



State Chancellery
Republic of Latvia



Public Report on State-Owned and Municipalities Owned Enterprises and Shares in 2022



Riga, 2023



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State-Owned Enterprises* in Economy of Latvia in 2022

*Information is compiled for 147 capital companies, including both groups and consolidated data.

The State has direct ownership in **77** capital companies, of which **62** 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 **64** companies, including one capital company with direct state ownership (LLC Latvijas Mobilais Telefons) and **9** companies have been sold, liquidated or removed from the Register of Enterprises.

Total Assets* of State-Owned Enterprises in 2022: EUR 12.4 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 12.4 billion

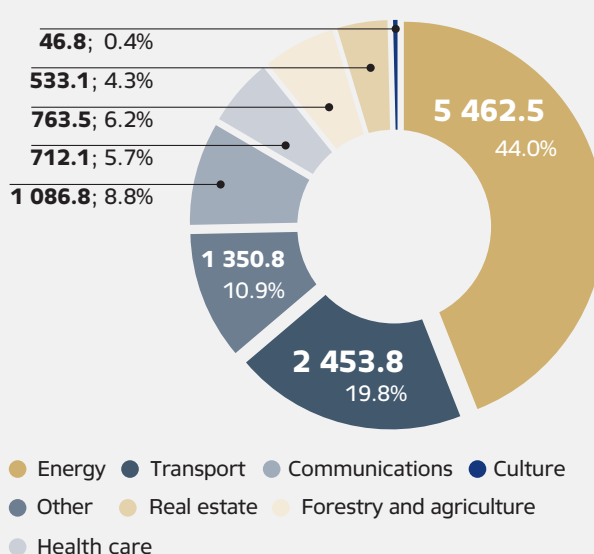
Total turnover* of State-Owned Enterprises: EUR 5.64 billion

*Total revenue from principal activity

3 largest State-Owned Enterprises (*Latvenergo, Latvijas valsts meži, Latvijas dzelzceļš*) by turnover account for **52.1 %** of total turnover.

52.1 % EUR 5.64 billion

Total Assets of State-Owned Enterprises by Sector in 2022 (million EUR, % of total assets)



Employees in State-Owned Enterprises

Total number of employees in State-Owned Enterprises **45 557** or **5.0 %** of all employees in Latvia.

5 % 45 557 employees

32.4 % of the total number of employees in State-Owned Enterprises work in 3 largest State-Owned Enterprises

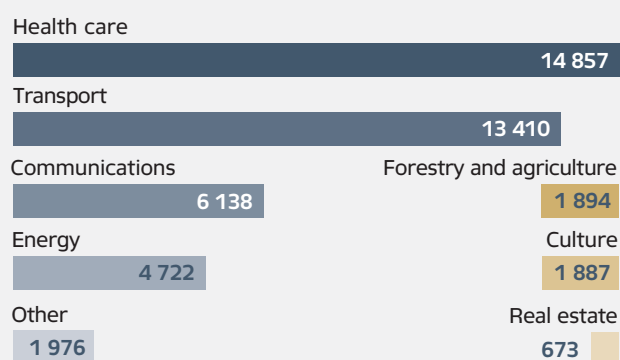
(*Latvijas dzelzceļš, Rīgas Austrumu klīniskā universitātes slimnīca, Paula Stradiņa klīniskā universitātes slimnīca*) by the number of employees

Dividends paid by State-Owned Enterprises

State-Owned Enterprises earned **EUR 492.3 million**

and paid **EUR 201.7 million**

Number of the Employees by Sector

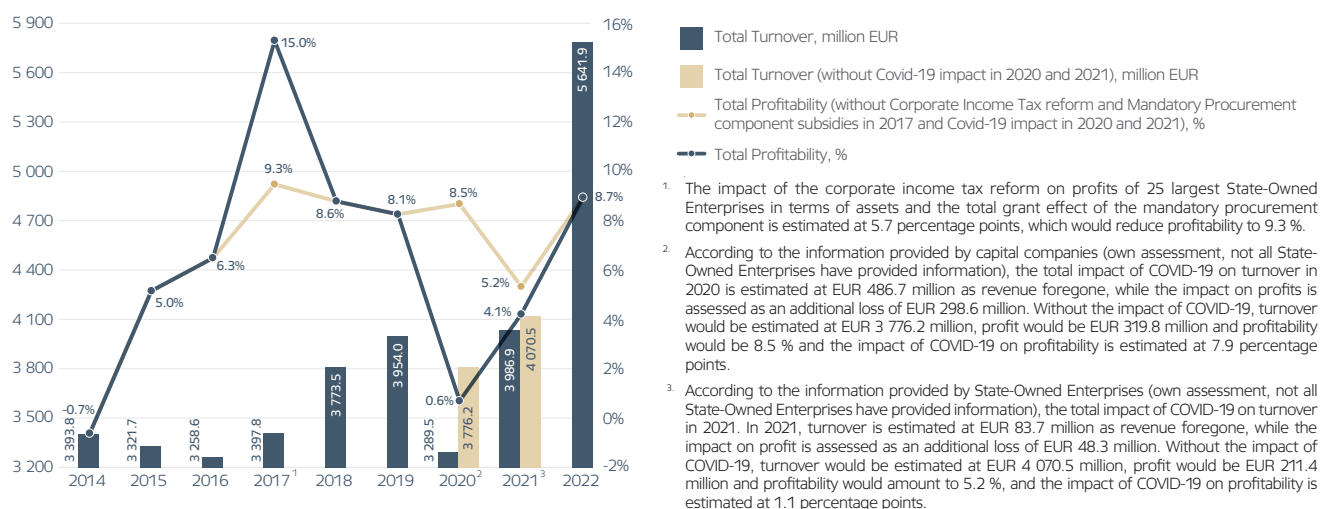


State-Owned Enterprises must pay dividends to the owner (the State) for the use of capital, especially in cases where the activities of the State-Owned Enterprises are wholly or mainly commercial.

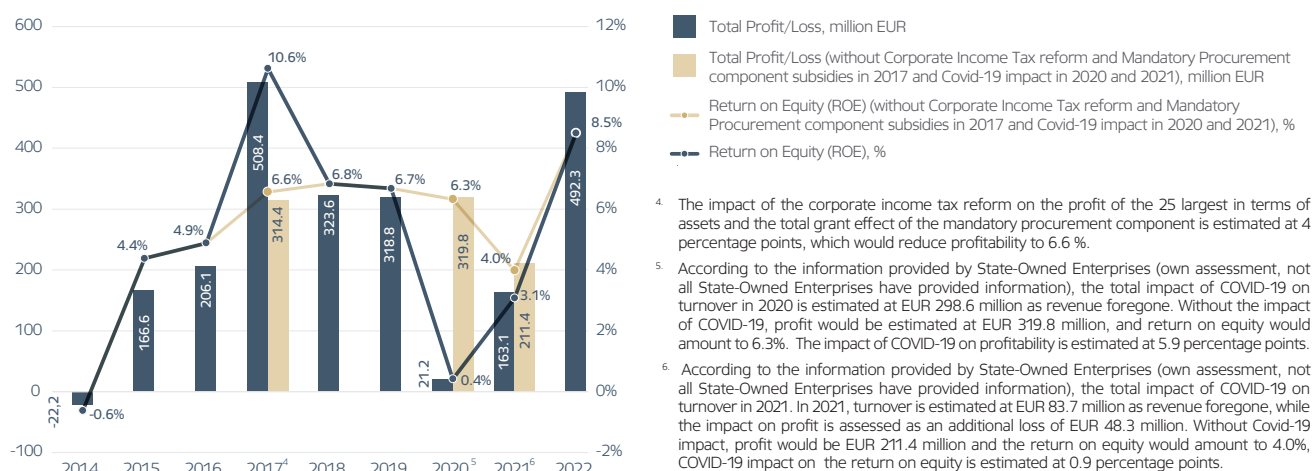
3 largest State-Owned Enterprises (*Latvijas valsts meži, Latvenergo, Augstsprieguma tīkls*), which contribute to the largest amount of dividends paid to the budget, account for **84.7 %** of total dividends paid.

Dynamics of Financial Results

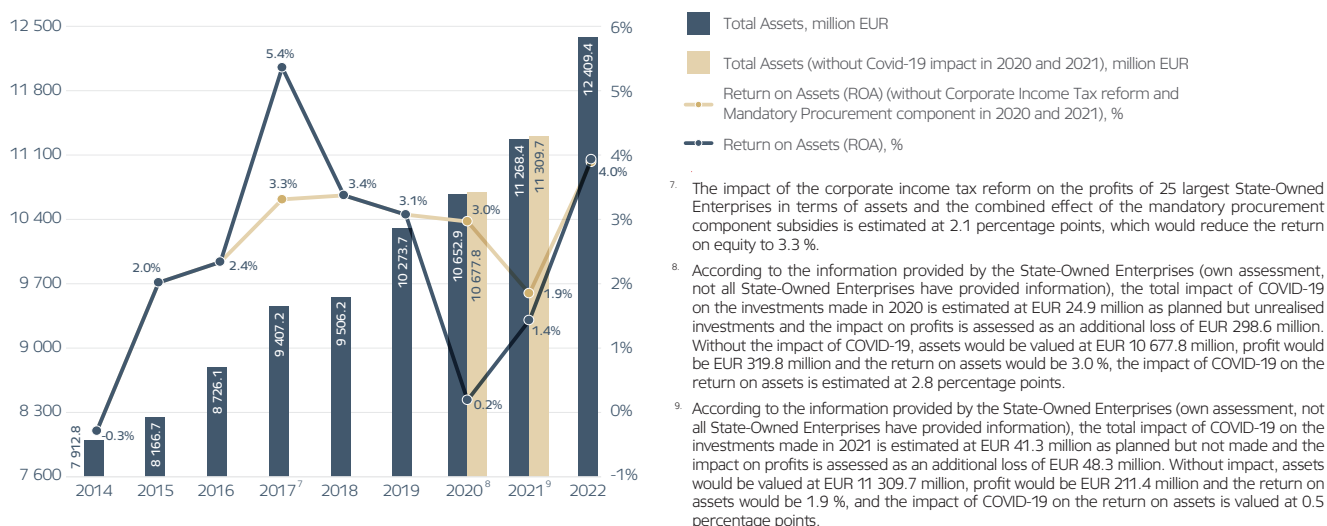
Total Turnover (million EUR) and Profitability (%)



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



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



Learn more about state-owned enterprises at: <http://www.valstskapitals.lv>

Dear cooperation partners and every reader of the report!

Pēteris Vilks

Deputy Director of the State Chancellery
for National Development Affairs



This is the first consolidated report on capital companies owned by public persons prepared by the State Chancellery. In 2023, the Cross-Sectoral Coordination Centre was added to the State Chancellery, and as the result, all the functions related to the governance of state-owned enterprises are performed at the centre of the government.

The year 2022 marked the end of the COVID-19 pandemic, creating optimistic expectations about economic recovery, especially in sectors such as tourism and culture, where the restrictions imposed by the pandemic had the largest economic impact. However, February 2022 brought new challenges – Russia's aggressive invasion of Ukraine – which created new global shocks and challenges for the security, economic and social areas, including substantial energy price increases.

Despite these difficulties, gross domestic product continued to grow in 2022, reaching 3.4 %, albeit lower

than in 2021, when it grew at 6.7 %. In addition, the State continued to provide support to the sectors most affected by the COVID-19 restrictions, not forgetting also about assistance to state-owned enterprises that benefited from funding in certain critically affected sectors, including equity investments.

In 2022, the financial indicators of state-owned enterprises demonstrated positive development dynamics with better results than in 2021. The total turnover of state-owned enterprises in 2022 amounted to EUR 5.64 billion, which was by EUR 1.66 billion or 41.5 % more than in 2021. This increase reflects both renewed economic activity in various sectors, such as aviation, and the impact of large energy price increase on the turnover indicators. The total profit of capital companies in 2022 was EUR 492.3 million, which is a double increase compared to the previous year.

Restrictions related to the COVID-19 infection at the beginning of 2022 and Russia's invasion of Ukraine

have not affected further annual asset growth, that increased by 10.1 % in 2022. In 2022, capital companies provided dividend contributions to the state budget in the amount of EUR 201.6 million, which is 8.3 % less than in 2021. Most of the dividends were paid by three capital companies – JSC Latvijas valsts meži, JSC Latvenergo and JSC Augstsprieguma tīkls.

In 2022, the Cross-Sectoral Coordination Centre (hereinafter – the CSCC), and as of 1 March 2023, the Capital Companies' Management Division of the Cross-Sectoral Coordination Department of the State Chancellery continued efforts to improve the governance of state-owned enterprises in accordance with the principles of good corporate governance by introducing new governance elements. The first letters of owners' expectations, including R&D objectives, were approved. These objectives will ensure that the value of companies will increase in the long term, and will contribute to the creation of higher value goods and services, conquering new markets, improving competitiveness of companies and investment in the overall transformation of the Latvian economy.

The conceptual report “On the Necessary Changes to the Policy of Governance of Capital Companies Owned

by Public Persons” prepared by the Cross-Sectoral Coordination Centre and supported by the Cabinet of Ministers in September 2022 marked the beginning of important state-owned enterprise governance policy reforms. The division of capital companies into three groups – commercial, state-dependent commercial and state-dependent non-commercial capital companies, was introduced that will determine future governance and choice of financial instruments. A greater role and responsibility is assigned to the councils of capital companies, and it is encouraged to carry out regular evaluation of the strategic development of state-owned enterprises, also in capital companies whose shareholdings or equity participation cannot be alienated.

We would like to express our gratitude to all cooperation partners involved in the drafting of this report and for the reforms and work carried out so far in the field of state-owned enterprise governance! May the companies' performance and value in economic processes be the most objective assessment of the activities of state-owned enterprises and our overall work!

Let us act responsibly for the future of Latvia!

The Cross-Sectoral Coordination Centre was responsible for drafting of annual reports on state-owned enterprises and state-owned capital shares since 2015, but since 1 March 2023 these functions have been taken over by the State Chancellery. This report summarises the information on the governance and performance of state-owned enterprises in 2022, as well as includes data on capital companies and capital shares owned by municipalities.

Table of Contents

Terms and abbreviations	9
Introduction	10
1. Governance of State-Owned Enterprises	18
1.1. Public Participation and General Strategic Objective	20
1.2. Strategy Development	21
1.3. Dividend Policy	22
1.4. Nomination Committees and Processes	23
1.5. Remuneration for Board and Council Members	26
1.6. Information Disclosure in Capital Companies of a Public Person	27
1.7. Training, Consultations for Capital Companies, Shareholders	29
1.8. International Cooperation in SOE Governance	30
1.9. Governance Improvement Initiatives in 2022	32
1.10. Development of Governance of Capital Companies in 2023	33
1.11. Information Disclosed	33
2. Governance of Municipality-Owned Capital Companies.	40
2.1. Administrative-Territorial Reform and Other Changes	40
2.2. Information Disclosed	41
3. Methodology Used in the Report	46
4. Operational Results of State-Owned Enterprises.	48
4.1. Summary of SOEs' operational results	48
4.2. Return of SOEs	63
4.3. Expenditure and Capital Investment in R&D by SOEs	72
5. Changes in SEOs in 2022	74
6. Characteristics of Capital Companies	76
6.1. Energy	77
JSC Augstsprieguma tīkls (AST)	78
JSC Latvenergo	79
6.2. Forestry and Agriculture	80
LLC Latvijas Lauku konsultāciju un izglītības centrs (LLKC)	81
JSC Latvijas valsts meži (LVM)	82
SLLC Meliorprojekts (MP)	83
6.3. Transport.	84
JSC Air Baltic Corporation (airBaltic)	85
SLLC Autotransporta direkcija (ATD)	86
SJSC Ceļu satiksmes drošības direkcija (CSDD)	87
LLC Eiropas dzelzceļa līnijas (EDzL)	88
SJSC Latvijas autoceļu uzturētājs (LAU)	89
SJSC Latvijas dzelzceļš (LDz)	90
SJSC Latvijas gaisa satiksme (LGS)	91
SJSC Latvijas Jūras administrācija (LJA)	92
SJSC Latvijas Valsts ceļi (LVC)	93
JSC Pasažieru vilciens (PV)	94
SJSC Starptautiskā lidosta Rīga (RIX)	95
JSC Ventas osta (VO)	96
6.4. Communications	97
SJSC Elektroniskie sakari (VASES)	98
SJSC Latvijas Pasts (LP)	99
SJSC Latvijas Valsts Radio un Televīzijas Centrs (LVRTC)	100
LLC Tet (Tet)	101
6.5. Real Estate Management.	102
SLLC Šampētera nams (ŠN)	103
LLC Tiesu namu aģentūra (TNA)	104
SJSC Valsts nekustamie īpašumi (VNĪ)	105
SLLC Zemkopības ministrijas nekustamie īpašumi (ZMNĪ)	106
6.6. Health Care.	107
SLLC Bērnu klīniskā universitātes slimnīca (BKUS)	108
SLLC Bērnu psihoneiroloģiskā slimnīca "Ainaži" (Ainaži)	109
SLLC Daugavpils psihoneiroloģiskā slimnīca (DPNS)	110
SLLC Iekšlietu ministrijas poliklīnika (IMP)	111
LLC Ludzas medicīnas centrs (LMC)	112
SLLC Nacionālais rehabilitācijas centrs "Vaivari" (Vaivari)	113
SLLC Paula Stradiņa klīniskā universitātes slimnīca (PSKUS)	114
SLLC Piejūras Slimnīca (PJS)	115

LLC Rīgas Austrumu klīniskā universitātes slimnīca (RAKUS)	116	6.8.4. Other SOEs	147
SLLC Rīgas Psihiatrijas un narkoloģijas centrs (RPNC)	117	JSC Attīstības finanšu institūcija Altum (ALTUM).	148
SLLC Slimnīca Ģintermuiža (ĢM)	118	SJSC Latvijas Loto (LL).	149
SLLC Strenču psihoneiroloģiskā slimnīca (SPNS)	119	SLLC Latvijas Vēstnesis (LV)	150
SLLC Traumatoloģijas un ortopēdijas slimnīca (TOS)	120	SLLC Latvijas Vides, ģeoloģijas un meteoroloģijas centrs (LVĢMC).	151
LLC Lielstraupes pils (LSP)	121	LLC Publisko aktīvu pārvaldītājs Possessor (Possessor)	152
6.7. Culture	122	LLC Vides investīciju fonds (VIF).	153
SLLC Dailes teātris (DailesT).	123		
SLLC Daugavpils teātris (DT)	124	Annex 1.	
SLLC Jaunais Rīgas teātris (JRT)	125	State-Owned Enterprises, State-Owned Shares, State-Owned Enterprises and Companies under Decisive Influence of the State (31.12.2022)	154
SLLC Kremerata Baltica (KB)	126	Annex 2	
SLLC Latvijas Koncerti (LK)	127	Municipality-Owned Capital Companies and Capital Shares (31.12.2022)	161
SLLC Latvijas Leļļu teātris (LLT)	128		
SLLC Latvijas Nacionālais simfoniskais orķestris (LNSO)	129		
SLLC Latvijas Nacionālais teātris (LNT).	130		
SLLC Latvijas Nacionālā opera un balets (LNOB)	131		
SLLC Liepājas simfoniskais orķestris (LSO)	132		
SLLC Mihaila Čehova Rīgas Krievu teātris (MČRKT)	133		
SLLC Rīgas cirks (RC)	134		
SLLC Valmieras drāmas teātris (VDT)	135		
SLLC Valsts Akadēmiskais koris "Latvija" (VAKL)	136		
6.8. Other Sectors	137		
6.8.1. Certifying, Conformity Assessment and Metrology	138		
LLC Latvijas Nacionālais metroloģijas centrs (LNMC)	139		
LLC Latvijas standarts (LVS)	140		
6.8.2. Public Electronic Mass Media.	141		
SLLC Latvijas Radio (LR).	142		
SLLC Latvijas Televīzija (LTV).	143		
6.8.3. Education and Sports.	144		
LLC Latvijas Nacionālais sporta centrs (LNSC).	145		
SLLC Rīgas Tūrisma un radošās industrijas tehnikums (RTRIT)	146		

Figures and Tables

Figures

Figure 1. Turnover of SOEs and other capital companies from 2014 to 2021, million EUR, %	10
Figure 2. Assets of SOEs and other capital companies from 2014 to 2021, %, million EUR	11
Figure 3. Average asset turnover ratio (net turnover/total assets) for SOEs, other and all capital companies from 2014 to 2021, ratio.	12
Figure 4. Profit of SOEs and other capital companies from 2014 to 2021, million EUR, %	12
Figure 5. Profitability (total profit/net turnover) for SOEs, other and all capital companies from 2014 to 2021, %,	13
Figure 6. Return on assets (total profit/total assets) for SOEs, other and all capital companies from 2014 to 2021, %.	14
Figure 7. Holders of state-owned shares in SOEs at the end of 2022	20
Figure 8. The extent of compliance (%) with disclosure requirements on SOEs' websites	36
Figure 9. Level of compliance (%) with information disclosure requirements of municipalities' websites for 2021.	42
Figure 10. Level of compliance (%) with information disclosure requirements on municipal websites in 2022	42
Figure 11. Ensuring information transparency on the websites of large municipal companies	45
Figure 12. Total assets of SOEs by sector from 2019 to 2022, million EUR	48
Figure 13. Total equity of SOEs by sector from 2020 to 2022, million EUR	49
Figure 14. Total turnover of SOEs by sector from 2018 to 2022	51
Figure 15. Average annual employment in SOEs by sector from 2017 -2021, number and %	53
Figure 16. Average number of employees in SOEs by sector from 2018 to 2022, number.	53
Figure 17. Average gross remuneration per employee per year from 2018 to 2022, EUR thousand	54
Figure 18. Dividends paid to the state for the previous reporting year in SOEs by sector 2018-2022, EUR million.	55
Figure 19. Contributions by SOEs to budget by sector from 2019 to 2021, EUR million	59
Figure 20. Funding received by SOEs from the state budget, by sector, from 2020 to 2022, EUR million	60
Figure 21. Donations made by SOEs by sector from 2020 to 2022, EUR thousand	62

Figure 22. Donations received by SOEs by sector from 2020 to 2022, EUR thousand.	62
Figure 23. Total turnover in EUR million and SOEs' profitability in %, from 2014 to 2022	64
Figure 24. Profit of public limited liability companies, EUR million, and return on equity (ROE), interest, from 2014 to 2022	66
Figure 25. Total profit of SOEs by industry from 2018 to 2022, EUR million	68
Figure 26. Rates of return on equity of SOEs by sector from 2018 to 2022, %	69
Figure 27. Total assets of SOEs, EUR million, and return on assets (ROA), per cent, from 2014 to 2022	70
Figure 28. Total assets of SOEs, EUR million, and return on assets (ROA), by sector from 2018 to 2022	71
Figure 29. Expenditure and capital investment in R&D by SOEs from 2020 to 2022, million EUR	72

Tables

Table 1. Aggregate financial indicators characterizing the activities of SOEs and state-owned shares from 2019 to 2022	15
Table 2. Comparison of the share of profit to be paid in dividends according to changes in regulatory framework	23
Table 3. Nomination processes where the CSCC's representative has participated as a committee member in 2022	24
Table 4. Information disclosure on the websites of holders of state-owned capital shares	34

Terms and abbreviations

Ainaži	SLLC Bērnu psihoneiroloģiskā slimnīca "Ainaži"
airBaltic	JSC Air Baltic Corporation
ALTUM	JSC Attīstības finanšu institūcija Altum
JSC	joint –stock company
AST	JSC Augstsprieguma tīkls
ATD	SLLC Autotransporta direkcija
BKT	LLC Bobsleja un kamanīņu trase Sigulda
BKUS	SLLC Bērnu klīniskā universitātes slimnīca
CSDD	SJSC Ceļu satiksmes drošības direkcija
DailesT	SLLC Dailes teātris
Daugavas stadions	SLLC Kultūras un sporta centrs Daugavas stadions
DPNS	SLLC Daugavpils psihoneiroloģiskā slimnīca
DT	SLLC Daugavpils teātris
EBITDA	Earnings before interest, tax, depreciation and amortization
EDzL	LLC Eiropas dzelzceļa līnijas
EUR	euro
ERAF	European Regional Development Fund
EU	European Union
ĢM	SLLC Slimnīca "Ģintermuiža"
IMP	SLLC Iekšlietu ministrijas poliklīnika
IS	information system
IT	Information technologies
JRT	SLLC Jaunais Rīgas teātris
KB	SLLC Kremerata Baltica
LAU	SJSC Latvijas autoceļu uzturētājs
LDz	SJSC Latvijas dzelzceļš
LGS	SJSC Latvijas gaisa satiksme
LJA	SLLC Latvijas Jūras administrācija
LK	SLLC Latvijas Koncerti
LL	SJSC Latvijas Loto
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 meteoroloģijas centrs
LNOB	SLLC Latvijas Nacionālā opera un balets
LNSO	SLLC Latvijas Nacionālais simfoniskais orķestris
LNT	SLLC Latvijas Nacionālais teātris
LP	SJSC Latvijas Pasts
LPB	SLLC Latvijas Proves birojs
LR	SLLC Latvijas Radio
LSO	SLLC Liepājas simfoniskais orķestris

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	SJSC Latvijas Valsts radio un televīzijas centrs
LS	LLC Latvijas standarts
MP	SLLC Meliorprojekts
OECD	Organization for Economic Cooperation and Development
R&D	Research and development
PJS	SLLC Piejūras slimnīca
CSCC	Cross-Sectoral Coordination Centre
Possessor	LLC Publisko aktīvu pārvaldītājs "Possessor"
PSKUS	SLLC Paula Stradiņa klīniskā universitātes slimnīca
PV	JSC Pasažieru vilcieni
RAKUS	LLC Rīgas Austrumu klīniskā universitātes slimnīca
RC	SLLC Rīgas cirks
RIX	SJCS Starptautiskā lidosta "Rīga"
RKT	SLLC Mihaila 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
SCM	LLC Sporta centrs "Mežaparks"
SPNS	SLLC Strenču psihoneiroloģiskā slimnīca
ŠN	SLLC Šampētera nams
TCL	LLC Tenisa centrs "Lielupe"
TET	LLC Tet
TNA	LLC Tiesu namu aģentūra
TOS	SLLC Traumatoloģijas un ortopēdijas slimnīca
CIT	corporate income tax
Vaivari	SLLC Nacionālais rehabilitācijas centrs "Vaivari"
VAKL	SLLC Valsts Akadēmiskais koris "Latvija"
SJSC	state joint-stock company
VASES	SJSC Elektroniskie sakari
VDT	SLLC Valmieras drāmas teātris
VIF	LLC Vides investīciju fonds
VNĪ	SJSC Valsts nekustamie īpašumi
VO	JSC Ventas osta
SLLC	state limited liability company
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 2021 will be examined to illustrate their role in the national economy.

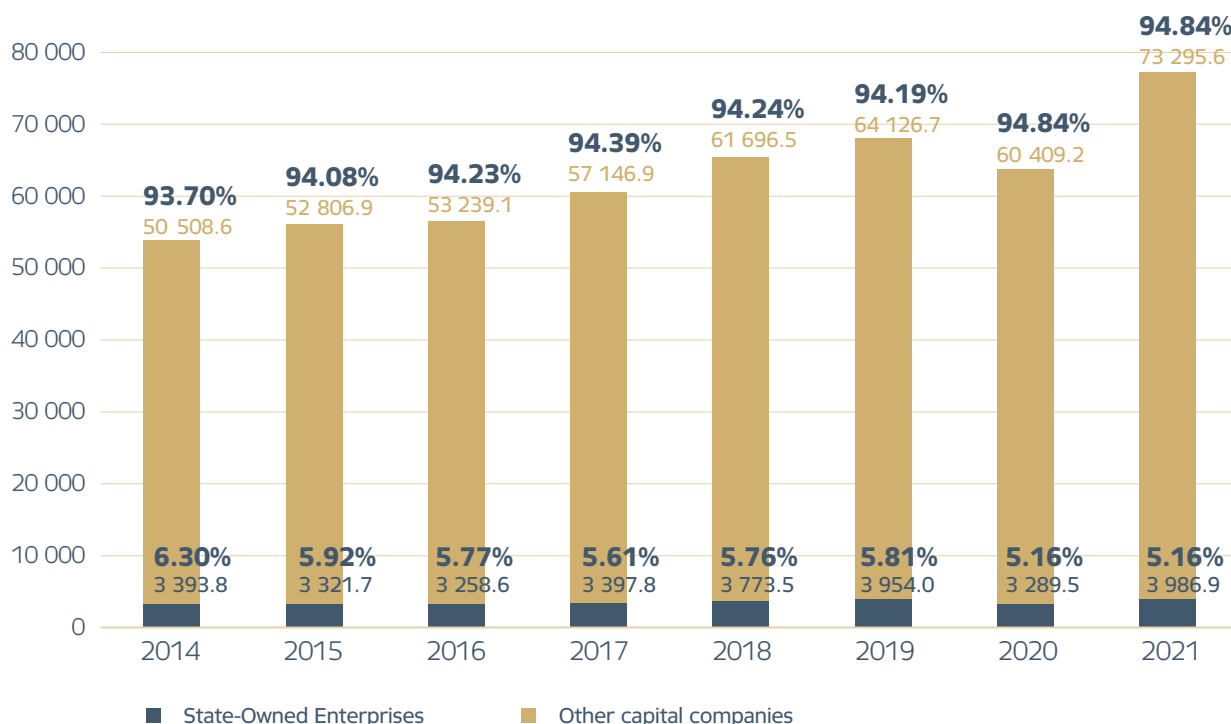


Figure 1. Turnover of SOEs and other capital companies from 2014 to 2021, million EUR, %

The total turnover of capital companies in 2021 was EUR 77.3 billion¹⁰, which is by EUR 13.6 billion more than in 2020, and represents an increase of +21.3%. The decrease in 2020 compared to 2019 was EUR -4.4 billion or -6.4%, which indicates that commercial companies have experienced considerable recession as a result of Covid-19 pandemics while in 2021 the commercial companies have managed to adapt to new market conditions, and it resulted in considerable growth, thus exceeding the indicators of 2019 by EUR 9.2 billion or +13.52%.

SOEs generated 5.16 % of the total turnover of commercial companies, which represents a considerable increase in financial terms (EUR +697.3 million) or by +21.20% compared to 2020, however it remains practically unchanged (-0.0054 percentage points) in the total turnover of commercial companies, indicating identical growth in turnover of SOEs and turnover of private commercial companies, the turnover of which in financial terms increased by EUR +12.9 billion, while in percentage terms by +17.6%. In 2020, the turnover of SOEs decreased by EUR -664.5 million or -16.8 % while the turnover of private commercial companies decreased by EUR -3.7 billion or -6.2%.

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

In 2021, JSC Rīgas Siltums (consolidated) experienced the largest decrease in turnover among SOEs compared to 2020 – EUR -5.4 million (or drop of -3.6 % from EUR 151.9 million to EUR 146.5 million). In addition, the decrease in turnover by more than EUR -1 million was experienced by SJSC Latvijas dzelzceļš (consolidated, EUR -4.7 million). Moreover, 16 SOEs experienced a decrease in turnover of up to EUR 1 million that resulted in total turnover decrease of EUR -3.2 million.

The most considerable increase in turnover in 2021 was for JSC Latvenergo (group; EUR +291.8 million), LLC Rīgas Austrumu klīniskā universitātes slimnīca (EUR +62.1 million), JSC Air Baltic Corporation (consolidated; EUR +59.3 million), JSC Latvijas valsts meži (consolidated; EUR +55.6 million) and SLLC Paula Stradiņa klīniskā universitātes slimnīca (EUR +42.6 million). A total of 52 SOEs experienced an increase in turnover.

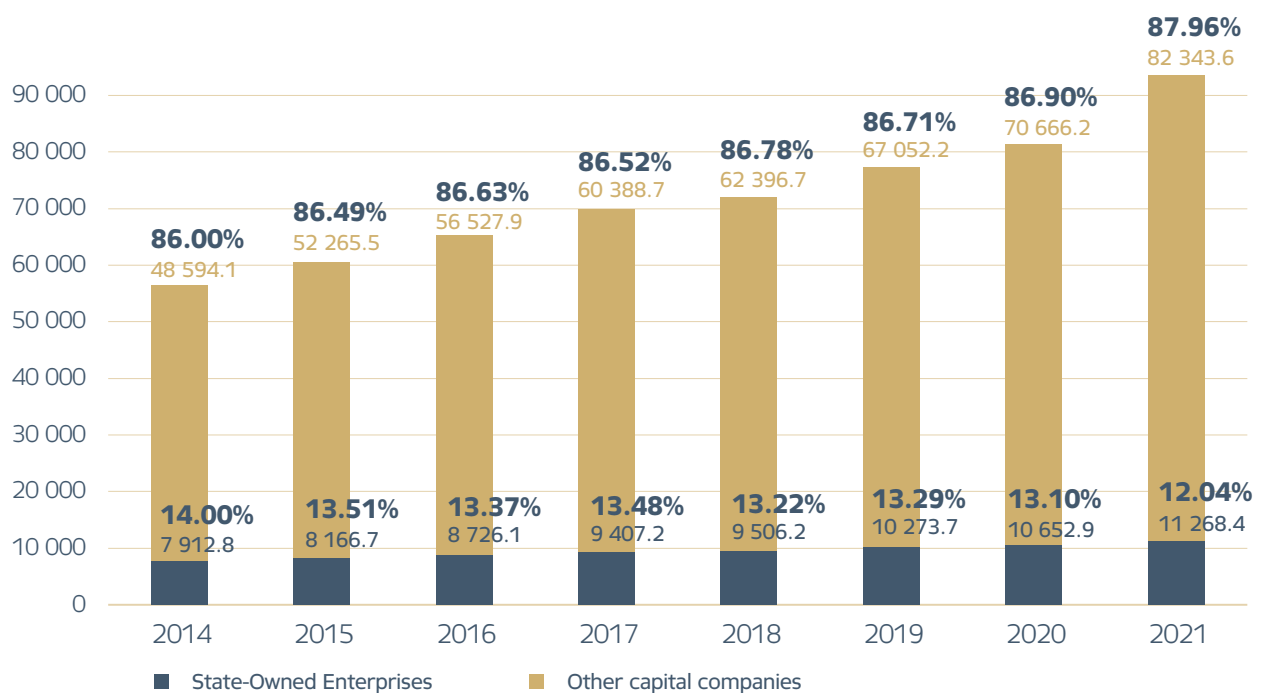


Figure 2. Assets of SOEs and other capital companies from 2014 to 2021, %, million EUR

The assets of capital companies show theoretical potential for generating income and profit. In 2021, SOEs used 12%¹¹ of assets at disposal of commercial companies, i.e. by EUR 11.27 billion more, and it represented a decrease in the structure of total assets of commercial companies by -1.06 percentage points, compared to 2020. In 2021,

the assets of SOEs increased by EUR +615.5 million or +5.8 %, which is indicative of the fact that SOEs have further increased their asset volume despite the Covid-19 pandemics, and compared to 2020 (increase of + 3.7% in 2020 against 2019) growth rates have increased.

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

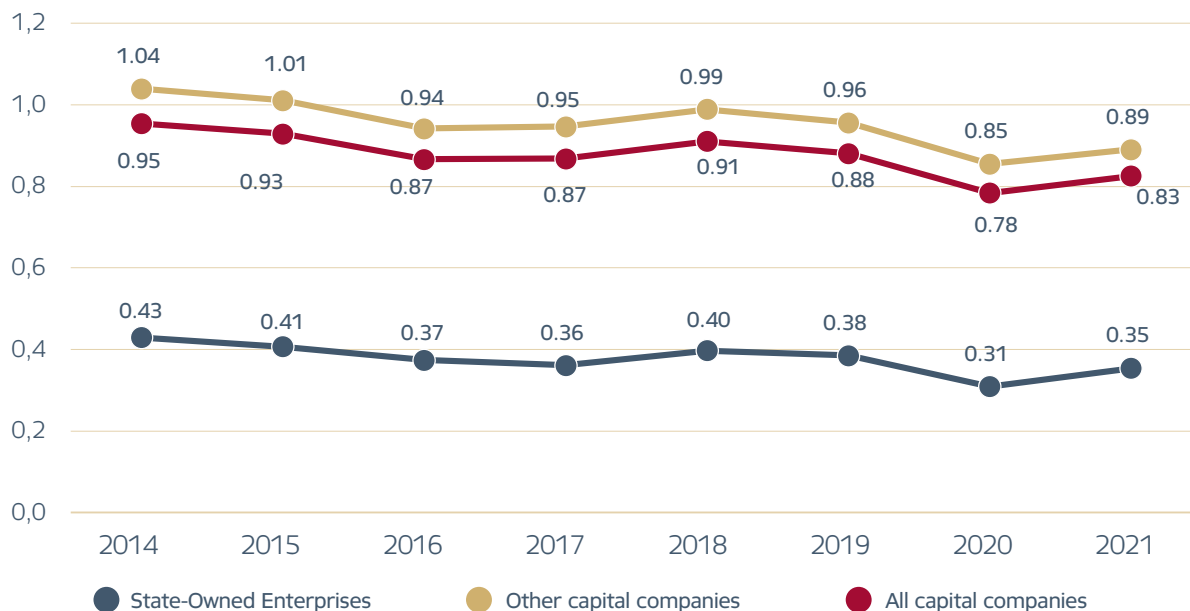


Figure 3. Average asset turnover ratio (net turnover/total assets) for SOEs, other and all capital companies from 2014 to 2021, ratio

The overall turnover to asset ratio is 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 2021, indicating an increase in the use of assets, but still below pre-COVID-19 levels.

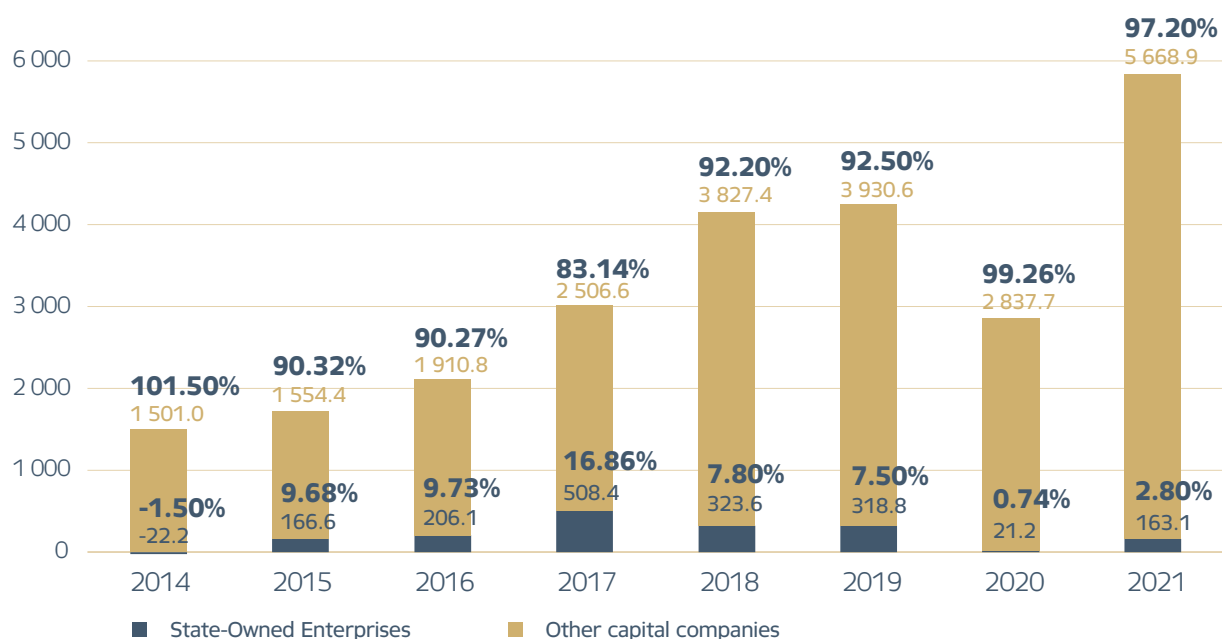


Figure 4. Profit of SOEs and other capital companies from 2014 to 2021, million EUR, %

Only 2.80 % of the total profit of EUR 5.67 billion¹² reported in the country by capital companies in 2021 were generated by SOEs, which represents a very significant increase of +2.06 percentage points from the total profits of all capital companies compared to 2020.

In 2021, the total profit of SOEs increased by EUR 141.8 million or +667.7 % and amounted to EUR 163.1 million. According to the information provided by SOEs (own assessment, not all SOEs have provided information) the total impact of COVID-19 pandemic in 2021 was average and can be assessed as additional loss of EUR -48.3 million (EUR -298.6 million in 2021). Without the impact of the COVID-19 pandemic, the profit would be EUR 211.4 million (EUR 319.8 million in 2020). Two SOEs in the transport sector were highly affected by the COVID-19 pandemic - JSC Air Baltic Corporation and SJSC Latvijas gaisa satiksme, which totalled in EUR -51.3 million of additional losses according to their own assessment.

In 2020, the COVID-19 pandemic had a significant impact on profits of three SOEs in the transport sector – JSC Air Baltic Corporation, SJSC Starptautiskā lidosta “Rīga” and SJSC Latvijas gaisa satiksme, which together amounted to EUR 295.3 million of additional losses according to their own assessment.

The total profit of SOEs could have reached EUR 214.4 million in 2021 (2020: EUR 316.6 million) without these additional losses. When these three SOEs were excluded from the calculations in 2021, the profit amounted to EUR 311.4 million (2020: EUR 309.3 million).

Overall, taking into account that the effect of the reform of the corporate income tax (CIT) law in relation to the reversal of deferred CIT and the effect of the marginal increase from the grants for the forgoing of future revenues due the limitation of the mandatory procurement component (MPC) generated EUR 194.0 million profit in 2017, and therefore the updated economic profit in 2017 amounted to EUR 314.4 million. Due that SOEs, excluding the three aforementioned SOEs of the aviation sector in 2020 and 2021, earned a relatively stable overall amount of between EUR 305 million and EUR 325 million per year from 2017 to 2021, which indicates that the impact of the COVID-19 pandemic has been substantial in specific sectors, while it did not affect the majority of SOEs.

Other capital companies have experienced a significant increase in profits in 2021 + EUR 2.8 billion or + 99.8 % compared to 2020. Compared to the pre-COVID-19 pandemic period - the year 2019, this rise is lower, but also significant, of + EUR 1.7 billion or + 30.7 % compared to 2019, indicating that economic activity has already returned to pre-COVID-19 levels and growth in 2021.

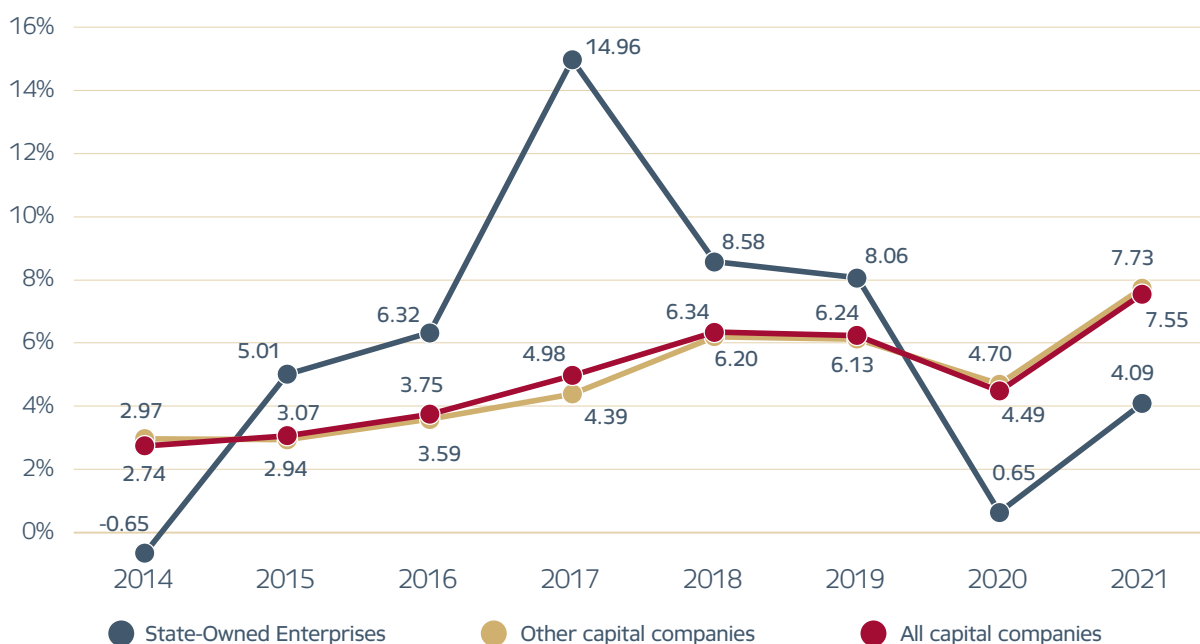


Figure 5. Profitability (total profit/net turnover) for SOEs, other and all capital companies from 2014 to 2021, %

When assessing profit against turnover or profitability, the total results of SOEs are much lower than for other capital companies – 4.09 % (SOEs) and 7.73 % (other capital

companies) in 2021. The profit against assets or return on assets is also better in the private sector – 1.45 % (SOEs) and 6.88 % (other capital companies) respectively.

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.

Compared to 2020, there has been a significant increase in profitability and return on assets for both state (by + 3.44 and + 1.25 percentage points, respectively) and other capital companies (by + 3.03 and + 2.87 percentage points, respectively). Profitability and return on assets are lower in SOEs than in other capital companies, as in 2020. The return on assets for SOEs in 2021 is 79.0% (95.0% lower in 2020) lower and the profitability is 47.1% lower (86.3% lower in 2020) than in other capital companies. Compared

to the pre-COVID-19 pandemic period - the year 2019, profitability and return on assets are relatively different for SOEs and other capital companies. For SOEs, profitability and return on assets have not returned to their levels before the COVID-19 pandemic in 2019, falling short of 2019 levels by -1.66 and -3.97 percentage points, respectively, while in other capital companies they have already surpassed their pre-COVID-19 pandemic levels, exceeding the 2019 figures by + 1.02 and + 1.60 percentage points, respectively.

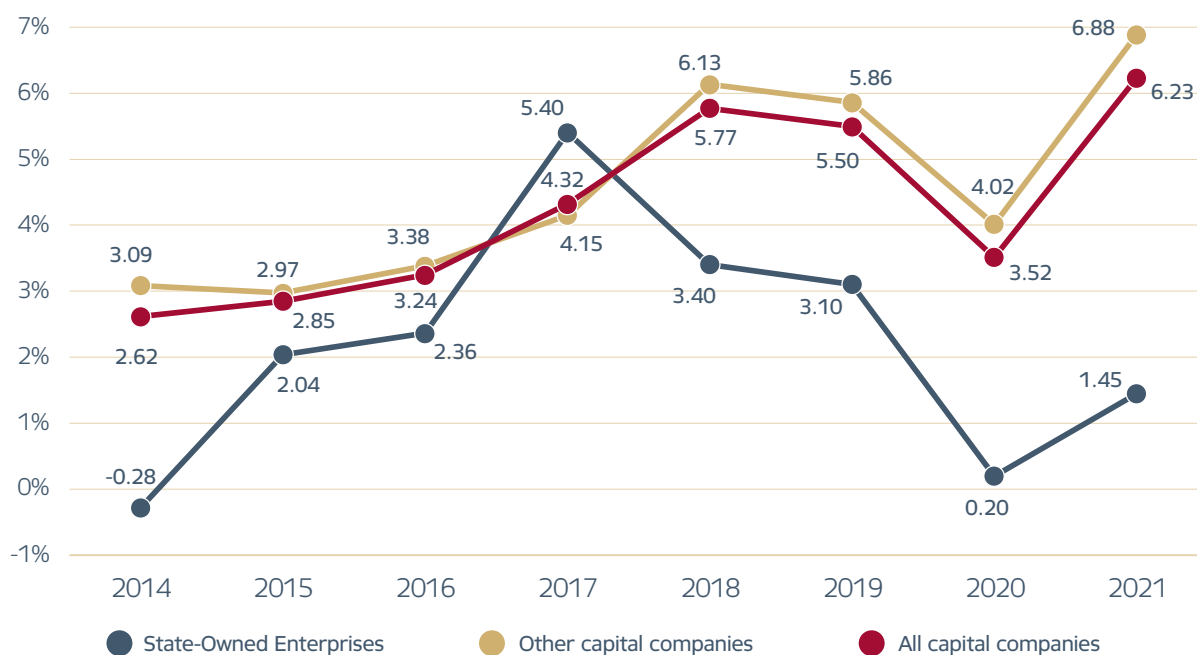


Figure 6. Return on assets (total profit/total assets) for SOEs, other and all capital companies from 2014 to 2021, %

Total indicators of SOEs have changed significantly in 2022 compared to 2021 for specific indicators, and most of them demonstrate a major positive trend. This is indicative of increasing adaptation to the circumstances created by the COVID-19 pandemic and complete elimination of their consequences. Total turnover has increased by EUR +1.66 billion (+ 41.5 %) compared to EUR 5.64 billion in 2021. Total profit has increased by EUR 329.2 million (+ 201.9 %) amounting to EUR 492.3 million. Total EBITDA has increased by EUR +423.9 million (+ 53.1 %) to EUR 1.22 billion. Total EBITDA profitability has increased by + 1.63 percentage points or + 8.1 % compared to 2021, amounting to 21.67 % in 2022. Total investment has also slightly increased, i.e. by EUR + 15.8 million (+ 2.1 %) to EUR 760.0 million. Total assets have also increased by EUR + 1.14 billion or + 10.1 %, reaching a total asset value of EUR 12.4 billion. The amount of equity has increased by EUR 483.4 million or 9.1%, reaching the total amount of equity at EUR 5.79 billion. The share capital also increased by EUR + 171.1 million or + 3.7 %, reaching a total of EUR 4.84 billion. The share capital of 15 SOEs increased both as a financial contribution of a shareholder or participant,

as well as a financial contribution for the implementation of high maturity projects, capitalisation of retained earnings and payment of share capital by real estate investment. In 2022, dividends paid in the State budget decreased by EUR -18.3 million or -8.3 % (total amount EUR 201.7 million) and the funding received from the State budget decreased by EUR -134.2 million or -11.0 % (total amount EUR 1.1 billion). Contributions to state and local government budgets have increased slightly by EUR + 1.6 million + 0.2 % (total amount EUR 876.6 million). There has also been a slight increase in donations by EUR + 0.16 million or + 9.8 % to EUR 1.8 million and a significant decrease in donations made by EUR -3.66 million or -70.2 % to EUR 1.6 million.

Profitability (by + 4.64 percentage points to 8.73 %), return on assets (by + 2.52 percentage points to 3.97%) and return on equity (by + 5.43 percentage points to 8.50 %) have also improved significantly in 2022 compared to 2021.

Compared to 2019, or before the COVID-19 pandemic, most of the financial indicators in 2022 exceed the 2019

figures, except for investments (decrease of EUR -219.1 million or -22.4 %), dividends paid into the state budget (decrease by EUR -30.2 million or -7.9 %), total liquidity (decrease by -0.17 or -10.8 %), number of employees

(decrease by -3 926 employees or -7.9 %) and donations made and funding received from the state budget (increase by + 368.2 million or + 51.4 %) exceed the 2019 figures.

Table 1. Aggregate financial indicators characterizing the activities of SOEs and state-owned shares from 2019 to 2022

Principal financial indicators, million EUR

	2019	2020	2021	2022
Turnover	3 954.0	3 289.5	3 986.9	5 641.9
Profit/loss	318.8	21.2	163.1	492.3
EBITDA	926.5	601.1	798.9	1 222.8
Total assets	10 273.7	10 652.9	11 268.4	12 409.4
Share capital	3 834.1	4 369.7	4 665.6	4 836.7
Equity	4 772.3	5 054.2	5 305.7	5 789.1
Investment	979.1	635.6	744.2*	760.0
Dividends paid to state budget	231.8	220.9	220.0	201.7
Contributions made to the state and local government budget	865.0	849.9	875.0*	876.6
Donations received	1.07	1.80	1.66	1.82
Donations made	6.27	5.09	5.22	1.56
Funding received from the state budget	716.9	1 216.0*	1 219.2*	1 085.1

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	8.06	0.65	4.09	8.73
Return on assets, ROA, %	3.10	0.20	1.45	3.97
Return on equity, ROE, %	6.68	0.42	3.07	8.50
Total liquidity	1.57	1.48	1.42	1.40
Liabilities-to-equity ratio	1.13	1.08	1.10	1.12

Other indicators

Number of employees		49 483	46 784	45 356	45 557
Average gross remuneration per employee per year, thousand EUR		16.3	17.2	19.6	20.9
Gender representation in management, f/m	number	71/177	62/156	65/170	65/169
	percentage	29/71	28/72	28/72	28/72
Annual report in accordance with IFRS (yes/no)	number	20/55	20/56	21/52	22/48
	percentage	27/73	26/74	29/71	31/69
Report on corporate governancea yes/no	number	no data	7/63	20/50	23/48
	percentage		10/90	29/71	32/68
Non-financial statement, yes/no	number	no data	12/58	19/51	16/54
	percentage		17/83	27/73	23/77

* Corrections have been made.

Investment volumes have increased slightly in 2022 compared to 2021, but have not yet reached the levels of 2019, i.e. before the COVID-19 pandemic. While theoretically investment volumes could have been affected by the COVID-19 pandemic, SOEs have not reported a major impact on it both in 2020 and 2021 and 2022, except for one case, i.e. for the purchase

of new electric trains. According to the information provided by SOEs (own assessment, not all SOEs have provided information), the overall impact of COVID-19 on investment was a decrease of EUR -118.1 million, which is more than in 2020 and 2021, which is mainly related to the changes in dates for delivery of new electric trains due to the Covid-19 pandemic and Russia's invasion of Ukraine.



This impact is estimated at more than EUR 110 million, which represented 97.4% of the total investment impact reported by SOEs. In percentage terms, the impact of postponing or not making an investment was -3.9% of the investment made in 2020, -5.6% in 2021 and -15.5% in 2022 (-0.4% without the postponement of the delivery of the new electric trains). In 2022, the total investment increased by EUR +15.8 million or +2.1% compared to 2021 and decreased by EUR -219.1 million compared to 2019, reaching a total investment of EUR 760.0 million. The largest investment in 2022, as in 2021, was in the transport sector, amounting to EUR 281.1 million. The transport sector also had the largest increase in investment in 2022, with EUR +49.7 million or +21.5%, with the most significant growth coming from the increase in investment by SJSC Latvijas dzelzceļš and JSC Air Baltic Corporation - EUR +32.9 million or +206.3% and EUR +14.5 million or +7.5%, respectively. Among SOEs, JSC Air Baltic Corporation made the largest investment in 2022, totalling EUR 206.9 million, while it invested EUR 192.5 million in 2021, EUR 78.0 million in 2020 and EUR 333.9 million in 2019. A relatively significant drop in investment was recorded by SJSC Latvijas autoceļu uzturētājs and SJSC Latvijas gaisa satiksme. Investments in SJSC Latvijas autoceļu uzturētājs decreased by - EUR 6.4 million or -84.6% to a total investment of EUR 1.2 million, which compares to a total investment of EUR 7.5

million in 2021 and EUR 12.8 million in 2019 before the Covid-19 pandemic. Investments by SJSC Latvijas gaisa satiksme decreased by EUR -1.7 million or -40.2% to a total investment of EUR 2.6 million, which compares to a total investment of EUR 4.3 million in 2021 and EUR 9.0 million in 2019 before the Covid-19 pandemic.

The second largest investor in 2022 was the energy sector, which invested a total of EUR 188.6 million, i.e. a decrease of EUR -16.2 million or -7.9% compared to EUR 204.9 million investment in 2021 and EUR -85.5 million or -31.2% compared to EUR 274.1 million investment in 2019. Of the total EUR 188.6 million invested in the energy sector in 2022, EUR 121.7 million was made by JSC Latvenergo, EUR 46.4 million by JSC Augstsprieguma tīkls and EUR 20.5 million by JSC Rīgas siltums.

The third largest investor in 2022 were SOEs of the communications sector, only slightly ahead of SOEs of the health sector, by investing EUR 110.1 million, which was a significant decrease compared to 2021 by EUR -37.8 million or -25.6% less. In this sector, the largest investors were LLC Tet and LLC Latvijas Mobilais Telefons with investments of EUR 37.8 million and EUR 61.9 million respectively, investing in the construction of infrastructure and networks and the improvement of network services, for example, the total number of LMT base stations already exceeds 1500¹³ and in 2022, optics

13 LLC Latvijas Mobilais Telefons Group Consolidated Annual Report 2022, p. 4, source: www.ur.gov.lv



were built in 7 thousand new addresses in Latvia and 68 optical node upgrades were completed, improving services for more than 100 thousand customers.

There is also a significant increase of EUR +26.7 million or +33.6% in investment in SOEs of the health sector, which accounted for a total EUR 106.1 million investment in 2022, compared to EUR 79.4 million in 2021 and EUR 38.5 million before the Covid-19 pandemic in 2019.

Ten largest SOEs by investment volume account for 88.4% of total investment in 2021, an increase of 0.4 percentage points compared to 2021.

The number of employees in SOEs increased compared to 2021 after a period of several years, reaching +0.4% or 201 employees increase, mainly driven by employment growth in the health sector (+462 employees or +3.2%) and real estate sector (+18 employees or +2.7%). SOEs have been facing a decrease in the number of employees for six consecutive years. In total, 45.6 thousand people are employed in SOEs, representing 5.04%¹⁴

of economically active population, a slight decrease of -0.04 percentage points compared to 2021. In 2022, after a break of 13 years, the country's economically active population finally increased¹⁵ by 12.0 thousand, or 1.3%, to 904.2 thousand of economically active people aged 15-64.

The unemployment rate continued to decline to 7.1% in 2022, down 0.8 percentage points from 7.9% in 2021 (8.4% in 2020, 6.5% in 2019, 7.6% in 2018, 8.9% in 2017 and 9.9%¹⁶ in 2016). Meanwhile, average remuneration in SOEs continues to increase, with +12.6% in 2018 compared to 2017, +6.9% in 2019 compared to 2018, +5.7% in 2020 compared to 2019, +14.0% in 2021 compared to 2020 and +6.5% in 2022 compared to 2021, which was lower than the increase in the average monthly wage of workers in the country in 2022 (+7.5%)¹⁷. The average gross annual remuneration of employees in SOEs was 26.9% higher than in the country as a whole in 2022, at EUR 20.9 thousand.

14,15,16 Indicators calculated in age group 15-64, using data from https://data.stat.gov.lv/pxweb/lv/OSP_PUB/START_EMP_NBB_NBA/NBA010.

17 According to data from https://data.stat.gov.lv/pxweb/lv/OSP_PUB/START_EMP_DS_DSV/DSV010 the average remuneration in 2022 was EUR 1 373.

1.

Governance of State-Owned Enterprises

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

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

The State Chancellery performs the functions of the Coordination Institution by coordinating and supervising the governance of SOEs and state-owned shares (performed by the CSCC until 28 February 2023). 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 capital company and on the financial indicators of the performance (profit share to be disbursed in dividends, profit indicators, return on capital, etc.), as well as on the conformity of such objectives with the non-financial objectives set in the medium-term operational strategy;
- issue a statement to the Cabinet of Ministers on obtaining, maintaining or terminating state participation;
- provide advice to the Prime Minister, the Cabinet of Ministers, holders of capital shares of a public person (ministries), and management of capital companies, as well as 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 capital companies and shares of public persons, a collegial body – the Council of the Institution Coordinating Governance of State-Owned Capital Shares and State-Owned Capital Companies (hereinafter – the Council of the Co-ordination Institution) was established, which reviews 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 capital company, if the holder of state-owned capital shares or the council of a capital company (if any) does not agree with the opinion produced by the Co-ordination Institution and the holder of state-owned capital shares or the council of a capital company has requested to examine the issue at the Council of the Co-ordination Institution.

It should be noted that 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 determined by an order of the State Secretary.

A holder of capital shares:

- or a line ministry may propose obtaining or termination of state participation as well as obtaining or termination of decisive influence in a capital company. A conformity assessment of obtaining the participation or decisive influence with the conditions of 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 strategy is drawn up;
- determines the profit share to be disbursed in JSC dividends;
- assesses the performance results of the capital company;
- publishes on its website up-to-date information on the capital companies in which it holds shares;
- proposes the candidate nomination process for the position of a member of the council or board of the capital company (if the council has not been established);
- adopts decisions within the competence of the meeting of participants on the approval of the annual report of the company; distribution of profit; election and revocation of the members and chairperson of the executive board, except in cases where a council has been established in the company; election and revocation of the members of the Council (if any); election and revocation of the auditor; bringing a claim against a member of the executive board or supervisory board (if any) or withdrawal of claim against them, as well as 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 Council (if any) and the members of the executive board (except for the cases where the Council is established); increase or decrease of equity capital; company's reorganization; election and revocation of the liquidator; the approval of medium-term operational strategy, unless the Council has been established.

As of 1 June 2020, all joint-stock companies must have a council, however the council 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 2022, 19 SOEs had Councils. According to the ["Law on Governance of Capital Shares and Capital Companies of a Public Person"](#), the Council shall have the task to:

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

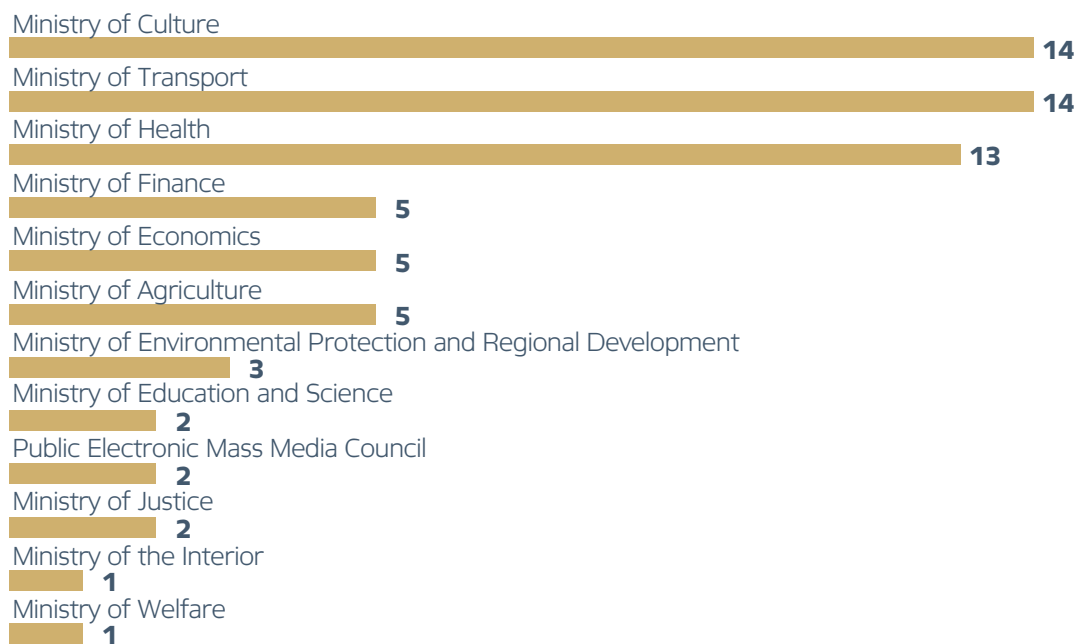


Figure 7. Holders of state-owned shares in SOEs at the end of 2022¹⁸

1.1. Public Participation and General Strategic Objective

Pursuant to Paragraph one, Section 7 of the “Law on Governance of Capital Companies”, 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 capital companies continued in 2022, 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 capital companies:

JSC Air Baltic Corporation, SLLC Dailes teātris, SLLC Daugavpils teātris, SJSC Elektroniskie sakari”, SLLC Jaunais Rīgas teātris, SLLC Kremerata Baltica, SLLC Latvijas Koncerti, SLLC Latvijas Leļļu teātris, SLLC Latvijas Nacionālais simfoniskais orķestris, SLLC Latvijas Nacionālā opera un balets, SLLC Latvijas Proves birojs, SLLC Liepājas simfoniskais orķestris, SLLC Latvijas Nacionālais teātris, SLLC Mihaila Čehova Rīgas Krievu teātris, SLLC Rīgas cirks,

SLLC Valmieras drāmas teātris, SLLC Valsts Akadēmiskais koris Latvija, SJSC Valsts nekustamie īpašumi un SLLC Šampētera nams. Taking into account 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 is not required to re-evaluate its holdings) at least every five years, the Cabinet of Ministers approved a new general strategic objective of JSC Latvijas valsts meži in 2022.

The Cabinet Order No 402 “On the Establishment of a Centralised Structure for Management of State-Owned National Sports Facilities” of 31 May 2022 endorsed the solution of the Conceptual Report “On the Establishment of a Centralised Structure for Management of State-Owned National Sports Facilities”. Pursuant to this solution, in 2022, LLC Bobsleja un kamanīņu trase “Sigulda”, LLC Tenisa centrs “Lielupe” and LLC Sporta centrs “Mežaparks” were reorganized, by incorporating them into SLLC Kultūras un sporta centrs “Daugavas stadions”, and its name was changed to LLC Latvijas Nacionālais sporta centrs. The general strategic objective of the capital company was set by the above-mentioned decision.

¹⁸ Also includes certain non-100% owned capital companies such as 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

1.2. Strategy Development

In 2022, 13 draft medium-term operational strategies (hereinafter - the draft strategy) and one amendment to the draft medium-term operational strategy (hereinafter - the Strategy) were submitted for the opinion of the coordination institution. 18 opinions were provided, including two repeated opinions with recommendations and proposals for improvement of draft strategies. The number of draft strategies submitted and opinions issued during the year may not coincide, as work is ongoing and opinions were also issued in 2022 for projects submitted in 2022. 17 strategies or their amendments were approved and received in 2022. 11 approved strategies submitted in 2022 received an opinion in 2022, while six strategies had already received an opinion in 2021. In most cases, the time between the submission of the draft strategy to the coordination institution and its final approval did not take more than six months, which is indicative of the improved process of strategy development and approval.

Like in previous years, in 2022 most of the strategies were approved when their term had already started and the term is usually three or four years, which, in fact, means that the strategies only included a future perspective for the next two or three years, even though three years is the minimum statutory period for a medium-term operational strategy. In addition, it should be noted that long-term planning has become more difficult in recent years due to objective reasons beyond the foresight or control of the boards of directors and shareholders of capital companies. The Covid-19 pandemic and related restrictions, the war in Ukraine, the sanctions, the energy crisis and similar factors are rapidly changing the situation and making the draft strategies outdated faster than they would be under normal circumstances, resulting in more frequent updates of strategies before the end of their term.

In addition, short-term planning places additional burden on the capital company, the shareholder and the coordination institution, due to the time-consuming process of elaboration and approval. It is also important that when planning in the short-term, it is impossible to qualitatively plan and develop larger investment projects and the strategies lack the vision for long-term development of the capital company.

The Cabinet of Ministers at its sitting of 13 September 2022 endorsed the conceptual report prepared by the coordination institution "[On the Necessary Changes to the Policy on the Management of Capital Companies and Shares of a Public Person](#)"¹⁹ (hereinafter - the Conceptual Report), which sets out the principles for

the implementation of a more targeted SOE governance policy, introducing significant changes such as the establishment of a government corporate governance policy for each new policy cycle, the obligation for the Cabinet of Ministers to also consider the future strategic development of non-privatised public corporations every 5 years, and the introduction of a more centralised selection of board members in corporations without supervisory boards.

The Conceptual Report explains the obligation of shareholders of public limited liability companies to develop shareholder's letters of expectations before developing a medium-term operational strategy. The Cabinet of Ministers supported the introduction of the shareholder's letters of expectations in the form of pilot projects when the Informative Report on the promotion of innovation and the definition of research and development objectives in public limited liability companies was approved on 16 November 2021. Changes to the regulatory framework have been approved in order to move towards increasing the role and responsibility of the councils of capital companies, including in the development of medium-term strategies and performance evaluation, by reducing the involvement of the Coordination Institution in processes that are the responsibility of the companies' councils and keeping it responsible for the provision of opinions on draft medium-term strategies and annual performance evaluations in companies where only the board of directors is active. The report proposes that the strategic development of SOEs should be subject to regular evaluation, including those whose shares are not subject to alienation. Such an evaluation is to be carried out alongside with the establishing of the overall strategic objective for the next period is set.

In 2022, the new "[Guidelines for the Development of a Medium-Term Operational Strategy for State-Owned Enterprises](#)"²⁰ were developed and agreed at the meeting of the Council of the Coordination Institution for Governance of State-Owned Enterprises on 17 June. The Guidelines have been substantially updated to include chapters on the drafting and content of the letter of expectations, and the Annexes have been updated and expanded. The Guidelines include a new Chapter II "The Process of Drafting a Letter of Expectations", which sets out the sequence for drafting a letter of expectations, while Chapter III and Annex 2 explain the content of a letter of expectations and Annex 1 includes grouping of SOEs. The Guidelines have taken into account the recommendations of the KPMG and PwC project reports

19 https://tapportals.mk.gov.lv/public_participations/9719d255-5689-49cc-988e-5d8e787a3a08

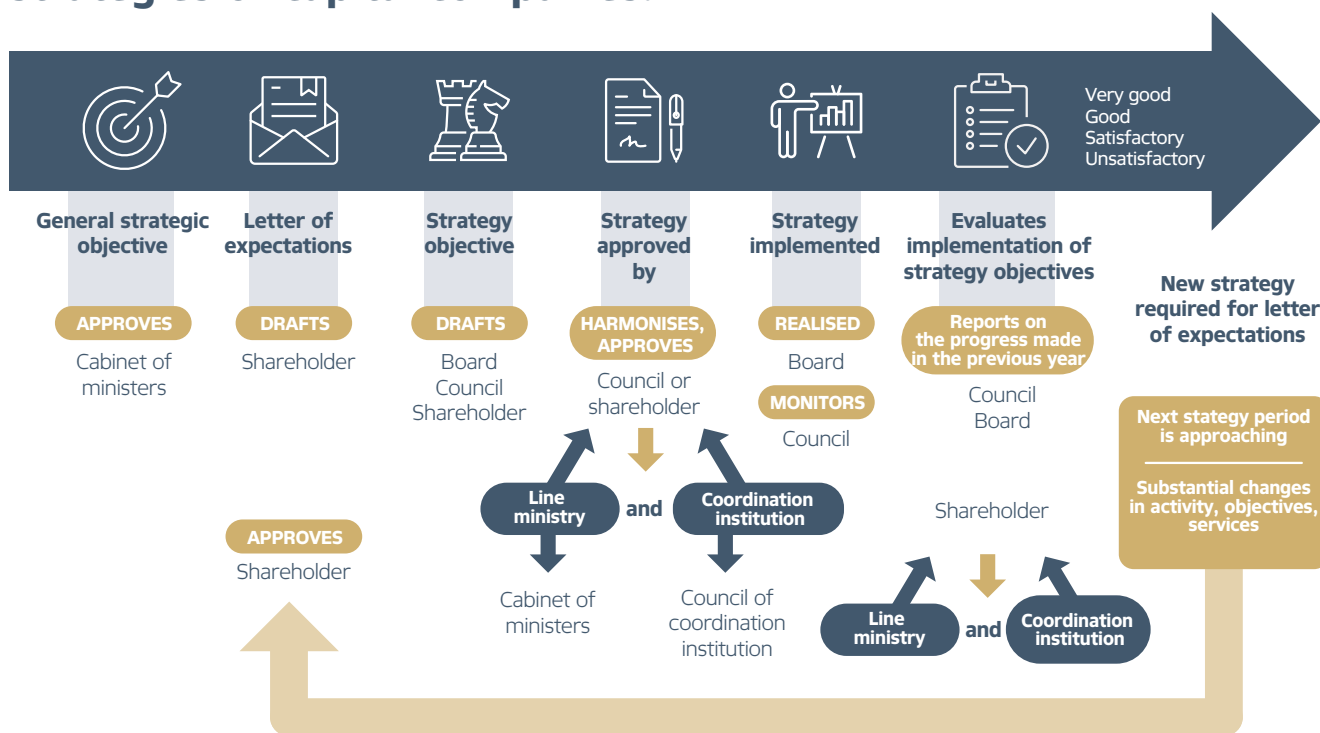
20 <https://www.valstskapitals.gov.lv/lv/vadlinijas/>

as well as the recommendations of the Baltic Institute for Corporate Governance Policy Group “Shareholder’s Letter of Expectations in State and Municipality Owned Capital Companies”.

A letter of expectations is a clear mandate from the owner to the company, which sets out and explains what it must achieve in the medium term - three to seven years. It sends a clear message both about the status in which the

company is operating and about the directions in which it needs to develop. It is essential that there is a discussion not only between the company and its shareholder, but also with all the parties involved when drawing up a letter of expectations to reach an agreement on the objectives. It is expected that the drafting of the letters of expectations will result in more challenging objectives for the companies and a broader perspective, including a discussion with the capital company's board and management.

Development, implementation and monitoring of the operational strategies of capital companies.



1.3. Dividend Policy

On 1 February 2022, the Regulation No 72 "Procedures for Forecasting, Determining and Making Payments for the Use of State-Owned Capital"²¹ developed by the Coordination Institution and adopted by the Cabinet of Ministers on 25 January 2022, which replaced Cabinet Regulation No 806 "Procedures how State-Owned Enterprises and Public-Private Capital Companies in which the State is a Participant (Shareholder) Forecast and Determine the Share of Profit to be Paid as Dividends and Make Payments to the State Budget for the Use of State Capital" of 22 December 2015 (hereinafter – CoM Regulation No 806). The Regulation was drafted taking into account that the "Amendments to the Law on Management of Capital Shares and Companies of a

Public Person"²² (hereinafter – Amendments to the Law on Management of Capital Companies), entered into force, which provide for a new wording of Section 28 (6) of the Law on Management of Capital Shares and Companies of a Public Person.

The Amendments to the Law on Management of Capital Companies supplemented the delegation to the Cabinet of Ministers to determine the procedure for payment of dividends also in capital companies controlled by public persons, in dependent capital companies of capital companies of public persons and in subsidiaries, as well as to determine the procedure for presenting the distributed profits in the financial statements of a capital company.

²¹ <https://likumi.lv/ta/id/328111-grozijumi-publikas-personas-kapitala-dalu-un-kapitalsabiedribu-parvaldibas-likuma>

²² <https://likumi.lv/ta/id/328111-grozijumi-publikas-personas-kapitala-dalu-un-kapitalsabiedribu-parvaldibas-likuma>

The new regulation provides that, 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 medium-term operational strategy of a capital company. Dividend payment of 64 % (excluding corporate income tax) under the rules corresponds to the 80 % above, including corporate tax, thereby the amount due to the state (dividends + corporate income tax) does not change.

Until 2020, the medium-term budget framework and the annual state budget law set the minimum percentage of profit share to be paid out in dividends for capital companies directly and indirectly controlled by the state. The 2020 state budget law did not include such a regulation, therefore from 2020 the minimum percentage of profit share to be paid out in dividends for capital companies controlled by the state, dependent

capital companies of a public person and subsidiaries was not set in the regulatory enactments. This problem was resolved by including in the regulations relevant provisions i.e. by stipulating that the minimum foreseeable profit share to be paid out in dividends shall not be less than 50% for dependent capital companies and subsidiaries of SOEs, for controlled capital companies of a public person and for subsidiaries of public-private capital companies in which the State is a participant (shareholder).

The Regulations also govern the actions of a holder of the state-owned shares or a participant (shareholder) when making a decision on the share of profit to be paid out in dividends, the procedure for presenting the distributed profit in the financial statements of a capital company, as well as the procedure for making and transferring the payments to the state budget for the use of state capital. Dividend payments are controlled by the State Revenue Service as before.

Table 2. Comparison of the share of profit to be paid in dividends according to changes in regulatory framework

Period	Companies	Minimum expected share of profit to be paid in dividends *	Notes
Reporting years 2019 - 2020	SOEs	80 % of the capital company's profits in the reporting year	Includes payment for use of state capital and corporate income tax
Starting from reporting year 2021	SOEs, public-private capital companies and capital companies controlled by a public person, in which the State is a holder (shareholder)	64% of the annual profits of the capital company (excluding corporate income tax)	Corresponds to the previously set 80% , including corporate income tax, so the amount due to the state (dividends + corporate income tax) does not change
	A capital company dependent on state-owned enterprise and a subsidiary company, a capital company controlled by a public person and a publicly private capital company in which the State is a shareholder, a subsidiary company	> 50% of the annual profits of the capital company	

* Unless otherwise specified in the medium-term operational strategy of a capital company.

1.4. Nomination Committees and Processes

In accordance with the “Law on Management of Capital Shares and Companies of a Public Person” (hereinafter - the Law on Management of Capital Companies), in the reporting year, nominations for the positions of SOE board members were made by the Council of the capital company, or, in case of absence of a Council, by the holder of state-owned shares. The nomination of candidates for the positions of members of the Council of capital companies was provided by the Coordination Institution (the State Chancellery and, until 28 February 2023, the Cross-Sectoral Coordination Centre) in cooperation with the holder of state-owned shares.

The nomination of candidates for the positions of members of the Council and the management board (except if the Council was established in the capital company) of capital companies of derived public person (including municipal capital companies) was provided by the holder of the capital shares. The nomination of members of the Board and Council of dependent capital companies (capital companies in which all the shares or voting rights are held by a capital company of a public person) was ensured by the Board of the capital company or by the Council of the dependent capital company.

In accordance with the “Law on Management of Capital Companies”, the nomination committees for members of the Management Boards and Councils of SOEs with voting rights include representatives of the ministry or the Council of the capital company, representatives delegated by the Coordination Institution, independent experts and, if necessary, observers in advisory capacity. In the reporting year, the staff of the Coordination Institution participated as members of the Nomination Committee in each selection of candidates for the SOEs’ Management Boards and Councils.

Although Section 37 of the “Law on Management of Capital Companies”, provides that representatives of capital companies nominated by the holder of capital

shares or a Council (if any) and independent experts, as well as observers, if necessary, in advisory capacity are included in Nomination Committees for members of the council of capital companies (including municipality-owned capital companies), the representatives of the CSCC also participated in some nomination processes organised by local governments, as well as in some selection processes of the Management Boards and Supervisory Boards of dependent companies. Table No.3 “Nomination Processes where a Representative of the CSCC has participated as a Member of the Committee in 2022” presents aggregated information on nomination processes in 2022 where a representative of the CSCC has participated as a member of the committee.

Table 3. Nomination processes where the CSCC’s representative has participated as a committee member in 2022

	Nomination processes for SOEs* headed by shareholders or councils	Procedures for the selection of members of the council for SOEs headed by the CSCC	Nomination processes for municipality-owned capital companies
Number of nominations launched in 2022**	26	2	4
Total number of vacant positions	35	4	9
incl. number of positions of board members	34	-	5
incl. number of positions of council members	1	4	4
Number of board members appointed as a result of competition	27 (incl. 6 board members appointed in 2023)	-	3 (incl. 2 board members appointed in 2023)
Number of board members appointed as a result of competition	-	-	4 (incl. 1 board member appointed in 2023)

* Selection processes of subsidiaries owned by state-owned capital companies are also included

** Open competition for the vacant post launched during the reporting year 2022

In 2022, a total of 32 selection processes for 48 vacant positions for Board and Council members in state and municipal companies were launched. As a result of the competition, 30 members of the Management Board and 4 members of the Council were appointed by the shareholders. Two competitions for the position of members of SOE Management Board and one competition for the position of member of the Council ended without any result, while in one case the shareholder informed that a decision was taken not to approve any of the nominated candidates for the position of a member of the Management Board. In some cases, the shareholder has not yet taken a final decision on the appointment of the candidates. In the reporting year, the Coordination Institution and

the shareholder, ensured three selection processes for candidates to the post of Council members in JSC Ventas osta, including managing the work of the Nomination Committee, organising and documenting the nomination process, and making information on the nomination process public.

In both cases, the competition ended with a result, but the final decision on the appointment of the candidates has not yet been taken by the holder of state-owned shares by 1 November 2023. Information on all nomination processes organised by the Coordination Institution in cooperation with holders of state-owned shares is published on the website www.valstskapitals.gov.lv under "[Nomination of Council](#)

[Members in State-Owned Enterprises](#)²³. As regards the nomination processes for the posts of members of the Management Board and Council held by capital companies of derived public persons (incl. municipal), information is published in the annual report of derived public persons in accordance with the Law on Governance of Capital Companies.

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 2021](#)²⁴ 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 boards and councils, as well as to develop proposals to promote a more balanced representation.

In 2022, the CSCC assessed the situation regarding gender equality in Councils and Management Boards of capital companies directly controlled by the state, with the aim of determining whether there is a need in the near future to develop new policies for the SOEs governance that would contribute to achieving the gender balance targets set by Latvia. The information is included in Chapter 1.5 "Ensuring Diversity in Nomination Processes of the ["Public Report on State-Owned Enterprises, State and Municipality-Owned Shares in 2021"](#). According to the assessment, it is most likely that the reason for the lower participation of women in senior management positions is associated with the low participation of female candidates in the selection processes for high-level positions. Consequently, in the light of the need to ensure professionalism in the composition of the Management Boards and Councils of SOEs, no conditions were identified that would hinder the involvement of women and that would require amendments to the regulatory acts to address.

In 2022, the Coordination Institution started to collect data on women's interest in participating in the nomination processes for the positions of members of the Management Boards and Councils of SOEs in order to identify the objective reasons for the reduced representation of women in the management of capital companies, as well as to develop mechanisms to promote women's participation with a view to maintain the professionalism of the Management Boards and Councils as a determining factor for the promotion of candidates to the positions. Given that gender balance can play a role in the assessment of corporate governance, it is recommended that Nomination Committees, Councils and holders of state-owned

shares pay attention to the definition of candidate requirements in order to avoid imposing indirectly discriminatory requirements, and that consideration be given to the introduction of initiatives to encourage women's participation in nomination processes, such as female candidates being considered for vacancies alongside male candidates. Decision-makers should consider the advantages of gender-balanced composition of the Management Board and Council when choosing between two equally qualified candidates of different genders.

In each selection process, the participation of independent experts in the nomination processes is an important contribution to the openness of the nomination processes.

In 2022, representatives of various fields participated in the Nomination Committees of SOE Councils and Boards as independent experts with voting rights, i.e. Edīte Alksne, Deputy Chairperson of the Latvian Chamber of Commerce and Industry (LCCI) Riga Regional Council, Daiga Auziņa – Melalksne, Chairperson of Nasdaq Riga, Aivars Āboliņš, Chairman of the Latvian Trade Union Energija, Valts Ābols, Chairman of the Board of the Children's Clinical University Hospital; Sanita Bajāre, Chairperson of the Board of the Financial Industry Association, Neils Balgalis, Head of the LCCI Mobility Committee, Valentīna Berga, Board Member of the Latvian Medical Association, Andris Bērziņš, Chairman of the Board of the Latvian Road Builder Association, Viesturs Boka, Professor, representative of the Latvian Medical Association; Inesis Boķis, President of the Latvian Forest Owners' Association; representative of the Baltic Institute of Corporate Governance (BICG), Jeļena Cīrule, SEB Bank Finance Director; Kristīne Černaja-Mežmale, Board Member of the Finance and Capital Market Commission; Helēna Endriksone, First Deputy Chairperson of the Latvian Construction Engineers' Union Board; Jānis Endziņš, LCCI Board Chairman; Harijs Gals, Latvian Oncology Patients' Organisation "Onkoaliansē" representative; Jeļena Gavrilova, State Real Estate Company (VNĪ) Board Member; Andris Grafs, Vice President of BICG Latvia; Renārs Griškevičs, Chairman of the VNĪ Board; Māris Gruzniņš, BICG representative, Board Member of LLC SCHWENK Latvija, Cement Sales and Logistics Director in the Baltic States; Leonīds Jākobsons, Board Member of Latvian Association of Civil Engineers; Ilona Kiukucāne, Deputy Director General of the Latvian Employers Confederation (LDDK); Jekaterina Kolosova-Moroza, Baltic Country Manager of LLC Nordic and Baltic Property Group; Zane Kreicberga, Head of the Performing Arts Department of the Latvian Academy

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

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

of Culture, Chair of the Latvian Theatre Council; Ivars Landmanis, Vice-Chair of the Council of Latvian Stevedoring Company Association; Mārtiņš Lazdovskis, President of the Latvian Motorsports Federation; Irēna Liepiņa, President of the Latvian Communications Workers Trade Union PRO; Līga Meņģelšone, Director General of the LDDK; Ivo Ošeniņš, President of the Latvian Passenger Carriers Association; Gita Oškāja, Vice-President of the Free Trade Union Confederation of Latvia; Anita Slokenberga, Head of the Health Inspectorate; Edgars Treibergs, Chairman of the Board of the Farmers' Organisation Cooperation Council; Klāvs Vasks, President of the Latvian Luge Sports Federation; Jānis Vētra, Chairman of the Board of the Latvian Health Care Management Specialists Association; Baiba Zakevica, Deputy State Secretary for Development and Finance, Ministry of Culture; Katrīna Zariņa, Board Member, Director of the Policy Division, LTRK.

In early 2022, [the Guidelines for the Selection and Evaluation of Candidates for the Management Board and Council in Capital Companies where Shares are Owned by the State or Derived Public Person](#)²⁵ (hereinafter - the Nomination Guidelines) were agreed with the Council of the Coordination Institution and approved on 22 March 2022 by the CSCC. The Nomination Guidelines were developed based on the experience and knowledge gained by the representatives of the CSCC on the practical conduct of nomination processes, including participation in nomination processes, as well as organising and managing selection processes of members of SOE Management Boards, as well as recommendations regarding best practices of non-governmental organisations, international and other institutions. When organising the selection processes for post of members of SOE Management Boards, the CSCC has developed documents for organising nomination processes and the annexes to the Nomination Guidelines contain examples of these documents, which serve as examples and can

be used to adapt them to each nomination process. The Nomination Guidelines entered into force on the date of their approval, 22 March 2022, and the Guidelines No 1.2-23/4/1 of 16 March 2017 "Guidelines for the Selection and Evaluation of Candidates for the Management Board and Supervisory Board in Capital Companies where the State as a Participant (Shareholder) has the Right to Nominate Members of the Management Board or Council" have thus become null and void.

In the reporting year, when fulfilling the Prime Minister's assignment to organise an independent assessment of the nomination processes of certain members of the Management Board and Supervisory Board of SOEs and their compliance with the regulatory framework, the audit and review services provider LLC KPMG Baltics (KPMG), on behalf of the CSCC, carried out a study and assessment of the nomination processes of members of the Management Board and Council of JSC Latvijas valsts meži and their compliance with the regulatory framework and the principles of good corporate governance. The assessment did not reveal any breaches of the norms regulating the nomination process at JSC Latvijas valsts meži, but it did reveal deviations from the recommendations of the Nomination Guidelines and actions that had a significant impact on the results of the competition for positions. The evaluation - Compliance of the nomination process of members of the Management Board and Supervisory Board of SOEs with the regulatory framework and the principles of good corporate governance - can be consulted electronically on the website www.valstskapitals.gov.lv under section "Research"²⁶. The Coordination Institution will use the conclusions of the KPMG assessment to prepare the necessary improvements to the regulatory enactments on the nomination processes for members of the Management Boards and Supervisory Boards of SOEs.

1.5. Remuneration for Board and Council Members

The issues related to remuneration, insurance, premium determination and revocation allowances for members of Board of Directors and Council of capital companies of a public person are regulated by the "Law on the Management of Capital Shares and Companies of a Public Person" and by Cabinet Regulation No 63 "Regulations Regarding the Number of Board and Council Members of Capital Companies of Public Persons and Public Private Capital Companies, as well as the Maximum Amount

of Monthly Remuneration of Members of the Board of Directors and Council" of 4 February 2020. When calculating remuneration, the size group 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 2021, the average salary before tax was EUR 1 373 per month²⁷, and consequently, the maximum remuneration in 2022 could not exceed the amounts presented in the table below:

25 https://www.valstskapitals.gov.lv/images/userfiles/Vadlin_valdes_un_pad_nomin_kapsab_kuras_kap_dal_pied_valstij_atvas_publ_personai%281%29.pdf

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

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

No.	Size of capital company	Number of board members	Number of council members	Coefficient applicable to determining monthly remuneration for the chairperson of the board and maximum amount in EUR 2021	Coefficient applicable to determining monthly remuneration for the chairperson of the council and maximum amount in EUR 2021
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 Board of Directors and Council may be up to 90 % of the monthly remuneration of the chairperson of the Board of Directors or Council. Although since 1 January 2020 capital companies have been required to publish not only the principles of remuneration policy, but also information on the remuneration of each member of the Board of Directors and Council, in 2022 the capital companies still fulfilled the requirement incompletely, indicating information on the total remuneration determined for members of the Board of Directors and Council 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 Board of Directors and Council 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 Board of Directors and Council of SOEs and to resolve certain issues related to the employment of members of the Board of Directors. 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 Board of Directors and Council members of capital companies of a public person, implementation of a uniform application practice and awareness raising²⁸. The Co-ordination Institution has currently drawn up a draft informative report on the improvements to the remuneration system.

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

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

In order to promote openness of information in capital companies of a public person, the “Law on the Management of Capital Shares and Companies of a Public Person (hereinafter- the Law on the Management of Capital Companies) lays down a wide range of information to be published for 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 the Management of Capital Companies” 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 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 Council with the criteria of an independent member of the Council laid down in the Law on Management of Capital Companies, council committees (if any) and audit committee (if any), including the statutes, as well as information on the members of the committee (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.

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

In accordance with the “Law on Management of Capital Companies”, 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 Person](#)²⁹, and [Guidelines for Information Publishing of Capital Companies of a Public Person and Shareholders](#)³⁰, 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 Management of Capital Companies”, the Coordination 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 Management of Capital Companies”;
- on the websites of SOEs examining how SOEs comply with the disclosure requirements laid down in Section 58 of the “Law on Management of Capital Companies”;
- on municipality websites, examining how municipalities comply with the disclosure requirements laid down in Section 36 of the Law on Management of Capital Companies;
- 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 Management of Capital Companies.

Between 16 June 2023 and 14 November 2023, the Coordination Institution carried out monitoring of the implementation of those requirements for 2022 and reviewed the information published on the websites of 14 state and 26 municipality-owned as well as 66 SOEs and 14 large municipality-owned capital companies. 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 2022 are presented in Sections 1.11 and 1.4 of this Public Report (Public Report on SOEs, State-Owned and Municipality-Owned Capital Shares in 2022).

The “Law on Management of Capital Companies” 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”](#)³¹ are large companies and whose number of employees exceeds 500, are obliged to prepare and additionally publish on their website a non-financial statement (for parent companies of the group). 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.

At the end of 2022, LLC PricewaterhouseCoopers (PwC) conducted a study to analyse the information presented in non-financial statements of Latvian companies and their quality, carried out a study based on the publicly available non-financial statements of selected companies. The quality of the information and consistency with the methodology provided in each company's non-financial statement on the environmental, social, governance and employee-related aspects of its business was assessed. A total of 24 SOEs, 22 private companies and 6 municipal companies were assessed.

At the end of 2022, LLC PricewaterhouseCoopers (PwC) carried out a research of the implementation of those requirements for 2021 and reviewed the information published on the websites of 13 state and 76 municipality-owned companies as well as 69 SOEs and 12 large municipal capital companies. As a result of CSCC's inspections, summaries are prepared 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 2022 can be found in Sections 1.11 and

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

30 https://www.valstskapitals.gov.lv/images/userfiles/Sask_PKCvadl_informacijas_atklatiba_030720%282%29.pdf

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

1.4 of this Public Report (Public Report on SOEs, State-Owned and Municipality-Owned Capital Shares in 2021).

PwC's results show that, on average, companies that list their financial instruments on a stock exchange scored higher in different company categories, which is explained by the fact that these companies are both subject to higher sustainability requirements and are directly exposed to investor demand for higher quality and more detailed sustainability information and approaches. The average score among public companies is slightly higher than that of private companies and municipal capital companies.

For more detailed information on the study, its methodology, results and conclusions please visit the PwC's website³².

The Coordination 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.). 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 Board of Directors and Council.

The Coordination Institution publishes on its website the latest information on current amendments to regulatory enactments that directly affect the governance of a capital company and capital shares of a public person, as well as publishes 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.

1.7. Training, Consultations for Capital Companies, Shareholders

In March 2022, the Coordination Institution, in cooperation with the Ministry of Justice and the Baltic Institute of Corporate Governance (BICG), organised webinars on the drafting of the non-financial report and the corporate governance report.

The webinars were open to representatives of large capital companies (state and municipal), employees responsible for the drafting of non-financial reports of the capital company and respectively responsible for the preparation of corporate governance reports of the capital company, as well as representatives of the shareholder of capital companies (both ministries and municipalities). The fact that the events were organised in a remote (videoconference) format made it possible to ensure the participation of a larger number of interested parties and to allow several representatives from the same institution and company to participate. In total, the average number of participants in each seminar was around 100.

The webinar "Drafting of Non-Financial Reports" provided participants with an overview of the main aspects of drafting a non-financial report. Agnese Alksne-Bensone (Latvian Platform for Corporate Social Responsibility) discussed the standards used when drafting a sustainability report, while Dace Helmane (Institute for Corporate Sustainability and Responsibility) presented on stakeholder involvement. During the webinar, representatives of SJSC Riga International Airport, JSC Latvenergo and JSC Rīgas Siltums shared practical examples and experiences. In its non-financial report, the company provides information

on the impact of its activities on environmental, social and employee-related issues, respect for human rights and anti-corruption and anti-bribery aspects. To prepare the non-financial report, the company may use various standards recognised in Latvia, the European Union or internationally, such as the Global Reporting Initiative (GRI) or the UN Sustainable Development Goals. A dialogue with stakeholders is also an important part of drafting the non-financial report.

The webinar "Drafting of the Corporate Governance Report" presented the Latvian Corporate Governance Code and explained how to prepare a corporate governance report, as well as discussed why good governance matters. According to the Law on Corporate Governance, from 2022, companies of a public person and public-private capital companies with a net turnover of more than EUR 21 million and a balance sheet total of more than EUR 4 million are obliged to prepare an annual corporate governance statement. However, those companies which are large companies according to the criteria set by the Law on Annual Reports and Consolidated Annual Accounts are also required to prepare a non-financial statement (consolidated non-financial statement for parent companies of a group) for the financial year 2021 as of 2022. Other capital companies of a public person and public private capital companies with an average number of employees of more than 250 and a balance sheet total of more than EUR 20 million or a net turnover of more than EUR 40 million for two consecutive years will be required to submit non-financial statements from 2026 onwards.

32 <https://www.pwc.com/lv/lv/about/services/esg-un-ilgtspejas-pakalpojumi/ieskats-Latvijas-uznemumu-nefinansu-pazinojumos.html>

Companies subject to a corporate governance statement and a non-financial statement must additionally publish a corporate governance statement on their website, as well as non-financial statements or consolidated non-financial statements for the last five years. Recordings of webinars are available on the website: www.valstskapitals.gov.lv.

On 19 May 2022, the Innovation Forum, organised by the CSCC for Enterprise Innovation Excellence in cooperation with LLC Latvijas Mobilais Telefons, was held to discuss the development models and scenarios for SOEs, commercialisation of research and cooperation with scientists and start-ups. The Innovation Initiative of Latvia's Excellent Companies is a community of representatives of state and municipality-owned capital companies. The aim is to strengthen the culture of innovation in public and private companies in order to promote the transformation of the Latvian economy, productivity, sustainable investment and export revenues. The Forum was opened by the Prime Minister of the Republic of Latvia Krišjānis Kariņš, and brought together the creators of Latvia's Outstanding Companies' Innovation Initiative and the heads of SOEs, heads of institutions, as well as experts in various fields.

When discussing the SOE development scenarios, the participants of the Innovation Forum - the creators of the Latvia's Outstanding Companies' Innovation Initiative and heads of SOEs, heads of institutions, as well as experts from various sectors agreed that SOEs should become more active participants in economic change by working on innovation, research and development investment management. In order to enhance Latvia's overall competitiveness, public corporations need to work more purposefully with scientists and start-ups. At the Innovation Forum, which aimed to discuss the models and scenarios for SOE development, commercialisation of research and cooperation with scientists and start-ups, several SOEs - LMT, JSC Latvijas Valsts meži, JSC Latvijas pasts, etc. shared

their successful innovation projects and experience gained during their implementation, demonstrating that SOEs, both independently and in cooperation with partners, are capable of creating innovative and competitive solutions. Paulius Kozlovas, Innovation Manager of Ignitis Groupe from Lithuania, Toms Kalderovskis, Business Development Director of SAF Tehnika, and Mārtiņš Boroduškis, researcher and owner of LLC Alternative Plants, also shared their experiences in this field.

At the end of the Forum, the participants were presented with the Joint Roadmap of the Initiative outlining concrete actions to be taken in 2022 and 2023, incl. the inclusion of R&D expenditure in companies' annual reports, the introduction of the new governance tool – a shareholder's letters of expectation, prior to the development of companies' medium-term operational strategies in at least all large public corporations and the inclusion of specific and measurable R&D targets in the new/revised corporate strategies of companies. A new organisational emphasis of the Innovation Initiative, which was expressed at the Forum, is the broadening of its scope to include new active participants. It is expected that future performance of the Initiative will be evaluated and future objectives will be set in a broader forum every 1.5 years.

In addition, in 2022, the Coordination Institution participated in a series of discussions on better corporate governance organised by the Ministry of Justice, the Bank of Latvia and Nasdaq Riga. Dzintra Gasūne, Head of the Corporate Governance Division, moderated the panel discussion "How to Promote the Implementation of Good Governance Principles and Socially Responsible Corporate Behaviour" on 4 November 2022, and spoke about the implementation of the shareholders' letter of expectations in the SOE practice. The aim of the discussion series is to promote better corporate governance and to put the Latvian Corporate Governance Code into practice.

1.8. International Cooperation in SOE Governance

In 2022, two meetings of the OECD Working Group on the Governance and Privatisation Practices of SOEs were held, as well as several seminars organised by the Working Group and the OECD Secretariat with the participation of representatives of the CSCC, and the Deputy Head of the CSCC, V. Vesperis participated in the meetings and activities of the Working Group's Management Office. At the meeting of the Working Group held on 30-31 March 2022, a discussion was organised on the need to revise and update the OECD Guidelines on Corporate Governance of State-Owned Enterprises. It was acknowledged that the Guidelines have been successfully tested in practice, do not need to be substantially revised and changes should be linked to the fundamental changes in the G20/OECD Principles

of Corporate Governance. The meeting also endorsed the Task Force's Action and Budget Programme for 2023-2024, which focuses on the implementation and updating of the OECD Guidelines on Corporate Governance of Public Corporations, monitoring the implementation of the Guidelines on Anti-Corruption and Integrity of Public Corporations, work on strengthening the role of public corporations in climate change and transition to a low-carbon economy, and monitoring the implementation of the principle of competitive neutrality. In addition, a number of reports prepared by the OECD Secretariat were examined, including on the remuneration of Boards of Directors and boards/CEOs of SOEs, as well as reports on the SOE governance in Vietnam and Romania, with particular emphasis on

Romania, as it has started work towards becoming an OECD member.

The second meeting of the OECD Working Group on SOE Governance and Privatisation Practices was held on 25-26 October. It should be noted that the Working Group meeting was preceded by a special seminar on examples of holding company practices and their compliance with the OECD Guidelines on Corporate Governance of State-Owned Enterprises. The OECD Guidelines recommend the centralised management of state-owned shares, providing that a centralised management institution is a holder state-owned shares or, if this is not possible, a centralised governance institution is established for coordination of governance. The centralised governance institution can be either a public institution or a company-type structure, such as a leading company of the group of companies (holding model). The workshop included presentations on the practices of Austria, Singapore, Greece, Finland, Slovenia, Peru and Azerbaijan in centralised SOE governance. The most important lesson is that the centralised governance model allows for professionalising the management of state-owned assets and substantially removing it from political interference in the operation of SOEs, while it becomes more difficult to integrate the shareholders' objectives into the SOEs' business plans.

On the positive side, this governance model allows for more flexible portfolio management approaches, when selling or buying shares. In a number of cases (notably Singapore and Finland), the holding model is used to enhance the value of a portfolio of SOEs by actively changing and improving it, rather than just managing the existing portfolio of assets.

A major segment of the Working Group's responsibilities relates to further work on the climate and sustainable development goals. The OECD Secretariat presented a proposal to initiate a new project to develop best practice guidelines to support shareholders in setting climate and sustainability targets for public corporations, building on existing experience in individual countries on how to use the National Climate Action Plan as a framework for setting climate and sustainability targets in the business plans of SOEs, including on GHG emission reductions.

The Working Group considered a report on the implementation of the OECD Guidelines on Anti-Corruption and Integrity in Public Companies in OECD Member States, on which the representatives of Lithuania and Brazil provided feedback, highlighting that one of the important elements in the implementation of the Guidelines is an effective process of selection

of Council members, with a particular emphasis on a standardised selection procedure, a clear and publicly available roadmap for the selection process, and assessment of candidates' competences. Independence from the shareholder, independence from the company are recognised as key criteria for the independence of a Council member. The report on the implementation of the guidelines was approved and published in the OECD publications database.

In 2022, the Working Group had a successful collaboration with a number of other OECD policy-making institutions. In this context, the development of a competitive neutrality toolkit to strengthen this area in SOE governance, with a particular emphasis on the entry of new players, the equal application of bankruptcy regulation to public and private operators, was underway. State aid measures should be direct, transparent, assessed for their impact on competition and made public. The Working Group also supported the Trust in Business Initiative and the implementation of the Compliance without Borders Programme, noting that, on the Latvian side, the participation of the Latvian state-owned company SJSC Riga International Airport in the pilot project of this programme, under which the company received expert support from the Danish company Grundfos in improving its Code of Ethics and developing anti-corruption and integrity policies, is a positive experience. Both meetings of the Working Group discussed the OECD enlargement issues. During the discussions, representatives of the OECD Secretariat briefed on the progress of the assessment process of the candidate countries. It should be noted that the corporate governance of Brazil, Croatia, Romania and Bulgaria has already been assessed in the context of the compliance of existing practices with the Guidelines in these countries, so a considerable amount of information is already available to the OECD Secretariat and the Working Party.

The main activities of the Working Group in 2023 will be related to the review and update of the OECD Guidelines on Corporate Governance of SOEs, 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.

1.9. Governance Improvement Initiatives in 2022

In 2021, the project "Assessment of the SOE Governance (Part 2) - Methodology for Establishing an Optimal Capital Structure", led by the Coordination Institution and developed by a team of financial and legal experts from PricewaterhouseCoopers Latvia (PwC), identified structural weaknesses in the SOE governance system and developed recommendations that in turn led the Coordination Institution to develop the conceptual report "On Necessary Changes to the Governance Policy of Capital Companies and Shares of Public Persons". On 15 September 2022, the conceptual report and the solutions developed by the Coordination Institution were approved by the Cabinet of Ministers (Cabinet of Ministers' Order No. 618), instructing the Coordination Institution to introduce new requirements in the regulation of SOE: to strengthen more active shareholder involvement in the management of state-owned capital shares and SOEs (with the Cabinet of Ministers developing a unified policy for SOE governance, and with the shareholder developing the shareholders' letters of expectation), to introduce the segmentation of SOEs into groups according to their sources of revenue and dependence on state budget funds, as well as to clarify the functions of the Coordination Institution with regard to the procedure for the transfer and performance of shareholder's duties and involvement in the Board formation processes. The Concept Paper placed considerable emphasis on the need to move SOEs towards an optimal capital structure, while also recognising the SOEs' potential for capital market development.

Among the tasks assigned by the Cabinet of Ministers, the Coordination Institution was entrusted with the task to develop the necessary amendments to the Law on Management of Capital Shares and Capital Companies of Public Persons, to develop, in cooperation with the Ministry of Finance, guidelines for evaluating alternatives for financing instruments for SOEs' investment projects, to develop a methodology for determining the optimal capital structure to ensure appropriate objectives in different SOE groups and to amend the guidelines for developing medium-term operational strategies and evaluating the SOE performance.

In turn, as from 1 January 2023, the holders of state-owned shares are tasked with assessing alternatives for financing instruments for major projects, including the potential for issuing bonds, and, when preparing for consideration issues on raising finance for innovative projects, with assessing the potential for establishing subsidiaries, including by raising private capital.

On 1 February 2022, amendments to the "Law on Management of Capital Shares and Capital Companies of a Public Person" came into force, which established a unified regulation for state and public-private capital companies in which the state is a shareholder with private sector capital companies regarding the calculation, payment and accounting of corporate income tax, as well as supplemented the Cabinet of Ministers' mandate in the regulation of dividend determination by extending it to other types of capital companies. Following the changes to the law, on 25 January 2022, the Cabinet of Ministers issued Regulation No 72 "Procedure for Forecasting, Determining and Making Payments for the use of State-Owned Capital".

The new regulation provides that the minimum expected profit share to be disbursed in dividends to SOEs, capital companies controlled by a public person and public private capital companies in which the State is a participant (shareholder) shall be 64 % (previously SOEs and public private capital companies – 80 %, including corporate income tax), of the profit of the capital company for the reporting year, unless otherwise specified in the medium-term operational strategy of the capital company in accordance with Chapter II of this Regulation, but 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), subsidiaries shall have not less than 50 % of the profit of the capital company for the financial year, unless otherwise specified in the strategy of the capital company. The minimum amount of profit to be distributed in dividends to capital companies under direct and indirect decisive influence of the State shall not be changed. The new arrangements for dividend payments for the use of state-owned capital have already produced results in 2022, and this trend continues to evolve in 2023.

On 22 March 2022, the Coordination Institution approved the "Guidelines for Nomination of Members of the Board of Directors and Council in Capital Companies in which Capital Shares are Owned by the State or a Derived Public Person", incorporating a detailed methodological instruction for the organisation of selection processes and attaching samples of documents to be used in the nomination process.

1.10. Development of Governance of Capital Companies in 2023

In 2023, the Co-ordination Institution continues to work towards the fulfilment of the tasks set out in Cabinet Order No 618 of 15 September 2022 “On the Necessary Changes to the Policy for Governance of Capital Companies and Shares of Public Persons”, implementing changes to the system of capital shares of public persons and capital companies, 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.

In 2023, when implementing the task given by Cabinet Order No 618 of 15 September 2022 “On the Necessary

Changes to the Policy for Governance of Capital Companies and Capital Shares of Public Persons”, the Co-ordination Institution has drawn up the “Guidelines for the Evaluation of Alternatives to Financing Instruments for Investment Projects of SOEs” and, after the adoption of amendments to the “Law on the Management of Capital Shares and Capital Companies of Public Persons”, will make the necessary adjustments to the “Guidelines for the Development of Medium-Term Operational Strategies and Performance Review of SOEs”, supplementing them with the methodology for determining the optimal capital structure.

1.11. Information Disclosed

When discharging the task set forth in the [“Law on Management of Capital Shares and Capital Companies of a Public Person”](#) (hereinafter- the Law on Management of Capital Companies), the Coordination Institution (until 28 February 2023, the CSCC), 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 Management of Capital Companies”.

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 CSCC's [“Information Disclosure Guidelines for Capital Companies of a Public Person and Shareholders”](#) (hereinafter – the Information 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 Management of Capital Companies”, 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 Capital Companies”. **Pursuant to Paragraph two, Section 29 of the “Law on Management of Capital Companies”, a holder of state-owned capital shares shall provide the following up-to-date information on its website regarding the capital companies in which it is a shareholder:**

- 1) the company name, legal address, amount of share capital and amount of state participation in the capital company;
- 2) compliance of state participation with the provisions of the law and general strategic objective;
- 3) the participation of the capital company in other companies and its compliance with the provisions of the law;
- 4) a representative of the holder of state-owned capital shares in the capital company;
- 5) the annual report approved by the capital company;
- 6) dividends paid by the capital company to the state and payments made to the state budget;
- 7) information that the state intends to terminate the participation in the capital company;
- 8) information regarding the initiated reorganization or transformation of the capital company;
- 9) other information which the holder of the state-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 14 shareholders was examined for 86 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.

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	6b) information that the State intends to terminate participation in the capital company	information regarding the reorganisation or conversion of the capital company initiated
Ministry of Economics	7											
Ministry of Finance	4											
Ministry of the Interior	1											
Ministry of Education and Science	3											
Ministry of Climate and Energy	2											
Ministry of Culture	16											
Ministry of Welfare	1											
Public Electronic Mass Media Council	2											
Ministry of Transport	14											
Ministry of Justice	2											
Publisko aktīvu pārvaldītājs Possessor	14											
Ministry of Health	13											
Ministry of Environmental Protection and Regional Development	2											
Ministry of Agriculture	5											

* The aggregated information was verified from 2 August to 11 August 2023.

** According to Lursoft database on the day of inspection

	Fulfilled – the information has been made public in full for all capital companies under supervision;
	Generally fulfilled – the information has been made public for more than half of the capital 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.

Table 4. Information disclosure on the websites of holders of state-owned capital shares

All holders of state-owned shares – ministries – use the single website platform, so the information published 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 Public Electronic Mass Media Council 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 increased 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. 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 and 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. At this time, only EUR or only percentage are indicated on the websites of holders of state-owned shares. The results of compliance of company's shareholdings in other companies with the provisions of the law (3a)) is most often indicated as 'no information - not applicable', as this is the case where the SOE has no shareholdings in other companies.

In accordance with requirements laid down in the "Law on Management of Capital Companies," the holder of state-owned shares must publish on its website

information that the state intends to terminate its participation in a capital company (7)) and information on the reorganisation or transformation of the capital company (8)). For these indicators, the result is mostly 'no information - not applicable', as 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.

Paragraph two Section 29 of the "Law on Management of Capital Companies" 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 other 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 information disclosed when monitoring the compliance of holders of state-owned shares with the disclosure requirements. Detailed information on the results of verification is available on the website www.valstskapitals.gov.lv. SOEs and private companies are required to publish on their website, or if they do not have a website, on the website of the shareholder, the information in accordance with specifications.

The Coordination Institution also examined the quality or accuracy of the published information by monitoring the compliance of holders of state-owned shares with disclosure requirements. Detailed information on the results of verification can be found is available on the website.

A capital company of a public person and a public-private capital company shall publish the required information on its website, or if it does not have one, on the website of the shareholder.

In accordance with information disclosure requirements referred to in Section 58 of the "[Law on Management of Capital Companies](#)", a capital company of a public person and a public-private capital company shall publish information on its website:

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 an explanation on its website.

In accordance with the “Law on Management of Capital Companies”, the Coordination Institution monitors the compliance of SOEs with the disclosure requirements set by the “Law on Management of Capital Companies”. The CSCC 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 6 -14 November 2023; a total of 66 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 Management of Capital Companies”, 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 accounts 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 Council (if any) and the Board of Directors (for each separately), as well as the council 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 Board of Directors and Council
- 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 8 "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 in the chapter above - the four disclosure requirements to be published at least annually and the four additional assessed disclosure requirements. Information on notifications 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 Management of Capital Companies”.

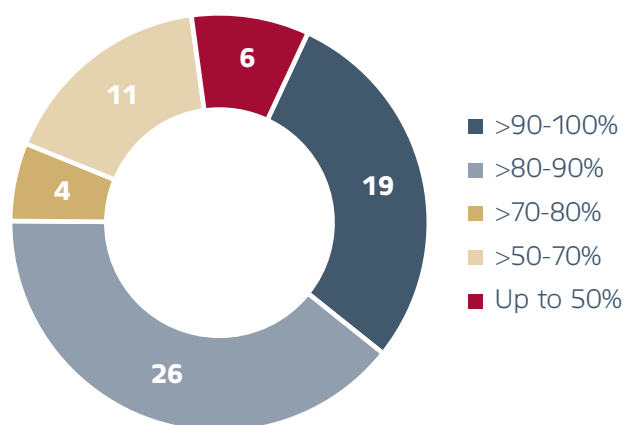


Figure 8. The extent of compliance (%) with disclosure requirements on SOEs' websites

When examining and summarising the information published on the websites of capital companies, it was found that four capital companies have complete (100%) and high-quality information on their websites, i.e. JSC Latvenergo, SLLC Latvijas Valsts ceļi, LLC Ludzas medicīnas centrs and SLLC Valsts Akadēmiskais koris 'Latvija'.

Users can find information on websites more easily if it is structured or summarised in a table. For most companies, the information published on the websites is not transparent or not properly published. The information to be disclosed referred to in Section 58 of the “Law on Management of Capital Companies” may also be included in the company's annual report, sustainability report and other documents published on the website, but in this case it is more difficult for the user to obtain the information. It would be preferable to use a format for the published documents that allows the user to use the search function. The Coordination Institution has reviewed the information published on each company's website, including the information contained in the published documents, and if a statutory disclosure requirement is fully included, for example in

a company's annual report, then it is considered that the requirement is 'met', however if a company has not met any of its disclosure requirements then it is possible that the information cannot be found among the documents published on the capital company's website.

The results of inspections are summarised in the Coordination Institution's conclusions and recommendations on the quality of information published on the websites of capital companies:

- 1) When publishing the results of financial and non-financial targets of a capital company, the expected values of the financial and non-financial targets should also be disclosed. It would be more transparent if the results of the financial and non-financial targets are included in a separate document, rather than having to search 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. 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 unaudited annual report may not be published if an audited annual report is published within two months of the end of the reporting period, together with the report of the sworn auditor. The content of interim reports is set out in Section 58(4) of the "Law on Corporate Governance". Interim reports shall be prepared in accordance with the laws and regulations governing the preparation of annual reports and shall include:
 - 1) an interim financial report, consisting of a balance sheet, income statement, statement of changes in equity, interim cash flow statement and appendix;
 - 2) an interim management report, providing information on significant events from the beginning of the financial year to the reporting date and their impact on the interim financial statements;
 - 3) a management responsibility statement, in addition to the requirements set out in the law on the preparation of annual reports.
- 2) The audited annual report shall be accompanied by a report of an independent certified auditor certifying the audit (examination) of the annual report and the consolidated annual report.
- 3) Where a supervisory board or a management board has been 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.
- 4) 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. Information is also provided if no dividend is paid. The same applies to information on state or local-government funding received.
- 5) 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).
- 6) If a council or a board has been appointed in a capital company for a fixed period (temporary), the date of appointment must be indicated and information on professional experience, education and positions in other capital companies must be disclosed for each.
- 7) 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. Information is also provided if no dividend is paid. The same applies to information on State or local government funding received.
- 8) A supervisory board or a 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.
- 9) 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. Information is also provided if no dividend is paid. The same applies to information on State or local government funding received.
- 10) A supervisory board or a 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.
- 11) 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. Information is also provided if no dividend is paid. The same applies to information on State or local government funding received.

- 12) In case a council or a board of directors 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.
- 13) 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.

On 1 January 2022, amendments to the “Law on Management of Capital Companies” entered into force, which provide that SOEs 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 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 public corporations were required to prepare and publish a non-financial or consolidated non-financial statement for the 2022 financial year. The Coordination Institution's examination of SOEs' websites concluded that 16 corporations 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.

23 public corporations were required to prepare and publish a Corporate Governance Statement for the 2022 financial year and 22 have complied with this requirement. In this reporting year, the Coordination Institution focused on the quality of the corporate governance statements prepared - whether the statement has been prepared in accordance with the Corporate Governance Code and what is the content of the information contained in the statement. In line with internationally accepted practice, the annual corporate governance statements of capital companies provide focused information to stakeholders

on corporate governance developments and the implementation of corporate governance principles in the capital company. This is a way for the management of a corporation to explain to any interested party the measures that the corporation has put in place to improve corporate governance. The information contained in the Corporate Governance Statements of public limited companies for the financial year 2022 shows that almost all SOEs have fully implemented all the 17 principles of corporate governance. Having examined the content of the information contained in the notifications, the Coordination Institution concludes that the quality of information contained in the corporate governance statements of state capital companies needs to be improved, as it was found that the corporate governance notifications of state capital companies very often contain references to the regulatory framework and laws and regulations, but do not provide substantive information; however, only references to the internal documents developed by the particular capital company are acceptable.

The Corporate Governance Advisory Board operates under the supervision of the Ministry of Justice, which provides clarifications on the application of the Corporate Governance Code. The Corporate Governance Code and answers to various questions on the principles of the Corporate Governance Code are published on the website of the Ministry of Justice, under the section “Corporate Governance”³³.

When preparing for drafting of reports, the CSCC, the Ministry of Justice and the Baltic Institute for Corporate Governance jointly organised a workshop to provide information on how to prepare a high-quality corporate governance report. A recording of the 23 March 2022 seminar on “Preparing a Corporate Governance Report” is available on YouTube³⁴.

The quality of the information published was also examined in the context of monitoring the compliance of SOEs with disclosure requirements. 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 works with holders of state-owned shares to explain and agree on remedies for identified weaknesses in the websites of holders of holders of state-owned shares and SOEs under their management, thereby improving overall information disclosure indicators.

³³ <https://www.tm.gov.lv/lv/korporativas-parvaldibas-kodekss>

³⁴ <https://www.youtube.com/watch?v=HX-u9nVMWEI>



2.

Governance of Municipality-Owned Capital Companies

2.1. Administrative-Territorial Reform and Other Changes

Since 1 July 2021, when the Administrative Territorial Reform (hereinafter - ATR) came into force, Latvia has 43 municipalities - 36 municipalities of regions and seven municipalities of national cities. In view of the significant impact of the ATR on the division of municipalities and, consequently, in view of the successive change of the shareholder, pursuant to Paragraph 30 of the Transitional Provisions of the “Law on Governance of Capital Companies”, the new municipalities established within the framework of the administrative-territorial reform were required to reassess their shareholdings by 1 June 2022.

The companies concerned were also required to make changes to the shareholder register and to submit the required information to the Enterprise Register, and most companies had registered the changes by 31 December 2022. As regards the revaluation of shareholdings, many municipalities have not implemented it within the deadline. It should be noted that the State Audit Office has carried out a compliance audit with the aim to find out whether and how the newly established municipalities after the ATR have assessed the participation in capital companies (audit report No 2.4.1-9/2022 of 18 May 2023). The audit covered the period from 1 January 2020 to 30 June 2022 and the audit sample included eight municipalities (Bauska, Cēsis, South Kurzeme, Jēkabpils, Ludza, Ogre, Preiļi and Tukums regions). The audit found that out of 89 capital companies of the eight sampled municipalities, the municipality's shareholding was revalued for only 25 capital companies, including only one municipality (the municipality of Jēkabpils) that had revalued its shareholding in all capital companies under its ownership. The State Audit Office also found that municipalities had not fully assessed the compliance of the activities of capital companies with the “Public Administration Structure Law”, had not set the objectives to be achieved through participation in capital companies, as a result of which there was no assurance on the need for municipalities to continue to engage in commercial activities. The State Audit Office concludes that the ability of municipalities to comprehensively reassess their holdings in capital companies is significantly

hampered by ineffective management of these capital companies, such as poor or non-existent documents for organising the activities of capital companies, lack of monitoring of the fulfilment of the objectives set for capital companies, or failure to set objectives, failure to analyse the economic performance of the companies, lack of justification for decisions taken by the municipality regarding the companies' operation, e.g. on increasing the share capital of companies, on the distribution of profits of the companies, etc. Thus, when assessing holdings in capital companies, municipalities do not comprehensively assess the efficiency of their economic activity, including the services they provide. As a result, municipalities do not create preconditions for improving the accessibility and quality of services provided to citizens throughout the administrative territory of the municipality through capital companies.

As regards the assessment of participation in capital companies, municipalities should also consider the institutional structure of services, given that one of the objectives of the ATR is to create more economically developed municipalities that are able to provide their citizens with services of comparable quality. Given that the ATR involved the merging of municipalities, it is now observed that several municipal capital companies are involved in the provision of the same services within the same municipality (e.g. water supply, housing management, heating, etc.). According to the information from the Enterprise Register it can be concluded that some municipalities have implemented reorganisation of capital companies (e.g. South Kurzeme Municipality, Jēkabpils Municipality, Madona Municipality, Bauska Municipality, etc.), but according to the information available to the State Chancellery, in several municipalities active work is underway to reassess holdings, take decisions on necessary reorganisations, as well as to implement reorganisation processes that have already been initiated.

It is essential that local governments continuously implement measures to improve the governance of the capital companies they own, to increase the efficiency of their operations and to improve the quality of services they provide. An example to be mentioned

is the reorganisation of the capital companies owned by the Riga City Municipality - LLC Rīgas nami, LLC Rīgas pilsētņēmnieks, LLC Rīgas Centrāltirgus and LLC Rīgas serviss - with the aim of centralising real estate

management and improving operational efficiency, as well as strengthening corporate governance and administrative capacity. The reorganisation took effect on 1 November 2022.

2.2. Information Disclosed

While discharging the task set out in the [“Law on Management of Capital Shares and Companies of a Public Person”](#) (hereinafter - Law on Governance of Capital Companies), the Coordination Institution (the State Chancellery, but the CSCC until 28 February 2023) shall annually monitor the fulfilment of the disclosure requirements on the websites of municipalities and municipal capital companies with a net turnover exceeding EUR 21 million and a balance sheet total exceeding EUR 4 million, examining how municipalities and municipal capital companies fulfil the disclosure requirements set out in Section 36 and Section 58 of the Law on Governance of Capital Companies.

The issues concerning the obligation to disclose information by public limited liability companies and shareholders, as well as the form and content of such information are set out in the CSCC's Guidelines on Disclosure of Information by Public Limited Liability Companies and Shareholders (hereinafter - the Information Disclosure Guidelines).

Pursuant to Section 30(2) of the “Law on Management of Capital Companies”, the Coordination Institution's annual public report on SOEs and state-owned capital shares in the previous year also includes information on how municipalities and municipality-owned capital companies have fulfilled the disclosure requirements laid down in the “Law on Governance of Capital Companies”.

Pursuant to Section 36 of [“Law on Management of Capital Companies”](#) , municipalities shall ensure the disclosure of up-to-date information on the capital companies in which they have ownership, including the following information:

- 1) a list of capital companies grouped by industry or size;
- 2) the name of the capital company, legal address, the amount of the share capital and the amount of the participation of municipality;

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

In the previous year, after examining the information published on the websites of municipalities and compiling the results, it was concluded that 46% of municipalities published insufficient amount of information required by law (performance below 50%) and, therefore, in the reporting year the Coordination Institution examined the compliance of the information published on the websites of those municipalities whose performance in the previous year was below 70%. A summary of the results of the inspections carried out in the previous reporting year can be seen in Figure 9 "Compliance rate (%) of municipalities' websites with information disclosure requirements for 2021".

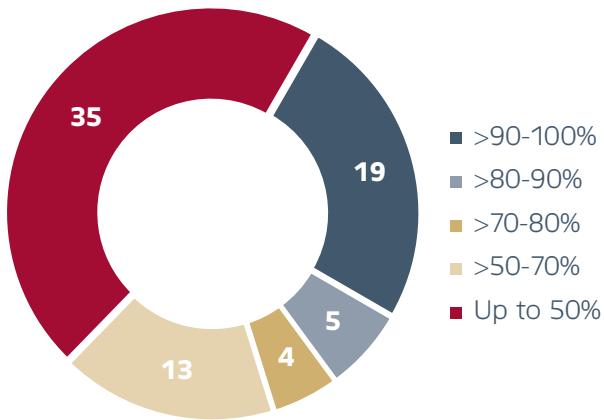


Figure 9. Level of compliance (%) with information disclosure requirements of municipalities' websites for 2021

During the reporting year, the Coordination Institution has monitored the compliance of municipalities with the disclosure requirements under the “Law on Governance of Capital Companies” regarding the capital companies in which they have interest and, from 16 June to 10 July 2023, verified the information published on the websites of municipalities. A total of 26 municipal websites and the information published therein on municipal capital companies were examined, and taking into account that shares in some capital companies are owned by several municipalities, information on 157 entities was actually examined on municipalities' websites. The list of the municipality and the capital companies in which it holds shares was recorded by the Coordination Institution at the time of verification of the disclosed information, updating the information from the Register of Enterprises or the Lursoft database. The summary of the results is presented in Figure 10 “Level of compliance (%) with the information disclosure requirements on the websites of municipalities for 2022”, which shows the number and the level of compliance of municipalities with the requirements of the law for disclosure of information on the capital companies in which it has shareholding.

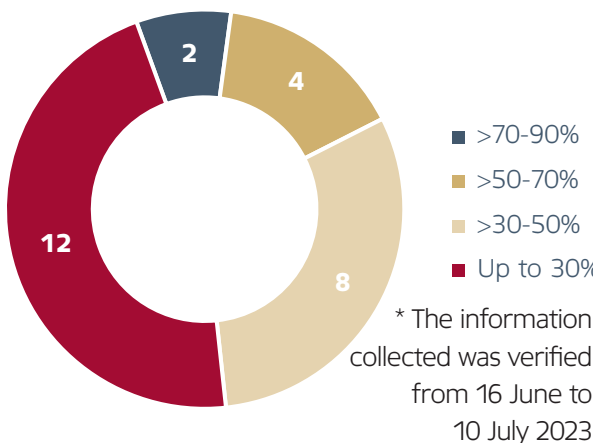


Figure 10. Level of compliance (%) with information disclosure requirements on municipal websites in 2022

The information included in the summary is based on the amount of information published on the website of each municipality about the capital companies in which it owns shares, and also takes into account the factor if any of the disclosure requirements for a certain capital company does not apply, for example, the capital company does not have holdings in other companies and therefore the compliance of the capital company's holdings in other companies with the provisions of the “Law on Governance of Capital Companies” is not disclosed. According to the results of examination, it can be concluded that only two municipalities have improved the quality and scope of information published on their websites about capital companies in which they hold shares, i.e. Talsi municipality's capital companies (2022 result is 89%, 2021 result is 55%) and Sigulda municipality's capital companies (2022 result is 74%, 2021 result is 64%). There is a high proportion of municipalities whose website information on the capital companies in which they hold shares is estimated to be below 30%. This is partly due to the fact that not all municipalities have made the necessary changes to the Register of Enterprises of the Republic of Latvia following the administrative-territorial reform that entered into force on 1 July 2020. In cases where changes in the composition of the members (including the size of the shareholding) were not registered, different interpretations arose as to which website the information should be published. Most often, the information on the capital company was published on the website of the new municipality, but the changes had not yet been made in the register.

The results of examinations are summarised in the Coordination Institution's conclusions and recommendations on the quality of information disclosed on the websites of municipalities:

- 1) Information on capital companies on the website of the municipality must be published properly, i.e. the municipality must ensure that up-to-date information on capital companies in which it has an interest is published on its website, and the information must be transparent. According to the findings of inspections, information on each of the companies is often located in different places on the municipality's website, e.g. in the municipality's contact list, only in the municipality's annual public report, only with a link to the information published on the company's website, with a link to the information published on the previous shareholder's website about the company which is no longer up-to-date, etc.
- 2) Municipalities should pay attention to the fact that the list of capital companies published on the website

is grouped according to sector or size criteria as required by the “Law on Management of Capital Companies”, especially for those municipalities that own shares in a large number of capital companies.

- 3) The amount of the municipality's participation in the capital company should be indicated both as a percentage and in EUR, as specified in the “Information Disclosure Guidelines for Capital Companies of a Public Person and Shareholders”, and in addition, the registration number of the capital company should preferably be indicated.
- 4) The information published on the municipality's website about capital companies must be up-to-date, e.g. the amount of the capital company's share capital must be updated if changes have occurred; up-to-date information about the shareholder's representative, both name and position in the municipality, must be provided. Attention should be paid to what information is given in the information on the planned reorganisation of the capital company, e.g. it is stated that there are no plans to reorganise the capital company, but there is information on the commencement of the reorganisation.
- 5) The municipality must provide information on dividend payments by a capital company even if the capital company does not pay dividends, which could be due to the fact that the accounting year was closed with a loss or a different share of the profit is set for dividend payments.
- 6) The municipality must publish the current annual report of the capital company within 2 months of its submission to the State Revenue Service and the report must be accompanied by a report of an independent certified auditor certifying the audit (review) of the annual report or consolidated annual report.
- 7) In some cases, municipalities have not assessed whether the information should be made public, possibly due to lack of understanding of what is required by the legislation, e.g. information on tax payments made by a capital company in 9 months 2019 is published on the municipality's website. If the information is historical and at the same time not accurate or correct, it should not be published.

As regards the monitoring of disclosure of information by all municipal capital companies, the “Law on Management of Capital Companies” stipulates that a derived public person - a municipality - must ensure that its website publishes an annual report containing consolidated information on the municipality's

participation in capital companies, its invested resources and their return, services provided by capital companies, contributions to the state budget and municipal budgets, state or municipal budget subsidies received, sectors in which municipality-owned capital companies operate, nomination processes for members of the board of directors and Council, other information necessary to provide an overview of the municipality's capital companies and shares, as well as information on how the municipality and its capital companies have complied with the disclosure requirements set out in the “Law on Governance of Capital Companies”.

The Coordination Institution has verified whether the municipalities have published on their websites the annual report containing consolidated information on the municipalities' holdings in capital companies and whether the report contains information on how the municipality and the capital companies it owns have complied with the disclosure requirements laid down in the “Law on Management of Capital Companies”.

Following the audit, it can be concluded that municipalities do not prepare a separate report on capital companies and shares owned by a derived public person, only Talsi Municipality has prepared and published the Public Report on Talsi Municipality-Owned Capital Companies and Shares. The information on capital companies included in the public reports of municipalities is partial. In most cases, the only information on capital companies included in the public reports of municipalities is the amount of municipal shareholdings, changes in shareholdings and changes in equity. The accounts do not include information on how the municipality and the companies it owns comply with disclosure requirements. Detailed information on the results of the Coordination Institution's inspection can be found electronically at www.valstskapitals.gov.lv. The Coordination Institution calls on the municipalities to keep the information published on their websites up-to-date and in compliance with the “Law on Management of Capital Companies”, as well as to ensure that the capital companies and their subsidiaries owned by municipalities have ensured the disclosure of the information as required by the Law. The Coordination Institution will continue to work with the municipalities holding the shares to explain the disclosure requirements under the “Law on Management of Capital Companies” on the websites of a public derived person and will provide clarifications of the requirements of the Law as necessary.

Pursuant to Section 58 of the “[Law on Management of Capital Companies](#)” a capital company of a public person and public-private capital company shall

publish the following information on its website. In case it doesn't have a website, the following information shall be published on the website of the 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 board of directors, council (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 council (if such has been established) and members of the board of directors (for each individual), as well as compliance of the member of the council with the criteria of an independent member of the council 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 board of directors and council.
- 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.

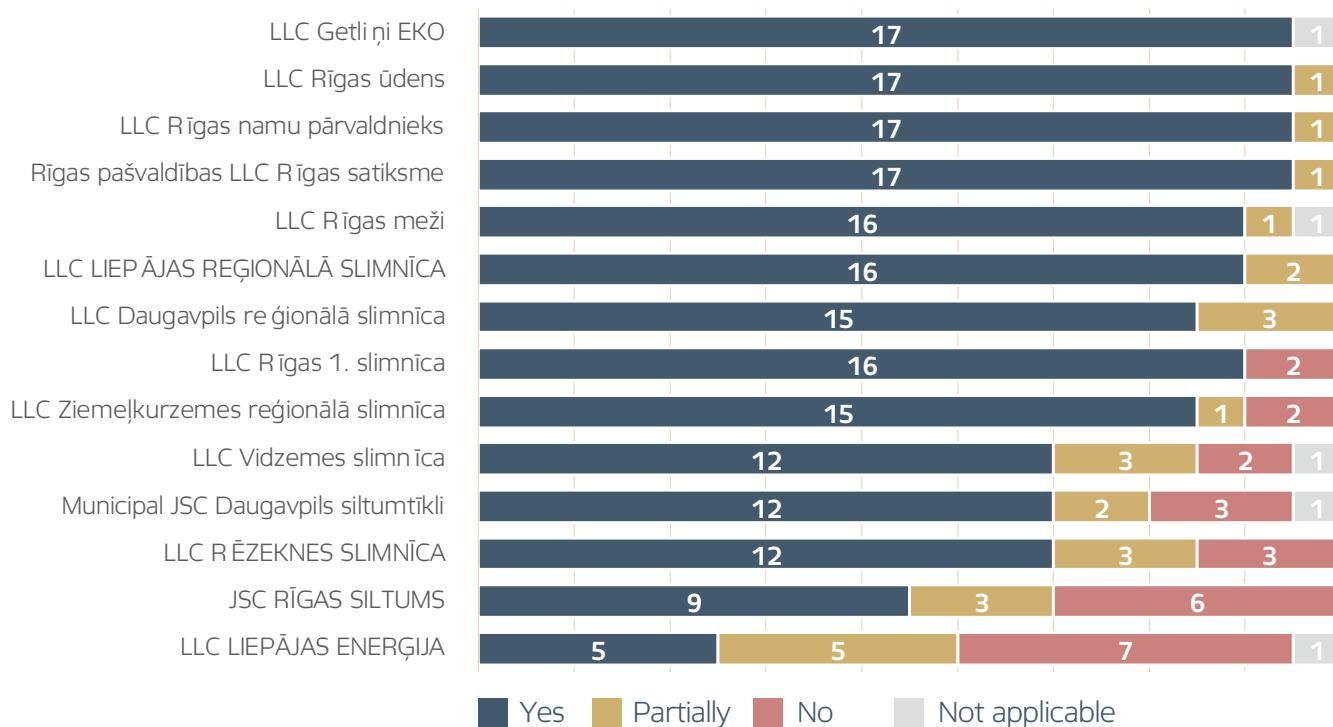
If there are objective reasons why the capital company cannot disclose this information because it has been classified as a trade secret pursuant to Section 19 of the Commercial Law, the capital company shall post an explanation on its website.

Municipal capital companies 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 Management of Capital Companies", the Coordination Institution monitors the compliance of municipal capital companies 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. Fourteen municipal capital companies were examined based on their financial indicators (net turnover, balance sheet total) and number of employees for 2022.

Figure 11 "Ensuring disclosure of information on the websites of large municipal capital companies" shows the results of examinations carried out by the Coordination Institution regarding the compliance of

large municipal corporations with the disclosure of information requirements on their websites. The disclosure inspections were carried out from 25 October to 2 November 2023.



*Aggregated information verified between 25 October and 2 November 2023.

Figure 11. Ensuring information transparency on the websites of large municipal companies

The summary includes the results of the companies' compliance with the above 16 disclosure requirements, the corporate governance statement and the non-financial or consolidated non-financial statement for the 2022 financial year.

The overall performance of large municipal capital companies as regards the requirements for information to be published on their websites is good, with most requirements being met or partially met. In the context of the financial performance of municipal capital companies, the Coordination Institution verified for the first time the information prepared and published on the websites of the municipal companies JSC Daugavpils siltumtīkli and LLC Liepājas Enerģija in the reporting year. The compliance with the information disclosure requirements on the websites of these capital companies is relatively low. Also, for the first time, the information published on the website of LLC Rīgas meži was examined and the results show a high compliance level.

Following the inspection of the published information that was carried out in the previous reporting year and comparing it with the results of examinations carried out this year, it can be concluded that the greatest improvements in the volume and quality of the publicly disclosed information were demonstrated by LLC Ziemeļkurzemes reģionālā slimnīca and LLC Vidzemes slimnīca. In the information disclosure examination results, one criterion does not apply to some companies, as these companies are not required to prepare and publish a non-financial or consolidated non-financial statement for the financial year 2022, as the number of employees of the companies was less than 500 in the reporting year.

Detailed information on the compliance of the information published on the websites of large municipal capital companies with the results of the inspection stipulated by the "Law on Management of Capital Companies" are available on the website 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 SOEs, published activity reports of SOEs, other published information of SOEs), reports on specific indicators prepared by SOEs 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 SOEs: 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 SOEs 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 SOEs. 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 SOEs.

In some cases, the reliability of these data has not been further verified by relying on the accuracy of public data and reports. Financial ratios such as profitability, ROA, ROE, liquidity and liability ratio are calculated from the publicly available information.

- Profitability - profit to turnover ratio, expressed as a percentage.
- ROA (return on assets) – return on assets. Ratio of profit to total value of assets, expressed as a percentage.

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

Contributions paid to the state and 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 board and council 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 SOE are accounted for in accordance with the accounting principles and policies of the SOE, and therefore may contain different elements.

The general financial analysis of SOEs also includes those capital companies under decisive influence of the state (50

% + 1 share), and certain capital companies dependent on SOEs and the capital companies under decisive influence, incl. voting rights, or economically significant capital companies with close to 50 % shares (JSC Rīgas Siltums). In specific cases, capital companies are included because their parent companies do not consolidate their results in their accounts. These companies are LLC Latvijas Mobilais Telefons, LLC Tet, LLC Veselības centrs "Bīķernieki", 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 Bīķernieki, 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.

To ensure continuity, an annual report and analysis is prepared each year, and measures are taken to improve and enhance the relevance of the performance indicators of public corporations to the form of operation of the corporation, including in the areas of finance as well as corporate governance. This report analyses the financial data of SOEs for the years 2021-2022, in separate sections for 2014-2021 if statistical data for 2022 are not yet available at the time of reporting, 2014-2022, 2018-2022, 2019-2022 or 2020-2022 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, incl. photos related to the history of 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 SOE logo.

4.

Operational Results of State-Owned Enterprises

4.1. Summary of SOEs' operational results

Total Assets of SOEs

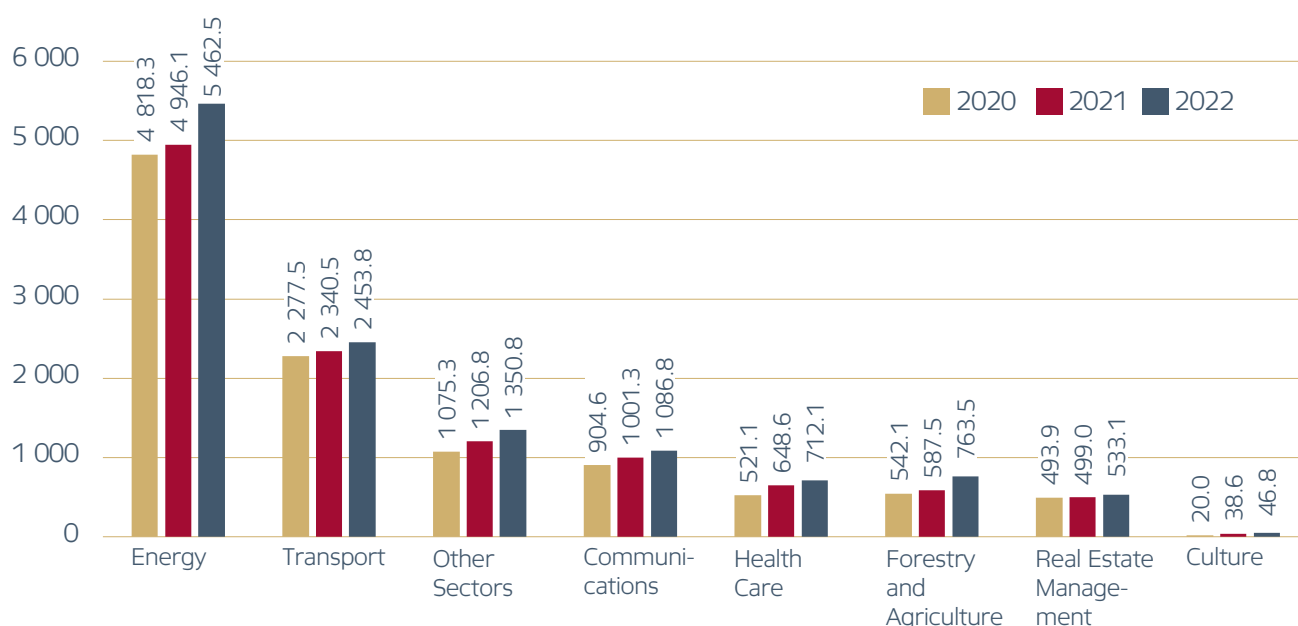


Figure 12. Total assets of SOEs by sector from 2019 to 2022, million EUR

The asset valuation shows an overall increase of +10.1 % or EUR +1.14 billion compared to 2021 (an increase in 2021 of + 5.8 % or EUR +615.5 million compared to 2020).

The major asset growth can be observed in three sectors – energy (by EUR +516.4 million or +10.4 %), forestry and agriculture (by EUR +176.1 million or +30.0 %) and other sectors (by EUR +144.0 million or +11.9 %). In the energy sector, this is mainly due to the increase in assets of the Latvenergo Group (EUR 379.4 million in 2022 and the highest asset growth among SOEs). In the forestry and agriculture sectors, it is mainly due to the increase in assets of JSC Latvijas valsts meži (consolidated) (EUR +175.9 million in 2022 and the 2nd largest increase in assets among SOEs). In the other sector, it results from the increase in assets of JSC Attīstības finanšu institūcija ALTUM (EUR +123.4 million in 2022 and the 4th largest

increase in assets among SOEs). SOEs of the agriculture and forestry sector had the highest relative asset growth (+30.0%), ahead of SOEs in the culture sector with +21.3% asset growth. The largest percentage increases in assets were recorded for LLC Latvijas Nacionālais sporta centrs (formerly SLLC Kultūras un sporta centrs 'Daugavas stadions') (+142.8 %), which is due to the fact that according to the Cabinet of Ministers Order No. 402 "On Establishment of a Centralized Management Structure for State-Owned National Sports Facilities" of 31 May 2022 a decision was made to add LLC Tenisa Centrs 'Lielupe', LLC Bobsleja un kamaniņu trase 'Sigulda' and LLC Sporta Centrs 'Mežaparks'³⁵ to the SOE. Other large relative increases in assets were recorded for SLLC Rīgas Cirks (+137.2%), SLLC Jaunais Rīgas teātris (+127.7%), SLLC Latvijas Proves birojs (+111.1%), SLLC Dailes teātris (+60.0%), SLLC Valmieras Drāmas teātris (+58.1%) and

³⁵ LLC Latvian National Sports Centre Annual Report 2022, p. 4, source: www.ur.gov.lv.

JSC Ventas osta (+52.7%). The largest relative decreases in assets were for LLC Lielstraupes pils (-94.3%), SLLC Meliorprojekts (-55.4%), LLC Latvijas standarts (-16.3%), SLLC Latvijas televīzija (-12.8%) and JSC Publisko aktīvu pārvaldītājs 'Possessor' (consolidated) (-12.1%). LLC Lielstraupes pils has the highest relative decrease in assets among SOEs due to the fact that as of 1 January 2018 the SOE no longer provides healthcare services³⁶.

The highest share of assets in SOEs was in the energy sector (44.0% in 2022, 43.9% in 2021, 45.2% in 2020,

45.5% in 2019) and in the transport sector (19.8% in 2022, 20.8% in 2021, 21.4% in 2020, 21.4% in 2019). It must be taken into account that in some sectors, some state-owned assets are not included in the balance sheets of SOEs, but are managed, e.g. forests are on the balance sheet of the Ministry of Agriculture and not on the balance sheet of JSC Latvijas valsts meži. Compared to 2021, as a percentage of total assets, energy sector assets have increased by 0.1 percentage point, while assets of the transport sector have decreased by 1.0 percentage point.

Total Equity of SOEs

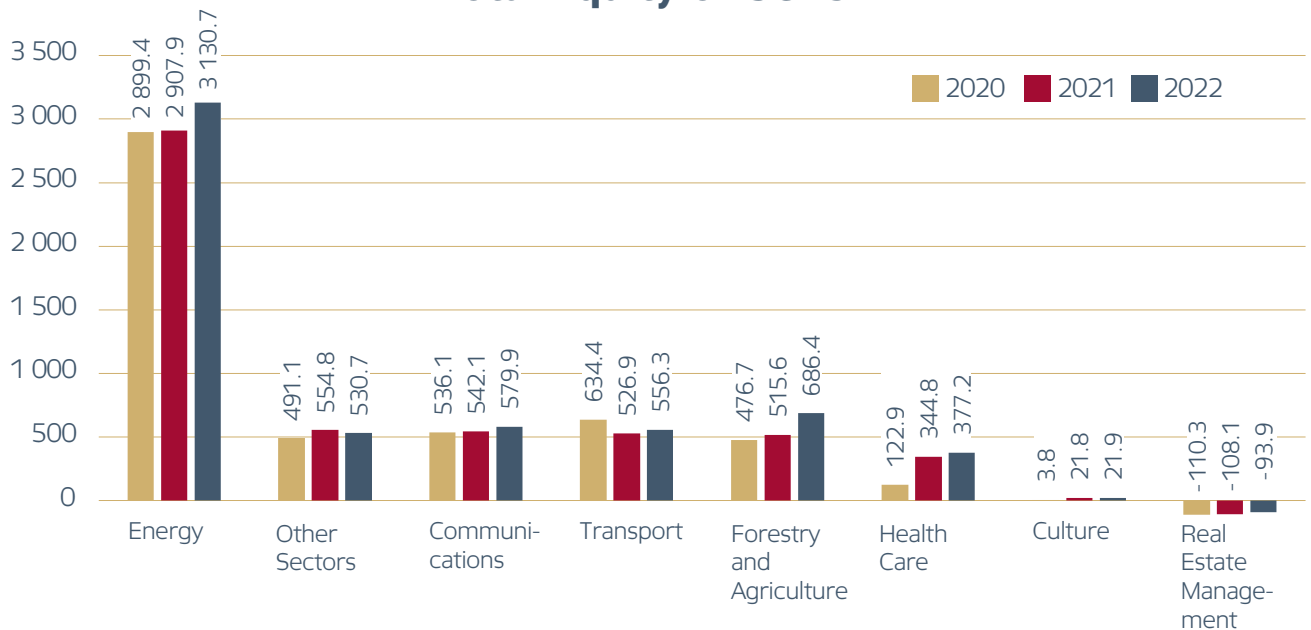


Figure 13. Total equity of SOEs by sector from 2020 to 2022, million EUR

The equity as a whole has increased by +9.1% or EUR +483.4 million for all SOEs in 2022 compared to 2021, which is an increase in the pace as in 2021 the equity increased by 5.0% or EUR +251.2 million. The largest increases are in the energy, forestry and agriculture sectors, with EUR +222.8 million or +7.7% and EUR +170.8 million or +33.1% respectively compared to 2021, which means a change in the sector leaders,

as in 2021 the largest equity capital increases were in the health sector and companies of other sectors, with EUR +222,0 million or +180.6% and EUR +63.7 million or +13.0% respectively compared to 2020 in the respective sector. Individually, the largest equity capital increases were recorded for JSC Latvenergo (EUR +233.0 million), JSC Latvijas valsts meži (EUR +170.8 million), LLC Latvijas Nacionālais sporta centrs (EUR

36 Annual Report of LLC Lielstraupes pilsof 2022, p.3, source: www.ur.gov.lv.

+47.0 million), JSC Air Baltic Corporation (consolidated) (EUR +36.3 million) and SJSC Latvijas Valsts radio un televīzijas centrs (EUR +36.0 million). The total decrease in equity capital in 2022 was recorded in only one sector - other SOEs - EUR -24.1 million or -4.3%, which is mainly attributable to the decrease in equity capital of JSC Attīstības finanšu institūcija Altum, which decreased by EUR -44.8 million or -10.2%, that, in turn, is related to the decrease in the position 'Special Reserve Capital' of EUR 58.6 million under the heading 'Reserve capital for Covid-19 mitigation' in accordance with the resolution adopted at the Extraordinary Shareholders' Meeting of the Company on 1 April 2022, based on items 2 and 3 of the Minutes of the Cabinet of Ministers of 6 July 2021 (Prot.No.51, § 135). The reduction in the capital reserve includes: a reduction of EUR 22.6 million in the special reserve for financing of loans to large companies (MidCap loans), a reduction of EUR 16 million in the special reserve for portfolio guarantees to mitigate the effects of the Covid-19 crisis (Credit Holiday guarantees were included) and a reduction of EUR 20 million in the special reserve for guarantees to large companies (MidCap guarantees) whose activities were affected by the spread of Covid-19. The reallocation of funds resulting from the reduction of the Special Capital Reserve was used to finance the new Investment Loan with Capital Discount programme. Thus, the reduction of the Special Capital Reserve by reducing the funding for certain support programmes and the reallocation of the corresponding funding to commitments of EUR 58.6 million to finance a new support programme is secured while maintaining the same nature of funding: funding for the implementation of a new support programme and for the expected losses. The transfer of funding from the special reserve capital results in a corresponding reduction of the Portfolio's loss reserve by EUR 49.8 million³⁷.

JSC Reverta (consolidated), JSC Air Baltic Corporation (consolidated) and LLC Lielstraupes pils were the only three SOEs with negative equity in 2022 – JSC Reverta (consolidated) – EUR -434.4 million (EUR -434.3 million in 2021, EUR -434.0 million in 2020), Air Baltic Corporation (consolidated) - EUR -82.0 million (EUR -118.3 million in 2021, EUR 17.0 million in 2020) and LLC Lielstraupes pils - EUR -608 (EUR 37 570 in 2021, EUR 54 716 in 2020). Due to the indicators of JSC Reverta (consolidated), the negative equity in 2022 is still observed in the real estate sector, i.e. EUR -93.9

million (EUR -108.1 million in 2021, EUR -110.3 million in 2020, EUR -108.9 million in 2019). Unlike in 2020, when the share capital of JSC Air Baltic Corporation was increased by EUR 250 million, in 2021 no share capital was increased despite the losses incurred, but in August 2021 the Government of Latvia 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 Government of Latvia made a contribution of EUR 45 million to the share capital. In Q2 of 2022 the airline received the remaining EUR 45 million and in June 2022 the changes in the share capital were registered in the Register of Enterprises of the Republic of Latvia³⁸. The number of passengers carried by JSC Air Baltic Corporation in 2022 continued to increase compared to 2021, reaching already 3.34 million passengers carried, which was by 104.9% more than in 2021 (1.63 million passengers carried in 2021, 1.34 million passengers carried in 2020), but still lower (-33.9% in 2022, -67.7% in 2021 and -73.5% in 2020) than in 2019 when the number of passengers amounted to 5.05 million. The trend in passenger traffic in Q3 and Q4 2022 was positive, compared to 2019 the passenger traffic reached 53.2% and 62.3% in Q1 and Q2 2022 respectively (in Q1 2021 - 12.0% and in Q2 2021 - 16.4%) of the passengers carried in 2019, but already 69.3% in Q3 2022 (44.0% in Q3-2021) and 75.3% in Q4 2022 (49.1% in Q4 2021)³⁹.

A total of 20 SOEs experienced a decrease in equity in 2022 the same as in 2021 (25 in 2020, 23 in 2019), however, many of them are small in absolute terms, but in total the decrease in equity for SOEs was lower than in 2021 and also lower than before the Covid-19 pandemic, i.e., 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.

In 2022, like in 2021, the equity capital of SOEs increased. The equity capital of the following SOEs increased: JSC Air Baltic Corporation (consolidated) (EUR +90.0 million), SJSC Latvijas dzelzceļš (consolidated) (EUR +38.5 million), JSC Augstsprieguma tīkls (consolidated) (EUR +25.7 million), LLC Rīgas Austrumu klīniskā universitātes slimnīca (EUR +16.2 million), LLC Latvijas Nacionālais sporta centrs (EUR +13.7 million), SLLC Bērnu klīniskā universitātes slimnīca (EUR +8.3 million), SJSC Tiesu namu aģentūra (EUR +7.1 million), SLLC Paula Stradiņa klīniskā universitātes slimnīca (EUR +5.5 million), JSC

37 JSC Development Finance Institution Altum Annual Report 2022, p. 102, source: <https://www.altum.lv/par-altum/altum-finansu-informacija/>

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

39 Financial statements of JSC Air Baltic Corporation for 2019, 2019 H1, 2019 Q3, 2020, 2020 H1, 2020 Q3, 2021, 2021 Q1, 2021 H1, 2021 Q3, 2022, 2022 Q1, 2022 Q1, 2022 Q3, source: <https://www.airbaltic.com/lv/korporativa-parvaldiba>.

Valsts nekustamie īpašumi (EUR +4.7 million), SLLC Nacionālais rehabilitācijas centrs Vaivari (EUR +1.6 million), SLLC Latvijas Proves birojs (EUR +0.9 million), SLLC Rīgas Tūrisma un radošās industrijas tehnikums

(EUR +0.7 million), SLLC Strenču psihoneiroloģiskā slimnīca (EUR +143.3 thousand), SLLC Daugavpils psihoneiroloģiskā slimnīca (EUR +19.2 thousand) and LLC Lielstraupes pils (EUR +16.4 thousand).

Total Turnover of SOEs

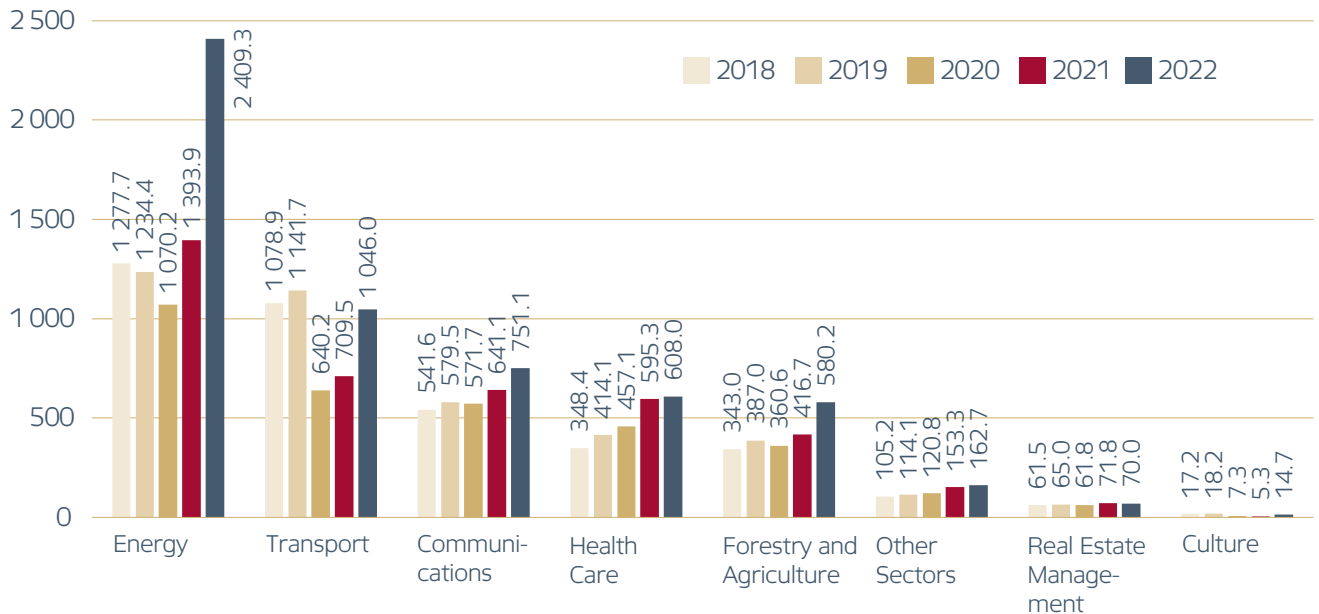


Figure 14. Total Turnover of SOEs by sector from 2018 to 2022

The total turnover of SOEs in 2022 increased by 41.5% compared to 2021, amounting to a total of EUR 5 641.9 million. Overall, these turnover figures were well above the results of the previous years, including the results before the Covid-19 pandemic. The energy sector accounted for the largest share of the total turnover of SOEs in 2022 with 42.7% (35.0% in 2021, 32.5% in 2020), followed by the transport sector with 18.5% (17.8% in 2021, 19.5% in 2020) and the communications sector with 13.3% (16.1% in 2021, 17.4% in 2020).

All sectors except real estate showed an increase in turnover in 2022 compared to 2021. The largest increase in turnover was for SOEs of the energy sector by EUR +1 015.4 million or +72.8% in 2022 (EUR +323.7 million or +30.3% in 2021), where the turnover increased in 2022 for both JSC Latvenergo (Group) by EUR +776.6 million or 72.9% (EUR +291.8 million or +37.7% in 2021) and JSC Augstsprieguma tīkls by EUR +168.9 million or 92.7% (EUR +37.3 million or +25.8% in 2021). The next largest increase in turnover is in the transport sector, where turnover has increased by EUR +336.4 million or +47.4% compared to 2021, as a result of turnover

growth in the SOEs in the aviation sector - JSC Air Baltic Corporation (EUR +297.2 million or +149.9% turnover growth) and SJSC Starptautiskā lidosta 'Rīga' (EUR +26.2 million or +82.3% turnover growth). Despite these large turnover increases, these SOEs are still lagging behind their pre-Covid-19 pandemic 2019 turnover results - JSC Air Baltic Corporation by EUR -6.8 million or -1.4% and SJSC Starptautiskā lidosta 'Rīga' by EUR -7.1 million or -10.9%. Although the turnover of SJSC Latvijas dzelzceļš (consolidated) increased slightly in 2022 (EUR +5.6 million or +2.3%), it is still significantly behind the turnover results before the Covid-19 pandemic and the invasion of Ukraine by Russia, e.g. EUR -82.9 million or -24.5% behind the 2019 results and EUR -165.4 million or -39.4% behind the 2015 results, when the best turnover performance in recent years was recorded. The volume of freight transport by SJSC Latvijas dzelzceļš continued to decrease in 2022 compared to 2021, with a decrease of -1.7% compared to 2021. In 2021, the decrease was -8.9% compared to 2020. In 2020, the decrease was -41.9% compared to 2019.⁴⁰ Relatively positive turnover growth was in SOEs of the communications sector (EUR

⁴⁰ Consolidated Annual Report of SJSC Latvijas dzelzceļš for 2020 (page 6), 2021 (page 6) and 2022 (page 6), source: <https://www.ldz.lv/lv/auditeti-gada-parskati>

+110.0 million or +17.2% in 2022, EUR +69.5 million or +12.1% in 2021) and forestry and agriculture sector (EUR +163.5 million or +39.2% in 2022, EUR +56.1 million or +15.6% in 2021). SOEs of the culture sector show the highest relative increase in turnover, by +178.0%. Only SOEs of the culture and transport sectors are those with turnover levels not exceeding the 2019 level in 2022, similar as in 2021. In the culture sector, all 14 companies managed to increase their turnover compared to 2021 from 39.5% to 639.9%, but overall only two SOEs in the culture sector have managed to return to their 2019 level – SLLC Dailes teātris (EUR +418.2 thousand or +15.9% in 2022 compared to 2019) and SLLC Rīgas cirks because this SOEs turnover has been rather low in recent years (EUR 186.5 thousand in 2022 and EUR 132.3 thousand in 2019), compared to EUR 642.1 thousand in 2015.

Comparing the years 2022 and 2021, there were individual drops in turnover. There were 12 (13 in 2021) turnover decreases in SOEs and 6 (only 2 in 2021) turnover decreases of more than EUR -1.0 million (only 2 in 2021) in SOEs - SJSC Latvijas autoceļu uzturētājs (EUR -6.6 million or -7.8%), SJSC Zemkopības ministrijas nekustamie īpašumi (EUR -6.4 million or -34.8%), SJSC Latvijas Pasts (EUR -5.3 million or -5.1%), SJSC Latvijas Pasts (EUR -5.3 million or -5.1%), LLC Rīgas Austrumu klīniskā universitātes slimnīca (EUR -5.3 million or -2.3%), JSC Attīstības finanšu institūcija Altum (consolidated) (EUR -5.3 million or -23.0%), JSC Publisko aktīvu pārvaldītājs Possessor (consolidated) (EUR -5.0 million or -64.6%).

Compared to 2019, there are 20 (29 in 2021) individual turnover drops in 2022 for SOEs and 7 (in 2021 - 12) cases of decrease of turnover by more than 1.0 million for SOEs. Individually, the following SOEs had the largest decrease in turnover in 2022 compared to 2019: SJSC Latvijas dzelzceļš (EUR -82.9 million or -24.5%), SJSC Latvijas gaisa satiksme (EUR -11.5 million or -37.4%), SJSC Starptautiskā lidosta 'Rīga' (EUR -7.1 million or -10.9%), JSC Air Baltic Corporation (EUR -6.8 million or -1.4%) and JSC Pasažieru vilciens (consolidated) (EUR -4.5 million or -7.9%).

On an individual basis, the following companies had the highest turnover growth in 2022 compared to 2021: JSC Latvenergo (Group) (EUR+776.6 million or +72.9%), JSC Air Baltic Corporation (EUR+297.2 million or +149.9%), JSC Augstsprieguma tīkls (consolidated) (EUR +168.9 million or +92.7%), JSC Latvijas valsts meži (consolidated) (EUR +161.3 million or +39.8%), LLC Tet (Group) (EUR +73.4 million or +29.0%) and JSC Rīgas siltums (consolidated) (EUR +69.9 million or +47.7%). By contrast, the following companies had the highest individual turnover growth in 2022 compared to 2019: JSC Latvenergo (Group) (EUR +1 000.2 million or +118.8%), LLC Latvijas valsts meži (EUR +191.5 million or +51.0%), JSC Augstsprieguma tīkls (EUR +166.4 million or +90.1%), LLC Tet (EUR +99.1 million or +43.5%) and LLC Rīgas Austrumu klīniskā universitātes slimnīca (EUR +79.3 million or +55.8%).

Number of Employees and Average Remuneration

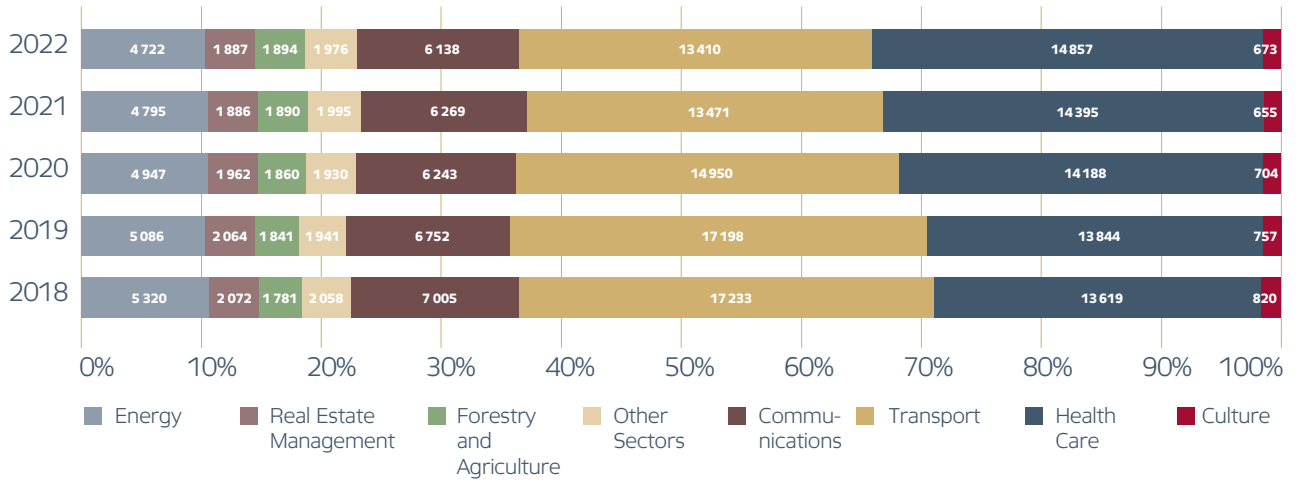


Figure 15. Average annual employment in SOEs by sector from 2017 -2021, number and %

There have been relatively few changes in the employment structure. In terms of employees by sector in SOEs (total = 100%), the health sector employs the largest share of people - 32.6% (31.7% in 2021) of all employees in SOEs, an increase of +0.9 percentage points compared to 2021. In 2022, the increase in the number of employees in the health sector was the highest both in absolute terms (+462 employees) and in relative percentage terms (+3.2%) (+207 employees or +1.5% in 2021). The transport sector was the second largest sector in terms of employment, with 13.4 thousand employees and a decrease of -61 employees or -0.5%. In both absolute terms and relative

percentages, the largest employment decline was in the communications sector, with 6.14 thousand employees and a decline of -131 employees or -2.1%.

The year 2022 was the first year after a six-year break when the number of employees in SOEs increased - by +201 employees or +0.4%. Compared to 2021, the reduction was -1 428 employees or -3.1%, in 2020 -2 699 employees or -5.5%, in 2019 -425 employees or -0.9%, in 2018 -1 110 employees or -2.2%, in 2017 -1 102 employees or -2.1% and in 2016 -603 employees or -1.1%.

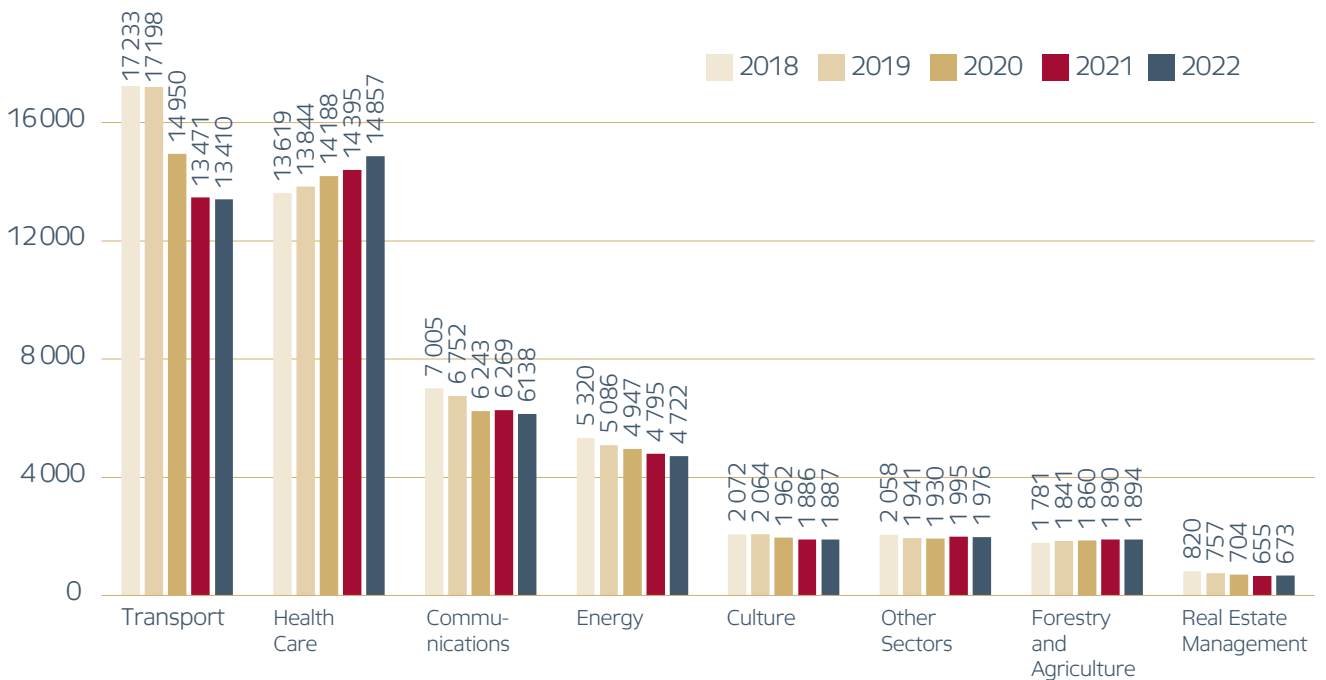


Figure 16. Average number of employees in SOEs by sector from 2018 to 2022, number

The largest decrease in the number of employees in 2022, as well as in 2020 and 2021, was for SJSC Latvijas dzelzceļš by -669 employees or -9.4% (-1 388 employees or -16.3% in 2021, -1 616 employees or -15.9% in 2020), bringing the total number of employees down to 6 482. Two other SOEs, SJSC Latvijas Pasts (by -382 employees or -10.4% in 2022, by -143 employees or -4.3% in 2021) and SJSC Ceļu satiksmes drošības direkcija (by -162 employees or -21.8% in 2022) had a decrease of more than 100 employees, which was mainly due to the sale of

shares in other companies owned by SJSC Ceļu satiksmes drošības direkcija in 2022. In turn, the increase in the number of employees above 100 in 2022 was recorded for JSC Air Baltic Corporation (consolidated) (+474 employees or +34.4%), LLC Rīgas Austrumu klīniskā universitātes slimnīca (+200 employees or +4.2%), SJSC Paula Stradiņa klīniskā universitātes slimnīca (+204 employees or +6.5%) and SJSC Starptautiskā lidosta "Rīga" (+272 employees or +26.0%).

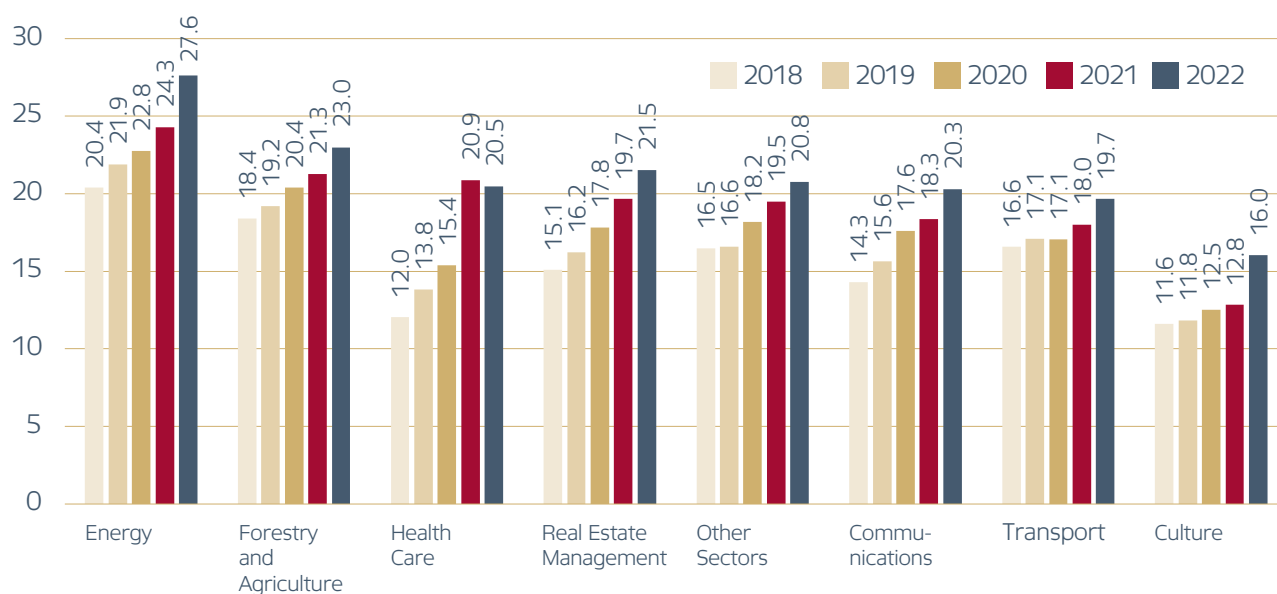


Figure 17. Average gross remuneration per employee per year from 2018 to 2022, EUR thousand

Information on the level of remuneration in SOEs is compiled, and the analysis of this information can be used to determine overall trends. The remuneration policy is determined in each SOE according to internally approved principles depending on the nature of the activities of the SOE, the situation in the labour market and available resources. There may be different principles for the variable pay components or for the allocation and payment of other additional benefits. Remuneration policy is also affected by the choice of a business model, thus, SOEs with a higher proportion of outsourcing will often have a higher level of remuneration, as well as the proportion of non-financial targets and the income-generating model of the SOE play an important role.

Overall, wage levels in all sectors except healthcare have increased compared to 2021. In the health sector, the decrease is mainly due to a reduction in bonuses and

overtime for the treatment of Covid-19 patients, which was funded by the National Health Service⁴¹. When comparing wages with the pre-Covid-19 pandemic period - 2019 - average wage levels have increased in all sectors. The highest absolute increase in 2022 is in the energy sector by + EUR 3.3 thousand or +13.7% per year (EUR +2.4 thousand or +11.0% in 2021), reaching an average salary of EUR 27.6 thousand per year, which is the best among all SOEs' sectors. The highest percentage increase was in the culture sector, with +24.9% or +3.2 thousand EUR, amounting to average remuneration of EUR 16.0 thousand per year, which, despite this sharp increase, was still the lowest average remuneration level among all SOEs' sectors. The average annual remuneration in SOEs in 2022 was EUR 20.9 thousand, an increase of EUR +1.3 thousand per year or +6.5% compared to 2021, when the average remuneration was EUR 19.6 thousand. The highest average annual remuneration individually among SOEs

⁴¹ LLC Riga East Clinical University Hospital 2022 Annual Report, p.20., source: <https://aslimnica.lv/par-mums/kapitalsabiedribas-darbibu-raksturojosa-informacija/gada-parskati/>.

was EUR 45.4 thousand (SJSC Elektroniskie sakari), while the lowest was EUR 9.6 thousand (SJSC Rīgas cirks)⁴².

In 2022, apart from some SOEs with less than 10 employees, 13 SOEs faced average pay decreases, including two with average pay decreases of more than 10%, 54 SOEs experienced average pay increases, of which 27 were up to 10%, 18 up to 20% and 9

above 20%. The largest percentage increases were for SLLC Latvijas Nacionālais teātris (+58.6% increase, average remuneration - EUR 15.5 thousand per year), SLLC Latvijas Leļļu teātris (+48.8% increase, average remuneration - EUR 17.1 thousand per year) and SLLC Mihaila Čehova Rīgas Krievu teātris (+32.7% increase, average remuneration - EUR 16.7 thousand per year).

Dividends

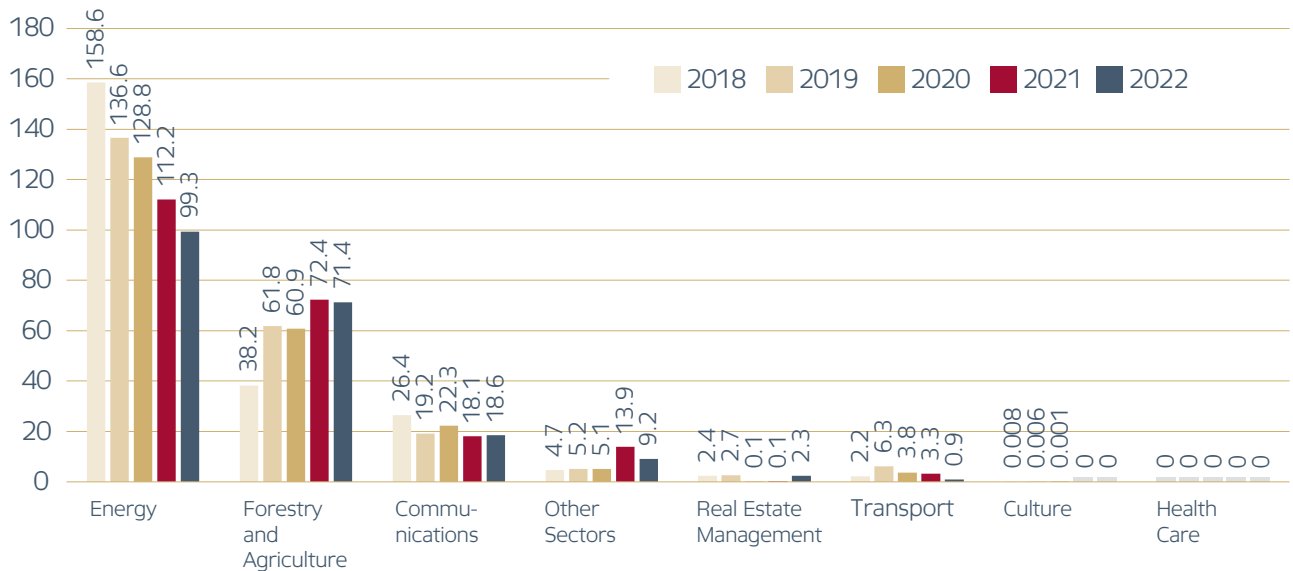


Figure 18. Dividends paid to the State for the previous reporting year in SOEs by sector 2018-2022, EUR million

In 2022, the state received a total of EUR 201.7⁴³ million in dividends. This represents a decrease of EUR -18.3 million or -8.3% compared to 2021. Dividends amounted to EUR 220.0 million in 2021, EUR 220.9 million in 2020, EUR 231.8 million in 2019 and EUR 232.5 million in 2018. In terms of dividend distribution to the state as a whole in 2022, the leaders remain the same - the energy sector with 49.2% (51.0% in 2021, 58.3% in 2020, 58.9% in 2019 and 68.2% in 2018), the forestry sector with 35.4% (35.4% in 2021, 58.9% in 2019 and 68.2% in 2018), and communications sector with 9.2% (8.2% in 2021, 10.1% in 2020, 8.3% in 2019, 11.4% in 2018) of all dividends paid by SOEs. The contribution of other SOEs to dividends is significantly lower and amounted to 6.1%

of total dividends paid in 2022, largely due to dividends paid by SJSC Latvijas Loto and early tax payments – 4.5% in 2022⁴⁴, 6.3% in 2021⁴⁵, while 2.3% in 2020, 2.2% in 2019, 2.0% in 2018 of total dividends paid by SOEs.

Considering that both the energy, forestry and agriculture SOEs performed slightly less well and SOEs in the communication sector performed better and all SOEs of these three sectors continued to perform well in 2022 in terms of earnings and economic performance, dividends were paid at or above the planned level. Paragraph 3 of the Cabinet of Ministers Regulation No. 72 “Procedures for Forecasting, Determining and Making Payments for the Use of State Capital” (hereinafter - Cabinet Regulation No. 72⁴⁶) of 25 January 2022, determined the amounts of

⁴² From companies with at least 10 employees.

⁴³ Dividends paid to the State include only dividends paid to the State budget.

⁴⁴ In 2022, SJSC Latvijas Loto paid in dividends EUR 9 155 000, which include the dividends (use of state capital) calculated and paid for 2021 of EUR 8 123 088 and early tax payments to cover the payment of the use of state capital in 2022. Consolidated Annual Report 2022 of SJSC Latvijas Loto, pp. 17, 18, source: <https://www.latloto.lv/lv/page/finansu-un-iltgspejas-parskati-par-2022-gadu>.

⁴⁵ SJSC Latvijas Loto paid EUR 13 814 554 in dividends in 2021, which include calculated and paid dividends (use of state capital) for 2020 of EUR 7 614 549 and early tax payments of EUR 6 200 005 to cover the payment of the use of state capital in 2021. Consolidated Annual Report 2021 of SJSC Latvijas Loto, page 18, source: <https://www.latloto.lv/lv/page/finansu-parskati-2021>.

⁴⁶ Replaces the Cabinet of Ministers' Regulation No 806 of 30 December 2015 "Procedures for Forecasting and Determining the Share of Profit to be Paid as Dividends and Payments to the State Budget for the Use of State Capital by State Capital Companies and Public-Private Capital Companies in which the State is a Member (Shareholder)", source: <https://likumi.lv/ta/id/278921-kartiba-kada-valsts-kapitalsabiedribas-un-publiiski-privatas-kapitalsabiedribas-kuras-valsts-ir-dalibnieks-akcionars-prognoze-un>

dividend payments and the procedures for determining different minimum share of profit to be paid out in dividends: *The minimum expected share of profits to be paid out as dividends: 3.1. For SOEs, public-private capital companies and capital companies controlled by a public person, in which the state is a participant (shareholder) - 64% of the capital company's annual profit, if the capital company's medium-term strategy (hereinafter - strategy) in accordance with Chapter II of these Regulations does not provide otherwise; 3.2. Subsidiaries and branches of SOEs, subsidiaries of capital companies controlled by a public person and subsidiaries of public and private capital companies in which the state is a member (shareholder) - not less than 50% of the annual profit of the capital company, unless otherwise specified in the strategy of the capital company in accordance with Chapter II of these Regulations.*

Paragraph 6 of Cabinet Regulation No 72 stipulated that the Cabinet of Ministers, upon a substantiated proposal of the holder of state-owned capital shares, may, by the Cabinet Order, authorise the defining a different expected share of profit to be paid and received in dividends (as a percentage of the projected profit for the reporting year) in the strategy than that specified in Paragraph 3 of this Regulation or in other legal acts. Sections 26, 27, 28, 29 and 30 of the Law "On the State Budget for 2022" (hereinafter - Budget Law), in turn, set the conditions for the payment of dividends for five capital companies - JSC Latvenergo (hereinafter - LE), JSC Latvijas valsts meži (hereinafter - LVM), JSC Augstsprieguma tīkls (hereinafter - AST) and SJSC Latvijas Loto (hereinafter - LL) and SJSC Latvijas Valsts radio un televīzijas centrs (hereinafter - LVRTC).

Section 26 of the Budget Law stipulated that LE shall make a dividend payment to the State's budget revenue in 2022 (for the accounting year of 2021) of 64 % of the accounting year's profit, but not less than EUR 70.2 million, with corporate income tax calculated and paid in accordance with the procedure laid down in the laws and regulations governing corporate income tax, EUR 70.2

million was paid. In 2021 Section 33 of the Budget Law stipulated that LE shall make a dividend payment to the State's budget revenue of not less than EUR 98.2 million (including CIT for dividend payment), EUR 98.2 million was paid, which included only the amount for the use of State capital (No CIT was paid in 2021, only refunded or redirected, amounting to EUR 139.8 thousand⁴⁷, CIT calculated in 2021 – EUR 3.3 million⁴⁸). Section 33 of the State Budget Law for 2020 stipulated that LE should be paid no less than EUR 127.1 million (including EUR 101.7 million payment for the use of state capital and EUR 25.4 million for corporate income tax) and EUR 127.1 million were paid out, which includes only the amount for the use of public capital (No CIT was paid or refunded in 2020⁴⁹, CIT calculated in 2020 - EUR 6.2 million⁵⁰). In 2019, the Law on the State Budget for 2019 provided for the disbursement of EUR 132.9 million to LE (including EUR 106.3 million payment for the use of state capital and EUR 26.6 million corporate income tax) and EUR 132.9 million was disbursed, which includes only the amount for the use of state capital (In 2019, only EUR 488.54 was paid in CIT, but EUR 10.0 million was refunded⁵¹), In 2018, the law provided for a payment of EUR 94.2 million for 2017, but more was paid - EUR 156.4 million - due to high profit figures as a result of the corporate tax reform.

Section 27 of the Budget Law provided for LVM to make a dividend payment to the State's budget revenue in 2022 (for the 2021 accounting year) equal to 64 per cent of the accounting year's profit, but not less than EUR 55.9 million, with corporate income tax calculated and paid in accordance with the procedure laid down in the laws and regulations governing corporate income tax; EUR 71.4 million was paid. In 2021, Section 34 of the Budget for 2021 required LVM to pay no less than EUR 90.5 million (including corporate income tax on dividend payments), EUR 72.4 million was paid for the use of state capital and CIT of EUR 18.5 million was paid and EUR 2.9 million was refunded in 2021⁵², calculated CIT amounted to EUR 15.9 million⁵³. Section 34 of the Budget Law for 2020 stipulated that LVM should pay not less than EUR

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

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

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

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

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

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

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

76.1 million (including EUR 60.9 million for the use of State capital and EUR 15.2 million for corporate income tax), EUR 60.9 million was paid for the use of State capital and CIT of EUR 9.6 million was paid and EUR 421 was refunded in 2020⁵⁴, CIT was calculated at EUR 13.8 million⁵⁵. In 2019, Section 46 of the Budget Law for 2019 provided for the payment of EUR 77.2 million to LVM (including EUR 61.8 million for the use of State capital and EUR 15.4 million for 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 million was paid in CIT⁵⁶. In 2018, LVM paid EUR 38.2 million in dividends.

Section 28 of the Budget Law provided for AST to make a dividend payment to the state's budget revenue in 2022 (for the 2021 accounting year) equal to 50 per cent of the accounting year's profit, but not less than EUR 29.1 million, with corporate income tax calculated and paid in accordance with the procedure laid down in laws and regulations governing corporate income tax, EUR 29.1 million was paid. In 2021, Section 35 of the Budget Law for 2021 required AST to pay not less than EUR 2.72 million (including corporate income tax on dividend payments), EUR 8.0 million was paid which only includes the amount for the use of State capital (no CIT was paid in 2021, only reimbursed or redirected in the amount of EUR 11.5 thousand⁵⁷, calculated CIT in 2021 – EUR 1.9 million⁵⁸). Section 36 of the Budget Law for 2020 stipulated that AST should pay not less than EUR 1.74 million (including EUR 1.39 million payment for the use of State capital and EUR 0.35 million corporate income tax), EUR 1.39 million was paid for the use of State capital and EUR 2.7 million CIT was paid and EUR 0.35 million CIT was reimbursed⁵⁹. Section 47 of the Budget Law for 2019 required AST to pay EUR 3.6 million (including EUR 2.9 million payment for the use of State capital and EUR 0.7 million corporate income tax), EUR 2.9 million was paid for the use of State

capital (amount included in the dividend calculation) and EUR 0.7 million of CIT was calculated⁶⁰. In 2018, AST paid EUR 0.2 million in dividends.

Section 29 of the Budget Law required LL to make a dividend payment in 2022 (for the accounting year of 2021) of 64 per cent of the accounting year's profit, but not less than EUR 5.3 million, to the state's budget revenue, with corporate income tax calculated and paid in accordance with the procedure laid down in the laws and regulations governing corporate income tax, EUR 9.2 million was paid, comprising dividends paid (use of State capital) for 2021. EUR 8.1 million for 2022 and early tax payments to cover the state capital utilisation payment for 2022⁶¹. In 2021, Section 36 of the Budget Law for 2021 required LL to pay a minimum of EUR 5.4 million (including corporate income tax on dividend payments), EUR 13.8 million was paid in 2021, which includes dividends paid (use of State capital) for 2020 of EUR 7.6 million and early tax payments of EUR 6.2 million to cover the use of State capital payment for 2021⁶², EUR 1.89 million was paid in CIT and EUR 1.5 thousand was refunded⁶³ and EUR 167 were calculated⁶⁴. Section 35 of the Budget Law for 2020 required LL to pay no less than EUR 2.24 million (including EUR 1.79 million for the use of state capital and EUR 0.45 million for corporate income tax), EUR 4.98 million was paid in 2020 for the use of state capital and CIT of EUR 1.23 million was paid and no CIT was refunded⁶⁵. On the other hand, although the Budget Law for 2019 no longer set the amount to be paid by LL, which was classified as SOE of other sector, LL continued to pay substantial dividends in 2019 – EUR 5.1 million, which represented 79.2% of its 2018 profit. However, Section 44 of the Budget Law for 2018 provided for the payment of 80% of the profits of the relevant SOE, but not less than EUR 2.8 million. In 2018, EUR 4.7 million was paid, which is 80% of the EUR 6.5 million profit generated in 2017.

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

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

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

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

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

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

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

61 SJSC Latvijas Loto paid EUR 9 155 000 in dividends in 2022, which includes calculated and paid dividends (state capital utilisation) for 2021 of EUR 8 123 088 and early tax payments to cover the 2022 state capital utilisation payment. Consolidated Annual Report 2022 of SJSC Latvijas Loto, pages 17, 18, source: <https://www.latloto.lv/lv/page/finansu-un-ilgtspejas-parskati-par-2022-gadu>.

62 Information provided by SJSC "Latvijas Loto" on 23 November 2022

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

64 Consolidated Annual Report 2021 of SJSC Latvijas Loto, page 15, source: <https://www.latloto.lv/lv/page/finansu-parskati-2021>.

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

Section 30 of the Budget Law required LVRTC to make a dividend payment in 2022 (for the reporting year of 2021) of 64 per cent of the reporting year's profit, but not less than EUR 2.2 million, to the state budget revenue, with corporate income tax calculated and paid in accordance with the procedure laid down in the regulatory enactments governing corporate income tax. In addition on 6 December 2012, Cabinet of Ministers' Order No 867 "On a Different Share of the Profit for the State Joint Stock Company Latvian State Radio and Television Centre for 2021 to be Paid as Dividends" was adopted, setting the dividend payment at 72.1% and the dividend payment at EUR 3.3 million. In 2021, EUR 1.55 million were paid, in 2020 no dividends were paid.

The percentage of dividends paid in 2022 out of the 2021 profits of these five capital companies, as defined by the Budget Law, was 98.0% (84.5% in 2021, 134.7% in 2020) for LE, 64.0% (116.0% in 2021, 67.0% in 2020) for LVM, 288.6%⁶⁶(288.6% in 2021, 67.0% in 2020) for 12.2% in 2021, 52.9% in 2020) for AST, 72% (123.5% in 2021, including EUR 6.2 million of early tax payments, excluding it would be 68.1%, 84.4% in 2020) for LL and 72.1% for LVRTC (56.1% in 2021).

The leading position of the forestry sector in dividend payments can be explained by the fact that the main productive asset is forest land, which is not subject to depreciation, as well as state-owned forests, which are transferred for the management. Consequently, less funds are accumulated for the renewal of fixed assets and the EBITDA margin is relatively the highest among the sectors.

In 2022, both LLC Tet (hereinafter - Tet) and LLC Latvijas Mobilais Telefons (hereinafter - LMT) will continue to operate successfully in the communications sector, with Tet paying EUR 13.7 million in dividends to the State in 2022 (EUR 15.2 million in 2021, EUR 20.7 million in 2020, EUR 16.4 million in 2019 and EUR 20.3 million in 2018), and EUR 1.6 million⁶⁷ by LMT (EUR 1.33 million in 2021,

EUR 1.45 million in 2020, EUR 1.12 million in 2019 and EUR 1.24 million in 2018).

In 2022, SJSC Valsts nekustamie īpašumi also made a dividend payment of EUR 2.2 million. Another 8 SOEs paid dividends in 2022 for a total amount of EUR 1.08 million.

Dividends paid to the State as a percentage of the total profits of all SOEs in the previous year amounted to 123.7%, 1035.7% in 2021, 69.3% in 2020, 71.6% in 2019, 45.7% in 2018, 72.2% in 2017 and 92.9% in 2016, while dividends of EUR 124.9 million were paid in 2015, although in 2014 all SOEs had losses totalling EUR 22.2 million.

The total dividend payment ratio, i.e., including dividends paid to other owners, was 151.6% of the previous year's profit for all SOEs in 2022, 1 387.9% in 2021, 84.9% in 2020, 87.7% in 2019, 57.7% in 2018, 92.0% in 2017 and 112.6% in 2016, while in 2015, a total of EUR 158.2 million in dividends was paid, even though in 2014 all SOEs made a loss of EUR 22.2 million.

On the other hand, by excluding from the calculations SOEs that did not make a profit in the previous year and had negative equity or equity less than share capital, the dividend payment ratio from 2015 to 2021 profits is 90.4% 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 and 78.7% in 2022, respectively.

⁶⁶ From AST's consolidated profit. It represents 53.1 % of AST's parent company's profit.

⁶⁷ The industry calculation includes only the share of dividends paid directly to the State out of the company's profits.

Contributions to the state budget by SOEs

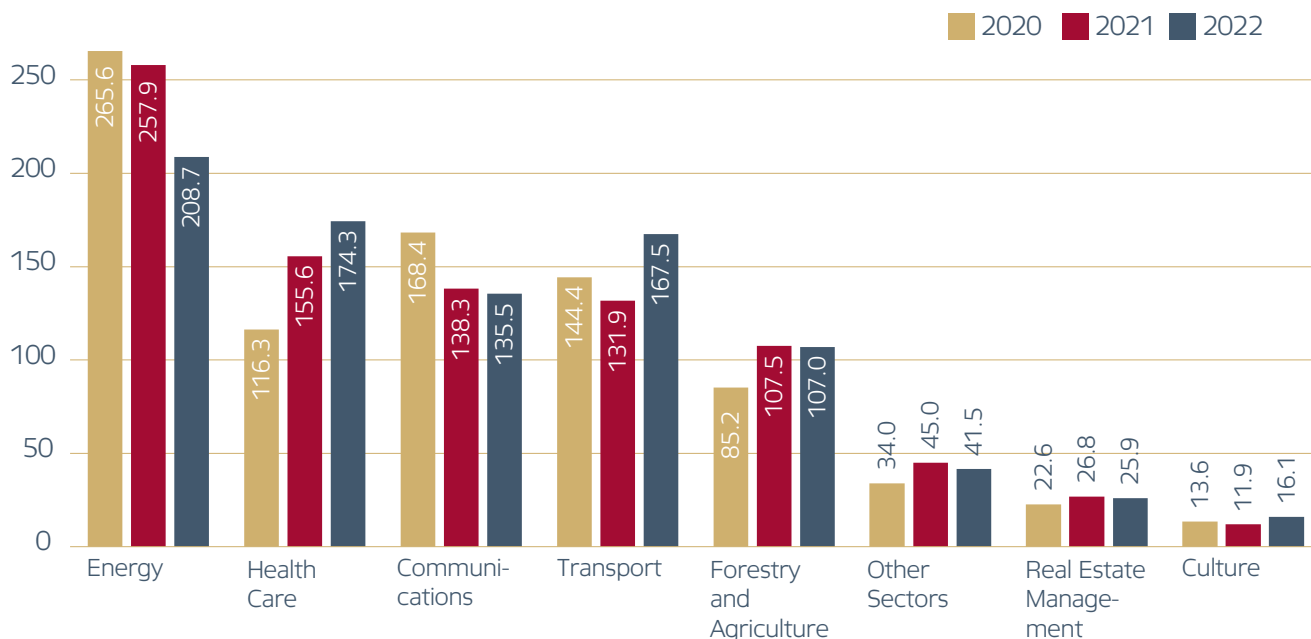


Figure 19. Contributions by SOEs to budget by sector from 2019 to 2021, EUR million

Contributions to state and municipality budgets consist of taxes, duties and dividends. In total, SOEs have contributed EUR 876.6 million, an increase of EUR +1.6 million or +0.2% compared to 2021. The largest contributors in 2022, as from 2016 to 2021, were SOEs of the energy sector (EUR 208.7 million or 23.8% of total contributions to the state budget in 2022, EUR 257.9 million or 29.5% in 2021, EUR 265.6 million or 31.3% in 2020 and EUR 273.6 million or 31.6% in 2019). In 2022, the second largest contributor to the State budget from SOEs is the health sector, as in 2021 (EUR 174.3 million or 19.9% of total contributions to the State budget in 2022, EUR 155.6 million or 17.8% in 2021, EUR 116.3 million or 13.7% in 2020, EUR 101.3 million or 11.7% in 2019). The third largest contributor to the State budget in 2022, ahead of last year's third-ranked SOEs of the communications sector, were SOEs of the transport sector, with EUR 167.5 million or 19.1% of the total contributions to the State budget (EUR 131.9 million or 15.1% of total contributions to the State budget in 2021, EUR 144.4 million or 17.0% in 2020, EUR 196.2 million or 22.7% in 2019). In 2022, they did not continue 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 respectively⁶⁸. SOEs of the transport sector also had the highest increase in contributions to the state budget, up by EUR+35.7 million or 27.0%. The increase in contributions to the State budget by SOEs of the health sector was relatively high, at EUR +18.7 million or +12.0% respectively in 2022. Compared to the pre-Covid-19 pandemic year 2019, total contributions to the state budget in 2022 exceeded contributions in 2019 by EUR 11.5 million or +1.3%. The top three contributors paid 36.5% in total in 2022 (41.3% in 2021, 44.5% in 2020, 50.7% in 2019) and those were JSC Latvenergo (Group data), JSC Latvijas valsts meži (consolidated data) and SJSC Latvijas dzelzceļš (consolidated data), which contributed EUR 153.9 million or 17.6% of the total contributions paid by SOEs to the budget (EUR 197.1 million or 22.5% in 2021, EUR 226.4 million or 26.6% in 2020, EUR 249.0 million or 28.8% in 2019), EUR 101.6 million or 11.6% (EUR 103.0 million or 11.8%, EUR 80.1 million or 9.4% in 2020, EUR 90.1 million or 10.4% in 2019) and EUR 64.9 million or 7.4% (EUR 63.9 million or 7.3% in 2021, EUR 61.9 million or 7.3% in 2020 and EUR 99.3 million or 11.5% in 2019) respectively.

⁶⁸ According to the information provided by SOEs on the impact of the Covid-19 pandemic - own assessment, not all corporations have provided information, the impact of Covid-19 has already been taken into account in the operational plans for 2021.

Budget funding received by SOEs

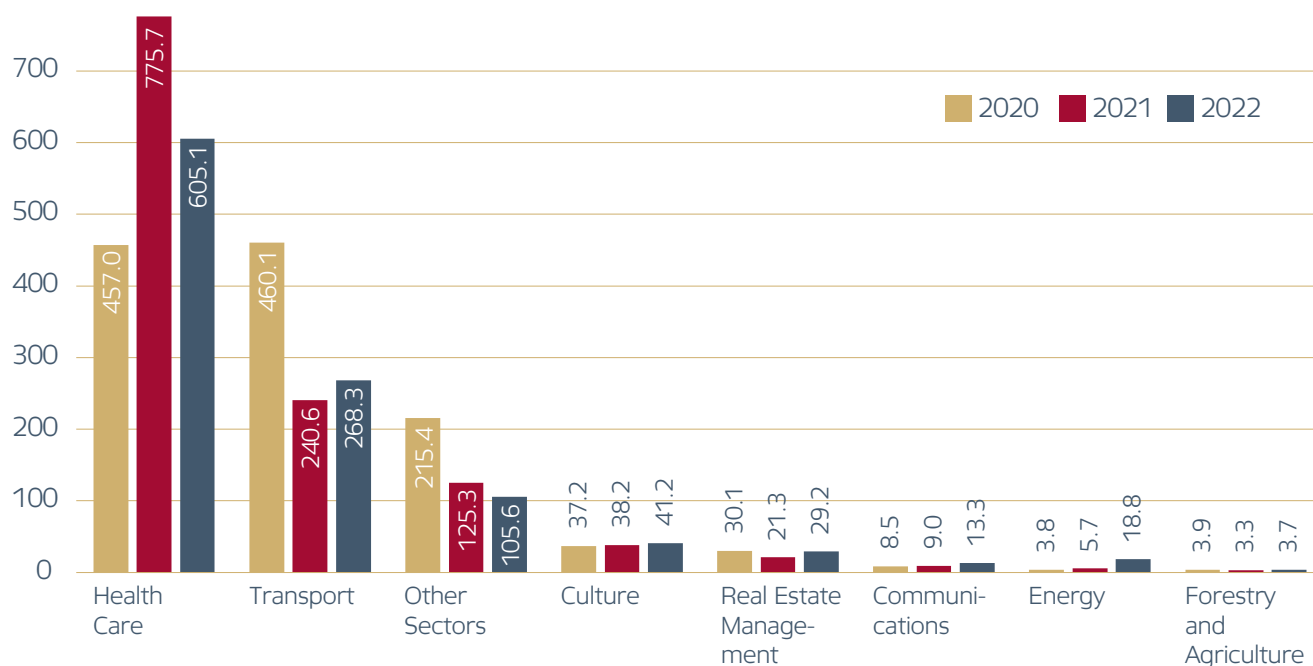


Figure 20. Funding received by SOEs from the state budget, by sector, from 2020 to 2022, EUR million

The funding received from the state budget includes various types of revenue – both compensation mechanisms as a targeted grant paid by JSC Latvenergo to fix the mandatory procurement component (MPC), payment for services purchased by the state, for example, health care services and maintenance of a material base for hospitals or grants for organizing performances and concerts for theatres, orchestras and other types of SOEs of the cultural sector – as well as other financial means such as loans and funding to ensure financial stability of SOEs during the COVID-19 pandemic, for example, by increasing equity capital.

Compared to 2021, the state budget funding in 2022 decreased by EUR -134.2 million or -11.0% to EUR 1.09 billion (EUR 1.22 billion in 2021). The State budget funding in 2022 continues to significantly exceed the state funding in the pre-Covid-19 pandemic period in 2019, by EUR +368.2 million or +51.4%.

In 2022, despite a significant decrease in funding received from the state budget EUR -170.6 million or -22.0% compared to 2021, the health sector was the largest beneficiary with EUR 605.1 million (EUR 775.7 million in 2021) received. Compared to the pre-pandemic period in 2019, this represents an increase of EUR +210.2 million or +53.2%. Among SOEs in this sector, the largest recipients of public funding in 2022 were SLLC Rīgas Austrumu klīniskā universitātes slimnīca (total funding received in 2022 - EUR 263.3 million, decrease of EUR -76.9 million

or -24.5% compared to 2021, in 2021 EUR 313.2 million. an increase of EUR +153.8 million or +96.5% compared to 2020, in 2020 EUR 159.4 million an increase of EUR +20.3 million or +14.6% compared to 2019), SLLC Paula Stradiņa klīniskā universitātes slimnīca (total funding received in 2022 – EUR 171.8 million, a decrease of EUR -70.6 million or -29.1% compared to 2021, EUR 242.5 million in 2021, an increase of EUR +107.6 million or +79.7% compared to 2020, EUR 134.9 million in 2020, an increase of EUR +21.9 million or +19.4% compared to 2019) and SLLC Bērnu klīniskā universitātes slimnīca (total received funding in 2022 – EUR 73.0 million EUR, a decrease of EUR -13.2 million or -15.3%, EUR 86.2 million in 2021, an increase of EUR +22.4 million or +35.1% compared to 2020, EUR 63.8 million in 2020, an increase of EUR +13.2 million or +19.4% compared to 2019).

The SOEs in the transport sector ranked as the second largest recipients of the state budget funding. They received a total of EUR 268.3 million from the state budget, which was EUR +27.7 million or +11.5% more than in 2021. A significant budget funding was allocated to the transport sector in the form of public service charges, for example under the delegation agreement for the routine maintenance of national roads (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 2018 – EUR 61.0 million), under a delegation agreement for the administration, accounting and organisation

of the financing of the national road network and the organisation of public procurement (in 2022 – EUR 19.5 million, in 2021 – EUR 19.3 million, in 2020 – EUR 18.0 million, in 2019 – EUR 15.3 million, in 2018 – EUR 16.1 million), fees for RB Rail project management services and property management (in 2022 – EUR 3.9 million, in 2021 – EUR 3.1 million, in 2020 – EUR 2.6 million, in 2019 – EUR 2.8 million, in 2018 – EUR 2.5 million), funding for public transport services (in 2022 – EUR 841 thousand, incl. to cover expenses during the state of emergency, 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 performing the public transport service contract in the railway sector (EUR 23.2 million in 2022, EUR 22.5 million in 2021, EUR 20.4 million in 2020, EUR 12.1 million in 2019, EUR 9.9 million in 2018), compensation for the use of public-use railway infrastructure (EUR 8.4 million in 2022, EUR 7.8 million in 2021, EUR 7.5 million in 2020, EUR 21.9 million in 2019, EUR 38.0 million in 2018), compensation for the carriage of rail passengers with concessionary fares (EUR 3.7 million in 2022, EUR 2.0 million in 2021, EUR 2.1 million in 2020, EUR 2.7 million in 2019, EUR 2.7 million in 2018), and a grant to ensure the financial balance of the manager of the railway infrastructure in public use (EUR 24.4 million in 2022, to be received in 2023, EUR 30.7 million in 2021, EUR 22.5 million in 2020, EUR 13.6 million in 2019). In addition, unlike in 2020, when the share capital of JSC Air Baltic Corporation was increased by EUR 250 million with financing from the state budget, no share capital increase was carried out in 2021 despite the losses incurred, however, in August 2021, the Latvian Government approved an additional EUR 90 million equity contribution, of which EUR 45 million was received in December 2021 and on 17 January 2022 the Latvian Government made an equity contribution of EUR 45 million and in Q2 2022 the airline received the remaining EUR 45 million and in June 2022 the changes to the share capital were registered in the Register of Enterprises of the Republic of Latvia⁶⁹. Compared to the pre-Covid-19 pandemic period of 2019, SOEs in the transport sector received EUR +125.6 million or + 88.0% more in public funding.

The third largest recipient of the state budget funding were SOEs of other sectors, with EUR 105.6 million

received, i.e. EUR -19.8 million or -15.8% less than in 2021 and EUR -0.4 million or -0.4% less than in 2019. The majority of the public funding for SOEs in other sectors were attributable to the EUR 50.7 million allocated to ALTUM in 2022 (EUR 71.1 million in 2021, EUR 171.3 million in 2020, EUR 68.1 million in 2019) as compensation for management expenses of state aid programmes, for commissions for venture capital fund management, for the increase of the reserve capital for the implementation of the Housing Guarantee Programme and the Student and Student Portfolio Guarantee Programmes, a grant to the State Treasury for the implementation of aid programmes and risk coverage, a grant to the public service media (both LTV and LR in 2022 – EUR 37.7 million, in 2021 – EUR 34.9 million, in 2020 – EUR 28.2 million, in 2019 – EUR 23.6 million) and delegation of various state administration tasks to the Latvian Environment, Geology and Meteorology Centre, such as regular production, maintenance and transmission of climatic (climatic parameters) information, monitoring of atmospheric air quality and its impacts (EUR 7.1 million in 2022, EUR 9.2 million in 2021, EUR 6.5 million in 2020, EUR 7.3 million in 2019).

As every year, funding was allocated to SOEs in the culture sector (EUR 41.2 million in 2022, EUR 38.2 million in 2021, EUR 37.2 million in 2020 and EUR 29.1 million in 2019), including state budget funding to the Latvian National Opera and Ballet (EUR 11.8 million in 2022, EUR 11.4 million in 2021, EUR 9.8 million in 2020 and EUR 9.9 million in 2019) for the delegation of certain tasks of public administration in the field of culture.

Grants for restoration, alteration, reconstruction, renovation and construction of buildings supervised by SJSC Valsts nekustamie īpašumi amounting to EUR 20.8 million (EUR 16.0 million in 2021 and EUR 25.3 million in 2020) and compensation for the supply of the press amounting to EUR 7.9 million (EUR 6.8 million in 2021 and EUR 6.7 million in 2020) and the provision of official publications and legal information under a delegation agreement (EUR 2.2 million in 2022, EUR 1.9 million in 2021) were provided in 2022.

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

Donations made by SOEs

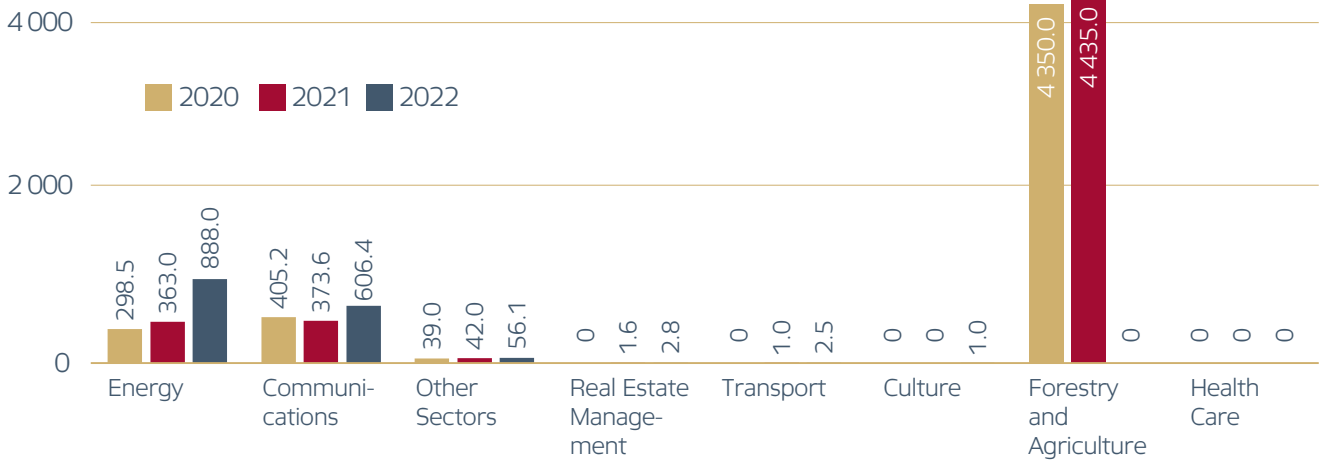


Figure 21. Donations made by SOEs by sector from 2020 to 2022, EUR thousand⁷⁰

In 2022, SOEs donated a total of EUR 1.56 million, a decrease of EUR -3.66 million compared to 2021, when total donations by SOEs amounted to EUR 5.22 million. Compared to the pre-Covid-19 pandemic period of 2019, in 2022 SOEs donated EUR -4.72 million less, or -75.2%. The most significant change in donations in 2022 was for JSC Latvijas Valsts meži. Until 2022, JSC Latvijas Valsts meži was among the most active donors for many consecutive years, donating around EUR 4.44 million to various donation programmes in 2021 (EUR 4.35

million in 2020, EUR 5.5 million in 2019, EUR 4.1 million in 2018). The most active donors in 2022 were SOEs in the energy sector with EUR 888 thousand (EUR 363.0 thousand in 2021, EUR 298.5 thousand in 2020) and in the communications sector with EUR 606.4 thousand (EUR 373.6 thousand in 2021, EUR 405.2 thousand in 2020) in donations. The energy sector is followed by the communications sector, where donations often serve as a marketing tool. Active donors in 2022 included JSC Latvenergo, LLC Latvijas Mobilais Telefons and LLC Tet.

Donations received by SOEs

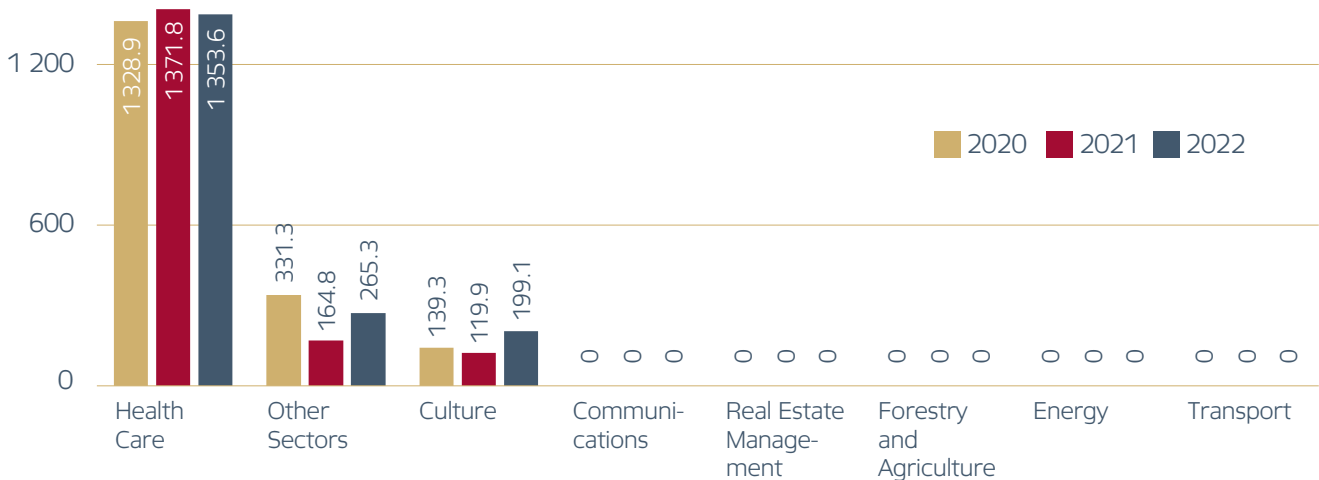


Figure 22. Donations received by SOEs by sector from 2020 to 2022, EUR thousand

⁷⁰ Adjusted based on SOEs' data 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.

In 2022, SOEs received donations totalling EUR 1.82 million, an increase of EUR +161.6 thousand or +9.8% compared to 2021, when SOEs donated EUR 1.66 million. In 2020, a total of EUR 1.80 million was donated and in 2019, EUR 1.07 million was donated. Compared to the pre-pandemic period, SOEs have received donations of EUR+752.3 thousand in 2022, or +70.6% more than in 2019. In 2022, as in every year, SOEs in the health sector were the leading recipients of donations with EUR 1.35 million (EUR 1.37 million in 2021, EUR 1.329 million in 2020 and EUR 726.5 thousand in 2019), which was a significant increase compared to the pre-pandemic period of 2019. In 2022, SOEs in other sectors also received donation (EUR 265.3 thousand in 2022, EUR 164.8 thousand in 2021, EUR 331.3 thousand in 2020, EUR 119.7 thousand in 2019) and SOEs in the culture sector (EUR 199.1 thousand in 2022, EUR 119.9 thousand in 2021, EUR 139.3 thousand in 2020, EUR 219.5 thousand in 2019).

The main beneficiary of donations in 2022, as in many previous years, was the SLLC Bērnu klīniskā universitātes

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 SOEs is to perform 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 capital SOEs), which represent 29 SOEs or about half of SOEs with a decisive influence of the State, the main objectives are non-financial. The returns of these SOEs are, of course, also measurable in financial terms, but it is their high quality contribution to the sector's objectives that provides the public good.

Consequently, the financial data presented in 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

slimnīca (EUR 1.303 million in 2022, EUR 0.911 million in 2021, EUR 1.037 million in 2020, EUR 390.5 thousand in 2019). In the health sector, donations have mainly been intended to improve the quality of health services, e.g. to improve hospital equipment for patients, to improve and develop the environment (infrastructure), and have also been practical, e.g. blood pressure monitors, cradles, wool socks and pampers. In the culture sector, donations have mainly been in support of performances, including new productions, or concerts, and have also been practical, such as performance equipment, musical instruments, lighting, video and audio equipment, stage curtains. The largest donations were received by SLLC Latvijas televīzija (EUR 265.3 thousand in 2022, EUR 164.8 thousand in 2021, EUR 331.3 thousand in 2020, EUR 118.7 thousand in 2019) and SLLC Latvijas Nacionālā opera un balets (EUR 151.6 thousand in 2022, EUR 58.5 thousand in 2021, EUR 6.3 thousand in 2020, EUR 110.4 thousand in 2019).

company Reverta, and later by the unrealised limited liability company Hiponia, which managed the distressed assets of the restructured Hipotēku banka (in English – Mortgage Bank). In 2017, the number of SOEs with illiquid assets had decreased significantly, with a further improvement due to the impact of the corporate tax reform and a slight improvement 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 a corresponding improvement in the overall profitability indicators, reaching 15% p.a. 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 from 2014 to 2019 and the negative profitability of the real estate sector between 2014 and 2017, were 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 companies 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. 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 level. In 2018 and 2019, turnover continued to increase by 11.1% and 4.8% respectively.

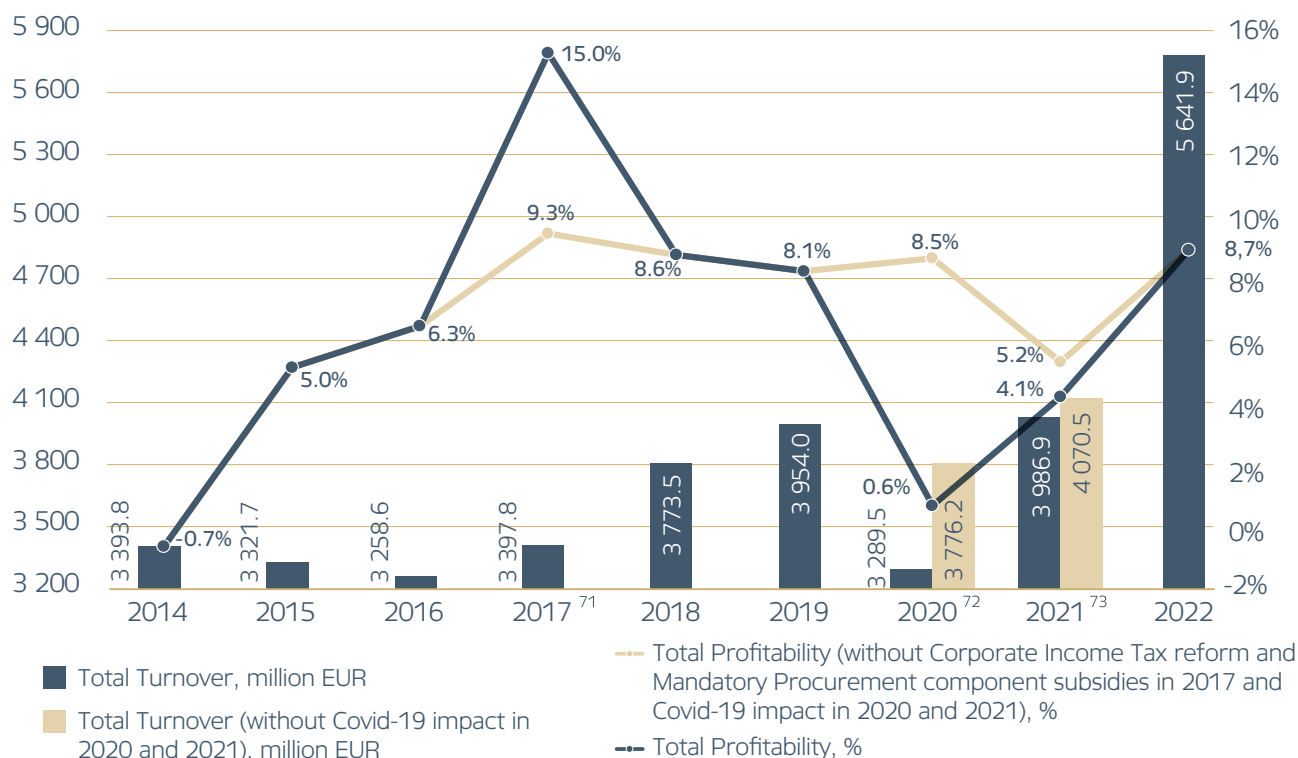


Figure 23. Total turnover in EUR million and SOEs' profitability in %, from 2014 to 2022

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 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 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

⁷¹ The combined effect of the corporate tax reform on the profits of the 25 largest SOEs by assets and the subsidy of the mandatory purchase component is estimated at 5.7 percentage points, which would reduce profitability to 9.3%.

⁷² 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.

⁷³ 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.

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 % (8.5 % in 2020), corresponding to a negative impact of COVID-19 on profitability of 1.1 percentage points (7.9 percentage points in 2020).

In 2022, in turn, although 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 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. Overall profitability was 8.73% - above pre-Covid-19 levels by +4.64 percentage points (+113.4%) than in 2021 and by +0.67 percentage points (+8.3%) than in 2019, indicating that the impact on profitability was not such as to materially impair overall results.

The results vary from sector to sector. Forestry (41.8% in 2022, 26.8% in 2021 and 17.3% in 2020), energy (8.6% in 2022, 6.4% in 2021 and 18.5% in 2020), real estate (6.7% in 2022, 4.6% in 2021, 4.5% in 2020), culture (0.6% in 2022, 0.5% in 2021, 4.6% in 2020) and transport (-5.0% in 2022, -19.1% in 2021, -49.3% in 2020) sectors' profitability has improved, while the other (15.5% in 2022, 16.8% in 2021, 7.0% in 2020), communications (8.7% in 2022, 10.2% in 2021, 11.3% in 2020) and healthcare (0.1% in 2022, 0.6% in 2021 and 0.2% in 2020) sectors' profitability has deteriorated. As in 2020 and 2021, the only sector with negative profitability in 2022 was SOEs of the transport sector, with a profitability of -5.0%.

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 was not as significant given their low turnover or, for example, some sectors had a drop in turnover but the impact was not 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% was 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 €/MWh⁷⁴, 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 EUR 132/MWh⁷⁵, 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 negative at -0.12⁷⁶ 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 2020, there were three companies 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 Riga 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. In 2020 SJSC Riga International Airport's turnover 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. The turnover of SJSC Latvijas gaisa satiksme decreased by EUR -16.6 million or -53.8% in 2020 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. The turnover of SJSC Latvijas gaisa satiksme decreased by EUR -1.6 million or -53.8% and the loss amounted to EUR -3.2 million compared to a profit of EUR +2.5 million in 2019. In terms of turnover these three SOEs have managed to approach 2019 indicators and the losses have decreased significantly overall for two of the three

74 Annual Report 2021 of SJSC Latvenergo (Group) and Annual Report 2021 of SJSC Latvenergo, page 8, source: <https://latvenergo.lv/lv/investoriem/parskati>.

75 Annual Report 2022 of SJSC Latvenergo (Group) and Annual Report 2021 of SJSC Latvenergo, page 5, source: <https://latvenergo.lv/lv/investoriem/parskati>.

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

SOEs - SJSC Latvijas gaisa satiksme (EUR -4.5 million) and JSC Air Baltic Corporation (EUR -54.2 million). While in 2021 three of the aviation-related SOEs faced 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.

Among SOEs, the largest positive impact on profitability was for JSC Latvijas valsts meži with +3.80 percentage points in 2022 and +2.65 percentage points in 2021.

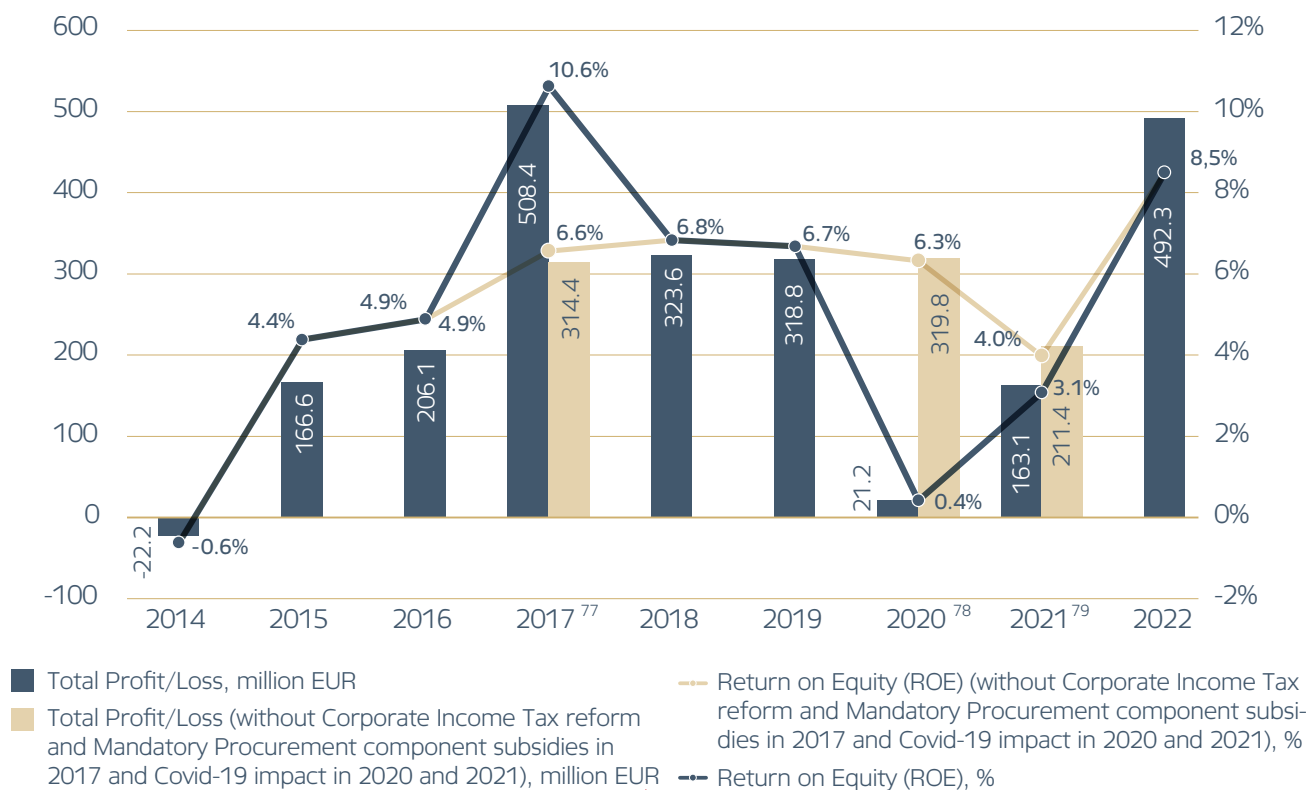


Figure 24. Profit of public limited liability companies, EUR million, and return on equity (ROE), interest, from 2014 to 2022

Profit and return on equity indicators actually reflect a similar trend to turnover and profitability in the period from 2014 to 2022. Illiquid assets have decreased, turnover and profitability increased, resulting in a significant improvement in the overall return on equity, from -0.6 % in 2014 to 6.7 % in 2019, then falling to 0.4 % in 2020 due to the COVID-19 pandemic, and reaching a particularly good return on equity in 2017 (10.6 %), when this indicator was further improved by the CIT reform and the one-off grant to JSC Latvenergo Group by the state for refusal to receive 75 % of annual electrical capacity payments for cogeneration plants in

the future. The impact of the CIT reform was one-off and estimated approximately EUR 191.8⁸⁰ million, while the one-off unconditional grant for renunciation to further receive 75 % of the annual electric capacity payments for cogeneration plants in 2017 was EUR 140 million, but at the same time a decrease in asset value of Riga TEC by EUR 116.8 million was also recognised, as well as CIT increased by EUR 21 million, reducing the total effect to EUR 2.2 million, while the second tranche of the grant, which was EUR 314.4 million and classified as deferred revenue, is to be valued with no impact on future profits as it will compensate for the decrease in revenue. In 2017,

⁷⁷ 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%.

⁷⁸ According to the information provided by the State-Owned Enterprises (own assessment, not all State-Owned Enterprises have provided information), the total impact of Covid-19 on profits in 2020 is estimated at an additional loss of EUR 298.6 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.

⁷⁹ According to the information provided by the State-Owned Enterprises (own assessment, not all State-Owned Enterprises have provided information), the total impact of Covid-19 on earnings 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.

⁸⁰ The assessment was carried out for the 25 largest companies by assets in 2017.

SOEs in fact, operated with a profit of EUR 314.5 million and a return on equity of 6.6 %, which is approximately at the same level as in 2018 with EUR +9.1 million, or + 2.1 % in total profit growth. In 2019, this return slightly decreased compared to 2018, amounting to 6.7 %, which is by 0.1 percentage points lower than in 2018.

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

In 2021, SOEs reached a total return of EUR 164.1 million, an increase of + 141,8 million or + 667.7 % compared to 2020, and a return on equity of 3.1 %, an increase of + 2.7 percentage points. According to the information provided by SOEs (own assessment, not all SOEs provided the information) the combined impact of the COVID-19 pandemic on profits in 2021 was estimated to be an additional loss of EUR 48.3 million. Without the impact of COVID -19, the return on equity would have been estimated at EUR 211.4 million and the return on equity would have reached 4.0 % (more precisely 3.98 %), the impact of the COVID-19 pandemic on the return on equity should be assessed negatively at -0.9 percentage points. Compared to the pre-pandemic period in 2019,

the total profit of a SOE has decreased by EUR -155.7 million or -48.8 % in 2021 and the return on equity rate has decreased by 3.6 percentage points.

In 2022, SOEs achieved a total return of EUR 492.3 million, an increase of EUR 329.2 million or +201.9% compared to 2021, and a return on equity of 8.5%, an increase of +5.4 percentage points. The impact of the Covid-19 pandemic was assessed by SOEs in 2022 to be minimal - even positive on turnover of EUR +6.0 million due to the increased provision of services not provided during the pandemic in 2022, marginally positive on profit of EUR 0.3 million, however the impact of the war in Ukraine started by Russia was significant on investments for some SOEs, such as JSC Pasažieru vilciens for EUR 115.1 million not invested in the envisaged timeframe. Two of the three transport companies (JSC Air Baltic Corporation and SJSC Latvijas gaisa satiksme) also continued to make losses, and their impact on the return on equity was still negative at -0.93 percentage points. This compares with a negative effect on ROE of -2.79 percentage points in 2021 and -5.84 percentage points in 2020 for the three aviation SOEs (JSC Air Baltic Corporation, SJSC Latvijas gaisa satiksme, SJSC Rīga International Airport), indicating a diminishing impact. Among individual SOEs, the largest negative effects on ROE 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 was for JSC Latvijas valsts meži - +3.61 percentage points (+2.00 percentage points in 2021).

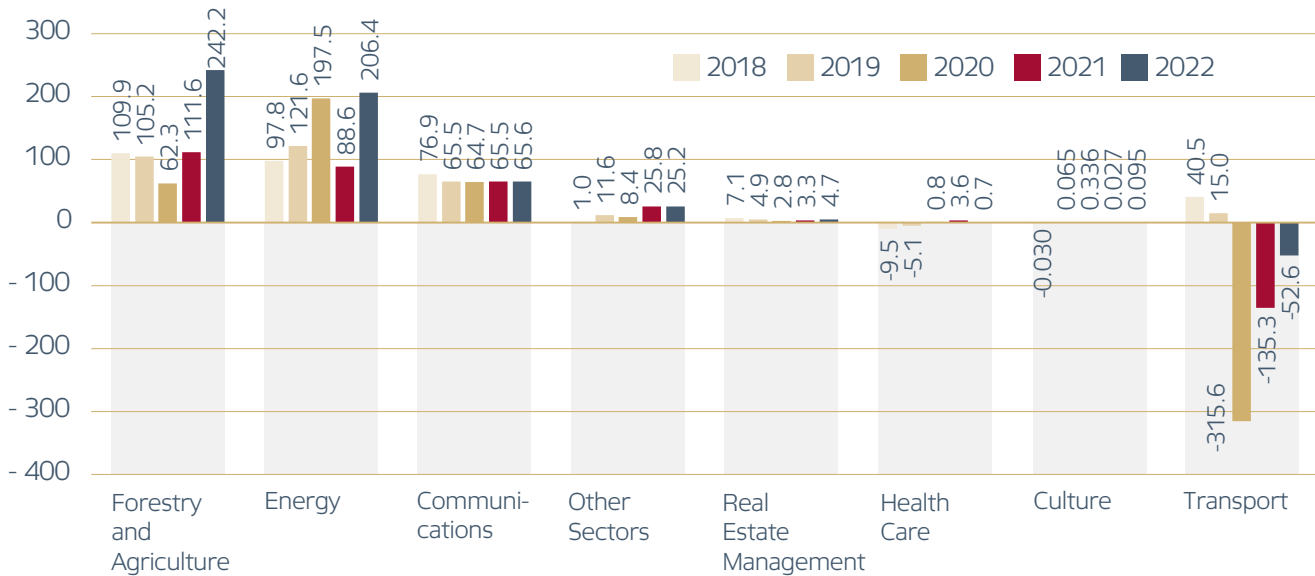


Figure 25. Total profit of SOEs by industry from 2018 to 2022, EUR million

From a sectoral perspective, the forestry and agriculture sectors achieved the highest absolute profits in 2022 as in 2021, with total profit of EUR 242.2 million (EUR 111.6 million in 2021, EUR 62.3 million in 2020, EUR 105.2 million in 2019). The energy sector ranked second among the sectors represented by SOEs with a profit of EUR 206.4 million in 2022 (EUR 88.6 million in 2021, EUR 197.5 million in 2020, EUR 21.6 million in 2019). The communications sector ranked third with a profit of EUR 65.6 million, with stable results every year – EUR 65.5 million in 2021, EUR 64.7 million in 2020, EUR 65.5 million in 2019.

The transport sector, which experienced a major decline in 2020, with a very large loss of EUR -315.6 million, continued to improve its profit performance, but still continued to operate at a loss, reducing it to EUR -52.6 million in 2022 (Losses of EUR -135.3 million in 2021, losses of EUR -315.6 million in 2020, profit of EUR 15.0 million in 2019, profit of EUR 40.5 million in 2018) due to the overall losses of the SOEs in the aviation sector, also in 2022, the total losses amounted to EUR -58.5 million (EUR -148.3 million in 2021, EUR -288.1 million in 2020).

Other sectors continued to perform relatively well in 2022, thanks to the successful operations and profits of SJSC Latvijas Loto and JSC Attīstības finanšu institūcija Altum. The profit of SJSC Latvijas Loto in 2022 was EUR +13.2 million (EUR +12.7 million in 2021, EUR +11.2 million in 2020, EUR +7.4 million in 2019), while the profit of JSC Attīstības finanšu institūcija Altum was EUR +11.5 million (EUR +13.8 million in 2021, EUR +5.5 million in

2020, EUR +8.1 million in 2019). The largest loss among other sectoral capital companies was incurred by SLLC Latvijas Vides ģeoloģijas un meteoroloģijas centrs - EUR -0.8 million (EUR -0.2 million in 2021, EUR -8.7 million in 2020), which was related to the total impairment of real estate amounting to EUR 8.0 million - impairment loss on real estate according to the fair value of buildings determined by an independent valuer - EUR 5.9 million and loss on write-down of the carrying amount of the Salaspils nuclear reactor - EUR 2.1 million).

In 2022, thanks to public funding and efficient operations, the health sector made a profit for the third year in a row, at EUR 0.7 million (profit of EUR +3.6 million in 2021, profit of EUR +0.8 million in 2020, loss of EUR -5.1 million in 2019).

Despite the significant impact of the Covid-19 pandemic on the cultural sector, the SOEs in this sector continued to operate at break-even level in 2022, as in previous years, with a profit of EUR +94.8 thousand in 2022 (EUR +26.6 thousand in 2021, EUR +335.8 thousand in 2020, EUR +64.7 thousand in 2019), largely due to a significant increase in total turnover in 2022 by + EUR 9.4 million or +178.0% compared to 2021, reaching a total turnover of EUR 14.7 million, but it was still below the pre-Covid-19 pandemic turnover level, lagging behind the turnover in 2019 by EUR -3.5 million or -19.1%, when the total turnover of SOEs in the culture sector amounted to EUR 18.2 million.

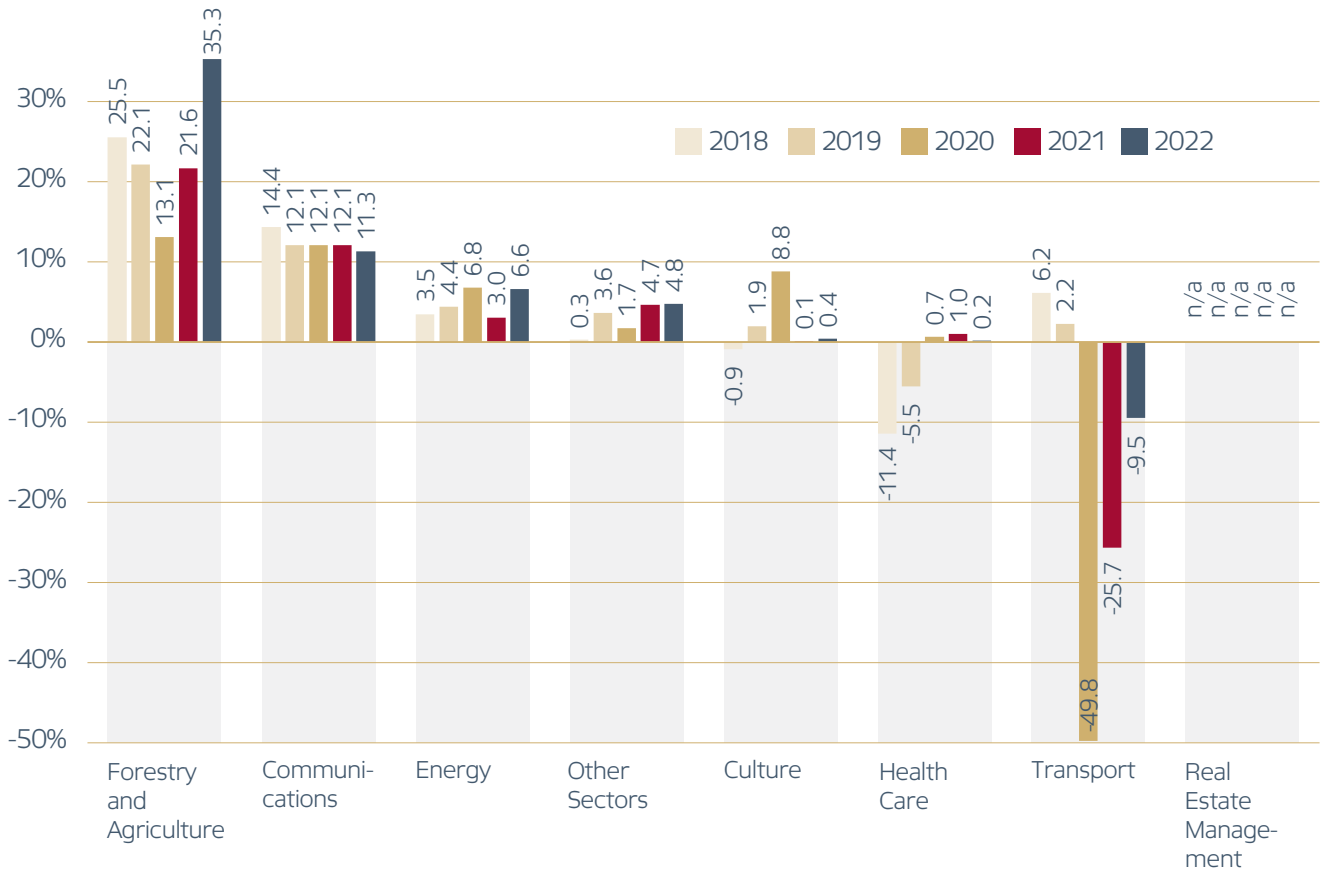


Figure 26. Rates of return on equity of SOEs by sector from 2018 to 2022, %

In terms of return on equity of SOEs by sector, the leading sectors in 2022 were the same as in 2021: forestry (35.3% in 2022, 21.6% in 2021, 13.1% in 2020, 22.1% in 2019, 25.5% in 2018, 18.2% in 2017, after deducting the impact of the CIT reform⁸¹ -16.8%) and SOEs in the communications sector (11.3% in 2022, 12.1% in 2021, 12.1% in 2020, 12.1% in 2019, 14.4% in 2018 and 15.2% in 2017, excluding the impact of the CIT reform - 12.6%). SOEs in the energy sector ranked third with a return on equity of 6.6% in 2022 (3.0% in 2021, 6.8% in 2020, 4.4% in 2019, 3.5% in 2018 and 11.1% in 2017, net of the impact of the CIT reform - 5.8%), up 3.6 percentage points from 2021. As in 2021, SOEs in the other sectors achieved a return on equity of 4.8% in 2022 (4.7% in 2021, 1.7% in 2020, 3.6% in 2019, 0.3% in 2018 and 0.1% in 2017, after deducting the 0.2% impact of the CIT reform). In 2022, despite the various constraints imposed by the Covid-19 pandemic, especially

during the state of emergency in early 2022, SOEs in the culture sector significantly increased their turnover from own revenues and ended the year with a small profit and achieved a return on equity of 0.4% (0.1% in 2021, 8.8% in 2020 and 1.9% in 2019). SOEs in the healthcare sector also performed with a low return on equity in 2022, achieving a return on equity of 0.2% (1.0% in 2021, 0.7% in 2020, -5.5% in 2019).

In 2022, SOEs in the transport sector achieved a negative return on equity for the third consecutive year, amounting to -9.5% (-25.7% in 2021, -49.8% in 2020 and 2.2% in 2019). JSC Air Baltic Corporation also closed 2022 with negative equity of EUR -82.0 million (EUR -118.3 million in 2021), despite both the receipt of public funding for a EUR 250 million share capital increase in 2020 and a EUR 90 million share capital increase again in 2022⁸².

⁸¹ Equity is measured against 2017 in this calculation.

⁸² JSC Air Baltic Corporation Sustainability Report 2021, p.96, JSC Air Baltic Corporation Sustainability Report 2022, p.102, p.141, source: <http://www.ur.gov.lv>

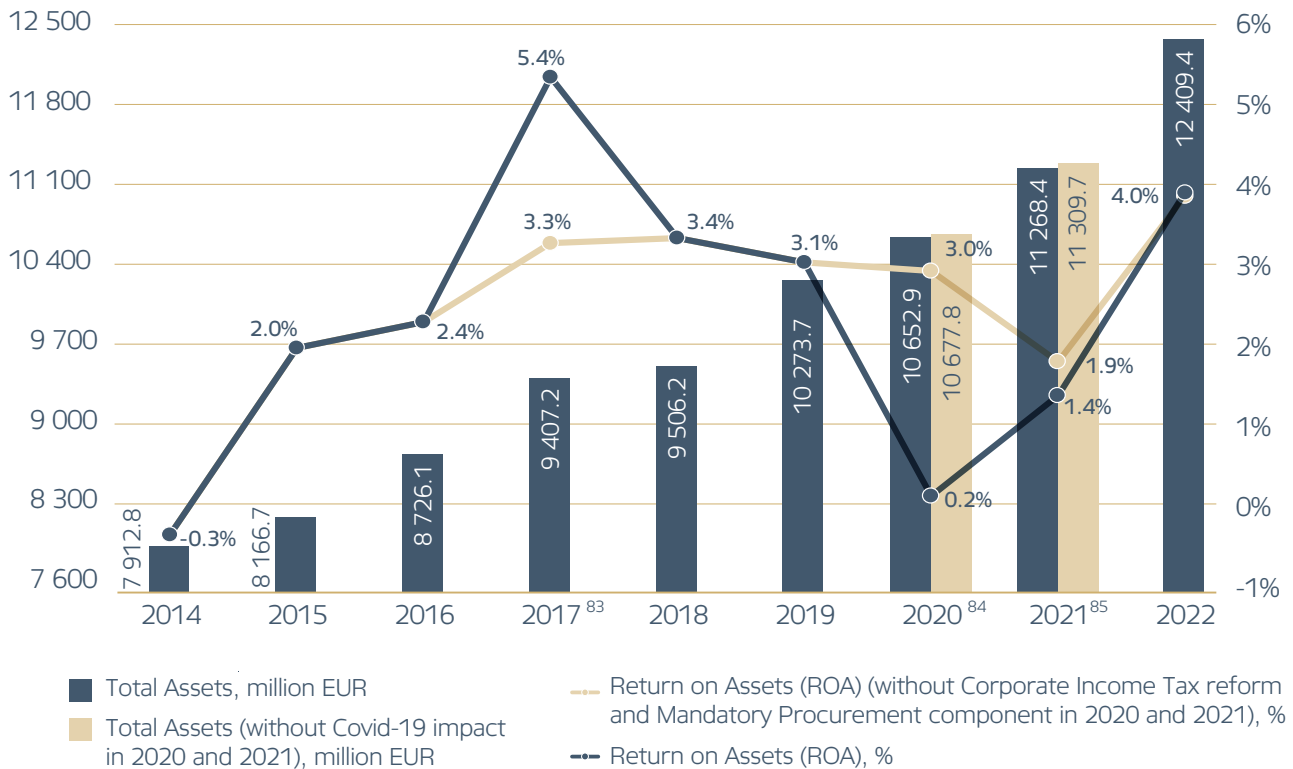


Figure 27. Total assets of SOEs, EUR million, and return on assets (ROA), per cent, from 2014 to 2022

In terms of total assets and return on assets, from 2014 to 2022, the return on assets followed a similar trend as the return on profitability and return on equity: an increase until 2017, including a sharp increase in 2017 due to the CIT reform and the MPC subsidy, and then a decrease with relatively similar results in 2018. and 2019 and a sharp decline in 2020 due to the impact of the Covid-19 pandemic, with an initiated recovery in 2021 from the effects of the Covid-19 pandemic and a complete elimination of the impact of the Covid-19

pandemic in 2022. In 2022, the value of the assets of all SOEs amounted to EUR 12.4 billion (EUR 11.3 billion in 2021, EUR 10.6 billion in 2020), which was EUR +1.14 billion (EUR +615.5 million in 2021 compared to 2020) an increase against 2021 while the return on assets was 4.0% (1.4% in 2021, 0.2% in 2020), an increase of +2.5 percentage points (+1.2 percentage points in 2021). Compared to 2019, the return on assets was +0.9 percentage points higher in 2022 (-1.7 percentage points lower in 2021 compared to 2019).

⁸³ The combined effect of the CIT reform on the profits of the 25 largest SOEs by assets and the mandatory procurement component subsidy is estimated at 2.1 percentage points, which would reduce the return on assets to 3.3%.

⁸⁴ 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 investments made is estimated at EUR 24.9 million as planned, while the impact on investments not made and on profits is estimated at an additional loss of EUR 298.6 million. Without the impact of Covid-19, assets would be valued at EUR 10 677.8 million, profits would be valued at EUR 319.8 million and return on assets would be 3.0%, the impact of Covid-19 on return on assets would be valued at 2.8 percentage points.

⁸⁵ 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 investments made is estimated at EUR 41.3 million as planned investments, but not made investments and the impact on profits is estimated at an additional loss of EUR 48.3 million. Without the impact of Covid-19, assets would be valued at EUR 11 309.7 million, profits would be valued at EUR 211.4 million and return on assets would be 1.9%, the impact of Covid-19 on return on assets would be 0.5 percentage points.

According to the information provided by SOEs (own assessment, not all SOEs have provided information), the combined impact of the Covid-19 pandemic and Russia's war in Ukraine on investments made was estimated at EUR -118.1 million in 2022 from planned but not made investments and the impact on profits is estimated as an additional profit of EUR +0.3 million. Without the impact of the above, assets could have reached EUR 12 527.5 million in 2022 and the return on assets could have reached 4.0%.

The rate of return on assets varies widely across sectors. SOEs of forestry (31.7% in 2022, 19.0% in 2021, 11.5% in 2020, 19.5% in 2019, 23.3% in 2018, 16.7% in 2017, excluding the impact of the CIT reform 15.3 % in 2017) and communications (6.0% in 2022, 6.5% in 2021, 7.2% in 2020, 7.2% in 2019, 9.0% in 2018, 9.7% in 2017, excluding the impact of the CIT reform – 8.1% in 2017) sectors are consistently in the forefront. In 2022, in contrast to 2021, SOEs in the energy sector have outperformed SOEs in other sectors in terms of return

on assets, achieving a return on assets of 3.8% (2.1% in 2021, 0.8% in 2020, 1.5% in 2019, 0.1% in 2018 and 0.1% in 2017, excluding the impact of the CIT reform in 2017 – 0.1%). SOEs in other sectors achieved a return on assets of 1.9% in 2022 (2.1% in 2021, 0.8% in 2020). Real estate (0.9%), culture (0.2%) and health (0.1%) SOEs performed similarly in 2022 as in 2021, with a slight return on assets. In 2022, the return on assets of transport SOEs is again negative overall, as in 2021 and 2020, at -2.1% (-5.8% in 2021, -13.9% in 2020).

The return on assets in investment-intensive sectors - energy and transport - should be critically assessed, as investments in these sectors are usually a longer-term objective that has a long-term rather than an immediate impact on the corporation's profits, and it should be noted that in the forestry sector, some state-owned assets are not included in the company's balance sheet but are managed because the forests are on the Ministry of Agriculture's balance sheet rather than on the balance sheet of JSC Latvijas valsts meži.

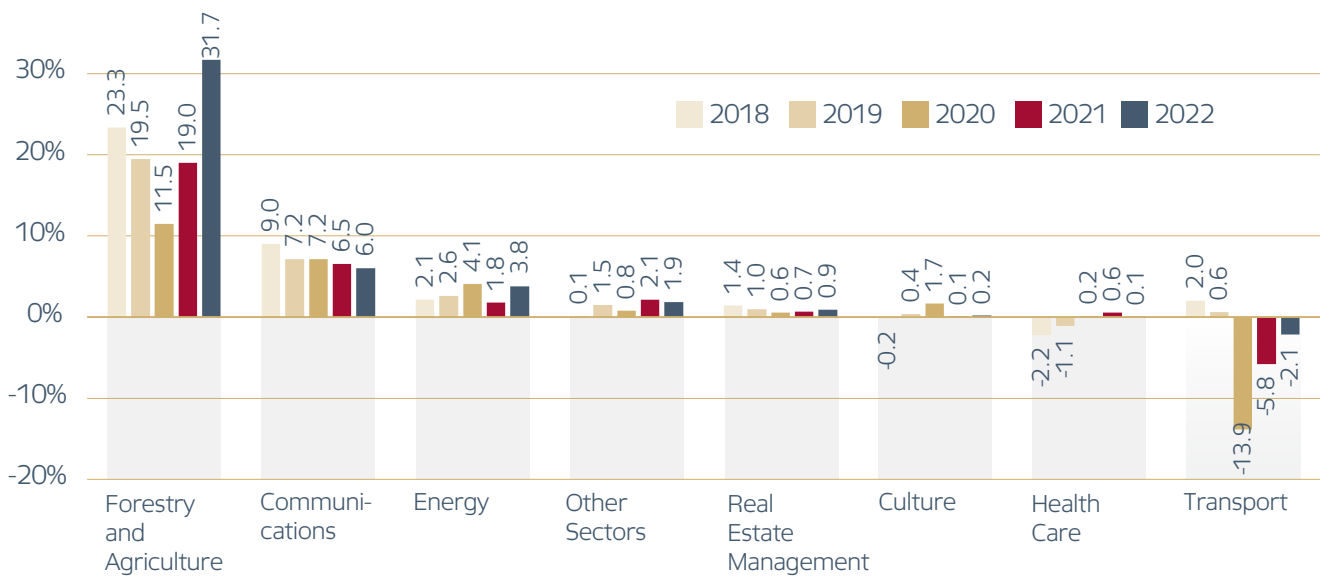


Figure 28. Total assets of SOEs, EUR million, and return on assets (ROA), by sector from 2018 to 2022



4.3. Expenditure and Capital Investment in R&D by SOEs

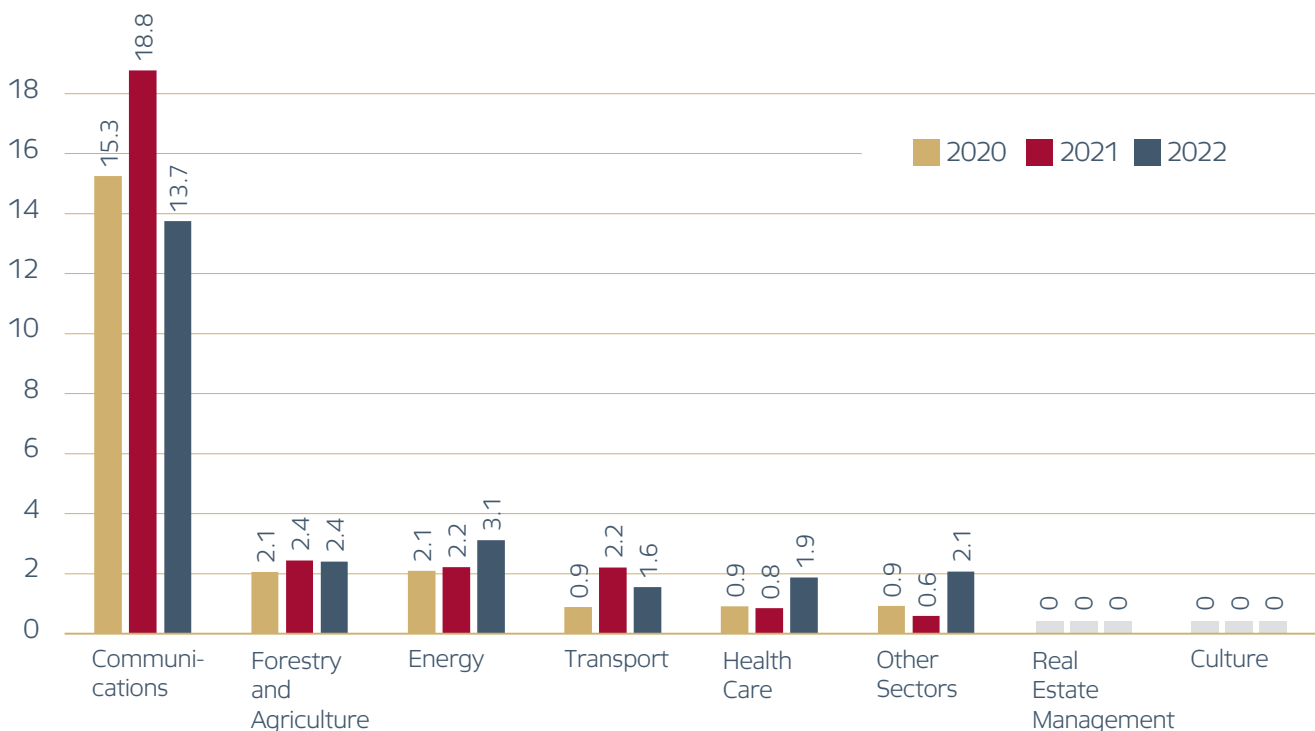


Figure 29. Expenditure and capital investment in R&D by SOEs from 2020 to 2022, million EUR

As of 2021, SOEs' R&D data about expenditures and capital investments have started to be collected. When such data were first provided by the SOEs and compared with the information in the annual reports, the

information provided was, as far as possible, updated as it may have not been consistent with what the SOEs had provided for statistical purposes. For the year 2022, no adjustments were made and the data were consistent



with previously observed values. It can therefore be concluded that SOEs have implemented a sufficiently accurate accounting of these data.

In 2022, SOEs invested 24.8 EUR million⁸⁶ in R&D, which was a decrease of EUR -2.3 million or -8.6% compared to 2021. In 2021, SOEs invested EUR 27.1 million in R&D, an increase of EUR +4.94 million or +22.3% compared to 2020, when SOEs invested EUR 22.1 million. From a sectoral perspective, SOEs in the communications sector invested the most in R&D, with EUR 13.8 million in 2022 (EUR 18.8 million in 2021). In 2022 more than EUR 1 million in R&D were invested by energy (EUR 3.1 million), forestry and agriculture (EUR 2.4 million), other (EUR 2.06 million), health (EUR 1.87 million) and transport (EUR 2.2 million) SOEs, i.e. an increase compared to 2021 in the number of sectors investing more than EUR 1 million in R&D and reflecting the increased involvement of SOEs in R&D in different

sectors. No R&D investments were made by SOEs in the real estate and culture sectors between 2020 and 2022.

Overall R&D cost and investment intensity⁸⁷ in 2022 amounted to 0.44 %, which was a decrease of -0.24 percentage points compared to 2021, when it reached 0.68%. The R&D intensity in 2020 was also similar to 2021 at 0.67%.

In comparison, in 2022, companies such as Intel had 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%⁸⁸ of R&D cost and investment intensity. Among the SOEs, the highest R&D cost and investment intensity in 2022 was for SLLC Latvijas Proves birojs (13.85%), SLLC Daugavpils psihoneiroloģiskā slimnīca (7.41%), LLC Latvijas Lauku konsultāciju un izglītības centrs (5.38%), LLC Tet (group) (3.94%), SJSC Latvijas Loto (consolidated) (2.44%).

86 According to own information provided by SOEs.

87 Indicator = Expenditure and/or capital investment in research and development (self-reported by SOEs) / Total turnover, %

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

5.

Changes in SEOs in 2022

Pursuant to Cabinet Order No 13 "On the Termination of Direct Decisive Influence and Participation of State Joint-Stock Company Latvijas dzelzceļš in LLC LDZ Infrastruktūra and Termination of Indirect Decisive influence of SJSK Latvijas dzelzceļš in the 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 SJSK Latvijas dzelzceļš in LDZ infrastruktūra by liquidating it, and merge LLC Rīgas Vagonbūves Uzņēmums "Baltija" with LLC "Ritošā sastāva serviss"⁸⁹, as a result of its reorganisation that was accomplished on 10 January 2022 by excluding it from the Register of Enterprises.

On 22 July 2022, LLC Latvijas vēja parki was registered in the Register of Enterprises of the Republic of Latvia, where 80% of capital shares are owned by JSC Latvenergo and 20% - by JSC Latvijas valsts meži.

On 27 June 2022, the liquidation process of the joint venture Imprimatur Capital Seed Fund, 100% owned by JSC Attīstības finanšu institūcija Altum, was initiated.

On 15 July 2020, the shareholders of JSC Air Baltic Corporation approved an increase in the share capital, as a result of which the Latvian government invested EUR 250 million in the acquisition of 96.14 % of airBaltic shares. The European Commission found that the investment was compatible with the internal market of the European Union pursuant to Article 107(3) (b) of the Treaty on the Functioning of the European Union (pursuant to the decision of the European Commission of 3 July 2020 in case SA.56943)⁹⁰.

According to the decision of the European Commission of 3 July 2020 in Case No SA.56943, the Government must reduce its equity participation to at least 80 % over the next 5 to 7 years. In order to ensure the possibility

of such divestment, the airline is likely to seek to initiate the initial public bid process for the next three years. In 2021, the Latvian government approved an additional EUR 90 million investment in share capital, of which EUR 45 million was received in December 2021 and on 17 January 2022, the Latvian Government invested EUR 45 million into the share capital, increasing the State's participation in Air Baltic Corporation to 97.03%, and in Q2 2022 the airline received the remaining EUR 45 million, increasing its participation to 97.97%.

On 1 January 2021, the new "Law on Public Electronic Media and their Management" entered into force, according to which a new public media shareholding institution was established - Public Electronic Mass Media Council, which became the new shareholder of SLLC Latvijas televīzija as of 1 October 2021 and of SLLC Latvijas radio as of 21 October 2021. Previously, the National Council for Electronic Media was the shareholder of these SOEs. In 2021, work was also underway on the development of a concept for the merger of public service media and a concept for changing the funding model for electronic mass media⁹¹. In early February 2022, the Public Electronic Mass Media Council submitted two concepts to the Saeima Commission for Human Rights and Public Affairs - "Concept for the Establishment and Operation of a Combined Public Electronic Media" and "Concept for Changing the Funding Model for Public Electronic Media"⁹². In December 2022, members of the newly elected 14th Saeima Commission for Human Rights and Public Affairs re-examined the concepts prepared by Public Electronic Mass Media Council, which aim to create a single public service media with independent and predictable funding to ensure that the fundamental principles and objectives of public service media are implemented professionally and with accountability to

89 Consolidated Annual Report 2021 of SJSK Latvijas dzelzceļš, p.10-11, source: <https://www.ldz.lv/lv/auditeti-gada-parskati>.

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

91 SLLC Latvijas radio Annual Report 2021, p.5, source: <https://latvijaradio.lsm.lv/lv/finanses/finansu-parskati/>.

92 SLLC Latvijas televīzija Annual Report 2021, p.4, source: <https://ltv.lsm.lv/lv/par-ltv/gada-parskati>.

the public. Public Electronic Mass Media Council was tasked with setting up an inter-institutional working group to develop a funding model by the decision of the Parliamentary Commission for Human and Public Affairs on 8 February 2023. The working group started its work on 17 March 2023 and it was scheduled to report to the Commission at the end of May, subject to a political decision⁹³. Public Electronic Mass Media Council expects that the merger of the public service media could take place from 1 January 2025. Until the merger is completed, the two public service broadcasters will continue to perform the tasks set out in the public service remit as two legal entities⁹⁴.

Pursuant to Cabinet of Ministers' Order No 457 "On Permission to Terminate Participation and Sell Shares owned by the SJSK Ceļu satiksmes drošības direkcija in the LLC Auteko & TŪV Latvija, LLC Scantest, LLC Venttests and LLC Autests" of 25 August 2020 and the agreement concluded with LLC Publisko aktīvu pārvaldītājs Possessor, at the beginning of 2022, the sale of the CSDD's shares in LLC Auteko & TŪV Latvija, LLC Scantest and LLC Autests⁹⁵ was completed and the sale of LLC Venttests was completed in November 2022 and it was disposed of on 7 December 2022.

On 7 September 2022, the state-owned 10 % shares in LLC Sanatorija Dzimtene were sold, on 16 September 2022, the state-owned 4.77 % shares in JSC Lopkopības izmēģinājumu stacija Latgale were sold, on 23 September 2022, the state-owned 3.68 % shares in JSC Jelgavas mašīnbūves rūpnīca held by LLC Publisko aktīvu pārvaldītājs Possessor were sold.

The liquidation process of LLC Reverta (96.89 % shareholder in LLC Publisko aktīvu pārvaldītājs Possessor) is still ongoing. In view of the nature of business, the year under review was closed with

a loss of EUR -70,6 thousand, in 2021 EUR -275,1 thousand. The company expects that after the end of the reporting year the cash at the disposal of the company will be sufficient to finance the economic activities of the company until its liquidation. At the end of 2020, the "Sports Policy Guidelines 2021-2027" were submitted for public consultation, which were improved and approved on 31 May 2022 by Cabinet Order No 397 as the "Sports Policy Guidelines 2022-2027", which provided for the improvement of the management of sports facilities under state management, ensuring the centralisation of management functions, as well as establishing a Consultative Council with the participation of sports organisations⁹⁶. On 27 September 2022, LLC Latvijas Nacionālais sporta centrs was registered in the Register of Enterprises of the Republic of Latvia, which was established by merging four SOEs - LLC Kultūras un sporta centrs "Daugavas stadions", LLC "Bobsleja un kamaniņu trase "Sigulda", LLC "Tenisa centrs "Lielupe" and LLC "Sporta centrs "Mežaparks". On 21 February 2022 LLC Vējkalni, in which SOE LLC Latvijas Lauku konsultāciju un izglītības centrs held 12.5 % of the shares, was excluded from the Register of Enterprises.

On 3 November 2017, the Ministry of Health adopted a decision at a meeting of shareholders to discontinue the provision of healthcare services by LLC Lielstraupes pils (formerly - SLLC Straupes narkoloģiskā slimnīca) as of 1 January 2018. In 2023, the Ministry of Health, with the permission of the Cabinet of Ministers, plans to change the name and statutes of LLC Lielstraupes pils, changing its activity type to - management, development, implementation and maintenance of digital solutions for the health sector, while maintaining the state's participation in the SOE to be transformed⁹⁷.

93 SLLC Latvijas radio Annual Report 2022, p.9, source: <https://latvijasradio.lsm.lv/lv/finanses/finansu-parskati/>.

94 SLLC Latvijas televīzija Annual Report 2022, p.37, source: <https://ltv.lsm.lv/lv/par-ltv/gada-parskati>.

95 SJSK Road Safety Directorate Annual Report 2021 and Consolidated Annual Report, p. 16, source: <https://www.csdd.lv/finanses/2021-gada-finansu-parskati>.

96 Cabinet of Ministers Order No 397 of 31 May 2022 "On the Guidelines for Sports Policy 2022-2027", source <https://www.vestnesis.lv/op/2022/107.7>

97 LLC Lielstraupes pils Annual Report 2022, page 10, source: <https://www.ur.gov.lv>.

6.

Characteristics of Capital Companies



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 JSCT 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.

Most important events in 2022

- Under high-risk conditions, quality and reliable power supply is ensured, and readiness for potential emergency synchronisation is achieved.
- In preparation for synchronisation with continental Europe, the construction of the Valmiera - Tartu transmission line has started.
- Active work was carried out with renewable energy producers on the construction of connections.
- The highest rating - Platinum, was achieved in the Sustainability Index.

Most important events planned in 2023

- Energy security: preparedness for emergency synchronisation with mainland European transmission networks, development of electricity and ancillary services markets and integration into European markets.
- High-quality energy supply – high-quality energy supply at the lowest possible tariff, geared towards innovation and safe working conditions.
- Financial stability – to ensure optimal return on public investment.
- Sustainable and efficient governance – digital and green transformation, continuous improvement of efficiency.

Principal financial objectives

- Investment grade credit rating – Investment grade (achieved – Investment grade A-/Stable).
- Dividends paid into the State budget – EUR 2 715 775 (achieved – EUR 7 999 514).

Principal non-financial objectives

- Synchronisation with continental European transmission networks: manufacture, delivery and installation of three synchronous compensators (achieved: contracts signed for construction of synchronous compensator stations in Ventspils, Grobiņa and Likсна).
- Development and integration of electricity and ancillary services markets into European markets: Joint Baltic Balancing Reserve Purchase and Exchange Rules developed in cooperation with Baltic TSOs (achieved: Baltic Balancing Reserve Purchase and Exchange Rules developed in cooperation with Baltic TSOs and published for public consultation in 2022).
- Quality electricity supply - innovation-oriented and safe electricity supply: construction of an environmentally friendly ('green') substation - procurement procedure for supply of equipment completed (achieved: construction of an environmentally friendly 'green' substation completed, contract for supply of equipment concluded in 2022).



Governance

Shareholder – **Ministry of Finance**

Representative of Shareholder – **Baiba Bāne**

Chair of Supervisory Council – **Kaspars Āboliņš**

Members of Supervisory Council – **Olga Bogdanova,**

Armands Eberhards, Aigars Ģermanis

Chair of Management Board – **Gunta Jēkabsone**

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

Principal financial indicators, thousand EUR

	2021*	2022*
Turnover	182 226.4	351 131.6
Profit/loss	10 096.7	16 159.8
EBITDA	69 143.2	72 533.8
Total assets	1 232 245.4	1 276 496.7
Share capital	365 896.0	391 598.5
Equity	647 812.3	631 287.1
Investment	61 189.9	46 440.0
Dividends paid to state budget	7 999.5	29 143.1
Contributions made to the state and local government budget	44 893.9	61 971.1
Donations received	0.0	0.0
Donations made	0.0	55.0
Funding received from the state budget	6.9	1 809.7

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	5.54	4.60
Return on assets, ROA, %	0.82	1.27
Return on equity, ROE, %	1.56	2.56
Total liquidity indicator	1.01	1.73
Liabilities-to-equity ratio	0.89	1.01

Other indicators

Number of employees	868	878
Average gross remuneration per employee per year, thousand EUR	25.4	28.0
Gender representation in management, f/m	3/7	2/6
Annual report in accordance with IFRS (yes/no)	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR	33.5	31.5
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	yes	yes

* Consolidated data.

JSC Latvenergo

Reg. No. 40003032949

Web: www.latvenergo.lv

State ownership 100 %

Related companies and shares:

JSC Sadales tīkls 100 %

LLC Enerģijas publiskais tirgotājs 100 %

LLC Liepājas enerģija 51 %

Elektrum Eesti, OÜ 100 %

Elektrum Lietuva, UAB 100 %

JSC Pirmais Slēgtais Pensiju Fonds 48.15 %

JSC Rīgas siltums 0.005 %

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.

Most important events in 2022

- Strategy of JSC Latvenergo for 2022-2026 is approved, with an emphasis on the development and electrification of renewable electricity plants.
- The total capacity of Elektrum's solar parks and customer-installed panels has been significantly increased - by the end of 2022, there are solar parks with a total capacity of around 200 MW at the design or construction stage.
- Elektrum Drive electric car charging network doubled. Together with charging stations of partners, Elektrum Drive customers can charge at more than 300 charging points in Latvia.
- In a tight market environment, JSC Latvenergo provides natural gas to its production facilities and customers. Timely gas purchases and the right to use the Klaipeda LNG terminal have significantly reduced natural gas supply risks.

Major events planned in 2022

- In 2023, it is planned to invest substantially in increasing renewable energy generation capacity, to continue the rapid expansion of the Elektrum Drive electric car charging network in the Baltics, to increase the number of household customers in Lithuania and to gain significant market share in the Latvian household segment for natural gas customers, and to further improve the quality of electricity distribution system services while ensuring that renewable energy generation capacity can be connected to the distribution grid.

Principal financial objectives

- Return on equity (ROE), %: 6.6 (achieved: 8.2)
- Adjusted FFO to net borrowings, %: >25 (achieved: 52).
- Moody's credit rating: Baa2 (achieved: Baa2).

Principal non-financial objectives

- Development of a large-capacity onshore wind project: project development initiated (achieved: in cooperation with joint venture JSC Latvijas valsts meži a joint venture JSC Latvijas vēja parki established).
- Development of solar power plants: construction of > 50 MW solar parks in the Baltics started (achieved: 11 MW of solar parks have started in the Baltics, with around 200 MW of solar parks under design or construction).
- Number of household customers in Lithuania: increase from 40 to 200 thousand customers (achieved: in 2022 the number of customers was increased threefold to 120 thousand customers).



Governance

Shareholder – **Ministry of Economics**

Representative of Shareholder – **Edmunds Valantis**

Chair of Supervisory Council – **Ivars Golts**

Members of Supervisory Council – **Mārtiņš Čakste**

Members of Management Board – **Dmitrijs Juskovcs, Guntars Baļčūns, Harijs Teteris, Kaspars Cikmačs**

Principal financial indicators, thousand EUR

	2021*	2022*
Turnover	1 065 219.0	1 841 801.0
Profit/loss	71 623.0	183 874.0
EBITDA	198 813.0	360 209.0
Total assets	3 475 890.0	3 855 330.0
Share capital	790 368.0	790 368.0
Equity	2 123 448.0	2 356 419.0
Investment	126 728.0	121 666.0
Dividends paid to state budget	98 246.0	70 160.0
Contributions made to the state and local government budget	197 142.1	153 853.7
Donations received	0.0	0.0
Donations made	363.0	833.0
Funding received from the state budget	5 715.4	16 947.0

Principal financial indicators, % and coefficients

Profitability (profit/turnover), %	6.72	9.98
Return on assets, ROA, %	2.06	4.77
Return on equity, ROE, %	3.37	7.80
Total liquidity indicator	1.36	1.20
Liabilities-to-equity ratio	0.63	0.63

Other indicators

Number of employees	3 233	3 154
Average gross remuneration per employee per year, thousand EUR	24.3	28.3
Gender representation in management, f/m	0/9	0/10
Annual report in accordance with IFRS (yes/no)	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR	2 185.0	3 085.0
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	yes	yes

* Consolidated data

Results achieved

Considering the progress made in 2022 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 in meeting the financial targets, the overall achievement of the objectives for 2022 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 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 network of services, 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.

Most important events in 2022

- The sub-measures "Vocational education and skills training measures" and "Support for farm and forest visits" of the RDP measure "Knowledge transfer and information measures" have been successfully concluded.
- Staff capacity strengthened in the context of the new CAP.
- Developed 'My Field and Taste of the Region', to promote digital accessibility of LFCL services, IT network improved
- Inter-sectoral dialogue organised to take a holistic view of risk and crisis management in the Latvian food system and to highlight those that need to be addressed at inter-sectoral level.

Most significant events planned in 2023

- Building and transferring the knowledge base for farmers on the implementation of the EU Green Deal requirements in production, analysing risks and developing recommendations for mitigation measures.
- Development and training of consultants according to customer demand.
- Implementation of a rural business support model through a business incubator system.
- Development of a school meals programme to improve the system by 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: 0.01).
- Maintain LLKC's equity ratio at 0,2: equity ratio $\geq 0,2$ (achieved: 0.25).
- Maintain a positive return on equity (ROE), but not below 0,5 %: ROE $\geq 0,5$ (achieved: 0.85).

Principal non-financial objectives

- Long-term customers (at least 3 years of cooperation), number ≥ 2 500 (achieved: 3 568).
- Percentage of customers satisfied with services not below the previous year's level: 96 (achieved: 88).
- Investment in innovation, digitisation, development and creation of services $>1\%$ of turnover (achieved: 5.38%).
- 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: 92).
- Proportion of consultants (crop, livestock, forestry) who have obtained further training certificates in sustainable farming, %: 54 (achieved: 60).
- Sales of cards compared to previous year, %: ≥ 80 (achieved: 103).



Governance

Shareholder – **Ministry of Agriculture**

Representative of Shareholder – **Liene Jansone**

Chair of Management Board – **Mārtiņš Cimermanis**

Members of Management Board – **Edgars Linde, Kaspars Žūriņš**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	10 925.3	12 945.4
Profit/loss	12.3	13.1
EBITDA	173.9	191.2
Total assets	5 854.7	6 050.7
Share capital	1 139.3	1 139.3
Equity	1 539.4	1 542.7
Investment	190.7	275.3
Dividends paid to state budget	9.4	9.8
Contributions made to the state and local government budget	4 319.0	5 204.5
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	3 282.6	3 657.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.11	0.10
Return on assets, ROA, %	0.21	0.22
Return on equity, ROE, %	0.80	0.85
Total liquidity indicator	1.03	1.01
Liabilities-to-equity ratio	2.67	2.82

Other indicators

Number of employees	411	413
Average gross remuneration per employee per year, thousand EUR	13.8	15.4
Gender representation in management, f/m	0/3	0/3
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	704.6	696.7
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

Results achieved

- 3 964 clients consulted (25 753 consultation hours).
- Assisted farmers in preparing 702 EU project applications.
- 12 395 clients participated in agricultural and forestry educational events; 1 485 clients benefited from exchange visits to enterprises, of which 47% were in Europe.
- 85 capacity building events were organised for LACF staff and MAF experts, involving 2342 participants. 11 agricultural advisors were trained under the common EU qualification and certification system.

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 Meža un koksnes produktu pētniecības un attīstības institūts 40 %

JSC Latvijas Finieris 0.99067 %

The principal activity of JSC Latvijas valsts meži 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.

Most important events in 2022

- On 13 October 2022, the Supervisory Board of LVM approved the medium-term operational strategy of JSC Latvijas valsts meži for 2023-2027.
- On 22 July 2022, a joint venture between JSC Latvenergo and LVM for the development of wind parks was established - LLC Latvijas vēja parki, in which LVM holds a 20% shareholding.
- JSC LVM was ranked 2nd in the group of large companies as the "Fairest Payer" in 2022 in the annual survey organised by the recruitment, development and remuneration research company "Fontes"

Most significant events planned in 2023

- 6.97 million m³ of round wood, 0.17 million m³ of growing trees, 664 thousand m³ of timber and 6.9 million m³ of wood products are planned to be sold. Mineral materials and mixtures thereof.
- 313 km of forest roads are to be built or rehabilitated and 18,200 ha of forest drainage systems are to be rehabilitated.
- Reforestation is planned on 18,3 thousand ha and coppicing on 35,3 thousand ha.
- Investments of EUR 16.4 million are planned to increase the volume of forest tree seedlings. EUR 16 million.

Main financial objectives

- Earnings before interest, taxes, depreciation and amortisation (EBITDA) from operating activities, EUR million EUR 91.1 (achieved: 299.8).
- Capital value of forests, million EUR 2 608 (achieved: 3 160).
- Dividend yield, %: ≥80 (achieved: 80).

Key non-financial targets

- Forest area for timber production and extraction, % of forest: 84 (achieved: 79).
- Average annual volume of major wood products over a 20-year cycle - softwood sawlogs, million m³: 3.28 (achieved: 3.36).
- Average annual volume of the most important wood products in a 20-year cycle - birch veneer logs, million m³: 0.34 (0.34 achieved).



Governance

Shareholder – **Ministry of Agriculture**

Representative of Shareholder – **Raivis Kronbergs**

Chair of Supervisory Council – **Edmunds Beļskis**

Members of Supervisory Council – **Aivars Tauriņš, Kaspars Ozoliņš, Rinalds Muciņš**

Chair of Management Board – **Pēteris Putniņš**

Members of Management Board – **Toms Reiziņš, Jānis Stankevičs, Jānis Lapiņš**

Principal financial indicators, thousand EUR

	2021*	2022*
Turnover	405 378.9	566 722.5
Profit/loss	111 607.8	242 227.8
EBITDA	165 777.5	300 002.5
Total assets	581 430.9	757 380.0
Share capital	355 728.6	355 728.6
Equity	513 983.0	684 830.5
Investment	44 854.1	46 865.5
Dividends paid to state budget	72 395.2	71 380.3
Contributions made to the state and local government budget	102 985.1	101 606.3
Donations received	0.0	0.0
Donations made	4 435.0	0.0
Funding received from the state budget	0.0	0.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	27.53	42.74
Return on assets, ROA, %	19.20	31.98
Return on equity, ROE, %	21.71	35.37
Total liquidity indicator	5.77	8.59
Liabilities-to-equity ratio	0.10	0.09

Other indicators

Number of employees	1 456	1 458
Average gross remuneration per employee per year, thousand EUR	23.6	25.3
Gender representation in management, f/m	0/9	0/8
Annual report in accordance with IFRS (yes/no)	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR	1 733.6	1 704.0
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	yes	yes

* Consolidated data.

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 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.

Most important events in 2022

- No significant events in 2021.

Principal financial objectives

- Turnover, EUR: 440 000 (achieved: 487 901).
- Long-term investments, EUR: 37 000 (achieved: 12 724)

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: 44).
- Participate in the implementation projects of the Rural Development Programme and the National Programme for Flood Risk Prevention and Management, projects: 5 (achieved: 2).
- Maintain an archive repository of original documents on land reclamation, hydraulic engineering structures and land reclamation hydrometry 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 (achieved).

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	382.0	487.9
Profit/loss	-30.7	-4.7
EBITDA	-10.0	12.6
Total assets	166.1	74.0
Share capital	115.7	115.7
Equity	42.1	37.5
Investment	26.8	12.7
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	180.0	184.4
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	0.0	0.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-8.03	-0.96
Return on assets, ROA, %	-18.47	-6.33
Return on equity, ROE, %	-72.81	-12.51
Total liquidity indicator	1.12	1.68
Liabilities-to-equity ratio	2.94	0.98

Other indicators

Number of employees	23	23
Average gross remuneration per employee per year, thousand EUR	10.0	10.2
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

6.3. 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 %

LLC Loyalty Services (liquidated in 2021) 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.

Most important events in 2022

- The airline continued to expand its fleet by adding seven new A220-300 aircraft and two 1521G replacement engines.
- In May, airBaltic opened a new base in Tampere, Finland, the airline's first base outside the Baltic States.
- airBaltic served a record number of routes in the airline's history and opened a number of important new destinations.
- During the summer season, the airline leased 11 ACMI aircraft to European national airlines. The airline returned 11 of the 12 de Havilland Q400s by the end of 2022.

Most significant events planned in 2023

- The airline plans to continue expanding its fleet by adding eight new A220-300 aircraft.
- airBaltic plans to offer more routes from its Riga, Vilnius, Tallinn and Tampere bases.
- The airline plans to expand ACMI operations (flights to other airlines) by leasing up to 14 aircraft in the summer months of 2023.

Principal financial objectives

- Earnings before interest and taxes (EBIT), thous. EUR -20 813 (achieved: 4 807).
- Profit or loss, thous. EUR: from 89 109 (achieved: 53 007)
- Net turnover, thous. EUR: 479 293 (achieved: 500 201).

Principal non-financial objectives

- Passengers, thousand: 3 878 (achieved: 3 289).
- Average seat occupancy, %: 66 (achieved: 71,2).
- Average revenue per ticket, EUR: 95,1 (achieved: 111,2).

Results achieved

- The airline continued to expand its fleet with the addition of seven new A220-300 aircraft.
- airBaltic operated seven routes from its newly established Tampere base.
- The airline responded quickly and successfully to the closure of the Eastern market by redeploying two additional aircraft to ACMI operations (flights to other airlines), leasing a total of 11 aircraft in the summer months of 2022.



Governance

Shareholder – **Ministry of Transport**

Representative of Shareholder – **Ilonda Stepanova**

Chair of Supervisory Council – **Nikolajs Sigurds Bulmanis**

Members of Supervisory Council – **Kaspars Āboliņš, Toms Siliņš, Lars Thuesen**

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

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

Principal financial indicators, thousand EUR

	2021*	2022*
Turnover	198 259.0	495 455.0
Profit/loss	-135 718.0	-54 219.0
EBITDA	-4 053.0	106 784.0
Total assets	1 025 242.0	1 158 922.0
Share capital	506 473.0	596 473.0
Equity	-118 311.0	-81 984.0
Investment	192 470.6	206 931.2
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	7 117.3	38 432.8
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	45 000.0	45 000.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-68.45	-10.94
Return on assets, ROA, %	-13.24	-4.68
Return on equity, ROE, %	n/a	n/a
Total liquidity indicator	0.75	0.43
Liabilities-to-equity ratio	n/a	n/a

Other indicators

Number of employees	1 377	1 851
Average gross remuneration per employee per year, thousand EUR	26.7	29.7
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:

ATD has no ownership in other capital companies

ATD 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.

Most important events in 2022

- ATD organised a procurement procedure for the supply of new battery electric multiple units (BEMUs) for passenger trains.

Most important events planned in 2023

- Procurement contract for the supply of battery electric multiple units (BEMUs) concluded.
- Develop and promote a quality standard for bus stations and their services.
- Develop a concept for a single centralised licensing of taxi and passenger car services.

Main financial objectives

- Turnover, million EUR 3.7 (achieved: 4.1).
- Profit or loss, EUR: 362 682 (achieved: 429 026).
- Return on equity ROE, %: 9.38 (achieved: 10.50).

Main non-financial objectives

- To organise the purchase of rolling stock for passenger transport by rail: a procurement committee for battery-powered trains (BEMU) was set up and a first procurement round was organised, as a result of which three candidates were selected, found to meet the requirements set out in the tender specifications and were promoted to a second procurement round.
- The share of respondents who are completely satisfied is 36.7%, the share of respondents who are rather satisfied is 48%, which makes a total of 84.7% of respondents who are satisfied with public transport services.
- Number of documents issued by ATD: 134 136 (achieved: 160 169).
- Retention of e-submissions of all submissions, %: 60 (achieved: 69).
- Satisfaction rate of individual service customers, %: not less than 75 (achieved: 84.9).

Results achieved

- The number of documents issued by ATD amounted to 160 169, i.e. 19.4% more than planned. The increase in the number of documents issued compared to the target is also due to the lifting of the Covid-19 restrictions.
- The level of satisfaction of both public transport passengers and ATD's direct customers remained high.
- Monitoring of all registered bus terminals was carried out, with each registered bus terminals being inspected at least once a year, as well as re-inspected. In total, 50 bus stations were surveyed.



AUTOTRANSPORTA
DIREKCIJA

Governance

Shareholder – **Ministry of Transport**

Representative of Shareholder – **Ligita Austrupe**

Chair of Management Board – **Kristiāns Godiņš**

Member of Management Board – **Modris Jaunups**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	3 772.5	4 121.7
Profit/loss	745.4	429.0
EBITDA	920.5	689.6
Total assets	4 593.1	4 922.7
Share capital	200.9	200.9
Equity	4 135.8	4 087.8
Investment	425.7	370.6
Dividends paid to state budget	397.2	277.1
Contributions made to the state and local government budget	1 525.9	1 559.6
Donations received	0.0	0.0
Donations made	1.0	2.5
Funding received from the state budget	840.3	920.6

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	19.76	10.41
Return on assets, ROA, %	16.23	8.72
Return on equity, ROE, %	18.02	10.50
Total liquidity indicator	8.65	4.84
Liabilities-to-equity ratio	0.11	0.20

Other indicators

Number of employees	89	89
Average gross remuneration per employee per year, thousand EUR	24.6	27.8
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 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

The CSDD 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.

Most important events in 2022

- We focus on energy-efficient solutions for infrastructure maintenance and self-sufficiency in consumed resources - we launched projects aimed at self-sufficient electricity generation.
- In cooperation with the Ministry of Transport and representatives of operational services, within the framework of a European Commission project, a project was implemented in 2022 and the results of an unprecedented study were compiled - the definition of indicators (KPIs) affecting road safety.
- CSDD has been recognised as the 2nd most human brand in Latvia among more than 300 brands. The top of the most humane brands is determined by a survey of the population, asking them to evaluate whether the brand can be assessed as socially responsible towards society.

Most important events planned for 2023

- In 2022, an open call for tenders was launched for the "Vehicle inspection service in the framework of the roadworthiness test", for which the deadline for submission of tenders was 14 February 2023. Bids were received for all lots (the lots were created to receive the service according to the geographical distribution of service provision in the territory of Latvia).
- Solar panels are to be installed at 9 additional CSDD infrastructure sites.
- Continue to actively develop and promote CSDD e-services.

Main financial objectives

- Net turnover, million EUR: >49.0 (achieved: 52.75).
- ROE (profit/equity), %: >3.0 (achieved: 13.3).
- Liabilities to equity, %: <15.2 (achieved: 13.6).

Key non-financial targets

- Customer satisfaction: 4.32 (achieved: 4.57).
- Introduction of new e-services for vehicle registration: 3 (achieved: 4).
- Proportion of registration certificates issued through e-services out of the total number of registration certificates issued, %: 7.50 (achieved: 14).

Results achieved

Despite the challenges posed by the epidemiological situation at the beginning of the year, the war in Ukraine, supply chain disruptions and rapid inflation, all financial and non-financial targets set in the CSDD Medium-Term Operational Strategy 2021-2023 were achieved in 2022.



Governance

Shareholder – **Ministry of Transport**

Representative of Shareholder – **Ilonda Stepanova**

Chair of Supervisory Council – **Kristiāns Godiņš**

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

Chair of Management Board – **Aivars Aksenoks**

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

Principal financial indicators, thousand EUR

	2021*	2022
Turnover	50 594.1	52 747.2
Profit/loss	3 793.5	6 570.6
EBITDA	8 161.6	9 698.1
Total assets	55 194.0	55 955.9
Share capital	38 662.3	38 662.3
Equity	47 605.7	49 253.5
Investment	1 423.8	2 839.3
Dividends paid to state budget	2 522.9	0.0
Contributions made to the state and local government budget	16 621.5	10 673.0
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	502.6	557.4

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	7.50	12.46
Return on assets, ROA, %	6.87	11.74
Return on equity, ROE, %	7.97	13.34
Total liquidity indicator	2.56	3.84
Liabilities-to-equity ratio	0.16	0.14

Other indicators

Number of employees	744	582
Average gross remuneration per employee per year, thousand EUR	21.8	22.7
Gender representation in management, f/m	0/5	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.

LLC Eiropas dzelzceļa līnijas (EDzL)

Reg. No. 40103836785

Web: www.edzl.lv

State ownership 100 %

Related companies and shares:

JSC RB Rail 33.33 %

LLC EDzL is the national promoter of the Rail Baltica project in Latvia, implementing the construction of the two 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.

Most important events in 2022

- Improved corporate governance and team.
- Rail Baltica main line construction tender launched in the 2nd round.
- Design contract for the Salaspils Intermodal Logistics Terminal concluded.
- Works completed at Riga Central Station (RCS) worth EUR 68.86 million at Riga International Airport (RIX) - EUR 8.53 million.
- 100% of the real estate in RCS and 90% in RIX is available for construction work.
- A model for the management of RIX infrastructure maintenance sites has been developed.
- Construction of regional mobility points started.
- Concept and implementation plan for Rail Baltica rail infrastructure management model developed.

Most important events planned in 2023

- Conclusion of the Rail Baltica main line construction contract.
- Acquisition of real estate for construction works on the 11.3 km section.
- Development of the RCS passenger service point management model.
- Strategic planning and development, risk management policy will be improved.
- Progress in the development of the infrastructure management model.
- Development of a medium-term strategy for the operation of the capital company.

Principal financial objectives

- Turnover, million EUR 5.5 (achieved: 3.9).

Principal non-financial objectives

- To ensure the development of the Riga Central Railway Station hub by managing financial investments of not less than EUR million. EUR 63.80 (achieved: 68.86).
- Ensure the development of the Rail Baltica RIX railway station by managing financial investments of at least EUR million. EUR 18.90 (achieved: 8.53).
- Work intensity for the disposal of real estate: 1.02 (achieved: 0.96).
- Volume of private real estate properties prepared for submission to the Cabinet in the Imanta-LV/LT border area: 30% (achieved: 26% against target or 100% against actual potential (29 sites)).
- Proposals for amendments to regulatory enactments were prepared and submitted to the Ministry of Transport.



Governance

Shareholder – **Ministry of Transport**

Representative of Shareholder – **Inguna Strautmane**

Chair of Management Board – **Kaspars Vingris**

Member of Management Board – **Artūrs Caune**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	3 106.5	3 900.9
Profit/loss	-67.9	-108.6
EBITDA	-32.5	-50.4
Total assets	5 598.1	6 041.7
Share capital	4 445.4	4 445.4
Equity	4 350.2	4 241.6
Investment	91.0	133.2
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	966.6	1 333.6
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	3 197.5	4 034.1

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-2.19	-2.78
Return on assets, ROA, %	-1.21	-1.80
Return on equity, ROE, %	-1.56	-2.56
Total liquidity indicator	1.39	1.17
Liabilities-to-equity ratio	0.29	0.42

Other indicators

Number of employees	58	84
Average gross remuneration per employee per year, thousand EUR	36.8	31.0
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

Results achieved

- Investments in RCS 68.86 million EUR and EUR 8.53 million in RIX.
- 100% of the properties on the RCS site and 90% on the RIX site are available for Rail Baltica construction works.
- Expropriation started on Imanta/LT section, completed on 29 sites.
- Proposals for amendments to regulatory enactments for the development of the Rail Baltica project have been prepared and submitted.

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

General strategic objective

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

Most important events in 2022

- In the reporting year, the company was awarded Platinum category in the Latvian Sustainability Index.
- The Company was awarded in the Gold category "Safest Company Fleet 2022", organised by the insurance company Balta and the Ministry of Transport.
- The company's Integrated Management System is certified in accordance with the requirements of international standards ISO 9001, ISO 14001, ISO 45001 and ISO 50001.

Most important events in 2023

- Transformation of the Company's processes and structure to increase its competitiveness.
- Increasing efficiency and productivity.
- Alignment of the Company's activities with the principles of good corporate governance.
- The implementation of a medium-term operational strategy for 2023-2027, focusing on productive and efficient operations, employee welfare and sustainable use of resources.

Main financial indicators

- Equity to total assets ratio, %: 64 (achieved: 63).
- Return on assets (ROA), %: 0,1 (achieved: 0,95).
- Liability coverage ratio (DSCR)(x): 1.5 (achieved: 1.7).
- Net turnover, EUR million EUR 64.139 (achieved: 78.489).
- Total liquidity ratio: 1.1 (achieved: 1.1)

Main non-financial objectives

- Other services to account for at least % of financial turnover, %: 24.8 (achieved: 20).
- Average rating of the quality of the work carried out during the winter season on the complex routine maintenance of national roads: 4.2 = good (achieved: 4.8 = good).
- Average assessment of the quality of the work carried out in the summer season on the complex routine maintenance of national roads: 4.2 = good (achieved: 5)
- Surface roughness restoration on regional and local roads with black surface of total length (km), %: >1.8 (achieved: 0.4).

Results achieved

- 64% of the non-financial targets have been met, the negative deviations in the performance indicators of the planned non-financial targets do not pose a significant risk to the financial stability and sustainable development of the Company.



LATVIJAS AUTOCEĻU UZTURĒTĀJS

Governance

Shareholder – **Ministry of Transport**

Representative of Shareholder – **Ilonda Stepanova**

Chair of Supervisory Council – **Renārs Griškevičs**

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

Chair of Management Board – **Vilnis Vitkovskis**

Member of Management Board – **Juris Dupurs, Māris Kliģis**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	85 096.1	78 489.2
Profit/loss	3 938.3	1.4
EBITDA	10 911.0	7 653.9
Total assets	73 210.7	66 747.9
Share capital	35 202.3	35 202.3
Equity	44 391.0	41 871.8
Investment	7 530.3	1 156.9
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	15 132.6	14 323.4
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	67 966.4	62 304.4

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	4.63	0.002
Return on assets, ROA, %	5.38	0.002
Return on equity, ROE, %	8.87	0.003
Total liquidity indicator	1.23	1.11
Liabilities-to-equity ratio	0.59	0.57

Other indicators

Number of employees	1 236	1 193
Average gross remuneration per employee per year, thousand EUR	21.5	19.5
Gender representation in management, f/m	1/4	0/6
Annual report in accordance with IFRS (yes/no)	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR	130.2	5.3
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 %

LLC LDZ ritošā sastāva serviss 100 %

LLC LDZ infrastruktūra 100 %

LLC LDZ apsardze 100 %

JSC LatRailNet 100 %

LLC LDZ Loģistika 100 %

LDz is one of the largest companies Latvia, which through its economic activities makes 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, offering competitive services in logistics, rolling stock repair and maintenance, as well as security of strategic facilities, and contributing to the development of environmentally friendly rail transport.

Most important events in 2022

- Efficiency improvement - LDz and the Group's companies continued to promote efficiency and reduce costs by reviewing business, organisational and technological processes with the aim of ensuring the Group's competitive and sustainable operations in the future.
- Technological process review - targeted review of functions and changes in the organisational structure continued to reduce the number of employees in LDz and the Group as a whole.
- Diversification of target markets and freight segments - to rebalance freight volumes that had already been in decline in previous years.
- Cooperation in the implementation of the Rail Baltica project - at Riga Central Railway Station and its surroundings, track reconstruction continued and work started on the viaduct of the Central Multimodal Interchange as part of the Rail Baltica project.
- LDz actively worked and sought the best solutions to operate in the new geopolitical environment, establishing and continuously improving mutual cooperation in controlling compliance with international freight transport sanctions.
- Modernisation and construction of passenger platforms at 48 railway stations and stops.

Most important events planned in 2023

- LDz plans to continue implementing cost reduction measures to become a more efficient and competitive company.
- LDz will develop a new operational development strategy.

Main financial indicators

- Net turnover, million EUR 157.7 (achieved: 153.2).
- EBITDA (including public funds for financial rebalancing and dividends from subsidiaries), %: 19.19 (achieved: 21.04).
- Liabilities to equity (excluding deferred income), %: 38.03 (achieved: 42.73).

Main non-financial indicators

- Railway infrastructure operating costs per km of track, thous. EUR 59.5 (58 achieved).
- Number of serious accidents per million train km, 1.15 (achieved: 1.43).
- Share of rail passenger transport in total public transport, %: 9 (achieved: 9.70).

Results achieved

- Financial and non-financial targets partially met.
- The largest share of freight transport is accounted for by imports, which represent 65.2% of total transport. In 2022, the volume of such imports amounts to 14 072 thous. tonnes. This represents an increase of 4.4% compared to the same period last year.
- The share of rail passenger transport in total public transport increased by 7.78% or 0.70 percentage points



Governance

Shareholder – **Ministry of Transport**

Representative of Shareholder – **Ilonda Stepanova**

Chair of Supervisory Council – **Jānis Lange**

Members of Supervisory Council – **Andris Liepiņš, Andris Maldups, Reinis Ceplis, Juris Kaļeņuks**

Chair of Management Board – **Māris Kleinbergs**

Members of Management Board – **Vīta Balode-Andrūsa, Rinalds Pļavnieks**

Principal financial indicators, thousand EUR

	2021*	2022*
Turnover	249 177.0	254 788.0
Profit/loss	3 909.0	-2 368.0
EBITDA	67 648.0	61 014.3
Total assets	866 906.0	853 629.0
Share capital	289 142.0	327 622.0
Equity	397 828.0	395 460.0
Investment	15 954.2	48 869.0
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	63 914.7	64 863.4
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	36 503.9	100 590.3

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.57	-0.93
Return on assets, ROA, %	0.45	-0.28
Return on equity, ROE, %	0.98	-0.60
Total liquidity indicator	1.47	1.26
Liabilities-to-equity ratio	1.16	1.14

Other indicators

Number of employees	7 151	6 482
Average gross remuneration per employee per year, thousand EUR	14.1	15.1
Gender representation in management, f/m	1/6	1/7
Annual report in accordance with IFRS (yes/no)	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR	1 812.2	1 367.4
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	yes	yes

* Consolidated data.

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 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.

Most important events in 2022

- On 5 December 2022, the Performance Improvement Plan of the Republic of Latvia for the 3rd reporting period was approved.
- Within the framework of the service contract "Development of an Impact Assessment and Concept, Business Processes and Business Models for the Unmanned Aircraft (UAS) Management and Surveillance System" concluded by LGS with the Civil Aviation Agency, the contractual obligations were fulfilled in the third quarter of 2022.
- The amendments to the Medium Term Operational Strategy 2020-2024 were approved in Q1 2022.

Most important events planned in 2023

- The expansion and modernisation of the VOR/DME network and the modernisation and expansion projects of the MSS-W RIX territorial surveillance system will continue.
- Work will continue on the safe integration of unmanned aircraft flights into Latvian airspace.
- Modernisation of Air Traffic Management and its support systems will be initiated.

Main financial objectives

- Fixed unit fare per route unit (E1), EUR 34.99 (reached: 31.70).
- Net turnover, million EUR 23 (achieved: 19,3).

Main non-financial objectives

- D1 - Level of safety management effectiveness. ANSP level plan: C (achieved: C).
- D2 - Safety Risk Management Level: C (Achieved: C)
- M - Provision of mandatory training, %: 100 (achieved: 100)
- K1 - En-route ATFM delay (minutes per flight): 0,03 (achieved: 0)

Results achieved

As the impact of the Covid-19 pandemic diminished, the number of flights operated by LGS approached the 2019 figures, however, the act of aggression by the Russian Federation against Ukraine on 24 February 2022 had a significant and negative impact on the number of flights operated. In January 2022, LGS operated 15.3% fewer aircraft than in 2019, while in April it operated 46.1% fewer. All non-financial targets related to air traffic safety and airspace capacity of the Republic of Latvia were met.



Governance

Shareholder – **Ministry of Transport**

Representative of Shareholder – **Ilonda Stepanova**

Chair of Supervisory Council – **Dins Merirands**

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

Chair of Management Board - **Dāvids Tauriņš**

Member of Management Board - **Ivars Sviridovs**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	19 223.1	19 270.3
Profit/loss	-3 154.6	-4 523.6
EBITDA	751.7	110.5
Total assets	39 369.8	35 635.6
Share capital	28 765.9	28 765.9
Equity	32 356.6	27 833.0
Investment	4 285.7	2 562.9
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	5 251.9	6 165.7
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, %	-16.41	-23.47
Return on assets, ROA, %	-8.01	-12.69
Return on equity, ROE, %	-9.75	-16.25
Total liquidity indicator	1.74	0.93
Liabilities-to-equity ratio	0.22	0.28

Other indicators

Number of employees	327	320
Average gross remuneration per employee per year, thousand EUR	32.5	35.0
Gender representation in management, f/m	1/3	0/5
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	no	no

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 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 2022

- The modernisation of UUVIS and the correction of identified deficiencies continued.
- The transition of the cartographic database (CARIS HPD) to the LAS-2000.5 altitude system continued.

Most important events planned in 2023

- The purchase of a new depth-measuring complex for the vessel Kristiāns Dāls and repairs to the ship's dock are planned.
- The approval of the medium-term operational strategy of the LJA, developed in 2022, is to be finalised.
- Development of the UUVIS system/Customer Portal (digitisation of processes) continues.

Main financial objectives

- Net turnover, EUR: 4 350 300 (achieved: 5 147 917).
- Net profit EUR: 46 598 (achieved: 544 902).
- Commercial profitability, %: -1 (achieved: 10.6).

Main non-financial objectives

- Multibeam echolocation measurements, km2: 400 (achieved: 559).
- Port State Control Inspections, 250 (achieved: 335).
- Certification of seafarers, number: 4 740 (achieved: 5 506).

Results achieved

- Company's profit for 2022 is EUR 544 902.
- Balance sheet total on 31 December 2022 amounts to EUR 5 654 780.
- Number of SOLAS vessels registered in the Latvian Register of Shipping has increased (45).



LATVIJAS JŪRAS ADMINISTRĀCIJA
MARITIME ADMINISTRATION OF LATVIA

Governance

Akciju turētājs – **Satiksmes ministrija**

Akciju turētāja pārstāve – **Ligita Austrupe**

Valdes priekšsēdētājs – **Jānis Krastiņš**

Valdes loceklis – **Edgars Gļāņenko**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	3 698.8	5 147.9
Profit/loss	-284.9	544.9
EBITDA	2.6	853.7
Total assets	4 995.0	5 654.8
Share capital	1 533.9	1 533.9
Equity	4 295.5	4 754.1
Investment	285.2	223.1
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	1 498.0	1 586.2
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, %	-7.70	10.58
Return on assets, ROA, %	-5.70	9.64
Return on equity, ROE, %	-6.63	11.46
Total liquidity indicator	2.43	2.66
Liabilities-to-equity ratio	0.16	0.19

Other indicators

Number of employees	112	107
Average gross remuneration per employee per year, thousand EUR	24.5	27.9
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

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 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.

Most important events in 2022

- With the opening of the routine maintenance market to free competition, 18 of the planned 19 routine maintenance contracts for national roads have been signed and 16 launched within the contractual deadlines.
- Successful implementation of projects (national regional and local road projects) under the Administrative Territorial Reform Programme was ensured, with construction works on 247 km of national regional and local roads.
- Construction works started on the 7.9 - 25.0 km (Ķekava bypass) section of E67/A7 Riga - Bauska - Lithuanian border (Grenctāle) under the PPP project.

Most important events planned in 2023

- Implementation of the National Access Point (NAP) for transport sector information and related systems, under the contract "Development of the Architecture and Technical Specifications and Quality Control Services for the National Access Point (NAP) for transport sector information system and related solutions".
- Management and implementation of EU Recovery Fund projects for the implementation of the administrative-territorial reform.
- To submit to the Ministry of Transport the Informative Report and draft related documents for adoption by the Cabinet of Ministers of the decision on the implementation of the public-private partnership project "Reconstruction of the Section of the National Main Road A7 Riga - Bauska - Lithuanian Border from Ķekava Bypass to Bauska"; to take the necessary steps for further progress of the project in accordance with the decision of the Cabinet of Ministers.

Main financial objectives

- Turnover, million EUR: 18.5 (achieved: 19.2).
- Equity, million EUR 4.6 (achieved: 4.7).
- Total liquidity ratio: 1.20 (achieved: 12.4).

Main non-financial objectives

- Construction works on the road network, km: 700 (achieved: 1 132).
- Reduction in the number of roads in poor and very poor condition with black surface, % of previous year: 2 (achieved: 3.5).
- Road safety management reduced the number of dangerous road sections, number of sites: 5 (achieved: 12).

Results achieved

- Overall, the financial and non-financial targets have been met. Covid-19 impact: positive.
- Financial targets: turnover exceeded 2022 target by 4%, equity by 4%, total liquidity ratio by 3%.
- On the national road network, 1 132 km of construction works were carried out instead of the 700 km planned for 2022. The number of roads in poor and very poor condition with black surface was reduced by 3.5% compared to the previous year.



Governance

Shareholder – **Ministry of Transport**

Representative of Shareholder – **Dins Merirands**

Chair of Management Board – **Mārtiņš Lazdovskis**

Member of Management Board – **Gundars Kains Verners Akimovs**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	19 268.7	19 240.6
Profit/loss	305.4	182.9
EBITDA	1 409.7	1 134.4
Total assets	8 980.9	8 808.4
Share capital	4 155.6	4 155.6
Equity	4 669.9	4 657.4
Investment	469.0	568.8
Dividends paid to state budget	236.2	195.5
Contributions made to the state and local government budget	5 261.7	6 550.6
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	19 298.5	19 533.4

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.59	0.95
Return on assets, ROA, %	3.40	2.08
Return on equity, ROE, %	6.54	3.93
Total liquidity indicator	1.21	1.24
Liabilities-to-equity ratio	0.75	0.76

Other indicators

Number of employees	332	353
Average gross remuneration per employee per year, thousand EUR	33.5	31.3
Gender representation in management, f/m	0/2	0/3
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

JSC Pasažieru vilciens (PV)

Reg. No. 40003567907

Web: www.pv.lv

State ownership 100 %

Related companies and shares:

JSC VRC Zaslauks 51 %

PV 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 2022

- Production of new electric trains continues, with 5 new trainsets delivered to Riga. Factory tests and trial runs have started.
- Contract signed with CFLA for EUR 114.2 million. The EU Cohesion Fund co-financed the project "Purchase of electric trains for passenger transport in Riga and Pierīga".
- Integration with the ATD Single Ticket Warehouse, introduction of VBN single tickets on the Riga-Skulte line, conclusion of contracts with traders.
- Contract for the development of the service centre project concept.

Main events planned in 2023

- Production and delivery of electric trains continues, with 23 new electric trains, co-financed by the EU Cohesion Fund, to be put into service by the end of 2023.
- Service Centre concept is being agreed with the Ministry of Transport to start its design.
- New rail lines and ticket types in ATD's single ticket warehouse.

Main financial objectives

- Passenger revenue, million EUR 17 (achieved: 18.7).
- Passenger transport cost coverage (excluding depreciation and railway infrastructure charges), %: 53.17 (achieved: 50.22).
- Return on equity (ROE), %: 4.19 (achieved: 2,79).

Main non-financial objectives

- Total number of passengers, million: 12.9 (achieved: 15.7)
- Passenger satisfaction with train services, %: > 90 (achieved: 89.40).
- Employee satisfaction score: 6 (achieved: 46).
- CO2 emissions per train km: 0.0028 (achieved: 0.0017).

Results achieved

- Passenger numbers and passenger revenue increased. In the 2nd half of 2022, 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 Council – **Sandis Šteins**

Members of Supervisory Council – **Inta Liepa**

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

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

Principal financial indicators, thousand EUR

	2021	2022
Turnover	44 131.0	52 242.0
Profit/loss	591.0	604.2
EBITDA	7 790.8	8 227.2
Total assets	82 528.2	84 407.1
Share capital	20 868.0	20 868.0
Equity	21 459.1	21 685.1
Investment	1 896.9	2 767.5
Dividends paid to state budget	148.2	378.3
Contributions made to the state and local government budget	5 303.1	6 805.8
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	31 797.4	35 075.2

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.34	1.16
Return on assets, ROA, %	0.72	0.72
Return on equity, ROE, %	2.75	2.79
Total liquidity indicator	0.86	1.37
Liabilities-to-equity ratio	2.85	2.89

Other indicators

Number of employees	989	1 023
Average gross remuneration per employee per year, thousand EUR	15.2	16.5
Gender representation in management, f/m	2/4	1/4
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

SJSC 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 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.

Most important events in 2022

- On 14 July 2022, the Cabinet of Ministers approved the exit strategy for the State aid received by the Airport to mitigate the effects of pandemic C19.
- The Sustainability Strategy 2022-2030 was approved.
- RIX Airport City, the most important development project of the decade, launched with an international call for investors.
- The baggage handling system was rebuilt, integrating the CF-supported project "Acquisition of Third Standard Explosives Detection System (EDS) Equipment".
- New taxiway axis fire system becomes operational.
- Airport Technical Services building is being renovated.

Most important events planned in 2023

- Start work on updating the Airport's medium-term operational strategy "Runway 2027".
- Review and approve the Airport's service charges.
- To launch the tender for the construction works of the 6th phase of the Airport's passenger terminal extension and to attract financing for the project.
- To launch the 2nd round of the RIX Airport City tender for a developer.
- Start operation of the baggage handling system integrating EDS Standard 3 equipment and replacement of aircraft bridges.

Main financial objectives

- Net turnover, million EUR 47.2 (achieved: 57.9).
- Total liquidity ratio (adjusted for deferred income): 1.1 (achieved: 2.)

Main non-financial objectives

- Passengers: 5 030 432 (achieved: 5 380 779).
- Cargo handled, tonnes: 29 230 (achieved: 21 115).
- Departure punctuality (airport infrastructure), %: >98 (achieved: 99.21).
- CO2 emissions (tCO2/1000 pax): 0.549 (achieved: 0.619).

Results achieved

- Passenger volume was 7% above target.
- The on-time performance for departures was exceeded.
- The cargo volumes were not achieved due to geopolitical conditions beyond the Airport's control and foreseeability.
- Turnover was 23% above plan due to the increase in passenger traffic.
- The total liquidity ratio (adjusted for deferred income) reached 2.0, 81% higher than planned



Governance

Shareholder – **Ministry of Transport**

Representative of Shareholder – **Iļonda Stepanova**

Chair of Supervisory Council – **Juris Kanels**

Members of Supervisory Council – **Eduards Toms, Elīna Salava**

Chair of Management Board – **Laila Odiņa**

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

Principal financial indicators, thousand EUR

	2021	2022
Turnover	31 768.9	57 924.5
Profit/loss	-9 423.4	286.5
EBITDA	-3 126.2	11 365.0
Total assets	173 595.0	172 607.2
Share capital	68 347.2	68 347.2
Equity	84 111.8	84 398.3
Investment	6 649.5	14 716.3
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	9 482.5	15 615.3
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	35 282.4	52.4

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-29.66	0.49
Return on assets, ROA, %	-5.43	0.17
Return on equity, ROE, %	-11.20	0.34
Total liquidity indicator	1.99	1.54
Liabilities-to-equity ratio	1.06	1.05

Other indicators

Number of employees	1 045	1 317
Average gross remuneration per employee per year, thousand EUR	17.4	20.8
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	263,7	182,1
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	yes	yes

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

Both Ventspils Freeport Authority and VO operate in Ventspils Port, where a cooperation agreement has been concluded between the Freeport of Ventspils Authority and VO, in accordance with which both parties have agreed on cooperation, exchange of information and provision of mutual services. All liquid, bulk and general cargo handling services at terminals are available in the Freeport of Ventspils, as well as ship servicing. Some are provided by Ventspils Freeport Authority services, but most of them are provided by private companies operating in the port area. As the deepest port on the eastern coast of the Baltic Sea, the port of Ventspils is able to serve even the largest ships entering the Baltic Sea.

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.

Most important events in 2022

- In order to maintain safe navigation routes and to ensure adequate conditions for vessels to enter the port, the VO is involved in covering the costs of maintenance of safe navigation route (channel) depths (dredging) in the Freeport of Ventspils according to the financial resources available to the VO. In 2022, the VO in cooperation with the Ministry of Transport has been involved in drafting amendments to the Port Law, drafting a shareholder agreement and new Articles of Association.

Most important events in 2023

- In 2023, through continued cooperation with the Freeport of Ventspils Authority, the VO will be further involved in the operation of the Port of Ventspils and to cover the costs associated with the maintenance and use of the infrastructure and related assets owned and managed by the Freeport of Ventspils Authority. In order for the VO to be able to successfully fulfil the objectives and tasks set out in the Law on Ports, i.e. to ensure the management of the Port of Ventspils and the changes in its legal status, it is necessary to actively address the issues related to the tasks envisaged as a result of the changes in the regulatory enactments.

Main financial objectives

- Net turnover, EUR: 1 570 000 (achieved: 2 639 701).
- Profit, EUR: 0 (achieved: 10 260).
- Return on equity (ROE), %: 0 (achieved: 20.70).
- Total liquidity ratio: 1.50 (achieved: 1.11).

Main non-financial objectives

- Vessels in service, number: 130 (achieved: 195).
- Safe depth of navigable waterways (channel) maintained (amount of dredged material-m³): 100 000 (achieved: 158 296).

Results achieved

- Pursuant to Paragraphs 2.4 and 9 of the Regulation of the Cabinet of Ministers of 9 February 2016 "Procedure for the Assessment of Performance and Financial Performance of a Capital Company in which the State has a Decisive Influence", in the opinion of the Company's Management Board, the Company's financial and non-financial performance is assessed as "very good", as the Company has fully achieved or exceeded all planned performance indicators for financial targets and non-financial targets.



Governance

Shareholder – **Ministry of Transport**

Representative of Shareholder – **Uldis Reimanis**

Chair of Supervisory Council – **Iveta Zalpētere**

Member of Supervisory Council – **Kaspars Lore**

Board Member – **Baiba Vilipa**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	1 453.1	2 639.7
Profit/loss	21.6	10.3
EBITDA	21.6	10.3
Total assets	325.3	496.8
Share capital	35.0	35.0
Equity	56.6	49.6
Investment	0.0	0.0
Dividends paid to state budget	0.0	13.8
Contributions made to the state and local government budget	-207.3	-351.5
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, %	1.48	0.39
Return on assets, ROA, %	6.63	2.07
Return on equity, ROE, %	38.14	20.70
Total liquidity indicator	1.21	1.11
Liabilities-to-equity ratio	4.75	9.02

Other indicators

Number of employees	11	9
Average gross remuneration per employee per year, thousand EUR	12.1	10.9
Gender representation in management, f/m	5/0	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



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 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

Most important events in 2022

- Services Sales Strategy approved.
- Company's competence in EU co-financed project tenders strengthened - 1 ERDF project implemented in the reporting year and 4 research projects approved, planned to be launched in 2023.
- Functional development strategy of the SKUDRA monitoring programme until 2025 has been approved.
- A prototype automated tool with the ability to localise a signal from a single monitoring point has been developed.
- Elements of the Talent Management System implemented

Most important events planned in 2023

- Develop a tool that uses one mobile monitoring point to locate the source of a radio signal.
- Carry out a sustainability index assessment, implement the expert recommendations received to develop good corporate governance practices.
- Strengthen VASES competences and position in EU or other external funding competitions.
- Introduce EMS payment options in the Customer Self-Service Portal.
- Develop individual development plans for Heads of Units within the Talent Management System.

Main financial objectives

- Revenue from paid services for statutory functions (excluding maintenance of the Numbering Database), million EUR: 7.2 (achieved: 7.3).
- Revenue from commercial services, EUR: 729 300 (achieved: 1 068 481).
- Net profit, EUR: 105 000 (achieved: 117 281).
- Return on sales, %: 1.3 (achieved: 1.4).
- Investments, EUR: 3 076 000 (achieved: 1 992 729).

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: 28)
- Customer Satisfaction Index, %: ≥85 (achieved: 90.4).



Governance

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

Representative of Shareholder – **Edvīns Balševics**

Chair of Supervisory Council – **Ilze Oša**

Members of Supervisory Council – **Tīna Kukka, Elīta Baklāne-Ansberga, Ieva Ilvesa**

Chair of Management Board – **Jānis Bārda**

Member of Management Board – **Laila Līduma**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	7 534.7	8 344.0
Profit/loss	99.8	117.3
EBITDA	968.0	1 072.4
Total assets	13 082.1	13 610.8
Share capital	8 995.6	8 995.6
Equity	9 686.7	9 724.1
Investment	1 539.1	1 992.7
Dividends paid to state budget	79.1	79.9
Contributions made to the state and local government budget	2 233.7	2 612.1
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	89.2	117.2

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.32	1.41
Return on assets, ROA, %	0.76	0.86
Return on equity, ROE, %	1.03	1.21
Total liquidity indicator	3.22	2.16
Liabilities-to-equity ratio	0.21	0.26

Other indicators

Number of employees	96	98
Average gross remuneration per employee per year, thousand EUR	43.0	45.4
Gender representation in management, f/m	5/1	5/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	96.9	76.4
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	no	no

Results achieved

- Financial performance improved, with a 12% increase in profit for the year under review.
- Target set in the strategy for commercial revenue was met by 147% in the reporting period.
- Profitability indicators stable and on track.
- Target for the introduction of smart and green solutions in the company has been achieved.

SJSC Latvijas Pasts (LP)

Reg. No. 40003052790

Web: www.pasts.lv

State ownership 100 %

Related companies and capital shares:

LLC Mailmaster 100 %

The main activity of LP is the provision of postal services, payment services, retail trade and the related activities, as well as it is the only postal operator providing universal postal service to residents throughout the territory of the Republic of Latvia at a single tariff. Traditional postal services, express services and delivery services for subscription press are provided in the postal service market.

General strategic objective

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

Most important events in 2022

- The largest and most visible modernisation project of the reporting period is the implementation of the major expansion of the network of postal terminal. By developing different parcel delivery solutions in line with customers' modern consumption habits, LP launched in August 2022 an ambitious deployment of outdoor kiosks, planning to purchase at least 120 new kiosks by the end of 2023. Nearly 40 new generation outdoor kiosks have been deployed in strategic locations for customers from August to end-December 2022.

Most important events planned in 2023

- Continue to actively expand the network of postal terminals, with the new generation of outdoor postal terminals strategically located for customers across the country.
- Significantly improve the financial services offer by providing customers with remote access to their funds and payment options.
- More than 100 new and modern electric bicycles are planned for 2023 for faster and more convenient delivery of parcels, and more environmentally friendly means of transport are to be gradually introduced.

Main financial objectives

- Net turnover, million EUR 109.9 (achieved: 100).
- Profit or loss, million EUR 1.1 (achieved: 2.2).
- Earnings before interest, taxes, depreciation and amortisation (EBITDA), million: 7.3 (achieved: 7.5)
- Return on equity (ROE), %: 7 (achieved: 14).

Main non-financial objectives

- Change unprofitable PPPS (places of provision of postal services) forms: 34 (achieved: 30).
- Domestic mail quality rate (D+1, for priority A-class correspondence), %: 90 (achieved: 91).
- Expand the network of postal terminals, number of postal terminals: 98 (achieved: 115).
- Optimise the number of staff needed to provide high quality services, total at the end of the reporting period: 2 673 (achieved: 2 664).

Results achieved

- LP's operations and the postal sector as a whole were significantly affected by a number of external factors: post-pandemic logistics conditions, the invasion of Ukraine by Russia and the resulting changes in shipment volumes in several directions, global inflation and, in particular, rising energy prices, which affected both costs and consumption habits. Under these circumstances, LP was able to achieve a net turnover of EUR 100 million. The net profit was EUR 2.2 billion. Investments amounted to EUR 3.1 million.



Governance

Shareholder – **Ministry of Transport**

Representative of Shareholder – **Ilonda Stepanova**

Chair of Supervisory Council – **Raimonds Dūda**

Members of Supervisory Council – **Anri Leimanis, Ivars Blumbergs**

Chair of Management Board – **Mārcis Vilcāns**

Members of Management Board – **Kristaps Krūmiņš, Anda Ozola**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	105 349.5	100 008.8
Profit/loss	-1 156.6	2 209.6
EBITDA	3 859.1	7 543.5
Total assets	142 003.4	129 297.0
Share capital	10 578.5	10 578.5
Equity	15 743.9	18 376.7
Investment	1 754.7	2 776.2
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	20 414.7	11 710.4
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	6 801.5	7 949.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-1.10	2.21
Return on assets, ROA, %	-0.81	1.71
Return on equity, ROE, %	-7.35	12.02
Total liquidity indicator	0.94	0.96
Liabilities-to-equity ratio	8.00	5.98

Other indicators

Number of employees	3 162	2 890
Average gross remuneration per employee per year, thousand EUR	10.1	10.6
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	1 380.0	803.6
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	yes	yes

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 %



**LATVIJAS VALSTS
RADIO UN TELEVĪZIJAS CENTRS**

LVRTC is one of the leading electronic communication 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.

Most important events in 2022

- Within the framework of the broadband project 1938 km have been built, 261 access points have been created, a total of 5 337 km have been leased, and lease tariffs have been reduced to EUR 10/km/month.
- Number of electronically signed documents in Latvia increased by 18%.
- Implementation of the project "Establishment of National Level Quantum Communication Infrastructure Systems and Networks" launched.
- Work started on the LVRTC SOC (Security Operations Centre) service concept and technology studies.
- Launch of the project on "Unified Cyber Security Management" with the aim of developing high added value cyber security services.

Most important events planned in 2023

- Start of the project to implement the Element Accounting System and the CRM project.
- As part of the broadband project, the construction of middle mile access points in the vicinity of educational establishments is planned to be completed.
- Preparation of a cloud computing resource to host GMDSS, AIS and MRCC software.
- Procurement of tower construction will be carried out under the 5G project.
- Software development and supply of computing equipment will be carried out for the border project.

Main financial objectives

- Net turnover, million EUR: 21.5 (achieved: 26.).
- ROE (adjusted earnings/equity), %: 0.35 (achieved: 0.65).
- Liabilities (leverage only) to equity, %: 12 (achieved: 0).
- Turnover per employee, thousand EUR 75.1 (achieved: 74.7).
- Earnings before interest, taxes, depreciation and amortisation (EBITDA), million EUR: 4.9 (achieved: 5.2).

Main non-financial objectives

- Number of public sector information systems linked to the client portfolio of the National Electronic Communications Services Centre (NECSC), number of IS: 172 (achieved: 160).
- Maintain availability of service technology platforms at SLA level, indicator is revenue foregone to date, thousand: EUR 5 000 (achieved: 0).
- Number of services in the cyber security portfolio: 6 (achieved: 5).
- Employee loyalty and satisfaction in the company above, %: 70 (achieved: 68).

Results achieved

- All profit targets were met and exceeded.
- Turnover is up 14.8% compared to the previous year, 22% ahead of plan.
- Further 36 national information systems joined the services of the National Electronic Communications Service Centre.

Governance

Shareholder – **Ministry of Transport**

Representative of Shareholder – **Ilonda Stepanova**

Chair of Supervisory Council – **Aldis Greitāns**

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

Chair of Management Board – **Ģirts Ozols**

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

Principal financial indicators, thousand EUR

	2021	2022
Turnover	22 064.8	25 216.1
Profit/loss	4 627.1	5 580.9
EBITDA	6 191.0	5 179.7
Total assets	142 190.0	190 800.0
Share capital	78 454.7	78 454.7
Equity	87 459.5	123 507.8
Investment	9 916.9	5 687.5
Dividends paid to state budget	1 546.4	3 338.4
Contributions made to the state and local government budget	8 302.6	9 849.4
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	1 788.7	4 891.3

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	20.97	22.13
Return on assets, ROA, %	3.25	2.93
Return on equity, ROE, %	5.29	4.52
Total liquidity indicator	4.37	5.00
Liabilities-to-equity ratio	0.63	0.54

Other indicators

Number of employees	265	286
Average gross remuneration per employee per year, thousand EUR	27.7	28.5
Gender representation in management, f/m	0/5	2/4
Annual report in accordance with IFRS (yes/no)	no	yes
Expenditure and/or capital investment in R&D, thousand EUR	158,2	9,3
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	no	no

- Development strategy has been elaborated for the cyber security business line.
- 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 51 %

Related companies and shares:

LLC Lattelecom 100 %

LLC Citrus Solutions 100 %

LLC Telia Latvija 100 %

LLC Latvijas Mobilais Telefons 23 %

JSC Pirmais Slēgtais Pensiju Fonds 42.59 %

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 in Latvia, 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.

Most important events in 2022

- Tet ranks 10th in the "TOP101" list of Latvia's most valuable companies by Prudentia and Nasdaq Riga (+ 3% for company value compared to 2021).
- Received "Balance Award" from the Latvian Employers' Confederation (LDDK), as well as the Latvian Personnel Management Association Award of the Year for introducing flexibility into the Tet Group for the wellbeing of employees and for educating the public by sharing the experience gained by Tet.
- With the introduction of the optical network in Latvia in 2022, Tet was also among the 3 finalists in the European Commission's "The European Broadband Awards".

Most important events planned in 2023

- Continuing digital transformation: reviewing the product portfolio, migrating business processes and lines to new IT infrastructure, improving and accelerating customer experience, service, increasing efficiency.
- Developing a new generation of content and entertainment platforms.
- Increase investment in fibre networks and upgrading of customer end devices.
- Focus on energy efficiency and renewability, digital inclusion, online security and privacy for sustainable development.

Main 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.

Main non-financial objectives

- Non-financial objectives have not been set as the company does not develop a medium-term operational strategy in line with the overall strategic objectives of the parent company as defined by the highest decision-making body of the public entity.

Results achieved

- The value of the company in 2022 has increased by 3% compared to 2021, amounting to EUR 452.81 million.
- In 2022, Tet made an ambitious investment of EUR 37.8 million. Tet invested EUR 38 million in upgrading the existing services of the core network as well as in developing new solutions.
- With the outbreak of hostilities in Ukraine, Tet also focused on supporting the people and businesses of Ukraine, while strengthening the common democratic and human values of the Latvian state and society.



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 Council – **Klāvs Vasks**

Members of Supervisory Council – **Jānis Brazovskis, Hannu-Matti Mäkinen, Andersson Sven Johan Bertil, Ilvars Pētersons, Samren Rachel Cecilia, Ieva Jansone-Buka**

Chair of Management Board – **Uldis Tatarčuks**

Members of Management Board – **Gints Bukovskis, Dmitrijs Nikitins, Alla Krūmiņa**

Principal financial indicators, thousand EUR

	2021*	2022*
Turnover	253 253.0	326 656.0
Profit/loss	28 852.0	25 779.0
EBITDA	63 389.0	63 811.1
Total assets	351 220.0	381 666.0
Share capital	207 852.0	207 852.0
Equity	267 260.0	266 101.0
Investment	35 841.0	37 753.0
Dividends paid to state budget	15 155.7	13 656.8
Contributions made to the state and local government budget	61 002.6	59 868.2
Donations received	0.0	0.0
Donations made	0.0	201.8
Funding received from the state budget	367.5	359.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	11.39	7.89
Return on assets, ROA, %	8.21	6.75
Return on equity, ROE, %	10.80	9.69
Total liquidity indicator	1.55	1.40
Liabilities-to-equity ratio	0.31	0.43

Other indicators

Number of employees	1 674	1 747
Average gross remuneration per employee per year, thousand EUR	24.0	24.9
Gender representation in management, f/m	2/8	3/8
Annual report in accordance with IFRS (yes/no)	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR	17 134.2	12 857.5
Report on corporate governance, yes or no	n/i**	n/i**
Non-financial statement, yes or no	yes	yes

* Consolidated data

** n/i - no information

6.5. Real Estate Management



SLLC 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

The ŠN 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 2022

- Activities under the Operational Programme "Promoting Energy Efficiency in Public Buildings" have been completed. Since the start of the operational programme, a total of 7 owned, administered and managed properties have been subject to energy efficiency measures.
- The EU RRF project of a typical building project for the creation of family-like service infrastructure for seniors has been completed.
- Major infrastructure improvement works have been initiated and completed in the real estate owned by the Ministry of Welfare.

Main events planned in 2023

- Participation in the European Union-funded project "Establishment of Infrastructure for Family-Like Services for Children with Severe and Very Severe Functional Disabilities".
- Participation in the European Union Recovery and Resilience Facility project "Accessibility measures for buildings owned by the Ministry of Welfare".

Main financial objectives

- Overall liquidity ratio: 1 (achieved: 1).
- Profit, EUR: 950 (achieved: 922).
- Net turnover, million EUR: 2,0 (achieved: 2,6).
- Liabilities to equity, %: 267,80 (achieved: 357,89).

Main non-financial objectives

- Positive average overall customer satisfaction (good, very good and excellent), %: 76 (achieved: 93).
- 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: 134 (achieved: 183).
- To contribute to the improvement of the professional competence of the staff of the Capital Company, training of staff: 28 (achieved: 55).
- Promote energy efficiency of buildings, smart energy management and use of renewable energy sources in the Ministry's RE, number of measures: 7 (achieved: 6).

Results achieved

- The company's profit in 2022 was EUR 922, net turnover EUR 2.6 million, an insignificant decrease compared to 2021. Positive customer satisfaction achieved, with a positive average customer satisfaction rate of 93%. Efficient use of administrative and production buildings, with an occupancy rate of 99%. The centralised procurement authority function was successfully implemented and infrastructure improvements were made.



ŠAMPĒTERA NAMS

Governance

Shareholder – **Ministry of Welfare**

Representative of Shareholder – **Aija Grinberga**

Member of Management Board – **Inese Muhka**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	2 608.1	2 558.9
Profit/loss	0.9	0.9
EBITDA	46.1	32.0
Total assets	6 098.2	5 932.7
Share capital	335.8	335.8
Equity	877.8	1 290.0
Investment	6.4	153.7
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	498.8	786.3
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	196.5	268.9

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.04	0.04
Return on assets, ROA, %	0.02	0.02
Return on equity, ROE, %	0.11	0.07
Total liquidity indicator	1.03	1.02
Liabilities-to-equity ratio	5.92	3.58

Other indicators

Number of employees	18	18
Average gross remuneration per employee per year, thousand EUR	20.2	20.3
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

LLC Tiesu namu aģentūra (TNA)

Reg. No. 40003334410

Web: www.tna.lv

State ownership 100%

Related companies and shares:

TNA has no ownership in other capital companies

The main activity of the TNA 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 2022

- Construction of accessibility infrastructure and renovation of the facade of the administrative building at 15 Raina Boulevard in Riga.
- Adapting the building at 14 Puškina Street in Riga for the merging of the State Land Service into a single address (renovation of the third floor working space and facade and partial roof repairs).
- Second stage of the project for the establishment of a single forensic examination institution at 1 Invalidu Street, Riga - development of a construction project.

Main events planned in 2023

- Renovation of the fourth floor working premises and construction of two lifts of the administrative building at 14 Puškina Street in Riga.
- Construction of the third stage of the project for the establishment of a single forensic examination institution at 1 Invalidu Street, Riga.
- Renovation of the first floor work rooms and improvement of the building's accessibility at the Court House at 58 Daugavgrīva Street, Riga.

Main financial objectives

- Net turnover of the company must increase by at least 2.5 % in 2022 compared to 2019 (achieved: 16.4).
- Net profit (profit after finance costs, tax and depreciation) for the year must not be less than EUR 90 000, EUR: 90 000 (achieved: 330 747).
- Solvency ratio (equity as a percentage of total capital) between 50 and 70 %: 71 (achieved: 58.5).

Main 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: 60).
- Total capital and renovation investments for real estate development in each year of TNA's total net turnover, %: 30 (achieved: 34.6).
- 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: 95 (achieved: 89).

Results achieved

- Of the 5 financial targets, 4 targets were fully achieved and over-achieved; 1 was almost achieved.
- Of the 9 non-financial targets, 5 were fully achieved or over-achieved; 2 were almost achieved and the deviation was not significant; 1 was postponed to 2023.
- Of the 5 operational (business) objectives, 3 were fully achieved and over-achieved, 2 were almost achieved and the deviation was insignificant.



Governance

Shareholder – **Ministry of Justice**

Representative of Shareholder – **Mihails Papsujevičs**

Member of Management Board – **Santa Sausiņa**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	8 858.8	9 045.3
Profit/loss	156.3	330.7
EBITDA	2 404.6	2 621.9
Total assets	67 360.3	85 499.7
Share capital	38 772.0	45 872.6
Equity	42 700.1	50 002.9
Investment	1 924.4	3 132.9
Dividends paid to state budget	72.9	125.0
Contributions made to the state and local government budget	2 835.5	2 971.5
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, %	1.76	3.66
Return on assets, ROA, %	0.23	0.39
Return on equity, ROE, %	0.37	0.66
Total liquidity indicator	0.97	1.23
Liabilities-to-equity ratio	0.58	0.71

Other indicators

Number of employees	112	106
Average gross remuneration per employee per year, thousand EUR	20.4	23.7
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

SJSC 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

State joint-stock company Valsts nekustamie īpašumi (VNĪ) 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 real estate not used for the performance of State functions.

Main events in 2022

- In 2022, the State's participation in the VNĪ was reassessed and the overall strategic objective was updated. In 2022, the construction of the infrastructure of the external land border between the Republic of Latvia and the Republic of Belarus was launched.

Main events planned in 2023

- Implementation of the following development projects: the New Riga Theatre (25 Lāčplēša Street, Riga), the Latvian Puppet Theatre (16/18 Kr. Barona Street), the Interdisciplinary Education, Culture and Creative Industries Support Centre "TabFab" (58A Miera Street, Riga), the Complex of Performing Arts Scenery Workshops and Rehearsal Halls (2 Meirānu Street, Riga), completion of the first stage of the construction of the infrastructure of the external land border of the Republic of Latvia-Belarus Republic.

Main financial objectives

- Net turnover, million EUR: 41.27 (achieved: 46.28).
- EBITDA, million EUR: 16.13 (achieved: 16.75).
- Positive net profit margin, %: 8.54 (achieved: 9.5).
- Positive return on equity, %: 1.23 (achieved: 1.5).
- Reduced administrative costs to turnover, %: 11.40 (achieved: 10).

Main non-financial objectives

- To ensure the disposal of privately developed public land (PAZ), number of contracts concluded: 300 (achieved: 369).
- Disposal of State real estate not required for the exercise of State functions, number of State real estate disposed of: 37 (achieved: 89).
- Ensure the maintenance of the information system on the management of state-owned real estate and the publishing of information on the management of state-owned real estate as well as real estate leased by public institutions, %: 100 (achieved: 100).

Results achieved

- All non-financial and financial targets achieved.
- In 2022, all four KPIs (key performance indicators) have been achieved. Sustainability Index score "Platinum", Employee Engagement measurement 71 TRI*M index points, Customer Satisfaction score 60 TRI*M index points and EBITDA of EUR 16.75 million.



Governance

Shareholder – **Ministry of Finance**

Representative of Shareholder – **Baiba Bāne**

Chair of Supervisory Council – **Jānis Garisons**

Members of Supervisory Council – **Ieva Braunfelde, Jolanta Plūme, Raitis Nešpors**

Chair of Management Board – **Renārs Griškevičs**

Member of Management Board – **Andris Vārna, Jeļena Gavrilova**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	41 779.7	46 283.1
Profit/loss	3 401.9	4 392.5
EBITDA	15 250.0	16 750.0
Total assets	410 331.9	423 400.2
Share capital	142 152.4	146 832.4
Equity	279 212.1	286 107.4
Investment	11 190.0	7 950.0
Dividends paid to state budget	0.0	2 177.2
Contributions made to the state and local government budget	20 575.0	19 651.3
Donations received	0.0	0.0
Donations made	1.6	2.8
Funding received from the state budget	16 010.0	20 780.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	8.14	9.49
Return on assets, ROA, %	0.83	1.04
Return on equity, ROE, %	1.22	1.54
Total liquidity indicator	0.94	1.06
Liabilities-to-equity ratio	0.47	0.48

Other indicators

Number of employees	374	402
Average gross remuneration per employee per year, thousand EUR	21.3	23.0
Gender representation in management, f/m	4/3	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

SLLC Zemkopības ministrijas nekustamie īpašumi (ZMNĪ)

Reg. No. 40003338357

Web: www.zmni.lv

State ownership 100%

Related companies and shares:

ZMNĪ has no ownership in other capital companies

ZMNĪ 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 use of agricultural and forestry land resources.

Main events in 2022

- Restoration of technical support of the maintenance functions of drainage systems of national importance and of the infrastructure of the Land Reclamation Cadastre.
- 12 watercourses of national importance were reconstructed within the framework of an EU project for EUR 8.2 million.
- Within the ERDF project the 5 km long Northern Dam of Lake Lubāna was completed for a total amount of EUR 6.4 million.
- As a result of the alienation of state immovable property, funds of EUR 109.2 thousand were transferred to the state budget.

Main events planned in 2023

- Launch of the European Union Recovery Plan under the Recovery and Resilience Facility for projects with environmentally friendly green and blue infrastructure elements, estimated funding of EUR 33 million.
- It is planned to transfer 2 immovable properties which are not adaptable for the implementation of public sector functions to SJSCValsts nekustamie īpašumi for disposal.

Main financial objectives

- Profit, thousand EUR: 20 (achieved: 18.6).
- Return on equity (ROE), %: 0.50 (achieved: 0.61).
- Total liquidity ratio: 1 (achieved: 1).
- Occupancy rate of office buildings, %: >80 (achieved: 79).

Main non-financial objectives

- To eliminate the risk of flooding at the stage of issuing and designing technical regulations for buildings, including taking into account the observations of the drainage hydrometric stations, number of projects issued/approved: 27 500 (achieved: 28 828).
- Length of regulated watercourses maintained, km: 3 452 (achieved: 3 452).
- To provide the public with information on the development opportunities and constraints in the part of the country's territory of interest, using MKIS data in digital form - information on reclaimed land, million ha: 2 (achieved: 2).

Results achieved

- Achievement of non-financial and financial targets was significantly affected by the war in Ukraine, with a sharp increase in the cost of electricity and heat, a number of unsuccessful procurements, and a rise in the bid prices for others, resulting in a decline in several indicators and a 29% increase in the profit margin.



Governance

Shareholder – **Ministry of Agriculture**

Representative of Shareholder – **Raivis Kronbergs**

Member of Management Board – **Māris Muižnieks, Rihards Kancēvičs**

Principal financial indicators. thousand EUR

	2021	2022
Turnover	18 536.4	12 087.6
Profit/loss	9.7	18.6
EBITDA	302.5	270.0
Total assets	13 512.6	16 518.0
Share capital	3 422.0	3 422.0
Equity	3 344.4	3 051.7
Investment	239.9	239.9
Dividends paid to state budget	8.2	6.2
Contributions made to the state and local government budget	2 910.1	2 472.2
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	5 082.9	8 115.8

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.05	0.15
Return on assets, ROA, %	0.07	0.11
Return on equity, ROE, %	0.29	0.61
Total liquidity indicator	1.01	0.98
Liabilities-to-equity ratio	3.04	4.41

Other indicators

Number of employees	150	146
Average gross remuneration per employee per year, thousand EUR	15.1	16.1
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



SLLC Bērnu klīniskā universitātes slimnīca (BKUS)

Reģ. Reg. No. 40003457128

Web: www.bkus.lv

State ownership 100%

Related companies and shares:

BKUS has no ownership in other capital companies

Children Clinical University Hospital (BKUS) is the largest specialised multi-profile medical institution in Latvia, providing a wide range of tertiary level, emergency and planned services for children in hospital and out-of-hospital, a clinical base for the education of medical practitioners and knowledge transfer to regions, provides social support services and interest-related educational activities.

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 2022

- Unique surgeries performed - the first ever "growing" bone implants in a child, implantation of special electrodes in an epileptic patient.
- In cooperation with Karolinska University Hospital and its ECMO (Extracorporeal Membrane Oxygenation) centre, the first child patient was successfully treated.
- Services for young people aged 18-25. Gynaecologist for young women and dermatovenerologist for young men, allergist, neurologist, otorhinolaryngologist (ENT), cranial vascular Dopplerography, CT scan are available.
- First Mother's Milk Bank in Latvia has been launched.
- Two audits were successfully completed: the hospital's recertification to LVS EN ISO 9001 and the laboratory's compliance with LVS EN ISO 15189.
- The veselapasaule.lv portal - a wide and reliable information base on children and young people's health - was launched.

Main events in 2023

- Newly established Child and Youth Mental Health Centre will be operational by the end of the year.
- Progress in the construction of the NMPON (Emergency) and the Ambulatory Care Centre and preparation of the team for the new operational model in 2024.
- Transformation of the management of treatment processes at hospital and national level.
- Initiation of the Methodological Management Centres and development of the Vesela Pasaule (Healthy World) portal.

Main financial objectives

- Profit, thousand EUR: >0 (achieved: 179.7).
- Total liquidity ratio: >=1 (achieved: 1.19).
- Capital structure (liabilities to equity): <3 (achieved: 1.20).

Main non-financial objectives

- Number of planned operations deferred, %: <10 (achieved: 5.69).
- In-hospital mortality, %: <0.3 (achieved: 0.21).
- Total number of recorded patient safety events: >450 (achieved: 729).
- Customer satisfaction with inpatient services, %: 72 (achieved: 66.30).
- Evidence of compliance with internationally recognised standards (certificates, accreditations, licences): ISO 9001 (achieved: ISO 9001).

Results achieved

- Four out of five financial performance indicators achieved. Net turnover increased by almost 4% during the period, with additional funding for the Covid-19 outbreak and response, over and above contract services, including services to the Ukrainian population, playing an important role in achieving the results.
- 13 out of 16 performance indicators for non-financial objectives were achieved. More than 95% of employees have a positive view of us as an employer. We have managed to provide care staff close to the required.



Bērnu klīniskā universitātes slimnīca

Governance

Shareholder – **Ministry of Health**

Representative of Shareholder – **Indra Dreika**

Chair of Supervisory Council – **Katrine Judovica**

Members of Supervisory Council – **Jekaterina Stūge, Jari Petaja**

Chair of Management Board – **Valts Ābols**

Members of Management Boards – **Zane Straume, Iluta Riekstiņa**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	74 904.7	77 658.5
Profit/loss	103.5	179.7
EBITDA	5 082.3	4 984.8
Total assets	84 242.2	98 714.6
Share capital	33 863.2	42 169.7
Equity	36 559.0	44 949.5
Investment	10 527.5	16 464.7
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	20 181.1	22 871.6
Donations received	911.2	1 303.1
Donations made	0.0	0.0
Funding received from the state budget	86 178.2	73 022.7

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.14	0.23
Return on assets, ROA, %	0.12	0.18
Return on equity, ROE, %	0.28	0.40
Total liquidity indicator	1.20	1.19
Liabilities-to-equity ratio	1.30	1.20

Other indicators

Number of employees	2 013	2 053
Average gross remuneration per employee per year, thousand EUR	19.2	19.4
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	yes

SLLC Bērnu psihoneiroloģiskā slimnīca "Ainaži" (Ainaži)

Reg. No. 44103017181

Web: www.ainazu slimnica.lv

State ownership 100%

Related companies and shares:

Ainaži has no ownership in other capital companies

"Ainaži" is the only specialised hospital in the country providing high-quality and professional psychiatric assistance to children and adolescents with long-term psychiatric disorders and illnesses. The hospital employs a full-scale multi-professional team, specialists of all profiles are available, hydrotherapy department is active. The process of treatment and rehabilitation takes place until the mental state stabilizes, which allows mental health care to continue in out-of-hospital conditions at the place of residence and to be integrated, to the extent possible, into society and education system. The process for expanding outpatient treatment and rehabilitation work has been initiated by involving the medical and rehabilitation specialists and establishing a regional psychic health centre.

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 2022

- Hospital has a successful multi-professional team - rehabilitation specialists of all profiles are available for inpatients. An art therapist has joined the team.
- Lightweight hangar with an access road is put into operation.
- Sensory Room has been set up.

Main events planned in 2023

- The old hospital building and the chlorine plant, declared in a state of disrepair and degrading the environment, will be demolished.
- Installation of a ventilation/air-conditioning system on the second floor of the hospital building for patient wards.
- Construction of one observation-isolation room - ward conversion to improve patient and staff safety.

Main financial objectives

- Profit or loss, thous. EUR: 10.4 (achieved: 26.8).
- Net operating cash flow, thousand EUR 57.4 (achieved: 70.9).
- Total liquidity ratio: 4 (achieved: 3.14).
- Capital structure (liabilities to equity), %: 103 (achieved: 101).
- Execution of the investment plan, thousand EUR: 33 (achieved: 194.7).

Main non-financial objectives

- Total number of inpatient beds: 45 (achieved: 45).
- Proportion of working medical personnel aged 25-40 out of the total number of working doctors, %: 29 (achieved: 27).
- Average length of hospital stay, days: 85 (achieved: 72).
- Bed occupancy rate, %: 80 (achieved: 56)

Results achieved

- During the reporting period, the measures put in place to reduce the spread of Covid-19 resulted in a reduction in patient flow and bed occupancy in the day hospital. Taking into account the above, as well as the compensation received from the NHS for the provision of standby treatment, purchase of personal protective equipment, salary bonuses for the care of Covid-19 patients, thoughtful planning of employees' working time, economic use of energy resources, the capital company closed the year 2022 with a profit.



Governance

Shareholder – **Ministry of Health**

Representative of Shareholder – **Indra Dreika**

Member of Management Board – **Aigars Kišuro**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	1 904.1	1 931.5
Profit/loss	129.4	26.8
EBITDA	185.4	77.7
Total assets	4 294.9	4 338.5
Share capital	1 683.4	1 683.4
Equity	2 136.0	2 162.9
Investment	14.4	194.7
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	647.0	651.4
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	1 908.8	1 930.1

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	6.80	1.39
Return on assets, ROA, %	3.01	0.62
Return on equity, ROE, %	6.06	1.24
Total liquidity indicator	4.43	3.14
Liabilities-to-equity ratio	1.01	1.01

Other indicators

Number of employees	87	83
Average gross remuneration per employee per year, thousand EUR	14.3	14.9
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 Daugavpils psihoneiroloģiskā slimnīca

(DPNS)

Reg. No. 50003407881

Web: www.dpens.gov.lv

State ownership 100 %

Related companies and shares:

DPNS has no ownership in other capital companies

DPNS (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 and Latvia.

Main events in 2022

- Energy efficiency improvement works in the building at 24 Siguldas Street, Daugavpils, under project No 4.2.1.2/20/1/008 have been completed. All windows and external doors were replaced, the facade, foundations and attic were insulated, the roof was replaced and a lightning protection system was built.
- Construction works for the replacement of sewerage and water pipes at Siguldas iela 24, Daugavpils were completed.
- Completion of the reconstruction of the boiler house premises, including replacement of windows and external doors, renewal of internal communications and systems, renovation of the interior, landscaping of the site.

Main events planned in 2023

- Completion of the ongoing redevelopment of the Training Centre building, which includes energy efficiency improvements, the construction of a ramp, the rebuilding of the basement entrance and renovation of the premises.
- To complete the construction works of the 1st construction phase at the site "Alejas", Kraujas, Garsene municipality, Jēkabpils region. The construction works include the construction of an external water main and the rebuilding of a sewerage pipeline.
- Start of construction works of phase 2 - restoration of external lighting, landscaping and re-piping of sewerage network.

Main financial objectives

- Profit or loss, thous. EUR: 15 (achieved: 338.0).
- Net operating cash flow, thousand EUR: 600 (achieved: 1 045).
- Total liquidity ratio: 1.37 (achieved: 1,49).
- Investment plan execution, EUR: 1 674 300 (achieved: 1 670 097).

Main non-financial objectives

- Average waiting time for state-funded planned outpatient psychiatric consultation, days: 28 (achieved: 25).
- Number of leisure time activity technologies and rehabilitation programmes introduced for patients at Aknīste Hospital, 3 (achieved: 3).
- Total number of inpatient beds (end of period (year)): 720 (achieved: 702).
- Patient Reported Experience Measurement (PREM) organised by SPKC, demonstrating patient satisfaction with the service provided, %: 95 (achieved: 95).

Results achieved

- Outpatient visits increased by 3 292 during the reporting period, as outpatient services are a strategic priority in order to promote the development of community-based services and reduce the pressure on inpatient resources.
- There were no substantiated complaints to the Health Inspectorate about the quality of health services in 2022.
- Average length of stay (in days, except for Aknīste Hospital) decreased by 3.4 days).



Governance

Shareholder – **Ministry of Health**

Representative of Shareholder – **Indra Dreika**

Chair of Management Board – **Sarmīte Kikuste**

Member of Management Board – **Reinis Joksts**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	20 800.9	22 543.1
Profit/loss	30.1	338.0
EBITDA	703.2	1 041.1
Total assets	30 417.7	32 107.6
Share capital	16 649.6	16 668.8
Equity	19 756.7	20 094.6
Investment	602.9	1 670.1
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	7 047.6	7 412.3
Donations received	2.87	0.00
Donations made	0.00	0.00
Funding received from the state budget	29 975.76	21 858.27

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.14	1.50
Return on assets, ROA, %	0.10	1.05
Return on equity, ROE, %	0.15	1.68
Total liquidity indicator	1.41	1.49
Liabilities-to-equity ratio	0.54	0.60

Other indicators

Number of employees	944	961
Average gross remuneration per employee per year, thousand EUR	15.0	15.4
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	602.9	1 670.1
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	yes	yes

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 (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 2022

- A modern ultrasonography machine purchased.
- Access to the DATAMED medical diagnostics information system.
- Financial year was closed without losses despite inflation and cost increases.

Main events planned in 2023

- Continue to develop the polyclinic into a modern, competitive company in the healthcare market to provide better quality and more accessible outpatient healthcare.
- Continue to improve data recording and information systems.

Main financial objectives

- Net turnover, million EUR: 2.3 (achieved: 2.99).
- Return on equity, %: 0.14 (achieved: 0.35).
- Profit, EUR: 800 (achieved: 2 016).
- Total liquidity: 3 (achieved: 2.12).

Main non-financial objectives

- Number of annual medical examinations of candidates for Special Service Officers: 1 000 (to be achieved: 759).
- Number of medical examinations per year of officials with special ranks: 14 900 (achieved: 13 939).
- Number of visits to general practitioners: 17 500 (achieved: 33 973).
- Number of visits to specialists: 21 500 (achieved: 19 640).

Results achieved

- Net turnover increased by 25.3%. This was due to Covid-19 bonuses as well as funds to increase the remuneration of doctors.
- Decrease in the number of officials with special ranks to be examined is due to the decrease in the number of officials with special ranks in the Ministry of the Interior.
- Change in the number of visits to doctors as a result of Covid-19.



Governance

Shareholder – **Ministry of the Interior**

Representative of Shareholder – **Dimitrijs Trofimovs**

Member of Management Board – **Didzis Āzens**

Principal financial indicators. thousand EUR

	2021	2022
Turnover	2 961.5	2 993.0
Profit/loss	1.3	2.0
EBITDA	43.8	27.2
Total assets	938.0	917.0
Share capital	571.7	571.7
Equity	569.5	570.5
Investment	52.6	130.2
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	975.5	1 066.3
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	2 168.3	2 164.5

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.04	0.07
Return on assets, ROA, %	0.13	0.22
Return on equity, ROE, %	0.22	0.35
Total liquidity indicator	2.33	2.12
Liabilities-to-equity ratio	0.65	0.61

Other indicators

Number of employees	133	134
Average gross remuneration per employee per year, thousand EUR	19.0	18.9
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 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

Not approved.

Main events in 2022

- During the reporting period, a construction project for the insulation of the outpatient department building and a certification map for the internal water supply and sewerage were drawn up. Investments were made in the renovation and development of infrastructure by purchasing a Spirit XBU55 bicycle trainer, a DAP Kermax-plus patient dose meter with ionisation chamber, massage couches, air-conditioning equipment, computer equipment, etc.

Main events in 2023

- In 2023, the capital company plans to start insulation works and renovation of the Outpatient Department building, replace the garage doors and renovate the exterior walls of the Utility Department building. In 2023, the plans to purchase a GE Healthcare Voluson S10BT22 ultrasound machine, a patient transport vehicle, a boiler, etc.

Main financial objectives

- Profit or loss, thous. EUR: 102.2 (achieved: 399.4)
- Net cash flow from operating activities, thousand EUR 86.9 (achieved: 458.1).
- Total liquidity ratio: 2,41 (achieved: 3.66).
- Execution of the investment plan, thousand EUR 320.5 (achieved: 132.9).

Main non-financial objectives

- Bed occupancy rate, %: 77 (achieved: 69).
- Total number of inpatient beds at the end of the period: 50 (achieved: 45).
- Average length of stay, days: 8 (8.05 achieved).

Results achieved

During the reporting period, the company partially achieved the planned non-financial and financial targets, with non-significant deviations, except for the average duration of treatment, as the impact of the spread of Covid-19 resulted in an increase in the duration of treatment of patients.



Governance

Shareholder – **Ministry of Health**

Representative of Shareholder – **Indra Dreika**

Member of Management Board – **Juris Atstupens**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	4 552.6	4 550.5
Profit/loss	130.9	399.4
EBITDA	394.4	681.5
Total assets	9 607.2	9 750.7
Share capital	7 321.7	7 321.7
Equity	7 762.2	8 288.1
Investment	478.5	307.2
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	1 381.2	1 371.7
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	4 197.2	4 121.1

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	2.88	8.78
Return on assets, ROA, %	1.36	4.10
Return on equity, ROE, %	1.69	4.82
Total liquidity indicator	1.88	3.66
Liabilities-to-equity ratio	0.24	0.18

Other indicators

Number of employees	181	175
Average gross remuneration per employee per year, thousand EUR	15.7	15.6
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

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 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 2022

- A new cooperation project with Ukrainian medical institutions "Exchange of Experience with Ukrainian Hospitals in the Implementation of a Rehabilitation Programme for Limb Amputation Patients" is launched.
- In the year under review, the simplified renovation of Unit 1 was completed and the design of a new outpatient building started.
- Rehabilitation of military and civilian casualties of the Ukrainian war was ensured.

Main events planned in 2023

- To start the construction of the new outpatient block.
- To continue the cooperation project with Ukrainian medical institutions "Exchange of experience with Ukrainian hospitals in the implementation of a rehabilitation programme for patients after limb amputations" and to provide the rehabilitation for Ukrainian military and civilian victims of the war.

Main financial objectives

- Profit or loss, thousand EUR 5 (achieved: 656).
- Net operating cash flow, thousand EUR 3 637.7 (achieved: 4 690.4).
- Total liquidity ratio: 1.01 (achieved: 1.45).
- Investment plan execution, thousand EUR: 1 369.3 (achieved: 2 566.1).

Main non-financial objectives

- Bed occupancy rate, %: 80 (achieved: 81).
- Total number of hospital beds at the end of the period: 250 (achieved: 241).
- Average length of stay, days: 12.5 (achieved: 13.45).

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.
- Bed occupancy reached the planned level.
- Number of available beds was reduced as a result of the conversion of the paediatric ward into a rehabilitation ward.



Governance

Shareholder – **Ministry of Health**

Representative of Shareholder – **Indra Dreika**

Chair of Management Board – **Margarita Epermane**

Members of Management Board – **Mārtiņš Oliņš,**

Iluta Riekstiņa

Principal financial indicators, thousand EUR

	2021	2022
Turnover	18 157.4	20 903.5
Profit/loss	1 432.3	656.0
EBITDA	4 246.3	3 250.7
Total assets	20 463.4	25 249.2
Share capital	1 711.6	3 290.5
Equity	4 344.8	6 820.2
Investment	2 918.0	2 566.1
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	3 916.0	4 558.4
Donations received	0.0	0.1
Donations made	0.0	0.0
Funding received from the state budget	17 236.4	19 887.9

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	7.89	3.14
Return on assets, ROA, %	7.00	2.60
Return on equity, ROE, %	32.97	9.62
Total liquidity indicator	1.47	1.45
Liabilities-to-equity ratio	3.71	2.70

Other indicators

Number of employees	466	497
Average gross remuneration per employee per year, thousand EUR	15.9	15.1
Gender representation in management, f/m	1/1	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 Paula Stradiņa klīniskā universitātes slimnīca (PSKUS)

Reg. No. 40003457109

Web: www.stradini.lv

State ownership 100 %

Related companies and shares:

PSKUS has no ownership in other capital companies

PSKUS 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 2022

- Pre-pandemic performance indicators achieved, number of patients treated increased.
- PSKUS improved its financial performance and achieved its key strategic objectives, meeting planned performance targets.
- Substantial achievements in research and education.
- Hospital work, facilities, technology application organised in line with patients' needs, infrastructure development continued.
- Medium-term operational strategy 2023-2029 developed and launched.

Main events planned in 2023

- Ensure the implementation of the Hospital's new medium-term operational strategy 2023-2029.
- Increase the capacity of the Hospital in line with patient needs, including infrastructure development, continuity of the treatment process, optimisation of patient flow.
- To ensure the provision of treatment and care that meets the needs of patients, with a focus on excellence, including the development and implementation of new solutions, development of telemedicine solutions, participation in international reference networks.
- Strengthen and develop staff resources.
- Promote financial stability and sustainability of operations.
- Strengthen research and education processes.

Main financial objectives

- Profit or loss, million EUR: - 1.9 (achieved: - 1.8).
- Net operating cash flow, million EUR: 3.99 (achieved: 23.2).
- Total liquidity ratio: 0.62 (achieved: 1.75).
- Capital structure (liabilities to equity), %: 602.70 (achieved: 80.49).
- Execution of the investment plan, million EUR: 71.4 (achieved: 31.97).

Main non-financial objectives

- Number of patients treated in hospital: 49 002 (achieved: 46 807).
- Number of outpatient visits: 264 210 (achieved: 269 807)
- Average length of stay, days: 5.30 (achieved: 4.85).
- Bed occupancy rate, %: 80 (achieved: 80.33).
- Number and proportion of patients re-hospitalised on the same or next day (excluding patients whose next admission is for care or rehabilitation), %: 220 or 0.46 (achieved: 203 or 0.43).

Results achieved

- The hospital provided a full range of emergency and elective outpatient and inpatient medical care to the population, treating a total of 316 614 patients in 2022, including 269 807 outpatients and 46 807 inpatients. 58 501 patients received healthcare services at the Emergency Medical Centre.
- Efficient health services were provided, with high bed occupancy and low average length of stay.



PAULA STRADIŅA
KLĪNISKĀ UNIVERSITĀTES
SLIMNĪCA

Governance

Shareholder – **Ministry of Health**

Representative of Shareholder – **Indra Dreika**

Chairman of Supervisory Council – **Reinis Ceplis**

Member of Supervisory Council – **Juris Lapše, Renalds Jurkevivičius**

Chair of Management Board – **Rinalds Muciņš**

Members of Management Board – **Ilze Kreicberga, Agra Ločmele, Jānis Naglis**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	171 320.8	176 861.1
Profit/loss	417.6	-1 761.9
EBITDA	11 684.1	11 291.2
Total assets	212 610.0	236 940.4
Share capital	145 386.7	150 876.4
Equity	127 511.1	131 238.9
Investment	31 965.3	41 340.9
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	41 240.7	46 708.5
Donations received	365.6	11.5
Donations made	0.0	0.0
Funding received from the state budget	242 478.6	171 832.2

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.24	-1.00
Return on assets, ROA, %	0.20	-0.74
Return on equity, ROE, %	0.33	-1.34
Total liquidity indicator	1.99	1.75
Liabilities-to-equity ratio	0.67	0.80

Other indicators

Number of employees	3 137	3 341
Average gross remuneration per employee per year, thousand EUR	24.2	22.8
Gender representation in management, f/m	2/5	2/5
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

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 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 2022

- Two clinical psychologists trained in the ADOS test methodology, offices equipped to meet test requirements.
- Multiprofessional psychiatric rehabilitation services expanded - nutritionist, audiologist, physiotherapist.
- Psychiatric treatment and rehabilitation provided to a number of Ukrainian citizens (children and adults).
- Cross-border project INTERREG No. LLI-445 "Sensory gardens for social inclusion of vulnerable groups in LAT-LIT territory" was implemented.
- Monitoring of psycho-emotional state of hospital staff.

Main events planned for 2023

- Continue to provide psychiatric treatment and rehabilitation to the population, including war refugees from Ukraine.
- Continue to develop outpatient services.
- Re-establish the functioning of the separate crisis and neurosciences unit, if resources are sufficient.
- Submission of a project application for the INTERREG project "Innovative psychosocial and physical rehabilitation methods for stress reduction, inclusion of socially vulnerable groups in society" within the Latvian-Lithuanian cross-border cooperation programme 2021-2027.

Main financial objectives

- Non-deficit budget, thous. EUR: 10 (achieved: 327.3).
- Positive operating cash flow in thousand EUR: 46 (achieved: 435.7).
- Total liquidity ratio greater than 1: 1.54 (achieved: 2.42).
- Liabilities to equity not more than 50, %: 26.3 (achieved: 25.1).
- Execution of the investment plan, thousand EUR 170.0 (achieved: 326.8).

Main non-financial objectives

- Total number of inpatient beds: 95 (achieved: 95).
- Average length of stay, days: 31 (achieved: 30.1)
- Bed occupancy rate, %: 92 (achieved: 88.1).
- Nurse practitioner to nurse practitioner ratio: 18/50 (achieved: 15/47).
- Proportion of practitioners in the age group 25-40 of the total number of practitioners working in the establishment, %: 8 (achieved 28.8).

Results achieved

- Exceeding the profit plan by +3 173 % due to compensation received, reduction of expenses.
- Investment plan over-executed by +24.3 % due to unplanned purchase of fixed assets (purchase of diesel generator).
- Increase of 20.8 percentage points in the number of medical staff in the age group 25-40 years, due to recruitment of new specialists - trainees, functional specialists.



P I E J Ū R A S
S L I M N Ī C A

Governance

Shareholder – **Ministry of Health**

Representative of Shareholder – **Indra Dreika**

Chair of Management Board – **Artūrs Bērziņš**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	4 736.3	5 151.3
Profit/loss	300.0	327.3
EBITDA	565.7	610.5
Total assets	10 192.4	10 375.2
Share capital	699.5	699.5
Equity	8 111.0	8 296.9
Investment	148.1	326.8
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	1 533.5	1 572.6
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	4 436.3	5 114.7

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	6.33	6.35
Return on assets, ROA, %	2.94	3.15
Return on equity, ROE, %	3.70	3.94
Total liquidity indicator	1.81	2.42
Liabilities-to-equity ratio	0.26	0.25

Other indicators

Number of employees	182	182
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

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 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 2022

- RAKUS was the leading institution for the treatment of Covid-19 patients in Latvia for the third year.
- Starting in the second quarter of 2022, inpatient and outpatient services were gradually restored to pre-pandemic levels.
- As part of the accreditation of the Latvian Cancer Centre, RAKUS became a member of the Organisation of European Cancer Institutes.
- RAKUS treated 44 soldiers injured in the war in Ukraine, and provided acute and elective care to Ukrainian refugees.
- The construction of a pharmacy logistics building was completed, which will enable centralised distribution of medicines and medical supplies to all inpatient units of the Hospital.

Main events planned for 2023

- Continued accreditation of the Cancer Centre, improving treatment processes for oncology patients.
- To develop RAKUS as a centre of excellence for the development of professional skills and competences of medical and medical support staff in Latvia.
- To carry out infrastructure renovation works to significantly improve the patient experience and the working environment for staff.
- To innovate in order to develop outpatient and inpatient healthcare services.

Principal financial objectives

- Net loss, not exceeding million EUR: -1.4 (achieved: -1.29).
- Net operating cash flow, not less than million EUR 8.3 (achieved: 10).
- Total liquidity ratio: 0.9 (achieved: 1.54).

Principal non-financial objectives

- Proportion of 'Green Corridor' primary consultations and diagnostic tests provided within the timeframe set by legislation, not less than, %: 95 (achieved: 87).
- In-hospital mortality, not more than %: 5 (achieved: 4.7).
- Number of full-text scientific publications included in Web of Science or SCOPUS databases: 97 (achieved: 97).
- Percentage of staff with 'high' and 'medium' level of involvement, not less than, %: 40 (achieved: 53).
- Proportion of physical infrastructure (buildings and structures) renovated in the last 5 years, not less than, %: 44 (achieved: 51).



Governance

Shareholder – **Ministry of Health**

Representative of Shareholder – **Indra Dreika**

Chair of Supervisory Council – **Tina Kukka**

Members of Supervisory Council – **Erki Molder, Valts Ābols**

Chair of Management Board – **Imants Paeglītis**

Members of Management Board – **Kaspars Plūme, Andis Pinkulis, Haralds Plaudis**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	226 822.6	221 528.7
Profit/loss	174.7	-1 287.1
EBITDA	11 258.6	10 276.2
Total assets	205 813.3	220 606.7
Share capital	138 548.1	154 736.6
Equity	92 537.1	107 438.5
Investment	29 993.7	39 472.0
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	55 468.0	64 062.6
Donations received	31.6	25.5
Donations made	0.0	0.0
Funding received from the state budget	313 184.5	236 308.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.08	-0.58
Return on assets, ROA, %	0.08	-0.58
Return on equity, ROE, %	0.19	-1.20
Total liquidity indicator	1.62	1.54
Liabilities-to-equity ratio	1.22	1.05

Other indicators

Number of employees	4 754	4 954
Average gross remuneration per employee per year, thousand EUR	23.4	22.8
Gender representation in management, f/m	1/6	1/6
Annual report in accordance with IFRS (yes/no)	yes	yes
Expenditure and/or capital investment in R&D, thousand EUR	246.2	197.8
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	yes	yes

Results achieved

- Number of Green Corridor cases in 2022 has increased by 2 599 cases or 15% compared to 2021. The number of day hospital operations (26 597) increased by 30%.
- Staff engagement rate has reached 53%, an increase of 15% compared to 2021.
- Physical infrastructure of the Hospital has been strengthened - energy efficiency improvements at the Bīķernieki Hospital, construction of the Pharmacy Logistics Building has been completed.
- Net loss reduced to EUR -1.29 million.

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

Riga Centre of Psychiatry and Narcology (RPNC) is the leading medical institution in mental health care and treatment in psychiatry and narcology, under the supervision of the Ministry of Health and integrated into the national health care system. The RPNC provides easy access to high-level outpatient and inpatient health care services in the field of mental disorders and addiction patients at all stages of treatment - prevention, diagnosis, treatment, medical rehabilitation and patient care, as well as provides extensive opportunities for student training and research in psychiatry and narcology. The RPNC is a forensic body and a seat for professional associations.

General strategic objective

To preserve, improve and restore the mental health of the population by ensuring the provision of high-quality, efficient, patient-oriented emergency and planned psychiatry and narcology services to the population of Latvia; as well as to provide forensic expertise in the field of psychiatry, psychology and narcology and the application of all forms of coercive measures of a medical nature, while maintaining the clinical base for the education of medical personnel and promoting the development of science and research.

Main events in 2022

- A neurotic disorders treatment unit was opened, expanding the range of healthcare services.
- Outpatient services expanded, increasing the number of rehabilitation specialists.
- Participation in OpenHealthLabs, a Latvian healthcare innovation laboratory launched by the National Health Service and the innovation management company Helve.
- A series of online informative and educational seminars for patients and their relatives on mental health problems.
- Structural changes were made, a consultative body was established and the administrative units of the RPNC were restructured.

Main events planned for 2023

- Efforts will continue to develop and improve the hospital's new information system.
- Work will continue on a number of major construction projects.
- Development of an incentive scheme to attract residents and trainees to work at the RPNC.
- Establishment and development of a methodological management centre.

Main financial objectives

- Profit, thousand EUR 5 (achieved: 559).
- Net operating cash flow, million EUR: 0.55 (achieved: 1.6).
- Total liquidity ratio: 1.11 (achieved: 1.08).
- Planned investments, million EUR: 0.5 (achieved: 1.7).

Main non-financial objectives

- Total number of hospital beds: 526 (achieved: 503).
- Average length of treatment, days: 24 (achieved: 25).
- Number of patients treated in hospital: 7 390 (achieved: 6 284).
- Number of outpatient visits : 85 500 (achieved: 93 171).
- Number of day hospital patients: 650 (achieved: 466).

Results achieved

- Total number of inpatient beds reduced by 23 beds.
- The number of inpatients treated decreased by 15% and the number of day-patients decreased by 28% against target, due to the impact of Covid-19 restrictions at the beginning of the reporting period.
- RPNC achieved a net profit of 559 thousand euro in 2022, due to additional financial resources allocated and the reprogramming of the NHS contract programmes.
- The modular house complex at 2 Tvaika Street, Riga was completed.



RĪGAS PSIHIATRIJAS UN
NARKOLOĢIJAS CENTRS

ANNO 1824

Governance

Shareholder – **Ministry of Health**

Representative of Shareholder – **Indra Dreika**

Chair of Management Board – **Iveta Kiece**

Member of Management Board – **Ģirts Ansons**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	23 656.4	25 410.0
Profit/loss	129.8	559.5
EBITDA	573.5	1 076.5
Total assets	29 147.9	29 996.2
Share capital	12 012.7	12 012.7
Equity	18 790.2	19 349.7
Investment	1 123.4	1 723.6
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	9 047.6	9 585.1
Donations received	29.9	13.4
Donations made	0.0	0.0
Funding received from the state budget	24 689.2	25 802.3

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.55	2.20
Return on assets, ROA, %	0.45	1.87
Return on equity, ROE, %	0.69	2.89
Total liquidity indicator	1.19	1.08
Liabilities-to-equity ratio	0.55	0.55

Other indicators

Number of employees	988	996
Average gross remuneration per employee per year, thousand EUR	17.5	17.2
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 RGD, thousand EUR	0.0	0.0
Report on corporate governance, yes or no	yes	yes
Non-financial statement, yes or no	no	no

SLLC Slimnīca Ģintermuiža (ĢM)

Reg. No. 40003407396

Web: www.gintermuiža.lv

State ownership 100 %

Related companies and shares:

ĢM has no ownership in other capital companies

ĢM 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 2022

- Improving the quality of the hospital's 24-hour inpatient psychiatric care service - implementation of a diversified multiprofessional medical rehabilitation team, development and validation of medical rehabilitation records.
- Expansion of secondary outpatient health services - diagnosis of autism spectrum disorders (ADUS test) launched.
- Completion of the design of the solar power plant and launch of the procurement for construction.
- Implementation of alternative heating using natural gas - purchase of heat from Gren Jelgava SIA using wood chips.
- Development of construction projects for the Psychosocial Rehabilitation Centre and for the Child Psychiatry Unit, implementing LEAN principles.

Main events planned for 2023

- Launch the development of a rehabilitation services programme for patients (children and adolescents) with dual diagnoses.
- Introduce a patient survey - patient experience reports on satisfaction with the treatment received.
- Establish and validate a medical rehabilitation service in psychiatry for gerontopsychiatric patients and patients admitted by court order.
- Construction of a solar panel power plant and landscaping of the adjacent area.
- Expansion of SAVA services - Introduction and implementation of the Early Intervention Service.

Main financial objectives

- Profit, thousands EUR: 36 (achieved: 536).
- Net operating cash flow, thousand EUR: 226 (achieved: 997).
- Total liquidity ratio: 0.97 (achieved: 1.97).
- Liabilities to equity, % : 190 (achieved: 14).
- Planned investments, thousand EUR: 248 (achieved: 245).

Main non-financial objectives

- Total number of inpatient beds: 325 (achieved: 273).
- Ratio of practitioners (excluding dentists and residents) to nurses: 42/113 (achieved: 39/107).
- Proportion of medical practitioners aged 25-40 of the total number of medical practitioners working in the establishment, %: 23 (achieved: 26).
- Average length of stay in hospital, days: 30 (achieved: 23).
- Number of patients with schizophrenia, schizotypal disorder or delusions requiring emergency re-admission within 30 days: 112 (achieved: 88).

Results achieved

- Non-financial and financial targets set out in the Medium-Term Operational Strategy have been largely met in 2022.
- Average length of treatment for patients has been reduced by 23% - an important indicator of the effectiveness of treatment - medical rehabilitation plays a key role in achieving this.
- ĢM's profit for the year under review is EUR 536 thousand. This is EUR 500 thousand higher than planned.



Governance

Shareholder – **Ministry of Health**

Representative of Shareholder – **Indra Dreika**

Member of Management Board – **Artūrs Bērziņš**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	10 987.6	11 727.1
Profit/loss	58.4	536.0
EBITDA	309.9	813.2
Total assets	15 497.6	16 004.3
Share capital	12 758.8	12 758.8
Equity	13 478.5	14 014.6
Investment	530.5	244.6
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	4 244.5	3 985.0
Donations received	17.9	0.0
Donations made	0.0	0.0
Funding received from the state budget	19 454.8	11 591.3

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.53	4.57
Return on assets, ROA, %	0.38	3.35
Return on equity, ROE, %	0.43	3.82
Total liquidity indicator	1.57	1.97
Liabilities-to-equity ratio	0.15	0.14

Other indicators

Number of employees	554	520
Average gross remuneration per employee per year, thousand EUR	13.7	14.6
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

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 is a specialised medical institution covering the entire Vidzeme region, with highly qualified and diversely trained staff, able to provide treatment, care and rehabilitation for patients with mental illnesses in outpatient, day hospital and inpatient settings, using state-of-the-art therapeutic methods. The vision of SPNS is to be one of the best specialised hospitals in the country in which to regain mental health and to work. SPNS has four psychiatric, one narcology and one psychotuberculosis inpatient units, an admission unit, a closed pharmacy, a psychosocial rehabilitation day centre "RASA" and a rehabilitation day hospital. The total number of open beds in the hospital is 300.

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 2022

- SPNS has achieved a Gold rating in the Sustainability Index, with its performance on five levels of corporate responsibility.
- Division 1 building, Anna's House, was commissioned.
- SPNS celebrated its 115th year of existence.
- After a 2-year hiatus, SPNS hosted a participant of the international exchange programme "HOPE".
- Reconstruction and energy efficiency improvement of Maria's House started.
- New professionals joined SPNS.
- Significant efforts were made to build cooperation with stakeholders.

Most important events planned for 2023

- Reconstruction of St Mary's House is planned to be completed relocation of the day hospital, outpatient psychiatric and narcological care, rehabilitation, modified electroconvulsive therapy and other outpatient services to a single location in the renovated building.
- Make substantial investments in staff development (training, exchange of experience, motivation programme) in order to expand existing and provide new services in the future (e.g. horticultural therapy, 12-step programme in narcology, ABBA, ADOS test, etc.).
- Recruit 2 psychiatric residents to work in the hospital
- Start ADOS test.
- Improvement of early intervention - start 12-step programme for narcology patients

Main financial objectives

- Profit, thous. EUR 88 (achieved: 354).
- Net operating cash flow, thousand EUR: 456 (achieved: 918).
- Total liquidity ratio: 1.28 (achieved: 1.57).
- Liabilities to equity, %: 72.5 (achieved: 58.4).
- Execution of the investment plan, million EUR 0.76 (achieved: 1.47).

Main non-financial targets

- Total number of inpatient beds: 300 (achieved: 300).
- Average length of hospital stay, days : 25 (achieved: 23.4).
- Bed occupancy rate, % : 90 (achieved: 71.8).
- Percentage of medical staff aged 25-40 of the total number of medical staff working in the establishment: 21.0 (achieved: 19.6).

Results achieved

- The investment plan has been implemented as planned in the strategy, the deviation being due to the significant increase in construction costs.
- The hospital bed occupancy rate is affected by the average length of stay, which is decreasing year by year, as well as by the demand for the service.
- Demand for outpatient services increased significantly, while demand for inpatient services decreased.
- The average length of stay in hospital has decreased, resulting in lower expenditure and improved financial performance.



Governance

Shareholder – **Ministry of Health**

Representative of Shareholder – **Indra Dreika**

Member of Management Board – **Maija Ancverīņa**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	9 460.0	9 113.8
Profit/loss	731.9	353.8
EBITDA	1 128.1	773.8
Total assets	9 674.0	10 343.8
Share capital	2 619.5	2 762.8
Equity	6 033.9	6 531.0
Investment	932.8	1 469.9
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	2 764.1	3 108.2
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	9 560.8	9 256.6

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	7.74	3.88
Return on assets, ROA, %	7.57	3.42
Return on equity, ROE, %	12.13	5.42
Total liquidity indicator	1.73	1.57
Liabilities-to-equity ratio	0.60	0.58

Other indicators

Number of employees	293	289
Average gross remuneration per employee per year, thousand EUR	19.1	19.0
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

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 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 2022

- Reconstruction works within the project "Reconstruction of the 5th operating block of the VSIA "Traumatology and Orthopaedics Hospital", creation of an endoprosthetic operating theatre" have been completed.
- Latest generation digital X-ray equipment was purchased for the Admissions Department.
- Reconstruction plan for the Rehabilitation Unit was drawn up.
- Preparation of 46 allografts in the Tissue Centre.
- Development of the TOS development document.
- 34 applications were submitted for research.

Main events planned for 2023

- Development of the Hospital's medium-term strategy for 2023-2025.
- To prepare a project application for ERDF funding for the development of spinal surgery.
- Introduction of new treatment methods and technologies.
- Development of parking management system software, installation of a departure terminal.

Main financial objectives

- Profit, thous. EUR: 104 (achieved: 209).
- Net operating cash flow, thous. EUR: 502 (achieved: 868).
- Total liquidity ratio: 1.0 (achieved: 0.9).
- Liabilities to equity, %: 117 (achieved: 42).

Main non-financial objectives

- Total number of inpatient beds: 220 (achieved: 220).
- Average waiting time for arthroplasty, days: 28-365 (achieved: 105-750).
- Average length of stay, days: 6.08 (achieved: 5.83).
- Total number of CT scans for inpatients and outpatients, thousands: 4.4 (achieved: 4).

Results achieved

- TOS closed the year with a profit, despite sharp increases in utility bills, medical supplies and medicine prices.
- The average length of stay has decreased, which is positive due to improved post-operative rehabilitation.
- TOS was able to provide elective and emergency care (7,000 hospital admissions, 41,000 bed days) despite staff shortages due to the spread of Covid-19.
- Several unique surgical operations were performed in the reporting year.
- The number of residents increased to 33 in the reporting year.



**TRAUMATOĻĪJAS
UN ORTOPĒDIJAS
SLIMNĪCA**

Governance

Shareholder – **Ministry of Health**

Representative of Shareholder – **Indra Dreika**

Chair of Management Board – **Anita Vaivode**

Members of Management Board – **Inese Rantiņa, Modris Ciems**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	22 372.3	24 602.1
Profit/loss	-221.9	209.1
EBITDA	579.4	1 112.9
Total assets	14 952.1	15 708.4
Share capital	4 044.5	4 044.5
Equity	6 648.7	6 798.9
Investment	74.0	168.2
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	6 557.1	6 570.0
Donations received	12.7	0.0
Donations made	0.0	0.0
Funding received from the state budget	20 245.1	22 181.9

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-0.99	0.85
Return on assets, ROA, %	-1.48	1.33
Return on equity, ROE, %	-3.34	3.08
Total liquidity indicator	1.07	0.90
Liabilities-to-equity ratio	1.22	1.28

Other indicators

Number of employees	577	585
Average gross remuneration per employee per year, thousand EUR	20.3	20.4
Gender representation in management, f/m	3/0	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

LLC Lielstraupes pils (LSP)

Reg. No. 40003342456

State ownership 100 %

Related companies and shares:

SNS has no ownership in other capital companies

Former: SLLC Straupes Narkoloģiskā slimnīca (until 14 May 2019)

LSP was registered on 19 May 1997 and until 1 January 2018 its main activities were the provision of inpatient medical care to the general public and the rehabilitation of adolescents addicted to psychoactive substances. Taking into account that since 2018 LPS no longer provides healthcare services and does not generate any income, and at the same time the functions of the shareholder - the Ministry of Health are not related to the maintenance of cultural monuments, as well as it does not have the resources for the management of the castle, nor for the repair works to ensure the preservation of Lielstraupe Castle as a cultural monument and important tourist attraction, as well as a historical symbol of the municipality, on 22 January 2018, the Board of Directors of the Ministry of Health of the Republic of Latvia adopted a resolution of 22 January 2018. On 22 February 2018, a Cooperation Agreement was concluded between the Ministry of Health and the Municipality of Pārgaujas Municipality - after the administrative-territorial reform the Municipality of Cēsis (hereinafter - the Municipality), stipulating that until the Ministry of Health invests the real estate in the share capital of the LSP and transfers the shares of the LSP to the ownership of the Municipality free of charge, the Municipality shall take over the management/management of the real estate, ensuring the management of the real estate as far as possible.

Main events in 2022

No information.

Main events planned for 2023

No information.

Main financial targets

None.

Main 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

	2021	2022
Turnover	0.0	0.0
Profit/loss	-21.4	-23.2
EBITDA	0.0	0.0
Total assets	43.6	2.5
Share capital	107.7	124.2
Equity	37.6	-0.6
Investment	0.0	0.0
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	2.6	7.6
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, %	-49.15	-938.27
Return on equity, ROE, %	-57.08	n/a
Total liquidity indicator	7.20	0.80
Liabilities-to-equity ratio	0.16	n/a

Other indicators

Number of employees	1	2
Average gross remuneration per employee per year, thousand EUR	5.5	6.3
Gender representation in management, f/m	1/0	1/1
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in RGD, 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 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 2022

- DailesT awards at the Night of the Players (Latvian Theater Awards) revealed the success of the chosen artistic strategy – performance Rotkho received the award for the best large-scale performance, the performance's director Lukasz Twarkowski received the award in the "Director of the Year" category and actress Vīta Vārpiņa received the award for the supporting role actress of the year.
- DailesT continued its cooperation with guest directors and started good collaborations with young Latvian directors, who successfully proved themselves in DailesT's small hall (performances of "How to Lose a State" and "Girls and Boys").
- During the season, DailesT staged 6 new productions in the large hall and 4 in the new hall, 2 of which were productions of Latvian original dramaturgy.

Main events planned for 2023

- DailesT plans 6 new productions in the large hall and 5 in the small hall (including 2 works of original Latvian drama and 3 for children and young audiences).
- The first Latvian language production by T. Stoppard and directed by the world-famous John Malkovich, Leopoldstadt will be the first production of the famous play in the Baltics.
- V. Kairiņš will stage the trilogy of Lāčplēsis and Spīdola, "The Night of Shining Princess", which combines three of Rainis' plays and documentary material.

Main financial objectives

- Profit, thous. EUR 2 (achieved: 6).
- Own revenue, million. EUR 1.91 (achieved: 3.05).
- Own revenue as % of total revenue: 35 (achieved: 53).
- Own revenue as a percentage of total expenditure, %: 35 (achieved: 50).

Main non-financial objectives

- Number of visitors per year, thousand: 75 (achieved: 109).
- Number of performances per year: 233 (achieved: 234).
- Number of performances per year in Latvian regions: 10 (achieved: 9).
- Number of performances abroad per year: 2 (achieved: 5).

Results achieved

- The state subsidy is the largest source of income for DailesT, accounting for 47% of total income, allowing the theatre to continue its artistic activity by staging performances.
- Ticket income increased compared to the previous year, accounting for 41% of total income, up from 16% the previous year, and the third largest source of income for DailesT, room rental services, accounted for 4% of the theatre's budget.
- 13 new productions were staged in 3 playing areas, 5 Latvian theatre directors, 2 foreign theatre directors and 2 international creative teams.
- With the gradual reduction of Covid-19 restrictions, theatre's audience increased to 109 thousand in the reporting year.



Governance

Shareholder – **Ministry of Culture**

Representative of Shareholder – **Baiba Zakevica**

Member of Management Board – **Juris Žagars**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	808.5	3 051.7
Profit/loss	4.0	6.0
EBITDA	106.6	328.4
Total assets	1 942.0	3 107.0
Share capital	151.3	151.3
Equity	137.3	140.7
Investment	927.8	1 144.6
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	1 281.4	1 811.9
Donations received	0.0	5.0
Donations made	0.0	0.0
Funding received from the state budget	3 295.0	3 620.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.49	0.20
Return on assets, ROA, %	0.20	0.19
Return on equity, ROE, %	2.88	4.26
Total liquidity indicator	0.84	0.67
Liabilities-to-equity ratio	13.15	21.08

Other indicators

Number of employees	179	191
Average gross remuneration per employee per year, thousand EUR	13.4	17.1
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 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

Daugavpils Theatre (DT) 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 2022

- DT received 5 nominations at the Night of the Players (Latvian Theater Awards).
- Work continued on the education of students of the acting course established in 2021 in cooperation with the Stanislav Broks Daugavpils Music Secondary School (SBDMV) and master classes under the guidance of British teacher Paul Goodwin were held with the support of the SCCF.
- Participation in the Visaginas Spaces Festival 2022 and the III International Arts Festival "Trans/mission Balticum" in Trakai, Lithuania.
- For the first time in the history of Latvian theatre, staged a children's play in Latgalian "Spreideits" and in collaboration with Raimonds Pauls staged a musical-dramatic composition "Paradise", in which the Maestro himself participates.
- A new visual identity has been created, a new website has been developed, where information is now also available in Latgalian.

Main events planned for 2023

- At least 6 productions are planned, seeking new forms and means of expression, preserving Latgalian cultural values and cooperating with theatre professionals from Latvia and abroad.
- New acting course at SBDMV.
- Implementing creative and socially relevant projects in cooperation with the British Embassy in Latvia.
- Promoting the visibility of DT through guest performances in Latvia and abroad.

Main financial objectives

- Ticket revenue, thous. EUR: 70 (achieved: 162).
- Other own revenue, thous. EUR: 6 (achieved: 15.5).
- Total liquidity ratio: 1.45 (achieved: 1.35).
- Proportion of planned own revenue to total revenue, %: 11 (achieved: 9).

Main non-financial objectives

- Number of new productions per year: 6 (achieved: 8).
- Total number of performances per year: 100 (achieved: 111).
- Number of new productions in Latgalian per year: 1 (achieved: 1).
- Number of visits per year, thousand: 10.5 (achieved: 16.6).
- Attendance - hall occupancy, %: 85 (achieved: 89).

Results achieved

- 150% deviation from the net turnover plan was due to cautious planning in the context of the effects of the Covid-19 pandemic, but high audience participation and the absence of epidemiological constraints made it possible to plan and implement an active and broad repertoire policy, which resulted in an increase in both the number of spectators and the number of performances, practically returning to pre-pandemic ticket revenue levels.
- In the reporting year, the DT repertoire included 24 productions of various titles, 25% of which were by Latvian authors.



Governance

Shareholder – **Ministry of Culture**

Representative of Shareholder – **Baiba Zakevica**

Chair of Management Board – **Oļegs Šapošņikovs**

Member of Management Board – **Rita Strode**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	23.6	174.7
Profit/loss	3.3	2.0
EBITDA	47.9	81.2
Total assets	554.4	614.2
Share capital	167.1	167.1
Equity	209.3	211.3
Investment	37.7	65.6
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	497.1	560.2
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	1 585.5	1 838.5

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	13.87	1.15
Return on assets, ROA, %	0.59	0.33
Return on equity, ROE, %	1.56	0.95
Total liquidity indicator	1.45	1.35
Liabilities-to-equity ratio	1.65	1.91

Other indicators

Number of employees	86	91
Average gross remuneration per employee per year, thousand EUR	11.6	12.8
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

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 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 2022

- Due to prolonged construction works, JRT's return to the theatre complex on Lāčplēša iela has been postponed again.
- JRT wins two "Spēlmaņu nakts" awards: actress of the year – Čulpana Hamatova and new actor of the year – Ritvars Logins.
- JRT has rapidly increased the number of new productions without increasing the costs of preparing new productions; 12 premieres have been prepared, which have had a positive impact on achieving high attendance and ticket revenue figures.

Main events planned for 2023

- Relocation of JRT from temporary premises to the renovated theatre complex on Lāčplēša iela.
- Execution of the new productions' plan, both to continue the operation at 58A Miera Street, Riga, and for the productions scheduled to open the renovated theatre complex at 25 Lāčplēša Street, Riga.
- The acquisition of investments in material and technical support through public procurement procedures for the technical equipment of the renovated theatre complex, which will not be included in the scope implemented by the builders.

Main financial objectives

- Profit, thousand EUR: 5 (achieved: 5).
- Ticket revenue, million EUR: 0.7 (achieved: 1.5).
- Own revenue as a percentage of total revenue, % : 28.68 (achieved: 29.62).
- Average annual ticket price, EUR: 22.30 (achieved: 22.99).

Main non-financial objectives

- Number of visitors per year, thousand: 47.4 (achieved: 70.8).
- Total number of performances/concerts per year: 255 (achieved: 315).
- Number of new productions per year: 7 (achieved: 12).

Results achieved

- JRT has completed the reorganisation of the acting troupe, incl. supplementing the troupe with students of the New Riga Theatre acting course at the Latvian Academy of Culture.
- JRT's repertoire policy has been successfully adapted to the economic situation, as well as flexibly responding to delays in the completion of the reconstruction of the Lāčplēša iela theatre building.
- Organisational work on procurement has started for the planned return to the renovated theatre complex at 25 Lāčplēša iela, Riga.

JAUNAIS RĪGAS TEĀTRIS

Miera iela 58a
pie Dzemdību nama

Governance

Shareholder – **Ministry of Culture**

Representative of Shareholder – **Baiba Zakevica**

Member of Management Board – **Gundega Palma**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	534.4	1 521.2
Profit/loss	2.8	5.0
EBITDA	104.8	80.8
Total assets	1 581.2	3 600.6
Share capital	182.8	182.8
Equity	677.3	682.3
Investment	9.3	224.5
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	661.2	948.3
Donations received	15.5	0.0
Donations made	0.0	1.0
Funding received from the state budget	1 763.8	3 707.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.53	0.33
Return on assets, ROA, %	0.18	0.14
Return on equity, ROE, %	0.42	0.74
Total liquidity indicator	1.98	1.15
Liabilities-to-equity ratio	1.12	4.28

Other indicators

Number of employees	75	94
Average gross remuneration per employee per year, thousand EUR	18.8	23.2
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

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

In 1997, the outstanding violinist Gidon Kremer founded the KB Chamber Orchestra, which consisted of outstanding young musicians from three Baltic countries - Latvia, Lithuania and Estonia. Within a few years, this group of talented musicians has developed into one of the best international chamber orchestras in the world and has secured an excellent reputation by performing in the world's most important concert halls. Kremer and KB have toured all over the world, performing on the world's most prestigious festival and concert hall stages.

General strategic objective

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 2022

- The 25th anniversary of the KB and the 75th anniversary of its artistic director Gidon Kremer were celebrated with concerts in the Baltic States and Europe.
- KB's Latvian album "PPP" won the "Golden Microphone" award in the category "Best Classical or Choral Album".
- The album "PPP" has also received international press attention, e.g. <https://www.classical-music.com/reviews/concerto/ppp-gidon-kremer/> and <https://van-magazine.com/mag/album-review-chacon-nakatani-santistevan/>.

Main events planned for 2023

- Concerts in Riga, regions of Latvia and abroad.
- Recording of two new albums. Georgijs Osokins & Kremerata Baltica; Eine andere Winterreise. Gidon Kremer & Kremerata Baltica.
- Participation in international festivals: Glassperlesnspiel in Estonia, Kronberg Festival in Germany, Kremerata Baltica Festival in Dzintari.

Main financial objectives

- Profit, thous. EUR: 1 (achieved: 4.5).
- Other operating income (net), thous. EUR: 595 (achieved: 670).
- Total liquidity ratio: 0.81 (achieved: 1.87).

Main non-financial objectives

- Number of new programmes per year: 7 (achieved: 7).
- Number of concerts per year: 58 (achieved: 45).
- Number of visitors per year, thousand: 27 (achieved: 12.5).

Results achieved

- At the beginning of the reporting year, due to epidemiological warnings of a possible worsening of the Covid-19 pandemic situation in the autumn months and the crisis in Europe caused by Russia's war, many concert organisations cancelled previously planned concerts.
- In cooperation with the Latvian Information Centre and the SKANI record company, successful recordings were circulated internationally.

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

Governance

Shareholder – **Ministry of Culture**

Representative of Shareholder – **Dace Vilsone**

Member of Management Board – **Ingrīda Zemzare**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	320.7	669.6
Profit/loss	0.6	4.5
EBITDA	9.9	12.3
Total assets	85.0	111.3
Share capital	48.0	48.0
Equity	48.5	53.0
Investment	4.7	8.8
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	524.3	334.7
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	523.9	619.4

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.19	0.67
Return on assets, ROA, %	0.73	4.04
Return on equity, ROE, %	1.27	8.47
Total liquidity indicator	1.75	1.54
Liabilities-to-equity ratio	0.75	1.10

Other indicators

Number of employees	27	29
Average gross remuneration per employee per year, thousand EUR	16.8	21.1
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 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. LK is one of the most important components of a country's internal and external cultural marketing.

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 2022

- The Latvian Radio Choir is awarded the Excellence in Culture Award for outstanding performance at national and international level.
- Sinfonietta Rīga Chamber Orchestra gave a concert at the prestigious Concertgebouw concert hall in Amsterdam.
- The Latvian Radio Big Band made recordings of Brazilian composer Carlos Jobim's music in cooperation with musicians from different countries in Sweden, in the former EMI studio, and the programme was performed in Sweden and Latvia.

Main events planned for 2023

- Reproduction of several programmes by LK resident music ensembles in different Latvian cities.
- Provision of additional educational programmes for pre-school and school-age children and young people, aimed at the development of musical diversity, listening traditions and practical skills.
- Providing guest concerts in Latvia by the most outstanding foreign musicians.

Main financial objectives

- Revenue from concert activities (concert tickets), thous. EUR: 200 (achieved: 357).
- Total liquidity ratio: 1.50 (achieved: 1.19).
- Investments in the improvement and renewal of the technical base, thousand EUR: 75 (achieved: 111).

Main non-financial objectives

- Number of concerts per year featuring works by Latvian composers: 103 (achieved: 155).
- Total number of concerts per year by the Sinfonietta Rīga Chamber Orchestra, the Latvian Radio Choir and the Latvian Radio Big Band: 120 (achieved: 133).
- Number of performances of Latvian contemporary original music per year: 10 (achieved: 21).
- Number of concerts for children and young people per year: 40 (achieved: 53).
- Concerts by Latvian artists abroad per year: 15 (achieved: 19).

Results achieved

- Due to resumption of operations after the lifting of Covid-19 restrictions significantly exceeded most of the non-financial targets.
- In the reporting year, the performances postponed due to the previously imposed restrictions were performed, thus the number of concerts per year featuring Latvian composers was exceeded by 49% and the number of performances of Latvian contemporary original music was exceeded by 100%.
- During the reporting period, 238 concerts were organised, including music festivals, cycles, with the participation of foreign and Latvian professional musicians.



LATVIJAS KONCERTI

Governance

Shareholder – **Ministry of Culture**

Representative of Shareholder – **Baiba Zakevica**

Member of Management Board – **Guntars Ķīrsis**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	595.3	830.6
Profit/loss	-11.6	-221.2
EBITDA	48.0	-154.4
Total assets	1 151.1	1 150.2
Share capital	454.6	454.6
Equity	626.3	405.1
Investment	50.3	111.1
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	876.4	1 052.8
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	3 629.8	3 347.4

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-1.95	-26.63
Return on assets, ROA, %	-1.01	-19.23
Return on equity, ROE, %	-1.85	-54.61
Total liquidity indicator	2.63	1.19
Liabilities-to-equity ratio	0.84	1.84

Other indicators

Number of employees	118	116
Average gross remuneration per employee per year, thousand EUR	14.8	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

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 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. During the renovation of the theatre building, performances are held in the Riga Latvian Society House Fireplace Hall (80 seats) and the Great Hall (252 seats).

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 2022

- Large-scale production by the entire creative team of the theatre "Without Morals. With puppets", reviving the tradition of humorous puppet shows for adult audiences established by Tina Herzberg.
- "How Little Brother Rabbit Defeated the Lion" and "The Cat's Feather" were nominated for the "Players' Night" award "Children's Production of the Year".
- Masterclass in puppetry techniques for a troupe of actors by Philippe Gentil company, the world's grand master of puppetry and visual theatre.

Main events planned for 2023

- 12 new productions with an emphasis on creating new, contemporary puppetry and visual theatre content for school-age children, young people and adults.
- Collaboration with leading Latvian directors, artists and composers to create high quality productions.
- Returning to the renovated historic theatre building at 16/18 K. Barona Street, improving the technical facilities of the theatre.
- The theatre's anniversary season programme dedicated to the 80th season of LLT.

Main financial objectives

- Total liquidity ratio: 1.0 (achieved: 1.5).
- Profit, thousand EUR 5.2 (achieved: 1.7).
- Return on equity (ROE), %: 2 (achieved: 0.57).
- Profitability (net profit/turnover), %: 2 (achieved: 0.32).
- Ticket sales revenue, thous. EUR: 346 (achieved: 513).

Main non-financial objectives

- Total number of performances per year: 300 (achieved: 490).
- Number of visits per year, thousand: 30 (achieved: 44).
- Number of new productions per year: 10 (achieved: 9).

Results achieved

- Due to a significant increase in the number of performances and audiences, when all Covid-19 pandemic restrictions were lifted, LLT was able to increase ticket revenues for the year under review (+48% of target).
- LLT's profit was 68% lower than planned due to unforeseen expenses: increased heat and electricity bills, the war in Ukraine, the Covid-19 pandemic and increased rent expenses at the Society House.



Governance

Shareholder – **Ministry of Culture**

Representative of Shareholder – **Baiba Zakevica**

Member of Management Board – **Mārtiņš Eihe**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	196.8	519.5
Profit/loss	7.8	1.7
EBITDA	136.7	131.8
Total assets	481.7	511.3
Share capital	54.3	54.3
Equity	293.4	295.1
Investment	28.4	34.5
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	393.2	653.4
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	1 375.8	1 621.9

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	3.97	0.32
Return on assets, ROA, %	1.62	0.33
Return on equity, ROE, %	2.67	0.57
Total liquidity indicator	1.82	1.50
Liabilities-to-equity ratio	0.64	0.73

Other indicators

Number of employees	83	79
Average gross remuneration per employee per year, thousand EUR	11.5	17.1
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 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

The 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 2022

- New artistic forms for digital concerts were found, 9 digital concerts were organised - 8.7 thousand digital views and 97.6 thousand linear TV views.
- Significant cooperation with Latvian Radio that made recordings and live broadcasts of LNSO concerts, which became particularly important at a time when it was impossible to organise concerts with a live audience.
- During the reporting period, in cooperation with the ONDINE sound recording company, 2 CDs of music by Latvian composers were also recorded.
- Active work continued on educational projects for children in the Leneson cycle and for teenagers and young people in the "Symphonic Hit with Goran Gora" cycle, as well as on a digital set of concerts from this cycle, which is offered to schools as a teaching aid.
- During the summer period, the LNSO actively performed outside Riga - in cooperation with Dzintari Concert Hall, taking part in the Jūrmala Festival, in cooperation with Cēsis Concert Hall, taking part in the Cēsis Art Festival, and in cooperation with Ventspils Concert Hall, the annual festival "LNSO Summer House" was organised.

Main financial objectives

- Profit, thous. EUR: 1.2 (achieved: 5.5).
- Income from ticket sales, thous. EUR: 255 (achieved: 150).
- Other own revenue, thousand EUR: 256 (achieved: 291).

Main non-financial objectives

- Number of new programmes per year: 40 (achieved: 48).
- Number of concerts for children and young people under 17 per year: 15 (achieved: 18).
- Total number of concerts per year: 58 (achieved: 62).
- Number of visitors per year, thousands: 50 (achieved: 23).
- Annual attendance at the concert hall, %: 78 (achieved: 67).

Results achieved

- During the period under review, the LNSO's activities were partly affected by the restrictions imposed by the Covid-19 pandemic in the first half of the year, and since 24 February, by the Russian-led war in Ukraine.
- The impact of the Covid-19 pandemic was assessed as predictably significant in the annual plan, but it declined sharply in the second half of the year and restrictions were no longer in place, so more concerts were planned and performed in the second half of the year, own income increased significantly and the year closed in profit.
- During the reporting year, the renovation of the Great Guild was planned to start, but the process was postponed and the concerts continued in Riga, where the attendance is always higher.



LATVIJAS
NACIONĀLAIS
SIMFONISKAIS
ORĶESTRIS

Governance

Shareholder – **Ministry of Culture**

Representative of Shareholder – **Dace Vilsone**

Member of Management Board – **Indra Lūkina**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	254.1	441.6
Profit/loss	9.0	5.5
EBITDA	46.3	46.2
Total assets	1 033.8	1 131.1
Share capital	175.6	175.6
Equity	299.2	304.7
Investment	87.2	15.3
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	966.4	988.5
Donations received	8.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	2 468.0	2 889.2

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	3.53	1.24
Return on assets, ROA, %	0.87	0.48
Return on equity, ROE, %	2.99	1.79
Total liquidity indicator	0.93	0.95
Liabilities-to-equity ratio	2.45	2.71

Other indicators

Number of employees	133	128
Average gross remuneration per employee per year, thousand EUR	14.7	18.0
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 Nacionālais teātris (LNT)

Reg. No. 40003786149

Web: www.teatris.lv

State ownership 100 %

Related companies and shares:

LNT has no ownership in other capital companies

The 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 2022

- Elmārs Senkovs became the theatre's artistic director, and together with the creative team he has established, will shape the artistic direction for the coming seasons.
- In order to update the development of Latvian original drama, a "fishing" competition for play ideas was organised.
- To support Ukrainian artists, LNT welcomed Ukrainian director Larisa Semirozumenko, who staged the play "Dog House" by Ukrainian playwright Marina Smilanets at the theatre.

Main events planned for 2023

- Artistic direction of LNT's newly established artistic management team (led by E. Senkovs) for the next four seasons.
- Expanding the theatre's reach in the regions of Latvia by offering new guest performances.
- Cooperation with Riga City Council on the extension of the theatre - New Hall (Black Box).

Main financial objectives

- Own revenue, EUR million: 1.13 (achieved: 1.74).
- Income from ticket sales, million EUR: 1 (achieved: 1.44).
- Other own revenue, thous. EUR: 130 (achieved: 294).
- Share of own revenue in total revenue, %: 25 (achieved: 37).

Main non-financial objectives

- Number of new productions per year: 10 (achieved: 10).
- Number of repertoire titles per year: 42 (achieved: 42).
- Number of performances per year: 180 (achieved: 414).
- Number of visitors per year, thousand: 60 (achieved: 76.6).

Results achieved

- Despite the Covid-19 pandemic and the war in Ukraine caused by Russia, and their impact on the theatre's activities and performance indicators, LNT has overall ensured a balanced artistic and financial performance and, in the reporting year, implemented its artistic and economic activities by carrying out the tasks delegated to it by the state administration in accordance with the agreements concluded with the Ministry of Culture on the performance of cultural functions and their financing.
- Number of performances and the total number of visitors increased significantly compared to the previous year due to the lifting of all restrictions related to Covid-19, resulting in a significant positive variance in all financial targets.

LATVIJAS
NACIONĀLAIS
TEĀTRIS

Governance

Shareholder – **Ministry of Culture**

Representative of Shareholder – **Baiba Zakevica**

Member of Management Board – **Jānis Vimba**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	788.7	1 738.5
Profit/loss	7.2	7.7
EBITDA	7.2	7.7
Total assets	1 816.3	2 066.3
Share capital	244.1	244.1
Equity	804.7	842.5
Investment	147.9	87.9
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	1 074.6	1 456.9
Donations received	5.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	3 146.7	3 387.3

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.92	0.45
Return on assets, ROA, %	0.40	0.37
Return on equity, ROE, %	0.90	0.92
Total liquidity indicator	1.19	1.26
Liabilities-to-equity ratio	1.26	1.45

Other indicators

Number of employees	220	181
Average gross remuneration per employee per year, thousand EUR	9.8	15.5
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

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

The 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 2022

- Audience interest returned after two years of restrictions related to the spread of the Covid-19 pandemic and events were held to packed houses at the end of the year.
- The centenary of the Latvian National Ballet was celebrated with an ambitious programme of artistic events.
- LNOB coped with the challenges of the Russian-led war in Ukraine by adapting its repertoire, organising support events for the Ukrainian people, introducing energy efficiency measures and maintaining financial stability in the face of soaring resource prices.

Main events planned for 2023

- Five new productions are planned – 3 operas and 2 ballets.
- Continue to ensure the financial stability of the LNOB in a changing economic situation, balancing available funding with controlled costs.
- Continue the investments planned in the LNOB strategy to ensure the sustainability of its artistic and economic activities.

Main financial objectives

- Net turnover to total income, %: 17 (achieved: 20).
- Investments to depreciation ratio, %: 140 (achieved: 114).
- Total liquidity ratio: 1.5 (achieved: 1.7).

Main non-financial objectives

- Number of new productions (large forms) per year: 5 (achieved: 5).
- Number of visitors to events against maximum capacity, %: 52 (achieved: 82).
- Number of titles in the repertoire per year: 35 (achieved: 38).

Results achieved

- In the reporting year, the financial and non-financial targets for 2022 of the LNOB's medium-term operational strategy 2022-2026 were achieved.
- Five new opera and ballet productions were staged in the Great Hall and the diverse repertoire attracted the interest of the audience.
- The financial soundness of the economic activity and the investment in sustainability are reflected in the total liquidity ratio and the level of investments in relation to depreciation.



Governance

Shareholder – **Ministry of Culture**

Representative of Shareholder – **Nauris Puntulis**

Chair of Management Board - **Egils Siliņš**

Members of Management Board – **Inese Eglīte, Sandis Voldiņš**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	894.1	3 119.2
Profit/loss	18.3	165.5
EBITDA	960.2	1 604.4
Total assets	24 541.6	24 410.3
Share capital	16 566.8	16 566.8
Equity	17 595.1	17 760.6
Investment	1 000.0	1 641.7
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	3 260.0	4 488.5
Donations received	58.6	151.6
Donations made	0.0	0.0
Funding received from the state budget	11 363.4	11 772.6

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	2.04	5.31
Return on assets, ROA, %	0.07	0.68
Return on equity, ROE, %	0.10	0.93
Total liquidity indicator	1.51	1.65
Liabilities-to-equity ratio	0.39	0.37

Other indicators

Number of employees	550	555
Average gross remuneration per employee per year, thousand EUR	12.7	14.8
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

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



The LSO's mission is to create and offer to the public a refined and authentic sound of quality symphonic music that enlightens, strengthens and educates people, thus together creating a more beautiful Latvia and a better world. The orchestra promotes the creativity of Latvian composers and nurtures the world's classical music heritage, enriching the musical tradition of Kurzeme and delighting audiences throughout Latvia.

General strategic objective

To preserve and develop the national and world cultural heritage in the field of symphonic music by staging diverse symphonic music 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 2022

- Guntis Kuzma was recruited as a chief conductor and artistic director.
- Guntis Kuzma's debut concert in his new capacity received the annual Kilograms of Culture Award.
- The festivals "Rimbenieks", "Liepāja International Star Festival" and "Liepāja Sounds at Rundāle Palace" were triumphant.

Main events planned for 2023

- Concert season at the concert hall "Lielais Dzintars", Latvian concert tour, recordings, concerts at the concert halls "Gors", "Latvija" and "Dzintari".
- Participation in the festivals "Rimbenieks", "Liepāja Sounds at Rundāle Castle", "Liepāja Summer" and "Liepāja International Star Festival".
- Development of the orchestra's artistic programme for the celebrations of Liepāja - European Capital of Culture in 2027 and Liepāja's quadricentenary in 2025.

Main financial objectives

- Net turnover (own revenue), thous. EUR: 260 (achieved: 280).
- % of planned other own revenue to turnover: 54 (achieved: 49).
- Profit, thousand EUR: 0.2 (achieved: 80).
- Total liquidity ratio: 0.73 (achieved: 1.61).

Main non-financial targets

- Total number of concerts per year: 62 (achieved: 73).
- Annual number of visits, thousand: 30 (achieved: 37).
- Number of new productions/ new programmes per year: 25 (achieved: 45).
- Number of CD recordings per year: 2 (achieved: 6).

Results achieved

- The total number of concerts due to the Rimbenieks Festival established in 2021 is higher than planned, as well as a 200% increase in the number of concerts outside Liepāja, which is attributable to the Latvian concert tour and increased cooperation with regional cultural institutions.
- Concert attendance has been restored, own revenues are at pre-crisis levels, and profits fully cover losses for 2021.
- Overall liquidity ratio increased due to the increase of the Ministry of Culture target grants, municipal co-financing and ticket revenues compared to the planned level, including the increase of 34% in state budget grants and the Ministry of Culture target funding.
- Increased cooperation with music educational institutions with the aim of creating a full-fledged educational and professional music art cluster in Liepāja, expanding the content and geography of children and youth concerts, creating a new generation of listeners.

Governance

Shareholder – **Ministry of Culture**

Representative of Shareholder – **Baiba Zakevica**

Member of Management Board – **Uldis Lipskis**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	136.2	280.3
Profit/loss	-44.5	80.0
EBITDA	-15.7	113.5
Total assets	483.7	599.5
Share capital	210.3	210.3
Equity	176.8	256.8
Investment	13.9	62.1
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	593.7	718.4
Donations received	0.0	2.0
Donations made	0.0	0.0
Funding received from the state budget	2 240.7	2 382.6

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-32.63	28.55
Return on assets, ROA, %	-9.19	13.35
Return on equity, ROE, %	-25.14	31.16
Total liquidity indicator	1.31	1.61
Liabilities-to-equity ratio	1.74	1.33

Other indicators

Number of employees	99	100
Average gross remuneration per employee per year, thousand EUR	14.6	17.2
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 Mihaila Čehova Rīgas Krievu teātris (MČRKĻ)

Reg. No. 40003793653

Web: www.mct.lv

State ownership 100%

Related companies and shares:

MČRKĻ has no ownership in other capital companies

The 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. MČRKĻ 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.

Most important events in 2022

- Several nominations for the Night of Players have been received, including the winner of the Children's and/or Teenagers' Play of the Year nomination - "Doctor Aikāsāp".
- The 140th Anniversary Season is launched, and the first edition of the Theatre Anniversary Magazine is published.
- Cooperation with Hansa Platform was established with the dramatic concert "Here it is!", staged in response to the war waged by the Russian Federation in Ukraine.

Main events planned for 2023

- Opening of a new stage platform for children and young people and the relaunch of the theatre studio "Challenge".
- Establishment of the discussion platform "Without a dot on the i" in cooperation with the portal LSM.lv, raising open conversations on uncomfortable and sensitive topics in a society divided by opinions and beliefs.
- Director Laura Groza and playwright Artūrs Diķis to join the Theatre Collective, adding sharply political plays to the repertoire.
- Opening of the Theatre Gallery.

Main financial objectives

- Own revenue, million EUR: 1.77 (achieved: 1.39).
- Own revenue as % of total revenue: 49 (achieved: 37.3).
- Own revenue as a percentage of total expenditure: 49 % (37.4 achieved).
- Average ticket price, EUR: 20 (achieved: 20.67).
- 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, thous. EUR: 22.8 (achieved: 154).

Main non-financial objectives

- Number of new productions per year: 7 (achieved: 8).
- Number of performances per year: 400 (achieved: 334).
- Number of visits per year, thousand: 101 (achieved: 66).
- Attendance of permanent auditoriums, %: 80 (achieved: 77.5).
- Number of titles in the repertoire per year: 40 (achieved: 43).

Results achieved

- 8 new productions, 8 guest performances in Latvia, 11 performances removed for repertoire renewal.
- An additional EUR 5 406 was raised as part of the 80% ticket reimbursement (SCCF).
- The financial situation has been kept stable, a general reduction in energy consumption has been implemented in anticipation of the rapid increase in energy costs, and the improvements in the material and technical base planned in the medium-term operational strategy of the MČRKĻ have been implemented, ensuring quality stage equipment and management.



Governance

Kapitāla daļu turētājs – **Kultūras ministrija**

Kapitāla daļu turētāja pārstāve – **Dace Vilsone**

Valdes locekle – **Dana Bjorka**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	354.1	1 390.0
Profit/loss	69.9	19.2
EBITDA	120.6	87.7
Total assets	936.1	1 214.8
Share capital	139.1	139.1
Equity	405.5	392.5
Investment	58.3	160.2
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	659.9	924.5
Donations received	13.6	21.6
Donations made	0.0	0.0
Funding received from the state budget	2 069.5	2 364.2

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	19.75	1.38
Return on assets, ROA, %	7.47	1.58
Return on equity, ROE, %	17.25	4.90
Total liquidity indicator	1.08	0.93
Liabilities-to-equity ratio	1.31	2.09

Other indicators

Number of employees	115	124
Average gross remuneration per employee per year, thousand EUR	12.6	16.7
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 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

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 2022

- Return to the RC's historic building at 4 Merķeļa Street, Riga, after the completion of construction works and commissioning as part of the energy efficiency project.
- Resumption of active performances and circus school after the Covid-19 pandemic.
- The development of the circus school focused not on attracting new students but on artistic development, including for the first time a large-scale student performance.
- After a break of almost ten years, the tradition of the Christmas tree was revived in the RC arena and the Christmas novelty show "Christmas Dust" was created.
- The RC continued its active participation in leading international circus industry networks and took part in 10 international projects, the most important of which is the project "Circus for the Climate", supported by the EEA Grants.

Main events planned for 2023

- Equipping of the RC building with stands, stage equipment and spectators' room equipment within the framework of the CFLA programme under specific support objective 5.5.1 "Preserve, protect and develop significant cultural and natural heritage and related services".
- A season of varied contemporary circus performances in the renovated circus arena and organisation of the summer festival Re Rīga!
- Intensive work on the development of the respective industry in cooperation with international partners will continue.

Main financial objectives

- Own revenue, thous. EUR: 348 (achieved: 328).
- Share of own revenue in total revenue, %: 45 (achieved: 22).
- Total liquidity ratio: 2 (achieved: 0.7).

Main non-financial objectives

- Number of titles per year: 9 (achieved: 10).
- Number of performances per year: 26 (achieved: 31).
- Number of students (children and adults) per year continuously involved in the circus school: 136 (achieved: 119).
- Participation in international cooperation projects per year: 8 (achieved: 10).
- Masterclasses organised for professional development per year: 5 (achieved: 7).

Results achieved

- The financial targets set by the RC have been overall met, but the deviation in revenue is due to unrealised projects postponed to 2023.
- The RC's non-financial targets have been met and some indicators exceeded with a positive deviation, due to the Christmas show in the circus building at the end of the reporting year, which increased both the income and the number of performances and consequently the number of visitors.
- The expansion of the circus outings and the development of the room rental activity led to a significant increase in own income.



Governance

Shareholder – **Ministry of Culture**

Representative of Shareholder – **Dace Vīlsona**

Member of Management Board – **Māra Pāvula**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	41.4	186.5
Profit/loss	-51.3	4.4
EBITDA	36.2	82.7
Total assets	2 764.8	6 558.4
Share capital	58.6	58.6
Equity	39.8	44.3
Investment	1 392.8	3 728.7
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	118.8	928.0
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	1 941.3	464.6

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-123.91	2.37
Return on assets, ROA, %	-1.85	0.07
Return on equity, ROE, %	-128.63	9.99
Total liquidity indicator	2.21	0.67
Liabilities-to-equity ratio	68.39	147.15

Other indicators

Number of employees	21	24
Average gross remuneration per employee per year, thousand EUR	9.9	9.6
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 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 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 2022

- Reconstruction works have been temporarily suspended (VNĪ's (State Real Estate company) decision to terminate the contract with the builder).
- The jury of "Spēlmaņu nakts" (Latvian Theatre Awards) evaluated the best productions and individual performances of the Latvian theatre season and VDT received the highest number of nominations - 18, out of which 4 awards and the "Great Music Awards" prize were awarded at the "Spēlmaņu nakts 2021/ 2022" awards ceremony.
- In cooperation with Valmiera Municipality and thanks to the financial support of the Ministry of Culture, a contemporary art space "Kurtuve" with a Black box stage and comfortable audience seats was opened in Valmiera, where theatre performances will be staged alongside the Round Hall for the next two years.

Main events planned for 2023

- Completion of the second phase of the reconstruction of the theatre building and start of the third phase.
- Implementation of international projects (performances) in cooperation with Estonian artists.
- Implementation of VDT's 100th anniversary season productions, taking into account the lengthy reconstruction works, the existence of one auditorium and the extensive touring schedule.

Main financial objectives

- Profit, thous. EUR: 0.24 (achieved: 12).
- Ticket sales revenue, thous. EUR: 657 (achieved: 610).
- Other own revenue, thous. EUR: 87 (achieved: 27).

Main non-financial objectives

- Number of new productions per year: 11 (achieved: 11).
- Total number of performances per year: 320 (achieved: 322).
- Number of visitors per year, thousand: 57.6 (achieved: 39.6).
- Number of guest performances in Latvian regions per year: 50 (achieved: 147)

Results achieved

- VDT was able to achieve most of its financial and non-financial targets, as the lifting of restrictions on the fight against the Covid-19 pandemic enabled VDT to increase the number of performances, including 194% more touring performances than planned in the various regions of Latvia in the year under review.
- The positive performance of the financial targets was facilitated by the Ministry of Culture investments in the new contemporary art space "Kurtuve" and VNĪ investments in the material and technical base of the future Black Box Hall of the theatre building.



Governance

Shareholder – **Ministry of Culture**

Representative of Shareholder – **Dace Vilsone**

Member of Management Board – **Evita Ašeradena**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	231.7	637.5
Profit/loss	10.0	12.1
EBITDA	105.5	88.7
Total assets	962.9	1 522.7
Share capital	233.9	233.9
Equity	368.1	380.2
Investment	36.1	424.6
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	602.5	718.6
Donations received	19.2	19.0
Donations made	0.0	0.0
Funding received from the state budget	1 579.8	1 808.4

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	4.32	1.90
Return on assets, ROA, %	1.04	0.79
Return on equity, ROE, %	2.72	3.18
Total liquidity indicator	1.19	0.92
Liabilities-to-equity ratio	1.62	3.01

Other indicators

Number of employees	115	110
Average gross remuneration per employee per year, thousand EUR	10.4	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

SLLC Valsts Akadēmiskais koris "Latvija" (VAKL)

Reg. No. 40003373761

Web: www.koris.lv

State ownership 100 %

Related companies and shares:

VAKL has no ownership in other capital companies

VAKL 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 2022

- The 25th International Festival of Sacred Music was successfully held and the festival concert with conductor Krista Audere is nominated for the Great Music Prize.
- The realisation of the commissioned choral chamber opera for children "Ej nu Ej" by composer Laura Jēkabsonē and librettist Mārtiņš Meiers (12 performances in total).
- A CD of Sacred Choral Works by Polish composer Paweł Łukaszewski was released by the Ondine sound house in cooperation with the Polish Ministry of Culture and the Adam Mickiewicz institute. In cooperation with the Estonian label ERR, a CD of J. Brahms' German Requiem was released.

Main events planned for 2023

- Continued cooperation with national concert organisations and municipalities in Latvia.
- Maintaining international competitiveness - plans to start and renew cooperation with the Elbe Philharmonic in Hamburg (Germany), the Estonian national concert orchestra Eesti Concert, the Bavarian State Symphony Orchestra (Germany), the Duisburg Symphony Orchestra (Germany), the Hong Kong Symphony Orchestra and to give concerts in Vilnius.
- For the high quality of the concerts VAKL has been invited to collaborate again with LNSO, LSO, LNOB.

Main financial objectives

- Revenues from ticket sales, thous. EUR: 6 (achieved: 11.05).
- Net cash flow from investing activities, thous. EUR: 4 (achieved: 12.61).
- Profit or loss, thousand EUR: 2.2 (achieved: 2.41).

Main non-financial objectives

- Total number of concerts per year: 20 (achieved: 42).
- Number of concerts abroad per year: 5 (achieved: 5).
- Number of concerts in Riga per year: 9 (achieved: 29).

Results achieved

- After the Covid-19 pandemic, the VAKL successfully resumed its concert activities, with the number of concerts performed in the reporting year exceeding the planned number by 110%, as well as resumed its activities outside Latvia, performing abroad - in Germany, Estonia, Lithuania, Belgium.
- The expansion of concert opportunities increased the number of concerts in Latvia and abroad, increasing ticket revenues, which were 84% higher than planned in the reporting year.



Governance

Shareholder – **Ministry of Culture**

Representative of Shareholder – **Dace Vilsone**

Member of the Management Board – **Māris Ošlejs**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	116.7	163.5
Profit/loss	1.0	2.4
EBITDA	1.5	3.5
Total assets	270.4	246.3
Share capital	32.0	32.0
Equity	85.8	88.2
Investment	11.2	8.5
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	424.1	487.7
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	1 213.7	1 366.6

Principal financial indicators, % and coefficients

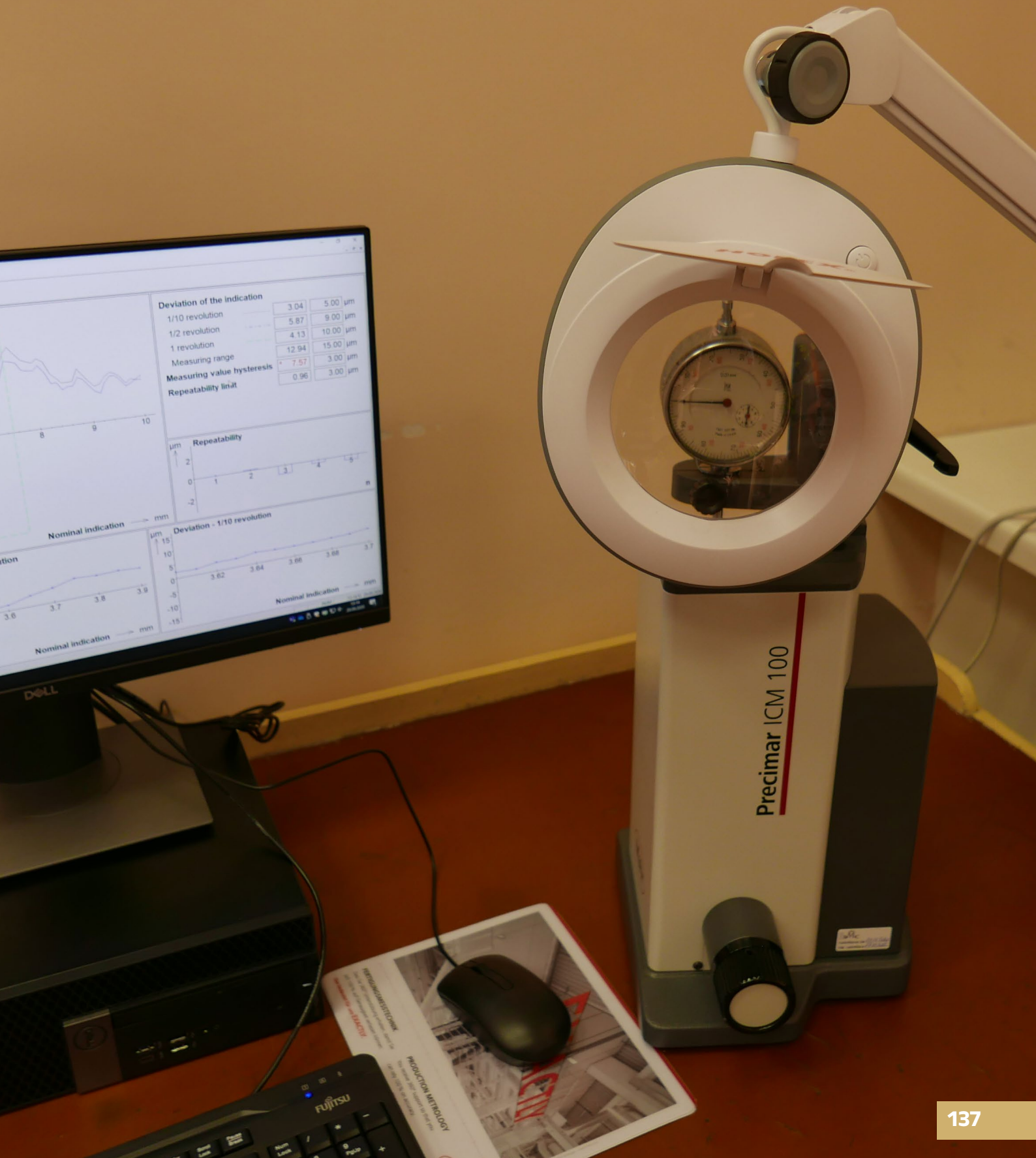
Profit and turnover ratio, %	0.85	1.47
Return on assets, ROA, %	0.37	0.98
Return on equity, ROE, %	1.15	2.73
Total liquidity indicator	1.57	1.62
Liabilities-to-equity ratio	2.15	1.79

Other indicators

Number of employees	65	65
Average gross remuneration per employee per year, thousand EUR	13.0	14.8
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

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 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.

Most important events in 2022

- LNMC maintains its leading position in the metrology services market, both in terms of turnover and accredited scope.
- LNMC's turnover increased by 8%.
- The Research and Development Council of the LNMC has been launched and two studies have been carried out, which will enable the company to offer new services in the near future.

Main events planned for 2023

- Offer new services to customers, such as verification of average speed control systems.
- Carry out a study on the metrological control system for electric car charging stations in the European Union and the need to introduce it in Latvia.
- Start work on projects to improve the energy efficiency of the laboratory building and to develop an automatic control system for the laboratory.

Main financial objectives

- Normalised EBITDA, EUR: 46 973 (achieved: 113 820).
- Normalised profit or loss, EUR: 0 (achieved: 52 342).
- Net turnover from new services, thousand EUR: 50 (achieved: 240.8).

Main non-financial objectives

- Participate in the drafting of 3 binding sectoral laws and regulations (achieved: 3).
- Participate in at least 3 interlaboratory comparative measurement programmes accredited or declared in accordance with the standard 17043 (achieved: 6).
- National type measuring instruments validated: 20 (achieved: 23).
- Modernise existing measurement processes in the field of geometric services: 3 (achieved: 3).
- Provide calibration services using the National Physical Units Benchmark Database: 10 (Achieved: 13).

Results achieved

- LNMC made a profit of EUR 52 342 in the year under review. Net turnover increased by EUR 109 231 or 8% and gross profit increased by 82%, due to an increase in revenue from the development and sale of new services as well as process and workforce optimisation measures.
- In 2022, the LNMC has worked successfully to meet the targets set for the non-financial objectives of the strategy. Of the 31 targets, 28 have been fully met and 3 have been partially met.



Governance

Shareholder – **Ministry of Economics**

Representative of Shareholder – **Zaiga Liepiņa**

Member of Management Board – **Kaspars Paupe**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	1 413.1	1 510.7
Profit/loss	-92.0	52.3
EBITDA	-37.7	113.8
Total assets	1 294.2	1 353.1
Share capital	889.9	889.9
Equity	1 059.4	1 111.8
Investment	339.4	133.9
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	668.7	619.1
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	151.8	151.3

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-6.51	3.46
Return on assets, ROA, %	-7.11	3.87
Return on equity, ROE, %	-8.69	4.71
Total liquidity indicator	2.31	2.37
Liabilities-to-equity ratio	0.22	0.21

Other indicators

Number of employees	65	51
Average gross remuneration per employee per year, thousand EUR	11.4	12.5
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	57.4	5.9
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

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

The Latvian Standard (LVS) is the national standardization institution, which implements national standardisation policies and develops the functioning of the standardization 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 organisations.

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 2022

- International seminar "Environmental Sustainability in Construction" organised at the Ogre Library.
- Implementation of the training programme "Practical use of Building Information Modelling (BIM) in design and construction processes" (1 162 construction professionals).
- Renewal of data centre infrastructure. Development of IT infrastructure and continuity of services (cloud computing of the e-shop).
- 114 standards translated (3 895 pages), including 71 standards translated (2 934 pages) in the European standards translation project.
- Quality management system monitoring audit carried out in accordance with ISO 9000:2015.

Main events planned for 2023

- Development of the information system "Latvian Standards Management System".
- Development, implementation and maintenance of new services.
- Development of the neural machine translation infrastructure and improvement of translation quality.
- Ensuring transfer of competences and knowledge in development cooperation and other international projects.

Main financial objectives

- Net turnover, thousands EUR: 33 (achieved: 327).
- Total liquidity ratio: 2.20 (achieved: 2.50).
- Liabilities to equity: 0.45 (achieved: 0.55).

Main non-financial objectives

- Adapted European standards, %: 100 (achieved: 100).
- Users registered in the Standardisation Information System: 2 200 (achieved: 2 234).
- Number of experts from Latvian Technical Committees for Standardisation (STC), number of delegations received per year: 8 (achieved: 37).
- Translation of standards processed using the translation industry's technological solution, %: 100 (achieved: 100).

Results achieved

- 1 782 standards registered. 12 national standards, 1 amendment to a national standard and 2 national annexes to standards developed and registered.
- 63 meetings of STCs and working groups organised. 37 new experts recruited to the STC.
- Standardisation services were provided to 7 348 persons (legal and natural).
- 469 terms were compiled, harmonised and published (areas: lighting, lifts, low-voltage equipment).



Governance

Shareholder – **Ministry of Economics**

Representative of Shareholder – **Zaiga Liepiņa**

Member of Management Board – **Ingars Pilmanis**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	358.2	327.1
Profit/loss	22.0	4.1
EBITDA	51.6	33.7
Total assets	476.4	398.7
Share capital	11.5	11.5
Equity	253.4	257.6
Investment	3.6	26.5
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	254.0	276.1
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	532.6	560.6

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	6.14	1.26
Return on assets, ROA, %	4.62	1.04
Return on equity, ROE, %	8.69	1.60
Total liquidity indicator	2.06	2.49
Liabilities-to-equity ratio	0.88	0.55

Other indicators

Number of employees	18	18
Average gross remuneration per employee per year, thousand EUR	23.1	28.2
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: latvijaradio.lsm.lv

State ownership 100%

Related companies and shares:

LR has no ownership in other capital companies

Latvian Radio (LR) is a public mass media with the widest range of programs and the largest audience in Latvia, which ensures the achievement of the public good goals set in the public service remit in the areas of society and democracy, culture, education and creativity development.

General strategic objective

To strengthen the democratic system of Latvia, freedom of expression and the sense of belonging 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 Administration Thereof and other laws.

Main events in 2022

- As part of the development of audio services in the digital environment, the Radio Latvia mobile app will be available to everyone from spring 2022.
- The most important projects are the modernisation of the Radio 1 recording studio and the replacement of the analogue console with a digital one, as well as the start of the renovation and replacement of the windows in the Radio 2 recording studio.
- The coverage and technical support of the war in Ukraine and the wide range of issues related to it has been by far the most challenging and complex of all aspects.

Main events planned for 2023

- The operation of Latvian Radio in 2023 and beyond depends on the political decisions regarding the entry into force of the Concept on the establishment and operation of a merged public electronic media and the Concept on the change of the funding model for public electronic media.
- In the area of content, the challenge in 2023 will be the coverage of the war in Ukraine and its financing.
- Coverage of the XXVII Latvian Song and XVII Latvian Dance Festivals.

Main financial objectives

- Liabilities to equity, %: ≤ 0.8 (achieved: 0.68).
- EBITDA margin, %: ≥ 2 (achieved: 1.11).
- Total liquidity ratio: ≥ 0.8 (achieved: 0.56).

Main non-financial objectives

- LR market share (AQH share), %: 35.10 (achieved: 35.02).
- LR listenership (Reach): 747 477 (achieved: 751 290).
- Facebook (Reach): 13 792 241 (achieved: 17 293 624).
- Twitter (impressions): 16 674 253 (achieved: 7 254 000).
- YouTube (views): 1 445 659 (achieved: 2 943 051).

Results achieved

- Decrease in the financial results is due to the deviation from the planned results, where the main impact is the loss for the year, as a small profit was planned. Although the overall liquidity ratio has decreased, it is considered satisfactory and does not represent a liquidity risk. Content produced by Latvijas Radio on social networks and audio streaming platforms is increasing significantly. For example, the average number of streams per month on podcast platforms has doubled compared to 2021.



Latvijas
Radio

Governance

Shareholder – **Public Electronic Mass Media Council**

Representatives of Shareholder – **Jānis Siksnis,**

Sanita Upleja-Jegermane, Jānis Eglītis

Chair of Management Board – **Una Klapkalne**

Members of Management Board - **Sanita Dika-Bokmeldere,**
Ģirts Helmanis

Principal financial indicators, thousand EUR

	2021	2022
Turnover	11 068.2	12 783.2
Profit/loss	-165.9	-293.9
EBITDA	225.9	141.8
Total assets	7 239.1	7 790.4
Share capital	1 854.7	1 854.7
Equity	5 019.9	4 625.3
Investment	708.4	1 102.1
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	2 641.1	3 277.6
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	10 889.6	12 156.1

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-1.50	-2.30
Return on assets, ROA, %	-2.29	-3.77
Return on equity, ROE, %	-3.31	-6.35
Total liquidity indicator	0.85	0.56
Liabilities-to-equity ratio	0.44	0.68

Other indicators

Number of employees	287	292
Average gross remuneration per employee per year, thousand EUR	20.8	22.7
Gender representation in management, f/m	3/0	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 is a SOE, which performs the statutory function of public electronic media. It operates within the framework of public service remit, creating a wide and diverse range of programs in the public interest and its needs on two linear 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, the Law on Public Electronic Mass Media and Administration Thereof and other laws.

Most important events in 2022

- LTV1 is the most-watched TV channel in the country for the second year in a row.
- Russia's invasion of Ukraine significantly adjusted the content schedule throughout 2022.
- In 2022, LTV created the position of Editor-in-Chief and established a Board of Directors with three members.

Main events planned for 2023

- Successful preparation of the company for the planned merger of the public service media.
- Successful participation in the development of a new funding model for public service media.
- Audience attraction on digital platforms and retention on linear channels.

Main financial objectives

- Own revenue from operating activities, including broadcasting of advertising, thousand EUR: 500 (achieved: 1 718).
- Profit or loss, thousand EUR: 10 (achieved: 267).
- EBITDA margin: $\geq 8\%$ (achieved: 9.55%).
- Overall liquidity ratio: ≥ 1.05 (achieved: 1.15).

Main non-financial targets

- LTV (LTV1 and LTV7) consolidated (with archive) share of linear TV viewing time in SOV, %: 15.2 (achieved: 16.1).
- Satisfaction of content users with the overall quality of content:
 - LTV, %: 49 (achieved: 59);
 - LSM, %: 54 (achieved: 60).
- Facebook LTV news service, number of followers: 182 000 (achieved: 196 329).
- bernistaba.lsm.lv average number of unique visitors per month: 14 000 (reached: 17 098).

Results achieved

- Steady increase in the results of the public good research.
- LTV has managed to maintain a very good operating result with a positive net profit in a context of rising inflationary pressure.

**LATVIJAS
TELEVĪZIJA**



Governance

Shareholder – **National Electronic Mass Media Council**

Representatives of Shareholder – **Jānis Siksnis, Sanita Upleja-Jegermane, Jānis Eglītis**

Member of Management Board – **Ivars Priede**

Members of Management Board – **Kaspars Odiņš, Eliza Bērziņa**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	25 460.9	28 427.5
Profit/loss	326.1	267.4
EBITDA	2 450.7	2 714.8
Total assets	17 941.4	15 647.4
Share capital	4 837.4	4 837.4
Equity	7 967.7	8 235.1
Investment	3 138.5	903.8
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	6 073.3	6 450.2
Donations received	164.8	265.3
Donations made	0.0	0.0
Funding received from the state budget	24 042.0	25 536.6

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	1.28	0.94
Return on assets, ROA, %	1.82	1.71
Return on equity, ROE, %	4.09	3.25
Total liquidity indicator	1.15	0.83
Liabilities-to-equity ratio	1.17	0.83

Other indicators

Number of employees	519	517
Average gross remuneration per employee per year, thousand EUR	21.1	21.5
Gender representation in management, f/m	0/1	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	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

Former: SLLC Kultūras un sporta centrs Daugavas stadions (until 27.09.2022)

The main objective of the Latvian National Sports Centre is to ensure the management and development of the sports facilities of the Latvian National Sports Centre, providing conditions for the training of athletes, high-level sports and cultural events, as well as to provide the population with the opportunity to engage in organised physical activities using the facilities offered by the sports centres.

General strategic objective

To ensure the management and development of the national sports facilities - Daugava Stadium, Sigulda Bobsleigh and Luge 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 2022

The main event for the LNSC in 2022 is the completion of the reorganisation process, as a result of which three capital companies - LLC Tenisa Centrs "Lielupe", LLC Bobsleja un kamanīņu trase "Sigulda" and LLC Sporta centrs "Mežaparks" were added to SLLC "Culture and Sports Centre "Daugavas stadions", and the name was changed to LLC "Latvian National Sports Centre" after the reorganisation.

Main events planned for 2023

- Completion of the construction of the multifunctional athletics arena.
- Organisation of the construction process of the team sports hall.
- Completion of the reconstruction of the Central Sports Ground.
- Completion of the reconstruction of the training pitches for athletics and football.
- Streamlining of sports facilities operations, both in terms of revenue maximisation and cost optimisation following the reorganisation of the capital company.

Main financial objectives

- Net turnover, thous. EUR: 570 (achieved: 1 833).
- Profit or loss, thousand EUR: -360 (achieved: -95.2).

Main non-financial objectives

- Start the construction of a multifunctional athletics arena (not achieved).
- Start the construction of the central sports ground (not achieved).
- Start the construction of a team sports hall (not achieved).
- Start the construction of athletics training ground and football training ground (not achieved).

Results achieved

- The 2022 net turnover target was achieved and net turnover was 222% higher than planned, due to the addition of 3 capital companies and an increase in ice rink rental revenues.
- The 2022 profit or loss target was met and the loss was 74% lower than planned, due to the receipt of additional grants to offset the increase in energy costs and the fulfilment of obligations in connection with legal proceedings (to the Saga Fund).



Governance

Shareholder – **Ministry of Education and Science**

Representatives of Shareholder – **Edgars Severs**

Chair of Management Board – **Daniēls Nātriņš**

Member of Management Board – **Ieva Zunda**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	529.1	1 833.3
Profit/loss	-399.2	-95.2
EBITDA	567.4	485.1
Total assets	41 076.6	99 736.1
Share capital	12 491.1	26 158.8
Equity	9 488.4	56 479.4
Investment	2 930.8	301.8
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	128.4	539.5
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	421.5	962.2

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-75.45	-5.19
Return on assets, ROA, %	-0.97	-0.10
Return on equity, ROE, %	-4.21	-0.17
Total liquidity indicator	1.51	7.00
Liabilities-to-equity ratio	3.33	0.77

Other indicators

Number of employees	26	63
Average gross remuneration per employee per year, thousand EUR	12.0	13.4
Gender representation in management, f/m	0/1	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	no	no
Non-financial statement, yes or no	no	no

SLLC Rīgas Tūrisma un radošās industrijas tehnikums (RTRIT)

Reg. No. 40003480798

Web: www.rtrit.lv

State ownership 100 %

Related companies and shares:

RTRIT has no ownership in other capital companies

RTRIT is a vocational secondary education institution implementing training programmes in Nīcgaļes street 26, Rīga, A.Deglava street 41A, Rīga and Sporta street 1, 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.

General strategic objective

Not approved.

Most important events in 2022

- Theoretical and practical training fully delivered on-site and remotely (if needed).
- Several mobilities for learners and teachers realised.
- Participation of learners in professional competitions ensured.
- Modernisation of infrastructure for an inclusive and safe environment, accessibility and compliance of classrooms with modern requirements and the implementation of a high readiness project - the reconstruction of the dormitory at 41B A.Deglava Street, Rīga.

Most important events planned for 2023

- Commissioning of the dormitory at 41B A.Deglava Street, Rīga and purchase of equipment for the premises.
- Involving learners in writing scientific research papers.
- Establishing two learning enterprises (with Junior Achievement).
- Approving the strategy for 2023-2027.

Main financial objectives

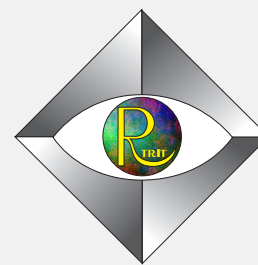
- To implement the project for the reconstruction of the teaching block and the workshop block at 41A Augusta Deglava Street, Rīga, and the reconstruction of the dormitory at 41B Augusta Deglava Street, Rīga, thousand EUR: 3 871 (achieved: 987.6).
- Erasmus+ and mobility projects implemented, thous. EUR: 727.5 (achieved: 727.5).
- Own revenue, thous. EUR: 507.3 (achieved: 521.3).

Main non-financial objectives

- Number of students enrolled (state budget financing): 712 (achieved: 680).
- Total number of students admitted (state budget financing) as of 31.12.2022: 1 775 (achieved: 1 696).
- Number of graduating students (state budget financing): 365 (achieved: 322).
- ESF project "Support for early school leaving reduction" (agreement No SAM 8.3.4.0/16/I/001), number of individual plans: 363 (achieved: 298).

Results achieved

- Activities of the project No 8.3.5.0/16/I/001 "Career Support in General and Vocational Education Institutions" have been fully implemented and the project has been completed.
- Own revenue increased by EUR 300 637 compared to 2021.
- Number of talented pupils (participation in competitions, Olympiads) reached 2% of the pupil population.
- Enrolments in adult education programmes increased by 233 %.



Governance

Shareholder – **Ministry of Education and Science**

Representative of Shareholder – **Santa Šmidlere**

Member of the Management Board – **Ilze Ločmane**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	6 143.3	6 419.2
Profit/loss	20.7	4.8
EBITDA	301.8	263.8
Total assets	25 235.9	26 450.3
Share capital	7 348.3	8 088.9
Equity	7 426.3	8 158.5
Investment	4 867.0	1 065.3
Dividends paid to state budget	38.6	13.3
Contributions made to the state and local government budget	2 317.9	2 114.8
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	5 869.8	5 919.9

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	0.34	0.07
Return on assets, ROA, %	0.08	0.02
Return on equity, ROE, %	0.28	0.06
Total liquidity indicator	1.43	2.27
Liabilities-to-equity ratio	2.40	2.24

Other indicators

Number of employees	276	265
Average gross remuneration per employee per year, thousand EUR	12.4	14.1
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

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:

KS Overkill Ventures Fund I AIF, LV 100 %

KS Buildit Latvia Pre-Seed Fund AIF, LV 100 %

KS Commercialization Reactor Pre-seed Fund, LV 100 %

KS INEC 1, LV 75 %

KS INEC 2, LV 90 %

KS Overkill Ventures Fund II AIF, LV 80 %

KS Buildit Latvia Seed Fund AIF, LV 80 %

KS Commercialization Reactor Seed Fund, LV 80 %

KS ZGI-4 AIF, LV 60 %

KS FlyCap Mezzanine Fund II, LV 60 %

KS Baltcap Latvia Venture Capital Fund, LV 67 %

KS Imprimatur Capital Technology Venture Fund, LV 67 %

Likvidējamā KS Imprimatur Capital Seed Fund, LV 100 %

KS ZGI-3, LV 95 %

KS FlyCap Investment Fund, LV 95 %

KS Expansion Capital fund, LV 95 %

Baltic Innovation Fund, LU 20 %

KS AIF "Altum kapitāla fonds" 48.9 %

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 2022

- ALTUM received the Latvian Corporate Governance Award 2022 in the nomination "Risk Management Strategist", presented by the Corporate Governance Advisory Council, Nasdaq Riga and the Financial and Capital Market Commission.
- In 2022, ALTUM received a Platinum rating, the highest category in the Sustainability Index.
- On 16 December 2022, the international credit rating agency Moody's Investors Service reaffirmed ALTUM's Baa1 long-term credit rating with a stable outlook, which means that there are no corporations in Latvia with a higher rating.

Main events planned in 2023

- The main objective is to ensure the growth of ALTUM's portfolio, while maintaining a positive return on equity and efficiency, through the implementation of state support programmes.
- Successful implementation of the Mechanism of Recovery and Resilience Fund financing programmes.
- Implementation of the financial instruments to mitigate the consequences of the Russian-led war in Ukraine and operational adjustment of the programme conditions.
- Implementation of the Pillar Assessment.
- Particular attention to the environmental, social and corporate governance aspects.

Main financial objectives

- Return on equity (ROE), %: ≥ 0.13 (achieved: 2.9).
- Profit, thousand EUR: 9 166 (achieved: 11 484).
- Shareholders' equity, million EUR 405 (achieved: 396).

Main non-financial objectives

- New business volumes (with grants), million EUR: 373 (achieved: 358).
- Gross portfolios at year-end (with grants), million EUR: 1 112 (achieved: 1 065).
- Moody's credit rating no more than two notches below the rating assigned to the Latvian State (Baa1 achieved, one notch below the rating assigned to the Latvian State 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 Council – **Līga Kļaviņa**

Members of Supervisory Council – **Jānis Šnore, Ilze Baltābola**

Chair of Management Board – **Reinis Bērziņš**

Members of Management Board – **Jēkabs Krieviņš, Inese Zīle, Ieva Jansone-Buka**

Principal financial indicators, thousand EUR

	2021*	2022
Turnover	22 890.0	17 617.0
Profit/loss	13 829.0	11 484.0
EBITDA	14 764.0	12 347.0
Total assets	976 204.0	1 099 588.0
Share capital	204 862.0	204 862.0
Equity	440 736.0	395 983.0
Investment	821.0	412.0
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	4 021.7	4 789.4
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	71 059.0	50 665.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	60.42	65.19
Return on assets, ROA, %	1.42	1.04
Return on equity, ROE, %	3.14	2.90
Total liquidity indicator	2.01	1.69
Liabilities-to-equity ratio	1.14	1.66

Other indicators

Number of employees	226	239
Average gross remuneration per employee per year, thousand EUR	26.7	28.1
Gender representation in management, f/m	4/4	4/3
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	no	no

* Consolidated data..

Results achieved

- Key financial objective achieved: positive return on equity through public support programmes. Financial target exceeded.
- Key non-financial objective successfully achieved: to support and facilitate access to finance for business and to contribute to the development of the economy.
- Sekmīgi īstenots galvenais nefinanšu mērķis: atbalstīt un veicināt finanšu pieejamību uzņēmējdarbībā un sekmēt tautsaimniecības attīstību.

SJSC Latvijas Loto (LL)

Reg. No. 40003083998

Web: www.latloto.lv

State ownership 100%

Related companies and shares:

LLC Latloto nams 100%

Latvijas Loto (LL, in English – Latvia Loto) is a state-owned 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. The majority of profits of the SOE goes 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.

Most important events in 2022

- Ensuring that LL's operations meet the industry's international safety, quality and Responsible Gaming standards.
- Certified as Platinum by the Sustainability Index.
- Continued participation in the State Revenue Service's Advanced Cooperation Programme as a Gold Participant.
- Latvijas Loto was awarded 2nd prize in the European Lottery Association's European Innovation Award for its sports support lotteries - Sporta Loterija and Sporto Visi, unique game principle and connection to the state's public benefit objective.

Main events planned for 2023

- Complete the implementation of the new national central lottery data processing system.
- Organise at least 3 national lotteries with public benefit objectives defined by the Latvian Government.
- Review and improve the lottery product portfolio and game elements, ensuring a share of new/innovated products >5%.
- Improve customer service processes, including the introduction of a customer service tool. Ensure customer satisfaction index >76.

Man financial objectives

- Net turnover, million EUR 64.8 (achieved: 79).
- Net profit, million EUR: EUR 8.5 (achieved: 13.2).
- Net profit margin, %: >10 (achieved: 16.4).
- Return on equity, %: >35 (achieved: 49).
- EBITDA margin, %: >20 (achieved: 25.7).

Main non-financial objectives

- Ensure compliance of LL's operations with quality, safety and social responsibility (Responsible Gaming) standards - ISO 9001, ISO 27001, WLA/SCS, EL/RG, WLA/RGF and regulatory requirements (achieved: external surveillance audits of ISO 9001, ISO/IEC 27001 and WLA/SCS).
- Customer satisfaction index, %: >75 (achieved: 91.5).
- Organise at least three national lotteries with a public benefit purpose (achieved: Simtgades loterija, Sporta loterija and Sporto visi.).
- Review and improve the product portfolio and game elements. Proportion of new/innovated products, %: >5 (achieved 10.7).
- Availability of a national lottery central system, %: >98.5 (achieved: 99.99).

Results achieved

- Financial and non-financial objectives were met, including wide availability of products at POS (982 LOTO terminals in operation as of 31.12.2022) and on the online trading channel latloto.lv (99.91% availability). As part of the product portfolio review and development, 4 new national scratch cards and 6 new interactive lotteries were introduced, as well as an innovated international numbers lottery Eurojackpot..



Governance

Shareholder – **Ministry of Finance**

Representative of Shareholder – **Baiba Bāne**

Chair of Supervisory Council – **Kārlis Ketners**

Members of Supervisory Council – **Antra Duntava, Ingars Eriņš**

Chair of Management Board – **Edgars Ledīņš**

Members of Management Board – **Jolanta Jērāne, Jānis Pone**

Principal financial indicators, thousand EUR

	2021*	2022*
Turnover	65 325.3	79 047.8
Profit/loss	12 710.0	13 248.4
EBITDA	17 255.9	20 335.0
Total assets	29 956.9	36 705.1
Share capital	1 400.0	1 400.0
Equity	22 057.6	27 110.2
Investment	671.4	2 209.3
Dividends paid to state budget	13 814.6**	9 155.0***
Contributions made to the state and local government budget	23 065.3	19 134.9
Donations received	0.0	0.0
Donations made	42.0	46.1
Funding received from the state budget	0.0	0.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	19.46	16.76
Return on assets, ROA, %	42.43	36.09
Return on equity, ROE, %	57.62	48.87
Total liquidity indicator	22.24	14.59
Liabilities-to-equity ratio	0.05	0.08

Other indicators

Number of employees	121	127
Average gross remuneration per employee per year, thousand EUR	22.7	26.3
Gender representation in management, f/m	2/4	2/4
Annual report in accordance with IFRS (yes/no)	no	no
Expenditure and/or capital investment in R&D, thousand EUR	534.0	1 928.7
Report on corporate governance, yes or no	ye	yes
Non-financial statement, yes or no	yes	yes

* Consolidated data.

** The indicator includes EUR 7 614 549 of dividends (use of public capital) calculated and paid for 2020 and EUR 6 200 005 of early tax payments to cover the use of public capital payment in 2021.

*** The indicator includes the above-mentioned early tax payments

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

Latvijas Proves birojs (LPB, in English – Hallmark Office of the Republic of Latvia) is a SOE which ensures protection of the 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.

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 2022

- Despite the Covid-19 restrictions and the impact of the Russia-Ukraine war on the market for precious metals, precious stones and their products, LPB has secured a financially successful year and the continued availability of the service.
- LPB has commenced a premises development project, the refurbishment of the building at 7 Vecpilsētas Street, Riga, creating a modern testing and customer service environment.
- In 2022, LPB has made a donation of EUR 10 000 to Ukraine to ensure the continuity of Ukraine's international cooperation and integration process in the areas of market surveillance of precious metal products.

Main events planned in 2023

- To continue the project for the reconstruction of the premises, ensuring the preparation of a construction plan and the start of construction work.
- To continue the improvement of the LPB technical processes, ensuring the transition to instrumental testing methods by the end of 2024.
- To ensure effective international cooperation through participation in the work of the Convention on Testing and Sealing of Precious Metal Products.

Main financial objectives

- Net turnover, thous. EUR: 536 (achieved: 929.7).
- Profit, thous. EUR: 5 (achieved: 286,5).
- EBITDA, thous. EUR: 70 (achieved: 363,9).

Main non-financial objectives

- Sealed, hallmarked and precious metal products, thous. pieces: 680 (achieved: 968.2).
- Tested precious stone articles, thous. pieces tested: 34 (achieved: 84.4).
- Precious metal melt composition and conformity assessment of products to product safety requirements – X-ray scanned products and emission measurements, thous. pieces: 250 (achieved: 250).

Results achieved

- Non-financial targets and their indicators have been met.
- Financial targets have been met, with gross margin, EBITDA and return on assets significantly higher than expected.
- The highest profit rate in the history of the company has been achieved.



LATVIJAS PROVES BIROJS

Governance

Shareholder – **Ministry of Finance**

Representative of Shareholder – **Baiba Bāne**

Chair of Management Board – **Pēters Brangulis**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	687.2	929.7
Profit/loss	116.3	286.5
EBITDA	187.2	363.6
Total assets	1 067.3	2 253.5
Share capital	836.3	1 714.3
Equity	1 015.2	2 179.8
Investment	86.9	128.7
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	188.3	241.5
Donations received	0.0	0.0
Donations made	0.0	10.0
Funding received from the state budget	86.7	86.7

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	16.92	30.82
Return on assets, ROA, %	10.89	12.72
Return on equity, ROE, %	11.45	13.15
Total liquidity indicator	14.35	13.78
Liabilities-to-equity ratio	0.04	0.03

Other indicators

Number of employees	17	18
Average gross remuneration per employee per year, thousand EUR	15.3	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	128.7
Report on corporate governance, yes or no	no	no
Non-financial statement, yes or no	no	no

LV (in English – Latvia’s Messenger) is the official publisher of the Republic of Latvia, which implements the state policy in the field of official publications and systematisation of the information contained therein and provides a unified platform of state, civil and legal information by promoting the understanding of individuals of the rights and obligations established by the regulatory enactments, as well as public participation and the quality of regulatory enactments.

General strategic objective

To ensure the operation of a sustainable, universally 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 2022

- Activities under the project "Satversme 100" were implemented, including the publishing of a pocket-sized edition of the Constitution with additional comments and illustrations for secondary school pupils "Satversme kabatā"⁹⁸, the book magazine "Jurista Vārds"⁹⁹ with 51 essays on concepts included in the Constitution, the publication of the video film "Atver Satversmi"¹⁰⁰ with the participation of 122 Latvian lawyers, the creation of a new thematic section "Satversme"¹⁰¹ on the LV portal.
- An important innovation for Latvian lawyers has been prepared by adding related judgments of the Court of Justice of the EU to the opening pages of the website "likumi.lv".
- A new thematic section "Support to Ukrainian civilians" has been created on "likumi.lv" to make all thematic legislation of the Republic of Latvia related to support to Ukraine available in a single place.

Main events planned in 2023

- To maintain the level of all essential services provided in line with the quality criteria.
- To implement the task assigned by the Cabinet of Ministers to take over and to maintain the POLSIS database of policy planning documents at www.likumi.lv.
- To ensure the coverage of information in the information space on issues related to money laundering and the prevention of the financing of terrorism and proliferation, including regulatory enforcement issues.

Main financial objectives

- Earnings before interest, taxes, depreciation and amortisation (EBITDA), EUR: - 65 553 (achieved: 47 339).
- Return on equity (ROE), %: -18.9 (achieved: -2.3).
- Total liquidity ratio: 2,2 (achieved: 2,2)

Main non-financial objectives

- Number of actual users of the information e-services provided by LV in an average month: 370 000 (achieved: 399 536).
- Number of real users of the official publication ("vestnesis.lv") on average per month: 65 000 (reached: 126 239).
- Number of actual users of the law systematisation website "likumi.lv" on average per month: 235 000 (achieved: 250 469)
- The average number of real users of the portal "Cilvēks. Valsts. Likums"¹⁰² (website "lvportals.lv") per month: 250 000 (achieved: 275 292).
- Average number of actual users of the website "juristavards.lv" per month: 15 000 (reached: 16 752).

Governance

Shareholder – **Ministry of Justice**

Representative of Shareholder – **Mihails Papsujevičs**

Chairperson of Management Board – **Daina Ābele**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	2 080.1	2 361.2
Profit/loss	-158.8	-17.4
EBITDA	-84.2	47.4
Total assets	1 226.8	1 287.1
Share capital	711.4	711.4
Equity	760.1	742.7
Investment	73.0	81.9
Dividends paid to state budget	39.2	0.0
Contributions made to the state and local government budget	716.7	740.8
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	1 894.6	2 216.0

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-7.63	-0.74
Return on assets, ROA, %	-12.94	-1.35
Return on equity, ROE, %	-20.89	-2.34
Total liquidity indicator	2.33	2.17
Liabilities-to-equity ratio	0.61	0.73

Other indicators

Number of employees	65	65
Average gross remuneration per employee per year, thousand EUR	21.6	22.4
Gender representation in management, f/m	1/1	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.

98 In English – "The Constitution in Pocket"

99 In English – "Lawyer's word"

100 In English – "Open the Constitution"

101 In English – "The Constitution"

102 In English – "Man. State. Law"

SLLC Latvijas Vides, ģeoloģijas un meteoroloģijas centrs (LVĢMC)

Reģ. Reg. No. 50103237791

Web: www.lvģmc.lv

State ownership 100%

Related companies and shares:

LVĢMC has no ownership in other companies

LVĢMC'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 2022

- Effective implementation of digital solutions, providing customers with access to electronic services and digital information, achieving a customer satisfaction rating of 84% and a 12% increase in visitors to the Environmental Data and Systems Portal.
- Successful implementation of environmental, climate, digitisation projects with external funding, 3 projects completed, improving management of surface and groundwater resources.
- Continued studies of the Salaspils nuclear reactor, development of a construction project for the decommissioning and dismantling of the nuclear reactor, development of a construction project for the Radons radioactive waste storage vessel.

Main events planned in 2023

- Development of environmental monitoring and observation infrastructure in Latvia under the Cohesion Policy programme. Preparation and implementation of research and innovation projects to improve access to water resources management, climate, ground and meteorological data, attracting EU and foreign funding.
- Digitisation activities of the National Geological Foundation and development of the subsurface information system.
- Ensuring the availability of open datasets, publishing new open datasets for forecasts and warnings.

Main financial objectives

- Earnings before interest, taxes, depreciation and amortisation (EBITDA), thous. EUR: 507.4 (achieved: 764).
- Total liquidity ratio: 1.6 (achieved: 1.1).
- Net cash flow from investing activities, thousand EUR: -2 742 (achieved: -977).
- Return on equity (ROE), %: -9,2 (achieved: -10,3).

Main non-financial objectives

- Hazardous waste accepted for disposal, t: 350 (achieved: 646).
- Number of biocidal products permits issued: 25 (achieved: 24).
- Number of orders for laboratory services in the fields of environmental quality, radiation testing and calibration of measuring instruments: 4 700 (achieved: 4 663).
- Promote customer satisfaction: % of respondents satisfied with the services provided by the LVĢMC: 95 (achieved: 83).

Results achieved

Financial targets are partially met, non-financial targets largely met.



LATVIJAS VIDES, ĢEOLOĢIJAS
UN METEOROĢIJAS CENTRS

Governance

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

Representative of the Shareholder – **Edvīns Balševics**

Chairman of Management Board – **Egils Zariņš**

Member of Management Board – **Sigita Škapare**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	8 486.7	8 469.0
Profit/loss	-231.9	-844.3
EBITDA	1 121.6	764.0
Total assets	27 588.9	28 847.9
Share capital	27 151.0	27 151.0
Equity	9 055.3	8 211.0
Investment	4 215.0	1 213.8
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	2 414.0	2 424.3
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	9 213.0	7 078.6

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-2.73	-9.97
Return on assets, ROA, %	-0.84	-2.93
Return on equity, ROE, %	-2.56	-10.28
Total liquidity indicator	0.85	1.11
Liabilities-to-equity ratio	2.05	2.51

Other indicators

Number of employees	241	252
Average gross remuneration per employee per year, thousand EUR	16.6	16.6
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

LLC Publisko aktīvu pārvaldītājs Possessor (Possessor)

Reģ.Reg. No. 40003192154

Web: www.possessor.gov.lv

State ownership 100%

Related companies and shares:

LLC FeLM 100%

LLC REAP 100%

JSC Reverta in liquidation 96.89%

Possessor (in English – Public Asset Manager "Possessor") is the leading seller of real estate and shares in the state, as well as the sole manager of public apartment estates in Latvia. Possessor is engaged in the management of distressed assets (subsidiaries). Possessor and its subsidiaries own and hold assets in the amount of about EUR 180 million.

General strategic objective

Ensuring professional management of state-owned capital shares and problematic assets, as well as disposal and privatisation of assets held by the SJC Privatizācijas aģentūra" (Possessor), which are not necessary for the exercise of state functions.

Main events in 2022

- The Cabinet of Ministers, at its meeting of 14 July 2022, adopted Regulation No 459 "Regulations on Support for the Construction of Residential Rental Housing under the European Union's Recovery and Resilience Mechanism Plan, Reform 3.1 and Investment 3.1.1.4.i. of the Regional Policy Investment Axis "Establishment of a Financing Fund for the Construction of Low-Rent Housing", under which Possessor is entrusted with the function of monitoring low-rent housing.

Main events planned for 2023

- Continue efforts to attract and develop new directions of activity.
- Approval of Possessor's medium-term operational strategy 2023-2025.
- To conclude 132 purchase agreements for public assets worth EUR 2.40 million and to make at least EUR 1.20 million worth contributions to state and local budgets.

Main financial objectives

- Statutory deductions, million EUR: 1.4 (achieved: 1.8).
- Normalised profit, thousand EUR: 86.2 (achieved: 1 240.5).

Main non-financial objectives

- Number of purchase contracts concluded: 191 (achieved: 237).
- Value of purchase contracts concluded, million EUR 2.0 (achieved: 2.4).
- Contributions to the State and local government budgets, million EUR 1.1 (achieved: 4.7).
- Number of unprivatised objects held by Possessor (decrease): 166 (164 achieved).

Results achieved

- In 2022, Possessor has exceeded one and achieved two out of a total of four non-financial targets set for 2022, as well as exceeded the financial target.

Publisko aktīvu pārvaldītājs

Possessor

Governance

Shareholder – **Ministry of Economics**

Representative of Shareholder – **Edmunds Valantis**

Chair of Management Board – **Andris Gādmanis**

Members of Management Board – **Marina Podvinska, Kaspars Kociņš**

Principal financial indicators, thousand EUR

	2021*	2022*
Turnover	7 687.7	2 724.7
Profit/loss	227.5	1 240.5
EBITDA	326.4	1 361.2
Total assets	27 650.3	24 317.3
Share capital	446 064.9	446 064.9
Equity	10 355.1	11 587.8
Investment	91.9	74.5
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	1 890.1	789.2
Donations received	0.00	0.00
Donations made	0.00	0.00
Funding received from the state budget	0.00	0.00

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	2.96	45.53
Return on assets, ROA, %	0.82	5.10
Return on equity, ROE, %	2.20	10.71
Total liquidity indicator	5.65	13.19
Liabilities-to-equity ratio	1.60	1.04

Other indicators

Number of employees	58	52
Average gross remuneration per employee per year, thousand EUR	25.2	25.5
Gender representation in management, f/m	2/1	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

* Consolidated data.

LLC Vides investīciju fonds (VIF)

Reg. No. 40003339615

Web: www.lvif.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 to finance environmentally friendly projects by pooling local and foreign financial resources. The main activities of VIF are the development of ESCO projects, the supervision and monitoring of the implementation of projects financed by the Climate Change Financial Instrument and the Emission Allowances Auction Instrument, and the promotion of public awareness of environmental 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 2022

- Successful launch of support to citizens in programmes financed by the Emission Allowances Auction Instrument:
 - o Support for the purchase of zero-emission and low-emission vehicles;
 - o Support for the use of renewable energy sources in households.
- Projects prepared with the participation of VIF have been approved under the Horizon2020 programme:
 - o Smart Performance Management for Efficient, Sustainable and Inclusive Energy (FORTESIE);
 - o A European Common Energy Data Space Framework for data sharing across energy services and beyond (ENERSHARE).

Main events planned for 2023

- Financing of ESCO projects on energy efficiency in street lighting.
- Implementation of projects approved under Horizon2020.
- Monitoring the implementation of projects financed by the Emission Allowances Auction Instrument and development of new tenders.
- Launch of the Modernisation Fund.

Main financial objectives

- Turnover (administration of CPFI/EAAI projects), thous. EUR 436.6 (achieved: 266.4).
- Return on assets (ROA), %: 0.00 (achieved: -1.6).
- Profit or loss, EUR 229 (achieved: -103 000).
- Shareholders' equity, EUR million: 6,1 (achieved: 5,97).

Main non-financial objectives

- Number of ESCO projects implemented: 6 (0 achieved).
- Volume of EAAI resources administered, million EUR: 80 (achieved: 85).
- Number of project contracts concluded in EAAI: 200 (achieved: 4 142).
- New cross-border projects prepared: 4 (achieved 1).



Governance

Shareholder – **Ministry of Climate and Energy**

Representative of Shareholder – **Līga Kurevska**

Chair of Management Board – **Andris Kēniņš**

Principal financial indicators, thousand EUR

	2021	2022
Turnover	161.4	272.3
Profit/loss	-96.5	-103.0
EBITDA	-92.6	-92.6
Total assets	6 519.6	6 422.6
Share capital	6 299.3	6 299.3
Equity	6 073.9	5 970.9
Investment	0.0	11.6
Dividends paid to state budget	0.0	0.0
Contributions made to the state and local government budget	92.8	146.3
Donations received	0.00	0.00
Donations made	0.00	0.00
Funding received from the state budget	155.96	246.79

Principal financial indicators, % and coefficients

Profit and turnover ratio, %	-59.77	-37.83
Return on assets, ROA, %	-1.48	-1.60
Return on equity, ROE, %	-1.59	-1.73
Total liquidity indicator	11.12	11.16
Liabilities-to-equity ratio	0.07	0.08

Other indicators

Number of employees	11	17
Average gross remuneration per employee per year, thousand EUR	20.5	17.5
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

Annex 1.

State-Owned Enterprises, State-Owned Shares, State-Owned Enterprises and Companies under Decisive Influence of the State (31.12.2022)

No.	Reg. No.	Name of capital company	Sector	Turnover, 2022, EUR '000	Profit/loss, 2022, EUR '000	Total 31.12.2022, EUR '000	Proportion of shares, holder or owner	Supplementary information
State-Owned Enterprises								
1	40003032949	JSC Latvenergo (group)	Energy	1 841 801.0	183 874.0	3 855 330.0	100 % Ministry of Economics	
2	40003466281	JSC Latvijas valsts meži (consolidated)	Forestry	566 722.5	242 227.8	757 380.0	100 % Ministry of Agriculture	
3	40003575567	JSC Augstsprieguma tīkls (consolidated)	Energy	351 131.6	16 159.8	1 276 496.7	100 % Ministry of Finance	As of 14.02.2023 Ministry of Climate and Energy is 100% shareholder
4	40003032065	SJSC Latvijas dzelzceļš (consolidated)	Transport	254 788.0	-2 368.0	853 629.0	100 % Ministry of Transport	
5	40003951628	LLC Rīgas Austrumu klīniskā universitātes slimnīca	Health care	221 528.7	-1 287.1	220 606.7	100 % Ministry of Health	Does not prepare a consolidated report ¹⁰³ .
6	40003457109	SLLC Paula Stradiņa klīniskā universitātes slimnīca	Health care	176 861.1	-1 761.9	236 940.4	100 % Ministry of Health	
7	40003052790	SJSC Latvijas Pasts	Communications	100 008.8	2 209.6	129 297.0	100 % Ministry of Transport	
8	40003083998	SJSC Latvijas Loto (consolidated)	Other	79 047.8	13 248.4	36 705.1	100 % Ministry of Finance	
9	40003356530	SJSC Latvijas autoceļu uzturētājs	Transport	78 489.2	1.4	66 747.9	100 % Ministry of Transport	
10	40003457128	SLLC Bērnu klīniskā universitātes slimnīca	Health care	77 658.5	179.7	98 714.6	100 % Ministry of Health	
11	40003028055	SJSC Starptautiskā lidosta "Rīga"	Transport	57 924.5	286.5	172 607.2	100 % Ministry of Transport	
12	40003345734	SJSC Ceļu satiksmes drošības direkcija	Transport	52 747.2	6 570.6	55 955.9	100 % Ministry of Transport	
13	40003567907	JSC Pasażieru vilciens	Transport	52 242.0	604.2	84 407.1	100 % Ministry of Transport	
14	40003294758	SJSC Valsts nekustamie īpašumi	Real estate management	46 283.1	4 392.5	423 400.2	100 % Ministry of Finance	
15	40003080597	SLLC Latvijas televīzija	Public Electronic Mass Media	28 427.5	267.4	15 647.4	100 % National Electronic Mass Media Council	
16	50003342481	SLLC Rīgas Psihiatrijas un narkoloģijas centrs	Health care	25 410.0	559.5	29 996.2	100 % Ministry of Health	
17	40003011203	SJSC Latvijas Valsts radio un televīzijas centrs	Communications	25 216.1	5 580.9	190 800.0	100 % Ministry of Transport	

¹⁰³ Does not prepare a consolidated annual report for 2021 on the basis of Section 66 of the Law on Annual Accounts and Consolidated Annual Accounts.

No.	Reg. No.	Name of capital company	Sector	Turnover, 2022, EUR '000	Profit/loss, 2022, EUR '000	Total 31.12.2022, EUR '000	Proportion of shares, holder or owner	Supplementary information
18	40003410729	SLLC Traumatoloģijas un ortopēdijas slimnīca	Health care	24 602.1	209.1	15 708.4	100 % Ministry of Health	
19	50003407881	SLLC Daugavpils psihoneiroloģiskā slimnīca	Health care	22 543.1	338.0	32 107.6	100 % Ministry of Health	
20	40003273900	SLLC Nacionālais rehabilitācijas centrs "Vaivari"	Health care	20 903.5	656.0	25 249.2	100 % Ministry of Health	
21	40003038621	SJSC Latvijas gaisa satiksme	Transport	19 270.3	-4 523.6	35 635.6	100 % Ministry of Transport	
22	40003344207	SLLC Latvijas Valsts ceļi	Transport	19 240.6	182.9	8 808.4	100 % Ministry of Transport	
23	50103744891	JSC Attīstības finanšu institūcija Altum	Other	17 617.0	11 484.0	1 099 588.0	40 % Ministry of Finance, 30 % Ministry of Economics un 30 % Ministry of Agriculture	
24	40003080614	SLLC Latvijas radio	Public Electronic Mass Media	12 783.2	-293.9	7 790.4	100 % National Electronic Mass Media Council	
25	40003338357	SLLC Zemkopības ministrijas nekustamie īpašumi	Real estate management	12 087.6	18.6	16 518.0	100 % Ministry of Agriculture	
26	40003407396	SLLC Slimnīca "Ģintermuīža"	Health care	11 727.1	536.0	16 004.3	100 % Ministry of Health	
27	50003408181	SLLC Strenču psihoneiroloģiskā slimnīca	Health care	9 113.8	353.8	10 343.8	100 % Ministry of Health	
28	40003334410	SJSC Tiesu namu aģentūra	Real estate management	9 045.3	330.7	85 499.7	100 % Ministry of Justice	
29	50103237791	SLLC Latvijas Vides, ģeoloģijas un meteoroloģijas centrs	Other	8 469.0	-844.3	28 847.9	100 % Ministry of Environmental Protection and Regional Development	
30	40003021907	SJSC Elektroniskie sakari	Communications	8 344.0	117.3	13 610.8	100 % Ministry of Environmental Protection and Regional Development	
31	40003480798	SLLC Rīgas Tūrisma un radošās industrijas tehnikums	Education	6 419.2	4.8	26 450.3	100 % Ministry of Education and Science	
32	40003343729	SLLC Piejūras slimnīca	Health care	5 151.3	327.3	10 375.2	100 % Ministry of Health	
33	40003022705	SLLC Latvijas Jūras administrācija	Transport	5 147.9	544.9	5 654.8	100 % Ministry of Transport	
34	40003429317	SLLC Autotransporta direkcija	Transport	4 121.7	429.0	4 922.7	100 % Ministry of Transport	
35	40103836785	LLC Eiropas dzelzceļa līnijas	Transport	3 900.9	-108.6	6 041.7	100 % Ministry of Transport	
36	40103208907	SLLC Latvijas Nacionālā opera un balets	Culture	3 119.2	165.5	24 410.3	100 % Ministry of Culture	
35	40103836785	LLC Eiropas dzelzceļa līnijas	Transport	3 900.9	-108.6	6 041.7	100 % Ministry of Transport	
36	40103208907	SLLC Latvijas Nacionālā opera un balets	Culture	3 119.2	165.5	24 410.3	100 % Ministry of Culture	
37	40003783138	SLLC Dailes teātris	Culture	3 051.7	6.0	3 107.0	100 % Ministry of Culture	
38	40003400059	SLLC Iekšlietu ministrijas poliklinika	Health care	2 993.0	2.0	917.0	100 % Ministry of the Interior	
39	40003192154	JSC Publisko aktīvu pārvaldītājs Possessor (consolidated*)	Other	2 724.7	1 240.5	24 317.3	100% Ministry of Economics	
40	40203235757	JSC Ventas osta	Transport	2 639.7	10.3	496.8	100 % Ministry of Transport	

No.	Reg. No.	Name of capital company	Sector	Turnover, 2022, EUR '000	Profit/loss, 2022, EUR '000	Total 31.12.2022, EUR '000	Proportion of shares, holder or owner	Supplementary information
41	50003000771	SLLC Šampētera nams	Real estate management	2 558.9	0.9	5 932.7	100 % Ministry of Welfare	
42	40003113794	SLLC Latvijas Vestnesis	Other	2 361.2	-17.4	1 287.1	100 % Ministry of Justice	
43	44103017181	SLLC Bērnu psihoneiroloģiskā slimnīca "Ainaži"	Health care	1 931.5	26.8	4 338.5	100 % Ministry of Health	
44	50003140671	LLC Latvijas Nacionālais sporta centrs	Sport	1 833.3	-95.2	99 736.1	100 % Ministry of Education and Science	Until 27.09.2022. SLLC Kultūras un sporta centrs Daugavas stadions. On 27.09.2022, by merging added LLC Sporta centrs "Mežaparks", LLC Bobsleja un kamanīņu trase "Sigulda" and LLC Tenisa centrs "Lielupe"
45	40003786149	SLLC Latvijas Nacionālais teātris	Culture	1 738.5	7.7	2 066.3	100 % Ministry of Culture	
46	40003094953	SLLC Jaunais Rīgas teātris	Culture	1 521.2	5.0	3 600.6	100 % Ministry of Culture	
47	40003435328	LLC Latvijas Nacionālais metroloģijas centrs	Other	1 510.7	52.3	1 353.1	100 % Ministry of Economics	
48	40003793653	SLLC Mihaila Čehova Rīgas Krievu teātris	Culture	1 390.0	19.2	1 214.8	100 % Ministry of Culture	
49	40103264961	SLLC Latvijas Proves birojs	Other	929.7	286.5	2 253.5	100 % Ministry of Finance	
50	40003374610	SLLC Latvijas Koncerti	Culture	830.6	-221.2	1 150.2	100 % Ministry of Culture	
51	40003487546	SLLC KREMERATA BALTICA	Culture	669.6	4.5	111.3	100 % Ministry of Culture	
52	44103038376	SLLC Valmieras drāmas teātris	Culture	637.5	12.1	1 522.7	100 % Ministry of Culture	
53	40003782984	SLLC Latvijas Leļļu teātris	Culture	519.5	1.7	511.3	100 % Ministry of Culture	
54	50003017621	SLLC Meliorprojekts	Other	487.9	-4.7	74.0	100 % Ministry of Agriculture	
55	40003373615	SLLC Latvijas Nacionālais simfoniskais orķestris	Culture	441.6	5.5	1 131.1	100 % Ministry of Culture	
56	40203084591	LLC Latvijas standarts	Other	327.1	4.1	398.7	100 % Ministry of Economics	
57	42103049403	SLLC Liepājas simfoniskais orķestris	Culture	280.3	80.0	599.5	100 % Ministry of Culture	
58	40003339615	SLLC Vides investīciju fonds	Other	272.3	-103.0	6 422.6	100 % Ministry of Environmental Protection and Regional Development	As of 01.01.2023. Ministry of Climate and Energy is 100% shareholder
59	40003027789	SLLC Rīgas cirks	Culture	186.5	4.4	6 558.4	100 % Ministry of Culture	
60	41503037608	SLLC Daugavpils teātris	Culture	174.7	2.0	614.2	100 % Ministry of Culture	
61	40003373761	SLLC Valsts Akadēmiskais koris "Latvija"	Culture	163.5	2.4	246.3	100 % Ministry of Culture	
62	40003342456	LLC Lielstraupes pils	Health care	0.0	-23.2	2.5	100 % Ministry of Health	

State-Owned Enterprises effectively controlled by the State

63	40003245752	JSC Air Baltic Corporation (consolidated)	Transports	495 455.0	-54 219.0	1 158 922.0	97,97 % Satiksmes ministrija	
64	40003052786	LLC "Tet" (group)	Communications	326 656.0	25 779.0	381 666.0	51 % LLC Publisko aktīvu pārvaldītājs Possessor	
65	40003347699	LLC Latvijas Lauku konsultāciju un izglītības centrs	Agriculture	12 945.4	13.1	6 050.7	99,32 % Ministry of Agriculture	

No.	Reg. No.	Name of capital company	Sector	Turnover, 2022, EUR '000	Profit/loss, 2022, EUR '000	Total 31.12.2022, EUR '000	Proportion of shares, holder or owner	Supplementary information
66	40003258973	LLC Ludzas medicīnas centrs	Health care	4 550.5	399.4	9 750.7	57.94648 % Ministry of Health	

Capital companies with direct State ownership of 20% to 50% (including)

67	40003286750	JSC Rīgas siltums (consolidated)	Energy	216 318.6	6 359.2	330 673.7	48.99500 % Ministry of Economics, 0.005% Latvenergo	Other shareholders: 49 % Rīgas dome, 2 % SIA "Enerģijas risinājumi. RIX"
68	41203024801	LLC Starptautiskā Rakstnieku un tulkotāju māja	Real estate management	5.3	-0.2	99.8	33.33 % Ministry of Culture	

Capital companies with direct State ownership up to 20%

69	40003000642	JSC Latvijas Gāze (consolidated)	Energy	702 604,0	25 824,0	379 012,0	0.00029 % Ministry of Economics	
70	40003044346	JSC Rīgas sanitārā transporta autobāze (consolidated)	Other	26 259.7	822.4	35 575.2	10.07 % LLC Publisko aktīvu pārvaldītājs Possessor	Financial data for 2020 ¹⁰⁴ .
71	40003034263	JSC Ceļu pārvalde (consolidated)	Other	25 932.8	840.9	22 703.7	0.93 % LLC Publisko aktīvu pārvaldītājs Possessor	Non-voting shares. The 2021 Annual Report is unavailable at www.ur.gov.lv until 28.11.2022. Financial figures are for 2020.
72	41503002447	JSC Daugavpils specializētais autotransporta uzņēmums	Other	5 523.0	310.9	2 636.3	3.2 % LLC Publisko aktīvu pārvaldītājs Possessor	
73	40003028394	Rēzeknes SEZ JSC REBIR	Other	2 102.2	461.7	2 036.9	5 % LLC Publisko aktīvu pārvaldītājs Possessor	
74	40003019851	JSC Latgales ciltslietu un mākslīgās apsēkšanas stacija	Other	233.7	-52.5	234.3	4.91 % LLC Publisko aktīvu pārvaldītājs Possessor"	
75	42103008388	LLC Liepājas sērskociņi	Other	0.0	-43.0	466.7	9.99935 % LLC Publisko aktīvu pārvaldītājs Possessor	
76	41703004525	LLC UNI SAN	Other	0.0	232.6	12.3	5 % LLC Publisko aktīvu pārvaldītājs Possessor	

Capital companies with direct state ownership up to 20% that are sold

77	40003020723	JSC Lopkopības izmēģinājumu stacija Latgale	Other	3 722.4	1 322.0	8 348.3	4.77 % LLC Publisko aktīvu pārvaldītājs Possessor	16.09.2022 state-owned shares sold
78	40003028515	JSC Jelgavas mašīnbūves rūpnīca	Other	714.8	95.4	2 806.6	3,68 % LLC Publisko aktīvu pārvaldītājs Possessor	23.09.2022. state-owned shares sold
79	40003047677	LLC Sanatorija Dzimtene	Health care	24.8	8.4	35.3	10 % LLC Publisko aktīvu pārvaldītājs Possessor	07.09.2022. sale deal for state-owned shares closed

Subsidiaries 100% owned by SOEs

80	40003857687	JSC Sadales tīkls	Energy	301 188.0	-20 415.0	1 805 131.0	100 % JSC Latvenergo	
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¹⁰⁴ Consolidated reports of 2021 and 2022 are not available at www.ur.gov.lv until 12.12.2023. Financial figures are presented for 2020. 88.73% shareholding in JSC Ceļu pārvalde. The annual report of the parent company for 2021 is available - turnover EUR 475.2 thousand, profit - EUR 15.1 thousand, assets – EUR 16 576.9 thousand.

No.	Reg. No.	Name of capital company	Sector	Turnover, 2022, EUR '000	Profit/loss, 2022, EUR '000	Total 31.12.2022, EUR '000	Proportion of shares, holder or owner	Supplementary information
81	301506046	UAB Elektrum Lietuva	Other	204 282.2	655.5	98 302.4	100 % JSC Latvenergo	
82	40003788421	LLC LDZ Cargo	Transport	148 443.9	5 104.1	174 020.6	100 % SJSC Latvijas dzelzceļš	In February 2021, an application of the Competition Council was lodged to Administrative and Regional Court regarding the annulment of the decision of the Competition Council of 28.12.2020 ¹⁰⁵
83	11399985	OÜ Elektrum Eesti	Other	125 427.3	455.2	56 384.5	100 % JSC Latvenergo	
84	40003788351	LLC LDZ ritošā sastāva serviss	Transport	59 561.6	-325.2	66 033.7	100 % SJSC Latvijas dzelzceļš	
85	40003988480	LLC LDZ Loģistika	Transport	19 238.6	712.0	3 013.8	100 % SJSC Latvijas dzelzceļš	
86	40003620112	LLC LDZ apsardze	Other	7 595.0	193.4	1 886.6	100 % SJSC Latvijas dzelzceļš	
87	40003423460	LLC LatLoto nams	Other	1 393.7	62.8	296.3	100 % SJSC Latvijas Loto	
88	40103361063	JSC LatRailNet	Transport	1 308.5	37.6	1 680.0	100 % SJSC Latvijas dzelzceļš	
89	40103762700	JSC Enerģijas publiskais tirgotājs	Energy	1 134.2	0.0	4 933.4	100 % JSC Latvenergo	
90	40003665610	LLC Jaunmoku pils	Other	979.7	60.4	1 803.2	100 % SJSC Latvijas valsts meži	
91	40003266519	LLC Mailmaster	Communications	617.8	-15.7	472.8	100 % SJSC Latvijas Pasts	
92	40103981332	LLC FeLM	Other	124.2	0.0	391.6	100 % LLC Publisko aktīvu pārvaldītājs Possessor	
93	40203106704	LLC REAP	Other	0.0	0.0	10 481.5	100 % LLC Publisko aktīvu pārvaldītājs Possessor	
94	40003510448	LLC Rīgas hematoloģijas centrs	Health care	n/a	n/a	n/a	100 % LLC Rīgas Austrumu klīniskā universitātes slimnīca	Economic activity suspended on 13.12.2018
95	44103115707	KS Commercialization Reactor Pre-seed Fund AIF	Other	n/a	n/a	n/a	100 % JSC Attīstības finanšu institūcija Altum	
96	43603080677	KS Buildit Latvia Pre-Seed Fund AIF	Other	n/a	n/a	n/a	100 % JSC Attīstības finanšu institūcija Altum	
97	40203141610	KS Overkill Ventures Fund I AIF	Other	n/a	n/a	n/a	100 % JSC Attīstības finanšu institūcija Altum	

Subsidiaries 100% owned by SOEs that are being liquidated

98	40003788258	LLC LDZ infrastruktūra	Transport	641.0	1 661.6	14 253.5	100 % SJSC Latvijas dzelzceļš	On 12.01.2022, consent to liquidation. Liquidation completed on 12.04.2023 ¹⁰⁶
99	50103306171	KS "Imprimatur Capital Seed Fund"	Other	n/a	n/a	n/a	100 % JSC Attīstības finanšu institūcija Altum	Winding-up proceedings initiated on 27.06.2022

¹⁰⁵ 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 of EUR 5 694 174. In 2022, the amount of the provision remained unchanged, as the circumstances of the case have not changed and its outcome is unknown.

¹⁰⁶ On 12 January 2022, the shareholder and the Cabinet of Ministers consented to the liquidation of LDZ infrastruktūra SIA. The company was liquidated on 12.04.2023, Decision of the Register of Enterprises of the Republic of Lithuania No 6-12/31379.

No.	Reg. No.	Name of capital company	Sector	Turnover, 2022, EUR '000	Profit/loss, 2022, EUR '000	Total 31.12.2022, EUR '000	Proportion of shares, holder or owner	Supplementary information
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Shares held by SOEs or companies under the direct or indirect decisive influence of the state

100	50003050931	LLC Latvijas Mobilais Telefons (consolidated)	Communications	290 871.6	31 867.6	371 382.4	23 % SJSC Latvijas Valsts radio un televīzijas centrs 23 % LLC Tet and 5 % LLC Publisko aktīvu pārvaldītājs Possessor	
101	40103148504	LLC LMT Retail&Logistics	Communications	121 141.9	6 306.4	59 019.9	100 % LLC Latvijas Mobilais Telefons	
102	50003752271	LLC CITRUS Solutions	Other	57 923.2	8 317.8	46 234.1	100 % LLC Tet	
103	40203041605	JSC Conexus Baltic Grid	Energy	55 131.4	11 364.7	463 809.3	68.46 % JSC Augstsprieguma tīkls	
104	40103587651	JSC Aviation Crew Resources	Other	30 093.4	-21.5	6 885.7	100 % JSC Air Baltic Corporation	To be liquidated.
105	42103035386	LLC Liepājas enerģija	Energy	21 915.5	1 276.3	40 579.0	51 % JSC Latvenergo	
106	40203054012	LLC Santa Monica Networks	Communications	13 941.2	2 357.0	23 344.9	100 % LLC Latvijas Mobilais Telefons	
107	12737355	OÜ Energiaturu Võrguehitus	Other	12 464.4	540.7	7 142.4	100 % OÜ Elektrum Eesti	
108	40103360903	LLC Helio Media	Communications	10 617.3	613.5	8 246.4	100 % LLC Latttelecom (Reg. No. 40003754567)	
109	40003057571	LLC Telia Latvija	Other	4 263.1	-475.1	10 301.8	100 % LLC Tet (Reg. No. 40003052786)	
110	40003320463	LLC Veselības centrs Bīķernieki	Health care	3 059.4	155.3	999.3	99.58 % LLC Rīgas Austrumu klīniskā universitātes slimnīca	
111	40103272422	LLC Air Baltic training	Other	2 528.7	-1 042.6	7 075.7	100 % JSC Air Baltic Corporation	
112	50003138501	SIA Baltijas datoru akadēmija	Other	1 343.0	-267.4	993.4	100 % LLC Latttelecom (Reg.No. 40003754567)	
113	40003458674	LLC BALTIJAS KRAVU CENTRS	Other	982.2	46.3	281.2	100 % JSC Air Baltic Corporation	
114	40003754567	LLC Latttelecom	Communications	339.6	-198.0	4 838.8	100 % LLC Tet (Reg. No. 40003052786)	
115	40103587327	LLC Elektrum Latvija	Other	0.0	-0.1	2.1	100 % OÜ Elektrum Eesti	
116	40003448943	JSC Pirmais slēgtais pensiju fonds	Other	n/a	n/a	n/a	50 % LLC Tet and subsidiaries, 48.15 % JSC Latvenergo and subsidiaries and 1.85 % JSC Augstsprieguma tīkls	
117	40103266178	KS BaltCap Latvia Venture Capital Fund AIF	Other	n/a	n/a	n/a	67 % JSC Attīstības finanšu institūcija Altum	
118	40103306235	KS AIF Imprimatur Capital Technology Venture Fund	Other	n/a	n/a	n/a	67 % JSC Attīstības finanšu institūcija Altum	
119	40103697913	KS Expansion Capital Fund AIF	Other	n/a	n/a	n/a	95 % JSC Attīstības finanšu institūcija Altum	
120	40103697947	KS alternatīvo ieguldījumu fonds ZGI-3	Other	n/a	n/a	n/a	95 % JSC Attīstības finanšu institūcija Altum	
121	40103697951	KS Flycap Investment Fund I AIF	Other	n/a	n/a	n/a	95 % JSC Attīstības finanšu institūcija Altum	

No.	Reg. No.	Name of capital company	Sector	Turnover, 2022, EUR '000	Profit/loss, 2022, EUR '000	Total 31.12.2022, EUR '000	Proportion of shares, holder or owner	Supplementary information
122	40203141593	KS Overkill Ventures Fund II AIF	Other	n/a	n/a	n/a	80 % JSC Attīstības finanšu institūcija Altum, 16% LLC Lattelecom	
123	44103115711	KS Commercialization Reactor Seed Fund" AIF	Other	n/a	n/a	n/a	80 % JSC Attīstības finanšu institūcija Altum	
124	40203123846	KS Buildit Latvia Seed Fund" AIF	Other	n/a	n/a	n/a	80 % JSC Attīstības finanšu institūcija Altum	
125	40203139743	Komandītsabiedrība INEC1 AIF	Other	n/a	n/a	n/a	75 % JSC Attīstības finanšu institūcija Altum	
126	44103116670	Komandītsabiedrība INEC2 AIF	Other	n/a	n/a	n/a	90 % JSC Attīstības finanšu institūcija Altum	
127	40203111495	ZGI-4" AIF KS	Other	n/a	n/a	n/a	60 % JSC Attīstības finanšu institūcija Altum	
128	40203206885	KS FlyCap Mezzanine Fund II AIF	Other	n/a	n/a	n/a	60 % JSC Attīstības finanšu institūcija Altum	
129	40203415150	LLC Latvijas vēja parki	Energy	n/a	n/a	n/a	80 % JSC Latvenergo 20 % JSC Latvijas valsts meži	Registered in the Register of Enterprises of the Republic of Latvia on 22.07.2022

Shares held by SOEs or under the direct or indirect decisive influence of the state with decisive influence, which are in insolvency proceedings

130	50003621571	JSC VRC Zaslauks	Other	n/a	n/a	n/a	51 % JSC Pasažieru vilciens	Insolvency proceedings were opened on 3 March 2020
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Shares held by SOEs or capital companies under the direct or indirect decisive influence of the state with decisive influence, which are sold

131	40003201762	LLC Auteko & TUV Latvija	Other	8 848.7	698.7	5 585.2	51 % SJSC Ceļu satiksmes drošības direkcija	Alienated on 10.01.2022
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Municipality-Owned Capital Companies and Capital Shares¹⁰⁷ (31.12.2022)

No.	Reg. No.	Name of capital company	Turnover, 2022, EUR `000	Profit/Loss, 2022, EUR `000	Total assets, 31.12.2022, EUR `000	Proportion of shares, holder or owner	Supplementary information/ notes
Capital companies with decisive direct participation of municipalities 100%							
1	40003619950	Rīga Municipal LLC Rīgas satiksme (consolidated)	168 757.3	1 768.1	495 065.3	100 % Rīga City Council	
2	40103023035	LLC Rīgas ūdens	65 725.1	5 161.3	344 827.3	100 % Rīga City Council	
3	40103362321	LLC Rīgas namu pārvaldnieks	61 973.1	4 535.4	148 208.9	100 % Rīga City Council	
4	40003367816	LLC Getliņi EKO	50 833.2	2 695.6	82 070.4	97.7 % Rīga City Council, 2,3 % Ropaži Municipality Council	
5	41503002945	Pašvaldības JSC Daugavpils siltumtīkli	41 017.5	-3 474.7	43 775.0	100 % Daugavpils City Council	
6	40003439279	LLC Rīgas 1. slimnīca	25 763.9	290.0	17 466.9	100 % Rīga City Council	
7	40003223971	LLC RĒZEKNES SLIMNĪCA	23 222.5	2 060.7	26 100.0	100 % Rēzekne City Council	
8	40003982628	LLC Rīgas meži	21 347.7	2 787.7	199 227.8	100 % Rīga City Council	
9	50003356621	LLC Jēkabpils reģionālā slimnīca	20 623.2	-1 195.0	20 777.8	100 % Jēkabpils Municipality Council	
10	41703007038	LLC JELGAVAS PILSĒTAS SLIMNĪCA	19 976.6	1 096.4	18 600.9	100 % Jelgava City Council	
11	40003109638	LLC Rīgas nami	17 657.7	188.7	221 831.5	100 % Rīga City Council	
12	42803008058	LLC Jūrmalas siltums	15 647.4	1 084.4	29 318.8	100 % Jūrmala City Council	
13	40003194600	LLC Rīgas Dzemdību nams	14 658.9	846.9	6 999.6	100 % Rīga City Council	
14	40003222317	LLC Ogres Rajona slimnīca	14 316.6	641.9	16 306.8	100 % Ogre Municipality Council	
15	40003215480	LLC Rēzeknes siltumtīkli	14 126.3	849.2	19 345.0	100 % Rēzekne City Council	
16	40003356507	Madonas Municipality Council's LLC Madonas slimnīca	12 562.8	795.8	8 623.5	100 % Madona Municipality Council	
17	40103941081	LLC Ogres Namsaimnieks	11 595.0	1 689.3	11 034.1	100 % Ogre Municipality Council	
18	44103015509	LLC ZAAO (consolidated)	11 255.4	57.1	11 358.3	59.48 % Valmiera Municipality Council, 26.73 % Cēsis Municipality Council, 7.36 % Limbaži Municipality Council, 2.57 % Smiltene Municipality Council, 2.55 % Valka Municipality Council, 0.24 % Sigulda Municipality Council, 0.04 % Saulkrasti Municipality Council, 0.04 % Balvi Municipality Council	
19	40003220000	LLC Jūrmalas slimnīca	10 853.0	129.5	10 496.8	100 % Jūrmala City Council	
20	50003182001	JSC OLAINES ŪDENS UN SILTUMS	10 755.6	-232.9	44 194.0	100 % Olaines Municipality Council	
21	50103807561	LLC Rīgas veselības centrs	10 730.7	20.9	5 098.1	100 % Rīga City Council	

107 Database of the Register of Enterprises of the Republic of Latvia and the State Revenue Service.

No.	Reg. No.	Name of capital company	Turnover, 2022, EUR `000	Profit/Loss, 2022, EUR `000	Total assets, 31.12.2022, EUR `000	Proportion of shares, holder or owner	Supplementary information/notes
22	44103033608	LLC Valmieras ūdens	10 138.6	500.2	39 430.8	100 % Valmieras Municipality Council	
23	44103057729	LLC CĒSU KLĪNIKA	10 073.2	1 072.9	19 576.6	100 % Cēsu Municipality Council	
24	40003184960	LLC Rīgas 2. slimnīca	9 856.2	-334.2	4 371.3	100 % Rīga City Council	
25	50003197651	LLC Kuldīgas slimnīca	9 353.2	22.5	5 251.2	91.58 % Kuldīga Municipality Council, 8.42 % Dienvidkurzeme Municipality Council	
26	40003004220	LLC VTU VALMIERA	8 369.2	283.8	10 880.1	100 % Valmiera Municipality Council	
27	40003007655	Municipality LLC Ventpils siltums	7 805.9	858.8	22 630.9	100 % Ventpils City Council	
28	40003551323	LLC Dobeles un apkārtnes slimnīca	7 750.4	-812.7	11 021.5	100 % Dobeles Municipality Council	
29	40103233177	LLC Tukuma slimnīca	7 525.9	-67.2	5 054.1	100 % Tukums Municipality Council	
30	40003124730	LLC Siguldass slimnīca	7 177.1	160.8	3 104.4	100 % Sigulda Municipality Council	
31	40003007778	LLC Jēkabpils siltums	6 589.4	691.3	8 287.2	100 % Jēkabpils Municipality Council	
32	41503002485	LLC Daugavpils dzīvokļu un komunālās saimniecības uzņēmums	6 564.2	2.1	11 317.8	100 % Daugavpils City Council	
33	41503002432	LLC Daugavpils ūdens	6 500.9	298.8	53 518.9	100 % Daugavpils City Council	
34	40003359306	LLC Ķekavas nami	6 093.0	-804.8	19 114.3	100 % Ķekava Municipality Council	
35	40003275333	LLC Jūrmalas ūdens	5 969.8	-707.5	110 318.5	100 % Jūrmala City Council	
36	41203001052	Municipality LLC Ventpils labiekārtošanas kombināts	5 936.6	-115.2	10 880.0	100 % Ventpils City Council	
37	41703007095	LLC Jelgavas poliklinika	5 578.9	54.5	4 645.0	100 % Jelgava City Council	
38	42103000897	LLC LIEPĀJAS ŪDENS	5 302.0	-108.1	56 447.0	100 % Liepāja City Council	
39	40003525848	LLC Atkritumu apsaimniekošanas sabiedrība "PIEJŪRA"	5 251.3	-38.1	9 329.1	54.55 % Talsi Municipality Council, 45.26 % Tukums Municipality Council, 0.19 % Jūrmala City Council	
40	41503029988	LLC ATKRITUMU APSAIMNIEKOŠANAS DIENVIDLATGALES STARPPAŠVALDĪBU ORGANIZĀCIJA	5 220.0	96.4	5 654.1	49.65 % Daugavpils City Council, 22.71 % Augšdaugava Municipality Council, 15.14 % Krāslava Municipality Council, 7.22 % Preiļi Municipality Council, 5.28% Līvāni Municipality Council	
41	41503002269	JSC Daugavpils satiksme	5 215.3	3.7	48 475.6	100 % Daugavpils City Council	
42	41503032140	LLC Krāslavas slimnīca	5 209.6	427.5	4 230.3	100 % Krāslava Municipality Council	
43	40003410894	LLC Jelgavas novada KU	5 116.7	-131.8	14 240.1	100 % Jelgava Municipality Council	
44	40103666190	Ogres novada pašvaldības LLC "MS siltums"	4 922.7	107.6	12 183.5	100 % Ogre Municipality Council	
45	43603011548	LLC Jelgavas nekustamā īpašuma pārvalde	4 864.1	23.4	6 796.5	100 % Jelgava City Council	
46	40003361616	LLC Limbažu slimnīca	4 765.8	245.5	2 506.3	95.91 % Limbaži Municipality Council, 4.09 % Sigulda Municipality Council	As of 27.04.2023 Limbaži Municipality Council is 100% shareholder
47	40103032521	LLC Rīgas Nacionālais zooloģiskais dārzs	4 732.7	-191.7	32 232.3	100 % Rīga City Council	
48	40003252612	LLC Alūksnes slimnīca	4 698.4	9.9	3 663.5	81.92 % Alūksne Municipality Council, 18.08 % Smiltene Municipality Council	
49	41703001321	LLC JELGAVAS ŪDENS	4 482.7	15.7	53 986.8	100 % Jelgava City Council	
50	40003152664	LLC JELGAVAS AUTOBUSU PARKS	4 402.3	19.0	2 780.0	100 % Jelgava City Council	
51	45103002039	LLC Dobeles enerģija	4 380.8	-9.4	4 737.8	100 % Dobeles Municipality Council	
52	43603017682	LLC Bauskas slimnīca	4 196.2	483.2	4 004.4	100 % Bauska City Council	
53	40003333256	Pašvaldības LLC Ventpils reiss	4 131.1	172.6	8 914.7	100 % Ventpils City Council	
54	45403003245	LLC Jēkabpils autobusu parks	3 910.3	72.8	5 483.6	100 % Jēkabpils Municipality Council	
55	40103111018	LLC Mārupes komunālie pakalpojumi	3 891.6	-702.8	36 245.1	100 % Mārupe Municipality Council	
56	41203035896	LLC Talsu namsamnieks	3 706.9	-117.2	4 392.0	100 % Talsi Municipality Council	

No.	Reg. No.	Name of capital company	Turnover, 2022, EUR '000	Profit/Loss, 2022, EUR '000	Total assets, 31.12.2022, EUR '000	Proportion of shares, holder or owner	Supplementary information/ notes
57	41503003033	LLC Labiekārtošana-D	3 699.0	-30.7	2 905.2	100 % Daugavpils City Council	
58	56103000221	LLC Kuldīgas komunālie pakalpojumi	3 641.9	29.5	3 139.6	100 % Kuldīga Municipality Council	
59	48503000219	LLC SALDUS KOMUNĀLSERVISS	3 639.2	-699.9	19 606.9	100 % Saldus Municipality Council	
60	40003422041	LLC Ādažu Namsaimnieks	3 533.9	-35.1	1 569.8	100 % Ādaži Municipality Council	
61	55403015551	LLC Vidusdaugavas SPAAO	3 344.9	97.3	7 941.3	42.33 % Jēkabpils Municipality Council, 30.67 % Aizkraukle Municipality Council, 26.12 % Madona Municipality Council, 0.88% Varakļāni Municipality Council	
62	47403003224	LLC LIELVĀRDES REMTE	3 327.6	-1 092.8	15 841.6	100 % Ogre Municipality Council	
63	40003310183	LLC Salaspils Siltums	3 322.8	-130.7	12 280.3	100 % Salaspils Municipality Council	
64	45403004471	LLC Madonas Siltums	3 303.7	-391.4	12 633.4	100 % Madona Municipality Council	
65	40103073411	LLC VILKME	3 297.3	72.2	5 232.2	100 % Ropaži Municipality Council	
66	40003007886	Aizkraukle Municipality LLC AIZKRAUKLES SILTUMS	3 249.4	104.7	2 858.0	100 % Aizkraukle Municipality Council	
67	43603000807	LLC VIDES SERVISS	3 150.3	50.8	1 394.7	100 % Bauska Municipality Council	
68	40003201921	LLC BALOŽU KOMUNĀLĀ SAIMNIECĪBA	3 137.9	-237.4	9 256.4	100 % Ķekava Municipality Council	
69	47703001720	LLC PREIĻU SAIMNIEKS	3 120.0	-1 059.2	10 645.1	100 % Preiļi Municipality Council	
70	44103022271	LLC VALMIERAS NAMSAIMNIEKS	3 106.4	379.2	15 803.4	100 % Valmiera Municipality Council	
71	49203001267	LLC Tukuma siltums	3 089.7	-248.8	5 980.0	100 % Tukums Municipality Council	
72	41203001885	Municipality LLC Ventspils nekustamie īpašumi (consolidated)	3 070.6	104.0	10 560.9	100 % Ventspils City Council	
73	45903001693	LLC Krāslavas nami	3 066.3	-604.4	28 940.6	100 % Krāslava Municipality Council	
74	45103001156	LLC Dobeles autobusu parks	3 020.6	231.2	1 742.0	100 % Dobeles Municipality Council	
75	41203000983	Municipality LLC ŪDEKA	3 018.1	163.0	50 939.8	100 % Ventspils City Council	
76	42103012383	LLC Grobiņas namserviss	2 832.6	-193.0	10 447.0	100 % Dienvidkurzeme Municipality Council	
77	40003246298	Municipality LLC Ventspils poliklīnika	2 756.6	66.7	728.2	100 % Ventspils City Council	
78	45403006010	LLC Jēkabpils pakalpojumi	2 708.0	-2.8	1 311.6	100 % Jēkabpils City Council	
79	41503008685	LLC Naujenes pakalpojumu serviss	2 707.5	-563.2	9 284.2	100 % Augšdaugava Municipality Council	
80	40003006715	LLC Limbažu siltums	2 692.3	47.1	11 808.0	100 % Limbaži Municipality Council	
81	42103005911	LLC Liepājas siltums	2 621.8	-153.8	38 035.2	100 % Liepāja City Council	
82	41703003356	LLC Ozolnieku KSDU	2 618.2	-245.2	9 997.1	100 % Jelgava Municipality Council	
83	41203017566	LLC VNK serviss	2 592.8	-10.1	6 562.4	100 % Ventspils Municipality Council	
84	40003215461	LLC RĒZEKNES NAMSAIMNIEKS	2 585.3	13.0	2 729.8	100 % Rēzekne City Council	
85	40003187473	LLC Saldus medicīnas centrs	2 558.8	41.5	1 340.1	100 % Saldus Municipality Council	
86	40003525725	LLC Ķekavas sadzīves servīsa centrs	2 536.2	110.3	1 547.7	100 % Ķekava Municipality Council	
87	42403013918	LLC ALAAS	2 519.4	-568.1	3 955.2	49.30 % Rēzekne City Council, 26.88 % Ludza Municipality Council, 23.82 % Rēzekne Municipality Council	
88	40003207873	LLC Salaspils veselības centrs	2 515.2	-114.0	2 874.8	100 % Salaspils Municipality Council	
89	42403015020	LLC LUDZAS APSAIMNIEKOTĀJS	2 504.8	-246.2	15 005.5	100 % Ludza Municipality Council	
90	40003219995	Pašvaldības LLC Kauguru veselības centrs	2 472.3	-56.7	1 908.3	100 % Jūrmala City Council	
91	40003273506	LLC Rehabilitācijas centrs "Līgatne"	2 449.8	214.8	1 622.3	100 % Cēsis Municipality Council	
92	42803002568	LLC Jūrmalas gaisma	2 386.9	61.1	1 429.3	100 % Jūrmala City Council	
93	45403000484	LLC JK Namu pārvalde	2 327.9	24.8	2 221.4	100 % Jēkabpils Municipality Council	
94	48503021348	LLC DOBELES NAMSAIMNIEKS	2 248.7	6.0	4 226.6	100 % Dobeles Municipality Council	

No.	Reg. No.	Name of capital company	Turnover, 2022, EUR '000	Profit/Loss, 2022, EUR '000	Total assets, 31.12.2022, EUR '000	Proportion of shares, holder or owner	Supplementary information/notes
95	42403028557	LLC RĒZEKNES SATIKSME	2 229.6	205.7	2 483.8	100 % Rēzekne City Council	
96	41503010497	LLC LĪVĀNU DŽĪVOKĻU UN KOMUNĀLĀ SAIMNIECĪBA	2 051.0	33.8	15 102.5	100 % Līvāni Municipality Council	
97	54603000121	LLC Gulbenes Energo Serviss	1 952.1	-253.8	10 498.9	100 % Gulbene Municipality Council	15.06.2022. changed name from LLC "Gulbenes nami"
98	49503000754	Cēsu pilsētas LLC "VINDA"	1 939.2	80.9	18 617.7	100 % Cēsis Municipality Council	
99	41503021397	LLC Daugavpils bērnu veselības centrs	1 938.9	4.2	1 604.9	100 % Daugavpils City Council	
100	40003218631	LLC RĒZEKNES ŪDENS	1 937.9	-277.3	16 826.8	100 % Rēzekne City Council	
101	43603001681	LLC BAUSKAS SILTUMS	1 935.1	-165.4	2 700.9	100 % Bauska Municipality Council	
102	45403000395	LLC Jēkabpils ūdens	1 881.0	-37.2	16 535.9	100 % Jēkabpils Municipality Council	
103	40003231451	LLC Līvānu slimnīca	1 868.1	205.0	1 606.7	100 % Līvāni Municipality Council	
104	40003007890	LLC KULDĪGAS SILTUMTIKLI	1 867.4	-185.5	6 720.3	100 % Kuldīga Municipality Council	
105	43903000435	LLC Smiltēnes NKUP	1 859.7	1.6	14 452.7	100 % Smiltene Municipality Council	
106	40003218218	LLC PRIEKULES SLIMNĪCA	1 851.9	50.0	545.4	100 % Dienvidkurzeme Municipality Council	
107	41503007355	LLC Daugavpils zobārstniecības poliklīnika	1 838.6	-40.1	820.5	100 % Daugavpils City Council	
108	48703000781	Aizkraukle District LLC LAUMA A	1 835.3	-16.4	1 144.0	100 % Aizkraukle Municipality Council	
109	40003708356	Municipality LLC GĀRKALNES KOMUNĀLSERVISS	1 801.6	97.2	1 204.1	100 % Ropaži Municipality Council	
110	41503014677	LLC Veselības centrs Ilūkste	1 768.4	158.8	359.6	100 % Augšdaugava Municipality Council	
111	49003000076	LLC TALSU ŪDENS	1 747.9	-132.1	20 112.5	100 % Talsi Municipality Council	
112	40003189328	LLC Sarkanā Krusta Smiltēnes slimnīca	1 734.6	-5.5	1 286.8	100 % Smiltene Municipality Council	
113	43203003117	LLC Alūksnes enerģija	1 710.6	27.8	4 072.7	100 % Alūksne Municipality Council	
114	40103032305	Sigulda City LLC JUMIS	1 708.8	166.9	982.0	100 % Sigulda Municipality Council	
115	41503007196	LLC Daugavpils autobusu parks	1 667.0	104.5	5 207.1	100 % Daugavpils City Council	
116	40003369018	Municipality LLC Valgums-S	1 664.3	63.2	20 509.9	100 % Salaspils Municipality Council	
117	40103027944	LLC Saulkrastu komunālserviss	1 633.9	-193.6	13 658.7	100 % Saulkrasti Municipality Council	
118	43203003672	LLC GULBENES AUTOBUSS	1 618.5	21.2	1 351.6	100 % Gulbene Municipality Council	
119	40003378932	LLC Dzintaru koncertzāle	1 614.3	-86.8	1 076.0	100 % Jūrmala City Council	
120	40003131022	Municipality LLC ĀDAŽU SLIMNĪCA	1 606.3	3.3	947.1	100 % Ādaži Municipality Council	
121	49203000859	LLC Tukuma ūdens	1 565.6	-182.8	21 577.3	100 % Tukums Municipality Council	
122	40103416198	LLC Ikšķiles māja	1 545.4	-36.4	16 188.2	100 % Ogre Municipality Council	
123	42103025570	LLC GROBIŅAS HES	1 537.2	42.8	792.8	100 % Dienvidkurzeme Municipality Council	
124	40003482591	LLC LĪVĀNU SILTUMS	1 533.3	-270.3	3 115.5	100 % Līvāni Municipality Council	
125	45103000470	LLC DOBELES ŪDENS	1 510.7	-195.0	15 285.8	100 % Dobeles Municipality Council	
126	45103000466	LLC Dobeles komunālie pakalpojumi	1 481.4	23.2	1 140.0	100 % Dobeles Municipality Council	
127	40003929148	LLC Ādažu ūdens	1 441.4	-316.0	12 444.5	100 % Ādaži Municipality Council	
128	40103055793	LLC SALTAVOTS	1 434.9	-79.0	10 956.7	100 % Sigulda Municipality Council	
129	40003411141	LLC Siguldass Sporta serviss	1 434.7	50.1	971.2	100 % Sigulda Municipality Council	
130	40003145751	LLC BABĪTES SILTUMS	1 400.3	-269.9	7 980.6	100 % Mārupe Municipality Council	
131	47103000233	LLC Madonas namsaimnieks	1 383.0	42.1	1 797.2	100 % Madona Municipality Council	
132	46103000234	LLC KULDĪGAS ŪDENS	1 361.1	-48.0	12 640.3	100 % Kuldīga Municipality Council	
133	50103420091	LLC Komunālserviss TILDE	1 330.7	-188.6	2 783.4	100 % Tukums Municipality Council	

No.	Reg. No.	Name of capital company	Turnover, 2022, EUR `000	Profit/Loss, 2022, EUR `000	Total assets, 31.12.2022, EUR `000	Proportion of shares, holder or owner	Supplementary information/ notes
134	40003419183	LLC ZEIFERTI	1 306.3*	6.6*	13 406.5*	100 % Olaine Municipality Council	*2021 results, as no 2022 submission of report has been registered Reorganised: Added to JSC OLAINES ŪDENS UN SILTUMS on 02.01.2023.
135	40003227117	LLC ĶĒGUMA STARS	1 272.4	140.8	8 091.3	100 % Ogre Municipality Council	
136	48703002782	LLC Bērzaunes komunālais uzņēmums	1 261.6	-43.3	6 055.2	100 % Madona Municipality Council	
137	42103004583	LLC LIEPĀJAS NAMU APSAIMNIEKOTĀJS	1 245.4	135.3	12 682.2	100 % Liepāja City Council	
138	43603016206	LLC Dzīvokļu komunālā saimniecība	1 211.7	-24.4	9 510.8	100 % Bauska Municipality Council	
139	47103001173	LLC Madonas ūdens	1 210.2	-128.1	25 745.2	100 % Madona Municipality Council	
140	41503003743	LLC ORNAMENTS	1 189.2	-20.2	4 290.4	100 % Augšdaugava Municipality Council	
141	41203022001	LLC SKRUNDAS KOMUNĀLĀ SAIMNIECĪBA	1 167.1	7.2	6 384.2	100 % Kuldīga Municipality Council	
142	40003275352	LLC Rehabilitācijas centrs "Tērvete"	1 145.3	35.9	1 114.8	100 % Dobeļe Municipality Council	
143	40003275348	LLC REHABILITĀCIJAS CENTRS "RĀZNA"	1 125.1	217.5	832.0	100 % Rēzekne City Council	
144	40003312216	Municipality LLC NORMA K	1 123.0	49.8	2 901.3	100 % Sigulda Municipality Council	
145	41203006844	LLC Kandavas komunālie pakalpojumi	1 120.7	-34.3	7 598.0	100 % Tukums Municipality Council	
146	55403000931	LLC VĪGANTS	1 106.0	-140.9	976.4	100 % Jēkabpils Municipality Council	
147	45103000574	LLC AUČES KOMUNĀLIE PAKALPOJUMI	1 093.3	-461.2	6 246.3	100 % Auce Municipality Council	
148	50003142371	LLC Vangažu Namsaimnieks	1 082.9	-12.1	3 028.4	50.15 % Ropaži Municipality Council, 49.85 % Sigulda Municipality Council	
149	42103018367	LLC Pansionāts Rokaži	1 020.6	63.4	396.5	100 % Dienvidkurzeme Municipality Council	
150	44103096618	LLC KOCĒNU KOMUNĀLĀ SAIMNIECĪBA	1 008.5	1.3	7 873.3	100 % Valmiera Municipality Council	
151	54103099071	LLC Līgatnes komunālserviss	1 004.3	-230.9	1 702.7	100 % Cēsis Municipality Council	
152	44103026358	LLC AP Kaudzītes	1 000.7	40.8	3 214.3	28.23 % Alūksne Municipality Council, 28.23 % Gulbene Municipality Council, 26.61 % Balvi Municipality Council, 16.93 % Madona Municipality Council	
153	48703000457	LLC Pļaviņu Komunālie pakalpojumi	999.7	5.1	3 272.4	100 % Aizkraukle Municipality Council	
154	42103020465	LLC PRIEKULES NAMI	993.9	-423.9	7 464.6	100 % Dienvidkurzeme Municipality Council	
155	44103089090	LLC Vidzemes koncertzāle	983.4	79.5	390.2	100 % Cēsis Municipality Council	
156	42103002652	LLC AIZPUTES NAMI	980.6	44.9	7 679.0	100 % Dienvidkurzeme Municipality Council	
157	50003220021	Municipality LLC Veselības un sociālās aprūpes centrs-Sloka	963.6	-149.6	1 729.0	100 % Jūrmala City Council	
158	42403000932	Pašvaldības LLC Maltas dzīvokļu-komunālās saimniecības uzņēmums	963.5	0.1	4 046.4	100 % Rēzekne Municipality Council	
159	40003097945	LLC Iecavas siltums	938.1	-36.2	3 073.8	100 % Bauska Municipality Council	
160	42103024397	LLC JAUNLIEPĀJAS PRIMĀRĀS VESELĪBAS APRŪPES CENTRS	883.8	6.6	790.3	100 % Liepāja City Council	
161	44103018609	LLC LĪVENA APTIEKA	871.0	23.5	158.4	100 % Smiltene Municipality Council	
162	43603011586	LLC Bauskas ūdens	863.0	13.7	7 964.9	100 % Bauska Municipality Council	
163	48703001147	LLC Kokneses Komunālie pakalpojumi	856.0	-100.7	3 365.7	100 % Aizkraukle Municipality Council	
164	43603040477	LLC Zemgales EKO	855.6	22.1	712.1	100 % Jelgava City Council	
165	44103091517	LLC Alojās Saimniekserviss	835.7	19.0	6 013.0	100 % Limbaži Municipality Council	

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166	42103024382	Municipality LLC VECLIEPĀJAS PRIMĀRĀS VESELĪBAS APRŪPES CENTRS	823.8	0.2	1 542.8	100 % Liepāja City Council	
167	40003261206	LLC Mazsalacas slimnīca	807.8	-24.8	224.1	100 % Valmiera Municipality Council	
168	44103055060	LLC Valkas Namsaimnieks	806.1	3.5	3 751.9	100 % Valka Municipality Council	
169	40003295397	LLC BŪKS	805.3	-87.5	6 490.4	100 % Ķekava Municipality Council	
170	42403026217	LLC Austrumlatvijas koncertzāle	795.1	-22.1	393.3	100 % Rēzekne City Council	
171	56803002941	LLC KĀRSĀVAS NAMSAIMNIEKS	791.1	43.9	6 328.2	100 % Ludza Municipality Council	
172	53203000201	LLC RŪPE	779.9	2.6	11 364.8	100 % Alūksne Municipality Council	
173	40103280684	Municipality LLC Garkalnes inženiertīkli	766.3	-18.5	1 224.2	100 % Garkalne Municipality Council	
174	49003000396	LLC Rojas DzKU	752.8	-163.5	3 825.8	100 % Talsi Municipality Council	
175	40003410625	LLC ALŪKSNES NAMI	734.3	2.1	1 692.9	100 % Alūksne Municipality Council	
176	42403028190	LLC OLIMPISKAIS CENTRS RĒZEKNE	724.9	-108.3	798.1	100 % Rēzekne City Council	
177	41703007451	LLC Medicīnas sabiedrība "OPTIMA 1"	710.1	-27.4	733.2	100 % Jelgava City Council	
178	43603018936	LLC Mūsu saimnieks	687.7	1.9	2 438.4	100 % Bauska Municipality Council	
179	44103023807	Municipality LLC RŪJĪENAS SILTUMS	683.0	-83.3	8 193.7	100 % Valmiera Municipality Council	
180	41503015297	LLC GRĪVAS POLIKLĪNIKA	680.2	46.4	637.0	100 % Augšdaugava Municipality Council	
181	42103019377	LLC LIEPĀJAS TEĀTRIS	653.9	-71.7	539.8	100 % Liepāja City Council	
182	45403004912	LLC Pils rajona Namu pārvalde	613.7	2.3	423.7	100 % Jēkabpils Municipality Council	
183	40003249082	LLC Irlavas Sarkanā Krusta slimnīca	600.9	11.7	118.6	100 % Tukums Municipality Council	
184	45903000289	LLC Dagdas komunālā saimniecība	598.0	-6.7	4 880.9	100 % Krāslava Municipality Council	
185	48703000438	LLC Aizkraukles KUK	589.0	-34.8	480.9	100 % Aizkraukle Municipality Council	
186	42103001430	LLC AIZPUTES KOMUNĀLAIS UZŅĒMUMS	580.4	-124.2	5 864.9	100 % Dienvidkurzeme Municipality Council	Reorganized: Added to LLC "AIZPUTES NAMI" 05.01.2023.
187	47103000676	Varakļānu Dzīvokļu komunālais uzņēmums LLC	575.4	-111.3	6 807.0	100 % Varakļāni Municipality Council	
188	55403000541	LLC Viesītes komunālā pārvalde	574.4	-31.2	3 547.0	100 % Jēkabpils Municipality Council	
189	48703000404	Aizkraukles novada LLC Aizkraukles ūdens	572.7	38.7	3 515.1	100 % Aizkraukle Municipality Council	
190	44103103680	LLC Aprūpes nams "Urga"	557.4	-16.2	384.9	100 % Limbaži Municipality Council	
191	42403006333	LLC STRŪŽĀNU SILTUMS	533.5	-31.0	343.5	100 % Rēzekne Municipality Council	
192	40103431587	Pašvaldības LLC Tukuma ledus halle	529.3	-24.2	240.0	100 % Tukums Municipality Council	
193	40003325367	LLC Viesītes veselības un sociālās aprūpes centrs	523.6	78.6	267.6	100 % Jēkabpils Municipality Council	
194	40003158864	Krimulda Municipality Council's LLC Entalpija-2	518.7	-20.8	422.1	100 % Sigulda Municipality Council	
195	42403003341	LLC VIĻĀNU SILTUMS	498.2	-24.2	810.5	100 % Rēzekne Municipality Council	
196	40003431326	LLC Jaunpils pils	488.6	13.0	96.8	100 % Tukums Municipality Council	
197	40003373066	Municipality LLC Krants	462.1	13.4	1 593.1	100 % Tukums Municipality Council	
198	52403003451	LLC VIĻĀNU NAMSAIMNIEKS	457.0	-11.5	1 376.0	100 % Rēzekne Municipality Council	
199	42103041202	LLC Durbes KS	443.1	-73.2	643.8	100 % Dienvidkurzeme Municipality Council	Reorganized: Added to LLC "GROBINAS NAMSERVISS" 09.02.2023.
200	54103072471	LLC Salacgrīvas ūdens	424.5	-80.8	9 050.2	100 % Limbaži Municipality Council	
201	40003331306	LLC Aknīstes veselības un sociālās aprūpes centrs	419.0	-4.5	176.6	100 % Jēkabpils Municipality Council	

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202	40003365196	LLC Varakļānu veselības aprūpes centrs	417.1	-17.1	68.1	100 % Varakļāni Municipality Council	
203	44103031378	LLC ALOJAS VESELĪBAS APRŪPES CENTRS	411.6	41.2	171.8	100 % Aloja Municipality Council	As of 09.03.2023. 100% shareholder –Limbaži Municipality Council
204	53603009371	LLC KŪDRINIEKS	403.7	17.4	642.6	100 % Bauska Municipality Council	
205	40103217948	LLC Garkalnes ūdens	403.5	-78.3	10 261.7	80.81 % Garkalne Municipality Council 19.19 % Ādaži Municipality Council	
206	40003434765	Pašvaldības LLC Jaunpils KS	401.2	14.4	361.9	100 % Tukums Municipality Council	
207	40003257732	LLC Kārsavas slimnīca	398.2	16.5	367.4	100 % Ludza Municipality Council	
208	44103002754	LLC BN KOMFORTS	390.2	-108.0	1 152.7	100 % Valmiera Municipality Council	Reorganized: Divided into: LLC VALMIERAS NAMSAIMNIEKS un LLC KOCĒNU KOMUNĀLĀ SAIMNIECĪBA 28.03.2023.
209	46603000240	LLC NAMSAIMNIEKS	388.7	-45.9	2 317.1	100 % Limbaži Municipality Council	
210	58703000641	LLC Skrīveru saimnieks	386.3	-13.1	5 480.5	100 % Aizkraukle Municipality Council	
211	46803003381	LLC ZILUPES LTD	386.2	-30.4	2 437.8	100 % Ludza Municipality Council	
212	40003171701	LLC Krimuldas doktorāts	373.3	-21.7	307.3	100 % Krimulda Municipality Council	
213	50003292941	LLC Ērgļu slimnīca	347.8	6.8	366.2	100 % Madona Municipality Council	
214	42103027783	LLC Liepājas latviešu biedrības nams	347.5	47.1	419.6	100 % Liepāja City Council	
215	40003257677	LLC Zilupes veselības un sociālās aprūpes centrs	344.0	1.6	146.5	100 % Ludza Municipality Council	
216	44103103695	LLC Rekreācijas centrs "Viķi"	334.3	5.7	125.8	100 % Limbaži Municipality Council	
217	40003274925	Pašvaldības LLC VANGAŽU AVOTS	325.5	-20.1	5 784.0	57.28 % Ropaži Municipality Council, 42.72 % Sigulda Municipality Council	
218	42103067790	LLC Lielais Dzintars	300.7	41.1	359.4	100 % Liepāja City Council	
219	55403015481	LLC Viesītes transports	299.1	13.1	141.1	100 % Jēkabpils Municipality Council	
220	45403015460	LLC Spungēni-Daugavieši	269.0	10.0	330.2	100 % Jēkabpils Municipality Council	Reorganized: Added to LLC Pils rajona Namu pārvalde 22.05.2023
221	45403000709	LLC Aknīstes Pakalpojumi	268.9	10.7	1 705.4	100 % Jēkabpils Municipality Council	
222	45403006595	LLC Cesvaines siltums	263.5	-104.5	1 498.3	100 % Cesvaine Municipality Council	
223	50003306141	LLC Īslices ūdens	257.9	-651.9	2 491.6	100 % Bauska Municipality Council	
224	43603031135	LLC Zemgales mutes veselības centrs	256.5	21.6	172.1	100 % Bauska City Council	
225	40103653529	Municipality LLC Šlokenbekas pils	233.2	0.6	84.9	100 % Tukums Municipality Council	
226	51203036041	LLC Dundagas veselības centrs	231.9	-1.8	31.1	100 % Talsi Municipality Council	
227	43603009401	LLC Jaunolis	214.3	-31.6	108.2	100 % Bauska City Council	Reorganized: Added to LLC Mūsu saimnieks on 03.05.2023
228	40003134391	LLC AVIASABIEDRĪBA "LIEPĀJA"	198.5	-5.9	5 616.3	100 % Liepāja City Council	
229	41203001777	Pašvaldības LLC Ventspils tirgus	183.1	-25.9	913.5	100 % Ventspils City Council	
230	40003298707	LLC Liepājas autostāvvietas	179.1	-6.0	229.3	100 % Liepāja City Council	
231	51203035281	LLC Kurzemes filharmonija	177.8	46.1	939.7	100 % Ventspils City Council	
232	40003299789	LLC Bēnes doktorāts	171.8	1.9	24.5	100 % Dobeles Municipality Council	
233	44103027052	LLC CĒSU TIRGUS	170.3	31.6	572.3	100 % Cēsis Municipality Council	

No.	Reg. No.	Name of capital company	Turnover, 2022, EUR `000	Profit/Loss, 2022, EUR `000	Total assets, 31.12.2022, EUR `000	Proportion of shares, holder or owner	Supplementary information/notes
234	44103002824	LLC BANGA KPU	168.1	-35.6	3 091.9	100 % Valmiera Municipality Council	Reorganized: Divided into LLC VALMIERAS NAMSAIMNIEKS and municipality LLC RŪJIENAS SILTUMS on 03.05.2023
235	42103044590	LLC "VĒRGALES KOMUNĀLĀ SAIMNIECĪBA"	165.3	-27.6	1 172.4	100 % Dienvidkurzeme Municipality Council	Reorganized: Added to LLC GROBIŅAS NAMSERVISS 09.02.2023.
236	43403001424	LLC BALVU AUTOTRANSPORTS	157.7	34.5	295.2	100 % Balvi Municipality Council	
237	42103054283	LLC "Pāvilostas komunālais uzņēmums"	154.1	-34.2	838.3	100 % Dienvidkurzeme Municipality Council	Reorganized: Added to LLC GROBIŅAS NAMSERVISS 09.02.2023.
238	40003579893	LLC KOLKAS ŪDENS	151.9	1.4	558.7	100 % Talsi Municipality Council	
239	47103000040	Ērgļu pagasta LLC ŪDAS	146.4	0.0	0.0	100 % Madona Municipality Council	Reorganized: Added to LLC Madonas ūdens 19.01.2023
240	40003382317	LLC "ZIEMEĻKURZEME"	140.1	-19.5	2 927.6	100 % Talsi Municipality Council	
241	47103000106	LLC "Cesvaines komunālie pakalpojumi"	139.9	23.2	2 132.2	100 % Madona Municipality Council	
242	55403005341	LLC "Zasas aptieka"	134.7*	5.1*	25.4*	100 % Jēkabpils Municipality Council	*2021 results, as the submission of the 2022 report is not registered
243	52103024331	Pašvaldības LLC LIEPĀJAS LEĻĻU TEĀTRIS	108.3	9.8	50.7	100 % Liepāja City Council	
244	54103020291	LLC UNGURMUIŽA	108.1	-28.7	12.7	100 % Cēsis Municipality Council	
245	42103048198	LLC KS Cīrava	91.7	-18.3	696.2	100 % Dienvidkurzeme Municipality Council	Reorganized: Added to LLC AIZPUTES NAMI on 05.01.2023
246	45403005405	LLC Lubānas KP	87.0	-23.3	2 177.7	100 % Madona Municipality Council	Reorganized: Divided into LLC Madonas Siltums and LLC Madonas ūdens 03.04.2023
247	44103059950	LLC LĪGATNES NAMI	82.7	-8.2	303.4	100 % Līgatne Municipality Council	
248	42403025230	LLC Vijakas Veselības aprūpes centrs	79.1	-9.2	88.9	100 % Balvi Municipality Council	
249	41203037401	LLC MĒRSRAGA ŪDENS	61.6	-36.6	1 273.1	100 % Talsu Municipality Council	
250	40003357894	Auce Municipality's LLC "Auces slimnīca"	56.8	3.7	35.7	100 % Auce Municipality Council	
251	40003302839	LLC LIEPĀJAS REĢIONĀLĀ TŪRISMA INFORMĀCIJAS BIROJS	53.7	0.4	164.0	85.59 % Liepāja City Council, 14.41 % Dienvidkurzeme Municipality Council	
252	40203310059	LLC Zelta Liepa Debesu Bļodā	29,2	-18,6	3,1	100 % Ogre Municipality Council	
253	45403051705	LLC "Gārsene 3"	17.6	2.1	9.1	100 % Jēkabpils Municipality Council	
254	45403015761	LLC Rubenītis	16.8	-11.0	9.5	100 % Jēkabpils Municipality Council	Reorganized: Added to LLC Viesītes transports on 15.05.2023
255	51203031491	LLC Ventspils lidosta	7.0	2.9	2 013.9	100 % Ventspils City Council	
256	40003299967	LLC Jaunpiebalgas pašvaldības ambulance	0.7	-13.7	0.9	100 % Cēsis Municipality Council	
257	42103022818	LLC RAS 30	0.0	4.1	287.3	100 % Dienvidkurzeme Municipality Council	
258	47403003296	LLC OGRES SVĒTE	0.0	0.0	0.0	100 % Ogre Municipality Council	Liquidation process from 24.07.2017

Municipality-owned capital companies with decisive direct participation of municipalities > 50 %

259	41503029600	LLC Daugavpils reģionālā slimnīca	50 967.2	-3 502.8	34 520.7	88,64 % Daugavpils City Council, 8,93 % Augšdaugava Municipality Council	
260	42103041306	LLC LIEPĀJAS REĢIONĀLĀ SLIMNĪCA	38 711.0	441.1	89 219.8	99.73 % Liepāja City Council,	

No.	Reg. No.	Name of capital company	Turnover, 2022, EUR '000	Profit/Loss, 2022, EUR '000	Total assets, 31.12.2022, EUR '000	Proportion of shares, holder or owner	Supplementary information/notes
261	40003258333	LLC Vidzemes slimnīca	26 950.1	1 091.5	41 585.6	74.07 % Valmiera Municipality Council, 25.03 % Valka Municipality Council	Other shareholders 0.9 % Rīga Stradiņš University
262	40003246194	LLC Ziemeļkurzemes reģionālā slimnīca	25 427.1	163.4	34 152.5	87.96 % Ventspils City Council, 11.48 % Talsi Municipality Council	
263	40003016840	JSC CATA	16 543.2	927.0	11 554.4	54.07 % Cēsis Municipality Council, 33.42 % Limbaži Municipality Council, 5.39 % Ogre Municipality Council, 4.30 % Smiltene Municipality Council, 1.49 % Sigulda Municipality Council, 1.19 % Aizkraukle Municipality Council	
264	40003244761	LLC Preiļu slimnīca	5 283.9	426.3	4 315.6	74.14 % Preiļi Municipality Council	
265	40003321647	LLC Zemgales veselības centrs	4 693.6	186.5	2 728.9	88.19 % Jelgava Municipality Council	
266	40003255337	LLC Aizkraukles slimnīca	4 509.9	294.7	3 707.9	71.04 % Aizkraukle Municipality Council	
267	43603022128	LLC Jelgavas komunālie pakalpojumi	4 037.5	-91.6	1 988.6	51 % Jelgava City Council	
268	42103023090	LLC LIEPĀJAS RAS	3 449.9	241.2	10 035.0	65.85 % Liepāja City Council, 3.29 % Dienvidkurzeme Municipality Council	
269	42103030247	LLC Liepājas Olimpiskais centrs (consolidated)	3 107.4	-272.4	34 460.3	82.94 % Liepāja City Council	
270	54103025871	LLC Valmieras Olimpiskais centrs	2 021.9	-913.1	41 995.5	93.45 % Valmiera Municipality Council	
271	40003245964	LLC Olimpiskais centrs "Ventspils"	1 646.6	-489.6	19 470.4	52.68 % Ventspils City Council	
272	40003148480	JSC BALVU ENERĢIJA	1 559.9	-423.1	2 186.6	94.58% Balvi Municipality Council	
273	41203008173	LLC VATS	954.2	-250.7	1 058.9	50 % Ventspils City Council	
274	44103021789	LLC OLIMPISKAIS CENTRS "LIMBAŽI"	744.7	-43.2	102.6	59.4 % Limbažu Municipality Council	
275	40003527548	LLC ZEMGALES 29	591.1	56.2	110.4	53.95 % Olaine Municipality Council	
276	43603019077	LLC ZEMGALES OLIMPISKAIS CENTRS	301.7	-806.4	18 137.4	54.68 % Jelgava City Council	Other shareholders: 45.32 % Latvijas Olimpiskā komiteja
277	41703001340	JSC JELGAVAS SILTUMTĪKLU UZŅĒMUMS	111.9	27.5	12 602.0	71.61% Jelgava City Council	
278	44103026682	LLC CĒSU OLIMPISKAIS CENTRS	49.9	-64.0	124.7	74.17 % Cēsis Municipality Council	
279	40003977580	LLC MOTO ZZ	0.0	-6.0	38.5	99.89 % Ogre Municipality Council	

Municipality-owned capital companies with direct municipality participation up to (and including) 50 %

280	40003286750	JSC RĪGAS SILTUMS (consolidated)	216 318.6	6 359.2	330 673.7	49% Rīga City Council	Other shareholders: 48.99% Ministry of Economics
281	42103035386	LLC LIEPĀJAS ENERĢIJA	21 915.5	1 276.3	40 579.0	39 % Liepāja City Council	
282	40003015652	JSC LIEPĀJAS AUTOBUSU PARKS (consolidated)	18 238.8	582.5	24 071.6	34.85% Liepāja City Council	
283	40003199078	LLC Piebalgas	9 545.1	459.3	4 440.4	18.36 % Vecumnieki Municipality Council	
284	44103058086	LLC Balvu un Gulbenes slimnīcu apvienība (consolidated)	8 688.6	486.8	11 253.8	29.21 % Balvi Municipality Council, 13.13 % Gulbene Municipality Council	
285	41503002447	JSC DAUGAVPILS SPECIALIZĒTAIS AUTOTRANSPORTA UZŅĒMUMS	5 523.0	310.9	2 636.3	37.2% Daugavpils City Council	Other shareholders: 3.2% State Social Insurance Agency, 59.6% other shareholders
286	40003258973	LLC Ludzas medicīnas centrs	4 550.5	399.4	9 750.7	42.05 % Ludza Municipality Council	Other shareholders: 57.95% Ministry of Health
287	44103016580	JSC VALMIERAS ENERĢIJA	4 329.0	146.6	8 353.1	47.85% Valmiera City Council	
288	40003399703	LLC ĶILUPE	4 238.9	8.8	1 699.3	31.25 % Ogre Municipality Council	
289	40003244634	LLC Daugavpils Olimpiskais centrs	3 076.8	-548.5	18 353.5	46.52 % Daugavpils City Council	
290	40003592340	LLC BALOŽU SILTUMS	1 687.5	61.0	3 759.9	45 % Ķekava Municipality Council	
291	41503029437	LLC "CIRIŠU HES"	636.7	321.1	534.2	40 % Aglona Municipality Council	

No.	Reg. No.	Name of capital company	Turnover, 2022, EUR `000	Profit/Loss, 2022, EUR `000	Total assets, 31.12.2022, EUR `000	Proportion of shares, holder or owner	Supplementary information/notes
292	43603012859	LLC "SPORTA KOMPLEKSS "ZEMGALE""	542.7	-29.4	893.3	32.65 % Jelgava City Council	
293	44103024817	LLC "Alūksnes primārās veselības aprūpes centrs"	521.2	8.1	199.8	10.02 % Alūksne Municipality Council	
294	40003421648	LLC "OC Liepāja"	408.0	74.9	684.0	5.03 % Liepāja City Council	
295	40103037514	LLC Rīgas Apriņķa Avīze	330.6	-7.1	130.4	9.39 % Sigulda Municipality Council, 6.10 % Mārupe Municipality Council, 4.65 % Ropaži Municipality Council, 2.32% Olaines Municipality Council	
296	43603007966	LLC JELGAVAS TIRGUS	325.0	113.1	1 265.8	48.43 % Jelgava City Council	
297	40003035273	LLC Madonas laukcietnieks	278.4	34.6	450.4	10.53 % Madona Municipality Council	
298	48503010397	LLC Brocēnu sporta centrs	224.5	20.9	1 934.1	7.71 % Saldus Municipality Council	
299	40003536108	LLC D & F	155.5	-26.0	316.6	24 % Ogre Municipality Council	
300	40003159107	LLC HYDROENERGY LATVIA	126.2	38.1	99.7	20.83 % Ropaži Municipality Council	
301	41203019340	LLC KOLKASRAGS	101.7	4.4	231.6	48.99981 % Talsi Municipality Council	
302	50003733321	LLC SKY PORT	77.0	-184.5	6 462.1	4.25 % Engure Municipality Council	
303	40003542763	LLC Gulbenes-Alūksnes bānītis	74.7	46.5	355.4	9.09 % Gulbene Municipality Council, 4.55 % Alūksne Municipality Council	
304	41203008614	LLC FUTBOLA KLUBS "VENTSPILS"	71.3*	-308.4*	8.1*	11.23 % Ventspils City Council	*2021 results, as the submission of the 2022 report is not registered
305	40103159777	LLC Jaunā skola	31.4	-76.9	1 113.4	18.78 % Ādaži Municipality Council	
306	50003367381	LLC Ludzas tūrisma aģentūra	24.7	0.2	13.7	44.44 % Ludza Municipality Council	
307	40003633530	LLC "BALARTIS"	8.8	-16.9	0.0	45.37 % Ķekavas Municipality Council	
308	41203024801	LLC Starptautiskā Rakstnieku un tulkotāju māja	5.3	-0.2	99.8	33.33 % Ventspils City Council	
309	41503026233	LLC DOVA	3.1	1.2	27.8	5 % Krāslavas City Council	
310	40003319252	LLC Mālpils Minerāls	0.0	0.0	400.4	0.74 % Mālpils Municipality Council	
311	42403015800	LLC VĒSTURES PARKS	0.0	-0.1	2.5	25 % Rēzekne City Council	
312	40003187948	LLC Latgales Uzņēmējdarbības atbalsta centrs	0*	-0.05*	1.1*	5 % Rēzekne Municipality Council, 1 % Rēzekne City Council	*2021 results, as the submission of the 2022 report is not registered
313	43603023960	JSC AMO PLANT	0.0*	-0.8*	77.9*	2,73% Jelgavas City Council	In insolvency proceedings since 2015. Results from 2019 as no annual reports have been registered since then.