales mutes veselības centrs"	314.9	6.4	140.2	100% Bauska City Council	
220	44103103695	LLC "Rekreācijas centrs "Vīķi" "	291.0	5.3	104.6	100% Aloja Municipality Council	
221	50003292941	Ērgļu pašvaldības LLC "Ērgļu slimnīca"	284.7	2.8	362.5	100% Ērgļi Municipality Council	
222	43603009401	LLC "Jaunolis"	283.8	23.6	154.4	100% Vecumnieki Municipality Council	
223	53603009371	LLC "KŪDRINIEKS"	267.3	0.0	638.8	100% Vecumnieki Municipality Council	
224	40003257732	LLC "Kārsava slimnīca"	261.4	-23.4	341.1	100% Kārsava Municipality Council	
225	43603040477	LLC "Zemgales EKO"	259.4	45.7	572.5	100% Jelgava City Council	
226	40003171701	LLC "Krimuldas doktorāts"	258.5	12.2	194.5	100% Krimulda Municipality Council	
227	40003373066	Pašvaldības LLC "Krants"	250.2	-5.2	1 421.8	100% Tukums Municipality Council	
228	50003306141	LLC "Islīces ūdens"	247.0	-30.6	3 266.7	100% Bauska Municipality Council	
229	40003434765	Pašvaldības LLC "Jaunpils KS"	240.1	-10.0	167.8	100% Jaunpils Municipality Council	
230	45403005405	LLC "Lubānas KP"	224.8	-35.0	2 415.1	100% Lubāna Municipality Council	
231	55403015481	LLC "Viesītes transports"	214.9	-5.4	123.4	100% Jēkabpils Municipality Council	
232	45403000709	LLC "Aknīstes Pakalpojumi"	210.9	-25.3	1 754.9	100% Jēkabpils Municipality Council	
233	41203001777	Pašvaldības LLC "Ventpils tirgus"	197.1	0.9	957.2	100% Ventpils City Council	
234	45403006595	LLC "Cesvaines siltums"	194.6	15.3	1 589.5	100% Cesvaine Municipality Council	
235	51203036041	LLC "Dundagas veselības centrs"	193.8	-9.6	37.5	100% Talsi Municipality Council	
236	44103027052	LLC "CĒSU TIRGUS"	186.1	14.2	630.3	100% Cēsis Municipality Council	
237	42103067790	LLC "Lielais Dzintars"	184.5	8.9	277.0	100% Liepāja City Council	
238	45403015460	LLC "Spungēni-Daugavieši"	181.0	-2.1	105.6	100% Krustpils Municipality Council	

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239	45403026708	LLC "Kalsnavas komunālais uzņēmums"	163.5**	-27.2**	1 742.2**	100% Madona Municipality Council	* Reorganised on 28.07.2020. – added to LLC "Bērzaunes komunālais uzņēmums" ** results of 2019, as the submission of Annual Report of 2020 has not been registered
240	47103000040	Ērgļu pagasta LLC "ŪDAS"	157.6	-27.3	3 926.7	100% Ērgļi Municipality Council	
241	44103002824	LLC "BANGA KPU"	157.1	-33.3	3 113.6	100% Valmiera Municipality Council	
242	42103044590	LLC "Vērgales komunālā saimniecība"	155.6	-15.1	1 243.9	100% Pāvilosta Municipality Council	
243	40003298707	LLC "Liepājas autostāvvietas"	152.4	-13.2	243.8	100% Liepāja City Council	
244	42103027783	LLC "Liepājas latviešu biedrības nams"	147.7	-13.6	162.2	100% Liepāja City Council	
245	51203035281	LLC "Kurzemes filharmonija"	144.6	58.9	862.8	100% Ventspils City Council	
246	40103653529	Pašvaldības LLC "Šlokenbekas pils"	143.2	-18.9	79.7	100% Engure Municipality Council	
247	42103054283	LLC "Pāvilostas komunālais uzņēmums"	142.6	-43.8	934.9	100% Pāvilosta Municipality Council	
248	40003382317	LLC "ZIEMEĻKURZEME"	132.6	-0.7	3 060.9	100% Talsi Municipality Council	
249	40003579893	LLC "KOLKAS ŪDENS"	132.1	-11.6	543.9	100% Talsi Municipality Council	
250	55403005341	LLC "Zasas aptieka"	130.5	6.5	34.0	100% Jēkabpils Municipality Council	
251	43403001424	LLC "BALVU AUTOTRANSPORTS"	117.3	20.9	318.5	100% Balvi Municipality Council	
252	40003299789	LLC "Bēnes doktorāts"	116.3	4.8	52.6	100% Dobeļe Municipality Council	
253	47103000106	LLC "Cesvaines komunālie pakalpojumi"	111.9	-20.4	2 301.3	100% Cesvaine Municipality Council	
254	42103048198	LLC "KS Cīrava"	104.8	-5.9	740.5	100% Aizpute Municipality Council	
255	44103059950	LLC "LĪGATNES NAMI"	97.3	0.4	280.7	100% Līgatne Municipality Council	
256	45403005388	LLC "Rubenes aptieka"	93.9	0.6	18.1	100% Jēkabpils Municipality Council*	* Holding until 08.07.2021.
257	41503025952	Pašvaldības LLC "Parkings D"	91.7	12.5	106.0	100% Daugavpils City Council	
258	40003134391	LLC "AVIASABIEDRĪBA "LIEPĀJA"™"	89.9	-45.9	7 171.7	100% Liepāja City Council	
259	42403025230	LLC "Viļakas Veselības aprūpes centrs"	75.0	0.3	102.5	100% Balvi Municipality Council	
260	40003289155	LLC "TALSU TELEVĪZIJA"™"	73.4	-0.7	26.6	100% Talsi Municipality Council	* Registered on 03.04.1996. Liquidated on 06.07.2021.
261	54103020291	LLC "UNGURMUIŽA"	69.7	-36.9	9.4	100% Pārgauja Municipality Council	
262	40003357894	Auce Municipality LLC "Auces slimnīca"	45.0	0.6	23.3	100% Auce Municipality Council	
263	50003293241	LLC "Skrundas TV"™"	44.4	7.0	2.9	100% Skrunda Municipality Council	* Registered on 07.05.1996. Liquidated on 01.07.2021.
264	40003299967	LLC "Jaunpiebalgas pašvaldības ambulance"	42.1	-1.0	14.1	100% Jaunpiebalga Municipality Council	
265	41203037401	LLC "MĒRSRAGA ŪDENS"	40.4	-30.6	1 338.1	100% Mērsrags Municipality Council	
266	40003302839	LLC "LIEPĀJAS REĢIONA TŪRISMA INFORMĀCIJAS BIROJS"	38.3	9.1	155.5	85.59% local government of Liepāja State city, 14.41% Dienvidkurzeme Municipality Council	

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267	42103002686	LLC "AIZPUTES TV"	32.5	1.6	6.1	100% Aizpute City Council	
268	52103024331	Pašvaldības LLC "LIEPĀJAS LEĻĻU TEĀTRIS"	28.3	-20.9	44.9	100% Liepāja City Council	
269	42403008777	LLC "BIDRIJA"	27.9	-1.1	4.8	100% Zilupe Municipality Council	
270	45403051705	LLC "Gārsenes pils"	13.4	-5.2	15.9	100% Jēkabpils Municipality Council	
271	45403015761	LLC "Rubenitis"	12.3	-8.8	31.4	100% Jēkabpils Municipality Council	
272	40003979793	LLC "Smārdes industriālais parks"*	9.2	-8.5	298.3	100% Engure Municipality Council	* Registered on 20.12.2007. Liquidated on 21.06.2021.
273	51203031491	LLC "Ventspils lidosta"	1.9	-4.4	2 065.2	100% Ventspils City Council	
274	47403003296	LLC "OGRES SVĒTE"	1.3	0.0	0.0	100% Ogre Municipality Council	
275	42103022818	LLC "RAS 30"	0.0	-7.1	290.0	26.45% Aizpute Municipality Council, 23.02% Grobiņa Municipality Council, 16.94% Priekule Municipality Council, 8.38% Nīca Municipality Council, 7.93% Pāvilosta Municipality Council, 7.63% Vaiņode Municipality Council, 5.27% Rucava Municipality Council; 4.37% Durbe Municipality Council	
276	41503036354	LLC "Daugavpils lidosta"	0.0	-43.3	1 618.9	100% Daugavpils City Council	
277	42103011250	LLC "Vaiņodes pagasta doktorāts"*	0.0**	-0.1**	0.1**	100% Vaiņode Parish Council	* Registered on 20.04.1994. Liquidated on 12.05.2021. ** results of 2019, as the submission of Annual Report of 2020 has not been registered
278	42103017959	LLC "SPĪLAS"*	0.0**	13.9**	71.2**	100% Rucava Municipality Council	* Registered on 06.05.1997. Liquidated on 06.01.2021. ** results of 2019, as the submission of Annual Report of 2020 has not been registered
Capital companies with a direct decisive influence of municipalities >50%							
279	41503029600	LLC "Daugavpils reģionālā slimnīca"	36 016.7	-61.1	31 121.2	88.64% Daugavpils City Council, 8.93% Augšdaugava Municipality Council	
280	42103041306	LLC "Liepājas reģionālā slimnīca"	28 137.0	1 388.3	75 516.9	99.73% local government of Liepāja State city	
281	40003258333	LLC "Vidzemes slimnīca"	20 093.4	999.6	30 395.0	74.07% Valmiera Municipality Council, 25.03% Valka Municipality Council	
282	40003246194	LLC "Ziemeļkurzemes reģionālā slimnīca"	16 823.9	242.4	27 716.6	87.96% Ventspils City Council, 11.48% Talsu Municipality Council	

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283	40003016840	JSC "CATA"	13 763.4	396.2	10 847.0	20.59% Cēsis Municipality Council, 18.57% Limbaži Municipality Council, 9.99% Priekule Municipality Council, 9.06% Salacgrīva Municipality Council, 6.7% Amata Municipality Council, 5.78% Alojās Municipality Council, 5% Vecpiebalga Municipality Council, 4.85% Ogre Municipality Council, 4.67% Pārgauja Municipality Council, 4.3% Rauna Municipality Council, 4.24% Līgatnes novada dome, 2.86% Jaunpiebalga Municipality Council, 1.49% Krimulda Municipality Council, 1.19% Aizkraukle Municipality Council, 0.54% Kegums Municipality Council	
284	40003244761	LLC "Preiļu slimnīca"	4 024.0	321.6	3 051.2	74.14% Preiļi Municipality Council	
285	43603022128	LLC "Jelgavas komunālie pakalpojumi"	3 974.3	267.4	2 372.2	51% Jelgava City Council	
286	40003321647	LLC "Zemgales veselības centrs"	3 568.3	206.0	2 282.4	64.89% Jelgava Municipality Council, 23.3% Ozolnieki Municipality Council	
287	40003255337	LLC "Aizkraukles slimnīca"	3 497.9	255.4	3 339.1	71.04% Aizkraukle Municipality Council	
288	42103023090	LLC "LIEPĀJAS RAS"	2 879.2	88.7	6 791.9	65.85% Liepāja City Council, 3.29% Dienvidkurzeme Municipality Council	
289	42103030247	LLC "Liepājas Olimpiskais centrs" (consolidated)	1 731.1	-489.0	33 023.7	82.94% Liepāja City Council	
290	40003245964	LLC "Olimpiskais centrs "Ventspils""	1 391.7	-368.5	20 797.2	52.68% Ventspils City Council	
291	41203008173	LLC "VATS"	1 281.5	-133.7	1 273.8	50% Ventspils City Council	
292	54103025871	LLC "VIDZEMES OLIMPISKAIS CENTRS"	928.7	-446.5	7 515.9	64.53% Valmieras Municipality Council	
293	44103021789	LLC "Olimpiskais centrs "Limbaži""	659.3	-12.3	140.5	51.8% Limbažu Municipality Council, 7.6% Salacgrīvas Municipality Council	
294	40003527548	LLC "ZEMGALES 29"	405.9	-3.2	47.1	53.95% Olaines Municipality Council	
295	40103037514	LLC "Rīgas Apriņķa Avīze"	271.3	38.4	101.3	4.65% Inčukalns Municipality Council, 3.78% Mārupe Municipality Council, 2.42% Sigulda Municipality Council, 2.32% Babīte Municipality Council, 2.32% Garkalne Municipality Council, 2.32% Krimuldas Municipality Council, 2.32% Olaine Municipality Council, 2.32% Ropaži Municipality Council	
296	43603019077	LLC "ZEMGALES OLIMPISKAIS CENTRS"	246.1	-662.4	18 734.7	54.08% Jelgava City Council	
297	41703001340	JSC "JELGAVAS SILTUMTIKĻU UZŅĒMUMS"	104.4	52.7	12 547.7	71.61% Jelgava City Council	

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298	44103026682	LLC "CĒSU OLIMPISKAIS CENTRS"	32.8	27.6	175.2	74.17% Cēsis Municipality Council	
299	40103701602	LLC "AlgoMed"	15.4	0.2	2.4	97.38% Babīte Municipality Council*	* Participation until 05.02.2021.
300	40003977580	LLC "MOTO ZZ"	0.0	-6.4	51.1	99.89% Ogre Municipality Council	
Capital companies with direct participation of municipalities up to 50% (including)							
301	40003286750	JSC "RĪGAS SILTUMS" (consolidated)	151 879.8*	15 825.1*	245 926.6*	49% Rīga City Council	* Consolidated Annual Report
302	42103035386	LLC "LIEPĀJAS ENERĢĪJA"	15 370.8	3 554.9	36 023.4	39% Liepāja City Council	
303	40003015652	JSC "Liepājas autobusu parks"	11 777.1*	673.5*	15 481.2*	34.85% Liepāja City Council	* Consolidated Annual Report
304	40003199078	LLC "Piebalgas"	6 289.4	134.3	3 246.0	18.36% Vecumnieki County Council	
305	44103058086	LLC "Balvu un Gulbenes slimnīcu apvienība"	6 280.0	358.6	10 176.8	29.21% Balvu Municipality Council. 13.13% Gulbenes Municipality Council	
306	41503002447	JSC "DAUGAVPILS SPECIALIZĒTAIS AUTOTRANSPORTA UZŅĒMUMS"	4 768.6	599.9	3 540.9	37.2% Daugavpils City Council 3.2% State Social Insurance Agency	
307	40003258973	LLC "Ludzas medicīnas centrs"	3 336.9	244.4	9 325.0	42.05% Ludza Municipality Council	
308	40003399703	LLC "ĶĪLUPE"	2 954.7	4.3	1 459.6	21.25% Ogre Municipality Council	
309	44103016580	JSC "VALMIERAS ENERĢĪJA"	2 662.3	348.7	9 090.2	47.85% Valmiera City Council	
310	40003592340	LLC "BALOŽU SILTUMS"	895.5	304.5	3 532.5	45% Ķekava Municipality Council	
311	40003244634	LLC "Daugavpils Olimpiskais centrs"	657.6	-628.8	18 745.7	46.52% Daugavpils City Council	
312	41503029437	LLC "CIRŠU HES"	453.2	42.5	700.6	40% Aglona Municipality Council	
313	44103024817	LLC "Alūksnes primārās veselības aprūpes centrs"	399.3	-2.7	180.3	10.02% Alūksne Municipality Council	
314	43603012859	LLC "SPORTA KOMPLEKSS "ZEMGALE""	394.6	-10.9	992.0	32.65% Jelgava City Council	
315	42403002492	LLC "Rēzeknes Vēstis"	317.8	-12.1	177.7	8.33% Rēzekne Municipality Council*	* Holding until 15.07.2021.
316	43603007966	LLC "JELGAVAS TIRGUS"	313.2	-34.2	1 367.0	48.43% municipality of Jelgava City	
317	40003425118	LLC "VENTTESTS"	289.3	59.3	497.6	50% Ventspils City Council	
318	48503010397	LLC "Brocēnu sporta centrs"	245.8	-43.0	1 905.3	7.71% Saldus Municipality	
319	40003421648	LLC "OC Liepāja"	217.1	3.4	302.4	5.03% Liepāja City Council	
320	41503004556	LLC "LATGALES LAIKS"	186.4	-2.0	139.6	25.46% Daugavpils City Council	
321	40003633530	LLC "BALARTIS"	180.8	32.2	98.0	45.37% Ķekava District Council	
322	41203008614	LLC "FUTBOLA KLUBS "VENTSPILS""	124.5	-385.3	182.4	11.23% Ventspils City Council	
323	40003536108	LLC "D & F"	119.9	-50.0	325.7	24% Ogre District Municipality	
324	41203019340	LLC "KOLKASRAGS"	111.3	9.2	228.6	49% Talsi Municipality Council	
325	40003159107	LLC "HYDROENERGY LATVIA"	102.8	68.7	102.6	20.83% Ropaži District Municipality	
326	44103055056	LLC "Latvijas futbola federācijas mācību un treniņu centrs "Staicele""	54.2	-58.6	220.6	23% Aloja District Council *	* Participation until 18.01.2021.

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327	40003542763	LLC "Gulbenes-Alūksnes bānītis"	46.0	81.2	236.7	9.09% Gulbene Municipality Council. 4.55% Alūksne District Council	
328	40003756303	LLC "Stopiņu kolektors"	35.4	-1.4	383.4	20.08% Stopiņi Municipality Council *	* Participation until 28.07.2021.
329	40003217053	LLC "TEMPUS LS"**	34.6**	-1.6**	7.6**	40% Ogre City Council	* Registered on 20.09.1994. Liquidated on 17.04.2020. ** results of 2018 because the submission of 2019 and 2020 report has not been registered
330	40003134620	LLC "Latvijas šķirnes dzīvnieku audzētāju savienība"	28.4	161.5	959.1	0.17% Kuldīga Municipality *	* Participation until 03.03.2021.
331	40103159777	LLC "Jaunā skola"	24.1	-66.7	1 274.2	18.78% Ādaži Municipality Council	
332	50003733321	LLC "SKY PORT"	23.9	-712.7	7 024.9	4.25% Engure Municipality Council	
333	40003381129	LLC "Ogres Interneta Centrs"	23.8	0.0	7.9	33.33% Ogre Municipality Council*	* Participation until 28.10.2020.
334	50003367381	LLC "Ludzas tūrisma aģentūra"	18.1	-5.4	7.1	31.48% Ludza Municipality 12.96% Zilupe Municipality	
335	41503026233	LLC "DOVA"	10.0	-5.3	54.2	5% Krāslava City Council	
336	41203024801	LLC "Starptautiskā Rakstnieku un tulkotāju māja"	2.8	0.2	149.1	33.33% Ventspils City Council	
337	43603023960	JSC "AMO PLANT"	0.0*	-0.8*	77.9*	2.73% Jelgava City Council	* Results of 2019 because the submission of the 2020 Annual Report has not been registered.
338	40003319252	LLC "Mālpils Minerāls"	0.0	0.0	400.4	0.74% Mālpils Municipality Council	
339	40003187948	LLC "Latgales Uzņēmējdarbības atbalsta centrs"	0.0	-0.1	1.1	5% Rēzekne Municipality Council, 1% Rēzekne City Council	
340	42403015800	LLC "Vēstures parks"	0.0	-0.1	2.5	25% Rēzekne City Council	
341	40003143445	LLC "Vējkalni"	0.0	-0.6	174.3	25% Vecpiebalga Municipality Council	



