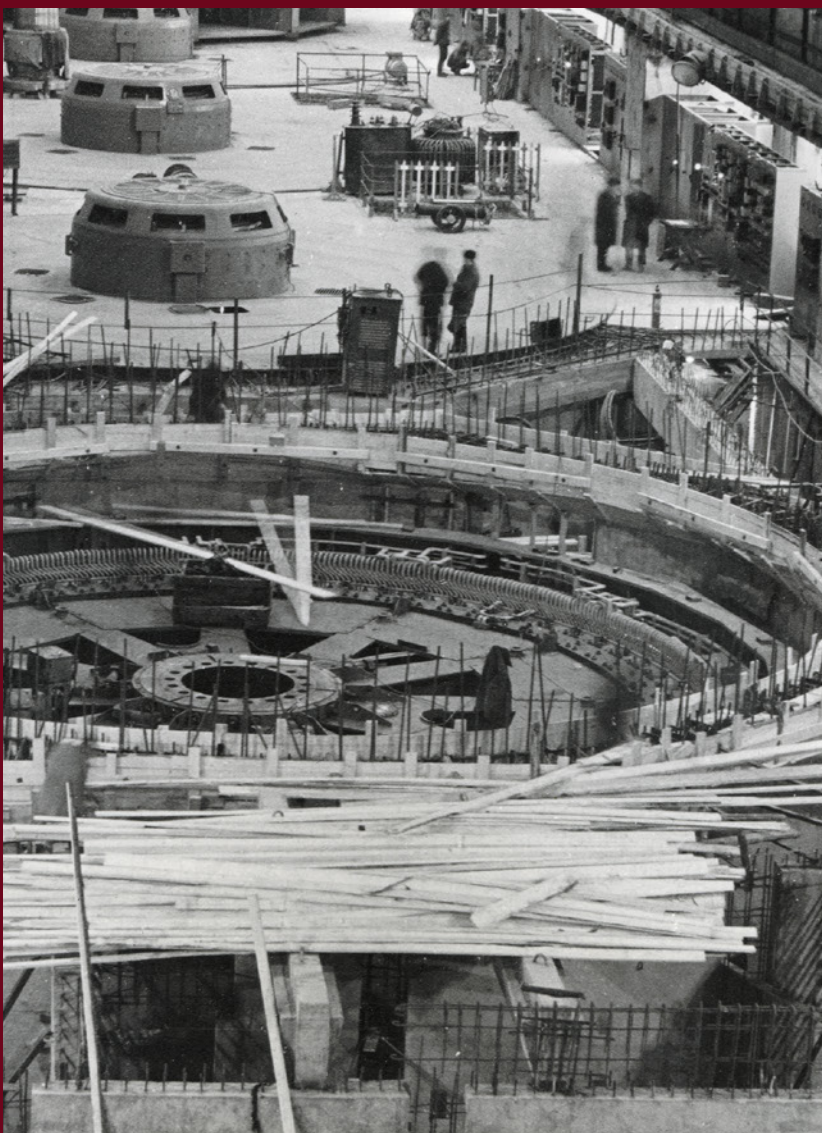




Pārresoru koordinācijas
centrs



Cross-Sectoral Coordination Centre
Republic of Latvia

Public Report
on the
State-Owned and Municipalities-Owned
Enterprises and Shares in
2019

Rīga, 2020

STATE-OWNED ENTERPRISES* IN ECONOMY OF LATVIA IN 2019

* Information is compiled for **172 capital companies**, which include both groups and consolidated data. The State has a direct ownership in **91 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 **21** - **has not direct and effective control (the State ownership <50%)**. State-Owned Enterprises **have ownership in 62 companies**.

Total assets* of State-Owned Enterprises

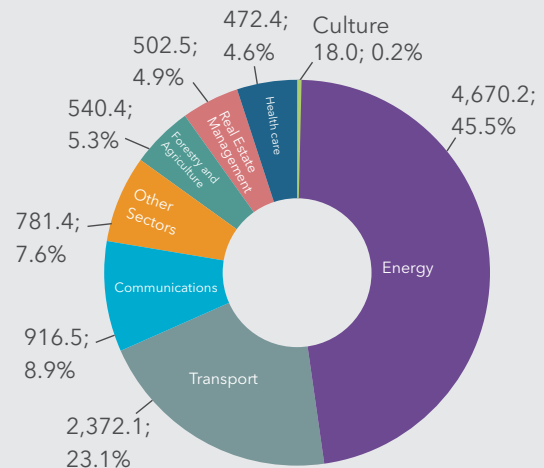
EUR 10.2 billion

*Long-term investments and current assets

The 3 largest State-Owned Enterprises ("Latvenergo", "Air Baltic Corporation", "Latvijas dzelzceļš") by assets value account for

56.3% of total assets.

Total assets of State-Owned Enterprises by Sector, million EUR, % of Total Assets



Total turnover of State-Owned Enterprises*:

EUR 3.95 billion

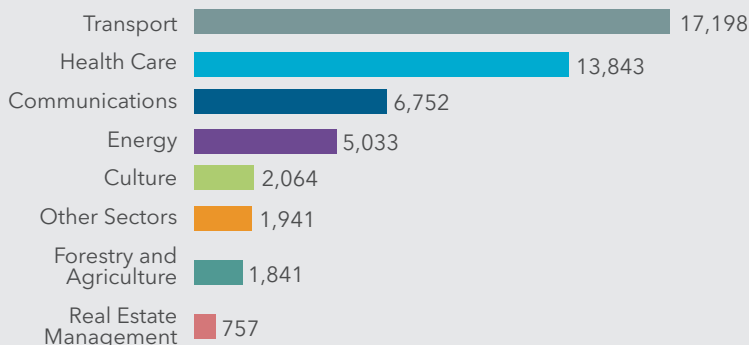
*Total operating revenue

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

43.5% of the total turnover.

49,429 or **5.3%** of all employees in Latvia are employed in State-Owned Enterprises.

The Number of Employees by Sector



37.0%

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

The State-Owned Enterprises earned **EUR 318.8 million**

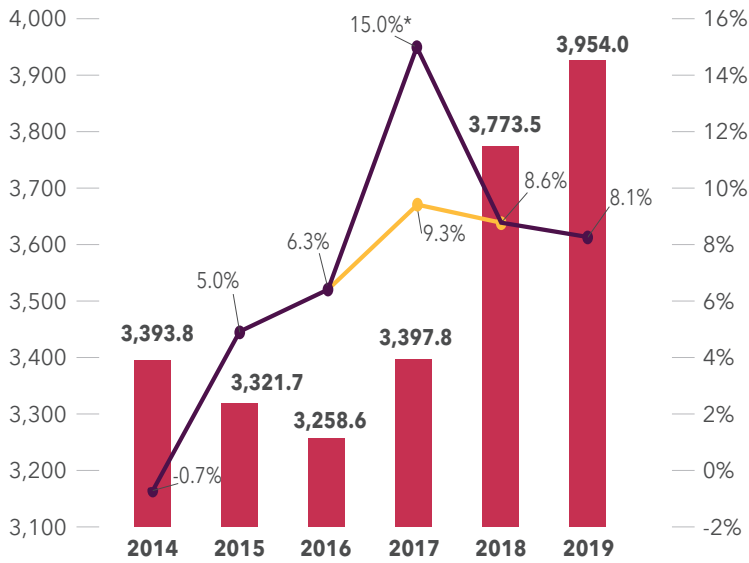
and paid in dividends **EUR 231.8 million**

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.

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

91.1% of the total dividends paid.

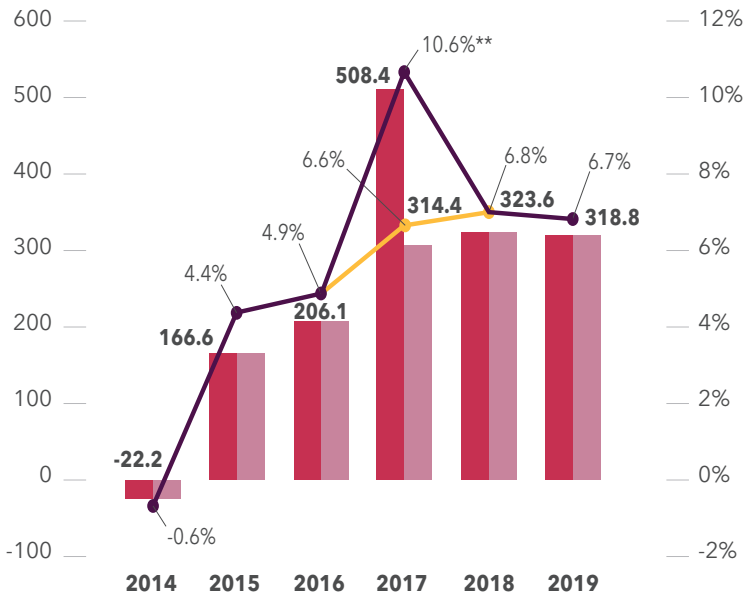
Total Turnover (million EUR) and Profitability (%)



* The impact of the Corporate Income Tax Reform on the profits of the 25 largest State-Owned Enterprises and the total effect of the mandatory procurement public service obligation (OIK) grant is estimated at 5.7 percentage points, which **would reduce profitability to 9.3%.**

■ Total Turnover, million EUR
 — Profitability, %
 — Profitability, % (without the impact of Corporate income Tax reform and OIK)

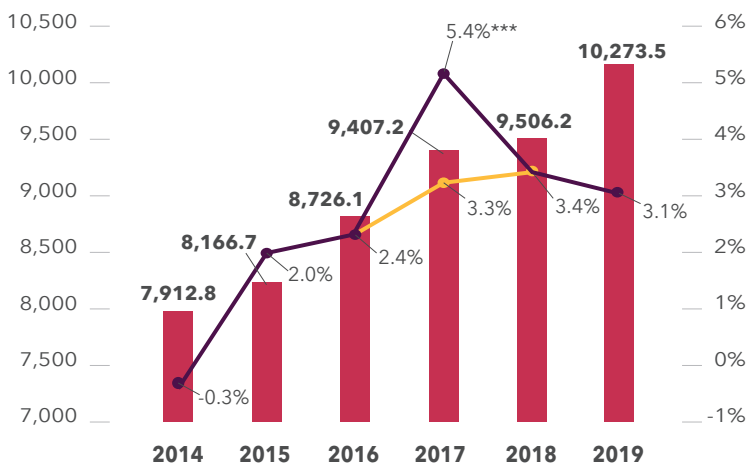
Total Profit (million EUR) and Return On Equity (ROE, %)



** The impact of the Corporate Income Tax Reform on the profits of the 25 largest State-Owned Enterprises and the total effect of the mandatory procurement public service obligation (OIK) grant is estimated at 4 percentage points, which **would reduce return on equity to 6.6%.**

■ Profit / Loss, million EUR
 ■ Profit / Loss, million (without Corporate Income Tax reform and OIK grant) million EUR
 — Return on Equity (ROE), %
 — Return on Equity (ROE), % (without Corporate Income Tax reform and OIK grant)

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



*** The impact of the Corporate Income Tax Reform on the profits of the 25 largest State-Owned Enterprises and the total effect of the mandatory procurement public service obligation (OIK) grant is estimated at 2.1 percentage points, which **would reduce return on assets to 3.3%.**

■ Total Assets, million EUR
 — Total Return on Assets (ROA), %
 — Total Return on Assets (ROA) (without Corporate Income Tax reform and OIK grant), %



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Public Report
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Rīga, 2020



This is the sixth annual report on state-owned enterprises and state-owned shares prepared by the Cross-Sectoral Coordination Centre, which provides society with information on the management and performance of state-owned enterprises in 2019.

This year, information on local government shares is also included.

Dear cooperation partners and report readers!

The five years that have passed since the implementation of the governance reform of state-owned enterprises in Latvia have proved that the path taken together is the right one. The active implementation of the principles of good corporate governance recommended by the Organization for Economic Co-operation and Development (OECD), the development of common guidelines and the improvement of laws and regulations result in more professional governance, better financial performance, transparency of processes and better public awareness.

In 2019, state-owned enterprises as a whole have continued to develop steadily, as evidenced by the performance results summarized in this report. By securing and promoting long-term growth potential, corporations have increased investment in assets through renewal and modernization, which will serve as a steppingstone for future development.

The Cross-Sectoral Coordination Centre (CSCC), as the coordinating body for the governance of state-owned enterprises, continues to improve the legal environment and regulations so that governance is increasingly in line with international best practices and domestic experience. Our recommendations and advices are continually based on sound arguments, analysis and previous independent research. In a study conducted jointly with KPMG Baltics and supported by the European Commission (EC), the processes of setting goals as well as monitoring and evaluating performance in capital companies have been analysed, comparing them with the procedures in other European Union and OECD countries. The recommendations will help to set more appropriate targets for Latvian state-owned enterprises and develop a better offer for a more efficient dividend policy.

The CSCC wants to ensure that uniform and professional nomination processes for the members of the council and the board of state-owned enterprises are implemented and the most suitable candidates with the most relevant experience are selected. Thus, amendments have been made to the "Law on Governance of Capital Shares of a Public Person and Capital Companies", to the "Regulations on the Number of Members of the Management Board and Supervisory Council of Public Capital Companies and Public Private Capital Companies According to the Indicators Characterizing the Size of a Capital Company, the Maximum Amount of Monthly Remuneration of Members of the Management Board and Supervisory Council", as well as the Cabinet Regulation "Procedure for Nomination of Members of the Management Board and the Council in Capital Companies in Which the Capital Shares Belong to the State or a Derivative Public Person" developed by the CSCC has been adopted. The minimum requirements for the education, language skills and work experience of board and council members have been clarified; procedures for assessing competencies and involving recruitment experts, as well as the requirements for publishing information on the nomination process, were established; the number of council members and capital companies in which

councils may be formed have been expanded. The regulations on the share of profit to be paid in dividends and payments to be made to the state budget for the use of state capital have been amended, stipulating that dividend payments shall be made in the amount of 80% of the profit for the reporting year. All these steps have been taken to improve the legal framework in order to streamline the governance processes of state-owned enterprises and to promote their transparency, as well as to attract the best professionals in the field to work on councils and boards.

We have started to apply the internationally recognized principles of good governance of capital companies in Latvia to companies owned by local governments, starting with the requirements for publishing information. This report is the first one to include information on municipality-owned companies and their published information. Compliance with disclosure requirements is also included for public equity holders and state-owned enterprises.

A lot has been done, but we have an important decision ahead of us on the future model of corporate governance - whether we are moving towards greater centralization. The development of clear management policies for State and municipality-owned enterprises, as well as proposals for transferring the functions of the State capital shareholder to one professional holder of State shares, shall be determined by the Government Declaration and the Action Plan.

Only through mutual cooperation, gaining the same understanding of governance processes, can we achieve better and more competitive results. That is why it is important to share experiences, learn from each other. The CSCC together with the Baltic Institute of Corporate Governance and other partners regularly organizes trainings, seminars, visits the regions to explain current issues - the principles of good corporate governance, setting company goals, organizing nomination processes, determining remuneration, information disclosure requirements.

State-owned enterprises also use synergies to achieve wider objectives to promote the digital transformation, productivity, sustainable investments and export revenues of the Latvian economy. Thus, within the framework of the Innovation Initiative, solutions are sought to accelerate capital companies' investment in research and development, as well as to further relaunch innovation culture in the economy by exploiting the intellectual resources and growth potential of capital companies in new markets.

I invite you to read this report, be informed and participate actively so that the Latvian economy, including the State and municipality-owned enterprises that are important to it, is experiencing long-term growth and appreciation in the interests of the entire economy, because only so can we improve the quality of life in Latvia that everyone wants to achieve.

Pēteris Vilks

Head of the Cross-Sectoral Coordination Centre

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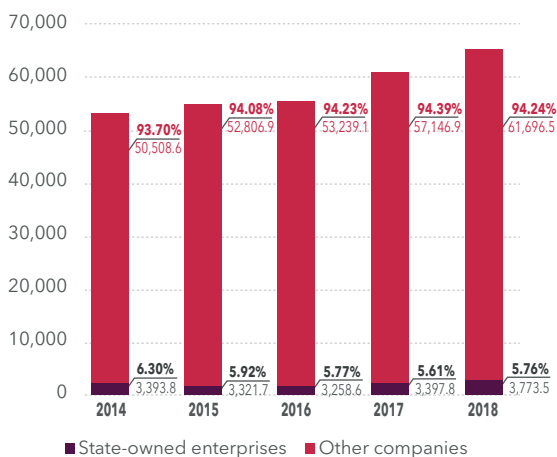
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Introduction

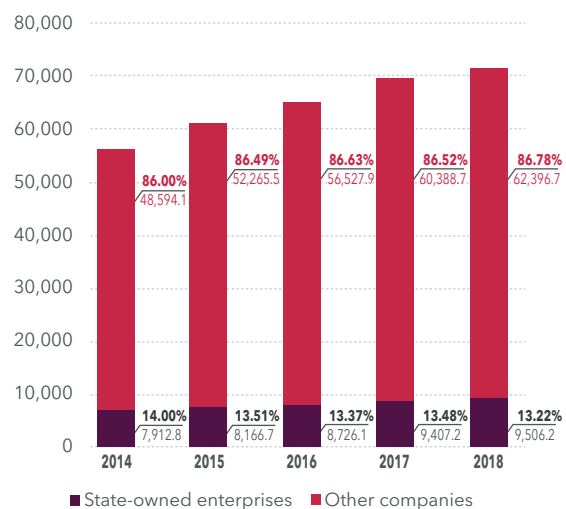
State-owned enterprises (SOEs) play an important role in the Latvian economy. SOEs not only eliminate market failures and perform strategically important tasks for society but also contribute to economic development in general, provide financial benefits to society and ensure accessible and high-quality services. To illustrate the role of SOEs in the national economy, their contribution from 2014 to 2018 will be examined below.

Figure 1. Turnover of SOEs from the total turnover of all commercial companies in 2014-2018, million EUR, %



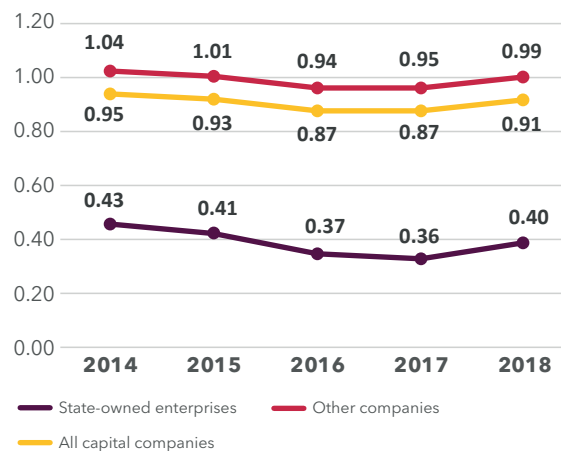
The total turnover achieved by capital companies in 2018 was more than EUR 65.5 billion¹, which is by EUR 4.9 billion more than in 2017 and represents an increase of 8.13%. The growth in 2017 compared to 2016 was EUR 4.05 billion or 7.16%, which indicates that the growth of commercial companies in 2018 has been slightly faster than in 2017. Such rapid growth has been observed in the last two years, as in 2016 the increase was only EUR 369.1 million or 0.66%. Of the total turnover of commercial companies, 5.76% was generated by SOEs, which, compared to 2017, is an increase both in financial terms (EUR 375.7 million) and in percentage terms (0.15 percentage points), indicating that the turnover of state capital companies has grown slightly faster than the turnover of private companies. Among the state-owned enterprises, the biggest drop in turnover in 2018 compared to 2017 was in JSC Latvenergo (consolidated) – minus EUR 47.6 million. Turnover decreased by more than one million euro also in SLLC Jaunais Rīgas teātris (EUR - 1.5 million), JSC Attīstības finanšu institūcija Altum (EUR - 1.3 million) and SJSC Valsts nekustamie īpašumi (EUR - 1.1 million). At the same time the largest increase in turnover in 2018 was in JSC Air Baltic Corporation (consolidated, EUR +99.7 million), JSC Latvijas valsts meži (consolidated, EUR +57.4 million), SJSC Latvijas dzelzceļš (consolidated, EUR +46.4 million) and JSC Augstsprieguma tīkls (EUR +35.0 million).

Figure 2. Assets of SOEs from total assets of all commercial companies in 2014-2018, million EUR, %



The assets of capital companies show theoretical potential for generating income and profits. The assets of all SOEs in 2018 represented 13.22%² of the total assets held by capital companies in the country, amounting to EUR 9.51 billion, and compared to 2017, this represented a drop by 0.26 percentage points. At the same time in 2018, the assets of state-owned capital companies increased by EUR 99.0 million or 1.05%.

Figure 3. Average asset turnover ratio (net turnover / total assets) for the state, other and all capital companies from 2014 to 2018, ratio

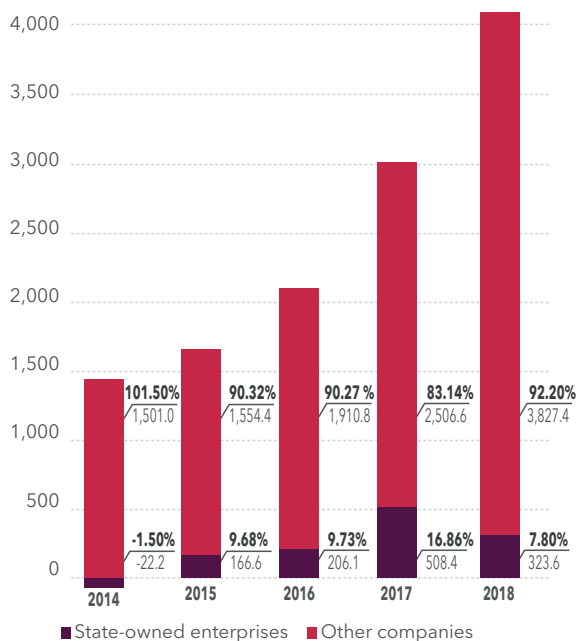


Overall, the turnover-to-asset ratio is better in the private sector, due to different asset composition targets. One of the main goals of the private sector is to make the highest possible profit with the least possible involvement of assets and capital. In the case of state-owned companies, it is often necessary to maintain and provide a base for the provision of public services (hospitals, public infrastructure) as well as large-scale infrastructure in the energy and transport sectors. The functioning of these sectors is possible only with large capital investments (hydroelectric power plants, railway and air infrastructure, etc.).

¹ Database of the Central Statistical Bureau, Profit or loss of merchants (million euros), source: http://data.csb.gov.lv/pwweb/lv/uzn/uzn_uznemfin_ikgad/UFG020.px.

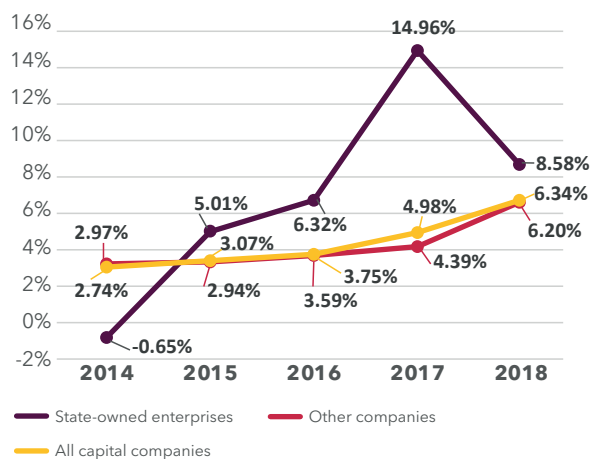
² Database of the Central Statistical Bureau, Assets of enterprises at the end of the year (NACE Rev. 2), (million euros), source: http://data.csb.gov.lv/pwweb/lv/uzn/uzn_uznemfin_ikgad/UFG050.px.

Figure 4. Profit of SOEs from the total profit of all commercial companies in 2015-2017, million EUR, %



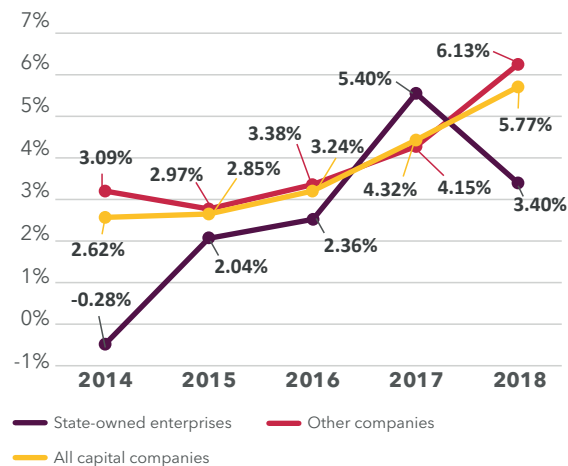
7.80% of the total profit of capital companies reported in 2018 (EUR 4.15 billion³) was formed by state-owned enterprises, which, compared to 2017, is a significant decrease in the amount of 9.07 percentage points. Overall, the profit of state-owned enterprises decreased by EUR 184.8 million or 36.3% in 2018 and reached EUR 323.6 million, but it should be noted that EUR 194.0 million of the 2017 profit is due to the impact of the reform of the Corporate Income Tax Law (hereinafter - CIT) in connection with the reverse deferred corporate income tax, as well as the combined effect of limiting the growth of the mandatory procurement component (OIK) and waiving future revenues. Consequently, the adjusted economic profit in 2017 reached EUR 314.4 million, and the adjusted economic profit in 2018 has increased by 9.2 million EUR or 2.94%. The Saeima adopted significant changes to the "Corporate Tax Law" in 2017, publishing them on 8 August 2017 in the official publication Latvijas Vēstnesis No 156 (5983) and they entered into force on 1 January 2018.

Figure 5. Profitability (total profit / net turnover) for the state, other and all capital companies from 2014 to 2018, %



Assessing the profit against turnover or profitability in 2018, the result of state-owned enterprises is slightly better than in the private sector - 8.58% in state-owned enterprises and 6.20% in private sector capital companies, but when assessing return on assets or return on assets, it is significantly better in private in the sector, 3.40% and 6.13% respectively.

Figure 6. Return on assets (total profit / total assets) for the state, other and all capital companies from 2014 to 2018, %



The total indicators of state-owned enterprises in 2019, compared to 2018, have changed slightly and only some indicators have shown significant changes. Turnover has increased by EUR 180.5 million (4.8%) and investments have increased by EUR 251.5 million or 34.5%. Compared to 2018, in 2019 dividends were paid to the public budget at approximately EUR 231.8 million, which is EUR 0.7 million less than in 2018 or a fall of 0.3%. Total assets increased significantly, reaching EUR 10.2 billion, which is EUR 767.3 million or 8.1% more than in 2018. The total profit of capital companies has slightly decreased, reaching 318.8 million, which is EUR 4.9 million or 1.5% less than in 2018.

Funding received from the state budget has increased by EUR 21.6 million or 3.1%. Contributions to the state and local government budgets in the form of taxes, fees and dividends have slightly increased - by EUR 5.6 million or 0.6%, compared to 2018. The overall ratios of equity, share capital and donations received and made have also increased slightly. EBITDA has increased by EUR 90.8 million or 10.9%, reaching EUR 926.4 million. EBITDA margin has slightly increased from 22.1% in 2018 to 23.4% in 2019. In 2016 and 2017, it was 23.8% and 26.8%, respectively.

³ Database of the Central Statistical Bureau, Profit or Loss of Merchants (million euros), source: http://data.csb.gov.lv/pxweb/lv/uzn/uzn__uznemfin__ikgad/UFG020.px.

Table 1. Aggregate financial indicators characterizing the activities of state-owned enterprises and state-owned equity shares from 2016 to 2019

Principal financial indicators, million EUR				
	2016	2017	2018	2019
Turnover	3,258.6	3,397.8	3,773.5	3,954.0
Profit/loss	206.1	508.4	323.6	318.8
EBITDA	776.2 ⁴	910.7 ⁵	835.6 ⁶	926.4
Total assets	8,726.1	9,407.2	9,506.2	10,273.5
Share capital	4,016.7	4,088.1	3,764.5	3,833.6
Equity	4,218.9	4,787.8	4,736.1	4,772.1
Investment	640.6 ⁷	651.0 ⁸	728.1 ⁹	979.5
Dividends paid to state budget	154.7	148.7	232.5	231.8
Contributions made to the state and local government budget	876.7	810.0 ¹⁰	859.3 ¹¹	864.9
Donations received	2.8	2.5	1.60	1.61
Donations made	5.3	5.2	5.6	6.3
Funding received from the state budget	602.0	1,043.3	695.4	716.9
Principal financial indicators, % and coefficients				
Profit and turnover ratio, %	6.32 %	14.96 %	8.58 %	8.06 %
Return on assets, ROA, %	2.36 %	5.40 %	3.40 %	3.10 %
Return on equity, ROE, %	4.88 %	10.62 %	6.83 %	6.68 %
Total liquidity indicator	1.09	1.33	1.04	1.57
Liabilities-to-equity ratio	1.05	0.95	0.99	1.13
Other indicators				
Number of employees	52,120	51,018	49,799	49,429
Average gross remuneration per employee per year, thousand EUR	12.9	13.6	15.3	16.3
Gender representation in management, f/m	64/152 ¹² (29.6 %/ 70.4 %)	67/157 (29.9 %/ 70.1 %)	68/165 ¹³ (29.2 %/ 70.8 %)	70/176 (28.5 %/ 71.5 %)
Annual report in accordance with IFRS (yes/no)	26/49 (34.7 %/ 65.3 %)	19/56 ¹⁴ (25.3 %/ 74.7 %)	20/55 (26.7 %/ 73.3 %)	20/56 (26.3 %/ 73.7 %)

Investment volumes have continued to increase compared to 2017 and 2018, which is to be welcomed, as the renewal and modernization of fixed assets of the largest state-owned enterprises continues and small and medium-sized state-owned enterprises have also made investments. In 2019, the ten largest state-owned enterprises invested 85.5% of total investments.

In 2019, several important large investment projects continued, such as the 330 kV PPL connection Kurzeme Ring¹⁵ included in the European Decade Development Plan (EUR 26.1 million; in 2018 - EUR 65.2 million) and reconstruction of Daugava HPP hydro units in the amount of EUR 16.6 million (in 2018 - EUR 21.1 million), which will ensure their operation for the next 40 years. In total, EUR 95.1 million was invested in the assets of the electricity distribution system. The aim was to promote high-quality and secure energy supply and to reduce the frequency and duration of planned and unplanned disruptions to electricity supply, as well as to ensure adequate stress quality, including by reducing THE SAIFI and SAIDI indicators.

The national airline continued to purchase Airbus A220-300 aircraft - in 2019 it purchased eight Airbus A220-300 aircraft (seven in 2018), reaching the highest investment in the last four years - EUR 333.9 million¹⁶.

In 2019, investments were also made in forest infrastructure in the amount of EUR 46.4 million: construction of forest roads EUR 40.2 million (EUR 25.3 million in 2018), renovation of forest drainage systems EUR 6.0 million (EUR 5.5 million in 2018), in the design, construction and construction supervision of bridges and in the construction of wooden shield carriageways¹⁷.

On 16 July 2019, the government approved funding of EUR 255.9 million¹⁸ for the supply of electric passenger trains and equipment for their maintenance, staff training, and the construction of a train repair centre. The funding will be used for the purchase of 32 new electric trains, a spare parts fund and electric train maintenance equipment, as well as staff training - a contract was signed with ŠKODA VAGONKA as. on 30 July 2019 and an advance payment of EUR 36.3 million was made for new electric trains in 2019.

Investments have been made in railway infrastructure: track renewal - type B overhaul of 16,677 km in the amount of EUR 4.7 million; purchase of railway infrastructure at the Export Port for EUR 4.5 million; track renewal - type A overhaul of 6,715 km in the amount of EUR 3.0 million and replacement of switch transmissions for 2.3 million¹⁹.

The implementation of investment projects at Riga International Airport was continued, investing a total of EUR 21.8 million (EUR 201.1 million in 2018). The largest projects are the construction of the 5th apron, the helicopter landing area and the 2nd apron extension project, as well as the works of the 6th stage of the airport expansion project (construction project development)²⁰.

SJSC Latvijas Valsts radio un televīzijas centrs continued to make investments in the development of information and communication technology service platforms²¹: expansion of data centres; development of trust services and electronic identity services; expansion of the data transmission network; Phase 2 of the project "Development of Next Generation Electronic Communications Networks in Rural Areas" "Improving the Availability of Electronic Communications Infrastructure in Rural Areas"; projects "Global Maritime Accident and Safety System", "Automatic Identification System Project", "Logical Single Data Centre".

LLC Tet made investments²² in IT systems in order to obtain a new visual image and correspond to the company's new brand and business positioning; in addition, investments were made in the construction of an optical network, providing customers with a fast Internet connection; the latest technologies have been introduced to improve the speed and availability of copper network data transmission and investments have been made in the company's digital transformation, including a review of business processes to improve the customer experience, speed up customer service and streamline the company's operations. LLC Latvijas mobilais telefons continues to invest in the development of mobile communication network infrastructure in the amount of EUR 23.4 million (EUR 24 million in 2018), including the installation of a total of five 5G base stations; a virtual SIM card (eSIM) has also been introduced and the development of a smart TV service is continuing²³.

Investments in road maintenance in the amount of EUR 12.8 million have been made: dump trucks with equipment for EUR 3.9 million, motor graders with equipment for EUR 3.2 million, wheeled tractors (with a capacity of over 110 hp) for EUR 1.1 million, trailed graders for EUR 0.8 million, wheeled tractors (with a capacity of up to 110 hp) for EUR 0.5 million, salt-sand spreaders for EUR 0.26 million.

In 2019, the Ceļu satiksmes drošības direkcija (CSDD) started construction works of two new regional customer service centres (Jelgava and Tukums)²⁴, significant reconstruction is also underway at the CSDD's largest customer service centre (CSC) in Rīga, where, for the convenience of customers, especially

4.5.6.7.8.9.10.11.12.13.14 Calculation adjustments have been made

15 JSC Latvenergo Sustainability Annual Report 2019, p. 93, source: <https://latvenergo.lv/lv/investoriem/parskati>.

16 Source: Information provided by JSC Air Baltic Corporation.

17 JSC Latvian State Forests Sustainability Annual Report 2019, pages 16, 37, source: <https://www.lvm.lv/par-mums/skaitli-un-finanses/finanses/2019-g>

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

19 Information provided by SJSC Latvijas dzelzceļš.

20 SJSC Riga International Airport Annual Report 2019, p. 5, source: <https://www.riga-airport.com/par-lidostu/finanses/gada-parskats>.

21 SJSC Latvian State Radio and Television Center Annual Report 2019, p. 4, source: <https://www.lvrta.lv/finanses.html>.

22 LLC Tet Annual Report 2019, page 6, source: <https://www.tet.lv/par-tet/par-mums/gada-parskati>.

23 LLC Latvijas Mobilais Telefons Annual Report 2019, page 4, source: www.ur.gov.lv.

24 SJSC Ceļu satiksmes drošības direkcija Annual Report 2019, pp. 11, 12, source: <https://www.csdd.lv/finanses/2019-gada-finansu-parskati>.

remote customer service, the premises for issuing vehicle registration documents are being modified and a common area for driver qualification examination rooms will be established, which will be completed and put into service in spring 2020. The territories of CSDD's Saldus and Aizkraukle customers service centres have been rebuilt and expanded, traffic organization has been improved, parking lots and facilities have been expanded. In order to improve the suitability of the Bīķernieki Complex Sports Base (BKSB) building for the management of large sports events, in 2019 the BKSB office building was rebuilt. Safety equipment and race track coverage was renewed in several sections of the BKSB auto / moto race track to increase the safety of competitors, staff and visitors. In 2019, design tasks were prepared and development of several construction projects for the coming years was started - for the establishment of a vehicle certification centre in Rīga CSC building at 2A Antenas Street, for reconstruction of Rīga CSC payment centre building at 91 Mūkusalas Street, for reconstruction of separate regional CSC buildings BKSB territory development and engineering network renewal.

In 2019, investments were made in the purchase of a mail sorting line²⁵, which will be completed in the second half of 2020, in August 2019, 61 postal terminals were purchased, investments were made in computer software EZIS and mail processing systems.

In the healthcare sector, capital companies have invested in the purchase of diagnostic, laboratory, surgical and manipulative medical equipment (mammographs, computed tomography equipment, angiography equipment, Tesla magnetic resonance equipment, lithotripsy equipment, high-intensity ultrasound equipment, elastography equipment, linear accelerators) as well as to carry out repairs to hospital premises. LLC Rīgas Austrumu klīniskā universitātes slimnīca²⁶ has started the renovation of the 1st building of the hospital Gaiļezers; improved energy efficiency of the hospital Bīķernieki by performing insulation works, renovation of entrance units, regulation and balancing of the heating system and installation of ventilation systems, thus reducing heat energy consumption; a centralized unit for the preparation of parenteral cytostatic agents has been established; a state pathology centre has been established, performing repairs to the adaptation of the building premises and engineering networks. SLLC Paula Stradiņa klīniskā universitātes slimnīca has invested EUR 8.0 million²⁸ in the field of medical technologies, maintaining and improving the availability of services for various categories of patients, as well as providing higher quality diagnosis and more effective and modern treatment. EUR 1.45 million was invested in hospital infrastructure, allowing the hospital to organize multidisciplinary patient care in one place and introduce new programs; the engineering communications in critical condition have been renewed, as a result of which the reduction of energy consumption has been achieved in accordance with the set energy efficiency objectives (reduced consumption of heat and electricity, replacement of heating main sections, modernization of outdoor areas and indoor lighting). Investments in the maintenance and improvement of information technologies and security systems amounted to EUR 1.77 million. Investing in upgrading the performance and information systems of IT infrastructure data networks ensures the continued functioning of critical IT systems (up to 99%). To increase the safety of patients, staff and visitors, the hospital continued to build fire safety, voice announcement, access and security systems. In total, capital companies of health sector have made investments in the amount of EUR 38.0 million (in 2018 - EUR 37.6 to million).

In 2019, real estate companies performed and completed the construction of various buildings and repairs of premises, for example, completion of the construction of the Courthouse in Jēkabpils and commissioning of the building, reconstruction and commissioning of the Zemgale District Court building and construction of new court buildings in Tukums, administrative buildings in Rīga, 58 Daugavgrīvas Street, completion of construction work on the energy efficiency improvement project. The construction works of the Liepāja Prison complex

were also continued, spending EUR 104 thousand. Significant real estate development projects were continued, including the reconstruction of the Latvian Occupation Museum building, among which the construction of a new extension "Nākotnes nams" and POUP memorial, the development of the TabFab creative quarter construction project, as well as reconstruction of the central prosecutor's office building at 7 Aspazijas boulevard for the needs of the structural units of the Prosecutor's Office. By arranging the infrastructure of border control and customs control points, the improvement of the territory at the border crossing points Silene and Pāternieki has been completed; within the framework of the revitalization of the degraded territory in the city centres, an ambitious Museum Repository at 8 Pulka Street, Rīga has been put into operation; within the framework of increasing the energy performance of the managed buildings, the sealing of the facade joints and cleaning of the facade at 36 Brīvības Boulevard, Rīga (the building of the Cabinet of Ministers) has been completed; preserving the cultural and historical values of the buildings, the main memorial building of the Rainis Museum "Jasmuiža" has been put into operation in Aizkalne, Preiļi region, as well as the building of the academic choir Latvija in Rīga, 8 Zirgu Street and the facade of the Ministry of Culture building (Horse House) in Rīga, 11a Krišjāņa Valdemāra Street, was renovated. Guidelines for the application of the Construction Information Modelling (CIM) in public procurement have been developed and a roadmap for the implementation of the CIM has been presented together with the Ministry of Economics.

Investments were made in high-performance assembly workstations for the needs of the Latvian Television; the purchase of lighting equipment for the needs of studies, video camera lenses, microphones and studio equipment was performed²⁹.

In 2019, both the reconstruction of the existing Lielupe tennis hall and the construction and commissioning of the new hall were completed, ensuring an identical number of courts for outdoor courts - nine courts. Outdoor courts and the new hall meet the conditions for organizing international competitions³⁰. Also, energy efficiency improvement measures were implemented within the framework of the European Union fund project, the reconstruction of the water collector was completed and it was put into operation in O. Kalpaka prospect, an automated tennis court load accounting system was developed. The 2nd stage of the reconstruction of the Daugava stadium - the design of the ice hall - was started and a procurement was made for the development of the minimum composition of the athletics multifunctional arena construction project³¹.

Compared to 2018, the number of employees continued to decrease, as it has been for the last four years - 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%, but in 2019 by 370 employees or 0.7%. In total, 49.4 thousand people are employed in state-owned capital companies, which is 5.31% of the economically active population, and compared to 2017, there is a slight increase of 0.04 percentage points. The number of economically active population in the country also continued to decrease - in 2019 by 14.3 thousand citizens or 1.5%, reaching 930.8 thousand citizens aged 15 to 64. This has been the case for the last 11 consecutive years. Although the decline in employment in state-owned capital companies is negative from the point of view of national development, trends show that state-owned capital companies are trying to become more efficient and more people are employed in other sectors in the private or public sector, because the total unemployment rate in the country continued to decrease, reaching 6.5% at the end of 2019 (7.6% in 2018; 8.9% in 2017; 9.9% in 2016). At the same time, the average salary continues to grow steadily, as in 2016 it increased by 2.4% compared to 2015, in 2017 by 5.2% compared to 2016, in 2018 by 12.8% compared to 2017, while in 2019 by 6.4% which was slightly lower than the increase in the average monthly wage in the country in 2019 (7.2%). The average annual gross salary in state-owned capital companies was by 26.0% higher than in the country as a whole in 2019, and it reached EUR 16.3 thousand.

25 SJSC Latvijas Pasts Annual Report 2019, p. 7, source: https://pasts.lv/lv/par-mums/parskati_un_statistika/#finansu-raditaji.

26 LLC Rīgas Austrumu klīniskā universitātes slimnīca Annual Report 2019, p. 7, source: <https://www.aslimnica.lv/lv/content/gada-parskats>.

27 LLC Rīgas Austrumu klīniskā universitātes slimnīca Annual Report 2019, pp. 14, 15, source: <https://www.aslimnica.lv/lv/content/gada-parskats>.

28 LLC Paula Stradiņa klīniskā universitātes slimnīca Annual Report 2019, page 6, source: <http://www.stradini.lv/lv/content/auditeti-gada-parskati>.

29 SLLC Latvijas Televīzija Annual Report 2019, p. 10, source: <https://ltv.lsm.lv/lv/par-ltv-gada-parskati/>.

30 LLC Tenisa centrs "Lielupe" Annual report for 2019, page 4, source: www.ur.gov.lv.

31 SJSC Kultūras un sporta centrs "Daugavas stadions" Annual Report 2019, page 4, source: <https://www.daugavasstadions.lv/node/254> and information provided by the capital company

32 Indicators are calculated for the 15-64 age group using data from http://data1.csb.gov.lv/pxweb/lv/sociala/sociala__nodarb__aktivitate__ikgad/NBG010.px

33 The indicators are calculated for the 15-64 age group, using data from http://data1.csb.gov.lv/pxweb/lv/sociala/sociala__nodarb__aktivitate__ikgad/NBG010.px.

34 The average monthly salary of employees in 2019 was 1,076 euros according to http://data.csb.gov.lv/pxweb/lv/sociala/sociala__dsamaksa__ikgad/DSG010.px = data

1. Governance of State-Owned Enterprises

Governance of SOEs is governed 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 the terms of the participation;
- defining the general strategic objective;
- approval of the profit share to be disbursed in dividends both for the period of the medium-term strategy and the previous financial year if different from the law.

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

- draw up guidelines and regulations of the Cabinet of Ministers regarding corporate governance practices of SOEs;
- issue a statement to holders of State 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 ensure 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 management of capital companies of public persons and capital shares, a collegial body - the Council of the Co-ordination Institution (hereinafter - the Council) 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 co-ordinates 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 capital shares or the council of a state-owned 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. It should be noted that up to now the Council has not had to deal with such issues. The Council 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 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 shall determine the ministry, which is of significance in management of specific State capital shares in the respective sector (hereinafter - the sectoral 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 state-owned capital shares or sectoral 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 of 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 the companies in which 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);
- decides 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 supervisory board 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 articles of association; 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 reorganization; election and revocation of the liquidator; the approval of medium-term operational strategies, unless the Council has been established.

In a state-owned enterprise, a council may be established 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 is more than 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:

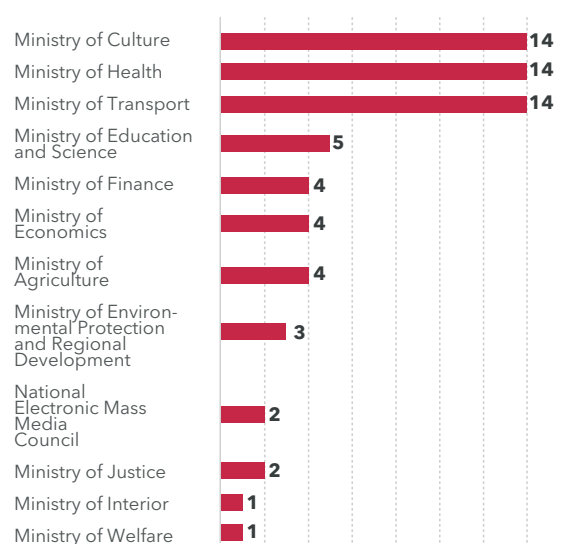
- 3) the net turnover is more than EUR 8 million;
- 4) the balance sheet total is more than EUR 4 million.

At the end of 2019, the Councils operated in 14 SOEs. According to the "Law on the Governance of Capital Shares of a Public Person and Capital Companies", the tasks of the council are as follows:

- 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;
- 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 stockholders;
- 5) examine the annual account 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 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 stockholder or the meeting of stockholders 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 on improvement of the operation of the company to the stockholder.

Considering the Council's contribution to the governance of capital companies, in 2019 Councils will be established also in the three major hospitals - SLLC Bērnu klīniskā universitātes slimnīca, LLC Rīgas Austrumu klīniskā universitātes slimnīca, SLLC Paula Stradiņa Klīniskā universitātes slimnīca. In 2020, the formation of councils in capital companies will be continued, where amendments to the law provide for it.

Figure 7. Holders of state-owned shares in SOEs in 2019



1.1. Public Participation and General Strategic Objective

In 2019, in general, no significant changes have taken place in the state participation in capital companies, however, the following should be noted as significant: the beginning of the port reform, which is introduced by the acquisition of the state participation in the joint stock company Ventas osta; the Ministry of Health plans to optimize the provision of psychiatric services, which will result in the reorganization of several psychoneurological hospitals; as well as in order to facilitate the

development of medium-term operational strategies in line with the actual circumstances and planning documents in the field of health, the general strategic objectives have been updated for a number of capital companies in which the Ministry of Health holds 100% state capital shares. The overall strategic objective is the goals of the capital company set by the highest decision-making body of the public person, which the public person wants to achieve through participation in the capital company and which result from legal acts and policy planning documents.

In 2019, the general strategic objective was updated for all capital companies in which the Ministry of Health holds 100% of the state-owned capital shares. The general strategic goal has been updated for the SLLC Bērnu klīniskā universitātes slimnīca, the SLLC Bērnu psihoneiroloģiskā slimnīca "Ainaži", the SLLC Nacionālais rehabilitācijas centrs "Vaivari", the SLLC Paula Stradiņa klīniskā universitātes slimnīca, SLLC Rīgas Austrumu klīniskā universitātes slimnīca, SLLC Rīgas psihiatrijas un narkoloģijas centrs, SLLC Slimnīca "Ģintermuiža", SLLC Strenču psihoneiroloģiskā slimnīca and for the SLLC Traumatoloģijas un ortopēdijas slimnīca.

In order to improve the availability of specialists and provide quality treatment to patients of the SLLC Aknīstes psihoneiroloģiskā slimnīca (hereinafter - APNS), as well as to achieve the goal set in the "Mental Health Care Improvement Plan for 2019-2020" - to ensure an interdisciplinary approach and multidisciplinary team involvement thus ensuring the availability of quality state-paid health care services in the field of psychiatry, at the end of 2019, the Ministry of Health submitted to the Cabinet of Ministers a draft order on the reorganization of APNS and the SLLC Daugavpils psihoneiroloģiskā slimnīca (hereinafter - DPNS), planning to merge APNS and DPNS. The order was adopted by the Cabinet of Ministers on 7 January 2020. In addition, on 9 September 2020, the Cabinet of Ministers reviewed the informative report of the Ministry of Health "On Changes in the Operation of Hospitals", which includes plans to reorganize the state limited liability company Piejūras slimnīca, respectively by providing oncology services in one hospital in Liepāja, namely, LLC Liepājas reģionālā slimnīca, while adding the profile of psychiatric services to SLLC Slimnīca "Ģintermuiža".

In connection with the sanctions imposed by the US Treasury Bureau of Foreign Assets Control (OFAC) on 9 December 2019, the Cabinet of Ministers carried out reforms in Ventspils port management to meet the priority set out in the Government Declaration to fight corruption and improve port management. The establishment of joint-stock company Ventas osta is the first step towards the port management reform.

1.2. Strategy Development

Pursuant to the "Law on the Governance of Capital Shares of a Public Person and Capital Companies" (hereinafter - the Law), before approving the medium-term operational strategy (hereinafter - the strategy), the draft strategy is sent to the CSCC for an opinion on whether the draft strategy has been developed in accordance with the Law and includes appropriate financial objectives that have been coordinated with the non-financial objectives (non-financial objectives are determined by the line ministry).

In 2019, the CSCC issued 22 opinions (two of them repeatedly) on draft strategies. In 2019, most of the draft strategies were received from the Ministry of Health - a total of 10 draft strategies.

In total, 37 of the 65 state capital companies had strategies in force in 2019. Another four companies have strategies, but they were not submitted for the CSCC opinion and do not include all components required by the Law.

The approved strategies have a duration of three to seven years.

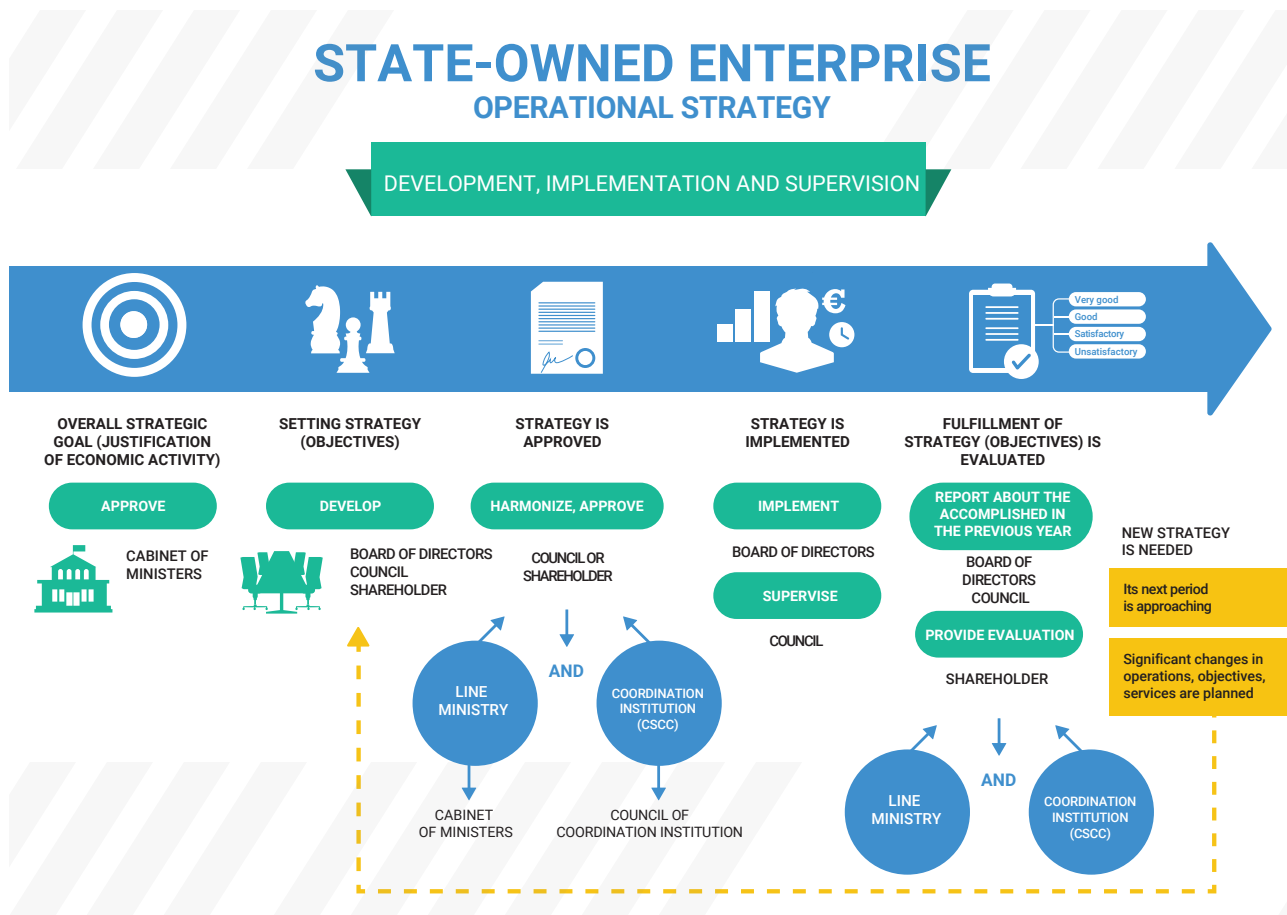
Some of the large SOEs use the rolling strategy approach regularly updating their strategy (on average every year). These capital companies are generally those that pay dividends in accordance with regulatory enactments, therefore the updating of the strategy is possible without a decision of the Cabinet of Ministers on a different part of the profit to be paid in dividends. Other state-owned capital companies, which must receive a

decision of the Cabinet of Ministers on a different share of profit to be paid in dividends, should repeatedly receive permission from the Cabinet of Ministers to pay a different amount of dividends from the profit when updating the strategy.

On 28 August 2018, the CSCC updated the "Guidelines for the Development of Medium-Term Operational Strategies for State-Owned Enterprises", including a description that R&D

investment plans will need to be included in the investment planning and setting of non-financial targets. The inclusion of such research and development goals in the strategies is also supported by the "Business Environment Improvement Action Plan" of the Ministry of Economics for 2019-2022. In 2019, the strategies of more and more companies included information on research activities, but one strategy also set a specific goal for investments in research and development - a percentage of turnover.

Figure 8. Process for harmonizing and validating the draft strategy



1.3. Dividend Policy

In Latvia, the policy of state-owned enterprises provides that dividends in state-owned enterprises are planned on the basis of a medium-term operational strategy (hereinafter - strategy). 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 in 2019 still determined that the minimum expected share of profit to be paid in dividends and the share of profit to be paid in dividends was 50% of the net profit of the capital company. Taking into account the changes in the corporate income tax procedure, amendments to these Procedures are in force from 10 January 2020, which stipulates that the minimum expected profit share to be paid in dividends and the share of profit to be paid in dividends is 80% of the company's profit for the year, if the medium-term operating strategy of the capital company (hereinafter - the strategy) does not provide otherwise. The share of profit to be paid in dividends also includes corporate income tax, therefore, from 2020 the minimum share of profit to be paid in dividends has changed only slightly.

Until 2020, every year the Saeima, when planning revenues in the state budget and adopting the annual state budget law, set a different minimum share of profit to be paid in dividends, which in fact has always been higher than 50% of the profit of the reporting year, for example, in 2019, for the reporting year

2018, dividends in the amount of 85% of the profit had to be paid.

Pursuant to the Procedure and also the "Law on Budget and Financial Management", the Cabinet of Ministers may allow a capital company to determine in the strategy a different part of the profit to be paid in dividends than specified in the Procedure or other legal acts.

A large number of capital companies use the opportunity to determine a different share of profits to be paid in dividends. According to the Procedure, it is possible to receive permission from the Cabinet of Ministers to pay different amounts of dividends (or not to pay dividends) for the entire term of the medium-term strategy, as well as to request permission from the Cabinet of Ministers to pay different amounts of dividends for a specific reporting year.

The practice of recent years shows that even when the Cabinet of Ministers decides on a different part of the profit to be paid in dividends, the decision nevertheless includes various conditions - either about how the profit unpaid in dividends can be used, or that the permission not to pay takes effect only after the adoption of the annual state budget or the permission by the European Commission.

In any case, the proposal of the holder of state-owned capital shares must be economically substantiated or explained by a special situation in order for the capital company to ensure compliance with the requirements specified in the regulatory enactments of the European Union or the Republic of Latvia or international agreements binding on Latvia.

A different share of profits to be paid out in dividends can be determined in the strategy if the financial situation of a state-owned company is inadequate (especially the amount of equity is insufficient), to implement development projects, as well as to fully implement non-financial objectives.

Section 11 of the Procedure sets out the cases that justify the reduction of dividends if the dividends were planned in the strategy, but for various reasons it is not possible to pay them or the payment will significantly worsen the financial situation of the capital company.

Another important assessment to be made when submitting a proposal for a different share of profits to be paid in dividends is whether the reduction in dividends qualifies as business aid. An agreement has also been reached with the European Commission; in which case the capital company was allowed to pay a lower amount of dividends from profits during the strategy period than required by law.

Every year, the Cabinet of Ministers examines proposals for a different share of profit to be paid in dividends and so far, in accordance with the current Procedure, proposals have mostly been approved for SOEs in the field of culture, as they are exempted from state aid, as well as for several SOEs in the field of health and several other SOEs for state-delegated tasks.

A different approach to dividends in 2019 had been developed in three state-owned capital companies - JSC Latvenergo, JSC Latvijas valsts meži and JSC Augstsprieguma tīkls, for which the "Law on the State Budget for 2019" specified a definite amount to be paid in dividends. Due to careful planning of the amount of dividends, the dividends actually paid in 2019 were less than 85% of the profit, which was set as the minimum amount of dividends for all other state-owned capital companies. In 2019, JSC Latvenergo paid 62% in dividends from the profit of the reporting year 2018, JSC Latvijas valsts meži - 70%, and JSC Augstsprieguma tīkls - 77% (including the corporate income tax portion).

1.4. Nomination Committees and Nomination Processes

In 2019, all selection and evaluation processes of candidates for the Board and Council of SOEs were provided by the holder of state-owned capital shares or the Council of the capital company (if such has been established). In accordance with the Law on Corporate Governance, nomination committees for nomination of members of the Board or Council include voting representatives from the line ministry or the company's Council, one CSCC representative, external independent experts and, if necessary, non-voting observers.

In total, in 2019, the selection processes of 10 members of the Council of SOEs were started, of which nine processes were concluded with a result and one process without a result. The shareholders of the state capital approved 20 members of the Council. In the reporting year, the selection processes of 16 members of the Management Board of SOEs were started, of which 11 processes were completed with a result, three processes without a result and two processes will continue in 2020. As a result of these nomination processes, 19 Board members of state-owned companies were approved.

As in previous years, the participation of independent experts in nomination commissions is an important contribution to the open process of nomination processes. In 2019, representatives of various fields, such as Andris Grafs, Vice-President of the Baltic Representation of the Baltic Institute of Corporate Governance, participated in the nomination commissions of the Council and the Board of State Capital Companies with voting rights; Jānis Vētra, Member of the Board of the Latvian Association of Health Care Management Specialists; Līga Menģelšone, Director General of the Latvian Employers' Confederation; Signe Bāliņa, President of the Latvian Information and Communication Technology Association; Deputy Director General of the Latvian Employers' Confederation, Ilona Kiukucāne, expert in policy planning documents; President of the Latvian Communications Workers' Trade Union Dr. iur. Irēna Liepiņa; Aivars Āboliņš, Chairman of the Board of the Latvian Trade Union "Enerģija"; LLC Veselības 4 Chairman of the Board Māris Rēvalds; Chairman of the Board of Tele2 Latvija Valdis Vancovičs; President of the Latvian Medical Association Ilze Aizsilniece.

On 13 June 2019, significant amendments to the Law were adopted also with regard to the selection of members of the Board and the Council, which entered into force on 1 January 2020. In order to implement a unified and professional approach to the selection of members of the Council of SOEs, amendments to the Law stipulated that in the future the selection of members of the Council of State Owned Enterprises will be provided by the CSCC in cooperation with holders of state capital shares. In order to bring municipal corporate governance practices closer to the OECD guidelines for corporate governance of state-owned enterprises, the same principles as for the selection of board and council members of state-owned enterprises will have to be applied in future nomination processes (except for the centralized approach to selection of board members).

The adopted amendments to the Law also provide for that a Council must be established in all joint stock companies, while in medium-sized companies a Council may be formed. Given that new Councils in capital companies had to be established no later than 1 June 2020, in the second half of 2019 several nomination processes of capital company Councils took place, for example, in large health care companies and SJSC Elektroniskie sakari. At the end of the year, the holders of state-owned capital shares in several capital companies appointed temporary members of the Board and the Council until new members of the Board and the Council are selected within the nomination process. For example, the members of the Board and the Council of SJSC Valsts nekustamie īpašumi and JSC Ventas osta were approved. According to the amendments to the Law, the term of office of the Board and the members of the Management Board thus appointed shall not exceed one year.

In connection with the adopted amendments to the Law, which lays down the procedure for the selection of members of the board and council of state and local government capital companies, new regulations of the Cabinet of Ministers "Procedure for Nomination of Members of the Management Board and the Council in Capital Companies in Which Capital Shares Belong to the State or a Derivative Public Person" were developed and approved on 7 January 2020. The CSCC also compiles recommendations for clarifications on the organization of the nomination process, which will be included in the new guidelines for the selection of council and board members.

1.5. Remuneration to the Board and Council Members

In 2019, there were no changes in the legal regulation on the remuneration of the members of the Board and the Council, but in 2020 the compliance audit of the State Audit Office (hereinafter - SAO) was completed (hereinafter - the report), the conclusions of which were published on 16 April 2020. In the opinion of the SAO, the regulation of the remuneration of the members of the Board is not clear enough, therefore in practice various interpretations of regulatory enactments are possible. Also, there is no unambiguous solution in the regulatory enactments to the issues of social guarantees of the members of the Board. In 2020, the CSCC started work on the guidelines "Guidelines for Determining the Remuneration of Members of the Board and Council of Public Corporations and Public-private Corporations", anticipating that in the first stage of updating the guidelines, minimal and legally permissible improvements are made; in turn, the next stage of improvement of the guidelines could follow after the remuneration study and amendments to the regulatory enactments - for example, types of insurance of board members to be included in authorization agreements, long-term absence regulation, amount of remuneration received on a non-employment basis (e.g. royalties, company contract), as well as other issues.

In accordance with the Cabinet of Ministers Regulation No. 791 "Regulations Regarding the Number of Members of the Board and the Council of Public Capital companies and Public-private Capital Companies in Accordance with the Indicators Characterizing the Size of the Capital Company, the Maximum Amount of Monthly Remuneration of Board and Council Members" of 22 December 2015, the coefficient applicable to the determination of 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 percent of the monthly remuneration of the Chairman of the Board or the Council. The members of the Board also had a variable component, namely the bonus, which does not exceed two months' remuneration.

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

Amendments to the "Law on Corporate Governance", which entered into force on 1 January 2020, stipulate more information to be made public by state and municipality-owned enterprises and their subsidiaries on their websites. This information is equated to the disclosure requirements for listed companies. The amendments stipulate that the CSCC is obliged to check and include in the annual report information on how the shareholders (ministries and local governments) and capital companies (owned by state and large local governments) comply with the disclosure requirements specified by law. For example, information on the compliance of a council member with the criteria for an independent council member specified in this Law, council committees (if established) and an audit committee (if established), including the by-laws, shall be made public, as well as information on the members of the committee (professional work experience, education, positions in other capital companies, terms of office).

The amendments to the 2019 Law also determine the amount of information that must be included in this report in the future: information on state participation in capital companies; resources invested and their return; services provided by capital companies; contributions to the state budget and local government budgets; received state or local government budget grants; information regarding the sectors in which capital companies with state participation operate; on the nomination processes of the members of the Management Board and the Supervisory Board, as well as other information necessary to provide insight into state-owned capital companies. The report shall also include information on the fulfilment of the requirements of Section 29, Paragraph two, Section 36 (in relation to local governments) and Section 58 of the Law and how the conditions of the of Section 22, Paragraph two, Clauses 7.2 and 7.3 of the Law have been complied with.

In the future, local governments will also prepare annual consolidated reports on capital companies in which they are shareholders. The CSCC has been preparing the annual report on state-owned shares since 2016.

On 1 July 2019, the implementation of the Open Government Partnership (OGP) Action Plan 3 was completed, in which the CSCC had two commitments - Commitment 10: Transparency and Accountability in Public and Capital Companies and Commitment 12: Access to and Use of Research and Data in Evidence-Based Decision-Making and society. The OGP is an international initiative aimed at promoting openness, accountability, integrity and public participation. Latvia has been participating in OGP since 2011. From 2016, the functions of the Latvian National Contact Point are implemented by the State Chancellery. In connection with the conclusion of the OGP plan, an Independent Evaluation Mechanism (IEM) report was prepared, to which the CSCC provided an overview of the implementation of 10 commitments, which consisted of four milestones:

- 10.1. Proportion of holders of state-owned capital shares who ensure compliance with all disclosure requirements specified by law from all holders of state capital shares (result - 100%);
- 10.2. Proportion of state-owned capital companies that ensure compliance with all information disclosure requirements specified by law from all state capital companies (result - 100%);
- 10.3. Conference dedicated to topical issues of governance of state capital companies (result - one conference every year);
- 10.4. Number of state-owned corporations that prepare non-financial reports (> 5).

The CSCC has participated in discussions organized by the State Chancellery on open governance and on measures / directions to be included in the new National Open Government Action Plan 2020-2021. The aim of the Fourth National Open Government Action Plan is to promote the implementation of the values of open government - openness, responsibility and public participation, including through digitization and innovation - in Latvia. The Action Plan includes six commitments or lines of action: openness of public procurement and contracts; opening of data sets relevant to the disclosure of information; openness of interest representation and lobbying; open governance in municipalities; high-quality public involvement in reform processes and in solving issues relevant to society; anti-corruption measures. The CSCC does not have a separate commitment in the new action plan, but participates in the opening of data sets relevant to disclosure.

The CSCC has created and regularly updates a website - database <http://www.valstskapitals.gov.lv>, which provides information on current issues in the management of state-owned enterprises and allows to assess the performance of companies with a decisive state influence (more than 50% of the capital is state-owned) and to compare their indicators by years (general indicators, balance sheet indicators, profitability and financial indicators, information on contributions made to and received from the budget). By publishing information on the activities of state-owned capital companies, outcomes, state grants, nomination processes and the like, both the public and the media are provided with an idea of the activities of state-owned enterprises, their contribution to society and efficiency.

1.7. Trainings and Consultations to Capital Companies and Shareholders

In 2019, in cooperation with the Baltic Institute of Corporate Governance, a training program was provided for representatives of state-owned capital shareholders and responsible employees. The program was implemented in four parts (sessions) for 25 participants in November and December. The following topics were addressed during the program:

- Principles of corporate governance: OECD guidelines and trends; soft law vs hard law; comply or explain the application of the principle; bad management signals; the roles, responsibilities and effective cooperation of the shareholder, the Council, the Board and the internal audit.
- Involvement in defining the company's strategy and goals; the process of developing and coordinating a medium-term operational strategy; the role of the holder of capital shares, the Council and the Board in determining the financial and non-financial objectives of the capital company and in balancing them with each other; the justification of the state participation and the most important aspects of its evaluation; overall strategic goal.
- Defining key performance indicators (KPIs) for the Board and each Board member.
- Evaluation of the results of a capital company; evaluation of strategy, annual report, operating results and financial indicators, operational information; determination of the amount of dividends; annual evaluation of the work of the Board and Council.
- Board and Council members nomination process: international trends and recommendations for organizing the nomination process; nomination practice and challenges in Latvia; centralized selection of council members from 2020; attracting private sector professionals to work on company boards and councils.
- Remuneration of board and council members; making changes in remuneration; identification of additional benefits; amalgamation of positions in a capital company; development and updating of remuneration policy.
- Disclosure and circulation (flow) of information between the shareholder and the company, enterprise and society; reports to the Council, the shareholder and the company; non-financial reports and their meaning; balancing information disclosure requirements and trade secret protection needs; information requests for sector policy development.

- Practical work of the Council; number of members of the Council; tasks and work intensity of the Council; cooperation with the Board and shareholders; internal audit for obtaining direct information; annual calendar; approval of the Council for transactions and decisions of the Board.

In response to the forthcoming changes in regulatory enactments, which must also be observed in the management of municipal capital companies and companies with local government participation (Amendments to the "The Law" and Regulations of the Cabinet of Ministers "Procedure for Nomination of Members of the Board and the Council in Capital Companies in Which Capital Shares Belong to the State or a Derivative Public Person"), at the meeting of the Latvian local government executive directors in Ventspils in November 2019, Vladislavs Vesperis, Deputy Head of the Cross-Sectoral Coordination Centre, and Dzintra Gasūne, Head of the Corporate Governance Division, explained the new requirements for managing municipality-owned shares, which come into force on 1 January 2020. It was emphasized that the purpose of the amendments to the law is to approximate the management practices of municipality-owned capital companies to the OECD guidelines on corporate governance of state-owned capital companies. The most significant change, due to which this issue was also included in the agenda of the meeting, is that from next year the chairman of the local government will no longer be able to be a shareholder of the capital company and this role will be performed by the Executive Director or another person designated by him under his authority

In December 2019, in cooperation with Daugavpils City Council, a one-day seminar "Corporate Governance in Municipalities: Changes in 2020" was organized for Latgale municipal leaders and employees who deal with corporate governance and are involved in its processes, as well as board members of municipal corporations. Participants were told about the procedure for nomination and selection of board and council members; supervision and evaluation of the work of the members of the board and council; requirements for the publication of information on capital companies; evaluation of the participation of local governments in capital companies and on other topical issues related to the management process of capital companies. Representatives of Daugavpils City Council on corporate governance processes in Daugavpils municipality, representatives of developers of regulatory enactments on corporate governance from the CSCC, as well as representatives of the Competition Council on evaluation of municipal participation in capital companies, including economic evaluation, spoke at the seminar. Participants had the opportunity to ask questions, discuss and exchange experiences already gained.

The CSCC also participated in the Internal Auditors Forum organized by the Ministry of Transport, which was organized in September 2019; for which gratitude was received from the Ministry of Transport, noting in particular the information provided by Dzintra Gasūne, Head of the Capital Companies Management Division, and Ilze Puķīte, Consultant of the Capital Companies Management Division, on the development, implementation and monitoring of capital companies' operational strategies.

As in previous years, in 2019 various individual meetings were held with the shareholders, members of the Board and the Council of state-owned capital companies on various topics, consulting or exchanging information on current events. Questions were addressed to the CSCC not only by state-owned companies and shareholders of state-owned capital, but also by municipalities and municipality-owned capital companies. The most topical subjects were the social guarantees of the members of the Board, the possibility of combining positions and the issues of determining remuneration.

1.8. International Cooperation in Corporate Governance

Representatives of the CSCC also regularly participate 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 state-owned companies involved in international transactions to internationally active state-owned companies 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 OECD activities in other countries. During 2019, V. Vesperis was actively involved in the OECD and European Commission project on the governance reform of SOEs in Bulgaria, providing an opinion on the draft report prepared by the OECD Secretariat and proposals for a new law on the governance of SOEs. In 2019 and 2020, V. Vesperis actively participated in the OECD and Norwegian government project on governance reforms of SOEs in the electricity sector in Ukraine, providing proposals for the project report prepared by the OECD Secretariat, its conclusions and recommendations; as well as one of the experts of the OECD working group participated in the expert mission organized by the OECD in Kiev in January 2020 and in the final event of the project on 22 June 2020 on governance reforms of state-owned companies in the electricity sector. In 2020, V. Vesperis, as a representative of the working group, participated in the project of the Structural Reform Service of Croatia and the European Commission on improving the corporate governance of SOEs in Croatia, including participating in the project launch seminar on June 24, 2020. In 2020 and 2021, it is planned to continue participation in the project for the assessment of corporate governance of Ukrainian SOEs, as well as in the project of Croatia and the European Commission Structural Reform Service on improving the corporate governance of SOEs in Croatia.

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

- An important priority, given the findings of the OECD study on the implementation of fair business practices in public corporations 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 to develop 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, as possible priorities for further research, issues were identified regarding the connection of broader policy topics with the management of state-owned capital companies, development of recommendations for state action as a capital company owner, as well as privatization and reduction of state participation in capital companies. 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 state-owned companies 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 improving the decision-making processes regarding the creation of an optimal capital structure in SOEs and the attraction of appropriate funding. This is done by involving shareholders and representatives of SOEs.

In 2019, the CSCC also had the opportunity to participate in an international exchange of experience organized by the EC, hosting experts involved in the management of OECD, Swedish, Lithuanian and Bulgarian state-owned enterprises. This visit was organized within the framework of the TAIX (Technical Assistance and Information Exchange Instrument) project.

1.9. Corporate Governance Improvement Initiatives in 2019

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

At the beginning of 2019, the project commissioned by the CSCC and implemented by the European Commission (EC) together with KPMG Baltics for several months was completed, as a result of which an independent evaluation of the management of state-owned companies was prepared. This project focused on developing proposals for processes such as goal setting, monitoring and performance evaluation, taking into account the different performance profiles and scales of public corporations. The conclusions of the study are the basis for further policy development on the classification of SOEs and the adaptation of the governance process to different groups of SOEs.

In 2019, a number of amendments were made to the Law, which entered into force on 1 January 2020, as well as there have been a number of improvements in the governance of SOEs. The amendments include the following significant changes:

- 1) the procedure for selection of members of the Board and Council of state and local government-owned enterprises has been improved applying the same principles as in the selection of members of the Board and Council of state-owned enterprises. The selection of members of the Council of SOEs must be performed centrally. In those public corporations that qualify as large and in all public joint stock companies, councils are mandatory, while in those public corporations that qualify as medium, councils may be formed, taking into account their size indicators;
- 2) in all Councils of state and municipality-owned enterprises, at least half of the Council must be formed by independent members. The criteria for an independent board member have been specified;
- 3) the number of Council members has been specified - it may not be less than three and more than seven Council members. No bonuses are paid to the members of the Council;
- 4) the Council has a duty not only to approve the medium-term strategy, but also to monitor its implementation;
- 5) in local governments, the decisions of the shareholder are made by the executive director;
- 6) the coordinating institution shall control how the holders of state-owned capital shares, state-owned enterprises, local governments and capital companies owned by large local governments publish the information to be published specified in law, as well as include relevant information in the annual report;

- 7) capital companies of a public person will have to make certain information publicly available for at least the last five years, including information on the results of financial and non-financial objectives. Large corporations will be required to disclose related party transactions. State and municipal capital companies must disclose information on all announced meetings of participants (shareholders), including the agenda and decisions..

Taking into account the changes made, in 2019 Cabinet Regulation No. 20 "Procedure for Nomination of Board and Council Members in Capital Companies in Which Capital Shares Belong to the State or a Derivative Public Person" was drafted and adopted on 7 January 2020, which determine the procedure for organizing the nomination process of the members of the Board and the Council, including the one organized by the CSCC. Taking into account the number of members of the Board and Council specified in the Law, Cabinet Regulation No. 63 "Regulations Regarding the Number of Members of the Board and Council of Public Capital Companies and Public-private Capital Companies in Accordance with the Indicators Characterizing the Size of the Capital Company, the Maximum Amount of Monthly Remuneration of Board and Council Members" of 4 February 2020 has been issued.

The CSCC continues to be involved in promoting innovation and R&D investment in state-owned companies by participating in the Innovation Initiative of Latvia's Outstanding Enterprises and participating in public conferences to strengthen the innovation culture in public and private companies and thus promote sustainable investment and export earnings. At least one public event is planned every year, like it was also in 2019, when JSC Latvenergo gathered more than 100 participants in its premises, including the management of the largest state-owned companies, representatives of ministries and innovators in companies.

1.10. Development of Corporate Governance in 2020

The CSCC continues to study the development of corporate governance issues with the help of various projects and partners in order to improve the existing practice in Latvia and implement the best solutions that are used elsewhere in the world.

As mentioned in section 1.8., the CSCC actively participates in various projects and experience exchange activities, which allow to analyse information and prepare more precise proposals for the improvement of corporate governance of SOEs.

At the beginning of 2019, the project for the evaluation of the management of SOEs implemented by the CSCC in cooperation with the Structural Reform Support Service of the European Commission (hereinafter - the EC) was completed, in which, for several months, the EC-affiliated consulting company KPMG Baltics met with the heads of state-owned companies, both individually and through broader discussions, to prepare an independent assessment of the governance of SOEs. Existing processes for setting goals, monitoring and evaluating performance were analysed, as well as proposals for improving the governance of state-owned companies were provided. Within the framework of the project, all state capital companies were grouped according to the commercial or non-commercial nature of their activities, and accordingly, recommendations for setting financial and non-financial goals are available. The project also looked at the corporate governance examples from Italy, France, Estonia and Sweden. The obtained information was used to prepare a draft conceptual report "On the Management Policy of State and Municipal Capital Companies, the Division of State Capital Companies and the Gradual Centralization of the Management Functions of State Capital Companies". The report included a proposal prepared by the consultants for the classification of state-owned companies in order to identify commercial companies, as well as some recommendations for improvements at certain stages of the management process.

The results of the project launched in 2019 are planned to be used to improve the regulatory framework, which will facilitate the preparation of capital shareholders' decisions

on capital structure and justification of investment financing sources.

Taking into account the significant amendments to the "Law on Corporate Governance" and the Regulations of the Cabinet of Ministers, it is planned to approve the following guidelines:

- Guidelines for conducting the annual self-evaluation of the Council's work;
- Guidelines for evaluating the performance of Board and Council members;
- Guidelines for the preparation and publication of an annual report on capital companies and capital shares owned by a derived public person;
- Disclosure guidelines for capital companies of a public person and shareholders;
- Guidelines for determining the remuneration of members of the Board and Council of capital company of a public person and publicly-private companies.

Taking into account the problems identified in connection with the changes in the "Corporate Income Tax Law" and the decisions made regarding the different share of profit to be paid in dividends, the informative report "On the Problems and Solutions of Representing the Profit Left at the Disposal of State Capital Companies in the Balance Sheet Items of the Capital Company" will be prepared. It will include proposals to ensure uniform accounting for profit distribution and its presentation in the financial statements of capital companies.

1.11. Information Disclosed

On 1 January 2020, amendments to the Law entered into force, which stipulates that as of 1 March 2020, the CSCC is obliged to monitor the compliance of public capital holders and public capital companies with disclosure requirements laid down in Section 29, Paragraph two and Section 58 of this Law. In order to make it easier for shareholders and capital companies to understand the disclosure requirements and related issues in their work, the CSCC has updated the guidelines "Information Disclosure Guidelines for Capital Companies of a Public Person and Shareholders", which were agreed at the meeting of the Council of the Coordination Institution on 3 July 2020, while approved on 27 July 2020.

Pursuant to the amendments to the Law, the CSCC's annual report on public corporations and equity entities must include information on how the derived public person and its companies have complied with the statutory disclosure requirements. The 2019 Annual Report is the first to include this information.

With regard to holders of state-owned capital shares, Section 29, Paragraph two of the Law specifies the provision of 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.

It should also be taken into account that there are objective reasons for which the information referred to in the law cannot be disclosed - these are cases where the information to be disclosed has the status of a trade secret in accordance with the "Commercial Law". In these cases, the explanation provided by the capital company shall be published by the Coordination Institution or the holder of the state-owned capital shares.

In accordance with the task specified in the Law the CSCC has, since March 2020, performed a review of information disclosure requirements on the websites of shareholders of state-owned capital shares. Given that the structure of each institution's website is different, it can be concluded that several ministries have presented information about the capital companies under their supervision in a clear manner and in accordance with the requirements of the law. For example, on the websites of the Ministry of Environmental Protection and Regional Development and the Ministry of Transport, information on each capital company is presented in the form of a description and a table, indicating each requirement separately.

The CSCC has prepared a summary of the information posted on the websites of the holders of state capital regarding the compliance with the requirements established by law, as well as the quality or accuracy of the public information was checked and taken into account.

We would like to point out that in 2020, ministries and their subordinate institutions participate in the project "Single Platform of State and Local Government Websites", and this may affect the amount or quality of information provided on the websites.

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

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

The information has been verified and compiled by 1 October 2020.

fulfilled	- the information has been published in full for all supervised capital companies;
generally fulfilled	- the information has been published for more than half of the supervised capital companies or the amount of the published 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;
n	- not applicable.

In determining the result of each holder of state-owned capital shares, the number of capital companies under its supervision and the amount of information published about them in accordance with the law was taken into account.

Holders of state-owned capital shares present the best results in the disclosure requirement regarding the list of supervised capital companies, its registered address, the amount of share capital and the amount of state participation. This information has been provided in full by 10 out of the 13 public shareholders.

Possessor, the holder of the state-owned capital shares, carries out the privatization of the 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, their privatization, disposal and management, but the other disclosure requirements do not apply.

In Table 2, point 3a, when talking about the compliance of a capital company's participation in other companies with the provisions of the law, it is most often indicated 'not applicable', as this is the case when a state-owned enterprises has no participation in other companies. In very rare cases, the websites of public shareholders indicate whether the state intends to terminate its participation in the company and information about the initiated reorganization or transformation of the company, while this should be indicated even if no termination of state participation, reorganization or transformation is planned.

In addition, the shareholders have also published on their websites the composition of the Board and Council of the capital companies, as well as a link to the website of the capital company. If a public shareholder has published on its website only a link to the company's website, indicating that all the information to be disclosed can be found there, then it can be concluded that the requirements for ensuring the disclosure of information have not been understood because the law stipulates that the holder of state-owned capital shares must provide up-to-date information about capital companies on its website. In addition, if the public shareholder has provided a link to the specific information published on the company's website on the company's financial performance, this is considered sufficient to meet the requirement, provided that the link is operational.

In accordance with the requirements for the disclosure of information specified in Section 58 of the Law, **a capital company of a public person and a public-private capital company shall publish** 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 local government budget for at least the last 5 years;
5. information regarding the state or local government 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. other relevant information, if it is not related to the disclosure of a trade secret;

12. Articles of Association;
13. the by-laws of the Board, Council (if any) or other equivalent document regulating its activities;
14. 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;
15. information regarding all announced meetings of the shareholders (shareholders) of the capital company, including the agenda and decisions;
16. the principles of the remuneration policy and information regarding the remuneration of each member of the Board and the Council;
17. the donation strategy and procedure.

If the capital company has a net turnover of more than EUR 21 million and a balance sheet total of more than 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 established) and the audit committee (if established); including the by-laws, as well as information on the members of the committee;

2. constantly updating, as necessary:

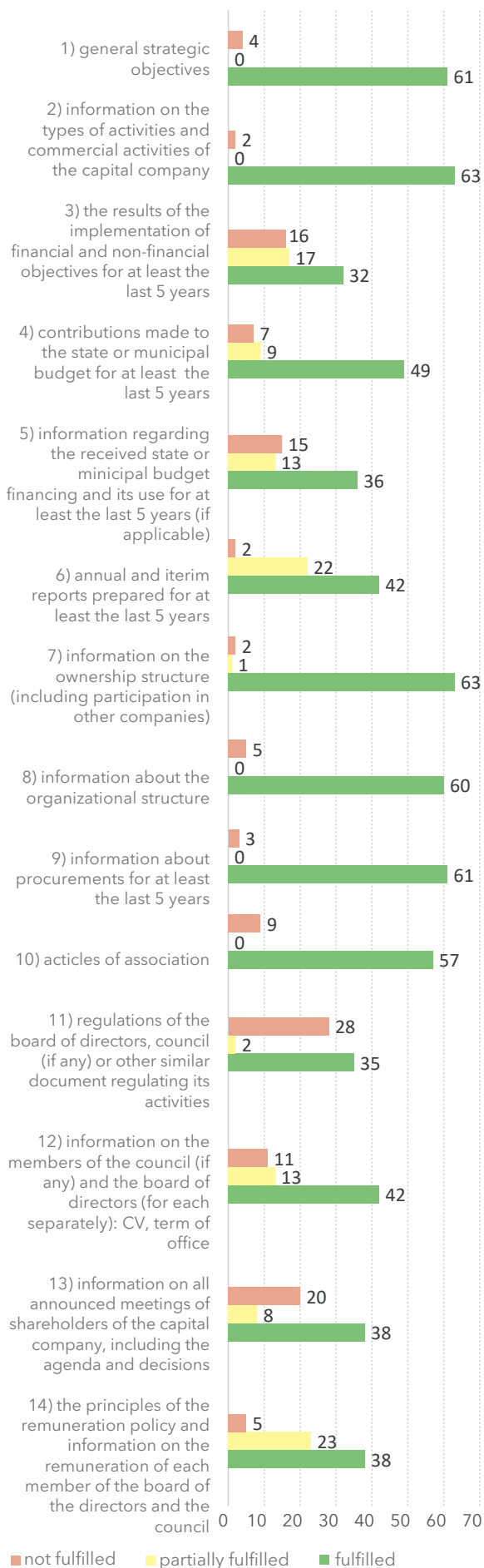
- information regarding atypical or significant transactions with related parties within the meaning of the Financial Instruments Market Law for at least the last five years;
- the most important policies of the capital company, which define the operating principles of the capital company in relation 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, the CSCC has examined the disclosure requirements on the websites of state-owned companies (66 in total). 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 more complex. The most easily accessed information about the state-owned capital company was available on the websites of SLLC Latvijas Koncerti, SJSC Latvijas gaisa satiksme, SJSC Latvijas Jūras administrācija, SJSC Latvijas Pasts, SLLC Aknīstes psihoneiroloģiskā slimnīca, SLLC Vides investīciju fonds and other state capital companies.

The CSCC has prepared a summary of the results of the information posted on the websites of state-owned companies regarding the compliance with legal requirements. The information has been verified and compiled by 1 October 2020. Detailed results are available on the website www.valstskapitals.lv.

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



The figure shows a summary of all state-owned companies on the information published on their websites in accordance with the requirements of the law. If any of the disclosure requirements is not applicable to the capital company, then it was not included in the overall assessment.

With regard to the disclosure requirement for procurements for at least the last five years, companies have often provided a link to a place in the Electronic Procurement System (EIS) where the list of procurements carried out by the company has already been selected, which is sufficient to meet the disclosure requirements; but in cases where reference is made only to the EIS home screen, this is not sufficient and the legal requirement is considered not to be met.

For state-owned capital companies, it would be desirable to provide information on the received state or local government budget funding and its use for at least the last five years, even if it is not applicable, i.e. if the state-owned capital company does not receive state or local government budget funding. In some cases, for state-owned companies receiving budget funding, it would be desirable to provide a more detailed information on the use of state or local government budget funding. The use of budget funding is very accurately reflected by companies operating in health and culture sectors.

The CSCC will work with holders of state-owned shares to clarify identified deficiencies and agree on how to address them, thus improving overall transparency.

2. Management of Municipality-Owned Capital Companies

In 2019, the shortcomings in the management of municipality-owned capital companies were highlighted in the limited liability company Rīgas satiksme; therefore, at the beginning of 2020, the composition of the Board and Council members was changed for a company that was in the shadow of corruption and financial difficulties. In the middle of 2019, the Saeima adopted amendments to the Law, stipulating that the CSCC is also obliged to monitor the implementation of the Capital Companies Management Law in large companies. In this way, it would be possible to identify potential future financial problems at an earlier stage, as the obligation to disclose information in public corporations has not been fully implemented in the past.

In order to facilitate that local governments consult the CSCC when establishing capital companies, amendments were made to the Law in mid-2019, which obliges local governments to obtain a CSCC opinion before acquiring a shareholding or decisive influence in a capital company. The options remain in cases where the local government in the capital company re-evaluates the existing participation in the capital company, terminates the decisive influence or terminates the participation in the capital company.

2.1. Information Disclosed

On 1 January 2020, amendments to the Law entered into force, which provided for more information to be disclosed and stipulated that, as of 1 March 2020, the CSCC was obliged to monitor how local governments comply with Section 36 of this Law and how municipality-owned capital companies (limited liability companies and joint-stock companies with a net turnover of more than EUR 21 million and a balance sheet total of more than EUR 4 million) fulfil the requirements for disclosure of information specified in Section 58 of the Law.

Pursuant to the amendments to the Law, the CSCC's annual report must include information on how local governments and local government companies comply with the requirements of this Law regarding the disclosure of information and how the conditions of Section 22, Paragraph two, Clauses 7.2 and 7.3 of this Law are observed. The 2019 report is the first to include this information.

In accordance with the task set forth in the Law, the CSCC has, since March 2020, examined the disclosure requirements on the websites of municipalities (115 in total) that own shares in limited liability companies or joint-stock companies (340 companies in total).

It would be desirable for the municipality to publish information on the website about the companies under its supervision all in one place; as it is, for example, on the websites of Alūksne municipality, Bauska municipality, Valmiera city municipality and Zīlupe municipality, because the user can receive such information more clearly and conveniently. Also, the most important thing is that the requirements of disclosure of information are complied with.

Pursuant to Section 36 of the Law, local governments must ensure the publication 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 the local government;
3. compliance of the participation of the local government 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 local government capital shares in the capital company;

6. the annual report approved by the capital company;
7. dividends paid by the capital company to the local government and payments made to the state budget and local government budgets (including deductions and tax payments);
8. information that the local government 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 deemed necessary for publication.

The attached table summarizes information on municipalities that own shares in several companies (more than five). The list is grouped according to the number of supervised companies, where column 1 shows the list of capital companies presented on the municipal website in relation to the actual number of capital companies in which the particular derivative public person holds shares. In the other numbered columns, the consecutive digits refer to the sub-clauses of Section 36 of the Law, which indicate the requirement to disclose specific information. More detailed information on the results of the inspection of all local government websites is available on the website www.valstskapitals.lv.

As shown in Table 3, not all municipal websites provide aggregated information on municipal shareholdings (column 1). If not all capital companies in which the local government owns shares are indicated, this affects the result in the other sections of the disclosure requirements.

Information on the participation of the capital company in other companies and its compliance with the provisions of the law (column 4), information that the local government intends to terminate the participation in the capital company (column 8), and information on the initiated reorganization or transformation of the capital company (column 9) was most often not listed on municipal websites. Such information should also be provided in cases where it is not applicable.

Some municipal websites indicated the company's address, name and website address as the only information about the capital company, but this is not sufficient to meet disclosure requirements, as the Law requires up-to-date information to be provided.

Table 3. Information disclosure on the websites of local governments that have holdings in at least five capital companies

No.	Municipalities - shareholders in limited liability companies and joint stock companies									
		1.	2.	3.	4.	5.	6.	7.	8.	9.
1.	Liepāja City Municipality	18/18			n				n	n
2.	Daugavpils City Council	16/16							n	
3.	Rīga City Council	15/15							n	n
4.	Ventspils City Council	15/15							n	
5.	Jelgava City Council	13/13							n	n
6.	Rēzekne City Council	9/11			n				n	n
7.	Ogre Municipality / County Council	9/9			n					
8.	Aizpute County Council	7/8			n				n	n
9.	Aloja County Council	4/8							n	n
10.	Jēkabpils City Municipality	8/8								
11.	Jūrmala City Council	8/8			n					n
12.	Aizkraukle Municipality / County Council	7/7			n				n	n
13.	Alūksne Municipality / County Council	7/7								n
14.	Cēsis Municipality	7/7								
15.	Līmbaži Municipality	7/7			n				n	n
16.	Tukums County Council	7/7			n				n	n
17.	Valmiera City Municipality	7/7								
18.	Aknīste Municipality	1/6			n				n	n
19.	Bauska County Council / City Council	6/6								
20.	Dobele Municipality	6/6			n				n	n
21.	Dundaga Municipality / County Council	5/6			n				n	n
22.	Engure County Council	4/6			n				n	n
23.	Grobiņa Municipality / County Council / City Council	6/6			n				n	n
24.	Gulbene Municipality / County Council	6/6			n				n	n
25.	Krimulda Municipality / County Council	2/6			n					
26.	Kuldīga County Council	5/6			n				n	n
27.	Ķekava Municipality	6/6			n					
28.	Madona Municipality	5/6			n				n	n
29.	Sigulda Municipality	5/6			n				n	n
30.	Ādaži County Council	3/5							n	n
31.	Jēkabpils Municipality	5/5			n				n	n
32.	Līgatne Municipality	5/5			n				n	n
33.	Salacgrīva Municipality	1/5			n				n	n
34.	Talsi Municipality	5/5			n				n	n
35.	Viesīte Municipality	3/5			n				n	n
36.	Zilupe Municipality	5/5								

The information has been verified and compiled by 1 October 2020.

fulfilled	- the information has been published in full for all supervised capital companies;
generally fulfilled	- the information has been published for more than half of the supervised capital companies or the amount of the published 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;
n	- not indicated.

Municipal capital companies with a net turnover of more than EUR 21 million and a balance sheet total of more than EUR 4 million are required to disclose the following information in accordance with Section 58 of the Law:

- the general strategic objectives of the capital company;
- information regarding the types of activities and commercial activities of the capital company;
- the results of the implementation of the financial and non-financial objectives of the capital company for at least the last five years;
- contributions made to the state or local government budget for at least the last five years;
- information regarding the received state or local government budget financing and its use (if applicable) for at least the last five years;
- reports prepared by the capital company for at least the last five years.
 - 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;
- 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 the 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 the 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.

Taking into account that the examination of information disclosure requirements started in March 2020, the CSCC evaluated the financial indicators (net turnover and balance sheet total) of municipality-owned capital companies for 2018, and as a result information disclosure requirements were examined in six capital companies: LLC Rīgas satiksme, JSC Rīgas Siltums, LLC Rīgas namu pārvaldnieks, LLC Rīgas ūdens, LLC Daugavpils reģionālā slimnīca, LLC Liepājas reģionālā slimnīca.

Table 4. Information disclosure on the websites of large municipal corporations

Name	Riga Municipal LLC "Rīgas satiksme" Reg. No. 40003619950	JSC "Rīgas Siltums" Reg. No. 40003286750	LLC "Rīgas namu pārvaldnieks" Reg. No. 40103362321	LLC "Rīgas ūdens" Reg. No. 40103023035	LLC "Daugavpils reģionālā slimnīca" Reg. No. 41503029600	LLC "Liepājas reģionālā slimnīca" Reg. No. 42103041306
1) general strategic objectives	available	partially (objectives are set, but there are no general strategic objectives)	available	available	not available	available
2) information on the types of activities and commercial activities of the capital company	available (from statutes)	available (from strategy)	available (from statutes)	available (from statutes)	available (from strategy)	available
3) the results of the implementation of financial and non-financial objectives for at least the last five years	not specified	not specified	available	available	available (missing information for 2019)	partially (no results for implementation of non-financial objectives)
4) contributions made to the state or municipal budget for at least the last five years	available	available (from annual reports)	available (in addition from annual reports)	available	available	available
5) information regarding the received state or municipal budget financing and its use for at least the last five years (if applicable)	available	available	available	available	partially (use of budget funding received is available, but no current information on the budget funding received is available)	available
6) annual and interim reports prepared for at least the last five years	partially (no interim reports for 2018, 2017 and 2016 are available)	available	available	partially (no interim reports for 2018, 2017 and 2016 are available)	partially (no current information is available)	available
7) information on the ownership structure (including participation in other companies)	available	available	available	available	available	available
8) information about the organizational structure	available	available (additionally specified in the strategy)	available	available	not available (the information is being updated)	available
9) information on the amount of each donation (gift) received and made and the recipients for at least the last five years	not specified	not specified	specified (no donations were received or made)	available	available (four donations received were specified, but no period was specified)	available
10) information about procurements for at least the last five years	available	available (procurements for the last three years are binding)	available (link to Electronic Procurement System)	partially (specified for 2020 only)	available	available
11) articles of association	available	not available	available	available	available	available
12) regulations of the board of directors, council (if any) or other similar document regulating its activities	available (regulations)	partially (specified that the board acts in accordance with the articles of association; not specified for the council)	partially (board regulations available; no council regulations available)	available (board regulations available; council was established in 2020)	available (regulations)	available (regulations)

Name	Riga Municipal LLC "Rīgas satiksme" Reg. No. 40003619950	JSC "Rīgas Siltums" Reg. No. 40003286750	LLC "Rīgas namu pārvaldnieks" Reg. No. 40103362321	LLC "Rīgas ūdens" Reg. No. 40103023035	LLC "Daugavpils reģionālā slimnīca" Reg. No. 41503029600	LLC "Liepājas reģionālā slimnīca" Reg. No. 42103041306
13) information on the members of the council (if any) and the board of directors (for each separately): CV, term of office	available	partially (term of office of board members is not specified; composition of the council is specified in the annual report, but no term of office and CV is available)	partially (no CVs of council members are available)	partially (no information on the members of the council is available)	partially (no CVs and terms of office of council members are available)	not available (members of the board and their areas of responsibility are specified, no CVs and terms of office are available; no members of the council are specified)
14) information on all announced meetings of shareholders of the capital company, including the agenda and decisions	available	not available	available	available	not available	available (there is an indication that the information can be found in the "News" section)
15) the principles of the remuneration policy and information on the remuneration of each member of the board of the directors and the council	available	partially (remuneration policy is available, is not available for each member of the board and council)	partially (remuneration policy is available; the total monthly salary range and the average salary are indicated)	available	partially (remuneration policy is available, is not available for each member of the board and council)	available
16) the donation (gifting) strategy and donation (gifting) procedure	not specified	not specified	available (specified - there are restrictions for making gifts (donations))	available (in addition it is specified that there are restrictions for making gifts (donations))	available	available
17) information about foreseeable risk factors	not specified	not specified	available (risk management)	not specified	not specified	not specified
18) information about the main elements of the internal control and risk management system	not specified	not specified	available (risk management)	not specified	not specified	not specified
19) the composition of the governing bodies and their committees, the description of their activities	not specified	not specified	not specified	information on the basic principles of company ethics, the regulations of the commission is available	information on the code of ethics is available	not specified
20) the description of multilateral policy objectives, implementation measures and results in the reporting year (if applicable)	not specified	not specified	not specified	not specified	not specified	not specified
21) information on the committees of the supervisory board and the audit committee, including the by-laws, as well as information regarding the members of the committee (if applicable)	not specified	not specified	not specified	not specified	not specified	not specified

Name	Riga Municipal LLC "Rīgas satiksme" Reg. No. 40003619950	JSC "Rīgas Siltums" Reg. No. 40003286750	LLC "Rīgas namu pārvaldnieks" Reg. No. 40103362321	LLC "Rīgas ūdens" Reg. No. 40103023035	LLC "Daugavpils reģionālā slimnīca" Reg. No. 41503029600	LLC "Liepājas reģionālā slimnīca" Reg. No. 42103041306
22) information on atypical or significant transactions with related parties within the meaning of the Financial Instrument Market Law (FIML) for at least the last five years	not specified	not specified	not specified	not specified	not specified	not specified
23) the most important policies of the capital company	not specified	not specified	not specified	Privacy policy	Privacy policy	Internal control system to prevent corruption and conflict of interest risks; Privacy policy

The information has been verified and compiled by 1 October 2020.

The examined companies generally show relatively good disclosure results, as most of the requirements are met or partially met. As can be seen in Table 4, the information that was additionally included in the Law as last amended is less frequently disclosed.

With regard to all capital companies in which a derived public person has a participation, information disclosure requirements are ensured in the local government's annual report on capital companies and capital shares owned by a derivative public entity, which is specified in Section 36 (11) of the Law. This paragraph stipulates that no later than 1 October each year, the annual report must include consolidated information on the participation of a derivative public entity in capital companies, its invested resources and their return, services provided, contributions to the state budget and local

government budgets, received state or local government budget grants, the sectors in which capital companies with the participation of a derived public person operate, the nomination processes of the members of the Board and the Council, as well as other information necessary to provide an idea of the capital companies and capital shares of the derived public person. The report shall also include information regarding how the derivative public person and the capital companies belonging to it have complied with the requirements of Sections 36 and 58 of this Law.

The CSCC will work with local government shareholders to explain the identified deficiencies on the websites regarding disclosure requirements under the Law and, if necessary, provide explanations of the legal requirements.

3. Methodology Used in the Report

In the public report on state-owned capital companies 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 corporate income, personal income tax, value added tax, real estate tax, mandatory state social insurance contributions, received and donations 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. The 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 various published data, including from the prepared 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 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 local government 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 taxes 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 reported 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, when 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 state capital companies also includes those capital companies in which the state has a decisive influence (50% + 1 share), and certain state-owned companies and companies with decisive influence, including due to voting rights, or economically significant (JSC Rīgas Siltums) 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 (until 01.04.2019 LLC Lattelecom), LLC Veselības centrs Bīķernieki, LLC Rīgas hematoloģijas centrs, LLC Latvijas Lauku konsultāciju un izglītības centrs, LLC Ludzas medicīnas centrs, JSC Conexus Baltic Grid, JSC Rīgas Siltums and JSC Reverta.

The list of capital companies specified in Annex 1 to the report "State-Owned Capital Companies, State-Owned Capital Shares, Capital Shares Owned by State Capital Companies and State-Controlled Capital Companies" includes various capital companies - state capital companies, state capital-dependent capital companies, public-private capital companies with state influence, state-owned capital companies, as well as private capital companies with state capital shares in which the state does not have a decisive influence; more information is provided in the report regarding state capital companies or state capital companies with a decisive influence. 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.

Some capital companies, which can be described as commercial, have disclosed a smaller amount of information on the grounds of trade secrets.

The financial analysis uses consolidated (group) financial information, including the results of operations of subsidiaries. The exceptions are JSC Publisko aktīvu pārvaldītājs Possessor³⁵ 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 Bīķernieki, LLC Rīgas hematoloģijas centrs), but including them separately. In the case of JSC Augstsprieguma tīkls (AST), the information of this capital company was used in the analysis, not including the information of JSC Conexus Baltic Grid, but including it separately, as public joint stock company Gazprom, which owns 34.10% of JSC Conexus Baltic Grid shares, has no voting and management rights; thus AST holds 52.1% of the voting shares in JSC Conexus Baltic Grid³⁶. The calculation of dividends paid to the state includes only those dividends that are actually transferred to the state budget.

Appendix 1 to the report "State-Owned Capital Companies, State Capital Shares, Capital Shares Owned by State Capital Companies and State-controlled Capital Companies" 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 state-owned companies 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 2018-2019, but in some sections it analyses the data for 2014-2018, if at the time of preparing the report statistical data for 2019 were not yet 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 an assessment of their impact on financial indicators.

The report uses photographs submitted by state-owned capital companies, 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.

³⁵ On 3 June 2019, it changed its name from SJSC Privatizācijas aģentūra to JSC Publisko aktīvu pārvaldītājs Possessor (Privatizācijas aģentūra), but on 23 August 2019 to JSC Publisko aktīvu pārvaldītājs Possessor.

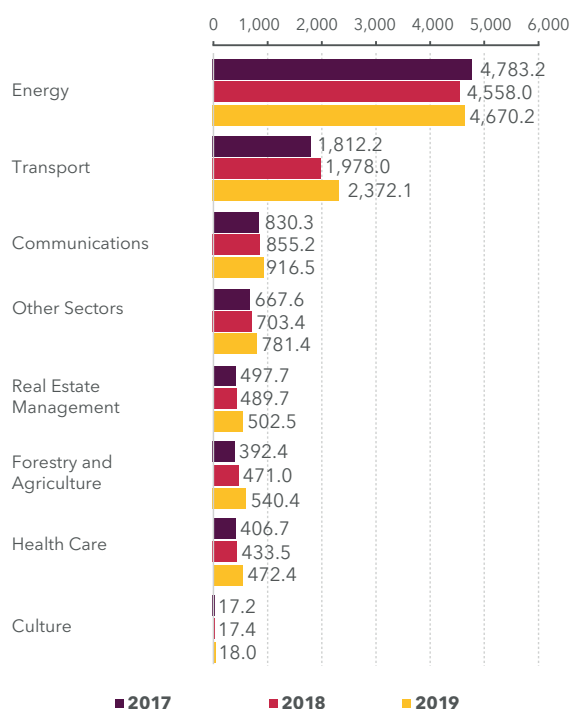
³⁶ On 21 July 2020, JSC Augstsprieguma tīkls, fulfilling the task given by the Cabinet of Ministers, has concluded a transaction with PJSC Gazprom for the acquisition of 34.10% of JSC Conexus Baltic Grid shares, thus increasing control over the company to 68.46%.

4. Performance of State-Owned Enterprises

4.1. Summary of SOE's performance

Total assets of SOEs

Figure 10. Total assets of SOEs by sector from 2017 to 2019, million EUR

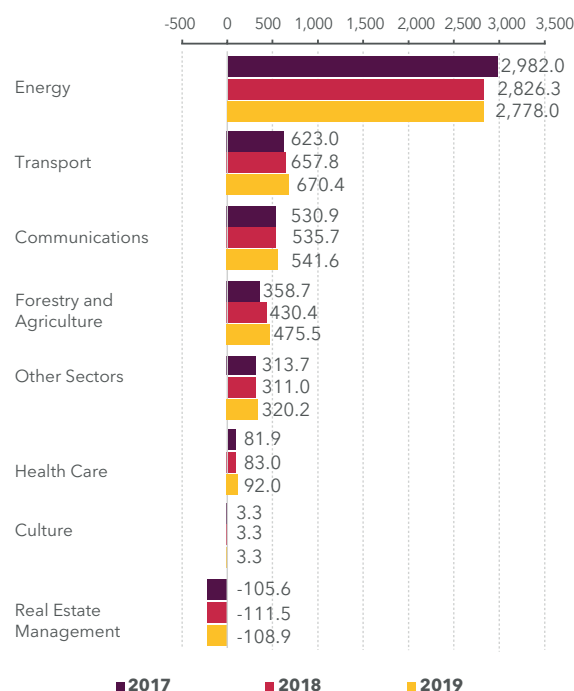


Assessing the assets, it can be seen that the total increase is 8.1% or EUR 767.3 million compared to the previous year. The largest increases are in the transport sector (EUR 394.2 million or 19.9%) and in the forestry and agriculture sectors (EUR 69.4 million or 14.7%), which are related to major investment projects such as: purchase of eight new aircraft by JSC Air Baltic Corporation³⁷ and investments of JSC Latvijas valsts meži in the construction of forest roads and renewal of drainage systems. There are no reductions in assets in any sector. In individual and absolute terms, the largest decrease in assets is SJSC Latvijas dzelzceļš (consolidated) - EUR 45.5 million or 4.6%. There is a decrease in assets in 21 companies, but a large part of them are small in absolute terms. Relatively large reductions in assets (more than 20%) are in four SOEs from culture sector, one from real estate, one from healthcare and one from others; however, it should be noted that SOEs from culture sector have small assets and invest in assets periodically after receiving grants, the SOE from real estate no longer received an advance on repairs to be performed as in previous years, and one capital company - SLLC Latvijas Vēstnesis - has been operating at a significant loss for the last two years due to changes in the regulatory framework.

The largest assets in SOEs were in the energy and transport sectors, accounting for 45.5% and 23.1% of total assets, respectively, but it should be noted that in some sectors some state-owned assets are not included in corporations' balance sheets but are only managed; for example, forests are on the balance sheet of the Ministry of Agriculture, not on the balance sheet of JSC Latvijas valsts meži. Compared to 2018, as a percentage of total assets, the assets of the energy sector have decreased by 2.5 percentage points, but increased by 2.3 percentage points in the transport sector.

Total equity of SOEs

Figure 11. Total equity of SOEs by sector in 2017-2019, million EUR



In total, equity has increased by 0.8% or EUR 36.0 million in all state-owned capital companies in 2019, compared to 2018. 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.

The largest and also the only decrease in equity in 2019 compared to 2018 is in the energy sector - minus EUR 48.4 million or 1.7% compared to the previous year. Individually, the largest decreases in equity are in JSC Latveņero (EUR 54.6 million or 2.4%), which is related to the fact that the payment of dividends for 2018 was higher than the profit for 2019; JSC Air Baltic Corporation (EUR 7.7 million or 18.6%), which is related to the losses of 2019; SJSC Latvijas dzelzceļš (EUR 9.3 million or 2.3%), which is related to the losses of 2019. The reduction of equity is in a total of 23 capital companies, but a large part of them are small in absolute terms. Relatively large percentage decreases in assets (more than 20%) have been in two SOEs from culture sector (SLLC Liepājas simfoniskais orķestris and SLLC Rīgas cirks), one SOE from healthcare sector (LLC Rīgas Austrumu klīniskā universitātes slimnīca) and one SOE from othersector (SLLC Latvijas Vēstnesis), which is explained by the retained earnings of previous years and relatively small equity.

In the real estate sector, equity is still negative - minus EUR 108.9 million (minus EUR 111.5 million in 2018; minus EUR 105.6 million in 2017) due to JSC Reverta. The equity of JSC Reverta in 2018 was minus EUR 433.3 million, but in 2019 - minus EUR 433.7 million, because the company was operating with a loss of EUR 419 thousand. The equity of SJSC Valsts nekustamie īpašumi (VNI) has slightly increased - by 2.8 million EUR or 1.0%, which is related to the profit of the reporting year.

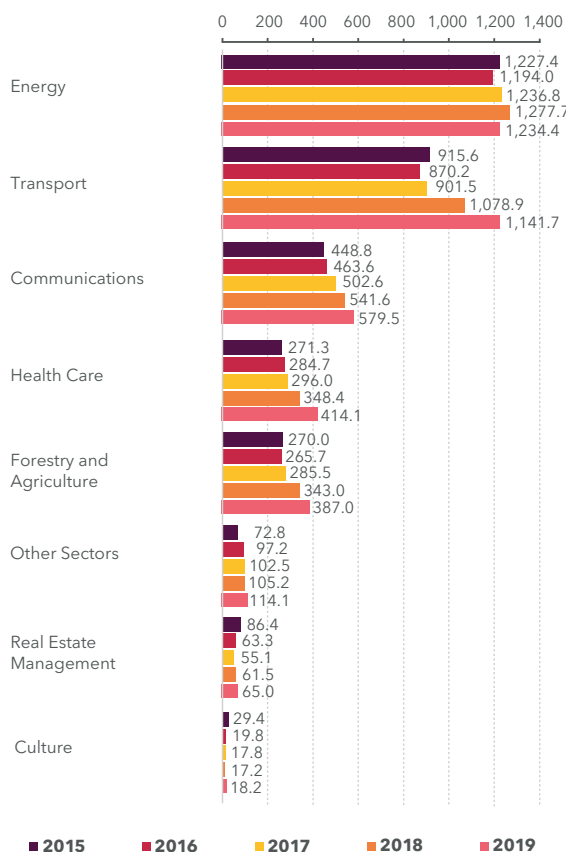
Also in 2019, as in 2018, the increase of share capital in capital companies has continued, and this has a correspondingly positive effect on equity in the health sector. The share capital has been increased in the following hospitals: SLLC Slimnīca "Ģintermuiža" (in 2019 - in the amount of EUR 0.4 million, in 2018 - EUR 0.9 million), SLLC Paula Stradiņa klīniskā universitātes slimnīca (in 2019 - in the amount of EUR 4.9 million, in 2018

³⁷ Source: Information provided by JSC Air Baltic Corporation.

- EUR 4.3 million), SLLC Bērnu klīniskā universitātes slimnīca (in 2019 - in the amount of EUR 0.9 million, in 2018 - EUR 0.9 million), SLLC Rīgas Austrumu klīniskā universitātes slimnīca (in 2019 - EUR 7.5 million, in 2018 - EUR 3.2 million) and SLLC Daugavpils psihoneiroloģiskā slimnīca (in 2019 - in the amount of EUR 0.5 million, in 2018 - EUR 1.0 million). The share capital has also been increased for JSC Latvenergo (EUR 0.1 million), JSC Augstsprieguma tīkls (EUR 1.1 million), JSC Latvijas valsts meži (EUR 45.8 million), SLLC Latvijas radio (EUR 1.0 million), SJSC Valsts nekustamie īpašumi (EUR 6.7 million) using retained earnings from previous years, reserves or state real estate.

Total turnover of SOEs

Figure 12. Turnover of SOEs by sector in 2015-2019, million EUR



The total turnover in 2019 has increased by EUR 180.5 million or 4.8% compared to 2018 (in 2018 it increased by EUR 375.7 million or 11.1% compared to 2017). The increase in turnover is observed in all sectors, except for the energy sector. The turnover of the energy sector has decreased by EUR 43.3 million or 3.4%. The largest increases are in the health care sector (EUR 65.7 million or 18.9%) and in the transport sector (EUR 62.8 million or 5.8%).

In the health sector, the largest increase in turnover is in:

- SLLC Paula Stradiņa klīniskā universitātes slimnīca (by EUR 13.7 million or 13.1%), achieved as a result of continuous, purposeful work, regular monitoring and evaluation of the hospital's work, resources and available funding and achieving changes in initial cooperation agreements with the National Health Service (NHS), thus increasing the availability of services for the population of Latvia³⁸;

- LLC Rīgas Austrumu klīniskā universitātes slimnīca (by EUR 23.7 million or 20.0%), as the remuneration section of the state-paid service tariffs has been increased in order to ensure the planned increase in the remuneration of medical and care staff; an agreement was reached with the NHS on the increase of funding for the operation of the Emergency Medicine and Patient Admission Clinic, as well as on the increase of funding for the microsurgery services program³⁹.

In the transport sector, the largest increase is in JSC Air Baltic Corporation (by EUR 100.2 million or 24.9%), which was achieved due to the increase in the number of passengers in 2019, when JSC Air Baltic Corporation carried more than five million passengers, which is a new achievement, exceeding the 2018 indicator by 22%⁴⁰. In turn, the turnover decreased the most in SJSC Latvijas dzelzceļš (by EUR 27.4 million or 7.5%) and JSC Pasažieru vilciens (by EUR 13.2 million or 18.9%).

Individually, the second largest increase in turnover was in JSC Latvijas valsts meži - by EUR 41.9 million or 12.6%. The decrease in turnover was in JSC Augstsprieguma tīkls (by EUR 9.1 million or 4.7%), SJSC Latvijas autoceļu uzturētājs (by EUR 4.0 million or 5.3%) and JSC Rīgas siltums (by EUR 3.0 million or 2.0%).

In the case of JSC Latvenergo, it is considered that the turnover has not decreased, but in fact it has increased by EUR 2.8 million or 0.3%, as in accordance with the minutes of the Cabinet of Ministers meeting of 8 October 2019 (protocol No. 46 § 38)⁴¹, the implementation of the electricity transmission system operator's ownership model "Complete Ownership Unbundling" was supported until 1 July 2020, which provided for the termination of JSC Latvenergo's participation in JSC Latvijas elektriskie tīkli and the commencement of JSC Augstsprieguma tīkls' participation in JSC Latvijas elektriskie tīkli. As JSC Latvenergo and JSC Augstsprieguma tīkls are state-owned capital companies, the change of ownership is planned by reducing the share capital of JSC Latvenergo, withdrawing the shares of JSC Latvijas elektriskie tīkli from the asset base of JSC Latvenergo. After the state shares of JSC Latvijas elektriskie tīkli become state-owned, it is planned to invest them in the share capital of JSC Augstsprieguma tīkls. In accordance with International Financial Reporting Standards No. 5 "Non-current Assets Held for Sale and Discontinued Operations" JSC Latvijas elektriskie tīkli in the financial statements of Latvenergo Group as of 31 December 2019 is classified as discontinued operations. The statement of financial position discloses the assets held for divestiture and the related reserves and liabilities, while the income statement discloses the profit or loss from discontinued operations for 2019. The financial results of JSC Latvijas elektriskie tīkli are included in the operating results of the transmission system assets in the operating results of the Group's segments, as the Board of the Group's parent company will continue to review the financial results of this operating segment until the termination. The discontinuing operation is excluded from the results of continuing operations (operating activities) and is presented as a single amount in the income statement - as the profit for the year from the discontinuing operation.

Relatively small decreases in turnover were also in SLLC Latvijas Vides, ģeoloģijas un meteoroloģijas centrs (by EUR 492.17 thousand or 7.4%), SLLC Latvijas radio (by EUR 303.44 thousand or 3.0%), SLLC Latvijas Nacionālā opera un balets (by EUR 170.80 thousand or 4.4%), SLLC Latvijas Koncerti (by EUR 144.54 thousand or 9.0%), SLLC Rīgas Tūrisma un radošās industrijas tehnikums (by EUR 97.85 thousand or 1.6%), LLC Latvijas Nacionālais metroloģijas centrs (by EUR 35.01 thousand or 3.1%), SLLC Latvijas televīzija (by EUR 23.56 thousand or 0.1%), SLLC Vides investīciju fonds (by EUR 11.10 thousand or 45.8%) and SLLC Latvijas Nacionālais simfoniskais orķestris (by EUR 9.13 thousand or 1.4%).

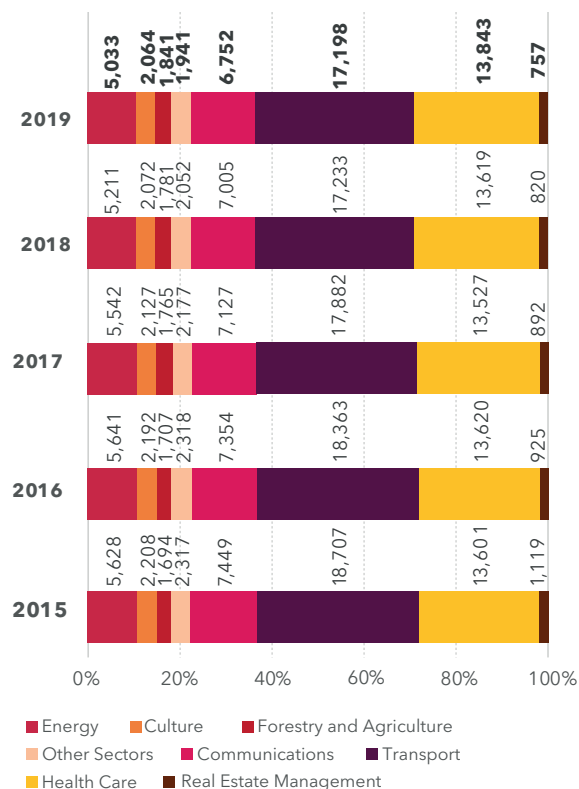
38 Information provided by SLLC Paula Stradiņa klīniskā universitātes slimnīca.

39 Information provided by LLC Rīgas Austrumu klīniskā universitātes slimnīca.

40 JSC Air Baltic Corporation Annual Report 2019, p. 30, source: www.ur.gov.lv.

41 JSC Latvenergo Annual Report 2019, pp. 60, 61, source: https://latvenergo.lv/lv/investoriem/parskati

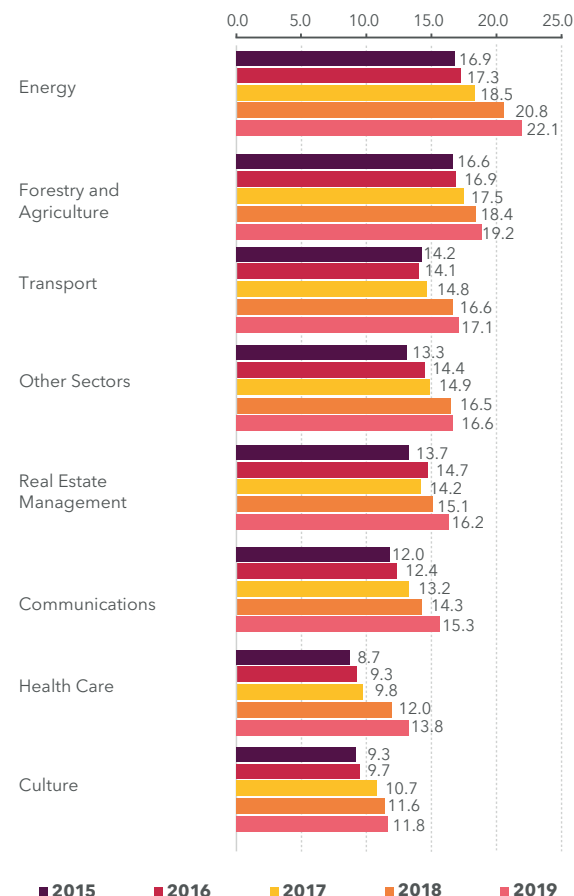
Figure 13. Average number of employees in SOEs per year by sector in 2015-2019, number and percentage



There have been no significant changes in the employment structure. The distribution of employees by sector (total = 100%) has relatively small changes: the number of employees in the energy sector decreased from 10.5% in 2018 to 10.2% in 2019, in the culture sector it remains unchanged at 4.2%, in the forestry and agriculture sector increased slightly from 3.6% to 3.7%, in other capital companies decreased from 4.1% to 3.9%, in the communications sector decreased from 14.1% to 13.7%, in the transport sector increased from 34.6% to 34.8%, while the health care sector increased from 27.3% to 28.0% and the real estate sector decreased from 1.6% to 1.5%. The health care sector and the forestry and agriculture sector are the only sectors in which the number of employees has increased from 2015 to 2019 - by 242 employees or 1.8% and by 147 employees or 1.1%, respectively.

For the fourth year in a row, there has been a decline in the number of employees in SOEs. In absolute terms, the reduction has been: 603 employees in 2016 (or 1.1% compared to the previous year), 1102 employees in 2017 (or 2.1%), 1219 employees in 2018 (or 2.4%) and 370 employees in 2019 (or 0.7%). The largest decrease is in the communications sector (253 employees or 3.6%) and the energy sector (178 employees or 3.4%), but the largest increase is in health care (224 employees or 1.6%). In the communications sector, the largest decrease is related to SJSC Latvijas Pasts (261 employees or 6.6%), but in the energy sector to JSC Latvenergo (85 employees or 2.4%) and JSC Rīgas siltums (90 employees or 11.2%). In the health sector, this is related to the increase in the number of employees in 2019 took place in SJSC Latvijas dzelzceļš (245 employees or 2.4%) and SJSC Valsts nekustamie īpašumi (58 employees or 11.1%). In addition, the largest increases were in JSC Air Baltic Corporation (149 employees or 9.8%), JSC Latvijas valsts meži (56 employees or 4.2%), SJSC Starptautiskā lidosta "Rīga" (42 employees or 3.3%), SLLC Bērnu klīniskā universitātes slimnīca (32 employees or 1.7%) and SLLC Slimnīca "Gintermuiža" (31 employees or 6.3%).

Figure 14. Average gross remuneration per employee per annum in 2015-2019, thousand EUR



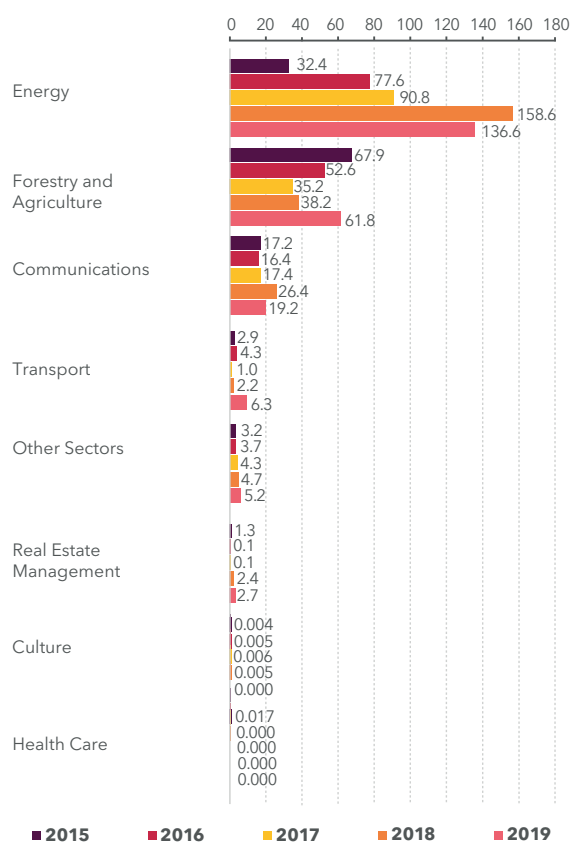
Information on the level of remuneration in capital companies has been collected, and the analysis of remuneration information can be used to determine general trends. Remuneration policy is determined in each capital company according to internally approved principles depending on the nature of the capital company's activities, labor market situation and available resources. There may be different principles for the variable component of remuneration or for the granting and payment of other fringe benefits. Remuneration policy is also influenced by the choice of business model, thus capital companies with a higher share of outsourcing will often have a higher level of remuneration, as well as the share of non-financial goals and the income generation model of the capital company are important. Overall, remuneration level has increased in all sectors. For the second year in a row, the largest percentage increase is observed in health care (14.5% in 2019; 23.1% in 2018), reaching an average salary of EUR 13.8 thousand (EUR 12.0 thousand in 2018). The leading position in the remuneration scale in 2019, as in 2018, is occupied by the energy and forestry and agriculture sectors, with EUR 22.1 thousand and EUR 19.2 thousand per year, respectively. In turn, the lowest level of remuneration in 2019, as in the last three years, is in the capital companies of the culture and health care sector. The average remuneration in state-owned capital companies in 2019 was EUR 16.3 thousand, which is by EUR 1.0 thousand or by 6.4% more than in 2018, when the average remuneration was EUR 15.3 thousand. The highest average remuneration in one capital company reached EUR 46.3 thousand⁴², but the lowest EUR 7.1 thousand.

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, in 19 state-owned capital companies the average remuneration decreased by 0.1% - 6.9%, in one capital company remained unchanged, but in 52 capital companies it increased by 1.4% - 45.4%. The average salary increased by more than 20% in six hospitals, including psychoneurological ones, and in one capital company from others sector (LLC Latvijas standarts).

42 From capital companies with at least 10 employees.

Dividends

Figure 15. Dividends paid to the State for the previous reporting year in SOEs by sector in 2015-2019, million EUR



In total, the state received EUR 231.8 million⁴³ in 2019, which is EUR 0.7 million or 0.3% less than in 2018. For comparison, in 2018 EUR 232.5 million was paid in dividends and in 2017 EUR 148.7 million. Assessing the payment of dividends to the country as a whole in 2019, the leaders have traditionally remained the same: the energy sector with 58.9% (68.2% in 2018; 61.1% in 2017; 50.1% in 2016), the forestry sector with 26.6% (16.4% in 2018; 23.7% in 2017; 34.0% in 2016) and the communications sector with 8.3% (11.4% in 2018; 11.7% in 2017; 10.6% in 2016.) of all dividends paid by capital companies. The contribution of other capital companies in the form of dividends is significantly smaller, but it has exceeded 5% of the total dividends paid - in 2019 it was 6.1%, in 2018 4.0%, in 2017 3.6% and in 2016 5.3%.

Taking into account that the energy, communications, forestry and agriculture sectors continued to operate successfully in 2019 in terms of profit and commercially, dividends were paid in the planned amount or above.

Section 48 of the Law "On the State Budget for 2019" determined the amounts of dividend payments, regulations regarding corporate income tax and the procedure for determining a different minimum share of profit to be paid in dividends:

"(1) To determine that the minimum share of profit to be paid in dividends for the accounting year 2018 for state-controlled capital companies (including indirectly decisive capital companies) shall be determined and calculated at 50 per cent; but for capital companies in which all capital shares are directly or indirectly owned by the state, in 2019 (for the reporting year 2018) shall be determined and calculated in the amount of 85 per cent of the net profit of the relevant capital company, unless otherwise provided by this Law.

(2) The minimum share of profit to be paid in dividends to state capital companies for the reporting year 2018 shall include payment for the use of state capital and corporate income tax⁴⁴.

(3) In accordance with the procedures specified by the Cabinet, a decision may be made regarding a different minimum share of profit to be paid in dividends."

Sections 45, 46 and 47 of the Law "On the State Budget for 2019" determined the conditions and specific amounts for the payment of dividends to three capital companies - JSC Latvenergo (hereinafter - LE), JSC Latvijas valsts meži (hereinafter - LVM) and JSC Augstsprieguma tīkls (hereinafter - AST). Section 45 of the law required LE to pay EUR 132.9 million (including EUR 106.3 million payment for the use of state capital and EUR 26.6 million corporate income tax); EUR 132.9 million was disbursed, which includes only the amount for the use of state capital (corporate income tax in 2019 was paid in the amount of only EUR 488.54, but EUR 10.0 million⁴⁵ was reimbursed). In 2018, the law provided for the payment of EUR 94.2 million for 2017, but more was paid - EUR 156.4 million, taking into account the high profit indicators as a result of the corporate income tax reform. In 2017, LE paid EUR 90.1 million in dividends to the state.

Section 46 of the Law required LVM to pay EUR 77.2 million (including a payment of EUR 61.8 million for the use of state capital and a corporate income tax of EUR 15.4 million); EUR 61.8 million was paid for the use of state capital (amount included in the calculation of dividends) and CIT 15.4 million⁴⁶ was calculated. In 2018, LVM paid EUR 38.2 million in dividends, in 2017 - EUR 35.2 million.

Section 47 of the Law required AST to pay EUR 3.6 million (including a payment of EUR 2.9 million for the use of state capital and a corporate income tax of EUR 0.7 million); EUR 2.9 million was paid for the use of state capital (amount included in the calculation of dividends) and CIT 0.7 million⁴⁷ was calculated. In 2018, AST paid EUR 0.2 million in dividends and in 2017 EUR 0.3 million.

The Law "On the State Budget for 2019" no longer specified the amount to be paid to SJSC Latvijas Loto (hereinafter - LL), which was classified under other capital companies, as it was in the Law "On the State Budget for 2018", Section 44 of which provided for the payment of 80% of the profits of the capital company in question, but not less than EUR 2.8 million. In 2018, EUR 4.7 million was paid out, which is 80% of the profit of EUR 6.5 million earned in 2017. In 2019, LL also paid a significant amount of dividends in dividends - EUR 5.1 million, which accounted for 79.2% of the 2018 profit. In 2017, LL paid EUR 4.2 million in dividends.

The leading position in the forestry sector is well explained by the fact that the main production asset is forest land, which is not depreciated. As a result, less funds are accumulated for the renewal of fixed assets and the return on EBITDA is relatively the highest among the industries.

Both LLC Tet (until 1 April 2019 LLC Lattelecom; hereinafter - Tet) and LLC Latvijas Mobilais Telefons (hereinafter - LMT) continue to operate successfully in the communications sector, paying the state in dividends in 2019 respectively: EUR 16.4 million (EUR 20.3 million in 2018; EUR 16.1 million in 2017) and EUR 1.1 million⁴⁸(EUR 1.2 million in 2018; EUR 1.2 million in 2017). In 2019, dividends were also paid by: SJSC Ceļu satiksmes drošības direkcija EUR 2.9 million, SJSC Valsts nekustamie īpašumi EUR 2.6 million, SJSC Starptautiskā lidosta "Rīga" EUR 2.4 million and SJSC Latvijas Valsts radio un televīzijas centrs EUR 1.6 million.

The percentage of dividends paid to the state from the total profit of capital companies in the previous year was 71.6% in 2019, 45.7% in 2018, 72.2% in 2017, and 92.9% in 2016; but in 2015 dividends in the amount of EUR 124.9 million were paid, although in 2014 all state-owned capital companies had a total loss of EUR 22.2 million. In turn, the total dividend payout ratio, i.e. including dividends paid to other owners, was 87.7% of the previous year's profit in all capital companies in 2019, 57.7% in 2018, 92.0% in 2017, and 112 in 2016. 6%, but in 2015 dividends were paid in the total amount of EUR 158.2 million, although in 2014 all state capital companies had a total loss of EUR 22.2 million.

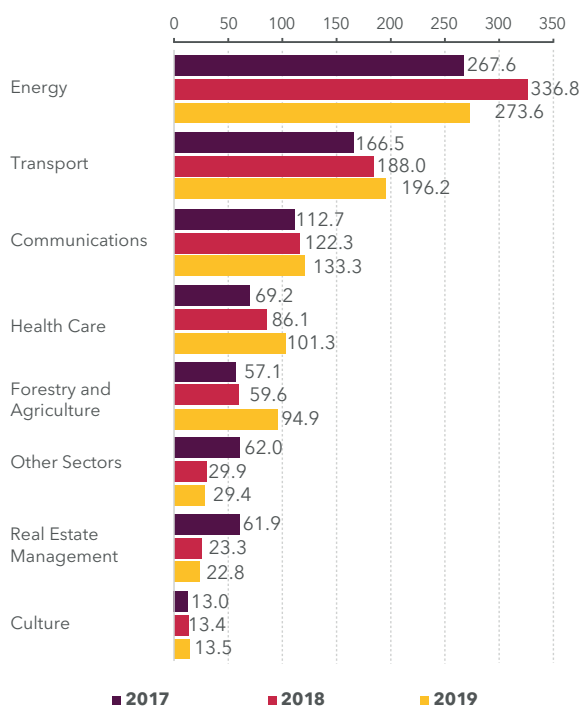
45 Information provided by the State Revenue Service of the Republic of Latvia.

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

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

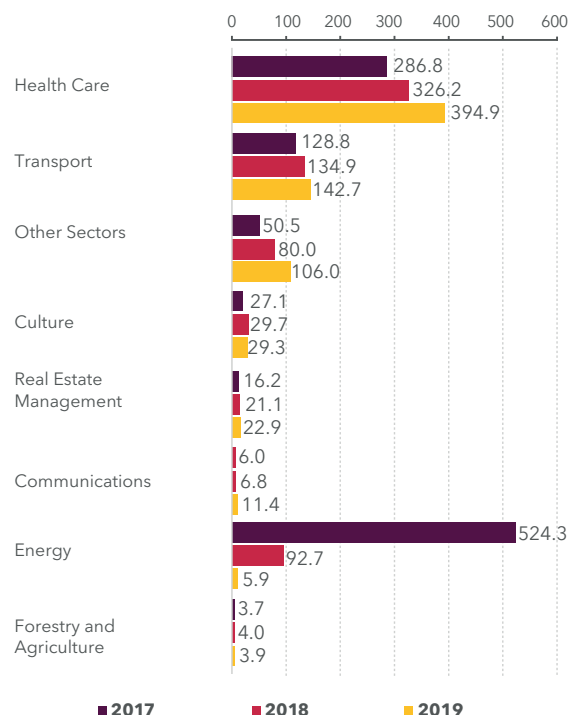
48 The industry calculation includes only the part of dividends paid directly to the state from the profit of the capital company.

Figure 16. SOEs' contributions to the state budget by sector in 2017-2019, million EUR



Contributions to state and local government budgets consist of taxes, fees and dividends. In total, state capital companies have made EUR 864.9 million in contributions, which is EUR 5.6 million or 0.6% more than in 2018⁴⁹. As in 2016-2018, the largest contributors have been energy companies (EUR 273.6 million or 31.6% of the total contributions to the state budget in 2019; EUR 336.8 million or 39.2% in 2018) and capital companies in the transport sector (EUR 196.2 million or 22.7% of the total contributions made to the state budget in 2019; EUR 188.0 million or 21.9% in 2018). The three largest contributors were JSC Latvenergo (consolidated), SJSC Latvijas dzelzceļš (consolidated) and JSC Latvijas valsts meži (consolidated), respectively contributing EUR 249.0 million or 28.8% of the total contributions made by state-owned companies (EUR 292.8 million or 34.1% in 2018), EUR 99.3 million or 11.5% (EUR 102.7 million or 11.9% in 2018) and EUR 90.1 million or 10.4 % (EUR 55.3 million or 6.4% in 2018). In 2019, changes have taken place in relation to the largest taxpayers, as in 2018 they included LLC Tet (EUR 63.8 million or 7.4% in 2019; EUR 65.8 million or 7.7% in 2018), but there was no JSC Latvijas valsts meži.

Figure 17. Funding received by SOEs from state budget by sector 2017-2019, 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.

Compared to 2018, the state budget funding in 2019 increased by EUR 21.6 million or 3.1%, which is mainly due to the increase in the funding allocated to health care capital companies in 2019: EUR +68.7 million or +21.0% (in 2018 EUR +39.5 million or +13.8%), reaching the total funding of EUR 394.9 million per year (EUR 326.2 million in 2018) or 55.1% (46.9% in 2018) from the total financing provided by the state budget to state capital companies. Funding for capital companies of other sectors has also increased significantly (EUR +26.1 million or +32.6%, reaching the total funding of EUR 106.0 million per year or 14.8% of the total financing provided by the state budget to state capital companies); the largest increase in financing is due to the additional loans granted by the Treasury for the implementation of support programs to JSC Attīstības finanšu institūcija Altum, which increased from EUR 6.0 million in 2018 to EUR 42.5 million in 2019. In 2019, the state funding received for the energy sector continued to decrease significantly. It decreased by EUR 86.8 million or 93.6%, and the sole beneficiary was JSC Latvenergo, which in 2017 received a one-time compensation of EUR 454.4 million for refusing to receive further 75% of annual electricity payments for CHP plants Riga TEC-1 and TEC-2 and in 2018 received a target grant of EUR 92.7 million to limit the growth of the mandatory procurement component (OIK), while in 2019 the target grant to limit the growth of OIK was only EUR 5.9 million.

Ranked second in terms of total funding received from the state budget were the capital companies of the transport sector, which in 2019 received EUR 142.7 million or 19.9% of the total funding (EUR 134.9 million or 19.4% of the total funding in 2018); the third - capital companies of the others sector, which received EUR 106.0 million or 14.8% of the total financing in 2019 (EUR 92.7 million or 11.5% in 2018).

Among capital companies individually in 2019, as in 2018, the following received the most: LLC Rīgas Austrumu klīniskā universitātes slimnīca - EUR 139.0 million or 19.4%

⁴⁹ 2018. gadā aprēķinos veiktas korekcijas saistībā ar metodikas izmaiņām attiecībā uz koncernu un konsolidēto datu aprēķiniem, izmantojot Latvijas Republikas Valsts ieņēmumu dienesta sniegtos datus.

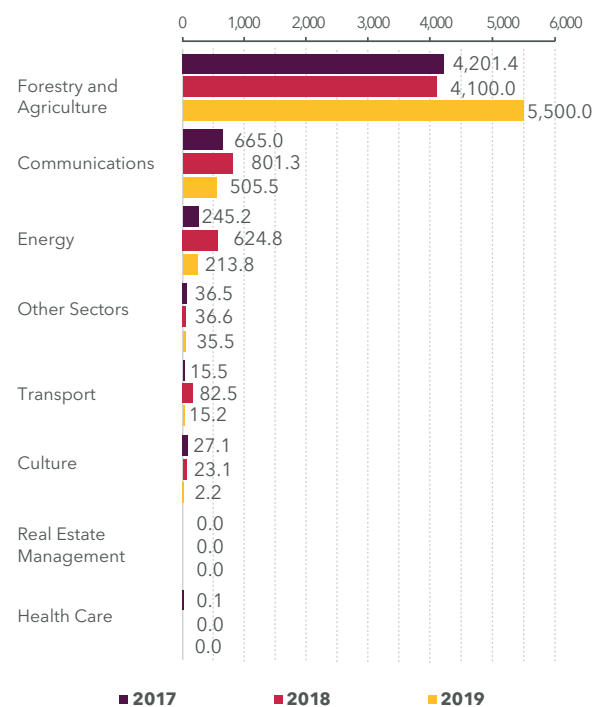
of the total received funding (EUR 111.5 million or 16.0% in 2018), SLLC Paula Stradiņa klīniskā universitātes slimnīca - EUR 113.0 million or 15.8% (EUR 98.9 million or 14.2% in 2018) and JSC Attīstības Finanšu institūcija Altum - EUR 68.1 million or 9.5% (EUR 34.7 million or 5.0% in 2018, which ranked it 7th among the recipients of state funding). Altum receives state funding compensation for state support program management expenses, for venture capital fund management commissions and for return on capital, for reserve capital increase, for the implementation of the Housing Guarantee Program, for the implementation of Treasury loan support programs and for changes in risk-covered provisions.

Significant budget funding is directed to the transport sector, where a large part of the support is public service charges; for example, under a delegation agreement for the day-to-day maintenance of public roads (EUR 62.6 million in 2019; EUR 61.0 million in 2018); in accordance with the delegation agreement on the administration, accounting and organization of the financing of the state road network and the organization of procurement for state needs (EUR 15.3 million in 2019; EUR 16.1 million in 2018); fee for project RB Rail management services (EUR 2.8 million in 2019; EUR 2.5 million in 2018); financing for the organization of a public transport service. Compensation and grants have been paid - compensation for losses incurred in the performance of a public transport service contract in the railway sector (EUR 12.1 million in 2019; EUR 9.9 million in 2018); compensation for the fee for the use of public railway infrastructure (EUR 21.9 million in 2019; EUR 38.0 million in 2018); compensation for the carriage of rail passengers for whom fare reductions have been established (EUR 2.7 million in 2019; EUR 2.1 million in 2018); a grant to ensure the financial balance of the public railway infrastructure manager in the amount of EUR 13.6 million and a grant for the organization of public transport services.

A grant was also awarded to public media⁵⁰ (EUR 22.3 million in 2019; EUR 22.9 million in 2018) and funding was granted to cultural capital companies (EUR 29.3 million in 2019; EUR 29.7 million in 2018), including the funding for SLLC Latvijas Nacionālā Opera un balets (EUR 9.9 million in 2019; EUR 9.1 million in 2018) for the delegation of certain public administration tasks in the field of culture.

Donations made by SOEs

Figure 18. Donations made by SOEs by sector in 2017-2019, thousand EUR⁵¹



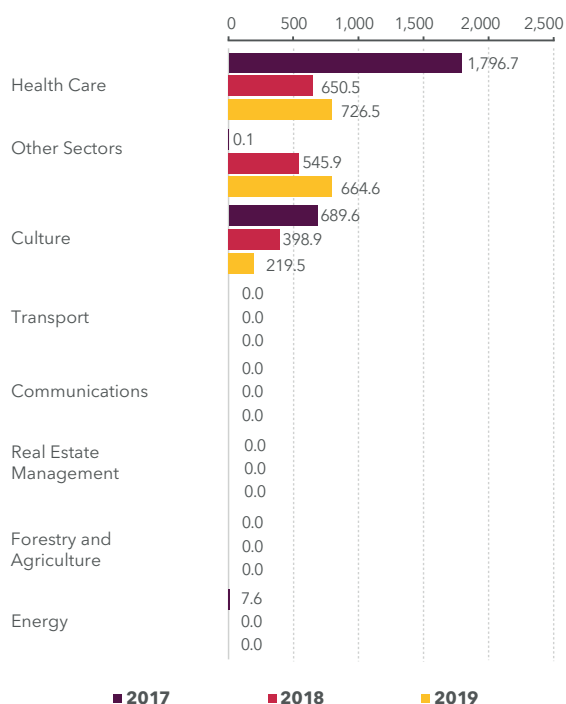
In 2019, state-owned capital companies donated a total of EUR 6.27 million, which is EUR 603.8 thousand more than in 2018, when state-owned capital companies donated EUR 5.67 million, which was EUR 477.4 thousand or 9.2% more than in 2017 (EUR 5.19 million). Among the most active donors for many years in a row is the forestry sector and JSC Latvijas Valsts meži, which allocated approximately EUR 5.5 million in 2019 to various donation programs (EUR 4.1 million in 2018; EUR 4.2 million in 2017; EUR 4.0 million in 2016). The forestry sector is followed by the communications sector, whose donations often serve as a marketing incentive. Other active donors include LLC Latvijas Mobilais Telefons, LLC Tet, JSC Latvenergo, SJSC Latvijas dzelzceļš and SJSC Latvijas Loto.

⁵⁰ Includes general government grant.

⁵¹ Adjusted based on the data of state capital companies, 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.

Donations received by SOEs

Figure 19. Donations received by SOEs by sector in 2017-2019, thousand EUR



In 2019, state-owned capital companies received donations in the total amount of EUR 1,611 million, which is EUR 15.4 thousand or 1.0% more than in 2018, when the total amount of donations received was EUR 1,595 million (EUR 2,494 million in 2017). As every year, the leaders of the recipients of donations are the capital companies of the health care sector (EUR 726.5 thousand in 2019; EUR 650.5 thousand in 2018). In 2019, donations have been received by capital companies of the culture sector (EUR 219,5 thousand in 2019; 398.9 thousand EUR in 2018) and capital companies of other sectors (EUR 664.6 thousand in 2019; EUR 219.5 thousand in 2018). The main recipient of donations was SLLC Latvijas televīzija. In the health sector, donations have mainly focused on improving the quality of health services, such as improving hospital facilities for patients, improving and developing the environment (infrastructure), and donations have also been in kind, such as blood pressure monitors, cradles, wool socks and pampers. In the culture sector, donations have mostly been to support the production of performances (including new productions) or concerts, and donations have also been in kind, such as equipment for performing performances, musical instruments, lighting, video and audio equipment, stage curtains. In 2019, the media also received donations in the form of free film licenses. The largest donations were received by SLLC Latvijas televīzija (EUR 664.6 thousand in 2019; EUR 545.9 thousand in 2018), SLLC Bērnu klīniskā universitātes slimnīca (EUR 390.5 thousand in 2019; EUR 538.6 thousand), SLLC Paula Stradiņa klīniskā universitātes slimnīca (EUR 331.2 thousand in 2019; EUR 103.0 thousand in 2018), SJSC Latvijas Nacionālā opera un balets (EUR 110.4 thousand in 2019; EUR 128.3 thousand in 2018).

4.2. Return on SOEs

For many state-owned enterprises, the main task is to achieve non-financial goals and perform important functions for society.

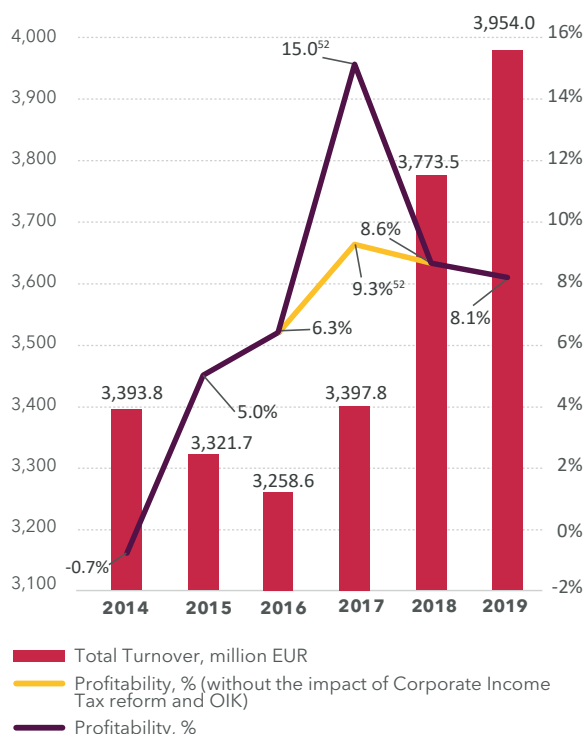
In such areas as education (one capital company), health care (16 capital companies, including LLC Veselības centrs Bīķernieki) and culture (14 capital companies), which together represent 31 capital companies or about half of the state-controlled companies, the main objectives are: non-financial objectives. The returns of these companies are, of course, also measurable in financial terms, but the public benefit they provide stems directly from their qualitative contribution to the

industry's goals.

Consequently, the presented financial data in an aggregated form are not directly comparable with private capital companies, for which financial goals and tasks are usually the most important, as the costs of non-financial goals set for state-owned enterprises must be taken into account, which can be determined in different ways (with and without state payment; with and without included profit rate).

In order for corporations to operate efficiently, the financial objective of a non-profit state corporation is usually to work without losses or with little profit, ensuring financial stability. Analysing the data for the last six years, we can observe improvements in the return of capital companies. In 2014, the impact of the financial crisis was still apparent. During the crisis, the state acquired several illiquid assets from Parex banka, which was managed by the troubled asset management company JSC Reverta, but later also by the unrealized LLC Hiponia, which managed the troubled assets of the restructured Hipoteku banka. The sale of these assets resulted in significant losses for the companies operating in this sector. In 2017, the number of capital companies with illiquid assets had significantly decreased; the impact of the corporate tax reform provided further improvements and the one-off state compensation to Latveerģo in the amount of EUR 454.4 million for refusing to receive 75% of the annual electricity capacity payments to cogeneration plants in the energy sector also provided a slight improvement; thus overall profitability had improved accordingly, reaching 15% per year. In 2018, the effect of the compensation was no longer present and the effect of the corporate income tax reform was less significant, so the profitability ratio decreased to 8.6%. In 2019, profitability had slightly deteriorated compared to 2018, reaching 8.1%, while total turnover continued to grow to EUR 3.95 billion.

Figure 20. Total turnover of SOEs, million EUR and profitability, %, 2014-2019

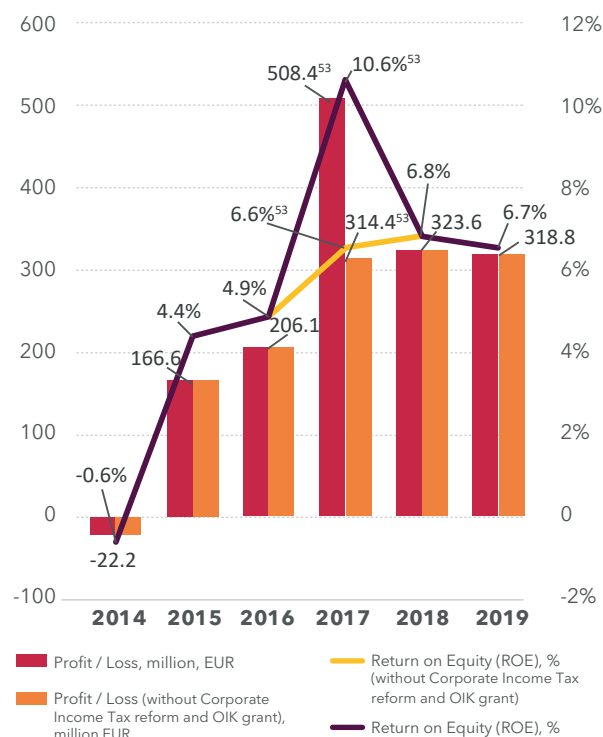


The financial results show some effects of the financial crisis, such as insufficient funding for the healthcare sector throughout the period 2014-2019 and negative profitability for the real estate sector from 2014-2017. In 2014, the total profitability of state-owned companies has been negative, but in the period from 2014 to 2019, companies in the energy, forestry and communications sectors significantly compensated for the

⁵² 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 component grant is estimated at 5.7 percentage points, which would reduce profitability to 9.3%.

impact of problematic companies, when profitability reached 5.0% in 2015, 6.3% in 2016, 2017 15.0% in 2018, 8.6% in 2018 and 8.1% in 2019. In addition, it can be observed that the total turnover decreased by 2.1% in 2015 and by 1.9% in 2016, but starting from 2017, it has experienced a faster growth, reaching 4.3% growth in 2017 and returning to the 2014 level. In 2018 and 2019, the turnover continued to grow by 11.1% and 4.8%, respectively.

Figure 21. Profit of SOE, million EUR, and return on equity (ROE), %, 2014-2019



Profit and return on equity actually reflect a similar trend as turnover and profitability in the period 2014-2019. Non-liquid assets have decreased, turnover and profitability have increased, thus the total return on equity has significantly improved from -0.6% in 2014 to 6.7% in 2019, reaching a particularly good return on equity in 2017 (10,6%), when this indicator was additionally improved by the corporate income tax reform and a one-time grant to the Latvenergo Group from the state for refusing to receive 75% of the annual electricity capacity payments for cogeneration plants.

The impact of the corporate tax reform was one-off and estimated at around EUR191.8⁵⁴ million, while the one-off unconditional grant for refusing to receive a further 75% of annual electricity capacity payments for cogeneration plants in 2017 was EUR 140 million; however, at the same time, a decrease in the value of assets at the Riga CHP plant by EUR 116.8 million was recognized, as well as corporate income tax increased by EUR 21 million, reducing the total effect to EUR 2.2 million, while the second tranche of the grant, amounting to EUR 314.4 million, is classified as deferred income without any effect on future profits, as it will compensate for the decrease in revenue. Thus, in fact, in 2017, state-owned enterprises had been operating economically with a profit of EUR 314.5 million and the return on equity was 6.6%, which is approximately at the same level as in 2018 (with EUR 9.1 million or 2.1% overall increase in profits). In 2019, compared to 2018, this return has slightly decreased, reaching 6.7%, which is 0.1 percentage points less than in 2018.

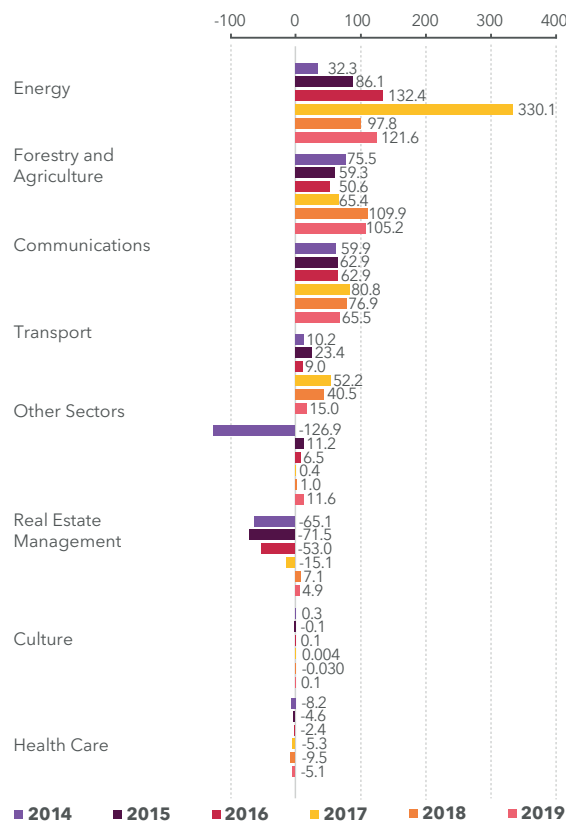
In terms of sectors, the energy sector has become the profit leader in 2019 (EUR 121.6 million in 2019; EUR 97.8 million in 2018; EUR 330.1 million in 2017; EUR 173.0 million in 2017 after deduction of the impact of the corporate income tax reform), ahead of the forestry sector, which was the leader in 2018 (EUR 105.2 million in 2019; EUR 109.9 million in 2018; EUR 65.4 million in 2017; EUR 60.2 million in 2017 after deduction of the impact of the corporate income tax reform). Next for the

last two years in constant order are communications sector (EUR 65.5 million in 2019; EUR 76.9 million in 2018; EUR 80.8 million in 2017; EUR 67.0 million in 2017 after deduction of the impact of the corporate income tax reform) and the transport sector (EUR 15.0 million in 2019; EUR 40.5 million in 2018; EUR 52.2 million in 2017). The transport sector has experienced a significant drop in profit in 2019 (-25.5 million EUR or -63.0% compared to 2018), reaching only a total profit of 15.0 million EUR due to losses incurred by SJSC Latvijas dzelzceļš and JSC Air Baltic Corporation (EUR -9.3 million and EUR -9.1 million in 2019, respectively, as opposed to profit in 2018 of EUR 14.4 million and EUR 3.0 million, respectively). In 2019, the capital companies of other sectors have worked with good results, thanks to the profit of SJSC Latvijas Loto and JSC Attīstības finanšu institūcija Altum in the amount of EUR 7.4 million and EUR 8.1 million, respectively, and reduced losses of JSC Publisko aktīvu pārvaldītājs Possessor (EUR -1.1 million in 2019; EUR -6.8 million in 2018).

The real estate sector shows a positive trend from year to year, with losses decreasing from EUR 53.0 million in 2016 to a profit of EUR 7.1 million in 2018 and a profit of EUR 4.9 million in 2019 due to a decrease in JSC Reverta losses from EUR -45.1 million in 2016 to EUR -1.5 million in 2018 and EUR -0.4 million in 2019. SJSC Valsts nekustamie īpašumi also continues to operate successfully. Culture sector companies continue to operate at a breakeven level, reaching a profit of 201 million EUR in 2019. The health sector continues to operate at a loss, suffering losses of EUR 5.1 million in 2019, which is EUR 4.4 million or 46.1% less than in 2018. In 2019, LLC Rīgas Austrumu klīniskā universitātes slimnīca continued to suffer significant losses: EUR 2.5 million in 2016, EUR 5.4 million in 2017, EUR 5.9 million in 2018, and EUR 3.6 million in 2019.

In 2019, as in 2018, SLLC Paula Stradiņa klīniskā universitātes slimnīca suffered significant losses (loss of EUR 3.4 million in 2019; loss of EUR 2.8 million in 2018; profit EUR 6.4 thousand in 2017; profit EUR 10.8 thousand in 2016). In 2019, SLLC Bērnu klīniskā universitātes slimnīca significantly improved its results and its operations are no longer loss-making (profit EUR 7.5 thousand in 2019; loss of EUR 1.4 million in 2018; loss of EUR 229.2 thousand in 2017; loss of EUR 2.3 thousand in 2016).

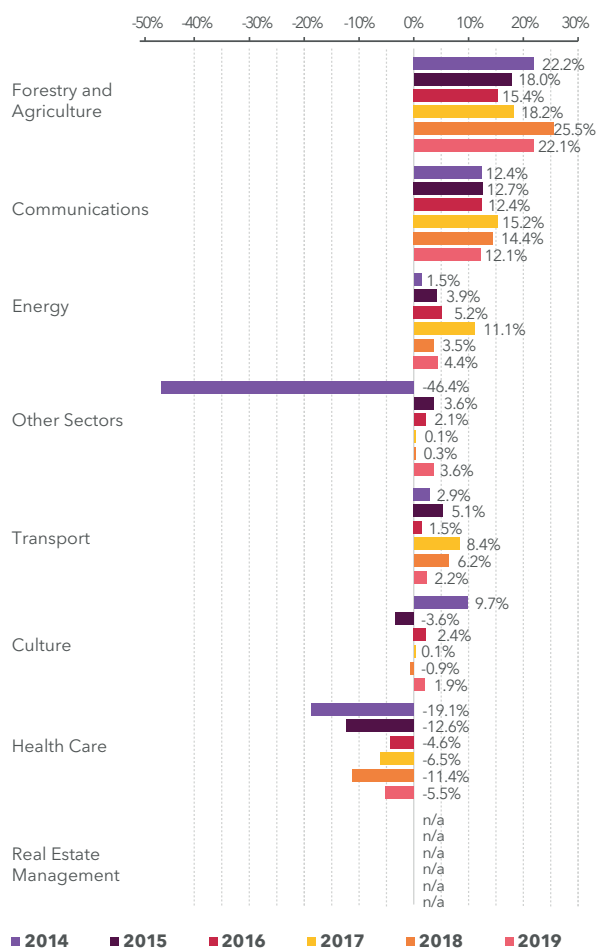
Figure 22. Total profits of SOEs by sector, 2014-2019, million EUR



⁵³ 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%.

⁵⁴ The assessment was performed for the 25 largest active capital companies in 2017.

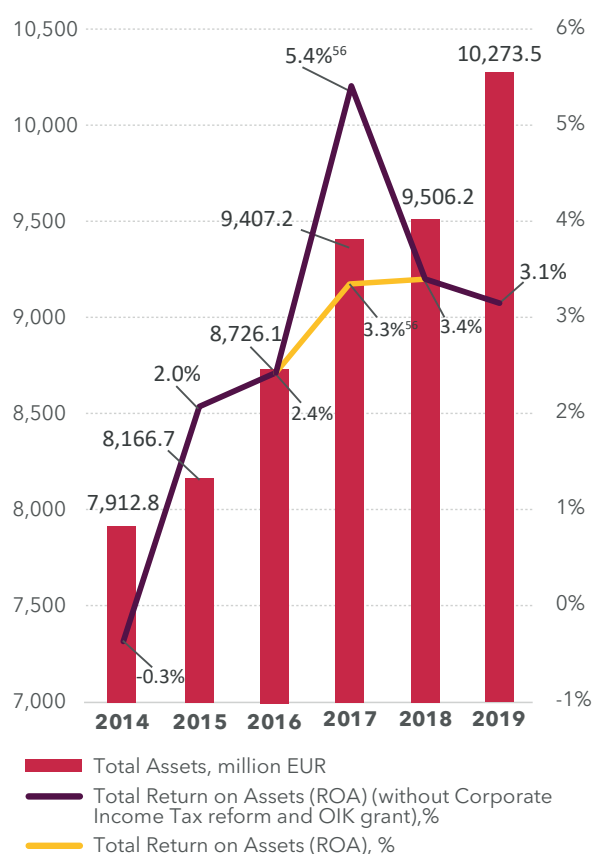
Figure 23. Return on equity indicators of SOEs by sector, 2014-2019, %



Assessing the return on equity by industry, the two leaders in 2019 are the same as in 2018: forestry sector (22.1% in 2019; 25.5% in 2018; 18.2% in 2017; 16.8% in 2017 after deduction of the impact of the corporate income tax reform⁵⁵) and communications sector (12.1% in 2019; 14.4% in 2018; 15.2% in 2017; 12.6% in 2017 after deduction of the impact of the CIT reform). In 2019, the energy sector has risen to the third place (4.4% in 2019; 3.5% in 2018; 11.1% in 2017; 5.8% in 2017 after deduction of the impact of the CIT reform). In the transport sector, the return on equity has significantly decreased in 2019, reaching only 2.2% and taking into account the losses of SJSC Latvijas dzelzceļš and JSC Air Baltic Corporation (in 2018 6.2%; in 2017 8.4%; in 2017 5.6% in 2017 after deduction of the impact of the CIT reform). As every year, the largest losses are in health care (5.5% in 2019; 11.4% in 2018; 6.4% in 2017), while the real estate sector cannot be assessed because it has negative equity of JSC Reverta in all years (minus EUR 433.7 million in 2019). In 2019, individual real estate companies with positive equity have operated only with a positive return on equity from 0.2% to 1.9%. In 2018, these indicators ranged from -5.8% to 3.1%.

⁵⁵ Equity is valued against 2017 in this calculation.

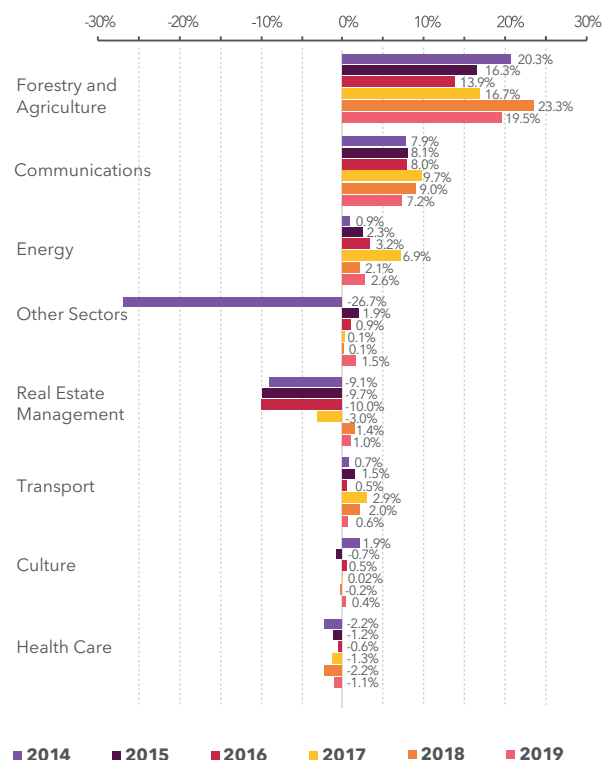
Figure 24. Total assets of SOEs, million EUR and return on assets (ROA), %, 2014-2019



Assessing the return on total assets, a slight decrease in return on assets can be observed compared to 2018, reaching 3.1%. In 2018 it was 3.4%, but in 2017 5.4%; however, taking into account the impact of the corporate income tax reform and the one-off government grant in the energy sector, the return on assets is estimated at 3.3% in 2017. The increase in assets in 2019 was EUR 767.3 million or 8.1%, as opposed to the increase of EUR 99.0 million or 1.1% in 2018. Return on assets in 2019 decreased by 8.9%; therefore, it can be assessed that investments have been directed to less profitable areas.

⁵⁶ 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 component grant is estimated at 2.1 percentage points, which would reduce the return on assets to 3.3%.

Figure 25. Return on Assets (ROA) of SOEs by sector, 2014-2019, %



The level of return on assets varies greatly from one sector to another. As every year, the positions of the leaders are unchanged: forestry (19.5% in 2019; 23.3% in 2018; 16.7% in 2017; 15.3% in 2017 after deduction of the impact of the CIT reform), communications (7.2% in 2019; in 2018 9.0%; in 2017 9.7%; in 2017 8.1% after deduction of the impact of the CIT reform) and energy (2.6% in 2019; 2.1% in 2018; 6.9% in 2017; 3.6% in 2017 after deduction of the impact of the CIT reform). In 2019, the return on assets of the transport sector decreased significantly (0.6% in 2019; 2.1% in 2018; 2.9% in 2017; 1.9% in 2017 after deduction of the impact of the CIT reform). In turn, health care has a negative return on assets every year: 1.1% in 2019; 2.2% in 2018; 1.3% in 2017; 0.6% in 2016. In 2019, compared to previous years, the real estate sector continues to show positive trends: 1.0% in 2019; 1.4% in 2018; 3.0% in 2017; 10.0% in 2016. The return on assets in investment-intensive sectors - energy and transport - needs to be critically assessed, as investment usually has a long-term rather than an immediate effect on the company's profits; it should also be noted that in the forestry sector, part of the state-owned assets is not included in the balance sheets of capital companies, but they are only managed (for example, forests are on the balance sheet of the Ministry of Agriculture, not on the balance sheet of JSC Latvijas valsts meži).

5. Changes in SOEs, State-Owned Shares, Shares Owned by SOEs', Companies under the Effective Control of the State and Economic Activity Non-performing and Insolvent Companies in 2019 and Changes in Names

On 27 December 2019, one new state-owned capital company was registered - JSC Ventas osta - with a share capital of EUR 35,000. The Ministry of Transport holds 100% of the shares. The strategic goal of this capital company is to sustainably, responsibly and economically provide the management of the Ventspils port as a strategically important infrastructure for the development and security of the country by providing and developing port services that are strategically important for economic competitiveness and growth.

In 2019, four capital companies were liquidated; one capital company was liquidated by reorganizing it in the form of a merger; decisions on liquidation of capital companies have been adopted or are in force for four capital companies. In 2019, the following capital companies were liquidated: LP AIF Imprimatur Seed Fund 2 (90% of the shares held by JSC Attīstības finanšu institūcija Altum; liquidated on 15.05.2019), LP AIF Imprimatur Venture Fund 2; (75% of the shares held by JSC Attīstības finanšu institūcija Altum; liquidated on 14.05.2019), LP AIF Imprimatur Venture Fund 2 (7.01754% of shares are held by LLC Hiponia; liquidated on 07.06.2019) and LLC Eiropas minerāls (6.89% of shares there JSC Publisko aktīvu pārvaldītājs Possessor; liquidated on 17.09.2019). In December 2018, a decision was made and in January 2019 an agreement was concluded on the reorganization of LLC ZetCOM (100% of shares are held by LLC Latvijas Mobilais Telefons; liquidated on 27.05.2019), as a result of which in May 2019 LLC ZetCOM was merged with the parent company. On 18 February 2020, LLC VHITER and LLC BLAKER (the sole member of JSC Air Baltic Corporation) decided to terminate the company and liquidate the company. LLC VHITER was liquidated on 7 August, 2020, and LLC BLAKER was liquidated on 10 August 2020. The liquidation process of LLC Hiponia (100% of shares held by JSC Publisko aktīvu pārvaldītājs Possessor) and LLC Reverta (96.89% of shares held by JSC Publisko aktīvu pārvaldītājs Possessor) is still ongoing. As on 31 December 2019, the JSC in liquidation Reverta Group has one subsidiary - Regalite Holdings Limited (Republic of Cyprus).

For one capital company - JSC VRC Zaslauks (51% of shares held by JSC Pasažieru vilciens) - at the extraordinary shareholders meeting convened on 14 November 2019 decided to approve the intention to suspend the company and instructed the board to take all necessary actions so that the shareholders' meeting could decide on the suspension of operations.

In 2019, shares in three companies were sold. In 2019, the remaining shares of the former state capital company - LLC Sertifikācijas un testēšanas centrs were sold. At the end of 2018, JSC Publisko aktīvu pārvaldītājs Possessor (hereinafter - PAPP)⁵⁷ announced the sale of the state capital shares of LLC Sertifikācijas un testēšanas centrs in the form of an auction⁵⁸. At the end of 2018, the Lithuanian company UAB Universal Trade acquired 80% of the company's state capital in the auction. In 2019, by acquiring 20% of the state capital of LLC Sertifikācijas un testēšanas centrs, UAB Universal Trade became the sole owner of the company. The total sale price of the state shares was EUR 991,387.42. At the end of 2018, PAPP sold a package of state capital shares in the auction of LLC Sertifikācijas un testēšanas centrs, which consisted of 268,638 capital shares or slightly more than 80% of the company's share capital. With the participation of three bidders, the company UAB Universal Trade purchased a block of state capital shares in the auction for the price of EUR 793,111.12. The starting price of the block of shares to be sold at the auction was set at EUR 333,111.12. In addition, at the beginning of 2019, UAB Universal Trade acquired 67,159 shares reserved for employees and members of the executive body of LLC Sertifikācijas un testēšanas centrs

⁵⁷ On June 3, 2019, SJSC Privatizācijas aģentūra changed its name to JSC Publisko aktīvu pārvaldītājs Possessor (Privatizācijas aģentūra), but on 23 August 2019 to JSC Publisko aktīvu pārvaldītājs Possessor

⁵⁸ Source: <https://www.possessor.gov.lv/news/>

or almost 20% of the company's share capital at the auction-determined price of state shares.

Pursuant to the Cabinet of Ministers Order No. 596 of 4 December 2013, the purchaser of a shareholding will have to ensure that the company's business profile is maintained within five years from the date of the purchase agreement - certification, testing and inspection of tractors and their components, tractor trailers, swap bodies and agricultural and forestry machinery; certification of internal combustion engines for non-road mobile machinery; as well as certification of organic farms.

On 22 March 2019, PAPP sold 8.73% of the state-owned capital shares of JSC Pūres dārzkopības izmēģinājumu stacija, but on 30 December 2019 -3.97% of the state-owned capital shares of JSC Latvijas maiznieks.

PAPP continued to ensure the disposal and management of the state-owned shares held or possessed by it in accordance with the Law the "Commercial Law" and other regulatory enactments.

On 31 December 2019, PAPP held state-owned capital shares in 18 capital companies, three of which are not engaged in economic activities or are in the process of insolvency (insolvent JSC Latvijas zoovetapgāde, insolvent JSC Liepājas metalurģs and JSC Transinform, which has been terminated by the decision of the State Notary of 14 March 2019 and excluded from the Register of Enterprises on 29 May 2020). PAPP also held non-voting shares in one company - 0.93% of JSC Ceļu pārvalde.

The shares held by JSC Air Baltic Corporation in JSC Aviation Crew Resources has also decreased - on 12/31/2018 it was 93.31%, but on 12/31/2019 - 92%.

By Decision No. 171 of the Cabinet of Ministers of 17 April 2018, JSC Augstsprieguma tīkls (hereinafter - AST) is allowed to terminate the participation in JSC Nord Pool and acquire a participation in the amount of 2% (two percent) in JSC Nord Pool Holding⁵⁹, which has been completed in 2019.

The distribution of the share of JSC Conexus Baltic Grid shares and voting rights in 2019 was the same as in 2018. According to the information provided by the Ministry of Finance as a shareholder in AST, AST holds 52.1% of the voting shares, given that public joint stock company Gazprom, which owns 34.10% of the shares in JSC Conexus Baltic Grid, does not have voting or management rights. On 21 July 2020, JSC Augstsprieguma tīkls, fulfilling the task given by the Cabinet of Ministers, has concluded a transaction with public joint stock company Gazprom for the acquisition of 34.10% of JSC Conexus Baltic Grid shares, thus increasing control over the company to 68.46%.

According to the information provided by the State Revenue Service of the Republic of Latvia, the share capital in 2019, compared to 2018, has changed for the following 10 state capital companies: JSC Augstsprieguma tīkls, LLC Eiropas dzelzceļa līnijas, JSC Latvijas valsts meži, SLLC Latvijas radio, SLLC Slimnīca "Gintermuiža", SLLC Paula Stradiņa klīniskā universitātes slimnīca, SLLC Bērnu klīniskā universitātes slimnīca, SLLC Rīgas hematoloģijas centrs, SLLC Rīgas Austrumu klīniskā universitātes slimnīca, SLLC Daugavpils psihoneiroloģiskā slimnīca, SJSC Valsts nekustamie īpašumi, LLC Lielstraupes pils, SJSC Latvijas autoceļu uzturētājs. The share capital has also changed for the following companies in which the state directly or indirectly owns shares: JSC Conexus Baltic Grid, JSC Latvijas elektriskie tīkli, JSC Latvijas Finieris, LLC CITRUS Solutions, Rēzekne special economic zone JSC REBIR.

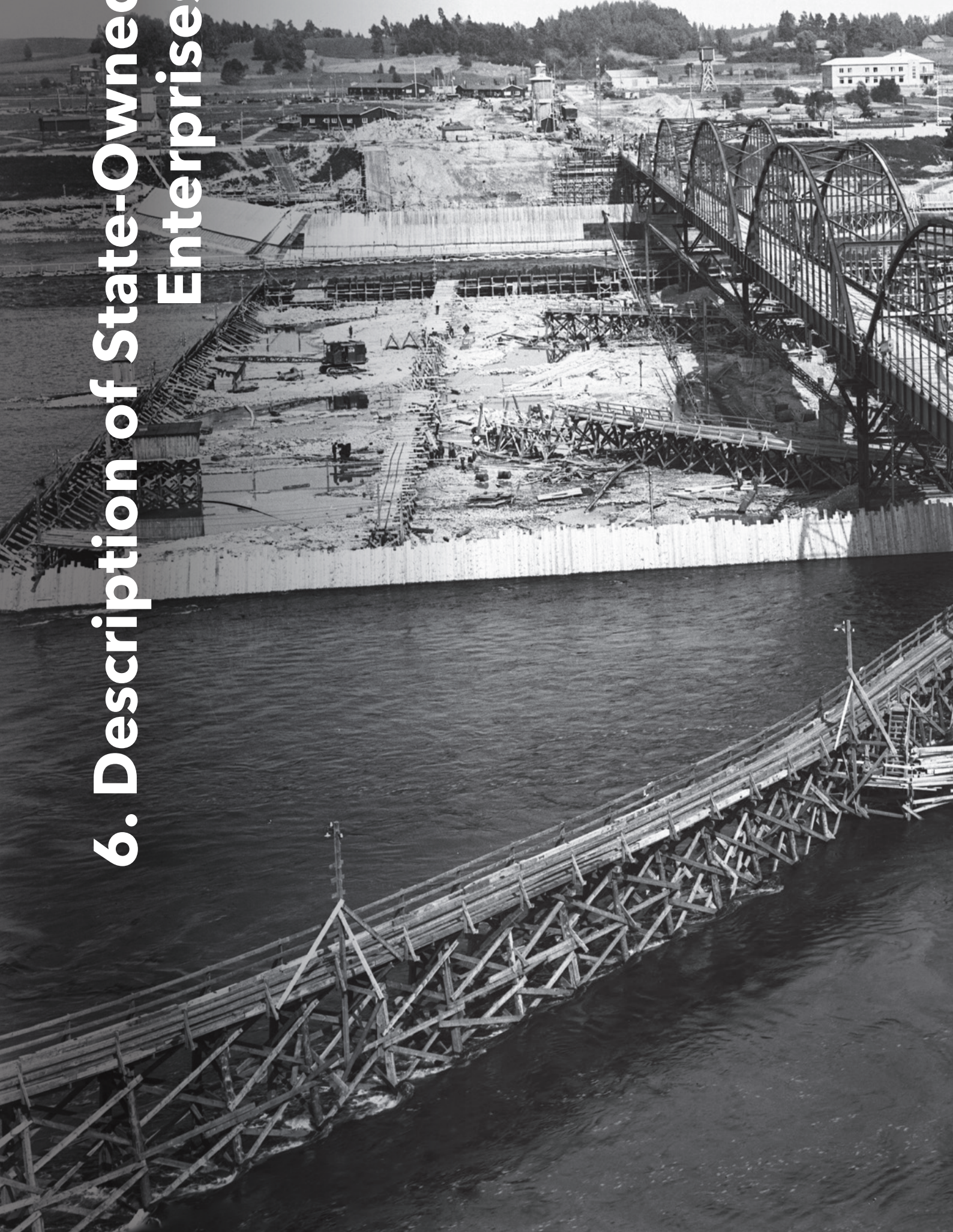
In 2019, the names of two state-owned enterprises were changed. On 3 June 2019, SJSC Privatizācijas aģentūra changed its name to JSC Publisko aktīvu pārvaldītājs Possessor (Privatizācijas aģentūra), but on 23 August 2019 to JSC Publisko aktīvu pārvaldītājs Possessor. On 14 June 2019, SLLC Straupes narkoloģiskā slimnīca changed its name to SLLC Lielstraupes pils.

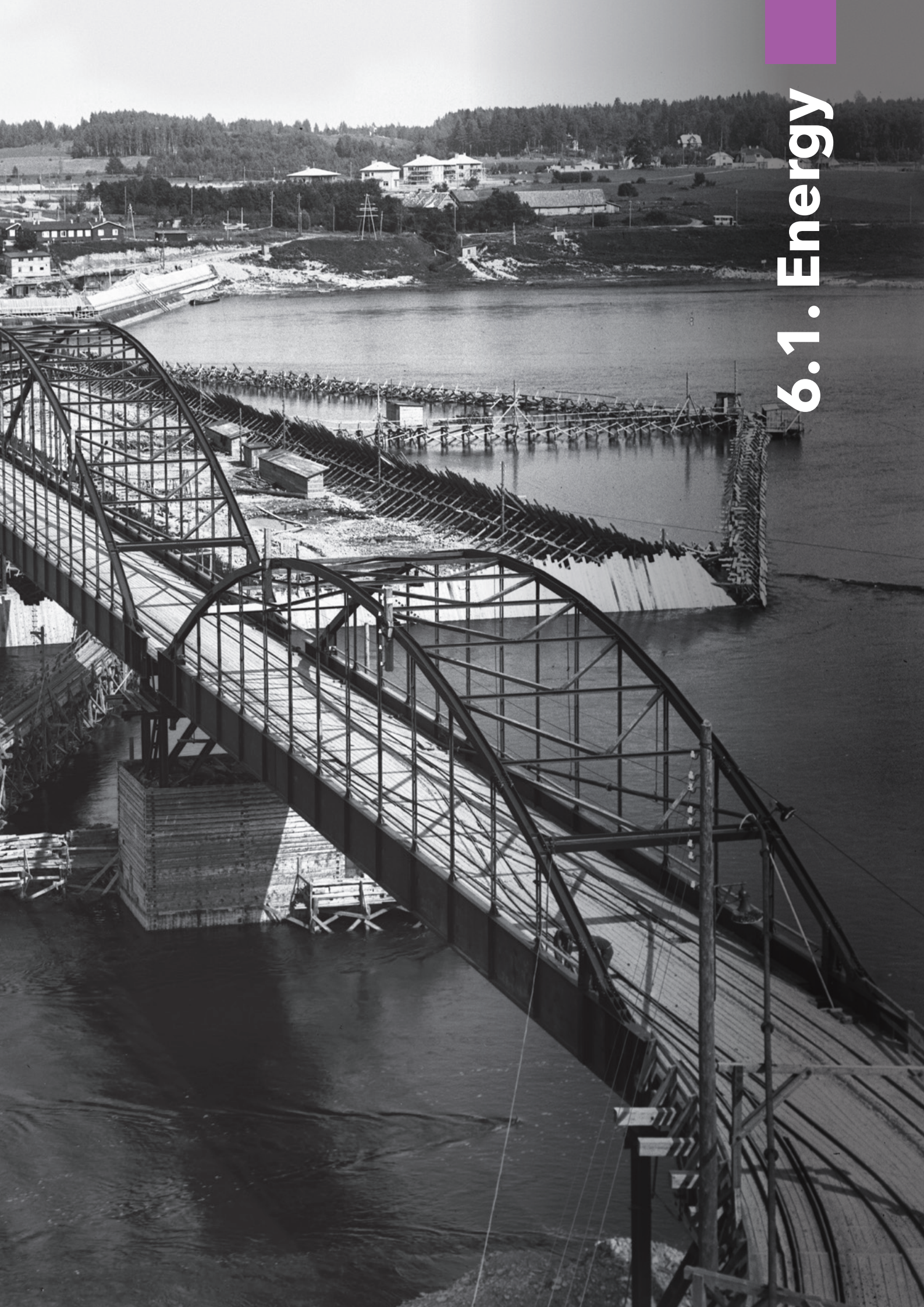
One state-owned enterprise changed its name in 2019, changing its brand and regrouping the companies belonging to the group. LLC Lattellecom changed its name to LLC Tet

on 1 April 2019. The names of its subsidiaries have also been changed. LLC Lattellecom Technology changed its name to LLC T2T on 23 September 2019. LLC Lattellecom BPO changed its name to LLC TET on 12 October 2018 and to LLC Lattellecom on 1 April 2019. LLC Media 360 has changed its name to LLC Helio Media on 9 August 2019.

⁵⁹ Source: <http://ast.lv/lv/content/2018-gada-parskats>, 53 p.

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 34.36%⁶⁰



AST (in English - High Voltage Network) is an independent Latvian electricity transmission system operator, which ensures the security of electricity transmission network operations and the electricity supply of the Latvian electricity system, provides transmission system services on the basis of published transmission service tariffs, provides operational management of the transmission system and ensures secure, stable electricity transmission in the transmission system.

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 strategically important to the country, promote their integration into the European Union's internal energy market.

Most important events in 2019

- Realized investments in transmission assets of EUR 85,731 thousand.
- On 22 May 2019, AST signed the Treaty of Accession to the Continental European Electricity System.
- Implementation of the requirements of the Regulations on the Development and Integration of the Internal Electricity Market of the European Union (Network Codes).

Most significant events planned in 2020

- In 2020, it is planned to complete the implementation of the EU co-financed projects "Third Interconnection of Latvia and Estonia" and "Construction of the Power Transmission Line Riga TEC2 - Riga HPP".
- According to the Development Plan for 2020-2029, it is planned to invest 413 million EUR in the electricity transmission system in the mentioned period.
- Addition of JSC Latvijas elektriskie tīkli to AST until December 31, 2020.

Principal financial objectives

- Profit: EUR 3,294 thousand.
- Revenue from transmission system services: EUR 73,231 thousand.
- Liquidity: ≥ 1 .

Principal non-financial objectives

- To ensure effective management of Latvian projects included in the European 10-year development plan.
- Synchronization of the Latvian transmission network with the continental European transmission networks, observing the compliance with the principles of safety and project cost-effectiveness.
- Average Transmission Service Availability Index (ASAI), %: > 99.5 .
- Prevent interruptions of electricity supply due to AST activity / inaction for longer than specified in the contracts ($\geq 12 \text{ h} = 0$)

Governance

Shareholder - Ministry of Finance
 Representative of the Shareholder - Baiba Bāne
 Chair of the Supervisory Council - Kaspars Āboliņš
 Members of the Supervisory Council - Olga Bogdanova, Armands Eberhards, Aigars Ģermanis, Madara Melne
 Chair of the Management Board - Varis Boks
 Members of the Management Board - Arnis Staltmanis, Imants Zviedris, Mārcis Kauliņš, Gatis Junghāns

Principal financial indicators, thousand EUR

	2018	2019
Turnover	193,866.5	184,742.1
Profit/loss	4,677.1	7,067.0
EBITDA	1,642.1	40,514.9
Total assets	192,999.6	221,934.4
Share capital	63,139.3	64,218.1
Equity	70,343.7	69,955.7
Investment	2,068.4	3,163.3
Dividends paid to state budget	247.4	2,878.7
Contributions made to the state and local government budget	23,332.1	4,041.7
Donations received	0.0	0.0
Donations made	2.7	6.9
Funding received from the state budget	7.7	7.7

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	2.41	3.83
Return on assets, ROA, %	2.42	3.18
Return on equity, ROE, %	6.65	10.10
Total liquidity indicator	3.82	1.20
Liabilities-to-equity ratio	1.70	2.13

Other indicators

Number of employees	548	552
Average gross remuneration per employee per year, thousand EUR	21.2	21.9
Gender representation in management, f/m	1/6	2/8
Annual report in accordance with IFRS (yes/no)	yes	yes

Results achieved

- AST Sustainability Report prepared according to Global Reporting Initiative (GRI) guidelines.
- The project "Kurzeme Circle: Phase 3" was completed sooner than provided for in the Grant Agreement on EU Co-financing.

⁶⁰ Taking into account that PAS Gazprom, which owns 34.10% of the shares in JSC Conexus Baltic Grid, has no voting rights and management rights, AST has 52.1% of the voting shares.

JSC Latvenergo

Reg. No 40003032949
 Web: www.latvenergo.lv
 State ownership 100 %
 Related companies and shares:
 JSC Sadales tīkls 100 %
 JSC Latvijas elektriskie tīkli 100 %
 UAB Elektrum Lietuva 100 %
 OÜ Elektrum Eesti 100 %
 JSC Enerģijas publiskais tirgotājs 100 %
 LLC Liepājas enerģija 51 %
 LLC Elektrum Latvija 100 % held by OÜ Elektrum Eesti

Latvenergo Group is the largest energy supply service provider in the Baltic, which deals with electricity and thermal energy production and trade, the provision of electricity distribution services and leasing of transmission assets.

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.

Most important events in 2019

- Retail trade of natural gas in the Latvian household segment has started.
- Elektrum online store opened.
- Elektrum has become one of the leaders in the Baltic market in the supply and installation of solar panels with a market share of approximately 8% in the Baltics.
- The first publicly available Elektrum electric vehicle fast and medium-speed charging stations started operating.

Most significant events planned in 2020

- Development of new products and services, including the launch of natural gas retail in domestic markets.
- Diversification of production capacity and development of capacity meeting the criteria of low-emission projects.
- Implementation of the efficiency improvement program (impact of EUR 30 million).
- Full ownership unbundling of the electricity transmission system operator by 1 July 2020.

Principal financial objectives

- Return on equity (ROE): 4.7%.
- Net borrowing to equity: 0.36.
- Net borrowings against EBITDA: 2.7.
- Dividend pay-out: EUR 132.9 million.

Principal non-financial objectives

- Reconstruction of Daugava HPP plants, as well as diversification of production capacities and development of capacities that meet the criteria of low-emission projects.
- Increase customer satisfaction rates.
- Maintaining Moody's credit rating at Baa2.

Results achieved

- Latvenergo's sustainability report has been prepared in accordance with the Global Reporting Initiative (GRI) guidelines.
- The Latvenergo Group is one of the largest energy traders in the Baltics, with a market share of 23% in the Baltic electricity market in 2019.



Governance

Shareholder - Ministry of Economics
 Representative of the Shareholder - Ēriks Eglītis
 Chair of the Supervisory Council - Edmunds Valantis
 Members of the Supervisory Council - Edijs Šaicāns, Irēna Bērziņa
 Chair of the Management Board - Āris Žīgurs
 Members of the Management Board - Guntars Baļčūns, Uldis Bariss, Kaspars Cikmačs

Principal financial indicators, thousand EUR *

	2018	2019
Turnover	878,008.0	841,636.0
Profit/loss	75,955.0	94,359.0
EBITDA	281,947.0	243,526.0
Total assets	3,798,819.0	3,864,941.0
Share capital	834,791.0	834,883.0
Equity	2,320,065.0	2,265,487.0
Investment	220,607.0	229,427.0
Dividends paid to state budget	156,418.0	132,936.0
Contributions made to the state and local government budget	292,798.7	248,964.5
Donations received	0.0	0.0
Donations made	619.1	169.3
Funding received from the state budget	92,651.0	5,891.2

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	8.65	11.21
Return on assets, ROA, %	2.00	2.44
Return on equity, ROE, %	3.27	4.17
Total liquidity indicator	1.47	2.04
Liabilities-to-equity ratio	0.63	0.70

Other indicators

Number of employees	3,508	3,423
Average gross remuneration per employee per year, thousand EUR	20.9	22.5
Gender representation in management, f/m	1/8	1/6
Annual report in accordance with IFRS (yes/no)	yes	yes

*Consolidated data.

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 %



LLKIC (in English - Latvian Rural Advisory and Training Centre) provides rural entrepreneurs with accounting, fundraising and education fee services, as well as consultations in the agricultural, forestry and fisheries sectors. With regard to public funding services, LLKC annually concludes agreements with the Ministry of Agriculture on the performance of certain functions. The agreements include a number of free seminars, training trips, farm statistics, rural entrepreneurship and other activities.

General strategic objective

To provide rural entrepreneurs, organizations and citizens with advice and services related to the industry's production process, accounting and business planning, promote 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 2019

- The active phase of the Rural Development Program (RDP) measure "Knowledge Transfer and Information Measures" sub-measure "Support for Farm and Forest Visits" has been launched.
- During the implementation of the RDP measure "Provision of Demonstration Measures in the Livestock Sector", 12 demonstrations were carried out in different regions of Latvia: 9 in dairy farming, 1 in sheep farming, 1 in horse breeding and 1 in beef cattle farming.
- Investments have been made in the development of the training and demonstration center "Lielozoli", creating an environment for adult and youth education.

Most significant events planned in 2020

- Further development of the EIP project "Development of an Electronic Farm Management System".
- Expanding the offer of continuing education and developing a distance learning platform.
- Development of the County Taste Catalogue and measures to promote the products of local producers for the development of their economy.

Principal financial objectives

- Net turnover: EUR 8.85 million.
- Total liquidity: 1.07.
- Increase in equity: EUR 4,994.

Principal non-financial objectives

- Total number of customers: 44,400.
- Start-ups: 20.
- Number of young people involved in the Youth in Action Program: 210.

Governance

Shareholder - Ministry of Agriculture
 Representative of the Shareholder - Liene Jansone
 Chair of the Management Board - Mārtiņš Cimermanis
 Members of the Management Board - Edgars Linde, Kaspars Žūriņš

Principal financial indicators, thousand EUR

	2018	2019
Turnover	9,171.9	11,174.4
Profit/loss	12.8	12.2
EBITDA	135.3	154.0
Total assets	5,088.1	5,911.7
Share capital	1,139.3	1,139.3
Equity	1,528.7	1,534.5
Investment	262.0	356.9
Dividends paid to state budget	8.4	6.4
Contributions made to the state and local government budget	4,131.9	4,590.4
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	3,975.8	3,855.9

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.14	0.11
Return on assets, ROA, %	0.25	0.21
Return on equity, ROE, %	0.84	0.80
Total liquidity indicator	1.17	1.07
Liabilities-to-equity ratio	2.09	2.69

Other indicators

Number of employees	437	441
Average gross remuneration per employee per year, thousand EUR	11.4	12.2
Gender representation in management, f/m	0/3	0/3
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- LLKC has been very actively involved in the implementation of Rural Development Program projects, as a result of which a turnover of 26% higher than planned has been achieved.
- 39 start-ups were created; and 66 new jobs were created in a company that already had 3 jobs.

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 %

LATVIJAS VALSTS MEŽI

Governance

Shareholder - Ministry of Agriculture

Representative of the Shareholder - Arvīds Ozols

Chair of the Supervisory Council - Jurgis Jansons

Members of the Supervisory Council - Arnis Muižnieks, Mārtiņš Gaigals, Irina Pilvere, Elmārs Švēde

Chair of the Management Board - Roberts Strīpnieks

Members of the Management Board - Gints Bumbieris, Arnis Melnis, Edvins Zakovics, Jānis Lapiņš

The principal activity of LVM (in English - Latvia's State Forests) is forestry, which is the company's main source of revenue. In addition to forestry LVM provides hunting and recreational services, produces bred seed and plants, offers resources of subterranean depths: sand, gravel, peat. LVM pursues state interests in the forest management ensuring the preservation and increase of forest values and obtaining maximum possible income for the owner - the State of Latvia.

General strategic objective

To implement a sustainable (economically viable, environmentally friendly, socially responsible) management of the state strategic assets, including the state forest property, transferred in the possession and the development of the necessary infrastructure, services and knowledge for it.

Most important events in 2019

- The largest amount of forest seedlings in the history of LVM was sold - 56.3 million, of which 53% or 29.8 million seedlings were sold to external buyers, including 13.9 million exported.
- 389 kilometers of forest roads were put into operation (2% more than planned), including 114 kilometers rebuilt and 275 kilometers rebuilt.
- Production of mobile mixtures of mineral materials with LVM equipment and outsourcing of "LVM Zemes dzīle" laboratory has started.
- The establishment of a new tree nursery near Jaunkalsnava has started.

Most significant events planned in 2020

- To put into operation 348 kilometers of forest road and to restore 22.8 thousand hectares of forest drainage system.
- Invest EUR 4.8 million to increase the volume of seedlings.
- Investments in the amount of EUR 2.7 million are planned for the development of information systems and IT infrastructure.

Principal financial objectives

- EBITDA: EUR 126.8 million.
- Profit to be paid as dividends from the previous business year: ≥50%.
- Forest infrastructure book value (roads, bridges, drainage systems): EUR 245.8 million.

Principal non-financial objectives

- The forest area for the production and harvesting of wood, percentage of forest: >84%.
- Artificial reforestation with selected reproductive material, proportion over 5 years: ≥55%.
- Renovated and rebuilt forest drainage systems (total amount): 219.3 thousand ha.

Principal financial indicators, thousand EUR*

	2018	2019
Turnover	333,346.4	375,238.8
Profit/loss	109,891.0	105,179.6
EBITDA	141,051.9	152,094.1
Total assets	465,699.9	534,196.8
Share capital	307,863.1	353,647.8
Equity	428,693.4	473,765.0
Investment	39,725.0	56,093.3
Dividends paid to state budget	38,220.0	61,760.0
Contributions made to the state and local government budget	55,300.3	90,074.0
Donations received	0.0	0.0
Donations made	4,100.0	5,500.0
Funding received from the state budget	0.0	0.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	32.97	28.03
Return on assets, ROA, %	23.60	19.69
Return on equity, ROE, %	25.63	22.20
Total liquidity indicator	5.68	5.71
Liabilities-to-equity ratio	0.07	0.11

Other indicators

Number of employees	1,321	1,377
Average gross remuneration per employee per year, thousand EUR	20.9	21.6
Gender representation in management, f/m	1/8	1/9
Annual report in accordance with IFRS (yes/no)	yes	yes

*Consolidated data.

Results achieved

- LVM closed the year with an EBITDA profit of EUR 152.1 million, exceeding the planned level by 20%.
- The planned proportion between the assortment groups from the total sales volume (m³) was maintained: technological wood / pulpwood 27%, saw logs and veneer logs 62%, firewood 11%.

SLLC Meliorprojekts (MP)

Reg. No 50003017621

Web: www.meliorprojekts.lv

State ownership 100 %

MP has no ownership in other capital companies



MP was designed to promote the implementation of the Ministry of Agriculture 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 of state relevant functions in a specific sector of the economy - the hydromeliorative construction.

General strategic objective

To contribute 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 2019

- Start of development project of RAIL Baltica airport section.
- Development of a current protection pier construction project in Ogre.

Most significant events planned in 2020

- Launch of construction projects for RAIL Baltica sections.
- Commencement of Ķekava bypass construction project.
- Substantial renewal of computer programs and computers.

Principal financial objectives

- Participate in the projects of the Rural Development Program and the National Flood Risk Prevention Program: 15.

Principal non-financial objectives

- Agricultural and forest land drainage and hydraulic engineering projects: 35.
- Development of draft documentation of industry normative technical regulations: 1.
- Maintenance of the archive repository and ensuring the availability of information.

Results achieved

- The draft documentation of the industry normative technical regulations could not be developed because no agreement was reached on the type of documents.
- Net turnover increase compared to the previous year 19%; year closed without losses.

Governance

Shareholder -Ministry of Agriculture
Representative of the Shareholder - Arvīds Ozols
Chair of the Management Board - Zigurds Zēns

Principal financial indicators, thousand EUR

	2018	2019
Turnover	499.8	592.4
Profit/loss	-0.8	2.5
EBITDA	-0.8	11.1
Total assets	191.8	250.5
Share capital	115.7	115.7
Equity	156.6	159.1
Investment	5.8	41.3
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	213.1	236.5
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, %	-0.16	0.42
Return on assets, ROA, %	-0.42	1.00
Return on equity, ROE, %	-0.52	1.57
Total liquidity indicator	5.14	2.15
Liabilities-to-equity ratio	0.23	0.57

Other indicators

Number of employees	23	23
Average gross remuneration per employee per year, thousand EUR	10.9	10.9
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 80.05 %
 Related companies and shares:
 LLC Loyalty Services 100.00 %
 LLC Baltijas kravu centrs 100 %
 LLC Air Baltic Training 100 %
 JSC Aviation Crew Resources 92 %
 LLC under liquidation TravelLounge 100 %
 LLC under liquidation BLAKER 100 %
 LLC under liquidation LLC VHITER 100 %

airBaltic is the national airline of Latvia, founded in 1995, offering direct flights from Riga, Vilnius and Tallinn to more than 70 destinations in Europe, Russia, CIS and the Middle East.

General strategic objective

Not approved.

Most important events in 2019

- Bond issue in the amount of EUR 200 million.
- Delivery of eight new Airbus A220-300 aircraft.
- airBaltic's turnover has exceeded EUR 500 million.

Most significant events planned in 2020

- Delivery of three Airbus A220-300 aircraft.
- Changes to the Airbus A220-300 delivery plan, reducing the number of A220 deliveries in 2021 from 14 to 7 (or approximate) aircraft deliveries.
- Increase share capital according to plan.

Principal financial objectives

- Net turnover: EUR 546,020 thousand.
- Profit: EUR 4,100 thousand.
- EBIT: EUR 38,233 thousand.

Principal non-financial objectives

- Total destinations from Riga airport: 63.
- Destinations from Riga Airport with flight interval 10 times a week: 20.
- Destinations from Riga Airport with flight interval 5 times a week: 26.
- Delivery of Airbus A220-300 according to plan: 8.
- Strategic investor attracted.

Results achieved

- In 2019, airBaltic failed to attract a strategic investor.
- 5 million passengers were carried, which is 22% more than in 2018.



Governance

Shareholder - Ministry of Transport
 Representative of the Shareholder - Džineta Innusa
 Chair of the Supervisory Council - Nikolajs Sigurds Bulmanis
 Members of the Supervisory Council - Kaspars Briškens,
 Kaspars Āboliņš, Lars Thuesen
 Chair of the Management Board - Martin Alexander Gauss
 Members of the Management Board - Vitolds Jakovļevs,
 Martin Sedlacky

Principal financial indicators, thousand EUR

	2018	2019
Turnover	402,045.0	502,255.0
Profit/loss	2,960.0	-9,114.0
EBITDA	43,756.0	103,568.0
Total assets	569,409.0	971,236.0
Share capital	256,473.0	256,473.0
Equity	41,660.0	33,912.0
Investment	177,336.0	333,885.0
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	25,683.9	30,379.1
Donations received	0.0	0.0
Donations made	0.3	9.7
Funding received from the state budget	0.0	0.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.74	-1.81
Return on assets, ROA, %	0.52	-0.94
Return on equity, ROE, %	7.11	-26.88
Total liquidity indicator	0.36	1.10
Liabilities-to-equity ratio	12.18	27.06

Other indicators

Number of employees	1,514	1,663
Average gross remuneration per employee per year, thousand EUR	30.8	32.2
Gender representation in management, f/m	0/7	0/7
Annual report in accordance with IFRS (yes/no)	yes	yes

*Consolidated data.

SLLC Autotransporta direkcija (ATD)

Reg. No 40003429317

Web: www.atd.lv

State ownership 100 %

ATD has no ownership in other capital companies



AUTOTRANSPORTA
DIREKCIJA

ATD (in English - Road Transport Directorate) is the implementer of unified state 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

To maintain and implement a set of high-quality and legally justified services (systems) in the field of passenger and freight road transport in order to ensure fair and equal competition between carriers in accordance with the legal norms of the Republic of Latvia, international and European Union; to perform public transport planning, financial analysis and audit to ensure a unified, continuous and accessible public transport system in accordance with the interests of the state, society and carriers (published on the website of the Ministry of Transport).

Most important events in 2019

- An "Information System for Beneficiaries of Fare Relief" has been established, the purpose of which is to administer the fare reductions set by the state, as well as to collect information on the current means of identification for the use of fare relief.
- Website development and e-service development.
- Journey times have been reduced on 62 routes by adapting schedule to passenger flows.

Most significant events planned in 2020

- Implementation of an open tender for the right to provide public transport services on routes of regional importance by buses; conclusion of procurement contracts.
- Replacement of timetable plates on regional route stops.
- Implementation of public transport ticket warehouse information system.

Principal financial objectives

- Turnover: EUR 3,807,553.
- EBIT: EUR 565,877.
- Return on equity: 13%.

Principal non-financial objectives

- Implementation of measures for the development and implementation of the accounting and control system for public transport facilities: 100%.
- Public transport passenger satisfaction rate: 40%.

Governance

Shareholder - Ministry of Transport
Representative of the Shareholder - Ligita Austrupe
Chair of the Management Board - Kristiāns Godiņš
Member of the Management Board - Modris Jaunups

Principal financial indicators, thousand EUR

	2018	2019
Turnover	4,095.5	4,110.3
Profit/loss	1,049.4	895.5
EBITDA	1,260.5	1,111.3
Total assets	4,321.1	4,331.9
Share capital	200.9	200.9
Equity	4,004.0	4,007.5
Investment	189.3	294.1
Dividends paid to state budget	618.6	892.0
Contributions made to the state and local government budget	1,843.0	2,105.8
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	844.4	839.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	25.62	21.79
Return on assets, ROA, %	24.29	20.67
Return on equity, ROE, %	26.21	22.35
Total liquidity indicator	12.58	12.07
Liabilities-to-equity ratio	0.08	0.08

Other indicators

Number of employees	94	93
Average gross remuneration per employee per year, thousand EUR	22.0	23.9
Gender representation in management, f/m	0/2	0/2
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- The financial objectives and most of the non-financial objectives were met.
- Subscription tickets are offered on 674 routes, which is ~ 64% of the total number of regional routes and 27% more than planned. The number of passengers has increased on the routes where subscription tickets have been introduced.

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 %



In accordance with the Road Traffic Law and articles of the Association of CSDD (in English - Road Traffic Safety Directorate), CSDD performs the registration of vehicles, the examination of driver's qualification and the issuance driving licenses, the provision of the technical inspection, performs the road safety audits and general supervision, as well as establishes and maintains a state register of vehicles and their drivers, informs and educates road users. CSDD also operates the Riga Motor Museum, its Bauska Branch and the Biķernieki Complex Sports Base.

General strategic objective

To maintain and develop a high-quality and legally sound set of services (systems) in the fields of vehicle and inland waterway vehicle registration and driver qualifications, as well as vehicle technical supervision and monitoring in accordance with state and public interests, and together with other involved institutions to increase traffic safety.

Most important events in 2019

- Improved and streamlined e-services, in particular in the field of vehicle registration.
- Reconstruction of premises in the largest customer service center of the CSDD in Riga.
- Construction works of regional customer service centres in Jelgava and Tukums have started.

Most significant events planned in 2020

- The CSDD has taken and continues to take measures to ensure a safe customer service environment in relation to limiting the spread of Covid-19.
- Construction and construction supervision of the first part of the second phase of the network of electric car charging stations (40 stations).

Principal financial objectives

- EBIT margin: > 4.5%.
- Return on equity, ROE: > 5.0%.

Principal non-financial objectives

- Roadside inspections of vehicles (number): 4490 vehicles.
- Number of visitors to the Motor Museum per year: 130,000

Results achieved

- Financial objectives exceeded. EBIT margin 7% and ROE 9%.
- Non-financial objectives exceeded. Vehicle inspections on the roads were performed by 3% more, but the Motor Museum was visited by 2% more than planned.

Governance

Shareholder - Ministry of Transport
 Representative of the Shareholder - Džineta Innusa
 Chair of the Supervisory Council - Juris Bērziņš
 Members of the Supervisory Council - Kristiāns Godiņš, Andris Kēniņš
 Chair of the Management Board - Andris Lukstiņš
 Members of the Management Board - Aivars Aksenoks, Jānis Golubevs, Jānis Kancēvičs

Principal financial indicators, thousand EUR*

	2018	2019
Turnover	48,138.5	49,848.8
Profit/loss	4,027.3	4,248.7
EBITDA	9,129.7	9,001.2
Total assets	50,552.5	55,194.2
Share capital	23,117.3	23,117.3
Equity	44,814.2	46,175.6
Investment	6,486.0	5,954.6
Dividends paid to state budget	896.3	2,887.4
Contributions made to the state and local government budget	14,517.1	16,504.3
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	187.8	358.1

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	8.37	8.52
Return on assets, ROA, %	7.97	7.70
Return on equity, ROE, %	8.99	9.20
Total liquidity indicator	1.49	1.35
Liabilities-to-equity ratio	0.13	0.20

Other indicators

Number of employees	783	787
Average gross remuneration per employee per year, thousand EUR	18.1	18.9
Gender representation in management, f/m	0/7	0/7
Annual report in accordance with IFRS (yes/no)	yes	yes

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.

General strategic objective

Not approved.

Most important events in 2019

- A contract for the design and construction of the Riga Central Railway Station has been concluded.
- An agreement between an engineer and a construction supervisor of the Riga Central Railway Station has been concluded.
- The first construction project basic solution document in the history of Rail Baltica was approved within the construction project of Rail Baltica station Riga International Airport.

Most significant events planned in 2020

- Commencement of construction works at the Riga Central Railway Station by 3 November 2020.
- Sign a construction contract with the builder for the construction of the Rail Baltica station and section at Riga International Airport by 30 November 2020.
- To announce the procurement for the design of Skulte infrastructure maintenance point by 15 July 2020.

Principal financial objectives

- Net turnover: EUR 3,770,522.
- Liquidity ratio: 1.00.
- Liabilities to equity: 5%.

Principal non-financial objectives

- Organized procurement procedures without price inquiries (number of announced procurement procedures): 10.
- Number of employees in the company: 45.
- Cooperation with media, public information (months): 12.

Results achieved

- Overall financial objectives not met. Turnover is 25.52% lower, liabilities to equity have increased by 4%, while the liquidity ratio has increased to 1.33.
- Non-financial objectives have generally not been met. Six procurement procedures were organized, the number of employees decreased to 43,

Governance

Shareholder - Ministry of Transport
Representative of the Shareholder - Dins Merirands
Chair of the Management Board - Kaspars Vingris
Member of the Management Board - Tālis Laizāns

Principal financial indicators, thousand EUR

	2018	2019
Turnover	2,477.1	2,808.6
Profit/loss	-1.0	-3.4
EBITDA	46.9	50.8
Total assets	3,593.9	4,355.9
Share capital	3,370.0	4,020.0
Equity	3,346.5	3,993.1
Investment	38.9	24.0
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	803.0	997.9
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	2,477.1	2,808.6

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-0.04	-0.12
Return on assets, ROA, %	-0.03	-0.08
Return on equity, ROE, %	-0.03	-0.08
Total liquidity indicator	1.24	1.33
Liabilities-to-equity ratio	0.07	0.09

Other indicators

Number of employees	43	47
Average gross remuneration per employee per year, thousand EUR	43.7	46.3
Gender representation in management, f/m	0/1	0/2
Annual report in accordance with IFRS (yes/no)	no	no

SJSC Latvijas autoceļu uzturētājs (LAU)

Reg. No 40003356530

Web: www.lau.lv

State ownership 100 %

LAU has no ownership in other capital companies



LATVIJAS AUTOCEĻU UZTURĒTĀJS

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 building 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 performance of complex daily maintenance of state roads in an efficient and environmentally friendly manner throughout the territory of Latvia.

Most important events in 2019

- Purchased 21 all-purpose trucks with additional equipment for EUR 3,909,829.
- Purchased 11 motor graders with equipment for EUR 3,152,040.
- Purchased 9 wheeled tractors (with power over 110 hp) for EUR 1,097,910.

Most significant events planned in 2020

- Ensuring the observance of uniform principles in the planning and performance of complex daily maintenance works on state roads.
- Monitoring and analysis of personnel management policy.
- Introduction of a unified fleet management model.

Principal financial objectives

- Equity to total assets ratio: 63%.
- Return on assets (ROA): 4.2%.
- Debt-service coverage ratio (DSCR) (x): 1.6.

Principal non-financial objectives

- Average assessment of the quality of work performed in the daily maintenance of the state road complex in the winter and summer season: 4.1 (good).
- Provision of other services: not less than 19% of financial turnover.
- Average remuneration versus average remuneration in the labour market / sector (code 81 in the public sector) (x): ≥ 1.13 .

Results achieved

- The ratio of equity to total assets has increased by 1 percentage point; return on assets (ROA) decreased to 3.6%; the coverage ratio (DSCR) (x) is 1.6.
- Fulfilment of non-financial objectives: the quality of the work performed was assessed with 4.7; the share of other services 16%; the average wage versus the average wage in the labour market / sector is 1.11.

Governance

Shareholder - Ministry of Transport
 Representative of the Shareholder - Dins Merirands
 Chair of the Supervisory Council - Uldis Reimanis
 Members of the Supervisory Council - Ivars Pāže,
 Normunds Narvaišs
 Chair of the Management Board - Raitis Nešpors
 Members of the Management Board - Vilnis Vitkovskis,
 Oskars Zemītis

Principal financial indicators, thousand EUR

	2018	2019
Turnover	76,381.9	72,359.9
Profit/loss	3,781.3	2,512.3
EBITDA	10,800.0	9,724.7
Total assets	62,846.4	70,139.9
Share capital	35,186.3	35,202.3
Equity	42,557.6	45,085.9
Investment	7,714.9	12,836.9
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	14,228.1	13,624.3
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	62,869.4	66,656.1

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	4.95	3.47
Return on assets, ROA, %	6.02	3.58
Return on equity, ROE, %	8.89	5.57
Total liquidity indicator	1.66	1.57
Liabilities-to-equity ratio	0.42	0.52

Other indicators

Number of employees	1,274	1,293
Average gross remuneration per employee per year, thousand EUR	17.9	17.2
Gender representation in management, f/m	0/6	0/6
Annual report in accordance with IFRS (yes/no)	yes	yes

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 seviss 100 %
 LLC LDZ infrastruktūra 100 %
 LLC LDZ apsardze 100 %
 JSC LatRailNet 100 %
 LLC LDZ Loģistika 100 %



LDz (in English – Latvian Railway) is the manager of public railway infrastructure. LDz carries out the distribution of railway infrastructure capacity, provides train services, ensures maintenance and restoration of relevant fixed assets, develops investment projects and invests in infrastructure development, by attracting funding from the EU funds and credit institutions.

General strategic objective

To provide railway infrastructure management and logistics services in line with interests of the Latvian economy. To be a leader 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 2019

- Renovation of tracks, type “B” overhaul 16,677 km, EUR 4,671,940.
- Purchase of railway infrastructure for the Export Port, EUR 4,500,000.

Most significant events planned in 2020

- Replacement of long rails with new rails 23,427 km, EUR 3 741 000.
- Renovation of tracks, overhaul of type “A” 7,113 km, EUR 3,590,000.

Principal financial objectives

- Net turnover: EUR 205,605,000.
- Profit: EUR 2,915,000.
- Return on equity (ROE): -0.909%.

Principal non-financial objectives

- Freight capacity on the East-West rail corridor: 73 million tons per year.
- Number of serious accidents per 1 million train - kilometers: 2.

Results achieved

- Financial objectives not met: turnover 11% lower than planned; profit by 2 883 thousand EUR or 99% less than planned.
- Non-financial objectives met.

Governance

Shareholder – Ministry of Transport
 Representative of the Shareholder – Džineta Innusa
 Chair of the Supervisory Council – Jānis Lange
 Members of the Supervisory Council – Aigars Laizāns, Andris Maldups, Andris Liepiņš, Reinis Ceplis
 Chair of the Management Board – Māris Kleinbergs
 Members of the Management Board – Andris Lubāns, Ēriks Šmuksts, Ainis Stūrmanis

Principal financial indicators, thousand EUR

	2018	2019
Turnover	365,044.0	337,645.0
Profit/loss	14,408.0	-9,328.0
EBITDA	81,766.0	58,760.0
Total assets	991,496.0	946,012.0
Share capital	256,720.0	256,720.0
Equity	406,366.0	397,038.0
Investment	38,200.0	29,742.0
Dividends paid to state budget	616.0	0.0
Contributions made to the state and local government budget	102,658.4	99,334.3
Donations received	0.0	0.0
Donations made	82.2	0.0
Funding received from the state budget	2,000.0	19,492.4

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	3.95	-2.76
Return on assets, ROA, %	1.45	-0.99
Return on equity, ROE, %	3.55	-2.35
Total liquidity indicator	1.06	0.97
Liabilities-to-equity ratio	1.43	1.38

Other indicators

Number of employees	10,400	10,155
Average gross remuneration per employee per year, thousand EUR	13.3	13.2
Gender representation in management, f/m	0/7	0/9
Annual report in accordance with IFRS (yes/no)	yes	yes

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 the use of airspace of the Republic of Latvia and organization of 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

To ensure the safety of air navigation services and the requirements of international and national air traffic control safety standards, to maintain optimal airspace capacity; to implement and develop air navigation services, while taking into account the need to reduce the impact of aviation on the environment; balance of unit fees, costs and quality of service; to enable all airspace users to operate their flights efficiently while meeting the requirements of both military and civilian operators; highly qualified, motivated staff, provided with appropriate working conditions and social guarantees, thus achieving the goals of the capital company

Most important events in 2019

- Execution of GSV system ATRACC modernization contract.
- Execution of the new air traffic control tower design contract.
- The modernization of the UNO system has been completed.

Most significant events planned in 2020

- Execution of VOR / DME network expansion and modernization project agreement.
- Modernization of GSV system ATRACC has been completed.
- The design of the new air traffic control tower has been completed.

Principal financial objectives

- Fixed unit charge per route unit (E1): EUR 28.69.
- Net turnover: EUR 27,260,000.

Principal non-financial objectives

- D1 - Safety management efficiency level. ANSP level plan: 4.
- D4 - Violation of the minimum distance: $\leq 1.6 \times 10^{-5}$.

Results achieved

- Fulfilment of financial objectives: monthly fee less than 6%; net turnover greater than 13%.
- Fulfilment of non-financial objectives: the level of safety management efficiency has been achieved as planned; violation of the minimum distance 3.3×10^{-6} .

Governance

Shareholder - Ministry of Transport
 Representative of the Shareholder - Džineta Innusa
 Chair of the Supervisory Council - Dins Merirands
 Padomes locekle - Zinta Zālīte-Rukmane
 Chair of the Management Board - Dāvids Tauriņš
 Members of the Management Board - Elmārs Švēde,
 Ilze Aleksandroviča, Iveta Virse

Principal financial indicators, thousand EUR

	2018	2019
Turnover	30,208.3	30,764.5
Profit/loss	3,238.7	2,457.2
EBITDA	7,303.8	6,672.9
Total assets	38,414.4	43,807.6
Share capital	22,765.9	22,765.9
Equity	34,691.9	37,149.1
Investment	5,522.4	9,019.7
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	6,598.2	6,711.6
Donations received	0.0	0.0
Donations made	0.0	0.5
Funding received from the state budget	0.0	0.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	10.72	7.99
Return on assets, ROA, %	8.43	5.61
Return on equity, ROE, %	9.34	6.61
Total liquidity indicator	4.18	3.33
Liabilities-to-equity ratio	0.11	0.18

Other indicators

Number of employees	352	363
Average gross remuneration per employee per year, thousand EUR	34.3	34.8
Gender representation in management, f/m	3/4	3/3
Annual report in accordance with IFRS (yes/no)	yes	yes

SJSC Latvijas Jūras administrācija (LJA)

Reg. No 40003022705

Web: www.lja.lv

State ownership 100 %

LJA has no ownership in other capital companies



LATVIJAS JŪRAS ADMINISTRĀCIJA
MARITIME ADMINISTRATION OF LATVIA

In accordance with Latvian regulatory enactments, international legal norms and its competence, the LJA (in English - Maritime Administration of Latvia) performs the functions specified in the Maritime Administration and the Maritime Safety Law.

General strategic objective

To build advanced, sustainable, efficiently managed and Europe-wide regionally competitive maritime industry with stable growth in Latvia, with prospects of Latvia to become the leader in the Baltic Sea maritime industry.

Most important events in 2019

- Transfer of SKLOIS infrastructure and software to the premises of the Maritime Administration.
- Amendments to Cabinet Regulation No. 634 of 24 October 2017 "Price List of Paid Services of the State Joint Stock Company "Latvian Maritime Administration"".

Most significant events planned in 2020

- To ensure the financial stability of the company in accordance with the situation in the national economy.
- Development and approval of a new medium-term strategy.
- Development of the company's unified management information system.

Principal financial objectives

- Net profit: EUR 50,000.
- Commercial profitability ratio: 1.12.
- Return on assets ratio: 0.96.

Principal non-financial objectives

- Measurement volume with multi-beam echo sounder: 450 km².
- Port State Control Inspections: 300.
- Seafarers' certifications: 5,650.

Results achieved

- Fulfilment of financial objectives: net profit 13% higher; commercial profitability ratio by 14% higher, return on assets by 14% higher than planned.
- Fulfilment of non-financial objectives: the volume of measurements with multi-beam echo sounder (km²) has increased by 4%; Port State control inspections performed by 3% more; seafarers' certification increased by 24%.

Governance

Shareholder - Ministry of Transport
Representative of the Shareholder - Ligita Austrupe
Chair of the Management Board - Jānis Krastiņš
Member of the Management Board - Artūrs Brokovskis-Vaivods

Principal financial indicators, thousand EUR

	2018	2019
Turnover	4,349.3	4,427.9
Profit/loss	-74.2	56.6
EBITDA	311.0	331.9
Total assets	5,080.6	5,205.9
Share capital	1,533.9	1,533.9
Equity	4,541.3	4,541.9
Investment	574.4	212.7
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	1,583.0	1,585.1
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	0.0	248.8

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-1.71	1.28
Return on assets, ROA, %	-1.46	1.09
Return on equity, ROE, %	-1.63	1.25
Total liquidity indicator	3.16	3.08
Liabilities-to-equity ratio	0.12	0.15

Other indicators

Number of employees	110	111
Average gross remuneration per employee per year, thousand EUR	25.6	25.0
Gender representation in management, f/m	0/2	0/2
Annual report in accordance with IFRS (yes/no)	no	no

SJSC Latvijas valsts ceļi (LVC)

Reg. No 40003344207

Web: www.lau.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 oversees the municipal road network.

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 2019

- In total, construction works on 476 km of roads were performed on the state road network in 2019.
- In 2019, an agreement was concluded on the development of the Bicycle Traffic Development Plan and coordination of its implementation was ensured.

Most significant events planned in 2020

- To restore or rebuild the pavement in the total length of ~ 438 km, including 99.78 km with EU co-financing and to renovate and rebuild 53 bridges.
- Development of the state road development vision 2040.

Principal financial objectives

- Turnover: EUR 14,400,000.
- Return on equity: 1.65%.
- Return on assets: 1.1%.

Principal non-financial objectives

- Implemented construction objects: 97% of the planned.
- Reduced number of poor and very poor roads with black surface: by 2% compared to the previous year

Results achieved

- Fulfilment of financial objectives: turnover 10% higher; return on equity 13% higher; return on assets by 6% higher.
- Fulfilment of non-financial objectives: 100% of the planned construction objects have been implemented; reduced the number of poor and very poor roads with black surface by 2.3% compared to the previous year.

Governance

Shareholder - Ministry of Transport
 Representative of the Shareholder - Dins Merirands
 Chair of the Management Board - Jānis Lange
 Member of the Management Board - Mārtiņš Lazdovskis

Principal financial indicators, thousand EUR

	2018	2019
Turnover	15,427.0	15,788.8
Profit/loss	96.0	81.8
EBITDA	778.3	940.9
Total assets	7,610.9	7,052.1
Share capital	4,155.6	4,155.6
Equity	4,370.7	4,370.9
Investment	1,103.2	1,097.2
Dividends paid to state budget	47.6	81.6
Contributions made to the state and local government budget	4,597.5	4,587.7
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	16,074.0	15,275.1

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.62	0.52
Return on assets, ROA, %	1.26	1.16
Return on equity, ROE, %	2.20	1.87
Total liquidity indicator	1.21	1.22
Liabilities-to-equity ratio	0.55	0.40

Other indicators

Number of employees	334	336
Average gross remuneration per employee per year, thousand EUR	25.5	25.9
Gender representation in management, f/m	0/3	0/2
Annual report in accordance with IFRS (yes/no)	no	no

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 the only provider of domestic public transport services that transports passengers by rail across the territory of Latvia. PV also carries out maintenance and capital repairs for the rolling stock required for the transportation.

General strategic objective

By upgrading the existing rolling stock, purchasing new trains and, in cooperation with SJSC Latvijas dzelzceļš by improving the infrastructure of the stations, PV will significantly improve the quality of its services over the next five years, which will allow PV to become the best passenger carrier in Latvia. It is planned to develop and implement a ticket discount system and to increase the speed and intensity of trains, thereby enhancing the competitiveness of PV in the market of transportation services

Most important events in 2019

- On 30 July 2019, the Company and ŠKODA VAGONKA a.s. signed a procurement contract for the purchase of 32 new electric trains.
- Work has begun on developing a medium-term operational strategy for 2021-2025. The company's strategy plans to pay special attention to the development of the non-electrified area.
- A 5% discount was applied to all train tickets purchased online and in the mobile app from 20 August 2019.

Most significant events planned in 2020

- Purchase of new diesel trains.
- Depot construction / reconstruction.
- Approval of the medium - term strategy.

Principal financial objectives

- Transportation cost coverage: 65.89%.
- Return on equity: 5.07%.
- Profit: EUR 1,012,552.

Principal non-financial objectives

- Number of passenger kilometers: 578.34 million
- Number of trips: 17,985,806 passengers.
- Train accuracy: 98.60%.

Results achieved

- Fulfilment of financial objectives: coverage of transportation costs has increased by 3.70%; return on equity has increased by 0.09%; profit 1.86% higher than planned.
- Fulfilment of non-financial objectives: 4.21% higher passenger-kilometres; the number of trips is 2.59% higher; train accuracy reaches 99.18%.

Governance

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

Principal financial indicators, thousand EUR

	2018	2019
Turnover	69,952.3	56,735.6
Profit/loss	1,010.9	1,031.4
EBITDA	5,057.3	7,859.4
Total assets	64,418.4	86,501.7
Share capital	20,868.0	20,868.0
Equity	17,025.7	20,003.4
Investment	1,706.2	38,128.5
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	1,030.1	2,725.2
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	50,419.8	36,991.5

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.45	1.82
Return on assets, ROA, %	1.57	1.19
Return on equity, ROE, %	5.94	5.16
Total liquidity indicator	0.80	0.80
Liabilities-to-equity ratio	2.78	3.32

Other indicators

Number of employees	1,056	1,035
Average gross remuneration per employee per year, thousand EUR	13.9	14.4
Gender representation in management, f/m	3/3	3/3
Annual report in accordance with IFRS (yes/no)	yes	yes

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 main air traffic centre of the Baltic region, which ensures the implementation of public interests in the regular air transportation of international passengers, cargo and post to European and other cities of the world, as well as provides services in matters of national security related to military aircraft traffic in Latvia, ensuring aviation security processes in compliance with international and European requirements.

General strategic objective

To create, maintain and improve a positive customer experience, providing safe and high-quality services (as published on the website of the Ministry of Transport).

Most important events in 2019

- A record number of passengers of 7.8 million has been achieved, exceeding the forecasts planned in the Strategy.
- On 19 December 2019, the approval from the Mārupe District Construction Board was received for the 6th phase construction project of the passenger terminal expansion in the minimum composition.
- On 1 April 2019, construction works were started on the construction of the new 5th cargo platform.

Most significant events planned in 2020

- Coordinate in the European Commission the state aid proposal for the allocation of funds for the operation of RIX (increase of share capital) in connection with the spread of the new coronavirus disease Covid-19.
- Ensure the operational functioning of RIX and reduce the impact of Covid-19 on the financial stability of RIX, as well as improve passenger service to reduce the risk of infection with Covid-19.
- To continue work on the implementation of the project "Development of safe and environmentally friendly infrastructure at Riga International Airport".

Principal financial objectives

- Net turnover: EUR 54 million
- Profit: EUR 1.2 million
- EBITDA: EUR 15.6 million

Principal non-financial objectives

- Flights: 72,245.
- Passengers: 6,100,521.
- Cargo handled: 26 thousand tons.

Results achieved

- The planned non-financial and financial targets were exceeded in the reporting year.
- In May 2019, RIX received a positive opinion from the European Commission, coordinating the different dividend policy of RIX approved by the Cabinet of Ministers for the period 2017-2022.

Governance

Shareholder - Ministry of Transport
 Representative of the Shareholder - Ilonda Stepanova
 Chair of the Supervisory Council - Juris Kanels
 Members of the Supervisory Council - Laila Odiņa, Eduards Toms
 Chair of the Management Board - Ilona Līce
 Members of the Management Board - Artūrs Saveljevs, Lauma Jenča, Normunds Feierbergs

Principal financial indicators, thousand EUR

	2018	2019
Turnover	60,787.2	64,986.7
Profit/loss	10,022.2	22,140.6
EBITDA	16,722.2	16,988.2
Total assets	180,210.0	178,286.4
Share capital	28,608.9	28,608.9
Equity	54,416.5	74,151.6
Investment	16,116.9	21,847.5
Dividends paid to state budget	0.0	2,405.5
Contributions made to the state and local government budget	14,416.8	17,618.1
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	44.1	42.7

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	16.49	34.07
Return on assets, ROA, %	5.56	12.42
Return on equity, ROE, %	18.42	29.86
Total liquidity indicator	1.11	1.18
Liabilities-to-equity ratio	2.31	1.40

Other indicators

Number of employees	1,273	1,315
Average gross remuneration per employee per year, thousand EUR	17.2	19.5
Gender representation in management, f/m	3/3	3/4
Annual report in accordance with IFRS (yes/no)	yes	yes

JSC Ventas osta (VO)

Reg. No 40203235757

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

State ownership 100 %

VO has no ownership in other capital companies



The purpose of establishing the Ventas osta (in English - Port of Venta) is to ensure the continuity of Ventspils port operations and to reduce as far as possible the possible negative consequences of sanctions on the Latvian transit sector and the economy as a whole.

The US Treasury Bureau of Foreign Assets Control (OFAC) on 9 December 2019, based on the so-called Magnitsky Act, imposed sanctions on corruption for Ventspils Mayor Aivars Lembergs ("Latvia and Ventspils") and four related legal entities - Ventspils Freeport Authority, Ventspils Development Agency, Business Development Association and Latvian Transit Business Association.

In response to the inclusion of the Freeport of Ventspils in the list of sanctions, the Saeima amended the law to transfer the Freeport of Ventspils and also the Freeport of Riga to the state. On 17 December 2019, the government supported the initiative of the Ministry of Transport to establish a new company - Ventas osta, which would ensure the management and administration of the port territory in Ventspils.

General strategic objective

To ensure the management of Ventspils port as a strategically important infrastructure for the development and security of the state in a sustainable, responsible and economically justified manner, providing and developing port services that are strategically important for the competitiveness and growth of the economy.

Most important events in 2019

- Amendments to the Law on Ports and the Law on the Freeport of Ventspils have been approved, which stipulates the transfer of port management functions to the new state joint stock company.
- Registration of VO in the Register of Enterprises on 27 December 2019.

Most significant events planned in 2020

- No information available.

Principal financial objectives

- No information available.

Principal non-financial objectives

- No information available.

Results achieved

- No information available.

Governance

Shareholder - Ministry of Transport
Representative of the Shareholder - Uldis Reimanis
Chair of the Supervisory Council - Iveta Zalpētere
Members of the Supervisory Council - Daina Sirlaka,
Baiba Jirgena, Diāna Rancāne
Board Member - Baiba Vīlpa

Principal financial indicators, thousand EUR

	2019
Turnover	n/a
Profit/loss	n/a
EBITDA	n/a
Total assets	n/a
Share capital	n/a
Equity	n/a
Investment	n/a
Dividends paid to state budget	n/a
Contributions made to the state and local government budget	n/a
Donations received	n/a
Donations made	n/a
Funding received from the state budget	n/a

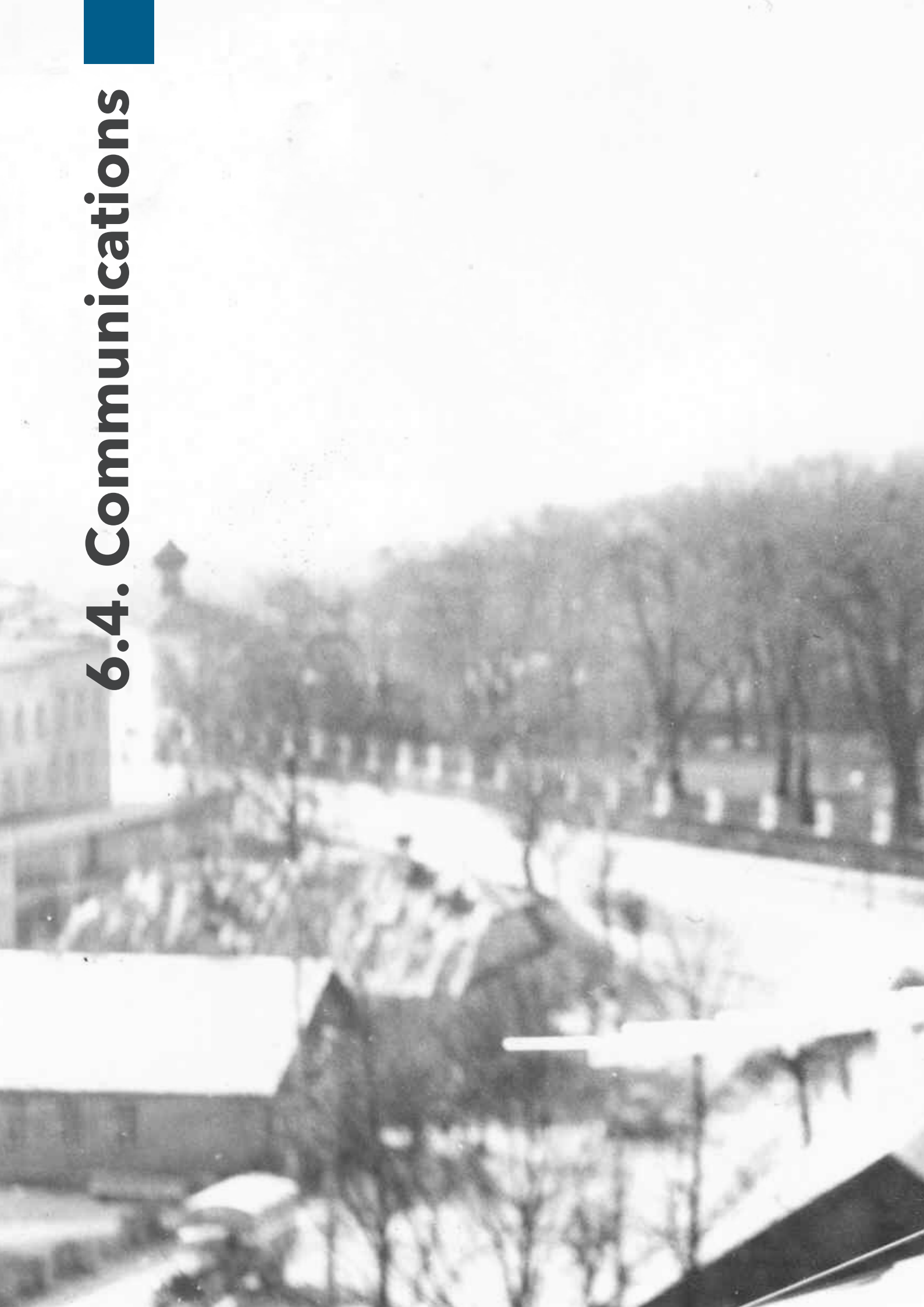
Principal financial indicators, % and coefficients

Profit and turnover ratio, %	n/a
Return on assets, ROA, %	n/a
Return on equity, ROE, %	n/a
Total liquidity indicator	n/a
Liabilities-to-equity ratio	n/a

Other indicators

Number of employees	n/a
Average gross remuneration per employee per year, thousand EUR	n/a
Gender representation in management, f/m	5/0
Annual report in accordance with IFRS (yes/no)	n/a

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 manages the radio frequency spectrum, plans technical use of the radio frequency spectrum and determines radio frequency allocations for the operation of the radio equipment, provides electromagnetic compatibility and numbering services, performs activities to prevent the radio interference.

General strategic objective

To ensure a rational and efficient use of the radio frequency spectrum and numbering resources, managed in the electronic communications sector, to optimize the radio frequency management mechanism, to ensure a continuous monitoring of the radio frequency spectrum and an effective frequency resources planning.

Most important events in 2019

- Latvia's interests were represented at the International Telecommunication Union (ITU) World Radiocommunication Conference WRC-19, where issues related to the allocation of frequency bands for future mobile communications for their harmonized use in the world were discussed.
- One of the most important 5G technology events in the world has been organized - the second annual 5G Ectriory Forum of the Baltic Sea Region "5G Techritory".
- The second round of the new Numbering Database has been created. The development and implementation of the new Numbering Database has been completed.

Most significant events planned in 2020

- Replacement of fixed monitoring and bearing equipment at five monitoring points - in Riga, Daugavpils, Rēzekne, Valmiera and Ventspils.
- Establishment of a radio monitoring point "Liepāja".
- Develop and approve a concept for issuing e-permits.
- Develop and approve guidelines for the development of a radio frequency monitoring system.

Principal financial objectives

- Turnover: EUR 7.4 million.
- Net profit: EUR 86.9 thousand.
- Operating income: EUR 229.1 thousand.
- Return on assets, ROA: 0.7%.

Principal non-financial objectives

- Provision of e-access to radio frequency assignment licenses $\geq 60\%$ of the total number of issued radio frequency assignment licenses.
- Customer satisfaction level: $\geq 80\%$.

Results achieved

- Commercial services have been successfully implemented, earning a total of 657.4 thousand EUR in revenue. Consequently, the target set in the strategy for business income in the reporting period was met by 287%.

Governance

Shareholder - Ministry of Environmental Protection and Regional Development

Representative of the Shareholder - Edvīns Balševics

Chair of the Management Board - Jānis Bārda

Member of the Management Board - Vija Ģēme

Principal financial indicators, thousand EUR

	2018	2019
Turnover	7,045.8	7,703.3
Profit/loss	83.7	94.1
EBITDA	1,156.2	1,187.9
Total assets	12,564.7	12,528.7
Share capital	8,995.6	8,995.6
Equity	9,619.5	9,642.4
Investment	1,510.5	1,115.4
Dividends paid to state budget	61.8	71.2
Contributions made to the state and local government budget	2,185.0	2,276.3
Donations received	0.0	0.0
Donations made	0.5	0.9
Funding received from the state budget	89.2	89.2

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.19	1.22
Return on assets, ROA, %	0.67	0.75
Return on equity, ROE, %	0.87	0.98
Total liquidity indicator	4.35	4.53
Liabilities-to-equity ratio	0.17	0.16

Other indicators

Number of employees	93	92
Average gross remuneration per employee per year, thousand EUR	39.4	42.1
Gender representation in management, f/m	1/2	1/1
Annual report in accordance with IFRS (yes/no)	no	no

LLC Tet (TET)

(until 01.04.2019. LLC Lattelecom)

Reg. No 40003052786

Web: www.tet.lv

State ownership 51 %

Related companies and shares:

LLC Citrus Solutions 100 %

LLC Lattelecom 100 % (until 01.04.2019 LLC TET; until 12.10.2018 LLC Lattelecom BPO)

LLC T2T 100 % (until 23.09.2019 LLC Lattelecom Technology)

LLC Latvijas Mobilais Telefons 23 %

JSC Pirmais Slēgtais Pensiju Fonds 42,59 %



TET Group's core business is the provision of fixed-line electronic communications services, information technology services, contact centre services to commercial companies and private clients, sales and service of electronic communications and data communication equipment, electricity trading services, TV content and advertising placement services, and the design, construction and maintenance of the electronic communications infrastructure.

General strategic objective

TET has no defined general strategic objective.

Most important events in 2019

- On 1 April 2019, the company changed its name and brand to become LLC Tet.
- TET occupies the seventh place in the annual top of the most valuable Latvian companies "TOP101" of the investment consultant Prudentia and the stock exchange Nasdaq Riga, which is one position higher than in 2018.
- 2019 has been significant in the development of the electricity business, reaching a market share of 12% (from approximately 8% in 2018) and introducing significant changes in services.
- Continuing what was started, in 2019 the TEC also provided support to the RTU Secondary School of Engineering. The students of this school are a strategic target for the future technology-oriented TEC labour market.

Most significant events planned in 2020

- Helio iTV and Shortcut platform solutions compete with world-class players in terms of technology, also offering local content. Self-produced series, Latvian films and series, HBO and other world major players' series and sports are the company's priorities in 2019 and also in 2020.
- The digital transformation program launched in 2019 will be continued with the replacement of the most important IT systems necessary for the company's operations and, consequently, a comprehensive review of business processes in order to promote the implementation of digital behavior in the company. In total, it is planned to invest approximately EUR 12 million in this program and it is planned to do so by 2022.
- Continuous improvement of telecommunications infrastructure by increasing network capacity and digitizing network management processes. It is planned to introduce 5G compliant (5G-ready) fixed wireless access network technologies.

Galvenie finanšu rezultāti

- Revenue: EUR 226 million.
- EBITDA margin: 30%.
- ROCE (earnings before tax to the average annual capital employed): 15.1%.

Principal non-financial objectives

- The Group has no non-financial objectives.

Governance

Shareholder - JSC Publisko aktīvu pārvaldītājs Possessor Representative of the Shareholder - Management Board on JSC Publisko aktīvu pārvaldītāja Possessor (Vladimirs Loginovs, Alvis Mitenbergs, Juris Vaskāns)
Chair of the Supervisory Council - Gatis Kokins
Members of the Supervisory Council - Jānis Grēviņš, Jānis Brazovskis, Justin Wesley Bancroft, Dan Olov Strömberg, Hannu-Matti Mäkinen, Jens Fredrik Nissen
Chair of the Management Board - Juris Gulbis
Members of the Management Board - Gints Bukovskis, Uldis Tatarčuks, Ingrida Rone, Gusts Muzikants

Principal financial indicators, thousand EUR*

	2018	2019
Turnover ⁶¹	211,943.0	227,603.0
Profit/loss	41,778.0	36,202.0
EBITDA	67,900.0	67,400.0
Total assets	329,226.0	340,013.0
Share capital	207,852.0	207,852.0
Equity	275,380.0	279,056.0
Investment	27,270.0	29,929.0
Dividends paid to state budget	20,283.7	16,404.2
Contributions made to the state and local government budget	65,834.1	63,848.3
Donations received	0.0	0.0
Donations made	126.8	237.9
Funding received from the state budget	0.0	0.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	19.71	15.91
Return on assets, ROA, %	12.69	10.65
Return on equity, ROE, %	15.17	12.97
Total liquidity indicator	1.90	1.92
Liabilities-to-equity ratio	0.20	0.22

Other indicators

Number of employees	1,760	1,760
Average gross remuneration per employee per year, thousand EUR	21.9	22.8
Gender representation in management, f/m	1/11	1/11
Annual report in accordance with IFRS (yes/no)	yes	yes

* Consolidated data.

⁶¹ Total revenue.

SJSC Latvijas Pasts (LP)

Reg. No 40003052790
 Web: www.pasts.lv
 State ownership 100 %
 Related companies and 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

Promote the provision and development of up-to-date technology and postal services in line with customer needs. To improve the efficiency of the postal network while ensuring the accessibility for the population. To be the market leader among postal service providers on the Latvian market and to provide high-quality domestic and cross-border services (as published on the website of the Ministry of Transport).

Most important events in 2019

- On 20 June 2019, the Financial and Capital Market Commission issued a payment institution license to the LP.
- A network of 61 postal terminals, previously known as the Post Office brand, was acquired from the venture capital fund Baltcap. As a result of the transaction, LP acquires all wholly-owned postal terminals or parcel terminals of the Post Office, which are 100% owned by Baltcap, thus significantly expanding the delivery options.
- On 28 November 2019, the Public Utilities Commission approved the draft universal postal service tariff changes submitted to LP, within the framework of which the universal postal service tariffs were revised and the types of items included in the universal postal service were simplified.

Most significant events planned in 2020

- Introduction of a mail sorting line.
- Development of the postal terminal service and expansion of the network by purchasing another 60 postal terminals, reaching a total of 121 postal terminal networks throughout Latvia; as well as the introduction of several activities that would improve the use of the service, such as the possibility to use payment cards in these terminals.

Principal financial objectives

- Net turnover: EUR 92.4 million.
- Profit: EUR 733 thousand.
- Return on equity, ROE: 4.8%.

Principal non-financial objectives

- Change of forms of 10 unprofitable postal service provision places.
- To modernize and responsibly provide payment services, ensuring an increase in the turnover of payment services by 1.9% compared to the previous year.
- Reduce employee turnover to 32.5%.

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

	2018	2019
Turnover	89,110.5	96,167.9
Profit/loss	2,010.9	1,489.8
EBITDA	3,815.0	3,972.6
Total assets	111,499.8	118,945.8
Share capital	10,578.5	10,578.5
Equity	14,915.4	13,340.3
Investment	3,288.6	3,630.0
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	16,592.6	16,950.2
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	5,877.5	6,297.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	2.26	1.55
Return on assets, ROA, %	1.80	1.25
Return on equity, ROE, %	13.48	11.17
Total liquidity indicator	1.03	0.96
Liabilities-to-equity ratio	6.37	7.80

Other indicators

Number of employees	3,948	3,687
Average gross remuneration per employee per year, thousand EUR	7.2	7.8
Gender representation in management, f/m	1/6	1/6
Annual report in accordance with IFRS (yes/no)	yes	yes

Results achieved

- 63 forms of unprofitable postal service provision places were changed.
- In 2019, revenues from transit services were significantly increased (EUR 6.96 million).

SJSC Latvijas Valsts radio un televīzijas centrs (LVRTC)

Reg. No 40003011203
 Web: www.lvrtc.lv
 State ownership 100 %
 Related companies and shares:
 LLC Latvijas Mobilais Telefons 23 %



LVRTC (in English - Latvia State Radio and Television Centre) is the main operator of the terrestrial broadcasting network of radio and television programs in the country. LVRTC's clients are well-known television companies, radio stations, as well as leading electronic communications operators in Latvia. LVRTC is the only reliable certification service provider in the country and provides a secure electronic signature service for individuals and legal entities.

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 2019

- Two masts of the border (construction of the new Skaista and Vilaka communication masts).
- Development of e-signature and e-identity solution.
- Reconstruction of Riga radio and television station and improvement of the territory.

Most significant events planned in 2020

- Improving the availability of electronic communications infrastructure in rural areas.
- Network, security platform and sharing part of the project "Logically unified data centre", 2nd round.
- Reconstruction of Riga radio and television station and improvement of the territory.

Principal financial objectives

- Net turnover: EUR 20.3 million.
- Return on equity, ROE: -3.33%.
- Liabilities to equity: 52.33%.
- Turnover per employee: EUR 73.9 thousand.
- Total liquidity ratio: 1.87.

Principal non-financial objectives

- Cumulative number of second - tier broadband access points: 117.
- Number of state departmental information systems attached to the cloud service customer portfolio of the State Electronic Communications Services Centre (VESPC): 51.

Results achieved

- The 1st round of LVDC project has been implemented.
- The target for the number of eID card holders with an active eSignature has been exceeded more than twice.

Governance

Shareholder - Ministry of Transport
 Representative of the Shareholder - Ilonda Stepanova
 Chair of the Management Board - Edmunds Beļskis
 Members of the Management Board - Mariss Mežgals,
 Ģirts Ozols

Principal financial indicators, thousand EUR

	2018	2019
Turnover	17,251.8	19,011.4
Profit/loss	4,429.7	-1,199.1
EBITDA	5,510.5	6,009.5
Total assets	120,394.1	124,861.6
Share capital	78,454.7	78,454.7
Equity	84,822.6	81,941.8
Investment	13,626.9	21,002.7
Dividends paid to state budget	4,840.6	1,635.7
Contributions made to the state and local government budget	9,897.9	7,380.2
Donations received	0.0	0.0
Donations made	1.4	1.5
Funding received from the state budget	828.2	5,063.7

Principal financial indicators, % and coefficients

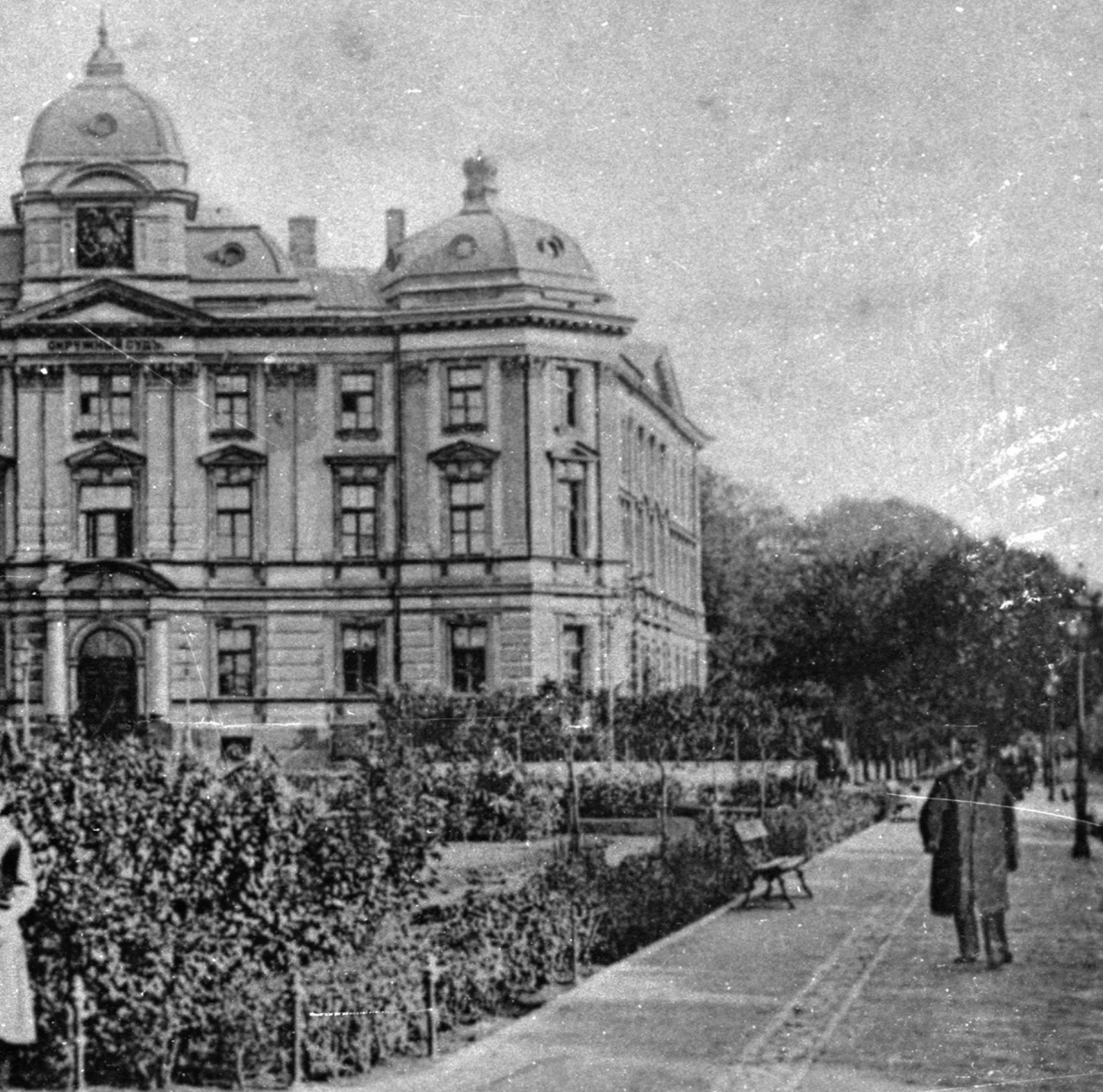
Profit and turnover ratio, %	25.68	-6.31
Return on assets, ROA, %	3.68	-0.96
Return on equity, ROE, %	5.22	-1.46
Total liquidity indicator	5.08	2.71
Liabilities-to-equity ratio	0.42	0.52

Other indicators

Number of employees	240	249
Average gross remuneration per employee per year, thousand EUR	20.3	23.1
Gender representation in management, f/m	0/3	0/3
Annual report in accordance with IFRS (yes/no)	no	no

6.5. Real Estate Management





*Used archive document of the Latvian
State Archives of Audiovisual Documents*

SLLC Šampētera nams (ŠN)

Reg. No 50003000771

Web: www.sampeteranams.lv

State ownership 100 %

ŠN has no ownership in other capital companies



ŠAMPĒTERA NAMS

ŠN (in English - Šampēteris House) deals with the provision of economic issues of the Ministry of Welfare and the management of part of the real estate owned by the Ministry of Welfare. ŠN creates, increases and preserves the value of state real estate in economic, social, cultural and other contexts, observing the principles and guidelines set for the management and administration of state real estate.

General strategic objective

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

Most important events in 2019

- Maintenance and improvement of the real estate infrastructure of the Ministry of Welfare.
- Implementation of energy efficiency improvement measures in real estate of ŠN and the Ministry of Welfare.
- Activities for the implementation and maintenance of the energy management system.

Most significant events planned in 2020

- Ensure the efficiency of the use of administrative and production buildings and maintain their occupancy rate at the current level.
- Start implementing new energy efficiency improvement projects.

Principal financial objectives

- Net turnover: EUR 1,450 thousand.
- Profit: EUR 787.
- Revenue from real estate management and leasing: EUR 1,083 thousand.

Principal non-financial objectives

- Occupancy of buildings: 97%.
- Number of real estate renovation, reconstruction and adaptation works: 79.
- Energy efficiency improvement projects: 1.8.

Results achieved

- The turnover exceeded the plan by 71%, which was influenced by higher rental revenues, funding for ERDF energy efficiency improvement projects and additional funding allocated for the improvement of the real estate infrastructure of the Ministry of Welfare.

Governance

Shareholder - Ministry of Welfare
Representative of the Shareholder - Indra Kārklīņa
Member of the Management Board - Inese Muhka

Principal financial indicators, thousand EUR

	2018	2019
Turnover	2,042.4	2,432.1
Profit/loss	-30.2	3.0
EBITDA	3.2	28.9
Total assets	5,020.2	3,272.6
Share capital	335.8	335.8
Equity	518.5	532.8
Investment	11.8	734.4
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	560.1	1,082.8
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	175.1	150.6

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-1.48	0.12
Return on assets, ROA, %	-0.60	0.09
Return on equity, ROE, %	-5.82	0.56
Total liquidity indicator	1.02	1.07
Liabilities-to-equity ratio	8.68	5.07

Other indicators

Number of employees	18	20
Average gross remuneration per employee per year, thousand EUR	16.2	16.4
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no

SJSC 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 an effective management of the infrastructure of the strategic importance and essential for the implementation of policies in the justice sector and to ensure the publication of the legal literature necessary for functions of the justice system institutions, while respecting the requirements of the justice sector and promoting the public interest in the field of justice.

Most important events in 2019

- Completion of the construction of the Justice House in Jēkabpils and commissioning of the building.
- Completion of the reconstruction of the Zemgale district court building in Tukums and completion of the construction and commissioning of the new court building.
- Completion of construction works of the energy efficiency improvement project of the administrative building in Riga, 58 Daugavgrīvas Street.

Most significant events planned in 2020

- Completion and commissioning of the construction works of the energy efficiency improvement project of the administrative building in Riga, 10 Lomonosova Street.
- Completion of the reconstruction of the Kurzeme district court building in Ventspils and the construction and commissioning of the new court buildings.
- Commissioning of the energy efficiency improvement project of the administrative building in Riga, 58 Daugavgrīvas Street.

Principal financial objectives

- Net turnover growth: 15%.
- Profit: EUR 90 000.
- Share of equity in the company's total capital structure: 66%.

Principal non-financial objectives

- Design and construction of new and modern courthouses (number of objects): 3.
- Provision of the Ministry of Justice and its subordinate institutions with the technical condition of the leased premises was assessed as "good" and "very good" (% of the total assessment): 65%.
- Provision of the Ministry of Justice and its subordinate institutions with the quality of the service provided by TNA in the field of information technologies (% of the total assessment): 94.1%.

Governance

Shareholder - Ministry of Justice
Representative of the Shareholder - Raivis Kronbergs
Member of the Management Board - Santa Sausiņa

Principal financial indicators, thousand EUR

	2018	2019
Turnover	7,315.3	7,773.6
Profit/loss	115.0	101.1
EBITDA	1,992.0	2,098.1
Total assets	62,270.0	65,785.7
Share capital	38,369.6	38,369.6
Equity	42,211.3	42,211.1
Investment	4,985.2	11,805.7
Dividends paid to state budget	101.7	97.8
Contributions made to the state and local government budget	2,170.9	2,617.1
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. %	1.57	1.30
Return on assets. ROA. %	0.18	0.15
Return on equity. ROE. %	0.27	0.24
Total liquidity indicator	0.33	0.63
Liabilities-to-equity ratio	0.48	0.56

Other indicators

Number of employees	115	114
Average gross remuneration per employee per year. thousand EUR	14.7	16.0
Gender representation in management. f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- Net turnover in 2019, compared to 2018, has increased by 6.3%.
- 93% of respondents confirmed their satisfaction with the services provided by TNA in the field of real estate management; service culture and communication were rated as "very good" and "good" by 98% of respondents.

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 purposeful and efficient management, including preservation and increase of value, of real estate which is strategically important for national security, necessary for state institutions to perform state functions, preservation of cultural heritage, development of state or municipal administrative territory. To ensure efficient handling of real estate not used for state functions.

Most important events in 2019

- Corporate Governance Policy is developed and implemented; the annual report for 2019 has been prepared in accordance with International Financial Reporting Standards (IFRS); received a gold award and a special award for the fastest growth in the Sustainability Index assessment; the capital company is included in the gold level of the State Revenue Service "White List"; recertification of quality management and energy management systems has been performed in accordance with the requirements of international standards; received certificates of conformity ISO 9001 and ISO 50001.
- 111 state-owned real estates that are not necessary for the provision of state functions were expropriated for the total amount of EUR 4.3 million.

Most significant events planned in 2020

- Ensuring business continuity and stability during the emergency situation declared as a result of the global pandemic Covid-19, as well as after its lifting, taking into account the significant changes in the composition and supervisory board of the capital company made at the end of 2019 and the beginning of 2020.

Principal financial objectives

- Net turnover: EUR 40.27 million.
- EBITDA: EUR 15.08 million
- Profitability: 11.08%.
- Return on capital: 1.59%.

Principal non-financial objectives

- Customer satisfaction index: 70.4.
- Employee involvement rate: 27%.
- Sustainability Index Level: Silver.

Results achieved

- The financial targets set in the strategy have been achieved in the planned amount, ensuring a stable EBITDA, maintaining a positive profitability and return on equity.
- VNĪ has received a gold award in the Sustainability Index assessment organized by the Institute of Corporate Responsibility and Sustainability.

Governance

Shareholder - Ministry of Finance
 Representative of the Shareholder - Baiba Bāne
 Chair of the Supervisory Council - Jānis Garisons
 Members of the Supervisory Council - Inta Komisare, Ieva Braunfelde
 Chair of the Management Board - Andris Vārna
 Members of the Management Board - Jānis Ivanovskis-Pigits, Ojārs Valkers

Principal financial indicators, thousand EUR

	2018	2019
Turnover	39,268.2	40,246.8
Profit/loss	8,472.9	5,198.1
EBITDA	17,174.3	16,727.7
Total assets	397,191.7	397,694.3
Share capital	135,474.1	142,152.4
Equity	275,955.4	278,738.3
Investment	11,989.5	12,352.0
Dividends paid to state budget	2,293.2	2,595.4
Contributions made to the state and local government budget	15,321.3	13,563.5
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	17,124.4	18,585.8

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	21.58	12.92
Return on assets, ROA, %	2.13	1.31
Return on equity, ROE, %	3.07	1.86
Total liquidity indicator	0.93	1.01
Liabilities-to-equity ratio	0.44	0.43

Other indicators

Number of employees	523	465
Average gross remuneration per employee per year, thousand EUR	15.0	17.0
Gender representation in management, f/m	4/4	2/4
Annual report in accordance with IFRS (yes/no)	no	yes

SLLC Zemkopības ministrijas nekustamie īpašumi (ZMNĪ)

Reg. No 40003338357

Web: www.zmni.lv

State ownership 100 %

ZMNĪ has no ownership in other capital companies



The main activity of ZMNĪ (in English - Real Estate of Ministry of Agriculture) is the operation and maintenance of state amelioration systems and amelioration systems of state significance, maintenance of amelioration cadastre and management of 29 real estates. ZMNĪ implements rational and legally justified management of owned and owned real estate, ensuring rational and full-fledged use of buildings, increasing the occupancy of house premises, improving working conditions for tenants. Non-residential premises are leased in accordance with Cabinet of Ministers Regulation No. 97 "Regulations for Leasing the Property of a Public Person", including lease to public administration institutions for the cost of management.

General strategic objective

Implement the maintenance of the state property strategically important for the development of the state territory - amelioration systems and hydraulic structures - and amelioration cadastre, ensuring economically advantageous, environmentally friendly and socially responsible sustainability of agricultural and forestry land resources.

Most important events in 2019

- ZMNĪ participated in the competition "Sustainability in architecture, construction, design 2019" and won the 2nd place in the nomination "Sustainable public outdoor space 2019", the project "Restoration of the Ikšķile protective dam of the Riga HPP reservoir".

Most significant events planned in 2020

- To complete the breakdown repair of damage to the state drainage system and hydraulic structures caused by prolonged rains in 2017.
- Implement 25 projects, restoring 266.84 km of water drains of national importance.
- To restore one polder pumping station and 66 km of national water drains.
- To start participating in land reclamation practical science research by implementing the EC LIFE program co-financed project No. LIFE18 IPE / LV / 000014 - LIFE GOODWATER integrated project "Implementation of Latvian river basin management plans to achieve good surface water quality". The total amount of activities in the project for the project is EUR 1,412,379; project implementation time 01.05.2020-31.12.2027.

Principal financial objectives

- Profit: EUR 20,000.
- Profit payable on dividends: EUR 14,000.
- Return on equity, ROE: 0.6%.
- Total liquidity ratio: > 1.

Principal non-financial objectives

- Number of polder pumping stations operated / length of polder dams maintained: 32/105 km.
- Provision of technical regulations and cadastral data: 17,000 pieces.
- Occupancy of buildings: 83%.

Governance

Shareholder - The Ministry of Agriculture
 Representative of the Shareholder - Jānis Šnore
 Chair of the Management Board - Roberts Dilba
 Member of the Management Board - Sergejs Zikins

Principal financial indicators, thousand EUR

	2018	2019
Turnover	12,853.5	14,583.8
Profit/loss	9.1	21.5
EBITDA	391.6	278.5
Total assets	21,921.9	32,757.8
Share capital	3,422.0	3,422.0
Equity	3,329.3	3,344.7
Investment	286.2	285.7
Dividends paid to state budget	20.6	6.2
Contributions made to the state and local government budget	4,971.8	5,507.5
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	3,850.4	4,118.7

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.07	0.15
Return on assets, ROA, %	0.04	0.07
Return on equity, ROE, %	0.27	0.64
Total liquidity indicator	1.91	1.00
Liabilities-to-equity ratio	5.58	8.79

Other indicators

Number of employees	154	157
Average gross remuneration per employee per year, thousand EUR	13.5	13.9
Gender representation in management, f/m	0/2	0/2
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- We managed to achieve all the set financial goals; 23% more than planned was paid in dividends.
- Part of the non-financial objectives because of delaying the absorption of EAFRD and ERDF funding were not met.

6.6. Health Care





SLLC Aknīstes psihoneiroloģiskā slimnīca (APNS)

Reg. No 40003453643

Web: www.aknistespons.lv

State ownership 100 %

APNS has no ownership in other capital companies

APNS (in English - Aknīste Psychoneurological Hospital) is a hospital specializing in the treatment and rehabilitation of long-term mentally ill, therapeutically resistant patients, providing highly qualified and professional patient-oriented overall psychiatric care for long-term mentally ill, therapeutically resistant patients, which is implemented through the National Health Service (NHS) and its own economic revenues.

General strategic objective

To preserve, improve and restore the mental health of the population by ensuring the provision of high-quality, efficient, patient-centered psychiatric services to chronically ill Latvian residents.

Most important events in 2019

- A multi-professional team consisting of various doctors and specialists was established to provide quality rehabilitation services.
- Maintenance and implementation of labour protection measures.
- Supporting patient employment and employment measures.
- Maintaining a positive therapeutic environment in hospital wards.
- Restoration and reconstruction work in the 1st medical building.

Most significant events planned in 2020

- Staff qualification maintenance and raising.
- Maintaining a positive therapeutic environment in hospital wards.
- Merger of APNS and SLLC Daugavpils psihoneiroloģiskā slimnīca, as a result of which the optimal attraction of available resources, including medical personnel for the provision of high-quality psychiatric services, will be ensured, maintaining the range of services currently provided.

Principal financial objectives

- Deficit - free budget.
- Positive cash flow from operating activities: EUR 194 thousand.
- Total liquidity ratio: 1.15.

Principal non-financial objectives

- Total number of fixed beds: 400.
- Ratio of doctors to nurses: 7/62.
- Proportion of medical practitioners in the age group from 25 to 40 years from the total number of medical practitioners: 12%.
- Average duration of inpatient treatment: 260 days.
- Bed occupancy: 98%.

Governance

Shareholder - Ministry of Health
 Representative of the Shareholder - Daina Mūrmane-Umbraško
 Chair of the Management Board - Nata Gaibišele
 Member of the Management Board - Ilga Ģile

Principal financial indicators, thousand EUR

	2018	2019
Turnover	4,039.4	4,821.1
Profit/loss	1.4	1.4
EBITDA	226.9	193.5
Total assets	6,351.5	6,542.5
Share capital	4,066.2	4,066.2
Equity	4,152.5	4,153.9
Investment	76.2	563.4
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	1,170.6	1,556.8
Donations received	2.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	4,039.4	4,821.1

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.03	0.03
Return on assets, ROA, %	0.02	0.02
Return on equity, ROE, %	0.03	0.03
Total liquidity indicator	2.58	1.44
Liabilities-to-equity ratio	0.53	0.58

Other indicators

Number of employees	304	312
Average gross remuneration per employee per year, thousand EUR	8.0	9.8
Gender representation in management, f/m	2/0	2/0
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- Overall, the set financial and non-financial targets have been met.
- Positive changes in the proportion of medical practitioners were achieved - 17% of the total number of medical practitioners in the institution were in the age group from 25 to 40 years.

SLLC Bērnu klīniskā universitātes slimnīca (BKUS)

Reg. No 40003457128
 Web: www.bkus.lv
 State ownership 100 %
 BKUS has no ownership in other capital companies



Bērnu klīniskā universitātes slimnīca

BKUS (in English - Children Clinical University Hospital) is the largest specialized paediatric medical institution in Latvia, which provides state-funded treatment, diagnostic and rehabilitation services for children as outpatient and in-patient in case of emergency, urgent (acute) and planned care, also offering paid services. BKUS provides social support services - interest education, social services, educational and scientific work.

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 Pierīga and Rīga, 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 2019

- In 2019, BKUS received the ISO 9001: 2015 certificate, which covers all stages of the services provided by the hospital, and this is an important step in improving the efficiency of processes.
- In 2019, for the first time in Latvia, a hospital performed a particularly complicated heart operation for a child with a congenital, complicated heart disease.
- BKUS specialists received the highest rating in Europe for ensuring the artificial circulatory process in congenital heart disease correction operations.

Most significant events planned in 2020

- Implementation of ERDF projects "Development of health care infrastructure in SLLC Bērnu klīniskā universitātes slimnīca" and "Development of the Unified Emergency Medical and Disaster Management Information System (Round 1)".
- Implementation of the project for the creation of a digital children's health ecosystem and the development of the psychiatry centre and rehabilitation centre.

Principal financial objectives

- Losses: EUR 442,000.
- Net cash flow from operating activities: EUR -1.6 million.
- Total liquidity: >1.
- Execution of the investment plan: EUR 4.3 million.

Principal non-financial objectives

- Total number of fixed beds: 300.
- Ratio of practitioners to nurses: 335/575.
- Average duration of treatment: ≤ 5.1 days.
- Proportion of patients discharged home who were re-hospitalized on the same or the next day: ≤0.5%.

Governance

Shareholder - Ministry of Health
 Representative of the Shareholder - Daina Mūrmane-Umbraško
 Chair of the Management Board - Valts Ābols
 Member of the Management Boards - Zane Straume, Ināra Bluže (until 05.10.2019), Iluta Riekstiņa (from 30.12.2019)

Principal financial indicators, thousand EUR

	2018	2019
Turnover	43,272.0	54,256.7
Profit/loss	-1,353.3	7.5
EBITDA	855.5	4,926.9
Total assets	63,103.6	70,490.4
Share capital	4,854.3	5,724.6
Equity	7,166.4	8,044.2
Investment	2,399.3	2,267.8
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	11,902.6	13,116.0
Donations received	538.6	390.5
Donations made	0.0	0.0
Funding received from the state budget	41,166.2	50,629.5

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-3.13	0.01
Return on assets, ROA, %	-2.14	0.01
Return on equity, ROE, %	-18.88	0.09
Total liquidity indicator	0.74	0.90
Liabilities-to-equity ratio	7.81	7.76

Other indicators

Number of employees	1 914	1 946
Average gross remuneration per employee per year, thousand EUR	12.0	13.4
Gender representation in management, f/m	2/1	2/1
Annual report in accordance with IFRS (yes/no)	yes	yes

Results achieved

- BKUS has partially met its planned financial and non-financial targets.
- In some specialties, BKUS worked on a priority queue system or priority referrals to provide emergency assistance.
- Financial operations were successful, and 2019 ended with a profit of EUR 7,505.

SLLC Bērnu psihoneiroloģiskā slimnīca "Ainaži" (BPNS "Ainaži")

Reg. No 44103017181

Web: www.ainazuslimnica.lv

State ownership 100 %

BPNS "Ainaži" has no ownership in other capital companies



BPNS "Ainaži" (in English - Children's Psychoneurological Hospital "Ainaži") is the only specialized hospital in the country that provides qualified and professional planned psychiatric assistance to children and adolescents with long-term mental disorders and illnesses and where the duration of treatment is as long as necessary. At the hospital, children continue their studies and develop interests in their preferred field. As BPNS "Ainaži" is located in picturesque places on the shores of the Gulf of Riga and by the Salaca River, patients are also offered various rehabilitation opportunities.

General strategic objective

To preserve, improve and restore the mental health of children and young people by ensuring the provision of high-quality, effective, patient-oriented psychiatric services to long-term sick children and young people in Latvia.

Most important events in 2019

- Increasing the number of medical personnel and ensuring better quality medical processes.
- Motivating and supporting employees to engage in the continuing education process by improving skills and knowledge in long-term patient mental health care.
- Repairs have been carried out in wards, purchase of PVC doors, replacement of windows, maintenance of the building facade, as well as addition of the video surveillance system to improve patient safety.

Most significant events planned in 2020

- Attracting additional medical staff to fully ensure the highest level and quality of multi-professional approach in the process of treatment, care and rehabilitation.
- Attract medical support persons - movement and art therapists.
- Improvement of treatment, rehabilitation equipment and infrastructure.
- Installation of surveillance / isolation rooms (including safe rooms) for patient safety.

Principal financial objectives

- Profit: EUR 6,124.
- Net cash flow from operating activities: EUR 79,000.
- Total liquidity ratio: > 1.
- Liabilities to equity: 107%.

Principal non-financial objectives

- Total number of fixed beds: 45.
- Ratio of practitioners to nurses: 2/12.
- 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: 97%.

Governance

Shareholder - Ministry of Health

Representative of the Shareholder - Daina Mūrmane-Umbraško

Member of the Management Board - Aigars Kišuro

Principal financial indicators, thousand EUR

	2018	2019
Turnover	1,213.3	1,502.7
Profit/loss	-39.9	-14.9
EBITDA	12.4	37.4
Total assets	4,265.5	4,251.2
Share capital	1,683.4	1,683.4
Equity	2,053.4	2,038.5
Investment	0.3	5.6
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	396.3	519.3
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	1,213.3	1,502.7

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-3.29	-0.99
Return on assets, ROA, %	-0.94	-0.35
Return on equity, ROE, %	-1.95	-0.73
Total liquidity indicator	3.88	3.56
Liabilities-to-equity ratio	1.08	1.09

Other indicators

Number of employees	86	87
Average gross remuneration per employee per year, thousand EUR	9.4	12.0
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- Achieved 4 out of 6 non-financial goals. The total number of stationary beds is as planned.
- Achieved 1 out of 5 financial goals. The financial objective "Capital structure (liabilities to equity)" has been achieved as planned. In 2019, BPNS made a loss of EUR 14.9 thousand, contrary to the plan.

SLLC Daugavpils psihoneiroloģiskā slimnīca (DPNS)

Reg. No 50003407881

Web: www.dpns.gov.lv

State ownership 100 %

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 involuntary treatment by court order, and long-term social care and social rehabilitation services.

General strategic objective

To preserve, improve and restore the health of the population by providing patient-oriented, high-quality mental health care services to the population in the Latgale region.

Most important events in 2019

- Within the framework of the second round of project application selection of the Operational Program "Growth and Employment", a project application for the implementation of energy efficiency measures in an administrative building has been submitted to the Central Finance and Contracts Agency, and a construction project has been developed for this purpose.
- A diagonal wheelchair lift is installed in the centre of the day.

Most significant events planned in 2020

- The construction works in the 1st and 2nd buildings of the hospital specified in the decision of the State Construction Control Bureau and the opinions of the technical inspection of buildings will be performed.
- Taking into account the Cabinet of Ministers Order No. 12 of 7 January 2020 "On Reorganization of the State Limited Liability Company "Aknistes psihoneiroloģiskā slimnīca" and the State Limited Liability Company "Daugavpils psihoneiroloģiskā slimnīca", to merge hospitals, as well as to modernize information technologies.
- The third stage of the administrative building construction works must be performed - improvement of the territory, installation of paths, landscaping.
- The repair works specified in the technical inspection reports of the buildings shall be performed in the building "Closed type ward for long-term care of mentally ill persons" and in the building "Wards for care of mentally ill persons".

Principal financial objectives

- Profit: EUR 2,000.
- Net cash flow from operating activities: EUR 671 thousand.
- Total liquidity ratio: 1.09.
- Capital structure (liabilities to equity): 645%.

Principal non-financial objectives

- Total number of fixed beds: 380.
- Proportion of medical practitioners in the age group from 25 to 40 years from the total number of medical practitioners: 20%.
- Average duration of inpatient treatment: 30.5 days.
- Bed occupancy: 85%.

Governance

Shareholder - Ministry of Health
 Representative of the Shareholder - Daina Mūrmane-Umbraško
 Chair of the Management Board - Sarmīte Čikuste
 Member of the Management Board - Reinis Joksts

Principal financial indicators, thousand EUR

	2018	2019
Turnover	8,559.4	10,692.1
Profit/loss	2.1	2.0
EBITDA	435.5	338.4
Total assets	18,307.3	19,153.2
Share capital	1,485.4	1,975.6
Equity	2,007.1	2,499.3
Investment	83.3	367.9
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	2,945.6	3,346.1
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	8,084.4	10,712.2

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, %	0.11	0.08
Total liquidity indicator	1.31	1.16
Liabilities-to-equity ratio	8.12	6.66

Other indicators

Number of employees	607	617
Average gross remuneration per employee per year, thousand EUR	9.2	11.8
Gender representation in management, f/m	1/0	1/1
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- In general, all set financial and non-financial targets were achieved, the total liquidity ratio was 3% higher than planned, but the profit was 2% lower than planned.
- The proportion of medical personnel aged 25 to 40 is 11% higher than planned, as there is a tendency towards younger staff, as well as an increase in the qualification of existing staff (sanitary-nursing 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 2019

- In the Central Medical Examination Commission, more than 15.9 thousand inspections were performed for officials of the Ministry of the Interior with special service ranks and their candidates.
- EUR 33 thousand was invested in long-term investments and other acquisitions, including acquisition of fixed assets and software, renewal and modernization of infrastructure.
- A new personnel and payroll system has been introduced in e-health platform.

Most significant events planned in 2020

- Continue to build IMP into a modern, competitive company in the healthcare market.

Principal financial objectives

- Turnover: EUR 2.1 million
- Equity: EUR 598 thousand.
- Net profit: EUR 276.

Principal non-financial objectives

- Number of health examinations of officials with special service ranks: 15 thousand.
- Number of medical examinations for candidates with special grades: 1 250.
- Number of visits to family doctors: 21.5 thousand.
- Number of visits to specialists: 23 thousand.

Results achieved

- Most of the financial targets have been met and some performance indicators have a significant positive divergence.
- The year 2019 is closed with a profit, the turnover is 8% higher than planned.
- The set non-financial objectives have been partially met, the non-fulfillment has occurred due to objective circumstances.

Governance

Shareholder - Ministry of the Interior
Representative of the Shareholder - Dimitrijs Trofimovs
Member of the Management Board - Didzis Āzens

Principal financial indicators, thousand EUR

	2018	2019
Turnover	2,212.2	2,263.8
Profit/loss	2.3	0.8
EBITDA	75.5	73.6
Total assets	808.4	835.3
Share capital	571.7	571.7
Equity	600.0	598.9
Investment	22.2	33.0
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	756.2	742.5
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	1,381.4	1,465.7

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.10	0.03
Return on assets, ROA, %	0.28	0.09
Return on equity, ROE, %	0.38	0.13
Total liquidity indicator	3.20	3.12
Liabilities-to-equity ratio	0.35	0.39

Other indicators

Number of employees	139	138
Average gross remuneration per employee per year, thousand EUR	12.5	13.2
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

To provide patient-oriented, high-quality health care corresponding to the status of a level I hospital for the residents of Ludza region and the cooperation area of the limited liability company Rēzeknes slimnīca.

Most important events in 2019

- Purchase of medical equipment within the framework of the project No. 9.3.2.0/18/I/013 "Improvement of the availability of quality health care services in LLC Ludzas medicīnas centrs".
- Construction of an external elevator near the polyclinic building within the project No. 9.3.2.0/18/I/013 "Improvement of the availability of quality health care services in LLC Ludzas medicīnas centrs".
- Ensuring the availability of medical personnel; ensuring an increase in employees' salaries.

Most significant events planned in 2020

- Ensuring the maintenance of the infrastructure of the old building of the hospital - change of the roof covering.
- Purchase and installation of hemodialysis equipment and introduction of a new service to ensure the availability and quality of services

Principal financial objectives

- Losses: EUR 88,352.
- Operating cash flow: EUR 62,000.
- Net profit margin: -4.2%.

Principal non-financial objectives

- Total number of fixed beds: 47.
- Average duration of inpatient treatment: 8 days.
- Bed occupancy: 83%.

Results achieved

- Fulfilment of financial targets: profit higher by EUR 538,930; operating cash flow by 946% higher; net profit margin was 18.11 percentage points higher than planned.
- Fulfilment of non-financial goals: total number of stationary beds by 44.7% higher; the goal of the average duration of treatment (days) in hospital has been fully achieved; bed occupancy by 17.3% lower than planned.

Governance

Shareholder - Ministry of Health
Representative of the Shareholder - Daina Mūrmane-Umbraško
Member of the Management Board - Juris Atstupens

Principal financial indicators, thousand EUR

	2018	2019
Turnover	2,549.0	3,239.1
Profit/loss	88.0	450.6
EBITDA	361.2	637.8
Total assets	7,984.5	8,556.6
Share capital	7,321.7	7,321.7
Equity	6,936.3	7,386.8
Investment	148.5	305.6
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	696.1	854.3
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	2,026.2	2,773.7

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	3.45	13.91
Return on assets, ROA, %	1.10	5.27
Return on equity, ROE, %	1.27	6.10
Total liquidity indicator	2.01	3.03
Liabilities-to-equity ratio	0.15	0.16

Other indicators

Number of employees	172	180
Average gross remuneration per employee per year, thousand EUR	8.3	9.6
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 %

Vaivari 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. One of the main areas of activity is the second stage of medical rehabilitation.

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 2019

- The process of clinical methodological management of rehabilitation in medical institutions has been started.
- International cooperation - unique experience in rehabilitating soldiers and political prisoners injured in the war zone (Ukraine).
- Vaivari outpatient rehabilitation clinic in Rīga has been expanded and day hospital rehabilitation services have been started.

Most significant events planned in 2020

- Further development of the amputation rehabilitation program, linking it with the first prosthetic process, development of technical orthopedics.
- International activities - accreditation of a rehabilitation center with the right to train and re-accreditation of a rehabilitation program in Europe.
- Freight elevator replacement.

Principal financial objectives

- Profit: EUR 5,000.
- Net cash flow from operating activities: EUR 101,877.
- Total liquidity ratio: 1.01.

Principal non-financial objectives

- Average duration of treatment: 12.5 days.
- Bed occupancy: 83%.

Results achieved

- Fulfillment of financial goals: profit is 252% higher; net cash flow from operating activities is 2,598% higher; the total liquidity ratio is 6% lower than planned.
- Meeting non-financial targets: average duration of treatment (in days) increased by 1%; bed occupancy 5% lower than planned.

Governance

Shareholder - Ministry of Health
Representative of the Shareholder - Daina Mūrmane-Umbraško
Chair of the Management Board - Anda Nulle
Member of the Management Board - Mārtiņš Oliņš

Principal financial indicators, thousand EUR

	2018	2019
Turnover	12,042.8	13,958.0
Profit/loss	3.9	17.6
EBITDA	1,432.5	1,756.0
Total assets	12,876.2	14,689.9
Share capital	793.7	793.7
Equity	1,953.8	1,971.4
Investment	3,077.8	3,987.2
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	2,661.8	3,123.0
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	10,984.9	12,746.7

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.03	0.13
Return on assets, ROA, %	0.03	0.12
Return on equity, ROE, %	0.20	0.89
Total liquidity indicator	0.58	0.95
Liabilities-to-equity ratio	5.59	6.45

Other indicators

Number of employees	456	465
Average gross remuneration per employee per year, thousand EUR	10.0	9.8
Gender representation in management, f/m	1/1	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



PAULA STRADIŅA
KLĪNISKĀ UNIVERSITĀTES
SLIMNĪCA

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 provides pre 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 Pierīga and Rīga, 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 2019

- Relocation of the oral, facial and maxillofacial surgery center (structural unit) from Dzirciema Street 20 to Pilsõņu Street 13 and integration into the overall structure of the hospital.
- Opening of a palliative care unit, providing specialized assistance to patients without recovery potential and, as far as possible, promoting the maintenance of quality of life.

Most significant events planned in 2020

- Covid-19 pandemic and related organizational measures in PSKUS.
- Progress of the 2nd phase project of the hospital A building (commencement of construction).

Principal financial objectives

- Losses: EUR 3,474,788.
- Net cash flow from operating activities: EUR 6,897,793.
- Total liquidity ratio: 0.64.

Principal non-financial objectives

- Average duration of treatment: 5.30 days.
- Bed occupancy: 80%.

Results achieved

- Fulfilment of financial goals: profit 2% higher; net cash flow from operating activities by 16% higher; the total liquidity ratio is 27% higher than planned.
- Fulfilment of non-financial goals: average duration of treatment (days) by 2.3% lower; bed occupancy increased by 2.9% against the plan.

Governance

Shareholder - Ministry of Health
Representative of the Shareholder - Daina Mürmane-Umbraško
Members of the Management Board - Ilze Kreicberga, Elita Buša, Jānis Komisars

Principal financial indicators, thousand EUR

	2018	2019
Turnover	104,982.6	118,730.9
Profit/loss	-2,755.5	-3,407.2
EBITDA	3,156.2	3,264.2
Total assets	136,252.4	142,750.6
Share capital	45,088.6	49,968.8
Equity	30,654.4	32,124.1
Investment	12,502.5	11,280.9
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	22,280.6	25,442.5
Donations received	103.0	331.2
Donations made	0.0	0.0
Funding received from the state budget	98,909.2	113,010.6

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-2.62	-2.87
Return on assets, ROA, %	-2.02	-2.39
Return on equity, ROE, %	-8.99	-10.61
Total liquidity indicator	0.74	0.81
Liabilities-to-equity ratio	3.44	3.44

Other indicators

Number of employees	2 923	2 941
Average gross remuneration per employee per year, thousand EUR	14.3	16.4
Gender representation in management, f/m	2/1	2/1
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



P I E J Ū R A S
S L I M N Ī C A

PJS (in English - Seaside Hospital) is a certified medical institution that provides specialized outpatient and inpatient care in oncology, hematology and psychiatry to the residents of Liepāja, Ventspils, Kuldīga and the region.

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 services to the residents of the Kurzeme region.

Most important events in 2019

- The provision of outpatient health care services has been developed, day hospital services for children with mental health disorders have been established.
- Development of alternative / expanding services for rehabilitation and drug therapy, expansion of the multidisciplinary rehabilitation team.
- On 31 December 2019, the Oncology Clinic was liquidated and as of 1 January 2020, the provision of oncology services was stopped as they were transferred to LLC Liepājas reģionālā slimnīca.

Most significant events planned in 2020

- Implementation of the cross-border project INTERREG No. LLI-445 "Sensory gardens for social inclusion in the LAT-LIT area", "Sensory gardens for inclusion of socially vulnerable groups in society in the LAT-LIT area" in cooperation with Lithuania.
- To continue the implementation of the cross-border project INTERREG No. LLI-336 "Successful psychosocial and sensory rehabilitation for children and adults suffering from mental behavioral disorders" (SUPER) in cooperation with Lithuania.

Principal financial objectives

- Profit: EUR 4,000.
- Positive operating cash flow: EUR 96,200.

Principal non-financial objectives

- Average duration of inpatient treatment: 21 day.
- Bed occupancy: 70%.

Results achieved

- Fulfilment of financial targets: profit by 5.1% lower, but net cash flow from operating activities by 426.9% higher than planned.
- Fulfilment of non-financial goals: the average duration of inpatient treatment (days) is 1.9% higher, but bed occupancy is 1.4% lower than planned.

Governance

Shareholder - Ministry of Health
Representative of the Shareholder - Daina Mūrmane-Umbraško
Chair of the Management Board - Artūrs Bērziņš
Member of the Management Board - Evija Siliņa

Principal financial indicators, thousand EUR

	2018	2019
Turnover	3,749.8	5,143.3
Profit/loss	4.5	3.8
EBITDA	290.3	282.5
Total assets	10,180.1	10,408.0
Share capital	699.5	699.5
Equity	8,192.3	8,054.8
Investment	55.1	93.1
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	1,055.3	1,458.7
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	3,653.7	5,051.3

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.12	0.07
Return on assets, ROA, %	0.04	0.04
Return on equity, ROE, %	0.06	0.05
Total liquidity indicator	1.28	1.22
Liabilities-to-equity ratio	0.24	0.29

Other indicators

Number of employees	205	205
Average gross remuneration per employee per year, thousand EUR	10.5	15.2
Gender representation in management, f/m	1/1	1/1
Annual report in accordance with IFRS (yes/no)	no	no

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 "Bīķernieki"" 99.58 %



RAKUS (in English - Riga East Clinical University Hospital) is the largest medical institution in Latvia, which provides extensive diagnostic and treatment options. The hospital consists of five inpatients (stationary) - "Gaiļezers", "Latvijas Onkoloģijas centrs" (in English - Latvian Oncology Centre), "Bīķernieki", "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 and Rīga, 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 2019

- Purchase of the first high-intensity ultrasound therapy (HIFU) equipment in Latvia (Baltics).
- Significant increase in the number of operations (day and 24-hour inpatient hospital) - total increase by 22%.

Most significant events planned in 2020

- Equipping, relocating and starting operations of the departments after the completion of the repair works of the 1st building of the stationary "Gaiļezers".
- Completion of the implementation of the electronic drug prescribing system in all medical units.

Principal financial objectives

- Loss: EUR 1,175,387.
- Net cash flow from operating activities EUR -259,180.
- Total liquidity ratio: 0.70.

Principal non-financial objectives

- Mean duration of treatment: <7.8 days.
- Bed occupancy: > 75%.
- Inpatient mortality: <4.2%.

Results achieved

- Fulfilment of financial goals: losses by 205% less; net cash flow from operating activities increased by 3.3 million; the total liquidity ratio is 20% higher than planned.
- Fulfilment of non-financial goals: average duration of treatment (days) 2% longer than planned; bed occupancy - 75%, inpatient lethality - 4.3%.

Governance

Shareholder - Ministry of Health
 Representative of the Shareholder- Daina Mūrmane-Umbraško
 Chair of the Management Board - Imants Paeglītis
 Members of the Management Board - Kaspars Plūme,
 Aleksejs Višņakovs

Principal financial indicators, thousand EUR

	2018	2019
Turnover	118,515.7	142,203.2
Profit/loss	-5,908.7	-3,581.6
EBITDA	-1,285.7	10,449.6
Total assets	114,884.2	131,760.7
Share capital	29,998.2	37,486.0
Equity	-12,072.2	-8,166.0
Investment	17,429.3	15,807.6
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	28,985.3	34,785.0
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	111,501.4	139,041.5

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-4.99	-2.52
Return on assets, ROA, %	-5.14	-2.72
Return on equity, ROE, %	n/a	n/a
Total liquidity indicator	0.67	0.84
Liabilities-to-equity ratio	n/a	n/a

Other indicators

Number of employees	4 422	4 468
Average gross remuneration per employee per year, thousand EUR	12.6	14.1
Gender representation in management, f/m	0/3	0/3
Annual report in accordance with IFRS (yes/no)	yes	yes

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



RĪGAS PSIHIATRIJAS UN
NARKOLOĢIJAS CENTRS

ANNO 1824

RPNC (in English - Riga Centre of Psychiatry and Narcology) is the largest psychiatric and narcological treatment institution in Latvia and the oldest in the Baltics - opened on 21 September 1824. It is the only medical and forensic institution in Latvia that provides all kinds of forensic psychiatry and psychology expertise.

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 2019

- Work has continued on improving the availability of psychiatric health care and strengthening the psychiatrist team, improving work organization, developing multidisciplinary care by attracting clinical psychologists, functional specialists, as well as creating new premises at Tvaika Street 2, k-5, Rīga, to provide social rehabilitation services to RPNC patients.
- Renovation works were carried out at Aptiekas Street 1, k-3, Rīga, by re-planning the premises to be suitable for the medical department and RPNC pharmacy.

Most significant events planned in 2020

- Elevator construction in a building in Rīga, Aptiekas Street 1, k-3.
- As part of the plan to improve the availability of mental health care, to create new premises for the work of psychologists in the building at Aptiekas Street 1, k-9, Rīga.
- Expropriation of the building at Aptiekas Street 1, k-5, Rīga, in order to transfer the RPNC for the implementation of medical functions.
- Implementation of the construction plan of the multifunctional outpatient center at 2 Tvaika Street, Rīga, if financial resources will be allocated for its implementation.

Principal financial objectives

- Total number of fixed beds: 536.
- Average duration of treatment: 24 days.
- Number of inpatients: 7,430.
- Number of outpatient visits: 84,500.
- Number of inpatients per day: 470.

Principal non-financial objectives

- Non-deficit budget: EUR 5,000.
- Net cash flow from operating activities: EUR 400,000.
- Total liquidity ratio: 1.61.
- Liabilities to equity: 0.47.

Governance

Shareholder - Ministry of Health
Representative of the Shareholder - Daina Mūrmane-Umbraško
Chair of the Management Board - Iveta Ķiece
Members of the Management Board - Irina Starkova,
Imants Rezebergs

Principal financial indicators, thousand EUR

	2018	2019
Turnover	16,305.2	20,104.8
Profit/loss	338.6	22.4
EBITDA	837.2	1,038.7
Total assets	25,221.2	26,371.2
Share capital	11,818.7	11,818.7
Equity	17,992.5	18,013.4
Investment	306.9	1,904.6
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	4,989.6	6,540.9
Donations received	1.5	0.0
Donations made	0.0	0.0
Funding received from the state budget	14,947.0	18,639.6

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	2.08	0.11
Return on assets, ROA, %	1.34	0.08
Return on equity, ROE, %	1.88	0.12
Total liquidity indicator	1.87	1.13
Liabilities-to-equity ratio	0.40	0.46

Other indicators

Number of employees	947	996
Average gross remuneration per employee per year, thousand EUR	10.1	12.1
Gender representation in management, f/m	2/1	2/1
Annual report in accordance with IFRS (yes/no)	yes	yes

Results achieved

- In 2019, RPNC worked successfully and was able to ensure a deficit - free budget, a positive (balanced) cash flow, a positive profitability ratio and a liquidity ratio of not less than 1.
- Emergency medical care was provided in the reception unit to 8,180 patients, of whom 7,337 were treated in a 24-hour hospital with a total of 177,155 bed days.
- 15,424 patients with the number of visits were 84,251 treated in outpatient care (including day hospital).

SLLC Slimnīca "Ģintermuiža"(ĢM)

Reg. No 40003407396

Web: www.gintermuiza.lv

State ownership 100 %

ĢM has no ownership in other capital companies



ĢINTERMUIŽA

GM (in English - Ģinter-manor) provides psychiatric medical assistance and narcological rehabilitation assistance to the entire population of Latvia. Its core business is the provision of highly qualified, professional psychiatric and drug services in the diagnosis, treatment, prevention and rehabilitation of acute and chronic diseases and disorders.

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 2019

- With the involvement of a multidisciplinary team, the rehabilitation of patients has begun.
- Implementation of a social rehabilitation program for children addicted to psychoactive substances in cooperation with the Ministry of Welfare.
- Initiation of electronic drug verification.
- Establishment of a sensory room, training events.

Most significant events planned in 2020

- Reorganization of 24-hour inpatient departments.
- Designing the reconstruction of the hospital's 24-hour inpatient unit and starting the construction procurement process.
- Sense garden infrastructure construction.

Principal financial objectives

- Deficit-free budget: EUR 0.
- Net cash flow from operating activities: EUR 350,975.
- Total liquidity ratio: 0.93.
- Liabilities to equity: 2.94.

Principal non-financial objectives

- Total number of fixed beds: 335.
- Ratio of practitioners (excluding dentists and residents) to nurses practicing: 38/115.
- Proportion of medical practitioners in the age group from 25 to 40 years from the total number of medical practitioners: 18%.
- Average duration of inpatient treatment: 32 days.

Results achieved

- In 2019, the number of employees in the age group 25-40 increased: 3 RSU residents and 2 LU residents joined, as well as 4 functional specialists started working.
- The share of long-term treatment patients in the total number of treated patients in psychiatry decreased (148.8 days in 2018; 88.3 days in 2019), as well as the average duration of treatment in children decreased (18.8 days in 2018; 16.5 days in 2019).

Governance

Shareholder - Ministry of Health

Representative of the Shareholder - Daina Mūrmane-Umbraško

Member of the Management Board - Artūrs Bērziņš

Principal financial indicators, thousand EUR

	2018	2019
Turnover	6,609.3	8,738.8
Profit/loss	0.4	309.2
EBITDA	216.1	533.9
Total assets	13,769.3	14,340.0
Share capital	2,955.1	3,383.0
Equity	3,087.9	3,825.0
Investment	90.4	103.7
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	2,135.8	2,715.0
Donations received	5.1	4.6
Donations made	0.0	0.0
Funding received from the state budget	7,161.4	8,865.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.01	3.54
Return on assets, ROA, %	0.00	2.16
Return on equity, ROE, %	0.01	8.08
Total liquidity indicator	0.82	1.15
Liabilities-to-equity ratio	3.46	2.75

Other indicators

Number of employees	490	521
Average gross remuneration per employee per year, thousand EUR	8.9	10.8
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no

LLC Lielstraupes pils (SNS)

(until 14.05.2019 SLLC Straupes narkoloģiskā slimnīca)

Reg. No 40003342456

State ownership 100 %

SNS has no ownership in other capital companies

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 the circumstances that the building where the medical institution is located is in poor technical condition, as well as the repairs require very large financial resources that are not available to the SNS and that the medical institution cannot ensure compliance with the minimum requirements for medical institutions, the holder of capital shares - the Ministry of Health - on 3 November 2017, at the meeting of participants, has made a decision to terminate the provision of health care services to the SNS as of 1 January 2018.

General strategic objective

(as of 31.12.2018; no longer relevant)

To be a high-level professional in narcology, to help alcohol addicts fight their addiction and return to the labor market and public life.

Most important events in 2019

- On 9 October 2019, SNS real estate was entered in the Land Register in the name of the shareholder.
- A draft order of the Cabinet of Ministers has been prepared and submitted for approval to the institutions so that the properties can be invested in the share capital of the SNS and then the capital shares can be transferred to Pārgauja municipality free of charge. The municipality plans to maintain and renovate the Lielstraupe castle complex and provide tourism services in order to preserve its historical values.

Most significant events planned in 2020

- Information is not available.

Principal financial objectives

- Not set.

Principal non-financial objectives

- Not set.

Results achieved

- Operations were not performed.

Governance

Shareholder - Ministry of Health

Representative of the Shareholder - Daina Mūrmane-Umbraško

Member of the Management Board - Maruta Drubiņa

Principal financial indicators, thousand EUR

	2018	2019
Turnover	0.0	0.0
Profit/loss	-30.4	-4.7
EBITDA	0.0	0.0
Total assets	55.5	55.6
Share capital	90.5	96.1
Equity	50.7	51.6
Investment	0.0	0.0
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	60.6	3.5
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	14.8	0.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	n/a	n/a
Return on assets, ROA, %	-54.78	-8.51
Return on equity, ROE, %	-59.87	-9.18
Total liquidity indicator	11.76	13.66
Liabilities-to-equity ratio	0.09	0.08

Other indicators

Number of employees	1	1
Average gross remuneration per employee per year, thousand EUR	22.5	4.2
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 traditional medical institution that provides inpatient care to patients with mental illness. The hospital offers a wide range of rehabilitation services - psychologist, music therapist, movement therapist and occupational therapist. The hospital also performs outpatient forensic psychiatric examinations. SPNS is the only hospital in the country that, in addition to specialized assistance in narcology and psychiatry (including by court order), provides treatment services for mentally ill patients suffering from tuberculosis, and since 2013 also for the palliative care of drug-resistant tuberculosis patients.

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 2019

- Increased staff remuneration by EUR 1,079,339 or 25%.
- Insulation of the 3rd ward was performed (contract amount with CFLA EUR 187 648).
- Purchased equipment for initiating electroconvulsive therapy (EUR 75,580); therapy has been started (number of manipulations performed - 181).
- A multi-professional psychiatric rehabilitation team has been established; rehabilitation services have been provided to 844 patients.

Most significant events planned in 2020

- Increase staff remuneration by EUR 702,400 or 13%.
- Reconstruction of the hospital's 1st ward (planned construction costs EUR 400,000).
- Start work on the development of an inpatient registration database (planned development time - 2 years, total amount EUR 121,000).
- Participate in strategic procurement for the establishment of a day hospital.

Principal financial objectives

- Close the year with a profit: EUR 367,286.
- Positive operating cash flow: EUR 387,115.
- Total liquidity ratio: 2.8.
- Execution of the investment plan: EUR 517,048.

Principal non-financial objectives

- Maintain an optimal number of open beds: 300.
- Maintain the average duration of treatment: 26 days.
- Bed occupancy: 90%.
- Training of psychiatric residents: 1.

Governance

Shareholder - Ministry of Health

Representative of the Shareholder - Daina Mūrmane-Umbraško

Member of the Management Board - Maija Ancverīņa

Principal financial indicators, thousand EUR

	2018	2019
Turnover	6,040.4	7,658.9
Profit/loss	-27.2	447.8
EBITDA	335.5	833.0
Total assets	6,902.9	7,597.4
Share capital	2,584.0	2,584.0
Equity	3,938.6	4,829.9
Investment	275.0	469.5
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	1,808.3	2,193.7
Donations received	0.3	0.2
Donations made	0.0	0.0
Funding received from the state budget	5,958.6	7,603.8

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-0.45	5.85
Return on assets, ROA, %	-0.39	5.89
Return on equity, ROE, %	-0.69	9.27
Total liquidity indicator	1.82	2.32
Liabilities-to-equity ratio	0.75	0.57

Other indicators

Number of employees	342	338
Average gross remuneration per employee per year, thousand EUR	10.2	12.7
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- SPNS turnover in 2019 has increased by 26.8%, which is related to the increase in service tariffs.
- Compared to the previous year, all financial indicators have improved. SPNS is in a good financial position, able to pay its liabilities on time and within certain deadlines.

SLLC Traumatoloģijas un ortopēdijas slimnīca (TOS)

Reg. No 40003410729

Web: www.tos.lv

State ownership 100 %

TOS has no ownership in other capital companies .



**TRAUMATOĻĢIJAS
UN ORTOPĒDIJAS
SLIMNĪCA**

TOS (in English - Hospital of Traumatology and Orthopaedics) provides highly qualified health care services - specialized traumatology and orthopedic care. In 2002, the hospital obtained the ISO certificate ISO 9001: 2000, confirming its ability to provide quality services. The hospital has several structural units - Spine Surgery Center, Hand and Microsurgery Department, Trauma Center, Joint Surgery Center.

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 2019

- The status of the leading specialized medical institution in Latvia has been ensured, judging by the amount of work performed, quality, unique operations and the proportion of complex cases. Complex endoprosthesis operations in 2019 accounted for 49.8% of the total number of endoprosthesis operations (39.9% in 2018).

Most significant events planned in 2020

- Within the framework of ERDF project No. 9.3.2.0/17/I/002, it is planned to reconstruct the 3rd building of the hospital by transforming the unrenovated area of the second floor and the operation block located on the third floor. In 2019, the development and coordination of the construction project for the reconstruction works of the 3rd building was completed and a building permit was received. An open tender was held and a decision was made on the winner of the tender.
- Reconstruction of the 5th operation block and creation of an endoprosthesis operating room has been started.

Principal financial objectives

- Close the year with a profit: EUR 15,000.
- Net cash flow from operating activities: EUR 490,847.
- Total liquidity ratio: 0.92.
- Liabilities to equity: 0.49.

Principal non-financial objectives

- Total number of fixed beds: 220.
- Average duration of treatment: 6.36 days.
- Bed occupancy: 66.11%.
- Total number of CT scans for inpatients and outpatients: 3,524.

Governance

Shareholder - Ministry of Health
Representative of the Shareholder - Daina Mūrmane-Umbraško
Chair of the Management Board - Anita Vaivode
Members of the Management Board - Inese Rantiņa,
Modris Ciems

Principal financial indicators, thousand EUR

	2018	2019
Turnover	16,506.2	18,683.4
Profit/loss	197.5	586.7
EBITDA	886.9	1,316.0
Total assets	11,831.8	14,046.2
Share capital	3,947.0	3,947.0
Equity	5,692.3	6,220.2
Investment	1,033.7	699.0
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	3,747.5	4,388.2
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	13,554.4	16,109.6

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.20	3.14
Return on assets, ROA, %	1.67	4.18
Return on equity, ROE, %	3.47	9.43
Total liquidity indicator	1.09	1.90
Liabilities-to-equity ratio	1.07	1.25

Other indicators

Number of employees	522	542
Average gross remuneration per employee per year, thousand EUR	13.3	15.0
Gender representation in management, f/m	2/1	2/1
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- The status of the leading specialized medical institution in Latvia has been ensured, judging by the amount of work performed, quality, unique operations and the proportion of complex cases. Complex endoprosthesis operations in 2019 accounted for 49.8% of the total number of endoprosthesis operations (39.9% in 2018).
- Bone tissue transplantation has been started with the "Reamer irrigator-aspirator" method. Performed surgeries for transplantation of cartilage of the knee joint in two stages, with a transplant of the patient's own cells cultured in the laboratory.



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



DAILES TEĀTRIS

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 Smilģis 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 2019

- DailesT has staged 16 new productions.
- The most popular show in the Great Hall was "Salema witches" staged by Laura Groza-Ķibere, which was shown 20 times in 2019 and watched by 16.6 thousand spectators.
- A project to increase the energy efficiency of the DailesT building has been launched.
- Ticket revenue amounted to EUR 2.39 million.

Most significant events planned in 2020

- Provision of a professional repertoire covering the widest range of spectators, 17 new productions.
- Continuation of the implementation of the building energy efficiency improvement project.
- Development and implementation of the 100th anniversary program of DailesT (November 2020).

Principal financial objectives

- Ticket revenue: EUR 2.4 million
- Profit: EUR 1,287.
- Revenue from rental of premises: EUR 283,000.

Principal non-financial objectives

- Number of visitors per year: 190 thousand.
- Number of performances per year: 480.
- Number of new productions per year: 16.
- Number of guest performances per year: 18.

Results achieved

- The financial and non-financial goals set by DailesT have been partially achieved.
- DailesT's planned profit indicator was exceeded, but the income from renting the premises was 14% lower than planned.
- In 2019, 482 performances were played and the number of DailesT visitors was 1% higher than planned.

Governance

Shareholder - Ministry of Culture
Representative of the Shareholder - Baiba Zakevica
Member of the Management Board - Andris Vītols

Principal financial indicators, thousand EUR

	2018	2019
Turnover	2,538.4	2,633.5
Profit/loss	1.7	4.8
EBITDA	117.3	137.1
Total assets	905.6	1,084.7
Share capital	54.2	54.2
Equity	26.5	31.3
Investment	113.3	90.4
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	1,379.5	1,384.2
Donations received	18.5	7.6
Donations made	0.0	0.0
Funding received from the state budget	1,980.2	1,980.2

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.07	0.18
Return on assets, ROA, %	0.18	0.45
Return on equity, ROE, %	6.27	15.45
Total liquidity indicator	0.69	0.87
Liabilities-to-equity ratio	33.15	33.68

Other indicators

Number of employees	231	231
Average gross remuneration per employee per year, thousand EUR	9.9	10.2
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

Founded in 1988, DT (in English - Daugavpils Theatre) is the only Latvian professional theater in the Latgale region that provides access to various genres of professional theater in Latvian, Russian and Latgalian, promoting the integration of society in the region.

General strategic objective

Creation, distribution, preservation and promotion of cultural values in the field of theatre art.

Most important events in 2019

- Promoting the art of Latvian theater, DT participated in three international theater festivals with good creative success.
- The theatrical performance "Screamers" became the winner of "Players' Night" in the category "Small Form Performance of the Year".

Most significant events planned in 2020

- DT will continue to stage high-quality and socially relevant dramatic productions.
- Depending on the restrictions adopted in the country related to the restriction of the spread of Covid-19, it is planned to start the implementation of various measures, which are provided for in the cooperation agreements; as well as to implement the project "International Daugavpils Theater Performance Show".
- Cosmetic repair of theater box office.

Principal financial objectives

- Profit: EUR 631.
- Ticket revenue: EUR 120,000.
- Other own revenue: EUR 12,000.

Principal non-financial objectives

- Number of new productions: 8.
- Number of shows: 110.
- Number of performances outside the permanent establishment: 12.
- Number of visitors per year: 23 thousand.
- Attendance (stage hall fill rate): 82%.

Results achieved

- Overall, the financial and non-financial targets were met and most of the indicators have been exceeded.
- The total number of performances per year was 28% higher than planned and the number of visits per year was 39% higher than planned.
- With the increase in the number of performances and theater visits, the revenue from ticket sales increased significantly and DT closed 2019 with a profit that was 43% higher than planned.



Governance

Shareholder - Ministry of Culture
Representative of the Shareholder - Baiba Zakevica
Chair of the Management Board - Oļegs Šapošņikovs
Member of the Management Board - Rita Strode

Principal financial indicators, thousand EUR

	2018	2019
Turnover	214.4	242.1
Profit/loss	0.4	0.9
EBITDA	40.5	42.2
Total assets	201.8	209.7
Share capital	32.8	32.8
Equity	65.9	66.8
Investment	35.5	43.3
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	377.4	385.8
Donations received	0.0	11.3
Donations made	0.0	0.0
Funding received from the state budget	1,086.5	1,097.3

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.19	0.37
Return on assets, ROA, %	0.21	0.43
Return on equity, ROE, %	0.63	1.35
Total liquidity indicator	1.01	1.00
Liabilities-to-equity ratio	2.06	2.14

Other indicators

Number of employees	81	84
Average gross remuneration per employee per year, thousand EUR	8.8	8.7
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

JAUNAIS RĪGAS TEĀTRIS

Miera iela 58a

pie Dzemdību nama

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 and distribution of cultural values, preservation and popularization of Latvia's cultural identity in the field of theatrical art.

Most important events in 2019

- Increase in new productions and provision of a diverse repertoire.
- Preservation of theater activities - maintenance of the number of performances, as well as preservation of the theater audience - maintenance of the number of visits in reasonable amounts, taking into account the reduction of spectator hall capacity after moving to temporary premises at 58a Miera Street, Riga.
- Availability of theater services to different groups of society.
- Availability of theater services in the regions of Latvia.

Most significant events planned in 2020

- Resumption of activity and resumption of the active theater season, as well as adaptation of the theater activity to the national restrictions related to Covid-19, developing new solutions for artistic activity to reach the audience and generate own revenue.
- Restructuring of theater work organization in connection with measures to limit the spread of Covid-19, structural changes in the staff of JRT to ensure the preparation of new artistic solutions.

Principal financial objectives

- Revenue from ticket sales: EUR 1.1 million.
- Other own revenues: EUR 153 thousand.
- Average annual ticket price: EUR 16.
- Share of own revenue in total revenue: 50.33%.
- Proportion of own revenue to total expenditure: 50.41%.

Principal non-financial objectives

- Number of visitors per year: 75 thousand.
- Total number of performances per year: 300.
- Number of new productions per year: 7.

Governance

Shareholder - Ministry of Culture
Representative of the Shareholder - Dace Vilsone
Member of the Management Board - Gundega Palma

Principal financial indicators, thousand EUR

	2018	2019
Turnover	1,762.3	1,976.2
Profit/loss	5.5	6.0
EBITDA	103.0	99.5
Total assets	1,595.8	1,653.0
Share capital	42.1	42.1
Equity	520.9	526.9
Investment	28.3	84.5
Dividends paid to state budget	4.4	0.0
Contributions made to the state and local government budget	965.1	949.0
Donations received	2.2	2.2
Donations made	1.3	0.6
Funding received from the state budget	1,654.5	1,702.7

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.31	0.30
Return on assets, ROA, %	0.35	0.36
Return on equity, ROE, %	1.06	1.13
Total liquidity indicator	2.03	2.17
Liabilities-to-equity ratio	1.68	1.61

Other indicators

Number of employees	87	84
Average gross remuneration per employee per year, thousand EUR	22.3	24.2
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	No

Results achieved

- Overall, the financial targets were met and exceeded in some areas, including the profit ratio and the other own revenue ratio.
- Ticket revenues were 53% higher than planned, which is due to both a higher total number of tickets sold and an increase in the average ticket price.
- JRT has achieved the set non-financial goals, the number of visits exceeded the planned by 14% per year and 345 performances were shown.

SLLC Kremerata Baltica (KB)

Reg. No 40003487546

Web: www.kremeratabaltica.com

State ownership 100 %

KB has no ownership in other capital companies

K R E M E R A T A
B A L T I C A

In 1997, the outstanding violinist Gidon Kremer founded the KB Chamber Orchestra, which consisted of outstanding young musicians from 3 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, climbing 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 2019

- Concerts in New York, Amsterdam and Warsaw have been given within the framework of the Latvia 100 program.
- Festive event (concert) in honor of the 30th anniversary of the Baltic Way.
- Concerts to celebrate the 100th anniversary of VEF at VEF Culture Palace.
- Project "Chronicles of Our Time" in cooperation with the Dutch Festival, the Zion Festival, the Frankfurt "Alte oper", the Kremerata Baltica Festival, the Berlin Konzerthaus.
- Kremerata Baltica festival in Dzintari with the premiere of new composition of Andris Dzenītis; 18 performances of Latvian music during the season.

Most significant events planned in 2020

- Commissioning and performance of Arthur Muscat's new composition in collaboration with Musica Baltica, Swedish ensemble, Hugo Ticciatti and Lucia Mancini.
- Concerts at the Tartu festival "Glassperlenspiel" and in the regions of Latvia with Kristīne Balanas.
- Recording and release of Latvian music album PPP=3.14 (P. Plakidis, G. Pelēcis and K. Pētersons)

Principal financial objectives

- Own revenue: EUR 795 thousand
- Other own revenues: EUR 720 thousand.

Principal non-financial objectives

- Number of concerts per year: 60.
- Number of visits per year: 27 thousand.
- Number of concerts abroad per year: 50.
- Attendance in concert halls: 98%.

Governance

Shareholder - Ministry of Culture

Representative of the Shareholder - Dace Vilsone

Member of the Management Board - Ingrida Zemzare

Principal financial indicators, thousand EUR

	2018	2019
Turnover	649.6	887.1
Profit/loss	2.1	1.5
EBITDA	3.7	2.9
Total assets	278.6	165.8
Share capital	2.8	2.8
Equity	2.6	2.2
Investment	7.3	13.5
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	215.7	263.6
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	438.4	482.5

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.33	0.16
Return on assets, ROA, %	0.77	0.88
Return on equity, ROE, %	82.23	65.06
Total liquidity indicator	0.97	0.87
Liabilities-to-equity ratio	106.16	72.98

Other indicators

Number of employees	25	25
Average gross remuneration per employee per year, thousand EUR	15.8	18.0
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- By implementing successful and financially profitable projects, the set financial goals were achieved and the performance indicators exceeded the planned ones.
- All non-financial targets were met; KB in 2019 gave 62 concerts

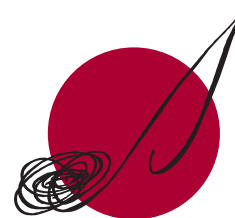
SLLC Latvijas koncerti (LK)

Reg. No 40003374610

Web: www.latvijaskoncerti.lv

State ownership 100 %

LK has no ownership in other capital companies



LATVIJAS KONCERTI

LK (in English - Latvia's Concerts) represents the interests of creative manifestations of Latvian professional musicians in Latvia and abroad. LK is one of the most important marketing components of the country's domestic and foreign cultural policy. LK is the only institution in Latvia that regularly ensures the availability of musical art of different genres in Latvia. LK regularly co-operates with the local governments of Latvia in organizing music festivals and individual concerts.

General strategic objective

Preservation of diverse national cultural heritage in the field of music; strengthening, developing, updating and popularizing Latvian professional music culture in Latvia and abroad; and ensuring the availability of world music culture achievements in Latvia.

Most important events in 2019

- Continuation of the project "Born in Latvia" and the Latvian Centennial Youth Symphony Orchestra.
- Performance of all concerts of the cycle "Latvian Ring" in Riga and realization of the performance "Riga Ring".
- Organization of national holiday concerts.
- Organizing the Great Music Award Ceremony.

Most significant events planned in 2020

- Organizing the Great Music Award Ceremony.
- Organization of national holiday concerts.
- Work environment improvement.

Principal financial objectives

- Profit: EUR 11 thousand.
- Profitability: 0.93%.
- Proportion of planned own revenue to turnover: 30%.
- Total liquidity ratio: 1.08.

Principal non-financial objectives

- Performances of compositions by Latvian composers: >30 concerts per year.
- New performances by Latvian composers: >10 concerts per year.
- Development of educational programs for children and youth: >40 concerts per year.
- Organizing concerts by foreign artists: >10 concerts a year.

Governance

Shareholder - Ministry of Culture

Representative of the Shareholder - Baiba Zakevica

Member of the Management Board - Guntars Ķirsis

Principal financial indicators, thousand EUR

	2018	2019
Turnover	1,609.6	1,465.0
Profit/loss	11.8	17.0
EBITDA	74.6	69.9
Total assets	1,227.2	922.7
Share capital	42.8	42.8
Equity	198.1	215.1
Investment	57.3	44.7
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	1,100.9	1,114.7
Donations received	0.0	0.0
Donations made	15.9	0.0
Funding received from the state budget	3,736.3	3,075.5

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.73	1.16
Return on assets, ROA, %	0.96	1.84
Return on equity, ROE, %	5.94	7.89
Total liquidity indicator	1.05	1.17
Liabilities-to-equity ratio	5.20	3.29

Other indicators

Number of employees	118	118
Average gross remuneration per employee per year, thousand EUR	13.8	14.5
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 targets have been met; profit was 53% higher than expected.
- All non-financial targets have been met.
- LK has developed a high-quality concert life in the country, organizing 360 concerts in 2019, including music festivals, as well as separate concerts with the participation of foreign and Latvian professional musicians.

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. LLT's diverse repertoire includes Latvian and world classical works, the world's most beautiful tales, performances with children's favourite literary heroes and contemporary literary works. LLT cooperates with schools, cultural centres and orphanages, as well as regions of Latvia, organizing collective visits and excursions to the theatre. LLT is actively involved in ensuring the availability of theatre services in the regions of Latvia by organizing off-site theatre performance.

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 2019

- 12 new performances were staged, 8 of them in Latvian and 4 in Russian troupe.
- LLT ended its 75th season with the debut of director Viesturs Roziņš in the puppet theater genre - the play "Salātlapiņa".
- LLT has applied for the Latvian Theater of the Year Award "Players' Night" in four nominations.
- LLT large hall lift repair, as well as small hall stage ceiling reconstruction project development.

Most significant events planned in 2020

- Stage at least 10 new shows.
- Participation in the "Latvian Book Exhibition 2020" and the project "Museum Night".
- LLT will continue the tradition of classical rope or cane puppet shows, ensuring the preservation of this doll management technique, which is unique in Western Europe.
- Reconstruction of the ceiling of the small hall stage.

Principal financial objectives

- Ticket revenue: EUR 591 thousand.
- Total (net) cash flow from financing activities: EUR 967 thousand.
- Other own revenues: EUR 4 thousand.

Principal non-financial objectives

- Number of performances per year: 70 thousand.
- Attendance (stage hall fill rate): 74%.
- Number of performance titles in the repertoire per year: 60.
- Total number of performances per year: 520.

Results achieved

- In general, the set financial goals have been achieved, the revenue from ticket sales exceeded the plan by 27%, the profit indicator has been achieved.
- All non-financial targets have been met.
- In 2019, LLT ensured successful artistic activity, performing 617 performances, including 52 performances outside the theater.

Governance

Shareholder - Ministry of Culture
Representative of the Shareholder - Baiba Zakevica
Member of the Management Board - Vilnis Beķeris

Principal financial indicators, thousand EUR

	2018	2019
Turnover	713.8	751.1
Profit/loss	7.4	69.5
EBITDA	137.8	139.0
Total assets	478.2	472.0
Share capital	32.8	32.8
Equity	134.8	204.3
Investment	58.6	58.6
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	509.9	524.3
Donations received	0.0	4.8
Donations made	0.0	0.0
Funding received from the state budget	1,026.3	973.7

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.03	9.26
Return on assets, ROA, %	1.54	14.73
Return on equity, ROE, %	5.45	34.04
Total liquidity indicator	0.49	0.65
Liabilities-to-equity ratio	2.55	1.31

Other indicators

Number of employees	79	80
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

SLLC Latvijas Nacionālais simfoniskais orķestris (LNSO)

Reg. No 40003373615

Web: www.lns.lv

State ownership 100 %

LNSO has no ownership in other capital companies



LATVIJAS
NACIONĀLAIS
SIMFONISKAIS
ORĶESTRIS

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 2019

- During the reporting period, the LNSO has actively continued work on programs for various target audiences, attracting, attracting and educating new audiences.
- Active concert activity in Latvia outside the capital, regular concerts are given at Latgale Embassy GORS, concert hall "Cēsis", Liepāja concert hall "Lielais dzintars", Dzintari concert hall, as well as at the opening of the new Ventspils concert hall.
- For the second time, the LNSO organized its summer music festival in cooperation with the Latgale Embassy GORS.

Most significant events planned in 2020

- Planning and preparation work in connection with the repair of the Grand Guild (VNĪ project 01.12.2019-31.12.2023).
- Relocation to a temporary residence, organization of LNSO artistic and economic activities under other conditions.

Principal financial objectives

- Revenue from ticket sales: EUR 240 thousand.
- Premises rental income: EUR 96 thousand.
- Other own revenues: EUR 175 thousand.
- Investments to ensure the sustainability of technical and technological activities: EUR 72 thousand.

Principal non-financial objectives

- Number of visits per year: 47 thousand.
- Total number of concerts per year: 57.
- Attendance in the theater hall: 75%.
- Number of concerts for young people and children under 17 years per year: >14.

Governance

Shareholder - Ministry of Culture
Representative of the Shareholder - Dace Vilsone
Member of the Management Board - Indra Lūkina

Principal financial indicators, thousand EUR

	2018	2019
Turnover	648.1	638.9
Profit/loss	8.7	14.9
EBITDA	51.4	59.1
Total assets	894.9	872.9
Share capital	52.8	52.8
Equity	138.9	153.8
Investment	61.7	60.3
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	895.5	880.7
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	2,359.0	2,114.1

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.35	2.33
Return on assets, ROA, %	0.98	1.70
Return on equity, ROE, %	6.28	9.66
Total liquidity indicator	0.67	0.72
Liabilities-to-equity ratio	5.44	4.68

Other indicators

Number of employees	143	143
Average gross remuneration per employee per year, thousand EUR	13.5	13.1
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- The set financial goals were achieved: ticket revenues were 29% higher than planned due to a significant increase in the number of subscriptions sold in all concert categories and a special increase in the area of youth activities.
- Overall, the non-financial targets have been met, although the total number of visitors per year was 18% lower than planned.
- In 2019, LNSO performed in 61 concerts.

SLLC Latvijas Nacionālais teātris (LNT)

Reg. No 40003786149

Web: www.teatris.lv

State ownership 100 %

LNT has no ownership in other capital companies

LATVIJAS
NACIONĀLAIS
TEĀTRIS

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. One of its main tasks is to popularize 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 2019

- LNT 100th anniversary celebrations.
- Theater Awards "Players' Night": 17 nominations and 11 awards received, including the main prize - GRAND PRIX for the performance "Blow, Winds".
- Successful involvement of the theater in the educational project "School bag".
- Successful cooperation between LNT and Riga City Council - design of the new hall and planning in the theater annex.

Most significant events planned in 2020

- The successfully started cooperation with Latvian schools within the project "School bag" will be continued.
- Continuation of cooperation with the Riga City Council on the improvement of the theater, as well as work on the extension of the theater - construction of new halls and additional premises.
- LNT will continue the successfully started work on the replacement, improvement and modernization of the theatre's technical equipment, as well as the creation of the new e-platform "e-theater".
- LNT plans to increase the number of guest performances in the regions of Latvia.

Principal financial objectives

- Ticket sales: EUR 1.75 million.
- Other own revenues: EUR 250 thousand.

Principal non-financial objectives

- Number of new productions per year: 15.
- Total number of performances per year: 480.
- Number of visits per year: 165 thousand.
- Attendance at theater premises: 85%.

Results achieved

- All set financial and non-financial goals have been achieved, performance indicators are higher than planned.
- 587 performances were played, which is 18% more than planned, including 42 performances for children and youth audiences.
- Revenues from ticket sales are 31% higher than planned, which is related to the increase in the total number of performances.

Governance

Shareholder - Ministry of Culture
Representative of the Shareholder - Baiba Zakevica
Member of the Management Board - Jānis Vimba

Principal financial indicators, thousand EUR

	2018	2019
Turnover	2,398.6	2,639.3
Profit/loss	3.5	7.1
EBITDA	3.3	7.1
Total assets	1,790.1	1,686.1
Share capital	52.8	52.8
Equity	606.0	611.6
Investment	222.5	142.5
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	1,364.1	1,430.7
Donations received	156.9	63.3
Donations made	0.0	1.6
Funding received from the state budget	2,221.8	2,185.7

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.15	0.27
Return on assets, ROA, %	0.20	0.42
Return on equity, ROE, %	0.58	1.16
Total liquidity indicator	0.97	0.95
Liabilities-to-equity ratio	1.95	1.76

Other indicators

Number of employees	295	285
Average gross remuneration per employee per year, thousand EUR	7.8	8.1
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



**LATVIAN NATIONAL
OPERA & BALLET**

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 important events in 2019

- 5 new performances have been staged, including 3 operas and 2 ballets, of which Latvian original dramatic works are especially noteworthy: Imants Kalniņš's opera "I Play, I Dance" and the ballet single-act "Hamlet. Tell Me (No) Tales".
- Successful guest performances of Charles Guno's opera "Faust" in Norway.
- In December, a decision was made to take over the LNOB building, which previously belonged to the Riga municipality, into state ownership, which in turn would promote opportunities to invest in improving the building's sustainability and energy efficiency in the foreseeable future.

Most significant events planned in 2020

- Overcoming the disruption of the LNOB's artistic and economic activities and adapting the activities to the national restrictions related to Covid-19, as well as adaptation to the consequences of changes in the overall macroeconomic environment.
- LNOB management priorities: responsibility and care for the health of employees and customers, maintenance and development of a professional and motivated troupe.
- Ensuring the continuity and sustainability of the LNOB: calibration and alignment of the core business model with the goals of artistic development, plans for new performances and other investments, as well as with the available funding.

Principal financial objectives

- Share of own revenue in total revenue: 30%.
- Revenue from ticket sales: EUR 2.7 million
- Improvement of artistic and technical base: EUR 20 thousand.

Principal non-financial objectives

- Number of new productions per year: 5.
- Number of visitors per year: 160 thousand.
- Attendance: 90%.

Governance

Shareholder - Ministry of Culture
Representative of the Shareholder - Nauris Puntulis
Chair of the Management Board - Zigmaris Liepiņš (until 04.11.2019), Egils Siliņš (from 05.11.2019)
Members of the Management Board - Inese Eglīte, Daina Markova (until 10.09.2019), Sandis Voldiņš (from 11.09.2019)

Principal financial indicators, thousand EUR

	2018	2019
Turnover	3,865.5	3,694.7
Profit/loss	12.7	3.8
EBITDA	944.2	995.8
Total assets	7,795.4	7,845.3
Share capital	146.8	146.8
Equity	1,142.5	1,145.7
Investment	781.7	968.2
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	3,993.7	3,998.6
Donations received	128.3	110.4
Donations made	6.0	0.0
Funding received from the state budget	9,131.2	9,908.9

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.33	0.10
Return on assets, ROA, %	0.16	0.05
Return on equity, ROE, %	1.12	0.33
Total liquidity indicator	0.51	0.55
Liabilities-to-equity ratio	5.82	5.85

Other indicators

Number of employees	598	596
Average gross remuneration per employee per year, thousand EUR	11.5	11.5
Gender representation in management, f/m	2/1	1/2
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- The set financial goals have been partially achieved, the revenue from ticket sales exceeded the planned ones by 11%.
- 2019 is closed with a profit, however, it is 62% lower than planned.
- All the set non-financial goals have been exceeded, including 266 performances, which have been watched by 177 thousand spectators, which is 10% more than planned.

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) is the oldest orchestra in the Baltic States. In Latvia, it is still the only professional orchestra outside the capital. LSO ensures the availability of symphonic music for various target groups of the society, especially in the Kurzeme region, promoting the decentralization of cultural processes in Latvia and in accordance with cultural policy priorities ensures a higher quality standard in the field of music art. In 2010, LSO acquired the status of a state orchestra. LSO pays special attention to the music of Latvian composers and the promotion and popularization of the works of Latvian composers.

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 2019

- Realization of the cultural project dedicated to the centenary of Latvia - Richard Dubra's opera "Suitu sāga".
- Organizing and performing at the festivals "Liepāja International Star Festival", "Liepāja Summer" and "Liepāja Summer at Rundāle Castle".
- Concert season in "Great Amber", including collaboration with outstanding soloists Maija Kovalevska, Miša Maiski, Gidon Kremer, Vineta Sareika.
- Regional concert activities throughout Latvia, including cooperation with the Cēsis Art Festival and the Sacred Music Festival.
- Collaboration with the most outstanding pop culture artists of Latvia.

Most significant events planned in 2020

- Organizing and performing festivals, concert series in Rundāle Castle.
- Concert season in "Great Amber", including collaboration with outstanding soloists.
- Release of the albums "The Glittering Wind" and "Richard Dubra: Symphony No 2, Mystery of His Birth" created under the auspices of the CD recording company Skani, creation of new phonograms.
- LSO concert tour led by Gunta Kuzma with a special concert program in several Latvian cities, as well as in the neighboring Lithuanian city of Klaipėda.
- Cooperation with the State Academic Choir Latvija and SLLC Latvijas Koncerti.

Principal financial objectives

- Net turnover (own revenue): EUR 250 thousand.
- Ticket sales: EUR 120 thousand.
- Other own revenues: EUR 130 thousand.
- Proportion of planned other own revenues to turnover: 52%.

Principal non-financial objectives

- Total number of concerts per year: 58.
- Number of new productions / new programs: 25.
- Number of concerts abroad: 2.
- Number of visits per year: 27 thousand.

Governance

Shareholder - Ministry of Culture
Representative of the Shareholder - Baiba Zakevica
Member of the Management Board - Uldis Lipskis

Principal financial indicators, thousand EUR

	2018	2019
Turnover	307.9	309.8
Profit/loss	2.5	-59.6
EBITDA	29.7	-86.6
Total assets	390.5	322.8
Share capital	58.1	58.1
Equity	68.9	10.3
Investment	46.8	31.3
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	599.5	582.9
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	1,816.9	1,746.2

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.81	-19.25
Return on assets, ROA, %	0.64	-18.48
Return on equity, ROE, %	3.60	-579.66
Total liquidity indicator	0.94	0.53
Liabilities-to-equity ratio	4.66	30.37

Other indicators

Number of employees	96	97
Average gross remuneration per employee per year, thousand EUR	13.7	14.1
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- LSO has implemented the planned measures and all the set non-financial goals have been achieved, the performance indicators exceed the planned ones.
- LSO has implemented a total of 69 concerts and created 45 new programs, the number of visitors per year was 58% higher than planned.
- The set financial goals have been partially achieved; LSO closed the year with a loss.

SLLC Mihaila Čehova Rīgas Krievu teātris (RKT)

Reg. No 40003793653

Web: www.trd.lv

State ownership 100 %

RKT has no ownership in other capital companies



RKT (in English - Mikhail Chekhov Riga Russian Theatre) is the oldest Russian dramatic theater outside Russia and the only professional Russian theater in Latvia. Currently, RKT's repertoire includes Russian, Latvian and world classics, as well as works by young playwrights, and performances of all genres, including children's and musical performances. Viewers are offered deep socio-psychological performances, impressive musical performances, unexpected creative experiments in various forms, as well as the academic genre - classical productions.

General strategic objective

Creation, distribution, preservation and promotion of cultural values in the field of theatre art.

Most important events in 2019

- Planning of performances in the summer months (July, August), which attracted tourists to attend RKT performances, expanding the potential target audience of the theater and proving that the theater is not only seasonal.
- A new playground has been opened - the theater port "Andrejsala", which is intended as an experimental stage for children and youth audiences.
- Development of a new website (www.mct.lv), which was successfully put into operation.
- Cooperation with the trading house "Galerija Centrs", realizing the exhibition "From heart to heart - through the centuries ...", which is dedicated to the RKT 137th season and reflects the performances in the RKT repertoire.
- Participation in one of the most important national cultural events in the People's Republic of China, the closing ceremony of the 4th International Cultural Exhibition "Silk Road".

Most significant events planned in 2020

- Mandatory modernization of stage equipment.
- Implementation of online projects in compliance with national restrictions on the spread of Covid-19.
- Establishing co-operation with the British Council in Latvia, implementing the social project "Wandering Nekaraoke" with the aim of supporting the part of the society that does not attend or does not have the opportunity to visit the theater, while providing such an opportunity and encouraging to visit the theater.
- Establishment of cooperation with "Live Riga" in the implementation of various projects with the aim to popularize RKT, actualizing the attraction of tourists to attend theater performances.

Principal financial objectives

- Ticket sales: EUR 1.3 million
- Other own revenues: EUR 60 thousand.

Principal non-financial objectives

- Total number of performances per year: 350.
- Number of visits per year: 100 thousand.
- New productions per year: 6.
- Attendance in the permanent premises of the theater: 80%.

Governance

Shareholder - Ministry of Culture

Representative of the Shareholder - Dace Vilsone

Members of the Management Board - Dana Bjorka, Ginta Kursīte

Principal financial indicators, thousand EUR

	2018	2019
Turnover	1,528.9	1,819.4
Profit/loss	29.5	14.3
EBITDA	94.4	88.7
Total assets	873.2	865.9
Share capital	32.8	32.8
Equity	184.1	149.4
Investment	68.8	41.3
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	814.6	876.0
Donations received	27.3	3.0
Donations made	0.0	0.0
Funding received from the state budget	1,340.0	1,309.8

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.93	0.79
Return on assets, ROA, %	3.38	1.65
Return on equity, ROE, %	16.00	9.59
Total liquidity indicator	0.46	0.54
Liabilities-to-equity ratio	3.74	4.80

Other indicators

Number of employees	128	127
Average gross remuneration per employee per year, thousand EUR	13.0	13.8
Gender representation in management, f/m	2/0	2/0
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- The financial and non-financial targets set by the RKT have been met.
- The total number of performances exceeded 35% of the planned, 7 new productions were staged.
- Revenues from ticket sales exceeded 30% of the planned and the reporting year is closed with a profit that is 10% higher than planned.

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 an international, modern, multifunctional and traditional circus art center, which creates, organizes and hosts various events of circus, music, dance and other interdisciplinary art forms, as well as promotes the development and availability of circus in Latvia and the Baltic States. The RC building at Merkela Street 4, Rīga, is one of the oldest circus buildings in Europe and the only permanent circus building in the Baltic States. The circus is included in the list of state protected cultural monuments.

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 2019

- Work continued on the development of circus arts education, as well as the development of a residency program.
- Procedures for the operation of the RC building have been developed, which allowed to gain additional income from renting premises for various public and cultural events.
- Cooperation with the contemporary circus and street art festival "Re Rīga!".
- In order to improve the usability of the RC small hall "Horse Stable", additional funding was attracted for material and technical provision.
- Work has begun on the development of a construction project for the reconstruction of the RC historic building, with the aim of increasing the building's energy efficiency indicators.

Most significant events planned in 2020

- Restructuring of Riga circus school pedagogical program and organization.
- RC in cooperation with Circus Syd in Sweden has taken over the management of the Baltic Nordic Circus Network for the next three years.
- With the start of the implementation of the energy efficiency project of the RC building construction, it is planned to move the RC administration and the circus school to other premises, which will be located in Āgenskalns.

Principal financial objectives

- Other own revenues: EUR 322 thousand.
- Ticket and education program revenues: EUR 72.3 thousand.
- Profit: EUR 735.

Principal non-financial objectives

- Number of visits per year: 2 838.
- Participation in internationally important circus art events (number of events per year): 10.
- Seminars and masterclasses for professional development of professionals in other disciplines (number per year): 4.

Governance

Shareholder - Ministry of Culture
Representative of the Shareholder - Dace Vilsone
Members of the Management Board - Ināra Polmane,
Liene Pērkone

Principal financial indicators, thousand EUR

	2018	2019
Turnover	84.8	132.3
Profit/loss	-33.6	-30.6
EBITDA	-14.3	-5.1
Total assets	236.1	1,003.8
Share capital	3.1	3.1
Equity	31.0	0.4
Investment	417.2	721.9
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	200.1	134.7
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	542.2	542.2

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-39.60	-23.10
Return on assets, ROA, %	-14.23	-3.04
Return on equity, ROE, %	-108.49	-7,344.47
Total liquidity indicator	0.97	1.54
Liabilities-to-equity ratio	4.59	2,260.39

Other indicators

Number of employees	17	23
Average gross remuneration per employee per year, thousand EUR	7.5	7.1
Gender representation in management, f/m	2/0	2/0
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- All non-financial targets have been met.
- During the reporting year, RC performed a total of 91 performances.
- The set financial goals have been partially achieved, including the revenues from tickets and education program by 32% higher than planned.
- The year 2019 is closed with losses and a significant deviation from the plan.

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) is the only professional theater in Vidzeme region and the most important cultural center of Valmiera city. The main activity of VDT is the provision of professional theater art services in the territory of Latvia, as well as during guest performances outside it. The theater's repertoire is based on modern interpreted foreign and Latvian classics and original drama.

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 2019

- Development of the project "Increasing Energy Efficiency and Creation of Decoration Workshops at Valmiera Drama Theater, Lāčplēša Street 4, Valmiera" in cooperation with SJSC Valsts nekustamie īpašumi.
- Reconstruction of VDT building fire safety system.
- Organizing the Valmiera Summer Theater Festival "Children" in cooperation with Valmiera City Municipality, during which the audience had the opportunity to watch 7 new productions created by the best young directors of Latvia and Europe.

Most significant events planned in 2020

- It is planned to stage 11 new performances and continue to attract new directors, enrich the repertoire with interesting performances, new actors.
- Continuation of cooperation with SJSC Valsts nekustamie īpašumi in order to implement a project on measures to increase the energy efficiency of the VDT building and the construction of a new decoration workshop.
- Organization of Valmiera summer theater festivals in cooperation with Valmiera city municipality.

Principal financial objectives

- Profit: EUR 131.
- Proportion of planned own revenues to turnover: 69%.
- Ticket revenues: EUR 631 thousand.
- Other own revenues: EUR 90 thousand.

Principal non-financial objectives

- 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 the Shareholder - Dace Vilsons

Member of the Management Board - Evita Ašeradena

Principal financial indicators, thousand EUR

	2018	2019
Turnover	644.7	757.7
Profit/loss	-90.7	12.5
EBITDA	-17.1	118.3
Total assets	485.7	683.4
Share capital	32.8	32.8
Equity	145.5	151.0
Investment	9.1	55.4
Dividends paid to state budget	0.5	0.0
Contributions made to the state and local government budget	588.4	594.3
Donations received	65.6	16.9
Donations made	0.0	0.0
Funding received from the state budget	1,163.4	1,121.2

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-14.07	1.64
Return on assets, ROA, %	-18.68	1.82
Return on equity, ROE, %	-62.35	8.25
Total liquidity indicator	0.64	0.63
Liabilities-to-equity ratio	2.34	3.53

Other indicators

Number of employees	108	106
Average gross remuneration per employee per year, thousand EUR	9.9	9.8
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 met. As a result of successful operations, the profit margin was significantly higher than planned.
- During the reporting year, VDT has staged 10 new productions, which is slightly different from the planned one; all other non-financial objectives have been met.
- 378 performances were shown, including 52 guest performances in Latvia outside the permanent premises of the theater.

SLLC Valsts Akadēmiskais koris "Latvija" (VAKL)

Reg. No 40003373761

Web: www.koris.lv

State ownership 100 %

VAKL has no ownership in other capital companies



LATVIJA

VALSTS AKADĒMISKAIS KORIS

VAKL (in English - Latvian Academic Choir "Latvija") is the only professional choir in Latvia and the largest in the Baltics, specializing in playing large-format vocal and instrumental works, which ensures the availability and development of choir music of various genres. The choir collaborates with world-class symphony orchestras. VAKL's greatest achievement are the collaborative concerts with the Royal Concertgebouw Orchestra of Amsterdam and conductor Maris Jansons during the world tour. Since 1997, the choir's artistic director and chief conductor is Māris Sirmāis.

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 2019

- Outstanding concert at the Elbe Philharmonic, Hamburg, in collaboration with world-famous organist Iveta Apkalns.
- VAKL concert tour in Canada, including participation in the grand concert of the Latvian Song Festival in Canada, solo concerts in Toronto and the festival "Music & Beyond".
- Participation in the production of Rihards Dubra's opera "Suitu sāga" and world premieres.

Most significant events planned in 2020

- Renewal of cooperation with the Royal Dutch Symphony Orchestra Concertgebouw, 2 concerts in the Royal Concertgebouw in Amsterdam.
- Guest concerts in Hong Kong in October 2020.
- VAKL solo concerts in Latvian regional concert halls in Ventspils and Rēzekne.

Principal financial objectives

- Revenues from ticket sales: EUR 16 thousand.
- Profit: EUR 2.2 thousand.
- Other own revenues: EUR 190 thousand.

Principal non-financial objectives

- Total number of concerts per year: 46.
- Number of concerts including Latvian music per year: 9.
- 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

	2018	2019
Turnover	222.2	260.4
Profit/loss	8.5	2.6
EBITDA	8.5	2.6
Total assets	258.8	193.9
Share capital	2.8	2.8
Equity	49.9	52.5
Investment	12.7	12.3
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	372.5	367.6
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	1,178.5	1,013.2

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	3.84	1.00
Return on assets, ROA, %	3.30	1.34
Return on equity, ROE, %	17.13	4.97
Total liquidity indicator	1.15	1.53
Liabilities-to-equity ratio	4.19	2.70

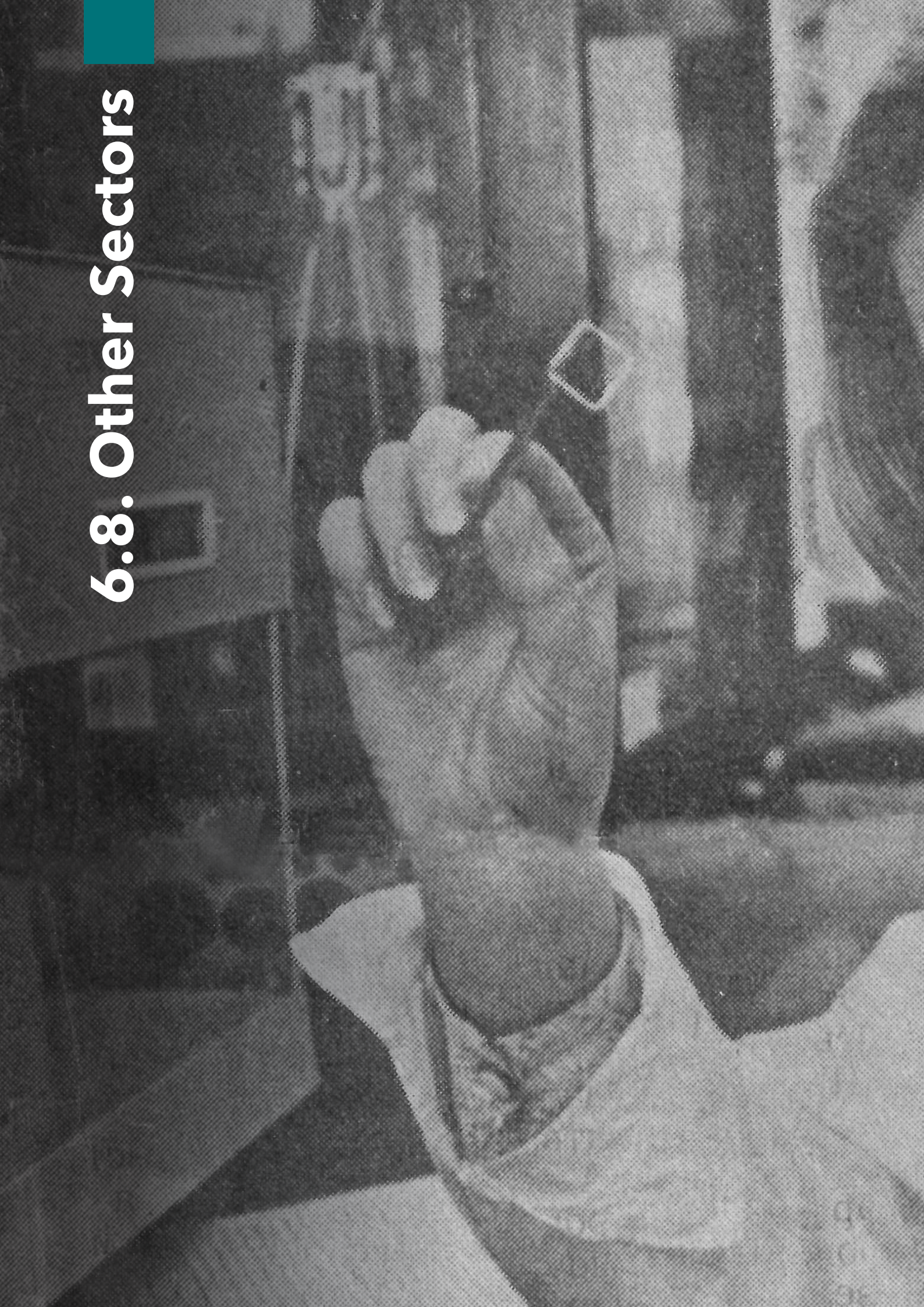
Other indicators

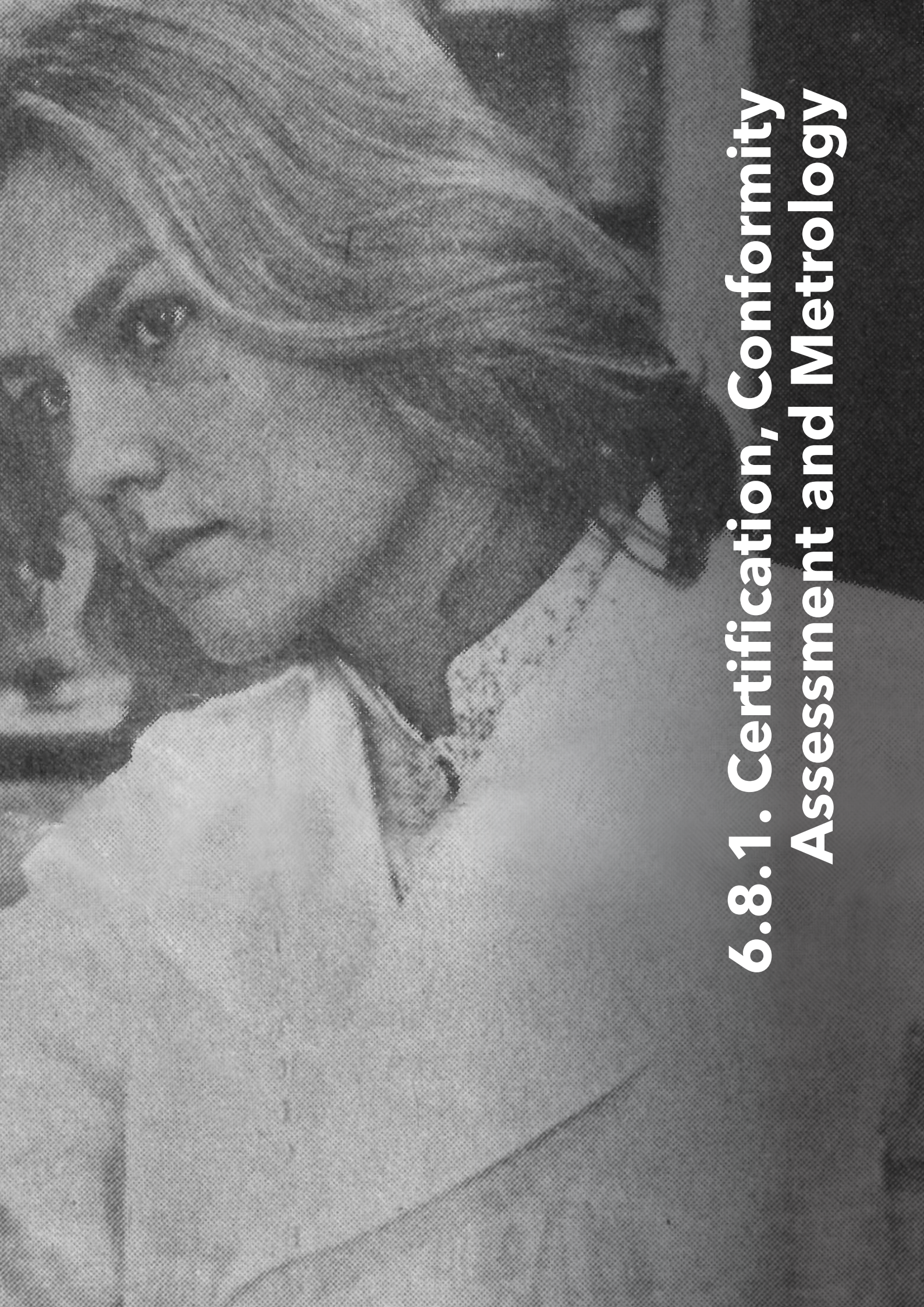
Number of employees	66	65
Average gross remuneration per employee per year, thousand EUR	11.1	11.1
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- Overall, the financial targets were met, but ticket revenues were 40% lower than planned, while other own revenues were 33% higher than planned.
- VAKL closed 2019 with a profit that was 19% higher than planned.
- All non-financial goals have been achieved, 52 concerts have been played and the number of visits per year was 35% higher than planned.
- Promoting Latvian music culture, 22 concerts have been given abroad.

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. LNMC provides verification, calibration and testing services for measuring instruments, as well as certification of electrical goods.

Currently, the LNMC is the only institution that provides all or part of such metrological services in the regulated field as:

- verification of taximeters (in part), vehicle exhaust gas analyzers, vehicle speed control measuring devices and technical means (photographic and video equipment) intended for recording violations without stopping the vehicle, electricity meters;
- calibration of refractometers, spectrophotometers, photoelectrocolorimeters.

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 2019

- The LNMC development strategy for 2020-2022 has been developed.
- A planned project for digitization of systems and processes has been launched.
- Purchase of modern technological equipment and modernization of existing equipment.
- Improved type approval procedure for measuring instruments.
- Development of the draft regulations of the Cabinet of Ministers "Price list of paid services".

Most significant events planned in 2020

- Digitization of company information, data circulation and accounting system processes.
- To provide support for strengthening national metrology capacity.
- To develop the field of geometric measurements with high-precision measurements.

Principal financial objectives

- Return on equity, ROE: 1.10%.
- EBITDA: EUR 61,802.

Principal non-financial objectives

- To modernize and optimize the existing measurement processes: 2.
- Ensure the availability of verification, testing and calibration services for measuring instruments in accordance with the needs of the national economy: 3.
- Provide calibration services using the National Physical Measurement Units Reference Base: 10.

Governance

Shareholder - Ministry of Economics
Representative of the Shareholder - Zaiga Liepiņa
Member of the Management Board - Iveta Blaua

Principal financial indicators, thousand EUR

	2018	2019
Turnover	1,111.3	1,076.3
Profit/loss	-11.1	-54.1
EBITDA	47.7	-2.5
Total assets	1,115.7	1,074.8
Share capital	633.5	633.5
Equity	948.9	894.9
Investment	77.6	27.7
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	639.9	647.5
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, %	-1.00	-5.02
Return on assets, ROA, %	-1.00	-5.03
Return on equity, ROE, %	-1.17	-6.04
Total liquidity indicator	3.71	3.33
Liabilities-to-equity ratio	0.18	0.20

Other indicators

Number of employees	73	71
Average gross remuneration per employee per year, thousand EUR	10.7	11.2
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- The financial targets were not achieved, they were affected by the planned and unsuccessful real estate sale transaction in Liepāja.
- Non-financial targets partially met.

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) performs the functions and responsibilities of the national standardization institution, providing the public with accessible and reliable standardization services, thus eliminating the market failure and ensuring the observance and implementation of public interests in the field of standardization.

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 2019

- 98 standards translated.
- The availability of an online library of standards collections for certified construction professionals has been ensured; a "translation memory" related to the field of construction has been created; a moodle e-learning platform has been created in test mode.

Most significant events planned in 2020

- Maintain and improve the library of standards for certified construction specialists; to start developing the e-committee platform; to introduce software updates, ensuring compatibility with the platforms of international and European standardization organizations (data downloads); to integrate Tilde's neural machine translation solution into the translation project management infrastructure.
- Develop guidelines for meeting Construction Information Modeling (BIM) requirements; to organize training of specialists and events to promote BIM as a tool for increasing the efficiency and quality of the construction industry.

Principal financial objectives

- Net turnover: EUR 259,400.
- Profit: EUR 28,093.
- Return on equity: 15.40%.
- Total liquidity ratio: 2.5.
- Liabilities to equity: 0.74.

Principal non-financial objectives

- European standards adapted: 1,300.
- Users registered in the standardization information system: 2,100.
- Participation in the European Grant Translation Project 2019/2020 (CEN / 2019-02 and CLC / 2019-02) - pages translated: 2,500.

Governance

Shareholder - Ministry of Economics
Representative of the Shareholder - Zaiga Liepiņa
Member of the Management Board - Ingars Pilmanis

Principal financial indicators, thousand EUR

	2018	2019
Turnover	159.1	275.7
Profit/loss	63.8	29.8
EBITDA	97.6	60.7
Total assets	260.5	352.2
Share capital	11.5	11.5
Equity	158.9	188.7
Investment	14.6	18.0
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	177.1	227.8
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	232.0	438.5

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	40.07	10.79
Return on assets, ROA, %	24.48	8.45
Return on equity, ROE, %	40.12	15.77
Total liquidity indicator	3.65	2.28
Liabilities-to-equity ratio	0.64	0.87

Other indicators

Number of employees	15	16
Average gross remuneration per employee per year, thousand EUR	14.7	19.4
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- Adapted 1,440 European standards.
- 2,384 users are registered in the standardization information system.
- The financial targets have been met without significant deviations from the plan.

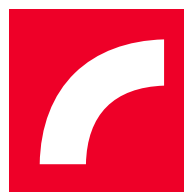




6.8.2. Public Electronic Media

SLLC Latvijas Radio (LR)

Reg. No 40003080614
Web: www.latvijasradio.lv
State ownership 100 %
Related companies and shares:
JSC Kurzemes radio 0.6 %



**Latvijas
Radio**

The main activity of LR (in English - Latvian Radio) is the provision of free and comprehensive dissemination of information about events in Latvia and abroad, ensuring the development of the Latvian language and culture, the development of comprehensive musical programs and other activities in accordance with the statutes.

General strategic objective

Not approved.

Most important events in 2019

- Approval of the medium-term operational strategy of the LR for 2019-2022 and commencement of its implementation.
- Commissioning of the signal control center.

Most significant events planned in 2020

- Development and implementation of the LR efficiency and structural reform measure 2020-2022.
- Adapting and ensuring the operation of LR during a state of emergency and after it.

Principal financial objectives

- Own revenues from commercial activities: EUR 1,973,370.
- Revenues from advertising and promotions: EUR 1,229,360.

Principal non-financial objectives

- Radio broadcasting time: 43,928 hours.
- LR market share (total radio listening time share): 35.2%.
- LR total audience: 831,000.

Results achieved

- Financial targets: own business revenues 5% lower, advertising and advertising revenues 9% lower than planned.
- Non-financial targets: the broadcasting time is 0.2% higher than planned; LR market share decreased by 0.6%, total audience decreased by 3% compared to the planned.

Governance

Shareholder - National Electronic Mass Media Council
Representatives of the Shareholder - Ivars Āboliņš, Patriks Grīva, Aurēlija Ieva Druvieta

Chair of the Management Board - Una Klapkalne
Members of the Management Board - Sanita Dika-Bokmeldere, Māriete Tukiša

Principal financial indicators, thousand EUR

	2018	2019
Turnover	9,979.6	9,676.1
Profit/loss	162.6	-182.8
EBITDA	535.6	204.4
Total assets	6,661.3	6,698.4
Share capital	824.7	1,854.7
Equity	5,213.5	5,311.9
Investment	338.8	267.2
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	2,639.9	2,711.5
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	8,573.5	8,325.2

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.63	-1.89
Return on assets, ROA, %	2.44	-2.73
Return on equity, ROE, %	3.12	-3.44
Total liquidity indicator	0.82	0.65
Liabilities-to-equity ratio	0.28	0.26

Other indicators

Number of employees	281	280
Average gross remuneration per employee per year, thousand EUR	18.1	17.5
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



LATVIJAS TELEVĪZIJA

LTV (in English – Latvian Television) performs the statutory function of public electronic media 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

Not approved.

Most important events in 2019

- LTV has become the most watched television channel in Latvia in 2019.
- The program “Forbidden Method” has received the EBU award of the European Broadcasting Union Association for the breakout game “Latvia”.
- Assessed in the Sustainability Index as corresponding to the Gold category.

Most significant events planned in 2020

- Preparation and submission to the Saeima of the 2nd reading of the Law on Public Electronic Media and its Management.
- Launch of the implementation of the LTV digital channel strategy and medium-term operational strategy.

Principal financial objectives

- Net turnover: EUR 18,469,678.
- Profit: EUR 373,901.

Principal non-financial objectives

- LTV total viewing time share (CSOV%, 4+): 15.5%.
- Average number of visitors to LTV internet platforms (LTV.LV and LSM.LV) per month: 400,000.
- Total broadcasting time of LTV1 and LTV2 channels: 16,000 hours.

Results achieved

- Financial targets: net turnover 5.75% higher but profit 37.43% lower than planned.
- Non-financial targets: the share of LTV total viewing time (CSOV%, 4 +) has increased by 10.97%, the average number of visitors per month to LTV Internet platforms (LTV.LV and LSM.LV) has increased by 23%, the total volume of LTV1 and LTV2 channels (hours) increased by 2.26% compared to the planned.

Governance

Shareholder – National Electronic Mass Media Council
 Representatives of the Shareholder – Ivars Āboliņš, Patriks Grīva, Aurēlija Ieva Druvieta
 Member of the Management Board – Ivars Priede

Principal financial indicators, thousand EUR

	2018	2019
Turnover	19,556.2	19,532.6
Profit/loss	-733.5	-233.9
EBITDA	995.0	1,498.9
Total assets	14,704.5	13,715.0
Share capital	4,837.4	4,837.4
Equity	7,243.7	7,009.8
Investment	2,364.4	979.6
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	5,536.8	4,714.6
Donations received	545.9	664.6
Donations made	0.3	0.0
Funding received from the state budget	15,846.3	15,271.4

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-3.75	-1.20
Return on assets, ROA, %	-4.99	-1.71
Return on equity, ROE, %	-10.13	-3.34
Total liquidity indicator	0.90	1.22
Liabilities-to-equity ratio	0.97	0.87

Other indicators

Number of employees	494	477
Average gross remuneration per employee per year, thousand EUR	17.7	16.6
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no





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 (in English - Bobsleigh and luge track Sigulda) is the national sports base. Its activity is the organization of international and Republic of Latvia competitions in luge, bobsleigh and skeleton, the provision of training work for teams of various levels of Latvian sports federations and the provision of training work for foreign athletes, as well as the organization of recreational trips. The aim of BKT's activities is to ensure the management and development of the national sports base in accordance with international standards, to ensure the conditions for the qualitative preparation of athletes for Latvian and international sports competitions, and the promotion of the name of Latvia.

General strategic objective

Not approved.

Most important events in 2019

- 6th Viessmann World Cup in tobogganing and 4th Viessmann World Cup in team relay.
- IBSF European Cup and IBSF Junior European Bobsleigh and Skeleton Championships.
- Latvian luge championship.

Plānotie būtiskākie notikumi 2019. gadā

- Organization of international and Latvian sports competitions.
- Improving the quality of track lighting for energy saving purposes.
- Improving freight elevator management and increasing the level of safety.
- Construction of a wind barrier on the west side of the bobsleigh start to improve ice quality.
- Repair and improvement of sun and precipitation protection system.

Principal financial objectives

- Investments: construction of an asphalt area for TV broadcasting transport (EUR 14,000); maintenance of time equipment (EUR 6,000); purchase of a CRAFTER truck chassis (EUR 40,000); and equipment with a cargo box and awning for lifting athletes to the starting point (EUR 6,000).

Principal non-financial objectives

- Organization of Latvian and international sports competitions - all year round according to the schedule.
- Latvian and international sports team training service events.

Results achieved

- Own revenues exceeded expectations (EUR 519,000 against planned EUR 443,000).
- The planned financial and non-financial goals have been achieved.

Governance

Shareholder - Ministry of Education and Science
Representative of the Shareholder - Edgars Severs
Chair of the Management Board - Dainis Dukurs

Principal financial indicators, thousand EUR

	2018	2019
Turnover	443.0	519.0
Profit/loss	-255.9	-172.3
EBITDA	181.1	254.6
Total assets	10,886.4	10,394.4
Share capital	10,840.9	10,840.9
Equity	8,667.1	8,494.8
Investment	28.6	54.4
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	246.7	301.5
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	364.4	314.4

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-57.75	-33.20
Return on assets, ROA, %	-2.35	-1.66
Return on equity, ROE, %	-2.95	-2.03
Total liquidity indicator	1.20	0.93
Liabilities-to-equity ratio	0.26	0.22

Other indicators

Number of employees	32	31
Average gross remuneration per employee per year, thousand EUR	14.1	14.5
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 - 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, 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 2019

- Commencement of the 2nd stage of Daugavas stadions reconstruction - Ice hall design.
- Conduct of nine UEFA level football matches.
- Concert of the music group "Instrumenti" at the Daugavas stadions, gathering more than 16,000 visitors.

Most significant events planned in 2020

- Ice hall construction.
- To carry out "Design & Build" procurements for the development, construction and author supervision of the central court, athletics training ground, football training ground reconstruction, building dismantling construction plan documentation as well as for the design, construction and author supervision of a multifunctional athletics arena and start designing accordingly.

Principal financial objectives

- After the implementation of the reconstruction project (2022) to ensure financial independence from the grant of the shareholder.

Principal non-financial objectives

- To start the reconstruction of the central sports field, as well as the reconstruction of the adjacent streets, overpasses and intersections in order to provide a multifunctional infrastructure for the operation of the sports and culture quarter.
- To continue the implementation of the project "Establishment of a culture and sports quarter in the vicinity of Grīziņkalns".

Results achieved

- The goals have been partially achieved - the reconstruction of the central sports field has not started, because there is no clarity about the available funding.

Governance

Shareholder - Ministry of Education and Science
Representative of the Shareholder - Edgars Severs
Member of the Management Board - Guntis Zālītis

Principal financial indicators, thousand EUR

	2018	2019
Turnover	266.8	296.0
Profit/loss	-231.1	-703.8
EBITDA	265.1	12.9
Total assets	23,675.6	28,477.2
Share capital	9,727.1	9,727.1
Equity	7,927.8	7,224.0
Investment	9,394.3	3,251.3
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	88.0	85.8
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	1,218.7	233.7

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-86.62	-237.77
Return on assets, ROA, %	-0.98	-2.47
Return on equity, ROE, %	-2.92	-9.74
Total liquidity indicator	0.51	2.84
Liabilities-to-equity ratio	1.99	2.94

Other indicators

Number of employees	14	19
Average gross remuneration per employee per year, thousand EUR	9.7	9.0
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) offers vocational secondary and vocational education programs for both primary and secondary school graduates in the departments of catering services, tourism and commercial sciences, food production, interior and design, fashion and style, and hospitality services. RTRIT implements continuing education and professional development programs, as well as the recognition of non-formal education. The aim of RTRIT is to ensure and develop a modern learning environment, to organize and implement vocational education programs that ensure the achievement of the vocational education objectives set out in the state vocational education standards and vocational standards.

General strategic objective

Not approved.

Most important events in 2019

- RTRIT modernization - Preiļi service hotel has been put into operation and the works envisaged in the project are taking place at A. Deglava Street 41A, Rīga.
- 2nd round project "Implementation of Initial Vocational Education Programs Guarantees for Youth" within the framework of the ESF Operational Program "Growth and Employment" with the specific support objective "Promote the employment of young people not in employment, education or training under the Youth Guarantee".

Most significant events planned in 2020

- It is planned to continue the construction of the training building, training workshops, gym.
- It is planned to involve up to 300 students in work-based learning and internships.

Principal financial objectives

- Implement a project for the modernization of RTRIT within the specific support objective "Increase the number of modernized vocational education institutions": EUR 3.3 million.
- Implement an ESF project to promote the employment of young people not currently in employment, education or training: EUR 208,600.

Principal non-financial objectives

- Number of students in state budget places: 671.
- Contingent in state budget (data as of 31 December): 1,768.
- Graduation for state budget places: 400.
- ESF project "Support to reduce early school leaving", number of individual plans: 560.

Results achieved

- Within the framework of the guarantee for the implementation of initial vocational education programs for young people, project funds in the amount of EUR 256,000 were acquired in 2019.

Governance

Shareholder - Ministry of Education and Science Representative of the Shareholder - Dainis Bilmanis

Member of the Management Board - direktore - Ilze Ločmane

Principal financial indicators, thousand EUR

	2018	2019
Turnover	5,993.8	5,896.0
Profit/loss	94.3	129.9
EBITDA	395.4	405.0
Total assets	14,075.7	17,145.6
Share capital	6,637.0	6,637.0
Equity	6,690.0	6,755.8
Investment	590.3	2,332.7
Dividends paid to state budget	0.0	64.1
Contributions made to the state and local government budget	1,849.2	2,157.1
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	5,366.6	5,352.6

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.57	2.20
Return on assets, ROA, %	0.67	0.76
Return on equity, ROE, %	1.41	1.92
Total liquidity indicator	1.56	2.06
Liabilities-to-equity ratio	1.10	1.54

Other indicators

Number of employees	322	301
Average gross remuneration per employee per year, thousand EUR	10.2	10.9
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no

LLC Sporta centrs Mežaparks (SCM)

Reg. No 40003044327

Web: www.scmezaparks.lv

State ownership 100 %

SCM has no ownership in other capital companies



SCM (in English - Sports Centre Mežaparks) has been granted the status of a national sports base. The aim of SCM is to organize sports events and promote the development of various sports by providing athletes with appropriate training conditions, as well as active recreation and living conditions.

General strategic objective

Not approved.

Most important events in 2019

- Implementation of the energy efficiency project in the part of the building where the sports center is located, attracting ERDF and state co-financing.
- Complex services have been provided to Latvian national teams and other sports teams, creating a full-fledged training process in one place, including camps.
- Several sports events, including international competitions, are provided.

Most significant events planned in 2020

- To complete energy efficiency works for the sports center building.
- Launch an energy efficiency project for the office and hotel building.
- Reconstruction of the conference hall.
- To provide complex services to Latvian national team and other sports teams, creating a full-fledged training process in one place, including camps.
- To make improvements in the infrastructure and quality of services of the children's and youth sports sailing base.

Principal financial objectives

- Revenue from sports center services: EUR 69,900.
- Revenue from hotel services: EUR 149,500.
- Revenue from letting of premises and land EUR 108,600.
- Revenue from the car park: EUR 26,700.

Principal non-financial objectives

- The course of international competitions.
- Provision of complex services.
- Customer evaluation of service quality: 80%.
- Employee education.
- Improving internal processes.

Governance

Shareholder - Ministry of Education and Science
Representative of the Shareholder - Edgars Severs
Member of the Management Board - Ieva Zunda

Principal financial indicators, thousand EUR

	2018	2019
Turnover	380.1	381.2
Profit/loss	1.3	0.7
EBITDA	77.4	83.1
Total assets	15,913.3	16,126.8
Share capital	15,811.1	15,811.1
Equity	15,436.0	15,436.8
Investment	111.2	56.3
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	102.4	122.1
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	129.0	320.5

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.33	0.20
Return on assets, ROA, %	0.01	0.005
Return on equity, ROE, %	0.01	0.005
Total liquidity indicator	1.81	7.26
Liabilities-to-equity ratio	0.03	0.04

Other indicators

Number of employees	18	20
Average gross remuneration per employee per year, thousand EUR	8.7	8.3
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- Net turnover at approximately the level of 2018, however, lower than planned for 2019.

LLC Tenisa centrs Lielupe (TCL)

Reg. No 40003030774

Web: www.tenisslielupe.lv

State ownership 100 %

TCL has no ownership in other capital companies

NACIONĀLAIS TENISA CENTRS

LIELUPE



National Sports Base TCL (in English – Tennis Centre Lielupe) is the largest tennis center in Latvia, which has currently nine open tennis courts and hosts national and international tennis competitions. The purpose of TCL is to organize sports events and promote the development of various sports by providing athletes with conditions that meet the requirements and regulations of international sports federations.

General strategic objective

Not approved.

Most important events in 2019

- Completion and commissioning of the reconstruction of the existing TCL tennis hall.
- Completion and commissioning of TCL's new tennis hall.
- Launch of the project of energy efficiency improvement measures for the TCL building at Oskara Kalpaka Avenue 16, Jūrmala within the framework of the EU fund project.

Most significant events planned in 2020

- To complete the implementation of energy efficiency improvement measures for the TCL building at Oskars Kalpaka Avenue 16, Jūrmala within the framework of the EU fund project.
- Restore customer flow after construction.
- To improve the developed tennis court load accounting system.
- Develop a medium-term action strategy for 2020-2024.

Principal financial objectives

- To ensure the restoration of financial flow after the completion of construction.
- To restore the provision of services in the reconstructed and newly built tennis halls.

Principal non-financial objectives

- To become the largest and most modern tennis center in the Baltics, thus providing a modern training environment and opportunities for sports competitions in accordance with the requirements of the International Tennis Federation and other sports federations.
- Carry out the construction of the new hall, thus modernizing and expanding the environment: increase in the number of closed courts by 4.

Results achieved

- 11 Latvian championships, three international tournaments and five amateur tournaments are provided.
- Construction of the new hall has been carried out, thus expanding the number of closed courts by four courts.

Governance

Shareholder – Ministry of Education and Science
Representative of the Shareholder – Edgars Severs
Member of the Management Board – Guntis Zālītis

Principal financial indicators, thousand EUR

	2018	2019
Turnover	129.6	207.9
Profit/loss	-163.7	-352.4
EBITDA	-83.7	-71.7
Total assets	22,060.0	23,109.2
Share capital	14,964.0	14,964.0
Equity	14,555.6	14,203.2
Investment	2,533.5	3,793.8
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	110.0	81.4
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	4,969.5	36.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-126.37	-169.50
Return on assets, ROA, %	-0.74	-1.52
Return on equity, ROE, %	-1.12	-2.48
Total liquidity indicator	7.63	0.57
Liabilities-to-equity ratio	0.52	0.63

Other indicators

Number of employees	15	13
Average gross remuneration per employee per year, thousand EUR	11.8	13.0
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no

JSC Attīstības finanšu institūcija Altum (ALTUM)

Reg. No 50103744891
 Web: www.altum.lv
 State ownership 100 %
 Related companies and shares:
 KS Otrais Eko Fonds 33 %
 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 17 %
 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 %

ALTUM (in English - Development Finance Institution ALTUM) is a Latvian 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 2019

- On 25 March 2019, the international credit rating agency Moody's Investors Service (Moody's) reaffirmed ALTUM's long-term credit rating of Baa1 with a stable outlook. The base credit rating was upgraded to an investment grade rating of Baa3.
- On 29 May 2019, transferable debt securities were issued for a total amount of EUR 15 million, which is the first issue under the EUR 70 million bond issue program, with a yield of 0.95%. The bonds were bought by 20 investors in the Baltics.
- New guarantees were issued for EUR 98.2 million, which is 10.7% more than in 2018.

Most significant events planned in 2020

- Improving the housing guarantee program, including expanding the range of beneficiaries.
- Digitization of merchant guarantees.
- Introduction of loan rescheduling in cooperation with international financial institutions.
- Product development for long-term financing of ESCO.

Principal financial objectives

- Return on equity ROE: $\geq 1.3\%$.
- Profit: EUR 2,984 thousand.
- Equity: EUR 226,074 thousand
- Expenditure / revenue ratio: $\leq 70\%$.

Principal non-financial objectives

- Volume of new transactions, (without grants): EUR 194 million
- Gross portfolios at the end of the year, (without grants): EUR 611 million.
- Moody's credit rating: no more than two degrees 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, Ēriks Eglītis
 Chair of the Supervisory Council - Līga Kļaviņa
 Members of the Supervisory Council - Jānis Šnore, Kristaps Soms
 Chair of the Management Board - Reinis Bērziņš
 Members of the Management Board - Jēkabs Krieviņš, Inese Zile, Aleksandrs Bimbirulis

Principal financial indicators, thousand EUR*

	2018 ⁶²	2019
Turnover	14,350.0	15,519.0
Profit/loss	4,092.0	8,131.0
EBITDA	4,712.0	8,917.7
Total assets	495,939.0	560,061.0
Share capital	204,862.0	204,862.0
Equity	221,590.0	232,738.0
Investment	4,228.0	4,694.0
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	3,687.0	3,575.8
Donations received	0.0	0.0
Donations made	1.0	0.0
Funding received from the state budget	34,729.7	68,074.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	28.52	52.39
Return on assets, ROA, %	0.83	1.45
Return on equity, ROE, %	1.85	3.49
Total liquidity indicator	1.51	1.69
Liabilities-to-equity ratio	1.12	1.27

Other indicators

Number of employees	227	202
Average gross remuneration per employee per year, thousand EUR	26.2	26.0
Gender representation in management, f/m	2/6	2/5
Annual report in accordance with IFRS (yes/no)	yes	yes

* Consolidated data

Results achieved

- Despite the fact that the average number of employees in 2019 has decreased by 8.6% compared to 2018, the amount of new loans has increased by 7.8%, the portfolio of financial instruments issued by ALTUM under state support programs has reached EUR 2.9 million per employee, but the amount of newly issued financial instruments per employee has reached EUR 881 thousand (in 2018, EUR 2.3 million and EUR 717.8 thousand per employee, respectively).

⁶² Data from the 2018 report and data provided by ALTUM.

SJSC Latvijas Loto (LL)

Reg. No 40003083998
Web: www.latloto.lv
State ownership 100 %
Related companies and shares:
LLC Latloto nams 100 %



LATVIJAS
LOTO

LL (in English – Latvia Loto) is a state-owned company 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. The profit goes to the state budget, which allows it to be directed to the needs of the society.

General strategic objective

To organize licensed games at the internationally recognized level of social responsibility, safety and quality, ensuring highest quality standards and protection of public interests and players' rights in Latvia, eliminating market failure.

Most important events in 2019

- Modernization of LOTO terminals in the planned amount has been implemented.
- Three new instant lotteries have been introduced: "Magic", "Labyrinth" and "Rich", as well as six new interactive instant lotteries have been introduced for sale.
- The publication of the results of the receipt lottery organized by the State Revenue Service has been ensured.
- Thanks to the popularity of the project "Centennial Lottery" and Latvian residents who have purchased instant lottery "Centennial Lottery" tickets, at the end of the 2018/2019 school year, 356 brightest graduates of Latvian secondary education institutions received a one-time support scholarship in the amount of EUR 500.

Most significant events planned in 2020

- Continuation of the implementation of the LOTO terminal modernization project.
- Development of a portfolio of lottery products, as well as exploring the possibility of joining new international lottery projects.
- Development of nationwide lottery sales channels, ensuring product availability.

Principal financial objectives

- Net turnover: EUR 41.9 million
- EBITDA profitability: >18%.
- Dividends: EUR 3.5 million
- Return on equity: >35%.
- Net profit: >9%.

Principal non-financial objectives

- To ensure the recertification of the company's operations in accordance with the quality and safety standards - ISO 9001, ISO 27001, WLA / SCS, and the requirements of regulatory enactments.
- Ensure monitoring of compliance with the European Lottery Association's Responsible Gaming Standard (EL / RG) and the World Lottery Association's Responsible Gaming Framework WLA / RGF.
- To develop and improve the instant lottery product portfolio, to introduce 1 new instant lottery.
- Customer Satisfaction Index: >70.

Governance

Shareholder – Ministry of Finance
Representative of the Shareholder – Baiba Bāne
Chair of the Supervisory Council – Nils Sakss
Members of the Supervisory Council – Antra Duntava, Ingars Eriņš
Chair of the Management Board – Maija Kubli
Members of the Management Board – Ēdgars Ledīņš, Jānis Pone

Principal financial indicators, thousand EUR

	2018	2019
Turnover	40,903.7	48,345.3
Profit/loss	6,504.4	7,356.1
EBITDA	10,221.3	11,597.7
Total assets	18,215.6	21,532.6
Share capital	1,400.0	1,400.0
Equity	12,058.8	13,802.9
Investment	670.0	1,566.9
Dividends paid to state budget	4,661.7	5,149.2
Contributions made to the state and local government budget	10,685.3	10,568.3
Donations received	0.0	0.0
Donations made	35.1	35.5
Funding received from the state budget	0.0	0.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	15.90	15.22
Return on assets, ROA, %	35.71	34.16
Return on equity, ROE, %	53.94	53.29
Total liquidity indicator	12.22	8.20
Liabilities-to-equity ratio	0.10	0.15

Other indicators

Number of employees	117	119
Average gross remuneration per employee per year, thousand EUR	19.0	21.2
Gender representation in management, f/m	2/4	2/4
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- All financial targets were met and some performance indicators were significantly exceeded, including an increase in turnover without a significant increase in expenses; the profit level exceeded the plan by 79%.
- All the set non-financial goals have been achieved, including ensuring the compliance of LL's operations with the international standards of responsible play, quality and safety and the requirements of regulatory enactments.

SLLC Latvijas Proves birojs (LPB)

Reg. No 40103264961

Web: www.prove.lv

State ownership 100 %

LPB has no ownership in other capital companies



LATVIJAS PROVES BIROJS

The purpose of establishing LPB (in English - Assay Office of the Republic of Latvia) is to ensure the supervision of the state test in accordance with Section 5 of the Law "On the Supervision of the State Test". The most important activity of LPB is the mandatory testing and stamping of precious metals and precious stone products. At the same time, LPB monitors the market of precious metals, precious stones and their products, ensuring the protection of state and consumer interests and fair competition among entrepreneurs. By diversifying the services provided and with the aim of mitigating the negative effects of the market recession, the performance of expertise in precious metals, precious stones and their products is being developed.

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

- Precious metals testing instrumentalization project has been launched.
- Testing and marking of precious stones in accordance with the requirements of Lithuanian legislation has been introduced to ensure the provision of services to foreign clients.
- Test methods for synthetic diamonds have been improved by introducing phosphorescence and FTIR methods for gemstones embedded in jewelry.

Most significant events planned in 2020

- Develop and approve LPB's Medium-Term Operational Strategy for the coming years.
- Continue the precious metals testing instrumentalization project, reducing subjectivity and improving testing quality.
- Ensure the leadership of the Technical Committee of the Convention on the Inspection and Stamping of Precious Metals.

Principal financial objectives

- Profit or loss: EUR 10 thousand.
- EBITDA: EUR 82 thousand.
- Return on assets (ROE): 1.1%.
- Total liquidity ratio: >9.
- Long-term investments: EUR 65 thousand.

Principal non-financial objectives

- Provided, stamped, precious metal products: 750 thousand pcs.
- Tested products with precious stones: 35 thousand pcs.
- On-the-spot checks (number): 210.
- Accredited the laboratory according to the ISO17025 standard.

Governance

Shareholder - Ministry of Finance
Representative of the Shareholder - Baiba Bāne
Chair of the Management Board - Pēters Brangulis

Principal financial indicators, thousand EUR

	2018	2019
Turnover	574.4	679.4
Profit/loss	10.9	40.7
EBITDA	81.9	122.6
Total assets	894.1	927.1
Share capital	836.3	836.3
Equity	857.0	888.4
Investment	152.2	73.5
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	200.1	235.7
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	95.6	77.2

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.90	5.99
Return on assets, ROA, %	1.22	4.39
Return on equity, ROE, %	1.27	4.58
Total liquidity indicator	10.90	12.05
Liabilities-to-equity ratio	0.04	0.04

Other indicators

Number of employees	18	18
Average gross remuneration per employee per year, thousand EUR	13.3	13.5
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- LPB has achieved all the set financial and non-financial goals, some performance indicators significantly exceed the planned ones.
- The number of stamped products has increased by 16% and the number of products tested with precious stones has increased by 30% compared to the plan, as well as the set non-financial targets for market surveillance activities have been met.

SLLC Latvijas Vēstnesis (LV)

Reg. No 40003113794

Web: www.lv.lv

State ownership 100 %

LV has no ownership in other capital companies



LATVIJAS VĒSTNESIS

LV (in English – Latvia’s Messenger) is the official publisher of the Republic of Latvia, which performs the state function - provides official publication and systematizes legal acts. Its activities are closely related to the implementation of Article 90 of the Satversme of the Republic of Latvia “Everyone has the right to know their rights”. Citizens have the right to be informed of their rights, duties and responsibilities.

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 2019

- Establishment of a section “Moneyval” on the LV portal, in the field of prevention of money laundering and terrorist financing, especially in the context of the Moneyval process, covering all 11 lines of action.
- Ensuring the quality of the justice sector discussion platform “Justice Tent” within the framework of the negotiation festival “Lamp”, including live broadcast on the LV portal.
- Publication of the results of the pilot project “Integration of Judgments on the Website “Likumi.lv”” implemented in cooperation with the Constitutional Court and the Supreme Court.
- A collection of articles by E. Levits “Valstsgrība” (“State Will”) has been published, organizing its opening event.

Most significant events planned in 2020

- In co-operation with the State Chancellery, continue participation in the establishment of the Single Portal for the Development and Coordination of Draft Legislation.
- To help orientate in the new administrative liability regulation, which will come into force on July 1, 2020, continue to supplement the administrative responsibility guide created on the website likumi.lv with laws and binding regulations of local governments.

Principal financial objectives

- The increase in actual total expenditure compared to the one planned in 2019 (EUR 2.25 million) does not exceed 5%.
- Revenue from the sale of commercial products (magazine “Jurista Vārds”, sale of books, advertising revenue): ≥ EUR 110 thousand.
- Equity: > EUR 711 thousand

Principal non-financial objectives

- Average number of real Latvian users of informative e-services provided by LV per month: 341 thousand.
- Average number of unique users of the official publication (“vestnesis.lv”) per month: 70 thousand.
- Evaluation of the satisfaction of the users of the official publication “vestnesis.lv” with the provided services (not lower than 3 on a scale of 1-4): 3.2.

Governance

Shareholder – Ministry of Justice
Representative of the Shareholder – Raivis Kronbergs
Chair of the Management Board – Daina Ābele
Member of the Management Board – Dainis Mjartāns

Principal financial indicators, thousand EUR

	2018	2019
Turnover	1,458.4	1,512.8
Profit/loss	-545.1	-631.0
EBITDA	-480.5	-551.5
Total assets	2,114.7	1,433.9
Share capital	711.4	711.4
Equity	1,534.0	903.0
Investment	70.3	108.3
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	580.3	695.2
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, %	-37.38	-41.71
Return on assets, ROA, %	-25.78	-44.01
Return on equity, ROE, %	-35.54	-69.88
Total liquidity indicator	3.46	2.45
Liabilities-to-equity ratio	0.38	0.59

Other indicators

Number of employees	66	67
Average gross remuneration per employee per year, thousand EUR	18.1	17.8
Gender representation in management, f/m	1/1	1/1
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- All set financial targets have been achieved, expenditure growth is 5% lower than planned.
- LV has ended 2019 with losses that are 24% lower than planned.
- In general, all planned non-financial indicators have been achieved or exceeded, including an increase in the number of users of services provided by LV; customer satisfaction with the quality of services provided is high (satisfaction rate: 3.5 out of 4).

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



LATVIJAS VIDES, ĢEOLOĢIJAS
UN METEOROĢIJAS CENTRS

LVĢMC (in English - Latvian Centre for Environment, Geology and Meteorology) provides the collection, compilation, accumulation, analysis and forecasting of environmental information, as well as provides this information to the public and state and municipal institutions. The main tasks of LVĢMC are to collect and process environmental information, to perform environmental monitoring and to inform the public about the state of the environment, to ensure geological supervision and rational use of subterranean depths, to manage radioactive waste, nuclear facilities and state-owned hazardous waste management facilities and to participate in the implementation of national policies on geology, meteorology, climatology, hydrology, air quality and the impact of cross-border air pollution.

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 2019

- Implementation of two significant projects was continued (Cohesion Fund project "Improvement of State Environmental Monitoring and Other Environmental Data Processing and Storage Infrastructure" and ERDF project "Development and Improvement of Information Systems for Geospatial and Daugava Basin Flood Data") and implementation of 1 new project (Cohesion Fund project "Development of the Environmental Monitoring and Control System").
- LVĢMC has exported commercial services to various institutions and businesses in 19 European countries.
- Reconstruction of the administrative building and relocation of the laboratory from Jūrmala to Rīga.
- Implementation of e-commerce system, analysis and improvement of its operation.

Most significant events planned in 2020

- Development of existing and new high value-added products and services.
- To continue the implementation of the projects launched, as well as to start the implementation of a new project "Implementation of Latvian River Basin Management Plans for Achieving Good Surface Water Status".
- Completion of the reconstruction of the administrative building.

Principal financial objectives

- Profit before depreciation (EBITDA): EUR 674 thousand.
- Total liquidity ratio: 1.8.
- Net cash flow from investing activities: EUR -12.91 million.

Principal non-financial objectives

- Labour productivity monitoring.
- Analysis of the 1st year operation of the e-commerce system and development of change requests.
- Hazardous waste accepted for disposal: 300 tons.

Governance

Shareholder - Ministry of Environmental Protection and Regional Development

Representative of the Shareholder - Edvīns Balševics

Chair of the Management Board - Ingemars Harmsens

Member of the Management Board - Egils Zariņš

Principal financial indicators, thousand EUR

	2018	2019
Turnover	6,660.5	6,168.4
Profit/loss	-1,114.3	-610.5
EBITDA	243.9	946.0
Total assets	27,178.5	31,404.4
Share capital	27,151.0	27,151.0
Equity	18,596.9	17,986.4
Investment	2,750.3	6,215.6
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	2,109.3	2,348.6
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	8,170.5	7,277.2

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-16.73	-9.90
Return on assets, ROA, %	-4.10	-1.94
Return on equity, ROE, %	-5.99	-3.39
Total liquidity indicator	1.29	1.11
Liabilities-to-equity ratio	0.46	0.75

Other indicators

Number of employees	266	229
Average gross remuneration per employee per year, thousand EUR	11.0	12.9
Gender representation in management, f/m	0/2	0/2
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- The set financial targets have been partially achieved, the result before depreciation (EBITDA) is 40% higher than planned, the total liquidity ratio is lower than planned, i.e. 1.1.
- The non-financial targets have been partially met, with hazardous waste accepted for disposal by 19% less than planned, taking into account the actual demand for this service.

JSC "Publisko aktīvu pārvaldītājs

Possessor"

(until 23.08.2019 JSC Publisko aktīvu pārvaldītājs Possessor (Privatizācijas aģentūra); until 03.06.2019 SJSC Privatizācijas aģentūra (PA); from 09.10.2020 LLC Publisko aktīvu pārvaldītājs Possessor (Privatizācijas aģentūra))

Reg. No 40003192154

Web: www.pa.gov.lv

State ownership 100 %

Related companies and shares:

LLC FeLM 100 %

LLC under liquidation Hiponia 100 %

LLC REAP 100 %

JSC under liquidation Reverta 96,89 %

Possessor (formerly the SJSC Privatization Agency) was originally set up to ensure the centralized privatization of state property. Over time, the range of delegated public administration tasks has significantly expanded, supplementing it with privatization and alienation of state land, apartments and residential houses, servicing of privatization certificate accounts, management and alienation of state capital shares, as well as management of distressed assets. In the medium term, Possessor's activities are focused on the alienation of state property, the completion of privatization processes and the development of a professional state asset sales platform, while continuing to manage the public equity portfolio.

General strategic objective

Ensure professional management of state 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 2019

- Change of the name of the State Joint Stock Company "Privatization Agency" to Possessor.
- Work has continued on the development (privatization and disposal) of the portfolio of state assets held, as well as on the fulfillment of the tasks specifically assigned by the Cabinet of Ministers, which are related to the management of the subsidiaries owned by Possessor.

Most significant events planned in 2020

- Complete the renovation of the Possessor's administrative building.
- Precautions to protect Possessor employees, customers and partners from the potential effects of Covid-19, as well as the actions required to minimize disruption to Possessor's operations during a possible Covid-19 outbreak.

Principal financial objectives

- Regulatory deductions: EUR 1.43 million
- Normalized EBITDA: EUR 136 thousand.
- Normalized losses: EUR -210 thousand.

Principal non-financial objectives

- Number of purchase agreements concluded for land and real estate objects: 60 for the total value of EUR 1.34 million.
- Number of concluded purchase agreements for alienation of residential houses and apartment properties: 140.
- Total value of privatized and alienated capital share agreements: EUR 281 thousand.
- Contributions to the state budget and other state institutions from privatization, alienation and lease: EUR 1 million.

Publisko aktīvu pārvaldītājs

Possessor

Governance

Shareholder - Ministry of Economics

Representative of the Shareholder - Edmunds Valantis

Chair of the Management Board - Vladimirs Loginovs

Members of the Management Board - Alvis Mitenbergs, Juris Vaskāns

Principal financial indicators, thousand EUR

	2018	2019
Turnover	3,220.8	3,954.1
Profit/loss	-6,836.8	-1,108.6
EBITDA	-5,344.0	-1,003.0
Total assets	43,204.8	42,502.7
Share capital	446,064.9	446,064.9
Equity	-16,758.5	-17,874.9
Investment	501.1	1,095.5
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	1,119.1	812.3
Donations received	0.0	0.0
Donations made	0.1	0.0
Funding received from the state budget	0.0	0.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-212.27	-28.04
Return on assets, ROA, %	-15.82	-2.61
Return on equity, ROE, %	n/a	n/a
Total liquidity indicator	0.63	0.71
Liabilities-to-equity ratio	n/a	n/a

Other indicators

Number of employees	89	67
Average gross remuneration per employee per year, thousand EUR	23.8	24.1
Gender representation in management, f/m	0/3	0/3
Annual report in accordance with IFRS (yes/no)	no	no

* Consolidated data.

Results achieved

- All the set performance indicators of the set Possessor financial goals have been significantly exceeded; instead of the planned losses, the year ended with a profit of EUR 915 thousand.
- All non-financial targets have been met and some performance indicators have been exceeded, including the total value of privatized and expropriated share agreements exceeding the plan by 53%.

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 with the main goal - reduction of environmental pollution by promoting the implementation of environmental protection projects and increasing the capacity of local governments and their capital companies, to prepare and implement high-quality and effective environmental protection projects, starting with the project idea and ending with its implementation. The activities of VIF are primarily aimed at achieving the greatest possible environmental improvements by investing financial resources in the implementation of environmental infrastructure improvement projects that provide it.

General strategic objective

By creating a sustainable financing model, to promote Latvia's contribution to reducing global climate change, taking into account Latvia's environmental, social and economic interests.

Most important events in 2019

- Monitoring of CCFI projects and extension of monitoring periods, as well as monitoring of implementation of ECI projects.
- Development of the initial documentation of the Green Investment Fund.
- Implementation of the project "Promotion of Circular Economy Development through Innovative Procurement and Capacity Building Activities (Circular PP)".
- Implementation of the project "Promotion of support for wind energy development in less developed regions in terms of the use of onshore wind energy (WinWind)".

Most significant events planned in 2020

- Launch of ESCO projects.
- Establishment of a green investment fund.
- Organization of new EKII (Emission Allowance Auction Instrument) tenders and monitoring of implementation.
- Concluding successful monitoring of CCFI (Climate Change Financial Instrument) projects.
- New cross-border cooperation projects.

Principal financial objectives

- Turnover (Financial services; ESCOs and loans): EUR 79,000.
- Turnover (administration of CCFI / ECI projects): EUR 180,000.
- Turnover (Development cooperation): EUR 101,000.
- Losses: EUR -28,500.

Principal non-financial objectives

- Number of implemented ESCO projects: 6.
- Monitoring of implemented projects: 555.
- Number of new cross-border cooperation projects prepared: 4.

Governance

Shareholder - Ministry of Environmental Protection and Regional Development

Representative of the Shareholder - Edvīns Balševics

Chair of the Management Board - Egils Zariņš

Principal financial indicators, thousand EUR

	2018	2019
Turnover	24.2	13.1
Profit/loss	-76.9	-84.6
EBITDA	-74.8	-82.5
Total assets	6,497.4	6,414.3
Share capital	6,299.3	6,299.3
Equity	6,307.0	6,222.4
Investment	0.0	10.6
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	111.9	107.4
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	114.9	156.7

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-317.39	-644.28
Return on assets, ROA, %	-1.18	-1.32
Return on equity, ROE, %	-1.22	-1.36
Total liquidity indicator	21.19	22.62
Liabilities-to-equity ratio	0.03	0.03

Other indicators

Number of employees	11	11
Average gross remuneration per employee per year, thousand EUR	18.6	18.6
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no

Results achieved

- In general, the set financial objectives have not been achieved, except for the indicator "Development Cooperation", which exceeded the planned one by 15% due to more active implementation of existing projects.
- The non-financial objectives have been partially achieved, including the preparation of 8 new cross-border cooperation projects.
- VIF closed 2019 with losses that significantly exceeded the planned ones.

Annex 1

State-Owned Enterprises, Shares Owned by State, State-Owned Enterprises and Companies under Effective Control of the State (31.12.2019)

No.	Reg. No	Name of the capital company	Sector	Turnover, 2019, EUR '000	Profit/Loss, 2019, EUR '000	Total assets, 31.12.2019, EUR '000	Proportion of capital shares, holder or owner	Supplementary information
State-Owned Enterprises								
1	40003032949	JSC "Latvenergo" (Group)	Energy	841,636.0	94,359.0	3,864,941.0	100 % Ministry of Economics	
2	40003466281	JSC "Latvijas valsts meži" (consolidated)	Forestry	375,238.8	105,179.6	534,196.8	100 % Ministry of Agriculture	
3	40003032065	SJSC "Latvijas dzelzceļš" (consolidated)	Transport	337,645.0	-9,328.0	946,012.0	100 % Ministry of Transport	
4	40003575567	JSC "Augstsprieguma tīkls"	Energy	184,742.1	7,067.0	221,934.4	100 % Ministry of Finance	The annual report is not consolidated based on the auditors' opinion.
5	40003951628	LLC "Rīgas Austrumu klīniskā universitātes slimnīca"	Health care	142,203.2	-3,581.6	131,760.7	100 % Ministry of Health	The consolidated annual report for 2019 is not prepared on the basis of Section 66 of the Law on the Annual Financial Statements and Consolidated Financial Statements.
6	40003457109	SLLC "Paula Stradiņa klīniskā universitātes slimnīca"	Health care	118,730.9	-3,407.2	142,750.6	100 % Ministry of Health	
7	40003052790	SJSC "Latvijas Pasts"	Communications	96,167.9	1,489.8	118,945.8	100 % Ministry of Transport	
8	40003356530	SJSC "Latvijas autoceļu uzturētājs"	Transport	72,359.9	2,512.3	70,139.9	100 % Ministry of Transport	
9	40003028055	SJSC "Starptautiskā lidosta "Rīga" "	Transport	64,986.7	22,140.6	178,286.4	100 % Ministry of Transport	
10	40003567907	JSC "Pasažieru vilciens"	Transport	56,735.6	1,031.4	86,501.7	100 % Ministry of Transport	
11	40003457128	SLLC "Bērnu klīniskā universitātes slimnīca"	Health care	54,256.7	7.5	70,490.4	100 % Ministry of Health	
12	40003345734	SJSC "Ceļu satiksmes drošības direkcija" (consolidated)	Transport	49,848.8	4,248.7	55,194.2	100 % Ministry of Transport	
13	40003083998	SJSC "Latvijas Loto" (consolidated)	Other	48,345.3	7,356.1	21,532.6	100 % Ministry of Finance	
14	40003294758	SJSC "Valsts nekustamie īpašumi"	Real estate management	40,246.8	5,198.1	397,694.3	100 % Ministry of Finance	
15	40003038621	SJSC "Latvijas gaisa satiksme"	Transport	30,764.5	2,457.2	43,807.6	100 % Ministry of Transport	
16	50003342481	SLLC "Rīgas Psihiatrijas un narkoloģijas centrs"	Health care	20 104.8	22.4	26 371.2	100 % Veselības ministrija	
17	40003080597	SLLC "Latvijas Televīzija"	Public electronic mass media	19,532.6	-233.9	13,715.0	100 % National Electronic Mass Media Council	
18	40003011203	SJSC "Latvijas Valsts radio un televīzijas centrs"	Communications	19,011.4	-1,199.1	124,861.6	100 % Ministry of Transport	
19	40003410729	SLLC "Traumatoloģijas un ortopēdijas slimnīca"	Health care	18,683.4	586.7	14,046.2	100 % Ministry of Health	
20	40003344207	SJSC "Latvijas Valsts ceļi"	Transport	15,788.8	81.8	7,052.1	100 % Ministry of Transport	
21	50103744891	JSC "Attīstības finanšu institūcija Altum" (consolidated)	Other	15,519.0	8,131.0	560,061.0	40 % Ministry of Finance; 30 % Ministry of Economics; 30 % Ministry of Agriculture	
22	40003338357	SLLC "Zemkopības ministrijas nekustamie īpašumi"	Real estate management	14,583.8	21.5	32,757.8	100 % Ministry of Agriculture	
23	40003273900	SLLC "Nacionālais rehabilitācijas centrs "Vaivari" "	Health care	13,958.0	17.6	14,689.9	100 % Ministry of Health	
24	50003407881	SLLC "Daugavpils psihoneiroloģiskā slimnīca"	Health care	10,692.1	2.0	19,153.2	100 % Ministry of Health	
25	40003080614	SLLC "Latvijas Radio"	Public electronic mass media	9,676.1	-182.8	6,698.4	100 % National Electronic Mass Media Council	
26	40003407396	SLLC "Slimnīca "Ģintermuiža" "	Health care	8,738.8	309.2	14,340.0	100 % Ministry of Health	
27	40003334410	SJSC "Tiesu namu aģentūra"	Real estate management	7,773.6	101.1	65,785.7	100 % Ministry of Justice	
28	40003021907	SJSC "Elektroniskie sakari"	Communications	7,703.3	94.1	12,528.7	100 % Ministry of Environmental Protection and Regional Development	
29	50003408181	SLLC "Strenču psihoneiroloģiskā slimnīca"	Health care	7,658.9	447.8	7,597.4	100 % Ministry of Health	
30	50103237791	SLLC "Latvijas Vides, ģeoloģijas un meteoroloģijas centrs"	Other	6,168.4	-610.5	31,404.4	100 % Ministry of Environmental Protection and Regional Development	

No.	Reg. No	Name of the capital company	Sector	Turnover, 2019, EUR `000	Profit/Loss, 2019, EUR `000	Total assets, 31.12.2019, EUR `000	Proportion of capital shares, holder or owner	Supplementary information
31	40003480798	SLLC "Rīgas Tūrisma un radošās industrijas tehnikums"	Education	5896.0	129.9	17,145.6	100 % Ministry of Education and Science	
32	40003343729	SLLC "Piejūras slimnīca"	Health care	5,143.3	3.8	10,408.0	100 % Ministry of Health	
33	40003453643	SLLC "Aknīstes psihoneiroloģiskā slimnīca"	Health care	4,821.1	1.4	6,542.5	100 % Ministry of Health	
34	40003022705	SJSC "Latvijas Jūras administrācija"	Transport	4,427.9	56.6	5,205.9	100 % Ministry of Transport	
35	40003429317	SLLC "Autotransporta direkcija"	Transport	4,110.3	895.5	4,331.9	100 % Ministry of Transport	
36	40003192154	JSC "Publisko aktīvu pārvaldītājs Possessor" (consolidated ⁶³)	Other	3,954.1	-1,108.6	42,502.7	100 % Ministry of Economics	As of 03.06.2019. JSC "Publisko aktīvu pārvaldītājs Possessor (Privatizācijas aģentūra)". As of 23.08.2019. JSC "Publisko aktīvu pārvaldītājs Possessor".
37	40103208907	SLLC "Latvijas Nacionālā opera un balets"	Culture	3,694.7	3.8	7,845.3	100 % Ministry of Culture	
38	40103836785	LLC "Eiropas dzelzceļa līnijas"	Transport	2,808.6	-3.4	4,355.9	100 % Ministry of Transport	
39	40003786149	SLLC "Latvijas Nacionālais teātris"	Culture	2,639.3	7.1	1,686.1	100 % Ministry of Culture	
40	40003783138	SLLC "Dailes teātris"	Culture	2,633.5	4.8	1,084.7	100 % Ministry of Culture	
41	50003000771	SLLC "Šampētera nams"	Real estate management	2,432.1	3.0	3,272.6	100 % Ministry of Welfare	
42	40003400059	SLLC "Iekšlietu ministrijas poliklinika"	Health care	2,263.8	0.8	835.3	100 % Ministry of the Interior	
43	40003094953	SLLC "Jaunais Rīgas teātris"	Culture	1,976.2	6.0	1,653.0	100 % Ministry of Culture	
44	40003793653	SLLC "Mihaila Čehova Rīgas Krievu teātris"	Culture	1,819.4	14.3	865.9	100 % Ministry of Culture	
45	40003113794	SLLC "Latvijas Vēstnesis"	Other	1,512.8	-631.0	1,433.9	100 % Ministry of Justice	
46	44103017181	SLLC "Bērnu psihoneiroloģiskā slimnīca "Ainaži" "	Health care	1,502.7	-14.9	4,251.2	100 % Ministry of Health	
47	40003374610	SLLC "Latvijas Koncerti"	Culture	1,465.0	17.0	922.7	100 % Ministry of Culture	
48	40003435328	LLC "Latvijas Nacionālais metroloģijas centrs"	Other	1,076.3	-54.1	1,074.8	100 % Ministry of Economics	
49	40003487546	SLLC "KREMERATA BALTICA"	Culture	887.1	1.5	165.8	100 % Ministry of Culture	
50	44103038376	SLLC "Valmieras drāmas teātris"	Culture	757.7	12.5	683.4	100 % Ministry of Culture	
51	40003782984	SLLC "Latvijas Leļļu teātris"	Culture	751.1	69.5	472.0	100 % Ministry of Culture	
52	40103264961	SLLC "Latvijas Proves birojs"	Other	679.4	40.7	927.1	100 % Ministry of Finance	
53	40003373615	SLLC "Latvijas Nacionālais simfoniskais orķestris"	Culture	638.9	14.9	872.9	100 % Ministry of Culture	
54	50003017621	SLLC "Meliorprojekts"	Other	592.4	2.5	250.5	100 % Ministry of Agriculture	
55	40003005137	LLC "Bobsleja un kamanīņu trase "Sigulda" "	Sport	519.0	-172.3	10,394.4	100 % Ministry of Education and Science	
56	40003044327	LLC "Sporta centrs "Mežaparks" "	Sport	381.2	0.7	16,126.8	100 % Ministry of Education and Science	
57	42103049403	SLLC "Liepājas simfoniskais orķestris"	Culture	309.8	-59.6	322.8	100 % Ministry of Culture	
58	50003140671	SLLC "Kultūras un sporta centrs "Daugavas stadions"	Sport	296.0	-703.8	28,477.2	100 % Ministry of Education and Science	
59	40203084591	LLC "Latvijas standarts"	Other	275.7	29.8	352.2	100 % Ministry of Economics	
60	40003373761	SLLC "Valsts Akadēmiskais koris "Latvija" "	Culture	260.4	2.6	193.9	100 % Ministry of Culture	
61	41503037608	SLLC "Daugavpils teātris"	Culture	242.1	0.9	209.7	100 % Ministry of Culture	
62	40003030774	LLC "Tenisa centrs "Lielupe" "	Sport	207.9	-352.4	23,109.2	100 % Ministry of Education and Science	
63	40003027789	SLLC "Rīgas cirks"	Culture	132.3	-30.6	1,003.8	100 % Ministry of Culture	
64	40003339615	SLLC "Vides investīciju fonds"	Other	13.1	-84.6	6,414.3	100 % Ministry of Environmental Protection and Regional Development	
65	40003342456	LLC "Lielstraupes pils"	Health care	0.0	-4.7	55.6	100 % Ministry of Health	14.05.2019. name changed from SLLC "Straupes narkoloģiskā slimnīca".
66	40203235757	JSC "Ventas osta"	Transport	n/a	n/a	n/a	100 % Ministry of Transport	Registered in the Register of Enterprises on 27.12.2019. Share capital: EUR 35 000.
State-Owned Enterprises effectively controlled by the State								
67	40003245752	JSC "Air Baltic Corporation" (consolidated)	Transport	502,255.0	-9,114.0	971,236.0	80.05475 % Ministry of Transport	

63 The consolidated annual report includes - LLLC "Hiponia", LLC "FeLM" un LLC "REAP". Based on Section 68 (4) of the Law on the Annual Financial Statements and Consolidated Financial Statements, LJSC "Reverta" included in the Group is not included in the consolidation.

No.	Reg. No	Name of the capital company	Sector	Turnover, 2019, EUR '000	Profit/Loss, 2019, EUR '000	Total assets, 31.12.2019, EUR '000	Proportion of capital shares, holder or owner	Supplementary information
68	40003052786	LLC "Tet" (Group)	Communications	227,603.0	36,202.0	340,013.0	51 % JSC "Publisko aktīvu pārvaldītājs Possessor"	The state does not have a clear effective control, as the Umbrella (foundation) agreement concluded between the state and Telia Company AB provides for a special procedure for making important decisions. Changed the name on 01.04.2019. from LLC "Lattelecom" to LLC "Tet". ⁶⁴
69	40003347699	LLC "Latvijas Lauku konsultāciju un izglītības centrs"	Agriculture	11,174.4	12.2	5,911.7	99.32 % Ministry of Agriculture	
70	40003258973	LLC "Ludzas medicīnas centrs"	Health care	3,239.1	450.6	8,556.6	57.94648 % Ministry of Health	
Capital companies with direct State ownership of 20% to 50% (including)								
71	40003286750	JSC "Rīgas siltums" (consolidated)	Energy	148,691.4	2,269.7	220,967.9	48.995 % Ministry of Economics	0.005 % Latvenergo. Other shareholders: 49 % Riga City Council, 2 % LLC "Energijas risinājumi. RIX".
72	41203024801	LLC "Starptautiskā Rakstnieku un tulkotāju māja"	Real estate management	8.5	0.0	133.6	33.33 % Ministry of Culture	
Capital companies with direct State ownership up to 20%								
73	40003000642	JSC "Latvijas Gāze" (consolidated)	Energy	314,349.0	20,190.0	464,238.0	0.00029 % Ministry of Economics	
74	40003044346	JSC "Rīgas sanitārā transporta autobāze" (consolidated)	Other	28,414.2	952.5	34,952.7	10.07 % JSC "Publisko aktīvu pārvaldītājs Possessor"	The shareholder has changed its name. ⁶⁵
75	40003034263	JSC "Ceļu pārvalde" (consolidated)	Other	27,953.5	960.9	22,289.3	0.93 % JSC "Publisko aktīvu pārvaldītājs Possessor"	The shareholder has changed its name. ⁶⁶
76	40003026603	JSC "Rīgas dzirnavnieks"	Other	23,564.6	-415.6	22,405.3	3.68 % JSC "Publisko aktīvu pārvaldītājs Possessor"	The shareholder has changed its name. ⁶⁷
77	41503002447	JSC "Daugavpils specializētais autotransporta uzņēmums"	Other	5,549.0	469.9	3,158.7	3.2 % JSC "Publisko aktīvu pārvaldītājs Possessor"	The shareholder has changed its name. ⁶⁸
78	40003028394	Rezekne SEZ JSC "REBIR"	Other	2,219.7	-150.5	1,889.7	5 % JSC "Publisko aktīvu pārvaldītājs Possessor"	The shareholder has changed its name. ⁶⁹
79	40003020723	JSC "Lopkopības izmēģinājumu stacija "Latgale""	Other	1,898.7	439.6	7,749.8	4.77 % JSC "Publisko aktīvu pārvaldītājs Possessor"	The shareholder has changed its name. ⁷⁰
80	40003028515	JSC "Jelgavas mašīnbūves rūpnīca"	Other	769.9	-137.4	2,848.8	3.68 % JSC "Publisko aktīvu pārvaldītājs Possessor"	The shareholder has changed its name. ⁷¹
81	40003019851	JSC "Latgales ciltslietu un mākslīgās apsūkšanas stacija"	Other	222.9	-43.9	397.4	4.91 % JSC "Publisko aktīvu pārvaldītājs Possessor"	The shareholder has changed its name. ⁷²
82	40003017121	JSC "Stendes selekcijas un izmēģinājumu stacija"	Other	90.5	-3.7	3,487.9	4.81 % JSC "Publisko aktīvu pārvaldītājs Possessor"	State capital shares were sold on 03.01.2020. The shareholder has changed its name. ⁷³
83	40003047677	LLC "Sanatorija Dzimtene"	Health care	25.7	-14.5	147.6	10 % JSC "Publisko aktīvu pārvaldītājs Possessor"	The shareholder has changed its name. ⁷⁴
84	50003021241	JSC "Rīgas Kinostudija"	Other	The annual report for 2019 has not been submitted by 01.10.2020. In 2018 - 21.0	The annual report for 2019 has not been submitted by 01.10.2020. In 2018 - 14.4	The annual report for 2019 has not been submitted by 01.10.2020. In 2018 - 35.9	19.06 % JSC "Publisko aktīvu pārvaldītājs Possessor"	Adjusted amount of shares. On 11.06.2019. the Ministry of Culture transferred 84 950 shares to JSC "Publisko aktīvu pārvaldītājs Possessor (Privatizācijas aģentūra)" for holding. The shareholder has changed its name. ⁷⁵
85	42103008388	LLC "Liepājas sērkokoni"	Other	0.0	-35.1	466.4	9.99935 % JSC "Publisko aktīvu pārvaldītājs Possessor"	Until 11.06.2018. 10.62% of the share capital. The shareholder has changed its name. ⁷⁶
86	41703004525	LLC "UNI SAN"	Other	0.0	-276.6	224.9	5 % JSC "Publisko aktīvu pārvaldītājs Possessor"	The shareholder has changed its name. ⁷⁷
87	40003034051	JSC "Latvijas maiznieks"	Other	n/a	n/a	n/a	3.97 % JSC "Publisko aktīvu pārvaldītājs Possessor"	Sold on 30.12.2019. The shareholder has changed its name. ⁷⁸

Capital companies with direct state ownership up to 20% that were sold

64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78

The shareholder has changed its name on 03.06.2019 from SJSC "Privatizācijas aģentūra" to JSC "Publisko aktīvu pārvaldītājs Possessor (Privatizācijas aģentūra)", on 23.08.2019 changed its name to JSC "Publisko aktīvu pārvaldītājs Possessor".

No.	Reg. No	Name of the capital company	Sector	Turnover, 2019, EUR `000	Profit/Loss, 2019, EUR `000	Total assets, 31.12.2019, EUR `000	Proportion of capital shares, holder or owner	Supplementary information
88	40003017456	JSC "Pūres dārkopības izmēģinājumu stacija"	Other	n/a	n/a	n/a	8.73 % SJSC "Privatizācijas aģentūra"	The state capital shares were sold on 22.03.2019.
89	40003025542	SLLC "Sertifikācijas un testēšanas centrs"	Other	n/a	n/a	n/a	19.99988 % SJSC "Privatizācijas aģentūra"	On 20.12.2018. 80.00012% of the capital shares were sold at auction. The remaining 19,99988% were sold on 07.02.2019.
Capital companies with direct state ownership up to 20% that are in insolvency process								
90	40003014197	IJSC "Liepājas metalurģis"	Other	0.0	-19.8	602.7	2.5 % JSC "Publisko aktīvu pārvaldītājs Possessor"	Insolvency from 13.11.2013. The shareholder has changed its name. ⁷⁹
91	40003020174	IJSC "Latvijas zoovetapgāde"	Other	n/a	n/a	n/a	2.6 % JSC "Publisko aktīvu pārvaldītājs Possessor"	Insolvency from 21.01.2016. The shareholder has changed its name. ⁸⁰
Capital companies with direct state ownership up to 20% that have terminated economic activity, are in the process of liquidation or have been liquidated								
92	40003009764	JSC "Transform"	Other	n/a	n/a	n/a	2.91 % JSC "Publisko aktīvu pārvaldītājs Possessor"	Since 2007 does not perform an economic activity. Economic activity has been suspended by the decision of the chief notary of the Company Registry on 09.05.2019. The shareholder has changed its name. ⁸¹ Excluded from the Register of Enterprises on 29.05.2020.
93	40003044577	ILLC "Eiropas minerāls"	Other	n/a	n/a	n/a	6.89 % JSC "Publisko aktīvu pārvaldītājs Possessor"	Insolvency from 21.10.2013. Excluded from the Register of Enterprises on 17.09.2019. The shareholder has changed its name. ⁸²
Subsidiaries 100% owned by State-Owned Enterprises								
94	40003857687	JSC "Sadales tīkls"	Energy	320,942.0	29,317.0	1,683,403.0	100 % JSC "Latvenergo"	
95	40003788421	LLC "LDZ Cargo"	Transport	253,074.4	2,785.2	160,976.2	100 % SJSC "Latvijas dzelzceļš"	
96	40003788351	LLC "LDZ ritošā sastāva serviss"	Transport	73,952.3	729.4	101,567.8	100 % SJSC "Latvijas dzelzceļš"	
97	40103379313	JSC "Latvijas elektriskie tīkli"	Energy	41,076.0	9,486.0	662,954.0	100 % JSC "Latvenergo"	
98	40003988480	LLC "LDZ Loģistika"	Transport	30,705.2	627.1	2,184.9	100 % SJSC "Latvijas dzelzceļš"	
99	40003620112	LLC "LDZ apsardze"	Other	7,211.2	84.4	1,859.8	100 % SJSC "Latvijas dzelzceļš"	
100	40003788258	LLC "LDZ infrastruktūra"	Transport	4,140.0	384.3	18,920.3	100 % SJSC "Latvijas dzelzceļš"	
101	40103762700	JSC "Enerģijas publiskais tirgotājs"	Energy	1,786.8	0.0	91,219.4	100 % JSC "Latvenergo"	
102	40103361063	JSC "LatRailNet"	Transport	1,359.3	51.7	1,613.1	100 % SJSC "Latvijas dzelzceļš"	
103	40003665610	LLC "Jaunmoku pils"	Other	873.6	161.9	1,634.8	100 % SJSC "Latvijas valsts meži"	
104	40003423460	LLC "LatLoto nams"	Other	785.2	85.5	297.9	100 % SJSC "Latvijas Loto"	
105	40003266519	LLC "Mailmaster"	Communications	592.7	-1.4	426.3	100 % SJSC "Latvijas Pasts"	
106	40103981332	LLC "FeLM"	Other	375.3	0.0	8,190.0	100 % JSC "Publisko aktīvu pārvaldītājs Possessor"	The shareholder has changed its name. ⁸³
107	40203106704	LLC "REAP"	Other	0.0	0.0	19,579.2	100 % JSC "Publisko aktīvu pārvaldītājs Possessor"	Founded on 17.11.2017., the management of assets taken over from LJSC "Reverta". The shareholder has changed its name. ⁸⁴
108	50103306171	LP "Imprimatur Capital Seed Fund"	Other	n/a	993,9	3,879,1	100 % JSC "Attīstības finanšu institūcija Altum"	
109	43603080677	LP "Buildit Latvia Pre-Seed Fund" AIF	Other	n/a	-359,0	752,8	100 % JSC "Attīstības finanšu institūcija Altum"	Registered on 09.02.2018.
110	40003510448	LLC "Rīgas hematoloģijas centrs"	Health care	n/a	n/a	n/a	100 % LLC "Rīgas Austrumu klīniskā universitātes slimnīca"	Suspended economic activity on 13.12.2018.
111	11399985	OÜ "Elektrum Eesti"	Other	n/a	288.0	n/a	100 % JSC "Latvenergo"	
112	301506046	UAB "Elektrum Lietuva"	Other	n/a	504.0	n/a	100 % JSC "Latvenergo"	

79, 80, 81, 82, 83, 84

The shareholder has changed its name on 03.06.2019 from SJSC "Privatizācijas aģentūra" to JSC "Publisko aktīvu pārvaldītājs Possessor (Privatizācijas aģentūra)", on 23.08.2019. changed its name to JSC "Publisko aktīvu pārvaldītājs Possessor".

No.	Reg. No	Name of the capital company	Sector	Turnover, 2019, EUR '000	Profit/Loss, 2019, EUR '000	Total assets, 31.12.2019, EUR '000	Proportion of capital shares, holder or owner	Supplementary information
113	44103115707	LP "Commercialization Reactor Pre-seed Fund" AIF	Other	n/a	n/a	n/a	100 % JSC "Attīstības finanšu institūcija Altum"	Registered on 09.03.2018.
114	40203141610	LP "Overkill Ventures Fund I AIF"	Other	n/a	n/a	n/a	100 % JSC "Attīstības finanšu institūcija Altum"	Registered on 07.05.2018.
Shares under effective control owned by State-Owned Enterprises or capital companies under direct or indirect effective control of the state								
115	50003050931	LLC "Latvijas Mobilais Telefons" (consolidated)	Communications	229,008.4	28,962.0	320,179.8	23 % SJSC "Latvijas Valsts radio un televīzijas centrs", 23% LLC "Tet" (reg. No. 40003052786) un 5% JSC "Publisko aktīvu pārvaldītājs Possessor" (reg. No. 40003192154)	The shareholder has changed its name. ⁸⁵
116	40103148504	LLC "LMT Retail&Logistics"	Communications	101,731.9	2,011.7	47,531.0	100 % LLC "Latvijas Mobilais Telefons"	
117	40203041605	JSC "Conexus Baltic Grid"	Energy	59,343.0	17,945.0	362,400.0	34.35809 % JSC "Augstsprieguma tīkls"	There have been changes in the composition of shareholders and voting rights. ⁸⁶
118	40103587651	JSC "Aviation Crew Resources"	Other	34,467.8	401.7	14,228.4	92 % JSC "Air Baltic Corporation"	Until 31.12.2018. - 93.31 %.
119	50003752271	LLC "CITRUS Solutions"	Other	30,997.1	1,453.3	18,774.0	100 % LLC "Tet" (Reg. No 40003052786)	The shareholder has changed its name on 01.04.2019. from LLC "Lattelecom" to LLC "Tet".
120	42103035386	LLC "Liepājas enerģija"	Energy	17,576.8	4,464.0	36,750.2	51 % JSC "Latvenergo"	
121	40003201762	LLC "Auteko & TUV Latvija"	Other	7,568.1	1,339.6	5,968.2	51 % SJSC "Ceļu satiksmes drošības direkcija"	
122	40103360903	LLC "Helio Media"	Communications	6,619.7	37.1	4,536.8	100 % LLC "Lattelecom" (Reg. No 40003754567)	The change of owners and names, incl. shareholder's ⁸⁷ .
123	40003016728	LLC "T2T"	Communications	6,472.1	706.9	7,321.1	100 % LLC "Tet" (Reg. No 40003052786)	The shareholder has changed its name. ⁸⁸
124	40103272422	LLC "Air Baltic training"	Other	3,788.5	88.4	5,983.6	100 % JSC "Air Baltic Corporation"	
125	40103273540	LLC "Loyalty Services"	Other	3,548.1	715.3	2,812.3	100 % JSC "Air Baltic Corporation"	Subsidiaries ⁸⁹ .
126	50003138501	LLC "Baltijas datoru akadēmija"	Other	2,311.5	290.3	1,627.8	100 % LLC "Lattelecom" (Reg. No 40003754567)	The change of owners and their names. ⁹⁰
127	40003320463	LLC "Veselības centrs "Bīķernieki""	Health care	2,088.4	51.8	557.6	99.58 % LLC "Rīgas Austrumu klīniskā universitātes slimnīca"	
128	40003458674	LLC "BALTIJAS KRAVU CENTRS"	Other	887.1	4.8	412.4	100 % JSC "Air Baltic Corporation"	
129	50003621571	JSC "VRC Zaslauks"	Other	284.1	-37.6	12.8	51 % JSC "Pasažieru vilciens"	The intention to suspend operation. ⁹¹
130	40103419565	LLC "Rīgas vagonbūves uzņēmums "Baltija""	Other	13.9	3.3	548.9	100 % LLC "LDZ ritošā sastāva serviss"	
131	40103697913	LP "Expansion Capital Fund AIF"	Other	n/a	-741.7	11,963.3	95 % JSC "Attīstības finanšu institūcija Altum"	
132	40103697951	LP "Flycap Investment Fund I AIF"	Other	n/a	-244.1	7,565.1	95 % JSC "Attīstības finanšu institūcija Altum"	
133	40103306235	LP "Imprimatur Capital Technology Venture Fund"	Other	n/a	3,394.1	7,437.4	67 % JSC "Attīstības finanšu institūcija Altum"	
134	40103266178	LP "BaltCap Latvia Venture Capital Fund"	Other	n/a	-903.1	7,320.2	67 % JSC "Attīstības finanšu institūcija Altum"	
135	40003754567	LLC "Lattelecom"	Communications	0.0	281.3	4,623.4	100 % LLC "Tet" (reg. No. 40003052786)	The change of owner's and company's names. ⁹²
136	40103697947	LP "Alternatīvo ieguldījumu fonds ZGI-3"	Other	n/a	-178.4	4,528.5	95 % JSC "Attīstības finanšu institūcija Altum"	
137	40203111495	"ZGI-4" AIF KS	Other	n/a	-582.5	4,145.1	60 % JSC "Attīstības finanšu institūcija Altum"	Registered on 13.12.2017.
138	40203139743	LP "INEC1 AIF"	Other	n/a	-197.3	1,782.6	75 % JSC "Attīstības finanšu institūcija Altum"	Registered on 23.04.2018.
139	44103116670	LP "INEC2 AIF"	Other	n/a	-147.5	927.8	90 % JSC "Attīstības finanšu institūcija Altum"	Registered on 26.04.2018.

85 One of the shareholders has changed its name on 03.06.2019. from SJSC "Privatizācijas aģentūra" to JSC "Publisko aktīvu pārvaldītājs Possessor (Privatizācijas aģentūra)" and on 23.08.2019. to JSC "Publisko aktīvu pārvaldītājs Possessor", the other shareholder has changed its name on 01.04.2019. from SIA "Lattelecom" to LLC "Tet".

86 18.31228% purchased from "Uniper Ruhrgas International GmbH", 16.04581% from LLC "ITERA Latvija" in 2017. On 06.06.2018. by the Cabinet of Ministers Order No. 243 0.00029% shares held by the Ministry of Economics must be transferred to the Ministry of Finance, which must invest them in the share capital of JSC "Augstsprieguma tīkls" (AST). Taking into account that PJSC "Gazprom", which owns 34.10% of the shares of JSC Conexus Baltic Grid, has no voting rights and management rights, AST has 52.1% of the voting shares. On July 21, 2020, JSC "Augstsprieguma tīkls", fulfilling the task given by the Cabinet of Ministers, has concluded a transaction with PJSC "Gazprom" for the acquisition of 34.10% of JSC "Conexus Baltic Grid" shares, thus increasing control over the company to 68.46%.

87 Previously the owner - LLC "Lattelecom Technology" (until 31.07.2018). Until 09.08.2018. the name - LLC "Media 360". The shareholder has changed its name on 12.10.2018. from LLC "Lattelecom BPO" to LLC "TET", on 01.04.2019. to LLC "Lattelecom".

88 On 01.04.2019 from LLC "Lattelecom" to LLC "Tet". On 23.09.2019. the capital company has changed its name from LLC "Lattelecom Technology" to LLC "T2T". On 03.08.2020 change of participants - AKTSIASELTS HELMES becomes the 100% owner.

89 Coalition Rewards Asset Management Oy (a company registered in Finland, 100% owned by LLC "Loyalty Services"), PINS Finland Oy (a company registered in Finland, 100% owned by Coalition Rewards Asset Management Oy).

90 Until 07.08.2018. 100% owner - LLC "Lattelecom" (from 01.04.2019. LLC "Tet"). The shareholder has changed its name on 12.10.2018. from LLC "Lattelecom BPO" to LLC "TET", on 01.04.2019. to LLC "Lattelecom".

91 At the extraordinary shareholders' meeting held on November 14, 2019, the shareholders decided to approve the intention to suspend the company's operations and instructed the board of directors to take all necessary actions to enable the shareholders' meeting to decide on the suspension of the operations of the company.

92 Until 12.10.2018. name - LLC "Lattelecom BPO", then LLC "TET". On 01.04.2019. changed its name to LLC "Lattelecom". The shareholder has changed its name on 01.04.2019. from LLC "Lattelecom" to LLC "Tet".

No.	Reg. No	Name of the capital company	Sector	Turnover, 2019, EUR `000	Profit/Loss, 2019, EUR `000	Total assets, 31.12.2019, EUR `000	Proportion of capital shares, holder or owner	Supplementary information
140	40203123846	LP "Buildit Latvia Seed Fund" AIF	Other	n/a	-61.9	185.6	80 % JSC "Attīstības finanšu institūcija Altum"	Registered on 09.02.2018.
141	40003448943	JSC "Pirmais slēgtais pensiju fonds"	Other	n/a	0.0	152.8	50 % LLC "Tet" and subsidiaries; 48.15 % JSC "Latvenergo" and subsidiaries; 1.85 % JSC "Augstsprieguma tīkls"	The owner's name change. ⁹³
142	40203206885	LP "FlyCap Mezzanine Fund II AIF"	Other	n/a	-56.2	47.3	60 % JSC "Attīstības finanšu institūcija Altum"	
143	40203141593	LP "Overkill Ventures Fund II AIF"	Other	n/a	n/a	n/a	80 % JSC "Attīstības finanšu institūcija Altum", 16 % LLC "Latttelecom"	Registered on 07.05.2018. The owner's name change. ⁹⁴
144	44103115711	LP "Commercialization Reactor Seed Fund" AIF	Other	n/a	n/a	n/a	80 % JSC "Attīstības finanšu institūcija Altum"	Registered on 09.03.2018.
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								
145	40003582107	LLC "ZetCOM"	Other	2,901.0	1,138.4	7,389.1	100 % LLC "Latvijas Mobilais Telefons"	The reorganization has been performed. ⁹⁵ Liquidated on 27.05.2019.
146	40003426895	LLC "Hiponia"	Real estate management	13.1	-2,294.3	2,110.1	100 % JSC "Publisko aktīvu pārvaldītājs Possessor"	Liquidation process from 02.07.2018. The shareholder has changed its name. ⁹⁶
147	40003074590	JSC "Reverta"	Real estate management	0.0	-419.0	2,979.6	96.89 % JSC "Publisko aktīvu pārvaldītājs Possessor"	Liquidation period 01.07.2017-31.12.2017. The shareholder has changed its name. ⁹⁷
148	40103350801	LLC "TravelLounge"	Other	0.0	0.0	46.2	100 % JSC "Air Baltic Corporation"	Liquidation process from 21.07.2015.
149	40103875320	LLC "Blaker"	Other	0.0	0.0	2.8	100 % JSC "Air Baltic Corporation"	To be liquidated.
150	40103875316	LLC "Vhiter"	Other	0.0	0.0	2.8	100 % JSC "Air Baltic Corporation"	To be liquidated.
151	HE93438	"Regalite Holdings" Ltd	Financial Services	0.0	0.0	0.0	100 % JSC "Reverta"	The liquidation was initiated in 2017. On 31 December 2019 only one subsidiary - Regalite Holdings Limited (Republic of Cyprus) - , remained in the group of LJSC Reverta.
152	40203137920	LP "AIF Imprimator Seed Fund 2"	Other	n/a	n/a	n/a	90 % JSC "Attīstības finanšu institūcija Altum"	Registered on 17.04.2018. Liquidated on 15.05.2019.
153	50203137941	LP "AIF Imprimator Venture Fund 2"	Other	n/a	n/a	n/a	75 % JSC "Attīstības finanšu institūcija Altum"	Registered on 17.04.2018. Liquidated on 14.05.2019.
Shares owned by State-Owned Enterprises or subsidiaries of State-Owned Enterprises with holding of 20% to 50% (including)								
154	40003348247	LLC "Scantest"	Other	3,711.4	902.7	1,989.8	20 % SJSC "Ceļu satiksmes drošības direkcija"	
155	40003425353	LLC "Autests"	Other	2,081.2	331.6	3,234.0	20 % SJSC "Ceļu satiksmes drošības direkcija"	
156	43603022749	LLC "Meža un koksnes produktu pētniecības un attīstības institūts"	Other	1,498.1	1.5	1,012.6	40 % SJSC "Latvijas valsts meži"	
157	40003425118	LLC "Ventests"	Other	282.7	66.6	440.6	50 % SJSC "Ceļu satiksmes drošības direkcija"	
158	40103845025	JSC "RB Rail"	Transport	0.0	-1,409.2	12,994.8	33.33 % LLC "Eiropas dzelzceļa līnijas"	
159	40003837498	LP "Otrais Eko fonds"	Other	n/a	-0.3	2,237.1	33 % JSC "Attīstības finanšu institūcija Altum"	
160	40203015814	LLC "SWG Riga Fund 1"	Other	0.0	-1.3	145.9	27.12 % LLC "T2T" (reg. No. 40003016728)	Owner's name and owners change. ⁹⁸
161	40203116929	LLC "Overkill Ventures AIFP"	Other	n/a	n/a	n/a	35 % LLC "Latttelecom" (reg. No. 40003754567)	Registered on 10.01.2018. Until 27.08.2019. 35 % participant in LLC "Latttelecom Technology" (reg. No. 40003016728).

⁹³ One of the shareholders of the pension fund has changed its name on 01.04.2019. from LLC "Latttelecom" to LLC "Tet" and part of its subsidiaries have also changed their names - on 01.04.2019. LLC "TET" to LLC "Latttelecom", on 23.09.2019. LLC "Latttelecom Technology" to LLC "T2T".

⁹⁴ One of the shareholders has changed its name on 12.10.2018. from LLC "Latttelecom BPO" to LLC "TET", on 01.04.2019. to LLC "Latttelecom".

⁹⁵ On December 2018 a decision was taken and in January 2019 an agreement was signed on the reorganization of LLC "ZetCOM" in the form of a merger, as a result of which LLC "ZetCOM" would be merged with the parent company of the group, which was performed in May 2019.

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The shareholder has changed its name on 03.06.2019 from SJSC "Privatizācijas aģentūra" to JSC "Publisko aktīvu pārvaldītājs Possessor (Privatizācijas aģentūra)", on 23.08.2019. changed its name to JSC "Publisko aktīvu pārvaldītājs Possessor".

⁹⁸ Until 23.09.2019. the name of the shareholder - LLC "Latttelecom Technology". From 29.07.2020. the shareholder of 27.11624% of shares - LLC "Latttelecom" (reg. No. 40003754567).

No.	Reg. No	Name of the capital company	Sector	Turnover, 2019, EUR '000	Profit/Loss, 2019, EUR '000	Total assets, 31.12.2019, EUR '000	Proportion of capital shares, holder or owner	Supplementary information
162	No Reg. No., address: Luxembourg	"Baltic Innovation Fund"	Other	n/a	n/a	n/a	20 % JSC "Attīstības finanšu institūcija Altum"	No reg. no., address: European Investment Fund, 37B, avenue J.F. Kennedy, L-2968 Luxembourg.
Shares owned by State-Owned Enterprises or subsidiaries of State-Owned Enterprises with holding of up to 20%								
163	40003094173	JSC "Latvijas Finieris" (konsolidēts)	Other	228,970.8	10,821.7	32,5297.5	0.94 % SJSC "Latvijas valsts meži"	
164	40003034583	LLC "Strek"	Other	17,923.9	24,994.6	62,277.9	5.84 % SJSC "Latvijas dzelzceļš"	
165	41203007892	JSC "Kurzemes radio"	Other	237.1	-14.1	75.2	0.58 % SLLC "Latvijas radio"	
166	40103326439	LLC "IT Kompetences centrs"	Other	22.0	-52.1	221.9	18.5 % LLC "T2T" (reg. No. 40003016728)	Shareholder's name change. ⁹⁹
167	40003143445	LLC "Vējkalni"	Agriculture	0.0	-11.4	174.7	12.5 % LLC "Latvijas Lauku konsultāciju un izglītības centrs"	
168	400255276	Belarusian-Latvian joint venture "MIRIGO"	Other	n/a	n/a	n/a	3 % SJSC "Latvijas dzelzceļš"	Reduced investment value. ¹⁰⁰
169	No Reg. No., address: Luxembourg	"Baltic Innovation Fund 2"	Other	n/a	n/a	n/a	17 % JSC "Attīstības finanšu institūcija Altum"	No reg. no., address: European Investment Fund, 37B, avenue J.F. Kennedy, L-2968 Luxembourg.
170	823268572	JSC "Nord Pool Holding"	Other	n/a	n/a	n/a	2 % JSC "Augstsprieguma tīkls"	Allowed to obtain participation. ¹⁰¹
Shares owned by State-Owned Enterprises or subsidiaries of State-Owned Enterprises with holding of up to 20% that are in the process of liquidation or have been liquidated								
171	40103040660	LLC "BRC Novatēka"	Real estate management	n/a	n/a	n/a	7.01754 % LLC "Hiponia"	Liquidated on 07.06.2019.
Shares owned by State-Owned Enterprises or subsidiaries of State-Owned Enterprises with holding of up to 20%, where participation has been terminated								
172	919585099	JSC "Nord Pool"	Other	n/a	n/a	n/a	2 % JSC "Augstsprieguma tīkls"	Allowed to terminate participation. ¹⁰²

⁹⁹ On 23.09.2019 the shareholder has changed its name from LLC "Latticecom Technology" to LLC "T2T". From 31.07.2020. the shareholder of 18.5% of shares - LLC "Latticecom" (reg. No. 40003754567).

¹⁰⁰ Taking into account that the company's performance indicators have deteriorated in recent years and no positive development trends are expected, the fair value of long-term financial investments was determined and the value of investments in the Belarus-Latvia joint venture "MIRIGO" was reduced by EUR 410 119 and amounted to 10 thousand EUR. There have been no other changes in investments during the

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By the decision No. 171 of the Cabinet of Ministers on April 19, 2018 JSC "Augstsprieguma tīkls" is allowed to terminate the participation in JSC "Nord Pool" (reg. No. 919 585 099) and acquire a participation in the amount of 2% (two percent) in JSC "Nord Pool Holding" (reg. No. 823 268 572).

Annex 2

Municipalities-Owned Enterprises and Shares (31.12.2019)¹⁰³

No.	Reg. No	Name of the capital company	Turnover, 2019, EUR '000	Profit/Loss, 2019, EUR '000	Total assets, 31.12.2019, EUR '000	Proportion of capital shares, holder or owner	Supplementary information
Municipalities-Owned Enterprises effectively controlled by the Municipalities							
1	40003619950	Riga Municipal LLC "Rīgas satiksme" (consolidated)	191,233.2	8,150.5	444,624.5	100 % Riga City Council	
2	40103362321	LLC "Rīgas namu pārvaldnieks"	63,965.0	-958.8	105,373.3	100 % Riga City Council	
3	40103023035	LLC "Rīgas ūdens"	58,259.3	8,446.6	301,273.2	100 % Riga City Council	
4	41503029600	LLC "Daugavpils reģionālā slimnīca"	32,893.8	1,189.4	27,842.9	89.68 % Daugavpils City Council, 6.67 % Daugavpils County Council, 2.37 % Ilūkste County Council	
5	42103041306	LLC "LIEPĀJAS REĢIONĀLĀ SLIMNĪCA"	26,792.7	1,824.5	71,516.3	99.73 % Liepāja City Municipality	
6	40003367816	LLC "Getliņi EKO"	25,135.2	757.5	51,014.8	97.70 % Riga City Council, 2.3 % Stopini County Council	
7	41503002945	Municipality JSC "Daugavpils siltumtīkli"	19,371.2	18.2	21,416.3	100 % Daugavpils City Council	
8	40003439279	LLC "Rīgas 1. slimnīca"	19,158.7	1,102.9	14,447.5	100 % Riga City Council	
9	40003258333	LLC "Vidzemes slimnīca"	18,281.1	1,633.3	28,905.7	74.07 % Valmiera City Municipality, 25.03 % Valka County Council	
10	40003982628	LLC "Rīgas meži"	16,822.6*	621.6*	133,014.8*	100 % Riga City Council	* Data source: Database of the Register of Enterprises of the Republic of Latvia
11	40003223971	LLC "RĒZEKNES SLIMNĪCA"	15,758.6	769.9	14,796.0	100 % Rēzekne County Council	
12	40003246194	LLC "Ziemeļkurzemes reģionālā slimnīca"	15,598.0	748.2	26,670.6	87.96 % Ventspils County Council, 11.04 % Talsi Municipality, 0.23 % Roja County Council, 0.15 % Dundaga County Council, 0.06 % Mērsrags Municipality	
13	40003016840	JSC "CATA"	14,523.5	396.0	11,842.0	21.77 % Cēsis Municipality, 19.63 % Limbaži Municipality, 10.56 % Priekule Municipality, 9.58 % Salacgrīva Municipality, 7.08 % Amata Municipality, 6.11 % Aloja County Council, 5.29 % Vecpiebalga Municipality, 4.94 % Pārgauja Municipality, 4.55 % Rauna Municipality, 4.49 % Līgatne Municipality, 3.02 % Jaunpiebalga Municipality, 1.58 % Krimulda Municipality, 1.26 % Aizkraukle Municipality	
14	50003356621	LLC "Jēkabpils reģionālā slimnīca"	12,713.2	-121.7	10,374.3	100 % Jēkabpils City Municipality	
15	41703007038	LLC "JELGAVAS PILSĒTAS SLIMNĪCA"	11,955.7	843.8	14,639.0	100 % Jelgava City Council	
16	40003194600	LLC "Rīgas Dzemdību nams"	11,086.6	614.7	4,822.0	100 % Riga City Council	
17	50003590021	LLC "Rīgas pilsētņēmums"	10,863.7	204.6	126,520.2	100 % Riga City Council	
18	40003215480	JSC "RĒZEKNES SILTUMTĪKLI"	10,419.4	3.1	14,925.1	100 % Rēzekne City Council	
19	40003222317	LLC "OGRES RAJONA SLIMNĪCA"	9,763.1	979.3	13,489.0	61.35 % Ogre Municipality, 17.08 % Lielvārde Municipality, 12.02 % Ikšķile Municipality, 9.54 % Kegums Municipality	
20	40003004220	LLC "VTU VALMIERA"	8,208.5	429.0	9,068.4	47.33 % Valmiera City Municipality, 14.01 % Burtneki Municipality, 12.23 % Kocēni County Council, 10.92 % Rūjiena Municipality, 7.07 % Mazsalaca Municipality, 4.4 % Beverīna Municipality, 4.04 % Naukšēni Municipality	
21	40003356507	Madona Municipal LLC "Madonas slimnīca"	8,123.6	535.9	5,861.3	100 % Madona Municipality	
22	40103941081	LLC "Ogres Namsaimnieks"	8,114.4	-177.0	5,983.8	100 % Ogre Municipality	
23	50103807561	LLC "Rīgas veselības centrs"	8,079.5	672.0	4,373.4	100 % Riga City Council	

¹⁰³ Data source: The Enterprise Register of the Republic of Latvia and the State Revenue Service databases. Please note that the information provided may not reflect the actual situation

No.	Reg. No	Name of the capital company	Turnover, 2019, EUR '000	Profit/Loss, 2019, EUR '000	Total assets, 31.12.2019, EUR '000	Proportion of capital shares, holder or owner	Supplementary information
24	44103015509	LLC "ZAAO" (consolidated)	7,815.0	31.4	8,332.7	61.6 % Valmiera City Municipality, 5.13 % Pārgauja Municipality, 4.8 % Limbaži Municipality, 4.3 % Cēsis Municipality, 3.22 % Smiltene Municipality, 2.95 % Valka County Council, 2.4 % Priekulji Municipality, 2.26 % Salacgrīva Municipality, 1.55 % Burtnieki Municipality, 1.46 % Rūjiena Municipality, 1.44 % Aloja County Council, 1.25 % Kocēni County Council, 1.23 % Amata Municipality, 0.96 % Līgatne Municipality, 0.89 % Rauna Municipality, 0.88 % Strenči County Council, 0.85 % Mazsalaca Municipality, 0.82 % Vecpiebalga Municipality, 0.62 % Beverīna Municipality, 0.53 % Jaunpiebalga Municipality, 0.48 % Naukšēni Municipality, 0.27 % Krimulda Municipality, 0.05 % Saulkrasti County Council, 0.01 % Ape Municipality, 0.01 % Baltinava County Council, 0.01 % Balvi Municipality, 0.01 % Rugāji Municipality, 0.01 % Viļaka Municipality	
25	40003220000	LLC "Jūrmalas slimnīca"	7,657.1	-29.2	9,493.5	100 % Jūrmala City Council	
26	40003007655	Municipal LLC "Ventspils siltums"	7,611.6	2,665.7	26,163.7	100 % Ventspils City Council	
27	44103033608	LLC "Valmieras ūdens"	7,506.2	318.9	38,470.1	96.72 % Valmiera City Municipality, 3.28 % Burtnieki Municipality	
28	50003249741	JSC "Rīgas Centrāltirgus"	7,284.1	-216.0	16,979.5	100 % Riga City Council	
29	42803008058	LLC "Jūrmalas siltums"	7,246.1	1,958.7	17,550.8	100 % Jūrmala City Council	
30	40003184960	LLC "Rīgas 2. slimnīca"	7,205.6	249.4	2,882.3	100 % Riga City Council	
31	44103057729	LLC "CĒSU KLĪNIKA"	6,896.0	151.6	12,347.8	100 % Cēsis Municipality	
32	41503002269	JSC "Daugavpils satiksme"	6,611.1	18.2	27,072.6	100 % Daugavpils City Council	
33	40003551323	LLC "Dobeles un apkārtnes slimnīca"	6,420.3	374.3	9,128.5	100 % Dobeles Municipality	
34	40003152664	LLC "JELGAVAS AUTOBUSU PARKS"	6,321.6	122.2	2,602.0	100 % Jelgava City Council	
35	50003197651	LLC "Kuldīgas slimnīca"	6,274.9	29.2	5,217.6	90.83 % Kuldīga County Council, 9.17 % Aizpute County Council	
36	50003182001	JSC "OLAINES ŪDENS UN SILTUMS"	6,041.1	348.8	24,141.6	100 % Olaine Municipality	
37	40003109638	LLC "Rīgas nami"	5,762.3*	371.0*	113,661.9*	100 % Riga City Council	* Data source: Database of the Register of Enterprises of the Republic of Latvia
38	41503002485	LLC "Daugavpils dzīvokļu un komunālās saimniecības uzņēmums"	5,640.3*	-518.7*	9,817.0*	100 % Daugavpils City Council	* Data source: Database of the Register of Enterprises of the Republic of Latvia
39	41203001052	Municipal LLC "Ventspils labiekārtošanas kombināts"	5,491.3	87.3	9,443.9	100 % Ventspils City Council	
40	40003275333	LLC "Jūrmalas ūdens"	5,479.3	-219.5	55,450.2	100 % Jūrmala City Council	
41	40003124730	LLC "Siguldas slimnīca"	5,446.7	138.8	2,116.1	100 % Sigulda Municipality	
42	41503002432	LLC "Daugavpils ūdens"	5,439.1	104.0	50,375.1	100 % Daugavpils City Council	
43	40103233177	LLC "Tukuma slimnīca"	5,366.2	-88.1	4,793.5	62 % Tukums County Council, 18 % Kandava County Council, 15 % Engure County Council, 5 % Jaunpils County Council	
44	45403003245	LLC "Jēkabpils autobusu parks"	4,995.5	186.3	5,978.6	51 % Jēkabpils City Municipality, 13 % Krustpils Municipality, 12 % Jēkabpils Municipality, 9 % Sala Municipality, 9 % Viesīte Municipality, 6 % Aknīste Municipality	
45	40103058501	LLC "Rīgas serviss"	4,830.0	82.3	1,228.1	100 % Riga City Council	
46	42103000897	LLC "LIEPĀJAS ŪDENS"	4,527.9	-146.7	57,040.1	100 % Liepāja City Municipality	
47	40003359306	LLC "Ķekavas nami"	4,412.1	-45.7	17,656.4	100 % Ķekava Municipality	
48	40003333256	Municipal LLC "Ventspils reiss"	4,242.7	312.3	4,897.8	100 % Ventspils City Council	
49	41703007095	LLC "JELGAVAS POLIKLĪNIKA"	4,179.4	199.3	2,988.1	100 % Jelgava City Council	
50	43603011548	LLC "Jelgavas nekustamā īpašuma pārvalde"	4,157.8	24.5	4,706.4	100 % Jelgava City Council	
51	40103032521	LLC "Rīgas Nacionālais zoologiskais dārzs"	3,888.9	293.9	31,732.1	100 % Riga City Council	
52	41703001321	LLC "JELGAVAS ŪDENS"	3,803.6	-46.6	48,418.8	100 % Jelgava City Council	
53	41503032140	LLC "Krāslavas slimnīca"	3,711.5	281.7	3,438.1	100 % Krāslava County Council	
54	40003244761	LLC "Preiļu slimnīca"	3,708.4	322.2	2,445.2	74,14 % Preiļi County Council	
55	43603022128	LLC "Jelgavas komunālie pakalpojumi"	3,698.7	-22.7	2,389.6	51 % Jelgava City Council	

No.	Reg. No	Name of the capital company	Turnover, 2019, EUR '000	Profit/Loss, 2019, EUR '000	Total assets, 31.12.2019, EUR '000	Proportion of capital shares, holder or owner	Supplementary information
56	41503029988	LLC "ATKRITUMU APSAIMNIEKOŠANAS DIENVIDLATGALES STARPPASVALDĪBU ORGANIZĀCIJA"	3,599.3	435.7	5,413.0	51.27 % Daugavpils City Council, 15.09 % Daugavpils County Council, 9.45 % Krāslava County Council, 5.45 % Līvāni County Council, 5.09 % Ilūkste County Council, 4.91 % Dagda County Council, 4.91 % Preiļi County Council, 2.73 % Aglona County Council, 1.09 % Varkava County Council	
57	40003525848	LLC "Atkritumu apsaimniekošanas sabiedrība "PIEJŪRA""	3,572.7	193.7	12,206.2	35.97 % Jūrmala City Council, 23.22 % Talsi Municipality, 20.45 % Tukums County Council, 6.42 % Kandava County Council, 3.16 % Dundaga County Council, 2.77 % Roja County Council, 1.78 % Jaunpils County Council, 1.19 % Mērsrags Municipality	
58	56103000221	LLC "KULDĪGAS KOMUNĀLIE PAKALPOJUMI"	3,384.2	-192.9	2,537.1	100 % Kuldīga County Council	
59	40003255337	LLC "Aizkraukles slimnīca"	3,368.6	233.8	3,037.7	71.04 % Aizkraukle Municipality	
60	40003321647	LLC "Zemgales veselības centrs"	3,339.2	185.6	1,720.4	64.89 % Jelgava Municipality, 23.3 % Ozolnieki County Council	
61	41203000983	Municipality LLC "ŪDEKA"	3,317.3	465.7	55,980.1	100 % Ventspils City Council	
62	41203035896	LLC "TALSU NAMSAIMNIEKS"	3,230.9	-17.1	3,733.8	100 % Talsi Municipality	
63	40003361616	LLC "LIMBAŽU SLIMNĪCA"	3,168.4	4.3	2,252.5	54.45 % Limbaži Municipality, 25.26 % Salacgrīva Municipality, 16.13 % Aloja County Council, 4.17 % Krimulda County Council	
64	40003252612	LLC "Alūksnes slimnīca"	3,158.2	149.5	3,235.6	81.92 % Alūksne County Council, 18.08 % Ape Municipality	
65	40003310183	LLC "Salaspils Siltums"	3,154.7	605.2	13,922.6	100 % Salaspils County Council	
66	40003007778	LLC "Jēkabpils siltums"	3,147.9	-65.0	6,018.6	100 % Jēkabpils City Municipality	
67	40003410894	LLC "Jelgavas novada KU"	3,138.9	-192.3	11,359.7	100 % Jelgava Municipality	
68	43603017682	LLC "Bauskas slimnīca"	2,973.7	201.4	3,333.0	100 % Bauska City Council	
69	44103022271	LLC "VALMIERAS NAMSAIMNIEKS"	2,924.5	155.4	15,487.3	100 % Valmiera City Municipality	
70	47703001720	LLC "PREIĻU SAIMNIEKS"	2,875.9	-194.7	11,852.1	100 % Preiļi County Council	
71	40103111018	JSC "MĀRUPES KOMUNĀLIE PAKALPOJUMI"	2,868.6	-133.0	24,846.5	100 % Mārupe County Council	
72	42103023090	LLC "LIEPĀJAS RAS"	2,713.5	37.0	7,253.6	65.85 % Liepāja City Municipality, 3.29 % Grobiņa County Council	
73	45903001693	LLC "Krāslavas nami"	2,713.0	-141.1	25,453.6	100 % Krāslava County Council	
74	43603000807	LLC "VIDES SERVISS"	2,705.6	81.9	1,186.4	100 % Bauska County Council	
75	41203001885	Municipal LLC "Ventspils nekustamie īpašumi" (consolidated)	2,658.2	32.8	10,149.2	100 % Ventspils City Council	
76	40103666190	Ogre Municipal LLC "MS siltums"	2,636.0	65.1	11,803.1	100 % Ogre Municipality	
77	42403015020	LLC "LUDZAS APSAIMNIEKOTĀJS"	2,626.7	-35.3	11,948.6	100 % Ludza Municipality	
78	45403006010	LLC "JĒKABPILS PAKALPOJUMI"	2,575.7	273.1	1,143.5	100 % Jēkabpils City Municipality	
79	41503003033	LLC "Labiekārtošana-D"	2,541.2	43.3	1,393.9	100 % Daugavpils City Council	
80	42103030247	LLC "Liepājas Olimpiskais centrs" (consolidated)	2,505.2	-93.0	33,452.2	82.85 % Liepāja City Municipality	
81	45103001156	LLC "DOBELES AUTOBUSU PARKS"	2,443.9	-0.7	1,355.9	100 % Dobeles Municipality	
82	40003201921	LLC "BALOŽU KOMUNĀLĀ SAIMNIECĪBA"	2,336.2	22.4	8,966.8	100 % Ķekava Municipality	
83	40003215461	LLC "RĒZEKNES NAMSAIMNIEKS"	2,185.5	17.2	2,723.2	100 % Rēzekne City Council	
84	45403004471	LLC "Madonas Siltums"	2,185.0	2.8	10,397.8	100 % Madona Municipality	
85	47403003224	LLC "LIELVĀRDES REMTE"	2,173.9	-86.3	8,731.6	100 % Lielvārde Municipality	
86	42803002568	LLC "Jūrmalas gaisma"	2,107.1	114.7	1,301.5	100 % Jūrmala City Council	
87	41503008685	LLC "NAUJENES PAKALPOJUMU SERVISS"	2,059.9	-154.9	6,642.0	100 % Daugavpils County Council	
88	49203001267	LLC "Tukuma siltums"	2,054.7	5.4	5,571.2	100 % Tukums County Council	
89	40003378932	LLC "Dzintaru koncertzāle"	2,044.3	15.6	1,173.7	100 % Jūrmala City Council	
90	42403028557	LLC "RĒZEKNES SATIKSME"	2,022.2	36.8	3,592.7	100 % Rēzekne City Council	
91	40003246298	Municipality LLC "Ventspils poliklīnika"	1,978.7	22.0	518.0	100 % Ventspils City Council	
92	55403015551	LLC "Vidusdaugavas SPAAO"	1,972.9	-48.8	9,927.2	32.04 % Jēkabpils City Municipality, 22.83 % Madona Municipality, 8 % Aizkraukle Municipality, 5.53 % Jaunjelgava Municipality, 5.24 % Pļaviņas County Council, 4.97 % Koknese Municipality, 3.61 % Nereta Municipality, 3.32 % Skrīveri County Council, 3.28 % Ergli Municipality, 2.73 % Krutspils Municipality, 2.52 % Jēkabpils Municipality, 1.89 % Sala Municipality, 1.89 % Viesīte Municipality, 1.26 % Aknīste Municipality, 0.89 % Varakļāni Municipality	

No.	Reg. No	Name of the capital company	Turnover, 2019, EUR '000	Profit/Loss, 2019, EUR '000	Total assets, 31.12.2019, EUR '000	Proportion of capital shares, holder or owner	Supplementary information
93	41503007196	LLC "Daugavpils autobusu parks"	1,956.5	54.3	3,198.9	100 % Daugavpils City Council	
94	45403000484	LLC "JK Namu pārvalde"	1,951.8	6.4	1,850.6	100 % Jēkabpils City Municipality	
95	42103012383	LLC "GROBIŅAS NAMSERVISS"	1,945.5	-109.1	7,475.7	100 % Grobiņa Municipality	
96	40003218631	LLC "RĒZEKNES ŪDENS"	1,925.4	57.3	16,718.4	100 % Rēzekne City Council	
97	42403013918	LLC "ALAAS"	1,919.9	172.8	5,653.5	49.3 % Rēzekne City Council, 17.51 % Rēzekne Municipality, 16.7 % Ludza Municipality, 6.31 % Viļāni Municipality, 5.09 % Kārsava County Council, 3.26 % Zilupe Municipality, 1.83 % Cibla Municipality	
98	40003219995	Municipal LLC "Kauguru veselības centrs"	1,900.8	31.2	1,740.8	100 % Jūrmala City Council	
99	41503007355	LLC "Daugavpils zobārstniecības poliklīnika"	1,879.8	5.4	695.2	100 % Daugavpils City Council	
100	41703003356	LLC "Ozolnieku KSDU"	1,879.3	-85.1	8,238.8	100 % Ozolnieki County Council	
101	45103002039	LLC "Dobeles enerģija"	1,860.4	75.7	2,909.4	100 % Dobeles Municipality	
102	40003245964	LLC "Olimpiskais centrs "Ventspils"	1,840.3	-944.6	21,655.2	52.68 % Ventspils City Council	
103	48503003963	LLC "SALDUS SILTUMS"	1,829.7	-123.4	2,637.6	100 % Saldus Municipality	
104	40003422041	LLC "ĀDAŽU NAMSAIMNIEKS"	1,822.6	-66.6	929.0	100 % Ādaži County Council	
105	40003369018	Municipal LLC "Valgums-S"	1,800.3	79.1	19,449.0	100 % Salaspils County Council	
106	48503007414	LLC "BROCĒNU SILTUMS"	1,771.2	131.0	3,177.4	100 % Brocēni Municipality	
107	42103005911	LLC "LIEPĀJAS TRAMVAJS"	1,749.7	-578.7	18,302.5	100 % Liepāja City Municipality	
108	40003007886	Aizkraukle Municipality LLC "AIZKRAUKLES SILTUMS"	1,744.4	0.1	1,859.9	100 % Aizkraukle County Council	
109	45403000395	LLC "Jēkabpils ūdens"	1,737.7	22.8	16,468.9	100 % Jēkabpils City Municipality	
110	40003187473	LLC "Saldus medicīnas centrs"	1,728.7	-79.8	1,355.4	75 % Saldus Municipality, 25 % Brocēni Municipality	
111	41503010497	LLC "LĪVĀNU DZĪVOKĻU UN KOMUNĀLĀ SAIMNIECĪBA"	1,722.7	-78.9	13,783.3	100 % Līvāni County Council	
112	40003207873	LLC "Salaspils veselības centrs"	1,687.3	106.7	1,484.9	100 % Salaspils County Council	
113	48703000781	Aizkraukle County LLC "LAUMA A"	1,680.4	15.1	1,332.8	100 % Aizkraukle County Council	
114	40003525725	LLC "Ķekavas sadzīves servisa centrs"	1,641.9	15.3	1,123.1	100 % Ķekava Municipality	
115	48503021348	LLC "DOBELES NAMSAIMNIEKS"	1,636.5	120.8	4,329.9	100 % Dobeles Municipality	
116	45103000470	LLC "DOBELES ŪDENS"	1,611.4	-4.6	13,897.6	100 % Dobeles Municipality	
117	49503000754	Cēsis City LLC "VINDA"	1,554.0	134.3	18,606.6	100 % Cēsis Municipality	
118	40003273506	LLC "Rehabilitācijas centrs "Līgatne"	1,547.8	-47.3	1,247.8	100 % Līgatne Municipality	
119	44103055060	LLC "Valkas Namsaimnieks"	1,536.3	10.9	3,967.3	100 % Valka County Council	
120	41503021397	LLC "Daugavpils bērnu veselības centrs"	1,525.4	4.7	1,524.5	100 % Daugavpils City Council	
121	40003231451	Livani County Municipal LLC "Līvānu slimnīca"	1,490.6	217.7	1,135.7	100 % Līvāni County Council	
122	43603001681	LLC "BAUSKAS SILTUMS"	1,448.7	7.5	2,930.3	100 % Bauska County Council	
123	50003220021	Municipal LLC "Veselības un sociālās aprūpes centrs-Sloka"	1,438.6	-5.0	1,572.1	100 % Jūrmala City Council	
124	40003007890	LLC "KULDĪGAS SILTUMTIKLI"	1,436.0	-67.5	4,326.5	100 % Kuldīga County Council	
125	54103025871	LLC "VIDZEMES OLIMPISKAIS CENTRS"	1,434.4	-100.8	8,220.1	63.4 % Valmiera City Municipality	
126	41203008173	LLC "VATS"	1,433.8	-90.5	1,830.6	50 % Ventspils City Council	
127	43903000435	LLC "Smiltēnes NKUP"	1,429.3	13.3	11,422.5	100 % Smiltene County Council	
128	45103000574	LLC "AUCES KOMUNĀLIE PAKALPOJUMI"	1,421.4	5.0	4,765.0	100 % Auce Municipality	
129	41203017566	LLC "VNK serviss"	1,405.3	-222.5	6,695.5	100 % Ventspils Municipality	
130	49203000859	LLC "Tukuma ūdens"	1,396.4	163.4	22,562.7	100 % Tukums County Council	
131	40003006715	LLC "LIMBAŽU SILTUMS"	1,338.3	105.4	5,210.8	100 % Limbaži Municipality	
132	42103004583	LLC "LIEPĀJAS NAMU APSAIMNIEKOTĀJS"	1,334.6	405.2	9,007.3	100 % Liepāja City Municipality	
133	40003189328	LLC "Sarkanā Krusta Smiltēnes slimnīca"	1,324.5	5.3	1,269.6	100 % Smiltene County Council	
134	40003218218	LLC "PRIEKULES SLIMNĪCA"	1,315.8	-10.7	429.7	55.54 % Priekule Municipality, 11.4 % Durbe Municipality, 11.4 % Grobiņa Municipality, 10.86 % Vaiņode County Council, 10.8 % Rucava Municipality	
135	50103420091	LLC "Komunālserviss TILDe"	1,304.7	-29.1	2,913.5	100 % Tukums County Council	
136	48503000219	LLC "SALDUS KOMUNĀLSERVISS"	1,282.1	0.0	10,377.8	100 % Saldus Municipality	
137	41503014677	LLC "Veselības centrs Ilūkste"	1,281.0	1.7	202.7	100 % Ilūkste Municipality	
138	40003131022	Municipal LLC "ĀDAŽU SLIMNĪCA"	1,279.6	95.3	928.7	100 % Ādaži County Council	

No.	Reg. No	Name of the capital company	Turnover, 2019, EUR '000	Profit/Loss, 2019, EUR '000	Total assets, 31.12.2019, EUR '000	Proportion of capital shares, holder or owner	Supplementary information
139	45103000466	LLC "Dobeles komunālie pakalpojumi"	1,271.2	61.2	966.3	100 % Dobeles Municipality	
140	49003000076	LLC "TALSU ŪDENS"	1,225.3	-422.7	20,994.8	100 % Talsi Municipality	
141	40003419183	LLC "ZEIFERTI"	1,211.1	-180.1	14,073.8	100 % Olaine Municipality	
142	40103055793	LLC "SALTAVOTS"	1,192.6	-12.2	10,825.9	100 % Sigulda Municipality	
143	40003411141	LLC "Siguldas Sporta serviss"	1,175.3	-21.8	1,074.9	100 % Sigulda Municipality	
144	46103000234	LLC "KULDĪGAS ŪDENS"	1,142.5	24.2	12,158.6	100 % Kuldīga County Council	
145	40003275352	LLC "Rehabilitācijas centrs "Tērvete""	1,130.2	168.2	749.5	100 % Tērvete County Council	
146	40003145751	LLC "BABĪTES SILTUMS"	1,127.9	-62.4	8,659.5	100 % Babīte Municipality	
147	40003708356	Municipal LLC "GARKALNES KOMUNĀLSERVISS"	1,123.2	-7.8	806.7	100 % Garkalne County Council	
148	40003482591	LLC "LĪVĀNU SILTUMS"	1,087.0	-64.9	2,976.9	100 % Līvāni County Council	
149	43203003117	LLC "Alūksnes enerģija"	1,086.3	-58.7	3,788.0	100 % Alūksne Municipality	
150	54603000121	LLC "Gulbenes nami"	1,070.3	-159.4	6,716.3	100 % Gulbene Municipality	
151	44103089090	LLC "Vidzemes koncertzāle"	1,058.2	2.2	183.8	100 % Cēsis Municipality	
152	43603016206	LLC "Dzīvokļu komunālā saimniecība"	1,056.6	62.6	8,406.2	100 % Iecava County Council	
153	43203003672	LLC "GULBENES AUTOBUSI"	1,055.4	68.4	1,130.5	100 % Gulbene County Council	
154	41503002428	Municipal LLC "Sadzīves pakalpojumu kombināts"	1,033.6	12.6	1,792.8	100 % Daugavpils City Council	
155	42103025570	LLC "GROBIŅAS HES"	1,033.4	0.5	774.1	100 % Grobiņa City Council	
156	40103032305	Sigulda City LLC "JUMIS"	1,018.3	83.6	457.7	100 % Sigulda Municipality	
157	41203006844	LLC "Kandavas komunālie pakalpojumi"	992.8	-2.7	7,740.7	100 % Kandava County Council	
158	40003929148	LLC "Ādažu Ūdens"	988.2	-123.6	9,361.5	100 % Ādaži County Council	
159	41503003743	LLC "ORNAMENTS"	978.1	25.6	3,368.1	100 % Ilūkste County Council	
160	46603000255	Limbazi City LLC "LIMBAŽU KOMUNĀLSERVISS"	972.4	46.4	5,588.3	100 % Limbaži Municipality	
161	50003142371	LLC "Vangažu Namsaimnieks"	966.7	16.5	2,985.3	100 % Inčukalns County Council	
162	48503000168	LLC "SALDUS NAMU PĀRVALDE"	953.9	91.0	1,697.6	100 % Saldus Municipality	
163	44103018609	LLC "LĪVENA APTIEKA"	947.2	14.7	164.5	100 % Smiltene County Council	
164	47103000233	LLC "Madonas namsaimnieks"	939.4	36.8	631.1	100 % Madona Municipality	
165	40103073411	LLC "VILKME"	933.2	7.0	962.9	100 % Ropaži Municipality	
166	40003312216	Municipal LLC "NORMA K"	919.2	-50.3	3,036.2	100 % Mālpils County Council	
167	55403000931	LLC "VĪGANTS"	915.0	-36.4	755.9	100 % Sala Municipality	
168	41203022001	LLC "SKRUNDAS KOMUNĀLĀ SAIMNIECĪBA"	890.1	23.1	6,118.4	100 % Skrunda Municipality	
169	40103416198	Ikskile County Municipal LLC "Ikšķīles māja"	875.9	-12.5	15,752.8	100 % Ikšķīle Municipality	
170	42103018367	LLC "Pansionāts Rokaiži"	874.0	50.9	413.9	100 % Aizpute County Council	
171	46603000240	LLC "NAMSAIMNIEKS"	871.1	1.6	2,759.8	100 % Limbaži Municipality	
172	40003124779	Pašvaldības LLC "Saulkrastu slimnīca"	860.3	-81.1	669.1	100 % Saulkrasti County Council	
173	40003227117	LLC "ĶEGUMA STARS"	833.7	112.9	8,125.6	100 % Ķegums Municipality	
174	40103027944	LLC "Saulkrastu komunālserviss"	802.7	-89.6	11,719.6	100 % Saulkrasti County Council	
175	48703002782	LLC "Bērzaunes komunālais uzņēmums"	800.4	13.4	3,851.2	100 % Madona Municipality	
176	48703000457	LLC "Pļaviņu Komunālie pakalpojumi"	798.2	2.0	3,354.4	100 % Pļaviņas County Council	
177	42403026217	LLC "Austrumlatvijas koncertzāle"	788.2	-8.2	261.9	100 % Rēzekne City Council	
178	54103099071	LLC "Līgatnes komunālserviss"	776.9	-14.8	1,581.2	100 % Līgatne Municipality	
179	42103019377	LLC "LIEPĀJAS TEĀTRIS"	775.6	-30.9	528.9	100 % Liepāja City Municipality	
180	48703001147	LLC "Kokneses Komunālie pakalpojumi"	773.1	-45.8	4,237.4	100 % Koknese County Council	
181	49003000396	LLC "Roja DzKU"	767.2	-63.2	3,844.2	100 % Roja County Council	
182	44103021789	LLC "OLIMPISKAIS CENTRS "LIMBAŽI""	753.3	-3.2	172.4	51.8 % Limbaži Municipality, 7.6 % Salacgrīva Municipality	
183	42403000932	Municipal LLC "Maltas dzīvokļu-komunālās saimniecības uzņēmums"	734.4	32.7	4,599.5	100 % Rēzekne Municipality	
184	40003410625	LLC "ALŪKSNES NAMI"	730.3	17.1	1,659.0	100 % Alūksne Municipality	
185	40003097945	LLC "Iecavas siltums"	729.6	-85.9	1,679.0	100 % Iecava County Council	
186	40003275348	LLC "REHABILITĀCIJAS CENTRS "RĀZNA""	693.8	31.4	344.8	100 % Rēzekne City Council	
187	44103096618	LLC "KOCĒNU KOMUNĀLĀ SAIMNIECĪBA"	693.1	-224.5	7,775.6	100 % Kocēni County Council	
188	42103024382	Municipal LLC "VECLIEPĀJAS PRIMĀRĀS VESELĪBAS APRŪPES CENTRS"	690.7	0.9	1,423.3	100 % Liepāja City Municipality	
189	43603011586	LLC "Bauskas ūdens"	687.2	5.7	6,590.7	100 % Bauska County Council	

No.	Reg. No	Name of the capital company	Turnover, 2019, EUR '000	Profit/Loss, 2019, EUR '000	Total assets, 31.12.2019, EUR '000	Proportion of capital shares, holder or owner	Supplementary information
190	48703000438	LLC "Aizkraukles KUK"	683.3	8.3	337.7	100 % Aizkraukle County Council	
191	42103001430	LLC "AIZPUTES KOMUNĀLAIS UZŅĒMUMS"	651.2	-53.6	6,128.0	100 % Aizpute County Council	
192	40103431587	Municipal LLC "Tukuma ledus halle"	632.8	-11.9	220.8	100 % Tukums County Council	
193	42103002652	LLC "AIZPUTES NAMI"	628.0	-81.0	728.0	100 % Aizpute County Council	
194	48703000404	Aizkraukle County LLC "Aizkraukles ūdens"	625.7	35.1	3,877.5	100 % Aizkraukle Municipality	
195	44103026358	LLC "AP Kaudzītes"	623.0	42.3	3,873.0	28.23 % Alūksne County Council, 28.23 % Gulbene County Council, 26.61 % Balvi Municipality, 8.87 % Cesvaine County Council, 8.06 % Lubāna County Council	
196	53203000201	LLC "RŪPE"	616.1	-89.3	11,648.9	100 % Alūksne County Council	
197	41503015297	LLC "GRĪVAS POLIKLĪNIKA"	596.3	7.4	489.2	100 % Daugavpils County Council	
198	40003261206	LLC "Mazsalacas slimnīca"	585.4	-1.8	118.7	100 % Mazsalaca Municipality	
199	42103020465	LLC "PRIEKULES NAMI"	577.0	-7.4	3,155.1	100 % Priekule Municipality	
200	42103024397	LLC "JAUNLIEPĀJAS PRIMĀRĀS VESELĪBAS APRŪPES CENTRS"	569.9	1.1	625.1	100 % Liepāja City Municipality	
201	41703007451	LLC "Medicīnas sabiedrība "OPTIMA 1""	527.2	19.2	689.4	100 % Jelgava City Council	
202	56803002941	LLC "KĀRSĀVAS NAMSAIMNIEKS"	516.4	-31.6	4,944.2	100 % Kārsava County Council	
203	44103091517	LLC "Alojas Novada Saimniekserviss"	491.6	-98.9	5,074.8	100 % Aloja County Council	
204	47103000676	Varakļani LLC "Dzīvokļu komunālais uzņēmums"	489.5	-83.3	6,983.5	100 % Varakļāni Municipality	
205	44603000098	LLC "ALBA"	484.8	23.5	1,165.7	100 % Gulbene Municipality	
206	55403000541	LLC "Viesītes komunālā pārvalde"	476.8	-109.1	3,161.1	100 % Viesīte Municipality	
207	40003295397	LLC "BŪKS"	475.3	-35.1	7,340.0	100 % Baldone Municipality	
208	44103103680	LLC "Aprūpes nams "Urga""	459.4	-4.9	373.5	100 % Aloja County Council	
209	46803003381	LLC "ZILUPES LTD"	453.9	-19.6	2,486.0	100 % Zilupe Municipality	
210	40003249082	LLC "Irlāvas Sarkanā Krusta slimnīca"	453.7	9.4	106.3	100 % Tukums County Council	
211	40103217948	LLC "Garkalnes ūdens"	452.7	101.8	10,813.6	80.23 % Garkalne County Council, 19.77 % Ādaži County Council	
212	40003235190	LLC "Vijānu slimnīca"	452.3	-3.5	521.4	100 % Vijāni County Council	
213	40103280684	Municipal LLC "Garkalnes inženiertīkli"	449.1	2.7	751.4	100 % Garkalne County Council	
214	44103023807	Municipal LLC "RŪJIENAS SILTUMS"	446.3	-38.6	8,020.7	100 % Rūjiena Municipality	
215	45903000289	LLC "Dagdas komunālā saimniecība"	446.1	-5.8	5,222.2	100 % Dagda Municipality	
216	43603018936	LLC "Mūsu saimnieks"	443.6	-55.2	2,342.7	100 % Vecumnieki County Council	
217	40003527548	LLC "ZEMGALES 29"	424.3	2.7	51.5	53.95 % Olaine Municipality	
218	51203035281	LLC "Kurzemes filharmonija"	420.9	-32.9	657.9	100 % Ventspils City Council	
219	44103002754	LLC "BN KOMFORTS"	412.7	15.7	1,303.9	100 % Burtnieki Municipality	
220	42403028190	LLC "OLIMPISKAIS CENTRS RĒZEKNE"	410.3	-30.0	393.0	100 % Rēzekne City Council	
221	45403026708	LLC "Kalsnavas komunālais uzņēmums"	406.1	-16.5	1,818.0	100 % Madona Municipality	
222	45403004912	LLC "Pils rajona Namu pārvalde"	403.0	4.9	323.0	100 % Jēkabpils City Municipality	
223	42103041202	LLC "Durbes KS"	402.1	-13.1	739.5	100 % Durbe Municipality	
224	40003158864	Krimulda County Municipal LLC "Entalpija-2"	390.2	-20.0	445.3	100 % Krimulda County Council	
225	42403006333	LLC "STRŪŽĀNU SILTUMS"	376.2	38.5	331.8	100 % Rēzekne Municipality	
226	40003431326	LLC "Jaunpils pils"	365.3	-15.1	62.7	100 % Jaunpils County Council	
227	40003365196	LLC "Varakļānu veselības aprūpes centrs"	342.7	-25.7	67.5	100 % Varakļāni County Council	
228	40003257677	LLC "Zilupes veselības un sociālās aprūpes centrs"	338.9	9.4	138.2	100 % Zilupe Municipality	
229	42403003341	LLC "VIĻĀNU SILTUMS"	337.5	-1.0	767.3	100 % Vijāni Municipality	
230	52403003451	LLC "VIĻĀNU NAMSAIMNIEKS"	324.9	-26.6	1,265.7	100 % Vijāni Municipality	
231	40003274925	Municipal LLC "VANGAŽU AVOTS"	322.4	-48.0	6,065.7	100 % Inčukalns County Council	
232	43603031135	LLC "Zemgales mutes veselības centrs"	321.4	8.2	135.9	100 % Bauska City Council	
233	44103031378	LLC "ALOJAS VESELĪBAS APRŪPES CENTRS"	320.7	-3.4	103.8	100 % Aloja County Council	
234	58703000641	LLC "Skrīveru saimnieks"	319.2	-5.6	5,440.7	100 % Skrīveri County Council	
235	43603019077	LLC "ZEMGALES OLIMPISKAIS CENTRS"	317.7	-750.3	18,982.4	52.24 % Jelgava City Council	
236	40003331306	LLC "Aknīstes veselības un sociālās aprūpes centrs"	314.4	-36.5	177.2	100 % Aknīste Municipality	
237	54103072471	LLC "Salacgrīvas ūdens"	307.8	-76.5	9,449.2	100 % Salacgrīva Municipality	
238	53603009371	LLC "KŪDRINIEKS"	277.4	30.7	661.5	100 % Vecumnieki County Council	
239	55403015481	LLC "Viesītes transports"	271.7	-0.7	131.6	100 % Viesīte Municipality	

No.	Reg. No	Name of the capital company	Turnover, 2019, EUR '000	Profit/Loss, 2019, EUR '000	Total assets, 31.12.2019, EUR '000	Proportion of capital shares, holder or owner	Supplementary information
240	44103103695	LLC "Rekreācijas centrs "Viķi""	270.1	2.4	99.3	100 % Aloja County Council	
241	50003292941	Ergli Municipal LLC "Ērgļu slimnīca"	267.1	4.8	368.3	100 % Ērgļi Municipality	
242	40003325367	LLC "Viesītes veselības un sociālās aprūpes centrs"	264.8	16.8	86.7	100 % Viesīte Municipality	
243	40003257732	LLC "Kārsavas slimnīca"	262.4	-11.7	391.1	100 % Kārsava County Council	
244	43603009401	LLC "Jaunolis"	260.3	17.4	130.2	100 % Vecumnieki County Council	
245	43603040477	LLC "Zemgales EKO"	251.6	50.2	506.8	100 % Jelgava City Council	
246	40003373066	Municipal LLC "Krants"	251.6	-6.0	1,406.9	100 % Engure County Council	
247	40003434765	Municipal LLC "Jaunpils KS"	243.9	0.2	178.1	100 % Jaunpils County Council	
248	42103067790	LLC "Lielais Dzintars"	234.8	2.2	111.1	100 % Liepāja City Municipality	
249	40003171701	LLC "Krimuldas doktorāts"	229.6	24.3	175.1	100 % Krimulda County Council	
250	50003306141	LLC "Īslīces ūdens"	226.6	-16.8	3,272.9	100 % Bauska County Council	
251	45403005405	LLC "Lubānas KP"	222.0	-32.9	2,497.8	100 % Lubāna Municipality	
252	45403000709	LLC "Aknīstes Pakalpojumi"	216.5	-28.0	1,822.9	100 % Aknīste Municipality	
253	40103653529	Municipal LLC "Šlokenbekas pils"	209.6	-1.3	98.5	100 % Engure County Council	
254	42103027783	LLC "Liepājas latviešu biedrības nams"	208.4	-17.4	169.8	100 % Liepāja City Municipality	
255	51203036041	LLC "Dundagas veselības centrs"	207.0	-3.7	36.9	100 % Dundaga County Council	
256	41203001777	Municipal LLC "Ventspils tirgus"	197.3	-0.1	957.4	100 % Ventspils City Council	
257	45403015460	LLC "Spungēni-Daugavieši"	178.6	-1.1	97.9	100 % Krutspils Municipality	
258	44103027052	LLC "CĒSU TIRGUS"	173.4	13.7	617.7	100 % Cēsis Municipality	
259	40003298707	LLC "Liepājas autostāvvietas"	170.5	4.6	218.7	100 % Liepāja City Municipality	
260	47103000040	Ergli Parish LLC "ŪDAS"	162.8	-19.4	4,068.0	100 % Ērgļi Municipality	
261	45403006595	LLC "Cesvaines siltums"	157.8	-19.4	1,901.9	100 % Cesvaine County Council	
262	44103002824	LLC "BANGA KPU"	151.7	-35.5	3,165.9	100 % Mazsalaca Municipality	
263	42103044590	LLC "VĒRGALES KOMUNĀLĀ SAIMNIECĪBA"	148.5	-31.6	1,271.7	100 % Pāvilosta County Council	
264	43403001424	LLC "BALVU AUTOTRANSPORTS"	147.4	28.8	323.7	60 % Balvi Municipality, 25 % Vijaka County Council, 10 % Rugāji Municipality, 5 % Baltinava County Council	
265	42103054283	LLC "Pāvilostas komunālais uzņēmums"	135.6	-54.6	966.1	100 % Pāvilosta County Council	
266	47103000106	LLC "Cesvaines komunālie pakalpojumi"	134.9	-6.0	2,451.2	100 % Cesvaine County Council	
267	40003382317	LLC "ZIEMEĻKURZEME"	132.5	14.2	3,202.3	100 % Dundaga County Council	
268	40003579893	LLC "KOLKAS ŪDENS"	126.0	56.6	532.7	100 % Dundaga Municipality	
269	41503025952	Municipal LLC "Parkings D"	112.6	21.6	115.5	100 % Daugavpils City Council	
270	40003289155	LLC "TALSU TELEVĪZIJA"	108.2	-1.8	26.7	100 % Talsi Municipality	
271	42103048198	LLC "KS Cīrava"	107.3	-15.3	755.9	100 % Aizpute County Council	
272	40003299789	LLC "Bēnes doktorāts"	106.3	6.8	40.4	100 % Auce Municipality	
273	55403005341	LLC "Zasas aptieka"	105.7	0.4	20.5	100 % Jēkabpils Municipality	
274	40003134391	LLC "AVIASABIEDRĪBA "LIEPĀJA""	103.3	-32.3	7,736.7	100 % Liepāja City Municipality	
275	40003302839	LLC "LIEPĀJAS REĢIONĀLA TŪRISMA INFORMĀCIJAS BIROJS"	99.1	-14.8	125.5	85.59 % Liepāja City Municipality, 1.8 % Aizpute County Council, 1.8 % Durbe County Council, 1.8 % Grobiņa County Council, 1.8 % Nīca County Council, 1.8 % Pāvilosta County Council, 1.8 % Priekule County Council, 1.8 % Rucava Municipality, 1.8 % Vainode County Council	
276	44103059950	LLC "LĪGATNES NAMI"	94.0	-20.6	292.1	100 % Līgatne Municipality	
277	45403005388	LLC "Rubenes aptieka"	85.1	-0.4	15.6	100 % Jēkabpils Municipality	
278	42403025230	LLC "Vijakas Veselības aprūpes centrs"	79.0	-0.8	105.4	100 % Vijaka County Council	
279	41703001340	JSC "JELGAVAS SILTUMTIKLU UZŅĒMUMS"	72.1	7.5	12,492.0	71.61 % Jelgava City Council	
280	50003293241	LLC "Skrundas TV"	58.9	13.6	3.2	100 % Skrunda Municipality	
281	52103024331	Municipal LLC "LIEPĀJAS LEĻĻU TEĀTRIS"	51.3	-2.0	60.0	100 % Liepāja City Municipality	
282	40003299967	LLC "Jaunpiebalgas pašvaldības ambulance"	49.5	2.5	20.0	100 % Jaunpiebalga Municipality	
283	40003357894	Auce Municipal LLC "Auces slimnīca"	48.7	3.3	25.6	100 % Auce Municipality	
284	42103002686	LLC "AIZPUTES TV"	46.0	0.4	3.8	100 % Aizpute County Council	
285	44103026682	LLC "CĒSU OLIMPISKAIS CENTRS"	43.0	-13.3	108.5	74.17 % Cēsis Municipality	
286	41203037401	LLC "MĒRSRAGA ŪDENS"	38.4	-25.1	1,334.0	100 % Mērsrags Municipality	
287	42403008777	LLC "BIDRIJA"	28.3	-1.5	5.9	100 % Zilupe Municipality	
288	54103020291	LLC "UNGURMUIŽA"	28.1	-41.9	10.9	100 % Pārgauja Municipality	
289	45403015761	LLC "Rubenītis"	21.3	-7.3	32.8	100 % Jēkabpils Municipality	
290	45403051705	LLC "Gārsenes pils"	20.1	2.1	17.0	100 % Aknīste Municipality	

No.	Reg. No	Name of the capital company	Turnover, 2019, EUR '000	Profit/Loss, 2019, EUR '000	Total assets, 31.12.2019, EUR '000	Proportion of capital shares, holder or owner	Supplementary information
291	40103701602	LLC "AlgoMed"	14.3	-0.9	2.3	97.38 % Babite Municipality	
292	40003979793	LLC "Smārdes industriālais parks"	10.4	32.0	293.4	100 % Engure County Council	
293	51203031491	LLC "Ventspils lidosta"	1.6	-10.7	2,087.1	100 % Ventspils City Council	
294	42103022818	LLC "RAS 30"	0.0	6.4	297.2	26.45 % Aizpute County Council, 23.02 % Grobiņa County Council, 16.94 % Priekule County Council, 8.38 % Nica County Council, 7.93 % Pāvilosta County Council, 7.63 % Vainode County Council, 5.27 % Rucava Municipality, 4.37 % Durbe County Council	
295	41503036354	LLC "Daugavpils lidosta"	0.0	-42.3	1,631.5	100 % Daugavpils City Council	
296	40003977580	LLC "MOTO ZZ"	0.0	-6.4	57.5	99.89 % Kegums Municipality	-
297	47403003296	LLC "OGRES SVĒTE"	0.0	-1.5	1.3	100 % Ogre County Council	-
298	42103017959	LLC "SPILAS"	0.0	13.9	71.2	100 % Rucava Municipality	-
299	42103011250	LLC "VAIŅODES PAGASTA DOKTORĀTS"	0.0	-0.1	0.1	100 % Vainode County Council	
Capital companies with direct participation of municipalities up to 50% (inclusive)							
300	40003286750	JSC "RĪGAS SILTUMS" (consolidated)	148,691.4	2,269.7	220,967.9	49 % Riga City Council	
301	42103035386	LLC "LIEPĀJAS ENERĢIJA"	17,576.8	4,464.0	36,750.2	39 % Liepāja City Municipality	
302	40003015652	JSC "Liepājas autobusu parks" (consolidated)	13,591.8	1,099.5	16,753.7	34.85 % Liepāja City Municipality	
303	44103058086	LLC "Balvu un Gulbenes slimnicu apvienība"	5,757.0	321.8	10,176.8	17.44 % Balvi Municipality, 13.13 % Gulbene County Council, 7.24 % Vijaka Municipality, 2.98 % Rugāji Municipality, 1.55 % Baltinava County Council	
304	41503002447	JSC "DAUGAVPILS SPECIALIZĒTAIS AUTOTRANSPORTA UZŅĒMUMS"	5,549.0	469.9	3,158.7	27.2 % Daugavpils City Council	
305	40003199078	LLC "Piebalgas"	5,487.6	4.5	3,528.2	18.36 % Vecumnieki County Council	
306	44103016580	JSC "VALMIERAS ENERĢIJA"	3,318.1	324.5	7,011.2	47.85 % Valmiera City Municipality	
307	40003258973	LLC "Ludzas medicīnas centrs"	3,239.1	450.6	8,556.6	42.05 % Ludza Municipality	
308	40003399703	LLC "KILUPE"	2,593.5	3.9	1,723.5	31.25 % Ogre Municipality	
309	40003592340	LLC "BALOŽU SILTUMS"	1,015.9	-11.1	1,529.8	45 % Ķekava Municipality	
310	41203008614	LLC "FUTBOLA KLUBS "VENTSPILS"	994.3	359.9	593.1	11.23 % Ventspils City Council	
311	40003244634	LLC "Daugavpils Olimpiskais centrs"	946.8	-468.8	19,434.1	45.88 % Daugavpils City Council	
312	43603012859	LLC "SPORTA KOMPLEKSS "ZEMGALE""	466.6	-49.2	1,066.7	32.65 % Jelgava City Council	
313	48503010397	LLC "Brocēnu sporta centrs"	401.2	-19.9	1,988.9	7.71 % Brocēni Municipality	
314	44103024817	LLC "Alūksnes primārās veselības aprūpes centrs"	395.7	17.4	183.4	10.016 % Alūksne County Council	
315	42403002492	LLC "RĒZEKNES VĒSTIS"	355.1	-20.0	192.8	8.33 % Rēzekne Municipality	
316	43603007966	LLC "JELGAVAS TIRGUS"	336.8	-45.4	1,405.8	48.43 % Jelgava City Council	
317	40003425118	LLC "VENTTESTS"	282.7	66.6	440.6	50 % Ventspils City Council	
318	40103037514	LLC "Rīgas Aprīnķa Avīze"	230.9	30.0	59.8	4.65 % Inčukalns County Council, 3.78 % Mārupe County Council, 2.42 % Sigulda Municipality, 2.32 % Babīte Municipality, 2.32 % Garkalne County Council, 2.32 % Krimulda County Council, 2.32 % Olaine Municipality, 2.32 % Ropaži Municipality	
319	41503004556	LLC "LATGALES LAIKS"	216.8	-6.4	150.1	25.46 % Daugavpils City Council	
320	41503029437	LLC "CIRIŠU HES"	153.4	-220.5	834.6	40 % Aglona County Council	
321	40003421648	LLC "OC Liepāja"	133.1	30.5	188.9	5.03 % Liepāja City Municipality	
322	40003536108	LLC "D & F"	127.1	-2.3	357.9	24 % Ogre Municipality	
323	41203019340	LLC "KOLKASRAGS"	95.6	5.9	216.1	49 % Dundaga County Council	
324	40003542763	LLC "Gulbenes-Alūksnes bānītis"	74.3	13.4	156.9	9.09 % Gulbene County Council, 4.55 % Alūksne County Council	
325	50003733321	LLC "SKY PORT"	55.9	-908.2	7,430.6	4.25 % Engure County Council	
326	44103055056	LLC "Latvijas futbola federācijas mācību un treniņu centrs "Staicele""	52.9	-115.2	226.0	23 % Aloja County Council	
327	41503026233	LLC "DOVA"	39.2	0.8	57.2	5 % Krāslava County Council	
328	40003134620	LLC "Latvijas šķirnes dzīvnieku audzētāju savienība"	31.0	120.9	808.5	0.17 % Kuldīga County Council	
329	40003381129	LLC "Ogres Interneta Centrs"	27.7	0.9	9.4	33.33 % Ogre County Council	
330	40003756303	LLC "Stopiņu kolektors"	23.7	3.1	388.7	20.08 % Stopiņi County Council	
331	50003367381	LLC "Ludzas tūrisma aģentūra"	23.1	-1.3	12.3	31.48 % Ludza Municipality, 12.96 % Zilupe Municipality	
332	40003159107	LLC "HYDROENERGY LATVIA"	21.9	-20.3	82.3	20.83 % Ropaži Municipality	
333	40103159777	LLC "Jaunā skola"	20.9	-63.7	1,190.0	21.08 % Ādaži County Council	

No.	Reg. No	Name of the capital company	Turnover, 2019, EUR `000	Profit/Loss, 2019, EUR `000	Total assets, 31.12.2019, EUR `000	Proportion of capital shares, holder or owner	Supplementary information
334	41203024801	LLC "Starptautiskā Rakstnieku un tulkotāju māja"	8.5	0.0	133.6	33.33 % Ventspils City Council	
335	43603023960	JSC "AMO PLANT"	0.0	-0.8	77.9	2.73 % Jelgava City Council	
336	40003633530	LLC "BALARTIS"	0.0	-18.3	149.8	45.37 % Ķekava Municipality	
337	40003319252	LLC "Mālpils Minerāls"	0.0	0.0	400.4	0.74 % Mālpils County Council	
338	42403015800	LLC "VĒSTURES PARKS"	0.0	-0.1	2.5	25 % Rēzekne City Council	
339	40003187948	LLC "Latgales Uzņēmējdarbības atbalsta centrs"	0.0	-0.1	1.1	5 % Rēzekne Municipality, 1 % Rēzekne City Council	
340	40003143445	LLC "Vējkalni"	0.0	-11.4	174.7	25 % Vecpiebalga Municipality	

