



State Chancellery
Republic of Latvia



PUBLIC REPORT

on State-Owned and Municipalities Owned Enterprises and Shares in 2023

Riga, 2024



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Riga, 2024

STATE-OWNED ENTERPRISES* IN ECONOMY OF LATVIA IN 2023

*Information is compiled for 141 capital companies, including both groups and consolidated data.

The State has **direct** ownership in **78** capital companies, of which **63** are fully State-Owned Enterprises (100% owned by the State), **4** – directly and effectively controlled by the State (>50% and <100% State ownership), while in **11** – the State has not direct and effective control (State ownership <50%).

State-Owned Enterprises have ownership in **63** companies, including one capital company with direct state ownership (LLC Latvijas Mobilais Telefons) while **5** companies have been sold, liquidated or removed from the Register of Enterprises.

Total Assets of State-Owned Enterprises*: EUR 13.42 billion

* Long-term assets and current assets

3 largest State-Owned Enterprises by asset value (Latvenergo, Augstsprieguma tīkls, Air Baltic Corporation) make up **50.7 %** of total assets.

50.7 % EUR 13.42 billion

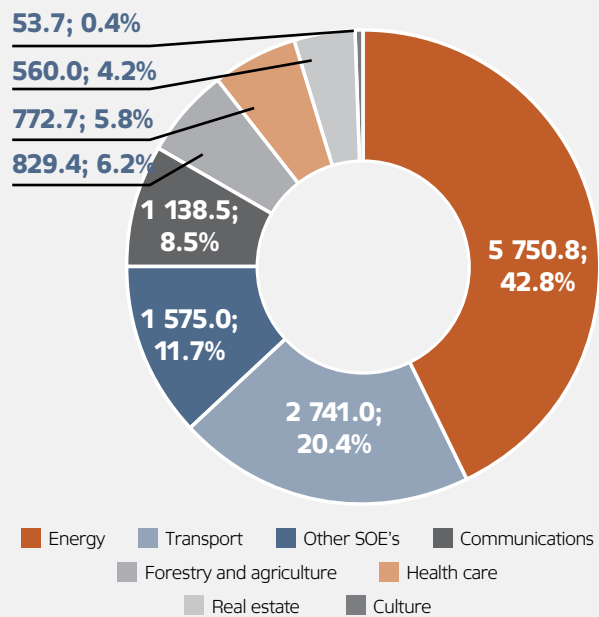
Total turnover of State-Owned Enterprises *: EUR 6.26 billion

* total revenue from principal activity

3 largest State-Owned Enterprises (Latvenergo, Latvijas valsts meži, Latvijas dzelzceļš) by turnover account for **53.1 %** of total turnover.

53.1 % EUR 6.26 billion

Total assets of State-Owned Enterprises by Sector in 2023 (million EUR, % of total assets)



Employees in State-Owned Enterprises

Total number of employees in State-Owned Enterprises **46 506** or **5.2 %** of all employees in Latvia

5.2 % 46 506 employees

31.5 % of the total number of employees in State-Owned Enterprises work in **3 largest State-Owned Enterprises** (Latvijas dzelzceļš, Rīgas Austrumu klīniskā universitātes slimnīca, Latvenergo,) **by the number of employees**

Dividends paid by State-Owned Enterprises

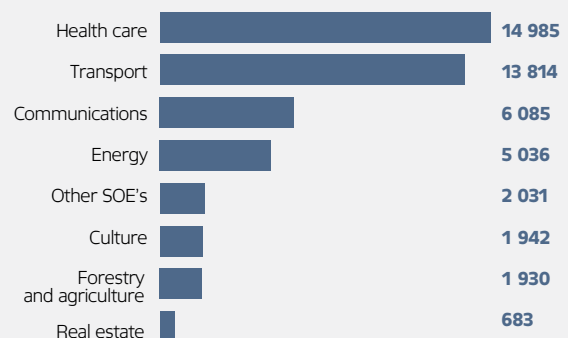
State-Owned Enterprises earned

720.2
million EUR

and paid in dividends

355.2
million EUR

Number of the Employees by Sector

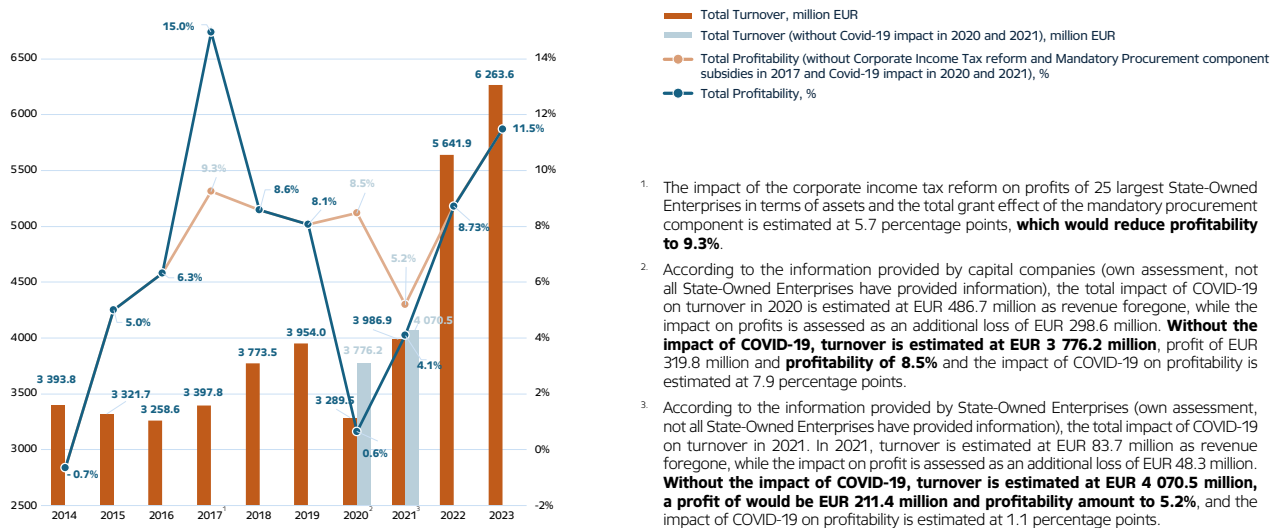


3 largest State-Owned Enterprises (Latvijas valsts meži, Latvenergo, Tet), which contribute the largest amount of dividends paid to the budget, **account for 92.1 % of total dividends paid.**

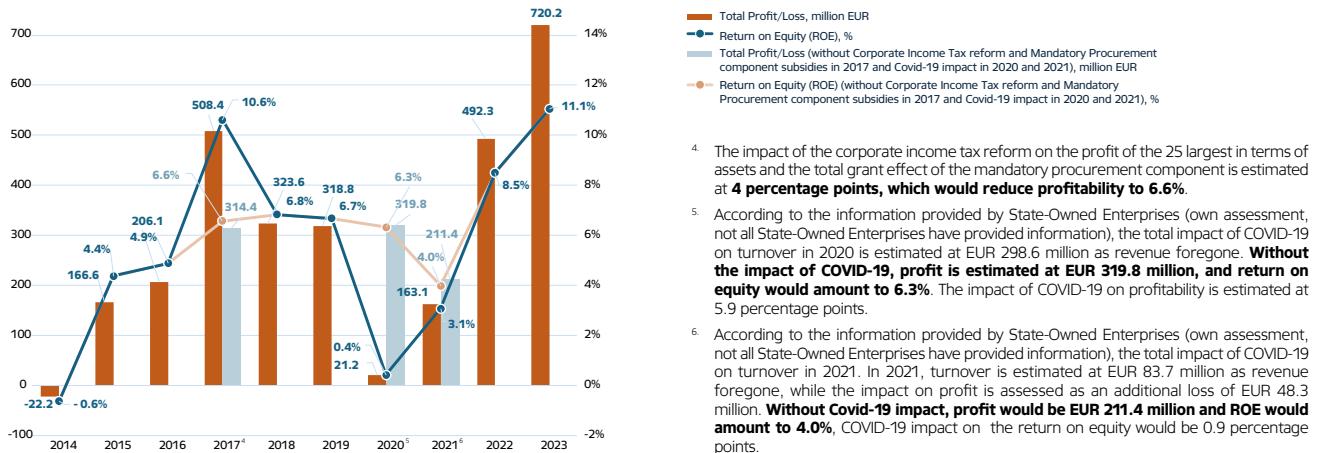
State-Owned Enterprises must pay dividends to the owner (the State) for the use of capital, especially in cases where the activities of a State-Owned Enterprises are wholly or mainly commercial.

Dynamics of Financial Results

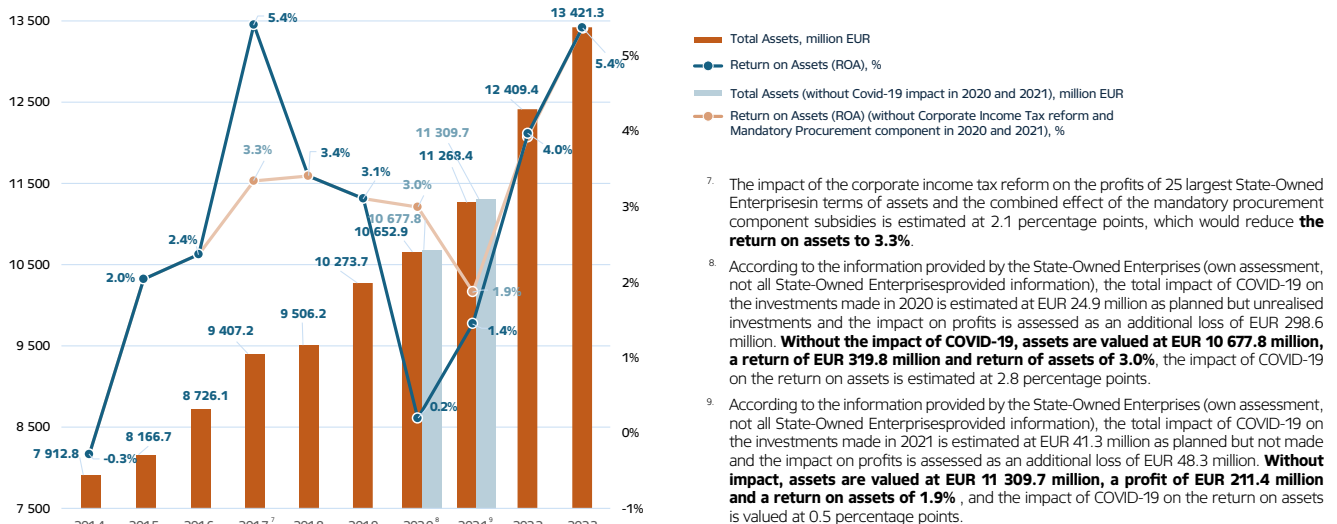
Total Turnover (million EUR) and Profitability (%)



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

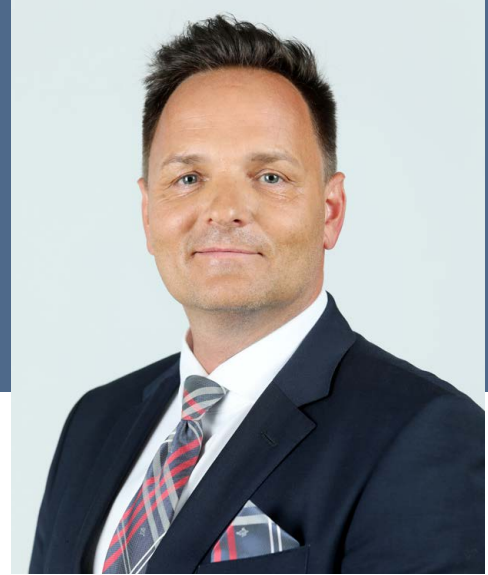


Total Assets (million EUR) and Return on Assets (ROA, %)



Learn more about SOEs in Latvia at: <http://www.valstskapitals.lv>

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Raivis Kronbergs
Director of State Chancellery

The year 2023 was a milestone in the history of governance of Latvian state-owned enterprises - it marked the beginning of a new approach to governance and a direction towards stable growth.

This year demonstrated the State's commitment to strengthening the role of state-owned enterprises in the national economy, making them reliable pillars of society's sustainability and economic development.

One of the most important developments was the integration of the Cross-Sectoral Coordination Centre into the State Chancellery on 1 March 2023. This step contributed to the centralisation and streamlining of governance processes, enabling a unified and strategic approach to the governance of state-owned enterprises. This is an important contribution to improving decision-making processes and to the achievement of the country's long-term development objectives.

The year 2023 was marked by global economic challenges: the full-scale war in Ukraine, supply chain disruptions and energy price volatility had a significant impact on economic dynamics in many countries. Despite these factors, the Latvian economy managed

to remain stable and show growth. Gross domestic product (GDP) grew by 4.9% in actual prices and by 1.7% in constant prices. Although slower than in the previous year, this growth demonstrates the resilience of the Latvian economy and its ability to adapt to changing circumstances.

During this period, state-owned enterprises demonstrated convincing growth indicators. Total turnover amounted to **EUR 6.26 billion**, an increase of 11% or EUR 621.7 million compared to 2022. This rise reflects the expansion of economic activity in most sectors, with the exception of the communications sector, which experienced a slight decline.

Total profits of the state-owned enterprises increased by **46.3%** to **EUR 720.2 million**. The **total return on equity of the state-owned enterprises amounted to 11.5%**, while **the return on equity was 11.1%**. These results confirm not only the efficient management of resources, but also the ability of companies to remain competitive in a difficult economic environment. In addition, assets increased by **8.2%**, reflecting sustainable investment strategies and targeted development.

Dividend contributions to the state budget reached 355.2 million euros – an increase of 76.1% compared to 2022. These contributions significantly contributed to the achievement of the state's priority goals, including provision of healthcare, education and infrastructure.

JSC Latvijas Valsts meži and JSC Latvenergo made a notable contribution, with their operating results accounting for a significant share of total dividends. Their strategic governance and efficient operational principles are an example of how state-owned enterprises can generate strong added value for both the economy and society.

In 2023, state-owned enterprises invested EUR 1.2 billion to substantially strengthen the country's energy security and implement strategic development projects. Particularly important were the projects that, with co-financing from the European Union, connected Latvia's energy system to continental Europe, thereby increasing the stability and security of the system. In order to comply with the principles of the European Green Deal, Latvenergo expanded its capacity portfolio by actively developing the use of renewable energy sources. Concurrently, other solar and wind parks with a total planned capacity of over 400 MW were in various stages of development in the Baltics.

A number of major projects underlined the strategic vision and long-term plans of state-owned enterprises. Projects were launched to modernise passenger platforms and improve infrastructure at 48 railway stations and stops and to modernise the Rīga-Jelgava and Rīga-Aizkraukle lines to increase train speed.

Among the important activities implemented in 2023 to improve the governance of state-owned enterprises was the improvement of the Law on Governance of Capital Shares of Public Entities and Companies Thereof. During this period, amendments were drafted to introduce sustainability reporting requirements to ensure greater transparency of

information and bring the practices of state-owned enterprises closer to international standards, as is already the case for listed capital companies and financial institutions.

A number of letters of expectation of state-owned enterprises were also approved, containing research and development objectives and targets for increasing exports. These steps indicate a targeted approach towards promoting the development of state-owned enterprises and support their role in the Latvian economy.

Global trends call for a new approach to corporate governance: state-owned enterprises have been able to adapt to supply chain challenges and energy price volatility through digitalisation and sustainable development principles. This adaptability is crucial for the stability and competitiveness of the Latvian economy.

Last year's results clearly demonstrate the important role of state-owned enterprises in ensuring the stability of the economy and the well-being of society. This report highlights the achievements and provides a perspective for the future, where the State and society work together for common goals - to build a prosperous and sustainable Latvia.

Let us act
responsibly for the
future of Latvia!

The Cross-Sectoral Coordination Centre has been responsible for drafting of annual reports on state-owned enterprises and state-owned capital shares since 2015, but since 1 March, the State Chancellery has taken over these functions. This report summarises the information on the governance and performance of state-owned enterprises in 2023, as well as includes data on municipalities owned enterprises and shares.

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Terms and Abbreviations

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

LR	SLLC Latvijas Radio
LS	LLC Latvijas standarts
LSP	SLLC Lielstraupes pils
LTV	SLLC Latvijas Televīzija
LV	SLLC Latvijas Vēstnesis
LVC	SLLC Latvijas valsts ceļi
LVĢMC	SLLC Latvijas Vides, ģeoloģijas un meteoroloģijas centrs
LVM	JSC Latvijas valsts meži
LVRTC	SLLC Latvijas Valsts radio un televīzijas centrs
MP	SLLC Meliorprojekts
n/a	not applicable
OECD	Organization for Economic Cooperation and Development
R&D	Research and development
PJS	SLLC Piejūras slimnīca
Possessor	LLC Publisko aktīvu pārvaldītājs Possessor
PSKUS	SLLC Paula Stradiņa klīniskā universitātes slimnīca
PV	JSC Pasažieru vilciens
RAKUS	LLC Rīgas Austrumu klīniskā universitātes slimnīca
RC	SLLC Rīgas cirks
RIX	JSC Starptautiskā lidosta "Rīga"
RKT	SLLC Mihails Čehova Rīgas Krievu teātris
RPNC	SLLC Rīgas Psihiatrijas un narkoloģijas centrs
ROA	return on assets
ROE	return on equity
RTRIT	SLLC Rīgas Tūrisma un radošās industrijas tehnikums
SC	State Chancellery
SJSC	state joint-stock company
SLLC	state limited liability company
ŠN	SLLC Šampētera nams
TET	LLC Tet
TNA	LLC Tiesu namu aģentūra
TOS	SLLC Traumatoloģijas un ortopēdijas slimnīca
Vaivari	SLLC Nacionālais rehabilitācijas centrs "Vaivari"
VAK	LLC Valsts aizsardzības korporācija
VAKL	SLLC Valsts Akadēmiskais koris "Latvija"
VASES	SJSC Elektroniskie sakari
VDT	SLLC Valmieras drāmas teātris
VIF	LLC Vides investīciju fonds
VK	State Chancellery
VNĪ	SJSC Valsts nekustamie īpašumi
VO	JSC Ventas osta
ZMŅI	SLLC Zemkopības ministrijas nekustamie īpašumi

Introduction

State-owned enterprises (SOEs) play an important role in the Latvian economy. SOEs not only eliminate market failures and perform tasks of strategic importance for society but also contribute to overall economic development, provide financial

benefits to society and ensure accessible and high-quality services. SOEs' contribution from 2014 to 2022 will be examined below to illustrate their role in the national economy.

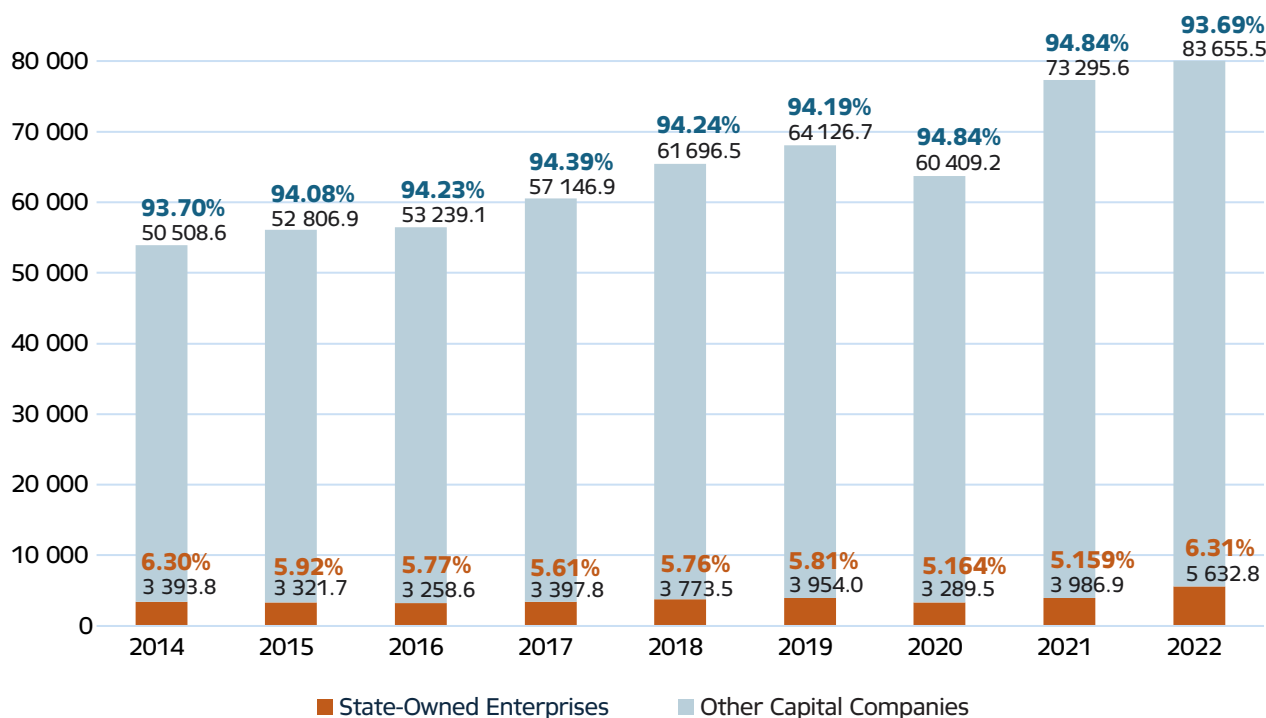


Figure 1. Turnover of SOEs and other capital companies from 2014 to 2022, million EUR, %

The total turnover of capital companies in 2022 was EUR 89.2 billion¹⁰, which is by EUR 12.0 billion more than in 2021, and represents an increase of +15.5%.

Of the total turnover of commercial companies, 6.31 % was generated by SOEs, which, compared to 2021, shows a significant increase in financial terms: +EUR 1.65 billion or by 41.3%, and there is also a significant increase (1.15 percentage points) in the total percentage of turnover of commercial companies, which indicates that the turnover of SOEs has grown faster than the turnover of private and other commercial companies, the turnover of which in financial terms increased by +10.4 billion EUR, while in percentage terms by +12.4%.

In 2021 the turnover of SOEs increased, in turn, by EUR 697.3 million or +21.2%, while the turnover

of private and other companies increased by EUR 12.9 billion or +17.6%.

Compared to 2021, the largest turnover drop in 2022 among SOEs was for SJSC Latvijas ceļu uzturētājs — EUR -6.6 million (or -7.8% drop from EUR 85.1 million to EUR 78.5 million). Another drop in turnover of more than EUR -5 million was for SLLC Zemkopības ministrijas nekustamie īpašumi (EUR -6.4 million), SJSC Latvijas Pasts (EUR -5.3 million), LLC Rīgas Austrumu klīniskā slimnīca (EUR -5.3 million), JSC Attīstības finanšu institūcija "Altum" (consolidated) (EUR -5.3 million), LLC Publisko aktīvu pārvaldītājs "Possessor" (consolidated, EUR -5.0 million). Another five SOEs faced a decrease in turnover up to EUR 1 million, constituting a total drop in turnover of EUR -1.3 million. In total, 11 SOEs had a decrease in turnover.

¹⁰ Central Statistical Bureau Database, Profit or loss of economic operators (EUR million), source https://data.stat.gov.lv/pxweb/lv/OSP_PUB/START_ENT_UF_UFF/UFF020.

The most considerable increase in turnover in 2022 was for JSC Latvenergo (group; EUR +776.6 million), JSC Air Baltic Corporation (consolidated, EUR +297.2 million), JSC Augstsprieguma tīkls (consolidated, EUR +168.9 million), JSC Latvijas valsts meži

(consolidated, EUR +161.3 million), LLC Tet (group, EUR +73.4 million), JSC Rīgas siltums (consolidated, EUR +69.9 million). A total of 56 SOEs (in 2021 – 53) had an increase in turnover.

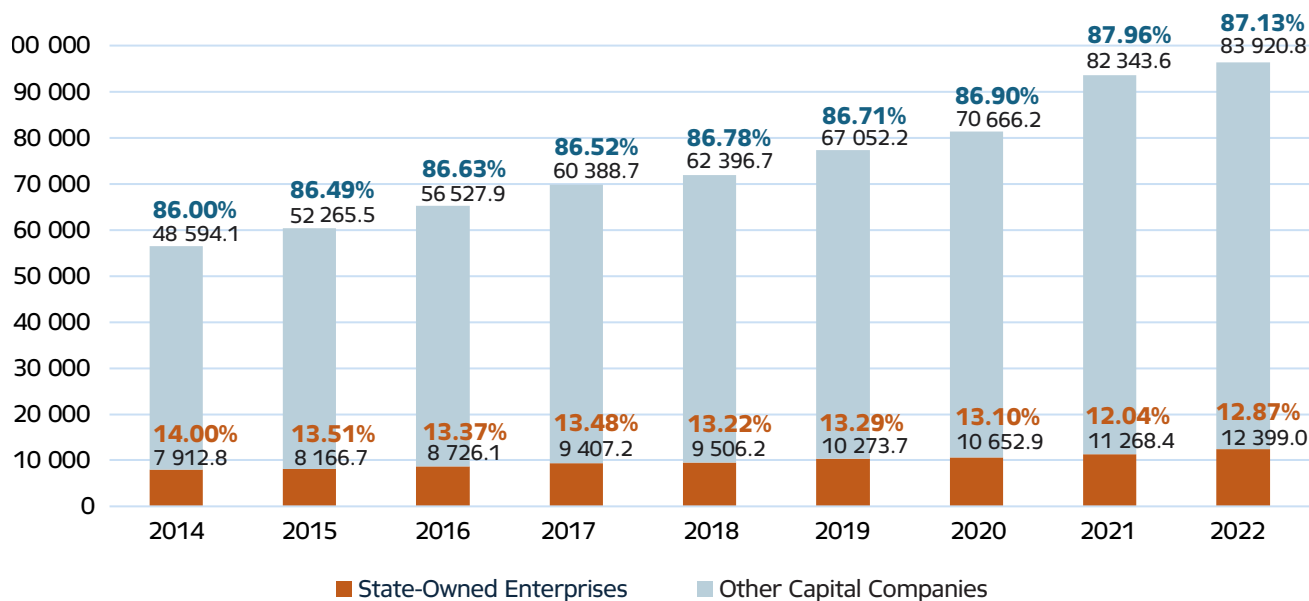


Figure 2. Assets of SOEs and other capital companies from 2014 to 2021, %, million EUR

The assets of capital companies show theoretical potential for generating income and profit. In 2022, SOEs used 12.9%¹¹ of assets at disposal of commercial companies, i.e. by EUR 12.4 billion more, and it represented an increase in the

structure of total assets of commercial companies by +0.84 percentage points, compared to 2021. In 2022, the assets of SOEs increased by EUR +1.13 billion or +10 %, which was more rapid than in 2012 when assets increased by 5.8%.

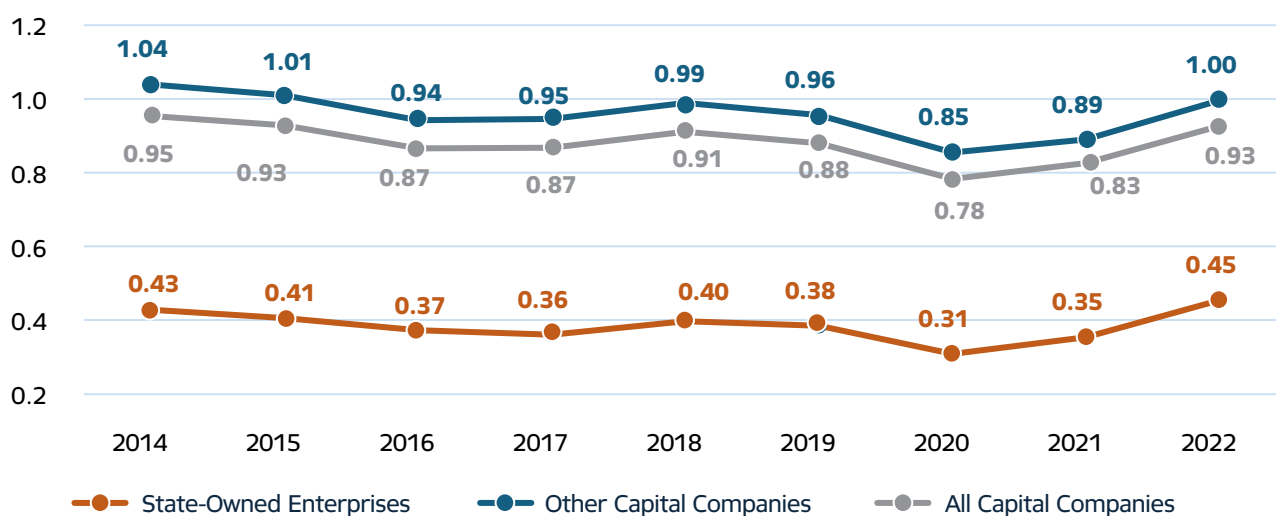


Figure 3. Average asset turnover ratio (net turnover/total assets) for state, other and all capital companies from 2014 to 2022, ratio

11 Central Statistical Bureau Database, Assets and liabilities of economic operators at the end of year, (NACE 2. ed.), (billion. euro), source, avots: https://data.stat.gov.lv/pxweb/lv/OSP_PUB/START_ENT_UF_UFF/UFF040.

The overall turnover to asset ratio is, like every year, better for the private sector, which can be explained by different objectives in terms of asset composition. One of the main objectives of the private sector is to maximise profits with the lowest possible involvement of assets and capital. The second factor is the composition of assets – many SOEs maintain and provide a basis 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 only possible with large capital investments (hydroelectric power plants, railway and air infrastructure, etc.). The asset turnover ratio in all capital companies, both state and other, has increased significantly in 2022, indicating an increase in the use of assets and already above pre-Covid-19 levels.

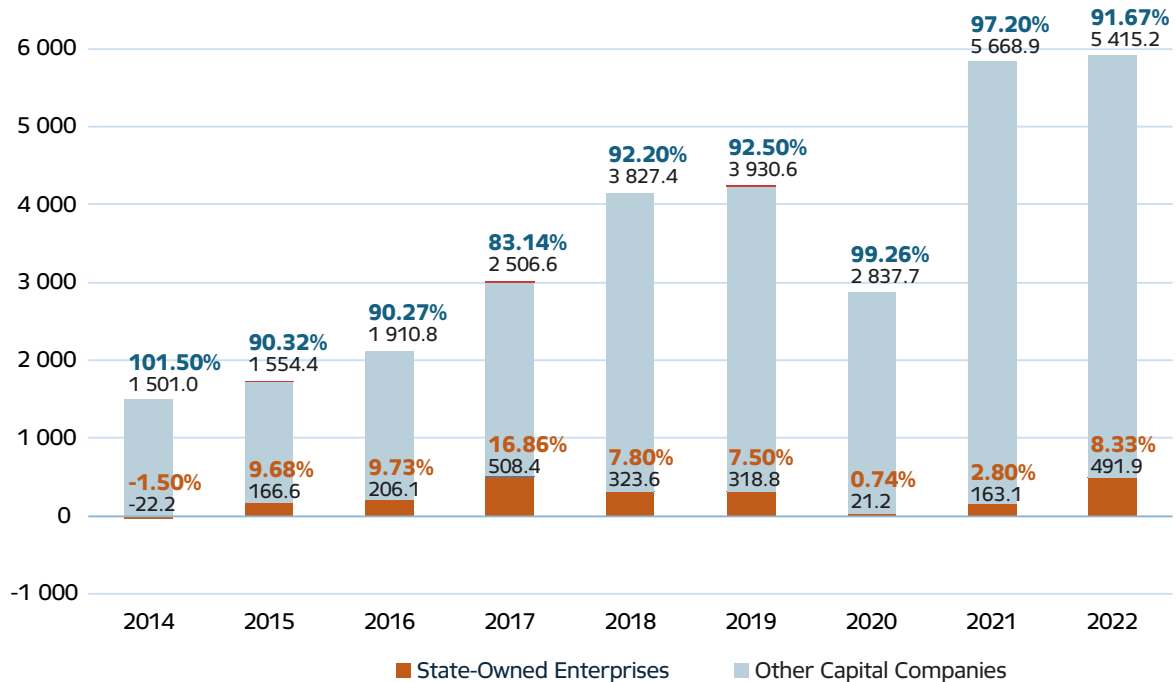


Figure 4. Profit of SOEs and other capital companies from 2014 to 2022, million EUR, %

8.33 % of the total profit of capital companies in 2021 - EUR¹² 5.42 billion reported in the country was generated by SOEs, which represents a very significant increase of +5.53 percentage points from the total profits of all capital companies compared to 2021.

In 2022, the total profit of SOEs increased by EUR 328.8 million or +201.7 % and amounted to EUR 491.9 million. According to the information provided by SOEs (own assessment, not all SOEs have provided

information), on the total impact of COVID-19 pandemic on profit in 2022, there has been minor or no impact or some SOEs have assessed that the impact has been positive due to the fact that it was not possible to provide some services in full in 2020 and 2021, which resulted in increased demand for these services.

Other capital companies have experienced a slight decrease in profits in 2022: - EUR 253.7 million or -4.5 % compared to 2021.

12 Database of the Central Statistics Bureau, Profit or loss of economic operators (million, euro), source: https://data.stat.gov.lv/pxweb/lv/OSP_PUB/START_ENT_UF_UFF/UFF020.

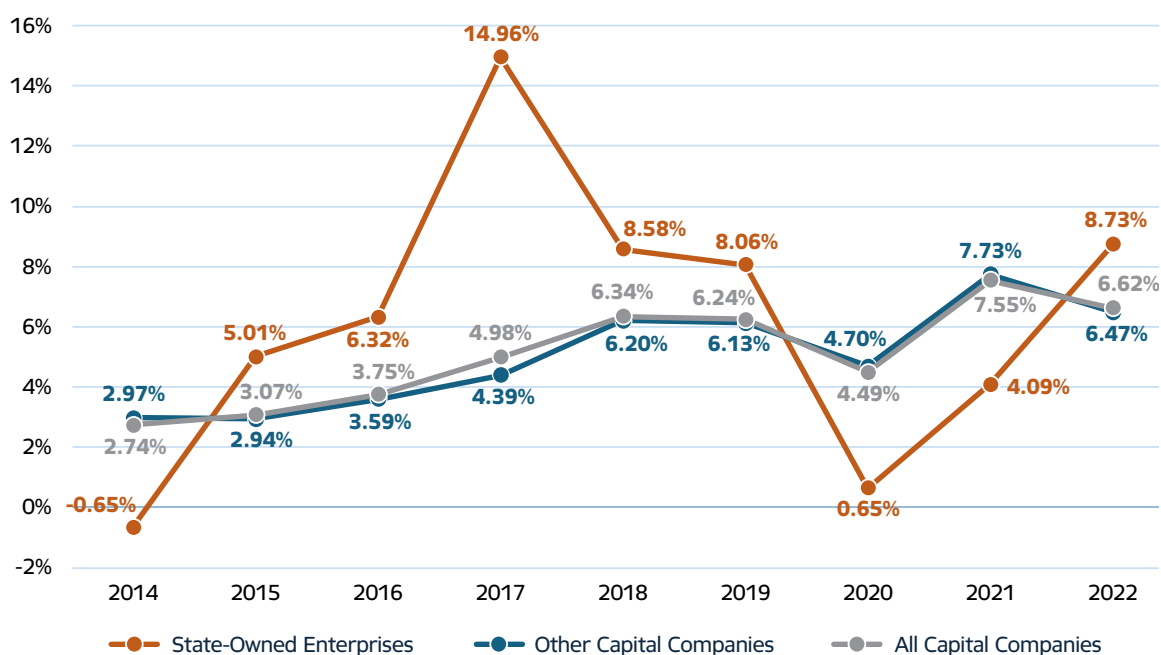


Figure 5. Profitability (total profit/net turnover) for state-owned, other and all capital companies from 2014 to 2021, %

When assessing profit against turnover or profitability in 2022, the total results of SOEs are better than for other capital companies – 8.73% (SOEs) and 6.47% (other capital companies). In terms of return on

assets, the ratio has not changed, but has improved and is still better in the sector of private and other capital companies – 3.97% (SOEs) and 6.45% (other capital companies) respectively.

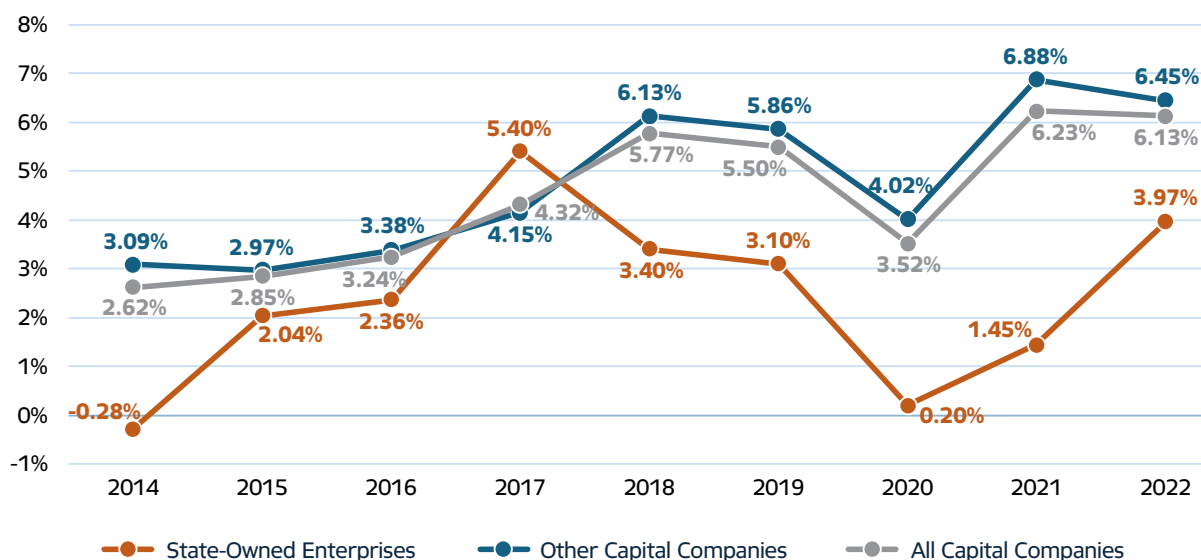


Figure 6. Return on assets (total profit/total assets) for SOEs, other and all capital companies from 2014 to 2022, %

Total indicators of SOEs have changed significantly in 2023 compared to 2022 for specific indicators, and most of them demonstrate a major positive trend. Total turnover has increased by EUR+621.7 million (+ 41.5 %) compared to 2022, amounting to EUR 6.26 billion. Total profit has increased by EUR 227.9 million (+ 46.3%) amounting to EUR 720.2 million.

Total EBITDA has increased by EUR+ 305.7 million (+ 25.0 %) to EUR 1.53 billion.

Total EBITDA profitability has increased by + 2.73 percentage points or + 12.6 % compared to 2022, amounting to 24.4 % in 2023. Total investment has also significantly increased, i.e. by EUR + 474,5 million (+ 64.2 %) to EUR 1.21 billion.

Dividends paid to the state budget and contributions to the state and municipal budgets as a whole have also increased significantly, by + EUR 153.5 million or +76.1% and + EUR 327.7 million or +37.3%, respectively, compared to 2022.

Total assets also increased by EUR +1.01 billion or +8.2% amounting to total assets of EUR 13.42 billion. Equity increased by EUR 726.8 million or +12.6% to total equity of EUR 6.52 billion. The share capital also slightly increased by EUR + 174.3 million or + 3.6 %, amounting to a total of EUR 5.01 billion. In total in 10 SOEs the share capital had been increased.

Donations received also increased (by + EUR 0.37 million or + 20.5%) to EUR 2.2 million and donations made decreased significantly (by EUR -0.53 million or -33.7%) to EUR 1.0 million.

Profitability (by + 2.77 percentage points, amounting to 11.05 %), return on assets (by + 1.40 percentage points, amounting to 5.37 %) and return on equity (by + 2.55 percentage points, amounting to 11.05 %) have also improved significantly in 2023 compared to 2022, similarly as these indicators improved in 2022 compared to 2021.

Table 1. Aggregate financial indicators characterizing activities of SOEs and state-owned shares from 2020 to 2023

Principal financial indicators, million EUR

	2020	2021	2022	2023
Turnover	3 289.5	3 986.9	5 641.9	6 263.6
Profit/loss	21.2	163.1	492.3	720.2
EBITDA	601.1	798.9	1 222.8	1 528.5
Total assets	10 652.9	11 268.4	12 409.4	13 421.3
Share capital	4 369.7	4 665.6	4 836.7	5 011.0
Equity	5 054.2	5 305.7	5 789.1	6 515.9
Investment	637.4*	745.6*	739.6*	1 214.2
Dividends paid to state budget	220.9	220.0	201.7	355.2
Contributions made to the state and local government budget	849.9	875.0	878.7*	1 206.4
Donations received	1.80	1.66	1.82	2.19
Donations made	5.09	5.22	1.56	1.03
Funding received from the state budget	1 216.0	1 219.2	1 085.1	1 057.4

Principal financial indicators, % and coefficients

Profitability (profit and turnover ratio, %)	0.65	4.09	8.73	11.50
ROA (profit/assets)%	0.20	1.45	3.97	5.37
ROE (profit/equity) %	0.42	3.07	8.50	11.05
Total liquidity (short-term assets/short-term creditors)	1.48	1.42	1.40	1.28
Liabilities-to-equity ratio (liabilities/equity)	1.08	1.10	1.12	1.04

Other indicators

Number of employees		46 784	45 356	45 557	46 506
Average gross remuneration per employee per year, thousand EUR		17.2	19.6	20.9	23.1
Gender representation in management, female/male	number	62/156	65/170	65/169	61/170
	percentage	28/72	28/72	28/72	26/74
Annual report in accordance with IFRS (yes/no)	number	20/56	21/52	22/48	22/49
	percentage	26/74	29/71	31/69	31/69
Report on corporate governance, yes/no	number	7/63	20/50	23/48	27/45
	percentage	10/90	29/71	32/68	38/62
Non-financial report, yes/no	number	12/58	19/51	16/54	19/52
	percentage	17/83	27/73	23/77	27/73

* Corrections have been made.

Investment volumes have substantially increased in 2023 compared to 2022 that is indicative of a return of increased economic activity after the Covid-19 pandemic.

The largest investment in 2023, as in the previous two years, was in the transport sector, generating an investment of EUR 505.2 million. The transport sector also saw the largest increase in investment in 2023 of EUR 247.0 million or +95.6%, where the most significant growth was accounted for by JSC Pasažieru vilciens, SJSC Latvijas dzelzceļš and JSC Air Baltic Corporation — respectively EUR +155.4 million or EUR +5 614.4%, +EUR 46.2 million or +177.9% and +EUR 35.2 million or +7.5%. Of all SOEs, JSC Air Baltic Corporation made the largest investments in 2023, as in 2022, for a total amount of EUR 242.1 million (in 2022 — EUR 206.9 million).

The second largest investments in 2023 were made in the energy sector, which made an investment of EUR 337.1 million, which is EUR +148.4 million or +78.7 % more than in 2022. Of the total of EUR 333.7 million investments in energy in 2023, EUR 193.3 million was made by JSC Latvenergo, EUR 101.4 million by JSC Augstsprieguma Tīkls and EUR 42.3 million by JSC Rīgas siltums.

The third largest investments in 2023 were made by SOEs in the healthcare sector with investments of EUR 159.2 million, where the largest investments were made by SLLC Paula Stradiņa klīniskās universitātes slimnīca (EUR 59.6 million), LLC Rīgas Austrumu klīniskā universitātes slimnīca (EUR 50.7 million), SLLC Bērnu klīniskā universitātes slimnīca (EUR 27.1 million) and SLLC Rīgas Psihiatrijas un narkoloģijas centrs (EUR 14.3 million).

The fourth largest investments in 2023 were made by SOEs in the communications sector, which reduced the amount of investments made by EUR -5.6 million or -5.1% compared to 2022, investing a total of EUR

104.5 million. The largest investments in this sector were made by LLC Latvijas Mobilais Telefons and LLC Tet with investments of EUR 61.3 million and EUR 30.4 million respectively.

The ten largest SOEs in terms of investment volume in 2023 made 85.4% of total investments, which is 2.3 percentage points less than in 2023.

The number of employees in SOEs, compared to 2022 has further increased for the second year in a row, reaching +2.1% or 949 employed, which was mainly driven by the increase in the number of persons employed in the transport (+414 employed or 3.0%), energy (+314 employed or +6.6%) and health (+128 employed or 0.9%) sectors. In total, 46.5 thousand people are employed in SOE, which is 5.20%¹³ of the economically active population, and, compared to 2022 there is a slight increase of +0.16 percentage points. In 2023, the number of economically active population in the country decreased¹³ by -10.2 thousand or -1.1 percent, decreasing to 894.0 thousand of economically active population aged 15 to 64 years. The unemployment rate continued to decline in 2023, reaching 6.8%, a decrease of 0.3 percentage points from the unemployment rate in 2022, when it was 7.1% (7.9% in 2021, 8.4% in 2020, 6.5% in 2019, 7.6% in 2018, 8.9%¹³ in 2017). The average remuneration in SOEs, in turn, continues to grow – by +6.9% in 2019 compared to 2018, by +5.7% in 2020 compared to 2019, by +14.0% in 2021 compared to 2020, by +6.5% in 2022 compared to 2021 and in 2023 by +10.3% compared to 2022, which was lower than the increase in the average monthly salary of employees in the country in 2023 (+11.9%)¹⁴. The average gross salary of employees per year in SOEs was 25.1% higher than in the country as a whole in 2023, and amounted to EUR 23.1 thousand.

13 Indicators calculated in age group 15–64, using data from https://data.stat.gov.lv/pxweb/lv/OSP_PUB/START_EMP_NBB_NBA/NBA010.

14 According to data: https://data.stat.gov.lv/pxweb/lv/OSP_PUB/START_EMP_DS_DSV/DSV010 the average remuneration in 2023 was EUR 1 537.

1. Governance of State-Owned Enterprises

Governance of SOEs is regulated by the “Law on Governance of Capital Shares of a Public Person and Capital Companies” (hereinafter – Law on Governance of State-Owned Enterprises), which came into force on 1 January 2015. The Cabinet of Ministers is the highest decision-making body regarding the governance of state-owned shares and capital companies. It adopts decisions on the:

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

The State Chancellery (the CSCC until 28 February 2023) performs the functions of the Coordination Institution by coordinating and supervising the governance of SOEs and state-owned shares. The State Chancellery shall:

- draw up guidelines and regulations of the Cabinet of Ministers regarding corporate governance practices of SOEs;
- issue a statement to holders of state-owned capital shares on the financial objectives set in the medium-term operational strategy of the SOE and on the financial indicators of the performance (profit share to be disbursed in dividends, profit indicators, return on equity, 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 SOEs, as well as organize training on issues related to corporate governance of SOEs;
- ensure that current information is published regarding SOEs and capital companies under decisive influence of the state, as well as the preparation of an annual public report on SOEs and state-owned 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 the compliance of Latvian SOEs with good corporate governance practices recognized by developed countries.

In order to ensure efficient governance of SOEs and shares of public persons, a collegial body – the Council of the Institution Coordinating Governance of State-Owned Capital Shares and State-Owned Enterprises (hereinafter – the Council of the Co-ordination Institution) was established, which reviews draft guidelines drawn up by the Co-ordination Institution in the field of management of capital shares of a public person and harmonizes them before approval, as well as in the cases specified by law, assesses the opinion by the Co-ordination Institution regarding the draft medium-term operational strategy of a SOE, if the holder of state-owned capital shares or the supervisory board of a SOE (if any) does not agree with it or has requested to examine this matter at the Council of the Co-ordination Institution.

It should be noted that the Council of the Co-ordination Institution has not had to deal with such issues. The Council of the Co-ordination Institution is also 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, as well as a representative of the Baltic Institute of Corporate Governance is invited to attend the Supervisory Board meetings without voting rights.

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

another official of the ministry appointed by an order of the State Secretary.

A holder of capital shares:

- or a line ministry may propose obtaining or termination of state participation as well as obtaining or termination of decisive influence in a capital company. A conformity assessment of obtaining the participation or decisive influence with the conditions of Paragraph one, Section 88 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 operational strategy is drawn up;
- determines the profit share to be disbursed in dividends;
- assesses the performance results of the SOE;
- publishes on its website up-to-date information on the SOEs in which it holds shares;
- proposes the candidate nomination process for the position of a member of the supervisory board or management board of the SOE (if the supervisory board has not been established);
- adopts decisions within the competence of the meeting of participants on the approval of the annual report of the company; distribution of profit; election and revocation of the members and chairperson of the management board, except in cases where a supervisory board has been established in the company; election and revocation of the members of the supervisory board (if any); election and revocation of the auditor; bringing a claim against a member of the management board or supervisory board (if any) or withdrawal of claim against them, as well as on the appointment of a representative to represent the company in court; approval and amendment of the company’s statutes; the amount of remuneration for an auditor, members of the supervisory board (if any) and the members of the management board (except for the cases where the supervisory board is

established); increase or decrease of equity capital; company’s reorganization; election and revocation of the liquidator; the approval of medium-term operational strategy, unless the supervisory board has been established.

As of 1 June 2020, all joint-stock companies must have a supervisory board, however the supervisory board may also be established by limited liability companies, if the company’s performance in the previous reporting year meets the following criteria:

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

At the end of 2023, 18 SOEs had supervisory boards. According to the “Law on Governance of State-Owned Enterprises”, the supervisory board shall have the task to:

- 1) elect and revoke the chairperson and members of the management board;
- 2) determine the remuneration for members of the management board;
- 3) approve the medium-term operational strategy and monitor its implementation;
- 4) constantly supervise that the matters of the company are conducted in accordance with the requirements of laws and regulations, articles of association of the company, and decisions of the meeting of shareholders;
- 5) examine the annual report of the company, the report of the management board and proposals of the management board on profit distribution, to prepare a report of the supervisory board thereon, and to submit them to the shareholders’ meeting;
- 6) represent the company in court regarding all claims brought by the company against members of the management board and claims brought by members of the management board against the company;
- 7) approve concluding of a transaction between the company and a member of the management board or an auditor;
- 8) examine in advance all issues within the competence of the shareholder or shareholders’ meeting or the issues initiated by members of the management board or members of the supervisory board recommended

for examination at the meeting of stockholders, and to provide a statement on such issues;

9) submit proposals to the shareholder regarding the improvement of company's operation;

10) approve the annual budget and monitor its implementation;

11) supervise the functioning of internal control and risk management systems, to review their adequacy

and efficiency;

12) approve the most relevant policies, which define the principles of operation of the corporation as regards risk management, prevention of conflict of interest, fight against corruption, corporate governance and other issues;

13) to perform an annual self-assessment of the work of the supervisory board.

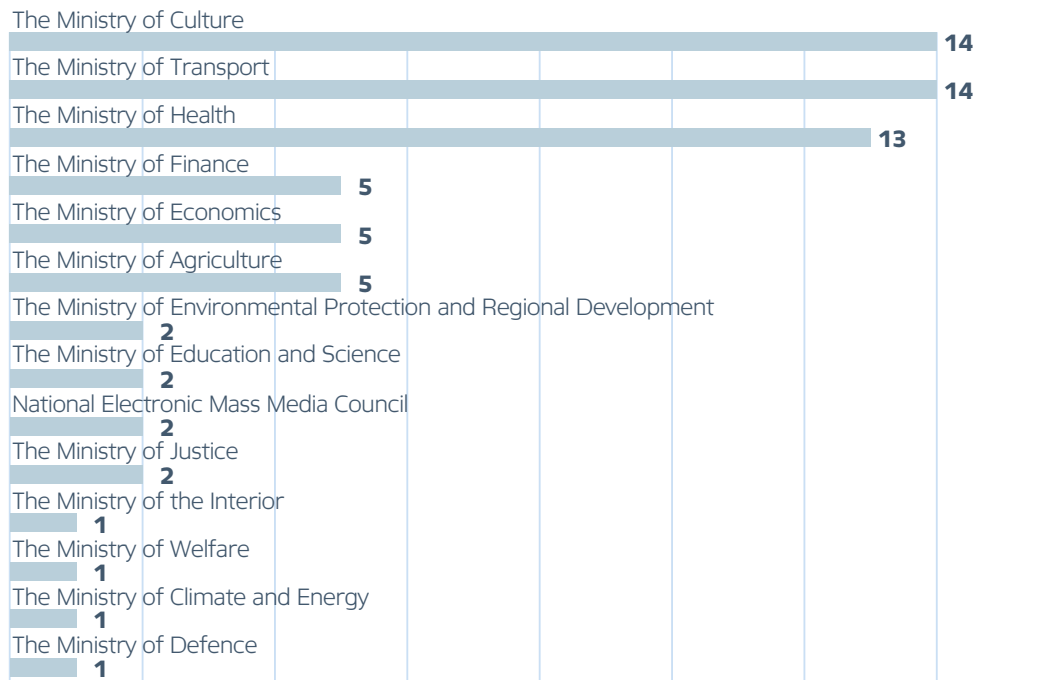


Figure 7. Holders of state-owned shares in SOEs at the end of 2023¹⁵

1.1. Public participation and general strategic objective

Pursuant to Paragraph one, Section 7 of the “Law on Governance of State-Owned Enterprises”, a public person has an obligation to re-evaluate each of his or her direct holdings in a capital company at least once every five years and its compliance with the conditions referred to in Paragraph one, Section 88 of the “State Administration Structure Law” (unless the law provides that the capital shares or shares of the relevant capital company are not to be alienated). Evaluation of state participation in several SOEs continued in 2023, and the Cabinet of Ministers considered the evaluations of shareholdings prepared by the holders of capital shares and decided on the approval of a new general strategic objective and the maintaining of state participation in the following SOEs:

SLLC Bērnu klīniskā universitātes slimnīca, SLLC Paula Stradiņa klīniskā universitātes slimnīca, SLLC Rīgas Austrumu klīniskā universitātes slimnīca and LLC Publisko aktīvu pārvaldītājs “Possessor”.

The Cabinet of Ministers also adopted a decision on maintaining the participation and approving the overall strategic objective of LLC Ludzas medicīnas centrs, in which the Ludza Municipality is a second shareholder along with the State. It should be noted that a public person is obliged to re-evaluate the general strategic objective of a capital company of a public person whose capital shares or stocks are not to be alienated (which does not have to re-evaluate its participation) at least once every five years. In 2023, the Cabinet of Ministers approved a new overall strategic objective for JSC Latvijas Loto.

¹⁵ Also includes certain non-100% owned capital companies such as JSC Air Baltic Corporation, LLC Lauku konsultāciju un izglītības centrs, LLC Ludzas medicīnas centrs and includes a capital company owned by several state shareholders – JSC Attīstības finanšu institūcija Altum.

By the Cabinet of Ministers' Order No 799 "On Establishment of the Limited Liability Company Valsts aizsardzības korporācija" of 23 November 2023

1.2. Strategy development

The obligation to develop a medium-term operational strategy (hereinafter — the Strategy) for capital companies of a public person and public private capital companies as of 1 January 2016 is determined by the "Law on Governance of State-Owned Enterprises".

The Strategy is a document aimed at planning the activities of a state-owned enterprise, on the basis of which the activities of the state-owned enterprise, the share of profits to be paid in dividends and the budget of the state-owned enterprise are planned. The Strategy's planning period is from three to seven years. Such a planning period makes it possible to assess the potential growth and risks of the SOE and to make forecasts appropriate to the real situation. If the Strategy refers to large investment and development projects, it may also include an indication of a longer period (e.g. up to 25-30 years). In this case, the Strategy should indicate the link between the medium-term objectives of the SOE indicated in the Strategy and the long-term objectives. Subject to the change in the economic situation and other factors, the share of profit determined in the strategy, payable in dividends, does not exceed a period of seven years.

a decision was taken to establish the LLC and to set its general strategic objective. The SOE was registered in the Register of Enterprises on 29 November 2023.

The Strategy is developed, based on the high-level financial and non-financial objectives set out in the letter of expectations, arising from the general strategic objectives set by the Cabinet of Ministers for respective SOE. The letter of expectations, in turn, is drawn up by the holder of capital after an assessment of the participation of a public entity or updating of the overall strategic objectives. The letter of expectations explains the general strategic objectives and includes the expectations of what the State, as the owner, wants to achieve with its participation in the SOE. It is the expected direction of development of the SOE defined by the owner, which helps the management board and the supervisory board (if such is established) determine the financial and non-financial objectives of the SOE, which are included in the strategy.

The Strategy is approved by the supervisory board or the shareholders' meeting (if the supervisory board is not established), but the management board of the SOE is responsible for the implementation and execution of the Strategy in the SOE.

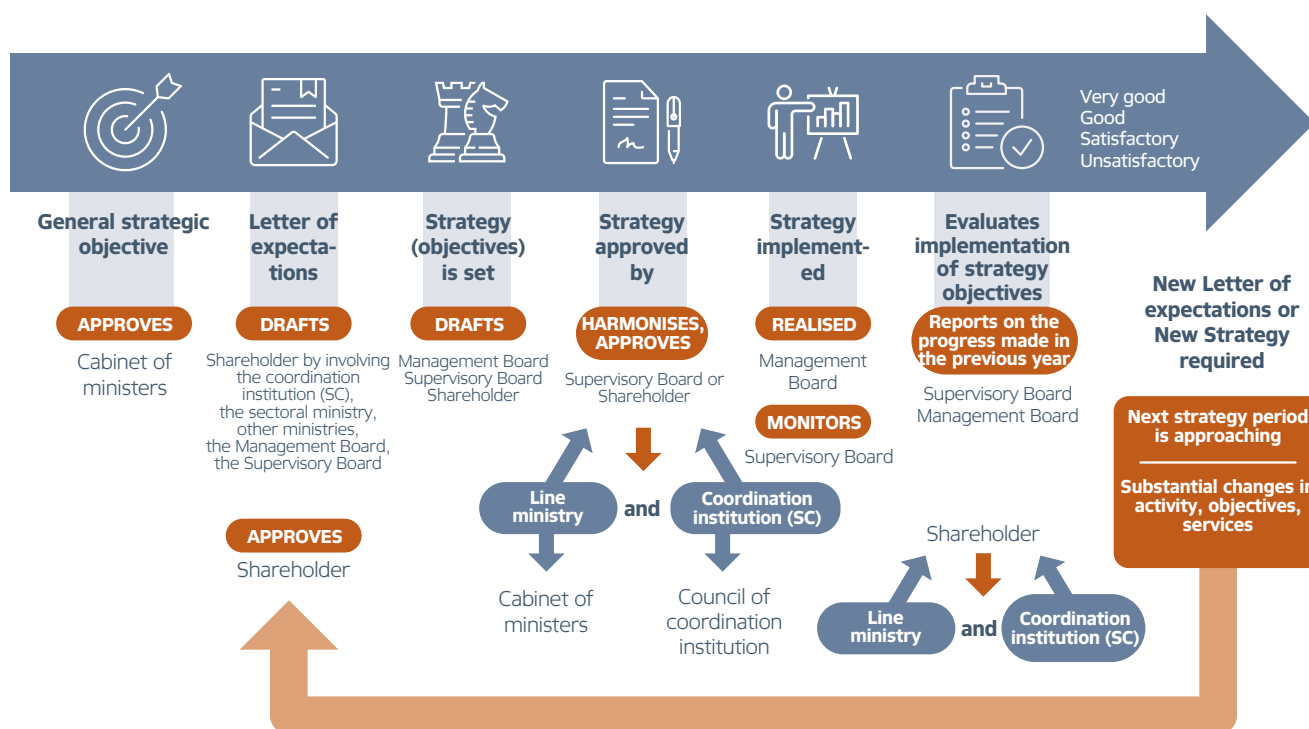


Figure 8. Process of development, implementation and monitoring of a strategy for State-Owned Enterprise

In 2023, 17 draft medium-term operational strategies or their amendments were submitted for the opinion of the Coordination Institution. There were 20 opinions issued, including one opinion for a repeatedly submitted draft with recommendations and proposals.

1.3. Dividend policy

In 2023, there were no changes made to SOEs' dividend policy. According to the Cabinet of Ministers' Regulation No 72 "Procedure for Forecasting, Determining and Making Payments for the Use of State-Owned Capital"¹⁶ of 25 January 2022 (hereinafter – the Regulation), the minimum expected share of profit to be paid in dividends to SOEs, to public-private capital companies and capital companies controlled by a public person in which the state is a participant (shareholder) shall be 64% of the annual profit of the capital company in the reporting year, unless otherwise specified in the Strategy of a capital company.

While for dependent capital companies and subsidiaries of SOEs, capital companies controlled by a public person and public-private capital companies, in which the State is a participant (shareholder) – not less than 50% of the annual profit of the capital company, unless the Strategy of the capital company provides for a different solution.

The expectations of the shareholder regarding the dividend policy of the SOE are expressed in the letter of expectations, on the basis of which the Strategy is developed. The projected profit share and, accordingly, the projected dividend payment, shall be expressed in monetary terms and as a percentage of the projected profit for the reporting year for the entire period of operation of the Strategy. The term of operation of the strategy shall be at least three years, but not more than seven years.

1.4. Nomination committees and processes

Nomination committees and nomination processes of Management Boards and Supervisory Boards of SOEs play an essential role in ensuring professional and competent management. These processes consist of several important stages. First, a nomination committee is established, whose task is to evaluate candidates for the posts of management board and supervisory board members. The composition of the committee and the requirements

The number of draft strategies submitted and opinions issued during the year may not coincide, as work is continuous and opinions were also issued in 2023 for drafts submitted in 2022.

The Cabinet of Ministers may, on a reasoned proposal from the holder of state-owned shares, by the order of the Cabinet of Ministers, authorize to specify in the strategy a different proportion of the projected profit to be paid and received in dividends (as a percentage of the projected profit for the financial year) than that in the general framework. They shall be submitted for consideration to the Cabinet of Ministers upon consent of the Ministry of Finance, Ministry of Justice, and the Coordination Institution, including an assessment of whether all the features characterizing state aid for commercial activities are manifested and the reduction in dividends qualifies as state aid for commercial activities and economic justification.

If the amount of the annual profit to be left at the disposal of the SOE is not planned for investments and capital structure or if the investment plan provided for in the strategy has been implemented in a shorter period and with smaller costs, based on the decision of the meeting of members (shareholders), a decision on increasing the share of profit to be paid in dividends is made. The Cabinet of Ministers' order for such a decision is not required, and the share of profit payable in dividends may exceed 64% or 50%, respectively, as mentioned above.

Dividend payments are controlled by the State Revenue Service.

for its members are strictly established by regulatory acts. After that, the selection of candidates begins. Candidates are carefully selected based on their education, work experience and competencies. There are minimum requirements for education, language proficiency and work experience to ensure that only the best candidates are nominated. The nomination committee develops evaluation criteria and evaluation procedures to ensure an objective

16 <https://likumi.lv/ta/id/329536-kartiba-kada-tiek-prognozeti-noteikti-un-veikti-maksajumi-par-valsts-kapitala-izmantosanu>

and transparent selection process. These criteria help the committee to evaluate candidates according to uniform standards. Finally, information on the nomination process and its results is made public to ensure openness and transparency. This helps the public to trust the process and to make sure that public capital companies are managed professionally and in line with the principles of good governance.

In accordance with the “Law on Governance of State-Owned Enterprises”, the nomination committees for members of the Management Boards and Supervisory Boards of SOEs with voting rights include representatives of the line ministry or the supervisory board of the capital company, representatives delegated by the State Chancellery, independent experts and, if necessary, also observers in advisory capacity.

In 2023, the employees of the State Chancellery as members of the Nomination Committee have participated in several selection processes of candidates for the SOEs’ Management Boards and Supervisory Boards. Although Section 37 of the

“Law on Governance of State-Owned Enterprises” stipulates that the nomination committees for members of the management board and the supervisory board of capital company of a derived public entity (including municipal capital companies) include representatives nominated by the holder of capital shares or the supervisory board (if such is established), independent experts, as well, if necessary, observers with advisory rights, and the regulation does not provide for the inclusion of representatives of the coordination institution in the nomination committee, however, representatives of the State Chancellery also participated in the nomination processes in capital companies of a derived public entity .

Table 2 “Nomination Processes where a Representative of the State Chancellery has participated as a Member of the Committee in 2023” presents aggregated information on nomination processes in 2023 where a representative of the State Chancellery has participated as a member of the committee.

Table 2. Nomination processes where the State Chancellery’s representative has participated as a committee member in 2023

	Nomination processes for SOEs*	Nomination processes for the selection of members of the supervisory board for SOEs headed by the SC	Nomination processes for municipality-owned enterprises
Number of nomination processes launched in 2023	23	4	2
Total number of vacant positions	35	7	2
<i>incl. number of positions of management board members</i>	24	–	1
<i>Inc. number of positions of supervisory board members</i>	11	7	1
Number of management board members appointed as a result of competition	17	–	1
Number of supervisory board members appointed as a result of competition	11	7	1

* The selection processes for subsidiaries of SOEs are also taken into account

In 2023, a total of 23 selection processes for positions for Management Board and Supervisory Board members in state and municipal companies were launched, and four of them were the nomination processes headed by the State Chancellery. As a result of the competition, 17 members of the Management Board and 11 members of the Supervisory Board were appointed by the shareholders.

Two competitions were unsuccessful and in two competitions the candidates nominated by the Nomination Committee were not appointed for certain reasons.

Information on all nomination processes organised by the State Chancellery in cooperation with holders of state-owned shares is published in electronic form on

the website: www.valstskapitals.lv under “Nomination of the Supervisory Board Members in State-Owned Enterprises”¹⁷.

In each selection process, the participation of independent experts in the nomination committees makes an important contribution to the openness of the nomination processes. In 2023, the nomination committees of the Supervisory and Management Boards of State-Owned Enterprises were composed of independent experts with voting rights from various fields, i.e.: Andris Grafts, Vice President of the Latvian Representative Office of the Baltic Institute of Corporate Governance; Kaspars Gorkšs, Director General of the Employers' Confederation of Latvia; Ilona Kiukucāne, Deputy Director General of the Latvian Labour and Social Development Agency; Vladimirs Novikovs, Head of the Labour Protection Division of the Latvian Railway and Transport Union; Ivo Ošenieks, President of the Latvian Passenger Carriers Association; Dace Bankoviča, Director of the Communications Department, Ministry of Transport; Signe Bāliņa, President of the Latvian Information and Communication Technology Association; Irēna Liepiņa, President of the Latvian Communications Employees' Trade Union PRO; Sandijs Āboliņš-Ābols, Board Member of the Latvian Private Equity and Venture Capital Association and BaltCap Partner; Board Member of the Latvian Chamber of Commerce and Industry, Director of the Foreign Affairs Department Katrīna Zariņa.

Since 2020, the same principles have been applying in the nomination processes of members of the management board and supervisory board of municipal capital companies as in the selection of members of the management board and supervisory board of SOEs in accordance with the

“Law on Governance of State-Owned Enterprises” and Order of the Cabinet of Ministers No 20 “Procedure for the Nomination Processes of Members of the Management Board and Supervisory Board where Capital Shares are Owned by the State or a Derived Public Person”¹⁸(Nomination Regulations).

According to the “Law on Governance of State-Owned Enterprises”, a derived public person (including municipalities) shall also include information on the processes of nomination of members of the management board and supervisory board in its

annual report on the capital companies and shares owned by a derived public person.

By the Order of the Cabinet of Ministers No 578 “On the Plan for the Promotion of Equal Rights and Opportunities for Women and Men 2021-2023” of 17 August 2021¹⁹ and within the framework of Action line 1 of the plan: “Equal Rights and Opportunities for Women and Men in the Labour Market and Education”, a task was given to develop, in Q4 of 2022, a solution to regularly collect information on the balanced representation of women and men on company management boards and supervisory boards, as well as to develop proposals to promote a more balanced representation.

The Ministry of Welfare was instructed by the above order to prepare and submit to the Minister for Welfare an impact assessment of the plan to the Cabinet of Ministers by 1 July 2024²⁰. Within the framework of this plan, the State Chancellery has begun to collect data on the interest of women to participate in the nomination processes of members of the management board and supervisory board of SOEs, which also included representatives of the State Chancellery.

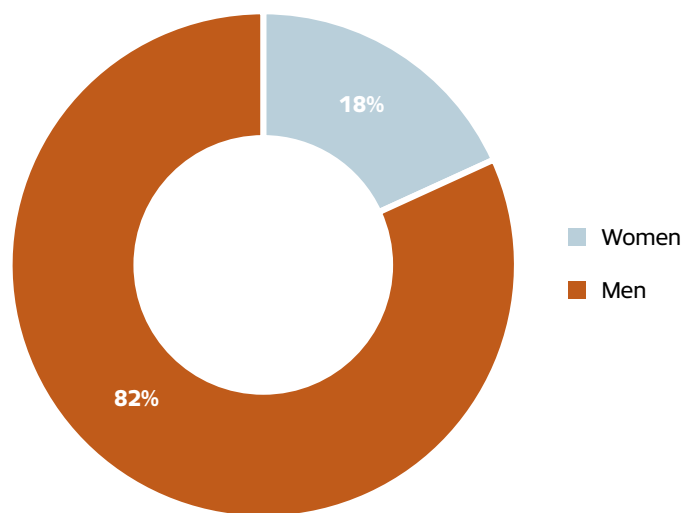


Figure 9. Gender balance of candidates for vacancies on the Supervisory Board in 2023

For example, when applying for positions at supervisory board level in corporations where the Coordination Institution participated in the nomination committee, in 2023, there was still an unequal gender

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

18 <https://likumi.lv/ta/id/312171>

19 <https://likumi.lv/ta/id/325509>

20 Information report on the implementation of the Plan for the Promotion of Equal Rights and Opportunities for Women and Men for 2021-2023. 24-TA-1674 https://tapportals.mk.gov.lv/legal_acts/6fdda04b-a55c-429c-a76c-94f1cd4a37b2

balance in nomination processes, and the ratio of applications for positions was 39 female/169 male candidates.

The compilation was basically carried out in order to uncover the objective reasons for the reduced representation of women in the management of capital companies, as well as to develop incentive mechanisms for the involvement of women aimed at preserving the professionalism of the Management Board and Supervisory Board as a determining factor for a candidate's promotion. Given that gender balance can play a role in the assessment of corporate governance, it is recommended that nomination committees, boards and shareholders of public corporations pay attention to the definition of

candidate requirements in order to avoid imposing implicitly discriminatory requirements. It is also advisable to consider the introduction of initiatives that would increase the participation of women in nomination processes, for example, the inclusion of women candidates in nomination processes, alongside male candidates. It is important to foster an inclusive culture in companies where women can develop and take on leadership roles. Decision-makers, when choosing between two equally qualified but differently gendered candidates, should pay more attention to the advantages of a gender-balanced composition of the Management Board and Supervisory Board.

1.5. Remuneration for management board and supervisory board members

The issues related to remuneration, insurance, premium determination and revocation allowances for members of Management board and Supervisory Board of capital companies of a public person are regulated by the "Law on Governance of State-Owned Enterprises" and by Cabinet Regulation No 63 "Regulations Regarding the Number of the Band the Supervisory Board of Capital Companies of Public Persons and Public Private Capital Companies, as well as the Maximum Amount of Monthly Remuneration

of Members of the the Management Board and the Supervisory Board" of 4 February 2020. When calculating remuneration, the size of the company is taken into account and the maximum amount is related to the average monthly remuneration in the country in the previous year. In 2022, the average salary before tax was EUR 1 373 per month²¹, and consequently, the maximum remuneration in 2023 could not exceed the amounts presented in Table 3 below.

Table 3. Maximum amount of remuneration of the management board and the supervisory board members

No.	Size of a capital company	Number of management board members	Number of the supervisory board members	Coefficient applicable to determining monthly remuneration for the chairperson of the management board and the maximum amount in EUR 2023	Coefficient applicable to determining monthly remuneration for the chairperson of the supervisory board and the maximum amount in EUR 2023
1.	small	not more than 2	not more than 3	not more than 5 (EUR 6 865)	not more than 1.5 (EUR 2 059 EUR)
2.	medium	not more than 3	not more than 5	not more than 8 (EUR 10 984)	not more than 2.4 (EUR 3 295 EUR)
3.	large	not more than 5	not more than 7	not more than 10 (EUR 13 730)	not more than 3 (EUR 4 119)

Monthly remuneration for members of the Management Board and the Supervisory Board may be up to 90 % of the monthly remuneration of the chairperson of the Management Board and the Supervisory Board. Although since 1 January 2020 SOEs have been required to publish not only

the principles of remuneration policy, but also information on the remuneration of each member of the Management Board and the Supervisory Board, even in 2023 approximately a third of all companies under the decisive influence still partially complied with the requirement by providing information on the

21 <https://stat.gov.lv/lv/statistikas-temas/darbs/alga/preses-relizes/12247-darba-samaksa-2022-gada-4-ceturksni>

total remuneration determined for members of the Management Board and the Supervisory Board or by duplicating information from official declarations on the total income paid out from the capital company or by providing a general reference to external laws and regulations laying down the procedure for determining remuneration in capital companies of public persons.

Already in 2021, an agreement was concluded with LLC PricewaterhouseCoopers Legal on the development of a study “On the Practice of Determining the Remuneration for Members of the Management Board and the Supervisory Board and the Amount of Remuneration in Capital Companies of Public Persons and Private Capital Companies in Latvia and Abroad” (hereinafter – the Remuneration Study). The aim of the study was to draw conclusions and proposals to improve the remuneration system for the members of the Management Board and the Supervisory Board of SOEs and to resolve certain issues related to the employment of members of the Management Board.

In July 2022, the Co-ordination Institution received the final deliverable of the Remuneration Study, within the framework of which recommendations were made for regulatory improvements of the remuneration system for members of the Management Board and the Supervisory Board of capital companies of a public person, implementation of a uniform application practice and awareness raising²². The Co-ordination Institution has currently drawn up a draft informative report on the improvements to the remuneration system.

1.6. Information disclosure in capital companies of a public person

In order to promote openness of information in capital companies of a public person, the “[Law on Governance of State-Owned Enterprises](#)” lays down a wide range of information to be published by holders of state-owned shares, derived public persons (including municipalities), capital companies of a public person and public private capital companies. With the amendments to the [Law on Governance of State-Owned Enterprises](#) of 1 January 2020, requirements for SOEs and municipality-owned capital companies and their subsidiaries regarding information to be disclosed on their websites are comparable to the disclosure requirements of listed companies.

It is planned that, in the future, the remuneration of the members of the Management Board and the Supervisory Board of capital companies of public persons will become more differentiated, requirements will be introduced to balance the amount of remuneration more precisely with the duties of the Management Board and the Supervisory Board member, as well as to ensure disclosure of information on the amount of remuneration and its dynamics, and, in cooperation with the Ministry of Justice and the Ministry of Welfare, a solution is being prepared for long-term absences of the members of the Management Board.

On 4 April 2023, the Cabinet of Ministers considered and took note of the information report prepared by the State Chancellery “On Restrictions to the Professional Activities of Employees of Capital Companies Owned by Public Persons after the Termination of their Term of Office”. In this report, the State Chancellery has elaborated an explanation of the specific sequential steps to be taken by public and municipal capital companies in the future when assessing whether it is necessary to conclude an agreement with an employee on restrictions on professional activity upon termination of his/her duties in public and municipal capital companies, and what should be taken into account when concluding such an agreement. By requiring justification for the objective necessity of such agreements and their terms, the aim is to ensure that such agreements are concluded only in specific cases, thus also avoiding the risks of wasteful use of funds of the public person.

It is necessary, for example, to disclose information on all reported meetings of participants (shareholders), including agendas and decisions, it is necessary to ensure that certain information is publicly available for at least last five years, also information on the results of the implementation of financial objectives and non-financial objectives, information on the compliance of the member of the supervisory board with the criteria of an independent member of the supervisory board laid down in the “[Law on Governance of State-Owned Enterprises](#)”, council committees (if any) and audit committee (if any), including the statutes, as well as information on the members of the committee

²² <https://www.valstskapitals.gov.lv/lv/petijumi/>

(professional experience, education, positions in other capital companies, terms of office), etc. Since 2020, municipalities have to prepare a consolidated annual reports on capital companies in which they hold shares.

In accordance with the “Law on Governance of State-Owned Enterprises”, which provides for the Co-ordination Institution to develop uniform guidelines for the framework for information disclosure and reporting of capital companies and shareholders of capital companies within the framework of openness and reporting of capital companies, in 2020 the guidelines of the CSCC Guidelines for the Drafting and Publishing of the Annual Report on Capital Companies and Capital Shares Owned by Derived Public Person²³, and Guidelines for Information Publishing of Capital Companies of a Public Person and Shareholders²⁴, were drafted and approved which lay down the obligation to publish information of capital companies and shareholders of public persons, the form and content of the information to be published, as well as an explanation of the expected quality of information and where the information is to be obtained.

When carrying out the task delegated by the “Law on Governance of State-Owned Enterprises”, the Co-ordination Institution annually monitors the compliance with the disclosure requirements:

- on the websites of holders of state-owned shares, examining how the holders of state-owned shares comply with the disclosure requirements laid down in Paragraph two, Section 29 of the “Law on Governance of State-Owned Enterprises”;
- on the websites of SOEs examining how SOEs comply with the disclosure requirements laid down in Section 58 of the “Law on Governance of State-Owned Enterprises”;
- on municipality websites, examining how municipalities comply with the disclosure requirements laid down in Section 36 of the “Law on Governance of State-Owned Enterprises”;
- municipality owned capital companies with a net turnover of more than EUR 21 million and a balance sheet total of more than EUR 4 million, examining how they comply with the disclosure requirements laid down in Section 58 of the “Law on Governance of State-Owned Enterprises”.

Between 16 June 2023 and 14 November 2023, the Co-ordination Institution carried out monitoring of the implementation of those requirements for 2023. The information published on the websites of 15 state and 43 municipality-owned as well as 65 SOEs and 15 large municipality-owned capital companies was examined. As a result of inspections, summaries, conclusions and recommendations were developed regarding the provision of information to be published on the websites of holders of state-owned and municipality-owned shares on the websites of state and municipal (large) capital companies. The results of the inspection carried out in 2024 are presented in Sections 1.11 and 2.2 of this Public Report (Public Report on SOEs, State-Owned and Municipality-Owned Capital Shares in 2024).

The “Law on Governance of State-Owned Enterprises” provides that from 2022, capital companies of a public person and publicly owned private capital companies with a net turnover exceeding EUR 21 million and a balance sheet total exceeding EUR 4 million are obliged to prepare and additionally publish on their websites a corporate governance statement, as well as capital companies which are large capital companies according to the criteria set by the “Law on Annual Reports and Consolidated Accounts”²⁵ are large companies with the number of employees exceeding 500, are obliged to prepare and additionally publish on their website a non-financial statement (for parent companies of the group). Capital companies subject to a corporate governance statement and a non-financial statement shall publish on their website the corporate governance statement as well as the non-financial statements or consolidated non-financial statements for the last five years. As from 2026, for the financial year 2025, large capital companies of a public person and public private companies with more than 250 employees will also be required to draft and publish a non-financial statement.

The Co-ordination Institution maintains and constantly updates information in SOEs’ database on the website www.valstskapitals.gov.lv, which allows to assess operational results of capital companies under decisive influence of the state and compare their indicators by year (general indicators, balance sheet indicators, profitability and financial indicators, information on contributions made in the budget and received from the budget, etc.).

23 https://www.valstskapitals.gov.lv/images/userfiles/Sask_PKCvadl_gada_parskata_sagat_030720.pdf

24 https://www.valstskapitals.gov.lv/images/userfiles/Sask_PKCvadl_informacijas_atklitiba_030720%282%29.pdf

25 <https://likumi.lv/ta/id/277779-gada-parskatu-un-konsolideto-gada-parskatu-likums#p5>

The information published in the database for each capital company is supplemented with information on related companies and capital shares in other companies, the general strategic objective of the capital company, information on the holder of capital shares, members of the Management Board and the Supervisory Board.

The Coordination Institution publishes on its website the latest information on current amendments

1.7. Training, Consultations for State-Owned Enterprises, Shareholders

Within the framework of the discussion series “For Better Corporate Governance”, the cooperation of the Coordination Institution with the Corporate Governance Advisory Board established by the Ministry of Justice and the Baltic Institute of Corporate Governance (BICG) continued in 2023. The aim of the discussion series was to promote better corporate governance and to implement the Latvian Corporate Governance Code in practice.

In 2023, the discussions focused on the role of the Supervisory Board given that on 13 September 2022 the Cabinet of Ministers endorsed the Conceptual Report “On the Necessary Changes to the Policy on Governance of Public Companies and Public Equity Interests in Public Entities” where, among other approved reforms in corporate governance, changes to the regulatory enactments were approved to move towards a greater role and responsibility for the Supervisory Boards of companies, including in the development of medium-term operational strategies, as well as in the evaluation of performance, reducing the involvement of the Coordination Institution in processes that are and will remain the responsibility of the Supervisory Boards.

In February 2023, the discussion “What is the Role of the Supervisory Board and How can we Make Sure it “Adds Value?”” addressed topical issues such as: how shareholders can make sure that the Supervisory Board is working effectively; how the work of the Supervisory Board can be evaluated; what is the role of the annual evaluation and what should the Supervisory Board and shareholders do with the results of the annual evaluation. In September 2023, the discussion “How to Select the Right Board for Your Company’s Growth Strategy?” was held to explore how to organise the selection process and how to ensure the Board work in the

to regulatory enactments that directly affect the governance of a capital company and capital shares of a public person, as well as explanatory materials. By publishing information on the activities of SOEs, the results achieved, state grants, nomination processes, etc., both the public and the media are given an idea of the activities of SOEs, contribution to society and efficiency.

long-term interests of the company. The process of assessing the Supervisory Board’s performance and selecting candidates was discussed, as well as the shareholder’s role in selecting the Supervisory Board members and coordinating the supervisory board’s work, and what needs to be improved in the selection of management of public companies. Participation in the Competition Council’s webcast on SOEs was ensured.

In addition, the training seminar on “The Role of the Active Shareholder in the Governance of State-Owned Enterprises” was organised and conducted for shareholders of state-owned enterprises in late 2023. The seminar provided participants with an opportunity to compare the specific features of the shareholder’s role in public and private sector companies, to identify the specific challenges of the shareholder in the process of competition, good governance standards and the selection and remuneration of the company’s governing bodies. The seminar also included presentations on the findings of PwC Legal’s study “On the Practice of Determining the Remuneration of Members of the Management Board and Supervisory Board in Public and Private Companies in Latvia and Abroad” dated 26 July 2022 and conclusions of the study by the Organisation for Economic Co-operation and Development (OECD) “Remuneration of Boards of Directors and Executive Management in State-Owned Enterprises” published on 16 June 2022 on the level of remuneration of the members of the Board of Directors and Supervisory Board of Latvian state-owned enterprises in relation to the practice of other OECD Member States and recommendations for improving the governance system of Latvian capital companies of public persons.

1.8. International Cooperation in SOEs' governance

In 2023, two meetings of the OECD Working Group on the Governance and Privatisation Practices of SOEs were held, as well as meetings of the Management Bureau of the working group and one seminar, in which the Deputy Head of Cross-Sectoral Coordination Department of the State Chancellery, V. Vesperis, participated.

In April 2023, a seminar dedicated to the implementation of the OECD Guidelines on Corporate Governance of State-Owned Enterprises and the planned revision of the Guidelines was jointly organised by the OECD and the South Korean Institute of Public Finance. In the second part of this seminar, a representative of the State Chancellery also gave a presentation on the Latvian approach: portfolio and governance of SOEs, measures and research projects implemented to improve governance practices, with particular emphasis on the role and implementation of the letter of expectations.

The main activities of the Working Group in 2023 were related to the review and update of the OECD Guidelines on Corporate Governance of SOEs (hereinafter – OECD Guidelines), the preparation

of assessment reports on the countries that have entered the OECD enlargement process (Croatia, Bulgaria, Romania, Peru, Brazil) and the assessment of the compliance of governance practices with the Guidelines, as well as the study of sustainability reporting and dividend policy practices.

It was recognised that the OECD Guidelines had been successfully tested in practice, no significant revision was needed and changes should be linked mainly to amendments to the G20/OECD Principles of Corporate Governance. In 2023, amendments to the G20/OECD Principles of Corporate Governance were adopted. The most significant amendment to the adopted Principles is the new section “Sustainability and Resilience”, which reflects the current issues facing companies in managing climate-related and other sustainability risks and opportunities. The latest edition of the Corporate Governance Principles for 2023 has been published²⁶, covering 49 jurisdictions worldwide.

During the meeting of the Working Group Management Bureau in October 2023, the Latvian representative V. Vesperis was also approved for the work of the Management Bureau for 2024.

1.9. Governance improvement initiatives in 2023

At the Cabinet of Ministers' sitting of 15 September 2022 (prot. No. 46 34. §), the conceptual report “Conceptual Report on the Necessary Changes to the Policy on the Governance of Capital Companies of Public Persons and Shareholdings of Public Persons” (hereinafter - the Conceptual Report) and the solutions included were approved, instructing the Coordination Institution to introduce new requirements in the regulation of SOE.

As part of this task, the State Chancellery drafted and submitted for inter-institutional coordination on 29 August 2023 the draft law “Amendments to the Law on Governance of State-Owned Enterprises”. The draft law places significant emphasis on strengthening the role of the State as a shareholder. The amendments to the “Law on Governance of State-Owned Enterprises” provide for both a regular review of the management policy of state-owned enterprises at Cabinet level and greater involvement and responsibility of the

shareholder in setting and assessing objectives. To strengthen the role of the active shareholder in the law, it is proposed to strengthen the division of SOEs into groups according to their sources of revenue. In order to cascade and specify the objectives to be achieved and the instruments to be used by SOEs, it is also planned to strengthen the obligation for holders of SOE shares to issue letters of expectation to SOEs.

The amendments also align the provisions of the “Law on Governance of State-Owned Enterprises” with the new regulation of the reorganisation process and the liability of management bodies under the “Commercial Law”. At the same time, the rules on the transformation of capital companies owned by public persons are also clarified.

In turn, to avoid delays in the nomination processes for professional and competent members of the governing bodies, the State Chancellery proposes to prohibit the re-appointment of temporarily

26 OECD (2023), *OECD Corporate Governance Factbook 2023*, OECD Publishing, Paris, <https://doi.org/10.1787/6d912314-en>.

appointed officials of a SOE. It also requires the disclosure of the remuneration policy of the Management Board and the Supervisory Board, which would ensure that the SOE has a transparent remuneration system also for the management. The draft amendment proposes to clarify the provisions of the law which define the duties of the shareholder and its representative and the competence of the meeting of shareholders. Taking into account that in SOEs only one shareholder and the management bodies of the SOE are represented at the shareholders' meeting, the amendments provide for the right of the shareholder to take decisions without convening a meeting on matters that have been previously decided or ordered by the highest decision-making body. In 2023, the inter-institutional coordination process for another draft law related to the management of capital companies of public persons, "Amendments to the State Administration Structure Law", that was launched in 2022, continued. The draft law deletes the mandatory requirement from Section 88(4) to issue an external

regulatory act when establishing a capital company, while leaves the possibility for municipalities to issue binding regulations defining the general rules for the establishment of capital companies in an external regulatory act.

Active discussions with stakeholders (ministries, capital companies and social partners) on both of the above-mentioned draft laws continued in 2024.

In 2023, the State Chancellery prepared and approved the Guidelines for the Evaluation of Alternatives to Financing Instruments for Investment Projects of State-owned Enterprises at the meeting of the Council of the Coordination Institution of 15 December 2023 (Prot. No.2, § 1). The Guidelines aim to provide uniform methodological guidance to the shareholders of SOEs who, in cooperation with the management boards and the supervisory boards of the SOEs, develop the instructions to be included in the shareholder's letter of expectations regarding the use of financial instruments for the financing of the SOE's investment projects.

1.10. Development of governance of SOEs in 2024

In 2024, the Co-ordination Institution continues to work towards the fulfilment of the tasks set out in Cabinet Order No 618 "On the Necessary Changes to the Policy for Governance of Capital Companies and Shares of Public Persons" of 15 September 2022 (Coordination of the draft law "Amendments to the Law on Governance of State-Owned Enterprises", drafted in 2023), by implementing changes to the system of capital shares and capital companies of a public person, as well as further developing a possible solution for improving the remuneration system for members of the Board and Council of capital companies of public persons.

Implementing Directive (EU) 2022/2464 of the European Parliament and Council, which amends Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU regarding corporate sustainability reporting, work is ongoing in 2024 on the development of a Sustainability Disclosure Law, which will determine the content of the information to be included in the sustainability report and the procedure for submitting the report to the supervisory authorities.

The legislative system of the Republic of Latvia has not yet established a general obligation for all commercial law subjects to provide information on sustainability. However, for capital companies owned by a public person and publicly owned private capital companies, the "Law on Governance of State-Owned Enterprises" established a specific procedure for the provision of non-financial statements, which includes sustainability information. In order to ensure that capital companies owned by a public person provide sustainability information in accordance with the procedures set out in the Law after the entry into force of the "Law on Sustainability Disclosures", the State Chancellery shall develop amendments to the "Law on Governance of State-Owned Enterprises" in 2024. The draft law also aligns the size criteria for limited liability companies under the "Law on Governance of State-Owned Enterprises" with the criteria for large and medium-sized companies under the "Law on Annual Accounts and Consolidated Annual Accounts".

1.11. Information disclosed

When discharging the task set forth in the "Law on Governance of Capital Shares of Public Entity and Management of Capital Companies Thereof" (hereinafter- the Law on Governance of State-Owned Enterprises), the Coordination Institution, each year, monitors how the information disclosure requirements are met on the websites of holders of state-owned shares and SOEs, examining how the holders of state-owned capital shares and SOEs comply with the information disclosure requirements laid down in Section 29, Paragraph two and Section 58 of the "Law on Governance of State-Owned Enterprises".

The issues regarding the obligation for capital companies and holders of capital shares of public persons to publicly disclose information, as well as the form and content of this information are laid down in the "Information Disclosure Guidelines for Capital Companies of a Public Person and Shareholders", approved by the Council of the Coordination Institution for the Management of State- Owned Shares and Capital Companies on 27 July 2020 (hereinafter the "Disclosure Guidelines").

Each year, before examining the information disclosure requirements, the Co-ordination Institution shall send a reminder to the holders of state-owned capital shares regarding the need to update the information published on the websites of the holders of state-owned capital shares regarding capital companies in which it is a shareholder, in accordance with the requirements of the law, as well as a request to ascertain whether capital companies and their subsidiaries have ensured the disclosure of information required by law. In accordance with Section 30, Paragraph two of the "Law on Governance of State-Owned Enterprises", the Coordination Institution shall also include in the annual public report on SOEs and state-owned capital shares in the previous year, information on how the holders of state-owned capital shares and SOEs have met the information disclosure requirements laid down in the "Law on Governance of State-Owned Enterprises". **Pursuant to Paragraph two, Section 29 of the "Law on Governance of State-Owned Enterprises", holders of state-owned capital shares shall provide the following up-to-date information on its website regarding the capital companies in which it is a shareholder:**

1) the company name, legal address, amount of share capital and amount of state participation in the capital company;

2) compliance of the state participation with the conditions of Section 4 (1) of the "Law on Governance of State-Owned Enterprises" and the overall strategic objective;

3) of state participation with the provisions of Section 4 the law and general strategic objective;

4) the participation of the capital company in other companies and its compliance with the provisions of Section 4 (2) of the "Law on Governance of State-Owned Enterprises";

5) a representative of the holder of state-owned capital shares in the capital company;

6) the annual report approved by the capital company;

7) dividends paid by the capital company to the state and payments made to the state budget;

8) information that the state intends to terminate the participation in the capital company;

9) information regarding the initiated reorganization or transformation of the capital company;

10) other information which the holder of the state-owned capital shares considers necessary to disclose or the disclosure of which is specified in the guidelines developed by the coordination institution.

In case of objective reasons why it is not possible to publish the above-mentioned information with the status of commercial secret in accordance with Section 19 of the "Commercial Law", the holder of state-owned capital shares shall make public the explanation provided by the relevant capital company. Table 4 "Information Disclosure on the Websites of Holders of State-owned Capital Shares", contains aggregated information on the verifications of compliance conducted by the Coordination Institution with disclosure requirements on the websites of public shareholders.






The information published on the websites of 15 shareholders was examined for 87 capital companies, including: the state-owned capital shares of JSC Attīstības finanšu institūcija "Altum" managed by three ministries (Ministry of Finance - 40 %; Ministry of Economics - 30 % and Ministry of Agriculture - 30 %) and current information about this company is reflected in each of the websites of holders of state-owned shares.

Table 4. Ensuring disclosure of information on websites of holders of state-owned shares

Shareholder	Proportion of capital shares /number of capital companies**	1) name of a capital company, legal address, size of equity capital and amount of State participation of the capital company	2) general strategic objective;	2a) conformity of State participation with the conditions of Section 4, Paragraph one of this Law	3) participation of a capital company in other companies	3a) and its conformity with the conditions of Section 4, Paragraph two of this Law	(4) representative of the holder of State capital shares in a capital company	5) annual report approved by the capital company	6) payments made by the capital company into the State budget	6a) Dividends disbursed by a capital company to the State	7) information that the State intends to terminate participation in the capital company	8) information regarding the reorganisation or conversion of the capital company initiated
Ministry of Economics	7	Completed	Completed	Completed	Completed	Overall fulfilled	Completed	Completed	Completed	Completed	Completed	Completed
Ministry of Finance	4	Completed	Completed	Completed	Completed	Not fulfilled	Completed	Completed	Completed	Completed	Completed	Completed
Ministry of the Interior	1	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed
Ministry of Education and Science	3	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed
Ministry of Climate and Energy	3	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Completed	Completed
Ministry of Culture	16	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed
Ministry of Welfare	1	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Not fulfilled	Completed	Completed	Completed
Council for Public Electronic Mass Media	2	Completed	Completed	Completed	Completed	Completed	Not fulfilled	Completed	Completed	Completed	Completed	Completed
Ministry of Transport	14	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed
Ministry of Justice	2	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed
Public Asset Manager Possessor	15	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed
Ministry of Health	13	Completed	Completed	Not fulfilled	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed
Ministry of Smart Administration and Regional Development	1	Completed	Not fulfilled	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed
Ministry of Agriculture	5	Completed	Completed	Completed	Not fulfilled	Completed	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Completed	Completed
Ministry of Defence	1	Completed	Completed	Not fulfilled	Completed	Completed	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Completed	Completed

*The aggregated information was verified from 30 August to 3 September 2024.

** According to Lursoft database on the day of inspection.

	Completed - complete disclosure of information for all companies under its supervision;
	Overall fulfilled - information has been disclosed for more than half of the companies under supervision or the amount of information disclosed is more than half;
	Partially fulfilled - the information is made public for no more than half of the supervised capital companies or the half of information is disclosed;
	Not fulfilled - the information has not been published or the amount of information disclosed does not reach at least one positive value for at least one of the capital companies under supervision;
	No information - not applicable.

All holders of state-owned shares – ministries, except for the Ministry of Defence, use the single website platform, to ensure that information on the websites is more structured, which makes it easier for users to search for information on the website, as well as the information published on capital companies is more transparent. The Council of Public Electronic Mass Media and LLC Publisko aktīvu pārvaldītājs “Possessor” have different website platforms. The result indicated in the report on the fulfilment of the disclosure requirements by each holder of state-owned shares was affected by the amount of information published in accordance with the requirements of the law regarding capital companies in which it holds shares,

as well as the amount of execution in proportion to the number of capital companies under supervision. According to the information obtained as a result of inspection of compliance with information disclosure requirements, it can be concluded that the amount and quality of information published on the websites of the shareholders of the State has not improved compared to previous years.

When examining the compliance with the information disclosure requirements, due attention was paid to the publishing of the current annual report approved by the capital company. More often, shareholders have published a link to the annual report published on the website of the capital company or a link to the financial indicators published on the website of

the capital company. In this case, it is essential for the holder of state-owned capital shares to ascertain whether the current annual report approved by the capital company has been published on the website of the capital company, whether the annual report published on the website of the capital company has been audited and whether the report of an independent sworn auditor is attached to the annual report.

In accordance with the Information Disclosure Guidelines, the holder of state-owned shares must provide on its website up-to-date information on the capital companies in which it holds shares, the amount of the state participation in the capital company, both in percentage and in EUR. Only EUR or percentage are currently indicated on the websites of holders of state-owned shares.

Information on the company's shareholdings in other companies, see Table 4 "Ensuring disclosure of information on websites of holders of state-owned shares", column 3a) most frequently contains the following information 'no information - not applicable'.

Pursuant to requirements laid down in the "Law on Governance of State-Owned Enterprises" the holder of state-owned shares must publish on its website:

- information that the state intends to terminate its participation in a capital company, see Table 4 "Ensuring disclosure of information on websites of holders of state-owned shares", column 7);
- information on the reorganisation or transformation of the capital company launched, see Table 4 "Ensuring disclosure of information on websites of holders of state-owned shares", column 8).

Also for these indicators, the result is mostly 'no information - not applicable'. This information is not provided on the website of a holder of state-owned shares, mainly because the State does not intend to terminate its holding in the company and no reorganisation of the company has been initiated. However, according to the Information Disclosure Guidelines, the holders of state-owned shares are obliged to disclose information even if the State does not intend to terminate the shareholding and no reorganisation or conversion of the company has been initiated.

Section 29 (2) of the "Law on Governance of State-Owned Enterprises" stipulates that the holder of state-owned capital shares shall also publish other information that it deems necessary to publish or

the disclosure of which is specified in the guidelines developed by the Coordination Institution. As regards the disclosure of any information, the shareholders shall make sure that the information is correct and must update it regularly in line with changes.

The Coordination Institution also examined the quality or accuracy of the information published, by monitoring the compliance of public shareholders with disclosure requirements. Detailed information on the results of verification is available in electronic form on the website www.valstskapitals.gov.lv.

A capital company of a public person and a public-private capital company shall publish the information required on its website, or if it does not have one, on the website of the shareholder in accordance with requirements referred to in Section 58 of the "Law on Governance of State-Owned Enterprises".

If there are objective reasons why the company cannot disclose this information because it has been classified as a trade secret pursuant to Section 19 of the "Commercial Law", the company shall post a relevant explanation on its website.

In accordance with the "Law on Governance of State-Owned Enterprises", the Coordination Institution monitors the compliance of SOEs with the disclosure requirements, and therefore carried out a review of the disclosure requirements on the websites of SOEs as well as on the websites of capital companies under the decisive influence of the State from 22-30 August 2024; a total of 65 capital companies.

When examining the information published on all the websites of the capital companies, the Coordination Institution paid attention to the published format, which, in accordance with the requirements of the "Law on Governance of State-Owned Enterprises", must be published at least once a year, i.e.

- 1) the results of the capital company's financial targets and non-financial targets for at least the last 5 years;
- 2) the reports drawn up by a capital company for at least the last 5 years (including an interim report for three, six and nine months and an annual report and an audited annual report);
- 3) contributions made to the state or municipality budget (including dividends, deductions, tax payments) for at least the last 5 years;
- 4) information on the State or municipality funding received and its use (if applicable) for at least the last 5 years.

In addition, the following published information was verified on all capital companies' websites:

1) the professional work experience, education, positions in other capital companies, terms of office of the members of the Supervisory Board (if any) and the Board of Directors (for each separately), as well as the supervisory board member's compliance with the criteria for an independent member of the Supervisory Board set out in this Law;

2) the principles of the remuneration policy and information on the remuneration of each member of the Management Board and the Supervisory Board;

3) all announced meetings of members (shareholders) of the capital company, including the agenda and resolutions;

4) on the measures taken by the capital company in the previous year to prevent the risk of corruption (in accordance with the Cabinet of Ministers Regulation of 27 October 2017 No. 630 "Regulations on the Fundamental Requirements of the Internal Control System to Prevent the Risk of Corruption and Conflict of Interest in an Institution of a Public Person").

Figure 10 "The extent of compliance (%) with disclosure requirements on SOEs' websites" shows a summary of the information obtained from the inspections, which reflects the number and extent of compliance of SOEs with the disclosure requirements described above - the four disclosure requirements to be published at least annually and the four additional assessed disclosure requirements. Information to be published on a permanent basis on SOEs' websites was not examined and compiled during the reporting year.

Each capital company is obliged to update the information to be published on its website on a regular basis, as well as other information required by the "Law on Governance of State-Owned Enterprises".

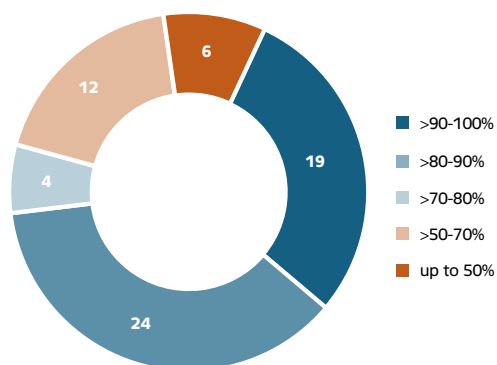


Figure 10. The extent of compliance (%) with disclosure requirements on SOEs' websites

When verifying and compiling information published on companies' websites, it was concluded that 19 companies complied with the requirements by more than 90%, while five companies had provided complete (100%) and accurate information on their websites, i.e. JSC Latvenergo, SLLC Latvijas Valsts ceļi, SLLC Nacionālais rehabilitācijas centrs "Vaivari", SLLC Traumatoloģijas un ortopēdijas slimnīca and SLLC Valsts Akadēmiskais koris "Latvija".

For most capital companies, the information published on their websites is not transparent or not properly disclosed. The information to be made public, as referred to in Section 58 of the "Law on Governance of State-Owned Enterprises", may also be included in the company's annual report. However, in that case, it is difficult for the user to obtain the information. It is advisable to use a format of the published documents that allows the user to use the search function. This makes it easier for users to search for information on websites, if the information is structured or summarised in a table. The Coordination Institution has familiarised itself with the information published on each company's website, including the information contained in the published documents and, if the statutory requirement regarding information to be disclosed is included in full, for example, in the company's annual report, then it is considered as 'fulfilled', however, if any of information disclosure requirements is not met, then there is a possibility that it was not possible to find information among the documents published on the company's website.

The following summarises the instructions of the Coordination Institution regarding the quality of information published on the websites of capital companies, which have been drawn from the results of the inspections carried out:

1) When publishing the results of the fulfilment of capital company's financial and non-financial objectives, it would be advisable to specify also the planned values of the financial and non-financial objectives. It would be more transparent if the results of the financial and non-financial objectives are included in a separate document. Often you have to look for information in other documents, which more often than not provide this information in a general and partial way, and if the information is provided in interim management reports, it is not for the full reporting year.

2) The unaudited interim reports of companies must be published for at least last five years and not just

for the current financial year, and must be published by periods of three, six, nine months and 12 months (unaudited annual report) and not by quarter of the year. Exception: an annual report that has not been audited by a certified auditor may not be published. If an audited annual report is published within two months of the end of the reporting period, together with the certified auditor's report. The content of interim reports is set out in Section 58(4) of the "Law on Governance of State-Owned Enterprises". Interim reports shall be prepared in accordance with the laws and regulations governing the preparation of annual reports, and include the following: 1) an interim financial report, consisting of a balance sheet, income statement, statement of changes in equity, an interim cash flow statement and annex; 2) an interim management report, which provides information on significant events that occurred between the beginning of the financial year and the reporting date and their impact on the interim financial statements; 3) a statement of management responsibility, which is prepared in addition to the requirements set out in the law on the preparation of annual accounts.

3) The audited annual report must be accompanied by a report from an independent certified public accountant certifying that the annual report and the consolidated annual report have been audited (verified).

4) If the supervisory board or the management board is appointed in the company for a fixed period (temporary), the date of appointment must be indicated, and information on professional experience, education and positions in other companies must be disclosed for each.

5) Information on dividend payments is most often not disclosed on the websites of capital companies, the reason being that the accounting year was closed with a loss or a Cabinet of Ministers' Order sets a different share of the profit to be paid out in dividends. The information shall be disclosed also if dividends are not paid. The same applies to information regarding the state or municipality budget funding received.

The "Law on Governance of State-Owned Enterprises" provides that capital companies of a public person and publicly owned private capital companies - all joint stock companies and limited liability companies, with a net turnover of more than EUR 21 million and a balance sheet total of more than EUR 4 million to prepare and additionally publish on their website a corporate governance statement, and

> 21 million €

Net turnover



> 4 million €

Sum total of the balance



> 500

Employees



for large companies with more than 500 employees to prepare and additionally publish on their website a non-financial statement or a consolidated non-financial statement. 18 SOEs were required to prepare and publish a non-financial or consolidated non-financial statement for the 2023 financial year. When examining SOEs' websites, the Coordination Institution concluded that 17 capital companies had complied with the requirement. The non-financial statement is included in the management report or sustainability report or attached as a separate part of the annual report.

The Advisory Board of Corporate Governance operates under the auspices of the Ministry of Justice and provides explanations on applying the Corporate Governance Code. The Corporate Governance Code has been published in the "Corporate Governance"²⁷ section of the Ministry of Justice, as well as answers to various questions regarding the principles of the Corporate Governance Code. If interested parties have any questions regarding the application of the Code, they can contact the Advisory Board of Corporate Governance by writing to the e-mail address korporativaparvaldiba@tm.gov.lv.

To strengthen the practical implementation of the Latvian Corporate Governance Code and sustainability principles in Latvian companies, promoting the efficiency of company operations and long-term value growth, as well as providing public positive assessment of best practice examples, the Latvian Sustainable Governance Award has been established and the Latvian Sustainable Governance Award 2023 was presented on 6 December 2023 at the Bank of Latvia. Among the laureates were LLC Rīgas namu pārvaldnieks and LLC Rīgas ūdens,

27 <https://www.tm.gov.lv/lv/korporativas-parvaldibas-kodekss>

LLC Rīgas namu pārvaldnieks received the award in the nomination “Strategic Involvement of the Board” because the company’s board has demonstrated active involvement in the company’s growth by setting ambitious and far-sighted strategic goals. The company’s supervisory board has ensured sustainable and thoughtful crisis management and communication of decisions within the company, as well as systematically paid attention to issues of sustainable development and corporate governance while LLC Rīgas ūdens received an award in the nomination “Stakeholder Management Practitioner” because the company has defined the stakeholders and provided targeted measures for their involvement.

A corporate governance statement for the 2023 financial year was required to be prepared and published by 22 SOEs, but 21 companies fulfilled this requirement. The Coordination Institution paid attention to the quality of the prepared corporate governance statements – whether the statement was prepared following the

Corporate Governance Code and what is the content of the information included in the statement. The information included in the corporate governance statements for the 2023 financial year shows that mostly all SOEs have fully complied with all 17 principles of the Corporate Governance Code, which promote the long-term growth of the company’s value, its effective management, and transparency of operations.

Detailed information on the results of the inspection can be found electronically at www.valstskapitals.gov.lv, including an assessment of the content of corporate governance notices.

The Coordination Institution cooperates with holders of state-owned shares to explain and agree on remedies for identified weaknesses in the websites of holders of state-owned shares and SOEs under their management, thereby improving overall information disclosure indicators.

2. Regulatory Framework for Governance of Municipal Capital Companies

It is in the interest of the society of Latvia that the governance of capital companies and their shares owned by derived public persons (municipalities or other public persons established by law) is public and transparent.

Municipalities can have holdings in capital companies, but they must meet the conditions that a market failure — a situation where the market is unable to deliver the public interest in a given area — or a situation where the activities of the capital company result in the production of goods or services that are strategically important for the development of the state or the administrative territory of the municipality or for national security, the management

of assets which are of strategic importance for the development of the administrative territory of the State or a municipality or for national security, is prevented. According to the data of the the State or a municipality or for national security, is prevented. According to the data of the Register of Enterprises of the Republic of Latvia as of 31.12.2023, municipalities have holdings in about 300 capital companies and 22 of them are joint holdings of several municipalities. The largest number of capital companies that should provide public information is owned by Liepāja Municipality — 17, while the smallest — by Ventspils Municipality — 1.

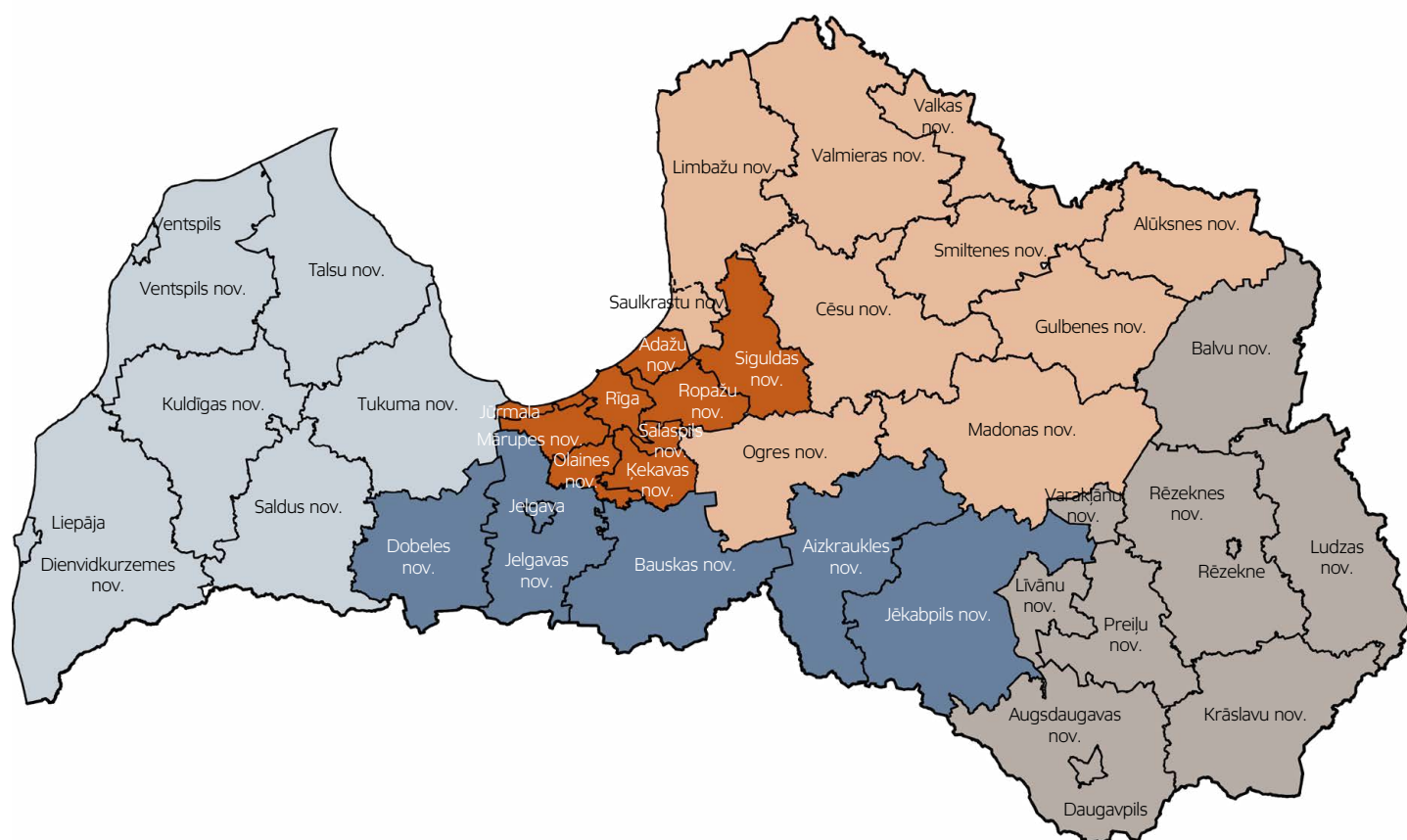


Figure 11. ATR distribution in 36 municipalities and 7 State City Municipalities in 2023

Table 5. Number of capital companies where the municipality has a holding

Region	Municipality	Number of capital companies in 2023
Kurzeme Planning Region		67
	South Kurzeme Municipality	10
	Kuldīga District Municipality	5
	Liepāja State City Municipality	17
	Saldus Municipality	2
	Talsi Municipality	7
	Tukums Municipality	12
	Ventspils Municipality	1
	Ventspils State City Municipality	13
Zemgale Planning Region		52
	Aizkraukle Municipality	10
	Bauska Municipality	4
	Dobele Municipality	9
	Jēkabpils Municipality	14
	Jelgava Municipality	3
	Jelgava State City Municipality	12
Rīga Planning Region		59
	Ādaži Municipality	5
	Jūrmala State City Municipality	8
	Ķekava Municipality	6
	Mārupe Municipality	3
	Olaine Municipality	3
	Rīga State City Municipality	12
	Ropaži Municipality	8
	Salaspils Municipality	3
	Sigulda Municipality	11

Region	Municipality	Number of capital companies in 2023
Vidzeme Planning Region		81
	Alūksne Municipality	7
	Cēsis Municipality	12
	Gulbene Municipality	5
	Limbaži Municipality	11
	Madona Municipality	11
	Ogre Municipality	12
	Saukrasti Municipality	2
	Smiltene Municipality	6
	Valka Municipality	3
	Valmiera Municipality	9
	Varakļāni Municipality	3
Latgale Planning Region		55
	Augšdaugava Municipality	6
	Balvi Municipality	6
	Daugavpils State City Municipality	11
	Krāslava Municipality	4
	Līvāni Municipality	4
	Ludza Municipality	6
	Preiļi Municipality	4
	Rēzekne Municipality	3
	Rēzekne State City Municipality	11

Pursuant to Section 36 of the Law on Governance of Capital Shares of a Public Entity and Governance of Capital Companies Thereof (hereinafter – Law on Governance of State-Owned Enterprises), municipalities shall publish up-to-date information on their website about companies where it has holding, incl. the following information:

- 1) a list of capital companies grouped by industry or size;
- 2) the name of the capital company, legal address, the amount of the share capital and the amount of the participation of municipality;
- 3) compliance of the participation of municipality with the provisions of the law and general strategic objective;
- 4) participation of the capital company in other companies and its compliance with the provisions of law;

5) a representative of the holder of the municipality-owned capital shares in the capital company;

6) the annual report approved by the capital company;

7) dividends paid by the capital company to the municipality and payments made to the state budget and municipality budgets (including deductions and tax payments);

8) information that the municipality intends to terminate its participation in the capital company;

9) information regarding the initiated reorganization or transformation of the capital company;

10) any other information the municipality deems necessary for publication;

11) not later than by 1 October of each year - an annual report on capital companies and capital shares owned by a derived public person, which shall also include information on how the municipality and

municipality-owned capital companies have fulfilled the requirements of Sections 36 and 58 of this Law.

The State as a Coordination Institution²⁸ monitors compliance with disclosure requirements on an annual basis based on the guidelines of the Council of the Coordination Institution Council “Information Disclosure Guidelines for Capital Companies of a Public Person and Shareholders” (hereinafter – the Information Disclosure Guidelines) approved on 27 July 2020, and produces an annual report with information on how municipalities and capital companies have met the information disclosure requirement laid down in the “Law on Governance of State-Owned Enterprises”.

In the reporting year, the Coordination Institution carried out monitoring, and from 27 June to 4 July 2024, examined and compared the information published on the municipalities' websites. In total, 43 municipal websites were examined and information on municipal capital companies - 260 items. The list of the municipality and the capital companies in which it holds shares was fixed at the time of verification of the information disclosed to the public, updating the information from the Lursoft database. The purpose of the comparison is to provide the public with an overview of the changes and to enable municipalities and capital companies to strive for better performance. The results of the assessment are summarised in Figure 12: “Extent of compliance

(%) with disclosure requirements on municipality websites for 2023” showing how many municipalities and to what extent have complied with information disclosure requirements about capital companies in which it has a holding laid down by the law.

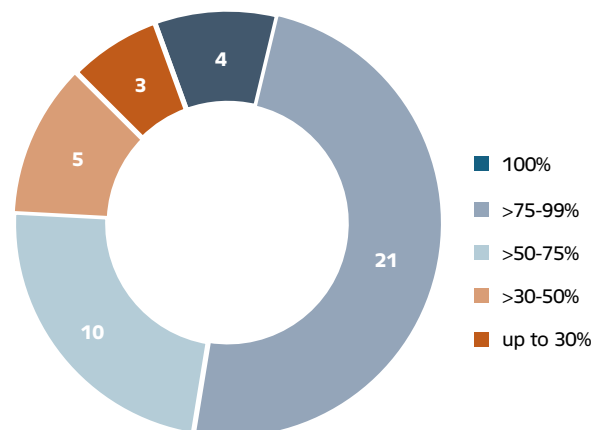


Figure 12. The extent of compliance (%) with disclosure requirements on municipality websites for 2023

Only four municipalities received the highest score - 100% compliance. Most municipalities met half or more of the requirements, while three municipalities did not meet even a third of the requirements.

Table 6. Number of capital companies where a municipality holds shares - illustrative assessment by region

	Kurzeme	Zemgale	Rīga	Vidzeme	Latgale
	88.33	56.67	46.77	100	86.11
	89.58	64.58	100	62.68	63.10
	92.27	76.85	75.34	46.77	95.49
	95.83	99.41	81.58	77.21	37.50
	95.24	36.11	8.33	11.19	92.86
	92.77	53.68	100	82.76	83.61
	100		59.55	92.00	58.33
	71.25		86.84	59.46	63.89
			97.08	39.47	93.01
				82.03	
				19.44	

Detailed information on each website is available electronically on the website of the State Chancellery www.valstskapitals.gov.lv

In the previous year, after checking and compiling the information published on the websites of municipalities, it was concluded that only two municipalities had improved the quality and scope of information on their websites about the capital companies in which they hold shares.

There was a large number of capital companies, which had published less than 30% of information on their websites about the capital companies where they have shareholding. This was partly explained by the fact that after the administrative-territorial reform of 1 July 2020, not all municipalities had made the necessary changes to the Register of Enterprises of the Republic of Latvia, and different interpretations arose as to on which website the information should be made public. Most often, information about the capital company was published on the website of the new municipality, but no changes were made to the register. During the year, the situation has improved and several municipalities have made changes in the Register of Enterprises of the Republic of Latvia.

Conclusions on the comparison of information disclosed in 2024:

1) Quality of information in general: The examination revealed deficiencies of a similar nature, as they had been in previous years.

2) Impact of the administrative-territorial reform (ATR) on data and quality: The transition phase of the ATR is over, many capital companies have been reorganized or liquidated as a result of the merging of counties, but a historical accumulation of information is formed on websites, which is no longer so easily perceived. The administrative capacity of the municipality influences the quality of information disclosed. The quality is higher in municipalities with greater administrative capacity. In the future, it is necessary to assess how large burden arises to ensure that information is up to date and respect the deadlines for the publication of the information contained in the reports and how to promote greater automation in obtaining information in the municipalities.

3) Information disclosure: Municipalities must ensure that up-to-date information on the capital companies in which they have a shareholding is published on their websites. This information should be transparent and grouped according to industry or size criteria. Information on websites is

structured differently and tends to be difficult to find.

4) Information disclosure: Some municipalities rely only on the information published on the websites of capital companies.

5) Relevance: The information published must be up to date, but the examination shows that it tends to be several years old. For example, the size of the stock capital of a capital company is not updated, if there have been changes. It is necessary to make clarifications and indicate up-to-date information about the representative of the holder of capital shares in the municipality.

6) Relevance: Some municipalities update the information only in the second half of the year, closer to 1 October.

7) Evaluation: In some cases, municipalities have not evaluated, whether the information should be made public. If the information is historical and not even accurate or correct in time, then it does not need to be published.

8) Relevance: Some municipalities place links to websites of Enterprise Register, Lursoft, Procurement Monitoring Bureau and the capital company, but do not ascertain, whether all the information is obtainable there and whether this link can be relied upon.

9) Amount of holdings: The municipality must indicate the amount of resources invested in the capital companies, both as a percentage and in EUR. This is only partially fulfilled by some municipalities, specifying only the percentage contribution. In addition, it is desirable to indicate in a transparent manner the registration number and address of the capital company.

10) Amount of holdings: If the municipality has a minority stake in the capital company, the interest to follow up and update the data falls. In some cases, however, it was found that information on the existence of shareholdings of the capital company in other companies is lacking.

11) Annual Report: The municipality must publish the current annual report of the capital company within 2 months of its submission to the State Revenue Service. The report must be accompanied by a report by an independent sworn auditor, which approves the audit, but for a part of the municipalities audited, these reports have not been accompanied and the 2023 reports have not been published within the deadline.

12) Dividend payments: Information on dividend payments of the capital company must be publicly indicated, even if they are not made. The reasons may be losses or a different part of the profit to be paid in dividends set. Municipalities tend to present payments to the budget, but do not provide information on dividends.

With regard to the requirement to publish, no later than 1 October of each year, the annual report on the capital companies and shares owned by a derived public person, which includes consolidated information on the participation of the derived public person in the capital companies, the resources it invests and their return on the services provided by the capital companies, contributions to the state budget and municipal budgets, received grants from the state or municipal budget for sectors, in which capital companies operate with the participation of a derived public person, for the processes that have taken place for the nomination of members of the management board and the supervisory board, as well as other information necessary to give an idea of the capital companies and shares of a derivative public person and information thereon, how a derivative public entity and its owned capital companies have complied with the requirements of Sections 36 and 58 of the "Law on Governance of State-Owned Enterprises", it must be concluded, that in most cases only partial information is included. It is more common to observe that the only information on capital companies included in the municipal statements is the amount of the municipal shareholding, changes in equity and share capital, or a section of the website *Capital Companies* prepared instead of the report with links to the websites of the capital companies where the information must be searched separately.

Detailed information on the results of the Coordination Institution's inspection can be found electronically at www.valstskapitals.gov.lv. Municipalities are encouraged to keep the information published on their websites up-to-date and in compliance with the "Law on Governance of State-Owned Enterprises", as well as to ensure that the capital companies and their subsidiaries held by municipalities have ensured that the information required by the law is made public. The Coordination Institution will continue to cooperate with the municipalities holding the shares to explain the disclosure requirements under the "Law on Governance of State-Owned Enterprises" on the websites of a public derived person.

Pursuant to Section 58 of "Law on Governance of State-Owned Enterprises", a capital company of a public person and public private capital company shall ensure the disclosure of the following information on its website or, in case it does not have a website, on the website of a shareholder:

- 1) general strategic objectives of the capital company;
- 2) information regarding the types of activities and commercial activities of the capital company;
- 3) the results of the implementation of the financial and non-financial objectives of the capital company for at least last five years;
- 4) contributions made to the state or municipality budget for at least last five years (incl. dividends, deductions, tax payments);
- 5) information regarding the receipt of state and municipality budget funding and its use (if applicable) for at least last five years;
- 6) reports drawn up by the capital company at least regarding last five years (including interim reports for three, six and nine months, as well as annual report and audited annual report by a sworn auditor);
- 7) information on ownership structure (including participations in other undertakings);
- 8) information on the organisational structure;
- 9) information on the amount and recipients of each donation (gift) received and made for at least last five years;
- 10) information on purchases for at least last 5 years;
- 11) the articles of association;
- 12) by-laws of the management board and the supervisory board (if such has been established) or other equivalent document regulating its activities;
- 13) information regarding professional work experience, education, positions in other capital companies, term of office of members of the the supervisory board (if such has been established) and members of the board of directors (for each individual), as well as compliance of the member of the supervisory board with the criteria of an independent member of the supervisory board laid down in this Law;

14) information regarding all announced meetings of shareholders (stockholders) of the capital company, incl. regarding the agenda and decisions;

15) the principles of the remuneration policy and information on the remuneration of each member of the management board and the supervisory board .

16) the donation (granting) strategy and capital company's procedures for donation (granting).

In addition, municipal capital companies with a net turnover of more than EUR 21 million and a balance sheet total of more than EUR 4 million shall also publish the following information on their website:

1. at least once a year:

- information on foreseeable risk factors;
- information on the main elements of the company's internal control and risk management system applied in the preparation of the financial statements;
- a description of the composition and activities of the governing bodies and their committees;
- where the company has a policy on diversity of the composition of the governing bodies of the company (diversity policy), a description of the objectives, implementation measures and results of that policy during the year under review;
- information on the committees of the supervisory board (if any) and the audit committee (if any), including the rules of procedure and information on the members of the committee;
- a statement on corporate governance.

2. On an ongoing basis, updated as needed:

- the information on atypical or significant party transactions within the meaning of the Financial Instruments Market Law for at least the last 5 years;
- the most relevant policies of the capital company, which define the principles of the capital company's activity with regard to risk management, prevention of conflict of interest, combating corruption, corporate governance and other issues.

If there are objective reasons why the capital company cannot disclose this information because it has been classified as a trade secret pursuant to Section 19 of the Commercial Law, the capital company shall post an explanation on its website.

Municipalities owned enterprises that meet the criteria of a large capital company and have more than 500 employees must prepare and publish a non-financial statement or a consolidated non-financial statement.

Pursuant to the "Law on Governance of State-Owned Enterprises", the Coordination Institution monitors the compliance of municipalities owned enterprises with a net turnover exceeding EUR 21 million and a balance sheet total exceeding EUR 4 million with the disclosure requirements set out in the Law. Fifteen municipal owned enterprises were examined regarding information disclosure based on their financial indicators (net turnover, balance sheet total) and number of employees for 2023.

Information disclosure verifications were carried out from 5 July to 12 July 2024. The results of the information disclosure requirements on the websites of large municipalities owned enterprises are generally positive, with most requirements being met or partially met. The maximum number of points to be obtained is 18. When considering the financial indicators of the municipalities owned enterprises in the reporting year the Coordination Institution for the first time inspected the municipal owned enterprise LLC Rīgas nami and the result obtained the highest score while the deficiencies should be pointed out in the information prepared and available on the website of LLC Liepājas enerģija and LLC Daugavpils reģionālā slimnīca, which had not been updated at the time of the inspection. The quality of the information disclosure requirements on the websites of these two owned enterprises has comparatively decreased.

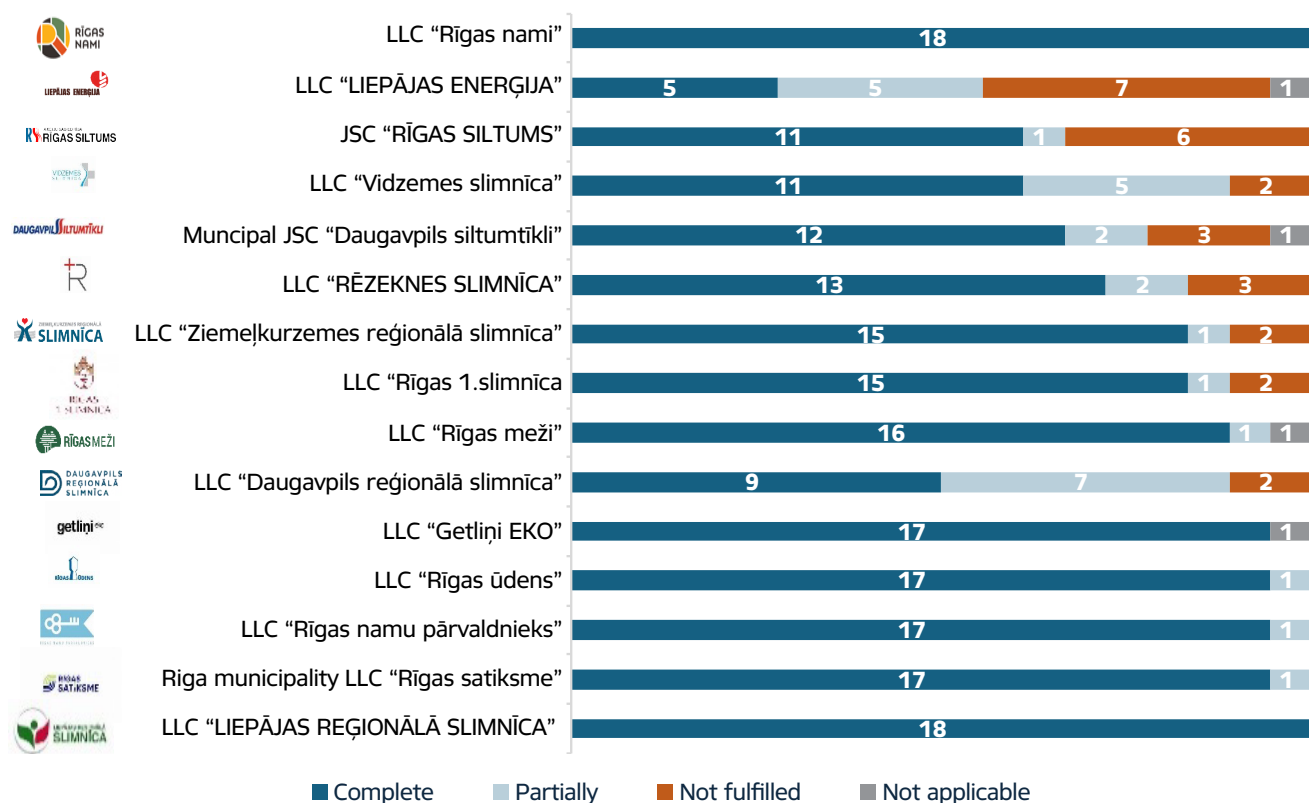


Figure 13. Extent of compliance (%) with disclosure requirements on capital companies' websites for 2023

Links to the information retrieval sites and detailed information with evaluation comments on the compliance of information published on the websites of large municipal capital companies with

the results of the verification required by the "Law on Governance of State-Owned Enterprises" can be found electronically at www.valstskapitals.gov.lv.

3. Methodology Used in the Report

The Public Report on State-owned Enterprises and State-owned Equity Shares uses public reports (annual reports of enterprises, published activity reports of enterprises, other published information of enterprises), reports on specific indicators prepared by capital companies specifically for the purposes of the Report, and information received from the State Revenue Service (SRS) of the Republic of Latvia, which also serves as a tool for auditing the quality of the data. The following indicators have been obtained from reports specially prepared by capital companies: EBITDA, investment, real estate tax paid, other taxes and fees paid, which do not include the corporate income tax, the personal income tax, the value added tax, the real estate tax, the mandatory state social insurance contributions, donations received and made, and funding received from the budget.

These indicators have been calculated by state-owned enterprises individually, thus small methodological differences are possible in the calculations. Other indicators, as well as the initial data for the derived indicators, are obtained from publicly available data sources.

The indicators have been prepared according to a common methodology, but may differ depending on the individual data interpretations (management reports) of each state-owned enterprise. The reliability of these data has been further verified in a systematic and selective manner by comparing the obtained and published data, incl. from the annual reports of state-owned enterprise. In some cases, the reliability of these data has not been further verified by relying on the accuracy of public data and reports. Financial ratios such as profitability, ROA, ROE, liquidity and liability ratio are calculated from the publicly available information.

- Profitability - profit to turnover ratio, expressed as a percentage.
- ROA (return on assets) – 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 municipal budgets include the balance of contributions or the difference between those paid to the state budget and reimbursed from the state budget for corporate income, personal income, value added and real estate tax and mandatory state social insurance contributions. In addition, it includes real estate tax and other taxes and fees paid, as well as dividends paid to the state budget.

The average gross remuneration is calculated on the basis of the staff costs and the average number of employees shown in the annual accounts. The indicator represents the average gross salary per employee per year (including also the remuneration of the management board and the supervisory board members for the performance of their duties).

In situations where the public report does not separately indicate social contributions, gross remuneration is calculated using the general employer rate of mandatory state social insurance contributions (from 1 January 2021 -23.59 %, until 31 December 2020 -24.09 %). This calculation presents small deviations from the real value, but the deviation is not statistically significant. Various financial benefits - accruing insurance, contributions to the 3rd pension pillar, various benefits - are not included in the calculation. Gross wages and salaries in each individual state-owned enterprise are accounted for in accordance with the accounting principles and policies of the state-owned enterprise, and therefore may contain different elements.

The general financial analysis of SOEs also includes those state-owned enterprises under decisive influence of the state (50 % + 1 share), and certain state-owned enterprises dependent on SOEs and the state-owned enterprises under decisive influence, incl. voting rights, or economically significant capital companies with close to 50 % shares (JSC Rīgas Siltums). In some cases, capital companies are included because their parent companies do not consolidate their results in their accounts. These companies include, LLC Latvijas Mobilais Telefons, LLC Tet, LLC Veselibas centrs "Biķernieki", LLC Rīgas hematoloģijas centrs, LLC Latvijas Lauku konsultāciju un izglītības centrs, LLC Ludzas medicīnas centrs, JSC Rīgas Siltums and JSC Reverta.

The list of capital companies referred to in Annex 1 “State-Owned Enterprises, State-Owned Shares, State-Owned Enterprises and Companies under Decisive Influence of the State” includes various capital companies - SOEs, dependent capital companies of SOEs, public private capital companies with state shareholding, capital companies under decisive influence of the state, as well as private capital companies with state-owned capital shares in which the state has no decisive influence, but more information is provided regarding SOEs or capital companies under decisive influence of the state. The state owns a large number of capital companies that serve society and whose objectives are social rather than commercial. This makes financial analysis more complex, since assessment techniques and methods for valuing typical companies are largely inappropriate to analyse and objectively assess the benefits to society and the achievement of non-financial objectives.

The financial analysis uses consolidated (group) financial information, including the performance of subsidiaries. The exception is LLC Publisko aktīvu pārvaldītājs “Possessor” and LLC Rīgas Austrumu klīniskās universitātes slimnīca. As to LLC Publisko aktīvu pārvaldītājs “Possessor”, consolidated financial information is used, excluding JSC Reverta, which is included separately. As regards LLC Rīgas Austrumu klīniskās universitātes slimnīca, the analysis used the information of this company, not including all the information of the dependent capital companies (LLC Veselības centrs “Biķernieki”, LLC Rīgas hematoloģijas centrs), but including them separately. Only dividends

paid to the state are included in the calculation of dividends paid into the state budget.

Annex 1 to the report “State-Owned Enterprises, State-Owned Shares, State-Owned Enterprises and Companies under Decisive Influence of the State” presents both consolidated information and information of all subsidiaries. In order to ensure continuity, the annual report and analysis are prepared on an annual basis, as well as measures are being taken to improve and ensure the compliance of the performance of SOEs with the form of the capital company’s activities, including in the fields of finance and corporate governance.

This report analyses the financial data of state-owned enterprises for the years 2022-2023, with separate sections for 2014-2022 if statistical data for 2023, 2014-2023, 2019-2023, 2019-2023 or 2020-2023 or 2021-2023 are not yet available at the time of reporting, depending on the amount of data accumulated and the transparency with which the information is presented. The report does not analyse, but merely states the non-financial objectives of the capital companies and does not assess their impact on financial performance.

The photos sent by SOEs are used in the report. The publishing of the photos in the informative materials produced by the SC without restrictions has been harmonised.

The report also uses the corporate identity sent by SOEs in the form of a state-owned enterprise logo.

4. SOEs' Operational Results

4.1. Summary of SOEs' operational results

Total assets of SOEs

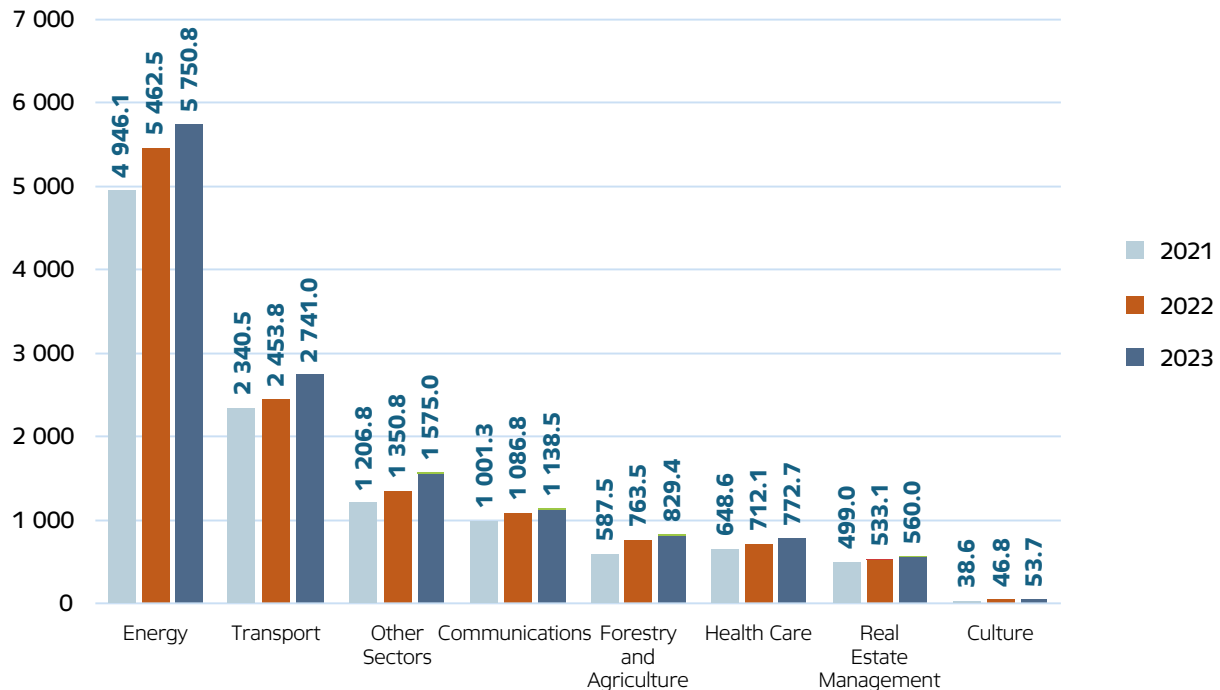


Figure 14. Total assets of SOEs by sector from 2021 to 2023, million EUR

In terms of assets, the overall increase is +10.1% or EUR +1.14 billion compared to 2022 (the increase in 2022 was +10.1% or EUR +1.14 billion compared to 2021). The three sectors with the highest asset increases are energy (by EUR +288.3 million or +5.3%), transport (by EUR +287.2 million or +11.7%) and other (by EUR +224.2 million or +16.6%). In the energy sector, this is mainly due to the increase in the assets of JSC Latvenergo Group (EUR +272.6 million in 2023 and the highest increase in assets among state capital companies). In the transport sector, this is mainly due to the increase in assets of JSC Air Baltic Corporation (consolidated) (+ EUR 165.8 million in 2023 and the 3rd largest increase in assets among state capital companies) and JSC Pasažieru vilciens (consolidated) (+ EUR 123.3 million in 2023 and the 4th largest increase in assets among state capital companies). In turn, in the sector of other SOEs, it is mainly due to the increase in assets of JSC Attīstības finanšu institūcija ALTUM (+ EUR 216.5 million in 2023 and the 2nd largest increase in assets among SOEs). The increase in assets (+16.6%) has been relatively the highest in the sector of SOEs in other sectors, ahead of SOEs in the cultural sector with +14.7% asset increase. SLLC Meliorprojekts had

the highest percentage increase in assets (+196.7%). The largest relative increase in assets was faced by SLLC Dailes teātris (+159.8%), JSC Pasažieru vilciens (+146.1%) and SLL Latvijas Proves birojs (+55.7%). The largest relative decreases in assets were recorded by SLLC Zemkopības ministrijas nekustamie īpašumi (-51.4%), LLC Publisko aktīva pārvaldītājs Possessor (consolidated) (-36.9%), SLLC Kremerata Baltica (-23.6%), LLC Latvijas standarts (-21.5%) and LLC Latvijas Lauku konsultāciju un izglītības centrs (-18.6%).

The largest share of assets in SOEs were in the energy sector (42.8% in 2023; 44.0% in 2022; 43.9% in 2021; 45.2% in 2020) and transport sector (20.4% in 2023; 19.8% in 2022; 20.8% in 2021; 21.4% in 2020) of total assets. However, it should be noted that in some sectors some state-owned assets are not included in the balance sheets of SOEs, but they are managed. For example, forests are on the balance sheet of the Ministry of Agriculture and not on the balance sheet of JSC Latvijas valsts meži. Compared to 2022, as a percentage of total assets, the assets of the energy sector have decreased by 1.2 percentage points, while the assets of the transport sector have increased by 0.6 percentage points.

Total equity of SOEs

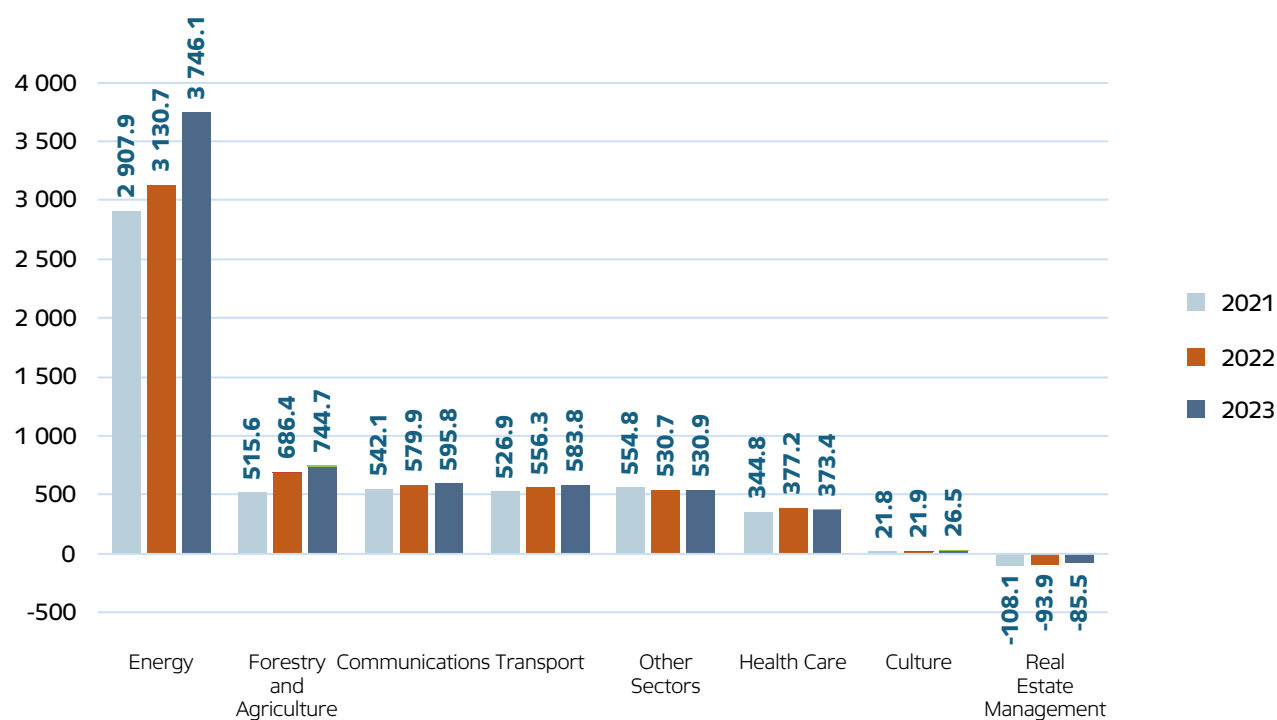


Figure 15. Total equity of SOEs by sector from 2021 to 2023, million EUR

Total equity has increased by +12.6% or EUR +726.8 million for all SOEs in 2023 compared to 2022, which is the second consecutive year of growth, as equity increased by +9.1% or EUR +483.4 million in 2022 and by +5.0% or EUR +251.5 million in 2019. The largest increases are in the sectors of energy, forestry and agriculture, with EUR +615.4 million or +19.7% and EUR +58.3 million or +8.5% respectively compared to 2022. Individually, the highest equity capital increases are for JSC Latvenergo (+ EUR 606.7 million), JSC Latvijas valsts meži (+ EUR 58.4 million), JSC Air Baltic Corporation (consolidated) (+ EUR 33.7 million) and SJSC Latvijas Valsts radio un televīzijas centrs (+ EUR 11.2 million). In 2023, equity capital as a whole has decreased in only one sector - SOEs of the other sector - by EUR -3.8 million or -1.0%, which is mainly attributable to the decrease in equity capital of JSC Attīstības finanšu institūcija Altum, where equity capital decreased by EUR -6.6 million or -1.7%.

JSC Reverta (consolidated), JSC Air Baltic Corporation (consolidated) were the only two companies among all SOEs with negative equity in 2023 - JSC Reverta (consolidated) had EUR -434.5 million (in 2022: EUR -434.4 million; in 2021: EUR -434.3 million), JSC Air Baltic Corporation (consolidated) had EUR -48.3 million (in 2022: EUR -82.0 million; in 2021: EUR -118.3 million;

in 2020: EUR 17.0 million). Due to the performance of JSC Reverta (consolidated), the negative equity in 2023 is still in the real estate sector, i.e. EUR -85.5 million (in 2022: EUR -93.9 million, in 2021: EUR -108.1 million; in 2020: EUR -110.3 million; in 2019: EUR -108.9 million).

JSC Air Baltic Corporation did not increase its share capital in 2021, unlike in 2020 when the equity was increased by EUR 250 million, despite the losses incurred, but in August 2021 the Latvian Government approved an additional EUR 90 million contribution to the share capital, of which EUR 45 million was received in December 2021 and on 17 January 2022 the Latvian Government made a contribution of EUR 45 million to the share capital and in Q2 2022 the airline received the remaining EUR 45 million. In June 2022, the changes to the share capital were registered in the Register of Enterprises of the Republic of Latvia²⁹. The share capital of JSC Air Baltic Corporation was not increased in 2023. The number of passengers carried by JSC Air Baltic Corporation continued to increase in 2023, compared to 2022 and amounted to 4.54 million of passengers carried. This was by 35.7% more than in 2022 (3.34 million passengers in 2022; 1.63 million passengers in 2021; 1.34 million passengers in 2020), but still lower

29 JSC "Air Baltic Corporation" Sustainability and Annual Report 2021, p.96, Sustainability and Annual Report 2022 of Air Baltic Corporation JSC, p.102, p.141, source: <http://www.ur.gov.lv>.

(-10.2% in 2023; -33.9% in 2022; -67.7% in 2021 and -73.5% in 2020) than in 2019 (5.05 million passengers in 2022).

In 2023, the equity decreased for a total of 28 SOEs (20 SOEs in 2022 and 2021; 25 SOEs in 2020; 23 SOEs in 2019). However, a large proportion of these are small decreases in absolute terms. However, in aggregate, the reduction in equity for such SOEs was lower than in 2022. i.e. EUR -33.8 million in 2023, EUR -74.0 million in 2022, EUR -149.9 million in 2021, EUR -533.8 million in 2020 and EUR -81.2 million in 2019.

Total turnover of SOEs

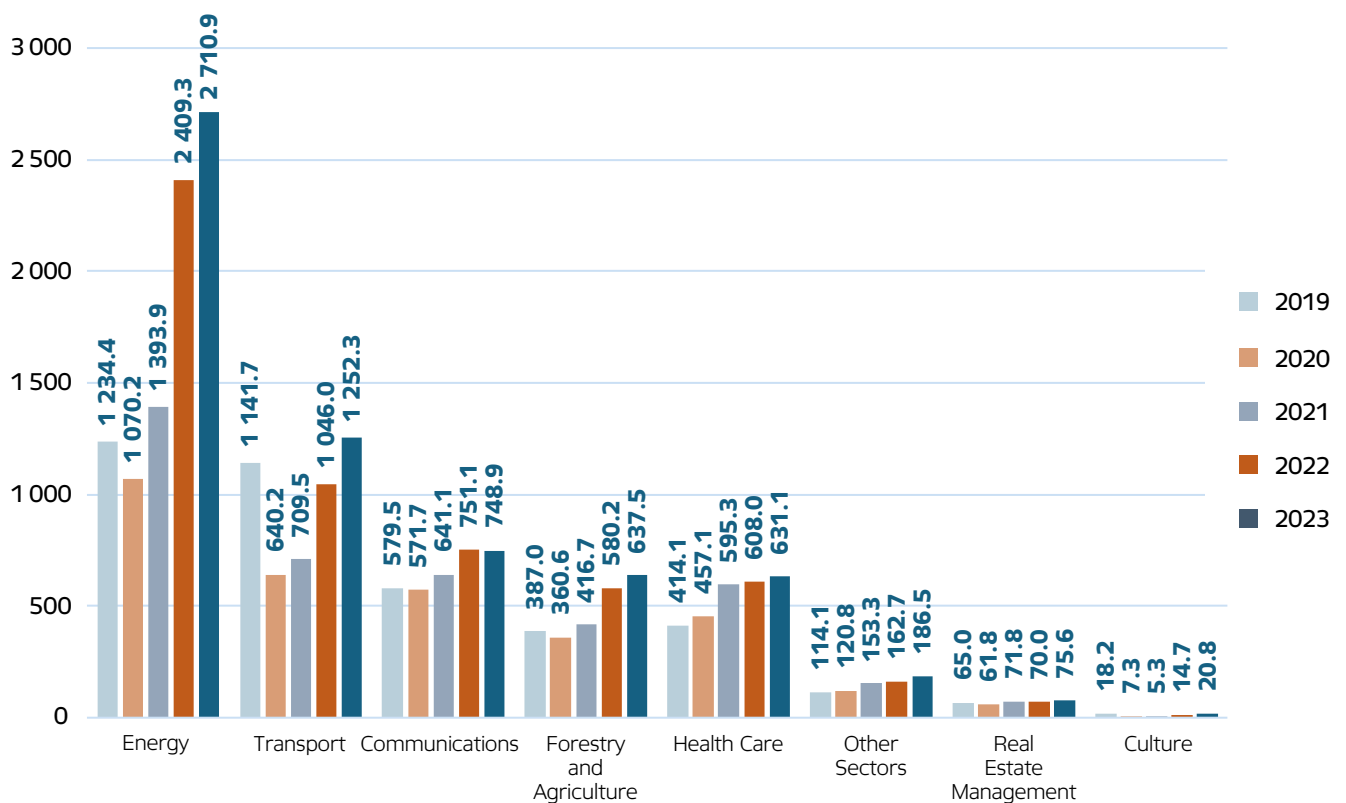


Figure 16. Total Turnover of SOEs by sector from 2019 to 2023, million EUR

The total turnover of SOEs has increased by +11.0% in 2023 compared to 2022, and amounted to a total of EUR 6 263.6 million. The energy sector accounted for the largest share of the total turnover of SOEs in 2023 with 43.3% of the turnover (in 2022: 42.7%; in 2021: 35.0%, in 2020: 32.5%), followed by the transport sector with 20.0% (18.5% in 2022; 17.8% in 2021; 19.5% in 2020) and the communications sector with 12.0% (13.3% in 2022; 16.1% in 2021; 17.4% in 2020).

All sectors, except communications, show an increase in turnover in 2023 compared to 2022. The largest increase in turnover is in SOEs in the energy

In 2023, as in 2022, the equity capital of SOEs was increased. The equity capital of the following SOEs was increased: JSC Latvijas valsts meži (consolidated) (EUR +126.1 million), SJSC Latvijas Valsts radio un televīzijas centrs (EUR +33.3 million), SJSC Valsts nekustamie īpašumi (EUR +9.1 million), SLLC Bērnu klīniskā universitātes slimnīca (EUR +1.6 million), SJSC Ceļu satiksmes drošības direkcija (consolidated) (EUR +1.4 million), SLLC Paula Stradiņa klīniskā universitātes slimnīca (EUR +1.2 million), SLLC Latvijas Proves birojs (EUR +1.0 million), SLLC Rīgas Tūrisma un radošās industrijas tehnikums (EUR +0.7 million) and LLC Lielstraupes pils (EUR +18.5 thousand).

sector by EUR +301.7 million or +12.5% in 2023 (EUR +1 015.4 million or +72.8% in 2022; EUR +323.7 million or +30.3% in 2021), where the turnover in 2023 increased for both JSC Rīgas siltums (consolidated) by EUR +225.7 million or +104.3 %, and JSC Latvenergo (Group) by EUR +192.6 million or 10.5% (2022: EUR +776.6 million or +72.9%; 2021: EUR +291.8 million or +37.7%), while for JSC Augstsprieguma tīkls decreased by -116.7 million EUR or -33.2% (in 2022: EUR +168.9 million or +92.7%; in 2021: EUR +37.3 million or +25.8%). The next largest increase in turnover is in the transport sector, where the turnover has increased by EUR +206.3 million or

+19.7% compared to 2022, thanks to the turnover growth in Air Baltic Corporation (EUR +168.7 million or +34.1% turnover growth) and SJSC "Starptautiskā lidosta "Rīga"" (EUR +14.6 million or +25.2% turnover growth). Although turnover continued to increase in 2023 for SJSC Latvijas dzelzceļš (consolidated) (+ EUR 8.7 million or +3.4%), it is still significantly below the turnover results before the Covid-19 pandemic and the invasion of Ukraine by Russia. Results of 2023 are EUR -74.1 million or -22.0% behind the results of 2019 and are EUR -156.6 million or -37.3% behind the results of 2015, that was the year of the best turnover in recent years. In 2023, the volume of freight transport by SJSC Latvijas dzelzceļš continued to decline compared to 2022. The decrease was -27.6% compared to 2022. In 2022, the decrease was -1.7% compared to 2021. In 2021, the decrease was -8.9% compared to 2020. In 2020, the decline was -41.9% compared to 2019³⁰. The 2023 turnover results are also still lagging behind the pre-Covid-19 pandemic period – 2019 – for SJSC Latvijas gaisa satiksme (-15.4%). SOEs of the forestry and agriculture sector

also show relatively positive turnover growth (EUR +57.4 million or + 9.9% in 2023; EUR +163.5 million or + 39.2% in 2022; EUR +56.1 million or + 15.6% in 2021). SOEs in the cultural sector have the highest relative increase in turnover of +41.0%.

Comparing the year 2023 with 2022, there were individual turnover decreases. There were 12 (2022 – 12, 2021 - 13) turnover decreases in SOEs and larger turnover decreases of EUR -1.0 million in 4 (2022 - 6, 2021 - only 2) SOEs - JSC Augstsprieguma tīkls (consolidated) (EUR -116.7 million), LLC Tet (Group) (EUR -30.9 million), SJSC Latvijas autoceļu uzturētājs (EUR -11.2 million), LLC Latvijas Lauku konsultāciju un izglītības centrs (EUR -2.4 million).

On an individual basis, however, the highest individual turnover increases compared to 2022 were for the following SOEs: JSC Rīgas siltums (consolidated) (EUR +225.7 million or +4.6%), JSC Latvenergo (Group) (EUR +192.6 million or +23.5%), JSC Air Baltic Corporation (consolidated) (EUR +168.7 million or +4.2%) and JSC Latvijas valsts meži (consolidated) (EUR +59.4 million or +10.6%).

Number of employees and average remuneration

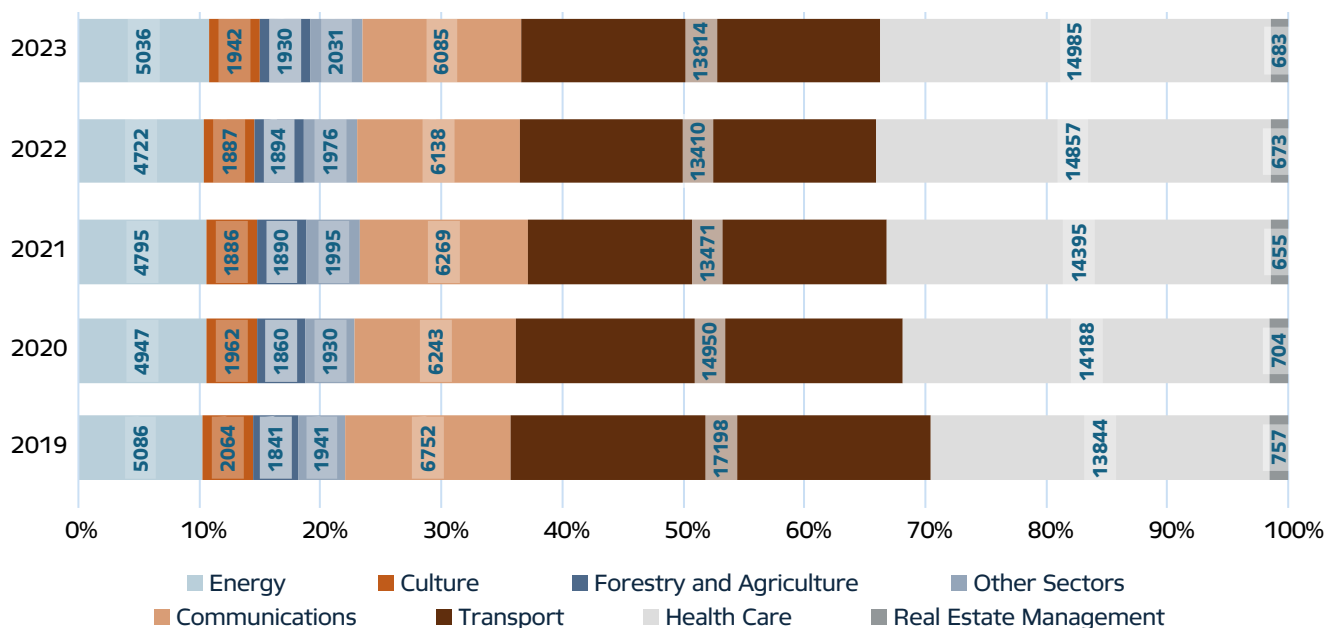


Figure 17. Average annual employment in SOEs by sector from 2019 to 2023, number and %

There have been relatively few changes in the structure of employment. In terms of employees by sector in SOEs (total = 100%), the largest number of people is employed in the health sector - 14.99 thousand employees or 32.2% (32.6% in 2022) of all employees in SOEs, a decrease of +0.4 percentage points, compared to 2022. In 2023, the increase in the number of employees in the transport sector was the

highest in absolute terms (+404 employees or +3.0%), while the increase in the energy sector was relatively the highest (+314 employees or +6.0%). The transport sector was the second largest sector in terms of employment, with 13.8 thousand employees. The only sector with a decrease in employment was the communications sector with 6.1 thousand employees and a decrease of -53 employees or -0.9%.

30 SJSC "Latvijas dzelzceļš" consolidated annual report 2020 (p.6), 2021 (p.6) and 2022 (p.6), source: <https://www.ldz.lv/lv/auditeti-gada-parskati>.

In 2023, the number of employees in SOEs continued to increase by +949 or +2.1%. In comparison in 2022, there was an increase by +201 employees or +0.4%. In 2021, there was a decrease by -1 428 employees or -3.1%. In 2020, there was

a decrease by -2 699 employees or -5.5%. In 2019, there was a decrease by -425 employees or -0.9%. In 2018, there was a decrease by -1 110 employees or -2.2%. In 2017, there was a decrease by -1 102 employees or -2.1%.

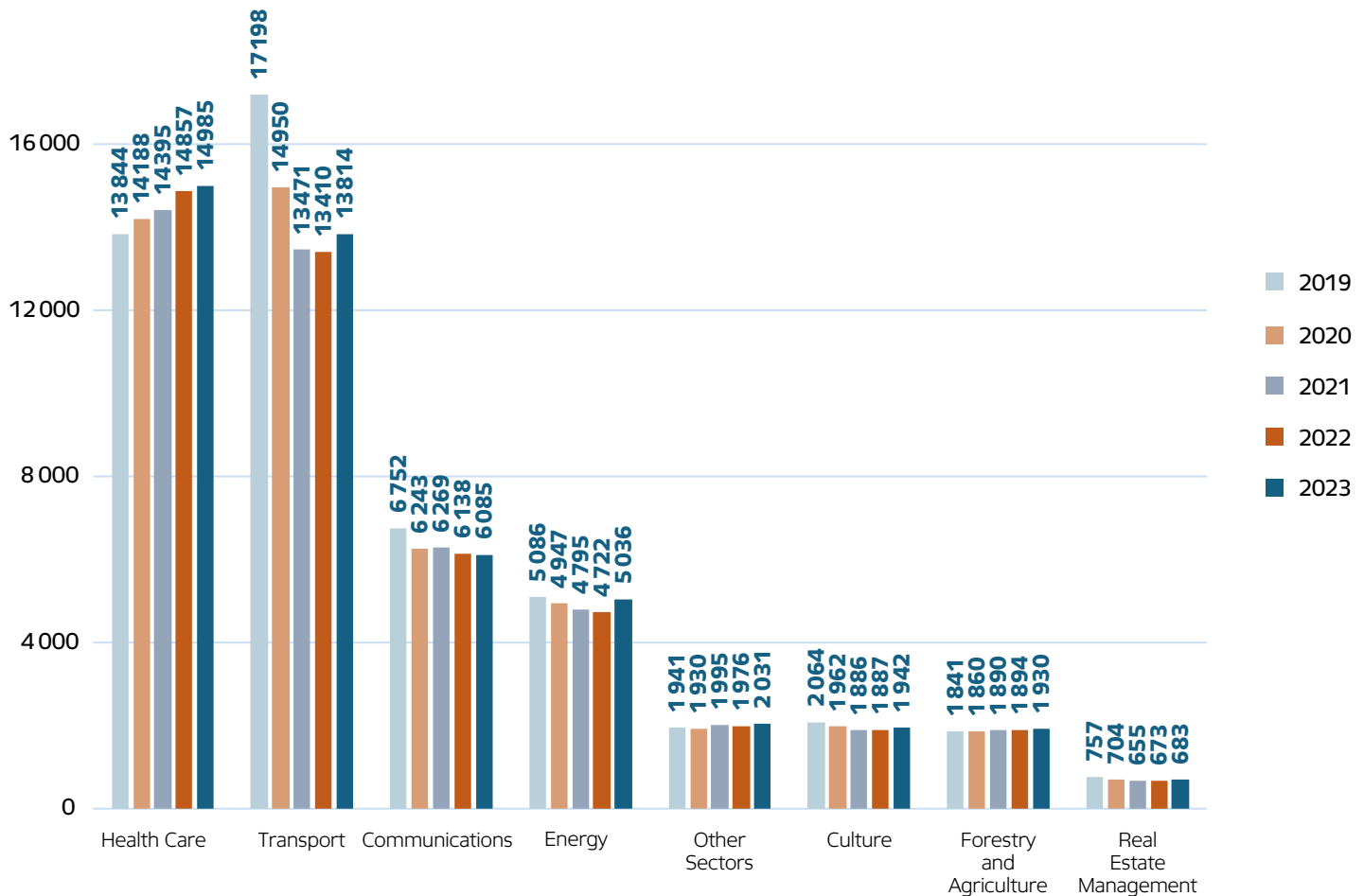


Figure 18. Average number of employees in public corporations by sector annually from 2019 to 2023

The most significant reduction of the personnel in 2023, like in 2020, 2021 and 2022, was in SJSC Latvijas dzelzceļš – by -263 or -4.1% (in 2022 -669 or -9.4%; in 2021 -1 388 or -16.3%; in 2020 -1 616 or -15.9%), bringing the total number of employees down to 6 219. Another SOE which faced a reduction by more than 100 employees was SJSC Latvijas Pasts (by -233 employees or -8.1% in 2023, by -382 employees or -10.4% in 2022, by

-143 employees or -4.3% in 2021). In turn, increase in the number of employees exceeding 100 in 2023 was for JSC Air Baltic Corporation (consolidated) (+680 employees or +36.7%), JSC Latvenergo (Group) (+302 employees or +9.6%), LLC Latvijas Mobilais Telefons (+151 employees or +13.5%) and SJSC Starptautiskā lidosta "Rīga" (+106 employees or +8.0%).

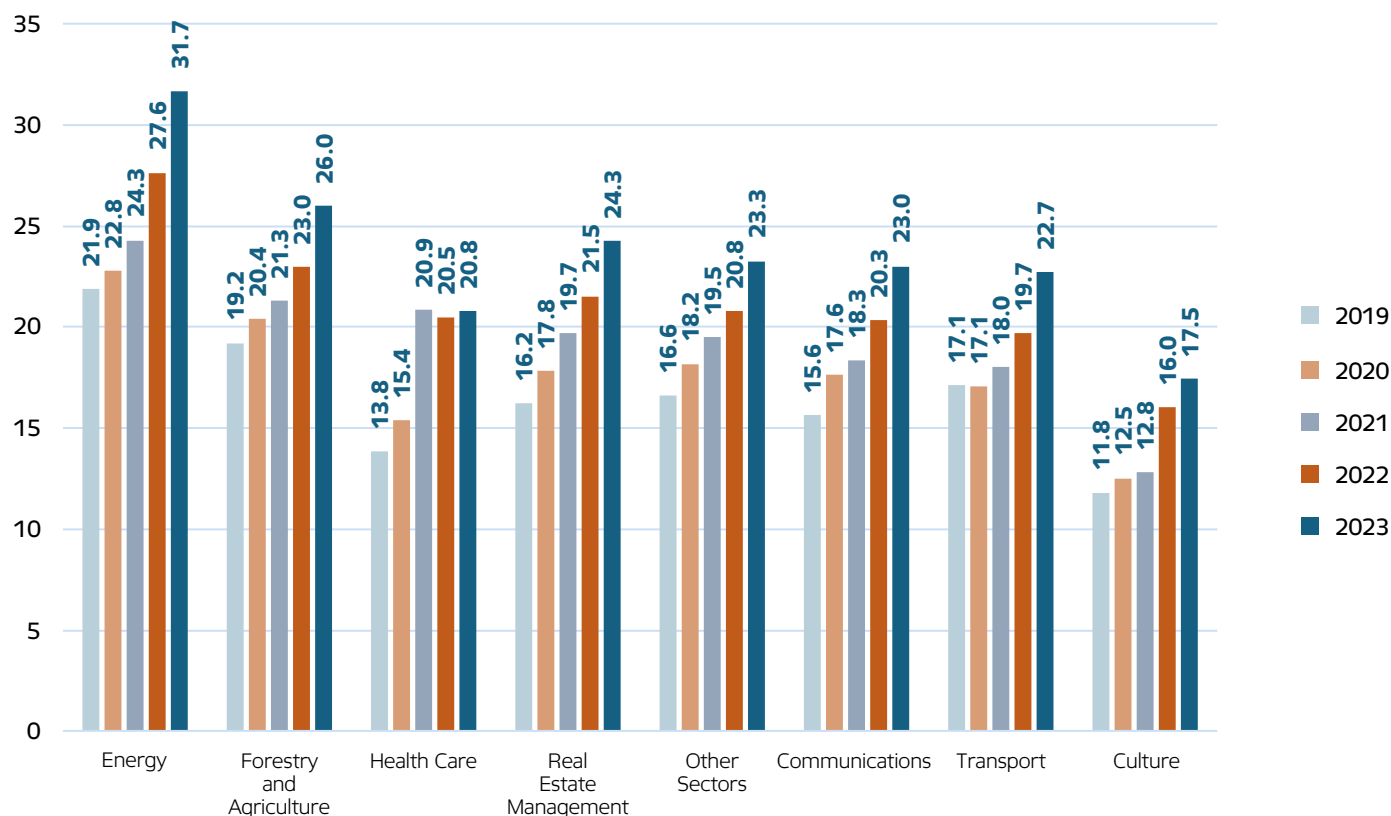


Figure 19. Average annual gross remuneration per employee from 2019 to 2023, thousand EUR

Information on remuneration levels in SOEs has been compiled, and the analysis of information can be used to identify general trends. Remuneration policies are set in each SOE according to internally approved principles, depending on the nature of the SOE's business, the labour market situation and the resources available. Different principles may be laid down for the variable component of remuneration or for the granting and payment of other fringe benefits. The choice of a business model also influences remuneration policy. Thus, SOEs with a higher proportion of outsourcing will often have higher remuneration levels, and the proportion of non-financial objectives and the SOE's income generation model also play an important role. In general, remuneration levels have increased in all sectors, compared to 2022. The highest absolute increase in 2023 is in the energy sector by + EUR 4.0 thousand or +14.6% annually (+3.3 thousand or +13.7% in 2022), reaching an average remuneration of EUR 31.7 thousand annually, which is the best among the sectors. The highest percentage increase

was in the transport sector by +15.5% or EUR +3.0 thousand, reaching an average remuneration of EUR 22.7 thousand per year.

The average remuneration in SOEs in 2023 is EUR 23.1 thousand, which is EUR +2.2 thousand per year or +10.3% more than in 2022, when the average remuneration was EUR 20.9 thousand. The highest average remuneration per individual SOE was EUR 49.6 thousand (SJSC Elektroniskie sakari) and the lowest - EUR 12.7 thousand (SJSC Latvijas pasta).³¹

Excluding some SOEs with fewer than 10 employees, 7 SOEs experienced a decrease in average wages in 2023, including one with an average decrease of more than 10%. In 60 SOEs, remuneration increased, in 31 of them up to 10%, in 20 up to 20% and in 9 above 20%. The largest percentage increases were in SLLC Meliorprojekts (+45.1%, average remuneration - EUR 14.7 thousand per year), SLLC Rīgas Cirks (+36.8%, average remuneration - EUR 13.2 thousand per year), SLLC Vides Investīciju fonds (+35.0%, average remuneration - EUR 23.6 thousand per year).

31 From SOEs with at least 10 employees.

Dividends

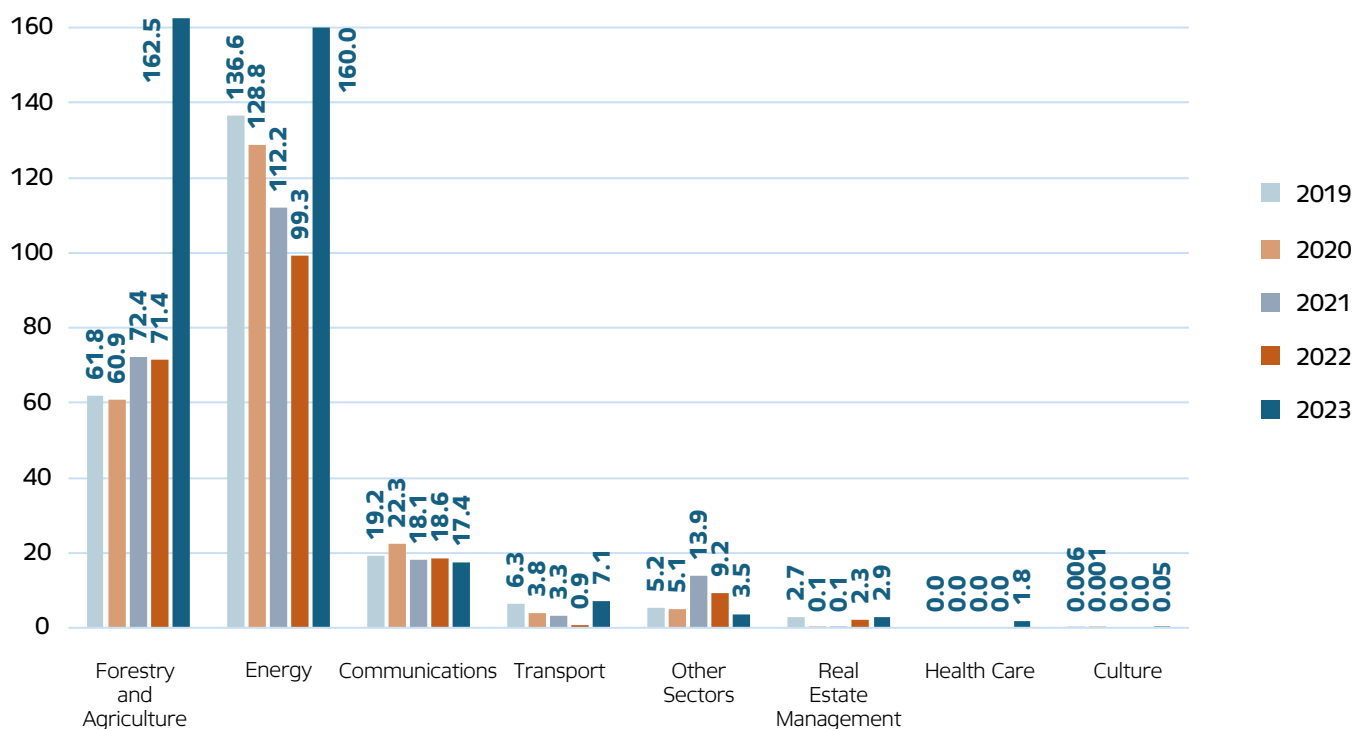


Figure 20. Dividends paid to the State for the previous year in SOEs by sector from 2019 to 2023, million EUR

In total, the State received EUR 355.2³² million in dividends in 2023, an increase of EUR 355.2 million or +153.5% compared to 2022. In 2022, EUR 220.9 million were paid in dividends, in 2021 – EUR 220.0 million, in 2020 – EUR 220.9 million, in 2019 – EUR 231.8 million. Assessing the dividend payment to the State as a whole in 2023, the forestry sector is the leader with 45.8% in 2023 (35.4% in 2022; 32.9% in 2021; 27.6% in 2020; 26.6% in 2019), ahead of the energy sector, traditionally the largest dividend payer, with 45.0% in 2023 (49.2% in 2022; 51.0% in 2021; 58.3% in 2020; 58.9% in 2019) and the communications sector with 4.9% (9.2% in 2022; 8.2% in 2021; 10.1% in 2020; 8.3% in 2019) of all dividends paid by SOEs. The contribution of other SOEs to dividend payments is significantly lower, amounting to 4.3% of total dividends paid in 2023. This is mainly due to dividends paid by SJSC Ceļu satiksmes drošības direkcija (EUR 6.6 million), SJSC Latvijas Loto (EUR 3.5 million) and SJSC Valsts nekustamie īpašumi (EUR 2.8 million).

Given that both the energy, forestry, agriculture and communications sectors of SOEs have continued to perform well in 2023 in terms of earnings and

economic performance, dividends have been paid at or above the planned level. Paragraph 3 of the Cabinet of Ministers Regulation No.72 “Procedure for Forecasting, Determining and Making Payments for the Use of State Capital”³³ (hereinafter - Cabinet Regulation No.72) adopted on 25 January 2022 determined the amounts of dividend payments and the procedure for determining the minimum share of profit to be paid out in dividends: 3.1. for SOEs, public-private capital companies and capital companies controlled by a public person, in which the State is a shareholder, - 64% of the annual profit of the capital company, unless otherwise specified in accordance with Chapter II of these Regulations in the capital company’s medium-term operational strategy (hereinafter referred to as the strategy); 3.2. to dependent capital companies and subsidiaries of SOEs, subsidiaries of publicly controlled capital companies and public-private capital companies in which the State is a participant (shareholder) - not less than 50% of the annual profit of the capital company, unless otherwise specified in accordance with Chapter II of these Regulations in the strategy of the capital company.

32 The calculations of dividends paid to the state include only those dividends paid into the state budget.

33 Replaces Cabinet Regulation No 806 of 30 December 2015 “Procedures for Forecasting and Determining the Share of Profit to Be Paid out in Dividends and Payments to the State Budget for the Use of State Capital by State Owned and Public Private Companies in which the State is a Participant (Shareholder)”, source: <https://likumi.lv/ta/id/278921-kartiba-kada-valsts-kapitalsabiedribas-un-publiski-privatas-kapitalsabiedribas-kuras-valsts-ir-dalibnieks-akcionars-prognoze-un...>

Pursuant to Clause 6 of Cabinet of Ministers Regulation No. 72 the Cabinet of Ministers, upon a reasoned proposal by the holder of state-owned capital shares, may, by order of the Cabinet of Ministers, allow the determination of a different forecasted share of profit to be paid out and received in dividends in the strategy (as a percentage of the forecasted profit for the reporting year) than that specified in Clause 3 of these Regulations or in other legal acts.

In turn, the law On the State Budget for 2023 and the Budget Framework for 2023 for 2024 and 2025 (hereinafter – the Budget Law) Sections 23, 24, 25, 26 and 27 established conditions for the payment of dividends for five SOEs — JSC Latvenergo (hereinafter — LE), JSC Latvijas valsts meži (hereinafter — LVM), JSC Augstsprieguma tīkls (hereinafter — AST) and SJSC Latvijas Loto (hereinafter — LL), as well as SJSC Latvijas Valsts radio un televīzijas centrs (hereinafter — LVRTC).

Section 23 of the Budget Law determined that LE shall pay in the state principal budget revenues the dividend payment in 2023 (for the 2022 reporting year) in the amount of 64 % of the profit of the reporting year, but not less than EUR 129.5 million, by calculating and paying corporate income tax in accordance with the procedures specified in the laws and regulations regulating corporate income tax. EUR 152.5 million were paid. Section 26 of the 2022 Budget Law On the State Budget for 2022 determined that LE shall pay out a dividend payment in the state principal budget revenues in 2022 (for the 2021 reporting year) in the amount of 64 percent of the profit of the reporting year, but not less than EUR 70.2 million, by calculating and paying corporate income tax in accordance with the procedures specified in the laws and regulations regulating enterprise income tax. EUR 70.2 million were paid.

In 2021, Section 33 of the Budget Law On the State Budget for 2021 determined that LE should disburse no less than EUR 98.2 million (including corporate income tax on dividend payment). EUR 98.2 million was paid out, which includes only the amount for the use of state capital (CIT was not paid in 2021, only refunded or redirected in the amount of EUR 139.8 thousand³⁴, CIT calculated in 2021 — EUR 3.3 million³⁵).

Section 33 of the 2020 Law On the State Budget for 2020 determined that LE should pay out no less than EUR 127.1 million (including EUR 101.7 million payment for the use of state capital and EUR 25.4 million corporate income tax) and EUR 127.1 million were paid, which includes only the amount for the use of state capital (CIT was neither paid nor refunded in 2020³⁴, CIT calculated in 2020 — EUR 6.2 million³⁶). In 2019, the Law On the State Budget for 2019 determined that LE should pay EUR 132.9 million (including EUR 106.3 million in payment for the use of state capital and EUR 26.6 million in corporate income tax) and EUR 132.9 million were paid out, which includes only the amount for the use of state capital (CIT was paid in 2019 in the amount of only EUR 488.54, but EUR 10.0 million were refunded³⁴).

Section 24 of the Budget Law determined that LVM shall pay in the state basic budget revenues the dividend payment in 2023 (for the 2022 reporting year) in the amount of 64 percent of the profit of the reporting year, but not less than EUR 162.5 million, by calculating and paying corporate income tax in accordance with the procedures specified in the laws and regulations regulating corporate income tax. EUR 162.5 million were paid. Section 27 of the 2022 Budget Law On the State Budget for 2022 determined that LVM shall pay out a dividend payment in the state basic budget revenues in 2022 (for the 2021 reporting year) in the amount of 64 percent of the profit of the reporting year, but not less than EUR 55.9 million, by calculating and paying corporate income tax in accordance with the procedures specified in the laws and regulations regulating enterprise income tax. EUR 71.4 million were paid. In 2021, Section 34 of the Budget Law On the State Budget for 2021 determined that LVM should pay out no less than EUR 90.5 million (including corporate income tax on dividend payments), EUR 72.4 million was paid out for the use of state capital and CIT was paid in the amount of EUR 18.5 million in 2021 and EUR 2.9 million was refunded³⁴, CIT was calculated at EUR 15.9 million³⁶. Section 34 of the Law On the State Budget for 2020 determined that LVM should pay no less than 76.1 million EUR (including EUR 60.9 million in payment for the use of state capital and EUR 15.2 million in corporate income tax), EUR 60.9 million was paid for the use of state capital and CIT was paid in the amount of 9.6 million EUR in 2020 and 421 EUR was refunded³⁴.

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

35 Consolidated Annual Report 2020 of SJSC Latvenergo Group and JSC Latvenergo, p. 12, source: <https://www.latvenergo.lv/lv/investoriem/parskati>.

36 Consolidated Annual Report 2021 of SJSC Latvenergo Group and JSC Latvenergo, p. 12, source: <https://www.latvenergo.lv/lv/investoriem/parskati>.

37 Consolidated Annual Report 2021 of JSC Latvijas valsts meži p. 41, source <https://www.lvm.lv/par-mums/skaitli-un-finanses/finanses/2021-g>.

CIT was calculated at EUR 13.8 million³⁷. In 2019, Section 46 of the Law On the State Budget for 2019 required LVM to pay EUR 77.2 million (including EUR 61.8 million in payment for the use of state capital and EUR 15.4 million in corporate income tax, EUR 61.8 million was paid for the use of state capital (the amount included in the dividend calculation) and EUR 15.4 million³⁸ in CIT was paid.

Section 25 of the Budget Law did not set any specific conditions for which dividend payments by AST would be paid in the state basic budget revenues in 2023. EUR 7.0 million were paid. Section 28 of the 2022 Budget Law On the State Budget for 2022 determined that AST shall pay out a dividend payment in the state basic budget revenues in 2022 (for the 2021 reporting year) in the amount of 50 percent of the profit of the reporting year, but not less than EUR 29.1 million, by calculating and paying corporate income tax in accordance with the procedures specified in the laws and regulations regulating enterprise income tax.

In 2021, Section 35 of the Budget Law On the State Budget for 2021 stipulated that AST should pay out no less than EUR 2.72 million (including corporate income tax on dividend payments), EUR 8.0 million was paid out, which includes only the amount for the use of state capital (CIT was not paid in 2021, only EUR 11.5 thousand was refunded or diverted³⁹). In 2021, CIT calculated – EUR 1.9 million⁴⁰. Section 36 of the Law On the State Budget for 2020 required AST to pay no less than EUR 1.74 million (including EUR 1.39 million in payment for the use of state capital and EUR 0.35 million in corporate income tax). EUR 1.39 million was paid for the use of state capital and EUR 2.7 million in CIT was paid, EUR 0.35 million in CIT was refunded⁴¹. Section 47 of the Law On the State Budget for 2019 determined that AST should pay EUR 3.6 million (including EUR 2.9 million in payment for the use of state capital and EUR 0.7 million in corporate income tax), EUR 2.9 million was paid for

the use of state capital (the amount included in the calculation of dividends) and CIT was calculated at EUR 0.7 million⁴².

Section 26 of the Budget Law determined that LL shall pay in the state basic budget revenues the dividend payment in 2023 (for the 2022 reporting year) in the amount of 64 percent of the profit of the reporting year, but not less than EUR 5.4 million, by calculating and paying corporate income tax in accordance with the procedures specified in the laws and regulations. In 2022, the dividends of EUR 8.5 million were calculated⁴³; EUR 3.5 million was paid out, taking into account early tax payments. Section 29 of the 2022 Budget Law On the State Budget for 2022 determined that LL shall pay out a dividend payment in the state basic budget revenues in 2022 (for the 2021 reporting year) in the amount of 64 percent of the profit of the reporting year, but not less than EUR 5.3 million, by calculating and paying corporate income tax in accordance with the procedures specified in the laws and regulations regulating enterprise income tax. EUR 9.2 million was paid out, which includes dividends paid (use of state capital) for 2021 in the amount of EUR 8.1 million and early tax payments, intended to cover the 2022 state capital use payment⁴⁴. In 2021, Section 36 of the Budget Law On the State Budget for 2021 determined that LL should disburse no less than EUR 5.4 million (including corporate income tax on dividend payment). In 2021, EUR 13.8 million was paid out, which includes dividends paid (use of state capital) for 2020 in the amount of EUR 7.6 million and early tax payments of EUR 6.2 million, intended to cover the 2021 state capital use payment⁴⁵, CIT was paid at EUR 1.89 million, EUR 1.5 thousand was refunded⁴⁶ and EUR 167 were calculated⁴⁷. Section 35 of the Law On the State Budget for 2020 stipulated that LL should pay no less than EUR 2.24 million (including EUR 1.79 million in payment for the use of state capital and EUR 0.45 million in corporate income tax). In 2020, EUR 4.98 million was

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

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

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

40 Consolidated report of JSC Augstsprieguma tīkls Group and Annual Report 2021 of JSC Augstsprieguma tīkls, p. 53, <https://ast.lv/lv/content/2021-gada-parskats>.

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

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

43 Consolidated Annual Report 2023 of SJSC Latvijas Loto, pp. 16, 17, source: <https://www.latloto.lv/lv/page/finansu-un-ilgtspejas-parskati-par-2023-gadu>.

44 In 2022, SJSC Latvijas Loto paid EUR 9 155 000 in dividends, which includes calculated and paid dividends (use of state capital) for 2021 of EUR 8 123 088 and early tax payments intended to cover the 2022 state capital use payment. Consolidated annual report of SJSC Latvijas Loto for 2022, pp. 17, 18, source: "Latvijas Loto"

45 Information provided by SJSC Latvijas Loto on November 23, 2022.

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

47 Consolidated annual report of SJSC Latvijas Loto for 2021, page 15, source: <https://www.latloto.lv/lv/page/finansu-parskati-2021>.

paid for the use of state capital and EUR 1.23 million was paid in CIT and was not refunded⁴⁸. Although the law On the State Budget for 2019 no longer specified the amount to be paid by LL, which was classified as other SOEs, LL also paid out a significant amount of dividends in 2019 – EUR 5.1 million, which accounted for 79.2% of 2018 profit. In turn, Section 44 of the Law On the State Budget for 2018 stipulated the payment of 80% of the profit of the relevant SOE, but not less than EUR 2.8 million.

Section 27 of the Budget Law determined that LVRTC shall pay in the state basic budget revenues the dividend payment in 2023 (for the 2022 reporting year) in the amount of 64 percent of the profit of the reporting year, but not less than EUR 4.1 million, by calculating and paying corporate income tax in accordance with the procedures specified in the laws and regulations regulating corporate income tax. EUR 4.1 million were paid. Section 30 of the 2022 Budget Law On the State Budget for 2022 determined that the LVRTC shall pay out a dividend payment from the state basic budget revenues in 2022 (for the 2021 reporting year) in the amount of 64 percent of the profit of the reporting year, but not less than EUR 2.2 million, by calculating and paying corporate income tax in accordance with the procedures specified in the regulatory enactments regulating corporate income tax. In addition, on December 6, 2022, the Cabinet of Ministers issued Order No. 867 “On a Different Share of Profit of the State Joint-Stock Company “Latvijas Valsts Radio un Televizijas Centrs” for 2021 to be paid in dividends”, stipulating that dividends will be paid in the amount of 72.1% and EUR 3.3 million were paid in dividends. In 2021, EUR 1.55 million was paid out. No dividends were paid in 2020.

The percentage of dividends paid by these five SOEs in 2023 from the profit of 2022, as determined by the Budget Law, amounted to 83.0% LE (in 2022 – 98.0%, in 2021 – 84.5%, in 2020 – 134.7%), 67.1% LVM (in 2022 – 64.0%, in 2021 – 116.0%, in 2020 – 67.0%), 43.5% AST (in 2022 – 288.6⁴⁹ %, 12.2% in 2021, in 2020 – 52.9%), 26.2% LL (in 2022 72.0%, in 2021 – 123.5%, including early tax payments of EUR 6.2 million, if excluding them, it would be 68.1%; in 2020 – 84.4%), 72.9% LVRTC (in 2022 – 72.1%, in 2021 – 56.1%).

The leading position of the forestry sector in dividend payment is largely due to the fact that the main production asset is forest land, for which depreciation is not calculated, as well as state-owned forests transferred for management. Consequently, fewer funds are accumulated for the renewal of fixed assets and the profit to EBITDA ratio is comparatively the highest among the sectors.

In the communications sector, both LCC Tet (hereinafter – Tet) and LCC Latvijas Mobilais Telefons (hereinafter – LMT) continue to operate successfully in 2023, Tet paying the state EUR 12.3 million in dividends in 2023 (in 2022 – EUR 13.7 million, in 2021 – EUR 15.2 million in 2020 – EUR 20.7 million, in 2019 – EUR 16.4 million), while LMT EUR 1.0⁵⁰ million (in 2022 – EUR 1.6 million, in 2021 – EUR 1.33 million, in 2020 – EUR 1.45 million, in 2019 – EUR 1.12 million).

Another 18 SOEs have paid dividends in 2023 for a total amount of EUR 2.93 million.

The percentage of dividends paid to the state from the total profit of all SOEs in the previous year was 72.2%. In 2022 – 123.7%, in 2021 – 1035.7%, in 2020 – 69.3%, in 2019 – 71.6%, in 2018 – 45.7%, in 2017 – 72.2%, in 2016 – 92.9%, while in 2015 dividends were paid in the amount of EUR 124.9 million, although in 2014 all SOEs incurred losses in total of EUR 22.2 million.

The total dividend payment ratio, in turn, i.e. also dividends paid to other owners, in total in all SOEs from the previous year's profit in 2023 amounted to 79.0%. In 2022, it was 151.6%, in 2021 – 1 387.9%, in 2020 – 84.9%, in 2019 – 87.7% in 2018 – 57.7%, in 2017 – 92.0%, in 2016 – 112.6%, while in 2015 dividends were paid in the amount of EUR 158.2 million, although in 2014 all SOEs incurred losses in total of EUR 22.2 million.

In turn, excluding from the calculations SOEs that did not operate with profit in the previous year and had negative equity or equity less than share capital, the dividend payment ratio from 2014 to 2021 is respectively – 90.4% of the profit in 2015, 84.0 % in 2016, 72.2 % in 2017, 51.2 % in 2018, 83.1 % in 2019, 77.5 % in 2020 and 83.0 % in 2021, 78.7 % in 2022, and 69.8% in 2023.

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

49 From AST's consolidated profit. They account for 53.1% of the profits of AST's parent company.

50 The sectoral calculation includes only the portion of dividends paid directly to the state from the SOE's profits.

Contributions to the State budget by SOEs

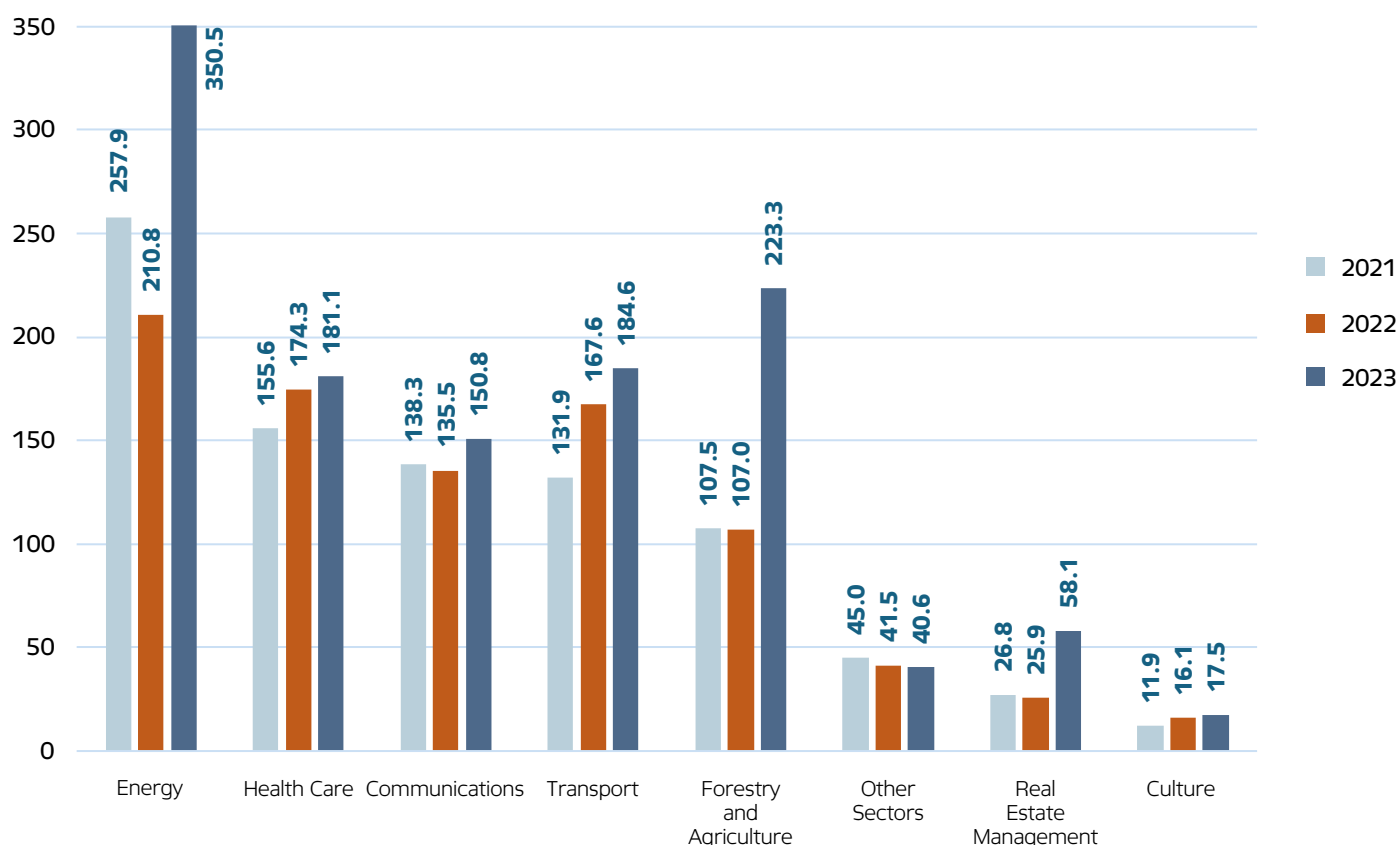


Figure 21. SOEs' contributions to the budget by sector from 2021 to 2023, million EUR

Contributions to state and local government budgets consist of taxes, fees, and dividends. In total, SOEs have made contributions of EUR 1.21 billion, which is EUR +327.7 million or +37.3% more than in 2022. The largest contributors in 2023, as well as from 2016 to 2022, are SOEs in the energy sector (in 2023 EUR 350.5 million or 29.1% of the total contributions made to the state budget, in 2022 it was EUR 210.8 million or 24.0%, in 2021 it was EUR 257.9 million or 29.5%, in 2020 it was EUR 265.6 million or 31.3%). In 2023 the second largest contributor to the state budget from SOEs is the forestry and agriculture sector (in 2023 it was EUR 223.3 million or 18.5% of the total contributions made to the state budget, in 2022 it was EUR 107.0 million or 12.2%, in 2021 it was EUR 107.5 million or 12.3%, in 2020 it was EUR 85.2 million or 10.0%).

In 2023, the transport sector ranked in the third place with EUR 184.6 million or 15.3% of total contributions to the state budget (in 2022 EUR 167.6 million or 19.1%, in 2021 there were EUR 131.9 million or 15.1% of the total contributions made to the state

budget, in 2020 was EUR 144.4 million or 17.0%), which in 2022 no longer continued to suffer from the impact of the Covid-19 pandemic as in 2021 and 2020, when the impact on turnover was estimated at EUR -489.0 million and EUR -135.6 million, respectively⁵¹.

SOEs of the energy sector also had the largest increase in contributions to the state budget — an increase of EUR +139.7 million or +66.2%. There was also a relatively large increase in contributions to the budget made by SOEs in the forestry and agricultural sectors, by EUR +116.3 million or +108.7% in 2023, respectively. The three largest contributors paid a total of 47.8% in 2023 (36.5% in 2022, 41.3% in 2021, 44.5% in 2020) of the total contributions made by SOEs to the budget and these were JSC Latvenergo (group data), JSC Latvijas valsts meži (consolidated data) and SJSC Latvijas dzelzceļš (consolidated data), respectively contributing EUR 289.4 million or 24.0% of the total contributions made by SOEs to the budget (in 2022 — EUR 156.0 million or 17.6%, in 2021 — EUR 197.1 million or 22.5%, in 2020 — EUR 226.4 million or 26.6%), EUR 218.2 million or

51 According to the information provided by SOEs on the impact of the Covid-19 pandemic - own assessment, not all SOEs have provided information, the impact of Covid-19 has already been taken into account in the operational plans for 2021.

18.1% (in 2022 — EUR 101.6 million or 11.6%, in 2021 — EUR 103.0 million or 11.8%, in 2020 — EUR 80.1 million or 9.4%) and EUR 68.5 million or

5.7% (in 2022 — EUR 64.9 million or 7.4%, in 2021 — EUR 63.9 million or 7.3%, in 2020 — EUR 61.9 million or 7.3%).

Budget funding received by SOEs

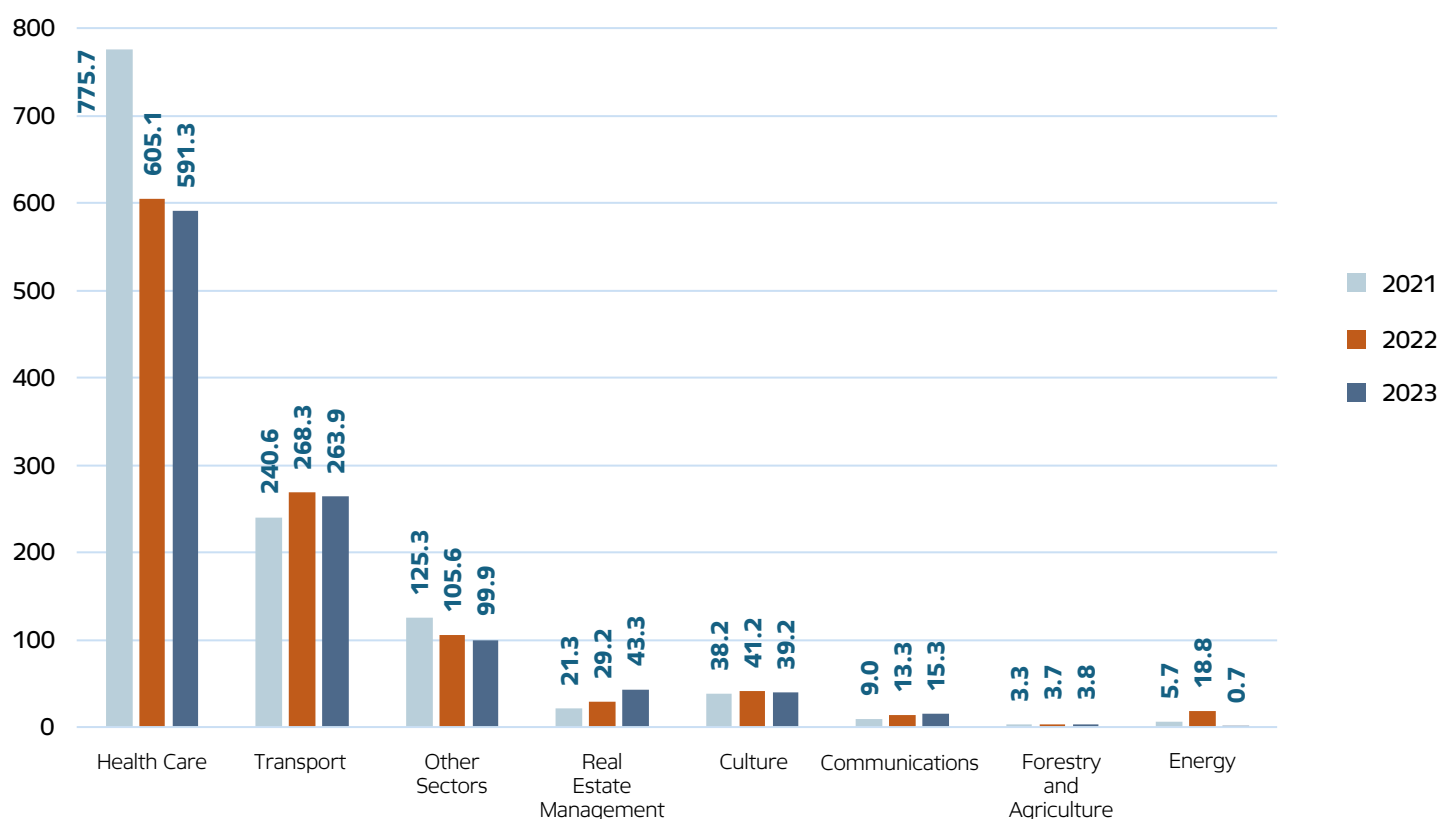


Figure 22. Funding received by SOEs from the state budget by sector from 2021 to 2023, million EUR

The funding received from the state budget includes various types of revenue — both compensation mechanisms such as the earmarked grant paid to JSC Latvenergo for fixing the mandatory procurement component, and fees for services purchased by the state, for example, healthcare services and maintenance of the material base for hospitals or grants for the production of performances and concerts for theatres, orchestras and other types of cultural SOEs — and also other financial resources such as loans and financing to ensure the financial stability of SOEs during the Covid-19 pandemic, for example, by increasing the share capital.

Compared to 2022, state budget funding in 2023 decreased by EUR -27.6 million or -2.5%, reaching a total funding received from the state budget of EUR 1.06 billion (in 2022 it was EUR 1.09 billion, in 2021 it was EUR 1.22 billion).

In 2023, despite a decrease in funding received from the state budget of EUR -13.8 million or -2.3%, the

largest recipient of funding was the health sector with EUR 591.3 million of funding received (in 2022 — EUR 605.1 million). Among SOEs in this sector, the major recipients of state funding in 2023 are SLLC Rīgas Austrumu klīniskās universitātes slimnīca (total funding received in 2023 EUR 216.4 million, decrease of EUR -19.9 million or -8.4%, in 2022 EUR 236.3 million, a decrease of EUR -76.9 million or -24.5%, in 2021 EUR 313.2 million, an increase of EUR +153.8 million or +96.5%), SLLC Paula Stradiņa klīniskā universitātes slimnīca (total funding received in EUR 2023 168.6 million, decrease EUR -3.3 million or -1.9%, in 2022 EUR 171.8 million, a decrease of EUR -70.6 million or -29.1%, in 2021 EUR 242.5 million, increase EUR +107.6 million or +79.7%) and SLLC Bērnu klīniskā universitātes slimnīca (total funding received in 2023 EUR 74.0 million, increase EUR +0.1 million or +0.1%, in 2022 EUR 73.0 million, a decrease of EUR -13.2 million or -15.3%, in 2021 EUR 86.2 million, an increase of EUR +22.4 million or +35.1 %).

The second largest recipients of state budget funding were SOEs in the transport sector. They received a total of EUR 263.9 million from the state budget, which was EUR -4.4 million or -1.6% less than in 2022. Significant budget funding for the transport sector was allocated as fees for public services, for example, under the delegation agreement and the open tender of SLLC Latvijas valsts ceļi for the daily maintenance of state roads (in 2023 — EUR 55.1 million, in 2022 — EUR 62.3 million, in 2021 — EUR 68.0 million, in 2020 — EUR 67.0 million, in 2019 — EUR 62.6 million), in accordance with the delegation agreement on the administration of the financing of the state road network, accounting organisation and organisation of procurement for state needs (in 2023 — EUR 19.1 million, in 2022 — EUR 19.5 million, in 2021 — EUR 19.3 million, in 2020 — EUR 18.0 million, in 2019 — EUR 15.3 million), fee for project *RB Rail* management services and real estate management and administration (in 2023 — EUR 6.4 million, in 2022 — EUR 3.9 million, in 2021 — EUR 3.1 million, in 2020 — EUR 2.6 million, in 2019 — EUR 2.8 million), funding for the organization of public transport services and the maintenance of a unified public transport ticket system (in 2023 — EUR 1.0 million, in 2022 — EUR 905 thousand, including to cover expenses during the emergency situation, in 2021 — EUR 840 thousand, in 2020 — EUR 855 thousand, in 2019 — EUR 839 thousand). Compensation and grants have been paid — compensation for losses incurred while fulfilling the public transport service contract in the railway sector (in 2023 — EUR 24.9 million, in 2022 — EUR 19.0 million, in 2021 — EUR 20.4 million, in 2020 — EUR 18.2 million), compensation for the toll of public railway infrastructure use (in 2023 — EUR 9.6 million, in 2022 — EUR 8.4 million, in 2021 — EUR 7.8 million, in 2020 — EUR 7.5 million, in 2019 — EUR 21.9 million, in 2018 — EUR 38.0 million), compensation for the transportation of railway passengers, for whom fare deductions have been established (in 2023 — EUR 4.2 million, in 2022 — EUR 3.7 million, in 2021 — EUR 2.0 million, in 2020 — EUR 2.1 million, in 2019 — EUR 2.7 million, in 2018 — EUR 2.1 million), grant for the new electric

train project (in 2023 — EUR 118.9 million, in 2022 — EUR 0.76 million), grant for the maintenance of public railway infrastructure (in 2023 — EUR 35.6 million, in 2022 — EUR 30.1 million) and a grant to ensure the financial balance of the public railway infrastructure manager (in 2023 — EUR 32.4 million, to be received in 2024, in 2022 — EUR 24.4 million, to be received in 2023, in 2021 — EUR 30.7 million, in 2020 — EUR 22.5 million, in 2019 — EUR 13.6 million).

The third largest recipients of state budget funding are SOEs in other sectors, receiving EUR 99.9 million, which is EUR -5.6 million or -5.3% less than in 2022. A large part of the state funding received by SOEs in other sectors is related to the funding allocated to ALTUM in 2023 in the amount of EUR 37.6 million (in 2022 — EUR 50.7 million, in 2021 — EUR 71.1 million, in 2020 — EUR 171.3 million, in 2019 — EUR 68.1 million) as a compensation for state aid program management expenses, for venture capital fund management commissions and return on capital, for the increase in reserve capital for the implementation of the Housing Guarantee Programme (until 2022 inclusive) and for the implementation of the study and student portfolio guarantee programs (until 2022 inclusive), for the Treasury loans for the implementation of support programs and risk coverage, grants to public media (both LTV and LR in 2023 — EUR 41.7 million, in 2022 — EUR 37.7 million, in 2021 — EUR 34.9 million, in 2020 — EUR 28.2 million) and delegation of various state administration tasks to SLLC Latvijas Vides, ģeoloģijas un meteoroloģijas centrs, for example, regular preparation of climate (climatic parameters) information, maintenance and transmission, monitoring of atmospheric air quality and its impact (in 2023 — EUR 10.2 million, in 2022 — EUR 7.1 million, in 2021 — EUR 9.2 million, in 2020 — EUR 6.5 million).

As each year, funding was allocated to SOEs of the cultural sector (in 2023 — EUR 39.2 million, in 2022 — EUR 41.2 million, in 2021 — EUR 38.2 million, in 2020 — EUR 37.2 million, in 2019 — EUR 29.1 million), including state and local government budget funding of SLLC Latvijas Nacionālā Opera un balets

(in 2023 — EUR 12.2 million, in 2022 — EUR 11.8 million, in 2021 — EUR 11.4 million, in 2020 — EUR 9.8 million and in 2019 — EUR 9.9 million) for the delegation of certain state administration tasks in the field of culture.

Grants were also allocated for the restoration, reconstruction, renovation and construction works of buildings supervised by SJSC Valsts nekustamie īpašumi in the amount of EUR 36.7 million

(in 2022 — EUR 20.8 million, in 2021 — EUR 16.0 million, in 2020 — EUR 25.3 million) compensation paid for press and correspondence delivery expenses in the amount of EUR 10.7 million (in 2022 — EUR 7.9 million, in 2021 — EUR 6.8 million, in 2020 — EUR 6.7 million) and covered expenses of EUR 2.3 million (in 2022 — EUR 2.2 million, in 2021 — EUR 1.9 million) in accordance with the official publication of delegation agreements and the provision of legal information.

Donations made by SOEs

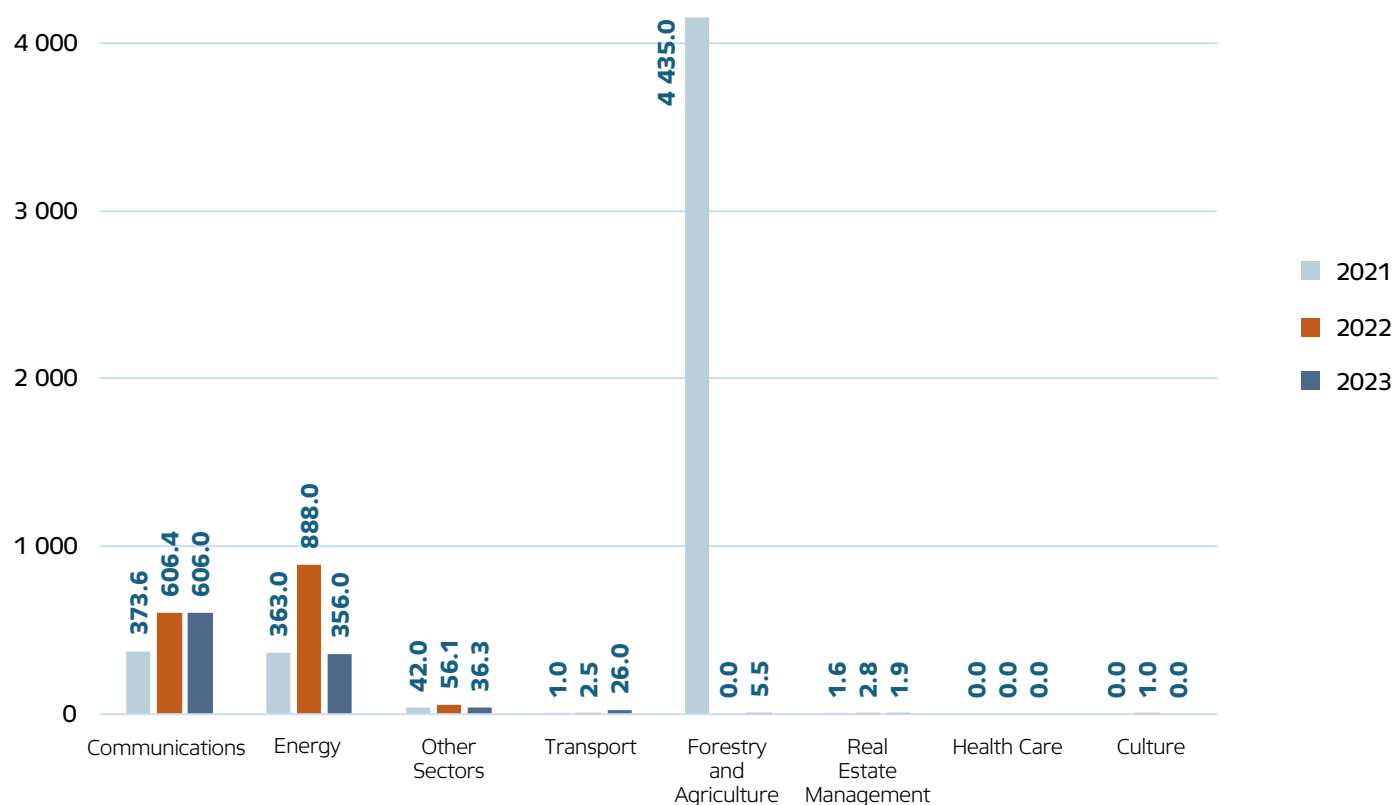


Figure 23. Donations by SOEs by sector from 2021 to 2023, thousand EUR⁵²

In 2023, SOEs donated a total of EUR 1.03 million, which is EUR -0.53 million less than in 2022, when the total amount of donations made by SOEs reached EUR 1.56 million (EUR 5.22 million in 2021). In 2023, the most active donors were SOEs in the communications sector with EUR 606.0 thousand

and SOEs in the energy sector with EUR 356.0 thousand in total donations. In the communications sector, donations often also serve as a marketing tool. Active donors in 2023 include LLC Latvijas Mobilais Telefons, JSC Latvenergo and LLC Tet.

52 Adjusted on the basis of data provided by SOEs rather than data on donations provided by the State Revenue Service of the Republic of Latvia, as it is not possible in all cases to assess the specific donor by their registration number in the reports provided by the associations. The data are also consolidated for subsidiaries

Donations received by SOEs

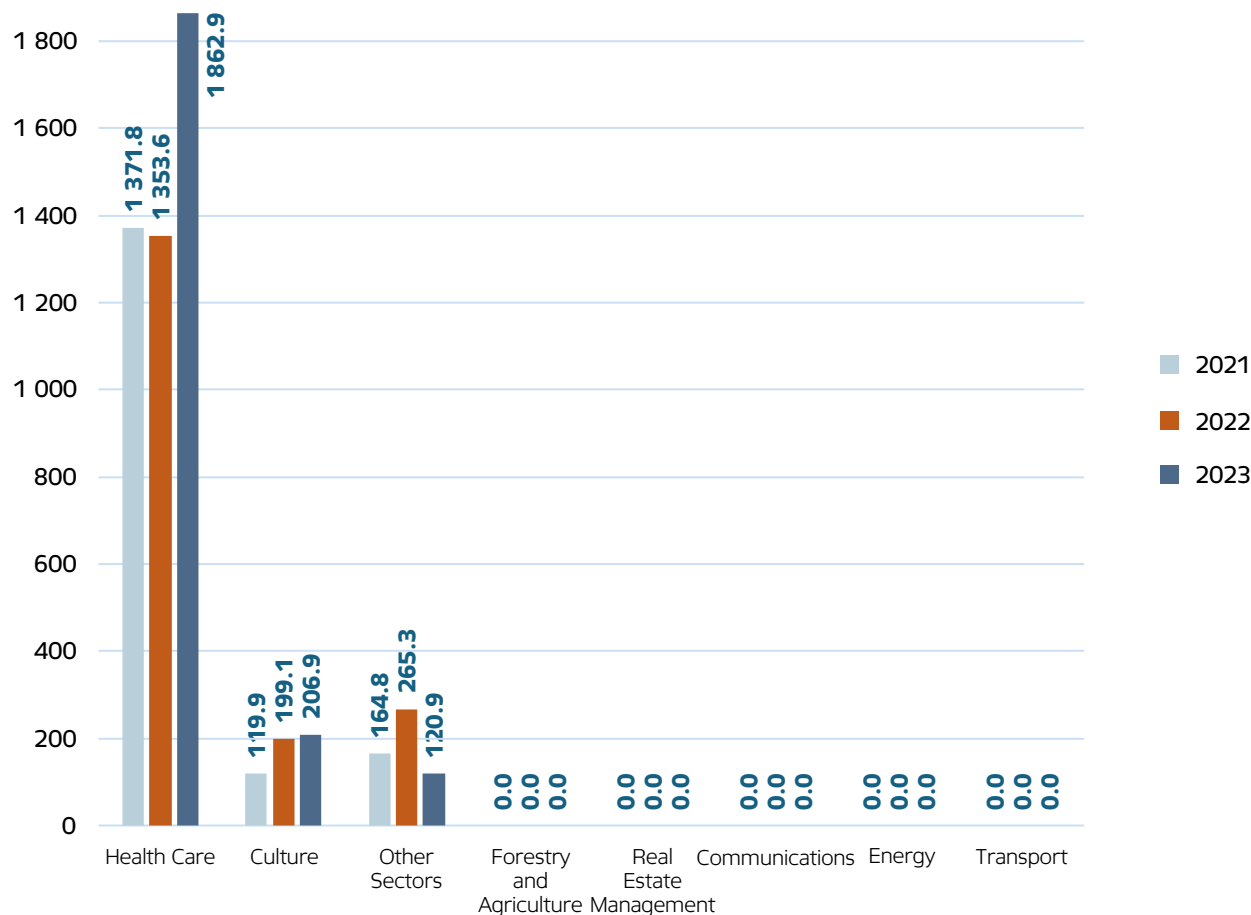


Figure 24. Donations received by SOEs by sector from 2021 to 2023, thousand EUR

In 2023, SOEs received donations totalling EUR 2.19 million, i.e. an increase of EUR +372.7 thousand or +20.5% compared to 2022, when SOEs received donations of EUR 1.82 million. In 2021, a total of EUR 1.66 million donations were received and in 2020, a total of EUR 1.80 million donations were received. In 2023, as every year, the leading recipients of donations are SOEs in the health sector with EUR 1.86 million (in 2021 - EUR 1.37 million, in 2020 - EUR 1.329 million).

In 2023, SOEs in the cultural sector also received donations (EUR 206.9 thousand in 2023, EUR 199.1 thousand in 2022, EUR 119.9 thousand in 2021), as well as SOEs in other sectors (EUR 120.9 thousand in 2023, EUR 265.3 thousand in 2022, EUR 164.8 thousand in 2021). The main recipient of donations in 2023, as in many previous years, was SLLC Bērnū klīniskā universitātes slimnīca (in 2023 — EUR 1.79 million, in 2022 — EUR 1.30 million, in 2021 — EUR

0.91 million). In the health sector, donations have largely been aimed at improving the quality of health services. e.g. to improve the technical facilities of the hospital for patients, for example, to improve the quality of health services, etc. to improve and develop the environment (infrastructure), and there have also been material donations, e.g. blood pressure measuring equipment, cradles, woollen socks and pampers. In the cultural sector, donations have mostly been for performances, including new productions or concerts, and there have also been material donations, for example, in the form of equipment to support performances, musical instruments, lighting, video and audio equipment, stage curtain. The largest donations were received by SLLC Latvijas televīzija (EUR 120.9 thousand in 2023, EUR 265.3 thousand in 2022, EUR 164.8 thousand in 2021) and SLLC Dailes teātris (EUR 60.0 thousand in 2023, EUR 5.0 thousand in 2022, no donations received in 2021).

4.2. Return of SOEs

For a large number of SOEs, the main objective is to pursue non-financial objectives. The main task of these companies is to perform the functions that are important for society.

In the areas of education (one SOE), healthcare (14 SOEs, including the LLC Health Centre "Bīķernieki") and culture (14 SOEs), which represent 29 SOEs or about half of the SOEs with a decisive influence of the State, the main objectives are non-financial. The return of these SOEs is, of course, also measurable in financial terms, but it is their high quality contribution to the sector's objectives in provision of the public good.

In this context, the financial data presented in an aggregate form are not directly comparable with private equity companies, for which financial objectives and targets are usually the most important, as the costs of the non-financial objectives of SOEs have to be taken into account and may be defined in different ways - with or without public funding, with or without an embedded rate of return.

In order to operate efficiently, the financial objective of a non-commercial SOE is normally to operate without loss or with a small profit, ensuring financial stability. Analysing the data for the last nine years, we can observe improvements in the return of the SOEs and various types of significant effects on the overall results. The impact of the financial crisis was still felt in 2014. During the crisis, a number of illiquid assets from Parex banka were transferred to the State, managed by the distressed asset management company Reverta, and later by the unrealised limited liability company Hiponia, which managed the distressed assets of the restructured Mortgage Bank.

The realisation of these assets represented a significant loss for the SOEs operating in this sector.

In 2017, the number of SOEs with illiquid assets had decreased significantly. Further improvement was due to the impact of the corporate tax reform and a slight improvement was due to the one-off state compensation of EUR 454.4 million to JSC Latvenergo for refusing to receive 75% of the annual electricity capacity payments for cogeneration plants in the energy sector, and overall profitability indicators had improved, amounting to 15% per annum.

In 2018, the impact of the compensation was no longer present and the impact of the corporate tax reform was less significant, resulting in a decline in profitability to 8.6%. In 2019, profitability slightly deteriorated compared to 2018, reaching 8.1%, while total turnover continued to increase to EUR 3.95 billion.

Some impact of the financial crisis and the problems of some sectors, such as the healthcare sector throughout 2014 to 2019 and the negative profitability of the real estate sector between 2014 and 2017, are also reflected in the financial results, when the overall profitability of SOEs was negative in 2014, but in the period from 2014 to 2019, the impact of these problematic SOEs was significantly offset by the energy, forestry and communications sectors, with profitability reaching 5.0% in 2015, 6.3% in 2016, 15.0% in 2017, 8.6% in 2018 and 8.1% in 2019, respectively. In addition, it can be observed that total turnover decreased by 2.1% in 2015 and 1.9% in 2016, but has experienced a sharper upturn from 2017 onwards, reaching an increase of 4.3% in 2017 and returning to the 2014 levels.

In 2018 and 2019, turnover continued to increase by 11.1 % and 4.8 % respectively.

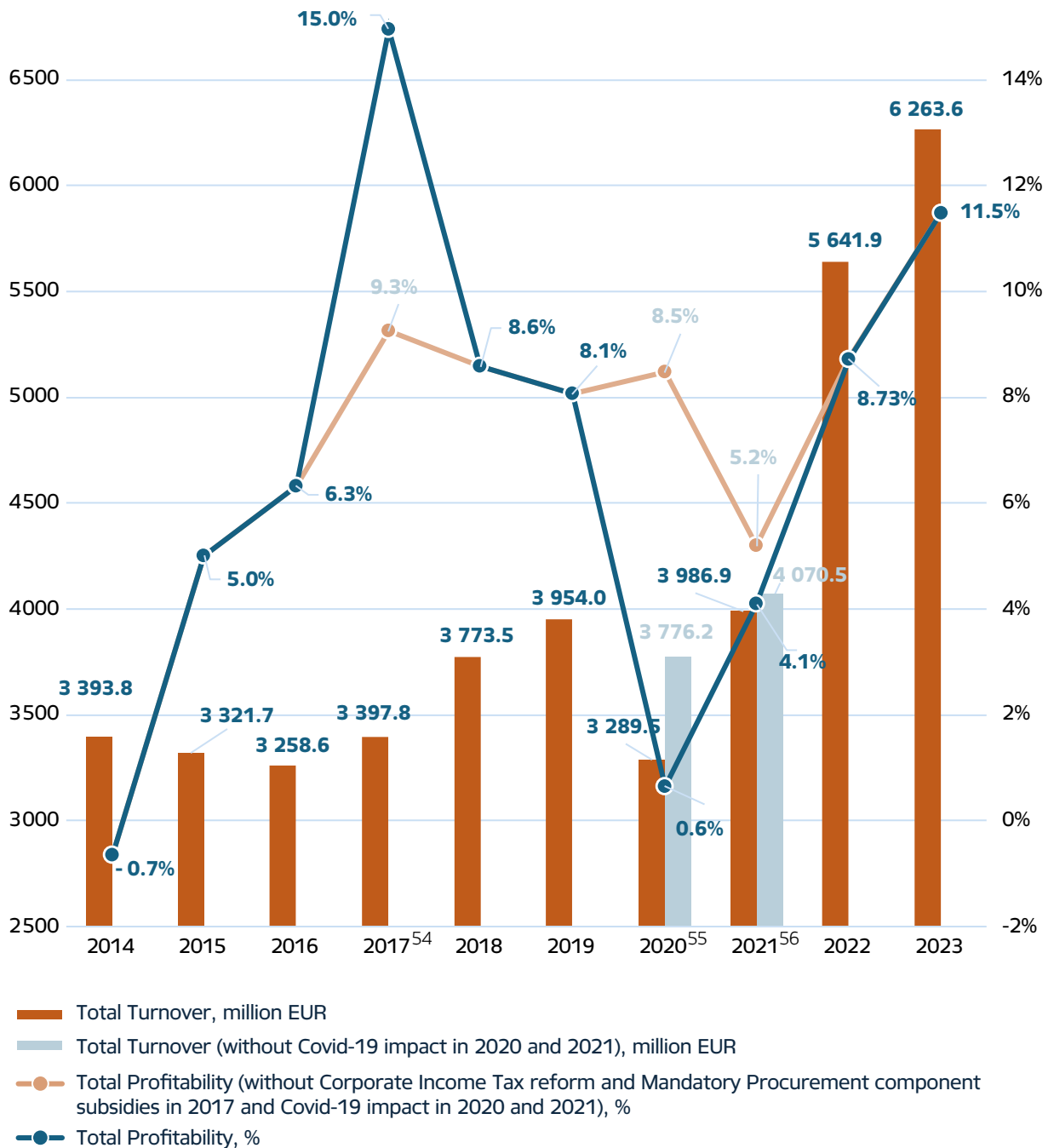


Figure 25. Total turnover of SOEs, million EUR, and profitability, %, from 2014 to 2023

Unfortunately, the year 2020 was unexpectedly marked by the COVID-19 pandemic. As a result, some SOEs had to temporarily suspend their revenue-generating activities, both fully, partially and under limited circumstances, resulting in a significant drop in turnover and profitability. Overall, the total turnover

of SOEs in 2020 decreased by EUR -664.5 million or -16.8 % to EUR 3.29 billion and profitability decreased by -7.4 percentage points or -92.0 % to 0.6 % in 2020 compared to 2019.

Even though the year 2021 was still the period of the COVID-19 pandemic and the state of emergency

⁵⁴ The combined effect of the corporate tax reform on the profits of the 25 largest capital companies by assets and the subsidy of the mandatory purchase component is estimated at 5.7 percentage points, which would reduce profitability to 9.3%.

⁵⁴ According to the information provided by the companies (own assessment, not all companies have provided information), the total impact of Covid-19 in 2020 on turnover is estimated at EUR 486.7 million in foregone revenue, while the impact on profits is estimated at an additional loss of EUR 298.6 million. Without Covid-19, turnover would be EUR 3 776.2 million, profits would be EUR 319.8 million and profitability would be 8.5%; the impact of Covid-19 on profitability would be 7.9 percentage points.

⁵⁵ According to the information provided by the companies (own assessment, not all companies have provided information), the total impact of Covid-19 in 2021 on turnover is estimated at EUR 83.7 million in foregone revenue, while the impact on profits is estimated at an additional loss of EUR 48.3 million. Without Covid-19, turnover would be EUR 4 070,5 million, profit would be EUR 211,4 million and profitability would be 5.2 %, Covid-19 would have an impact on profitability of 1.1 percentage points.

was determined in two different periods of time throughout the whole territory of the country, and, consequently, some SOEs had to temporarily suspend their income-generating activities both in full and in part and operate under limited conditions, this resulted in a fall in turnover of SOEs of only one sector – culture, and overall turnover in all SOEs increased significantly compared to 2020 by EUR +697.3 million or + 21.2%, exceeding even before the pandemic period, total turnover of 2019 by EUR +32.9 million or + 0.8 %. The total profitability of SOEs also improved and reached 4.1 %, increasing by +3.5 percentage points compared to 2020, but compared to 2019, it was -4.0 percentage points lower.

According to the own assessment by SOEs, the total impact of COVID-19 on turnover in 2021 is estimated at EUR 83.7 million (EUR 486.7 million in 2020) as revenue foregone, while the impact on profits is assessed as an additional loss of EUR 48.3 million (EUR 298.6 million in 2020). Without the impact of COVID-19, turnover would be estimated at EUR 4 070.5 million (EUR 3 776.2 million in 2020) with a profit of EUR 211.4 million (EUR 319.8 million in 2020) and profitability would have reached 5.2 % (2020 – 8.5 %), corresponding to a negative impact of COVID-19 on profitability of 1.1 percentage points (7.9 percentage points in 2020).

Although in 2022 a state of emergency was declared throughout the country from the beginning of the year until 28 February 2022, it did not have a significant impact on the overall results. Individual SOEs have reported some impacts on results due to the Russia's war in Ukraine, which changed the range of available suppliers and prices of raw materials, affected the timing of certain investment projects and energy prices in the region. Despite all this, the total turnover of SOEs amounted to EUR 5.64 billion, i.e. an increase of EUR +1.66 billion or +41.5% compared to 2021 and EUR +1.69 billion or +42.7% compared to 2019 and overall profitability was +8.73% above pre-Covid-19 levels, or +4.64 percentage points (+113.4%) above 2021 and +0.67 percentage points (+8.3%) above 2019, indicating that the impact on profitability was not such as to substantially impair total results.

In 2023 the total turnover of SOEs continued to grow, amounting to EUR 6.26 billion, i.e. an increase by EUR +0.62 billion or +11.0% compared to 2022, and total profitability reached 11.5% or +2.77 percentage points

(+31.8%) more than in 2022, indicating that SOEs have managed to keep their costs at a lower growth rate than revenues.

Results differ by sector - the profitability of SOEs of other sectors (2023 – 17.3%, 2022 – 15.5%, 2021 – 16.8%), the energy sector (2023 – 13.6%, 2022 – 8.6%, 2021 – 6.4%), the transport sector (2023 – 2.8%, 2022 – -5.0%, 2021 – -19.1%) and the culture sector (2022 – 0.6%, 2021 – 0.5%, 2020 – 4.6%) has improved while the profitability of SOEs in the forestry sector (2023 – 34.6%, 2022– 41.8%, 2021 - 26.8%), the communications sector (2023 – 8.6 %, 2022 – 8.7%, 2021 – 10.2%), the real estate sector (2023 – 3.0%, 2022 – 6.7%, 2021 – 4.6%) and the health care sector (2023 – -0.8%, 2022 – 0.1%, 2021 – 0.6%) has deteriorated. Like in 2023, the only sector with negative profitability is the healthcare sector with a profitability of -0.8%.

In 2020 and 2021, three SOEs had a significantly larger negative impact on turnover and profitability, although other companies were affected by Covid-19 but their impact on the overall results is not as significant given their low turnover or, for example, some sectors had a drop in turnover but the impact did not result from Covid-19 restrictions but from other changes, such as in the energy sector where in 2020, the drop in turnover of EUR -164.3 million or -13.3% is due to process improvements and cost optimisation, which resulted in lower end prices and also lower energy production due to natural processes (seasonal air temperatures, water surges), but this has not had such a significant impact on profits, which have been maintained or even increased.

In 2021, the impact of energy price increases was very significant, e.g. the average Nord Pool electricity price was almost six times higher than in 2020 (+472%) at 62.3 EUR/MWh⁵⁶, as a result, in 2021, turnover in the energy sector increased by EUR +323.7 million or +30.3% compared to 2020, and offset the decline in 2020 turnover, resulting in an increase of EUR +159.5 million or +12.9% compared to 2019. In 2022, the electricity price continued to increase and the average Nord Pool system electricity price was 2.2 times higher than in 2021 (+118%) and amounted to 136 EUR/MWh⁵⁷ which led to a further increase in turnover in the energy sector by EUR +1.02 billion or +72.8% compared to 2021, but had a marginal effect on the overall profitability of the sector, which was even

56 Consolidated Report of SJSC Latvenergo Group and Annual Report 2021 of JSC Latvenergo, p.8, source: <https://latvenergo.lv/lv/investoriem/parskati>.

57 Consolidated Report of SJSC Latvenergo Group and Annual Report 2021 of JSC Latvenergo, p.5, source: <https://latvenergo.lv/lv/investoriem/parskati>.

negative at -0.12⁵⁸ percentage points, but the effect on overall profitability of individual SOEs in energy sector such as SJSC Latvenergo (Group) was positive at +0.61 percentage points.

In 2023, both the average price of the Nord Pool system and the average price of electricity in Latvia decreased by 58% compared to the previous year. In the European Union (EU), the decrease in electricity prices was mainly influenced by lower natural gas prices and higher renewable energy generation (totalling 27% of all electricity generation in 2023). Better hydrological conditions also contributed to a 15% increase in hydropower production. There was also a 2–3% decrease in electricity demand. The REPowerEU plan implemented by the European Commission, in response to the difficulties in the global energy market caused by Russia's invasion of Ukraine, also helped to stabilize the electricity market. The REPowerEU plan pursues implementing energy saving measures, diversifying energy sources, reducing dependence on Russian fossil fuels, and accelerating the development of renewable energy resources⁵⁹. Despite the price reduction, turnover in the energy sector increased by another EUR +301.7 million or +12.5% compared to 2022 and had a significant industry effect on overall profitability of 1.64⁶⁰ percentage points. The effect of individual energy SOEs such as SJSC Latvenergo (group) on overall profitability was positive at +2.76 percentage points. Effect of JSC Augstsprieguma tīkls, in turn, was negative with -0.28 percentage points. JSC Latvijas valsts meži with +2.64 percentage points in 2023 (+3.80 percentage points in 2022 and +2.65 percentage points in 2021) also had a positive effect on profitability.

In 2020, there were three SOEs that had a very large negative impact on the overall turnover and profitability results due to the Covid-19 pandemic, and they were related to the transport sector, or more specifically aviation - JSC Air Baltic Corporation, SJSC Latvijas gaisa satiksme, SJSC Rīga International Airport. In 2020, JSC Air Baltic Corporation's turnover decreased by EUR -363.3 million or -72.3% compared to 2019, and losses amounted to EUR -255.5 million,

which was 28 times higher than in 2019. Turnover of SJSC Starptautiskā lidosta "Rīga" decreased by EUR -35.2 million or -54.1% compared to 2019 and the loss amounted to EUR -15.8 million against a profit of EUR +22.1 million in 2019. Turnover of SJSC Latvijas gaisa satiksme decreased by EUR -16.6 million or -53.8% compared to 2019 and the loss amounted to EUR -7.6 million against a profit of EUR +2.5 million in 2019.

In 2021, these companies had improved their turnover results, but continued to suffer losses - JSC Air Baltic Corporation's turnover in 2021 was EUR -304.0 million or -60.5% lower than in 2019, and losses amounted to EUR -135.7 million, which was 14.9 times higher than in 2019, SJSC Starptautiskā lidosta "Rīga" turnover decreased by EUR -33.2 million or -51.1% as in 2019 and the loss amounted to EUR -9.4 million against a profit of EUR +22.1 million in 2019. Turnover of SJSC Latvijas gaisa satiksme was lower by EUR -11.5 million or -37.5% compared to 2019 and the loss amounted to EUR -3.2 million against a profit of EUR +2.5 million in 2019.

In 2022 these SOEs have managed to approach their 2019 figures in terms of turnover, while losses have decreased significantly and they are only for two of these three SOEs – SJSC Latvijas gaisa satiksme (EUR -4.5 million) and JSC Air Baltic Corporation (EUR -54.2 million). In 2021, three of the aviation-related SOEs had a negative impact on profitability of -4.24 percentage points, in 2022, two of these loss-making SOEs had a negative impact on profitability of only -2.02 percentage points, while only JSC Air Baltic Corporation had a negative impact on profitability of -1.89 percentage points in 2022 and -3.80 percentage points in 2021. In 2023, only one of these SOEs incurred a loss - SJSC Latvijas gaisa satiksme (EUR -1.8 million) and the total negative effect on profitability of these three SOEs was only -0.99 percentage points where the effect on profitability of only JSC Air Baltic Corporation was -0.76 percentage points in 2023, which was also the largest individual negative effect on the overall profitability of SOEs.

58 The impact is calculated by excluding the turnover and profits of these SOEs from the profitability calculations and comparing with the overall profitability of all SOEs.

59 Consolidated Report of SJSC Latvenergo Group and Annual Report 2023 of JSC Latvenergo, p.5, source: <https://latvenergo.lv/lv/investoriem/parskat>

60 The impact is calculated by excluding the turnover and profits of these SOEs from the profitability calculations and comparing with the overall profitability of all SOEs.

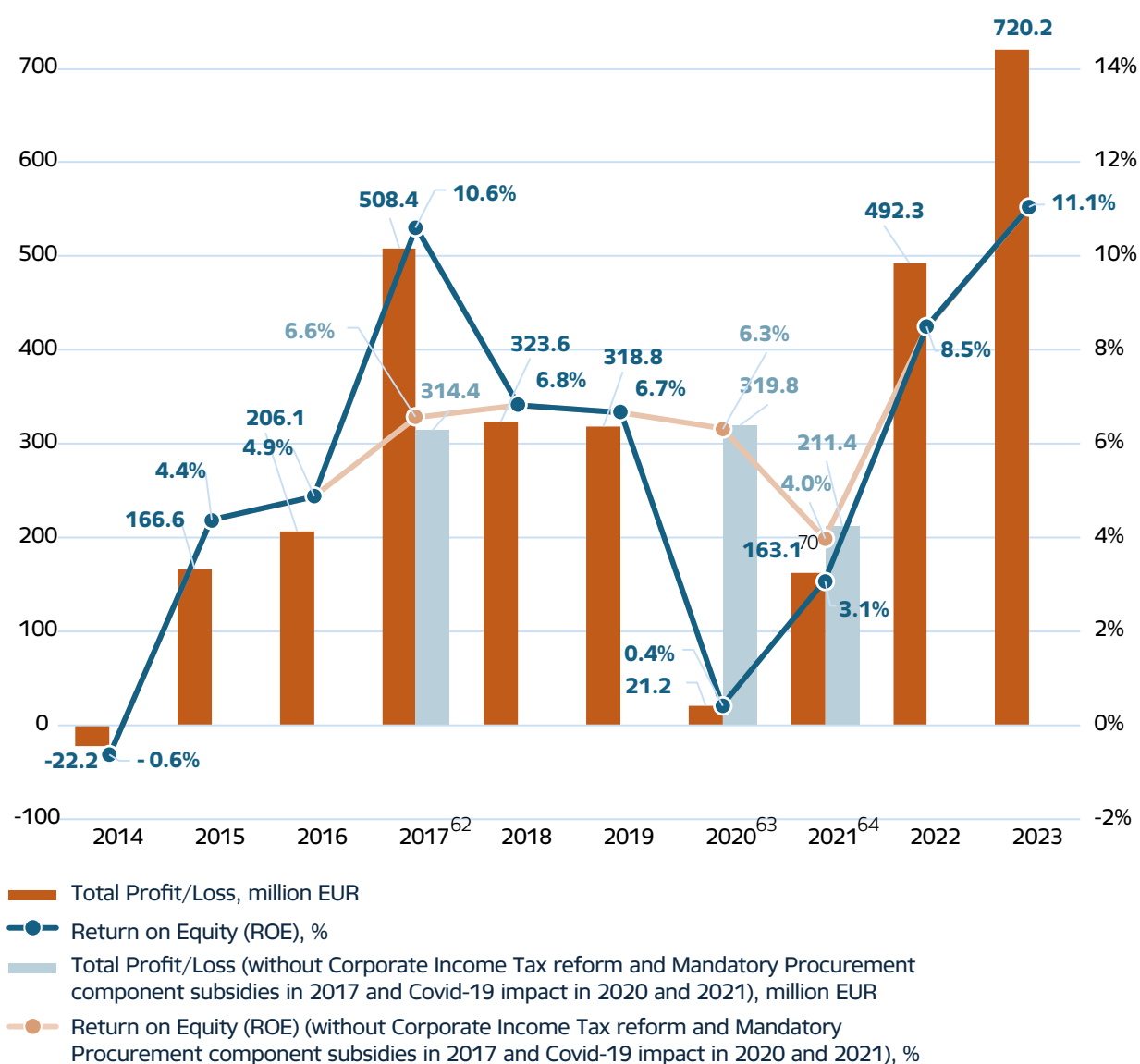


Figure 26. Profit of SOEs, million EUR, and return on equity (ROE), %, from 2014 to 2023

Profit and return on equity indicators actually reflect a similar trend as turnover and profitability over the period from 2014 to 2023. Illiquid assets have decreased, turnover and profitability have increased, and as a result, total return on equity has improved significantly — from -0.6% in 2014 to 6.7% in 2019, then, due to the impact of the Covid-19 pandemic, it fell to 0.4% in 2020. A particularly good return on equity was achieved in 2017 (10.6%). This indicator was further improved by the CIT reform and a one-time grant to the Latvenergo JSC Group from the state for renunciation of 75% of annual electricity

capacity payments for cogeneration plants. The impact of the CIT reform was one-off and estimated at approximately EUR 191.8⁶⁴ million, while the one-time unconditional grant for renunciation of the right to receive 75% of the annual electricity capacity payments for cogeneration plants in 2017 was EUR 140 million, but at the same time a decrease in the value of assets at Riga TEC by EUR 116.8 million was also recognized, as well as CIT increased by EUR 21 million, reducing the total effect to EUR 2.2 million, while the second part of the grant, which was EUR 314.4 million and is classified as deferred income,

61 The combined effect of the corporate tax reform on the profits of the 25 largest SOEs by assets and the mandatory purchase component subsidy is estimated at 4 percentage points, which would reduce the return on equity to 6.6%.

62 According to the information provided by the SOEs (own assessment, not all SOEs have provided information), the total impact of Covid-19 on profits in 2020 is estimated at an additional loss of EUR 48.3 million. Without the impact of Covid-19, profits would be EUR 319.8 million and return on equity would be 6.3%, the impact of Covid-19 on return on equity would be 5.9 percentage points.

63 According to the information provided by SOEs (own assessment, not all SOEs have provided information), the total impact of Covid-19 on profits in 2021 is estimated at an additional loss of EUR 48.3 million. Without Covid-19, the impact on profits would be EUR 211.4 million and the return on equity would be 4.0%, the impact of Covid-19 on return on equity would be 0.9 percentage points.

64 The assessment was conducted for the 25 largest SOEs by assets in 2017.

is assessed without impact on future profit, because it will compensate for the decrease in revenue. Consequently, in 2017, SOEs had operated with a profit of EUR 314.5 million, and the return on equity was 6.6%, which was approximately at the same level as in 2018 — with a total profit increase of EUR +9.1 million or + 2.1%. In 2019 compared to 2018 this return had decreased slightly, amounting to 6.7%, which was 0.1 percentage points less than in 2018.

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

In 2021 SOEs achieved a total profit of EUR 164.1 million, which was an increase of EUR +141.8 million or +667.7% compared to 2020, and achieved a return on equity of 3.1%, which was an increase of +2.7 percentage points. According to the information provided by SOEs (their own assessment, not all SOEs have provided information), the total impact of the Covid-19 pandemic on profits in 2021 is estimated as additional losses of EUR -48.3 million. Without the impact of Covid-19, profit would have been EUR 211.4 million, but return on equity would have reached 4.0% (more precisely — 3.98%). Therefore, the impact of the Covid-19 pandemic on return on equity is assessed as negative at -0.9 percentage points compared to 2019. In 2021, the SOE's total profit index decreased by EUR -155.7 million or -48.8%, while the return on equity index decreased by 3.6 percentage points.

In 2022 SOEs achieved a total profit of EUR 492.3 million, which was an increase of EUR +329.2 million or +201.9% compared to 2021, and achieved a

return on equity of 8.5%, which was an increase of +5.4 percentage points. SOEs in 2022 assessed that the impact of the Covid-19 pandemic was minimal — even a positive EUR +6.0 million on turnover due to the Covid-19 pandemic, because services which had not been provided during the pandemic, were provided more intensively in 2022, while on profit pandemic had a minimum positive impact of EUR 0.3 million. However, the impact of the war launched by Russia in Ukraine was significant for investments in some individual SOEs, for example, in JSC Pasažieru vilciens EUR 115.1 million for investments not completed on time. Two of the three transport sector SOEs (JSC Air Baltic Corporation and SJSC Latvijas gaisa satiksme) also continued to operate at a loss, and their impact on return on equity was still negative at -0.93 percentage points. Among the SOEs, the largest individual negative effects on return on equity in 2022 were for JSC Air Baltic Corporation (- 0.81 percentage points), JSC Augstsprieguma tīkls (-0.73 percentage points), SJSC Latvijas dzelzceļš (-0.67 percentage points) and the largest positive effect — JSC Latvijas valsts meži with + 3.61 percentage points (+2.00 percentage points in 2021).

In 2023 SOEs achieved a total profit of EUR 720.2 million, which was an increase of EUR +227.9 million or +46.3% compared to 2022, and achieved a return on equity of 11.1%, which was an increase of +2.5 percentage points. Three SOEs in the aviation sector (JSC Air Baltic Corporation, SJSC Latvian Air Transport, JSC Riga International Airport), which were most affected by the Covid-19 pandemic in 2023 already showed a positive effect on return on equity with +0.41 percentage points, while in 2022 it was negative with -1.06 percentage points, in 2021 it was -2.79 percentage points, and in 2020 -5.84 percentage points, which indicates the complete absence of the impact of the pandemics. Among the SOEs, the largest individual negative effects on return on equity in 2023 were for JSC Air Baltic Corporation (- 1.01 percentage points), SJSC Latvijas dzelzceļš (-0.76 percentage points) and the largest positive effect — JSC Latvijas valsts meži with + 2.40 percentage points.

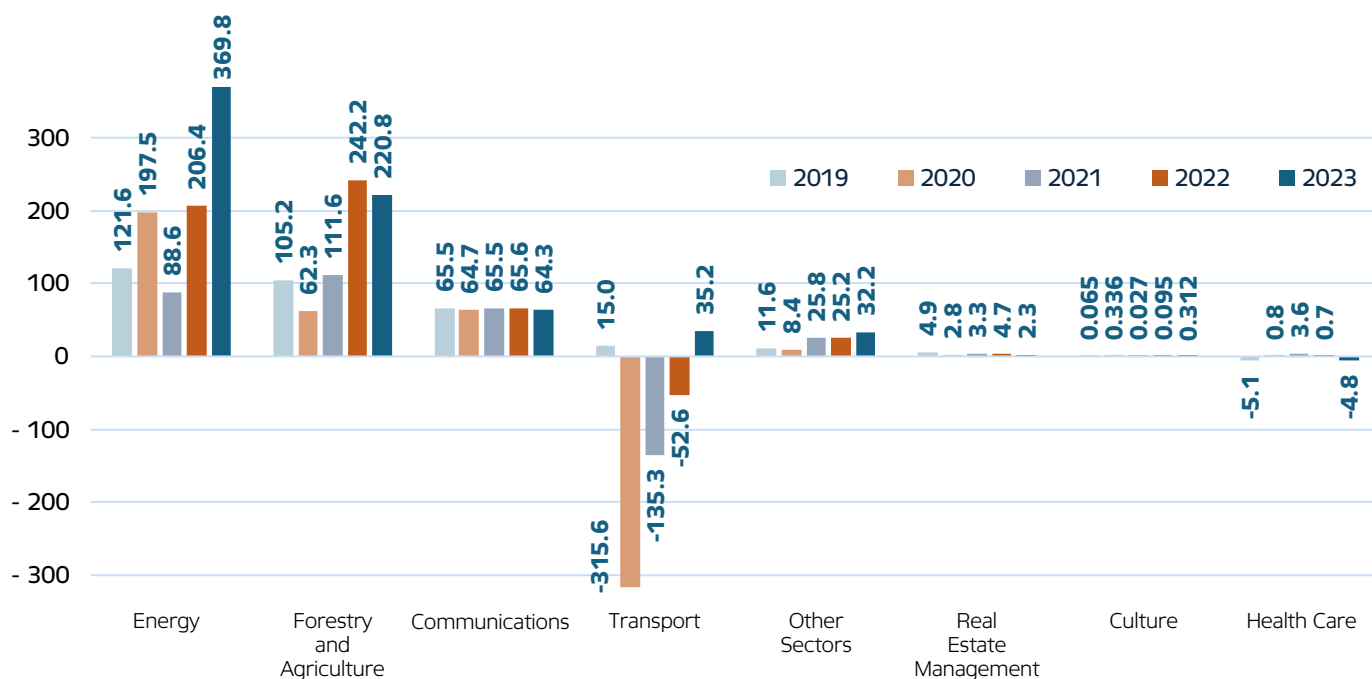


Figure 27. Total profit of SOEs by sector from 2019 to 2023, million EUR

From a sectoral perspective, in 2023, unlike in 2022, the highest absolute profit indicators were achieved by SOEs in the energy sector with a profit of EUR 369.8 million (in 2022 — EUR 206.4 million) ranking the forestry and agriculture sector the second, with a total profit of EUR 220.8 million (in 2022 — EUR 242.2 million), which was the leader in terms of profit in 2022. The communication sector ranked the third as in 2022 with a profit of EUR 64.3 million, which has a stable performance year on year - EUR 65.6 million in 2022, EUR 65.5 million in 2021 and EUR 64.7 million in 2020. The transport sector, which experienced a very sharp decline in 2020 with a very large loss of EUR -315.6 million, continued to improve its profit performance year on year, finally turning positive in 2023 with a profit of EUR 35.2 million (in 2022 loss of – EUR -52.6 million, in 2021 loss of – EUR -135.3 million) thanks to the fact that in 2023, after a long time, JSC Air Baltic Corporation made a profit of EUR 33.7 million (in 2022 loss of EUR -54.2 million, in 2021 loss of EUR -135.7 million, in 2020 loss of EUR -264.6 million). Other sectors continued to perform relatively well in 2023 due to the successful performance and profits of SJSC Latvijas Loto and in particular JSC Attīstības finanšu institūcija “Altum”. The profit of SJSC Latvijas Loto

in 2023 was EUR +13.8 million (in 2022 profit of EUR +13.2 million, in 2021 profit of EUR +12.7 million, in 2020 profit of EUR +11.2 million), while the profit of JSC Attīstības finanšu institūcija “Altum” was EUR +17.8 million (in 2022 profit of EUR +11.5 million, in 2021 profit of EUR +13.8 million, in 2020 profit of EUR +5.5 million). The largest loss in 2023 among other SOEs was by LLC Latvijas Nacionālais sporta centrs - EUR -0.9 million.

SOEs in real estate sector in 2023 worked with a profit of EUR 2.3 million while SOEs in the culture sector in 2023, as in previous years, continued to work at the break-even point, reaching a profit in 2023 of EUR +312.1 thousand (in 2022 EUR +94.8 thousand , in 2021 EUR +26.6 thousand) and reaching a turnover of EUR 20.8 million, and thus exceeding the pre-Covid-19 pandemic turnover level by EUR 2.5 million or +14.0 % compared to 2019.

In 2022 SOEs in the health sector were the only sector that operated with a loss of EUR -4.8 million in contrast to previous years, when overall SOEs in this sector operated with a profit (in 2022 — profit EUR +0.7 million, in 2021 — EUR +3.6 million, in 2020 — EUR +0.8 million).

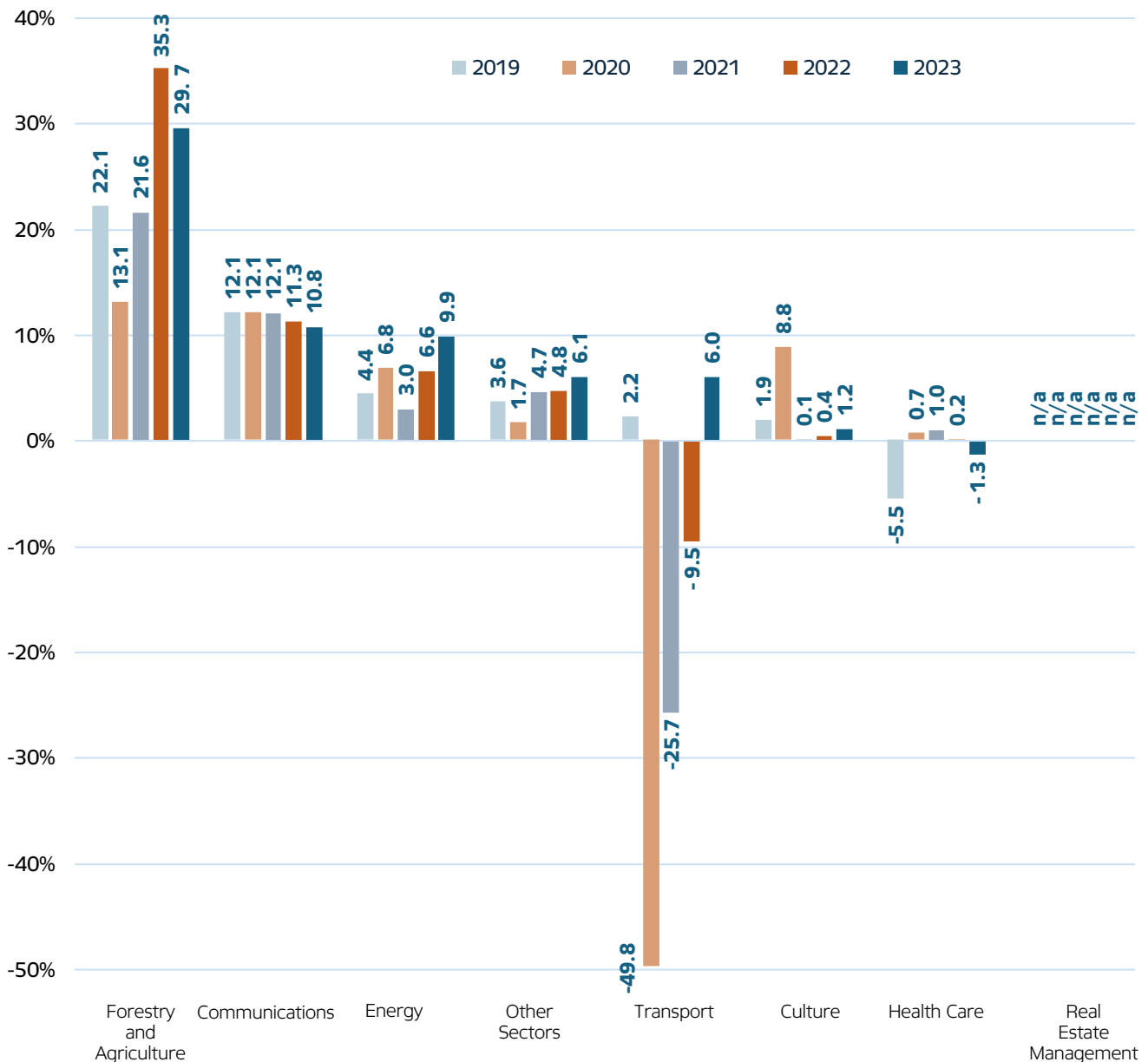


Figure 28. Return on equity indicators of SOEs by sector from 2019 to 2023, %

Evaluating the return on equity of SOEs by sector, the leaders in 2023 were the same sectors as in 2022 and the previous couple of years — the forestry and agriculture (in 2023 — 29.7%, in 2022 — 35.3%, in 2021 — 21.6%) and SOEs in the communications sector (in 2023 — 10.8%, in 2022 — 11.3%, in 2021 — 12.1%). SOEs of the energy sector ranked the third with 9.9% return on equity in 2023 like in 2022 (in 2022 — 6.6%, in 2021 — 3.0%, in 2020 — 6.8%), which was 3.3 percentage points more than in 2022. SOEs in other sectors operated with a 6.1% return on equity in 2023, which was 1.3 percentage points more than in 2022, when they operated with a 4.8% return on equity.

In 2023, after a three-year break, SOEs of the transport sector operated with a positive return on equity, reaching +6.0% return on equity (in 2022 -9.5%, in 2021 with -25.7%, in 2020 with -49.8%). Despite the positive results in the transportation sector, JSC Air Baltic Corporation also ended the year 2023 with negative equity of EUR -48.3 million (in 2022 EUR -82.0 million, in 2021 EUR -118.3 million), despite both the state funding received in 2020 for the increase in share capital in the amount of EUR 250 million and the repeated increase in share capital in the amount of EUR 90 million in 2022⁶⁵, and a profit of EUR +33.7 million in 2023.

65 JSC Air Baltic Corporation Sustainability and Annual Report 2021, p. 96, JSC Air Baltic Corporation Sustainability and Annual Report 2022, p. 102, p. 141, source: <http://www.ur.gov.lv>.

In 2023 SOEs in the cultural sector continued to increase their turnover from their own revenues and achieved a return on equity of +1.2%, which was +0.8 percentage points more than in 2022. SOEs in the healthcare sector also operated with a negative return on equity in 2023, reaching a return on equity of -1.3%, which was -1.5 percentage points worse than in 2022. In the real estate sector, equity is negative due to the negative equity of JSC Reverta — EUR -434.5

million (in 2022 EUR -434.4 million). Therefore the return on equity cannot be determined for SOEs in the real estate sector as a whole. However, by excluding JSC Reverta from the calculations, the remaining SOEs in the real estate sector achieved a return on equity of 0.7% (in 2022 — 1.4%, in 2021 — 1.1%).

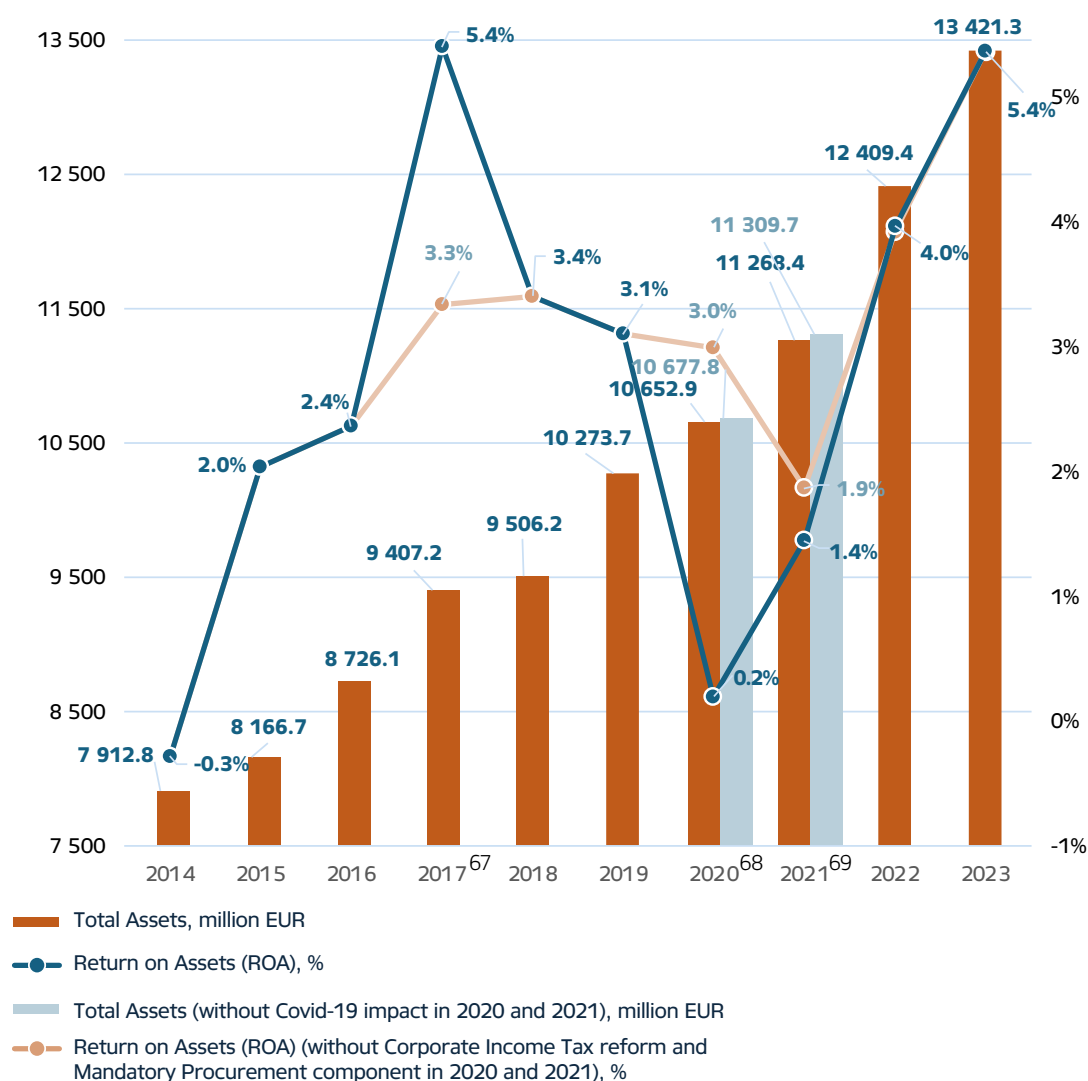


Figure 29. SOEs total assets, million EUR, and return on assets (ROA), %, from 2014 to 2022

66 The impact of the corporate income tax reform on the profits of 25 largest State-Owned Enterprises in terms of assets and the combined effect of the mandatory procurement component subsidies is estimated at 2.1 percentage points, which would reduce the return on assets to 3.3 %.

67 According to the information provided by the State-Owned Enterprises (own assessment, not all State-Owned Enterprises provided information), the total impact of COVID-19 on the investments made in 2020 is estimated at EUR 24.9 million as planned but unrealised investments and the impact on profits is assessed as an additional loss of EUR 298.6 million. Without the impact of COVID-19, assets are valued at EUR 10 677.8 million, a return of EUR 319.8 million and return of assets of 3.0 %, the impact of COVID-19 on the return on assets is estimated at 2.8 percentage points.

68 According to the information provided by the State-Owned Enterprises (own assessment, not all State-Owned Enterprises provided information), the total impact of COVID-19 on the investments made in 2021 is estimated at EUR 41.3 million as planned but not made and the impact on profits is assessed as an additional loss of EUR 48.3 million. Without impact, assets are valued at EUR 11 309.7 million, a profit of EUR 211.4 million and a return on assets of 1.9 %, and the impact of COVID-19 on the return on assets is valued at 0.5 percentage points.

When evaluating total assets and return on assets from 2014 to 2023, a similar trend can be observed in return on assets as in profitability and return on equity indicators — an increase until 2017, including a sharp increase in 2017 due to the CIT reform and the OIK grant, and then a decline with relatively similar results in 2018 and 2019, and a sharp decline in 2020 as a result of the impact of the Covid-19 pandemic with the start of recovery in 2021 from the consequences of the Covid-19 pandemic and a complete reduction in the impact of the Covid-19 pandemic in 2022, and good return on assets results in 2023. In 2023, the asset value of all SOEs reached EUR 13.4 billion (in 2021 — EUR 12.4 billion, in 2021 — EUR 11.3 billion), which was EUR +1.01 billion or +8.2% increase compared to 2022 (in 2022 EUR — +1.14 billion or 10.1% compared to 2021), while the return on assets was 5.4% (in 2022 — 4.0%, in 2021 — 1.4%), which was an increase in return on assets of +2.5 percentage points (in 2022 by +2.6 percentage points).

The rate of return on assets varies greatly across industries. As every year SOEs of the forestry sector remain in the leading positions (26.6% in 2023, 31.7% in 2022, 19.0% in 2021, 11.5% in 2020). In second place in 2023, SOEs of the energy sector have emerged with a 6.4% return on assets (3.8% in 2022, 1.8% in 2021, 4.1% in 2020), ahead of SOEs in the communications sector with a 5.6% return on assets (6.0% in 2022, 6.5% in 2021, 7.2% in 2020).

SOEs in other sectors have slightly improved their return on assets — by +0.1 percentage points, reaching a return on assets of 2.0%. In 2023 SOEs of the transport sector resumed operations with a positive return on assets, reaching a return on assets of 1.3%. This is +3.4 percentage points more than in 2022, when the return on assets was negative, -2.1%. SOEs in the cultural and real estate sectors have operated with a small return on assets in 2023 of +0.6% (in 2022 with +0.2%) and +0.4% (in 2022 with +0.9%) respectively. SOEs of the healthcare sector have resumed operations with a negative return on assets in 2023 of -0.6% (in 2022 with +0.1%).

It is necessary to critically assess the return on assets in investment-intensive sectors — energy and transport sectors, because investments are usually a longer-term goal, which creates a long-term, not an immediate impact on the profit of the capital company, and also to take into account, that in the forestry sector, some state-owned assets are not included in the balance sheet of the capital company, but they are managed, because forests are on the balance sheet of the Ministry of Agriculture, not on the balance sheet of JSC Latvijas valsts meži.

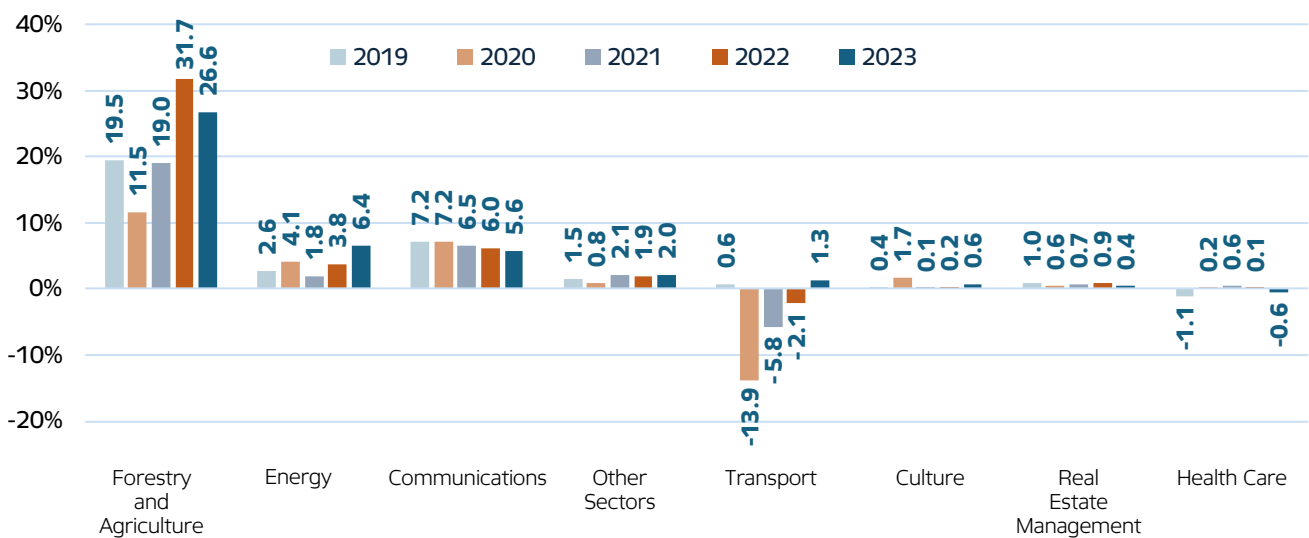


Figure 30. Return on assets (ROA) by sector from 2019 to 2023, %

4.3. SOEs' expenditures and capital investments in research and development

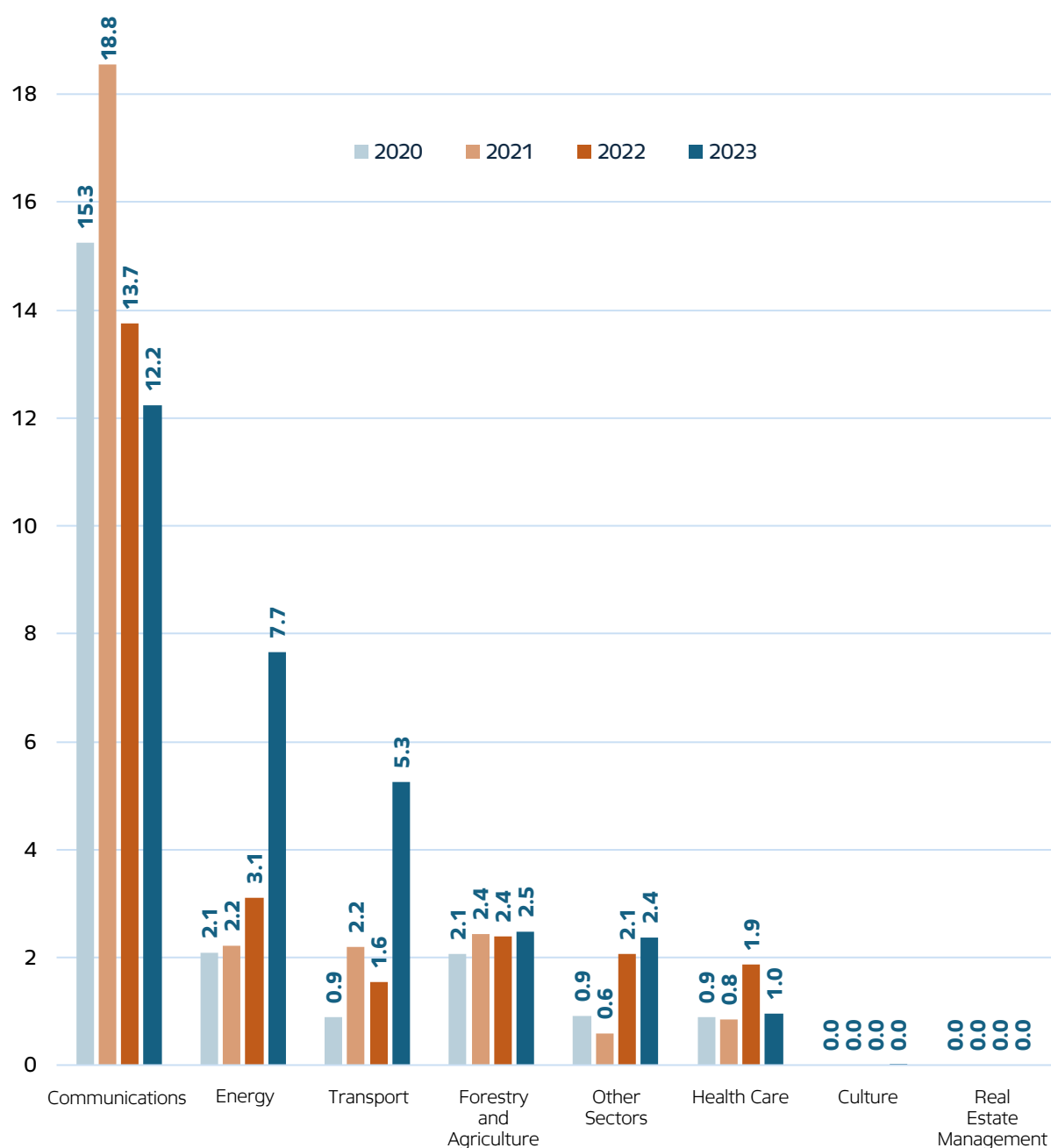


Figure 31. Expenditures and capital investments in research and development of SOEs from 2020 to 2023, million EUR

As from 2021, the collection of expenditures and capital investments in research and development (R&D) of has begun. SOEs provided such data for the first time and they were compared with the information in the annual reports, the information provided was clarified as much as possible, as it may not correspond to what the SOE had provided for statistical purposes. When providing data for 2022, no

adjustments were made and the data corresponded to previously observed values. However, in 2023, some adjustments were necessary. Therefore, it can be concluded that SOEs have implemented sufficiently accurate accounting of this data, but it needs to be improved, including the understanding which capital investments and expenses are considered expenses and capital investments in R&D.

In 2023 SOEs invested EUR 31.0⁶⁹ million in R&D, which, compared to 2022, is EUR +6.2 million or +25.1% more than in 2022, when SOEs invested EUR 24.8 million in R&D. From a sectoral perspective, the largest financial resources in R&D are invested by SOEs of the communications sector, reaching investments of EUR 12.4 million in 2022 (EUR 13.8 million in 2023). Over one million EUR in R&D investments were also made in 2023 by SOEs in the energy sector (EUR 7.7 million), transport (EUR 5.3 million), forestry and agriculture (EUR 2.5 million) and other sectors (EUR 2.4 million), which, compared to 2022, shows a slight decrease in the number of sectors, which make investments in R&D over EUR 1 million. No investments in R&D were made by SOEs in the real estate and cultural sectors from 2020 to 2023.

Overall, R&D cost and investment intensity⁷⁰ in 2023 amounted to 0.49%, which is a slight increase of 0.05 percentage points compared to 2022, when it reached 0.44% (in 2021 0.68%, 0.67% in 2020). In 2022, in turn, the intensity of research and development costs and investments at companies such as Intel was 27.8%, Amazon — 14.4%, Paypal — 11.82%, Medtronic — 8.80%, Apple — 7.14%, Ford Motors — 4.93%, Volvo — 4.76%, Metallurgical Corporation — 3.16 %⁷¹. Among SOEs, the highest investment intensity in research and development costs in 2023 was for SLLC Latvijas Proves birojs (10.63%), LLC Latvijas lauku konsultāciju un izglītības centrs (8.45%), JSC Elektroniskie sakari (4.30%), LCC Latvijas Nacionālais metroloģijas centrs (4.27%), LLC Tet (group) (3.72%).

69 According to information provided by the SOEs themselves.

70 Indicator = Expenditures and/or capital investments in research and development (information provided by SOEs themselves) / Total turnover, %

71 Top 100 global innovation leaders, source: <https://www.fdiintelligence.com/content/feature/global-innovation-leaders-2022-edition-82527>.

5. Changes to SOEs in 2023

Pursuant to Cabinet Order No 13 “On the Termination of Direct Decisive Influence and Participation of SJSC Latvijas dzelzceļš in LLC LDZ Infrastruktūra and Termination of Indirect Decisive influence of SJSC Latvijas dzelzceļš in LLC Baltija and Termination of Participation and Direct Decisive Influence of LLC LDZ ritošā sastāva serviss in LLC Rīgas Vagonbūves Uzņēmums “Baltija”” of 12 January 2022, it was planned to terminate the participation of SJSC Latvijas dzelzceļš in LLC LDZ infrastruktūra by liquidating it, and the liquidation was completed on 12 April 2023 by excluding it from the Register of Enterprises of the Republic of Latvia.

On 11 September 2023, a reorganization was registered in the Register of Enterprises – LLC Telia Latvija, whose main activity was the provision of telecommunications services, including internet and data transmission services, provision of data centres and cloud services, provision of multimedia processing and streaming services, was merged into LLC Tet⁷² and whose 100% capital shares were acquired by LLC Tet on 31 May 2022 from the previous owner Telia Company AB, after receiving permission from the Competition Council and concluding the transaction announced at the beginning of 2022⁷³.

By the judgment of the City of Rīga Pārdaugava District Court of 3 March 2020, insolvency proceedings were declared, and an administrator was appointed for JSC VRC Zaslauks, in which JSC Pasažieru vilciens owns 51% of the capital shares. JSC Pasažieru vilciens submitted to the insolvency administrator of JSC VRC Zaslauks unsecured creditor claims for the total amount of EUR 1 752 248, consisting of the main claim of EUR 11 for a debt on rent and a secondary claim of EUR 1 752 237 for a contractual penalty for a diesel train wagon modernization project, which was performed by general partnership DMU vilciens (JSC VRC Zaslauks is one of the members), for delays in the elimination of defects detected during the warranty period. The administrator of JSC VRC Zaslauks has acknowledged the aforementioned creditor claims in full. At the same time, it should be noted that JSC VRC Zaslauks does not have assets to satisfy these claims. The application for termination

of the insolvency proceedings of the administrator of JSC VRC Zaslauks was considered in court on 11 May 2023. JSC VRC Zaslauks has been liquidated and removed from the Register of Enterprises (entry in the commercial register made on 19 May 2023)⁷⁴.

In 2023, there was a change of the shareholders – until 1 January 2023, the shareholder of SLLC Vides investīciju fonds was the Ministry of Environmental Protection and Regional Development, but, from now on, the shareholder will be the Ministry of Climate and Energy.

On 5 January 2023, a transaction was concluded to sell the capital shares of JSC Latgales ciltslietu un māklīgās apsēklošanas stacija. As a result, 4.91% of the state-owned capital shares worth EUR 0.01 million were sold.

In 2022, with the Estonian and Lithuanian electricity transmission system operators, which coordinates the development planning of electricity systems and coordinates individual daily operations of operators to guarantee the security of electricity supply, the company OÜ Baltic RCC was established, in which 33.33% of capital shares belong to JSC Augstsprieguma tīkls.

JSC Latvenergo subsidiary OÜ Estonia Elektrum Eesti acquired 100% of the capital shares in OÜ HN pōld ja mets 1, which in 2023 built a solar power plant in Estonia with an installed capacity of 7 MW and thus implements a project, which helps achieve the goal set in the Latvenergo Group’s strategy “To expand and diversify the generation portfolio with green technologies”. In turn, UAB Elektrum Lietuva owns 100% of the shares in UAB Klaipēda unlimited sun, 50% of capital shares in UAB Geniva and UAB Vejo miestas.

On 21 November 2023, the Cabinet of Ministers supported the establishment of LLC Valsts aizsardzības korporācija, registered on 29 November 2023, and its share capital was initially EUR 500 000. LLC Valsts aizsardzības korporācija was founded to facilitate a long-term development of Latvia’s military industry⁷⁵.

72 LLC “Tet” Group Annual Report 2023, p. 7, source: <http://www.ur.gov.lv>.

73 LLC “Tet” Group Annual Report 2022, p. 3, source: <http://www.ur.gov.lv>.

74 JSC “Pasažieru vilciens” 2023 annual report, pp. 17, 18, source: <https://www.vivi.lv/lv/par-mums/finansu-parskati/>.

75 Ministry of Defence website, source: <https://www.mod.gov.lv/lv/uznemejiem/sia-valsts-aizsardzibas-korporacija>.

6. Characteristics of SOEs

6.1. Energy







JSC Augstsprieguma tīkls (AST)

Reg. No. 40003575567

Web: www.ast.lv

State ownership 100 %

Related companies and shares:

JSC Conexus Baltic Grid (CBG) 68.46%

JSC Pirmais slēgtais pensiju fonds 1.90%

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

General strategic objective

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

Main events in 2023

- Contributing to energy security: agreement on accelerated synchronisation with continental Europe in February 2025.
- Within the framework of the synchronisation project, the reconstruction of the Valmiera-Tartu line was completed. The project has attracted 75% of the EU co-funding.
- With EU co-funding, construction works started on Latvia's first compensator station in Grobiņa.
- EU co-funding attracted under the Recovery Fund: EUR 38 million.

Main events planned in 2024

- Energy security - preparedness for emergency synchronisation with continental European transmission networks. Development and integration of electricity and ancillary services markets in Europe.
- Quality energy supply - quality energy supply focused on innovation and safe operation at the lowest possible tariff.
- Financial stability - to ensure optimal return on public investment.
- Sustainable and efficient governance - digital and green transformation. Continuous efficiency improvement.

Principal financial objectives

- Investment grade AST credit rating by an international credit rating agency, target value: \geq BBB+/ Stable (achieved: A-/Positive).
- Ensure dividend contribution to the State budget: 64% (achieved: 64% (EUR 7 033 805)).
- Equity ratio: \geq 35% (achieved: 44%).
- Net borrowings to EBITDA: \leq 5.0 (achieved: 1.8).

Principal non-financial objectives

- Energy security - synchronisation with continental European transmission grids: line built under the project "Tartu(EE)-Valmiera(LV) interconnection capacity increase" connected to voltage (achieved: rebuilt line put into operation ahead of schedule).
- Energy security - development and integration of electricity and ancillary services markets into European markets: development of the integrated Balance Management System (BMS) completed (achieved: target met. Basic functionality of the system has been commissioned).
- Responsibility towards employees and society - a safe and innovative working environment: consolidation of the control room and data centre into a single location. Construction works for the first phase of the redevelopment started (achieved: procurement procedure implemented in 2023, construction works launched in early 2024).

Governance

Shareholder – **Ministry of Climate and Energy**

Representative of Shareholder – **Līga Kurevska**

Chair of Supervisory Board – **Kaspars Āboliņš**

Members of Supervisory Board – **Olga Bogdanova, Armands Eberhards, Aigars Ģermanis**

Chair of Management Board – **Rolands Irklis**

Members of Management Board – **Arnis Daugulis, Imants Zviedris, Gatis Junghāns**

Principal financial indicators, thousand EUR

	2022*	2023*
Turnover	351 131.6	234 480.0
Profit/loss	16 159.8	10 235.1
EBITDA	72 533.8	88 971.9
Total assets	1 276 496.7	1 346 939.9
Share capital	391 598.5	391 598.5
Equity	631 287.1	632 193.0
Investment	46 440.0	101 394.7
Dividends paid to state budget	29 143.1	7 033.8
Contributions made to the state and local government budget	61 971.1	51 986.7
Donations received	0.0	0.0
Donations made	55.0	43.0
Funding received from the state budget	1 809.7	7.7

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	4.60	4.37
Return on assets, ROA, %	1.27	0.76
Return on equity, ROE, %	2.56	1.62
Total liquidity indicator	1.73	1.39
Liabilities-to-equity ratio	1.01	1.12

Other indicators

Number of employees	878	891
Average gross remuneration per employee per year, thousand EUR	28.0	32.6
Gender representation in management, f/m	2/6	1/7
Annual report in accordance with IFRS (yes/no)	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR	31.5	665.1
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	yes	yes

* Consolidated data

Results achieved

- By strengthening national energy security, the EU co-funded projects for synchronisation with continental Europe have been implemented.
- In cooperation with the transmission operators of the Baltic States, efforts were made to develop and integrate the electricity and ancillary services markets into the European markets.
- The company's cyber security was significantly improved.
- In the context of the European Green Deal, active work on developing connections for electricity generation, using renewable energy sources.

JSC Latvenergo

Reg. No. 40003032949

Web: www.latvenergo.lv

State ownership 100 %

Related companies and shares:

JSC Sadales tīkls 100%	Enerģiaturu Vörguehitus. OÜ 100%
LLC Enerģijas publiskais tirgotājs 100%	HN põld ja mets 1 OÜ 100%
LLC Liepājas enerģija 51%	Klaipēda unlimited sun. UAB 100%
LLC "Latvijas vēja parki" 80 %	Geniva. UAB 50%
Elektrum Eesti. OÜ 100%	Vējo miestas. UAB 50%
Elektrum Lietuva. UAB 100%	JSC Pirmais Slēgtais Pensiju Fonds 48%
LLC "Elektrum Latvija 100%	JSC Rīgas siltums 0,0051%

JSC Latvenergo is a parent company of Latvenergo Group. Latvenergo Group is one of the largest energy supply service providers and leader in the production of green electricity in the Baltics. JSC Latvenergo activities cover electricity and heat production and trade, natural gas trade, products and services related to electricity consumption and energy efficiency, and the provision of electricity distribution services.

General strategic objective

To contribute to the competitiveness and growth of climate-neutral Latvia and to increase the value of Latvenergo Group in the home market in the Baltics and beyond, by developing and providing goods and services in the value chains of energy and related businesses in a sustainable, innovative and economically justified manner and by effectively managing resources and infrastructure of strategic importance for the country's development and security.

Main events in 2023

- The Daugava HPP has generated the second largest amount of electricity over the last 25 years.
- Latvenergo's renewable energy generation capacity portfolio expanded - by the end of 2023, 7 solar parks with a total capacity of around 30 MW will be producing electricity under the Elektrum brand. There are solar and wind parks with a total capacity of over 400 MW in the Baltics at different stages of development.
- Significant increase in the number of customers outside Latvia (+ 29%). The number of customers outside Latvia reached 227 000.
- Elektrum Drive charging network in the Baltics increased to 400 sites, with rapid development also in Lithuania and Estonia. Elektrum Drive customers have access to 571 charging points in the Baltics. 171 charging stations.
- The Group's sustainability strategy was approved, which complements the medium-term operational strategy with targets and deliverables in environmental, social and governance fields.

Main events planned in 2024

- In 2024, significant investments are planned to increase renewable energy generation capacity in the Baltics, to further rapidly expand the Elektrum Drive electric car charging network in the Baltics, to increase the number of household customers in the natural gas and electricity customer segment in the Baltics, and to continue to improve the quality of electricity distribution system services, as well as to provide RES generation capacity and the possibility to connect electric car charging stations to the distribution network.

Principal financial objectives

- Return on equity (ROE), %: 11.7 (achieved: 19.9)
- Adjusted FFO to net borrowings, %: 47 (achieved: 81).
- Moody's credit rating: Baa2 (achieved: Baa2).

Principal non-financial objectives

- 600 MW of RES generation capacity built by 2026 in the Baltics with a total capacity of 400 MW.
- Development of wind power plant projects.
- Growth in customer directions to ensure significant growth of Lithuanian household electricity and Latvian natural gas customer portfolios.
- Expansion of the public EV charging network in the Baltics to 1200-1500 ports in 2026.
- Develop a climate neutrality strategy for Latvenergo Group.
- Average outage duration index (SAIDI), minutes (without mass outages), minutes per year: 177 (achieved: 168).
- Average power interruption frequency index (SAIFI), times (without mass damage), times per year: 2.05 (achieved: 1,99).

Governance

Shareholder – **Ministry of Economics**

Representative of Shareholder – **Edmunds Valantis**

Chair of Supervisory Board – **Ivars Golts**

Deputy Chair of Supervisory Board – **Kaspars Rokens**

Members of Supervisory Council – **Aigars Laizāns, Gundars Ruža, Toms Siliņš**

Chair of Management Board – **Mārtiņš Čakste**

Members of Management Board – **Dmitrijs Juskovs, Guntars Baļčūns, Harijs Teteris**

Principal financial indicators, thousand EUR

	2022*	2023*
Turnover	1 841 801.0	2 034 425.0
Profit/loss	183 874.0	350 917.0
EBITDA	360 209.0	601 769.0
Total assets	3 855 330.0	4 127 922.0
Share capital	790 368.0	790 368.0
Equity	2 356 419.0	2 963 080.0
Investment	121 666.0	193 349.0
Dividends paid to state budget	70 160.0	152 538.0
Contributions made to the state and local government budget	155 958.0	289 390.2
Donations received	0.0	0.0
Donations made	833.0	313.0
Funding received from the state budget	16 947.0	696.7

Principal financial indicators, % and coefficients

Profitability (profit/turnover), %	9.98	17.25
Return on assets, ROA, %	4.77	8.50
Return on equity, ROE, %	7.80	11.84
Total liquidity indicator	1.20	2.18
Liabilities-to-equity ratio	0.63	0.39

Other indicators

Number of employees	3 154	3 456
Average gross remuneration per employee per year, thousand EUR	28.3	32.2
Gender representation in management, f/m	0/10	0/9
Annual report in accordance with IFRS (yes/no)	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR	3 085.0	6 988.4
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	yes	yes

* Consolidated data

Results achieved

- Assessing the progress made in 2023 in each of the action lines of the Strategy, where significant progress has been made towards the objectives set out in the Strategy for 2026, as well as the financial results achieved to meet the financial targets, the overall achievement of the objectives for 2023 is assessed as 'very good'.

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:

LLKC no ownership in other capital companies

LLKC (in English – Latvian Rural Advisory and Training Centre) is an independent, professional and publicly accessible agricultural and rural business consulting and education company in Latvia with a diverse network of services, which covers the whole territory of the country and provides knowledge about environmentally friendly and productive agriculture, forestry, fisheries, rural bio economy development and non-agricultural entrepreneurship, as well as performs a complex of information analysis and exchange measures for the implementation of rural development policy.

General strategic objective

To be an independent, professional and publicly accessible farm and rural business consultancy and education company in Latvia with a diverse service network, covering the whole territory of the country and providing knowledge about environmentally friendly and productive agriculture, forestry, fisheries, rural bio economy development and non-agricultural entrepreneurship.

Main events in 2023

- Substantial support to farmers in applying for aid payments for the new programming period. Preparation and submission of reports.
- Staff capacities strengthened in the context of the new CAP.
- Developed 'My Field' and 'Taste of the Region' to promote digital access to services. Significant improvements made to IT network security.
- Dialogue "Transforming the Child Nutrition System in Latvia" launched.
- Action Plan for the Development of Organic Farming developed.

Main events planned in 2024

- Building and transferring the knowledge base for farmers regarding the implementation of the EU Green Deal requirements, risk analysis and recommendations for risk mitigation measures.
- Developing a rural business support model based on an incubator approach.
- Development and training of consultants in line with the objectives of the EU Green Deal and customer demand.
- Preparation of a report to the Cabinet on the improvement of the school meals system. Finding complex solutions to identified problems and promoting the improvement of existing processes.

Principal financial objectives

- Ensuring that LSCC covers its short-term liabilities while making efficient use of its working capital: total liquidity ratio ≥ 1 (achieved: 0.87).
- Maintain LLKC's equity ratio at 0,2: equity ratio $\geq 0,2$ (achieved: 0.27)
- Maintain a positive return on equity (ROE), but not below 0,5 %: ROE ≥ 0.5 % (achieved: 16.34%).

Principal non-financial objectives

- Long-term customers (at least 3 years of cooperation), number ≥ 2 500 (achieved: 3 107).
- Percentage of customers satisfied with services not below the previous year's level: 88% (achieved: 90%).
- Investment in innovation, digitisation, development and creation of services $>1\%$ of turnover (achieved: 8.45%).
- Proportion of consultants (crop, livestock, forestry, economics) certified according to the qualification system developed by the LALUC in relation to the total number of consultants, %; ≥ 90 (achieved: 93).
- Proportion of consultants (crop, livestock, forestry) who have obtained further training certificates in sustainable farming, %: 54 (achieved: 62).
- Sales of maps compared to previous year, %: ≥ 80 (achieved: 106).

Governance

Shareholder – **Ministry of Agriculture**

Representative of Shareholder – **Raivis Kronbergs**

Chair of Management Board – **Mārtiņš Cimermanis**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	12 945.4	10 542.5
Profit/loss	13.1	-215.5
EBITDA	191.2	-10.5
Total assets	6 050.7	4 924.4
Share capital	1 139.3	1 139.3
Equity	1 542.7	1 318.8
Investment	275.3	222.7
Dividends paid to state budget	9.8	8.3
Contributions made to the state and local government budget	5 204.5	4 839.2
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	3 657.0	3 762.4

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.10	-2.04
Return on assets, ROA, %	0.22	-4.38
Return on equity, ROE, %	0.85	-16.34
Total liquidity indicator	1.01	0.87
Liabilities-to-equity ratio	2.82	2.73

Other indicators

Number of employees	413	410
Average gross remuneration per employee per year, thousand EUR	15.4	15.6
Gender representation in management, f/m	0/3	0/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	696.7	890.7
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Results achieved

- In 2023, the financial targets were not fully met, as the company made a loss of EUR 215 505 due to a significant drop in turnover in the Rural Development Programme's education projects segment, while preserving jobs and providing services to rural businesses as close to the place of operation as possible. Non-financial targets have been met or exceeded. 85 capacity building events have been organized for LLKC employees and Ministry of Agriculture experts, in which 2 342 participants have participated. 11 agricultural consultants have been trained according to a unified EU qualification and certification system.



LATVIJAS VALSTS MEŽI

KOKSNE • STĀDI • ATPŪTA

JSC Latvijas valsts meži (LVM)

Reg. No. 40003466281

Web: www.lvm.lv

State ownership 100 %

Related companies and capital shares:

LLC Jaunmoku pils 100 %

LLC Latvijas vēja parki 20%

LLC Meža un koksnes produktu pētniecības un attīstības institūts 40.21 %

JSC Latvijas Finieris 0.99526 %

The principal activity of LVM (in English – Latvia's State Forests) is forestry. In addition, the company provides hunting and recreational services, produces bred seed and plants, offers resources of subterranean depths, and land lease for resource extraction as well as geospatial information technology development services. LVM manages 1.62 million hectares of land in the Republic of Latvia, including 1.60 million hectares of forest land, of which the forest is 1.39 million hectares.

General strategic objective

To implement sustainable, efficient and socially responsible management of the company's strategic assets - land, forest, subsoil and other resources - by increasing forest productivity and carbon sequestration in growing wood and contributing to Latvia's competitiveness in global value chains, as well as to contribute to achieving the country's climate neutrality goals by developing technology- and science-based product manufacturing and service provision.

Main events in 2023

- A letter of expectations of LVM shareholders was approved.
- LVM medium-term operational strategy for 2024-2030 was developed (approved at the Supervisory Board meeting on 14.02.2024).
- On 6 October 2023, the LVM Shareholders' Meeting adopted a decision to agree to the termination of the capital company's participation in LLC "Latvijas vēja parki". In April 2024 the Cabinet of Ministers' consent was received.
- On 19 December 2023, the Cabinet of Ministers adopted a decision to apply the weighted average prices of sawlogs determined for the relevant period in LVM's short-term sales procedure to LVM's longer-term contracts for the supply of coniferous sawlogs as from 1 January 2024.

Main events planned in 2024

- It is planned to sell 7.35 million m³ of roundwood, 0.17 million m³ of growing trees, 706 thousand Mwh of wood chips, 53 million forest tree seedlings, 1353 thousand m³ of mineral materials and mixtures of mineral materials.
- 274 km of forest roads to be built or renovated and 20.5 thousand ha of forest drainage systems to be built.
- Reforestation of 19.4 thousand ha and taking care of young forest plants in the area of 38.9 thousand ha is planned.
- Investments of EUR 7.5 million are planned to increase the volume of forest tree seedlings.

Principal financial objectives

- Earnings before interest, taxes, depreciation and amortisation (EBITDA) from operating activities, million EUR: 143.4 (achieved: 296.2).
- Total (relative) capital value of forests, incl. paid (real) according methodology used by LVM, million EUR: 4464/3160 (achieved: 6364/4671).
- Dividend yield, %: ≥80 (achieved: 84).

Principal non-financial targets

- Forest area for timber production and extraction, % of forest: ≥77% (achieved: 78%).
- Total log deliveries in million m³: 6.97 (achieved: 6.94), coniferous sawlogs, million m³: 3.41 (achieved: 3.53), birch veneer logs (<18cm), million m³: 0.36 (achieved: 0.34).
- CO₂ sequestration in wood stock growth (according to LVM methodology), million CO₂ t: ≥12.2 (achieved: 14.2).

Governance

Shareholder – **Ministry of Agriculture**

Representative of Shareholder – **Raivis Kronbergs**

Chair of Supervisory Board – **Zane Driķe**

Deputy Chair of Supervisory Board – **Mārtiņš Lūdums**

Members of Supervisory Board – **Edvīns Zakovics, Mārtiņš Gaigals, Sintija Ķikste**

Chair of Management Board – **Pēteris Putniņš**

Members of Management Board – **Valdis Kains, Ieva Rone, Māris Kuzmins, Dainis Reķelis**

Principal financial indicators, thousand EUR

	2022*	2023*
Turnover	566 722.5	626 136.3
Profit/loss	242 227.8	220 948.1
EBITDA	300 002.5	296 479.1
Total assets	757 380.0	824 275.9
Share capital	355 728.6	481 821.7
Equity	684 830.5	743 268.5
Investment	46 865.5	56 118.0
Dividends paid to state budget	71 380.3	162 510.1
Contributions made to the state and local government budget	101 606.3	218 169.8
Donations received	0.0	0.0
Donations made	0.0	5.5
Funding received from the state budget	0.0	0.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	42.74	35.29
Return on assets, ROA, %	31.98	26.81
Return on equity, ROE, %	35.37	29.73
Total liquidity indicator	8.59	8.74
Liabilities-to-equity ratio	0.09	0.09

Other indicators

Number of employees	1 458	1 497
Average gross remuneration per employee per year, thousand EUR	25.3	29.0
Gender representation in management, f/m	0/8	3/7
Annual report in accordance with IFRS (yes/no)	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR	1 704.0	1 596.0
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	yes	yes

* Consolidated data.

Results achieved

- In 2023, EBITDA amounted to EUR 296.8 million. The most significant contributor to this indicator was revenue from the sale of roundwood assortments, with timber selling prices on the market significantly higher than expected.
- CO₂ sequestration from wood stock growth is 14.2 million tonnes (+16% compared to the strategy's target). The overachievement is due to a decrease in the accumulation of old stands, an increase in the proportion of younger stocks, and the effect of targeted economic activity and selection of forest tree seedlings.



SLLC Meliorprojekts (MP)

Reg. No. 50003017621

Web: www.meliorprojekts.lv

State ownership 100 %

Related companies and shares:

MP has no ownership in other capital companies

MP (in English – Land reclamation project) deals with the design, topographic and cadastral survey of drainage systems and hydro technical structures. The MP was created with the aim of promoting the implementation of the policy of the Ministry of Agriculture in the field of rural development, sustainable management of land and water resources and rural infrastructure, landscape conservation and improvement of the environment, and to provide engineering research and construction design services at economically justified prices, ensuring State control in accordance with the public interest over the implementation of functions of national importance in a specific sector of the economy – hydro-ameliorative construction.

General strategic objective

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

Main events in 2023

There were no significant events in 2023.

Main events planned in 2024

- To ensure that the company operates with profit.

Principal financial objectives

- Turnover, EUR: 790 000 (achieved: 829 007).
- Long-term investments, EUR: 74 000 (achieved: 59 000).

Principal non-financial objectives

- To provide engineering and construction design for the construction, rehabilitation and reconstruction of drainage systems and hydraulic structures on agricultural and forest land, projects: 60 (achieved: 65).
- Participate in the implementation projects of the Rural Development Programme and the National Programme for Flood Risk Prevention and Management, projects: 12 (achieved: 12).
- Maintain an archive repository of original documents on land reclamation, hydraulic engineering structures and land reclamation hydrometric carried out in the past in the territory of Latvia. Ensure the availability of documentation and technical information necessary for the management of the sector, construction planning and cadastral registration. Planned value: neutral (achieved: neutral).

Results achieved

- Financial targets exceeded.
- Non-financial targets achieved.

Governance

Shareholder – **Ministry of Agriculture**

Representative of Shareholder – **Raivis Kronbergs**

Chair of Management Board – **Zigurds Zēns**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	487.9	829.0
Profit/loss	-4.7	92.0
EBITDA	12.6	101.5
Total assets	74.0	219.7
Share capital	115.7	115.7
Equity	37.5	129.4
Investment	12.7	59.0
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	184.4	288.8
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, %	-0.96	11.09
Return on assets, ROA, %	-6.33	41.86
Return on equity, ROE, %	-12.51	71.05
Total liquidity indicator	1.68	2.12
Liabilities-to-equity ratio	0.98	0.70

Other indicators

Number of employees	23	23
Average gross remuneration per employee per year, thousand EUR	10.2	14.7
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

6.3. Transport





JSC Air Baltic Corporation (airBaltic)

Reg. No. 40003245752

Web: www.airbaltic.com

State ownership: 97.97 %

Related companies and shares:

LLC Baltijas Kravu Centrs 100%

LLC Air Baltic Training 100 %

JSC Aviation Crew Resources 100 %

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

General strategic objective

Promote Latvia's international accessibility through passenger and cargo air transport, strive for climate neutrality, develop market share at airports in Northern Europe and other countries, as well as engage in new market segments, provide leadership in innovation, thus contributing to the development of Riga as an important air traffic hub in Northern Europe.

Main events in 2023

- In October 2023, the airline signed a new purchase agreement with Airbus, converting 30 A220-300 option and purchase right agreements into purchase agreements with first delivery in Q4 2026. In addition, a contract was signed for the purchase rights of a further 20 aircraft.
- During the summer season, the airline leased a record 14 aircraft under ACMI agreements, which were signed with several EU national airlines.
- AirBaltic operated a record 126 routes, including 38 new routes.
- A new base in Gran Canaria was opened for the 2023/2024 winter season.

Main events planned in 2024

- The EUR 200 million budget expires in July 2024. The EUR 2 billion bond matures in 2024. The airline will therefore seek external funding to refinance the bonds, and plans to raise additional funding of EUR 100 million. The company will also raise EUR 100 million to refinance the bonds.
- The airline plans to expand ACMI operations (flights to other airlines), leasing up to 17 aircraft in the summer months of 2024.
- AirBaltic plans to continue its fleet expansion by adding four new A220-300 aircraft, potentially reaching 50 aircraft by the end of the year.

Principal financial objectives

- Earnings before interest and taxes (EBIT), thousand EUR: 73 852 (achieved: 87 776).
- Profit or loss, thousand EUR: 3 021 (achieved: 33 852).
- Net turnover, thousand EUR: 700 471 (achieved: 666 743).

Principal non-financial objectives

- Passengers, thousand: 4 368 (achieved: 4 469).
- Average seat occupancy, %: 66 (achieved: 76.7).
- Average revenue per ticket, EUR: 95,1 (achieved: 112.1).

Results achieved

- The airline continued to expand its fleet with the addition of seven new A220-300 aircraft.
- airBaltic operated 126 routes from Riga, Tallinn, Tampere bases, as well as from the new Gran Canaria base.
- The airline expanded ACMI operations (flights to other airlines), leasing a total of 14 aircrafts in the summer months of 2023.

Governance

Shareholder – **Ministry of Transport**

Representative of Shareholder – **Ilonda Stepanova**

Chair of Supervisory Board – **Klāvs Vasks**

Members of Supervisory Board – **Kaspars Ozoloņš, Andris Liepiņš, Lars Thusen**

Chair of Management Board – **Martin Alexander Gauss**

Members of Management Board – **Pauls Juris Cāltis, Vitolds Jakovļevs**

Principal financial indicators, thousand EUR

	2022*	2023*
Turnover	495 455.0	664 186.0
Profit/loss	-54 219.0	33 652.0
EBITDA	106 784.0	163 335.0
Total assets	1 158 922.0	1 324 707.0
Share capital	596 473.0	596 473.0
Equity	-81 984.0	-48 307.0
Investment	206 931.2	242 105.4
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	38 432.8	42 566.8
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	45 000.0	0.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-10.94	5.07
Return on assets, ROA, %	-4.68	2.54
Return on equity, ROE, %	n/a	n/a
Total liquidity indicator	0.43	0.23
Liabilities-to-equity ratio	n/a	n/a

Other indicators

Number of employees	1 851	2 531
Average gross remuneration per employee per year, thousand EUR	29.7	33.9
Gender representation in management, f/m	0/7	0/7
Annual report in accordance with IFRS (yes/no)	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	yes	yes

* Consolidated data



SLLC Autotransporta direkcija (ATD)

Reg. No. 40003429317

Web: www.atd.lv

State ownership: 100 %

Related companies and shares:

LLC LDZ CARGO 100%	JSC LatRailNet 100%
LLC LDZ ritošā sastāva serviss 100%	LLC LDZ Loģistika 100%
LLC LDZ infrastruktūra 100%	LLC TREK 5.84 %
LLC LDZ apsardze 100%	Belaruss-Latvia joint-venture MIRIGO 3%

ATD has no ownership in other capital companies

ATD (in English - Road Transport Directorate) is the enforcer of a single national policy for passenger and freight transport. ATD provides public transport services on regional routes and strategic services in the field of road transport licensing, ensuring a high quality package of services in the field of road freight and passenger transport in the interests of the State, society and carriers to ensure fair and equitable competition between carriers.

General strategic objective

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

Main events in 2023

- In line with the delegation from the Ministry of Transport, ATD continued to implement the specific national non-financial objective - the acquisition of rolling stock for passenger transport by rail, organising the second round of procurement for the supply of new battery electric multiple units (BEMUs) for passenger trains.
- Approval of a new regional public transport ticketing and fares system.
- ATD's highest ever level of direct customer satisfaction achieved.

Main events planned in 2024

- To conclude procurement contract for the supply of battery electric multiple units/trains (BEMUs).
- A study on customer satisfaction with regional public transport in different regions of Latvia.
- Development of a concept on the need for registration of freight forwarders and freight brokerage service providers and the requirements to be met by these operators.

Principal financial objectives

- Turnover, EUR: 3 905 785 (achieved: 4 062 101).
- Equity ratio: 0.84 (achieved: 0.78)
- Return on equity ROE, %: 1.25 (achieved: 2.41).

Principal non-financial objectives

- Organise delivery of new battery electric multiple units (BEMUs) for passenger trains: in Q2, ATD received the documentation for the second round of BEMU procurement from the Ministry of Transport and ensured the completion of the documentation. The BEMU second round documentation and its annexes in Latvian and English languages after approval on 07.11.2023 were published in the e-Tender subsystem of the Electronic Procurement System and sent to the candidates. The questions raised by the candidates were examined and answered.
- Ensure a customer-oriented, secure and transparent online environment. Gradual digitisation of the services provided: draft amendments to Cabinet Regulation No 836 "Regulations on the Issue of Digital Tachograph Cards for the Recording of Driver's Work and Rest Time" were developed. Cancellation and temporary suspension of a driver's registration card. The technical solution has been thought out and the means have been planned to complete the task by 01.07.2024.
- Facilitate the digitalisation of the services provided by the ATD: automatic evaluation and assignment of the 2 services provided by the ATD - change of customer data of a legal entity (NCCD) and change of customer data of a natural person (PCCD) - in the e-services environment e.atd.lv.
- Increase the number of applications submitted in the e.atd.lv e-services environment in relation to the total number of applications submitted. % not less than 62 (achieved: 67.6).
- Customer satisfaction rate for individual services, % not less than 76 (achieved: 90.2).

Governance

Shareholder – **Ministry of Transport**

Representative of Shareholder – **Ligita Austrupe**

Chair of Management Board – **Artūrs Caune**

Member of Management Board – **Svetlana Mjakuškina**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	4 121.7	4 062.1
Profit/loss	429.0	94.2
EBITDA	689.6	449.0
Total assets	4 922.7	4 993.5
Share capital	200.9	200.9
Equity	4 087.8	3 907.4
Investment	370.6	251.3
Dividends paid to state budget	277.1	0.0
Contributions made to the state and local government budget	1 559.6	1 417.2
Donations received	0.0	0.0
Donations made	2.5	1.0
Funding received from the state budget	920.6	1 008.6

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	10.41	2.32
Return on assets, ROA, %	8.72	1.89
Return on equity, ROE, %	10.50	2.41
Total liquidity indicator	4.84	3.79
Liabilities-to-equity ratio	0.20	0.28

Other indicators

Number of employees	89	87
Average gross remuneration per employee per year, thousand EUR	27.8	30.0
Gender representation in management, f/m	0/2	1/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Results achieved

- Return on equity (ROE) financial target was achieved with +92.8% due to the increase in profits, which in turn was influenced by the increase in net turnover.
- The proportion of irregularities detected in the performance of public transport service contracts in the number of inspections carried out during the year amounted to 2.56%, not exceeding the planned target of 6%.
- A concept for the provision of a single centralised licensing of taxi and passenger car services has been developed.

SJSC Ceļu satiksmes drošības direkcija (CSDD)



Reg. No. 40003345734

Web: www.csdd.lv

State ownership: 100 %

Related companies and shares:

CSDD has no ownership in other capital companies

CSDD (in English – Road Traffic Safety Directorate) carries out economic activities and provides the following main services within the framework of the delegated tasks of public administration: registering vehicles and small craft, issuing registration documents and state registration plates; carrying out state technical inspection and general supervision of vehicles; ensuring and maintaining the state register of vehicles and their drivers; granting driving licences, issuing drivers' licences and maintaining a system of points of record of driving offences; ensuring the operation of the national Bīķernieki complex sports base and the Riga Motor Museum; educating and informing the public, developing training tools on road safety issues and preventing road accidents.

General strategic objective

To ensure high quality and innovative contribution to sustainable road safety, to maintain and develop vehicle and inland waterway vehicle registration and driver qualification services, vehicle roadworthiness testing and inspection services, and to maintain major traffic-related infrastructure.

Main events in 2023

- CSDD was recognised as the most human brand in Latvia among more than 300 brands. The top most human brands is determined by conducting a survey of citizens, asking them to evaluate whether the brand can be judged as socially responsible towards society.
- The new model driving licence introduced by the CSDD won the 'Best New Secure Document' award at an international conference on secure document technology.

Main events planned for 2024

- Introduce an innovative payment method that would allow customers to use the e-CSDD and its functionally connected internet banking resources (using a customised payment initiation service (PSD2) functionality). Execute payments to multiple recipients in a single payment.
- Make preparations to ensure sustainability data processing and reporting in line with the CSRD, ESRS and Taxonomy Regulation requirements.
- Implement pilot projects on the use of artificial intelligence technologies to streamline business processes.

Principal financial objectives

- Net turnover, million EUR: >51.0 (achieved: 60.02).
- ROE (profit/equity), %: >3.0 (achieved: 8.5).
- Commitment to equity, %: <15.2 (achieved: 14.9).

Principal non-financial objectives

- Customer satisfaction: 4.33 (achieved: 4.58).
- Introduction of new e-services for vehicle registration: 2 (achieved: 5).
- Proportion of registration certificates issued through e-services out of the total number of registration certificates issued, %: 9 (achieved: 17).

Governance

Shareholder – **Ministry of Transport**

Representative of Shareholder – **Ilonda Stepanova**

Chair of Supervisory Board – **Kristiāns Godiņš**

Members of Supervisory Board – **Jānis Brazovskis, Māris Macijevskis**

Chair of Management Board – **Aivars Aksenoks**

Members of Management Board – **Mārtiņš Krieviņš, Dace Benhena**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	52 747.2	60 022.6
Profit/loss	6 570.6	3 953.5
EBITDA	9 698.1	8 479.6
Total assets	55 955.9	53 803.8
Share capital	38 662.3	40 014.6
Equity	49 253.5	46 690.5
Investment	2 839.3	3 430.9
Dividends paid to state budget	0.0	6 609.4
Contributions made to the state and local government budget	10 673.0	20 417.9
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	557.4	270.1

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	12.46	6.59
Return on assets, ROA, %	11.74	7.35
Return on equity, ROE, %	13.34	8.47
Total liquidity indicator	3.84	3.08
Liabilities-to-equity ratio	0.14	0.15

Other indicators

Number of employees	582	587
Average gross remuneration per employee per year, thousand EUR	22.7	25.8
Gender representation in management, f/m	1/5	1/5
Annual report in accordance with IFRS (yes/no)	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	yes	yes

* Consolidated data.

Results achieved

- All financial (3 targets) and non-financial targets (12 targets) set in the CSDD's Medium-Term Operational Strategy 2021-2023 were fully achieved in 2023.

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) is the national promoter of the Rail Baltica project in Latvia, implementing the construction of both international stations in Riga and laying the foundations for the start of the main line construction outside Riga. The company provides design services for Rail Baltica stations in Latvia, terminals, maintenance sites and other point objects, carries out the disposal of real estate, works on developing the necessary competences for Rail Baltica and developing an infrastructure management model.

General strategic objective

To ensure the development of the assets, services and expertise needed to build and manage Rail Baltica, a strategic infrastructure of national importance - a European-wide railway line - by facilitating the implementation of a common infrastructure management model for the Baltic States and the integration of Rail Baltica into the Single European Railway Area.

Main events in 2023

- Extensive railway infrastructure works were carried out at Riga Central Junction where construction works cover an area of about two kilometres.
- The most intensive work on the Rail Baltica station and related infrastructure at RIX Riga Airport is related to the construction of the station and railway flyover piles.
- The contract for the construction of the Rail Baltica main line has been concluded.
- Real estate alienation has been completed or are in progress for a total of 100 km of high-speed rail track.

Main events planned in 2024

- Construction of Rail Baltica will continue at the Riga Central Junction and at RIX Riga Airport. Completion of the first phase of construction at both sites.
- Construction work on the main Rail Baltica route outside Riga will start.
- The design of the Salaspils Intermodal Logistics Centre is planned to be completed.
- The expropriation of real estate for the construction of Rail Baltica will continue.
- Further work on the infrastructure management model and the operational readiness plan will be carried out.

Principal financial objectives

- Turnover, EUR: 7 139 443 (achieved: 6 397 550).

Principal non-financial objectives

- To ensure the development of the Riga Central Railway Station hub by managing financial investments of not less than, million EUR: 70 (achieved: 84).
- Ensure the development of the Rail Baltica RIX railway station by managing financial investments of at least, million EUR: 19 (achieved: 20).
- Investments from own resources in the research and development of a railway management system not less than, thousand EUR: 75 000 (achieved: 76 500).
- Number of research services (contracted) related to the railway management system not less than 3 (achieved: 3).

Governance

Shareholder – **Ministry of Transport**

Representative of Shareholder – **Inguna Strautmane**

Chair of Management Board – **Kaspars Vingris**

Member of Management Board – **Arnis Staltmanis**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	3 900.9	6 397.6
Profit/loss	-108.6	-195.9
EBITDA	-50.4	-115.3
Total assets	6 041.7	8 908.9
Share capital	4 445.4	4 445.4
Equity	4 241.6	4 045.7
Investment	133.2	102.8
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	1 333.6	1 862.3
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	4 034.1	6 500.3

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-2.78	-3.06
Return on assets, ROA, %	-1.80	-2.20
Return on equity, ROE, %	-2.56	-4.84
Total liquidity indicator	1.17	1.02
Liabilities-to-equity ratio	0.42	1.20

Other indicators

Number of employees	84	97
Average gross remuneration per employee per year, thousand EUR	31.0	38.9
Gender representation in management, f/m	0/2	0/2
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Results achieved

- Investments in RCS 84 million, RIX. EUR 20 million.
- Invested EUR 76 500 from own resources in the research, design and development of a railway management system.
- Three contracts for research services related to the rail management system have been concluded.



LATVIJAS AUTOCEĻU UZTURĒTĀJS

SJSC Latvijas autoceļu uzturētājs (LAU)

Reg. No. 40003356530

Web: www.lau.lv

State ownership 100%

Related companies and shares:

LAU has no ownership in other capital companies

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

General strategic objective

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

Main events in 2023

- In 2023, the Company was awarded the Platinum category of the leading sustainability rating in Latvia - Sustainability Index - for its performance, sustainability of operations and level of corporate responsibility.
- The Company ranked 83rd in the TOP101 list of the most valuable companies in Latvia.
- In 2023 the Company paid EUR 10.14 million in taxes.
- Received a gold award in the "Safest Company Fleet 2023" competition in the "Lower Risk State and Municipal Fleets" category.

Main events planned in 2024

- The Company's focus will be on sustainable development policy-making, increasing the value of the Company and generating additional revenues (included in the 2024 non-financial objectives).
- Development of information systems and business process alignment.
- Leasing of unused and unlet premises, attracting new tenants and alienation of real estate which are not necessary for the Company's core business.
- Strengthening the Company's market position.

Principal financial objectives

- Equity to total assets ratio, %: 65 (achieved: 68).
- Return on assets (ROA), %: 4.3 (achieved: 1.7).
- Liability coverage ratio (DSCR)(x): 1.7(achieved: 1.7).
- Net turnover, million EUR: 83.147 (achieved: 67.257).
- Total liquidity ratio: 1.2 (achieved: 1.3).

Principal non-financial objectives

- Average rating of the quality of the work carried out in the summer season (on a 5-point scale): 4 (achieved: 5).
- Net turnover per employee, EUR: 63 959 (achieved: 60 537).
- Employee engagement - TRI*M index: 54 (achieved: 31).
- Share of vehicles with Euro 5 and higher emission standards %: 57 (achieved: 58.3).
- Number of non-conformities in laboratory tests of LAU self-produced road construction materials, % : <10 (achieved: 2).

Results achieved

- Quality indicators (quality assessment of IU work carried out, inconsistencies in self-produced materials), %: +25.
- Level of employee engagement (TRI*M index 42.6 % below target).
- Proportion of vehicles with an emission standard of EUR 5 and above, %: +2.3.
- Equity to total assets, %: +4.6.
- Total liquidity ratio, %: +8.3.
- Debt service coverage ratio (DSCR), achieved, %:100.

Governance

Shareholder – **Ministry of Transport**

Representative of Shareholder – **Ilonda Stepanova**

Chair of Supervisory Board – **Renārs Griškevičs**

Members of Supervisory Board – **Jevgenijs Belezjaks, Andris Vanags**

Chair of Management Board – **Vilnis Vitkovskis**

Members of Management Board – **Juris Dupurs, Ilze Bukulde**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	78 489.2	67 256.5
Profit/loss	1.4	1 109.1
EBITDA	7 653.9	6 917.0
Total assets	66 747.9	62 929.4
Share capital	35 202.3	35 202.3
Equity	41 871.8	42 980.0
Investment	1 156.9	2 519.7
Dividends paid to state budget	0.0	0.9
Contributions made to the state and local government budget	14 323.4	10 515.3
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	62 304.4	7 210.5

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.002	1.65
Return on assets, ROA, %	0.002	1.76
Return on equity, ROE, %	0.003	2.58
Total liquidity indicator	1.11	1.32
Liabilities-to-equity ratio	0.57	0.42

Other indicators

Number of employees	1 193	1 111
Average gross remuneration per employee per year, thousand EUR	19.5	20.0
Gender representation in management, f/m	0/6	1/5
Annual report in accordance with IFRS (yes/no)	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR	5.3	4.9
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or 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%	JSC LatRailNet 100%
LLC LDZ ritošā sastāva serviss 100%	LLC LDZ Loģistika 100%
LLC LDZ infrastruktūra 100%	LLC TREK 5.84 %
LLC LDZ apsardze 100%	Belaruss-Latvia joint-venture MIRIGO 3%

LDz (in English – Latvian Railway) is one of the largest companies in Latvia conducting economic activities that make a significant contribution to national economy by ensuring the use of railway infrastructure for passenger and freight transport. The main task of LDz is to ensure the management of the national public-use railway infrastructure and safe, high quality and efficient railway services in the interests of the state and the economy of Latvia.

General strategic objective

Ensuring efficient, safe and sustainable management of railway infrastructure, providing competitive services in logistics, rolling stock repair and maintenance, as well as ensuring security of strategic facilities, and contributing to the development of environmentally friendly rail transport.

Most important events in 2023

- Efficiency improvement - the main priorities and objectives were related to substantially increasing operational efficiency and financial balance, as well as to the implementation and improvement of newly developed organisational and technological processes. In 2023, LDz continued to implement cost reduction measures and to increase the efficiency and productivity of the LDz Group. In 2023, the emphasis was placed on the prudent use of human and material resource base by reducing costs.
- Evaluation of technological processes - targeted review of functions and changes in the organisational structure. Work continued on the implementation of optimisation measures at LDz and the Group as a whole.
- Diversification of target markets and freight segments - the attention was paid to internal and external communications on all major developments within the LDz Group, including freight transport volumes, activities aimed at increasing them, new business volumes, the launch of the LDz subsidiary in Estonia, the progress of infrastructure development projects, diversification activities in target markets and freight segments, succession in LDz management, etc.
- Cooperation in implementing the Rail Baltica project - track reconstruction and viaduct works of the Central Multimodal Interchange continued at Riga Central Railway Station and its surroundings within the Rail Baltica project.
- Modernisation and construction of passenger platforms at 48 railway stations and stops. Modernisation of infrastructure on the Riga - Jelgava and Riga - Aizkraukle lines.

Most important events planned in 2024

- LDz plans to continue implementing cost reduction measures to become a more efficient and competitive company.
- After the the Indicative Railway Infrastructure Development Plan until 2027 came into effect LDz will develop a new operational development strategy in line with the shareholder's letter of expectation.

Main financial objectives

- Net turnover, EUR: 198 050 203 (achieved: 165 409 602).
- EBITDA (including public funds for financial rebalancing and dividends from subsidiaries), %: 15.92 (achieved: 18.83).
- Liabilities to equity (excluding deferred income), %: 40.63 (achieved: 39.77).

Main non-financial objectives

- Railway infrastructure operating costs per km of track, thousand EUR: 76.1 (56.9 achieved).
- Number of serious accidents per million tkm: 1.1 (achieved: 0.68).
- Share of rail passenger transport in total public transport, %: 9 (achieved: 9.10).

Governance

Shareholder – **Ministry of Transport**

Representative of Shareholder – **Ilonda Stepanova**

Chair of Supervisory Board – **Andris Liepiņš**

Members of Supervisory Board – **Reinis Cepelis**

Chair of Management Board – **Rinalds Pļavnieks**

Members of Management Board – **Vita Balode-Andrūsa**

Principal financial indicators, thousand EUR

	2022*	2023*
Turnover	254 788.0	263 529.0
Profit/loss	-2 368.0	-3 231.0
EBITDA	61 014.3	57 943.0
Total assets	853 629.0	844 665.0
Share capital	327 622.0	327 622.0
Equity	395 460.0	392 229.0
Investment	25 978.5	72 186.4
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	64 863.4	68 527.0
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	100 590.3	73 972.1

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-0.93	-1.23
Return on assets, ROA, %	-0.28	-0.38
Return on equity, ROE, %	-0.60	-0.82
Total liquidity indicator	1.26	1.07
Liabilities-to-equity ratio	1.14	1.15

Other indicators

Number of employees	6 482	6 219
Average gross remuneration per employee per year, thousand EUR	15.1	16.5
Gender representation in management, f/m	1/7	1/3
Annual report in accordance with IFRS (yes/no)	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR	1 367.4	5 027.8
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	yes	yes

* Consolidated data

Results achieved

- Financial and non-financial targets partially met.
- The major decrease in net turnover against the plan was EUR 6 649 thousand, which was due to the revenue from the electricity distribution and trading service. The revenue was significantly affected by the decrease in freight traffic, which led to changes in infrastructure capacity utilisation and freight wagon handling and inspection, the income changes in these positions was EUR 1 984 thousand.
- In 2023, it was planned to receive dividends of EUR 2 443 thousand. However, the actual amount received was EUR 9 090 thousand, that is by EUR 6 647 thousand more than planned.
- The number of serious accidents decreased from 16 (in 2022) to 7 (in 2023). Safety campaigns are organised to inform and educate the public about safety in the proximity of railways.

SJSC Latvijas gaisa satiksme (LGS)



Reg. No. 40003038621

Web: www.lgs.lv

State ownership 100%

Related companies and shares:

LGS has no ownership in other capital companies

The main activity of LGS (in English – Air Traffic of Latvia) is the provision of air navigation services to all airspace users in the Riga flight information area. These services include air traffic control, communication, navigation, surveillance, aeronautical information and meteorological services.

General strategic objective

Ensuring air navigation services and their safety in accordance with the requirements of international and national standards, to maintain optimal controlled airspace capacity, to develop air navigation services and their infrastructure, as well as to enable all airspace users to operate effectively in accordance with the requirements of both military and civil operators.

Main events in 2023

- The upgrade of the MSS-W RIX territorial observation system was completed, resulting in extended coverage from the entire Riga Flight Information Zone and regional aerodromes.
- Expansion and modernisation of the VOR/DME network completed. Airspace users will benefit from high precision navigation. Using this technology, airspace users, using optimal trajectories, will be able to significantly reduce fuel consumption.
- Modernisation of air traffic management and air traffic support systems launched.

Main events planned in 2024

- In 2024, the LGS will develop a Medium-Term Strategy 2025-2029 and inform the development of the Latvian Performance Improvement Plan.
- Continue work on air traffic management and air traffic support systems modernisation projects.
- It is planned to start the construction of the GSV Tower and the GSV Centre (REACT).

Main financial objectives

- Fixed unit fare per route unit (E1), EUR 32.73 (reached: 43.30).
- Net turnover, EUR: 26 711 000 (achieved: 26 028 695).

Main non-financial objectives

- D1 - Level of safety management effectiveness. ANSP level plan: D (achieved: C).
- D2 - Safety Risk Management Level: D (Achieved: D).
- M - Provision of mandatory training, %: 100 (achieved: 100).
- K1 - En-route ATFM delay minutes per flight: 0,03 (achieved: 0).
- Implementation of the European Union co-financed project - Construction of the GSV Tower and GSV Centre (REACT), %: 3 (achieved: 3).

Results achieved

- Russia's war against Ukraine continued to have a significant impact on LGS activities. Due to the sanctions, the number of flights is reduced by 31.9% compared to 2019. No flight delays were recorded. The safety management level has not been reached according to preliminary data. The European benchmark for 2023 was "C" and LGS has achieved it. In 2023, the unit cost was increased (+36.6%). However, due to fewer flights, the break-even point was not reached.

Governance

Shareholder – **Ministry of Transport**

Representative of Shareholder – **Ilonda Stepanova**

Chair of Supervisory Board – **Dins Merirands**

Members of Supervisory Board – **Andris Ozoliņš, Aleksandrs Gusevs**

Chair of Management Board – **Dāvids Tauriņš**

Members of Management Board – **Ivars Sviridovs, Aivars Pūcītis**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	19 270.3	26 028.7
Profit/loss	-4 523.6	-1 829.8
EBITDA	110.5	3 508.5
Total assets	35 635.6	44 103.6
Share capital	28 765.9	28 765.9
Equity	27 833.0	26 003.2
Investment	2 562.9	3 667.6
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	6 165.7	6 183.3
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, %	-23.47	-7.03
Return on assets, ROA, %	-12.69	-4.15
Return on equity, ROE, %	-16.25	-7.04
Total liquidity indicator	0.93	4.06
Liabilities-to-equity ratio	0.28	0.70

Other indicators

Number of employees	320	305
Average gross remuneration per employee per year, thousand EUR	35.0	41.4
Gender representation in management, f/m	0/5	0/6
Annual report in accordance with IFRS (yes/no)	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	yes	yes

SJSC Latvijas Jūras administrācija (LJA)

Reg. No. 40003022705

Web: www.lja.lv

State ownership: 100 %

Related companies and shares:

LJA has no ownership in other capital companies

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

General strategic objective

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

Most important events in 2023

- The Cabinet of Ministers Order No 484 "On the Share of Profit of the State Limited Liability Company "Latvijas Jūras administrācija" to be Paid to the State in Dividends for 2022," of 10 August 2023 setting the dividend at 64% of the company's annual profit, and to allocate EUR 348 737 for the purchase and installation of a multibeam depth measurement system to ensure high quality of measurements and fulfil the task delegated by the State.
- Acquisition and installation of a multibeam depth measurement system on board the vessel Kristian Dahl.
- Drafting of amendments to the price list for paid services of the Latvian Maritime Administration, coordination and submission to the Cabinet of Ministers.

Main events planned in 2024

- Entry into force of amendments to the Cabinet of Ministers' Regulation No 854 of 21 December 2021 "Price List of Paid Services of the State Limited Liability Company "Latvian Maritime Administration".
- Installation and commissioning of a multibeam depth measurement system.
- IMO Member State Audit Scheme (15-22 April), EMSA Audit (17-26 September), European Commission ISPS audit.

Principal financial objectives

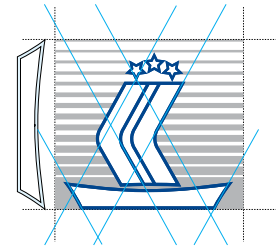
- Net turnover, EUR: 4 890 490 (achieved: 4 569 782).
- Liquidity: 2 (achieved: 2.43).
- Total solvency (equity as a percentage of the balance sheet), %: 85 (achieved: 80).

Principal non-financial objectives

- Port State Control inspections: 290 (achieved: 346).
- Latvian flag vessel inspections: 250 (achieved: 274).
- ISM audits: 10 (achieved: 21).

Results achieved

- Loss: EUR 118 646 (annual reduction in the number of ships calling at Latvian ports by approx. 1000).
- Balance sheet total, EUR: 5 229 383.
- The number of SOLAS vessels registered in the Latvian Register of Shipping has increased (48).
- 346 Port State Control inspections carried out, reaching the number of inspections set out in the Paris MoU.



Governance

Shareholder – **Ministry of Transport**

Representative of Shareholder – **Ligita Austrupe**

Chair of Management Board – **Jānis Krastiņš**

Member of Management Board – **Edgars Gļāņenko**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	5 147.9	4 569.8
Profit/loss	544.9	-118.6
EBITDA	853.7	275.5
Total assets	5 654.8	5 229.4
Share capital	1 533.9	1 533.9
Equity	4 754.1	4 200.5
Investment	223.1	227.3
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	1 586.2	1 890.1
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	248.8	248.8

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	10.58	-2.60
Return on assets, ROA, %	9.64	-2.27
Return on equity, ROE, %	11.46	-2.82
Total liquidity indicator	2.66	2.43
Liabilities-to-equity ratio	0.19	0.24

Other indicators

Number of employees	107	103
Average gross remuneration per employee per year, thousand EUR	27.9	30.0
Gender representation in management, f/m	0/2	0/2
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

SJSC Latvijas Valsts ceļi (LVC)

Reg. No. 40003344207

Web: www.lvceli.lv

State ownership 100 %

Related companies and shares:

LVC has no ownership in other capital companies

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

General strategic objective

Development and effective management of a network of public roads that meet the requirements of public mobility and secure public roads.

Main events in 2023

- The EU co-funded development project for the establishment of a National (National) Access Point (NAP) for transport sector information, including the acquisition and deployment of information and communication technology (ICT) infrastructure and the provision of services necessary for its functioning in the data centre of the Latvian Radio and Television Centre NAP (which is a European-level ICT service platform).
- Information report and related draft documents prepared and submitted to the Ministry of Transport for the adoption of a decision by the Cabinet of Ministers on the launch of the public-private partnership project "Reconstruction of the Main National Motorway A7 Riga-Bauska-Lithuanian border section from Ķekava bypass to Bauska".
- Management and implementation of the EU Recovery Fund projects for the implementation of the administrative-territorial reform have been ensured. Implementation of construction works on 37 km of national regional roads and 35 km of national local roads.

Main events planned in 2024

- LVC medium-term operational strategy 2025-2027 developed.
- 300 km of construction works on the national road network.
- Management and implementation of EU Recovery Fund projects to implement the administrative-territorial reform.
- Management of the routine maintenance works of the Ķekava bypass under PPP contract.

Principal financial objectives

- Turnover, EUR: 18 539 300 (achieved: 20 930 422).
- Net profit, EUR: 150 000 (achieved: 187 384).
- Total liquidity ratio: 1.20 (achieved: 1.40).

Principal non-financial objectives

- Continuous management and control of the maintenance programmes for national roads and their elements. km: 16 (achieved: 19).
- Construction works on the road network, km: 300 (achieved: 646).
- Road safety management reduced the number of dangerous road sections, number of objects: 5 (achieved: 5).

Governance

Shareholder – **Ministry of Transport**

Representative of Shareholder – **Dins Merirands**

Chair of Management Board – **Mārtiņš Lazdovskis**

Member of Management Board – **Verners Akimovs**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	19 240.6	20 930.4
Profit/loss	182.9	187.4
EBITDA	1 134.4	1 042.1
Total assets	8 808.4	8 196.8
Share capital	4 155.6	4 155.6
Equity	4 657.4	4 727.7
Investment	568.8	496.1
Dividends paid to state budget	195.5	117.1
Contributions made to the state and local government budget	6 550.6	6 969.3
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	19 533.4	19 106.9

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.95	0.90
Return on assets, ROA, %	2.08	2.29
Return on equity, ROE, %	3.93	3.96
Total liquidity indicator	1.24	1.44
Liabilities-to-equity ratio	0.76	0.60

Other indicators

Number of employees	353	366
Average gross remuneration per employee per year, thousand EUR	31.3	34.7
Gender representation in management, f/m	0/3	0/2
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Results achieved

- Overall, the financial and non-financial targets have been met.
- Financial targets: Total net turnover exceeded the target for 2023 by 13%; equity by 3%; total liquidity ratio by 17%.
- Non-financial targets: Routine maintenance of the national road network was carried out in all 19 contracts concluded as a result of the public procurement exercise carried out in 2022. 646 km of the national road network have been completed instead of the 300 km planned for 2023.



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 domestic public transport service provider transporting passengers throughout the territory of Latvia by rail.

General strategic objective

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

Main events in 2023

- Type certification of electric trains was completed and 17 new trainsets were put into service.
- Amendments to the contract concluded with the CFLA have been proposed for the implementation of the electric trains acquisition project in two programming periods of the EU Funds (2014-2020 programming period of the EU Funds and 2021-2027 programming period of the EU Funds). The first phase ended at the end of 2023.
- Integrating with the ATD single ticket warehouse. VBN single tickets introduced Rīga-Skulte, Rīga-Tukums line. Agreements concluded with traders.
- Passenger revenue returned to 2019 level.

Main events planned in 2024

- Production and delivery of electric trains continues, with delivery of the remaining 15 trains scheduled for completion in Q3 2024, including 6 new electric trains co-financed by the CF will be put into service by Q2 2024.
- Depot concept agreed with the Ministry of Transport for the start of design.
- New lines (Rīga-Sigulda) and ticket types in the ATD single ticket depot, and new tariffs.

Principal financial objectives

- Own revenue, EUR: 20 205 787 (achieved: 20 920 733).
- Passenger transport cost coverage (excluding depreciation and railway infrastructure charges), %: 67.63 (achieved: 45.56).
- Return on equity (ROE), %: 4.53 (achieved: 0.01).

Principal non-financial objectives

- Total number of passengers: 14 768 858 (achieved: 17 133 623).
- Passenger satisfaction with train services, %: > 90 (achieved: 88).
- Employee satisfaction score: 6 (achieved: 7.4).
- CO2 emissions per train km: 0.003 (achieved: 0.0016).

Results achieved

- Passenger numbers and passenger revenue increased. In the 2nd half of 2023, passenger revenue reached pre-pandemic (2019) levels.
- Significant increases in inflation, energy and fuel prices increased costs, resulting in below-target cost recovery but above the 2021 level (42.32%).
- Customer satisfaction was close to plan, with a 1.2% increase in the proportion of satisfied passengers compared to the previous study in 2019.

Governance

Shareholder – **Ministry of Transport**

Representative of Shareholder – **Dins Merirands**

Chair of Supervisory Board – **Sandis Šteins**

Members of Supervisory Board – **Inta Liepa, Imants Paeglītis**

Chair of Management Board – **Rodžers Jānis Grigulis**

Members of Management Board – **Aldis Daugavvanags, Raitis Nešpors**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	52 242.0	59 788.0
Profit/loss	604.2	3.2
EBITDA	8 227.2	7 679.1
Total assets	84 407.1	207 750.0
Share capital	20 868.0	20 868.0
Equity	21 685.1	21 301.5
Investment	2 767.5	158 144.6
Dividends paid to state budget	378.3	386.7
Contributions made to the state and local government budget	6 805.8	5 775.3
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	35 075.2	155 162.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.16	0.01
Return on assets, ROA, %	0.72	0.00
Return on equity, ROE, %	2.79	0.01
Total liquidity indicator	1.37	0.67
Liabilities-to-equity ratio	2.89	8.75

Other indicators

Number of employees	1 023	976
Average gross remuneration per employee per year, thousand EUR	16.5	19.3
Gender representation in management, f/m	1/4	1/5
Annual report in accordance with IFRS (yes/no)	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	yes	yes

JSC Starptautiskā lidosta Rīga (RIX)

Reg. No. 40003028055

Web: www.riga-airport.com

State ownership 100 %

Related companies and shares:

RIX has no ownership in other capital companies

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

General strategic objective

To provide modern air transport infrastructure and services appropriate to a regional hub, offering convenient and safe connectivity for passengers and business, and to promote sustainable development and competitiveness.

Main events in 2023

- A new brand strategy and core elements of the visual identity of RIX Riga Airport have been developed.
- Riga Airport charges have been updated and agreed with airport users, taking into account infrastructure improvements and eligible costs planned for the medium term.
- Completion of the construction project for the 6th phase of the airport terminal extension.
- Achieved the highest rating - Diamond - in the Sustainability Index.

Main events planned in 2024

- To approve the charges set by the RIX Riga Airport in the Cabinet of Ministers.
- To conclude the construction and loan agreements for the implementation of the 6th stage of the RIX Riga Airport passenger terminal expansion.
- Develop the RIX Airport City concept.
- Start the development of the RIX Riga Airport Development Plan.
- Update the medium-term operational strategy of RIX Riga Airport.

Principal financial objectives

- Net turnover, EUR: 58 639 516 (achieved: 72 500 788).
- Total liquidity ratio (adjusted for deferred income): 1.5 (achieved: 1)

Principal non-financial objectives

- Passengers: 6 642 315 (achieved: 6 630 891).
- Cargo handled, tonnes: 33 124 (achieved: 19 160).
- Departure punctuality (airport infrastructure), %: >99 (achieved: 99.33).
- CO2 emissions (tCO2/1000 pax): 0.511 (achieved: 0.519).

Governance

Shareholder – **Ministry of Transport**

Representative of the Shareholder – **Ilonda Stepanova**

Chair of Supervisory Board – **Juris Kanelis**

Members of Supervisory Board – **Eduards Toms, Elina Salava**

Chair of the Management Board – **Laila Odiņa**

Members of Management Board – **Artūrs Saveljevs, Normunds Feierbergs**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	57 924.5	72 500.8
Profit/loss	286.5	1 612.1
EBITDA	11 365.0	13 760.1
Total assets	172 607.2	175 076.8
Share capital	68 347.2	68 347.2
Equity	84 398.3	86 006.4
Investment	14 716.3	22 071.1
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	15 615.3	18 966.7
Donations received	0.0	0.0
Donations made	0.0	25.0
Funding received from the state budget	52.4	412.2

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.49	2.22
Return on assets, ROA, %	0.17	0.92
Return on equity, ROE, %	0.34	1.87
Total liquidity indicator	1.54	0.81
Liabilities-to-equity ratio	1.05	1.04

Other indicators

Number of employees	1 317	1 423
Average gross remuneration per employee per year, thousand EUR	20.8	24.0
Gender representation in management, f/m	2/4	2/4
Annual report in accordance with IFRS (yes/no)	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR	182.1	219.6
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	yes	yes

Results achieved

- Growth in direct passenger traffic, ground handling and non-aviation revenue contributed to a 24% increase in turnover compared to plan.
- Due to EU sanctions on Russian air carriers, airspace restrictions related to the Russian-led war in Ukraine, cargo volumes were below plan.
- The deviation in the overall liquidity ratio is due to the fact that the approved strategy had planned the re-crediting of borrowings in previous periods.

JSC Ventas osta (VO)

Reg. No. 40203235757

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

State ownership 100%

Related companies and shares:

VO has no ownership in other capital companies

The objective of VO (in English – Port of Venta) is to ensure the management of Ventspils Port responsibly and economically justified as an infrastructure of strategic importance for the development and security of the country by providing and developing port services that are strategically important for the competitiveness and growth of the national economy.

General strategic objective

Ensuring the governance of Ventspils port - a critical infrastructure for national development and security, providing and developing port services, which are strategically important for the competitiveness and growth of the economy, in sustainable, responsible and economically justifiable manner.

Main events in 2023

- To maintain safe shipping routes and conditions for ships to enter port, JSC Ventas osta shall contribute to the costs of maintenance of the safe depths of the navigable waterways (channel) of the Freeport of Ventspils (bottom dredging) in accordance with the financial resources available to JSC Ventas osta.

Main events planned in 2024

- At the moment of preparation of the report, JSC Ventas osta has received a letter from the Ministry of Transport as a holder of state-owned shares with the task to direct the shareholder to decide on the issue of temporary suspension of voluntary commercial activity of JSC Ventas osta, until the future course of the port reform is clear in the legislation.

Principal financial objectives

- Net turnover, EUR: 1 570 000 (achieved: 3 013 138).
- Profit, EUR: 0 (achieved: 9 914).
- Return on equity (ROE), %: 0 (achieved: 19.33).
- Total liquidity ratio: 1.50 (achieved: 1.09).

Principal non-financial objectives

- Vessels in service, number: 130 (achieved: 210).
- Safe depth of navigable waterways (channel) maintained – amount of dredged material, m³: 100 000 (achieved: 125 762).

Governance

Shareholder – **Ministry of Transport**

Representative of Shareholder – **Uldis Reimanis**

Chair of Supervisory Board – **Iveta Zalpētere**

Member of Supervisory Board – **Kaspars Lore**

Board Member – **Baiba Vilipa**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	2 639.7	3 013.1
Profit/loss	10.3	9.9
EBITDA	10.3	9.9
Total assets	496.8	638.4
Share capital	35.0	35.0
Equity	49.6	51.3
Investment	0.0	0.0
Dividends paid to state budget	13.8	6.6
Contributions made to the state and local government budget	-351.5	-536.2
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, %	0.39	0.33
Return on assets, ROA, %	2.07	1.55
Return on equity, ROE, %	20.70	19.33
Total liquidity indicator	1.11	1.09
Liabilities-to-equity ratio	9.02	11.45

Other indicators

Number of employees	9	9
Average gross remuneration per employee per year, thousand EUR	10.9	11.3
Gender representation in management, f/m	2/1	2/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Results achieved

- In accordance with Paragraphs 2.4 and 9 of the Cabinet of Ministers' Regulation of 9 February 2016 "Procedure for Assessing the Performance and Financial Indicators of a Capital Company in which the State has a Decisive Influence". In the opinion of the Board of Directors of the Company, the Company's performance in meeting its financial and non-financial targets is assessed as 'very good', as the Company has fully met or exceeded all planned performance indicators for financial targets and non-financial targets.

6.4. Communications



SJSC Elektroniskie sakari (VASES)

Reg. No. 40003021907

Web: www.vases.lv

State ownership 100%

Related companies and shares:

VASES has no ownership in other capital companies

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

General strategic objective

Ensuring rational and efficient management of radio spectrum and numbering resources in the electronic communications sector, to improve the radio frequency governance mechanism, to ensure continuous radio spectrum monitoring and efficient frequency resource planning, to develop the circulation of electronic permits, to ensure more efficient and faster customer service, offering more and more services in the e-environment.

Main events in 2023

- The 5th Europe's leading 5G ecosystem forum "5G Techritory" was organised.
- In cooperation with the Cross-Sectoral Coordination Department of the State Chancellery, the "Innovation Initiative of Latvia's Excellent Companies 2023" and the 6th Innovation Forum of State-owned Enterprises were organised.
- Business Continuity Plan developed.
- EC co-funded project SNS ICE launched and ongoing. Implementation of LATQN and DAoL.
- Payment module introduced in the customer self-service portal.

Main events planned in 2024

- Development of a new medium-term operational strategy.
- Development of a sustainability development plan for the next period of the medium-term operational strategy.
- Strengthening the competence and position of the SJU EU in project tenders co-financed by the EU or other external financial sources.
- Introduction of a performance framework in company level/ impact processes.
- Elaboration of a development plan for the USMA information systems and the Customer Portal.

Principal financial objectives

- Revenue from paid services for statutory functions (excluding maintenance of the Numbering Database), EUR: 7 178 070 (achieved: 7 471 656).
- Revenue from commercial services, EUR: 802 230 (achieved: 1 387 372).
- Net profit, EUR: 110 250 (achieved: 124 515).
- Return on sales, %: 1.3 (achieved: 1.4).
- Investments, EUR: 943 000 (achieved: 1 575 427).

Main non-financial objectives

- Proportion of radio frequency allocations processed within the set timeframe in relation to justified allocation requests, %: 100 (achieved: 100).
- Proportion of ultra-urgent radio interference cases to urgent applications received where VASES response time was <4h, %: 100 (achieved: 100).
- Substantiated customer complaints about the handling of requests for radio frequency use authorisations and harmful interference applications: ≤1 (achieved: 0).
- Customer service in the digital environment in line with customer capacity to receive e-services: Increase in the number of users registered on the Customer Portal compared to the baseline increase, %: ≥10 (achieved: 12).
- Customer Satisfaction Index, %: ≥85 (achieved: 95.98).

Governance

Shareholder – **Ministry of Environmental Protection and Regional Development**

Representative of Shareholder – **Edvīns Balševics**

Chair of Supervisory Board – **Ilze Oša**

Members of Supervisory Board – **Tīna Kukka, Elita Baklāne-Ansberga, Gatis Ozols**

Chair of Management Board – **Jānis Bārda**

Member of Management Board – **Laila Līduma, Jurgis Poriņš**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	8 344.0	8 859.0
Profit/loss	117.3	124.5
EBITDA	1 072.4	1 139.2
Total assets	13 610.8	13 911.4
Share capital	8 995.6	8 995.6
Equity	9 724.1	9 754.8
Investment	1 992.7	1 575.4
Dividends paid to state budget	79.9	93.8
Contributions made to the state and local government budget	2 612.1	3 152.0
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	117.2	117.2

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.41	1.41
Return on assets, ROA, %	0.86	0.90
Return on equity, ROE, %	1.21	1.28
Total liquidity indicator	2.16	1.71
Liabilities-to-equity ratio	0.26	0.29

Other indicators

Number of employees	98	102
Average gross remuneration per employee per year, thousand EUR	45.4	49.6
Gender representation in management, f/m	5/1	3/4
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	76.4	381.3
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	no	no

Results achieved

- Financial performance improved, with a 13% increase in profit for the year under review.
- Target set in the strategy for commercial revenue was met by 73% in the reporting period.
- Profitability indicators show stable dynamics in line with expectations.
- Target achieved for R&D projects (including innovation) in the company.



JSC Latvijas Pasts (LP)

Reg. No. 40003052790

Web: www.pasts.lv

State ownership: 100%

Related companies and capital shares:

LLC Mailmaster 100%

LP's (in English – Latvia Post) activities include postal, logistics and financial services. The company specialises in domestic and international deliveries from e-commerce and parcels to press, letter correspondence and personalised logistics solutions. Latvijas Pasts, using reliable air, water and land transit connections, provides services to both private and business customers.

General strategic objective

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

Main events in 2023

In 2023 Latvijas Pasts implemented one of the most ambitious fleet expansion projects in Latvia. Postmen across Latvia will travel with 340 new, more environmentally friendly cars. VISA debit cards will be available to customers of the postal payment system from 2023. At the same time, the Latvijas Pasts Pay mobile app will be launched. Due to the geopolitical situation and Russia's military invasion of Ukraine, Latvijas Pasts is suspending transit shipments with Russia and Belarus.

Main events planned in 2024

- Continue to actively expand the network of postal terminals to create the most comprehensive network of post offices in the country by the end of 2024. In line with the modern industry specificities, to improve the availability of the universal postal service and parcel delivery processes, as well as by improving customer service.

Principal financial objectives

- Net turnover, EUR: 114 515 466 (achieved: 108 268 662).
- Profit or loss, EUR: 13 187 (achieved: 538 646).
- Earnings before interest, taxes, depreciation and amortisation (EBITDA), EUR: 7 265 177 (achieved: 7 189 226).
- Return on equity (ROE), %: 0.08 (achieved: 2.85).

Principal non-financial objectives

- Change unprofitable PPSV forms: 29 (achieved: 65).
- Domestic mail quality rate (D+1, for priority A-class correspondence), %: 90 (achieved: 93).
- Expand the network of postal terminals, number of postal terminals: 112 (achieved: 219).
- Optimise the number of staff needed to provide high quality services, total at the end of the reporting period: 2 495 (achieved: 2 298).

Governance

Shareholder – **Ministry of Transport**

Representative of Shareholder – **Ilonda Stepanova**

Chair of Supervisory Board – **Raimonds Dūda**

Members of Supervisory Board – **Anrī Leimanis, Ivars Blumbergs**

Chair of Management Board – **Beāte Krauze-Čebotare**

Members of Management Board – **Kristaps Krūmiņš, Andris Puriņš, Jānis Kūliņš**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	100 008.8	108 268.7
Profit/loss	2 209.6	538.6
EBITDA	7 543.5	7 189.2
Total assets	129 297.0	128 687.7
Share capital	10 578.5	10 578.5
Equity	18 376.7	18 915.3
Investment	2 776.2	5 484.4
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	11 710.4	19 804.9
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	7 949.0	10 705.1

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	2.21	0.50
Return on assets, ROA, %	1.71	0.42
Return on equity, ROE, %	12.02	2.85
Total liquidity indicator	0.96	0.78
Liabilities-to-equity ratio	5.98	5.73

Other indicators

Number of employees	2 890	2 657
Average gross remuneration per employee per year, thousand EUR	10.6	12.7
Gender representation in management, f/m	1/5	1/6
Annual report in accordance with IFRS (yes/no)	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR	803.6	628.6
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	yes	yes

Results achieved

- Net turnover: -3% against the target, mainly due to a higher than expected drop in the cross-border inbound segment.
- The 2022 procurement contract enabled the delivery and installation of more new outdoor parcel terminals in 2023. The strategy was prepared with a view to increasing the number of new units than planned at the time of preparation. This will ensure a wider coverage of Latvijas Pasts' outdoor parcel terminal.



LATVIJAS VALSTS
RADIO UN TELEVĪZIJAS CENTRS

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 one of the leading electronic communications services providers and its activities include the broadcasting of radio and TV programs, trust and identity services, data transmission, cybersecurity solutions, data centres, cloud computing and infrastructure rental services. The LVRTC provides and develops high availability, integrity and security information and ICT infrastructure and services, strengthening effective public administration, security and promoting economic growth. LVRTC's customers are broadcasters, operators, ministries and public authorities, companies and residents.

General strategic objective

- Provision and development of information and communication technology infrastructure and services of high accessibility, integrity and security, thus strengthening effective public administration and security, as well as promoting economic growth.

Main events in 2023

- Broadband project phase 2 is completed. The fibre-optic network is used by 14 electronic communications operators.
- The number of active electronic signature users in Latvia has increased by 34%.
- Delegation agreement signed for the Perimeter Monitoring project.
- Silver level in the Sustainability Index achieved.
- The number of customers who are fully satisfied with the cooperation with LVRTC increased significantly in the customer survey. 97% of corporate customers are satisfied with the quality of services provided by LVRTC.

Main events planned in 2024

- Development of the project for the implementation of the Element Accounting System and the CRM project. Migration of TX towards reliability services business.
- Development of a unified enterprise IS architecture framework. Development of systems and processes in line with the framework.
- Creation and validation of innovation process.
- Introduction of LEAN culture and principles in the company.

Principal financial objectives

- Increase revenue - revenue from business lines per employee, EUR (based on management reports, excluding electricity revenues, dividend income and other revenues. Employees exclude employees involved in investment projects, the costs of which are capitalised/accrued on the balance sheet): 79 600 (achieved: 84 041).
- To ensure a sufficient level of profit for development - net operating profit, EUR: 373 104 (achieved: 1 288 224).

Principal non-financial objectives

- Develop an infrastructure for the next generation of electronic communication services, security and access to information space - the infrastructure development projects completed: the school project (minimum number of schools: 6) was completed (achieved: 14).
- Provide and develop national electronic identification scheme and qualified electronic signature service on eID cards and mobile smart device platforms - number of active users (those who have signed or authenticated at least once during the year): 341 000 (achieved: 456 374).
- Development and implementation of a border surveillance solution, including smart border crossing - development of border surveillance according to plan: contract signed (achieved: contract signed 14.09.2023).
- Ensure business continuity of critical infrastructure and availability of critical IS services - number of SLA breaches per year by LVRTC: 1 (achieved: 3).
- Increase efficiency of service delivery processes by digitising and automating them - % of indirect costs (including all indirect and general costs attributable to business lines, including labour costs, and excluding costs attributable to the electricity business line) to revenue from business lines (excluding the electricity business line) %: 29 (achieved: 25.5).

Governance

Shareholder – **Ministry of Transport**

Representative of Shareholder – **Iļonda Stepanova**

Chair of Supervisory Board – **Aldis Greitāns**

Members of Supervisory Board – **Jānis Leimanis, Normunds Feierbergs**

Chair of Management Board – **Ģirts Ozols**

Members of Management Board – **Evījs Taube, Ilze Opmane - Jēgere**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	25 216.1	25 788.4
Profit/loss	5 580.9	16 313.6
EBITDA	5 179.7	4 925.6
Total assets	190 800.0	206 858.3
Share capital	78 454.7	111 719.4
Equity	123 507.8	134 752.7
Investment	5 687.5	5 721.8
Dividends paid to state budget	3 338.4	4 069.0
Contributions made to the state and local government budget	9 849.4	11 266.9
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	4 891.3	4 139.2

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	22.13	63.26
Return on assets, ROA, %	2.93	7.89
Return on equity, ROE, %	4.52	12.11
Total liquidity indicator	5.00	2.88
Liabilities-to-equity ratio	0.54	0.54

Other indicators

Number of employees	286	297
Average gross remuneration per employee per year, thousand EUR	29.1	30.8
Gender representation in management, f/m	1/5	1/5
Annual report in accordance with IFRS (yes/no)	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR	9.3	231.8
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	yes	yes

Results achieved

- All profit targets were met and exceeded.
- Turnover is up 7% compared to the previous year, 3% ahead of plan.
- A broadband project recovers previously withheld ERDF funding.
- Significant growth in the company's new business lines - Cyber Security and Cloud Services.
- Employee loyalty and satisfaction levels increased compared to the previous year and above the country's average.



LLC Tet (Tet)

Reg. No. 40003052786

Web: www.tet.lv

State ownership: 50.99843 %

Related companies and shares:

LLC Lattelecom 100% (owner LLC Tet)

LLC Citrus Solutions 100% (owner LLC Tet)

LLC Citrus Solutions GmbH 100% (owner LLC Citrus Solutions)

LLC Baltijas Datoru Akadēmija 100 % (owner LLC Lattelecom)

LLC Helio Media 100 % (owner LLC Lattelecom)

LLC Data Experts 100 % (owner LLC Lattelecom)

Tet is a world-class technology partner for life and work that opens the world of technology and makes it understandable and accessible to everyone. Tet provides the fastest internet and state-of-the-art television services, creates content for the widest interests and creates local TV channels, offers a wide range of equipment, provides electricity and solar panel services. For business Tet provides a wide range of IT services, including cyber defence, data centre and cloud solutions.

General strategic objective

TET has no general strategic objective.

Main events in 2023

- An investment of EUR 30.3 million, including the extension of fibre internet service (new connections to almost 10 000 new addresses), stability and security.
- The company is timely adapting to work in a low-emission economy and other legislator expectations in the area of sustainability, and continues to address the challenges of 21st century society - cybersecurity, technology literacy and supporting industries in the transition to a resource-efficient economy.
- The Artificial Intelligence Unit has been established, which develops the predictive AI solutions already developed, and will focus on the development of new generative AI solutions.

Main events planned in 2024

- In 2024, it is planned to increase investment in areas with high growth potential, including: data centres, media technology software products, cyber security and the development of future data networks. Artificial Intelligence solutions for both the efficient operation of Tet and the expansion of customer solutions. Sustainability aspects of the company's development will continue, focusing on energy efficiency and renewability, digital inclusion, online security and privacy.

Principal financial objectives

- Tet is considered a private limited liability company, therefore
- information on its financial targets is not publicly disclosed in the interest of commercial confidentiality.

Principal non-financial objectives

- Re-use of core service equipment (extended lifetime of devices used in the company as a solution to reduce e-waste) 55% (achieved: 64%).
- Number of people participating in Tet-organised and supported activities to educate the public on digital skills and digital security: 20 000 (achieved: 33 000).
- HiPO Index score (HiPO Index is an indicator of an organisation's performance and a key tool for assessing the working environment in a company): 82 (achieved: 81).
- Corporate sustainability reporting practices launched (one-off short-term/annual target): yes (achieved: yes).

Governance

Shareholder – **JSC Publisko aktīvu pārvaldītājs Possessor**

Representative of Shareholder – **Management Board of JSC Publisko aktīvu pārvaldītāja Possessor (Andris Gādmanis, Marina Podvinska, Dace Gaile)**

Chair of Supervisory Board – **Klāvs Vasks**

Deputy Chair of Supervisory Board – **Hannu-Matti Mäkinen**

Members of Supervisory Board – **Jānis Brazovskis, Andersson Sven Johan Bertil, Ilvars Pētersons, Ieva Jansone-Buka, Dan Olov Stromberg**

Chair of Management Board – **Uldis Tatarčuks**

Members of Management Board – **Gints Bukovskis, Dmitrijs Ņikitins, Alla Krūmiņa, Edgars Grandāns**

Principal financial indicators, thousand EUR

	2022*	2023*
Turnover	326 656.0	295 753.0
Profit/loss	25 779.0	15 226.0
EBITDA	63 811.1	54 645.7
Total assets	381 666.0	369 593.0
Share capital	207 852.0	207 852.0
Equity	266 101.0	257 351.0
Investment	37 753.0	30 375.0
Dividends paid to state budget	13 656.8	12 268.6
Contributions made to the state and local government budget	59 868.2	57 451.8
Donations received	0.0	0.0
Donations made	201.8	201.5
Funding received from the state budget	359.0	359.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	7.89	5.15
Return on assets, ROA, %	6.75	4.12
Return on equity, ROE, %	9.69	5.92
Total liquidity indicator	1.40	1.28
Liabilities-to-equity ratio	0.43	0.44

Other indicators

Number of employees	1 747	1 761
Average gross remuneration per employee per year, thousand EUR	24.9	27.1
Gender representation in management, f/m	3/8	2/10
Annual report in accordance with IFRS (yes/no)	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR	12 857.5	10 998.0
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	yes	yes

* Consolidated data

Results achieved

- In 2023, Tet continued to invest substantially in upgrading existing services on its core network, as well as in developing new solutions. Investments amounted to EUR 30.0 million.
- In 2023, the company's sustainability targets were achieved.

6.5. Real Estate Management





ŠAMPĒTERA NAMS

LLC Šampētera nams (ŠN)

Reg. No. 50003000771

Web: www.sampeteranams.lv

State ownership 100%

Related companies and shares:

ŠN has no ownership in other capital companies

ŠN (in English – Šampēteris House) manages and administers the real estate of the Ministry of Welfare, provides the function of the centralised procurement authority for the sector, and cooperates with the Ministry and sectoral authorities in the management of state real estate and welfare sector policy in the context of long-term social care and the deinstitutionalisation process.

General strategic objective

This is in the public interest to ensure targeted and effective management of the state real estate necessary for the fulfilment of the functions of the Ministry of Welfare, including the implementation of the real estate infrastructure management of the state long-term social care and social rehabilitation institutions, incl. under circumstances of market failure.

Main events in 2023

- The implementation of the EU Operational Programme Measure 4.2.1.2 “Promoting Energy Efficiency in Public Buildings” has been finalised. Under the programme, 7 energy efficiency projects were implemented and 6 projects were supported by public social care centres.
- The EU project “Establishment of Infrastructure for Family Friendly Services for Children with Severe and Very Severe Functional Disabilities” was launched.
- Implementation of the EU Development and Sustainability Mechanism project “Accessibility Measures for Buildings Owned by the Ministry of Welfare” continued.

Main events planned in 2024

- Continue the implementation of the EU-funded project “Development of Infrastructure for Family-Like Services for Children with Severe and Very Severe Functional Disabilities”.
- Continue the implementation of the EU Development and Sustainability Mechanism project “Accessibility Measures for Buildings Owned by the Ministry of Welfare”.
- Ensure quality and rational maintenance and development of the real estate transferred to the management and administration.

Main financial objectives

- Total liquidity ratio: ≤ 1 (achieved: 1.01).
- Dividends paid to the state budget during the reporting period. EUR 500 (achieved: 590).
- Net turnover, EUR: 2 500 000 (achieved: 2 406 633).

Main non-financial objectives

- Positive average overall customer satisfaction (good, very good and excellent), %: 76 (achieved: 91).
- To reduce the administrative burden on institutions by ensuring the provision of quality economic services that are appropriate to the specificities of the institutions and by relieving them from performing non-specific functions, and to ensure that the principles of legality, efficiency and economy are respected in the management and economic procurement of RE in the welfare sector, number of procurement procedures: 63 (achieved: 111).
- To ensure the efficient use of administrative and industrial buildings and to maintain their occupancy rate at the current level (Building/space occupancy. %): 80 (achieved: 96).
- To ensure sustainable upgrading and improvement of LM NI infrastructure. In line with sectoral priorities. Budgetary capacity and agreed investment policy (sites): 26 (achieved: 33).

Governance

Shareholder – **Ministry of Welfare**

Shareholder's Representative – **Aija Grinberga**

Member of Management Board – **Māris Bluķis**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	2 558.9	2 406.6
Profit/loss	0.9	0.9
EBITDA	32.0	13.8
Total assets	5 932.7	7 465.0
Share capital	335.8	335.8
Equity	1 290.0	1 284.4
Investment	153.7	2.9
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	786.3	577.9
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	268.9	242.5

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.04	0.04
Return on assets, ROA, %	0.02	0.01
Return on equity, ROE, %	0.07	0.07
Total liquidity indicator	1.02	1.01
Liabilities-to-equity ratio	3.58	4.81

Other indicators

Number of employees	18	16
Average gross remuneration per employee per year, thousand EUR	20.3	24.2
Gender representation in management, f/m	1/0	0/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Results achieved

- Liquidity ratio for the reporting period is 1.01, which shows that the Company's operations are stable. Infrastructure improvement and upgrading works have been carried out in 33 properties under the management and administration of the Company in line with the sector's priority areas. Positive customer satisfaction levels have been ensured with a positive average customer satisfaction rate of 91%. Similarly, the efficiency of the use of administrative and industrial buildings was ensured and their occupancy rate was maintained at the current level.

LLC Tiesu namu aģentūra (TNA)

Reg. No. 40003334410

Web: www.tna.lv

State ownership 100%

Related companies ad shares:

TNA has no ownership in other capital companies

The main activity of TNA (in English – Courthouse Agency) is the provision of the Ministry of Justice, the institutions and courts subordinate thereto with the premises necessary for the performance of their functions, the management of real estate conforming to the requirements of the justice sector (including implementation of new building construction projects), the provision of information technology services to the institutions of the judicial system, as well as the publishing of legal literature necessary for the operation of the institutions of the judicial system.

General strategic objective

- Ensuring effective management of the infrastructure essential for the implementation of the policy of the judicial sector and the issuance of legal literature necessary for the operation of the institutions of the judicial system, taking into account the requirements of the field of justice and promoting the observance of public interests in the field of rule of law.

Main events in 2023

- Construction of environmental accessibility infrastructure and renovation of the facade of the administrative building at Raiņa bulvāris 15 in Riga completed.
- Real estate in Riga at Invalidu iela 1, Phase III of the project for the establishment of a single forensic examination institution - construction works.
- Works launched in Riga, Kārļa Milēnbaha iela 14. Renovation of the fourth floor working premises and facade of the State Land Service building and partial repair of the roof.
- Organisation of construction works in the new prison complex in Liepāja at 29 Alsungas iela 29 continued.

Main events planned in 2024

- Reconstruction and adjustment of the premises of the administrative building in Riga, 11.novembra krastmalā 31 to the needs of the Academy of Justice.
- Continue the construction of the new prison in Liepāja. Organisation of the construction works of the complex at Alsungas iela 29.
- Completion of the administrative building in Riga. Renovation of the fourth floor working premises at Kārļa Milēnbaha iela 14.
- The construction of a real estate property in Riga, Invalidu iela 1. Construction works for the third stage of the project for the establishment of the Unified Forensic Expertise Institution.

Principal financial objectives

- Net turnover of the company must increase by at least 1 % in 2023 compared to 2022 (achieved: 4.7).
- Net profit (profit after finance costs, tax and depreciation) for the year must not be less than EUR 90 000, EUR: 90 000 (achieved: 581 921).
- Solvency ratio (equity as a percentage of total capital structure) not less than, %: 60 (achieved: 62).

Principal non-financial objectives

- Satisfaction of courts, the Ministry of Justice and its subordinate institutions with the technical condition of leased premises (rated as "good" and "very good"), % of total rating: 70 (achieved: 63).
- Total area rented % of total rentable area: 85 (achieved: 89).
- Satisfaction of courts, the Ministry of Justice and its subordinate institutions with the speed of service provided by TNA in the field of information technology, % of total score: 88 (achieved: 86).

Governance

Shareholder – **Ministry of Justice**

Representative of Shareholder – **Mihails Papsujevičs**

Member of Management Board – **Santa Sausiņa**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	9 045.3	9 469.1
Profit/loss	330.7	581.9
EBITDA	2 621.9	2 903.8
Total assets	85 499.7	82 029.9
Share capital	45 872.6	45 872.6
Equity	50 002.9	50 510.1
Investment	3 132.9	6 196.3
Dividends paid to state budget	125.0	72.0
Contributions made to the state and local government budget	2 971.5	4 703.5
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, %	3.66	6.15
Return on assets, ROA, %	0.39	0.71
Return on equity, ROE, %	0.66	1.15
Total liquidity indicator	1.23	1.05
Liabilities-to-equity ratio	0.71	0.62

Other indicators

Number of employees	106	108
Average gross remuneration per employee per year, thousand EUR	23.7	27.2
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Results achieved

- Of the 5 financial targets, 4 were fully achieved or overachieved; 1 was partially achieved.
- Of the 10 non-financial targets, 7 were fully achieved or overachieved; 2 were almost achieved and the variance was not significant; 1 was partially achieved.
- Of the 5 operational (business) objectives, 3 were fully achieved and over-achieved. 2 were almost achieved and the deviation from plan was insignificant.



SLLC Valsts nekustamie īpašumi (VNĪ)

Reg. No. 40003294758

Web: www.vni.lv

State ownership 100%

Related companies and shares:

VNĪ has no ownership in other capital companies

VNĪ (in English – State Real Estate) is one of the largest capital companies in Latvia, which manages and develops real estate, as well as provides state institutions with the premises necessary for the performance of public functions. VNĪ vision “Smart environment for society and modern public administration”. VNĪ’s mission “To be a caring landlord that preserves and enhances the value of the country’s real estate assets”.

General strategic objective

To manage in a sustainable and efficient manner, using innovative solutions and high occupational safety standards, in the public interest, state real estate assets that are of strategic importance for national security, necessary for public institutions to perform their functions and for the development of the administrative territory of the state or municipalities, while contributing to the implementation of modern working environment principles in public administration and the development of the construction industry. To ensure that the State Joint Stock Company VNĪ disposes of immovable property not used for the performance of State functions.

Main events in 2023

- The medium-term operational strategy for 2023-2025 was approved.
- VNĪ obtained the ISO 45001 certificate “Occupational Health and Safety Management System”.
- Commissioning of the New Riga Theatre Building (25 Lāčplēša iela 25, Riga) and the Latvian Puppet Theatre Building (Kr.Barona iela 16/18, Riga).

Main events planned in 2024

- To comply with ISO 14001 “Environmental Management System” and ISO 41001 “Farm Management System”.
- Complete Phases 1 and 2 of the construction of the land infrastructure of the Latvia-Belarus border. Commissioning of the Valmiera Drama Theatre building at Lāčplēša iela 4, Valmiera.
- Complete and put into operation the renewed platform of the State Unified Real Estate Information System.

Principal financial objectives

- Profitability, %: 3.7 (achieved: 3.9).
- EBITDA, million EUR: 15.7 (achieved: 16.7).
- Liquidity ratio: 1 (achieved: 1.1)
- Administrative costs/turnover(%) achieved (+/-0.5%) against plan: 10.3 (achieved: 9.8).
- Share of rental income from the public sector as a minimum % of total rental income: 80> (achieved: 86).

Principal non-financial objectives

- % of buildings and structures in the core portfolio: 69 (achieved: 70).
- Number of PPAs concluded: 280 (achieved: 328).
- RE development projects put into operation during the reporting period within +15% of planned time and budget: 2 (achieved: 2).
- Establish baseline for direct CO2 emissions tCo2: baseline established (achieved: 12033 tCo2).
- Proportion of staff involved. TRI*M index score: 71> (achieved: 76).

Governance

Shareholder – **Ministry of Finance**

Representative of Shareholder – **Baiba Bāne**

Chair of Supervisory Board – **Jānis Garisons**

Members of Supervisory Board – **Ieva Braunfelde, Jolanta Plūme, Raitis Nešpors**

Chair of Management Board – **Renārs Grīškevičs**

Members of Management Board – **Andris Vārna, Jeļena Gavrilova**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	46 283.1	46 015.4
Profit/loss	4 392.5	1 804.8
EBITDA	16 750.0	16 720.0
Total assets	423 400.2	460 870.1
Share capital	146 832.4	155 902.6
Equity	286 107.4	294 171.2
Investment	7 950.0	7 530.0
Dividends paid to state budget	2 177.2	2 811.2
Contributions made to the state and local government budget	19 651.3	49 639.5
Donations received	0.0	0.0
Donations made	2.8	1.9
Funding received from the state budget	20 780.0	36 690.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	9.49	3.92
Return on assets, ROA, %	1.04	0.39
Return on equity, ROE, %	1.54	0.61
Total liquidity indicator	1.06	1.08
Liabilities-to-equity ratio	0.48	0.57

Other indicators

Number of employees	402	411
Average gross remuneration per employee per year, thousand EUR	23.0	26.1
Gender representation in management, f/m	3/4	3/4
Annual report in accordance with IFRS (yes/no)	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	yes	yes

Results achieved

- 5 out of 5 financial targets met.
- 16 out of 17 non-financial targets met. Objective slippage 45% of target. Due to a higher number of properties added in 2023 than the average of previous years. At the same time, VNI has fulfilled the plan for the disposal of real estate for 2023.
- 4 out of 4 KPIs (Key Performance Indicators) have been achieved.

SLLC Zemkopības ministrijas nekustamie īpašumi (ZMNI)

Reg. No. 40003338357

Web: www.zmni.lv

State ownership 100%

Related companies and shares:

ZMNI has no ownership in other companies

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

General strategic objective

To promote environmentally sound and socially responsible sustainability of the state-owned land assets of strategic importance for the development of the national territory - drainage systems and hydraulic structures, as well as maintenance of the drainage cadastre, ensuring economically viable, environmentally friendly and socially responsible use of agricultural and forestry land resources.

Main events in 2023

- Renewal of technical support and infrastructure of the Land Drainage Cadastre.
- 37 watercourses of national importance were renovated under the EU project for EUR 5.8 million.
- Under the ERDF project, the Strimēni, Valgunde, Dziļāune pumping stations for polders were completed. VNU Iecava renovated. The Mazā Rezeknīte undercurrent was reconstructed for a total amount of EUR 4.64 million.
- The funds raised from the disposal of VNI amounted to EUR 81.7 thousand. Four real estates were renovated.

Main events planned in 2024

- Launch of the European Union Recovery Plan under the Recovery and Resilience Mechanism for projects with environmentally friendly green and blue infrastructure elements, estimated funding of EUR 32 million.
- It is planned to transfer 3 immovable properties which are not adaptable for the implementation of public sector functions to SJSC Valsts nekustamie īpašumi for alienation.

Principal financial objectives

- Profit, thousand EUR: 20 (achieved: 23.20).
- Return on equity (ROE), %: 0.60 (achieved: 0.76).
- Total liquidity ratio: 1 (achieved: 1).
- Occupancy rate of administrative buildings, %: >83 (achieved: 80).

Principal non-financial objectives

- Promote sustainable productivity of land resources and infrastructure development: length of regulated maintained watercourses - km: 3 221.10 (achieved: 3 535).
- Eliminate the risk of flooding at the stage of issuing and designing technical regulations for structures, including taking into account the observations of the drainage hydrometric stations – number issued/approved: 17 000 (achieved: 25 139).
- To provide the public with information on the development opportunities and constraints in the part of the country of interest. using MKIS data in digital form - information on reclaimed land areas organised, million ha: 2.19 (achieved: 2.19).

Governance

Shareholder – Ministry of Agriculture

Representative of Shareholder – Raivis Kronbergs

Members of Management Board – Māris Muižnieks, Rihards Kancēvičs

Principal financial indicators. thousand EUR

	2022	2023
Turnover	12 087.6	17 660.2
Profit/loss	18.6	23.2
EBITDA	270.0	366.4
Total assets	16 518.0	8 035.1
Share capital	3 422.0	3 422.0
Equity	3 051.7	3 054.3
Investment	1 474.3	7.3
Dividends paid to state budget	6.2	14.9
Contributions made to the state and local government budget	2 472.2	3 132.7
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	8 115.8	6 375.1

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.15	0.13
Return on assets, ROA, %	0.11	0.29
Return on equity, ROE, %	0.61	0.76
Total liquidity indicator	0.98	0.98
Liabilities-to-equity ratio	4.41	1.63

Other indicators

Number of employees	146	147
Average gross remuneration per employee per year, thousand EUR	16.1	17.1
Gender representation in management, f/m	0/2	0/2
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Results achieved

- A number of EAFRD and ERDF pending orders were implemented, as well as the priority actions' pending repair orders. As a result, net operating cash flow decreased by 266% and the balance sheet total by 54%. A large amount of depreciated fixed assets was written off, while the profit margin increased by 16%. Non-financial and financial targets continued to be affected by the war in Ukraine.

6.6. Health Care





SLLC Bērnu klīniskā universitātes slimnīca (BKUS)

Reg. No. 40003457128

Web: www.bkus.lv

State ownership 100%

Related companies and shares:

BKUS has no ownership in other capital companies

BKUS (in English - Children Clinical University Hospital) is the largest specialised multiprofile medical institution in Latvia. BKUS provides a wide range of tertiary level emergency and elective services for children in inpatient and outpatient settings, a clinical base for the education of medical staff and the transfer of knowledge to the regions, as well as social support services and educational activities of interest. BKUS vision: internationally recognized, highest quality, safest, the most child and parent friendly medical, educational and scientific ecosystem in Latvia and the Baltics. BKUS mission: we treat, care, teach and inspire to ensure that children live healthier and fuller lives. BKUS values: reliability, honesty, respect, development and passion.

General strategic objective

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

Main events in 2023

- Conclusion of the construction works for the Children and Youth Mental Health Centre (CYMHC). Relocation of the services of the BJPVC from Juglas iela to Vienības gatve.
- Several unique surgeries performed, e.g. surgical treatment of epilepsy using a new anaesthetic "wake up" approach, new surgical method using telescopic rods for Osteogenesis Imperfecta patients. 6 corrections of complex heart defects and the launch of a new method for the radical correction of Faollo's tetrad.
- The company demonstrated compliance with ISO 9001:2015 and ISO 15189:2013 standards, as well as with the requirements of the European Reference Networks ERN EYE and ERN PaedCan programmes.

Main events planned in 2024

- Implementation of infrastructure projects within the framework of the medium-term development concept. Completion of construction projects within the planned scope.
- Implementation of practical evacuation training.
- Development of patient safety culture and implementation of patient experience projects (including promotion of volunteering, increase in canister therapy services, etc.).
- Development and revision of clinical guidelines. Education of society - including development of the Healthy World portal.

Principal financial objectives

- Positive net operating cash flow, million EUR: >0 (3.3 achieved).
- Investment plan, million EUR: >14 (25.2 achieved).
- Total liquidity ratio, %: ≥1 (0.59 achieved).
- Economic result: profit, EUR: >0 (achieved -692 thousand).
- Capital structure (liabilities to equity): <3 (1.31 achieved).

Principal non-financial objectives

- Proportion of cases meeting the defined time standard in the NMP triage (red, orange, yellow, green). %: ≥95 (97.05 achieved).
- Unplanned rehospitalisation within 72 hours, %: <2 (0.66 achieved).
- Mean length of stay, days: ≤5.0 (achieved 4.7).
- Hospital admission, %: <0.3 (achieved 0.21).

Governance

Shareholder – **Ministry of Health**

Representative of Shareholder – **Agnese Vajūliene**

Chair of Supervisory Board – **Katrine Judovica**

Members of Supervisory Board – **Jekaterina Stūge, Jari Petaja**

Chair of Management Board – **Valts Ābols**

Members of Management Board – **Zane Straume, Iluta Riekstiņa**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	77 658.5	80 325.3
Profit/loss	179.7	-691.6
EBITDA	4 984.8	2 284.9
Total assets	98 714.6	105 680.5
Share capital	42 169.7	43 722.7
Equity	44 949.5	45 811.0
Investment	16 464.7	27 054.0
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	22 871.6	24 897.5
Donations received	1 303.1	1 785.3
Donations made	0.0	0.0
Funding received from the state budget	73 022.7	73 111.3

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.23	-0.86
Return on assets, ROA, %	0.18	-0.65
Return on equity, ROE, %	0.40	-1.51
Total liquidity indicator	1.19	0.59
Liabilities-to-equity ratio	1.20	1.31

Other indicators

Number of employees	2 053	2 067
Average gross remuneration per employee per year, thousand EUR	19.4	19.6
Gender representation in management, f/m	4/2	4/2
Annual report in accordance with IFRS (yes/no)	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	yes	ye

Results achieved

- 13 out of 16 non-financial targets achieved.
- PS (net promoter score) for inpatient services - with positive dynamics. Response rate > 63%.



SLCC Bērnu psihoneiroloģiskā slimnīca "Ainaži" (Ainaži)

Reg. No. 44103017181

Web: www.ainazuslimnica.lv

State ownership 100%

Related companies and shares:

BPNS Ainaži has no ownership in other capital companies

Ainaži (in English – Children's Psychoneurological Hospital "Ainaži") is a hospital providing qualified and professional psychiatric care for children and adolescents with long-term psychiatric disorders and illnesses. The hospital has a full multiprofessional team. Specialists of all profiles are available. A hydrotherapy department is actively functioning. The treatment and rehabilitation process is carried out until the psychiatric condition is stabilised, which allows for continuation of mental health care in outpatient settings at the place of residence and integration into society and the education system as far as possible. To make psychiatric services more accessible to the population of the Vidzeme region, Ainaži provides outpatient consultations by a certified clinical psychologist (including ADOS-2 test), audiologist, occupational therapist and physiotherapist services, music therapy and Montessori classes are available, as well as a hydrotherapy department and fitness equipment.

General strategic objective

To maintain, improve and restore mental health of children and young people by delivering high-quality, effective, patient-centred psychiatry services to long-term sick children and young people in Latvia.

Main events in 2023

- Ainaži has a successful multi-professional team - patients have access to rehabilitation specialists of all profiles. The child psychiatry resident became a certified child psychiatrist in September 2023 and continues to work successfully in the hospital.
- In 2023, the old hospital building and the chlorine building were demolished, which had been declared to be in a state of decay and an environmentally degrading facility.
- In Q4 2023, Ainaži has signed a contract with the National Health Service for the ADOS-2 test and the provision of Early Intervention Services on an outpatient basis, which will allow the expansion of the outpatient service.

Main events planned in 2024

- Increasing the amount (number of episodes) and range (occupational therapist, audiologist, child psychiatrist) of publicly funded outpatient services.
- Completion of the access road and parking lot on the site of the dismantled old hospital. Complete the renovation of the fence.
- Installation of a ventilation/air-conditioning system in the patient wards on the second floor of the hospital building.

Principal financial objectives

- Profit or loss, thousand EUR: 54 (achieved: 128).
- Net operating cash flow, thousand EUR: 34 (achieved: 100).
- Total liquidity ratio: 1.35 (achieved: 2.28).
- Capital structure (liabilities to equity), %: 105 (achieved: 108).
- Execution of the investment plan, thousand EUR 346 (achieved: 130).

Principal non-financial objectives

- Total number of inpatient beds: 45 (achieved: 45).
- Proportion of working doctors aged 25-40 out of the total number of working doctors, %: 27 (achieved: 19).
- Average length of hospital stay, days: 80 (achieved: 60).
- Bed occupancy rate, %: 65 (achieved: 54).

Governance

Shareholder – **Ministry of Health**

Representative of Shareholder – **Agnese Vajulienė**

Member of Management Board – **Aigars Kišuro**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	1 931.5	1 995.2
Profit/loss	26.8	-128.1
EBITDA	77.7	-128.1
Total assets	4 338.5	4 200.3
Share capital	1 683.4	1 683.4
Equity	2 162.9	2 017.6
Investment	194.7	130.3
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	651.4	691.3
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	1 930.1	1 995.2

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.39	-6.42
Return on assets, ROA, %	0.62	-3.05
Return on equity, ROE, %	1.24	-6.35
Total liquidity indicator	3.14	2.28
Liabilities-to-equity ratio	1.01	1.08

Other indicators

Number of employees	83	83
Average gross remuneration per employee per year, thousand EUR	15.5	16.8
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Results achieved

The loss is related to the costs of dismantling the old hospital building and the chlorine plant, which were planned in the 2024 budget in the investment estimate, but were not included in the income statement (EUR 92 thousand). The deviation in the execution of the investment plan is due to the decrease in the price of the service received for the dismantling of the old hospital building and the chlorine building, compared to the estimate made, as well as the postponement of the installation of ventilation to Q1 2024 due to a request from the service provider.



SLLC Daugavpils psihoneiroloģiskā slimnīca (DPNS)

Reg. No. 50003407881

Web: www.dpns.gov.lv

Related companies and shares:

DPNS has no ownership in other capital companies

DPNS (in English - Daugavpils Psychoneurological Hospital) is one of the largest medical institutions of psychiatric profile in Latvia, which provides the residents of Daugavpils city and surrounding regions with all the necessary spectrum of mental health care services, including home mental health care services, outpatient mental health care services, inpatient mental health care services, including compulsory treatment by court order, and long-term social care and social rehabilitation services.

General strategic objective

Maintaining, improving and restoring health of the population, ensuring patient-centred, high-quality mental health care services for residents of Latgale region.

Main events in 2023

- Completion of construction works at Siguldas iela 24 in Daugavpils in 2023. As part of the reconstruction, a roof was built for easy access for two medical vehicles to the hospital building, as well as two entrances to the building were reconstructed.
- On 4 December 2023, the construction project "Reconstruction of the Training Centre Building at Lielā Dārza iela 60/62, Daugavpils" was put into operation.
- On 13 February 2023, the construction project "Water Main and Sewerage Rehabilitation and Site Improvement. "Alejas". Kraujas. Garsene parish. Jēkabpils municipality", 1st stage.

Main events planned in 2024

- Development of construction project for a building at Siguldas iela 24 in Daugavpils, cadastral designation 0500 006 0605001 014, expert examination of the construction project for the reconstruction of the premises.
- Development and supervision of the construction project for the installation of solar panels on the roofs of DPNS buildings.
- Replacement of the boiler with a new biomass boiler (Aknīste).

Principal financial objectives

- Profit or loss, thousand EUR: 15 (achieved: 977).
- Net operating cash flow, million EUR: 1.1 (achieved: 2.9).
- Total liquidity ratio: 1.40 (achieved: 1.51).
- Investment plan execution, EUR: 1.0 million (achieved: 0.8 million).

Principal non-financial objectives

- Number of outpatient visits: 49 214 (50 207 achieved).
- Number of outpatients who received rehabilitation services from the multiprofessional team: 330 (400 achieved).
- Increase coverage of patient satisfaction surveys - number of completed surveys submitted by patients, % of patients discharged: 31 (45 achieved).
- Bed occupancy, %: 82 (85 achieved).
- Total number of inpatient beds at the end of the period (year): 700 (700 achieved).

Governance

Shareholder – **Ministry of Health**

Representative of Shareholder – **Agnese Vajūliene**

Chair of Management Board – **Sarmīte Kikuste**

Member of Management Board – **Reinis Joksts**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	22 543.1	25 124.9
Profit/loss	338.0	976.7
EBITDA	1 041.1	1 562.4
Total assets	32 107.6	34 956.5
Share capital	16 668.8	16 668.8
Equity	20 094.6	20 853.7
Investment	1 670.1	766.9
Dividends paid to state budget	0.0	216.3
Contributions made to the state and local government budget	7 412.3	8 288.8
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	21 858.3	24 317.4

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.50	3.89
Return on assets, ROA, %	1.05	2.79
Return on equity, ROE, %	1.68	4.68
Total liquidity indicator	1.49	1.51
Liabilities-to-equity ratio	0.60	0.68

Other indicators

Number of employees	961	978
Average gross remuneration per employee per year, thousand EUR	15.4	16.5
Gender representation in management, f/m	1/1	1/1
Annual report in accordance with IFRS (yes/no)	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR	1 670.1	766.9
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	yes	yes

Results achieved

- Outpatient services were strategically prioritised to promote the development of community-based services and to reduce the strain on hospital resources. The number of outpatient visits has increased by 993 during the reporting period.
- In 2023 there were no substantiated complaints to the Health Inspectorate about the quality of health services.
- Patient satisfaction survey coverage increased by 14% - number of completed questionnaires submitted from patients.



SLLC Iekšlietu ministrijas poliklīnika (IMP)

Reg. No. 40003400059

Web: www.poliklinika.iem.gov.lv

State ownership 100 %

Related companies and shares:

IMP has no ownership in other capital companies

IMP (in English - Polyclinic of the Ministry of the Interior) is an outpatient treatment institution that provides primary and secondary outpatient health care. In addition, the Central Medical Examination Commission established by the IMP carries out health inspections of officials with special service ranks and candidates for the posts of officials at the Ministry of the Interior's system institutions and Prison Administration, thus participating in the development of an effective HR policy in the sector.

General strategic objective

To provide services of strategic importance for national security by participating in the provision of staff corresponding to the performance of service duties in institutions of the system of the Ministry of the Interior and Prison Administration, and to carry out control of the state of health of officials with special service ranks, as well as to ensure the implementation of public interests by providing outpatient health care services.

Main events in 2023

- The year 2023 ended with no loss, a profit of EUR 1 446.
- A new type of examination - heart, neck and head cardiovascular dopplerography.
- Continued and expanded professional training of staff.

Main events planned in 2024

- Continue to develop the clinic into a modern, competitive healthcare business to provide better quality and more accessible outpatient healthcare.
- Continue to improve data recording and information systems

Principal financial objectives

- Net turnover, million EUR: 2.9 (achieved: 3.0).
- Return on equity, %: 0.10 (achieved: 0.25).
- Profit, EUR: 500 (achieved: 1 446).
- Total liquidity: 2.20 (achieved: 2.26).

Principal non-financial objectives

- Number of annual medical examinations of candidates for Special Service Officers: 800 (achieved: 817).
- Number of medical examinations per year of officials with special ranks: 13 600 (achieved: 13 328).
- Number of visits to general practitioners: 23 000 (achieved: 26 596).
- Number of visits to specialists: 19 500 (achieved: 19 518).

Results achieved

- Net turnover increased by 4.3% compared to plan, mainly due to an increase in fee-based services.
- The decrease in the number of officials with special service ranks to be examined is due to the decrease in the number of officials with special service ranks in the Ministry of the Interior.

Governance

Shareholder – **Ministry of the Interior**

Representative of Shareholder – **Dimitrijs Trofimovs**

Member of Management Board – **Didzis Āzens**

Principal financial indicators. thousand EUR

	2022	2023
Turnover	2 993.0	2 991.4
Profit/loss	2.0	1.4
EBITDA	27.2	47.9
Total assets	917.0	907.4
Share capital	571.7	571.7
Equity	570.5	570.3
Investment	130.2	12.3
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	1 066.3	1 046.1
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	2 164.5	2 001.4

Principal financial indicators, % and coefficients

Profit and turnover ratio. %	0.07	0.05
Return on assets. ROA. %	0.22	0.16
Return on equity. ROE. %	0.35	0.25
Total liquidity indicator	2.12	2.26
Liabilities-to-equity ratio	0.61	0.59

Other indicators

Number of employees	134	131
Average gross remuneration per employee per year, thousand EUR	18.9	19.2
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no



LLC Ludzas medicīnas centrs (LMC)

Reg. No. 40003258973

Web: www.ludzahospital.lv

State ownership 57.95%

Related companies and shares:

LMC has no ownership in other capital companies

LMC (in English – Ludza Medical Centre) provides primary care hospital inpatient healthcare services, secondary outpatient healthcare services, home healthcare, dental hygiene services, outpatient laboratory services and short-term social care.

General strategic objective

To preserve, improve and restore the health of the population by providing high quality, efficient and accessible health care services to the population of Ludza Municipality and the territory of cooperation of LLC Rēzeknes slimnīca.

Main events in 2023

- During the reporting period, investments were made in the renovation and development of infrastructure, including the purchase of a professional sling system kit, surgical pumps, a floor washing machine, an air dryer for the sterilisation unit, a new root shredder for the hospital kitchen, as well as the renovation of the outpatient department and the purchase of furniture.

Main events planned in 2024

- In 2024, the capital company plans to start implementing the EU Recovery Fund project (No 4.1.13.i.0/1/23/1/CFLA/036), capital repairs and reconstruction of real estate, as well as the purchase of computer equipment, a specialised patient transport vehicle and a heating boiler.

Principal financial objectives

- Profit or loss, thousand EUR: 103 000(achieved: 270 000)
- Net cash flow from operating activities, thousand EUR 298 (achieved: 46 000).
- Total liquidity ratio: 2.46 (achieved: 2.05).
- Execution of the investment plan, thousand EUR 674 (achieved: 24 000).

Principal non-financial objectives

- Bed occupancy rate, %: 80 (achieved: 71).
- Total number of inpatient beds at the end of the period: 48 (achieved: 45).
- Average length of stay, days: 8 (8.81 achieved).

Results achieved

- During the reporting period, the company partially achieved its planned non-financial and financial targets, with some significant deviations. This is mainly due to the shortage of medical staff and the decline in the number of Covid-19 patients.

Governance

Shareholder – **Ministry of Health**

Representative of Shareholder – **Agnese Vajūliene**

Member of Management Board – **Juris Atstūpens**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	4 550.5	4 120.4
Profit/loss	399.4	-269.9
EBITDA	681.5	132.4
Total assets	9 750.7	9 055.3
Share capital	7 321.7	7 321.7
Equity	8 288.1	7 597.8
Investment	307.2	251.9
Dividends paid to state budget	0.0	243.6
Contributions made to the state and local government budget	1 371.7	1 702.3
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	4 121.1	3 683.2

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	8.78	-6.55
Return on assets, ROA, %	4.10	-2.98
Return on equity, ROE, %	4.82	-3.55
Total liquidity indicator	3.66	2.05
Liabilities-to-equity ratio	0.18	0.19

Other indicators

Number of employees	175	173
Average gross remuneration per employee per year, thousand EUR	15.6	15.2
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no



SLLC Nacionālais rehabilitācijas centrs "Vaivari" ("Vaivari")

Reg. No. 40003273900

Web: www.nrcvaivari.lv

State ownership 100 %

Related companies and shares:

Vaivari has no ownership in other capital companies

"Vaivari" (in English – National Rehabilitation Center Vaivari) is a medical rehabilitation, health and social care, education and science institution of national significance — the largest medical institution of this type in Latvia. The main activities of "Vaivari" are hospital and outpatient medical rehabilitation, provision of technical aids and production of technical aids.

General strategic objective

To preserve, improve and restore health of the population by providing 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.

Main events in 2023

- ESF and ERDF projects were completed, setting up a Functioning and Evaluation Laboratory and implementing a Functioning Evaluation System.
- Cooperation with Ukrainian medical institutions continued "Exchange of Experience with Ukrainian Hospitals in the Implementation of a Rehabilitation Programme for Limb Amputation Patients".
- High quality rehabilitation services were provided to both Latvian and Ukrainian military and civilian populations.

Main events planned in 2024

- Construction of the new outpatient building will continue.
- Cooperation with Ukrainian medical institutions and rehabilitation of Ukrainian military personnel will continue.
- Renovation of the inpatient units within the framework of the ERDF project will start.

Principal financial objectives

- Profit or loss, thousand EUR: 13.0 (achieved: 562.9).
- Net operating cash flow, million EUR: 1.7 (achieved: 0.4).
- Total liquidity ratio: 1.45 (achieved: 1.09).
- Investment plan execution, million EUR: 3.7 (achieved: 3.1).

Principal non-financial objectives

- Bed occupancy rate, %: 80 (achieved: 82).
- Total number of hospital beds at the end of the period: 241 (achieved: 241).
- Average length of stay, days: 13 (achieved: 14.40).

Results achieved

- Profit and cash flow indicators higher than expected as a result of higher volume of health services provided.
- Investment plan not fully executed: completion of the new outpatient building postponed to next year.
- Bed occupancy exceeds planned as a result of more work.

Governance

Shareholder – **Ministry of Health**

Representative of Shareholder – **Agnese Vaļulīene**

Chair of Management Board – **Margarita Epermane**

Member of Management Board – **Jānis Felts**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	20 903.5	24 705.0
Profit/loss	656.0	562.9
EBITDA	3 250.7	3 246.8
Total assets	25 249.2	22 483.0
Share capital	3 290.5	3 290.5
Equity	6 820.2	7 553.9
Investment	2 566.1	3 127.9
Dividends paid to state budget	0.0	419.8
Contributions made to the state and local government budget	4 558.4	5 847.8
Donations received	0.1	0.0
Donations made	0.0	0.0
Funding received from the state budget	19 887.9	23 530.8

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	3.14	2.28
Return on assets, ROA, %	2.60	2.50
Return on equity, ROE, %	9.62	7.45
Total liquidity indicator	1.45	1.09
Liabilities-to-equity ratio	2.70	1.98

Other indicators

Number of employees	497	503
Average gross remuneration per employee per year, thousand EUR	15.1	19.6
Gender representation in management, f/m	2/1	1/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	yes
Non-financial statement, yes or no	no	no



SLLC Paula Stradiņa klīniskā universitātes slimnīca (PSKUS)

Reg. No. 40003457109

Web: www.stradini.lv

Related companies and shares:

State ownership 100 %

PSKUS has no ownership in other capital companies

PSKUS (in English — Pauls Stradiņš Clinical University Hospital) is a multi-profile hospital providing high quality, efficient and accessible secondary and tertiary level, emergency and elective healthcare services, while at the same time providing a clinical base for the education and knowledge transfer of doctors, as well as the development of science and research in Latvia.

General strategic objective

To maintain, improve and restore the health of the population by providing high quality, efficient and accessible tertiary, emergency and planned healthcare services to the population of Latvia, implementing the principle of cooperation territories of medical institutions in the Riga and Riga Region, while providing a clinical basis for the education of medical practitioners and knowledge transfer to the regions, as well as promoting the development of science and research.

Main events in 2023

- Excellent performance in treatment and care, reaching and even exceeding pre-pandemic levels.
- The development of the oncology sector in the PICU ensured and the quality of treatment and care for oncology patients improved. PCUS has become a member of the European Network for Unified Cancer Care (OEIC). Together with the International Atomic Energy Agency (IAEA), quality in diagnostic radiology and radiotherapy was strengthened and improved.
- Progress towards joining Scandiatransplant organisation has started.
- Development of research and education. Attracting external funding for research and education projects.

Main events planned in 2024

- Ensure approval and implementation of the new medium-term operational strategy 2023-2029 of the PSCUS.
- Increase and strengthen the capacity of the PCUS infrastructure in line with patient needs.
- Strengthen and develop staff resources.
- Promote the financial stability and operational sustainability of the PCUS.
- Strengthen and develop research and education.

Principal financial objectives

- Balanced budget (revenue/expenditure): 0.98 (achieved: 0.98)
- Net operating cash flow, EUR: 0.5 (achieved: 1.8).
- Total liquidity ratio: 1.12 (achieved: 1.39).

Principal non-financial objectives

- Number of patients treated in hospital: 48 000 (achieved: 48 480).
- Number of outpatient visits: 560 000 (achieved: 577 574).
- Average length of treatment in days: ≤5.0 (achieved: 4.91).
- Multidisciplinary consults (number): ≥4 200 (achieved: 8 081).
- Repeated unplanned hospital admissions, %: ≤0.50 (achieved: 0.35).

Governance

Shareholder – **Ministry of Health**

Representative of Shareholder – **Agnese Vaļūliene**

Chair of Supervisory Board – **Normunds Staņēvičs**

Member of Supervisory Board – **Pēteris Stradiņš, Iluta Riekstiņa**

Chair of Management Board – **Lauris Vidzis**

Members of Management Board – **Džineta Heinrihsone, Ģirts Ansons**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	176 861.1	179 307.4
Profit/loss	-1 761.9	-3 761.3
EBITDA	11 291.2	4 972.8
Total assets	236 940.4	272 783.2
Share capital	150 876.4	152 115.7
Equity	131 238.9	128 716.9
Investment	41 340.9	59 609.0
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	46 708.5	46 374.2
Donations received	11.5	29.3
Donations made	0.0	0.0
Funding received from the state budget	171 832.2	168 554.5

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-1.00	-2.10
Return on assets, ROA, %	-0.74	-1.38
Return on equity, ROE, %	-1.34	-2.92
Total liquidity indicator	1.75	1.39
Liabilities-to-equity ratio	0.80	1.12

Other indicators

Number of employees	3 341	3 341
Average gross remuneration per employee per year, thousand EUR	22.8	23.4
Gender representation in management, f/m	2/5	2/4
Annual report in accordance with IFRS (yes/no)	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	yes	yes

Results achieved

- In 2023, the PSKUS has achieved 15 out of 19 non-financial targets, or 79% of all non-financial targets, as set out in the draft medium-term operational strategy 2023-2029, failed to meet 4 non-financial targets, of which only 1 has a significant deviation from the target due to direct external factors. 100% of financial targets have been achieved.



P I E J Ū R A S
S L I M N Ī C A

SLLC Piejūras Slimnīca (PJS)

Reg. No. 40003343729

Web: www.piejurasslimnica.lv

State ownership 100 %

Related companies and shares:

PJS has no ownership in other capital companies

PJS (in English – Seaside Hospital) is the only medical institution of psychiatric profile in Kurzeme, which provides mental health care services for residents of Liepāja, Ventspils, Kuldīga and surrounding regions – outpatient and inpatient health care services, including forced treatment following the court decision, and rehabilitation facilities for patients with psychiatric profile.

General strategic objective

To preserve, improve and restore mental health of the population by ensuring the provision of high-quality, efficient, patient-oriented psychiatric services to the residents of the Kurzeme region.

Main events in 2023

- Treatment and multiprofessional rehabilitation of patients, including neurotic patients.
- Psychiatric treatment and rehabilitation for the Ukrainian population (children and adults).
- One clinical psychologist continues training in ABA therapy.
- LAT-LIT cross-border project LLI-00120 "Innovative Psychosocial and Physical Rehabilitation Methods for Stress Reduction. For the inclusion of socially vulnerable groups in society". The result - two Speech and Communication Therapy rooms.
- Dividend payment of EUR 209 469 on the use of public capital.

Main events planned in 2024

- PJS plans to further develop its outpatient services. Expanding the range of functional specialists.
- Inclusion of inpatient narcological treatment services in the range of services provided by PJS.
- To improve the quality of patient service. reconstructing the Patient Admission Unit.
- Continuation and further development of international cooperation projects.
- Further training of staff to improve their professional and academic qualifications.

Principal financial objectives

- Non-deficit budget, thousand EUR: 3.4 (achieved: 201.7).
- Total liquidity ratio greater than 1: 2.29 (achieved: 2.22).
- Commitment to equity not more than 50 %: 24.95 (achieved: 25.91).
- Execution of the investment plan, thousand EUR: 234.2 (achieved: 189.2).

Principal non-financial objectives

- Total number of inpatient beds: 95 (achieved: 95).
- Average length of stay, days: 30.95 (achieved: 29.99)
- Bed occupancy rate, %: 94.07 (achieved: 94.11).
- Nurse practitioner to nurse practitioner ratio: 13/46 (achieved: 13/46).
- Proportion of practitioners in the age group 25-40 of the total number of practitioners working in the establishment, %: 29 (achieved 27.35).

Governance

Shareholder – **Ministry of Health**

Representative of Shareholder – **Agnese Vajuliene**

Chair of Management Board – **Artūrs Bērziņš**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	5 151.3	5 207.5
Profit/loss	327.3	201.7
EBITDA	610.5	557.7
Total assets	10 375.2	10 259.1
Share capital	699.5	699.5
Equity	8 296.9	8 147.8
Investment	326.8	189.2
Dividends paid to state budget	0.0	209.5
Contributions made to the state and local government budget	1 572.6	1 974.8
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	5 114.7	5 179.6

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	6.35	3.87
Return on assets, ROA, %	3.15	1.97
Return on equity, ROE, %	3.94	2.48
Total liquidity indicator	2.42	2.22
Liabilities-to-equity ratio	0.25	0.26

Other indicators

Number of employees	182	178
Average gross remuneration per employee per year, thousand EUR	17.7	18.7
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Results achieved

- Exceeding the profit plan by +5900% due to compensation received, reduction of expenses.
- Non-fulfilment of the investment plan (-19.23%) - the planned purchase of intangible investments and the construction of part of the fence were not carried out. Funds have been redeployed to cover other expenditure.
- Positive operating cash flow - achieved the planned level (+763.45%), due to the reimbursements received and the higher advance from the National Health Service in December 2023.

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 and strategically most important multi-profile hospital in the country, providing highly specialised inpatient and outpatient healthcare services. RAKUS carries out scientific research and develops innovations, provides training for young specialists and implements activities for public education and health promotion. RAKUS consists of 5 hospitals - "Gaiļezers", "Latvian Oncology Centre", "Bīķernieki", "Centre for Tuberculosis and Lung Diseases" and "Latvian Infectology Centre".

General strategic objective

To preserve, improve and restore the health of the population by providing high quality, efficient and accessible tertiary, emergency and planned healthcare services to the population of Latvia, implementing the principle of cooperation territories of medical institutions in the Baltic Sea Region and Riga, at the same time providing a clinical base for the education of medical personnel and the transfer of knowledge to the regions, as well as promoting the development of science and research.

Main events in 2023

- RAKUS specialists performed several innovative surgeries, including cardiovascular surgery with veno-arterial ECMO (extracorporeal membrane oxygenation) and the first four percutaneous cryoablation (tumour freezing) surgeries for kidney tumours, as well as five microwave ablation surgeries for liver tumours (one of them during open surgery).
- RAKUS treated 33 soldiers injured in the Ukrainian war. Acute and elective care was provided to Ukrainian refugees.
- RAKUS participated in the civil-military exercise "PANACEJA 2023", during which 79 seriously injured and injured people were brought to the Emergency Medical and Patient Admission Clinic (NMPUK) after a number of simulated successive large-scale disasters, according to the exercise scenario.
- The expansion and remodelling of the Chemotherapy Day Hospital was in progress, resulting in a 33% increase in the number of beds in the Day Hospital.

Main events planned in 2024

- Launch of a unified digital environment at RAKUS, which will also be integrated at national level and linked to other university hospitals.
- Strengthening the educational and scientific capacity by merging the educational and scientific functions of RAKUS, as well as the development of a concept to become a Research Organisation.
- Introducing and strengthening a unified team and a new internal culture at RAKUS, and creating an efficient organisational structure, reviewing responsibilities and duties.
- Completion of the Latvian Cancer Centre accreditation process and receipt of accreditation.

Principal financial objectives

- EBITDA profitability, not less than, %: -8.80 (achieved: 2.87).
- Liquidity ratio, not less than: 0.70 (achieved: 0.92)

Principal non-financial objectives

- Proportion of "Green Corridor" primary consultations and diagnostic examinations provided within the time limits set by the regulatory enactments, not less than, %: 95 (achieved : 93).
- Client and patient referral rate (NPS), not less than %: 64 (achieved : 65).

Governance

Shareholder – **Ministry of Health**

Representative of Shareholder – **Agnese Vaļūniene**

Chair of Supervisory Board – **Tina Kukka**

Members of Supervisory Board - **Erki Molder, Valts Ābols**

Chair of Management Board – **Normunds Staņēvičs**

Members of Management Board – **Kaspars Plūme, Haralds Plaudis**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	221 528.7	225 682.2
Profit/loss	-1 287.1	-2 147.4
EBITDA	10 276.2	6 660.4
Total assets	220 606.7	226 870.3
Share capital	154 736.6	154 736.6
Equity	107 438.5	105 291.1
Investment	39 472.0	50 705.2
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	64 062.6	62 029.4
Donations received	25.5	37.5
Donations made	0.0	0.0
Funding received from the state budget	236 308.0	216 440.1

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-0.58	-0.95
Return on assets, ROA, %	-0.58	-0.95
Return on equity, ROE, %	-1.20	-2.04
Total liquidity indicator	1.54	0.92
Liabilities-to-equity ratio	1.05	1.15

Other indicators

Number of employees	4 954	4 973
Average gross remuneration per employee per year, thousand EUR	22.8	22.0
Gender representation in management, f/m	1/6	1/5
Annual report in accordance with IFRS (yes/no)	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR	197.8	190.8
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	yes	yes

- Proportion of staff with 'high' and 'medium' levels of engagement, not less than, %: 44 (achieved: 53).
- Number of full-text scientific publications included in Web of Science or SCOPUS databases: 100 (achieved: 102).
- Inpatient lethality, %: 5.0 (achieved : 4.6).

Results achieved

- Significant improvement in the financial results is due to the fact that at the time of the approval of the medium-term operational strategy 2023-2028, the financial offer of the National Health Service was 15% higher, or EUR 26.6 million. The actual funding for 2023 was EUR 26.6 million lower than the actual funding for 2023.
- The 2.1% under-performance of the Green Corridor share of consultations and examinations is mainly due to the imbalance between the number of specialists (haematologists) and the patient flow, as well as to the repairs of the MRI equipment



SLLC Rīgas Psihiatrijas un narkoloģijas centrs (RPNC)

Reg. No. 50003342481

Web: www.rpnc.lv

State ownership 100 %

Related companies and shares:

RPNC has no ownership in other capital companies

As the largest psychiatric and narcological treatment institution in Latvia, RPNC's (in English - Riga Centre of Psychiatry and Narcology) activities were in line with the strategic goal described in RPNC's strategy for 2023-2026 - to maintain, improve and restore the mental health of the population, to ensure the provision of high-quality, effective and patient-centred emergency and elective psychiatric and narcological services to the population of Latvia, as well as to provide forensic psychiatric, psychological and narcological examinations and all forms of medical coercive measures. at the same time maintaining a clinical base for the education of medical practitioners and promoting the development of science and research.

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.

Main events in 2023

- Computer network infrastructure improvements continue at the RPNC unit at Tvaika iela 2- both the introduction of new fibre optic lines and the change of the network's physical topology, and the replacement of outdated computer network switching equipment.
- In 2023, work continued on the implementation of several major construction plans - a new multifunctional outpatient centre. For the further development of outpatient services - reconstruction of buildings No 3 and No 4, intended to house a dual diagnosis unit, an eating disorders unit (day hospital), Minnesota programme, a long-term replacement pharmacotherapy unit, and a one-stop shop.
- Adaptation of the outdoor space for rehabilitation purposes, resulting in an inclusive area accessible to patients, consisting of walking and rest areas, sports equipment. etc. (commissioned on 11.12.2023).

Main events planned in 2024

- To reduce infrastructure maintenance costs, the RPNC's current building was redeveloped in 2023. i.e. the reconstruction of buildings No 3 and No 4 at Tvaika iela 2 in Riga (reconstruction area of 2 767 m²), ensuring environmental accessibility.
- Improvements to the computer network infrastructure in the RPNC unit at Tvaika iela 2 will continue, both with the introduction of new fibre optic lines and changes to the physical topology of the network, and the replacement of outdated computer network switching equipment.

Principal financial objectives

- Profit, thousand EUR: 5.7 (achieved: 1.5).
- Net operating cash flow, million EUR: 421.0 (achieved: 397.3).
- Total liquidity ratio: 1.13 (achieved: 0.66).
- Capital structure (liabilities to equity), %: 122.07 (achieved: 220.36).
- Investment plan achieved, million EUR: 14.1 (achieved: 14.3).

Principal non-financial objectives

- Total number of inpatient beds at the end of the period (year): 443 (achieved : 443).

Governance

Shareholder – **Ministry of Health**

Representative of Shareholder – **Agnese Vajūliene**

Chair of Management Board – **Sandra Pūce**

Member of Management Board – **Ģirts Ansons**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	25 410.0	28 793.7
Profit/loss	559.5	1.5
EBITDA	1 076.5	588.8
Total assets	29 996.2	42 639.0
Share capital	12 012.7	12 012.7
Equity	19 349.7	19 248.0
Investment	1 722.2	14 345.5
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	9 585.1	11 620.8
Donations received	13.4	0.0
Donations made	0.0	0.0
Funding received from the state budget	25 802.3	27 117.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	2.20	0.01
Return on assets, ROA, %	1.87	0.00
Return on equity, ROE, %	2.89	0.01
Total liquidity indicator	1.08	0.68
Liabilities-to-equity ratio	0.55	1.22

Other indicators

Number of employees	996	1 019
Average gross remuneration per employee per year, thousand EUR	17.2	18.6
Gender representation in management, f/m	1/1	1/1
Annual report in accordance with IFRS (yes/no)	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	yes	yes

- Average length of stay, days (psychiatry/narcology): 25/7 (achieved : 25/6.4).
- Number of inpatients treated: 6 700 (achieved: 6 744).
- Number of outpatient visits: 88 180 (achieved: 85 647).
- Number of day hospital patients: 470 (achieved: 450).

Results achieved

- Total number of inpatient beds at the end of the period (year) unchanged.
- Decrease in the average length of stay for narcology patients, as the issue of exempting narcology patients from patient co-payments has not yet been resolved in the country, it is difficult to motivate patients to continue the necessary treatment process.
- The number of patients treated in hospital has increased at the expense of adolescent patients.
- Decrease in outpatient visits due to shortage of doctors.
- Decrease in the number of day-care patients due to lack of capacity.


GINTERMUIŽA

SLLC Slimnīca Ģintermuiža (GM)

Reg. No. 40003407396

 Web: www.gintermuiza.lv

State ownership 100 %

Related companies and shares:

GM has no ownership in other capital companies

GM (in English – Hospital of Ģinter-m Manor) is a specialised medical institution that provides outpatient and inpatient health care services in psychiatry and narcology and implements several social care and social rehabilitation service programmes for people with mental disorders and addiction problems.

General strategic objective

To preserve, improve and restore the mental health of the population by ensuring the provision of high-quality, efficient, patient-oriented psychiatric and narcology-related services to the residents of Zemgale and Kurzeme regions, including children.

Most important events in 2023

- Methodological material on the implementation of the medical rehabilitation process in the gerontopsychiatry ward was developed and the design of the reconstruction of the rehabilitation room "Green Breath" was launched.
- Health services in child psychiatry have been expanded, providing an Early Intervention Programme.
- PIPEQ-OS patient survey - patient experience reports on the quality of treatment in the psychiatric inpatient unit introduced.
- Renewable energy launched - solar panel power plant built.

Main events planned in 2024

- Launch - Evaluation and improvement of the implementation of the programme "Inpatient Rehabilitation for Young Persons with Substance Use Disorders".
- Methodological development of a rehabilitation services programme for patients (children and adolescents) with dual diagnoses that may lead to behavioural and mental health disorders.
- Implementation of solutions for digitisation of health care processes. Approval and use of a single IT system Palma Medical, which integrates medical data in inpatient and outpatient healthcare.
- Development of a rehabilitation programme and methodological material for patients undergoing compulsory treatment. to help them regain control of their lives and return to society.

Principal financial objectives

- Profit, thousand EUR: 407.9 (achieved: 63.2).
- Net cash flow from operating activities, thousand EUR: 133.9 (achieved: 420).
- Total liquidity ratio: 1.4 (achieved: 1.6).

Principal non-financial objectives

- Total number of inpatient beds: 269 (achieved: 269).
- Ratio of practitioners (excluding dentists and residents) to nurse practitioners: 37/106 (achieved: 37/108).
- Proportion of medical practitioners in the age group 25-40 years of the total number of medical practitioners working in the establishment: %: 26 (achieved: 27).
- Average length of stay in hospital, days: 23 (achieved: 23).
- Number of patients with schizophrenia, schizotypal disorder or delusions, who required emergency re-admission within 30 days in the same inpatient facility, number: 112 (achieved: 117).

Governance

 Shareholder – **Ministry of Health**

 Representative of Shareholder – **Agnese Vajuliene**

 Member of Management Board – **Artūrs Bērziņš**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	11 727.1	12 639.5
Profit/loss	536.0	63.2
EBITDA	813.2	434.7
Total assets	16 004.3	15 827.7
Share capital	12 758.8	12 758.8
Equity	14 014.6	13 734.8
Investment	244.6	464.2
Dividends paid to state budget	0.0	343.1
Contributions made to the state and local government budget	3 985.0	4 674.6
Donations received	0.0	10.7
Donations made	0.0	0.0
Funding received from the state budget	11 591.3	12 314.5

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	4.57	0.50
Return on assets, ROA, %	3.35	0.40
Return on equity, ROE, %	3.82	0.46
Total liquidity indicator	1.97	1.61
Liabilities-to-equity ratio	0.14	0.15

Other indicators

Number of employees	520	522
Average gross remuneration per employee per year, thousand EUR	14.6	16.2
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Results achieved

- The non-financial objective of improving access to health care is fully met and positively exceeded.
- Financial stability and positive cash flow ensured.



SLLC Strenču psihoneiroloģiskā slimnīca (SPNS)

Reg. No. 50003408181

Web: www.strencupns.lv

State ownership 100 %

Related companies and shares:

SPNS has no ownership in other capital companies

SPNS (in English – Strenči Psychoneurological Hospital) is the most important provider of psychiatry and narcology services in the Vidzeme region, providing both outpatient services for children and outpatient and inpatient treatment, care, rehabilitation in narcology and psychiatry for adults, and tuberculosis treatment for mentally ill patients, as well as palliative care for drug-resistant patients. SPNS works with non-medicated treatment methods, provides education and practical training and participates in clinical trials of medicines.

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 narcology-related services to the population of Vidzeme region.

Main events in 2023

- The reconstructed Maria's House was put into operation.
- Three residents were recruited, a child psychiatrist and a psychiatrist started work.
- Construction of a solar panel park.
- 3rd phase of water management implementation.
- "Gold" in the Sustainability Index; "Silver" in the "Diversity is Strength" assessment; A taxpayer rating in the SRS.

Main events planned in 2024

- Installation of transcranial magnetic stimulation equipment and related employee training. Launch of the therapy.
- Preparation of technical designs for the hospital building alterations planned for the coming years.
- Implementation of the outdoor navigation project.

Principal financial objectives

- Profit, thousand EUR: 231.1 (achieved: 971.0).
- Net operating cash flow, thousand EUR: 979.9 (achieved: 1 146.3).
- Total liquidity ratio: 0.67 (achieved: 1.48).
- Capital structure (liabilities to equity), %: 63.9 (achieved: 52.0).
- Investment plan execution, million EUR: 1.98 (achieved: 1.8).

Principal non-financial objectives

- Total number of inpatient beds: 240 (achieved: 240).
- Average length of stay in hospital, days: 25 (achieved: 21).
- Inpatient bed occupancy rate, %: 72 (achieved: 86).
- Number of outpatient visits (psychiatrist, child psychiatrist, narcologist): 7 205 (achieved: 10 449).

Governance

Shareholder – **Ministry of Health**

Representative of Shareholder – **Agnese Vajūliene**

Member of Management Board – **Maija Ancverīņa**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	9 113.8	10 729.4
Profit/loss	353.8	971.0
EBITDA	773.8	1 421.2
Total assets	10 343.8	11 053.8
Share capital	2 762.8	2 762.8
Equity	6 531.0	7 273.8
Investment	1 469.9	1 823.7
Dividends paid to state budget	0.0	226.5
Contributions made to the state and local government budget	3 108.2	3 632.8
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	9 256.6	9 256.6

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	3.88	9.05
Return on assets, ROA, %	3.42	8.78
Return on equity, ROE, %	5.42	13.35
Total liquidity indicator	1.57	1.48
Liabilities-to-equity ratio	0.58	0.52

Other indicators

Number of employees	289	297
Average gross remuneration per employee per year, thousand EUR	19.0	18.5
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	no	no

Results achieved

- Due to increased demand and funding, profits exceeded expectations.
- The investment plan was not met due to a technological interruption.



**TRAUMATOĻĢIJAS
UN ORTOPĒDIJAS
SLIMNĪCA**

SLLC Traumatoloģijas un ortopēdijas slimnīca (TOS)

Reg. No. 40003410729

Web: www.tos.lv

State ownership 100 %

Related companies and shares:

TOS has no ownership in other capital companies.

TOS's (in English – Hospital of Traumatology and Orthopaedics) main activity is the provision of secondary outpatient and inpatient medical services. The company performs the following activities: outpatient consultations, diagnostics, surgery, rehabilitation, training, research activities. TOS' vision: to become a hospital for traumatology and orthopaedics of European importance, where the synthesis of treatment, education and research provides a modern package of medical treatment for patients.

General strategic objective

To preserve, improve and restore the health of the population by ensuring the provision of high-quality, efficient and accessible emergency and planned medical care, as well as tertiary health care services in traumatology and orthopaedics to the Latvian population, while providing a clinical base for medical education and promoting scientific and research development.

Main events in 2023

- A new arthroplasty room was opened.
- Medium-term strategy for TOS 2023-2026 developed.
- Preparation and submission to the CFLA of a project application for ERDF funding for the development of spinal surgery.
- Submitted 6 innovative pilot project applications to the NHS open call for projects "Laboratory for the Development of Health Service Models".

Main events planned in 2024

- Develop spinal and septic surgery services. Conclude the contract and launch the ERDF project for the development of spinal surgery.
- Introduce new treatment methods and technologies.
- Develop IT infrastructure.
- Launch a methodological management centre.

Principal financial objectives

- Funding for hospital services, million EUR: 20.4 (achieved: 21.2).
- Funding of outpatient services, million. EUR: 1.55 (achieved: 1.57).
- Total liquidity ratio: 1.36 (achieved: 0.67).

Principal non-financial objectives

- Number of patients treated in hospital: 7 244 (achieved: 7 516)
- Number of outpatient visits, thousand: 116.2 (achieved: 114.6).
- Average length of stay, days: 5.85 (achieved: 6.12).
- Number of arthroplasties performed: 2 000 (achieved: 2 144).

Governance

Shareholder – **Ministry of Health**

Representative of Shareholder – **Agnese Vajulienė**

Chair of Management Board – **Anita Vaivode**

Members of Management Board – **Inese Rantiņa, Modris Ciems**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	24 602.1	26 256.5
Profit/loss	209.1	-763.4
EBITDA	1 112.9	212.3
Total assets	15 708.4	14 910.3
Share capital	4 044.5	4 044.5
Equity	6 798.9	5 842.8
Investment	1 415.5	558.6
Dividends paid to state budget	0.0	133.8
Contributions made to the state and local government budget	6 570.0	7 416.5
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	22 181.9	23 769.5

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.85	-2.91
Return on assets, ROA, %	1.33	-5.12
Return on equity, ROE, %	3.08	-13.07
Total liquidity indicator	0.90	0.67
Liabilities-to-equity ratio	1.28	1.51

Other indicators

Number of employees	585	628
Average gross remuneration per employee per year, thousand EUR	20.4	21.1
Gender representation in management, f/m	2/1	2/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	yes
Non-financial statement, yes or no	no	no

Results achieved

- The targets regarding the number of patients treated in hospital and the number of arthroplasties performed were exceeded.
- Funding for inpatient and outpatient services exceeded the target.

LLC Lielstraupes pils (LSP)

Reg. No. 40003342456

State ownership 100 %

Related companies and shares:

LSP has no ownership in other capital companies

LSP (in English - Lielstraupe Castle) does not conduct any economic activities. All existing tasks have been transferred to other healthcare institutions.

General strategic objective

Not approved.

Main events in 2023

No information.

Main events planned in 2024

- Change of name to Latvian Digital Health Centre Ltd.
- Establishment of a digital competence centre for the sector in the form of a state capital company to ensure the transfer of functions and tasks to be transferred as a result of the reorganisation of the National Health Service.

Principal financial objectives

None.

Principal non-financial objectives

None.

Results achieved

No active economic activity.

Governance

Shareholder – **Ministry of Health**

Representative of Shareholder – **Indra Dreika**

Chair of Management Board - **Agnese Jurevica**

Member of Management Board – **Mareks Zvirgzdiņš**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	0.0	0.0
Profit/loss	-23.2	-17.9
EBITDA	0.0	0.0
Total assets	2.5	1.7
Share capital	124.2	142.7
Equity	-0.6	0.0
Investment	0.0	0.0
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	7.6	9.1
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	0.0	0.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	n/a	n/a
Return on assets, ROA, %	-938.27	-1 082.55
Return on equity, ROE, %	n/a	-298 783.33
Total liquidity indicator	0.80	1.00
Liabilities-to-equity ratio	n/a	275.00

Other indicators

Number of employees	2	2
Average gross remuneration per employee per year, thousand EUR	6.3	7.0
Gender representation in management, f/m	1/1	1/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

6.7. Culture





SLLC Dailes teātris (DailesT)

Reg. No. 40003783138

Web: www.dailesteatris.lv

State ownership 100 %

Related companies and shares:

DailesT has no ownership in other capital companies

DailesT (in English - Dailes Theatre) is the largest theatre with professional repertoire in Latvia, which works with the aim of preserving and developing national and world cultural heritage in the field of theatre arts, staging performances of different genres and shapes, and ensuring the availability of diverse theatre art to a wide audience, offering high-quality recreational and cultural education opportunities. DailesT is a member of the European Theatre Union (ETC), the largest network of theatres in Europe. DailesT is currently the only one that represents the Baltic States.

General strategic objective

To preserve and develop the national and world cultural heritage in the field of theatrical arts by staging performances of different genres and forms and ensure the availability of diverse theatre art to a wide audience, offering high-quality recreational and cultural education opportunities.

Main events in 2023

- ROTKHO guest performances in Athens and Opole.
- The play "Leopoldstadt" directed by John Malkovich - staged for the first time in the Baltics; the trilogy of Spīdola and Lāčplēšis - "Spīdola's Night" directed by Viesturs Kairiņš.
- Actress of the Year - Dārta Daneviča for her role in "BOYS ARE NOT GIRLS"; Newcomer of the Year in Music - Jēkabs Jančevskis for his music in "BRANDS"; Audience Choice Award in the category "Play of the Year" - "BOYS ARE NOT GIRLS". Director - Diāna Kaijaka; Audience sympathy vote in the category "Actress of the Year" - Ieva Segliņa for the role of Brands in "BRANDS".

Main events planned in 2024

- Renovation of the Small Hall.
- Five new productions for the Great Hall and three for the small form (The Master and Margarita, Swans of the Forest, The Blue Fox, etc.).
- ROTKHO touring productions in Paris, Athens, Milan, Vienna and elsewhere (some projects are under negotiation).

Principal financial objectives

- Profit, EUR: 2 000 (achieved: 5 494).
- Own revenue, million EUR: 3.5 (achieved: 4.1).
- Own revenue as % of total revenue: 52.7 (achieved: 50).
- Own revenue as a percentage of total expenditure, %: 51.7 (achieved: 49.9).

Principal non-financial objectives

- Number of visitors, thousand: 108,4 (achieved: 145,9).
- Number of performances: 298 (achieved: 318).
- Number of performances in the regions of Latvia: 5 (achieved: 4).
- Number of performances abroad: 3 (achieved: 4).

Governance

Shareholder – **Ministry of Culture**

Representative of Shareholder – **Baiba Zakevica**

Chair of Management Board – **Juris Žagars**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	3 051.7	4 084.6
Profit/loss	6.0	5.5
EBITDA	328.4	410.3
Total assets	3 107.0	8 070.7
Share capital	151.3	151.3
Equity	140.7	4 623.2
Investment	1 144.6	1 529.0
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	1 811.9	2 062.4
Donations received	5.0	60.0
Donations made	0.0	0.0
Funding received from the state budget	3 620.0	3 561.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.20	0.13
Return on assets, ROA, %	0.19	0.07
Return on equity, ROE, %	4.26	0.12
Total liquidity indicator	0.67	2.44
Liabilities-to-equity ratio	21.08	0.75

Other indicators

Number of employees	191	218
Average gross remuneration per employee per year, thousand EUR	17.1	17.0
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Results achieved

- Increase in the share of ticket receipts compared to the previous year.
- The average annual occupancy rate was 96%.



SLLC Daugavpils teātris (DT)

Reg. No. 41503037608

Web: www.daugavpilsteatris.lv

State ownership 100 %

Related companies and shares:

DT has no ownership in other capital companies

DT (in English – Daugavpils Theatre) ensures the availability of theatre art in the Latgale region by promoting decentralisation of the cultural process, as well as through theatre promotes intercultural dialogue and social integration, staging Latvian and foreign classic works, and contemporary drama. Since DT is the only professional theatre in Latgale, its task is to nurture, promote and preserve Latgalian cultural values and language by staged performances in Latgalian.

General strategic objective

To ensure the availability of diverse theatre art for the inhabitants of Latgale region and to promote Latgalian cultural values by staging performances of different genres in Latvian, Latgalian and minority languages in order to promote the decentralisation of cultural processes in Latvia, social integration and to encourage intercultural dialogue in the region and beyond.

Main events in 2023

- Two nominations at the Night of Performing Arts.
- The first class of actors graduated from the Stanislav Broks Daugavpils Music High School; all graduates of this class are currently working in the Daugavpils Theatre.
- The children's play " Spreideits" received the Latgalian Culture Award " Boņuks".
- Cooperation with the British Embassy in Latvia and the British Council Representation in Latvia (performances "Lies without Rules", "Macbeth").
- Participation in the "LAMPA" Conversation Festival and the IV International Arts Festival "Trans/mission Balticum" in Lithuania.

Main events planned in 2024

- To stage 8 performances.
- To organise Theatre Festival No.3 in cooperation with Dirty Deal Teatro and Gertrūdes Street Theatre, offering avant-garde productions to the people of Latgale.
- Based on the mission of the theatre. To stage a Latgalian adaptation of the play "Someone will come" by Norwegian playwright Jun Fosse.

Principal financial objectives

- Ticket revenue, thousand EUR: 180 (achieved: 253.8).
- Other own revenue, thousand EUR: 19 (achieved: 21.9).
- Total liquidity ratio: 1.4 (achieved: 1.35).
- Proportion of planned own revenue to total revenue, %: 11 (achieved: 13).

Principal non-financial objectives

- Number of new productions: 7 (achieved: 8).
- Number of performances: 130 (achieved: 145).
- Number of new productions in Latgalian: 1 (achieved: 1).
- Number of visitors: 32 (achieved: 27.7).
- Attendance (hall occupancy), %: 87 (achieved: 93).

Governance

Shareholder – **Ministry of Culture**

Representative of Shareholder – **Baiba Zakevica**

Chair of Management Board – **Oļegs Šapoņņikovs**

Member of Management Board – **Rita Strode**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	174.7	265.5
Profit/loss	2.0	5.1
EBITDA	81.2	91.3
Total assets	614.2	598.3
Share capital	167.1	167.1
Equity	211.3	216.4
Investment	65.6	25.9
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	560.2	614.0
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	1 838.5	1 902.7

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.15	1.92
Return on assets, ROA, %	0.33	0.85
Return on equity, ROE, %	0.95	2.35
Total liquidity indicator	1.35	1.35
Liabilities-to-equity ratio	1.91	1.76

Other indicators

Number of employees	91	93
Average gross remuneration per employee per year, thousand EUR	12.8	13.6
Gender representation in management, f/m	1/1	1/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Results achieved

- The DT's own revenue plan was exceeded.
- The capacity of human resources and premises allowed for 15 more performances than planned.
- The audience performance indicator was not achieved because in 2023 6 new small-form performances were created.

SLLC Jaunais Rīgas teātris (JRT)

Reg. No. 40003094953

Web: www.jrt.lv

State ownership 100 %

Related companies and shares:

JRT has no ownership in other capital companies

JRT (in English – The New Riga Theatre) positions itself as a poetically intellectual theatre, the main goal of which is to provoke and stimulate public debate on topical and eternal themes. JRT is a theatre for people who like to think for themselves, and it serves as a bridge between the old and the new vision of the world, between people who still read books and those who do not read.

General strategic objective

To preserve national and world cultural heritage and create new values in the field of theatre art, by learning international experience and continuing to develop the unique theatre language created by Alvis Hermanis, as well as to ensure the availability of performances to Latvian and foreign audiences, promoting the formation of a socially active society through the repertoire policy of the theatre.

Main events in 2023

- The return of JRT to the theatre complex on Lāčplēša iela was postponed again until 2024.
- Five new productions staged, four of them using commissioned original dramaturgy.
- International touring activities were renewed with guest performances outside Latvia - at Jaffa fest 2023 in Tel Aviv, Israel ("Post Scriptum") and at the European Theatre Festival EUROTHALIA, Timisoara, Romania (production "Viss zem debesīm").

Main events planned in 2024

- Relocation from temporary premises and opening of the renovated theatre complex on Lāčplēša Street.
- Preparation of a varied repertoire for the renovated theatre complex at Lāčplēša iela 25, Riga;
- Completion of the investment in material and technical support for the technical equipment of the renovated theatre complex not included in the scope of the construction works.

Principal financial objectives

- Profit, thousand EUR: 5 (achieved: 13.5).
- Ticket revenue, thousand EUR: 2 374 (achieved: 2 475).
- Own revenue as a percentage of total revenue, % : 54.2 (achieved: 55.3).
- Average annual ticket price, EUR: 24.5 (achieved: 25.1).

Principal non-financial objectives

- Number of visitors per year, thousand: 98 (achieved: 103.8).
- Total number of performances/concerts per year: 380 (achieved: 395).
- Number of new productions per year: 5 (achieved: 5).

Results achieved

- Re-planning of artistic activities in response to the postponed move to the renovated theatre complex at Lāčplēša iela 25 in Riga.
- The artistic programme has allowed to maintain very high overall attendance figures and to increase ticket revenues, as well as to restore JRT performances and attendance figures to pre-COVID levels.
- The acquisition of investments in physical facilities continued. In connection with the acquisition of technical equipment for the renovated theatre complex.

Governance

Shareholder – **Ministry of Culture**

Representative of Shareholder – **Dace Vilsona**

Member of Management Board – **Gundega Palma**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	1 521.2	2 600.3
Profit/loss	5.0	13.6
EBITDA	80.8	61.5
Total assets	3 600.6	4 137.9
Share capital	182.8	182.8
Equity	682.3	695.9
Investment	224.5	368.5
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	948.3	1 253.3
Donations received	0.0	11.0
Donations made	1.0	0.0
Funding received from the state budget	3 707.0	902.5

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.33	0.52
Return on assets, ROA, %	0.14	0.33
Return on equity, ROE, %	0.74	1.96
Total liquidity indicator	1.15	1.04
Liabilities-to-equity ratio	4.28	4.95

Other indicators

Number of employees	94	92
Average gross remuneration per employee per year, thousand EUR	23.2	29.8
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

SLLC Kremerata Baltica (KB)

Reg. No. 40003487546
 Web: www.kremeratabaltica.com
 State ownership 100 %
 Related companies and shares:

KB has no ownership in other capital companies

KB is a state-owned enterprise that contributes to the growth of Latvian culture and economy by offering high quality musical performances both locally and internationally. The orchestra is an ambassador of culture, participating in prestigious festivals and collaborating with some of the world's most renowned artists, thus contributing to the development of tourism and the creative industries. The KB strengthens Latvia's cultural heritage and inspires young musicians.

General strategic objective

To preserve, develop and promote a diverse national and world cultural heritage in the field of symphonic music, in cooperation with Estonian and Lithuanian musicians, by performing various chamber orchestra concert programmes and ensuring their accessibility to the public, promoting creativity, as well as expanding artistic activity on an international scale.

Main events in 2023

- Gidon Kremer's album "Songs of Fate" with KB was widely praised for its artistic quality and premieres of works by young Baltic composers, and nominated for a Grammy Award in the category "Best Small Ensemble Performance".
- In Latvia, one of the most significant achievements was the recognition of the new album "PPP" as Best Classical or Choral Album 2023. In the Latvian Music Recording Award "Zelta Mikrofons".
- Gidon Kremer participated with Kremerata Baltica in several internationally renowned festivals, for example, Viva Musica! Festival in Bratislava at the Slovakia Radio Concert Hall offering offering an outstanding musical programme. This performance was part of the festival, which is recognised as one of the most important and internationally renowned summer festivals in Bratislava, attracting both local and international artists and audiences.

Main events planned in 2024

- It is planned to finish the processing of the previously recorded sound material and to release two new CDs.
- Record a new album with works by G.Pelēcis, A.Paertis and V.Kalabis.
- In addition to concerts in Latvia, participation in concerts in Europe is planned - in the Middle East and Asia.

Principal financial objectives

- Profit, EUR: 300 (achieved: 810).
- Other operating income (net), thousand EUR: 350 (achieved: 158.7).
- Total liquidity ratio: 1 (achieved: 2).

Principal non-financial objectives

- Number of new programmes per year: 10 (achieved: 10).
- Number of concerts featuring Latvian music: 10 (achieved: 10).
- Number of concerts per year: 40 (achieved: 38).

Results achieved

- Actual profit was higher. Total liquidity ratio higher than planned due to funding from the Gidon Kremer's Foundation.
- Other operating income was lower than expected. Deutsche Bahn changed its marketing strategy, stopping the Station&Station concert project. and 2023 planned revenues fell short.

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

Governance

Shareholder – **Ministry of Culture**
 Representative of Shareholder – **Dace Vilsona**
 Member of Management Board – **Ingrīda Zemzare**

Principal financial indicators, thousand EUR

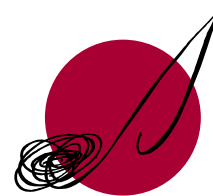
	2022	2023
Turnover	669.6	158.7
Profit/loss	4.5	0.8
EBITDA	12.3	10.5
Total assets	111.3	85.0
Share capital	48.0	48.0
Equity	53.0	51.0
Investment	8.8	1.5
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	334.7	341.7
Donations received	0.0	44.2
Donations made	0.0	0.0
Funding received from the state budget	619.4	635.9

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.67	0.51
Return on assets, ROA, %	4.04	0.95
Return on equity, ROE, %	8.47	1.59
Total liquidity indicator	1.54	2.09
Liabilities-to-equity ratio	1.10	0.67

Other indicators

Number of employees	29	29
Average gross remuneration per employee per year, thousand EUR	21.1	20.1
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no



SLLC Latvijas Koncerti (LK)

Reg. No. 40003374610

Web: www.latvijaskoncerti.lv

State ownership 100%

Related companies and shares:

LK has no ownership in other capital companies

LK (in English – Latvia's Concerts) is the only institution in Latvia that regularly ensures the availability of musical art of different genres in Latvia and, in accordance with cultural political priorities, ensures a higher quality standard in the field of music art. The activities of the LK are aimed at the implementation of the country's cultural, social and regional development, as well as external and internal policies.

General strategic objective

To preserve and develop a diverse national and world cultural heritage in the field of music by ensuring high-quality artistic activity of the professional chamber choir "Latvian Radio Choir", the full professional chamber orchestra – the State Chamber Orchestra "Sinfonietta Rīga" and the professional jazz music big band "Latvijas Radio bigbends", as well as to ensure the availability and promotion of music art to various target audiences of society and popularisation in Latvia and abroad.

Main events in 2023

- The Latvian Radio Big Band was awarded the Big Music Prize "For outstanding performance throughout the year"
- The Cabinet of Ministers Award Ceremony was held at the Dzintari Concert Hall for the first time since 2019 outside the Cabinet of Ministers building
- In cooperation with the Union of Local Governments, seminars were organised in all regions of Latvia to introduce local governments to the current offer of professional music.

Main events planned in 2024

- Ensuring that the programmes prepared by the LC resident music ensembles are repeatedly reproduced in various cities across Latvia.
- Participate in the Classical Next and Jazz Ahead music management forums in Berlin and Bremen.
- To ensure the implementation of educational and chamber music projects.

Principal financial objectives

- Profit, thousand EUR: 12 (achieved: 67).
- Income from concert activities, thousand EUR: 520 (achieved: 708.8).
- Total liquidity ratio: 1.2 (achieved: 1.58).
- Investments in the improvement and renewal of the technical base, thousand EUR: 15 (achieved: 18.4).

Principal non-financial objectives

- Performances of works by Latvian composers, number of concerts: 85 (achieved: 95).
- Ensuring activities of Chamber Orchestra "Sinfonietta Rīga", "Latvian Radio Choir, number of concerts: 113 (achieved: 113).
- Development of educational programmes for children and young people, number of programmes: 50 (achieved: 69).

Governance

LATVIJAS KONCERTI

Shareholder – **Ministry of Culture**

Representative of Shareholder – **Baiba Zakevica**

Member of the Management Board – **Guntars Ķirsis**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	830.6	1 277.8
Profit/loss	-221.2	67.1
EBITDA	-154.4	127.9
Total assets	1 150.2	1 055.8
Share capital	454.6	454.6
Equity	405.1	461.5
Investment	111.1	18.4
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	1 052.8	1 107.9
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	3 347.4	3 581.8

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-26.63	5.25
Return on assets, ROA, %	-19.23	6.35
Return on equity, ROE, %	-54.61	14.53
Total liquidity indicator	1.19	1.57
Liabilities-to-equity ratio	1.84	1.29

Other indicators

Number of employees	116	116
Average gross remuneration per employee per year, thousand EUR	16.5	17.7
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Results achieved

- Sinfonietta Rīga and the National Secondary School of Arts "Emīls Dārziņš Music School" have launched a new educational project SINFONIETTA RĪGA ACADEMY in 2023.
- In 2023, for the first time, concert series were organised to educate children and young people. covering the Vidzeme region. 500 schoolchildren attended the concerts.
- A concert by the Sinfonietta Rīga Chamber Orchestra was held at Vienna's prestigious Vienna Konzerthaus. This project opens up further opportunities for cooperation with the world's best concert halls and musicians, as well as making a significant contribution to promoting Latvia's name in the world.



SLLC Latvijas Leļļu teātris (LLT)

Reg. No. 40003782984

Web: www.lelluteatris.lv

State ownership 100%

Related companies and shares:

LLT has no ownership in other capital companies

LLT (in English – Latvia Puppet Theatre) is a professional puppet theatre that produces performances for children, teenagers and adults, ensuring the development of puppet theatre as an art form in Latvia, the inheritance of the theatre-going tradition for future generations, and the enrichment of the Latvian professional theatre environment with visual and formal theatre aesthetics.

General strategic objective

To create artistically high-quality puppet theatre productions and to ensure their availability primarily to children and youth audiences.

Main events in 2023

- LLT switched to a Latvian-language repertoire, ceasing to show productions in Russian from August 2023.
- At the end of the year, the Theatre returned to renovated premises at Kr.Barona Street 16/18, Riga.

Main events planned in 2024

- The theatre building continues to be renovated and the Big, Small and Chamber Halls are being equipped. Improvement works in the outdoor area and updating of the visual identity of the theatre are also in progress.
- In 2024, the theatre will celebrate its 80th anniversary. An international workshop and conference will be organised in collaboration with leading Latvian, Lithuanian, Finnish visual and puppet theatre professionals. The programme of events will include a conference, masterclasses and guest performances.

Principal financial objectives

- Total liquidity ratio: 1.4 (achieved: 1.17).
- Profit, thousand EUR: 3.5 (achieved: 14 682).
- Return on equity (ROE), %: 1.2 (achieved: 4.74).
- Profitability (net profit/turnover), %: 0.70 (achieved: 2.29).

Principal non-financial objectives

- Total number of performances per year: 400 (achieved: 397).
- Number of visitors per year, thousand: 40 (achieved: 48.4).
- Theatre occupancy rate, %: 79 (achieved: 94).
- Number of new productions per year: 10 (achieved: 9).

Governance

Shareholder – **Ministry of Culture**

Representative of Shareholder – **Baiba Zakevica**

Member of Management Board – **Mārtiņš Eihe**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	519.5	639.9
Profit/loss	1.7	14.7
EBITDA	131.8	69.6
Total assets	511.3	549.0
Share capital	54.3	54.3
Equity	295.1	309.8
Investment	34.5	53.7
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	653.4	677.3
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	1 621.9	1 461.3

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.32	2.29
Return on assets, ROA, %	0.33	2.67
Return on equity, ROE, %	0.57	4.74
Total liquidity indicator	1.50	1.17
Liabilities-to-equity ratio	0.73	0.77

Other indicators

Number of employees	79	79
Average gross remuneration per employee per year, thousand EUR	17.1	17.8
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Results achieved

- Number of visitors is higher than expected as the forecast was based on the buying habits during Covid -19 and economists' predictions of the impact of the energy crisis on purchasing power. LLT launched an international project with Latvian, Lithuanian, Finnish theatre professionals. The project is planned to be implemented in October 2024. The project will include an international conference, masterclasses for theatre professionals and guest performances.



SLLC Latvijas Nacionālais simfoniskais orķestris (LNSO)

Reg. No. 40003373615

Web: www.lns.lv

State ownership 100%

Related companies and shares:

LNSO has no ownership in other capital companies

LNSO (in English – Latvian National Symphony Orchestra) is one of the cornerstones of national culture with a history of almost a hundred years. The LNSO's mission is to offer a wide range of symphonic music repertoire in excellent artistic performance, acquainting the Latvian audience with the fundamental 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 preserve and develop the diverse national and world cultural heritage in the field of symphonic music, as well as to ensure its availability and promotion in Latvia and abroad, by staging high-quality concert programmes for different target groups of society and promoting creativity in the field of Latvian symphonic music.

Main events in 2023

- Music prize for the concert production of Wagner's opera Siegfried in collaboration with the Cēsis Concert Hall.
- Ensuring orchestra tour to France in February 2023.
- Concerts in collaboration with Tarmo Peltokoski, Chief Conductor of the LNSO.

Main events planned in 2024

- The start of the refurbishment of the Great Guild Hall in July 2024 and the LNSO's relocation to the Congress Hall.
- Planning concert activities in the new environment and attracting additional funding.
- Continued audience retention.
- The Orchestra's cooperation with EU and non-EU projects.

Principal financial objectives

- Profit, thousand EUR: 2 (achieved: 4.7).
- Revenue from ticket sales, thousand EUR: 64 (achieved: 322).
- Other own revenue, thousand EUR: 251 (achieved: 353).

Principal non-financial objectives

- Number of new programmes per year: 37 (achieved: 40).
- Number of concerts for children and young people up to the age of 17 per year: 16 (achieved: 15).
- Total number of concerts per year: 56 (achieved: 57).
- Number of visitors per year: 35 (achieved: 32).
- Attendance at the concert hall per year: 68 % (achieved: 79).

Governance

Shareholder – **Ministry of Culture**

Representative of Shareholder – **Dace Vilsona**

Member of Management Board – **Indra Lūkina**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	441.6	676.7
Profit/loss	5.5	4.7
EBITDA	46.2	52.0
Total assets	1 131.1	1 177.4
Share capital	175.6	175.6
Equity	304.7	305.9
Investment	15.3	51.1
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	988.5	1 059.7
Donations received	0.0	3.5
Donations made	0.0	0.0
Funding received from the state budget	2 889.2	3 010.8

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.24	0.69
Return on assets, ROA, %	0.48	0.40
Return on equity, ROE, %	1.79	1.53
Total liquidity indicator	0.95	0.97
Liabilities-to-equity ratio	2.71	2.85

Other indicators

Number of employees	128	144
Average gross remuneration per employee per year, thousand EUR	18.0	16.8
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Results achieved

- The number of visitors to LNSO concerts has increased significantly.
- Latvian original music is regularly requested.
- In 2023, around 35% of all concert activity will take place outside Riga. The number of concerts per year in the regions of Latvia was 17, while 36 concerts were held in Riga.

SLLC Latvijas Nacionālais teātris (LNT)

Reg. No. 40003786149

Web: www.teatri.lv

State ownership 100%

Related companies and shares:

LNT has no ownership in other capital companies

LNT (in English – Latvian National Theatre) is one of the leading professional repertoire theatres in Latvia, which is proud of its traditions and 100-year history. An eclectic style building of the theatre is a monument of architecture and art of national significance. One of its main tasks is to popularize the Latvian drama, therefore each season begins with a new production of a work by a Latvian author. The theatre also organizes national play competitions.

General strategic objective

To preserve, develop and promote the national and world cultural heritage in the field of theatre art, promoting the development of Latvian original drama through theatre repertoire policy and ensuring the creation of new national values, as well as ensuring the availability of theatre art to the public.

Main events in 2023

- The season was realised without the presence of the author E. Senkova and the creative team.
- 23 guest performances throughout Latvia.
- The National Theatre has staged performances for the widest possible audience, ensuring a varied repertoire and a differentiated ticket price policy, which allows all interested parties to watch the performances

Main events planned in 2024

- LNT is committed to 13 new productions.
- The theatre will start collaborating with several Latvian playwrights on the development and production of original texts in the 2024/2026 season.
- The theatre will continue to look for new forms of cooperation with Latvian companies in order to attract funding.
- Cooperation with Riga City Council to work on the extension of the theatre - New Hall (Black Box).

Principal financial objectives

- Own revenue, million EUR: 2.03 (achieved: 2.2).
- Income from ticket sales, million EUR: 1.8 (achieved: 2.2).
- Other own revenue, thousand EUR: 200 (achieved: 343).
- Share of own revenue in total revenue, %: 38 (achieved: 42).

Principal non-financial objectives

- Number of new productions per year: 11 (achieved: 10).
- Number of repertoire titles per year: 48 (achieved: 52).
- Number of performances per year: 475 (achieved: 447).
- Number of visitors per year, thousand: 130 (achieved: 131.8).

Governance

Shareholder – **Ministry of Culture**

Representative of Shareholder – **Baiba Zakevica**

Member of Management Board – **Jānis Vimba**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	1 738.5	2 548.3
Profit/loss	7.7	1.8
EBITDA	7.7	1.8
Total assets	2 066.3	1 979.1
Share capital	244.1	244.1
Equity	842.5	844.2
Investment	87.9	125.2
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	1 456.9	1 613.1
Donations received	0.0	25.0
Donations made	0.0	0.0
Funding received from the state budget	3 387.3	3 495.1

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.45	0.07
Return on assets, ROA, %	0.37	0.09
Return on equity, ROE, %	0.92	0.21
Total liquidity indicator	1.26	1.24
Liabilities-to-equity ratio	1.45	1.34

Other indicators

Number of employees	181	178
Average gross remuneration per employee per year, thousand EUR	15.5	16.5
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Results achieved

- The theatre implemented various activities to expand its audience by actively introducing its repertoire to younger audience members and offering special ticket prices for different target groups.
- The theatre is working on introducing various new marketing tools to attract additional audiences.



SLLC Latvijas Nacionālā opera un balets (LNOB)

Reg. No. 40103208907

Web: www.opera.lv

State ownership 100%

Related companies and shares:

LNOB has no ownership in other capital companies

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 theatre hosts about 200 performances, as well as symphonic and chamber music concerts.

General strategic objective

To preserve, develop and promote national and world cultural heritage in the opera and ballet genre, promoting creativity and engaging in international opera and ballet art processes and cooperation, as well as ensuring a wide variety of opera and ballet productions available to the public.

Main events in 2023

- The reference year is marked by large-scale international cooperation projects. The new productions have been created in cooperation with foreign creative teams, including the Ukrainian ones. Giuseppe Verdi's opera "Don Carlos" with the San Carlo Opera House in Naples has been implemented as the historically largest co-production.
- The high interest of audience: the introduction of a new ticketing platform and a well-thought-out pricing policy have resulted in the highest revenue ever achieved.
- Three new Latvian original operas have been commissioned for the development of the National Opera genre.

Main events planned in 2024

- Four new productions are planned - two operas and two ballets. In addition, renovations of two previously staged operas are also planned.
- Continue the investment planned by the LNOB in the medium-term operational strategy 2022-2026 to ensure the sustainability of artistic and economic activities.
- Ensure the change of management of the company and the continuity of decision-making processes.

Principal financial objectives

- Ratio of net turnover to total revenue, %: 24 (achieved: 26).
- Investment-to-depreciation ratio, %: 134 (achieved: 100).
- Total liquidity ratio: 1.2 (achieved: 1.4).

Principal non-financial objectives

- Number of new productions (large forms) per year: 5 (achieved: 5).
- Number of visitors to events against maximum capacity, %: 80 (achieved: 90).
- Number of titles in the repertoire per year: 35 (achieved: 36).

Governance

Shareholder – **Ministry of Culture**

Representative of Shareholder – **Agnese Logina**

Chair of Management Board – **Egils Siliņš**

Members of Management Board – **Inese Eglīte, Sandis Voldiņš**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	3 119.2	4 264.7
Profit/loss	165.5	132.4
EBITDA	1 604.4	1 410.0
Total assets	24 410.3	24 710.7
Share capital	16 566.8	16 566.8
Equity	17 760.6	17 892.9
Investment	1 641.7	1 270.7
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	4 488.5	5 068.7
Donations received	151.6	36.7
Donations made	0.0	0.0
Funding received from the state budget	11 772.6	12 026.3

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	5.31	3.10
Return on assets, ROA, %	0.68	0.54
Return on equity, ROE, %	0.93	0.74
Total liquidity indicator	1.65	1.43
Liabilities-to-equity ratio	0.37	0.38

Other indicators

Number of employees	555	556
Average gross remuneration per employee per year, thousand EUR	14.8	16.5
Gender representation in management, f/m	1/2	1/2
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Results achieved

- Particularly noteworthy is the return of artistic activity or the average attendance of events of 90%, which is a high indicator.
- Attendance also had a positive impact on the achievement of financial objectives and turnover grew faster than total revenue in 2023.
- The LNOB has significant long-term investments. In total, EUR 1.27 million were invested in fixed assets, including renovation of the repertoire and ensuring the sustainability of the company's technical activities.

SLLC Liepājas simfoniskais orķestris (LSO)

Reg. No. 42103049403

Web: www.lso.lv

State ownership 100%

Related companies and shares:

LSO has no ownership in other capital companies

LSO's (in English – Liepāja Symphony Orchestra) mission is to make high quality classical and contemporary music concerts available to the public in Kurzeme and across Latvia, while preserving and developing the traditions of Liepāja and Latvia. This includes organizing a concert season in the concert hall “Lielais dzintars” (in English - Great Amber), summer concerts in the concert garden “Pūt. vējiņi” and in the Southern Kurzeme region, participation in festivals throughout Latvia, performance of children's and youth concerts and performances, audio recordings.

General strategic objective

To preserve and develop the national and world cultural heritage in the field of symphonic music by staging diverse symphonic concert programmes, creating sound recordings, promoting creativity in Latvian symphony music and acquiring international experience by attracting foreign guest artists in performances, as well as ensuring availability of symphonic music in the Kurzeme region in order to promote the decentralisation of cultural processes in Latvia.

Main events in 2023

- Significant increase in concert attendance.
- Concerts in all regions of Latvia, as well as in Finland.
- Participation in the XXVII Latvian Song and Dance Celebration. Jūrmala festival, festival “Organismi”.
- In-depth cooperation with Jāzeps Vītols Latvian Academy of Music and Liepāja School of Music, Art and Design.

Main events planned in 2024

- Recording and publishing of recordings by Pēteris Plakids, Agris Engelmanis, Gundars Pone, Lolita Ritmanis and Ēriks Ešenvalds.
- Concerts in Liepāja, Ventspils, Cēsis, Rīga, Klaiņpēda, Rundāle, Kalni, Smiltene, Daugavpils,
- Ulbroka, Aizpute, Priekule, Vecpils, Grieze, Vērgale, Virga,
- Nica, Rucava, Lielauce, Kazdanga, Vairņode, Alsunga, Durbe,
- Grobiņa and elsewhere.
- Premieres of new compositions by Andris Vecumnieks, Rihards Dubra, Andris Dzenītis, Vilnis Šmidbergs.

Principal financial objectives

- Net turnover (own revenue), thousand EUR: 280 (achieved: 380.5).
- % of planned other own revenue to turnover: 10 (achieved: 13).
- Donations received (gifts), EUR: 2000 (achieved: 50)

Principal non-financial targets

- Total number of concerts per year: 55 (achieved: 68).
- Annual number of visits, thousand: 35 (achieved: 61.9).
- Concerts with Latvian music in the program: 25 (achieved: 31).
- Number of new productions/new programmes per year: 40 (achieved: 49).
- Number of CD recordings per year: 2 (achieved: 2).

Governance

Shareholder – **Ministry of Culture**

Representative of Shareholder – **Baiba Zakevica**

Member of Management Board – **Uldis Lipskis**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	280.3	380.5
Profit/loss	80.0	10.9
EBITDA	113.5	-10.8
Total assets	599.5	628.4
Share capital	210.3	210.3
Equity	256.8	216.6
Investment	62.1	67.2
Dividends paid to state budget	0.0	51.2
Contributions made to the state and local government budget	718.4	872.9
Donations received	2.0	0.1
Donations made	0.0	0.0
Funding received from the state budget	2 382.6	2 441.3

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	28.55	2.88
Return on assets, ROA, %	13.35	1.74
Return on equity, ROE, %	31.16	5.05
Total liquidity indicator	1.61	1.45
Liabilities-to-equity ratio	1.33	1.90

Other indicators

Number of employees	100	102
Average gross remuneration per employee per year, thousand EUR	17.2	17.8
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Results achieved

- The performance of R.Sējāns' rock ballet “The Crow” at the Great Amber, recording music and making it available on streaming sites.
- In collaboration with composer K.Vanags and the Latvian Radio Big Band, the symphod jazz concert “Trio Colossus” was created. The performance and recording was made at the Liepāja International Star Festival.
- The retro-innovation festival “Rimbenieks” - the return of symphonic music and chamber music to small settlements in the parks of South Kurzeme - took place in manor houses, churches and net houses.
- The Liepāja School of Music, Art and Design in collaboration with the Liepāja Symphony Orchestra organised the Valdis Vikmanis Latvian Young Performing Artists Competition, inviting the winners to play solo with the orchestra on the Grand Stage of the Great Amber Theatre at the opening concert of the International Festival of Stars. This is the prize that is life-changing opportunity for many talents and a springboard for their careers. The Orchestra Symphony Award - an invitation to one of the winners to collaborate repeatedly on prestigious concerts.

SLLC Mihaila Čehova Rīgas Krievu teātris (MĀRKT)

Reg. No. 40003793653

Web: www.mct.lv

State ownership 100%

Related companies and shares:

RKT has no ownership in other capital companies

MĀRKT (in English – Mikhail Chekhov Riga Russian Theatre) is a professional dramatic repertoire theatre that stages productions of various genres in Russian, plays in its permanent premises in Rīga, as well as provides guest performances. The theatre was founded in 1883 and ranks among the oldest theatres in Latvia and has rich traditions. MĀRKT is also the oldest Russian theatre located outside Russia and plays a special role in Latvia's cultural policy, cultural diplomacy and social integration.

General strategic objective

To preserve, develop and promote the traditions of Russian dramatic theatre, as well as to ensure the availability of theatre art to various target audiences of society, by producing performances in Russian and ensuring their translation into Latvian, in order to promote the integration of society and encourage intercultural dialogue.

Main events in 2023

- Received nine nominations for the Night of Performing Arts. of which were awarded for "Hamlet" (Choreographer or Movement Artist of the Year Kristīne Brīnīņa), "With Ball Shoes in the Siberian Snows" (Costume Designer of the Year MAREUNROL'S). "The Three Little Pigs and the Wolf (Children's or Young People's Performance of the Year).
- For the first time in the history of the Chekhov Theatre, the Chekhov Theatre Gallery and the online discussion platform "No dot on the i" were launched. Adapting the gallery exhibition and discussion topic to a new production.
- To celebrate the 140th anniversary of the Chekhov Theatre, an exhibition dedicated to the history of the theatre was opened at the E. Smiļģas Theatre Museum of the Latvian Academy of Performing Arts.

Main events planned in 2024

- Developing international activities, and more specifically, continuing cooperation with Teatro de La Abadía in Madrid, organising masterclasses for actors, planning guest performances in Italy, and Estonia, as well as the development of a programme for the ArtMind creative camp for actors, which will be implemented in collaboration with the Estonian theatre.
- Launch of a new Chekhov's theatre game platform "Theatre Arcade".
- Organisation of "Chekhov Theatre Studio" classes for children and young people from 7 to 12 years old.

Principal financial objectives

- Own revenue, million EUR: 1.78 (achieved: 2.27).
- Own revenue as % of total revenue: 50 (achieved: 47).
- Own revenue as a percentage of total expenditure, %: 49 (achieved: 37,4).
- Average ticket price, EUR: 20 (achieved: 21.16).
- Investments in ensuring the sustainability of technical and technological activities, including the maintenance and development of the infrastructure necessary for artistic activities and the improvement of the artistic and technical base, thousand EUR: 26.8 (achieved: 126.1).

Principal non-financial objectives

- Number of new productions per year: 7 (achieved: 10).
- Number of performances per year: 400 (achieved: 474).
- Number of visits per year, thousand: 101 (achieved: 114).
- Attendance of permanent auditoriums, % : 80 (achieved: 91.68).
- Number of titles in the repertoire per year: 39 (achieved: 41).

Governance

Shareholder – **Ministry of Culture**

Representative of Shareholder – **Dace Vilsona**

Member of Management Board – **Dana Bjorka**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	1 390.0	2 275.7
Profit/loss	19.2	13.0
EBITDA	87.7	100.0
Total assets	1 214.8	1 448.9
Share capital	139.1	139.1
Equity	392.5	373.4
Investment	160.2	142.8
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	924.5	1 158.1
Donations received	21.6	20.4
Donations made	0.0	0.0
Funding received from the state budget	2 364.2	2 516.2

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.38	0.57
Return on assets, ROA, %	1.58	0.90
Return on equity, ROE, %	4.90	3.49
Total liquidity indicator	0.93	0.91
Liabilities-to-equity ratio	2.09	2.88

Other indicators

Number of employees	124	129
Average gross remuneration per employee per year, thousand EUR	16.7	20.2
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Results achieved

- Ten new productions were realised, of which two performances for children and young people, two works by Latvian authors, two new productions, one concert.
- Seven guest performances in Latvia, five international guest performances, one international cooperation project.
- Financial resources and materials with a total value of EUR 20.4 thousand raised through donations.
- Stable financial situation maintained. Improvements to the material and technical base planned in the Strategy, ensuring high-quality stage equipment and management.



SLLC Rīgas cirks (RC)

Reg. No. 40003027789

Web: www.cirks.lv

State ownership 100%

Related companies and shares:

RC has no ownership in other capital companies

RC (in English - Riga Circus) is a multifunctional art centre that is focused not only on offering significant and topical circus performances to an ever larger audience, but also in the long term contributes to the development and recognition of circus industry in the Latvian society. The company works mainly in three strategic directions – offering high-quality circus performances, developing circus educational infrastructure and promoting creativity within the framework of an international art residency program.

General strategic objective

To update, develop and promote circus art in Latvia, ensuring the availability of contemporary circus performances to the public, as well as gaining international experience in circus art.

Main events in 2023

- The ERDF project to equip the Circus Arena was successfully launched and completed.
- Several high-profile international circus companies were welcomed by Riga Circus for their guest performances.
- Hosting of several non-circus arts events at Riga Circus, encouraging intercultural communication and expanding the artistic space.

Main events planned in 2024

- Implementing a high quality artistic programme with content for all age groups.
- Continue to promote an inclusive environment for all social groups and people with disabilities in the events organised by Riga Circus, both inside and outside the circus premises.
- Actively engage in international cooperation and projects. This way, promoting public awareness of circus arts and the development of local artists. Completion of the ERDF project to equip the Circus Arena.

Principal financial objectives

- Own revenue, thousand EUR: 348 (achieved: 328).
- Share of own revenue in total revenue, %: 45 (achieved: 22).
- Total liquidity ratio: 1 (achieved: 2.6).

Principal non-financial objectives

- Number of performances per year: 24 (achieved: 70).
- Number of visitors per year: 7.6 (achieved: 15.3).
- Number of students per year permanently involved in the circus school: 100 (achieved: 107).
- Participation in international cooperation projects per year: 9 (achieved: 10).

Governance

Shareholder – **Ministry of Culture**

Representative of Shareholder – **Dace Vilsona**

Member of Management Board – **Māra Pāvula**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	186.5	408.4
Profit/loss	4.4	29.6
EBITDA	82.7	52.0
Total assets	6 558.4	7 625.9
Share capital	58.6	58.6
Equity	44.3	73.9
Investment	3 728.7	1 614.5
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	928.0	263.9
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	464.6	464.6

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	2.37	7.25
Return on assets, ROA, %	0.07	0.39
Return on equity, ROE, %	9.99	40.07
Total liquidity indicator	0.67	0.39
Liabilities-to-equity ratio	147.15	102.24

Other indicators

Number of employees	24	29
Average gross remuneration per employee per year, thousand EUR	9.6	13.2
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Results achieved

- Revenue from ticket sales and educational activities, as well as the number of spectators and performances exceeded by 11% compared to the previous plan thanks to new partnerships with the private sector in the field of education and performances. The capital company implemented the project “Equipping of the Arena and Public Spaces of SLLC Rīgas Cirks”, and within the framework of the project, the arena was equipped with a grandstand, curtains, sound and light systems and the circus building - with a navigation sign system, furniture and an acoustic loop to ensure accessibility for people with hearing impairments.



SLLC Valmieras drāmas teātris (VDT)

Reg. No. 44103038376

Web: www.vdt.lv

State ownership 100%

Related companies and shares:

VDT has no ownership in other capital companies

The main activity of the VDT (in English – Valmiera Drama Theater) is the provision of theatre services in the territory of Latvia, during the guest performances – outside of it. VDT's vision is to become an outstanding cultural centre of Vidzeme region, promoting classical values, The Latvian cultural code, while seeking innovative characteristics of this time and means of expression. The mission of the VDT is to create versatile and contemporary theatre art for various groups of Latvian society, paying special attention to the audience of children and young people.

General strategic objective

To preserve and develop the national and world cultural heritage in the field of theatre art, as well as to ensure its accessibility to various target audiences of Vidzeme region in order to promote the decentralisation of cultural processes in Latvia and the strengthening of national identity in the region and beyond.

Main events in 2023

- Work continued on the reconstruction of the theatre building, in parallel with the creation of outstanding new productions in the Round Hall and the "Kurtuve".
- The jury of the "Night of the Players" nominated the best productions and individual works of the last season of the Valmiera Drama Theatre for 21 awards, and nine of them were awarded at the award ceremony, including the theatre innovation award for the swift adaptation of the contemporary art space KURTUVE for theatre performances.
- In the 2023/2024 theatre season, significant financial resources were raised for the high-quality staging of Latvian classical productions.

Main events planned in 2024

- Completion of the reconstruction of the theatre building and the resumption of full theatre activities in the reconstructed building in three halls.
- Implementation of an international project (performance) in cooperation with Estonian artists in the framework of Tartu European Capital 2024.
- Raising additional funds for the realisation of high quality Latvian and foreign classical works, continuing the work started in the 100th anniversary season, as well as the realisation of the 100th anniversary events, which failed in the previous season due to the delayed reconstruction of the theatre.

Principal financial objectives

- Investment in the sustainability of technical and technological operations, thousand EUR: 5 (achieved: 176).
- Proportion of planned own revenue to turnover, %: 22 (achieved: 25)
- Proportion of own revenue to total expenditure, %: 21 (achieved: 25).

Principal non-financial objectives

- Number of new productions per year: 9 (achieved: 9).
- Total number of performances per year: 280 (achieved: 324).
- Number of visitors per year, thousand: 75 (achieved: 78).
- Number of guest performances in regions of Latvia per year: 110 (achieved: 131).

Governance

Shareholder – **Ministry of Culture**

Representative of Shareholder – **Dace Vilsons**

Member of Management Board – **Evita Ašeradena**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	637.5	841.7
Profit/loss	12.1	9.7
EBITDA	88.7	69.5
Total assets	1 522.7	1 405.6
Share capital	233.9	233.9
Equity	380.2	382.1
Investment	424.6	198.0
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	718.6	899.2
Donations received	19.0	6.1
Donations made	0.0	0.0
Funding received from the state budget	1 808.4	1 808.4

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.90	1.15
Return on assets, ROA, %	0.79	0.69
Return on equity, ROE, %	3.18	2.53
Total liquidity indicator	0.92	0.89
Liabilities-to-equity ratio	3.01	2.68

Other indicators

Number of employees	110	112
Average gross remuneration per employee per year, thousand EUR	13.2	15.3
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Results achieved

- VDT managed to achieve most of its financial and non-financial targets. VDT was able to increase the number of performances, including guest performances in different regions of Latvia.
- The positive achievement of the financial targets was facilitated by the KM investments in the new contemporary art space "Kurtuve" and VNI investments in the material and technical base of the future Black Box Hall of the theatre building.

SLLC Valsts Akadēmiskais koris “Latvija” (VAKL)

Reg. No. 40003373761

Web: www.koris.lv

Related companies and shares:

State ownership 100%

VAKL has no ownership in other capital companies

VAKL (in English – Latvian Academic Choir “Latvia”) ensures the highest artistic and technical quality of music and its performance on Latvian and world professional music stages. VAKL preserves and develops the national and world cultural heritage of the choral genre and ensures its accessibility, as well as promotes the Latvian professional choral singing tradition abroad. VAKL produces and organises concerts and other performances, including opera productions in Latvia and abroad, promotes the creation of new original Latvian works in the genre of choral and vocal symphonic music and stages them, promotes the development of young and talented artists, carries out cultural education work, stimulates public interest in choral music, collects, stores and evaluates cultural information and ensures its accessibility to the public.

General strategic objective

To preserve and develop national and world cultural heritage in the genre of choir music and ensure its availability and popularisation of the Latvian professional choir singing traditions abroad, by engaging in international cultural processes and cooperation and promoting the development of cultural diplomacy.

Main events in 2023

- Cooperation with conductor Jaap van Zweden and the Hong Kong Philharmonic Orchestra, performing J.S.Bach’s “St Matthew Passion”.
- Collaboration with the Hamburg Philharmonic State Orchestra under conductor Kent Nagano on Igor Stravinsky’s “The Wedding”.
- The realisation of the concert which won the Great Music Prize and “Kilograms of Culture” nominations at the Riga Dome together with the LNSO, Riga Wind Orchestra and British tenor Andrew Staples under the baton of Māris Sirmāis performing Berlioz’s “Grande Messe des Morts”.
- The 26th International Festival of Sacred Music was successfully realised.
- Participation in the Bavarian State Orchestra’s 500th anniversary concerts in Munich under Kirill Petrenko performing Gustav Mahler’s Symphony No 8 with the Bavarian State Orchestra and the Bavarian State Opera Chorus. Bad Tölz Boys Choir.
- Concerts “Selga Mence - 70” and “Imants Ramiņš - 80”.

Main events planned in 2024

- Continuing cooperation with national concert organisations and local authorities in Latvia.
- Maintaining international competitiveness - cooperation with Irish concert organisations is planned in Tonhalle(Zurich). Continue cooperation with Estonian national concert organisation Eesti Concert and Lithuanian concert agencies.
- To ensure the high quality of its concerts, the VAKL has received an invitation to work with the LNSO, LSO, LNOB.

Principal financial objectives

- Revenues from ticket sales, thousand EUR: 7 (achieved: 12.17).
- Net cash flow from investing activities, thousand EUR: 4 (achieved: 4.6).
- Profit or loss, thousand EUR: 2.2 (achieved: 3.29).

Principal non-financial objectives

- Total number of concerts per year: 40 (achieved: 46).
- Number of concerts abroad per year: 8 (achieved: 20).
- Number of concerts in regions per year: 8 (achieved: 9).

Governance

Shareholder – **Ministry of Culture**

Representative of Shareholder – **Dace Vilsonē**

Member of Management Board – **Māris Ošlejs**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	163.5	332.5
Profit/loss	2.4	3.3
EBITDA	3.5	4.8
Total assets	246.3	275.2
Share capital	32.0	32.0
Equity	88.2	91.5
Investment	8.5	4.6
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	487.7	490.0
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	1 366.6	1 417.8

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.47	0.99
Return on assets, ROA, %	0.98	1.19
Return on equity, ROE, %	2.73	3.59
Total liquidity indicator	1.62	1.46
Liabilities-to-equity ratio	1.79	2.01

Other indicators

Number of employees	65	65
Average gross remuneration per employee per year, thousand EUR	14.8	16.6
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	4.6
Report on corporate governance, yes or no	no	yes
Non-financial statement, yes or no	no	yes

Results achieved

- In 2023, VAKL has exceeded all adjusted financial and non-financial targets.
- VAKL has realised world premieres of new works at its concerts, using its own funds and third-party funds, e.g.: “Tēvreize” by Jēkabs Nīmanis, “Lux Et Origo” by Matejs Kastelics, “Ex Infinito” Aleksandrs Avramecs, “Mama” by Renāts Nikolajs Cvečkovskis, “Laika upe” by Selga Mence.

6.8. Other Sectors

6.8.1. Certifying, Conformity Assessment and Metrology





LLC Latvijas Nacionālais metroloģijas centrs (LNMC)

Reg. No. 40003435328

Web: www.lnmc.lv

State ownership 100 %

Related companies and shares:

LNMC has no ownership in other capital companies

The main activity of the LNMC (in English - Latvian National Metrology Centre) is the provision of metrological services. LNMC performs verification, calibration and testing of measuring instruments. Since 2016, LNMC's unit "Metrology Bureau" (hereinafter – LATMB) performs the functions of the National Metrology Institution. The main task of the unit is to provide a reference basis for physical units of measurement.

General strategic objective

To carry out reliable and high-precision measurements, to provide the necessary metrological services to the public, mainly operating in market segments where there is insufficient competition or the provision of services by other market participants.

Main events in 2023

- The company maintains its leading position in the metrology services market, both in terms of turnover and accredited scope.
- New services developed and accredited in the field of power, dimensional and speed control measurements.
- EURAMET benchmarking certified for quality management systems and mass. Geometric and electrical measurements to EURAMET and CIPM MRA requirements.

Main events planned in 2024

- Establish and accredit new services in the field of dimensional measurements.
- Introduce a customer self-service portal.
- Develop product testing laboratory, establishing new types of services.

Principal financial objectives

- Net profitability, %: 1.05% (achieved : 0.66).
- Profit, EUR 17 000 (achieved: 9 853).
- Liquidity ratio, %: 2.40 (achieved: 2.48)
- Investment plan execution, EUR: 56 557 (achieved: 61 870).

Principal non-financial objectives

- Evaluation and validation of types of measurement instruments: 20 (achieved : 51).
- Number of new metrozones accredited: 5 (achieved : 8).
- Modernisation of equipment: 5 (achieved : 5).

Governance

Shareholder – **Ministry of Economics**

Representative of Shareholder – **Zaiga Liepiņa**

Member of Management Board – **Kaspars Paupe**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	1 510.7	1 498.3
Profit/loss	52.3	9.9
EBITDA	113.8	75.1
Total assets	1 353.1	1 342.0
Share capital	889.9	889.9
Equity	1 111.8	1 121.6
Investment	133.9	61.9
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	619.1	634.1
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, %	3.46	0.66
Return on assets, ROA, %	3.87	0.73
Return on equity, ROE, %	4.71	0.88
Total liquidity indicator	2.37	2.48
Liabilities-to-equity ratio	0.21	0.20

Other indicators

Number of employees	51	49
Average gross remuneration per employee per year, thousand EUR	12.5	13.7
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	5.9	64.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Results achieved

- In the reporting year, the LNMC has purchased three new and upgraded two new equipment, which allows it to provide services with fewer staff resources. Three unique methods have been developed, which will allow to increase the range of services offered in the coming years.
- The LNMC has performed well in 2023 to meet the non-financial objectives of the strategy.

LLC Latvijas standarts (LVS)

Reg. No. 40203084591

Web: www.lvs.lv

State ownership 100 %

Related companies and shares:

LVS has no ownership in other capital companies

LS (in English - Latvian Standard) is the national standardization institution, which implements national standardisation policies and develops the functioning of the standardisation system in the country for the provision of quality infrastructure. The LVS is the only government-recognised standardisation body at national level, operating in a limited competitive environment in the field of standardisation and representing Latvia in the European (CEN and CENELEC) and International (ISO and IEC) standardisation organisation.

General strategic objective

To provide publicly available and reliable standardization services by organizing the development of Latvian national standards and the adaptation of European and international standards in accordance with international standardization principles, eliminating market failure and promoting the productivity, competitiveness, export capacity and the integration into global value chains of Latvian companies.

Main events in 2023

- The Baltic Standards Forum held in Latvia.
- A series of training courses for professionals and seminars and workshops on BIM were organised (1298 participants).
- IT infrastructure developed to ensure continuity of services.
- 49 standards translated into Latvian (2333 pages).
- Recertified the Company's quality management system in accordance with ISO 9001

Main events planned in 2024

- Representing Latvia's national interests in European and international standardisation processes, ensuring competence and knowledge transfer.
- Increasing public awareness of standardisation and demand for standardisation documents.
- Updating the website and digitisation of national standardisation processes.
- Development of a neural machine translation infrastructure and improvement of the quality of translations.

Principal financial objectives

- Net turnover, thousands EUR: 336 (achieved: 354.8).
- Total liquidity ratio: 2.30 (achieved: 2.30).
- Commitment to equity: 0.39 (achieved: 0.20).

Principal non-financial objectives

- Adapted European standards, %: 100 (achieved: 100).
- Users registered in the Standardisation Information System: 2 200 (achieved: 2 343).
- Number of experts from Latvian Technical Committees for Standardisation (STK), number of delegations received per year: 8 (achieved: 25).
- Translation of standards processed using the translation industry's technological solution, %: 100 (achieved: 100).



Governance

Shareholder – **Ministry of Economics**

Representative of Shareholder – **Zaiga Liepiņa**

Member of Management Board – **Ingars Pilmanis**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	327.1	354.9
Profit/loss	4.1	1.8
EBITDA	33.7	27.9
Total assets	398.7	312.9
Share capital	11.5	11.5
Equity	257.6	259.3
Investment	26.5	103.0
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	276.1	301.5
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	560.6	560.6

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.26	0.50
Return on assets, ROA, %	1.04	0.57
Return on equity, ROE, %	1.60	0.69
Total liquidity indicator	2.49	3.31
Liabilities-to-equity ratio	0.55	0.21

Other indicators

Number of employees	18	18
Average gross remuneration per employee per year, thousand EUR	28.2	25.2
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

6.8.2. Public Electronic Mass Media



SLLC Latvijas Radio (LR)

Reg. No. 40003080614

Web: latvijasradio.lsm.lv

State ownership 100%

Related companies and shares:

LR has no ownership in other capital companies

LR (in English – Latvian Radio) is a public media with the widest range of programmes and the largest audience in Latvia, which ensures the achievement of the public benefit objectives defined in the public order in the fields of development of society and democracy, culture, education and creativity.

General strategic objective

To strengthen the democratic system of Latvia, freedom of expression and the feeling that they belong to Latvia, to take care of the Latvian language and national culture in accordance with the Constitution, the Law on Public Electronic Mass Media and their Governance and other laws.

Main events in 2023

- Content management software tool developed and put into production, providing fast machine translation of audio content in Latvian and Russian into written and editable text form.
- The most ambitious investment project in the history of the Latvian Radio (restoration and replacement of 160 windows in the building) was completed.
- From spring 2023, the Latvijas Radio mobile app will be available in cars, enabling Android Auto and Apple CarPlay users to listen to all public radio content in their cars.

Main events planned in 2024

- In 2024, priority should be given to ensuring the successful merger of public service media in cooperation with VSIA Latvijas Televīzija and SEPLP regarding the administrative, content management, financial, technology and infrastructure related issues.
- It is planned to recruit a disinformation researcher to strengthen the capacity to identify and expose disinformation messages in the public domain in the context of Russia's information warfare.
- Development of a digital fairy tale app.

Principal financial objectives

- Commitment to equity, %: ≤ 0.8 (achieved: 1.18).
- EBITDA profitability, %: ≥ 2 (achieved: 2.67).
- Total liquidity ratio: ≥ 0.8 (achieved: 0.49).

Principal non-financial objectives

- LR market share (AQH share), %: 36 (achieved: 33.89).
- LR listenership (Reach): 751 200 (achieved: 726 850).
- Facebook (Reach), million: 15.8 (achieved: 31.0).
- Twitter (impressions), million: 12.2 (achieved: 16.4).
- YouTube (views), million: 1.6 (achieved: 14.2)

Results achieved

- In 2023, Latvijas Radio has achieved almost all of its non-financial targets with positive deviations, in particular the excellent performance in audience reach indicators.
- Growth compared to 2022 for all three components of the quality rating: satisfaction with content on political and economic news (+9%), satisfaction with content on culture (+9%) and satisfaction with content on lifestyle, satisfaction with content on family and household (+11%).



Governance

Shareholder – **National Electronic MJSs Media Council**

Representatives of the Shareholder – **Jānis Siksnis, Sanita Upleja-Jegermane, Jānis Eglītis**

Chair of Management Board – **Una Klāpkalne**

Members of Management Board – **Ieva Aile, Ģirts Helmanis**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	12 783.2	13 463.1
Profit/loss	-293.9	-107.8
EBITDA	141.8	360.7
Total assets	7 790.4	7 654.2
Share capital	1 854.7	1 854.7
Equity	4 625.3	3 507.7
Investment	1 102.1	1 155.4
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	3 277.6	3 656.4
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	12 156.1	12 778.7

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-2.30	-0.80
Return on assets, ROA, %	-3.77	-1.41
Return on equity, ROE, %	-6.35	-3.07
Total liquidity indicator	0.56	0.49
Liabilities-to-equity ratio	0.68	1.18

Other indicators

Number of employees	292	293
Average gross remuneration per employee per year, thousand EUR	22.7	24.0
Gender representation in management, f/m	2/1	2/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

SLLC Latvijas Televīzija (LTV)

Reg.No. 40003080597

Web: www.ltv.lsm.lv

State ownership 100 %

Related companies and shares:

LTV has no ownership in other capital companies

LTV (in English - Latvian Television) is a SOE, which performs the statutory function of public electronic media. It operates within the framework of public procurement, creating a wide and diverse range of programs in the public interest and its needs on two television channels LTV1 and LTV7, on the Internet portal www.lsm.lv, as well as on social networks.

General strategic objective

To strengthen Latvia's democratic system, freedom of expression and the sense of belonging to Latvia, to nurture the Latvian language and national culture in accordance with the Constitution, this Law and other laws.

Main events in 2023

- LTV1 is the most-watched TV channel in the country for the third year in a row, LTV7 is the third most-watched TV channel in the country.
- A fundamentally new medium-term development planning was initiated, which was facilitated by decisions on the allocation of additional funding for the next three years.
- LTV launched several strategically important long-term development and energy efficiency ensuring investment projects.

Main events planned in 2024

- Active participation in preparing the company for the planned merger of public media in 2025.
- Successful completion of initiated long-term development projects.

Principal financial objectives

- Net turnover, million EUR: 28,48 (achieved: 28,83).
- EBITDA margin, %: $\geq 7,06$ (achieved: 7.13).
- Total liquidity ratio: ≥ 1.00 (achieved: 1.15).

Principal non-financial objectives

- Average number of unique visitors to LTV multimedia platforms per thousand per month: 670 (achieved: 712).
- Facebook LTV news service, number of followers per thousand: 200 (achieved: 220).
- Content users' satisfaction with content quality in general, %:
- LTV: 51 (achieved: 56);
- LSM: 51 (achieved: 52).

Results achieved

- All audience reach targets for multimedia platforms have been met.
- Linear TV audience targets not met. At the same time, leadership and competitiveness among linear TV channels was maintained.
- The 10% target for the share of long-term investment in the state budget grant is not met (actual: 4.5%). This is due to the consequences of the war caused by Russia, incl. interruptions of logistics chains and growing inflation.

Governance

Shareholder – **National Electronic Mass Media Council**

Representatives of Shareholder – **Jānis Siksnis, Sanita Upleja-Jegermane, Jānis Eglītis**

Chair of Management Board – **Ivars Priede**

Member of Management Board – **Gints Miķelsons**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	28 427.5	28 835.6
Profit/loss	267.4	4.1
EBITDA	2 714.8	2 056.0
Total assets	15 647.4	15 161.1
Share capital	4 837.4	4 837.4
Equity	8 235.1	8 585.4
Investment	903.8	1 213.6
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	6 450.2	6 956.6
Donations received	265.3	120.9
Donations made	0.0	0.0
Funding received from the state budget	25 536.6	28 899.5

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.94	0.01
Return on assets, ROA, %	1.71	0.03
Return on equity, ROE, %	3.25	0.05
Total liquidity indicator	0.83	1.03
Liabilities-to-equity ratio	0.83	0.68

Other indicators

Number of employees	517	513
Average gross remuneration per employee per year, thousand EUR	21.5	23.9
Gender representation in management, f/m	1/2	1/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	yes	yes

6.8.3. Education and Sports



LLC Latvijas Nacionālais sporta centrs (LNSC)

Reg. No. 50003140671

Web: www.lnsc.lv

State ownership 100 %

Related companies and shares:

LNSC has no ownership in other capital companies.

LNSC (in English - Latvian National Sports Centre) aims to ensure the continuity and availability of infrastructure facilities (including the new organizational units – Athletics arena and athletics and football training fields at Daugava Stadium, as well as the team sports hall at Kr. Barona iela 99C, Riga).

General strategic objective

To ensure the management and development of the national sports facilities - Daugava Stadium, Sigulda Bobsleigh and Toboggan Track, Lielupe Tennis Centre and Mežaparks Sports Centre - and to create conditions for the training of Latvian athletes for international sports competitions, national and international level sports competitions and cultural events, as well as to provide the population with opportunities to engage in organised physical activities using the facilities offered by the sports centres.

Main events in 2023

- The most important event of LNSC in 2023 was the putting into operation the Athletics arena of the Culture and Sports Centre "Daugavas stadions".

Main events planned in 2024

- Completion of the construction process for the team sports hall.
- Completion of the reconstruction of the Central Sports Ground.
- Completion of the reconstruction of the athletics and football training fields.

Principal financial objectives

- Net turnover, EUR: 3 001 842 (achieved: 3 355 821).
- Profit or loss, EUR: -1 335 478 (achieved: 896 876).

Principal non-financial objectives

- Number of clients served at LNSC sports facilities: 10 284 (achieved : 10 284).
- Sports competitions and tournaments, number: 74 (achieved : 74).
- Training camps for children & youth, number: 28 (achieved : 28).
- Culture events: 2 (achieved: 2).

Governance

Shareholder – **Ministry of Education and Science**

Representatives of Shareholder – **Vladimirs Šteinbergs**

Chair of Management Board – **Daniēls Nātriņš**

Member of Management Board – **Andris Pārups**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	1 833.3	3 355.8
Profit/loss	-95.2	-896.9
EBITDA	485.1	-103.2
Total assets	99 736.1	110 948.4
Share capital	26 158.8	26 158.8
Equity	56 479.4	55 582.5
Investment	301.8	22 608.6
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	539.5	971.3
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	962.2	627.3

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-5.19	-26.73
Return on assets, ROA, %	-0.10	-0.81
Return on equity, ROE, %	-0.17	-1.61
Total liquidity indicator	7.00	2.13
Liabilities-to-equity ratio	0.77	1.00

Other indicators

Number of employees	63	101
Average gross remuneration per employee per year, thousand EUR	13.4	14.1
Gender representation in management, f/m	1/1	0/2
Annual report in accordance with IFRS (yes/no)	yes	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Results achieved

- The net turnover target for 2023 was achieved (+12% against target). The largest deviation compared to the budget is related to the additional concert in the organizational units of Culture and Sports Centre "Daugavas stadions" and competitions in the organizational unit of Bobsleigh and Luge Track "Sigulda".
- The profit or loss for 2023 target was achieved (33% lower loss than planned) due to higher net turnover and lower costs in the reporting period.



SLLC Rīgas Tūrisma un radošās industrijas tehnikums (RTRIT)

Reg. No. 40003480798

Web: www.rtrit.lv

State ownership 100 %

Related companies and shares:

L.P. Overkill Ventures Fund I AIF, LV 100%	L.P. FlyCap Mezzanine Fund II, LV 60%
L.P. Buildit Latvia Pre-Seed Fund AIF, LV 100%	L.P. Baltcap Latvia Venture Capital Fund, LV in liquidation 67%
L.P. Commercialization Reactor Pre-seed Fund, LV 100%	L.P. Imprimatur Capital Technology Venture Fund, LV 67%
L.P. INEC 1, LV 75%	L.P. Imprimatur Capital Seed Fund, LV in liquidation 100%
L.P. INEC 2, LV 90%	L.P. ZGI-3, LV 95%
L.P. Overkill Ventures Fund II AIF, LV 80%	L.P. FlyCap Investment Fund, LV 95%
L.P. Buildit Latvia Seed Fund AIF, LV 80 %	L.P. Expansion Capital fund, LV 95%
L.P. Commercialization Reactor Seed Fund, LV 80%	Baltic Innovation Fund, LU 20%
L.P. ZGI-4 AIF, LV 60%	L.P. AIF "Altum kapitāla fonds" 48.9%

RTRIT has no ownership in other capital companies

RTRIT (in English - Riga Tourism and Creative Industries Technical School) is a vocational secondary education institution implementing training programmes in 26 Nicgales street, Riga, 41A A.Deglava street, Riga and 1 Sporta street, Preiļi. RTRIT offers modular education programmes in the fields of food production, business, tourism and hospitality, beauty care, clothing design and sewing technology. RTRIT is also active in the areas of premise rental, catering, hotel services and further education. Educational programmes offered: modular programmes in food production, commercial, tourism and hospitality, beauty care, clothing design and sewing technology.

General strategic objective

Not approved.

Main events in 2023

- All classrooms are equipped with interactive whiteboards. Created and maintained e-learning environment, 30% of teaching materials are available in digital format. International vocational competition "Learn, Can, Do, Know" in which more than 300 participants from 12 countries participated was organized, awards in various professional mastery competitions at the national and international levels were received.
- The renovation of the dormitory at 41B A.Deglava street, Riga are underway.

Main events planned in 2024

- Host and run the AEHT 37th Annual Conference and Professional Competitions in 13 nominations - over 800 participants from 30+ countries are planned.
- Organise the nomination process of the international professions competition "Learn, Can, Do, Know" and the semi-final of the SkillsLatvia2024 competition at RTRIT.
- Conclude cooperation agreements with higher education institutions for guaranteed study places for RTRIT graduates and prepare the graduates.
- Open call for tender "Supply of Furniture for the Renovated Service Hotel at 41B A.Deglava street, Riga"

Principal financial objectives

- To implement the project for the reconstruction of the training block and the workshop block at 41A Augusta Deglava street, Riga, and the reconstruction of the dormitory building at 41B Augusta Deglava street, Riga, EUR: 2 894 778 (achieved : 354 002).
- Erasmus+ and mobility projects implemented, EUR: 791 594 (achieved: 791 594).
- Own revenue, EUR: 547 789 (achieved: 730 627).

Principal non-financial objectives

- Accepted into a state budget-funded programs: 712 (achieved: 711).
- Graduation, from state budget-funded programs: 328 (achieved: 328).
- Increase in learning achievement in professional qualification exams from 7.3 to 7.5: 7.5 (achieved: 8.0).

Governance

Shareholder – Ministry of Education and Science

Representative of Shareholder – Rūta Gintaure-Marihina

Chair of Management Board – Ilze Ločmane

Principal financial indicators, thousand EUR

	2022	2023
Turnover	6 419.2	6 981.5
Profit/loss	4.8	1.0
EBITDA	263.8	196.6
Total assets	26 450.3	25 089.0
Share capital	8 088.9	8 778.9
Equity	8 158.5	8 846.4
Investment	1 065.3	501.3
Dividends paid to state budget	13.3	3.1
Contributions made to the state and local government budget	2 114.8	2 236.3
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	5 919.9	6 274.4

Principal financial indicators,% and coefficients

Profit and turnover ratio, %	0.07	0.01
Return on assets, ROA, %	0.02	0.00
Return on equity, ROE, %	0.06	0.01
Total liquidity indicator	2.27	3.06
Liabilities-to-equity ratio	2.24	1.84

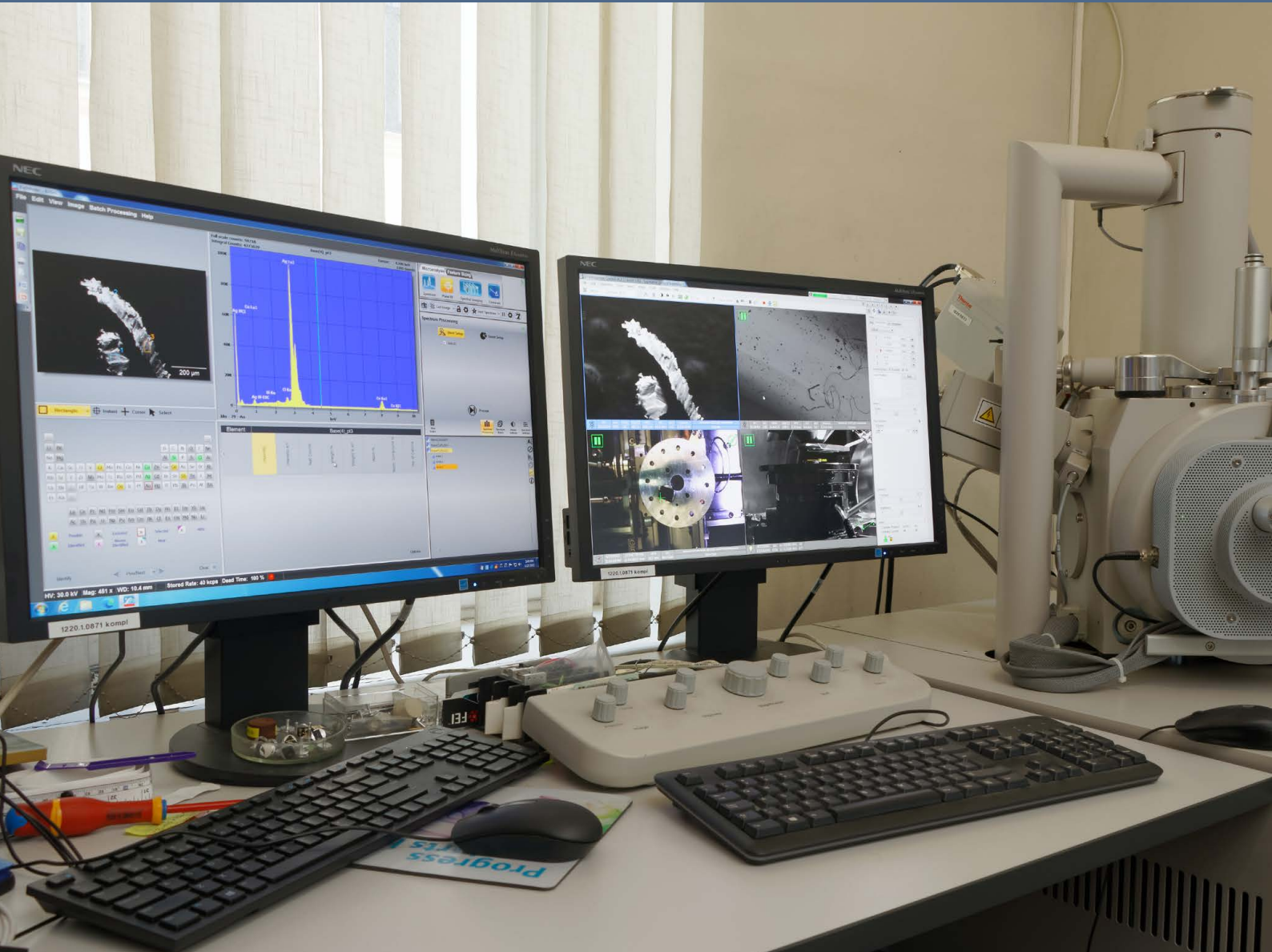
Other indicators

Number of employees	265	252
Average gross remuneration per employee per year, thousand EUR	14.1	17.2
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Results achieved

- The implementation of the European Social Fund project "Support for the Reduction of Early School Leaving" (agreement No SAM 8.3.4.0/16/l/001) was concluded. The projects "Support for Education of Unemployed Persons" and "Improvement of Professional Competence of Employed Persons" were implemented, the recognition of non-formal education implemented.
- 10% of pupils and 12% of teachers and pedagogical staff participated in mobility - 100% fulfilled.

6.8.4. Other SOEs





JSC Attīstības finanšu institūcija Altum (ALTUM)

Reg. No. 50103744891

Web: www.altum.lv

State ownership: 100%

Related companies and shares:

ALTUM is a Latvian state-owned financial institution that implements support and development programmes in the form of financial instruments and grants, implementing state policy in the national economy, as well as ensuring the fulfilment of other delegated state tasks set out in regulatory enactments. The main objective of ALTUM's activities is to address market failures in the form of various support instruments, contributing to the development of the economy.

General strategic objective

Not approved.

Main events in 2023

- Nasdaq Baltic Awards 2023 for the prestigious 3rd place in the Best Investor Relations nomination in the Baltic Bond Market.
- Platinum, the highest category in the Sustainability Index.
- ALTUM's long-term credit rating is Baa1 with a stable future outlook, which means that there are no companies in Latvia with a higher rating.
- 2nd place in the "Fair Payer 2023" study in the category of small and medium-sized enterprises.
- Bronze status in the "Employer Open to Diversity" assessment.

Main events planned in 2024

- The main objective is to ensure portfolio growth through state aid programmes, while maintaining a positive return on capital and efficiency.
- Increased involvement in direct lending in areas where credit is scarce. Implementation of European Union (EU) funds, The Recovery and Resilience Facility (RRF) fund and large loan programmes.
- For loan applications of up to EUR 100 thousand. Introduction of an automated review process.
- Increasing the role of venture capital instruments by introducing 5th generation venture capital funds.

Principal financial objectives

- ROE, %: ≥ 1.3 (achieved : 4.6).
- Profit, thousand EUR: 8 930 (achieved: 17 810).
- Equity, EUR 414 (achieved: 390)

Principal non-financial objectives

- New business volumes (with grants), million EUR: 331 (achieved: 289).
- Gross portfolios at year-end (with grants), million EUR: 1 194 (achieved: 1 102).
- Moody's credit rating: no more than two grades below Latvia's sovereign rating (achieved: Baa1, one grade below Latvia's sovereign rating A3).

Governance

Shareholders – **40% Ministry of Finance, 30% Ministry of Economics, 30% Ministry of Agriculture**

Representatives of Shareholder – **Baiba Bāne, Raivis Kronbergs, Edmunds Valantis**

Chair of Supervisory Board – **Līga Kļaviņa**

Members of Supervisory Board – **Jānis Šnore, Ilze Baltābola**

Chair of Management Board – **Reinis Bērziņš**

Members of Management Board – **Jēkabs Krieviņš, Inese Zīle, Ieva Jansone-Buka, Juris Jansons**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	17 617.0	23 617.0
Profit/loss	11 484.0	17 810.0
EBITDA	12 347.0	18 628.0
Total assets	1 099 588.0	1 316 086.0
Share capital	204 862.0	204 862.0
Equity	395 983.0	389 353.0
Investment	412.0	399.0
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	4 789.4	5 230.3
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	50 665.0	37 574.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	65.19	75.41
Return on assets, ROA, %	1.04	1.35
Return on equity, ROE, %	2.90	4.57
Total liquidity indicator	1.69	1.26
Liabilities-to-equity ratio	1.66	2.26

Other indicators

Number of employees	239	255
Average gross remuneration per employee per year, thousand EUR	28.1	30.7
Gender representation in management, f/m	4/3	4/4
Annual report in accordance with IFRS (yes/no)	yes	yes
Expenditure and/or capital investment in RGD, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	no	no

* Consolidated data.

Results achieved

- The main financial objective was achieved: Ensure a positive return on capital by implementing state support programmes. Financial targets were exceeded.
- Key non-financial objective was successfully achieved: to support and facilitate access to finance for entrepreneurship and to contribute to the development of the national economy.

SJSC Latvijas Loto (LL)

Reg. No. 40003083998
 Web: www.latloto.lv
 State ownership 100%
 Related companies and shares:
 LLC Latloto nams 100%

LL (in English – Latvia Loto) is a state-owned enterprise that organizes licensed national lotteries at an internationally recognized level of social responsibility, safety and quality, directing consumers to the game in a socially responsible, safe and legal environment. Profits of LL go to the state budget, which allows it to be directed to the needs of the society.

General strategic objective

Organise licensed games at the internationally recognised level of social responsibility, safety and quality, ensuring higher quality standards and protection of the public interest and players' rights in Latvia, eliminating the market failure.

Main events in 2023

- Ensuring that the LL's operations comply with the industry's international safety, quality and Accountable Gambling standards.
- Completed one of the most important technological development projects - the implementation of a new lottery data processing system AEGIS.
- LL became one of the official partners of the IIHF Ice Hockey World Championship 2023.
- LL ranked the 40th in Latvia's TOP 101 Most Valuable Companies and the 5th in the Corporate Governance Quotient.
- Received a certificate of compliance with the Platinum category of the Sustainability Index initiative.

Main events planned in 2024

- Organise at least three national lotteries of social relevance with the objectives set by the Latvian government.
- Ensure the modernisation of number lottery products.
- Complete mobile app implementation and API backend platform development projects.
- Review and improve the lottery product portfolio and game elements, ensuring a >5% share of new/innovated products.

Principal financial objectives

- Net turnover, EUR: 68 000 000 (achieved: 92 086 350).
- Net profit, EUR: 88 05 000 (achieved: 13 814 169).
- Net profit ratio, %: >10 (achieved: 15).
- Return on equity, %: >35 (achieved: 43).
- EBITDA margin, %: >20 (achieved: 23.5).

Principal non-financial objectives

- To ensure that the activities of the LL meet internationally recognised levels of quality, safety and social responsibility: re-certified to ISO 9001, ISO 27001, WLA/SCS, and regulatory requirements (achieved: ISO 9001, external recertification audits of ISO/IEC 27001 and WLA/SCS).
- Customer Satisfaction Index, %: >76 (achieved: 91.7).
- Organise at least three national lotteries with socially significant objectives (achieved: Centenary Lottery, Sports Lottery and Sport for All.).
- Review and improve product portfolio and game elements - % of new/innovated products: >5 (achieved 20.2).

Governance

Shareholder – **Ministry of Finance**
 Representative of Shareholder – **Baiba Bāne**
 Chair of Supervisory Board – **Imants Paegļītis**
 Members of Supervisory Board – **Viktors Troickis, Mārcis Gapažiņš**
 Chair of Management Board – **Edgars Lediņš**
 Members of Management Board – **Jolanta Jērāne, Jānis Pone**

Principal financial indicators, thousand EUR

	2022*	2023*
Turnover	79 047.8	92 145.2
Profit/loss	13 248.4	13 792.4
EBITDA	20 335.0	21 614.2
Total assets	36 705.1	41 966.7
Share capital	1 400.0	1 400.0
Equity	27 110.2	32 354.6
Investment	2 209.3	2 921.6
Dividends paid to state budget ⁷⁶	9 155.0	3 473.5
Contributions made to the state and local government budget	19 134.9	15 301.3
Donations received	0.0	0.0
Donations made	46.1	29.3
Funding received from the state budget	0.0	0.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	16.76	14.97
Return on assets, ROA, %	36.09	32.87
Return on equity, ROE, %	48.87	42.63
Total liquidity indicator	14.59	21.55
Liabilities-to-equity ratio	0.08	0.05

Other indicators

Number of employees	127	141
Average gross remuneration per employee per year, thousand EUR	26.3	34.8
Gender representation in management, f/m	2/4	1/5
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	1 928.7	2 190.7
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	yes	yes

* Consolidated data.

Results achieved

- Financial and non-financial targets met, including wide availability of products at POS (968 LOTO terminals in operation as of 31.12.2023) and on the online trading channel latloto.lv (100% availability).

⁷⁶ Payments for the use of State capital for 2022 and 2023, taking into account advance tax payments. Dividends (payment for the use of State capital) for 2022 are calculated at EUR 8 475 460, Annual Report 2023 of SJSC Latvijas Loto, p. 16, source: <https://www.latloto.lv/>.



LATVIJAS PROVES BIROJS

SLLC Latvijas Proves birojs (LPB)

Reg. No. 40103264961

Web: www.prove.lv

State ownership 100%

Related companies and shares:

LPB has no ownership in other companies

LPB (in English – Hallmark Office of the Republic of Latvia) ensures the protection of interests of the State and consumer rights in the field of jewellery trade. LPB provides a wide range of services to determine and characterise their quality and provides expert advice on precious stones and their product. LPB's strategic objective is to create an orderly, safe and reliable jewellery market, promoting an excellent business environment and access to testing services for all market participants.

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.

Main events in 2023

- Successful renovation of the building at Vecpilsētas iela 7 in Riga. Planning and design of reconstruction works.
- The instrumentation of the testing process has been completed, providing both a more objective testing process and the possibility to significantly reduce the use of chemicals in the testing process.

Main events planned in 2024

- It is planned to start reconstruction of the building at Vecpilsētas iela 7 in Riga. The reconstruction of the building at Vecpilsētas iela 7 is scheduled to be completed within 12 months.
- Taking into account the significant changes in the capital and services structure related both to the activity in export markets and investments to be made, in 2024 it is planned to develop a Medium-term operational strategy for 2024 - 2028.
- Further improvements in service quality are planned by investing in testing equipment.

Principal financial objectives

- Profit, EUR: 10 000 (achieved: 233 342).
- EBITDA, EUR: 75 000 (achieved: 314 322).
- Return on assets (ROE), %: 1.1 (achieved: 7.4).

Principal non-financial objectives

- Examined, hallmarked precious metal products, thousand units: 715 (achieved: 1073.7).
- Tested articles with precious stones, thousand pieces: 36 (achieved: 79.7).
- Inspections at places of business: 210 (achieved: 210).

Results achieved

- Financial and operational performance significantly exceeds the targets due to successful performance in export markets. Exports of services represent 24% of own revenues.
- Approximately 35% of the gemstone testing volume is accounted for by the provision of services to European Union merchants, providing a significant volume of export services.

Governance

Shareholder – **Ministry of Finance**

Representative of Shareholder – **Baiba Bāne**

Chair of Management Board – **Pēters Brangulis**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	929.7	1 005.8
Profit/loss	286.5	233.3
EBITDA	363.6	314.3
Total assets	2 253.5	3 507.7
Share capital	1 714.3	2 739.3
Equity	2 179.8	3 438.1
Investment	128.7	106.9
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	241.5	305.3
Donations received	0.0	0.0
Donations made	10.0	7.0
Funding received from the state budget	86.7	86.7

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	30.82	23.20
Return on assets, ROA, %	12.72	6.65
Return on equity, ROE, %	13.15	6.79
Total liquidity indicator	13.78	36.20
Liabilities-to-equity ratio	0.03	0.02

Other indicators

Number of employees	18	19
Average gross remuneration per employee per year, thousand EUR	16.2	17.7
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	128.7	106.9
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no



SLLC Latvijas Vēstnesis (LV)

Reg. No. 40003113794

Web: www.lv.lv

State ownership 100%

Related companies and shares:

LV has no ownership in other companies

LV (in English – Latvia's Messenger) is the official publisher of the Republic of Latvia, which implements the national policy in the field of official publications and systematisation of the information contained therein, raising the awareness of individuals of the rights and obligations established by the regulatory enactments, as well as public participation and the quality of regulatory enactments, provides a uniform platform of national, civic and legal information.

General strategic objective

To ensure the operation of a sustainable, generally accessible and unified platform providing directly relevant and high quality public, civil and legal information, promoting public understanding of the rights and obligations of individuals under legislation and regulation, as well as contributing to the development of public legal opinion in accordance with the principles of a democratic state and promoting high quality public debate by maintaining a feedback loop between the public and the state.

Main events in 2023

- To make legislation, policy planning documents and progress reports available in a single place, a separate database has been set up at www.likumi.lv where policy planning documents, implementation reports and information reports on strategic directions for sectoral development are available.
- The LV portal ensured a constant flow of content, including in audiovisual format, on anti-money laundering, anti-terrorism and proliferation financing (AML/CFT) legal policy, including regulatory enforcement issues, its necessity and importance for society.

Main events planned in 2024

- In a context of limited funding to maintain the level of all core services provided in line with the quality criteria.
- To continue to modernise the official publication and systematisation of legislation, including – by attracting European Structural Funds.
- To improve the system of internal controls to ensure that internal processes evolve in line with the requirements of external legislation.

Principal financial objectives

- Earnings before interest, taxes, depreciation and amortisation (EBITDA), EUR: 17 308 (achieved: 34 716).
- Return on equity (ROE), %: - 4.37 (achieved: - 1.61).
- Total liquidity ratio: 2.15 (achieved 2.28).

Principal non-financial objectives

- Sustained or increased number of actual Latvian users of e-information services provided by LV on average per month: $\geq 370\,000$ (achieved: 386 416).
- Number of users of the official publication (vestnesis.lv) on average per month: $\geq 85\,000$ (achieved: 120 833).
- Number of real users of the law systematisation website "likumi.lv" on average per month: $\geq 235\,000$ (achieved: 250 469).
- The average number of real users per month of the portal "Cilvēks. Valsts. Likums" (site "lvportals.lv"): $\geq 235\,000$ (achieved: 244 805).
- Average number of real users per month of the website "juristavards.lv": $\geq 15\,000$ (achieved: 20 205).

Governance

Shareholder – **Ministry of Justice**

Shareholders' Representative – **Mihails Papsujevičs**

Chair of Management Board – **Daina Ābele**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	2 361.2	2 435.1
Profit/loss	-17.4	-11.8
EBITDA	47.4	34.7
Total assets	1 287.1	1 218.7
Share capital	711.4	711.4
Equity	742.7	731.0
Investment	81.9	37.6
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	740.8	768.1
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	2 216.0	2 266.7

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-0.74	-0.48
Return on assets, ROA, %	-1.35	-0.96
Return on equity, ROE, %	-2.34	-1.61
Total liquidity indicator	2.17	2.28
Liabilities-to-equity ratio	0.73	0.67

Other indicators

Number of employees	65	65
Average gross remuneration per employee per year, thousand EUR	22.4	22.9
Gender representation in management, f/m	1/0	1/0
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Results achieved

Financial and non-financial targets are met and exceeded.



SLLC Latvijas Vides, ģeoloģijas un meteoroloģijas centrs (LVGMC)

Reg. No. 50103237791

Web: www.lv GMC.lv

State ownership 100%

Related companies and shares:

LVGMC has no ownership in other companies

LVGMC's (in English – Latvian Centre for Environment, Geology and Meteorology) main activities are: collecting, storing and presenting environmental information to the public and national and local authorities; environmental monitoring; identification and assessment of subsoil resources; hazardous waste management; radioactive waste management; participation in the implementation of national policies in geology, meteorology, climatology, hydrology, water and air quality, transboundary air pollution impacts and radioactive and hazardous waste management.

General strategic objective

To provide high quality services of strategic importance to national development in the fields of geology, hydrology, air quality, climatology, meteorology and hazardous waste management, and to ensure the efficient management of the infrastructure necessary for the provision of these services.

Main events in 2023

- The Zebrene landfill site for hazardous waste will hold 2 631 tonnes of hazardous waste in 2023.
- Successful implementation of environmental, climate and digitalization projects with external funding. Six projects were completed, improving management of surface and groundwater resources.
- On 14 November 2023, a construction project was approved by the Radiation Safety Service of the National Environmental Service for the construction of a new radioactive waste storage tank and long-term storage facility for radioactive waste "Radon".

Main events planned in 2024

- To develop a modern and efficient infrastructure for monitoring and access to observational data under European Regional Development Fund (ERDF) Action 2.2.3.4 "Development of environmental monitoring for harmonised provision of environmental and climate data".
- To carry out environmental, climate, analysis and modelling of subsoil data and processes for the functioning and development of the economy and other sectors and to develop an impact-oriented assessment warning and forecasting system taking into account the climate change.
- To develop a dismantling plan for the Salaspils nuclear reactor and a project for the reconstruction of the leachate collection pond at the Zebrene hazardous waste landfill.

Principal financial objectives

- Earnings before interest, taxes, depreciation and amortisation (EBITDA), EUR: 528 274 (achieved: 2 072 606).
- Total liquidity ratio: 1.3 (achieved: 1.3).
- Net cash flow from investing activities, EUR: -274 2019 (achieved: -3 320 447).
- Return on equity (ROE), %: -9.9 (achieved: -1.2).

Principal non-financial objectives

- Hazardous waste accepted for disposal, t: 350 (achieved: 2 631).
- Number of biocidal products permits issued: 30 (achieved: 33).
- Number of orders for laboratory services in the fields of environmental quality, radiation testing and calibration of measuring instruments: 4 700 (achieved: 4 811).
- Promote customer satisfaction, % of respondents satisfied with the services provided by the LVGMC: 96 (achieved: 91).

Governance

Shareholder – **Ministry of Environmental Protection and Regional Development**

Representative of Shareholder – **Edvīns Balševics**

Chairman of Management Board – **Egils Zariņš**

Member of Management Board – **Sigita Škapare**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	8 469.0	9 502.2
Profit/loss	-844.3	-95.2
EBITDA	764.0	2 072.6
Total assets	28 847.9	30 128.9
Share capital	27 151.0	27 151.0
Equity	8 211.0	8 115.7
Investment	1 213.8	3 418.6
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	2 424.3	3 224.6
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	7 078.6	10 205.8

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-9.97	-1.00
Return on assets, ROA, %	-2.93	-0.32
Return on equity, ROE, %	-10.28	-1.17
Total liquidity indicator	1.11	1.31
Liabilities-to-equity ratio	2.51	2.71

Other indicators

Number of employees	252	253
Average gross remuneration per employee per year, thousand EUR	16.6	18.1
Gender representation in management, f/m	1/1	1/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Results achieved

Financial targets and non-financial targets are largely met and exceeded.

LLC Publisko aktīvu pārvaldītājs Possessor (Possessor)

Reg. No. 40003192154

Web: www.possessor.gov.lv

State ownership 100%

Related companies and shares:

LLC FeLM 100%

LLC REAP 100%

JSC Reverta in liquidation 96.89%

Possessor (in English – Public Asset Manager “Possessor”) i carries out tasks delegated to it by the state administration or assigned by the Cabinet of Ministers’ Orders: completion of privatisation and expropriation processes in accordance with the regulatory framework, and completion of the management of problematic assets, management of the State’s shareholdings in other companies, monitoring of the post-surveillance of low-rent housing, management of the national petroleum products security reserve, management of essential commodities in case of state emergency.

General strategic objective

Efficiently to manage public assets and resources and infrastructure important for national development and security, in accordance with the delegated tasks, by offering professional services and innovative solutions.

Main events in 2023

- Possessor continued to develop two new lines of action: the management of the national oil security reserves and the provision of essential goods to the population in the event of a state emergency.

Main events planned in 2024

- Implementation of tasks delegated by the public administration and given by Cabinet of Ministers’ Orders:
- Privatisation and expropriation;
- Management of problematic assets;
- Management of the State’s shareholdings in other undertakings;
- Post-entitlement supervision of low-rent housing;
- Management of the national petroleum product safety stock;
- Management of essential commodities in case of state emergency.

Principal financial objectives

- Statutory deductions, EUR: 1 654 931 (achieved: 1 960 777).
- Normalised profit, EUR: 141 330 (achieved: 1 390 604).

Principal non-financial objectives

- Number of purchase contracts concluded: 132 (achieved: 82).
- Value of purchase contracts concluded, million EUR: 2.4 (achieved: 2.98).
- Contributions to the State and local government budgets, million EUR: 1.2 (achieved: 1.5).
- Number of unprivatised objects held by Possessor: 97 (achieved: 124).

Results achieved

- In 2023, Possessor has exceeded the financial target and achieved all four non-financial targets set for 2023.

Government

Shareholder – **Ministry of Economics**

Representative of Shareholder – **Edmunds Valantis**

Chair of Management Board – **Andris Gādmanis**

Members of Management Board – **Marina Podvinska, Kaspars Kociņš**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	2 724.7	2 793.0
Profit/loss	1 240.5	1 390.6
EBITDA	1 361.2	1 288.0
Total assets	24 317.3	15 341.6
Share capital	446 064.9	446 064.9
Equity	11 587.8	12 970.6
Investment	74.5	50.5
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	789.2	795.7
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, %	45.53	49.79
Return on assets, ROA, %	5.10	9.06
Return on equity, ROE, %	10.71	10.72
Total liquidity indicator	13.19	15.00
Liabilities-to-equity ratio	1.04	0.14

Other indicators

Number of employees	52	51
Average gross remuneration per employee per year, thousand EUR	25.5	28.5
Gender representation in management, f/m	1/2	0/2
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

* Consolidated data.



**VALSTS AIZSARDZĪBAS
KORPORĀCIJA**

LLC Valsts aizsardzības korporācija (VAK)

Reg.No. 40203525018

Web: www.mod.gov.lv/uznemejiem/sia-valsts-aizsardzibas-korporacija

State ownership 100%

Related companies and shares:

VAK has no ownership in other capital companies

VAK (in English – State Defence Corporation) was established to develop the military industry in Latvia in the long term and to ensure the strengthening of security of supply to the National Armed Forces (NAF) for the provision of wartime supplies and critical classes of supplies, in particular in the production and maintenance of ammunition and its components, critical armaments and other military equipment. VAK only engages in the production and provision of military and dual-use goods and services.

General strategic objective

Managing investments in the national defence industry and coordinating processes related to the development of the production of military goods. Ensuring the establishment and production of manufacturing facilities, and contributing to the development of the national defence industry and the continuity of its supply chains.

Main events in 2023

- VAK was established in accordance with the Cabinet of Ministers Order No 799 of 23 November 2023.

Main events planned in 2024

- Establish the VAK management system in line with the principles of good corporate governance and to develop and implement internal control and risk management systems for the protection and economic use of national investment.
- Engage in a joint project with foreign ammunition manufacturers to set up an artillery ammunition component assembly plant in Latvia.

Principal financial objectives

None

Principal non- financial objectives

None

Results achieved

None

Government

Shareholder – **Ministry of Defence**

Representative of Shareholder – **Jānis Garisons**

Member of Management Board – **Ingrīda Ķirse**

Principal financial indicators, thousand EUR

	2023
Turnover	n/a
Profit/loss	n/a
EBITDA	n/a
Total assets	n/a
Share capital	500.0
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	n/a
Annual report in accordance with IFRS (yes/no)	n/a
Expenditure and/or capital investment in R&D, thousand EUR	n/a
Report on corporate governance, yes or no	n/a
Non-financial statement, yes or no	n/a



LLC Vides investīciju fonds (VIF)

Reg. No. 40003339615

Web: www.vif.gov.lv

State ownership 100%

Related companies and shares:

VIF has no ownership in other capital companies

VIF (in English – Environmental Investment Fund) was set up by pooling local and foreign financial resources. The main lines of activity of the VIF:

- Development of ESCO projects;
- Supervision and monitoring of the implementation of projects financed by the Climate Change Financial Instrument (CPFI) and the Emission Allowance Auction Instrument (EAAI), and the promotion of public awareness of environmental projects;
- Raising public awareness on the environment protection projects.

General strategic objective

To facilitate Latvia's contribution to reducing global climate change, taking into account Latvia's environmental, social and economic interests by developing a sustainable financing model.

Main events in 2023

- The support programmes implemented by the VIF enable the realisation of projects of national and social relevance, which provide solutions to reduce energy consumption. Two support programmes are available for citizens to reduce CO2 emissions. To meet the increasing demand, the funding available to citizens under both support programmes has been increased. A significant contribution is made to the renovation of nationally important facilities and to improving energy efficiency.

Main events planned in 2024

- Implementation of projects approved under Horizon2020.
- Monitoring the implementation of projects funded by the EAAI, implementing new tenders and increasing the available funding.
- Launching the Modernisation Fund.
- Drafting of the medium-term operational strategy of the Fund for 2024-2028.
- Development of a business plan for the introduction of new commercial services.

Principal financial objectives

- Turnover (administration of CPFI/EAAI projects), EUR: 548 774 (achieved: 535 870).
- Return on assets (ROA), %: 0.60 (achieved: 1.66).
- Profit or loss, EUR: 35 871 (achieved: 104 018).
- Shareholders' equity, EUR: 6 005 642 (achieved: 6 074 966).

Principal non-financial objectives

- Number of ESCO projects implemented: 0 (achieved: 0).
- Volume of EAAI resources administered, million EUR: 80 (achieved: 0).
- Number of project contracts concluded in EAAI: 5 531 (achieved: 4 963).
- New cross-border projects prepared: 0 (achieved: 1)

Results achieved

The financial and non-financial targets were partially achieved.

Governance

Shareholder – **Ministry of Climate and Energy**

Representative of Shareholder – **Līga Kurevska**

Chair of Management Board – **Andris Ķēniņš**

Principal financial indicators, thousand EUR

	2022	2023
Turnover	272.3	561.2
Profit/loss	-103.0	104.0
EBITDA	-92.6	104.0
Total assets	6 422.6	6 263.4
Share capital	6 299.3	6 299.3
Equity	5 970.9	6 075.0
Investment	11.6	19.8
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	146.3	245.6
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	246.8	522.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-37.83	18.53
Return on assets, ROA, %	-1.60	1.66
Return on equity, ROE, %	-1.73	1.71
Total liquidity indicator	11.16	26.73
Liabilities-to-equity ratio	0.08	0.03

Other indicators

Number of employees	17	21
Average gross remuneration per employee per year, thousand EUR	17.5	23.6
Gender representation in management, f/m	0/1	0/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Annex 1.

State-Owned Enterprises, State-Owned Shares, State-Owned Enterprises and Companies under Decisive Influence of the State ⁷⁷ (31.12.2023)

No.	Reg. No.	Name of capital company	Sector	Number of employees	Turnover, 2023, EUR '000	Profit/loss, 2023, EUR '000	Total assets 31.12.2023, EUR '000	Proportion of shares, holder or owner	Supplementary information
Valsts kapitālsabiedrības									
1	40003032949	JSC Latvenergo (koncerns)	Energy	3 456	2 034 425.0	350 917.0	4 127 922.0	100% Ministry of Economics	
2	40003466281	JSC Latvijas valsts meži (consolidated)	Forestry	1 497	626 136.3	220 948.1	824 275.9	100% Ministry of Agriculture	
3	40003032065	SJSC Latvijas dzelzceļš (consolidated)	Transport	6 219	263 529.0	-3 231.0	844 665.0	100% Ministry of Transport	
4	40003575567	JSC Augstsprieguma tīkls (consolidated)	Energy	891	234 480.0	10 235.1	1 346 939.9	100% Ministry of Finance	
5	40003951628	LLC Rīgas Austrumu klīniskā universitātes slimnīca	Health care	4 973	225 682.2	-2 147.4	226 870.3	100% Ministry of Health	The consolidated financial statements are not prepared on the basis of Section 66 of the Law on Annual Statements and Consolidated Annual Statements.
6	40003457109	SLLC Paula Stradiņa klīniskā universitātes slimnīca	Health care	3 341	179 307.4	-3 761.3	272 783.2	100% Ministry of Health	
7	40003052790	SJSC Latvijas Pasts	Communications	2 657	108 268.7	538.6	128 687.7	100% Ministry of Transport	
8	40003083998	SJSC Latvijas Loto (consolidated)	Other	141	92 145.2	13 792.4	41 966.7	100% Ministry of Finance	
9	40003457128	SLLC Bērnu klīniskā universitātes slimnīca	Health care	2 067	80 325.3	-691.6	105 680.5	100% Ministry of Health	
10	40003028055	SJSC Starptautiskā lidosta Rīga	Transport	1 423	72 500.8	1 612.1	175 076.8	100% Ministry of Transport	
11	40003356530	SJSC Latvijas autoceļu uzturētājs	Transport	1 111	67 256.5	1 109.1	62 929.4	100% Ministry of Transport	
12	40003345734	SJSC Ceļu satiksmes drošības direkcija	Transport	587	60 022.6	3 953.5	53 803.8	100% Ministry of Transport	
13	40003567907	JSC Pasažieru vilciens	Transport	976	59 788.0	3.2	207 750.0	100% Ministry of Transport	
14	40003294758	SJSC Valsts nekustamie īpašumi	Real estate management	411	46 015.4	1 804.8	460 870.1	100% Ministry of Finance	
15	40003080597	SLLC Latvijas televīzija	Electronic Mass Media	513	28 835.6	4.1	15 161.1	100% Electronic Mass Media Council	
16	50003342481	SLLC Rīgas Psihiatrijas un narkoloģijas centrs	Health care	1 019	28 793.7	1.5	42 639.0	100% Ministry of Health	
17	40003410729	SLLC Traumatoloģijas un ortopēdijas slimnīca	Health care	628	26 256.5	-763.4	14 910.3	100% Ministry of Health	
18	40003038621	SJSC Latvijas gaisa satiksme	Transport	305	26 028.7	-1 829.8	44 103.6	100% Ministry of Transport	
19	40003011203	SJSC Latvijas Valsts radio un televīzijas centrs	Communications	297	25 788.4	16 313.6	206 858.3	100% Ministry of Transport	
20	50003407881	SLLC Daugavpils psihoneiroloģiskā slimnīca	Health care	978	25 124.9	976.7	34 956.5	100% Ministry of Health	
21	40003273900	SLLC Nacionālais rehabilitācijas centrs Vaivari	Health care	503	24 705.0	562.9	22 483.0	100% Ministry of Health	
22	50103744891	JSC Attīstības finanšu institūcija Altum	Other	255	23 617.0	17 810.0	1 316 086.0	40% Ministry of Finance. 30% Ministry of Economics un 30% Ministry of Agriculture	
23	40003344207	SLLC Latvijas Valsts ceļi	Transport	366	20 930.4	187.4	8 196.8	100% Ministry of Transport	
24	40003338357	SLLC Zemkopības ministrijas nekustamie īpašumi	Real estate management	147	17 660.2	23.2	8 035.1	100% Ministry of Agriculture	
25	40003080614	SLLC Latvijas radio	Electronic Mass Media	293	13 463.1	-107.8	7 654.2	100% Electronic Mass Media Council	
26	40003407396	SLLC Slimnīca Ģintermuīža	Health care	522	12 639.5	63.2	15 827.7	100% Ministry of Health	
27	50003408181	SLLC Strenču psihoneiroloģiskā slimnīca	Health care	297	10 729.4	971.0	11 053.8	100% Ministry of Health	
28	50103237791	SLLC Latvijas Vides, ģeoloģijas un meteoroloģijas centrs	Other	253	9 502.2	-95.2	30 128.9	100% Ministry of Environmental Protection and Regional Development	
29	40003334410	SLLC Tiesu namu aģentūra	Real estate management	108	9 469.1	581.9	82 029.9	100% Ministry of Justice	
30	40003021907	SJSC Elektroniskie Communications	Communications	102	8 859.0	124.5	13 911.4	100% Ministry of Environmental Protection and Regional Development	
31	40003480798	SLLC Rīgas Tūrisma un radošās industrijas tehnikums	Education	252	6 981.5	1.0	25 089.0	100% Ministry of Education and Science	
32	40103836785	LLC Eiropas dzelzceļa līnijas	Transport	97	6 397.6	-195.9	8 908.9	100% Ministry of Transport	
33	40003343729	SLLC Piejūras slimnīca	Health care	178	5 207.5	201.7	10 259.1	100% Ministry of Health	
34	40003022705	SLLC Latvijas Jūras administrācija	Transport	103	4 569.8	-118.6	5 229.4	100% Ministry of Transport	
35	40103208907	SLLC Latvijas Nacionālā opera un balets	Culture	556	4 264.7	132.4	24 710.7	100% Ministry of Culture	
36	40003783138	SLLC Dailes teātris	Culture	218	4 084.6	5.5	8 070.7	100% Ministry of Culture	
37	40003429317	SLLC Autotransporta direkcija	Transport	87	4 062.1	94.2	4 993.5	100% Ministry of Transport	
38	50003140671	LLC Latvijas Nacionālais sporta centrs	Sport	101	3 355.8	-896.9	110 948.4	100% Ministry of Education and Science	
39	40203235757	JSC Ventas osta	Transport	9	3 013.1	9.9	638.4	100% Ministry of Transport	
40	40003400059	SLLC Ministry of the Interiors poliklinika	Health care	131	2 991.4	1.4	907.4	100% Ministry of the Interior	

⁷⁷ Data source: databases of the Register of Enterprises and the State Revenue Service of the Republic of Latvia

No.	Reg. No.	Name of capital company	Sector	Number of employees	Turnover, 2023, EUR '000	Profit/loss, 2023, EUR '000	Total assets 31.12.2023, EUR '000	Proportion of shares, holder or owner	Supplementary information
41	40003192154	LLC Publisko aktīvu pārvaldītājs Possessor (consolidated)	Other	51	2 793.0	1 390.6	15 341.6	100% Ministry of Economics	
42	40003094953	SLLC Jaunais Rīgas teātris	Culture	92	2 600.3	13.6	4 137.9	100% Ministry of Culture	
43	40003786149	SLLC Latvijas Nacionālais teātris	Culture	178	2 548.3	1.8	1 979.1	100% Ministry of Culture	
44	40003113794	SLLC Latvijas Vēstnesis	Other	65	2 435.1	-11.8	1 218.7	100% Ministry of Justice	
45	50003000771	SLLC Šampētera nams	Real estate management	16	2 406.6	0.9	7 465.0	100% Ministry of Welfare	
46	40003793653	SLLC Mihaila Čehova Rīgas Krievu teātris	Culture	129	2 275.7	13.0	1 448.9	100% Ministry of Culture	
47	44103017181	SLLC Bērnu psihoneiroloģiskā slimnīca Ainaži	Health care	83	1 995.2	-128.1	4 200.3	100% Ministry of Health	
48	40003435328	LLC Latvijas Nacionālais metroloģijas centrs	Other	49	1 498.3	9.9	1 342.0	100% Ministry of Economics	
49	40003374610	SLLC Latvijas Koncerti	Culture	116	1 277.8	67.1	1 055.8	100% Ministry of Culture	
50	40103264961	SLLC Latvijas Proves birojs	Other	19	1 005.8	233.3	3 507.7	100% Ministry of Finance	
51	44103038376	SLLC Valmieras drāmas teātris	Culture	112	841.7	9.7	1 405.6	100% Ministry of Culture	
52	50003017621	SLLC Meliorprojekts	Other	23	829.0	92.0	219.7	100% Ministry of Agriculture	
53	40003373615	SLLC Latvijas Nacionālais simfoniskais orķestris	Culture	144	676.7	4.7	1 177.4	100% Ministry of Culture	
54	40003782984	SLLC Latvijas Lelļu teātris	Culture	79	639.9	14.7	549.0	100% Ministry of Culture	
55	40003339615	SLLC Vides investīciju fonds	Other	21	561.2	104.0	6 263.4	100% Ministry of Climate and Energy	Until 01.01.2023. 100% capital holder Ministry of Environmental Protection and Regional Development
56	40003027789	SLLC Rīgas cirks	Culture	29	408.4	29.6	7 625.9	100% Ministry of Culture	
57	42103049403	SLLC Liepājas simfoniskais orķestris	Culture	102	380.5	10.9	628.4	100% Ministry of Culture	
58	40203084591	LLC Latvijas standarts	Other	18	354.9	1.8	312.9	100% Ministry of Economics	
59	40003373761	SLLC Valsts Akadēmiskais koris Latvija	Culture	65	332.5	3.3	275.2	100% Ministry of Culture	
60	41503037608	SLLC Daugavpils teātris	Culture	93	265.5	5.1	598.3	100% Ministry of Culture	
61	40003487546	SLLC KREMERATA BALTIKA	Culture	29	158.7	0.8	85.0	100% Ministry of Culture	
62	40003342456	LLC Lielstraupes pils	Health care	2	0.0	-17.9	1.7	100% Ministry of Health	03.07.2024. name changed to LLC Latvijas Digitālās veselības centrs.
63	40203525018	LLC Valsts aizsardzības korporācija	Other	n/a	n/a	n/a	n/a	100% Ministry of Defence	Registered on 29.11.2023. Annual statement submitted for the year 2024..
State-Owned Enterprises effectively controlled by the State									
63	40003245752	JSC Air Baltic Corporation (consolidated)	Transport	2 531	664 186.0	33 652.0	1 324 707.0	97.97% Ministry of Transport	
64	40003052786	LLC Tet (koncerns)	Communications	1 761	295 753.0	15 226.0	369 593.0	51% LLC Publisko aktīvu pārvaldītājs Possessor	State does not have the decisive influence, because the memorandum signed between the State and Telia Company AB obliges special arrangements for key decisions
65	40003347699	LLC Latvijas Lauku konsultāciju un Educations centrs	Agriculture	410	10 542.5	-215.5	4 924.4	99.32% Ministry of Agriculture	
66	40003258973	LLC Ludzas medicīnas centrs	Health care	173	4 120.4	-269.9	9 055.3	57.94648% Ministry of Health	
Capital companies with direct State ownership of 20% to 50% (including)									
67	40003286750	JSC Rīgas siltums (consolidated)	Energy	689	442 013.8	8 652.5	275 951.5	48.995% Ministry of Economics	0,005% Latvenergo. Citi kapitāla daļu īpašnieki: 49% Rīga 0,005% Latvenergo. Other shareholders: 49% Rīga City Council. 2% LLC Energijas risinājumi RIX, s dome, 2% SIA "Energijas risinājumi RIX".
68	40003212111	LLC Latvijas Olimpiskā vienība	Sport	36	1 807.4	29.8	669.7	29.04423% Ministry of Education and Science	
69	41203024801	LLC Starptautiskā Rakstnieku un tulkotāju māja	Real estate management	6	4.7	0.2	71.9	33.33% Ministry of Culture	
Capital companies with direct State ownership up to 20%									
70	40003000642	JSC Latvijas Gāze	Energy	119	159 819.0	-56 911.0	163 727.0	0.00029% Ministry of Economics	
71	40003044346	JSC Rīgas sanitārā transporta autobāze (consolidated)	Other	433	26 259.7	822.4	35 575.2	10.07% LLC Publisko aktīvu pārvaldītājs Possessor	Annual consolidated statement of the year 2021. and 2022. not available on www.ur.gov.lv until 01.11.2024. Financial figures are for the year 2020. Has 88.73% participation JSC Ceļu pārvalde.
72	41503002447	JSC Daugavpils specializētais autotransporta uzņēmums	Other	98	5 538.3	26.7	2 114.0	3.2% LLC Publisko aktīvu pārvaldītājs Possessor	
73	40003028394	Rēzeknes SEZ JSC REBIR	Other	11	1 619.6	36.9	1 863.7	5% LLC Publisko aktīvu pārvaldītājs Possessor	
74	42103008388	LLC Liepājas sērkokciņi	Other	0	0.0	-43.3	466.4	9.99935% LLC Publisko aktīvu pārvaldītājs Possessor	On 21.02.2024. the Company members have changed. 70 368 shares belonging to State were bought by members of LLC Rītava Holdings

No.	Reg. No.	Name of capital company	Sector	Number of employees	Turnover, 2023, EUR '000	Profit/loss, 2023, EUR '000	Total assets 31.12.2023, EUR '000	Proportion of shares, holder or owner	Supplementary information
75	41703004525	LLC UNI SAN	Other	0	0.0	7.5	20.9	5% LLC Publisko aktīvu pārvaldītājs Possessor	

Capital companies with direct State ownership up to 20% that have been sold

76	40003019851	JSC Latgales ciltslietu un mākslīgās apsekošanas stacija	Other	27	216.2	134.3	602.0	4.91% LLC Publisko aktīvu pārvaldītājs Possessor	On 05.01.2023, a share sale transaction was concluded, resulting in the sale of 4.91% of the state-owned shares for EUR 0.01 million.
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Capital companies with direct State ownership up to 20% under liquidation proceedings

76	40003019851	JSC Latgales ciltslietu un mākslīgās apsekošanas stacija	Other	27	216.2	134.3	602.0	4.91% LLC Publisko aktīvu pārvaldītājs Possessor	On 05.01.2023, a share sale transaction was concluded, resulting in the sale of 4.91% state-owned shares worth EUR 0.01 million.
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Subsidiaries 100% owned by SOEs

77	40003034263	JSC Ceļu pārvalde (consolidated)	Other	434	30 204.7	-1 277.3	26 578.2	0.93% LLC Publisko aktīvu pārvaldītājs Possessor	
78	40003788421	LLC LDZ Cargo	Transport	1 066	134 372.1	3 068.1	164 134.8	100% SJSC Latvijas dzelzceļš	In February 2021, an application for annulment of the decision of the Competition Council of 28.12.2020 was submitted to the District Administrative Court. ⁷⁸
79	11399985	OÜ Elektrum Eesti	Other	n/a	62 274.6	359.3	30 961.1	100% JSC Latvenergo	
80	40003788351	LLC LDZ ritošā sastāva serviss	Transport	714	50 886.5	1 233.8	59 704.7	100% SJSC Latvijas dzelzceļš	
81	40003988480	LLC LDZ Loģistika	Transport	17	14 759.0	264.4	2 344.6	100% SJSC Latvijas dzelzceļš	
82	40003620112	LLC LDZ apsardze	Other	452	9 300.3	242.4	2 245.2	100% SJSC Latvijas dzelzceļš	
83	40003423460	LLC LatLoto nams	Other	9	1 474.6	23.4	262.3	100% SJSC Latvijas Loto	
84	40103361063	JSC LatRailNet	Transport	25	1 419.5	65.0	1 350.9	100% SJSC Latvijas dzelzceļš	
85	40103762700	JSC Enerģijas publiskais tirgotājs	Energy	5	1 103.3	0.0	32 761.3	100% JSC Latvenergo	
86	40003665610	LLC Jaunmoku pils	Other	17	989.9	94.1	1 872.4	100% SJSC Latvijas valsts meži	
87	40003266519	LLC Mailmaster	Communications	13	762.9	95.3	561.1	100% SJSC Latvijas Pasts	
88	301506046	UAB Elektrum Lietuva	Other	n/a	356.9	4 069.5	96 793.4	100% JSC Latvenergo	
89	305699767	UAB Geniva	Other	n/a	0.0	-35.9	6 924.5	50% UAB Elektrum Lietuva	
90	40203415150	LLC Latvijas vēja parki	Energy	3	0.0	-865.9	5 253.3	80% JSC Latvenergo, 20% JSC Latvijas valsts meži	
91	16475722	OÜ HN pöld ja mets 1	Other	n/a	0.0	121.5	4 254.7	100% OÜ Elektrum Eesti	
92	43603080677	KS Buildit Latvia Pre-Seed Fund AIF	Other	0	76.0	698.8	2 875.1	100% JSC Attīstības finanšu institūcija Altum	
93	44103115707	KS Commercialization Reactor Pre-Seed Fund AIF	Other	n/a	0.0	-183.7	2 034.0	100% JSC Attīstības finanšu institūcija Altum	
94	302478710	UAB Vējo miestas	Other	n/a	0.0	-44.3	1 508.3	50% UAB Elektrum Lietuva	
95	40203141610	KS Overkill Ventures Fund I AIF	Other	n/a	39.9	36.2	1 014.6	100% JSC Attīstības finanšu institūcija Altum	
96	40203106704	LLC REAP	Other	1	0.0	0.0	931.6	100% LLC Publisko aktīvu pārvaldītājs Possessor	
97	40103981332	LLC FeLM	Other	1	0.0	0.0	234.5	100% LLC Publisko aktīvu pārvaldītājs Possessor	
98	306073976	UAB Klaipēda unlimited sun	Other	n/a	n/a	n/a	2.5	100% UAB Elektrum Lietuva	
99	40003510448	LLC Rīgas hematoloģijas centrs	Health care	n/a	n/a	n/a	n/a	100% LLC Rīgas Austrumu klīniskā universitātes slimnīca	Economic activity suspended on 13.12.2018.

Subsidiaries 100% owned by SOEs that are being liquidated

100	50103306171	KS Imprimatur Capital Seed Fund	Other	n/a	40.0	-124.1	2 496.5	100% JSC Attīstības finanšu institūcija Altum	Liquidation proceedings opened on 27.06.2022
101	40003788258	LLC LDZ infrastruktūra	Transport	n/a	n/a	n/a	n/a	100% SJSC Latvijas dzelzceļš	Company liquidated on 12.04.2023.

Shares held by SOEs or companies under the direct or indirect decisive influence of the state

102	50003050931	LLC Latvijas Mobilais Telefons (consolidated)	Communications	1 268	310 269.2	32 068.5	419 497.4	23% SJSC Latvijas Valsts radio un televīzijas centrs, 23% LLC Tet un 5% LLC Publisko aktīvu pārvaldītājs Possessor	
103	40103148504	LLC LMT Retail&Logistics	Communications	416	127 570.7	30.3	77 497.8	100% LLC Latvijas Mobilais Telefons	
104	40203041605	JSC Conexus Baltic Grid	Energy	361	76 467.9	16 171.8	469 284.5	68.46% JSC Augstsprieguma tīkls	
105	50003752271	LLC CITRUS Solutions	Other	346	66 666.5	5 367.5	53 742.3	100% LLC Tet	
106	42103035386	LLC Liepājas enerģija	Energy	76	22 236.9	3 243.0	37 647.1	51% JSC Latvenergo	
107	40203054012	LLC Santa Monica Networks	Communications	32	14 576.3	2 397.4	26 538.2	100% LLC Latvijas Mobilais Telefons	
108	40103360903	LLC Helio Media	Communications	44	12 799.2	164.9	9 045.4	100% LLC Lattelecom	

⁷⁸ In February 2021, a petition was submitted to the Administrative District Court for the annulment of the decision of the Competition Council of 28.12.2020 in Case No KL\5-5\18\30 "On Infringement of the Prohibition Prohibited by Section 13(1) of the Competition Law and Article 102 of the Treaty on the Functioning of the European Union in the Activities of LDZ CARGO SIA and VAS Latvijas dzelzceļš". In its 2020 annual report, LDZ CARGO Ltd recognised a full provision for fines. In 2023, the amount of the provision remained unchanged, as the circumstances of the case have not changed and its outcome is unknown.

No.	Reg. No.	Name of capital company	Sector	Number of employees	Turnover, 2023, EUR '000	Profit/loss, 2023, EUR '000	Total assets 31.12.2023, EUR '000	Proportion of shares, holder or owner	Supplementary information
109	40103272422	LLC Air Baltic training	Other	33	4 803.0	982.4	7 717.9	100% JSC Air Baltic Corporation	
110	40003320463	LLC Veselības centrs Bīķernieki	Health care	90	3 246.0	184.3	1 048.5	99.58% LLC Rīgas Austrumu klīniskā universitātes slimnīca	
111	50003138501	LLC Baltijas datoru akadēmija	Other	28	2 125.2	205.1	1 202.1	100% LLC Lattelecom	
112	40103587651	JSC Aviation Crew Resources	Other	404	1 678.6	-1 346.7	173.4	100% JSC Air Baltic Corporation	To be liquidated
113	40003458674	LLC BALTIJAS KRAVJU CENTRS	Other	22	1 048.6	21.9	349.0	100% JSC Air Baltic Corporation	
114	40003754567	LLC Lattelecom	Communications	11	393.3	51.9	5 112.9	100% LLC Tet	
115	40203111495	ZGI-4 AIF KS	Other	n/a	296.5 ⁷⁹	-271.7	10 749.5	60% JSC Attīstības finanšu institūcija Altum	
116	40103306235	KS AIF Imprimatur Capital Technology Venture Fund	Other	n/a	0.3	-1 736.9	6 193.6	67% JSC Attīstības finanšu institūcija Altum	Venture capital fund until 10.06.2024.
117	40203139743	Komandītsabiedrība INEC1 AIF	Other	n/a	304.6	-1 117.2	5 132.6	75% JSC Attīstības finanšu institūcija Altum	
118	40103697913	KS Expansion Capital Fund AIF	Other	n/a	6.2	-413.3	4 058.7	95% JSC Attīstības finanšu institūcija Altum	Venture capital fund until 31.12.2024..
119	40103697947	KS alternatīvo ieguldījumu fonds ZGI-3	Other	n/a	148.1	713.2	3 142.1	95% JSC Attīstības finanšu institūcija Altum	Venture capital fund until 31.12.2024.
120	40103697951	KS Flycap Investment Fund I AIF	Other	n/a	108.9	170.1	2 776.6	95% JSC Attīstības finanšu institūcija Altum	Venture capital fund until 31.12.2024.
121	40203141593	KS Overkill Ventures Fund II AIF	Other	n/a	1.9	315.0	2 206.2	80% JSC Attīstības finanšu institūcija Altum . 16% LLC Lattelecom	
122	40203123846	KS Buildit Latvia Seed Fund AIF	Other	n/a	26.0	123.3	1 594.7	80% JSC Attīstības finanšu institūcija Altum	
123	44103116670	Komandītsabiedrība INEC2 AIF	Other	n/a	107.7	-475.0	1 334.0	90% JSC Attīstības finanšu institūcija Altum	
124	40203206885	KS FlyCap Mezzanine Fund II AIF	Other	n/a	1 695.2	1 179.9	12 110.1	60% JSC Attīstības finanšu institūcija Altum	
125	44103115711	KS Commercialization Reactor Seed Fund AIF	Other	n/a	0.0	-56.3	1 129.0	80% JSC Attīstības finanšu institūcija Altum	
126	40103587327	LLC Elektrum Latvija	Other	0	0.0	-0.1	2.0	100% OÜ Elektrum Eesti	
127	40003448943	JSC Pirmais slēgtais pensiju fonds	Other	9	364.7	0.0	185.7	50% LLC Tet un meitas sabiedrības. 48.15% JSC Latvenergo un meitas sabiedrības. 1.85% JSC Augstsprieguma tīkls	
128	40003057571	LLC Telia Latvija	Other	n/a	n/a	n/a	n/a	100% LLC Tet	Reorganised on 11.09.2023

Capital shares held by SOEs under a direct or indirect decisive influence of the State that have been liquidated or are in the process of liquidation

129	40103266178	KS BaltCap Latvia Venture Capital Fund AIF	Other	n/a	6.2	1 157.6	1 861.1	67% JSC Attīstības finanšu institūcija Altum	13.01.2023. decision made to start liquidation process.
130	40003074590	JSC Reverta	Real estate management	1	0.0	-125.7	1 648.4	96.89% LLC Publisko aktīvu pārvaldītājs Possessor	JSC Reverta is in liquidation process since 2017.

Shares in the capital of SOEs or SOEs'subsidiaries with a holding of between 20% and 50% (inclusive)

131	43603022749	LLC Meža un koksnes produktu pētniecības un attīstības institūts	Other	31	1 102.3	19.8	1 064.2	40.21% SJSC Latvijas valsts meži	
132	40103845025	JSC RB Rail	Transport	212	0.0	10.6	62 949.1	33.33% LLC Eiropas dzelzceļa līnijas	
133	40203252367	KS AIF Altum kapitāla fonds	Other	n/a	2 399.9	844.5	33 381.1	48.9% JSC Attīstības finanšu institūcija Altum	
134	40203116929	LLC Overkill Ventures AIFP	Other	2	0.2	-40.6	12.6	35% LLC Lattelecom	
135	40203015814	LLC SWG Rīga Fund 1	Other	0	0.0	-20.9	121.7	27.12% LLC Lattelecom	
136	Bez Reg. No.	Baltic Innovation Fund	Other	n/a	n/a	n/a	n/a	20% JSC Attīstības finanšu institūcija Altum	No Reg. No.. adress: European Investment Fund. 37B. avenue J.F. Kennedy. L-2968 Luxembourg
137	16522574	OÜ Baltic RCC	Energy	n/a	n/a	n/a	n/a	33.33% JSC Augstsprieguma tīkls	Established in 2022 with the Estonian and Lithuanian Electricity Transmission System Operators, coordinating electricity development planning and coordinates certain day-to-day activities of the operators to guarantee security of electricity supply.

Shares in the capital of SOEs or SOEs'subsidiaries with a holding of 20% to 50% (including) that have been liquidated or are in the process of liquidation

138	50003621571	JSC VRC Zaslauks	Other	n/a	n/a	n/a	n/a	51% JSC Pasažieru vilciens	JSC VRC Zaslauks has been liquidated and excluded from the Commercial Register on 19.05.2023.
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Shares in the capital of SOEs or SOEs'subsidiaries with a holding of up to 20%

139	40003094173	JSC Latvijas Finieris (consolidated)	Other	2398	404 773.0	55 580.8	399 024.6	0.99526% SJSC Latvijas valsts meži	
140	40003034583	LLC Strek	Other	168	6 717.7	1 601.5	29 719.6	5.84% SJSC Latvijas dzelzceļš	
141	40103326439	LLC IT Kompetences centrs	Other	4	22.5	-6.5	90.0	18.5% LLC Lattelecom	

⁷⁹ Income for the period.

Annex 2

Municipality-Owned Enterprises and Capital Shares⁸⁰ (31.12.2023)

No.	Reg. No.	Name of capital company	Number of employees	Turnover 2023, EUR '000	Profit/loss 2023, EUR '000	Total assets 31.12.2023, EUR '000	Proportion of shares, holder or owner
Municipality-owned enterprises with decisive direct participation of municipalities 100%							
1	40003619950	Rīga Municipality LLC Rīgas satiksme (consolidated)	3 337	184 080.14	1 943.42	496 870.38	100 % Rīga City Municipality
2	40103023035	LLC Rīgas ūdens	768	76 447.84	7 533.31	359 826.76	100 % Rīga City Municipality
3	40103362321	LLC Rīgas namu pārvaldnieks	1 982	74 216.80	5 054.50	131 527.89	100 % Rīga City Municipality
4	40003367816	LLC Getīri EKO	143	48 911.10	2 751.15	79 307.66	97.7 % Rīga City Municipality;
5	41503002945	Municipality-owned JSC Daugavpils siltumtīkli	238	40 561.17	5 332.57	54 232.78	2.3 % Ropažu novada pašvaldība
6	40003439279	LLC Rīgas 1. slimnīca	823	28 388.48	373.79	17 756.89	100 % Daugavpils City Municipality
7	40003109638	LLC Rīgas nami	576	27 976.36	19.85	164 477.25	100 % Rīga City Municipality
8	40003223971	LLC RĒZEKNES SLIMNĪCA	686	22 547.08	8.62	42 637.95	100 % Rīga City Municipality
9	40003982628	LLC Rīgas meži	398	21 946.52	1 984.30	201 792.15	100 % Rēzekne City Municipality
10	50003356621	LLC Jēkabpils reģionālā slimnīca	623	20 682.24	-246.80	20 092.20	100 % Rīga City Municipality
11	41703007038	LLC JELGAVAS PILSĒTAS SLIMNĪCA	609	17 516.65	-312.87	17 850.12	100 % Jēkabpils District Municipality
12	40003215480	LLC Rēzeknes siltumtīkli	60	16 595.46	852.27	24 101.41	100 % Jelgavas valstspilsētas pašvaldība
13	42803008058	LLC Jūrmalas siltums	59	16 541.61	3 738.34	34 975.65	100 % Rēzekne City Municipality
14	40003222317	LLC OGRES RAJONA SLIMNĪCA	411	15 292.83	749.16	16 755.59	100 % Jūrmala City Municipality
15	40103941081	LLC Ogres Namsaimnieks	162	14 714.87	293.93	10 343.17	100 % Ogre District Municipality
16	40003194600	LLC Rīgas Dzemdību nams	411	13 615.61	136.95	6 472.40	100 % Rīga City Municipality
17	40003356507	Madona District Municipality LLC Madonas slimnīca	335	12 962.99	-33.74	8 382.69	100 % Madona District Municipality
18	44103015509	LLC ZAAO	181	12 152.85	60.96	22 015.57	59.48 % Valmiera District Municipality 26.72 % Cēsis District Municipality 7.36 % Limbaži District Municipality; 3.57 % Smiltene District Municipality; 2.55 % Valka District Municipality 0.24 % Sigulda District Municipality; 0.04 % Saulkrasti District Municipality; 0.03 % Balvi District Municipality
19	40003184960	LLC Rīgas 2. slimnīca	357	11 575.14	258.70	5 024.87	26.72 % Cēsis District Municipality
20	50103807561	LLC Rīgas veselības centrs	449	11 553.77	103.65	5 088.99	7.36 % Limbaži District Municipality;
21	50003182001	LSC OLAINES ŪDENS UN SILTUMS	194	11 528.15	505.29	49 484.94	3.57 % Smiltene District Municipality;
22	40003220000	LLC Jūrmalas slimnīca	342	11 295.59	160.78	10 441.18	2.55 % Valka District Municipality
23	44103033608	LLC Valmieras ūdens	74	10 977.24	513.56	38 651.71	0.24 % Sigulda District Municipality;
24	44103057729	LLC CĒSU KLĪNIKA	310	10 030.37	-40.16	19 305.39	0.04 % Saulkrasti District Municipality;
25	40003007655	Municipality LLC Ventpils siltums	82	10 010.30	105.09	22 052.49	0.03 % Balvi District Municipality
26	50003197651	LLC Kuldīgas slimnīca	362	9 976.29	-460.00	4 680.89	100 % Rīga City Municipality
27	40003004220	LLC VTU VALMIERA	233	9 547.55	127.38	13 733.21	100 % Rīga City Municipality
28	40003359306	LLC Ķekavas nami	105	8 215.93	281.48	19 740.15	100 % Olaine District Municipality
29	41503002432	LLC Daugavpils ūdens	257	8 056.57	449.04	53 332.03	100 % Jūrmala District Municipality
30	40003275333	LLC Jūrmalas ūdens	149	8 008.87	452.71	112 604.76	100 % Valmiera District Municipality
31	40003551323	LLC Dobeles un apkārtnes slimnīca	252	7 836.69	-612.49	10 288.68	100 % Cēsis District Municipality
32	41503002485	LLC Daugavpils dzīvokļu un komunālās saimniecības uzņēmums	449	7 393.61	2.25	11 508.68	100 % Ventpils District Municipality
33	48503000219	LLC SALDUS KOMUNĀLSERVISS	135	7 269.74	-319.10	20 787.46	91.58 % Kuldīga District Municipality;
34	40103233177	LLC Tukuma slimnīca	264	7 059.59	-226.87	5 167.82	8.42 % Dienvidkurzeme District Municipality
35	40003124730	LLC Siguldas slimnīca	235	7 007.23	-76.69	2 996.23	100 % Valmiera District Municipality
36	41503029988	LLC ATKRITUMU APSAIMNIEKOŠANAS DIENVIDLATGALES STARPPAŠVALDĪBU ORGANIZĀCIJA	86	6 751.89	687.48	12 792.20	53.53 % Daugavpils State City Municipality; 21.31 % Augšdaugava District Municipality; 13.78 % Krāslava District Municipality 6.57 % Preiļi District Municipality 4.81 % Līvāni District Municipality
37	41203001052	Municipality LLC Ventpils labiekārtošanas kombināts	194	6 489.32	57.36	24 898.43	100 % Ventpils State City Municipality
38	40103666190	Ogre District Municipality LLC MS siltums	20	6 459.47	555.77	17 520.43	100 % Ogre District Municipality
39	40003007778	LLC Jēkabpils siltums	52	6 090.01	37.82	15 232.70	100 % Jēkabpils District Municipality
40	40003525848	LLC Atkritumu apsaimniekošanas sabiedrība "PIEJŪRA"	96	6 076.10	432.20	15 865.76	54.55 % Talsi District Municipality 45.26 % Tukums District Municipality 0.19 % Jūrmala State City Municipality
41	41503002269	LLC Daugavpils satiksme	513	5 785.47	33.04	83 241.99	Daugavpils State City Municipality
42	41703007095	LLC JELGAVAS POLIKLĪNIKA	232	5 581.47	-73.82	4 470.26	Daugavpils State City Municipality

⁸⁰ Database of the Register of Enterprises and the State Revenue Service of the Republic of Latvia.

No.	Reg. No.	Name of capital company	Number of employees	Turnover 2023, EUR '000	Profit/ loss 2023, EUR '000	Total assets 31.12.2023, EUR '000	Proportion of shares, holder or owner
43	40103032521	LLC Rīgas Nacionālais zooloģiskais dārzs	173	5 457.93	106.30	32 843.29	100 % Rīga City Municipality
44	42103000897	LLC LIEPĀJAS ŪDENS	142	5 443.39	-610.95	56 111.51	100 % Liepāja State City Municipality
45	43603011548	LLC Jelgavas nekustamā īpašuma pārvalde	203	5 398.04	208.47	10 472.25	100 % Jelgava State City Municipality
46	45103002039	LLC Dobeles enerģija	29	5 396.01	357.99	4 195.97	100 % Dobeles District Municipality
47	41503032140	LLC Krāslavas slimnīca	186	5 276.76	37.32	4 237.96	100 % Krāslava District Municipality
48	41703001321	LLC JELGAVAS ŪDENS	103	5 243.56	0.70	53 620.31	100 % Jelgava State City Municipality
49	40003410894	LLC Jelgavas novada KU	134	5 205.86	-432.38	22 247.86	100 % Jelgava District Municipality
50	40103111018	LLC Mārupes komunālie pakalpojumi	40	5 027.60	60.63	37 799.72	100 % Mārupe District Municipality
51	43603011586	LLC Bauskas novada komunālserviss	95	4 761.94	-642.68	28 695.37	100 % Bauska District Municipality
52	40003333256	Municipality LLC Ventspils reiss	123	4 724.16	314.07	9 156.73	100 % Ventspils valstspilsētas pašvaldība
53	40003310183	LLC Salaspils Siltums	19	4 679.30	88.01	12 141.00	100 % Salaspils District Municipality
54	45403004471	LLC Madonas Siltums	37	4 526.59	-794.23	11 021.95	100 % Madona District Municipality
55	42103012383	LLC GROBIŅAS NAMSERVISS	79	4 419.32	-293.17	10 486.29	100 % Dienvidkurzemes District Municipality
56	40003252612	LLC Alūksnes slimnīca	158	4 397.87	2.30	3 498.43	81.92 % Alūksne District Municipality 18.08 % Smiltene District Municipality
57	43603017682	LLC Bauskas slimnīca	150	4 382.35	131.03	4 230.30	100 % Bauska District Municipality
58	40003361616	LLC LIMBAŽU SLIMNĪCA	164	4 377.47	63.10	2 498.62	100 % Limbaži District Municipality
59	41203035896	LLC TALSU NAMSAIMNIEKS	121	4 262.28	55.56	4 857.96	100 % Tālsi District Municipality
60	40003152664	LLC JELGAVAS AUTOBUSU PARKS	102	4 220.15	27.59	2 796.09	100 % Jelgavas State City Municipality
61	44103022271	LLC VALMIERAS NAMSAIMNIEKS	110	4 204.71	584.30	18 835.78	100 % Valmiera District Municipality
62	50003220021	Municipality LLC Veselības un sociālās aprūpes centrs-Sloka	194	4 108.73	337.81	5 483.93	100 % Jūrmala State City Municipality
63	49203001267	LLC Tukuma siltums	33	4 081.22	28.09	6 191.15	100 % Tukums District Municipality
64	40003201921	LLC BALOŽU KOMUNĀLĀ SAIMNIECĪBA	56	4 039.88	126.51	9 539.66	100 % Ķekava District Municipality
65	56103000221	LLC KULDĪGAS KOMUNĀLIE PAKALPOJUMI	158	4 036.41	26.50	3 143.21	100 % Kuldīga District Municipality
66	45903001693	LLC Krāslavas nami	99	3 859.63	-533.38	32 739.45	100 % Krāslava District Municipality
67	41503003033	LLC Labiekārtošana-D	105	3 822.47	-95.12	2 371.49	100 % Daugavpils State City Municipality
68	40003007886	Aizkraukle District Municipality LLC AIZKRAUKLES SILTUMS	13	3 732.53	157.92	2 391.28	100 % Aizkraukle District Municipality
69	42403013918	LLC ALAAS	51	3 582.49	570.24	4 463.91	45.83 % Rēzekne State City Municipality 29.18 % Rēzekne District Municipality 24.99 % Ludza District Municipality
70	40003006715	LLC LIMBAŽU SILTUMS	33	3 498.53	11.57	11 890.00	100 % Limbaži District Municipality
71	40003422041	LLC ĀDAŽU NAMSAIMNIEKS	48	3 421.99	-34.90	1 410.88	100 % Ādaži District Municipality
72	47703001720	LLC PREIĻU SAIMNIEKS	130	3 421.13	-863.57	9 713.46	100 % Preiļi District Municipality
73	41203000983	Municipality LLC ŪDEKA	84	3 345.03	269.88	49 634.32	100 % Ventspils State City Municipality
74	45103001156	LLC DOBELES AUTOBUSU PARKS	82	3 325.41	330.63	2 080.94	100 % Dobeles District Municipality
75	47403003224	LLC LIELVĀRDES REMTE	55	3 322.40	224.31	14 890.05	100 % Ogre District Municipality
76	41203001885	Municipality LLC Ventspils nekustamie īpašumi(consolidated)	102	3 296.37	24.41	10 456.26	100 % Ventspils State City Municipality
77	42403015020	LLC LUDZAS APSAIMNIEKOTĀJS	167	3 211.85	-313.14	14 619.95	100 % Ludza District Municipality
78	55403015551	LLC Vidusdaugavas SPAAO	47	3 147.61	-148.49	7 341.37	42.33 % Jēkabpils District Municipality 30.67 % Aizkraukle District Municipality 26.12 % Madona District Municipality 0.89 % Varakļāni District Municipality
79	45403006010	LLC JĒKABPILS PAKALPOJUMI	83	3 079.40	25.44	1 397.28	100 % Jēkabpils District Municipality
80	41503008685	LLC NAUJENES PAKALPOJUMU SERVISS	88	2 975.56	-707.39	8 782.13	100 % Augšdaugava District Municipality
81	40103073411	LLC VILKME	45	2 963.85	1.48	4 870.31	100 % Ropaži District Municipality
82	40003215461	LLC RĒZEKNES NAMSAIMNIEKS	139	2 935.04	4.68	3 143.34	100 % Rēzekne State City Municipality
83	40003246298	Municipality LLC Ventspils poliklinika	95	2 707.01	12.76	723.82	100 % Ventspils State City Municipality
84	45403000484	LLC JK Namu pārvalde	109	2 687.37	21.73	2 703.34	100 % Jēkabpils District Municipality
85	40003007890	LLC KULDĪGAS SILTUMTĪKLI	36	2 677.70	-87.22	6 048.27	100 % Kuldīga District Municipality
86	40003207873	LLC Salaspils veselības centrs	147	2 663.62	206.62	3 100.76	100 % Salaspils District Municipality
87	41203017566	LLC VNK serviss	53	2 589.24	-14.97	7 282.94	100 % Ventspils District Municipality
88	40003187473	LLC Saldus medicīnas centrs	118	2 568.18	65.29	1 282.17	100 % Saldus District Municipality
89	40003273506	LLC Rehabilitācijas centrs "Līgatne"	109	2 557.95	3.09	1 643.84	100 % Cēsis District Municipality
90	42103005911	LLC LIEPĀJAS TRAMVAJS	85	2 533.31	-341.90	49 788.66	100 % Liepāja State City Municipality
91	49003000076	LLC TALSU ŪDENS	41	2 504.75	57.35	22 481.67	100 % Tālsi District Municipality
92	40003525725	LLC Ķekavas sadzīves servisa centrs	77	2 466.48	15.26	1 787.25	100 % Ķekava District Municipality
93	40003219995	LLC Kauguru veselības centrs	98	2 463.60	-69.01	1 808.26	100 % Jūrmala State City Municipality
94	45403000395	LLC Jēkabpils ūdens	60	2 450.86	433.89	16 772.55	100 % Jēkabpils District Municipality
95	48503021348	LLC DOBELES NAMSAIMNIEKS	63	2 434.43	-114.08	3 999.47	100 % Dobeles District Municipality
96	42403028557	LLC RĒZEKNES SATIKSME	80	2 375.70	80.38	2 234.94	100 % Rēzekne State City Municipality
97	41703003356	LLC Ozolnieku KSDU	9	2 335.48	-338.85	9 670.82	100 % Jelgava District Municipality
98	40003218631	LLC RĒZEKNES ŪDENS	76	2 292.26	29.60	16 514.38	100 % Rēzekne State City Municipality
99	40003369018	LLC Valgums-S	38	2 274.49	544.57	20 604.63	100 % Salaspils District Municipality

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100	40003378932	LLC Dzintaru koncertzāle	31	2 266.04	138.18	1 091.68	100 % Jūrmala State City Municipality
101	43903000435	LLC Smiltenes NKUP	75	2 242.73	86.15	14 614.56	100 % Smiltene District Municipality
102	40003218218	LLC PRIEKULES SLIMNĪCA	112	2 216.55	-1.75	727.26	100 % Dienvidkurzeme District Municipality
103	50103420091	LLC Komunālserviss TILDe	60	2 216.15	264.99	3 883.25	100 % Tukums District Municipality
104	41503010497	LLC LĪVĀNU DZĪVOKĻU UN KOMUNĀLĀ SAIMNIECĪBA	115	2 167.08	-218.53	14 705.90	100 % Līvāni District Municipality
105	45103000470	LLC DOBELES ŪDENS	46	2 165.59	139.06	15 594.44	100 % Dobeles District Municipality
106	41503007355	LLC Daugavpils zobārstniecības poliklīnika	102	2 164.78	-125.18	762.18	100 % Daugavpils State City Municipality
107	43203003672	LLC GULBENES AUTOBUS	67	2 115.76	200.69	1 631.42	100 % Gulbene District Municipality
108	43203003117	LLC Alūksnes enerģija	16	2 110.62	46.52	4 023.73	100 % Alūksne District Municipality
109	54603000121	LLC Gulbenes Energo Serviss	50	2 100.41	16.94	10 787.12	100 % Gulbene District Municipality
110	42803002568	LLC Jūrmalas gaisma	44	2 083.78	61.02	1 508.70	100 % Jūrmala State City Municipality
111	41503014677	LLC Veselības centrs Ilūkste	119	2 030.12	86.67	459.65	100 % Augšdaugava District Municipality
112	49503000754	Cēsis City LLC VINDA	43	2 028.20	196.43	18 375.08	100 % Cēsis District Municipality
113	41503021397	LLC Daugavpils bērnu veselības centrs	92	2 007.73	2.57	1 593.10	100 % Daugavpils State City Municipality
114	49203000859	LLC Tukuma ūdens	32	1 969.20	674.69	22 680.16	100 % Tukums District Municipality
115	40003231451	LLC Līvānu slimnīca	89	1 955.91	151.05	1 667.76	100 % Līvāni District Municipality
116	40003189328	LLC Sarkanā Krusta Smiltenes slimnīca	77	1 955.06	48.67	1 373.38	100 % Smiltene District Municipality
117	40103027944	LLC Saulkrastu komunālserviss	28	1 885.42	-168.26	13 194.26	100 % Saulkrasti District Municipality
118	40103055793	LLC SALTAVOTS	38	1 874.53	167.12	11 509.70	100 % Sigulda District Municipality
119	40103032305	Sigulda City LLC JUMIS	17	1 845.40	183.29	1 014.63	100 % Sigulda District Municipality
120	42103025570	LLC GROBIŅAS HES	48	1 821.17	84.82	1 617.86	100 % Dienvidkurzeme District Municipality
121	40003411141	LLC Siguldas Sporta serviss	51	1 809.50	105.21	1 052.52	100 % Sigulda District Municipality
122	48703000781	Aizkraukle District LLC LAUMA A	61	1 800.49	9.09	1 118.48	100 % Aizkraukle District Municipality
123	40003929148	LLC Ādažu ūdens	21	1 785.62	-166.67	13 259.44	100 % Ādaži District Municipality
124	40103416198	LLC Ikšķiles māja	54	1 781.07	146.97	15 541.53	100 % Ogre District Municipality
125	40003482591	LLC LĪVĀNU SILTUMS	30	1 765.76	-237.18	2 758.20	100 % Līvāni District Municipality
126	40003131022	Municipality LLC ĀDAŽU SLIMNĪCA	86	1 756.17	17.64	982.30	100 % Ādaži District Municipality
127	40003708356	Municipality LLC GARKALNES KOMUNĀLSERVISS	29	1 735.17	37.10	11 061.34	100 % Ropaži District Municipality
128	42103002652	LLC AIZPUTES NAMI	50	1 716.64	-168.83	7 953.31	100 % Dienvidkurzeme District Municipality
129	45103000466	LLC Dobeles komunālie pakalpojumi	89	1 584.68	45.18	1 439.95	100 % Dobeles District Municipality
130	42403000932	LLC Rēzeknes novada komunālserviss	32	1 582.85	757.46	7 201.89	100 % Rēzekne District Municipality
131	41503007196	LLC Daugavpils autobusu parks	182	1 573.28	-292.52	4 266.82	100 % Daugavpils JUMIS
132	47103000233	LLC Madonas namsaimnieks	30	1 565.16	70.22	2 454.27	100 % Madona District Municipality
133	45103000574	LLC AUČES KOMUNĀLIE PAKALPOJUMI	82	1 514.55	59.07	6 053.26	100 % Dobeles District Municipality
134	40003227117	LLC ĶĒGUMA STARS	27	1 464.00	31.35	7 837.62	100 % Ogre District Municipality
135	48703002782	LLC Bērzaunes komunālais uzņēmums	35	1 459.95	-25.39	5 876.15	100 % Madona District Municipality
136	42103020465	LLC PRIEKULES NAMI	45	1 457.97	-178.33	7 516.65	100 % Dienvidkurzeme District Municipality
137	46103000234	LLC KULDĪGAS ŪDENS	41	1 452.53	42.53	12 624.22	100 % Kuldīga District Municipality
138	47103001173	LLC Madonas ūdens	36	1 413.54	-174.28	26 454.54	100 % Madona District Municipality
139	41203006844	LLC Kandavas komunālie pakalpojumi	30	1 388.56	72.38	7 412.73	100 % Tukums District Municipality
140	40003145751	LLC BABĪTES SILTUMS	20	1 376.42	-96.01	7 877.46	100 % Mārupe District Municipality
141	41503003743	LLC ORNAMENTS	55	1 364.19	-17.33	4 076.66	100 % Augšdaugava District Municipality
142	44103096618	LLC KOCĒNU KOMUNĀLĀ SAIMNIECĪBA	11	1 351.87	-269.39	8 442.81	100 % Valmiera District Municipality
143	44103026358	LLC AP Kaudzītes	20	1 343.28	224.05	3 091.04	28.23 % Alūksne District Municipality 28.23 % Gulbene District Municipality 26.61 % Balvi District Municipality 16.93 % Madona District Municipality
144	44103089090	LLC Vidzemes koncertzāle	36	1 339.71	-3.13	276.19	100 % Cēsu District Municipality
145	45403003245	LLC Jēkabpils autobusu parks	59	1 327.55	-291.42	4 760.02	100 % Jēkabpils District Municipality
146	55403000931	LLC VĪGANTS	36	1 302.25	46.20	773.86	100 % Jēkabpils District Municipality
147	42103004583	LLC LIEPĀJAS NAMU APSAIMNIEKOTĀJS	38	1 286.13	56.49	12 349.84	100 % Liepāja State City Municipality
148	41203022001	LLC SKRUNDAS KOMUNĀLĀ SAIMNIECĪBA	43	1 281.79	-30.17	6 388.30	100 % Kuldīga District Municipality
149	48703000438	LLC Aizkraukles KUK	27	1 265.59	4.89	439.78	100 % Aizkraukle District Municipality
150	42103018367	LLC Pansionāts Rokaži	60	1 179.30	0.26	428.50	100 % Dienvidkurzeme District Municipality
151	44103023807	Municipality LLC RŪJĪENAS SILTUMS	19	1 171.17	11.89	11 212.62	100 % Valmiera District Municipality
152	54103099071	LLC Līgatnes komunālserviss	21	1 153.35	-622.44	900.19	100 % Cēsis District Municipality
153	40003275352	LLC Rehabilitācijas centrs "Tērvete"	48	1 148.44	66.21	1 122.13	100 % Dobeles District Municipality
154	48703000457	LLC Pļaviņu Komunālie pakalpojumi	43	1 139.85	33.28	3 081.80	100 % Aizkraukle District Municipality
155	50003142371	LLC Vangažu Namsaimnieks	40	1 130.85	-41.04	2 818.02	50.15 % Ropaži District Municipality 49.85 % Sigulda District Municipality
156	42103024397	LLC JAUNLIEPĀJAS PRIMĀRĀS VESELĪBAS APRŪPES CENTRS	49	1 061.32	-19.32	793.00	100 % Liepāja State City Municipality
157	40003410625	LLC ALŪKSNES NAMI	29	1 060.36	2.63	1 816.94	100 % Alūksne District Municipality

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158	43603040477	LLC Zemgales EKO	44	1 025.53	53.59	764.76	100 % Jelgava State City Municipality
159	40003275348	LLC REHABILITĀCIJAS CENTRS "RĀZNA"	54	985.97	-31.04	763.73	100 % Rēzekne State City Municipality
160	42103019377	LLC LIEPĀJAS TEĀTRIS	110	958.60	-6.50	500.22	100 % Liepājas State City Municipality
161	49003000396	LLC Rojas DzKU	35	943.02	-20.56	3 513.96	100 % Talsi District Municipality
162	42403026217	LLC Austrumlatvijas koncertzāle	94	942.24	-14.68	358.11	100 % Rēzekne State City Municipality
163	48703001147	LLC Kokneses Komunālie pakalpojumi	27	942.08	-186.39	3 001.02	100 % Aizkraukle District Municipality
164	44103055060	LLC Valkas Namsaimnieks	45	926.26	-19.22	3 604.28	100 % Valka District Municipality
165	44103091517	LLC Alojas Saimniekserviss	27	921.12	-47.54	5 834.69	100 % Limbaži District Municipality
166	56803002941	LLC KĀRSAVAS NAMSAIMNIEKS	36	896.03	-107.00	6 051.97	100 % Ludza District Municipality
167	40003295397	LLC BŪKS	27	874.17	-43.64	6 403.63	100 % Ķekava District Municipality
168	44103018609	LLC LĪVENA APTIEKA	7	872.39	5.99	153.74	100 % Smiltene District Municipality
169	42103024382	Municipality LLC VECLIEPĀJAS PRIMĀRĀS VESELĪBAS APRŪPES CENTRS	44	843.58	0.01	1 565.60	100 % Liepāja State City Municipality
170	40003261206	LLC Mazsalacas slimnīca	43	843.01	1.82	223.69	100 % Valmiera District Municipality
171	53203000201	LLC RŪPE	30	836.13	4.84	11 188.90	100 % Alūksne District Municipality
172	41703007451	LLC Medicīnas sabiedrība "OPTIMA 1"	42	833.68	-5.64	751.13	100 % Jelgava State City Municipality
173	48703000404	Aizkraukle District LLC Aizkraukles ūdens	18	830.99	71.40	3 495.23	100 % Aizkraukle District Municipality
174	42403028190	LLC OLIMPISKAIS CENTRS RĒZEKNE	49	815.31	25.24	812.19	100 % Rēzekne State City Municipality
175	45403004912	LLC Pils rajona Namu pārvalde	29	796.36	4.29	778.71	100 % Jēkabpils District Municipality
176	47103000676	Varakļāni LLC Dzīvokļu komunālais uzņēmums	16	724.63	77.57	6 555.08	100 % Varakļāni District Municipality
177	44103103680	LLC Aprūpes nams "Urga"	38	723.15	23.60	421.57	100 % Limbaži District Municipality
178	41503015297	LLC GRĪVAS POLIKLĪNIKA	42	701.87	3.94	636.67	100 % Augšdaugava District Municipality
179	55403000541	LLC Viesītes komunālā pārvalde	20	669.10	-56.10	3 464.99	100 % Jēkabpils District Municipality
180	40003249082	LLC Irlavas Sarkanā Krusta slimnīca	30	589.81	2.15	123.91	100 % Tukums District Municipality
181	40103431587	Municipality LLC Tukuma ledus halle	17	578.18	23.24	263.72	100 % Tukums District Municipality
182	40003325367	LLC Viesītes veselības un sociālās aprūpes centrs	25	546.64	33.06	287.23	100 % Jēkabpils District Municipality
183	40003257732	LLC Kārsavas slimnīca	42	518.13	-2.35	380.98	100 % Ludza District Municipality
184	54103072471	LLC Salacgrīvas ūdens	8	495.99	41.66	8 949.75	100 % Limbaži District Municipality
185	44103031378	LLC ALOJAS VESELĪBAS APRŪPES CENTRS	20	494.75	69.40	243.75	100 % Limbaži District Municipality
186	40003331306	LLC Aknīstes veselības un sociālās aprūpes centrs	36	487.87	2.54	206.42	100 % Jēkabpils District Municipality
187	40003431326	LLC Jaunpils pils	39	481.09	-19.73	126.03	100 % Tukums District Municipality
188	46603000240	LLC NAMSAIMNIEKS	21	467.22	27.28	2 180.44	100 % Limbaži District Municipality
189	58703000641	LLC Skriveru saimnieks	11	459.74	-12.45	5 346.72	100 % Aizkraukle District Municipality
190	40003434765	Municipality LLC Jaunpils KS	7	457.27	11.29	340.75	100 % Tukums District Municipality
191	40103217948	LLC Garkalnes ūdens	5	441.02	-146.93	10 015.06	81.11 % Ropaži District Municipality 18.89 % Ādaži District Municipality
192	40003365196	LLC Varakļānu veselības aprūpes centrs	31	438.05	-20.72	67.85	100 % Varakļāni District Municipality
193	40003257677	LLC Zilupes veselības un sociālās aprūpes centrs	26	436.82	24.15	198.35	100 % Ludza District Municipality
194	40103280684	Municipality LLC Garkalnes inženiertīkli	10	428.72	-83.71	1 085.25	100 % Ropaži District Municipality
195	44103103695	LLC Rekreācijas centrs "Vīķi"	25	423.38	-5.70	125.09	100 % Limbaži District Municipality
196	40003274925	Municipality LLC VANGAŽU AVOTS	7	418.71	-48.69	5 589.68	57.28 % Ropaži District Municipality 42.72 % Sigulda District Municipality
197	45403000709	LLC Aknīstes Pakalpojumi	15	412.37	0.63	1 690.69	100 % Jēkabpils District Municipality
198	50003292941	LLC Ērgļu slimnīca	29	397.18	-1.74	355.74	100 % Madona District Municipality
199	51203035281	LLC Kurzemes filharmonija	29	366.01	10.32	1 014.03	100 % Ventspils State City Municipality
200	40103653529	Municipality LLC Šlokenbekas pils	13	365.09	0.73	102.14	100 % Tukums District Municipality
201	45403006595	LLC Cesvaines siitums	4	343.47	-77.67	1 688.60	100 % Cesvaine District Council
202	40003171701	LLC Krimuldas doktorāts	8	333.50	-57.10	244.94	100 % Krimulda District Council
203	55403015481	LLC Viesītes transports	14	306.17	28.21	165.88	100 % Jēkabpils District Municipality
204	42103027783	LLC Liepājas latviešu biedrības nams	18	305.30	0.88	403.75	100 % Liepāja State City Municipality
205	43603031135	LLC Zemgales mutes veselības centrs	13	268.99	-1.40	168.77	100 % Bauska District Municipality
206	51203036041	LLC Dundagas veselības centrs	22	265.14	11.14	38.03	100 % Talsi District Municipality
207	42103067790	LLC Lielais Dzintars	58	238.20	30.98	364.69	100 % Liepāja State City Municipality
208	44103027052	LLC CĒSU TIRGUS	7	226.46	26.20	598.34	100 % Cēsis District Municipality
209	40003298707	LLC Liepājas autostāvietas	9	190.01	-22.22	208.06	100 % Liepāja State City Municipality
210	41203001777	Municipality LLC Ventspils tirgus	8	189.04	-41.05	872.63	100 % Ventspils State City Municipality
211	40003134391	LLC AVIASABIEDRĪBA "LIEPĀJA"	40	188.23	96.17	5 077.32	100 % Liepāja State City Municipality
212	43403001424	LLC BALVU AUTOTRANSPORTS	33	187.15	94.72	407.56	100 % Balvi District Municipality
213	40003299789	LLC Bēnes doktorāts	6	130.70	2.20	27.64	100 % Dobeles District Municipality
214	52103024331	Municipality LLC LIEPĀJAS LEĻĻU TEĀTRIS	18	119.95	-28.73	46.42	100 % Liepāja State City Municipality
215	54103020291	LLC "UNĢURMUIŽA"	6	114.33	-5.04	4.32	100 % Cēsis District Municipality
216	47103000106	LLC Cesvaines komunālie pakalpojumi	4	112.56	64.04	1 892.51	100 % Madona District Municipality
217	44103059950	LLC LĪGATNES NAMI	5	94.98	7.11	258.63	100 % Līgatne District Municipality

No.	Reg. No.	Name of capital company	Number of employees	Turnover 2023, EUR '000	Profit/loss 2023, EUR '000	Total assets 31.12.2023, EUR '000	Proportion of shares, holder or owner
218	40003302839	LLC LIEPĀJAS REĢIONA TŪRISMA INFORMĀCIJAS BIROJS	11	93.40	32.92	219.69	85.59 % Liepāja State City Municipality 14.41 % Dienvidkurzeme District Municipality
219	42403025230	LLC Vīļakas Veselības aprūpes centrs	10	78.53	2.12	87.18	100 % Balvi District Municipality
220	51203031491	LLC Ventspils Iidosta	5	8.84	12.38	1 947.43	100 % Ventspils State City Municipality
221	40203310059	LLC Ogres Zelta Liepa	1	4.79	-5.13	80.21	100 % Ogre District Municipality
222	47403003296	LLC OGRES SVĒTE	0	0	-0.07	0	100 % Ogre District Municipality
223	42103022818	LLC RAS 30	2	0	3.39	290.31	100 % Dienvidkurzemes novada pašvaldība
224	40203496378	LLC Siltums KIM	1	0	-4.30	1.02	100 % Sigulda District Municipality
225	40003299967	LLC Jaunpiebalgas pašvaldības ambulance	0	0	-0.10	0.81	100 % Cēsis District Municipality

Municipality-owned enterprises with a decisive direct holding of municipalities >50%

226	41503029600	LLC Daugavpils reģionālā slimnīca	1 721	50 247.88	-5 110.35	48 642.08	89.29 % Daugavpils State City Municipality; 8.42 % Augšdaugava District Municipality
227	42103041306	LLC LIEPĀJAS REĢIONĀLĀ SLIMNĪCA	1 011	41 204.57	-251.29	90 049.34	99.75 % Liepāja State City Municipality 74.07 % Valmiera District Municipality
228	40003258333	LLC Vidzemes slimnīca	769	26 797.50	439.34	42 508.95	25.03 % Valka District Municipality Other shareholders 0.9 % Rīga Stradiņš University
229	40003246194	LLC Ziemeļkurzemes reģionālā slimnīca	723	25 256.79	15.62	36 695.92	87.96 % Ventspils State City Municipality 11.48 % Talsi District Municipality
230	40003016840	JSC CATA	365	14 753.80	790.62	12 420.59	54.07 % Cēsis District Municipality 33.42 % Limbaži District Municipality 5.39 % Ogre District Municipality 4.3 % Smiltene District Municipality 1.19 % Aizkraukle District Municipality
231	40003321647	LLC Zemgales veselības centrs	150	5 476.88	155.09	3 014.93	88.19 % Jelgava District Municipality
232	40003244761	LLC Preiļu slimnīca	196	5 267.83	201.81	4 811.90	74.14 % Preiļi District Municipality
233	43603022128	LLC Jelgavas komunālie pakalpojumi	83	4 631.69	-274.00	12 984.06	51 % Jelgava State City Municipality
234	40003255337	LLC Aizkraukles slimnīca	150	4 577.50	165.83	3 791.21	71.04 % Aizkraukle District Municipality
235	42103030247	LLC Liepājas Olimpiskais centrs (consolidated)	93	3 752.27	363.31	34 576.85	82.94 % Liepāja State City Municipality
236	42103023090	LLC LIEPĀJAS RAS	42	3 687.18	-237.72	14 761.02	65.85 % Liepāja State City Municipality; 3.29 % Dienvidkurzeme District Municipality
237	40003245964	LLC Olimpiskais centrs "Ventspils"	164	2 369.23	-137.45	19 256.31	52.68 % Ventspils State City Municipality
238	40003148480	JSC BALVU ENERĢIJA	30	2 274.65	26.92	2 010.92	99.59 % Balvi District Municipality
239	54103025871	LLC Valmieras Olimpiskais centrs	124	2 134.88	-1 424.94	40 557.41	93.47 % Valmiera District Municipality
240	41203008173	LLC VATS	9	1 550.26	23.55	774.15	50 % Ventspils State City Municipality
241	44103021789	LLC OLIMPISKAIS CENTRS "LIMBAŽI"	42	993.93	38.76	159.42	59.4 % Limbaži District Municipality
242	40003527548	LLC ZEMGALES 29	19	533.43	-29.49	73.48	53.95 % Olaine District Municipality
243	43603019077	LLC ZEMGALES OLIMPISKAIS CENTRS	18	320.95	-599.55	17 912.83	55.3 % Jelgava State City Municipality
244	41703001340	JSC JELGAVAS SILTUMTĪKLU UZŅĒMUMS	9	120.60	20.94	12 620.50	71.61 % Jelgava State City Municipality
245	44103026682	LLC CĒSU OLIMPISKAIS CENTRS	17	72.36	14.99	131.53	74.17 % Cēsis District Municipality
246	40003977580	LLC MOTO ZZ	0	0	-5.65	32.82	99.89 % Ogre District Municipality

Municipality-owned capital companies with direct municipal participation up to 50% (including)

247	40003286750	JSC RĪGAS SILTUMS (cnsolidated)	689	442 013.76	8 652.49	275 951.53	49% Rīga State City Municipality Other shareholders 48.99% Ministry of Economics
248	42103035386	LLC LIEPĀJAS ENERĢIJA	76	22 236.93	3 243.00	37 647.10	39 % Liepāja State City Municipality
249	40003015652	JSC LIPĀJAS AUTOBUSU PARKS (consolidated)	447	19 497.08	-1 113.74	22 242.17	34.85% Liepāja State City Municipality
250	44103058086	LLC Balvu un Gulbenes slimnicu apvienība (consolidated)	307	8 131.95	141.93	11 234.41	29.21 % Balvi District Municipality 13.13 % Gulbene District Municipality
251	40003199078	LLC Piebalgas	57	6 933.27	-360.81	3 818.28	18.36 % Bauska District Municipality
252	44103016580	JSC VALMIERAS ENERĢIJA	12	5 336.50	75.33	9 840.79	47.85 % Valmiera District Municipality
253	40003399703	LLC ĶĪLUPE	55	4 705.52	9.27	1 412.88	31.25 % Ogre District Municipality
254	40003258973	LLC Ludzas medicīnas centrs	173	4 120.38	-269.87	9 055.28	42.05 % Ludza District Municipality
255	40003244634	LLC Daugavpils Olimpiskais centrs	120	3 594.21	-634.74	19 361.03	49.68 % Daugavpils State City Municipality
256	40003592340	LLC BALOŽU SILTUMS	3	2 257.63	275.53	4 878.71	45 % Ķekava District Municipality
257	43603012859	LLC SPORTA KOMPLEKSS "ZEMGALE"	9	575.06	277.52	917.06	32.65 % Jelgava State City Municipality
258	40003421648	LLC OC Liepāja	49	563.36	97.36	612.43	5.03 % Liepāja State City Municipality
259	44103024817	LLC Alūksnes primārās veselības aprūpes centrs	24	552.00	8.00	222.80	10.02 % Alūksne District Municipality
260	41503029437	LLC CIRŠU HES	3	399.62	41.40	145.34	40 % Preiļi District Municipality
261	40103037514	LLC Rīgas Apriņķa Avize	5	329.22	-5.65	115.35	9.39 % Sigulda District Municipality 6.1 % Mārupe District Municipality 4.65 % Ropaži District Municipality 2.32 % Olaine District Municipality
262	43603007966	LLC JELGAVAS TIRGUS	21	306.17	-908.34	1 280.07	48.43 % Jelgava State City Municipality
263	40003035273	LLC Madonas laukcietnieks	4	263.59	11.35	467.99	10.53 % Madona District Municipality
264	40003536108	LLC D & F	4	171.78	11.32	326.76	24 % Ogre District Municipality
265	41203019340	LLC KOLKASRAGS	4	113.45	0.04	238.51	49 % Talsi District Municipality
266	40003542763	LLC Gulbenes-Alūksnes bānītis	24	96.18	10.69	313.73	9.09 % Gulbene District Municipality 4.55 % Alūksne District Municipality

No.	Reg. No.	Name of capital company	Number of employees	Turnover 2023, EUR '000	Profit/ loss 2023, EUR '000	Total assets 31.12.2023, EUR '000	Proportion of shares, holder or owner
267	50003733321	LLC SKY PORT	19	60.38	-354.15	6 300.23	4.25 % Tukums District Municipality
268	40103159777	LLC Jaunā skola	1	49.65	-57.92	1 054.07	18.78 % Ādaži District Municipality
269	41503026233	LLC DOVA	0	5.27	2.78	29.65	5 % Krāslava District Municipality
270	41203024801	LLC Starptautiskā Rakstnieku un tulkotāju māja	6	4.71	0.21	71.93	33.33 % Ventspils State City Municipality
271	40003633530	LLC BALARTIS	2	0	-7.08	0	45.37 % Ķekavas District Municipality
272	40003187948	LLC Latgales Uzņēmējdarbības atbalsta centrs	0	0	-0.05	1.13	5 % Rēzekne District Council 1 % Rēzekne State City Municipality
273	4000319252	LLC Mālpils Minerāls	0	0	0	400.36	0.74 % Mālpils District Council
274	42403015800	LLC VĒSTURES PARKS	0	0	-0.07	2.54	25 % Rēzekne State City Municipality
275 ⁸¹	43603023960	JSC AMO PLANT	0	0	-0.8	77.9	2.73% Jelgava State City Municipality

No.	Reg. No.	Name	Excluded from Er
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Municipality-owned capital companies excluded from the Register of Enterprises

1	40003419183	LLC KS Cirva	05.01.2023
2	42103001430	Ērgļi District LLC ŪDAS	19.01.2023
3	42103048198	LLC Durbes KS	09.02.2023
4	47103000040	LLC VĒRGALES KOMUNĀLĀ SAIMNIECĪBA	09.02.2023
5	42103041202	LLC Pāvilstas komunālais uzņēmums	09.02.2023
6	42103044590	LLC BN KOMFORTS	28.03.2023
7	42103054283	LLC Lubānas KP	03.04.2023
8	44103002754	LLC Jaunolis	03.05.2023
9	45403005405	LLC BANGA KPU	03.05.2023
10	43603009401	LLC Rubenītis	15.05.2023
11	44103002824	LLC Spungēni-Daugavieši	22.05.2023
12	45403015761	LLC Īslīces ūdens	26.06.2023
13	45403015460	LLC HYDROENERGY LATVIA	05.09.2023
14	50003306141	LLC Dagdas komunālā saimniecība	03.10.2023
15	40003159107	LLC Gārsene 3	23.10.2023
16	45903000289	LLC Iecavas siltums	23.11.2023
17	45403051705	LLC VIDES SERVISS	23.11.2023
18	40003097945	LLC BAUSKAS SILTUMS	23.11.2023
19	43603000807	LLC Dzīvokļu komunālā saimniecība	23.11.2023
20	43603001681	LLC Mūsu saimnieks	23.11.2023
21	43603016206	LLC KŪDRINIEKS	23.11.2023
22	43603018936	LLC Mūsu saimnieks	23.11.2023
23	53603009371	LLC KŪDRINIEKS	23.11.2023
24	40003373066	Municipality LLC Krants	06.12.2023
25	42403003341	LLC VIĻĀNU SILTUMS	13.12.2023
26	42403006333	LLC STRŪŽĀNU SILTUMS	13.12.2023
27	52403003451	LLC VIĻĀNU NAMSAIMNIEKS	13.12.2023
28	41203008614	LLC FUTBOLA KLUBS "VENTSPILS"	20.02.2024
29	40003382317	LLC ZIEMEĻKURZEME	19.04.2024
30	40003579893	LLC KOLKAS ŪDENS	19.04.2024
31	41203037401	LLC MĒRSRAGA ŪDENS	19.04.2024
32	40003158864	Krimulda District Municipality LLC "Entalpija-2"	25.04.2024
33	40003312216	Municipality LLC NORMA K	25.04.2024
34	46803003381	LLC ZILUPES	20.05.2024
35	55403005341	LLC Zasas aptieka	11.06.2024

⁸¹ In insolvency since 2015. Results of 2019, as no further filing of annual reports have been registered.