



Cross-Sectoral  
Coordination Centre  
Republic of Latvia



Public Report on the State-Owned  
Enterprises and Shares  
in 2016

Riga, 2017



# Public Report on the State- Owned Enterprises and Shares in 2016

Cross-Sectoral Coordination Centre  
2017



This is the latest annual report on the state-owned enterprises and shares prepared by the Cross-Sectoral Coordination Centre of the Republic of Latvia, and it provides information on the governance of state-owned enterprises and performance results in 2016.

Dear cooperation partners and citizens,

State-owned enterprises play an important role in the national economy of Latvia. State-owned enterprises not only eliminate market failures, manage strategic assets of the Latvian State and carry out important tasks for the society, but also promote the development of the national economy, provide significant financial benefit to the public and provide affordable and high quality services in general.

2016 has been an important time of change in the sector of governance of the state-owned enterprises. According to the Law On Governance of Shares and Enterprises owned by Public Entities and Corporate Governance guidelines of state-owned enterprises of the Organization for Economic Cooperation and Development (OECD) professional supervisory councils were established in the large commercially oriented state-owned enterprises, the transition to the use of International Financial Reporting Standards in the preparation of the annual reports of large state-owned enterprises was launched, the development of medium-term operational strategies in state-owned enterprises and the evaluation of annual performance results using common standards were continued. During the reporting period Cross-Sectoral Coordination centre has developed series of guidelines in such essential matters as development of medium term operational strategies, selection and evaluation of management board members and supervisory council members, evaluation of the performance of state-owned enterprises, determination of strategic objectives of state ownership, disclosure of information on state-owned enterprises. When assessing an experience in management board and supervisory council member's nomination process, the Cabinet of Ministers supported the legal framework for the selection and evaluation process of the members of the management board and supervisory council members of state-owned enterprises.

With the implementation of the state-owned enterprises governance reform, both the general availability of information

on the activities of state-owned enterprises and the government's awareness of strategic issues of governance of state-owned enterprises, consolidated performance and investment plans have improved. Cross-Sectoral Coordination Centre has created an interactive database that allows to select and compare diverse information and indicators about the state-owned enterprises, thus providing the possibility for anyone interested to evaluate and analyse this information in conjunction with developments in the economic process. Work on development of methodologies for determining the desired return on equity is started, because it is important to ensure the effective use of capital invested by the state, setting ambitious financial goals, which simultaneously are balanced with the non-financial targets set by the industry and reflect, in the medium term, the increase in the value of a capital company. This report presents the progress in the corporate governance of state-owned enterprises and allows to assess the effectiveness of the measures implemented, while being open and calling for professional guidance on how to improve the governance of state-owned enterprises.

I would like to thank all the co-operation partners who are actively involved in the implementation of reforms and affirm Latvia's ability to demonstrate progress in the governance of state-owned enterprises, which was evaluated last year by the OECD, recognizing the compliance of governance of state-owned enterprise in Latvia with the recommendations of the OECD!

Pēteris Vilks,  
Head of the Cross-Sectoral Coordination Centre

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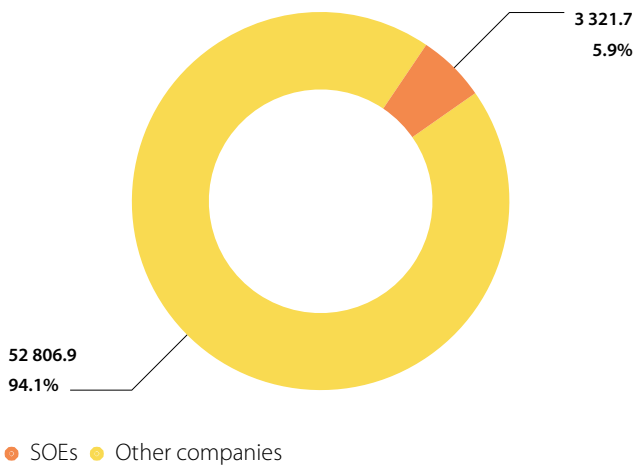
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# Introduction

State-owned enterprises (SOEs) play an important role in the national economy of Latvia. SOEs not only eliminate market failures and carry out strategically important tasks for the society, but also promote the development of the national economy, provide financial benefit to the public and provide affordable and high-quality services in general. In order to illustrate the role of SOEs in the national economy, their contribution in 2015 will be considered.

6% of the turnover generated by the enterprises is generated by SOEs. Total turnover generated in 2015 was more than 56 billion EUR<sup>1</sup>. The total turnover of SOEs could be higher, but it should be remembered that one of the most important tasks for a large part of SOEs is the implementation of non-financial goals that requires to balance financial considerations with non-financial objectives.

**Figure 1. Turnover of SOEs from total turnover of enterprises in 2015, millions EUR, %**

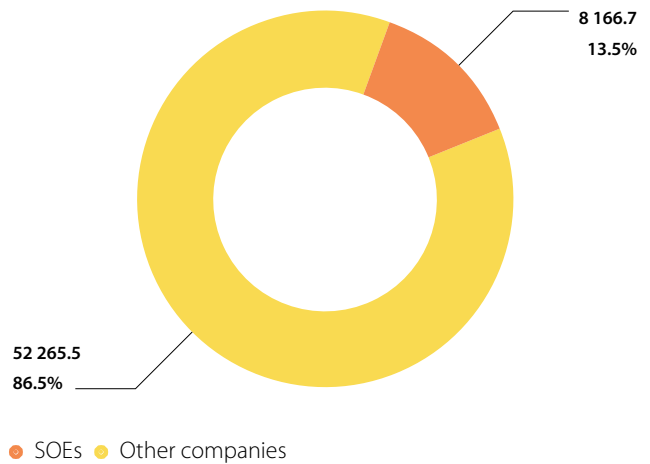


The volume of assets is also significant. The assets actually show the theoretical potential that could generate income and profits. In this indicator the SOEs use 14%<sup>2</sup> of the total assets held by merchants in the country. The ratio of turnover to assets is in favour of the private sector, which can be explained by differences both in terms of objectives and the composition of assets. It is undeniable that primary objective of the private sector is to maximize profits with the least possible involvement of assets and capital. The second factor - 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 sector and in the transport sector. Functioning of these sectors is possible only with large capital investments (hydroelectric power, railway infrastructure, etc.).

<sup>1</sup> [http://data.csb.gov.lv/pxweb/lv/ekfin/ekfin\\_ikgad\\_uznemfin/UF0020\\_euro.px](http://data.csb.gov.lv/pxweb/lv/ekfin/ekfin_ikgad_uznemfin/UF0020_euro.px)

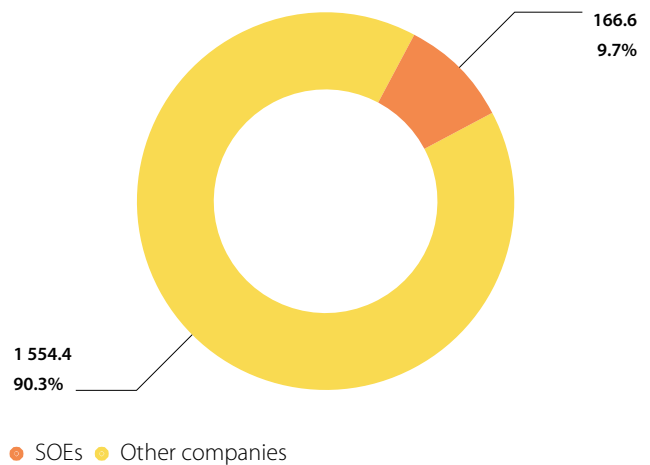
<sup>2</sup> [http://data.csb.gov.lv/pxweb/lv/ekfin/ekfin\\_ikgad\\_uznemfin/UF0023\\_euro.px](http://data.csb.gov.lv/pxweb/lv/ekfin/ekfin_ikgad_uznemfin/UF0023_euro.px)

**Figure 2. Assets of SOEs of total assets of enterprises in 2015, millions EUR, %**



Of the total profit presented by the SOEs nationwide in 2015, 1.72 billion EUR<sup>3</sup>, 10% is formed by SOEs. In terms of return on turnover, the result of SOEs on average is better than in the private sector, but in terms of return on assets, it is slightly worse than in the private sector, taking into account the aforementioned differences in the distribution of assets.

**Figure 3. Profit of SOEs of total profit of enterprises in 2015, millions EUR, %**



Common indicators of SOEs in 2016, compared to 2015, with the exception of turnover and investments, show a rising trend. This can be explained by the growth of the overall economic growth rate in Latvia and in the EU. The data presented in Table 1 show that the return performance indicators, such as return on equity, return on assets, profit and turnover ratios, increase substantially, in spite of the decrease in turnover and increase in the value of assets in the balance sheet.

<sup>3</sup> [http://data.csb.gov.lv/pxweb/lv/ekfin/ekfin\\_ikgad\\_uznemfin/UF0020\\_euro.px](http://data.csb.gov.lv/pxweb/lv/ekfin/ekfin_ikgad_uznemfin/UF0020_euro.px)

**Table 1 Aggregate financial indicators characterising the operation of SOEs and capital companies with state-owned equity shares**

<b>Main financial indicators, thousands EUR</b>		
<b>Total indicators</b>	<b>2015</b>	<b>2016</b>
Turnover	3 321.7	3 258.6
Profit/loss	166.6	206.1
EBITDA	520.7	627.6
Assets	8 166.7	8 727.1
Share capital	3 887.5	4 054.3
Equity	3 803.8	4 218.9
Investment in fixed assets	675.1	590.2
Dividends to the state budget	134.5	164.4
Contributions to the state budget	697.7	754.6
Grants	541.7	601.8
<b>Factors</b>		
Profit and turnover ratio, %	5.0	6.3
ROA (profit/assets), %	2.0	2.4
ROE (profit/equity), %	4.4	4.9
Total liquidity (current assets/short term liabilities)	1.47	1.09
D/E (liabilities/equity)	1.13	1.05
<b>Other indicators</b>		
Number of employees on average per year	52 723	52 114
Gross remuneration average per employee, in thousands of euros	12.3	12.5

Investment volumes have slightly fallen, but it is expected that with more active support from the EU and implementation of major projects such as Rail Baltica, etc. these figures will increase in the coming years. In fact, it can be seen that a large part of investments is made by borrowing funds, as the decline in investment is also reflected in the overall decline in liabilities - past borrowings are repaid, new loans are smaller.

The number of employees is relatively stable. Average wages is also stable with a slight increase of 1.7%, which is generally lagging behind the trends of the private equity market<sup>4</sup>.

Annual public report (hereinafter - the Annual report) on the SOEs and shares is prepared by the Cross-Sectoral Coordination Centre (hereinafter - the CSCC) of the Republic of Latvia, in accordance with clause 5 of the second part of Section 22 of the Law On Governance of Shares and Enterprises owned by Public Entities (hereinafter - the Law on Governance of Companies). CSCC provides coordination and monitoring of SOEs and state-owned equity shares:

- develops guidelines and Cabinet regulations concerning SOEs corporate governance practices;
  - provides the holders of state-owned equity shares an opinion on medium term financial objectives of SOEs and financial operational indicators (profit dividends, profit indicators, return on capital, etc.), as well as their coherence with the non-financial objectives set out in the company's medium-term strategy of operations;
  - provides an opinion to the Cabinet of Ministers on justification of state ownership in a SOE – continuation of state ownership, divestment or acquisition thereof;
  - provides consultations to the Prime Minister, Cabinet of Ministers, holders of state-owned equity shares (ministries) and management of SOEs and responsible employees, as well as organize training on issues related to the management of public corporations;
  - ensures that up-to-date information on SOESs is made public, as well as an annual consolidated report on enterprises effectively controlled by the state is published;
  - ensures regular exchange of information with the Organization for Economic Cooperation and Development (OECD) and State enterprise and privatisation work group and promote implementation of OECD guidelines for governance of state-owned enterprises, as well as the compliance of the Latvian SOEs with the best corporate governance practices.
- In order to ensure the efficient governance of SOEs and capital shares, a collegial institution, the Council of Institution Coordinating Governance of State-Owned Shares and Enterprises (hereinafter - the Supervisory Council of Coordinating Institution) has been established that examines and, prior to approval, coordinates the draft guidelines developed by the Coordinating Institution in the field of SOE governance, as well as in cases stipulated by law, evaluates the opinion of the coordinating institution if the state capital shareholder or the state capital company supervisory council (if it is established) disagrees with it or has asked to consider the issue in the Supervisory Council of the Coordinating Institution, it should be noted at the same time that it has not had to consider such issues yet. Supervisory Council of the Coordinating Institution is entitled to submit the proposals to the Coordination Institution also on other issues related to the SOE governance. Representatives of eight ministries and representatives of Latvian Free Trade Union, Latvian Association of Local and Regional Governments and Employers' Confederation of Latvia are included in the

<sup>4</sup> <http://www.csb.gov.lv/notikumi/atalgojuma-kapums-2016-gada-paleninajas-44443.html>



Supervisory Council of the Coordination Institution. Supervisory Council of the Coordination Institution launched active work in 2016, several draft guidelines in the field of governance of public corporations developed by CSCC were reviewed and approved, as well as in the first half of 2017, draft guidelines on selection on SOEs management board and supervisory council members and remuneration were reviewed and draft report on methodology of setting desired level of return on capital. In 2017, a representative of Latvian Chamber of Commerce and Industry was included in the composition of the Supervisory Council of Coordination institution with the decision of the Cabinet of Ministers, as well as the representative of Baltic Institute of Corporate Governance will be invited to participate in the Supervisory Council of Coordination institution meetings without voting rights.

Several Cabinet regulations and guidelines were approved during 2016 (see part 1.3 Work on Normative Acts)

In autumn 2016, considering that the supervisory councils at the most of large SOEs were established and began to work, CSCC organised training and experience exchange seminar for members of newly created SOE supervisory councils. In the first half of 2017, training was organized for shareholders and representatives of SOEs on use of financial goals in the planning of activities of SOEs and evaluation of results (see part 1.6 Training, Consulting for Corporations, Holders of Shares).

In 2016, a study was conducted on the remuneration of various members of the management boards of private sector companies in the Baltic States. During the study data on remuneration of management board members in 20 sectors and in three groups according to the size of the enterprise (depending on net turnover, balance sheet total and number of employees) were collected. The study results provide additional data and conclusions on remuneration of management board members in the private sector, which were used for the development of guidelines for the determination of remuneration for members of the management board and supervisory council of state-owned enterprises.

New web site [www.valstskapitals.lv](http://www.valstskapitals.lv) was created in 2016 and published in 2017, in which up to date information in the field of SOEs governance is published, as well as interactive data base on SOEs and state-owned capital shares is included in this web site. The database allows to select and analyse various indicators for SOEs, including analysing groups of state-owned enterprises or individual ones by choosing one or more indicators, and the option to convert these data into Microsoft Excel spreadsheets is provided, that enables convenient data processing and calculation. Various data graphs are also available in the database, selecting SOEs and their performance indicators according to the user's pre-selected parameters.

Figure 4. Web site [www.valstskapitals.lv](http://www.valstskapitals.lv)



Dealing with matters related to SOEs and state-owned capital shares, CSCC collects information on certain issues related to the implementation of the Law on Governance of companies, and in 2016 work was started on amendments to the Law on Governance of Companies with a broader scope, including the division of responsibilities among the public, the preparation and implementation of decisions of the decision-making body, the procedure for the disclosure of information, the decision on determining the amount of profit to be paid out in dividends, and others. The draft of Law was supported during the meeting of the Cabinet of Ministers on June 20, 2017.

# 1. Governance of State-Owned Enterprises

## 1.1 Development of Strategies

State-owned enterprises that have developed their mid-term operational strategies (hereinafter referred to as - the Strategy) after January 2016, must receive CSCC opinion on draft Strategy prior to the approval of draft Strategy.

CSCC received 21 draft Strategy for provision on of opinion. Nine of these Strategies later were submitted to CSCC for provision of repeated opinion, some even several times. Ten of Strategies received during 2016 are still not received as approved. In some cases Strategies were approved without obtaining the opinion of CSCC. CSCC pointed out to such deficiencies of harmonization process to the respective shareholder. While in some cases the shareholders used the statutory rights established in the Law on Governance of Companies to approve the draft Strategy, without taking into account some of the objections referred to in the opinion of CSCC on draft Strategy and sent CSCC the reasoning.

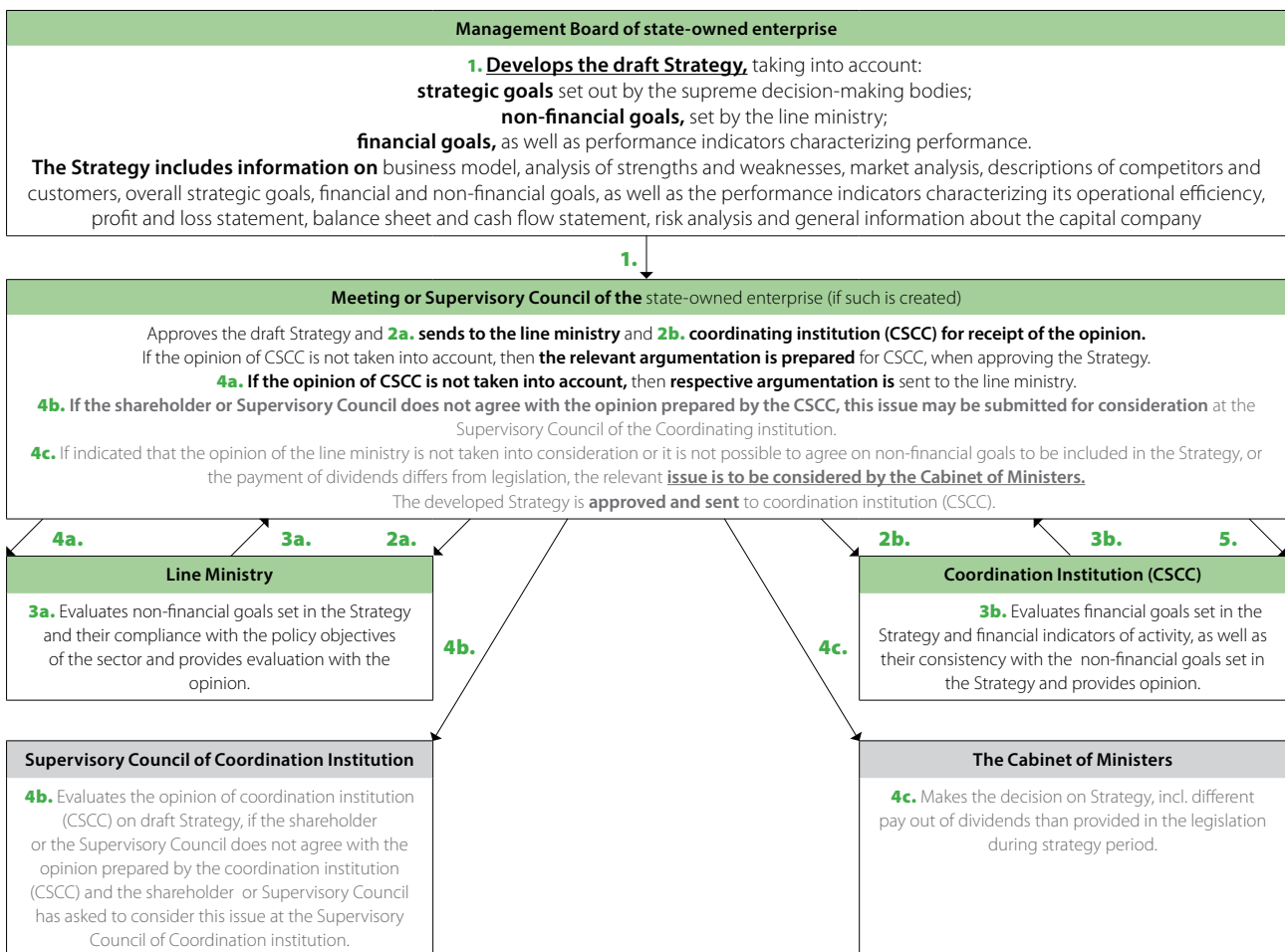
Overall, six SOEs Strategies were approved in 2016. Including the Strategies that were approved before January 1, 2016, before the CSCC started to issue opinions on draft Strategies, at the moment 40 of 67 SOEs have effective Strategies.

In the first half of 2017, 15 more draft Strategies were received by CSCC for provision of opinions.

Currently the SOEs, whose shareholder is the Ministry of Culture (14 SOEs) are actively working on development of Strategies, as well as other SOEs, who have received CSCC opinion, but whose Strategies are not yet approved. For part of the SOEs, the process of Strategy approval will be longer, as it is intended to obtain the approval from the Cabinet of Ministers not to pay the dividends from profit during the strategy period. Some SOEs that have no valid Strategies are currently undergoing restructuring or transformation process, therefore due to objective reasons, the draft Strategies were not developed.

The most uncertainties for SOEs in the process of drafting Strategies creates difficulties in defining financial and non-financial goals with sufficient clarity, linking investment plans with the financial potential of an enterprise during the strategy period, and if the amount of dividends payable differently (most often 0%) is planned due to a lack of sufficient justification the purpose of the use of the amount not paid out in dividends.

Figure 5. Strategy project coordination and approval process



■ Standard process    ■ Additional process, if necessary

## 1.2 Nomination Commissions and Nomination Processes

In accordance with the Law on Governance of Companies, one of the most important functions of a Coordinating Institution is to participate in all processes of selecting and evaluating members of the management board and supervisory council of SOEs, therefore representatives of CSCC are included in each nomination committee, formed of representatives of the line ministry or the supervisory council of the SOEs, representative of CSCC, independent experts and, if necessary, observers. The most important recommendation in the OECD's assessment of Latvia's practice in the governance of SOEs was to establish professional supervisory councils in major large commercial state-owned enterprises. Nomination committees were established for the selection of all members of the supervisory councils, in which the representatives of the CSCC, as well as representatives from various non-governmental organizations, such as the Employers' Confederation of Latvia, the Baltic Institute of Corporate Governance and others, participated as independent representatives. The Latvian State generally undertook to establish a supervisory council in twelve large state-owned enterprises, in seven of them shareholder is the Ministry of Transport, three of them - the Ministry of Finance, while the Ministry of Economics and the Ministry of Agriculture each are shareholder of one such state-owned enterprise. Selection of members of the management board and supervisory council is governed by the Law On Governance of Shares and Enterprises owned by Public Entities and Cabinet regulation No 686 "Procedure for Nomination of Candidates for Posts of Management Board Members in Capital Companies where the State as a Participant (Shareholder) has the Right to Nominate Management Board and Supervisory Council Members and Management Board Members in SOEs with a Supervisory Council" of 1 December 2015.

In the first half of 2016, supervisory councils were established in the JSC "Latvijas valsts meži" held by the Ministry of Agriculture, SJSC "Latvijas dzelzceļš", SJSC "Latvijas autoceļu uzturētājs", SJSC "Latvijas Pasts" and SJSC "Starptautiskā lidosta "Rīga"" held by the Ministry of Transport. In the second half of 2016, supervisory councils were established also in JSC "Latvenergo" held by the Ministry of Economy, SJSC "Ceļu satiksmes drošības direkcija", SJSC "Pasažieru vilciens", SJSC "Latvijas gaisa satiksme" held by the Ministry of Transport, as well as in SJSC "Valsts nekustamie īpašumi", SJSC "Augstsprieguma tīkls" and SJSC "Latvijas Loto" held by the Ministry of Finance. In general, the formation of supervisory councils in large state-owned enterprises is evaluated positively, since thirty-three of the thirty-nine members of the supervisory council met the requirements of an independent supervisory council member, which is relevant to the supervisory council's ability to judge independently and act in the interests of the state as the owner

and company. At the same time, it should be concluded that the current legal framework regarding the criteria for members of an independent supervisory council would be debatable, for example, whether a supervisory council member can be considered independent if the supervisory council member has been an official or employee of the shareholder for the past two years or is currently, or has been an official or employee in the subordinated institution, in another SOE of the same shareholder or in its dependent company, an official in another public administration institution, an official in the political party's administrative institution, as well as other possible restrictions. An essential prerequisite for the successful organization of the nomination process and the attraction of candidates is sufficient publicity and information availability measures on the nomination process and the opportunity to apply, so that information on the possibility of application as a member of the management board or supervisory council member reaches as wide a range of potential candidates as possible. For this purpose, the opportunity was used to publish the information in mass media and involve recruitment companies for attraction and assessment of candidates (in particular, if the nominations process was implemented for selection for a large SOE). Similarly, wider access to information was provided through social networks that enabled this information to be received by a wider range of individuals, thus increasing the ability of relevant candidates to know about and use these opportunities. At the same time it was found that during the initial application process it is not useful to require presenting a vision for the development of the enterprise, as it undermines the motivation of potential candidates to submit an application, and creates significant additional burden on nominations commission in the initial stage of candidate selection process. An essential element in the assessment of candidates is an impeccable reputation. Given that the impeccable reputation is not precisely defined, the role of the members of the commission in the interpretation of this aspect and the consensus of opinions are important if such a decision is taken. It is also important to have a full assessment of competences for candidates who enter the final selection phase. Currently, it is evident that the capacity of nomination commission members to fully evaluate competencies is not always sufficient; sometimes, only for a part of the competences appropriate interview questions are put forward in the interview structure, nor does it provide sufficient time for full evaluation of competencies. It would therefore be recommended to find possibilities to use recruitment company or individual recruitment expert services, in particular, for the assessment of competencies.

During the year 2016, the shareholders or supervisory councils organized also a number of selection processes of the members of the management board in SOEs, including such significant state capital companies as JSC "Latvijas Pasts", SJSC "Pasažieru vilciens", SJSC "Starptautiskā lidosta "Rīga"", JSC

“Augstsprieguma tīkls”, SLLC “Paula Stradiņa klīniskā universitātes slimnīca”, SLLC “Latvijas televīzija”, SLLC “Austrumu klīniskā universitātes slimnīca”, as well as in several smaller SOEs.

While assessing the experience of implementing nomination processes in the SOEs and taking into account the recommendations of the Baltic Institute of Corporate Governance for appointing supervisory council members to state-owned enterprises, the CSCC found necessary to make improvements in the legal framework, as well as experience in the work of the nomination commissions and the conclusions were used for development of guidelines for selection and evaluation of management board and supervisory council members, as well as in 2016, amendments to the Cabinet Regulation No. 686 “Procedure for Nomination of Candidates for Posts of Management Board Members in Capital Companies where the State as a Participant (Shareholder) has the Right to Nominate Management Board and Supervisory Council Members and Management Board Members in SOEs with a Supervisory Council” of 1 December 2015 were developed and approved, to clarify the regulation of the process of the nomination process.

### 1.3 Work on Normative Acts

Following normative acts were developed and came into effect in 2016:

- Cabinet Regulation No.95 “Procedure for Assessment of Performance Results and Financial Indicators for a Capital Company where the State Exerts an Effective Control” of 9 February 2016. This regulation provides the procedure for assessment of performance results for a SOE, establishing that the initial assessment and information on the results of activities are provided by the management board of the SOE, they are assessed by the line ministry (in relation to the implementation of the objectives of the sectoral policy) and the shareholder submitting initial assessment of the management board and shareholder to the Coordinating institution. The Coordinating institution provides its assessment on the fulfilment of the financial goals of the state-owned enterprise, considering it in the context of other financial indicators and the fulfilment of non-financial goals.
- Amendments in the Cabinet Regulation No. 686 “Procedure for Nomination of Candidates for Posts of Management Board Members and Supervisory Council Members in Capital Companies where the State as a Participant (Shareholder) has the Right to Nominate Management Board and Supervisory Council Members and Management Board Members in SOEs with a Supervisory Council” of 1 December 2015, which entered into force on October 14, 2016. CSCC developed amendments to the Cabinet Regulations in order to improve the selection of candidates for management board and supervisory council members positions in state-owned enterprises in which the

state as a shareholder has the right to nominate members of the management board or supervisory council, including specifying the assessment of the eligibility of candidates, and the certification of the member of the nomination committee was specified to ensure prevention of conflicts of interest as well as to preserve the confidentiality of the information obtained during the nomination process. The legal framework was also clarified on how the public is provided with comprehensive information both on the selection and evaluation process of nominees for the vacant positions of members of the management board or supervisory council of the relevant state-owned enterprise (including the composition of the nomination committee), as well as with a decision taken by a member (shareholder) or a supervisory council of state-owned enterprise (if established) on a member of the management board or supervisory council of SOE elected in the position.

- Amendments to the Law on Governance of Shares and Enterprises owned by Public Entities (Law on Governance of Companies), which came into force on July 6, 2016. Amendments to the law were made in order to bring the law into conformity with the Law on the Annual Financial Statements and Consolidated Financial Statements and Section 88 of the State Administration Structure Law. Similarly, the amendments to the law extended the deadline for the decision on the maintenance of a public entity’s direct participation in a company.

During 2016, CSCC has confirmed four guidelines approved at the Coordination Institution Supervisory Council in the field of Governance of SOEs, the development of which is delegation in the Law on Governance of Companies.

- The Guidelines for Setting General Strategic Goals for Ownership of the State in a Capital Company;
- The Guidelines for Drafting Medium-Term Operational Strategies of SOEs;
- The Guidelines for Publishing the Information for SOEs and Shareholders;
- The Guidelines for Assessment of Performance Results in Capital Companies where the State Exerts an Effective Control.

Similarly, the CSCC developed following guidelines in 2016 and approved them with the Supervisory Council of the Coordinating Institution in 2017:

- Guidelines for the selection and evaluation of candidates of the management board and supervisory council of a capital company, in capital companies, in which the state as a shareholder has the right to nominate members of the management board or supervisory council.
- At the end of 2016 amendments in the Cabinet Regulation No. 686 “Procedure for Nomination of Candidates for Posts of Management Board Members and Supervisory Council Members in Capital Companies where the State as a Shareholder has the Right to Nominate Management Board and Supervisory Council Members, and Management Board Members in SOEs with a Supervisory Council” of 1 December 2015, and, with the

adoption of the rules, CSCC was given the task of developing guidelines that would facilitate the uniform application of these provisions in practice. Accordingly, a draft document "Guidelines for the Selection and Evaluation of Candidates of the Management Board and Supervisory Council in Capital Companies, in which the State as a Shareholder has the Right to Nominate Members of the Management Board or Supervisory Council" was developed, which was approved on March 16, 2017. The guidelines include recommendations for good practice for the organization of the selection process and the application of the concept of "impeccable reputation".

- Guidelines for determining the remuneration of members of the Management Board and Supervisory Council of state-owned enterprises and public private enterprises. In order to promote uniform application of Cabinet Regulation No. 791 "Regulations on the Number of Management Board and Supervisory Council Members in Capital Companies of a Public Entity and Public Private enterprises in Accordance with Indicators Characterising the Size of a Capital Company, Maximum Amount of Monthly Remuneration of Management Board and Supervisory Council Members" adopted on December 2015, CSCC organised a research in accordance with the task given by the Cabinet of Ministers, in order to get information the average amount of remuneration for members of the management board in private sector enterprises of similar size (net turnover, balance sheet total, number of employees) or, in certain cases, in the industry, in which the respective enterprise operates. After conducting the research, CSCC also developed guidelines for the determination of remuneration for members of the management board and supervisory council of capital companies. The research was carried out in 2016 by a limited liability company "Civitta Latvia", its results were published [www.valstskapitals.lv](http://www.valstskapitals.lv) and are available for use from March 2017. Taking into account the results of the research and good practice, in 2017 CSCC began work on draft of guidelines "Guidelines for determining the remuneration of members of the management board and supervisory council members of public entity's companies and public private companies", which were approved on September 4, 2017.

#### 1.4 Work of Supervisory Councils in the SOEs

By the end of 2016, the supervisory councils were established in 12 SOEs (JSC "Latvijas Valsts meži", JSC "Latvenergo", SJSC "Valsts nekustamie īpašumi", JSC "Augstsprieguma tīkls", SJSC "Latvijas loto", JSC "Latvijas dzelzceļš", SJSC "Starptautiskā lidosta "Rīga", SJSC "Latvijas autoceļu uzturētājs", SJSC "Latvijas Pasts", SJSC "Ceļu satiksmes un drošības direkcija", SJSC "Latvijas gaisa satiksme", JSC "Pasažieru vilciens"). Earlier, the supervisory council was set up only at JSC "Attīstības un finanšu institūcijai "Altum"". With the creation of the supervisory councils in major commercially oriented SOEs one of the OECD recommendations was implemented. There are discussions in the public on possible creation of the supervisory

councils at the largest state hospitals (SLLC "Bērnu klīniskā universitātes slimnīca", LLC "Rīgas Austrumu klīniskā universitātes slimnīca", SLLC "Paula Stradiņa Klīniskā universitātes slimnīca"), as their financial indicators (net turnover and balance sheet total) allow a formation of supervisory councils in accordance with the criteria of the Law on Governance of Companies, however, such decisions have not yet been adopted, on the grounds that financing of these SOEs is mainly public financial resources and these SOEs are not commercially oriented.

One of the most urgent and most prominent tasks of the supervisory councils in 2016 and 2017 were the participation in the development of medium term strategies of state-owned enterprises, the organization of the nomination processes of the members of the management board, the appointment and revocation of the members of the management board, and the evaluation of the SOE's operating results of the for the reporting year. In some cases, the newly formed supervisory council disagreed with the draft strategy developed by the management board that was already under approval process and returned it to the management board for repeated processing. In one case, on the proposal of the supervisory council, the number of management board members in the state-owned enterprise was increased, in order to organize the work of this state-owned enterprise more efficiently. A significant contribution of the supervisory councils is also the relief of the representative of the shareholder, since, prior to the creation of the supervisory councils, the issues falling within the scope of the supervisory council duties, along with their direct duties, were decided by the shareholder's representative.

In 2017, a research of the person's opinion involved in the SOEs governance was carried out on activities, benefits and necessary improvements of supervisory councils in a form of questionnaire, including the revision of the criteria for independent members of the supervisory council. However, the true contribution and usefulness of the supervisory councils in increasing the performance and efficiency of state-owned enterprise will be possible to evaluate in some time, by comparing the results over a longer period.

#### 1.5 Cooperation with OECD

During the first part of 2016, CSCC carried out a significant work of implementation and coordination of reforms in the context of the process of Latvia's accession to the OECD, taking into account the recommendations made by the OECD regarding the management of Latvian state-owned enterprises. The main recommendations of the OECD were related to the establishment of professional supervisory councils and the preparation of annual accounts in accordance with International Financial Reporting Standards (IFRS) in large SOEs, the practical implementation of the Law on Governance of Companies, in particular with regard to the development of medium-term

strategies for SOEs, the definition of financial and non-financial goals, clear definition of policy criteria and strengthening of the capacity of the Coordinating Institution. Representatives of the CSCC ensured active cooperation with officials of line ministries in the process of implementing the OECD recommendations, gathered up-to-date information on the progress of implementation of OECD recommendations, and provided regular communication on these issues with the OECD Secretariat, as well as participated in meetings of the OECD Corporate Governance Committee and the OECD Working Party on State-owned Enterprises and Privatization Practices in order to inform them about the progress of Latvia in implementing the recommendations and positions regarding the ways and deadlines for implementation of the recommendations. Significant work was done at the beginning of 2016, to prepare an aggregated report on the state-owned enterprises and shares in 2014, which was published in Latvian and English in order to provide the delegates of OECD Working Party on State-owned Enterprises and Privatization Practices a comprehensive overview of the activities and results of the state-owned enterprises before the decision of the Working Party on the conclusion of the negotiation process was adopted. An essential argument in the conclusion process of accession negotiations was the fact that the Latvian government demonstrated a strong commitment to establish the supervisory councils in all major commercially oriented SOEs.

In April 2016, the Working Group of OECD Corporate Governance Committee and OECD Working Party on State-owned Enterprises and Privatization Practices discussed the final report prepared by Latvia on the work accomplished and the planned follow-up steps to the implementation of the OECD recommendations and the successful completion of the technical accession negotiations and the completion of the evaluation procedure for the governance of state-owned enterprises. Positive opinion from the OECD Corporate Governance Committee on Latvia's compliance with the OECD guidelines for the governance of SOEs was received, while providing a number of recommendations for the implementation after the accession of Latvia to the OECD, on which Latvia will have to inform OECD Working Party on State-owned Enterprises and Privatization Practices in April 2017. In the treaty for accession of Latvia to OECD obligation of Latvia to establish professional supervisory councils in all large commercially oriented SOEs by the end of 2016 was included, as well as that Latvia should ensure a gradual transition to preparation of the annual accounts of state-owned enterprises in accordance with International Financial Reporting Standards (IFRS) in large SOEs. It was also necessary to ensure more rapid progress in the elaboration of medium-term strategies for SOEs, including the formulation and mutual harmonization of financial and non-financial objectives of SOEs. In June 2016, Latvia became a fully-fledged member of the OECD and, accordingly, as a full member of the OECD

Working Party on State-owned Enterprises and Privatization Practices, which provided opportunities for full participation in the work of the Working Party. In 2016, Latvia has provided to the OECD Secretariat information of issues related to the governance of SOEs, including the representation of gender in the management boards and supervisory councils of SOEs, size indicators and sectoral breakdown of SOEs, an experience of privatization of the state-owned shares starting from 2008. The CSCC provided extensive information to the OECD Secretariat on the governance model of SOEs for inclusion in the summary report on governance of SOEs in OECD member countries. Representatives of the CSCC participated in the meeting of the OECD Working Party on State-owned Enterprises and Privatization Practices in October 19-20, 2016, participating in discussions about the role of the SOEs in the global market and the impact on international competition, importance of the work of SOEs, recent reforms in the governance of SOEs and privatization processes in certain OECD Member States, draft documents prepared by the Secretariat (OECD Summary Report on Corporate Governance, OECD Survey on Size Indicators and Sectoral Breakdowns in OECD Member States), as well as evaluation of compliance of OECD candidate countries with the OECD Corporate Governance Guidelines.

Meeting of the OECD Working Party on State-owned Enterprises and Privatization Practices took place in March 23-24, 2017, during which the post-accession monitoring report prepared by the OECD Secretariat on the state of Latvia's implementation of the OECD recommendations, including progress in fulfilling Latvia's commitments included in the treaty on Latvia's accession to the OECD, was discussed. The Working Party positively assessed the accomplishments of the Latvia and decided to conclude the post-accession monitoring process, while providing several recommendations for the further improvement of governance of SOEs, including the strengthening of supervisory council powers in procurement decisions and the appointment/dismissal of the management board, and calling for an assessment of the possibility of forming supervisory councils in greater number of SOEs.

## **1.6 Training, Consulting for SOEs and Holders of Shares**

One of the most important public events in 2016 was the first national conference organized by CSCC on February 19 - discussion for promoting good governance in state and municipal owned companies, which brought together over 200 participants, incl. all of Latvia's SOEs, line ministries, as well as a wider range of cooperation and social partners. The next conference of such scale is scheduled for November 10, 2017.

In order to facilitate the understanding on various issues related to governance of SOEs, the CSCC organized training for both the representatives of SOEs and employees of the CSCC.

At the end of 2016 the CSCC organized training seminars and exchange of experience for members of newly established supervisory councils of large SOEs, in order to facilitate better commencement of operations of newly created supervisory councils and the application of uniform principles of corporate governance in all SOEs. During the training such topics were discussed as the tasks of the supervisory council (including the development of a medium-term strategy, evaluation of the results of a capital company, determination of dividends and remuneration policy) and relations and cooperation of the supervisory council with the management board, as well as answers to the questions of interest were provided. While, the employees of the SOE Governance Division of the CSCC participated in the corporate finance training organised by the CSCC especially for them, in order to supplement their knowledge of aspects of financial planning and performance evaluation of SOEs.

One of the CSCC's functions is to provide advice to public entities and public capital companies on a variety of issues that affects the ownership of a public entity and governance of SOEs. Not only the SOEs and state capital shareholders had turned to CSCC with the questions, but also municipalities and municipality-owned enterprises. Most often, they wanted to obtain an advice on issues related to the determination of remuneration for the members of the management board in accordance with the new legal regulation, the interpretation of the restrictions imposed on the members of the management board, criteria for determination of impeccable reputation, social guarantees for members of the management boards and supervisory councils, the conclusion of an authorization agreement, issues on provision of the technical support to the supervisory council's activities, as well as on the process of developing and evaluating of medium-term strategies.

Also, the CSCC provided opinion to the law enforcement institutions about the extension of the mandate for the members of the management board, legality of the award of bonuses and on the issues relating to joining of posts of the members of the management board.

## **1.7 Development of SOEs Governance in 2017**

Taking into account the ongoing process of creating the supervisory councils in major SOEs, the CSCC plans to assess supervisory council formation process to start a discussion about the possibility of clarifying the eligibility criteria of the independent supervisory council member, as well as to evaluate the possibility of forming a supervisory council in a larger number of state-owned enterprises, especially in major healthcare sector SOEs, as well as in medium-sized SOEs.

A significant indicator of the efficiency of the governance of SOEs is the return on equity. In 2017 the CSCC initiated the work on methodology for approval of desired return on equity,

in order to ensure that adequate targets comparable with the private sector are set during the development of medium-term strategies of SOEs, while taking into account the orientation of the SOEs (commercial, non-commercial), the costs of non-financial goals and the impact on the achievement of financial goals.

The discussion initiated by the State Audit Office on the improvement and monitoring of the activities of municipality-owned enterprises, taking into account the currently decentralized approach to the governance of municipality-owned enterprises and the weaknesses detected by the State Audit Office, and the need to apply the corporate governance principles applicable to SOEs also in the municipality-owned enterprises as fully as possible and with the same approach, ensure more efficient use of their resources, prevent negative effects on competition and insufficiently justified participation of municipalities in enterprises should be continued.

More active using of the financial and capital market should be evaluated, including considering the possibilities for SOEs to issue bonds, as well as the possibility of listing shares of SOEs, while allowing the state to retain an effective control of these companies. This would allow SOEs to attract additional financial resources for their development, as well as to allow the development of the local financial and capital market, making it attractive to local and foreign investors.

In the process of preparing the reform of the corporate governance of SOEs in 2012, the idea of a partially centralized governance model for SOEs was evaluated and supported by the Government, providing that commercial enterprises are transferred to a single shareholder who manages SOEs in accordance with business principles, in order to ensure the highest possible return on equity and the growth of the value of SOEs, while ensuring that the role of owner and sectoral policy maker is institutionally separated. Considering the fact that such commercially-oriented enterprises usually have no non-financial goals related to the policy of the sector concerned, it would be necessary to revert to this discussion and decide on the possibility of implementing of such partial centralization of the governance of SOEs.

In 2017, it is planned to continue to accumulate and publish financial results information on SOEs, state-owned equity shares, equity shares belonging to the SOEs and enterprises effectively controlled by the state. Given that information on the results of companies, such as turnover, investments, liquidity, return on assets and equity, employment and average wages has already been accumulated over several years, then it will be possible to analyse these indicators more in-depth when assessing the success of activities of SOEs, in developing and evaluating the justification for strategic decisions, including taking into account the development trends of the national economy and the sectors concerned.

## 2 Methodology Used in the Report

Public reports have been used to collect data used in the report on SOEs and state-owned shares (annual reports of enterprises, annual reports published by the enterprises, other information published by the enterprises), special reports of enterprises for specific indicators for the purposes of the report and information received from the State Revenue Service of the Republic of Latvia (SRS). Indicators such as EBITDA, investment in fixed assets, paid dividends, payments made to state and municipal budgets, donations received and donated, funding received from the budget, were obtained from reports, specially prepared by the state-owned enterprises. These indicators have been calculated by the SOEs, therefore, minor methodological differences in calculations are possible. Other indicators, as well as the raw data for derived indicators are obtained from publicly available data sources. Indicators are prepared according to a common methodology, but may vary, taking into account the individual data interpretations of each state-owned enterprise (management reports). The credibility of these data has not been additionally audited, trusting public data and that the reports are reflecting actual situation.

Financial indicators such as profitability, ROA, ROE, liquidity and debt-to-equity ratio are calculated from publicly available information.

- Profitability – profit and turnover ratio, expressed as a percentage.
- ROA (return on assets) – ratio of profits and assets in total, expressed as a percentage.
- ROE (return on equity) – profit and equity ratio, expressed as a percentage.
- Total liquidity – ratio of short-term assets (receivables, stocks, money) and short-term creditors.
- D/E (debt-to-equity ratio) – the ratio of all liabilities and equity.

The average gross remuneration is calculated using the personnel costs and average number of employees indicated in the annual accounts. The indicator reflects the average gross remuneration per employee per year (also includes remuneration for the duties of management board and supervisory council members). In certain situations, when a public report of SOE does not indicate individual social contributions, gross remuneration is calculated using the general rate of compulsory social security contributions of the employer. Such calculation forms slight deviations from the real value, but the deviation is not statistically significant. Various financial benefits - accumulative insurance, contributions to the third level, pension fund plans various benefits - are not included in the calculation. Gross remuneration in each individual enterprise is accounted for in accordance with the accounting principles and policies and may therefore contain different elements.

The general financial analysis of SOEs includes enterprises in which the state has a decisive influence (50% + 1 share) and individual SOEs dependant companies and enterprises with effective control. These enterprises are LLC "Latvijas Mobilais

Telefons", LLC "Lattelecom", LLC "Hiponia", LLC "Veselības centrs "Bīķernieki"", SLLC "Sertifikācijas un testēšanas centrs", LLC "Rīgas hematoloģijas centrs", LLC "FeLM" and JSC "Reverta".

Various enterprises are included in the annex to the report "SOEs, State-owned Equity Shares, Equity Shares Belonging to the SOEs and Enterprises Effectively Controlled by the State" – SOEs, associated companies of SOEs, public private enterprises, enterprises effectively controlled by the state, as well as private capital companies with the state capital shares, in which the state has no effective control, but more information in the report is given on SOEs or enterprises effectively controlled by the state and enterprises of economic (JSC "RĪGAS SILTUMS") or social (LLC "Latvijas Olimpiskā vienība") significance in which the state is the owner of capital shares. The state owns a number of enterprises that serve the public and whose goals are social rather than commercial. This makes the financial analysis more complicated, as valuation techniques and methods for assessing typical commercial companies are largely unsuitable for analysing and impartially assessing the benefits to the public and the non-financial goals achieved.

Part of SOEs, which can be described as commercial, have published less information on the grounds of business secrets. Respecting the business policies of the SOEs, information may be reflected in the report to a smaller extent.

The financial analysis uses consolidated (group) financial information, including the performance of subsidiaries. The exception is SJS "Privatizācijas aģentūra" and SLLC "Rīgas Austrumu klīniskās universitātes slimnīca". The analysis used the information of these SOEs, excluding the information of dependent enterprises.

Both consolidated information and information of all subsidiaries is reflected in the annex to the annual report "SOEs, State-owned Equity Shares, Equity Shares Belonging to the SOEs and to Enterprises Effectively Controlled by the State".

Some enterprises have not published all the information. Consequently, it was not possible to include this information in the report.

To ensure continuity, the annual report and analysis are prepared on an annual basis, as well as the measures are taken to improve compliance of SOEs performance indicators with SOEs form of operation, including in the fields of finance and corporate governance. This report analyses and compares the financial data of SOEs from 2015 to 2016, but in individual sectors the data on 2014 to 2016. The report does not analyse non-financial indicators of companies.

The report uses photographs sent by SOEs. Their publication in the materials prepared by the CSCC is unrestricted.



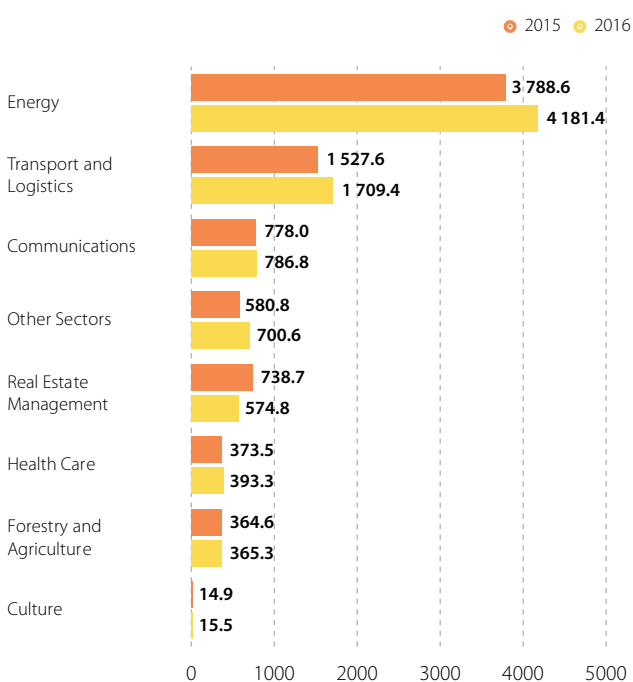
# 3 Performance of State-Owned Enterprises

## 3.1 Summary of SOEs Performance

### The amount of assets of SOEs

When assessing assets, we can see that the total increase is 6.9%. The largest increase is observed in the energy and transport sectors, which are historically the largest in terms of volume, as they control nationally the most important infrastructure. The largest decline is observed in the real estate sector. This can be explained both by the gradual reduction of the volume of real estate property taken over by the SOEs during the crisis and by an assessment of the assets unnecessary for core business, which are sold.

Figure 6. Total assets of SOEs by sector, millions EUR

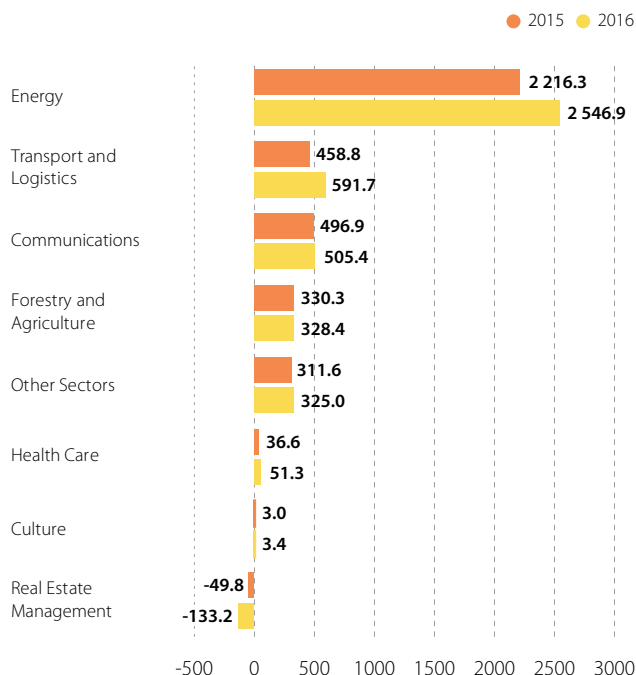


### Total equity of SOEs

Total equity increased by 10.9% in all SOEs. The energy sector as well as transport and logistic sector showed the greatest growth. Negative result in the real estate sector is created by the SOEs engaged in the recovery and sale of real estate, which also received state aid in the form of financing, such as JSC "Reverta" and its subsidiaries, LLC "Hiponia".

The increase in the energy and transport and logistic sector results from accumulated reinvested earnings, which are not paid into the state budget as dividends and reserves created, which provides a relatively high increase.

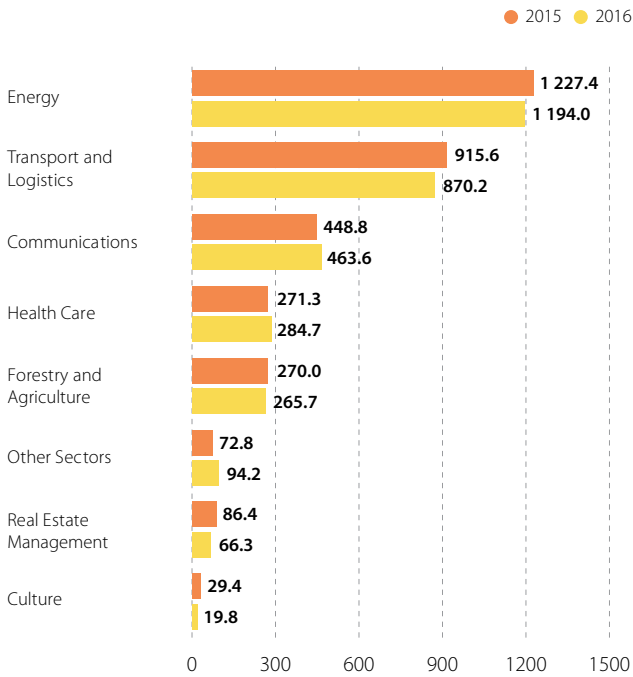
Figure 7. Total equity of SOEs by sector, millions EUR



### The total turnover of SOEs

The total turnover has fallen for about 1.9%. The decline is observed both in the energy sector, in the transport and logistic sector and in the real estate sector, which can be basically explained with the circumstances of the markets, including the market demand for the goods and services and their prices. The transport and logistic sector was significantly influenced by the geopolitical situation and growth of cargo towards the ports of the Russian Federation, thus reducing the flow of freight in the Latvian railway network. In the energy sector, the impact on turnover is caused by low energy prices, while in this area the decline has not affected the profitability, also taking into account the favourable conditions for electricity production and the distribution of market shares. In turn, some SOEs in the culture sector have changed their accounting policies and accounting, excluding government grants from turnover, which are reported as other operating income. The most significant increase is in the industry of communications and health care. While the additional national funding is important in the health care, then the communications industry has shown significantly better results in terms of sales, thanks to the operational success of the enterprises that can be actually considered commercial LLC "Lattelecom" and LLC "Latvijas Mobilais Telefons"

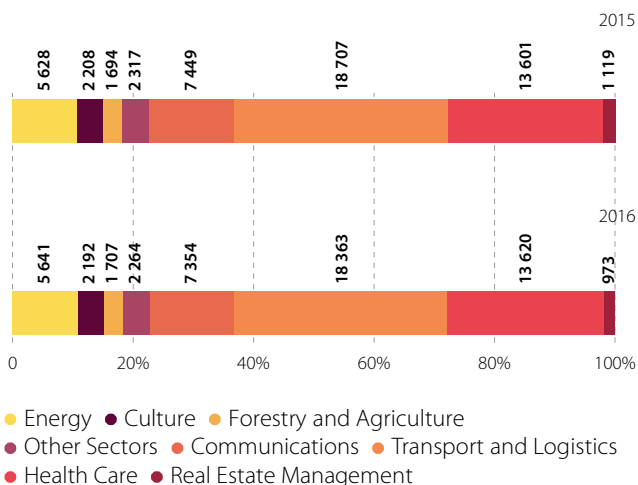
**Figure 8. Total turnover of SOEs by sector, millions EUR**



### Number of employees and average remuneration

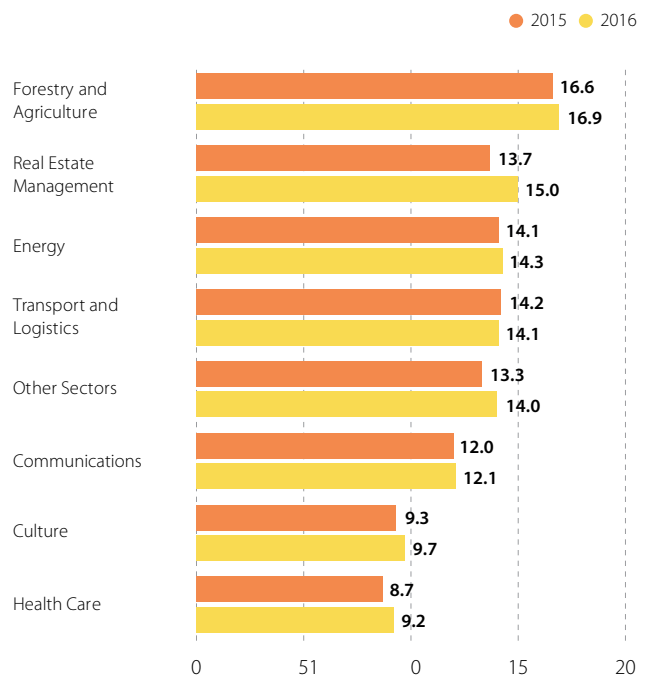
The structure of the employees has not undergone any substantial changes, the reduction is relatively small, the division of labour by industry is relatively modest, the biggest changes are in the transport and real estate sectors, which is partly due to the development of market conjuncture in the transport sector and the reduction of the volume of activities of SOEs in the real estate sector. The highest number of employees in the transport sector is followed by healthcare and communications.

**Figure 9. Number of employees in SOEs by sector, number and %**



The analysis of information on remuneration can be used to determine common trends. The remuneration policy is determined in each SOE according to internally approved principles depending on the nature of the activity of the SOEs, the labour market and the available financial resources. There may be differences in the principles of variable remuneration or other principles for the allocation and payment of additional benefits. Similarly, remuneration policy is influenced by the choice of a business model, where the enterprises with a higher proportion of outsourcing will often have a higher level of remuneration, as well as the importance of the non-financial goals and the SOEs income model. Overall, the level of remuneration in all sectors has increased, with the exception of the transport sector. The forestry sector occupies the leading position in the remuneration scale, while the lowest salary level is in the sectors of culture and healthcare.

**Figure 10. Gross remuneration on average per one employee per year, thousands EUR**



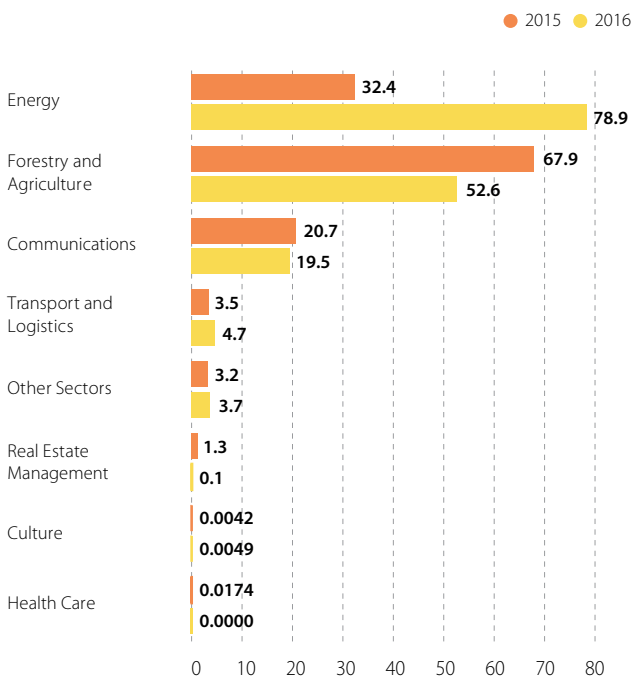
### Dividends

When assessing the distribution of dividends to the State, the leaders traditionally are the energy, forestry and communications sectors. The contribution of other SOEs in the form of dividends is considerably smaller.

The leadership of the forestry sector is substantially explained by the fact that the main production asset is forestland, which is not subject to depreciation. Consequently, smaller financial means are accrued to the restoration of fixed assets, and profit to EBITDA indicator is the largest among sectors.

In 2016 the energy sector has shown the best results, which is due to the successful performance in the market. An important role in the contribution of the sector is played by JSC "Latvenergo", which depends on the amount of electricity produced by the Daugava HPP cascade, the electricity prices on the stock exchange, the duration and intensity of the heating season.

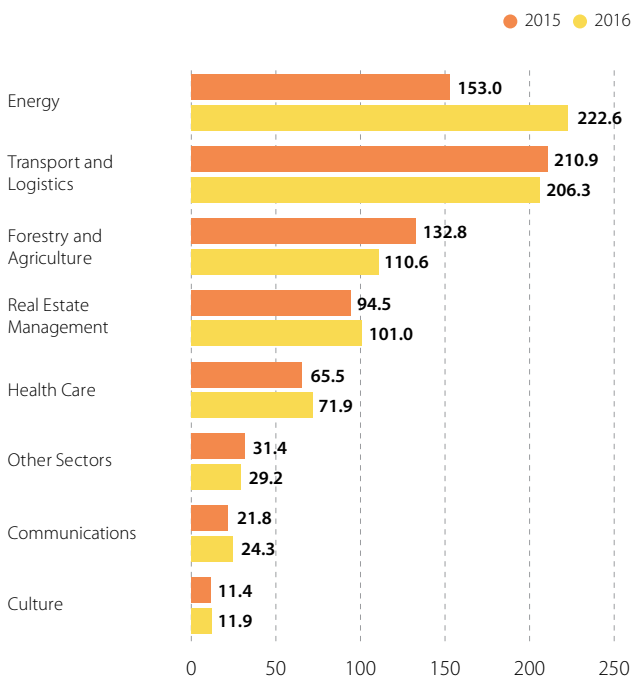
**Figure 11. Dividends paid by SOEs for the previous year by sector, millions EUR**



### Contributions paid by SOEs to the state budget

Contributions to state and municipal budgets consist of taxes, fees and dividends. The major contributors are energy and transport enterprises.

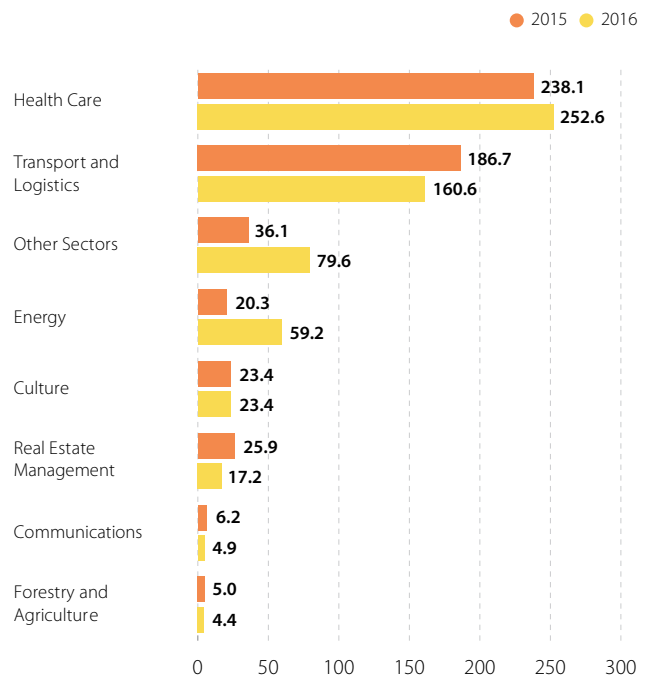
**Figure 12. Instalments made by SOEs in the budget by sector, millions EUR**



### Budget financing received by SOEs

The funding received from the state budget includes various types of revenue - both compensation mechanisms such as the compensation paid by JSC "Latvenergo" for the registration of the mandatory procurement component and fees for publicly purchased services, such as health care services for hospitals or the production of theatre performances for theatres. The largest beneficiary is the healthcare sector, which receives grants for both state-commissioned services and support for the modernisation of the material-technical base (grant for long-term credit repayment). Significant budget funding is redirected to the transport sector, in which a large part of the aid is compensation for carrying passengers who are entitled for free-of-charge use of public transport facilities, transportation, and payments to JSC "Pasažieru vilciens" as well as to SLLC "Autotransporta direkcija" which is envisaged for bus and coach service providers, including covering of losses.

**Figure 13. Budget funding received by SOEs, millions EUR**



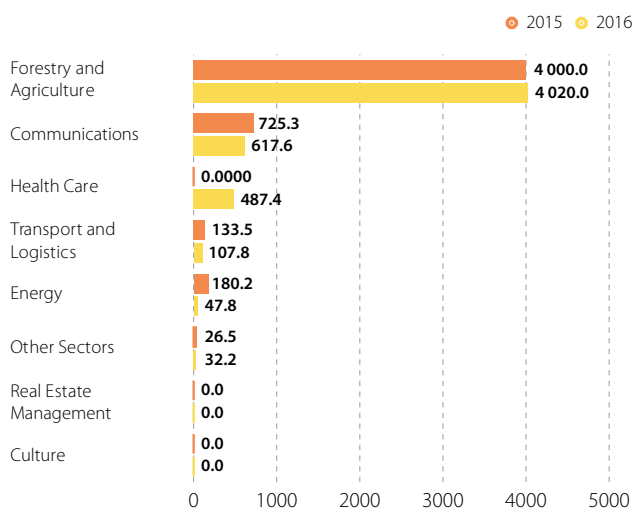
### Donations made by SOEs

Traditionally the most active donors are the forestry sector and JSC "Latvijas Valsts meži", which allocates about 4 million euros annually for various donation programs. The forestry sector is followed by a communications industry where donations often serve as a marketing instrument.

In the healthcare sector, the sole contributor is the SJSC "Paula Stradiņa klīniskās universitātes slimnīca" who donated funds to the

State Blood Donor Centre and the Centre for Disease Prevention and Control to improve their capabilities.

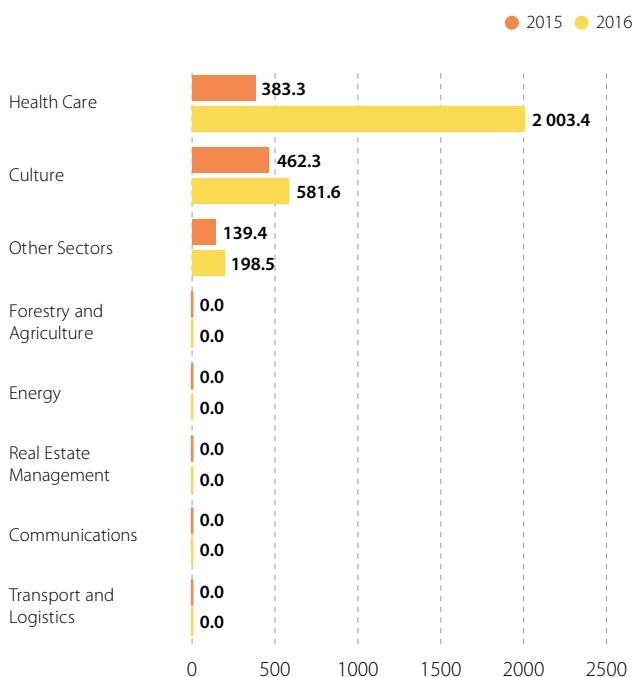
**Figure 14. Donations made by SOEs by sector, thousands EUR**



### Donations received by SOEs

Leaders among the recipients of donations are SOEs of healthcare industry, where the volume of donations has significantly increased, and SOEs of culture industry have also received significant contributions from major donors. The donations were also received by SLLC "Latvijas televīzija" (Other Sectors).

**Figure 15. Donations received by SOEs by sector, thousands EUR**



### 3.2 Return on SOEs

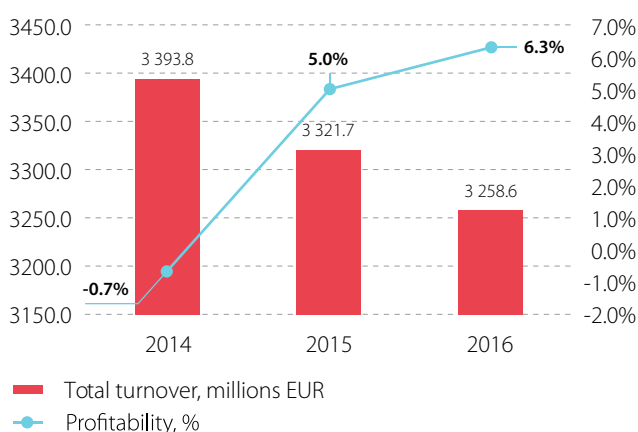
A major part of the activities of SOEs is the implementation of non-financial goals. The main task of SOEs is to perform functions important to society, which are mostly non-commercial or non-profit-making.

In sectors such as education, healthcare and culture, which are represented by 36 SOEs, or practically half of the SOEs, the main objectives are non-financial goals. Of course, the returns of these SOEs are measurable in financial indicators as well, but the public benefit provided by them derives directly from their qualitative contribution to the achievement of the industry's objectives.

Consequently, the financial data presented in aggregated form is not directly comparable with those of private enterprises, which usually have only financial goals and tasks, because SOEs have to take into account the costs of non-financial goals established for SOEs.

In order not to lose focus on efficient management, the financial goal of a non-commercial SOE is usually to work without loss or with a small profit, ensuring financial stability. While analysing the data for the last 3 years, we can observe improvements in the return on equity of SOEs. The impact of the financial crisis could be still observed in 2014. During the crisis, a state took over number of illiquid assets from Parex bank, that came into the state ownership but later also has established LLC Hiponia, which managed the troubled assets of the restructured state owned Land and Mortgage bank. Realization of these assets caused significant losses to the enterprises operating in this sector.

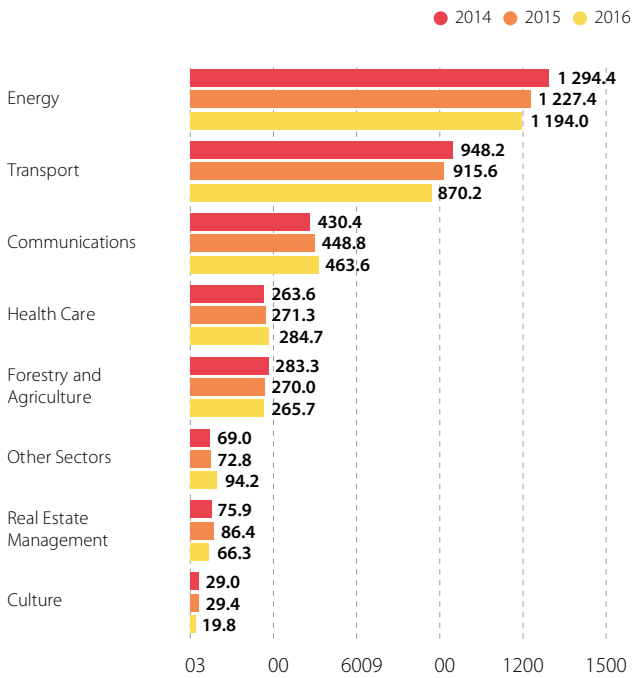
**Figure 16. Total turnover of SOEs, millions EUR, and profitability, %, during time period from 2014 to 2016**



The impact of the financial crisis and the lack of financing of individual sectors, such as health care, are also reflected in aggregated financial results when the total profitability of SOEs in 2014 has been negative, but in 2015 and 2016, energy companies significantly compensated for the negative impact of these enterprises, when profitability reached 5.0% and 6.3% respectively. In addition, it must be concluded that this has happened with a concurrent decrease in turnover, which implies an improvement in the efficiency of SOEs.

When assessing the decline in turnover across sectors, it can be observed that the most significant decrease in turnover is in financially large SOEs in the energy and transport sectors.

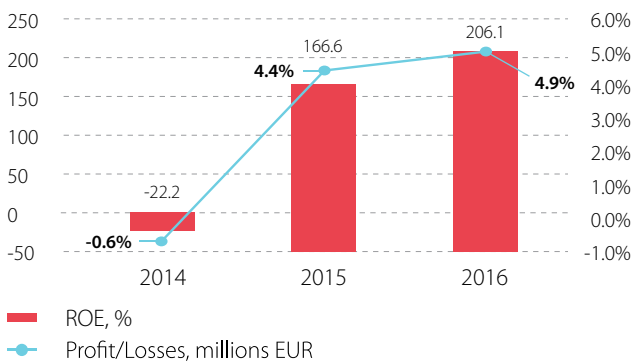
**Figure 17. Total turnover of SOEs by sector, during time period from 2014 to 2016, millions EUR**



The decline can be explained by the low cost period of energy resources in recent years. The price of energy in the transport and energy sector plays an important role. Prices for oil and other energy resources have long been at the lowest point in the last decade, thus allowing significant cost savings, as well as to lower prices for purchasers of products and services, preserving and even raising profit margins. Complex political relations with Russia also have a significant impact in the transport sector.

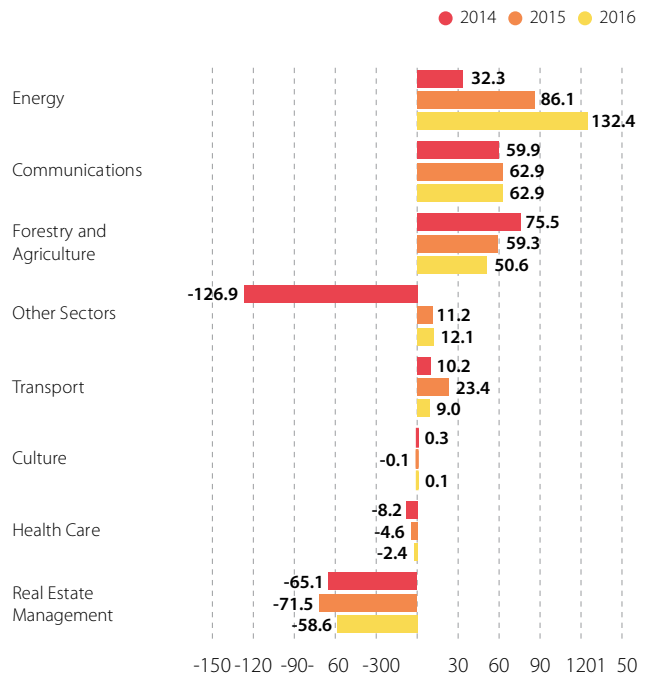
Return on earnings and return on equity actually reflect a similar trend as turnover and profitability.

**Figure 18. Profit of SOEs, millions EUR, and return on equity (ROE), %, from 2014 until 2016**



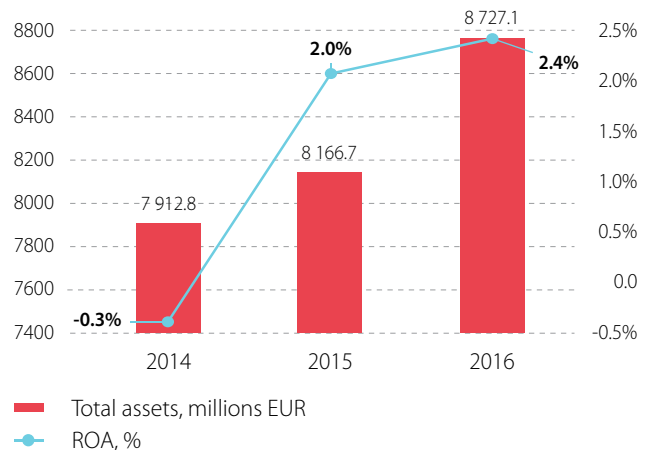
In turn, the sectoral breakdown shows that the transport sector has a relatively lower ROE. Despite the high turnover figures, the profit margin is relatively lower, lagging behind the forestry sector as well and by clearly highlighting the negative impact of geopolitical situation in 2016.

**Figure 19. Total profit of SOEs by sector, during time period from 2014 to 2016, millions EUR**



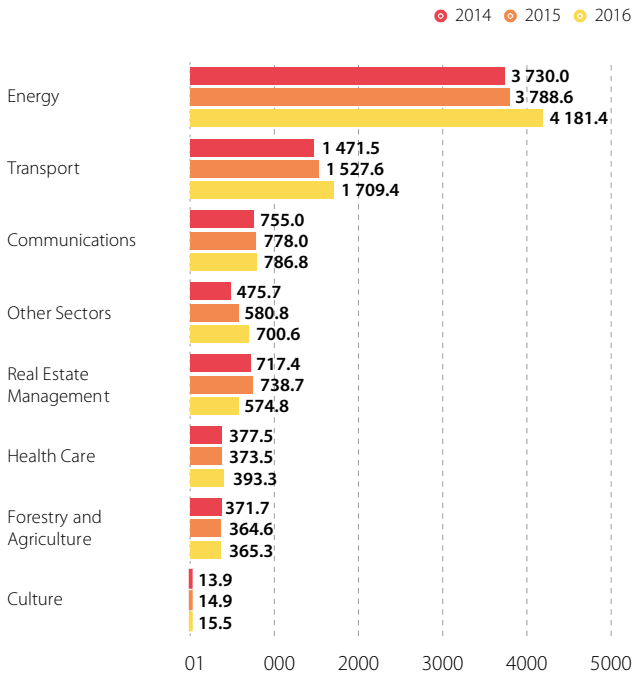
In terms of return on total assets, growth in returns on assets to 2.4% can be observed. In 2016 asset growth was 6.9%. In this section, we can see that, as the volume of assets grows, returns are increasing as well, thus the investments are mainly made in profitable sectors.

**Figure 20. Total assets of SOEs, millions EUR, and return on assets (ROA), %, from 2014 until 2016**



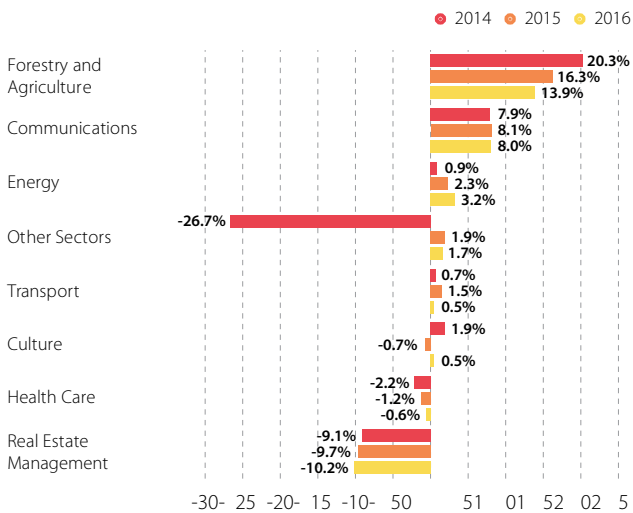
The sector's breakdown shows that the fastest increase in assets is observed in the energy sector, as well as in the transport sector.

**Figure 21. Total assets of SOEs by sector, during time period from 2014 to 2016, millions EUR**



The level of return on assets varies greatly between sectors. In the transport sector, investments have not provided an adequate return on assets. Higher influence has been generated by the downward trend in market demand. Similarly, in the forestry sector, where the return on assets is more affected by the market situation, as well as investment usually is a longer-term goal, which generates long-term rather than immediate impact on the profits of the SOEs.

**Figure 22. Total return on assets (ROA) of SOEs by sector, during time period from 2014 to 2016, %**



### **3.3 On Changes in State-Owned Enterprises, State-Owned Equity Shares, Equity Shares Belonging to the SOEs and Capital Shares in the Enterprises Effectively Controlled by the state and Enterprises that Currently are not Carrying out Economic Activities and are Insolvent in 2016**

In 2016, one new SOE dependant company and one enterprise with state-owned shares were registered, one SOE was transferred to another derived public entity free of charge, ownership was terminated in six enterprises, one SOE was incorporated to another one as a result of reorganisation, in four enterprises state owned shares were sold, eight enterprises with the state owned shares are not engaged in an economic activity or are in insolvency process, one SOE is not excluded from the Register of Enterprises, two SOEs have changed the names.

On April 1, 2016, a new dependent enterprise LLC "FeLM" with a share capital of EUR 3 000, established in accordance with the decision of the Cabinet of Ministers of March 22, 2016 was registered in the Register of Enterprises of the Republic of Latvia, whose sole purpose is management of the claim on JSC "KVV Liepājas metalurģs". On December 22, 2016, JSC "Conexus Baltic Grid" was established, which manages the unified natural gas transmission system and the Inčukalns underground gas storage facility and the shareholder of its 0,00029% capital shares is the Ministry of Economics.

On August 9, 2016, the Cabinet of Ministers endorsed the draft law on transfer of capital shares of SLLC "Bulduru Dārzkopības vidusskola" without charge to Latvia University of Agriculture and on January 15, 2017 the Law adopted by the Saeima on December 15, 2016 "On Limited Liability Company "Bulduru Dārzkopības vidusskola" came into force.

On December 30, 100% participation in LLC "Veselības aprūpes nekustamie īpašumi" was terminated, by merging it to the company – SJSC "Valsts nekustamie īpašumi" as a result of reorganization.

In 2016, SJSC "Privatizācijas aģentūra" terminated the state ownership in the insolvent JSC "Jēkabpils labība" (liquidated on May 17, 2016), insolvent JSC "RAF Inženieru tehniskais centrs" (liquidated on May 27, 2016), insolvent JSC "Dzelzceļtransports" (liquidated on June 13, 2016) and insolvent JSC "Madona AB" (liquidated on September 16, 2016). On May 3, 2016, is liquidated LLC "Riska investīciju sabiedrība" 100% owned by SJSC "Attīstības finanšu institūcija Altum" and on February 3, 2016 - LLC "Rīgas centra namu pārvalde".

In 2016 state owned shares of JSC "B.L.B. Baltijas termināls" (the contract concluded on August 15, 2016), JSC "Valmieras stikla šķiedra" (the state capital shares were auctioned on November 8, 2016 at the Nasdaq Riga Stock Exchange), JSC "Grindeks" (the state capital shares were auctioned on November 8, 2016 at the Nasdaq Riga Stock Exchange) and JSC "Latvijas Nacionālais

autopārvadātāju centrs" (the contract concluded on November 11, 2016) were sold.

As of December 31, 2016, SJSC "Privatizācijas aģentūra" held state shares in 31 enterprises, 8 of them are not engaged in an economic activity or are in insolvency processes (JSC "Transinform", insolvent LLC "Agroleasing S.I.A.", insolvent LLC "Eiropas minerāls", LLC "Ventspils ekskursiju birojs", insolvent JSC "Latvijas zoovetapgāde", insolvent JSC "Daugavpils dzirnavnieks", insolvent JSC "Liepājas metalurģs", insolvent JSC "Rīgas alus darītava Vārpa"). SJSC "Privatizācijas aģentūras" holds also the state capital shares of LLC "Lattelecom" (state ownership in the share capital 51%) and LLC "Latvijas Mobilais Telefons" (state ownership in the share capital 5%) .

Due to the decease of the administrator, the liquidation process SLLC "Vides projekti" has not yet been completed and the necessary formalities are being continued so that the enterprise can be excluded from the Register of Enterprises.



# 4.1 Energy



## JSC Augstsprieguma tīkls (AST)

Reg. No. 40003575567

WEB: [www.ast.lv](http://www.ast.lv)

State ownership 100%

AST has no ownership in other enterprise.

AST is an independent transmission system operator in Latvia that provides transmission system services and provides balancing and stability in transmission system.

### General Strategic Goal

Balanced development, ensuring the regulatory asset value increases and funding for the safe and efficient management of network development.

### The most important events in 2016

330 kV EPL connection "Kurzemes loks" phase 3: 330 kV overhead line "Ventspils – Tume – Rīga" (127.4 million EUR).

### Planned most significant events in 2017

Construction of third Estonian – Latvian 330kV interconnection (102.4 million EUR).

### Main financial goals

- Return on equity  $\geq 2.0\%$ .
- Profit 173 thousand EUR.
- Profit before interest payments, taxes, depreciation and transmission system asset lease payments, EBITDAR (48.0 million EUR).

### Main non-financial goals

- Provide an average transmission service availability index (ASAI)  $>99.5\%$ .
- Provide the average duration of the power supply interruption to the substation (CAIDI)  $\leq 0.6$ h.
- Ensure a transmission loss level of no more than 3.0% of the amount of electricity received in the network.

### Achieved results

- In 2016 AST worked with a profit of 352 thousand EUR which exceeds the planned budget by 180 thousand EUR.
- The financial goals of AST are generally met and exceeded, while non-financial targets are met for 93%.

## Governance structure

Shareholder – Ministry of Finance

Chair of the Supervisory Council – Vilnis Krēsliņš

Members of the Supervisory Council – Jurijs Spiridonovs, Olga Bogdanova

Chair of the Management Board – Varis Boks

Members of the Management Board – Imants Zviedris, Arnis Staltmanis, Mārcis Kauliņš, Gatis Junghāns

### Main financial indicators, thousands EUR

	2015	2016
Turnover	124 775.8	116 788.6
Profit/Loss	172.6	352.4
EBITDA	1 030.6	1 540.0
Assets	107 187.7	114 697.1
Share capital	5 691.5	5 691.5
Equity	8 465.6	8 660.8
Investment in fixed assets	1 489.5	2 032.9
Dividends paid to the state budget	898.5	155.3
Contributions made to the state and municipal budget	10 743.0	13 013.2
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	0.0	0.0

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.14	0.30
ROA (profit/assets), %	0.16	0.31
ROE (profit/equity), %	2.04	4.07
Total liquidity (current assets/short term liabilities)	4.92	5.31
D/E (liabilities/equity)	11.39	11.97

### Other indicators

Number of employees	513	525
Average gross remuneration per employees per year, thousands EUR	17.1	17.2
Gender representation in management, f/m		1/7
Annual report in accordance with IFRS		yes

## JSC Latvenergo

Reg. No. 40003032949

WEB: [www.latvenergo.lv](http://www.latvenergo.lv)

State ownership 100%

Related companies and capital shares:

JSC Sadales tīkls 100%

JSC Latvijas elektriskie tīkli 100%

UAB Elektrum Lietuva 100%

OÜ Elektrum Eesti 100%

JSC Enerģijas publiskais tirgotājs 100%

LLC Elektrum Latvija 100%

LLC Liepājas enerģija 51%

JSC Latvenergo is the largest electricity producer in the Baltic States that generates and sells electricity and thermal energy, ensures thermal energy distribution and lease of transmission assets.

### General Strategic Goal

Sustainable, responsible and economically justifiable provision of goods and services to the energy sector, which is important for competitiveness and growth of economy, as well as efficient management of resources and infrastructure strategically important for the development and security of the state, contributing to increasing energy security.

### The most important events in 2016

- Leading market position in the Baltic States was maintained - a market share of about 30%.
- The total amount of investment in 2016 - 200.7 million EUR, of which 64% invested in network assets.
- Additional green bonds issued in the amount of 25 million EUR with Moody's rating GB1 (excellent).
- A Supervisory council of 5 members has been established.

### Planned most significant events in 2017

- Strengthening of the market position (including the launch of retail gas sale in home markets).
- Completion of the reconstruction of Daugava HPP production units.
- Developing of an appropriate, functional, secure and efficient network for customers' needs (the digitalisation of the distribution network).

### Main financial goals

- Return on equity >5%.
- Net loans/ EBITDA <2.5.
- EBITDA profitability: production > 25%, trade > 1.5%, transmission and distribution > 40%.

### Main non-financial goals

The Group has no non-financial goals.

## Governance structure

Shareholder – Ministry of Economy

Chair of the Supervisory Council – Andris Ozoliņš

Members of the Supervisory Council – Andris Liepiņš, Baiba Anda Rubesa, Mārtiņš Bičevskis, Martins Sedlackis (Martin Sedlacky)

Chair of the Management Board – Āris Žīgurs

Members of the Management Board – Guntars Baļčūns, Uldis Bariss, Māris Kuņickis, Guntis Stafekis

### Main financial indicators, thousands EUR

	2015	2016
Turnover	929 127.9	931 619.0
Profit/Loss	83 509.2	130 593.0
EBITDA	307 015.0	393 399.0
Assets	3 517 372.3	3 901 231.0
Share capital	1 288 531.1	1 288 715.0
Equity	2 089 789.5	2 418 713.0
Investment in fixed assets	190 461.0	200 677.0
Dividends paid to the state budget	31 478.9	78 790.0
Contributions made to the state and municipal budget	142 268.0	209 630.0
Donations received	0.0	0.0
Donations made	180.2	47.8
Funding received from the state budget	20 335.0	59 189.0

### Main financial indicators, % and factors

Profitability (profit/turnover), %	8.99	14.02
ROA (profit/assets), %	2.37	3.35
ROE (profit/equity), %	4.00	5.40
Total liquidity (current assets/short term liabilities)	1.91	1.62
D/E (liabilities/equity)	0.67	0.61

### Other indicators

Number of employees	4 162	4 176
Average gross remuneration per employees per year, thousands EUR	16.9	17.2
Gender representation in management, f/m		1/9
Annual report in accordance with IFRS		yes

## The main business (operational) goals

- Strengthening the market position in the Baltics.
- Diversification of sources of electricity generation.
- Balanced development of networks.

## Achieved results

- All financial and business (operational) goals were reached in 2016.
- ROE 5.4%, Net borrowing/ EBITDA – 1.7.
- EBITDA profitability: production - 45.8%, trade - 2.3%, transmission and distribution - 42.7%.



A photograph of a forest with a sandy beach in the foreground. The beach is composed of light-colored sand and small pebbles. In the background, there is a dense forest of tall, thin evergreen trees. The ground near the trees is covered in green moss and ferns. The overall scene is a natural, serene landscape.

# 4.2 Forestry and Agriculture

## LLC Latvijas Lauku konsultāciju un izglītības centrs (LLKIC)

Reg. No. 40003347699

WEB: [www.llkc.lv](http://www.llkc.lv)

State ownership 99.32%

LLKIC has no ownership in other enterprise.

The main activity of LLKIC is to provide rural entrepreneurs with accounting, fundraising and education services, as well as consulting in the agriculture, forestry and fisheries sectors.

### General Strategic Goal

To provide counselling and services to rural entrepreneurs, organizations and citizens in connection with the industry's production process, accounting and business planning, to promote rural (including forestry) and fisheries development, fostering business start-ups and economic efficiency, as well as conducting research, education and informing the public, supporting innovation in agriculture, forestry and fisheries.

### The most important events in 2016

- Continued provision of the functions delegated by the state.
- Renovation of premises of the property in Ozolnieki, Rigas Street 34 was carried out.

### Planned most significant events in 2017

- Extending the provision of complex services (livestock farming, crop production, economics) to increase the efficiency of the Latvian agriculture.
- Preparation and distribution of informative materials "Lauku Lapa", "Zivju Lapa", "Čiekurs" and "Latvijas Lopkopis"

### Main financial goals

- Total liquidity 1.02.
- Equity ratio is 0.28.
- Equity growth: equity is 67 230 EUR.

### Main non-financial goals

- Carry out regular expertise and research.
- Actively promote cooperation between different organizations for rural development.
- Carry out education of citizens and organizations and permanently inform about sectoral topicalities.
- Promote the growth of entrepreneurial activities in rural areas
- Provide specific data collection and compilation in the interests of the office.

## Governance structure

Shareholder – Ministry of Agriculture

Chair of the Management Board – Mārtiņš Cimermanis

Members of the Management Board – Kaspars Žūriņš, Edgars Linde

### Main financial indicators, thousands EUR

	2015	2016
Turnover	8 303.2	8 673.8
Profit/Loss	13.8	12.6
EBITDA	-15.4	111.3
Assets	5 062.4	5 525.8
Share capital	1 139.3	1 139.3
Equity	1 453.1	1 513.8
Investment in fixed assets	618.5	294.4
Dividends paid to the state Budget	4.9	6.8
Contributions made to the state and municipal budget	3 739.6	3 478.8
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	5 024.1	4 359.9

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.17	0.15
ROA (profit/assets), %	0.27	0.23
ROE (profit/equity), %	0.95	0.83
Total liquidity (current assets/short term liabilities)	1.47	1.03
D/E (liabilities/equity)	2.06	2.38

### Other indicators

Number of employees	461	440
Average gross remuneration per employees per year, thousand EUR	10.0	10.6
Gender representation in management, f/m		0/3
Annual report in accordance with IFRS		no

## Achieved results

- Turnover 8.67 million EUR.
- Almost all non-financial goals were exceeded. The number of entrepreneurs supported under the program of promotion of economic activity of rural territories has reached 742, which is 22% more of the planned.

## JSC Latvijas valsts meži (LVM)

Reg. No. 40003466281

WEB: [www.lvm.lv](http://www.lvm.lv)

State ownership 100%

Related companies and capital shares:

LLC "Jaunmoku pils" 100%

LLC "Meža un koksnes produktu pētniecības un attīstības institūts" 40.22%

JSC "Latvijas Finieris" 0.94%

Core activity of LVM is forestry, which is the primary source of income of the company. In addition to forestry, LVM provides hunting and recreation services, produces seeds and seedlings, and offers on the market natural resources: sand, gravel, peat.

LVM is managing and administrating 1.6 million hectares of land of the Republic of Latvia. LVM implements state interests in forest management, ensuring preservation, increase of forest values and maximizing income to the owner - the state.

### General Strategic Goal

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

### The most important events in 2016

- The Supervisory council of 5 members has been established.
- Large-scale investments in forestry infrastructure - forest road construction continues. In 2016, 285 km of forest roads were commissioned, of which 117 km of roads were rebuilt and 168 km were newly built (financing amount 19.0 million EUR).

### Planned most significant events in 2017

Major investments are planned for the construction of forest roads - 241 km of forest roads are planned to be commissioned.

### Main financial goals

- Increase long-term profit and ensure positive cash flow from economic activities: EBITDA 70.9 mill. EUR, dividends 90%.
- Increase the value of the assets and tree plants managed by the company: the forest infrastructure balance is 231.9 million EUR, forest capital value in any 5 year period of 120-year cycle 2 451 million EUR.

### Main non-financial goals

- Forest area for the production and extraction of wood, the proportion of forest  $\geq$  83.8%.
- Acquired forest area of 1200 ha a year.

## Governance structure

Shareholder – Ministry of Agriculture

Chair of the Supervisory Council – Jurgis Jansons

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

Chair of the Management Board – Roberts Strīpnieks

Members of the Management Board - Arnis Melnis, Gints Bumbieris, Edvīns Zakovics

### Main financial indicators, thousands EUR

	2015	2016
Turnover	261 684.6	257 062.9
Profit/Loss	59 300.1	50 603.5
EBITDA	97 084.1	88 172.4
Assets	359 541.3	359 801.4
Share capital	270 270.6	276 955.8
Equity	328 880.2	326 868.8
Investment in fixed assets	28 113.1	25 517.9
Dividends paid to the state budget	67 908.4	52 614.9
Contributions made to the state and municipal budget	129 047.4	107 109.8
Donations received	0.0	0.0
Donations made	4 000.0	4 020.0
Funding received from the state budget	0.0	0.0

### Main financial indicators. % and factors

Profitability (profit/turnover), %	22.66	19.69
ROA (profit/assets), %	16.49	14.06
ROE (profit/equity), %	18.03	15.48
Total liquidity (current assets/short term liabilities)	4.28	3.32
D/E (liabilities/equity)	0.09	0.08

### Other indicators

Number of employees	1 233	1 267
Average gross remuneration per employees per year, thousands EUR	19.1	19.1
Gender representation in management, f/m		1/8
Annual report in accordance with IFRS		yes

- Artificial restoration of the forest with selected reproductive material, proportion during 5 years 51%
- Reconstructed and rehabilitated forest drainage systems 169.8 thousand ha.
- Increase of density of LVM wood transportation road network, km/100 ha of commercial forest - 1.00.

## Achieved results

LVM's total revenue in 2016 exceeds the planned by 2 million EUR, incl. turnover from the sale of round timber assortments was 670 thousand EUR more than planned.

## SLLC Meliorprojekts (MP)

Reg. No. 40003113794

WEB: [www.meliorprojekts.lv](http://www.meliorprojekts.lv)

State ownership 100%

MP has no ownership in other enterprise.

The main activity of the MP is the development and expertise of agricultural, forest and populated areas land drainage systems and hydro-technical structure design and maintenance of the basic state amelioration land cadastre.

### General Strategic Goal

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

### The most important events in 2016

Participation in EU funded (EAFRD, ERDF) building project development.

### Planned most significant events in 2017

Participation in EU funded (EAFRD, ERDF) building project development.

### Main financial goals

- Ensure the demand of the State, Municipalities and private persons for drainage systems and construction projects for hydro-technical constructions (amount of completed works is 430 000 euros).
- Without attracting borrowed capital, ensure adequate capital structure, financial stability and balance (financial balance ratio - 1.5, ROE - 3.0, economic profitability ROA - 2.1).

### Main non-financial goals

- In the absence of budget financing, participate in public procurement procedures and eliminate market shortages in a situation where the private sector is not able to provide the demand of state and municipal institutions and individuals for the proper, state and EU lawful and efficient use of land amelioration systems and hydro-technical structures design, engineering research, author's supervision and related consultation services.
- Participate in at least 30 projects of the Rural Development Programs and implementation of the objectives of the national program for flood risk assessment.

## Governance structure

Shareholder – Ministry of Agriculture

Chair of the Management Board – Juris Kalniņš

### Main financial indicators, thousands EUR

	2015	2016
Turnover	375.0	411.0
Profit/Loss	-29.8	4.2
EBITDA	-20.4	18.7
Assets	214.6	266.9
Share capital	115.7	115.7
Equity	160.1	164.3
Investment in fixed assets	4.3	2.5
Dividends paid to the state Budget	0.0	4.2
Contributions made to the state and municipal budget	176.1	177.5
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	0.0	0.0

### Main financial indicators, % and factors

Profitability (profit/turnover), %	-7.94	1.01
ROA (profit/assets), %	-13.87	1.56
ROE (profit/equity), %	-18.60	2.54
Total liquidity (current assets/short term liabilities)	4.55	2.54
Proportion of liabilities (liabilities/equity)	0.29	0.63

### Other indicators

Number of employees	28	28
Average gross remuneration per employees per year, thousand EUR	8.0	7.9
Gender representation in management, f/m		0/1
Annual report in accordance with IFRS		no

## Achieved results

- The volume of work carried out for drainage and hydraulic engineering works was 411 379 EUR, the financial balance ratio was 1.6, return on equity (ROE) - 2.5%, and return on assets (ROA) - 1.6%.
- Exceeded all non-financial goals. Participated in 42 projects of the Rural Development Program and implementation of the objectives of the national program for flood risk assessment and management construction projects.



# 4.3 Transport and Logistics



## JSC Air Baltic Corporation (airBaltic)

Reg. No. 40003245752

WEB: [www.airbaltic.com](http://www.airbaltic.com)

State ownership 80,05%

Related companies and capital shares:

LLC Air Baltic Training 100%

LLC Baltijas kravu centrs 100%

LLC BLAKER 100%

LLC VHITER 100%

JSC Aviation Crew Resources 95.55%

LLC PINS.CO 95.43%

LLC TravelLounge 100% (ongoing insolvency proceedings)

LLC Baltic Contact Centre 100% (ongoing insolvency proceedings)

airBaltic is a national airline of Latvia, founded in 1995, offering cheap flights from Riga, Vilnius and Tallinn to more than 50 destinations in Europe and abroad.

### General Strategic Goal

Continue to offer flights from Riga to the most important European and worldwide destinations. According to airBaltic business plan "Business plan Horizon 2021 Jet only", airBaltic has developed a strategy based on principles such as fleet renewal, increasing of route network and connectivity, as well as the use of internet and mobile marketing tools and opportunities they offer.

### The most important events in 2016

- Aircraft fleet renewal: two series CS300 aircraft are received.
- Share capital increased by 131 million EUR of which 51 million EUR invested by private investor LLC "Aircraft Leasing 1" and 80 million EUR by Latvian State.

### Planned most significant events in 2017

- Approval of business plan "Business plan Horizon 2021 Jet only".
- Aircraft fleet renewal: 20 CS300 series airplanes ordered.
- Attraction of strategic investor and additional capital.

### Main financial goals

- Capital attraction (attracted capital 131 million EUR, incl. private investor – 51 million EUR).
- Obtaining credit rating not lower than B-level.

### Main non-financial goals

The total number of destinations from Riga – 58, the number of direct flights, the frequency of which is at least 10 times a week – 16, the number of direct flights, the frequency of which is at least 5 times a week – 25.

## Governance structure

Shareholder - Ministry of Transport

Chair of the Supervisory Council – Nikolajs Sigurds Bulmanis

Members of the Supervisory Council – Kaspars Briškens, Kaspars Āboliņš, Lars Thuesen

Chair of the Management Board – Martin Alexander Gauss

Members of the Management Board – Martin Sedlacky, Vitolds Jakovļevs

### Main financial indicators, thousands EUR

	2015	2016
Turnover	235 386.0	249 832.0
Profit/Loss	16 008.0	120.0
EBITDA	-2 194.0	10 974.0
Assets	120 507.0	287 870.0
Share capital	125 321.0	256 473.0
Equity	-71 173.0	59 624.0
Investment in fixed assets	10 640.0	133 689.0
Dividends paid to the state budget	0.0	0.0
Contributions made to the state and municipal budget	15 343.0	20 107.0
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the State budget	0.0	0.0

### Main financial indicators, % and factors

Profitability (profit/turnover), %	6.80	0.05
ROA (profit/assets), %	13.28	0.04
ROE (profit/equity), %	-22.49	0.20
Total liquidity (current assets/short term liabilities)	0.52	1.27
D/E (liabilities/equity)	-2.29	3.41

### Other indicators

Number of employees	1 118	1 256
Average gross remuneration per employees per year, thousand EUR	28.1	27.1
Gender representation in management, f/m		0/7
Annual report in accordance with IFRS		No

## Achieved results

- Reached profit of 1 million EUR and increased share capital, incl. attracting 51 million EUR from a foreign investor.
- Fleet replacement to the new Bombardier CS300 series airplanes has started.

## SLLC Autotransporta direkcija (ATD)

Reg. No. 40003429317

WEB: [www.atd.lv](http://www.atd.lv)

State ownership 100%

ATD has no ownership in other enterprise.

ATD is a provider of unified public policy in passenger and freight transport. The activities of the ATD are related to the planning of public transport - passenger transport by bus and train, issuing of licenses for the carriage of goods and passengers, and the issue of permits for international carriage.

### General Strategic Goal

Promote the development of freight and passenger transport, increase the competitiveness of carriers and to take care of carriers' interests.

### The most important events in 2016

- 534 new licenses for the carriage of commercial vehicles were issued.
- 92 proposals have been prepared for changes in the routes of regional importance of the bus route network.

### Planned most significant events in 2017

- Development of a website where electronic services could be provided.
- Establishment of a common administration system for public transport services.

### Main financial goals

- Provide an equity return of at least 7%.
- Provide profit of at least 209.7 thousand EUR.

### Main non-financial goals

- At least 1300 public transport bus checks.
- At least 9600 issued licences.

### Achieved results

- Return on equity 19.37%.
- Profit indicator reached 649.1 thousand EUR.
- At least 1166 public transport bus checks.
- Issued 9908 licence cards.

## Governance structure

Shareholder – Ministry of Transport

Chair of the Management Board – Kristiāns Godiņš

Member of the Management Board – Modris Jaunups

### Main financial indicators, thousands EUR

	2015	2016
Turnover	3 387.2	3 441.7
Profit/Loss	516.0	649.1
EBITDA	820.8	982.5
Assets	3 468.8	3 626.8
Share capital	200.9	200.9
Equity	3 153.8	3 351.7
Investment in fixed assets	123.3	187.7
Dividends paid to the state budget	616.3	464.4
Contributions made to the state and municipal budget	1 578.0	1 740.3
Donations received	0.0	0.0
Donations made	0.0	0.4
Funding received from the state budget	700.6	884.9

### Main financial indicators, % and factors

Profitability (profit/turnover), %	15.23	18.86
ROA (profit/assets), %	14.88	179.0
ROE (profit/equity), %	16.36	19.37
Total liquidity (current assets/short term liabilities)	13.27	11.88
D/E (liabilities/equity)	0.08	0.08

### Other indicators

Number of employees	94	93
Average gross remuneration per employees per year, thousands EUR	24.1	25.7
Gender representation in management, f/m		0/2
Annual report in accordance with IFRS		no

## SJSC Ceļu satiksmes drošības direkcija (CSDD)

Reg. No. 40003345734

WEB: [www.csdd.lv](http://www.csdd.lv)

State ownership 100%

Related companies and capital shares:

LLC Auteko & TUV Latvija 51%

LLC Autests 20%

LLC Scantest 20%

LLC Venttests 50%

CSDD, in accordance with the Road Traffic Law and articles of Association of CSDD, is involved in registering vehicles, examination of driver's qualification and issuing driving licenses, providing technical inspections, conducting road safety audits and general supervision, as well as establishing and maintaining a national register of vehicles and their drivers, informing and educating road transport users. CSDD also operates the Riga Motor Museum, its Bauska Branch and the Biķernieki Complex Sports Base.

### General Strategic Goal

Maintain and develop high-quality and legally-based complex of services (systems) for the registration of vehicles and inland waterway vessels and drivers, and also in the areas of technical supervision and monitoring of vehicles in accordance with national and public interests, and increase the level of traffic safety together with other involved institutions.

### The most important events in 2016

- Installed 24 stationary speed cams.
- Conversion of the Riga Motor Museum building was completed and the exposition was arranged.
- The construction projects for CSDD Riga Department 1st floor and cargo vehicle technical inspection stations in Riga have been developed.

### Planned most significant events in 2017

- Cargo vehicle technical inspection station reconstruction in Riga.
- 3 campaigns on current safety issues.
- Improved and streamlined e-services.

### Main financial goals

- Ensure commercial profitability of at least 6.4%.
- Ensure turnover of Rīgas Motormuzejs of at least 390 thousand EUR.

## Governance structure

Shareholder - Ministry of Transport

Chair of the Supervisory Council – Juris Bērziņš

Supervisory Council Members – Kristiāns Godiņš, Andris Ķēniņš

Chair of the Management Board – Andris Lukstiņš

Members of the Management Board – Imants Paeglītis, Jānis Golubevs, Jānis Kancēvičs

### Main financial indicators, thousands EUR

	2015	2016
Turnover	39 364.7	43 654.4
Profit/Loss	1 568.3	3 959.5
EBITDA	6 089.6	8 860.2
Assets	45 069.7	47 703.2
Share capital	23 117.3	23 117.3
Equity	32 365.2	37 504.3
Investment in fixed assets	8 107.5	6 728.3
Dividends paid to the State budget	343.0	411.7
Contributions made to the state and municipal budget	11 010.0	12 108.2
Donations received	0.0	0.0
Donations made	0.0	2.4
Funding received from the state budget	0.0	0.0

### Main financial indicators, % and factors

Profitability (profit/turnover), %	3.98	9.07
ROA (profit/assets), %	3.48	8.30
ROE (profit/equity), %	4.85	10.56
Total liquidity (current assets/short term liabilities)	0.87	1.25
D/E (liabilities/equity)	0.34	0.27

### Other indicators

Number of employees	756	794
Average gross remuneration per employees per year, thousand EUR	15.4	16.3
Gender representation in management, f/m		0/7
Annual report in accordance with IFRS		yes

### Main non-financial goals

- Install 40 speed cameras.
- Install 32 fast charging stations for electric vehicles.

### Achieved results

- Turnover and profit figures are met.
- Installed 24 stationary speed cameras.
- Installed 2 charging stations, installation of remaining 30 moved to 2017.

## SLLC Eiropas Dzelzceļa linijas (EDzL)

Reg. No. 40103836785

WEB: [www.edzl.lv](http://www.edzl.lv)

State ownership 100%

Related companies and capital shares:

JSC RB Rail 33.33%

EDzL implements the supervision of the construction of the public railway infrastructure of the European Gauge railway in accordance with the needs of the economy and its development, in the interests of stable traffic, as well as environmental protection requirements, including collecting, compiling and providing information to policy-makers for further sectoral policy-making.

### General Strategic Goal

In accordance with the competence and in cooperation with the responsible ministry of the sector, to implement participation in the joint venture established for the implementation of the Rail Baltica public use railway infrastructure development project in compliance with the interests of Latvia (shareholding in proportion equivalent to Estonia and Lithuania) - Joint Stock Company "RB Rail".

### The most important events in 2016

- Design competition was held for the concept of a complex of construction of the Riga railway bridge and Riga central multimodal public transport hub.
- Procurement strategy has been developed.
- Several large-scale procurement procedures have been launched.

### Planned most significant events in 2017

- Complete the property alienation plan.
- Conclude design contracts for the design of the International Airport Riga station.
- Announce the procurement of Riga Central Station design works.

### Main financial goals

- Provide liquidity ratio of 2.
- Ensure operation without loss.

### Main non-financial goals

- To develop a communication strategy.
- To launch the first round of property alienation.

## Governance structure

Shareholder – Ministry of Transport

Member of the Management Board – Dins Merirands

### Main financial indicators, thousands EUR

	2015	2016
Turnover	4.6	400.5
Profit/Loss	-21.0	-0.4
EBITDA	-21.0	-0.4
Assets	1 342.4	2 156.7
Share capital	1 360.0	2 040.0
Equity	1 339.0	2 018.5
Investment in fixed assets	0.0	72.1
Dividends paid to the state budget	0.0	0.0
Contributions made to the state and municipal budget	8.0	110.9
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	60.0	428.5

### Main financial indicators, % and factors

Profitability (profit/turnover), %	-454.05	-0.10
ROA (profit/assets), %	-1.57	-0.02
ROE (profit/equity), %	-1.57	-0.02
Total liquidity (current assets/short term liabilities)	17.22	1.58
D/E (liabilities/equity)	0.002	0.068

### Other indicators

Number of employees	3	14
Average gross remuneration per employees per year, thousand EUR	3.9	17.1
Gender representation in management, f/m		0/1
Annual report in accordance with IFRS		no

## Achieved results

- Liquidity indicator 1.58.
- Loss 408 EUR.
- A communication strategy to ensure regular communication with the public has been developed.
- Communication with owners of properties to be alienated is initiated.

## SJSC Latvijas autoceļu uzturētājs (LAU)

Reg. No. 40103836785

WEB: [www.lau.lv](http://www.lau.lv)

State ownership 100%

LAU has no ownership in other enterprise.

LAU is a strategic state road infrastructure maintenance company, which ensures the planning and execution of the complex road maintenance work of the state roads, the daily maintenance of the main roads of municipalities, transit streets and other roads, as well as produces building materials - dolomite macadam, crushed gravel and prepared sand.

In accordance with the Delegation Agreement, LAU carries out a complex daily maintenance work of public roads, the total length of which is 20.2 thousand km, of which 44% are roads with black pavements and 56% gravel pavement roads.

### General Strategic Goal

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

### The most important events in 2016

- Created supervisory council composed of 3 persons.
- Silver category obtained in Sustainability Index rating.
- Obtained Energy Management System certificate ISO 50001:2012.

### Main financial goals

- Share of equity in the balance sheet assets is 63%.
- Return on investment (ROA) 2.59%.
- Liability coverage ratio 1.64.
- Total liquidity indicator 1.54.
- Net profit indicator 1.54%.

### Main non-financial goals

- Planning and carrying out of State road complex daily maintenance work.
- Personnel and the development of their competences.
- Provision of technical park's performance.
- Maintenance of proportion of additional services.

### Achieved results

- Investment was made in renewal of machinery park in the amount of 10.4 million EUR.
- Continues successful sales of prepared bulk material (sand, gravel, rubble) in Latvia and Estonia.

## Governance structure

Shareholder – Ministry of Transport

Chair of the Supervisory Council – Uldis Reimanis

Members of the Supervisory Council – Ivars Pāže, Normunds Narvaišs

Chair of the Management Board – Vladimirs Kononovs (until 01.08.2017.)

Members of the Management Board – Guntis Karps, Oskars Zemītis, Māris Krastiņš, Anastasija Udalova

### Main financial indicators, thousands EUR

	2015	2016
Turnover	61 911.7	64 482.9
Profit/Loss	3 000.4	2 021.3
EBITDA	9 543.9	8 895.5
Assets	60 994.8	63 001.4
Share capital	35 186.3	35 186.3
Equity	42 719.8	38 739.2
Investment in fixed assets	3 757.7	10 433.7
Dividends paid to the state budget	0.0	2 700.4
Contributions made to the state and municipal budget	21 024.3	20 890.4
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	65 772.6	64 657.0

### Main financial indicators, % and factors

Profitability (profit/turnover), %	4.85	3.13
ROA (profit/assets), %	4.92	3.21
ROE (profit/equity), %	7.02	5.22
Total liquidity (current assets/short term liabilities)	1.51	1.24
D/E (liabilities/equity)	0.38	0.61

### Other indicators

Number of employees	1 353	1 343
Average gross remuneration per employee per year, thousands EUR	15.8	16.5
Gender representation in management, f/m		1/7
Annual report in accordance with IFRS		yes

## SJSC Latvijas dzelzceļš (LDz)

Reg. No. 40003032065

WEB: [www.ldz.lv](http://www.ldz.lv)

State ownership 100%

Related companies and capital 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%

LLC STREK 5.84%

LLC MIRIGO 3%

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

### General Strategic Goal

To provide railway infrastructure management and logistics services in the interests of the Latvian economy. To be a leader in cargo turnover by rail infrastructure in the Baltics. To ensure a competitive level of quality and cost of rail infrastructure, transport and logistics services, and develop environmentally friendly and efficient rail transport, electrifying major routes and restoring traction parks.

### The most important events in 2016

- Created supervisory council composed of 3 persons.
- Subsidiary of LDz group LLC LDz ritošā sastāva serviss became the single member of LLC Rīgas Vagonbūves Uzņēmums "Baltija" on June 27, 2016.

### Planned most significant events in 2017

Within the framework of the measure "Electrification of the Latvian Railway Network", during the 2014-2020 programming period of the EU funds, it is planned to implement the major project (available funding from the Cohesion Fund is 346.6 million EUR), implementation of which is due by 2023, as well as to implement further railway infrastructure modernization projects.

### Main financial goals (parent company)

- Net turnover 191.7 million EUR. Profit 0.7 million EUR.
- Return on equity (ROE) 0.25%.

## Governance structure

Shareholder – Ministry of Transport

Chair of the Supervisory Council – Aigars Laizāns

Member of the Supervisory Council – Rodžers Jānis Grigulis

Chair of the Management Board – Edvīns Bērziņš

Members of the Management Board – Aivars Strakšas, Ēriks Šmuksts, Ainis Stūrmanis

### Main financial indicators, thousands EUR

	2015	2016
Turnover	420 163.0	351 121.0
Profit/Loss	583.0	1 055.0
EBITDA	74 086.0	60 044.0
Assets	1 014 784.0	1 026 369.0
Share capital	256 720.0	256 720.0
Equity	356 718.0	357 020.0
Investment in fixed assets	241 632.0	47 771.0
Dividends paid to the state budget	1931.0	0.0
Contributions made to the state and municipal budgets	138 093.0	127 207.0
Donations received	0.0	0.0
Donations made	133.0	106.5
Funding received from the state budget	60 262.2	32 794.1

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.14	0.30
ROA (profit/assets), %	0.06	0.10
ROE (profit/equity), %	0.16	0.30
Total liquidity (current assets/short term liabilities)	0.56	1.08
D/E (liabilities/equity)	1.84	1.83

### Other indicators

Number of employees	12 260	11 782
Average gross remuneration per employee per year, thousands EUR	12.1	11.5
Gender representation in management, f/m		0/6
Annual report in accordance with IFRS		yes

### Main non-financial goals (parent company)

Achieve a certain amount of services: train-km, number of wagons processed at stations, number of technical inspections of freight wagons.

### Achieved results

- Transported 47.8 million tons of cargo (14.1% less than in 2015), travelled 9.7 million train-km and carried 17.2 million passengers (6.1 million train-km).
- Investment of 27.1 million EUR in renewal, modernization, acquisition, intangible investments and introduction of new products

## SJSC Latvijas gaisa satiksme (LGS)

Reg. No. 40003038621

WEB: [www.lgs.lv](http://www.lgs.lv)

State ownership 100%

LGS has no ownership in other enterprise.

The main activity of LGS is the use of the airspace of the Republic of Latvia and the organization of air traffic in pursuit of the public interest by providing safe air navigation services in compliance with the requirements of international and national air traffic control safety standards, while fulfilling the requirements of both military and civilian operators.

### General Strategic Goal

Ensure the safety of air navigation services and the requirements of international and national air traffic control safety standards, maintain optimal airspace capacity, and enable all airspace users to operate efficiently while complying with the requirements of both military and civilian operators.

### The most important events in 2016

- Carried out modernisation of multi-carriage observation system of the airfield.
- Equipped work places and developed procedures for servicing the Liepāja aerodrome.
- Concluded modernisation of the air traffic management system ATRACC2014+.

### Planned most significant events in 2017

- Work on design of the air traffic management tower will continue.
- Modernization and improvement of various systems and procedures.

### Main financial goals

- Not to exceed a certain route fare limit.
- Profitability of turnover 0.3%.
- Provide 0.3% return on equity.
- Provide a positive liquidity ratio.

### Main non-financial goals

- 244 thousand flights in Riga Flight Information Area.
- Complete reliability of distributed aeronautical data and the full availability of technical systems.

## Governance structure

Shareholder – Ministry of Transport

Chair of the Supervisory Council – Dins Merirands

Members of the Supervisory Council – Zinta Zālīte–Rukmane, Edmunds Beļskis

Chair of the Management Board – Dāvids Tauriņš

Members of the Management Board – Elmārs Švēde, Iveta Virse, Ilze Aleksandroviča

### Main financial indicators, thousands EUR

	2015	2016
Turnover	24 965.4	24 526.9
Profit/Loss	470.9	335.7
EBITDA	5 817.9	5 228.5
Assets	30 545.3	31 287.4
Share capital	22 765.9	22 765.9
Equity	28 085.9	28 421.6
Investment in fixed assets	3 725.4	6 738.5
Dividends paid to the state budget	0.0	0.0
Contributions made to the state and municipal budget	5 319.8	5 999.0
Donations received	0.0	0.0
Donations made	0.5	0.0
Funding received from the state budget	0.0	0.0

### Main financial indicators, % and factors

Profitability (profit/turnover), %	1.89	1.37
ROA (profit/assets), %	1.54	1.07
ROE (profit/equity), %	1.68	1.18
Total liquidity (current assets/short term liabilities)	4.81	3.71
D/E (liabilities/equity)	0.09	0.10

### Other indicators

Number of employees	354	353
Average gross remuneration per employee per year, thousands EUR	28.1	28.9
Gender representation in management, f/m		3/4
Annual report in accordance with IFRS		yes

## Achieved results

- The route fare is kept within the permissible limits.
- Profit level against equity 1.2%.
- 247 thousand flights.
- Data quality and availability of the system provided.

## SJSC Latvijas Jūras administrācija (LJA)

Reg. No. 4003022705

WEB: [www.lja.lv](http://www.lja.lv)

State ownership 100%

LJA has no ownership in other enterprise.

LJA is a State-owned joint-stock company controlled by the Ministry of Transport, which, in accordance with Latvian regulatory enactments, international legal norms and its competence, performs the functions provided for in the Maritime Administration and Marine Safety Law. Acting in the status of a SJSC, the LJA ensures the execution of tasks delegated by the State without attracting funds from the State budget.

### General Strategic Goal

Build advanced, sustainable, efficiently managed, with stable growth and Europe-wide regionally competitive maritime industry in Latvia, with the prospect of Latvia becoming the leader in the Baltic Sea maritime industry.

### The most important events in 2016

FAMOS (Finalizing the Motorways the Sea-Surveying the Baltic sea) (phase 2-Odin) implementation within the framework of CEF funding; 460 thousand EUR.

### Planned most significant events in 2017

FAMOS (Finalizing the Motorways the Sea-Surveying the Baltic Sea) (phase 2-Odin) implementation within the framework of CEF funding; 739.7 thousand EUR.

### Main financial goals

- Net turnover 4 155 thousand EUR.
- Liquidity 2.5.
- Capital structure (assets/equity) > 1.
- Dividends for the previous year 44.5 thousand EUR.

### Main non-financial goals

- Achieve the growth of the fleet in the National Ship Register.
- Promote maritime safety in Latvian waters and on Latvian flag vessels.
- Establish a system for the training of Latvian seafarers as one of the best among the EU Member States.
- Become the centre of competence for cartography and hydrography in the Baltic Sea Region.
- Promote a credible image of a company responsible for the environment, society, employees and cooperation partners and become a model for good customer service.

## Governance structure

- Shareholder - Ministry of Transport
- Chair of the Management Board – Jānis Krastiņš
- Member of the Management Board – Artūrs Brokovskis-Vaivods

### Main financial indicators, thousands EUR

	2015	2016
Turnover	4 239.4	4 163.5
Profit/Loss	49.4	6.6
EBITDA	502.5	488.3
Assets	5 393.3	5 412.9
Share capital	1 533.9	1 533.9
Equity	4 594.1	4 514.1
Investment in fixed assets	272.1	208.0
Dividends paid to the state budget	0.0	44.5
Contributions made to the state and municipal budget	1 474.1	1 418.9
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	0.0	0.0

### Main financial indicators, % and factors

Profitability (profit/turnover), %	1.17	0.16
ROA (profit/assets), %	0.92	0.12
ROE (profit/equity), %	1.08	0.15
Total liquidity (current assets/short term liabilities)	2.55	2.82
D/E (liabilities/equity)	0.17	0.19

### Other indicators

Number of employees	111	107
Average gross remuneration per employee per year, thousands EUR	22.6	22.8
Gender representation in management, f/m		0/2
Annual report in accordance with IFRS		no

## Achieved results

Despite the decrease in the total volume of cargo's loaded at Latvian ports in 2016, the LJA has managed to conclude a year with a profit, reach its planned turnover and pay dividends in the planned amount.



## SJSC Latvijas valsts ceļi (LVC)

Reg. No. 40003344207

WEB: [www.lvceļi.lv](http://www.lvceļi.lv)

State ownership 100%

LVC has no ownership in other enterprise.

LVC manages the national road network, administers the allocated financing, 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 state and municipal road network, as well as oversees the municipal road network.

### General Strategic Goal

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

### The most important events in 2016

- Provided management of 20 122 km of roads.
- Various types of construction works were carried out at 118 objects.
- Introduced SmartE67 project.

### Planned most significant events in 2017

- To restore or rebuild 540 km of road pavement.
- To start work on the project of the construction of a bypass of Ķekava.

### Main financial goals

- Turnover of at least 12.9 million EUR.
- Net profit at least 37.6 thousand EUR.

### Main non-financial goals

- Management of the national road network.
- Management of the national road network construction works.

## Governance structure

Shareholder - Ministry of Transport

Chair of the Management Board – Jānis Lange

Members of the Management Board – Edgars Strods, Mārtiņš Lazdovskis

### Main financial indicators, thousands EUR

	2015	2016
Turnover	13 581.2	13 176.1
Profit/Loss	57.8	54.8
EBITDA	652.9	559.3
Assets	6 131.8	6 385.7
Share capital	4 155.6	4 155.6
Equity	4 235.5	4 262.8
Investment in fixed assets	216.3	416.0
Dividends paid to the state budget	0.0	52.0
Contributions made to the state and municipal budget	6 705.0	6 642.8
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	16 146.6	15 865.1

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.43	0.42
ROA (profit/assets), %	0.94	0.86
ROE (profit/equity), %	1.36	1.28
Total liquidity (current assets/short term liabilities)	4.40	1.73
D/E (liabilities/equity)	0.13	0.36

### Other indicators

Number of employees	332	334
Average gross remuneration per employee per year, thousands EUR	24.8	24.1
Gender representation in management, f/m		0/3
Annual report in accordance with IFRS		no

## Achieved results

- Reached turnover of 13.2 million EUR.
- Reached profit indicator 54.8 thousand EUR.
- Managed 20 122 km of motorways.
- Refurbished and reconstructed black pavements 600 km.

## JSC Pasažieru vilciens (PV)

Reg. No. 40003567907

WEB: [www.pv.lv](http://www.pv.lv)

State ownership 100%

Related companies and capital shares:

JSC VRC Zaslauks 51%

PV is the only provider of domestic public transport services that transports passengers across the territory of Latvia by rail. On average, 22 lines of electric trains and 15 diesel trains run on daily basis in order to provide passenger services. PV also carries out maintenance and capital repairs for the rolling stock required for transportation.

### General Strategic Goal

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

### The most important events in 2016

- Modernisation of 19 diesel train is completed (total project cost 22 million EUR).
- Introduced zone tariff system on electric train lines and Riga-Sigulda line, introduced mobile cash registers and train electronic tickets, available on the Internet site and mobile app.

### Planned most significant events in 2017

- To continue the procurement of new electric trains - replacement of electric trains rolling stock and introduction of scheduled intervals until 2021.
- To complete development of a modern ticketing system that meets the requirements of regulatory enactments, which will save time on ticket inspection and provide more accurate tracking of passengers on trains.

### Main financial goals

Cost per seat km (excluding infrastructure) – 0.013 EUR.

### Main non-financial goals

- Number of trips - 17.2 million
- Number of passenger-km - 553.5 million
- Number of train-km - 5.5 million

## Governance structure

Shareholder - Ministry of Transport

Chair of the Supervisory Council – Sandis Šteins

Members of the Supervisory Council – Inta Liepa, Lita Kalniņa

Chair of the Management Board – Andris Lubāns

Members of the Management Board – Inga Vagele, Aldis Daugavvanags

### Main financial indicators, thousands EUR

	2015	2016
Turnover	63 517.0	64 931.7
Profit/Loss	-246.0	433.0
EBITDA	5 261.4	6 678.2
Assets	53 339.6	55 234.9
Share capital	20 868.0	20 868.0
Equity	14 749.9	14 936.7
Investment in fixed assets	36 895.6	47 457.8
Dividends paid to the state budget	621.4	0.0
Contributions made to the state and municipal budget	-678.7	-3 201.7
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	43 697.8	45 927.7

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.03	0.67
ROA (profit/assets), %	0.03	0.78
ROE (profit/equity), %	0.12	2.90
Total liquidity (current assets/short term liabilities)	0.77	0.36
D/E (liabilities/equity)	2.63	2.70

### Other indicators

Number of employees	1 140	1 116
Average gross remuneration per employee per year, thousands EUR	11.4	12.0
Gender representation in management, f/m		3/3
Annual report in accordance with IFRS		yes

- Number of wagon-km – 26.4 million
- Paid passenger market share in the regional passenger transport - 35.5%.

### Achieved results

- For the first time in nine years, the number of passengers has increased - in 2016 carried 17.1 million of passengers, which is by 1.1% more than in 2015.
- Reached profit of 0.5 million EUR.

## SJSC Starptautiskā lidosta "Rīga" (RIX)

Reg. No. 40003028055

WEB: [www.riga-airport.com](http://www.riga-airport.com)

State ownership 100%

RIX has no ownership in other enterprise.

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

### General Strategic Goal

To create, maintain, and improve a positive customer experience, providing safe and high quality services.

### The most important events in 2016

- Created supervisory council composed of 3 persons.
- Silver category obtained in Sustainability Index rating.
- Obtained Energy Management System certificate ISO 50001:2012.

### Main financial goals

- Reaching of turnover of 49.3 million EUR.
- Provide profit of 0.2 million EUR.

### Main non-financial goals

- To provide service for 66 thousand flights.
- To provide services for 5.1 million passengers.

### Achieved results

- Turnover and profit figures are met.
- Services provided for 5.4 million passengers and 68 061 flights.

## Governance structure

Shareholder – Ministry of Transport

Chair of the Supervisory Council – Juris Kanels

Members of the Supervisory Council – Raitis Nešpors, Tālis Linkaits

Chair of the Management Board – Ilona Līce

Members of the Management Board – Irina Feļdmāne, Lauma Jenča, Normunds Feierbergs

### Main financial indicators, thousands EUR

	2015	2016
Turnover	49 090.2	50 447.1
Profit/Loss	1 150.9	358.5
EBITDA	10 457.5	16 869.9
Assets	186 027.8	180 395.6
Share capital	28 608.9	28 608.9
Equity	42 019.2	41 341.9
Investment in fixed assets	28 959.8	17 342.0
Dividends paid to the state budget	0.0	1 035.8
Contributions made to the state and municipal budget	11 056.6	13 281.5
Donations received	0.0	0.0
Donations made	0.0	0.86
Funding received from the state budget	73.4	42.8

### Main financial indicators, % and factors

Profitability (profit/turnover), %	2.34	0.71
ROA (profit/assets), %	0.62	0.20
ROE (profit/equity), %	2.74	0.87
Total liquidity (current assets/short term liabilities)	1.23	0.95
D/E (liabilities/equity)	3.43	3.36

### Other indicators

Number of employees	1186	1171
Average gross remuneration per employee per year, thousands EUR	13.5	14.5
Gender representation in management, f/m		3/4
Annual report in accordance with IFRS		yes



# 4.4 Communications

## SJSC Elektroniskie sakari (VASES)

Reg. No. 40003021907

WEB: [www.vases.lv](http://www.vases.lv)

State ownership 100%

VASES has no ownership in other enterprise.

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

### General Strategic Goal

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

### The most important events in 2016

- Establishment of a universal mobile radio monitoring station (mobile laboratory) for the radio control unit (replacement of a specialized laboratory).
- Investments in administrative complex and technological equipment and hardware have been implemented.

### Planned most significant events in 2017

- Acquisition of the International Standard ISO 9001:2015 (Quality Management System) Certificate - "Creation of Mobile Test Laboratories (Replacement of outdated Laboratories)". Design and implementation of VASES integrated service delivery work environment
- Purchase of technological equipment and hardware

### Main financial goals

- Turnover 6.431 million EUR.
- Profit 63 900 EUR.
- Return on equity (ROE)>0.5%.

### Main non-financial goals

- Development of the VASES infrastructure in accordance with development guidelines and investment plan.
- Improvement and simplification of the process of issuing radio frequency allocation permits.

## Governance structure

Shareholder - Ministry of Environmental Protection and Regional Development

Chair of the Management Board – Jānis Bārda

Members of the Management Board – Vija Ģēme, Kaspars Paupe

<b>Main financial indicators, thousands EUR</b>		
	<b>2015</b>	<b>2016</b>
Turnover	6 229.7	6 521.5
Profit/Loss	49.4	66.5
EBITDA	949.1	959.2
Assets	11 561.0	12 897.5
Share capital	8 721.6	8 721.6
Equity	9 280.7	9 302.8
Investment in fixed assets	93.4	2 128.8
Dividends paid to the state budget	6.0	44.5
Contributions made to the state and municipal budget	1 521.0	1 630.8
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	89.2	89.2
<b>Main financial indicators. % and factors</b>		
Profitability (profit/turnover), %	0.79	1.02
ROA (profit/assets), %	0.43	0.52
ROE (profit/equity), %	0.53	0.71
Total liquidity (current assets/short term liabilities)	10.94	5.85
D/E (liabilities/equity)	0.10	0.21
<b>Other indicators</b>		
Number of employees	93	90
Average gross remuneration per employee per year, thousands EUR	31.3	34.7
Gender representation in management. f/m		1/2
Annual report in accordance with IFRS		no

### Achieved results

- Profit higher than planned at 4.8%, while ROE is above 2 percentage points.
- In 2016, VASES continued the patriotism project "Greeting for Latvia", which allows pupils and adults to congratulate Latvia on birthday until the end of November by using Morse signals.
- Cooperation agreements with 4 state higher education institutions have been concluded.
- Implemented new commercial service - radio equipment identification.

## LLC Lattelecom (LTC)

Reg. No. 40003052786

WEB: [www.lattelecom.lv](http://www.lattelecom.lv)

State ownership 51%

Related companies and capital shares:

LLC Citrus Solutions 100%

LLC Lattelecom Technology 100%

LLC Lattelecom BPO 100%

LLC Latvijas Mobilais Telefons 23%

JSC Pirmais Slēgtais Pensiju Fonds 50% (whole group)

LTC offers integrated electronic communications and IT services, provides telecommunications, network design and construction services.

51% of LTC's shares are owned by the Republic of Latvia, 49% by JSC Tiltis Communications, indirectly owned by company TeliaSonera AB.

### General Strategic Goal

General Strategic Goal for LTC is not defined.

### The most important events in 2016

In 2016, the Lattelecom Group continued to implement the priorities set out in the strategy - introduction of new products and services, further acquisition of the export market, improvement of customer experience, technological improvements and operational efficiency.

### Planned most significant events in 2017

While preparing for the commencement of electricity trading in 2017, on October 17, 2016 Lattelecom was registered in the Regulator's Electricity Traders Register.

### Main financial results

- Revenue of LTC Group was 193.5 million EUR, which is for 2.6 million EUR more than the previous year.
- Normalized EBITDA profit indicator was 69.1 million EUR, EBITDA profit margin 35%.
- Profit of LTC Group was 32.2 million EUR, which is the same as the previous year.
- Capital investment amounted to 32.2 million EUR (29.6 million EUR in 2015).

### Main non-financial goals

The Group has no non-financial goals.

## Governance structure

Shareholder – SJSC Privatizācijas aģentūra

Chair of the Supervisory Council – Gatis Kokins

Members of the Supervisory Council – Jānis Grēviņš, Jānis Brazovskis, Justin Wesley Bancroft, Dan Olov Strömberg, Hannu-Matti Mäkinen, Sven Johan Bertil Andersson

Chair of the Management Board – Juris Gulbis

Members of the Management Board – Gints Bukovskis, Ingrīda Rone, Kerli Gabriloviča, Uldis Tatarčuks, Gusts Muzikants

### Main financial indicators, thousands EUR

	2015	2016
Turnover	187 071.0	188 991.0
Profit/Loss	32 150.0	32 191.0
EBITDA	71 683.0	69 104.0
Assets	319 050.0	321 720.0
Share capital	207 852.0	207 852.0
Equity	262 343.0	264 010.0
Investment in fixed assets	29 600.0	32 153.0
Dividends paid to the state budget	14 689.5	15 466.8
Contributions made to the state and municipal budget	-14 113.5	-14 860.2
Donations received	n/a	n/a
Donations made	60.7	31.3
Funding received from the state budget	174.0	268.0

### Main financial indicators, % and factors

Profitability (profit/turnover), %	17.19	17.03
ROA (profit/assets), %	10.08	10.01
ROE (profit/equity), %	12.3	12.2
Total liquidity (current assets/short term liabilities)	1.69	1.71
D/E (liabilities/equity)	0.22	0.22

### Other indicators

Number of employees	1 957	1 839
Average gross remuneration per employee per year, thousands EUR	19.8	19.8
Gender representation in management, f/m		2/11
Annual report in accordance with IFRS		yes

### Achieved results

In 2016, Lattelecom continued to invest in optical and DSL network construction, which enables to provide high-speed internet connections for customers both within and outside cities.

## SJSC Latvijas Pasts (LP)

Reg. No. 40003052790

WEB: [www.pasts.lv](http://www.pasts.lv)

State ownership 100%

Related companies and capital shares:

LLC MailMaster 100%

LP core business is the provision of postal services, express postal services, financial intermediation, retail, press subscription delivery service and activities related to their support.

### General Strategic Goal

To promote the provision and development of new up-to-date technology and customer-oriented postal services based on their needs. To improve the efficiency of the postal network while ensuring the accessibility for the population. To be the market leader among postal service providers in the Latvian market and to provide quality domestic and cross-border services.

### The most important events in 2016

- Cash system software upgrades and upgrades of the postal billing system
- Improvement of the delivery time of the press for 1-5 hours in almost 50 administrative areas
- Enhancement of efficiency of the number and location of postal services: 2 post offices are added and consignments dispatch point is created.
- Increase in the volume of issued consignments at alternative dispatch centres by 975%.
- Initiated procurement on purchase of 41 cargo minibuses.

### Planned most significant events in 2017

- Real estate alienation
- MansPasts system development
- Initiated shipment weighing, scanning and sorting line procurement
- Obtaining the status of a freight agency
- Continuation of car fleet renewal (64 cargo minibuses, 2 lorries, 14 passenger vehicles)

### Main financial goals

- Net turnover 63.2 million EUR.
- Profit 3.0 million EUR.
- EBITDA 5.6 million EUR.
- Return on equity – 18%.

## Governance structure

Shareholder – Ministry of Transport

Chair of the Supervisory Council – Aigars Vītols

Members of the Supervisory Council – Andris Ikvilds, Andris Nātriņš

Chair of the Management Board – Mārcis Vilcāns

Members of the Management Board – Kristaps Krūmiņš, Anda Ozola, Agris Timma

### Main financial indicators, thousands EUR

	2015	2016
Turnover	61 088.9	63 115.4
Profit/Loss	3 242.2	3 630.6
EBITDA	5 609.3	6 237.1
Assets	91 833.7	85 680.6
Share capital	10 578.5	10 578.5
Equity	16 647.5	13 431.3
Investment in fixed assets	1 181.3	356.9
Dividends paid to the state budget	1 542.9	0.0
Contributions made to the state and municipal budgets	15 979.3	17 961.1
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	4 663.4	0.0

### Main financial indicators, % and factors

Profitability (profit/turnover), %	5.31	5.75
ROA (profit/assets), %	3.53	4.24
ROE (profit/equity), %	19.48	27.03
Total liquidity (current assets/short term liabilities)	1.09	1.07
D/E (liabilities/equity)	4.35	5.25

### Other indicators

Number of employees	4 250	4 253
Average gross remuneration per employee per year, thousands EUR	5.9	6.1
Gender representation in management, f/m		1/6
Annual report in accordance with IFRS		yes

### Main non-financial goals

- Modernization and responsible delivery of payment services - a decrease in turnover of <4%.
- Achieve growth of transport and logistics services turnover by 7%.

### Achieved results

- Carried out change of 55 unprofitable postal services provision location forms.
- Quality indicators in 2016 met or exceeded the planned level, ensuring a higher quality of delivery than required by the standards.

## SJSC Latvijas Valsts radio un televīzijas centrs (LVRTC)

Reg. No. 40003011203

WEB: [www.lvrtc.lv](http://www.lvrtc.lv)

State ownership 100%

Related companies and capital shares:

LLC Latvijas Mobilais Telefons 23%

The activity of LVRTC is the broadcasting of radio and television programs, eParaksts (digital signature) and other certification services, the provision of data transmission, data centres and infrastructure rental services. LVRTC also owns an ambitious optical network covering the entire territory of Latvia, and LVRTC owns and operates the highest tower in the European Union, which at the same time is the largest data exchange duplication of data carriers, i.e., the data exchange point in the Baltic States.

### General Strategic Goal

To promote the quality of a certain level of electronic communication services and provide end-user-oriented services, creating conditions for the use of innovative technologies, develop the public private electronic communications network for the continuous and effective functioning of public administration, providing a stable investment environment.

### The most important events in 2016

The largest of the projects started was the 3rd phase of the Zaķusala Data Center (1.4 million EUR)

### Planned most significant events in 2017

Planned projects: Zaķusala Data Center 4 phase construction, reconstruction of Riga Radio and Television Station and Improvement of the Territory, Development of the E-Signature and E-Identity Solution, Improvement of the Accessibility of Electronic Communications Infrastructure in rural areas (Broadband, 2nd stage)

### Main financial goals

- Turnover growth 9% in comparison to 2015.
- EBITDA profitability 31%.
- Return on equity 0.13%.
- Net profit 0.1 million EUR.

### Main non-financial goals

- Optical fibre connection on the Latvian-Russian border.
- Extend data centre capacity to 110 commercially available platforms and commercialize 65%.
- Reconstruction of Zaķusala TV tower.

## Governance structure

Shareholder – Ministry of Transport

Chair of the Management Board – Jānis Bokta

Members of the Management Board – Aldis Lukašinskis, Inga Sprīņķe, Indulis Šķibelis

### Main financial indicators, thousands EUR

	2015	2016
Turnover	14 897.8	15 126.1
Profit/Loss	5 233.3	4 612.0
EBITDA	10 192.4	9 944.1
Assets	104 402.7	106 996.8
Share capital	78 454.7	78 454.7
Equity	76 284.6	80 852.4
Investment in fixed assets	15 272.4	3 512.8
Dividends paid to the state budget	0.0	0.0
Contributions made to the state and municipal budget	4 347.3	4 741.4
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	1 232.4	1 670.2

### Main financial indicators, % and factors

Profitability (profit/turnover), %	35.13	30.49
ROA (profit/assets), %	5.01	4.31
ROE (profit/equity), %	6.86	5.70
Total liquidity (current assets/short term liabilities)	5.41	8.01
D/E (liabilities/equity)	0.37	0.32

### Other indicators

Number of employees	253	245
Average gross remuneration per employee per year, thousands EUR	14.4	15.2
Gender representation in management, f/m		1/3
Annual report in accordance with IFRS		no

## Achieved results

The highest turnover in recent years (excluding dividend revenue), providing higher profit and EBITDA as planned.







# 4.5 Real Estate Management

## SLLC Šampētera nams (ŠN)

Reg. No. 50003000771

WEB: [www.sampeteranams.lv](http://www.sampeteranams.lv)

State ownership 100%

ŠN has no ownership in other enterprise.

ŠN is technically ensuring the functioning of the Ministry of Welfare and the management and maintenance of part of the real estate owned by the Ministry of Welfare.

### General Strategic Goal

General Strategic Goal for ŠN is not defined.

### The most important events in 2016

The welfare sector's single customer service centre project was completed in Ventspils, Lakstīgalu Street 1. Currently, the unified customer service centre of the welfare sector ensures the customer service of the State Social Insurance Agency, the State Labour Inspection and the State Employment Agency.

### Planned most significant events in 2017

To contribute and provide support to subordinated institutions of the Ministry of Welfare within the scope of its competence, implementing the European Regional Development Fund's Operational Program "Growth and Employment" 4.2.1. specific support objective "Promote energy efficiency improvement in public and residential buildings" measure 4.2.1.2. Projects on "Promoting Energy Efficiency in Public Buildings".

### Main financial goals

- To ensure stable profit, net profit 1750 EUR.
- To ensure stable turnover, net turnover 935 thousand EUR.

### Main non-financial goals

- Provide support for implementation of welfare industry policy while managing the real estate in the ownership of Ministry of Welfare.
- Ensure the fulfilment of the function of central procurement authority in the real estate field.

### Achieved results

- Net profit is less than the planned in the strategy, and for about 68% lower than in 2015. Net turnover reached 1.2 million EUR.
- ŠN organised 128 procurements, 26 of them were centralized.

## Governance structure

Shareholder – Ministry of Welfare

Member of the Management Board – Inese Muhka

Main financial indicators, thousands EUR		
	2015	2016
Turnover	949.6	1 205.0
Profit/Loss	0.7	0.2
EBITDA	35.1	39.2
Assets	905.2	948.1
Share capital	335.8	335.8
Equity	385.1	391.3
Investment in fixed assets	0.0	4.9
Dividends paid to the state budget	0.1	0.6
Contributions made to the state and municipal budget	225.9	264.5
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	0.0	0.0
Main financial indicators, % and factors		
Profitability (profit/turnover), %	0.08	0.02
ROA (profit/assets), %	0.08	0.02
ROE (profit/equity), %	0.19	0.06
Total liquidity (current assets/short term liabilities)	1.20	1.17
D/E (liabilities/equity)	1.30	1.42
Other indicators		
Number of employees	20	16
Average gross remuneration per employee per year, thousands EUR	10.8	14.1
Gender representation in management, f/m		1/0
Annual report in accordance with IFRS		no

## SJSC Tiesu namu aģentūra (TNA)

Reg. No. 40003334410

WEB: [www.tna.lv](http://www.tna.lv)

State ownership 100%

TNA has no ownership in other enterprise.

The core business of TNA is the management of real estate that meets the requirements of the justice sector, organization and maintenance of a single judicial information system, publishing of legal literature.

### General Strategic Goal

To provide effective management of infrastructure of strategic importance for implementation of policies in the justice sector and publication of legal literature necessary for functions of the justice system, while respecting the requirements of the justice sector and promoting public interest in the field of justice.

### The most important events in 2016

- Full reconstruction of the building and facade renovation of the Court House in Riga, Antonijas Street 6.
- Establishment of office premises on the first floor of the building of the Court House in Riga, Brivibas Boulevard 34, providing access to people with special needs.
- Interior refurbishment of the Court House in Riga, Lomonosova Street 10.

### Planned most significant events in 2017

- Design and construction of a new and modern Courthouse in Jekabpils (due date 2018).
- Restoration and extension of existing premises of the Courthouse in Ventspils, Katrinās Street 14 (deadline for completion end of 2018).
- Restoration and extension of existing premises of the Courthouse in Tukums, Pils Street 16 (deadline for completion - end of 2018).
- Organize procurement for construction of new prison facility in Liepāja.

### Main financial goals

- Net turnover growth of enterprise for 2.5%.
- Net profit 90 thousand EUR.
- Total capital investment and repair costs for real estate development (indicator: total capital investment 3.2 million EUR).

### Main non-financial goals

Promotion of energy efficiency in real estate properties.

## Governance structure

Shareholder – Ministry of Justice

Member of the Management Board – Santa Sausiņa

Main financial indicators, thousands EUR		
	2015	2016
Turnover	6 336.7	6 476.6
Profit/Loss	85.7	54.3
EBITDA	1 975.1	1966.9
Assets	48 825.0	47 952.5
Share capital	27 169.6	27 169.6
Equity	30 394.5	30 365.9
Investment in fixed assets	2451.1	1844.4
Dividends paid to the state budget	73.9	77.1
Contributions made to the state and municipal budget	1 725.6	1 913.6
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	197.2	0.0
Main financial indicators, % and factors		
Profitability (profit/turnover), %	1.35	0.84
ROA (profit/assets), %	0.18	0.11
ROE (profit/equity), %	0.28	0.18
Total liquidity (current assets/short term liabilities)	2.01	1.24
D/E (liabilities/equity)	0.60	0.58
Other indicators		
Number of employees	107	108
Average gross remuneration per employee per year, thousands EUR	11.6	13.6
Gender representation in management, f/m		1/0
Annual report in accordance with IFRS		no

• Satisfaction of the Ministry of Justice and its subordinate institutions with the technical condition and management of the leased premises, quality of service in the field of information technology.

- Acquisition of industrial safety certificate.
- Publication of legal literature.

### Achieved results

- Net turnover of the enterprise is increased by 2.2%, but total profit dropped by 40% and is 54 264 EUR.
- Almost all non-financial goals are met. Published 11 collections of judicial decisions, summaries of legal knowledge and legal normative acts.

## SJSC Valsts nekustamie īpašumi (VNĪ)

Reg. No. 40003294758

WEB: [www.vni.lv](http://www.vni.lv)

State ownership 100%

Related companies and capital shares:

LLC VNĪ pilis 100%

LLC Biroju centrs Ezerparks 100%

The core activity of VNĪ is the management, lease and sale of state real estate. Provision of state institutions with the premises necessary for the performance of their functions.

### General Strategic Goal

To provide purposeful and effective management of real estate (hereinafter - RE) strategically important for state security, necessary for state institutions to perform state functions, preservation of cultural heritage, development of the state or municipal administrative territory, including preservation and enhancement of the value.

### The most important events in 2016

- Created supervisory council composed of 3 members.
- Restoration and reconstruction of the Riga Castle at Pils laukums 3 in Riga (stage II of construction - provision of the Convent). Reconstruction of the New Riga Theatre building on Lāčplēša Street 25, Riga.

### Planned most significant events in 2017

Construction of the museum storage complex at Pulka Street 8, Riga (stage I development - 1st stage of construction, i.e., construction of the museum's storage building and communications networks). Strēlnieku square 1, Reconstruction of the Soviet Occupation Museum, The Future House (stage I). Citadele Street 1, adaptation of premises for the needs of KNAB (the Corruption Prevention and Combatting Bureau of Latvia).

### Main financial goals

- To ensure stable profits; net profit 4 773 thousand EUR.
- To increase net turnover; net turnover 76 748 thousand EUR.
- Return on equity (ROE) 1.49%.

### Main non-financial goals

- Increase of customer satisfaction
- Growth of managed RE portfolio area.

### Achieved results

- The net turnover is for 35% lower than planned, while more revenue from public functions, leasing and management has been achieved. In total 0.4 million EUR more than planned.

## Governance structure

Shareholder – Ministry of Finance

Chair of the Supervisory Council – Mārtiņš Bičevskis

Members of the Supervisory Council – Inta Komisāre, Ansis Grasmanis

Chair of the Management Board – Ronalds Neimanis

Members of the Management Board – Kitija Gruškevica, Līga Ermāne

### Main financial indicators, thousands EUR

	2015 <sup>5</sup>	2016 <sup>6</sup>
Turnover	68 993.0	50 747.4
Profit/Loss	-6 083.4	-8 024.8
EBITDA	2 863.0	4 011.7
Assets	476 010.0	413 107.6
Share capital	135 415.9	135 474.1
Equity	284 945.1	252 209.5
Investment in fixed assets	1 847.3	3 678.3
Dividends paid to the state budget	1 179.3	0.0
Contributions made to the state and municipal budget	13 828.2	16 040.8
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	23 223.1	14 676.5

### Main financial indicators, % and factors

Profitability (profit/turnover), %	-8.82	-15.81
ROA (profit/assets), %	-1.28	-1.94
ROE (profit/equity), %	-2.13	-3.18
Total liquidity (current assets/short term liabilities)	0.82	1.26
D/E (liabilities/equity)	0.67	0.64

### Other indicators

Number of employees	673	588
Average gross remuneration per employee per year, thousands EUR	11.0	11.9
Gender representation in management. f/m		3/3
Annual report in accordance with IFRS		no

- Customer satisfaction index reached 68.3, which is more than in 2015. As well as the managed portfolio of RE has reached 1 122 812 sq. m, which is 18 thousand more than in 2015.

<sup>5</sup> Consolidated data.

<sup>6</sup> Consolidated data.

## SLLC Zemkopības ministrijas nekustamie īpašumi (ZMNĪ)

Reg. No. 40003338357

WEB: [www.zmni.lv](http://www.zmni.lv)

State ownership 100%

ZMNĪ has no ownership in other enterprise.

The main activity of ZMNĪ is the operation and maintenance of amelioration systems of national significance, maintenance of the amelioration cadastre and management of 29 real estate properties.

### General Strategic Goal

Implement the maintenance of state-owned land improvement projects - amelioration systems and hydro technical constructions and amelioration cadastre, strategically important for the development of the state territory, ensuring economically viable, environmentally friendly and socially responsible sustainability of agricultural and forestry land resources.

### The most important events in 2016

Launch of the specific objective of the EU's Operational Program "Growth and Jobs" "Reducing flood risks in rural areas" 2014-2020 implementation of the project for the annual planning period.

### Planned most significant events in 2017

- Commissioning of 55 projects within the framework of the EU sub-measure "Support for investments in development of agricultural and forestry infrastructure".
- Restoration of the Ikšķile safety dam of the Riga Hydroelectric Power Station.
- Improvement of energy efficiency of the administrative building at Republikas square 2 in Riga.

### Main financial goals

- Ensure positive cash flow from economic activities.
- Increase the value of national amelioration systems by rebuilding/rehabilitating them (EAFRD funding 2.4 million EUR; ERDF funding 115 thousand EUR).

### Main non-financial goals

- Ensure living environment quality for residents in poldered lands.
- Prevent flood risks in the cities of Ogre and Ikšķile with the help of the Riga Hydroelectric Power Plant's reservoir engineering facilities and prevent the risk of flooding of the surrounding infrastructure.
- Prevent the risk of flood hazard in the stage of design and issue of technical regulations.

## Governance structure

Shareholder - Ministry of Agriculture

Chair of the Management Board – Roberts Dilba

Members of the Management Board – Pēteris Kalniņš, Sergejs Zikins

Main financial indicators, thousands EUR		
	2015	2016
Turnover	4 773.1	4 843.5
Profit/Loss	14.1	18.5
EBITDA	282.7	332.9
Assets	6 690.8	11 400.8
Share capital	3 422.0	3 422.0
Equity	3 353.6	3 343.0
Investment in fixed assets	102.8	52.4
Dividends paid to the state budget	2.8	12.7
Contributions made to the state and municipal budget	2 306.3	2 152.3
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	2 503.9	2 517.0
Main financial indicators, % and factors		
Profitability (profit/turnover), %	0.29	0.38
ROA (profit/assets), %	0.21	0.16
ROE (profit/equity), %	0.42	0.55
Total liquidity (current assets/short term liabilities)	1.05	1.03
D/E (liabilities/equity)	0.99	2.41
Other indicators		
Number of employees	145	143
Average gross remuneration per employee per year, thousands EUR	9.6	10.6
Gender representation in management, f/m		0/3
Annual report in accordance with IFRS		no

## Achieved results

ZMNĪ succeeded in achieving its financial goals and due to the use of financial resources that was saved because of the climate conditions were able to carry out water run-off maintenance - overgrowth clearing works more than it was planned, as well as issued more technical regulations and cadastre data.





# 4.6 Health Care



## SLLC Aknīstes psihoneiroloģiskā slimnīca (APNS)

Reg. No. 40003453643

WEB: [www.aknistespsns.lv](http://www.aknistespsns.lv)

State ownership 100%

ANPS has no ownership in other enterprise.

APNS is a hospital specializing in the treatment and rehabilitation of long-term mentally disorder, therapeutically resistant patients, providing highly qualified and professional patient-oriented overall psychiatric care for long-term mentally disorder, therapeutically resistant patients, implemented through the National Health Service and its own economic revenues.

### General Strategic Goal

To become a highly qualified and professional leader in the treatment and rehabilitation of long-term psychiatric, therapeutically resistant patients in Latvia, oriented towards overall satisfaction of patients.

### The most important events in 2016

- Improvement of the ventilation system of the 3rd treatment ward, stage 1.
- Reconstruction of heating main 200 m.

### Planned most significant events in 2017

- Improvement of the ventilation system of the 3rd treatment ward.
- Reconstruction of heating main.
- Installation of fireproof doors of the escape route of 1st treatment ward and implementation of changes in the layout of the building to ensure the requirements of Construction bureau for fire safety norms.

### Main financial goals

- To ensure non-deficit budget, net profit 1.4 thousand EUR.
- To provide a positive cash flow of 823.8 thousand EUR.
- To provide a positive profitability rate of 0.1%.
- Liquidity ratio not less than 1.

### Main non-financial goals

- To improve the availability of health care services.
- To ensure efficiency in the planning and delivery of health care services.
- To ensure provision of high quality health care services.
- 

## Governance structure

Shareholder – Ministry of Health

Chair of the Management Board – Nata Gaibišele

Member of the Management Board – Ilga Ģile

### Main financial indicators, thousands EUR

	2015	2016
Turnover	3 317.5	3 415.4
Profit/Loss	2.6	1.0
EBITDA	226.7	218.1
Assets	6 913.8	6 285.3
Share capital	277.5	277.5
Equity	360.9	361.8
Investment in fixed assets	75.4	73.1
Dividends paid to the state budget	0.0	0.0
Contributions made to the state and municipal budget	944.4	1 030.0
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	3 413.6	3 602.7

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.08	0.03
ROA (profit/assets), %	0.04	0.02
ROE (profit/equity), %	0.71	0.27
Total liquidity (current assets/short term liabilities)	1.77	0.23
D/E (liabilities/equity)	17.82	16.37

### Other indicators

Number of employees	292	298
Average gross remuneration per employee per year, thousands EUR	6.6	6.9
Gender representation in management, f/m		2/0
Annual report in accordance with IFRS		no

## Achieved results

- Net profit, cash flow and profitability are positive.
- Most of the non-financial goals have been achieved.

## SLLC Bērnu klīniskā universitātes slimnīca (BKUS)

Reg. No. 40003457128

WEB: [www.bkus.lv](http://www.bkus.lv)

State ownership 100%

BKUS has no ownership in other enterprise.

BKUS is the largest specialized paediatric medical institution in Latvia, which provides state-funded treatment, diagnostic and rehabilitation services for children as outpatient and in-patient in case of emergency, urgent (acute) and planned care, also offering paid services.

BKUS provides social support services - interest education, social services, education and scientific work.

### General Strategic Goal

To provide public health policies by providing high-quality, cost-effective, and evidence-based health services for children.

### The most important events in 2016

Stage II reconstruction of ward 24, reconstruction of the fire-fighting water pipe, rebuilding of the pharmacy's premises, roof insulation in wards 9 and 14, reconstruction works at wards 8, 12 and 35, and other; 2.2 million EUR.

### Planned most significant events in 2017

ERDF project for the development of BKUS infrastructure; 11.2 million EUR.

### Main financial goals

- To ensure non-deficit budget, net profit 14.2 thousand EUR.
- To ensure a positive cash flow.
- To ensure a positive profitability.
- Liquidity ratio not less than 1.

### Main non-financial goals

- To improve the availability of health care services.
- To ensure efficiency in the planning and delivery of health care services.
- To ensure provision of high quality health care services.

### Achieved results

- In 2016 BKUS has been working with losses and the profitability indicator is negative.
- Most of the non-financial goals have been achieved.

## Governance structure

Shareholder - Ministry of Health

Chair of the Management Board - Valts Ābols

Members of the Management Board – Aigars Pētersons, Zane Straume, Ināra Bluķe

### Main financial indicators, thousands EUR

	2015	2016
Turnover	33 965.6	35 225.2
Profit/Loss	3.7	-2.3
EBITDA	1 868.1	2 136.0
Assets	60 958.4	60 158.0
Share capital	3 984.0	3 984.0
Equity	7 846.6	7 844.3
Investment in fixed assets	6 388.6	2 421.3
Dividends paid to the state budget	0.0	0.0
Contributions made to the state and municipal budget	10 005.3	9 828.1
Donations received	357.6	1 867.4
Donations made	0.0	0.0
Funding received from the state budget	33 952.1	35 143.7

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.01	-0.01
ROA (profit/assets), %	0.01	0.00
ROE (profit/equity), %	0.05	-0.03
Total liquidity (current assets/short term liabilities)	0.90	0.94
D/E (liabilities/equity)	6.64	6.67

### Other indicators

Number of employees	2013	2087
Average gross remuneration per employee per year, thousands EUR	8.7	8.9
Gender representation in management, f/m		2/2
Annual report in accordance with IFRS		yes

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

Reg. No. 44103017181

WEB: [www.ainazuslimnica.lv](http://www.ainazuslimnica.lv)

State ownership 100%

BPNS "Ainaži" has no ownership in other enterprise.

BPNS "Ainaži" is the only specialized hospital in the country that provides qualified and professional psychiatric help for children and adolescents with prolonged mental disorders and illnesses and the duration of treatment is as long as necessary.

### General Strategic Goal

To increase the quality of healthcare provided by the company as a specialized hospital, ensure high cost-effectiveness of activities and rational availability of healthcare services for patients, and ensuring the integration of the hospital into the national health care system, ensure that the company complies with the European Union's recommendations for the infrastructure of health care providers. Promoting the future development of the Company, ensuring the quality of the provided health care services, cost-effectiveness and rational accessibility in psychiatric treatment, care and rehabilitation until the patient's recovery or condition when the patient is able to continue to receive treatment as outpatient.

### The most important events in 2016

Investments in the infrastructure using funding provided for infrastructure are made, BPNS "Ainaži" purchased medical equipment and supplies for improvement of both outpatient department and in-patient department functions.

### Planned most significant events in 2017

- To invest in infrastructure and attract additional staff.
- To develop the idea of changing the name of a hospital, including the phrase - "Centre of mental health and rehabilitation of children" in the title.

### Main financial goals

- Non-deficit budget, net profit of 24 655 EUR.
- Positive (balanced) cash flow,
- Operating cash flow >0.
- Positive net profitability indicator 0.02.
- Total liquidity indicator 3.4.

### Governance structure

Shareholder – Ministry of Health

Member of the Management Board – Ilona Balode

#### Main financial indicators, thousands EUR

	2015	2016
Turnover	1 032.6	1 046.8
Profit/Loss	5.9	47.1
EBITDA	71.1	105.5
Assets	4 349.7	4 319.0
Share capital	60.2	60.2
Equity	361.9	409.0
Investment in fixed assets	5.6	38.1
Dividends paid to the state budget	0.0	0.0
Contributions made to the state and municipal budget	333.9	351.4
Donations received	1.8	2.7
Donations made	0.0	0.0
Funding received from the state budget	1 032.6	1 148.7

#### Main financial indicators. % and factors

Profitability (profit/turnover), %	0.57	4.50
ROA (profit/assets), %	0.14	1.09
ROE (profit/equity), %	1.63	11.52
Total liquidity (current assets/short term liabilities)	3.60	4.35
D/E (liabilities/equity)	10.93	9.56

#### Other indicators

Number of employees	94	88
Average gross remuneration per employee per year, thousands EUR	8.0	8.0
Gender representation in management, f/m		1/0
Annual report in accordance with IFRS		yes

### Main non-financial goals

- To improve the availability and quality of health care services.
- To ensure efficiency in the planning and delivery of health care services.

### Achieved results

- Net profit greater than planned.
- Carried out optimization of patients' queues in the hospital (up to ~ 1 week)

## SLLC Daugavpils psihoneiroloģiskā slimnīca (DPNS)

Reg. No. 50003407881

WEB: [www.dpns.gov.lv](http://www.dpns.gov.lv)

State ownership 100%

DPNS has no ownership in other enterprise.

DPNS is one of the largest psychiatric treatment institutions in Latvia that provides residents of Daugavpils and surrounding regions with all necessary mental health care services, including mental health services at home, outpatient mental health care services, inpatient mental health care services, including forced treatment based on a Court decision, and long-term social care and social rehabilitation services.

### General Strategic Goal

To develop a multidisciplinary mental health care centre on the basis of DPNS - in order to provide the entire spectrum of mental health care assistance to residents of Daugavpils and surrounding regions and become the industry leader in the treatment, care and rehabilitation of mental health.

### The most important events in 2016

- Reconstruction of the buildings of the healing industrial workshops and the day-occupancy centre.
- Construction of a material storage shed building and the manufacture and installation of scaffolding (shelves).
- Installation of additional fencing in the park.
- Development of technical documentation for construction project of an administrative building.

### Planned most significant events in 2017

- Reconstruction of the administrative building with the aim of creating a Family house within the framework of the Lat-Lit program (stage II, 2017-2018).
- Insulation of day care centre and training centre.

### Main financial goals

- To ensure a balanced budget.
- To ensure a positive cash flow.
- To ensure a positive profitability.
- Liquidity ratio not less than 1.

### Main non-financial goals

- Outpatient and home mental health care services.
- Reduction of the volume of provided stationary health care services.
- Increasing of the volume of social services.

## Governance structure

Shareholder - Ministry of Health

Member of the Management Board - Sarmīte Ķikuste

### Main financial indicators, thousands EUR

	2015	2016
Turnover	7 111.2	7 748.8
Profit/Loss	7.0	44.2
EBITDA	544.8	533.5
Assets	18 673.4	18 241.2
Share capital	504.9	504.9
Equity	949.2	1 027.9
Investment in fixed assets	215.4	186.0
Dividends paid to the state budget	0.0	0.0
Contributions made to the state and municipal budget	2 029.6	2 485.1
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	6 716.4	7 355.5

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.10	0.57
ROA (profit/assets), %	0.04	0.24
ROE (profit/equity), %	0.74	4.30
Total liquidity (current assets/short term liabilities)	1.49	1.07
D/E (liabilities/equity)	18.42	16.75

### Other indicators

Number of employee	594	605
Average gross remuneration per employees per year, thousand EUR	7.1	7.9
Gender representation in management, f/m		1/0
Annual report in accordance with IFRS		no

## Achieved results

- All financial goals are achieved.
- Most of the non-financial goals are achieved.

## SLLC Iekšlietu ministrijas poliklinika (IMP)

Reg. No. 40003400059

Web: [poliklinika.iem.gov.lv](http://poliklinika.iem.gov.lv)

State ownership 100%

IMP has no ownership in other enterprise.

IMP contributes to the development of effective personnel policies in the home affairs system, in order to provide State security officials with a physically and psychologically appropriate state of health. Health checks carried out by the IMP provide the health status control system of the official, from the recruitment, during the service until retirement from service.

At the same time, IMP ensures that any public administration official, who has suffered injury, mutilation or other damage to his / her health in the performance of his duties, is evaluated uniformly and objectively by the degree of severity of the health damage suffered.

### General Strategic Goal

To participate in the provision of appropriate personnel for the institutions of system of the Ministry of the Interior and the Prison Administration, by exercising the control of health status of officials, by admitting officials to the service during the service, as well as upon retirement from the service, and providing quality outpatient health care services to other persons.

### The most important events in 2016

Purchase of a stationary X-ray equipment.

### Planned most significant events in 2017

- Provision of outpatient health care services.
- Modernization of material technical base.

### Main financial goals

- Economic activity without losses, providing a positive result of economic activity - profit.
- Turnover 2.8 million EUR.
- Return on equity (ROE) 0.41%.
- D/E (liabilities/equity) 0.40.
- Total liquidity 3.30.

### Main non-financial goals

- Checking the compliance of the official's state of health with the performance of official duties.
- To evaluate the severity of health disturbances (applicable to all public administration officials) obtained during the performance of their duties in the event of an accident.
- To provide health care services.

## Governance structure

Shareholder - Ministry of Interior

Member of the Management Board – Didzis Āzens

### Main financial indicators, thousands EUR

	2015	2016
Turnover	2 020.6	2 111.8
Profit/Loss	2.0	11.2
EBITDA	112.0	75.6
Assets	801.3	821.8
Share capital	556.4	556.4
Equity	582.3	591.6
Investment in fixed assets	14.1	115.8
Dividends paid to the state budget	17.4	1.8
Contributions made to the state and municipal budget	652.9	692.9
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	1 211.1	1 234.4

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.10	0.53
ROA (profit/assets), %	0.25	1.36
ROE (profit/equity), %	0.34	1.89
Total liquidity (current assets/short term liabilities)	4.04	2.54
D/E (liabilities/equity)	0.27	0.39

### Other indicators

Number of employees	138	137
Average gross remuneration per employee per year, thousands EUR	10.9	11.8
Gender representation in management, f/m		0/1
Annual report in accordance with IFRS		no

## Achieved results

All financial and non-financial goals are almost achieved.

## SLLC Nacionālais rehabilitācijas centrs "Vaivari" (Vaivari)

Reg. No. 40003273900

Web: [www.nrcvaivari.lv](http://www.nrcvaivari.lv)

State ownership 100%

Vaivari has no participation in other enterprise.

Vaivari is object of medical rehabilitation, health and social care, education and science of National significance - the largest medical institution of this type in Latvia.

### General Strategic Goal

Devoting of all the material and intellectual resources of the company in order to provide specialized rehabilitation services in due time for the residents of Latvia who need them. The status of the National Centre means the obligation to be the leading centre for the education and professional development of rehabilitation specialists in the country in order to promote the further development of the rehabilitation industry.

### The most important events in 2016

In 2016, investments in the amount of 126.9 thousand EUR are made - purchase of robot technologies (gradually adaptable verticalization table) and simple restoration of the administration premises on the 7th floor.

### Planned most significant events in 2017

In 2017, significant capital investments for the purchase of robot technologies, as well as the repair of the central building and the reconstruction of the eastern block are planned, creating a multifunctional hall adapted for people with functional disabilities.

### Main financial goals

- Non-deficit budget, profit 10 thousand EUR.
- Positive net profitability 0.10%.
- Positive operating cash flow 1.5 million EUR.
- Total liquidity indicator  $\geq 1$ .

### Main non-financial goals

- Total number of stationary beds - 250.
- Proportion of physicians and rehabilitation doctors % of all employees 3%.
- Proportion of functional specialists % of all employees 21%.
- Percentage of medical treatment persons in the age group of 25-40 years old in the institution as a percentage of the total number of physicians working in the institution 39%.

## Governance structure

Shareholder - Ministry of Health

Chair of the Management Board - Anda Nulle

Member of the Management Board – Agris Eglītis

### Main financial indicators, thousands EUR

	2015	2016
Turnover	9 058.5	9 643.1
Profit/Loss	10.9	5.6
EBITDA	1 133.1	1 318.8
Assets	9 211.1	10 655.0
Share capital	793.7	793.7
Equity	1 631.5	1 614.3
Investment in fixed assets	1 286.7	1 851.5
Dividends paid to the state budget	0.0	0.0
Contributions made to the state and municipal budget	1 724.1	2 439.1
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	8 070.6	8 656.4

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.12	0.06
ROA (profit/assets), %	0.12	0.05
ROE (profit/equity), %	0.67	0.34
Total liquidity (current assets/short term liabilities)	0.59	0.79
D/E (liabilities/equity)	4.48	5.60

### Other indicators

Number of employees	426	422
Average gross remuneration per employee per year, thousand EUR	7.6	8.6
Gender representation in management, f/m		1/1
Annual report in accordance with IFRS		no

- The average waiting time for inclusion in the in-patient subacute rehabilitation program is 45 days.
- The average length of treatment in hospital is 12.46 days.
- Bed capacity - 80%.

### Achieved results

- Partially fulfilled financial goals (total liquidity ratio was 0.79).
- Non-financial goals are met with non-essential deviations related to the movement of personnel.

## SLLC Paula Stradiņa klīniskā universitātes slimnīca (PSKUS)

Reg. No. 40003457109

Web: [www.stradini.lv](http://www.stradini.lv)

State ownership 100%

PSKUS has no ownership in other enterprise.

PSKUS is a multi-profile hospital that provides full-scale emergency and planned medical assistance, as well as provides pre and post diploma education, conducts scientific research and ensures the approbation and implementation of new therapeutic methods and technologies in Latvia.

### General Strategic Goal

To continue development in order to become a medical, educational and scientific centre of National and international importance, reducing the average length of treatment for stationary patients to five days, increasing hospital bed loading to 85%, increasing revenues beyond 10% and launching construction of new hospital buildings.

### The most important events in 2016

Major investments were made - the construction of the 2<sup>nd</sup> phase of hospital wing A1 (amount of financing 91.1 million EUR).

### Planned most significant events in 2017

To start the provision of medical services in A1 wing on June 1, 2017 and continue the work started on the design of A2 wing.

### Main financial goals

- Non-deficit budget, profit of 387 EUR.
- Positive net profitability.
- Positive operating cash flow 5 million EUR.
- Total liquidity indicator  $\geq 1$ .

### Main non-financial goals

- Total number of inpatient beds - 860, number of inpatient acute care beds - 605.
- The ratio of the number of practicing doctors and practicing nurses is 1.16.
- Percentage of medical treatment persons in the age group of 25-40 years old in the institution as a percentage of the total number of physicians working in the institution 39%.
- Average waiting time for outpatient counselling 90 days.
- The average length of treatment in the hospital is 5.44 days.
- Bed capacity - 83.83%.

## Governance structure

Shareholder – Ministry of Health

Chair of the Management Board – Ilze Kreicberga

Members of the Management Board – Elita Buša, Arta Biruma

### Main financial indicators, thousands EUR

	2015	2016
Turnover	81 503.5	87 034.7
Profit/Loss	152.8	10,8
EBITDA	4 858.3	3 748.2
Assets	104 719.0	130 990.5
Share capital	19 366.8	35 429.2
Equity	9 198.1	23 795.7
Investment in fixed assets	66 254.7	97 251.6
Dividends paid to the state budget	0.0	0.0
Contributions made to the state and municipal budget	18 087.5	22 659.5
Donations received	0.04	100.1
Donations made	0.0	487.4
Funding received from the state budget	72 987.7	76 394.0

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.19	0.01
ROA (profit/assets), %	0.15	0.01
ROE (profit/equity), %	1.66	0.05
Total liquidity (current assets/short term liabilities)	2.76	1.56
D/E (liabilities/ equity)	10.06	4.48

### Other indicators

Number of employees	2 926	2 992
Average gross remuneration per employee per year, thousands EUR	9.9	10.7
Gender representation in management, f/m		3/0
Annual report in accordance with IFRS		yes

## Achieved results

- In 2016, public order for provision of both in-patient and out-patient health care services has been fulfilled.
- The number of hospitalized patients has increased by 3.5%.
- The average waiting time for an outpatient counselling session is reduced significantly.

## SLLC Piejūras slimnīca (PJS)

Reg. No. 40003343729

Web: [www.piejurasslimnica.lv](http://www.piejurasslimnica.lv)

State ownership 100%

PJS has no ownership in other enterprises.

PJS was established on August 29, 2005, by merging "Liepājas onkoloģiskā slimnīca" and "Liepājas psihoneiroloģiskā slimnīca". SLLC "Piejūras slimnīca" is a certified medical institution that provides specialized outpatient and inpatient care in oncology, hematology and psychiatry.

### General Strategic Goal

To continue to improve the quality of its services by reaching the European Union's level of healthcare.

### The most important events in 2016

Establishment of patient walking ground, installation of fence along the territory, construction of a socle floor of a management building.

### Planned most significant events in 2017

Purchase of medical equipment, hardware acquisition, site improvement works.

### Main financial goals

- To ensure non-deficit budget.
- To provide a positive operating cash flow of 227 659 EUR.
- To ensure a positive profitability.
- Liquidity ratio not less than 1.

### Main non-financial goals

- To extend the healthy life years of the residents of Latvia and to prevent premature death by preserving, improving and restoring health.
- To provide high-quality and responsive mental health care through the development of community-based mental health care and oncologic health care.
- To ensure effective health care management.

### Achieved results

- Although the planned financial results have not been reached, the PJS managed to conclude 2016 with profit, which is a significant improvement in comparison with 2015.
- Most of the non-financial goals have been achieved.

## Governance structure

Shareholder - Ministry of Health

Chair of the Management Board – Aigars Puks

Member of the Management Board - Evija Siliņa

### Main financial indicators, thousands EUR

	2015	2016
Turnover	3 110.2	3 185.7
Profit/Loss	-4.4	2.5
EBITDA	292.7	297.0
Assets	10 697.6	10 580.3
Share capital	699.5	699.5
Equity	8 605.1	8 466.2
Investment in fixed assets	38.4	114.3
Dividends paid to the state budget	0.0	0.0
Contributions made to the state and municipal budget	894.5	915.5
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	293.9	3 005.4

### Main financial indicators, % and factors

Profitability (profit/turnover), %	-0.14	0.08
ROA (profit/assets), %	-0.04	0.02
ROE (profit/equity), %	-0.05	0.03
Total liquidity (current assets/short term liabilities)	1.73	1.32
D/E (liabilities/equity)	0.24	0.25

### Other indicators

Number of employees	215	212
Average gross remuneration per employee per year, thousands EUR	8.3	8.6
Gender representation in management, f/m		1/1
Annual report in accordance with IFRS		yes



## LLC Rīgas Austrumu klīniskā universitātes slimnīca (RAKUS)

Reg. No. 40003951628

Web: [www.aslimnica.lv](http://www.aslimnica.lv)

State ownership 100%

Related companies and capital shares:

LLC "Rīgas Hematoloģijas centrs" 50.96%

LLC "Veselības centrs "Bīķernieki"" 99.58%

RAKUS is the largest state-of-the-art emergency medical care institution in the country, providing medical care in all major specialties and providing full patient examination.

### General Strategic Goal

To ensure that RAKUS becomes the leading university hospital in the country in the next 3-4 years, retaining its leading role in this period or becoming the leading medical institution for oncology and haematology, general and thoracic surgery, traumatology, neurosurgery, vascular surgery, general therapy, respiratory and infectious diseases, cardiology, nephrology, urology, gynaecology, otorhinolaryngology, ophthalmology, rehabilitation and physical therapy, as well as in treatment of patients with neurological diseases, burns, frostbites, geriatric problems, possible microsurgical treatment of non-acute wounds and bedsores.

### The most important events in 2016

State-guaranteed loan project "Improvement and Optimization of Infrastructure"; 3.8 million EUR.

### Planned most significant events in 2017

ERDF project No. 9.3.2.0 / 17 / I / 004 "Development of Infrastructure of "SIA "Rīgas Austrumu klīniskā universitātes slimnīca"; 17.9 million EUR.

### Main financial goals

- To ensure non-deficit budget, profit 213.4 thousand EUR.
- To provide a positive operating cash flow of 10.3 million EUR.
- To provide a positive profitability rate of 2%.
- Liquidity ratio 1.15.

### Main non-financial goals

- To extend the healthy life years of the residents of Latvia and to prevent premature death.
- To provide high-quality and responsive mental health care.
- To ensure effective health care management.

## Governance structure

Shareholder - Ministry of Health

Chair of the Management Board - Anita Slokenberga

Members of the Management Board – Viesturs Boka, Kaspars Plūme, Artūrs Bērziņš

### Main financial indicators, thousands EUR

	2015	2016
Turnover	94 129.5	97 371.6
Profit/Loss	-4 973.5	-2 493.1
EBITDA	1 929.3	4 573.6
Assets	98 612.5	93 776.9
Share capital	15 681.4	15 681.4
Equity	-11 770.3	-11 887.5
Investment in fixed assets	6 956.6	4 488.1
Dividends paid to the state budget	0.0	0.0
Contributions made to the state and municipal budget	20 848.7	20 914.2
Donations received	0.0	14.9
Donations made	0.0	0.0
Funding received from the state budget	79 429.9	83 078.9

### Main financial indicators, % and factors

Profitability (profit/turnover), %	-5.28	-2.56
ROA (profit/assets), %	-5.04	-2.66
ROE (profit/equity), %	n/a	n/a
Total liquidity (current assets/short term liabilities)	0.65	0.49
D/E (liabilities/ equity)	-9.25	-8.89

### Other indicators

Number of employees	4543	4413
Average gross remuneration per employee per year, thousands EUR	8.7	9.1
Gender representation in management, f/m		1/3
Annual report in accordance with IFRS		yes

## Achieved results

The financial performance of RAKUS in 2016 has not been successful and the year has been concluded with 2.5 million EUR losses; none of the set financial goals were met.

## SLLC Rīgas psihiatrijas un narkoloģijas centrs (RPNC)

Reg. No. 50003342481

Web: [www.rpnc.lv](http://www.rpnc.lv)

State ownership 100%

RPNC has no ownership in other enterprise.

The main activity of RPNC is the provision of health care services in psychiatry and narcology. RPNC is the only medical and forensic institution in Latvia, which performs all kinds of forensic psychiatry and psychology expertise.

### General Strategic Goal

To ensure the restriction of the mental health and addiction diseases in Riga and Riga region (incl. in the cities of Jurmala, Tukums and Ogre), provide accessible, highly qualified and specialized professional psychiatric help and diagnostics, treatment and prevention of mental and behavioural disorders and addiction, as well as provision of assessment of narcotic and psychotropic substances and alcohol impact, outpatient and inpatient drug treatment assistance.

### The most important events in 2016

- Equipping of rebuilt block No. 5 at Aptiekas Street 1, k-13, in Riga.
- Completion of reconstruction of Psychiatric Ward in Tvaika Street 2, in Riga.

### Planned most significant events in 2017

Reconstruction of 3rd ward of the hospital.

### Main financial goals

- Non-deficit budget, net profit of 30 thousand EUR.
- Positive (balanced) cash flow, operating cash flow > 0.
- Positive net profitability indicator 0,002.
- Total liquidity indicator 1.98.

### Main non-financial goals

- To ensure the operation of the RPNC Museum
- To improve the range of provided psychiatric and narcological health care services

## Governance structure

Shareholder - Ministry of Health

Chair of the Management Board – Jānis Buģins

Members of the Management Board – Irina Starkova, Imants Rezebergs

### Main financial indicators, thousands EUR

	2015	2016
Turnover	12 438.7	12 686.9
Profit/Loss	39.9	7.5
EBITDA	615.3	500.7
Assets	25 059.7	24 691.7
Share capital	4 432.4	4 432.4
Equity	9 517.2	9 524.7
Investment in fixed assets	3 355.9	210.5
Dividends paid to the state budget	0.0	0.0
Contributions made to the state and municipal budget	4 01.7	3 849.7
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	11 233.7	11 819.7

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.32	0.06
ROA (profit/assets), %	0.16	0.03
ROE (profit/equity), %	0,42	0.08
Total liquidity (current assets/short term liabilities)	1.69	1.37
D/E (liabilities/ equity)	1.61	1.59

### Other indicators

Number of employees	900	917
Average gross remuneration per employee per year, thousands EUR	7,7	8,2
Gender representation in management, f/m		1/2
Annual report in accordance with IFRS		yes

## Achieved results

- Net profit less than planned.
- After reconstruction, the mental health ward at Tvaika Street 2 has become the most advanced psychiatric treatment facility in Latvia.

## SLLC Slimnīca “Ģintermuiža” (ĢM)

Reg. No. 40003407396

Web: [www.gintermuiža.lv](http://www.gintermuiža.lv)

State ownership 100%

ĢM has no ownership in other enterprise.

The main activity of ĢM is the provision of highly qualified, professional psychiatric and narcological services for the diagnosis, treatment, prevention and rehabilitation of acute and chronic diseases and disorders.

### General Strategic Goal

To provide high-quality and responsive mental health care through the development of community-based mental health care and oncologic health care.

### The most important events in 2016

ĢM continues to implement social rehabilitation and long-term social care and social rehabilitation programs - “Social rehabilitation of psychoactive substance dependent adults”, as well as “Long-term social care and social rehabilitation for adults (disability groups I and II) with severe mental disorders.

### Planned most significant events in 2017

ĢM will continue to provide in-patient and outpatient psychiatric and narcological assistance, and will continue to implement long-term social care and social rehabilitation programs implemented in the previous reporting period.

### Main financial goals

- Non-deficit budget, net profit of 25 767 EUR.
- Positive (balanced) cash flow, operating cash flow > 0.
- Positive net profitability indicator 0.4.
- Total liquidity indicator 1.57.

### Main non-financial goals

To improve the range of provided psychiatric and narcological health care services

### Achieved results

- Net profit 82% less than planned.
- ĢM has met all planned non-financial goals, with minor deviations.

## Governance structure

Shareholder – Ministry of Health

Member of the Management Board – Uldis Čāčus

### Main financial indicators, thousands EUR

	2015	2016
Turnover	5 220.3	5 920.7
Profit/Loss	162.2	4.5
EBITDA	513.1	253.0
Assets	14 183.7	13 782.8
Share capital	2 099.2	2 099.2
Equity	1 991.8	2 224.4
Investment in fixed assets	26.3	30.9
Dividends paid to the state Budget	0.0	0.0
Contributions made to the state and municipal budget	1 669.0	1 799.3
Donations/received	13.9	7.8
Donations made	0.0	0.0
Funding received from the state budget	4 819.2	5 132.4

### Main financial indicators, % and factors

Profitability (profit/turnover), %	3.11	0.08
ROI (profit/assets)	1.14	0.03
ROE (profit/equity)	8.15	0.20
Total liquidity (current assets/short term liabilities)	0.90	0.68
D/E (liabilities/ equity)	5.96	5.20

### Other indicators

Number of employees	489	494
Average gross remuneration per employee per year, thousands EUR	6.9	7.3
Gender representation in management, f/m		0/1
Annual report in accordance with IFRS		no

## SLLC Straupes narkoloģiskā slimnīca (SNS)

Reg. No. 40003342456

Web: [www.straupesslimnica.lv](http://www.straupesslimnica.lv)

State ownership 100%

SNS has no ownership in other enterprise.

SNS provides medical assistance to alcohol addicted patients, terminating systematic and regular alcohol consumption of the patients, restoring their ability to work. The main activity of SNS is the provision of in-patient medical assistance to the public and the rehabilitation of adolescents dependent on psychoactive substances. Doctors in Straupe Hospital also prescribe therapy for continued restraint in the future.

### General Strategic Goal

To be high-level professionals in narcology, to help alcohol addicts fight their addiction and return to the labour market and social life.

### The most important events in 2016

There were no waiting time in the hospital and treatment services were provided to all patients seeking help, regardless of their place of residence.

### Planned most significant events in 2017

- Registering the Lielstraupe Palace in the Land Register in the name of the Ministry of Health.
- Renovation measures in Lielstraupe Palace Hospital - cosmetic repairs in hospital wards and hygiene facilities.

### Main financial goals

- To ensure a balanced budget.
- To ensure a positive cash flow.
- To ensure a positive profitability.
- Liquidity ratio not less than 1.

### Main non-financial goals

- To extend the healthy life years of the residents of Latvia and to prevent premature death by preserving, improving and restoring health.
- To provide patients with high-quality narcological health care that meets their needs.

## Governance structure

Shareholder – Ministry of Health

Member of the Management Board – Maija Ancverīņa

### Main financial indicators, thousands EUR

	2015	2016
Turnover	639.3	620.9
Profit/Loss	3.7	-7.0
EBITDA	9.0	5.7
Assets	158.9	129.4
Share capital	90.5	90.5
Equity	72.9	60.9
Investment in fixed assets	2.3	8.3
Dividends paid to the state budget	0.0	0.0
Contributions made to the state and municipal budget	185.0	185.3
Donations received	3.0	6.3
Donations made	0.0	0.0
Funding received from the state budget	428.4	428.4

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.58	-1.12
ROA (profit/assets), %	2.33	-5.39
ROE (profit/equity), %	5.08	-11.46
Total liquidity (current assets/short term liabilities)	1.05	0.99
D/E (liabilities/ equity)	1.18	1.13

### Other indicators

Number of employees	60	60
Average gross remuneration per employee per year, thousands EUR	4.7	6.1
Gender representation in management, f/m		1/0
Annual report in accordance with IFRS		no

## Achieved results

The turnover has decreased and the year 2016 has been concluded with losses, which is related to the lesser number of teenagers sent for rehabilitation as planned. The hospital itself cannot affect the number of recipients of this service, as adolescents are sent for rehabilitation by decision and order of the State Social Integration Agency.

## SLLC Strenču psihoneiroloģiskā slimnīca (SPNS)

Reg. No. 50003408181

Web: [www.strencupns.lv](http://www.strencupns.lv)

State ownership 100%

SPNS has no ownership in other enterprise.

The main activity of SPNS is the provision of health care services in psychiatry and narcology.

### General Strategic Goal

To provide high-quality and responsive mental health care through the development of community-based mental health care and oncologic health care.

### The most important events in 2016

- Investments in infrastructure (construction of elevators (3 units), digital radiography systems of analogue X-ray equipment installed in the diagnostic radiology office.
- Conference of Mental Health Nurse Association took place at SPNS. In cooperation with the USA project of SLLC Strenču psihoneiroloģiskās slimnīcas "Open dialogue approach to psychiatric services" was implemented.

### Planned most significant events in 2017

- Reconstruction of 3rd ward of the hospital.
- 110th anniversary of SPNS

### Main financial goals

- Non-deficit budget, net profit of 8 546 EUR.
- Positive (balanced) cash flow, >0.
- Positive net profitability indicator 0.2.
- Total liquidity indicator 2.

### Main non-financial goals

- To improve the range, quality and availability of provided psychiatric and narcological health care services
- SPNS museum operation.

### Achieved results

- Net profit significantly greater than planned.
- SPNS fulfilled non-financial goals partially, but in some cases even exceeded the goals.
- Silver category obtained in Sustainability Index rating (2017). Successful participation in the Personnel Management Project Contest "DNA of Outstanding Employer 2016".

## Governance structure

Shareholder – Ministry of Health

Member of the Management Board – Maija Ancverīņa

### Main financial indicators, thousands EUR

	2015	2016
Turnover	4 549.5	4 656.7
Profit/Loss	47.4	18.9
EBITDA	309.2	305.3
Assets	7 217.7	7 174.1
Share capital	295.6	295.6
Equity	1 647.1	1 661.1
Investment in fixed assets	671.1	639.1
Dividends paid to the state budget	0.0	0.0
Contributions made to the state and municipal budget	1 275.7	1 479.5
Donations received	7.1	4.2
Donations made	0.0	0.0
Funding received from the state budget	4 588.3	4 824.5

### Main financial indicators, % and factors

Profitability (profit/turnover), %	1.04	0.41
ROA (profit/assets), %	0.66	0.26
ROE (profit/equity), %	2.88	1.14
Total liquidity (current assets/short term liabilities)	4.51	0.34
D/E (liabilities/ equity)	3.34	3.32

### Other indicators

Number of employees	347	342
Average gross remuneration per employee per year, thousands EUR	9.1	9.6
Gender representation in management, f/m		1/0
Annual report in accordance with IFRS		no

## SLLC Traumatoloģijas un ortopēdijas slimnīca (TOS)

Reg. No. 40003410729

Web: [www.tos.lv](http://www.tos.lv)

State ownership 100%

TOS has no ownership in other enterprise.

TOS is the only specialized hospital in Latvia that provides highly qualified medical assistance in cases of severe skeletal trauma, secondary medical care for the treatment of severe, complicated injuries, orthopaedic surgery in various types of skeletal and joint diseases.

### General Strategic Goal

Maintaining and improving the existing leader positions as the only specialized hospital in Latvia providing highly qualified medical assistance in cases of severe skeletal injuries, secondary medical care for the treatment of severe, traumatic complications, orthopaedic surgery in various types of skeletal and joint diseases, thus having an indispensable role in the provision of emergency medical care and healthcare chain.

### The most important events in 2016

Total investments of 655.3 thousand EUR, incl. the purchase of various equipment and systems, such as the purchase of arthroscopic instruments, as well as improvements in several hospital buildings.

### Planned most significant events in 2017

Reconstruction of 3rd hospital ward, renovation of Joint surgery ward (3rd ward), as well as simplified renovation and procurement of technological equipment of CT scan premises (total funding 1.8 million EUR).

### Main financial goals

- Non-deficit budget, net profit of 92.9 thousand EUR.
- Positive (balanced) cash flow.
- Positive net profitability indicator.
- Total liquidity indicator  $\geq 1$ .

### Main non-financial goals

- Total number of inpatient beds - 220, number of inpatient acute care beds - 106.
- Percentage of medical treatment persons in the age group of 25-40 years old in the institution as a percentage of the total number of physicians working in the institution 32.45%.
- Average waiting time for outpatient counselling 11 days.

## Governance structure

Shareholder – Ministry of Health

Chair of the Management Board – Anita Vaivode

Members of the Management Board – Inese Rantiņa, Modris Ciems

### Main financial indicators, thousands EUR

	2015	2016
Turnover	11 640.3	12 424.6
Profit/Loss	-82.0	0.5
EBITDA	610.0	746.9
Assets	11 089.1	10 826.6
Share capital	3 947.0	3 947.0
Equity	4 882.1	4 882.6
Investment in fixed assets	655.3	431.6
Dividends paid to the state budget	0.0	0.0
Contributions made to the state and municipal budget	2 548.7	2 796.5
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	8 577.8	9 324.0

### Main financial indicators, % and factors

Profitability (profit/turnover), %	-0.70	0.004
ROA (profit/assets), %	-0.74	0.004
ROE (profit/equity), %	-1.68	0.01
Total liquidity (current assets/short term liabilities)	0.60	0.54
D/E (liabilities/ equity)	1.22	1.21

### Other indicators

Number of employees	466	461
Average gross remuneration per employee per year, thousands EUR	10.0	11.0
Gender representation in management, f/m		2/1
Annual report in accordance with IFRS		no

- The average length of treatment in the hospital is 7.19 days.
- Bed capacity - 64%.

## Achieved results

TOS has partially met the stated financial goals, while non-financial goals of TOS are met, but with minor deviations that are related to changes in patient flow.





# 4.7 Culture



## SLLC Dailes teātris (DailesT)

Reg. No. 4000378318

Web: [www.dailesteatris.lv](http://www.dailesteatris.lv)

State ownership 100%

DailesT has no ownership in other enterprise.

DailesT is the largest professional repertory theatre in Latvia with three stages. The Chamber Hall and the Small Hall are devoted to close-up psychological studies, experimental productions and quest for theatre aesthetics, while the 1000-seat Grand Hall - for the widest range of performances for a wide variety of tastes, attracting a wide audience of viewers: dramas, comedies, tragedies, musical performances, children's shows and concerts.

### General Strategic Goal

Ensuring national cultural needs, raising its spiritual level and self-esteem, provision of diversity and accessibility of professional theatre art for all members of society, as well as execution of tasks delegated by the State administration.

### The most important events in 2016

To encourage children's interest in the theatre Dailes in cooperation with the Latvian National Library organized a children's workshop "Celebrate the first day of school with a theatre".

### Planned most significant events in 2017

In 2017 DailesT plans to stage 14 new works (4 original dramaturgies). 12 directors of different generations and styles will be attracted.

### Main financial goals

- To provide stable revenue from ticket sales in the amount of 1.890 thousand EUR.
- To increase other revenue, own revenue 363 thousand EUR.

### Main non-financial goals

- Number of visits per year.
- Planned total number of performances per year.
- Number of new productions per year.
- Attendance at the theatre premises (total visitors per total number of seats %).

### Achieved results

- Revenue from ticket sales is 20% higher than planned, but the total profit is 79% lower than planned.
- Exceeded all non-financial goals. The planned number of visits exceeded by more than 24 thousand.

## Governance structure

Shareholder – Ministry of Culture

Member of the Management Board – Andris Vitols

### Main financial indicators, thousands EUR

	2015	2016
Turnover	4 026.9	2 549.6
Profit/Loss	0.3	2.0
EBITDA	117.6	113.2
Assets	782.5	867.8
Share capital	14.2	54.2
Equity	9.3	72.4
Investment in fixed assets	99.7	172.4
Dividends paid to the state budget	0.0	0.3
Contributions made to the state and municipal budget	1 281.5	1 223.7
Donations received	3.0	3.0
Donations made	0.0	0.0
Funding received from the state budget	1647.4	1662.2

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.01	0.08
ROA (profit/assets), %	0.04	0.23
ROE (profit/equity), %	3.34	2.73
Total liquidity (current assets/short term liabilities)	0.68	0.61
D/E (liabilities/ equity)	75.34	10.98

### Other indicators

Number of employees	229	233
Average gross remuneration per employee per year, thousands EUR	8.2	8.9
Gender representation in management, f/m		0/1
Annual report in accordance with IFRS		no

## SLLC Daugavpils teātris (DT)

Reg. No. 41503037608

Web: [www.daugavpilsteatris.lv](http://www.daugavpilsteatris.lv)

State ownership 100%

DT has no ownership in other enterprise.

DT is the only professional theatre in the Latgale region, which provides access to professional theatre art of various genres in the Latvian, Russian and Latgalian, promoting the integration of society in the region.

### General Strategic Goal

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

### The most important events in 2016

- DT has added 11 high-quality performances of various genres to its repertoire.
- In cooperation with Daugavpils Design and Art Secondary School "Saules skola", actor-training course was completed. Two graduates of this program joined DT in August.

### Planned most significant events in 2017

The theatre will stage at least 9 new performances. One of the most significant events of the DT will be the production of the play "Nūgrymušō pile" dedicated to the centenary of the Latgale Congress.

### Main financial goals

- Ticket sales 115 thousand EUR.
- Other own revenue 127 thousand EUR.

### Main non-financial goals

- Number of visits per year 21 thousand
- The total number of performances per year 110.
- Number of new productions per year 8.
- Attendance at theatre premises (total visitors per total number of places) 75%.

### Achieved results

DT has provided a diverse artistic work - the repertoire was complemented by performances of 12 different genres, as well as nominations for the Latvian annual theatre prize "Spēlmanu nakts".

## Governance structure

Shareholder - Ministry of Culture

Chair of the Management Board – Oļegs Šapožņikovs

Member of the Management Board – Rita Strode

### Main financial indicators, thousands EUR

	2015	2016
Turnover	159.0	169.3
Profit/Loss	0.6	0.1
EBITDA	1.9	0.1
Assets	146.0	236.9
Share capital	2.8	32.8
Equity	35.1	64.7
Investment in fixed assets	52.9	41.6
Dividends paid to the state budget	0.0	0.5
Contributions made to the state and municipal budget	260.2	304.3
Donations received	15.1	19.0
Donations made	0.0	0.0
Funding received from the state budget	805.1	907.3

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.36	0.07
ROA (profit/assets), %	0.39	0.05
ROE (profit/equity), %	1.64	0.19
Total liquidity (current assets/short term liabilities)	1.06	0.92
D/E (liabilities/ equity)	2.62	2.66

### Other indicators

Number of employees	71	74
Average gross remuneration per employee per year, thousands EUR	7.8	8.0
Gender representation in management, f/m		1/1
Annual report in accordance with IFRS		yes

## SLLC Jaunais Rīgas teātris (JRT)

Reg. No. 40003094953

Web: [www.jrt.lv](http://www.jrt.lv)

State ownership 100%

JRT has no ownership in other enterprise.

JRT is a professional repertoire theatre, offering their visitors contemporary view to classics, Latvian original dramaturgies and works of foreign authors. The professional success of the theatre has been highlighted in dramatic theatre shows where the main prizes have been awarded. The quality of the JRT performances is also recognized internationally. JRT has become a serious player on the international stage, regularly representing the country at various major theatre festivals.

### General Strategic Goal

To ensure national cultural needs, while raising its spiritual level and self-esteem, provision of diversity and accessibility of professional theatre art for all members of society, as well as execution of tasks delegated by the State administration.

### The most important events in 2016

- The launch of the "Brodsky / Baryshnikov" staging tour (in the United States and Israel).
- Participation in international theatrical festivals and guest shows in Israel, USA, Italy and Estonia, providing a total of 21 off-site shows.

### Planned most significant events in 2017

Transfer of theatre to temporary premises in Tabakas fabrika, Miera Street 58A, Riga, and launching of reconstruction of theatre building in Lacplesa Street.

### Main financial goals

- To provide stable revenue from ticket sales in the amount of 1.1 million EUR.
- To increase other own revenue for 100 thousand

### Main non-financial goals

- Number of visits per year.
- The total number of performances per year.
- The number of titles in the repertoire per year.
- Number of performances per year outside the theatre's permanent residence in Latvia.
- Attendance at the theatre premises (total visitors per total number of seats %)

## Governance structure

Shareholder - Ministry of Culture

Member of the Management Board – Gundega Palma

### Main financial indicators, thousands EUR

	2015	2016
Turnover	2 870.2	2 856.8
Profit/Loss	3.0	7.0
EBITDA	57.8	59.2
Assets	1 097.8	1 372.9
Share capital	42.1	42.1
Equity	516.0	520.2
Investment in fixed assets	93.3	25.4
Dividends paid to the state budget	0.0	2.7
Contributions made to the state and municipal budget	939.7	1 013.6
Donations received	40.1	10.1
Donations made	1.4	1.5
Funding received from the state budget	1 059.5	1 213.7

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.11	0.24
ROA (profit/assets), %	0.28	0.51
ROE (profit/equity), %	0.59	1.34
Total liquidity (current assets/short term liabilities)	3.07	2.26
D/E (liabilities/ equity)	0.61	1.08

### Other indicators

Number of employees	103	100
Average gross remuneration per employee per year, thousands EUR	18.7	19.2
Gender representation in management, f/m		1/0
Annual report in accordance with IFRS		yes

## Achieved results

Revenue from ticket sales is 44.6% higher than planned, the total profit is 132% higher than planned, due to a larger number of new productions and performances, as well as thanks to large-scale project "Brodsky / Baryshnikov" shows abroad.

## SLLC Kremerata Baltica (KB)

Reg. No. 40003487546

Web: [www.kremeratabaltica.com](http://www.kremeratabaltica.com)

State ownership 100%

KB has no ownership in other enterprise.

KB is a chamber orchestra founded by the great violinist Gidon Kremer, composed of musicians from many countries in 1997, and has developed into one of the best international chamber orchestras in the world during these 20 years, providing itself an outstanding reputation at the most important concert halls of the World.

### General Strategic Goal

Ensuring national cultural needs, raising its spiritual level and self-esteem, provision of diversity and accessibility of professional music art for all members of society, as well as execution of tasks delegated by the State administration.

### The most important events in 2016

KB has given 61 concerts, of which 11 concerts were delivered in the Baltics and 50 abroad - in the UAE, Austria, Argentina, Belgium, Brazil, the Czech Republic, Chile, Egypt, Estonia, Italy, Russia, Lithuania, Switzerland, Turkey, Hungary, Uruguay and Germany.

### Planned most significant events in 2017

- Active concert series dedicated to 20th anniversary season of KB in USA, Canada, Europe and Asia.
- Gidon Kremer's and KB anniversary concerts in Riga, Tallinn and Vilnius.
- Preparation for the centenary of Latvia.

### Main financial goals

- To provide stable revenue from ticket sales in the amount of 13 thousand EUR.
- To increase other own revenue to 272 thousand EUR approx.

### Main non-financial goals

- Number of visits per year.
- The total number of concerts per year.
- Number of concerts per year abroad.
- Attendance at the concert hall premises (total visitors per total number of seats %).

## Governance structure

Shareholder - Ministry of Culture

Member of the Management Board – Ingrida Zemzare

### Main financial indicators, thousands EUR

	2015	2016
Turnover	259.5	150.0
Profit/Loss	0.3	0.7
EBITDA	2.6	3.8
Assets	35.4	26.9
Share capital	2.8	2.8
Equity	0.6	1.0
Investment in fixed assets	4.9	0.0
Dividends paid to the state budget	0.7	0.3
Contributions made to the state and municipal budget	133.5	139.3
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	370.4	363.9

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.12	0.47
ROA (profit/assets), %	0.88	2.63
ROE (profit/equity), %	51.15	68.21
Total liquidity (current assets/short term liabilities)	0.97	0.96
D/E (liabilities/ equity)	51.18	24.97

### Other indicators

Number of employees	25	25
Average gross remuneration per employee per year, thousands EUR	12.7	13.5
Gender representation in management, f/m		1/0
Annual report in accordance with IFRS		yes

## Achieved results

The number of visits per year was 39.6% higher than planned, owing to the fact that more than 12 concerts were given abroad and there were four more concerts in Latvia than planned.

## SLLC Latvijas koncerti (LK)

Reg. No. 40003374610

Web: [www.latvijaskoncerti.lv](http://www.latvijaskoncerti.lv)

State ownership 100%

LK has no ownership in other enterprise.

The main activity of LK is the organization of concerts throughout the country, as well as the organization of concerts of foreign artists and collectives in Latvia. Organizes and provides the ceremony of Great Music Award and the work of the jury.

### General Strategic Goal

Preservation of varied national cultural heritage in the field of music, strengthening, development, updating and popularization of Latvian music culture in Latvia and abroad, as well as ensuring access to the achievements of the world music culture in Latvia.

### The most important events in 2016

Festivals "Vīnes klasika" (Vienna Classics), "Senās mūzikas festivāls", (Ancient Music Festival) "Rīgas festivāls" (Riga Autumn Festival), "Rudens kamerģmūzikas festivāls" (Autumn Chamber Music Festival) and "Eiropas Ziemassvētki" (European Christmas).

### Planned most significant events in 2017

LV 100 events (Latvijas Gredzens (Latvian Ring), "Dzimuši Latvijā" (Born in Latvia), "Gaismas pils" (Light Castle), concerts abroad, Great Music Award, Cabinet of Ministers Award, Independence Day concerts (November 18).

### Main financial goals

- To provide stable revenue from ticket sales in the amount of 300 thousand EUR.
- To increase other own revenue to 450 thousand EUR.

### Main non-financial goals

- Number of visits per year.
- The total number of concerts per year.
- The number of concerts for children and young people under the age of 17.
- Attendance at the concert hall premises (total visitors per total number of seats %).

## Governance structure

Capital shareholder – Ministry of Culture

Member of the Management Board – Guntars Ķirsis

### Main financial indicators, thousands EUR

	2015	2016
Turnover	1 130.5	1 230.6
Profit/Loss	11.1	14.1
EBITDA	75.4	85.9
Assets	917.7	993.1
Share capital	2.8	42.8
Equity	117.4	171.3
Investment in fixed assets	103.7	96.9
Dividends paid to the state budget	0.0	10.0
Contributions made to the state and municipal budget	889.9	931.9
Donations received	4.9	2.6
Donations made	0.0	0.0
Funding received from the state budget	2 223.1	2 701.3

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.99	1.15
ROA (profit/assets), %	1.21	1.42
ROE (profit/equity), %	9.49	8.25
Total liquidity (current assets/short term liabilities)	1.19	1.14
D/E (liabilities/ equity)	6.31	4.73

### Other indicators

Number of employees	110	114
Average gross remuneration per employee per year, thousands EUR	11.0	11.6
Gender representation in management, f/m		0/1
Annual report in accordance with IFRS		no

## Achieved results

- Revenue from ticket sales is 100% higher than planned, but the total profit is 40% higher than planned.
- Exceeded all non-financial goals. The number of concerts for children and young people under the age of 17 was 73 more than planned, total number of visitors was approximately 77 thousand more than planned.

## SLLC Latvijas Leļļu teātris (LLT)

Reg. No. 40003782984

Web: [www.lelluteatris.lv](http://www.lelluteatris.lv)

State ownership 100%

LLT has no ownership in other enterprise.

LLT is a professional puppet theatre that stages performances for children, adolescents and adults in Latvian and Russian. The theatre cooperates with schools, cultural centres and orphanages, as well as with the regions of Latvia, organizing collective visits and theatre tours for children. LLT actively participates in providing theatre service in the regions of Latvia by organizing off-site shows.

### General Strategic Goal

Ensuring national cultural needs, raising its spiritual level and self-esteem, provision of diversity and accessibility of professional theatre art for all members of society, as well as execution of tasks delegated by the State administration.

### The most important events in 2016

- Staged 11 performances, of which 6 Latvian and 5 Russian companies, thus purposefully creating balanced repertoire for all age groups.
- Replacement of large hall chairs (state funding, own revenue budget and donation - 85 726 EUR).

### Planned most significant events in 2017

- Latvian centenary event - production "Zelta zirgs" (Gold horse).
- Reconstruction of wardrobe and toilets.
- Reconstruction of the internal water main and fire pump station.

### Main financial goals

- To provide stable revenue from ticket sales in the amount of 500 thousand EUR.
- To increase other own revenue to 6 thousand EUR.

### Main non-financial goals

- Number of visits per year.
- The total number of performances per year.
- The number of titles in the repertoire per year.
- Number of performances per year outside the theatre's permanent residence in Latvia.
- Attendance at the theatre premises (total visitors per total number of seats %)

## Governance structure

Shareholder - Ministry of Culture

Member of the Management Board – Vilnis Beķeris

### Main financial indicators, thousands EUR

	2015	2016
Turnover	542.7	575.7
Profit/Loss	1.3	2.1
EBITDA	70.8	132.8
Assets	340.2	477.1
Share capital	2.8	32.8
Equity	162.2	193.2
Investment in fixed assets	140.7	29.2
Dividends paid to the state budget	0.0	0.0
Contributions made to the state and municipal budget	396.7	285.5
Donations received	1.8	1.2
Donations made	0.0	0.0
Funding received from the state budget	989.1	608.8

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.23	0.37
ROA (profit/assets), %	0.37	0.44
ROE (profit/equity), %	0.78	1.09
Total liquidity (current assets/short term liabilities)	1.86	0.65
D/E (liabilities/ equity)	0.58	1.47

### Other indicators

Number of employees	81	81
Average gross remuneration per employee per year, thousands EUR	9.7	11.4
Gender representation in management, f/m		0/1
Annual report in accordance with IFRS		no

## Achieved results

- LLT has been profitable, with revenue from ticket sales being 13.7% higher than planned, but own revenue is 314% higher than planned.
- Staged 11 performances, which is 22.2% more than planned.

## SLLC Latvijas Nacionālais simfoniskais orķestris (LNSO)

Reg. No. 40003373615

Web: [www.lns.lv](http://www.lns.lv)

State ownership 100%

LNSO has no ownership in other enterprise.

LNSO is one of the core values of the country's classical music circle. The focus of the orchestra is mainly on the 19th and 20th century symphonic world masterpieces, the classical values created by Latvian composers, and newly created compositions, as well as concerts and operas. LNSO places great emphasis on educational programs for children and young people, has successfully implemented a series of chamber music programs for several years, and celebrates the end of summer with the concerts at newly launched festival "LNSO vasarnīca".

### General Strategic Goal

Ensuring national cultural needs, raising its spiritual level and self-esteem, provision of diversity and accessibility of professional music art for all members of society, as well as execution of tasks delegated by the State administration.

### The most important events in 2016

- The performance of LNSO was appreciated with the highest award in classical music in Latvia - the Great Music Award in 2016.
- Lighting system delivery and assembly.

### Planned most significant events in 2017

- Preparation for the centenary of Latvia.
- The purchase of musical instruments, technical improvements of the premises

### Main financial goals

- To provide stable revenue from ticket sales in the amount of 180 thousand EUR.
- To increase other own revenue to 230 thousand EUR.

### Main non-financial goals

- Number of visits per year.
- Planned number of concerts per year (including cooperation projects with other Latvian concert organizations).
- Number of new programs per year.
- Number of concerts.
- Attendance (total visitors per total number of seats %).

## Governance structure

Shareholder - Ministry of Culture

Member of the Management Board – Indra Lūkina

### Main financial indicators, thousands EUR

	2015	2016
Turnover	557.5	626.0
Profit/Loss	-65.9	29.1
EBITDA	-28.3	-74.4
Assets	618.1	728.0
Share capital	2.8	52.8
Equity	-12.0	67.2
Investment in fixed assets	77.1	80.8
Dividends paid to the state budget	0.0	0.0
Contributions made to the state and municipal budget	789.4	780.2
Donations received	0.0	9.9
Donations made	0.0	0.0
Funding received from the state budget	1 993.8	1 846.3

### Main financial indicators, % and factors

Profitability (profit/turnover), %	-11.82	4.66
ROA (profit/assets), %	-10.66	4.00
ROE (profit/equity), %	n/a	43.40
Total liquidity (current assets/short term liabilities)	0.47	0.65
D/E (liabilities/ equity)	n/a	9.84

### Other indicators

Number of employees	143	141
Average gross remuneration per employee per year, thousand EUR	12.6	12.0
Gender representation in management, f/m		1/0
Annual report in accordance with IFRS		no

## Achieved results

- Although financial goals were achieved, execution in total own revenue was 19.1% lower than in 2015, and compared with 2015, the number of visitors dropped from 83% to 78%.
- At the same time, the total number of concerts has increased, and 2016 is concluded with a profit.

## SLLC Latvijas Nacionālais teātris (LNT)

Reg. No. 40003786149

Web: [www.teatris.lv](http://www.teatris.lv)

State ownership 100%

LNT has no ownership in other enterprise.

LNT is one of the leading professional repertoire theatres in Latvia, which is proud of its traditions and history of nearly 100 years. Promotion of Latvian dramaturgy is considered as one of the main tasks of the theatre, therefore every season begins with staging of a Latvian author's work. The theatre also organises National play competitions.

### General Strategic Goal

Ensuring national cultural needs, raising its spiritual level and self-esteem, provision of diversity and accessibility of professional theatre art for all members of society, as well as execution of tasks delegated by the State administration.

### The most important events in 2016

- Purchase of radio microphone devices.
- A partial replacement of great hall sound processing modernization and mixing equipment and the creation of digital switching.

### Planned most significant events in 2017

- Continuation of replacement of the Great hall acoustic system and creation of digital switching.
- Exchange of stage digital management control and light sophite frame control.

### Main financial goals

- To provide stable revenue from ticket sales in the amount of 1.6 million EUR.
- To increase other own revenue to 230 thousand EUR.

### Main non-financial goals

- Number of visits per year.
- The total number of performances per year.
- The number of titles in the repertoire per year.
- Number of performances per year outside the theatre's permanent residence in Latvia.
- Attendance at the theatre premises (total visitors per total number of seats %)

## Governance structure

Shareholder - Ministry of Culture

Member of the Management Board – Ojārs Rubenis

### Main financial indicators, thousand EUR

	2015	2016
Turnover	4 162.8	4 229.8
Profit/Loss	6.1	6.6
EBITDA	205.8	126.5
Assets	1 474.0	1 478.1
Share capital	2.8	52.8
Equity	451.6	502.7
Investment in fixed assets	247.6	87.5
Dividends paid to the State budget	1.8	5.6
Contributions made to the State and municipal budget	1 193.4	1 235.9
Received donations	165.0	198.0
Donations made	0.0	0.0
Funding received from the State budget	2 002.3	1 841.4

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.15	0.16
ROA (profit/assets), %	0.41	0.45
ROE (profit/equity), %	1.34	1.32
Total liquidity (current assets/short term liabilities)	n/a	1.30
D/E (liabilities/equity)	2.13	1.79

### Other indicators

Number of employees	349	340
Average gross remuneration per employees per year, thousand EUR	5.8	6.2
Gender representation in management, f/m		0/1
Annual report in accordance with IFRS		no

## Achieved results

The number of plays has grown (33 more than in 2015). The theatre's own revenue accounted for 59.7% of total theatre revenue (52.7% increase over 2015).



## SLLC Latvijas Nacionālā opera un balets (LNOB)

Reg. No. 40103208907

Web: [www.opera.lv](http://www.opera.lv)

State ownership 100%

LNOB has no ownership in other enterprise.

LNOB is a repertoire opera. The repertoire includes opera and ballet performances, which are shown in the season from mid-September to the end of May. LNOB offers both classic and innovative and modern productions for all generations. On average during the season, the theatre shows about 200 performances, as well as symphonic and chamber music concerts.

### General Strategic Goal

To ensure cultural needs of the nation, raise its spiritual level and self-esteem, provide diversity and accessibility of professional opera and ballet art for all members of society, as well as execute tasks delegated by the State administration.

### The most important events in 2016

7 new productions were implemented - J. Verdi's opera "Makbeth", C.Guno's opera "Faust", P.Tchaikovsky's opera "Eugene Onegin", production for children and adolescents under the age of 17 V.A. Mozart's Opera "Little magic flute", Latvian opera music production E.Ešņvald's opera "Iemūrētie", N.Rimsky-Korsakov and Z.Kodja ballet "Sheherezade", E.Grieg's Ballet "Per Gint".

### Planned most significant events in 2017

- Preparing for the centenary of the Latvian state by working on several new performances.
- Completion of the reconstruction work of back yard of the historical building.

### Main financial goals

- To provide stable revenue from ticket sales in the amount of 2.4 millions EUR.
- To increase other own revenue to 1.1 million EUR.

### Main non-financial goals

- Number of visits per year.
- The total number of performances per year.
- The number of titles in the repertoire per year.
- Number of performances per year outside the theatre's permanent residence in Latvia.
- Attendance at the opera premises (total visitors per total number of seats %)

## Governance structure

Shareholder – Ministry of Culture

Chair of the Management Board – Zigmars Liepiņš

Members of the Management Board – Inese Eglīte, Daina Markova

### Main financial indicators, thousands EUR

	2015	2016
Turnover	11 271.0	3 825.6
Profit/Loss	12.6	92.5
EBITDA	-6 866.6	-6 563.1
Assets	7 007.5	7 007.7
Share capital	96.8	146.8
Equity	1 067.7	1 170.0
Investment in fixed assets	1 386.3	1 408.8
Dividends paid to the State budget	0.0	0.0
Contributions made to the State and municipal budget	3 308.9	3 772.7
Donations received	203.4	278.4
Donations made	0.0	0.0
Funding received from the State budget	7 620.2	7 381.0

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.11	2.42
ROA (profit/assets), %	0.18	1.32
ROE (profit/equity), %	1.18	7.91
Total liquidity (current assets/short term liabilities)	0.85	0.72
D/E (liabilities/ equity)	5.09	4.98

### Other indicators

Number of employees	619	615
Average gross remuneration per employee per year, thousands EUR	9.6	9.7
Gender representation in management, f/m		2/1
Annual report in accordance with IFRS		no

## Achieved results

LNOB has been operating profitably, with the number of visits increased by 5.8% compared to 2015 and the attendance reached 96%.

## SLLC Liepājas simfoniskais orķestris (LSO)

Reg. No. 42103049403

Web: [www.lso.lv](http://www.lso.lv)

State ownership 100%

LSO has no ownership in other enterprise.

LSO is the oldest orchestra in the Baltic States. In Latvia this is the only professional orchestra outside the capital. In 2010 LSO acquired the status of State orchestra. From 2010 to 2017, its chief conductor and artistic director is Atvars Lakstīgala.

### General Strategic Goal

To create qualitative professional symphonic music concerts and make them available to the public, stage works of Latvian composers, promote creation in the field of Latvian symphonic music, as well as popularize symphonic music in the Kurzeme region, Latvia and abroad.

### The most important events in 2016

Liepāja International Stars Festival and Festival "Liepājas vasara".

### Planned most significant events in 2017

- Liepāja International Stars Festival and Festival "Liepājas vasara" are planned similar to previous year.
- Increase of intensity in the cultural projects dedicated to the Centenary of Latvia.

### Main financial goals

- Ticket sales 100 thousand EUR.
- Other own revenue 45 thousand EUR.

### Main non-financial goals

- Number of visits per year 32 thousand.
- The total number of concerts per year 58.
- Number of concerts with Latvian music per year 15.
- Number of performances per year outside the theatre's permanent residence in Latvia 15.
- Attendance at the concert hall premises (total visitors per total number of seats %) 70%

### Achieved results

24th Liepāja International Star Festival with 7 concerts and the international festival "Liepājas vasara" with 9 concerts. Despite uncertainty due to the launch of activities in new premises - Liepāja Concert Hall "Lielais Dzintars", LSO has exceeded planned performance indicators, as well as the financial goals set out in the budget plan for 2016.

## Governance structure

Shareholder - the Ministry of Culture

Member of the Management Board – Uldis Lipskis

### Main financial indicators, thousands EUR

	2015	2016
Turnover	239.7	308.1
Profit/Loss	0.2	-7.0
EBITDA	18.8	18.5
Assets	293.9	334.1
Share capital	58.1	58.1
Equity	61.7	54.6
Investment in fixed assets	91.8	53.0
Dividends paid to the State budget	0.0	0.2
Contributions made to the State and municipal budget	508.2	486.7
Donations received	1.5	5.1
Donations made	0.0	0.0
Funding received from the State budget	1 469.9	1 454.5

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.07	-2.26
ROA (profit/assets), %	0.06	-2.08
ROE (profit/equity), %	0.29	-12.74
Total liquidity (current assets/short term liabilities)	1.69	0.86
D/E (liabilities/ equity)	3.49	5.12

### Other indicators

Number of employees	99	99
Average gross remuneration per employee per year, thousands EUR	10.5	11.3
Gender representation in management, f/m		0/1
Annual report in accordance with IFRS		no

## SLLC Mihaila Čehova Rīgas Krievu teātris (RKT)

Reg. No. 40003793653

Web: <http://www.trd.lv/en/>

State ownership 100%

RKT has no ownership in other enterprise.

RKT is the oldest Russian drama theatre outside Russian borders. Currently in the repertoire of the RKT are works of Russian, Latvian and world classics, as well as works of new playwrights. Performances of all genres, including children's and musical performances, are played in the Grand and Small Hall. The theatre often performs guest shows in other theatre and takes part in festivals.

### General Strategic Goal

Ensure national cultural needs, raise spiritual level and self-esteem, provide diversity and accessibility of professional theatre art for all members of society and execute tasks delegated by the State administration.

### The most important events in 2016

- Purchase of stage equipment (projector, light control panel, LED spotlight).
- 28 different productions were kept in the repertoire, including 6 new works.
- 9 performances were played abroad.

### Planned most significant events in 2017

- Performance for children in December 2017.
- Maintain at least 28 different productions in the repertoire, including 7 new productions.

### Main financial goals

- To provide stable revenue from ticket sales in the amount of 925.7 thousand EUR.
- To increase other own revenues to 41 840 EUR.

### Main non-financial goals

- Number of visits per year.
- The total number of performances per year.
- The number of titles in the repertoire per year.
- Number of performances per year outside the theatre's permanent residence in Latvia.
- Attendance at the theatre premises (total visitors per total number of seats %)

## Governance structure

Shareholder - Ministry of Culture

Member of the Management Board – Eduards Cehovals

### Main financial indicators, thousands EUR

	2015	2016
Turnover	1 411.8	1 401.5
Profit/Loss	-35.5	-98.5
EBITDA	-26.1	-110.8
Assets	1 053.2	945.1
Share capital	2.8	32.8
Equity	309.0	191.5
Investment in fixed assets	3.5	3.4
Dividends paid to the State budget	0.0	0.0
Contributions made to the State and municipal budget	683.5	764.3
Donations received	0.0	8.1
Donations made	0.0	0.0
Funding received from the State budget	1 010.6	1 138.3

### Main financial indicators, % and factors

Profitability (profit/turnover), %	2.52	-7.03
ROA (profit/assets), %	-3.37	-10.42
ROE (profit/equity), %	-11.50	-51.41
Total liquidity (current assets/short term liabilities)	0.58	0.38
D/E (liabilities/ equity)	2.29	3.93

### Other indicators

Number of employees	136	156
Average gross remuneration per employee per year, thousands EUR	10.6	10.1
Gender representation in management, f/m		0/1
Annual report in accordance with IFRS		no

## Achieved results

Although the planned own revenue volumes were achieved in 2016, the theatre ended the year with significant increase in losses. Other financial indicators have also deteriorated.

## SLLC Rīgas Cirks (RC)

Reg. No. 40003027789

Web: [www.cirks.lv](http://www.cirks.lv)

State ownership 100%

RC has no ownership in other enterprises.

RC's main activity is the creation of diverse and quality circus art performances.

### General Strategic Goal

To develop, update and promote professional circus art in Latvia and abroad and ensure its accessibility to all members of the society.

### The most important events in 2016

Monitoring of the facade deformation of Riga circus building and drafting of conservation project. Detailed technical inspection of the Riga Circus building. Operations in circus building were temporarily suspended. Given these circumstances, significant corrections were made in financial and non-financial goals for 2016.

### Planned most significant events in 2017

- Launching of Riga Circus School
- Project "Sarunas par cirku" (Conversations about Circus).

### Main financial goals

- To provide stable revenue from ticket sales in the amount of 133.6 thousand EUR.
- To increase other own revenues to 9.5 thousand EUR.

### Main non-financial goals

- Number of visits per year.
- The total number of performances per year.
- The total number of performances per year in regions.
- Attendance at the circus premises (total visitors per total number of seats %)

### Achieved results

- Revenues from ticket sales 1% less than planned, other own-revenues 111% higher than planned, total revenue 109% higher than planned.
- Given the fact that circus building is closed for public events, RC organized performances in regions, thus ensuring the availability of circus art to the public. Overall, in 2016 the RC exceeded all non-financial goals.

## Governance structure

Shareholder – Ministry of Culture

Member of the Management Board – Ināra Kehre

### Main financial indicators, thousands EUR

	2015	2016
Turnover	642.1	131.7
Profit/Loss	-44.7	26.4
EBITDA	-35.1	34.0
Assets	465.9	236.4
Share capital	3.1	3.1
Equity	70.0	96.4
Investment in fixed assets	102.3	28.1
Dividends paid to the State budget	0.0	0.0
Contributions made to the State and municipal budget	150.3	120.5
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the State budget	316.7	372.8

### Main financial indicators, % and factors

Profitability (profit/turnover), %	-6.96	20.02
ROA (profit/assets), %	-9.59	11.15
ROE (profit/equity), %	-63.84	27.34
Total liquidity (current assets/short term liabilities)	0.96	1.96
D/E (liabilities/ equity)	5.40	1.43

### Other indicators

Number of employees	52	30
Average gross remuneration per employee per year, thousands EUR	4.8	6.1
Gender representation in management, f/m		1/0
Annual report in accordance with IFRS		no

## SLLC Valmieras drāmas teātris (VDT)

Reg. No. 44103038376

Web: [www.vdt.lv](http://www.vdt.lv)

State ownership 100%

VDT has no ownership in other enterprise.

The main activity of VDT is the creation of diverse and high-quality professional theatre art in Vidzeme region.

### General Strategic Goal

To promote the spiritually valuable, economically active society, cultural education and recreation opportunities, accessibility of theatre art and preservation of the cultural identity of Latvia.

### The most important events in 2016

Two new projects have been implemented. Valmiera Summer Theatre Festival and productions and new productions dedicated to Rainis and Aspazija with the aim of introducing young people to the poetry of Rainis and Aspazija.

### Planned most significant events in 2017

VDT plans to stage 11 new productions and attract new directors.

### Main financial goals

- Revenue from ticket sales 450 thousand EUR.
- Other own revenues 100 thousand EUR.

### Main non-financial goals

- Number of visits per year.
- Planned total number of performances per year.
- Number of new productions per year.
- Attendance at the theatre premises (total visitors per total number of seats %).

### Achieved results

- Revenue from ticket sales is 29% higher than planned, but the total profit is 71% lower than planned.
- Exceeded all non-financial goals. The number of visitors is 6 thousand more than planned.

## Governance structure

Shareholder – Ministry of Culture

Member of the Management Board – Evita Ašeradena

### Main financial indicators, thousands EUR

	2015	2016
Turnover	678.7	655.5
Profit/Loss	1.0	0.2
EBITDA	71.6	91.0
Assets	521.0	526.5
Share capital	2.8	32.8
Equity	207.2	236.3
Investment in fixed assets	174.1	58.8
Dividends paid to the State budget	0.0	0.9
Contributions made to the State and municipal budget	497.6	510.0
Donations received	24.5	45.0
Donations made	0.0	0.0
Funding received from the State budget	1 000.7	1 007.4

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.14	0.03
ROA (profit/assets), %	0.19	0.04
ROE (profit/equity), %	0.47	0.09
Total liquidity (current assets/short term liabilities)	0.33	0.58
D/E (liabilities/ equity)	1.51	1.23

### Other indicators

Number of employees	126	119
Average gross remuneration per employee per year, thousands EUR	6.9	7.8
Gender representation in management, f/m		1/0
Annual report in accordance with IFRS		no

## SLLC Valsts Akadēmiskais koris “Latvija” (VAKL)

Reg. No. 40003373761

Web: [www.koris.lv](http://www.koris.lv)

State ownership 100%

VAKL has no ownership in other enterprise.

VAKL - the only professional choir group in Latvia specializing in large-format vocal instrumental music, which provides access to and development of various genres of choir music. Since 1997, Artistic Director and Chief Conductor of the VAKL is Māris Sirmāis. In 2017, VAKL will celebrate its 75th anniversary.

### General Strategic Goal

Preservation of the national cultural heritage in the genre of choir music, strengthening, development, updating and popularization of Latvian vocal music culture in Latvia and abroad, as well as ensuring access to the achievements of the world choir music culture in Latvia.

### The most important events in 2016

The 19th International Sacred Music Festival was the most important event.

### Planned most significant events in 2017

20th International Sacred Music Festival and concert activities in Latvia and abroad.

### Main financial goals

- Ticket sales 20 thousand EUR.
- Other own revenues 180 thousand EUR.
- Profit before interest and taxes (EBIT) 7.4 thousand EUR.
- Return on equity (ROE) 16.08 %.
- Projected own revenues against turnover 16.51%.

### Main non-financial goals

- Number of visits per year 20 thousand
- The total number of concerts per year 42.
- Number of concerts with Latvian music per year 6.
- Number of concerts per year abroad 10.
- Attendance at the concert hall premises (total visitors per total number of seats %) 60%

## Governance structure

Shareholder - Ministry of Culture

Member of the Management Board – Māris Ošlejs

### Main financial indicators, thousands EUR

	2015	2016
Turnover	1 455.3	1 100.1
Profit/Loss	1.0	5.4
EBITDA	1.0	5.4
Assets	178.9	222.6
Share capital	2.8	2.8
Equity	39.6	44.1
Investment in fixed assets	1.5	4.8
Dividends paid to the State budget	1.7	0.9
Contributions made to the State and municipal budget	349.6	309.5
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the State budget	872.0	924.4

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.07	0.49
ROA (profit/assets), %	0.53	2.42
ROE (profit/equity), %	2.41	12.22
Total liquidity (current assets/short term liabilities)	1.51	1.21
D/E (liabilities/ equity)	3.06	4.05

### Other indicators

Number of employees	65	65
Average gross remuneration per employee per year, thousands EUR	9.8	9.4
Gender representation in management, f/m		0/1
Annual report in accordance with IFRS		no

## Achieved results

- VAKL has received the annual Culture prize of the Latvian Television and Radio “1kg kultūras” (1kg of Culture).
- Gained high professional rating for participation in Estonian festivals “Leigo” and “Birgitta”
- Raimonds Pauls’ new CD record “ROSES GARS” (Golden Microphone nomination)



M1  
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4.8 Other Sectors

# 4.8.1 Certification, Conformity, Assessment and Metrology



## SLLC Latvijas Nacionālais metroloģijas centrs (LNMC)

Reg. No. 40003435328

Web: www.lnmc.lv

State ownership 100%

LNMC has no ownership in other enterprise.

LNMC core activity is calibration services and verification of measuring instruments. LNMC also provides certification and electrical testing services.

### General Strategic Goal

To perform reliable and high-precision measurements, provide metrology services to the public, mainly operating in market segments where there is insufficient competition or other market players do not provide services.

### The most important events in 2016

- Modernization of the technical support of the Geometric Measurement Laboratory and Testing Laboratory.
- LNMC also carries out the functions and tasks of the National Metrology Authority.

### Planned most significant events in 2017

To continue to modernize and optimize technical support of laboratories. Modernization of geometrical measuring equipment and development of acoustic measurement field.

### Main financial goals

- To ensure stable profits, net profit 3 thousand EUR.
- To increase equity return (ROE) to 0.3%.

### Main non-financial goals

- To provide metrology services in areas where they are needed, but the private sector does not provide them - eliminating market shortcoming.
- Investigation and analysis of the market for verification and calibration services on the market

### Achieved results

- Net profit less than planned and for 17% less than in 2015.
- LNMC has expanded the field of calibration and carried out successful inter-laboratory comparison calibration abroad. LNMC has developed new methods in the field of verification and calibration of measuring instruments in line with the demand of the economy and the proposals made by the clients.

## Governance structure

Shareholder – Ministry of Economics

Member of the Management Board – Iveta Blaua

### Main financial indicators, thousands EUR

	2015	2016
Turnover	1 191.5	1 153.5
Profit/Loss	2.6	2.2
EBITDA	75.6	74.6
Assets	1 160.3	1 156.5
Share capital	633.5	633.5
Equity	984.6	983.7
Investment in fixed assets	24.6	38.3
Dividends paid to the State budget	8.3	2.4
Contributions made to the State and municipal budget	675.6	709.7
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the State budget	0.0	149.8

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.22	0.19
ROA (profit/assets), %	0.23	0.19
ROE (profit/equity), %	0.27	0.22
Total liquidity (current assets/short term liabilities)	3.89	4.06
D/E (liabilities/ equity)	0.18	0.18

### Other indicators

Number of employees	78	82
Average gross remuneration per employee per year, thousands EUR	9.8	10.4
Gender representation in management, f/m		1/0
Annual report in accordance with IFRS		no

## SLLC Sertifikācijas un testēšanas centrs (STC)

Reg. No. 40003025542

Web: [www.stc.lv](http://www.stc.lv)

State ownership 100%

STC has no ownership in other enterprise

Historically and according to its competence the core business of STC is various conformity assessment services and adult vocational training. STC carries out certification for organic farming, assessment of compliance for agricultural and forestry machinery, and offers various education and training programs for those working in the agricultural and forestry sectors.

### General Strategic Goal

To carry out conformity assessment (testing, certification, inspection) in regulated and non-regulated areas professionally and in accordance with regulatory enactments, while implementing a State-delegated task in the conformity assessment of technical equipment, provide qualified services in the field of adult education.

### The most important events in 2016

- The main priority of STC was the development of a training center established in 2015 and provision of training services.
- 236 new customers were involved in the certification of organic farming.

### Planned most significant events in 2017

The alienation of STC shares is planned as a result of the change in governance model

### Main financial goals

- To provide 8% increase in core business turnover.
- To ensure the turnover of STC Training Center of at least 35 550 EUR.

### Main non-financial goals

- To ensure conformity assessment of agricultural and forestry tractor machinery for at least 255 units.
- To conclude service contracts for certification of vehicles and machine types abroad.

## Governance structure

Shareholder – SJSC Privatizācijas Aģentūra

Member of the Management Board – Ēriks Nordens

### Main financial indicators, thousands EUR

	2015	2016
Turnover	747.7	852.7
Profit/Loss	21.8	49.2
EBITDA	50.7	78.6
Assets	481.0	464.3
Share capital	335.8	335.8
Equity	429.7	427.4
Investment in fixed assets	19.3	14.8
Dividends paid to the State budget	0.0	72.7
Contributions made to the State and municipal budget	282.1	357.3
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the State budget	49.0	44.2

### Main financial indicators, % and factors

Profitability (profit/turnover), %	2.91	5.77
ROA (profit/assets), %	4.53	10.59
ROE (profit/equity), %	5.07	11.51
Total liquidity (current assets/short term liabilities)	11.60	5.09
D/E (liabilities/ equity)	0.09	0.09

### Other indicators

Number of employees	30	30
Average gross remuneration per employee per year, thousands EUR	10.7	12.2
Gender representation in management, f/m		0/1
Annual report in accordance with IFRS		no

## Achieved results

- Increase in operating turnover by 14%.
- The training center's turnover is 59 800 EUR.
- Conformity assessed for 353 units.
- Concluded 5 agreements (in Poland, Belarus and Ukraine).

## LLC Standartizācijas, akreditācijas un metroloģijas centrs (SAMC)

Reg. No. 40003427231

Web: [www.samc.lv](http://www.samc.lv)

State ownership 100%

SAMC has no ownership in other enterprise.

Until August 2017, SAMC provided entrepreneurs, public administrations and consumers with credible conformity assessment services that included standardization and accreditation.

Through its activities SAMC stimulated the free movement of goods and services, increased the competitiveness of Latvian entrepreneurs and provided the basis for receiving safe products and services in accordance with international requirements.

### General Strategic Goal

General Strategic Goal for SAMC is not defined.

### The most important events in 2016

SAMC Latvian National Accreditation Bureau accreditation process and support information system development and implementation.

### Planned most significant events in 2017

SAMC was reorganized by division into two newly created commercial companies - LLC Latvijas Standarts and LLC Latvijas Nacionālais akreditācijas birojs.

### Main financial goals

- Net turnover 796.5 thousand EUR.
- Profit 29 864 EUR
- Return on equity (ROE) 9.9%.
- Return on assets 4.6%.

### Main non-financial goals

- Number of adapted European standards 1300.
- Number of users registered in the standardization information system 1700.
- Representation of Latvia in European and international standardization organizations.
- The scope of activities of conformity assessment bodies in the framework of the MLA of the EA Multilateral Recognition Agreement of the European Accreditation Cooperative is provided.

## Governance structure

Shareholder – Ministry of Economics

Member of the Management Board – Kaspars Paupe

### Main financial indicators, thousands EUR

	2015	2016
Turnover	801.4	801.3
Profit/Loss	65.9	32.0
EBITDA	150.6	104.5
Assets	966.9	660.3
Share capital	162.9	14.3
Equity	551.2	290.8
Investment in fixed assets	67.3	102.3
Dividends paid to the State budget	0.0	0.0
Contributions made to the State and municipal budget	451.2	387.3
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the State budget	442.5	297.1

### Main financial indicators, % and factors

Profitability (profit/turnover), %	8.22	3.99
ROA (profit/assets), %	6.81	4.84
ROE (profit/equity), %	11.96	10.99
Total liquidity (current assets/short term liabilities)	1.83	1.50
D/E (liabilities/ equity)	0.75	1.27

### Other indicators

Number of employees	38	33
Average gross remuneration per employee per year, thousands EUR	22,0	23,3
Gender representation in management, f/m		0/1
Annual report in accordance with IFRS		yes

- Maintenance of the status of conformity assessment bodies accredited by the Latvian national accreditation system/ Maintenance of the status of notified conformity assessment bodies according to customer applications.
- Organized Latvian National Accreditation Council meetings.

## Achieved results

The financial and non-financial goals were met





**Latvijas  
Radio**  
Latgales stu



# 4.8.2 Public Electronic Mass Media

## SLLC Latvijas Radio (LR)

Reg. No. 40003080614

Web: [www.latvijasradio.lsm.lv](http://www.latvijasradio.lsm.lv)

State ownership 100%

Related companies and capital shares:

LLC "Kurzemes radio" 0.58%

The main activity of the LR is the provision of free and comprehensive dissemination of information about events in Latvia and abroad, ensuring the development of the Latvian language and culture, the development of comprehensive musical programs and other activities in accordance with the statutes.

### General Strategic Goal

In accordance with the third part of Section 5 of Electronic Media Law, the main task of public electronic media is the development and distribution of public procurement programs.

### The most important events in 2016

- Despite the increased competition, the LR has managed to maintain stable audience in an analogue environment, increase the listening time of LR programs, significantly increase the audience in the digital environment for all programs, as well as to develop effective activities in social networking sites.
- Strengthened analytical, educational and informative content, provided coverage of cultural events, developed content for young audiences, and created projects for people with special needs and other groups of society.

### Planned most significant events in 2017

- Will continue development with the goal to increase audience. Will implement a wide range of Latvian centenary program by creating new programs and organizing extra-curricular activities. Coverage of municipal elections. Collaboration formats with Latvian Television and digital platform lsm.lv.
- Restoration of the third studio. Window restoration in the facade of the building at Doma Square 8, Riga. Restoration of portable and mobile equipment resources.

### Achieved results

- In general, the LR has successfully implemented the objectives and tasks of the public procurement.
- According to SKDS, more than 70% of the Latvian listeners believe that programs strengthen national culture, offer diverse program schedule, and 58% of the audience believes that LR represents the interests of the society rather than State.
- Total costs, compared to 2015, have decreased by 4.1%.

## Governance structure

Shareholder - National Electronic Media Council

Chair of the Management Board - Aldis Pauliņš (until 02.03.2017)

Members of the Management Board – Uldis Lavrinovičs (until 02.03.2017), Sigita Rože

### Main financial indicators, thousands EUR

	2015	2016
Turnover	8 873.6	8 592.6
Profit/Loss	-16.0	-120.4
EBITDA	409.4	253.8
Assets	7 157.1	6 847.4
Share capital	824.7	824.7
Equity	5 216.6	4 978.5
Investment in fixed assets	274.3	524.2
Dividends paid to the State budget	0.0	0.0
Contributions made to the State and municipal budget	2 405.4	2 402.7
Donations received	0.1	0.01
Donations made	0.0	0.0
Funding received from the State budget	7 536.6	7 407.9

### Main financial indicators, % and factors

Profitability (profit/turnover), %	-0.18	-1.40
ROI (profit/assets)	-0.22	-1.76
ROE (profit/equity)	-0.31	-2.42
Total liquidity (current assets/short term liabilities)	1.18	0.85
D/E (liabilities/ equity)	0.33	0.38

### Other indicators

Number of employees	273	279
Average gross remuneration per employee per year, thousands EUR	16.4	15.5
Gender representation in management, f/m		1/2
Annual report in accordance with IFRS		no

## SLLC Latvijas Televīzija (LTV)

Reg. No. 40003080597

Web: [www.ltv.lsm.lv/lv/par-ltv/](http://www.ltv.lsm.lv/lv/par-ltv/)

State ownership 100%

LTV has no ownership in other enterprise.

LTV carries out public service functions of the public electronic media established by law, creating a wide and diverse range of programs on two broadcast channels LTV1 and LTV7, Internet portal [www.lsm.lv](http://www.lsm.lv), as well as social networks in the public interest and for its needs. The National Electronic Media Council implements supervision of LTV.

### General Strategic Goal

Become the most sought after media (TV and web) in the industry, leader in reaching audiences and a quality benchmark in the field of broadcast content. LTV's vision is that it is a responsible, independent and outstanding company that inspires, informs, educates and entertains the community.

### The most important events in 2016

- Maintained high indicators for audience satisfaction and trustworthiness.
- Active communication in the 24-hour mode throughout the year. The LTV brand is ranked the TOP 50 of the most popular Latvian brands.

### Planned most significant events in 2017

- Implementation of first round of joint study directing construction.
- Construction of data centre.

### Main financial goals

- Own revenue.
- Profit.
- Turnover.

### Main non-financial goals

- The development of news, analytic and documental content. Quality and presence in the TOP 40 most viewed TV show list.
- Cooperation with Latvian Radio in investigative journalism.

### Achieved results

Significant reduction of losses. Adapting to the drop in government grant income LTV has successfully reduced production costs.

## Governance structure

Shareholder - National Electronic Media Council

Chair of the Management Board – Ivars Belte

Members of the Management Board – Ivars Priede, Sergejs Nesterovs

Main financial indicators, thousands EUR		
	2015	2016
Turnover	16 949.8	17 671.6
Profit/Loss	-1 197.7	-7.4
EBITDA	388.1	1800.5
Assets	14 675.0	14 504.6
Share capital	4 837.5	4 837.5
Equity	7 583.8	8 053.5
Investment in fixed assets	2 233.5	865.9
Dividends paid to the State budget	0.0	0.0
Contributions made to the State and municipal budget	5 060.4	4 500.2
Donations received	139.3	198.5
Donations made	0.0	0.0
Funding received from the State budget	12 790.9	12 346.6
Main financial indicators, % and factors		
Profitability (profit/turnover), %	-7.07	-0.04
ROA (profit/assets), %	-8.16	-0.05
ROE (profit/equity), %	-15.79	-0.09
Total liquidity (current assets/short term liabilities)	0.89	1.38
D/E (liabilities/ equity)	0.78	0.67
Other indicators		
Number of employees	489	487
Average gross remuneration per employee per year, thousands EUR	19.8	17.9
Gender representation in management, f/m		0/3
Annual report in accordance with IFRS		no







# 4.8.3 Education and Sports

## SLLC Bobsleja un kamaniņu trase "Sigulda" (BKT)

Reg. No. 40003005137

Web: [www.bobtrase.lv](http://www.bobtrase.lv)

State ownership 100%

BKT has no ownership in other enterprise.

BKT is a national sports center. BKT organizes international and Latvian competitions in luge, bobsled and skeleton, provides training sessions for various levels of Latvian sports federations and training for foreign athletes and organizes entertainment trips.

### General Strategic Goal

- To provide management and development of a national sports base in compliance with international standards.
- To provide conditions for the high quality training of athletes for sports events of Latvia and international level.
- To promote Latvia.

### The most important events in 2016

- Several international competitions took place - the World Championship in Luge Sports, European Cup stage in skeleton and bobsleigh, Junior World Cup in Luge Sport, Latvian Championship in Luge Sport.
- Completed 2nd stage solar and precipitation system reconstruction and installed sun blinds.
- Design work started on junior start and entrance refurbishing.
- A new telecommunication network with optical cable has been installed.
- Improvements in the cold production have been made.

### Planned most significant events in 2017

- Energy efficiency project to reduce the cost of the cold production by 30%.
- To develop a design for the junior start reconstruction and rebuild it.
- To rebuild completely the finish area.

### Achieved results

- BKT's own revenues increased by 14.3%.
- Turnover decreased by 40.1% and losses increased by 25.0 thousand EUR.

## Governance structure

Shareholder – Ministry of Education and Science

Member of the Management Board – Dainis Dukurs

### Main financial indicators, thousands EUR

	2015	2016
Turnover	672.4	402.5
Profit/Loss	-0.4	-25.4
EBITDA	n/a	n/a
Assets	6 262.8	11 821.6
Share capital	4 714.8	4 714.8
Equity	2 995.9	9 005.4
Investment in fixed assets	723.1	73.3
Dividends paid to the State budget	0.0	0.0
Contributions made to the State and municipal budget	201.4	220.9
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the State budget	320.4	314.4

### Main financial indicators, % and factors

Profitability (profit/turnover), %	-0.06	-6.30
ROA (profit/assets), %	-0.01	-0.21
ROE (profit/equity), %	-0.01	-0.28
Total liquidity (current assets/short term liabilities)	1.59	2.08
D/E (liabilities/ equity)	1.09	0.31

### Other indicators

Number of employees	36	37
Average gross remuneration per employee per year, thousands EUR	10.8	11.8
Gender representation in management, f/m		0/1
Annual report in accordance with IFRS		No

## LLC Bulduru Dārzkopības vidusskola (BDV)

Reg. No. 40003482021

Web: [www.bulduri.lv](http://www.bulduri.lv)

State ownership 100%

BDV has no ownership in other enterprise.

BDV is educational institution that prepares specialists in horticulture and landscape architecture and offers lifelong learning. BDV provides the tourism industry of Jurmala and the Riga planning region with highly qualified caterers and hospitality specialists.

### General Strategic Goal

To teach qualified specialists in horticulture and related fields by maintaining and improving teaching, methodological, material and organizational basis.

### The most important events in 2016

On January 15, 2017, the shares of BDV were transferred to the Latvian University of Agriculture.

### Planned most significant events in 2017

Due the ownership change, information on most significant events in 2017 is no longer provided to the Cross-Sectoral Coordination Centre.

### Achieved results

- The net turnover of the Capital Company increased by 6.8% to 1.34 million EUR.
- Total profit amounted to 389 811 EUR, an increase of 376 151 EUR compared to the previous year.

## Governance structure

Shareholder – Ministry of Education and Science (until January 15, 2017)

Member of the Management Board – Anta Sparinska

### Main financial indicators, thousands EUR

	2015	2016 <sup>7</sup>
Turnover	1 253.5	1 338.3
Profit/Loss	13.7	67.0
EBITDA	219.0	n/a
Assets	6 564.5	6 376.0
Share capital	2 898.4	2 898.4
Equity	2 792.7	3 182.5
Investment in fixed assets	975.9	n/a
Dividends paid to the State budget	0.0	0.0
Contributions made to the State and municipal budget	462.6	n/a
Donations received	0.0	n/a
Donations made	0.0	n/a
Funding received from the State budget	813.2	898.9

### Main financial indicators, % and factors

Profitability (profit/turnover), %	1.09	29.13
ROA (profit/assets), %	0.21	6.11
ROE (profit/equity), %	0.49	12.25
Total liquidity (current assets/short term liabilities)	0.28	0.89
D/E (liabilities/ equity)	2.35	2.00

### Other indicators

Number of employees	93	86
Average gross remuneration per employee per year, thousands EUR	6.7	5.7
Gender representation in management, f/m		1/0
Annual report in accordance with IFRS		no

<sup>7</sup> Information is provided from the data provided by the State Revenue Service of the Republic of Latvia and the capital company [www.bulduri.lv](http://www.bulduri.lv) data.

## SLLC Kultūras un sporta centrs "Daugavas stadions" (Daugava)

Reg. No. 50003140671

Web: [www.daugavasstadions.lv](http://www.daugavasstadions.lv)

State ownership 100%

No participation in other enterprise.

Daugava's activities involve effective management of the State property, providing the residents of the region with a healthy lifestyle, opportunities for professional sports development (including local and international competitions), as well as the opportunities for the Song and Dance Festival events.

### General Strategic Goal

To ensure management and development of the national sports base - the Daugava Stadium (Riga) - providing conditions for the training of athletes, high-level sports and cultural events, as well as providing people with the opportunity to engage in organized physical activities using the facilities offered by the sports center.

### The most important events in 2016

Implementation of the grant "Establishment of a Culture and Sports Quarter in Grizinkalns" awarded by the Ministry of Education and Science.

### Planned most significant events in 2017

- Implementation of the remaining part of the grant "Establishment of a Culture and Sports Quarter in Grizinkalns" awarded by the Ministry of Education and Science.
- Launching of the project "Establishment of the Culture and Sports Quarter in Grizinkalns".

### Main financial goals

- To ensure the management and development of the property transferred to a Company so that by the year 2022 the Company becomes a self-financing organization with stable profit growth.
- To attract external financing (including funds from the European Union Structural Funds) in order to improve the management of existing infrastructure and increase revenues.

## Governance structure

Shareholder – Ministry of Education and Science

Member of the Management Board – Elmārs Martinsons

### Main financial indicators, thousands EUR

	2015	2016
Turnover	344.5	231.5
Profit/Loss	0.8	- 447.1
EBITDA	69.3	169.9
Assets	1 015.3	9 854.5
Share capital	17.1	9 727.1
Equity	42.2	9 284.0
Investment in fixed assets	501.5	9 715.3
Dividends paid to the State budget	0.0	0.0
Contributions made to the State and municipal budget	95.8	80.4
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the State budget	439.9	226.0

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.24	-193.18
ROA (profit/assets), %	0.08	-4.54
ROE (profit/equity), %	1.98	-4.82
Total liquidity (current assets/short term liabilities)	1.77	1.19
D/E (liabilities/ equity)	22.69	0.06

### Other indicators

Number of employees	22	23
Average gross remuneration per employee per year, thousands EUR	8.9	9.4
Gender representation in management, f/m		0/1
Annual report in accordance with IFRS		yes

## Achieved results

- Turnover decreased by 32.8%, loss reached 447.1 thousand EUR.
- Local and international athletics competitions were provided and all necessary work was done to start the implementation of a project funded by the European Regional Development Fund in 2017.

## SLLC Rīgas Tūrisma un radošās industrijas tehnikums (RTRIT)

Reg. No. 40003480798

Web: [www.rtrit.lv](http://www.rtrit.lv)

State ownership 100%

RTRIT has no ownership in other enterprise.

RTRIT is currently the largest vocational education institution in Latvia, with more than 2000 students. RTRIT offers vocational secondary and vocational education programs for primary and secondary school graduates in catering services, tourism and commerce, food manufacturing, interior and design, fashion and style, hospitality services departments. RTRIT implements continuing education and professional development programs as well as recognition of non-formal learning.

### General Strategic Goal

To be the centre for vocational education competence with efficiently operating system of economic services. In cooperation with employers provide high-quality, inclusive vocational secondary education, prepare professional, creative, internationally-competitive specialists in the tourism, business, creative industry and food industries.

### The most important events in 2016

Improvement of educational content and expansion of offers. Professional development of teachers.

### Planned most significant events in 2017

To implement the Development and Investment Strategy 2014-2020 for Educational Institutions

### Main financial goals

To modernize the production process by attracting funds from the European Structural Funds

### Main non-financial goals

To organize a meaningful learning process in which the acquisition of learning content involves practical life activities

### Achieved results

Successfully implemented the European dimension in vocational education to promote the development of quality and attractiveness of initial vocational education.

## Governance structure

Shareholder – Ministry of Education and Science

Member of the Management Board – Silva Ozoliņa

### Main financial indicators, thousands EUR

	2015	2016
Turnover	5 046.5	5 683.4
Profit/Loss	46.0	68.9
EBITDA	307.9	332.0
Assets	13 262.4	13 759.7
Share capital	5 836.6	6 637.0
Equity	5 172.1	6 041.4
Investment in fixed assets	16.6	208.4
Dividends paid to the State Budget	0.0	0.0
Contributions made to the State and municipal budget	1 316.2	1 364.3
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the State budget	4 496.3	5 001.4

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.91	1.21
ROA (profit/assets), %	0.35	0.50
ROE (profit/equity), %	0.89	1.14
Total liquidity (current assets/short term liabilities)	1.34	1.44
D/E (liabilities/ equity)	1.56	1.28

### Other indicators

Number of employees	342	343
Average gross remuneration per employee per year, thousands EUR	7.2	7.3
Gender representation in management, f/m		1/0
Annual report in accordance with IFRS		yes

## LLC Sporta centrs “Mežaparks” (SCM)

Reg. No. 40003044327

WEB: [www.scmezaparks.lv](http://www.scmezaparks.lv)

State ownership 99.99%

SCM has no ownership in other enterprise.

The mission of SCM is to promote the competitiveness of Latvia's best athletes in the World by providing for the needs of specialized high-class athletes, young athletes and community, as well as the base that meets international requirements

### General Strategic Goal

To provide a full service training and competition base for high-class, young athletes and sports community needs.

### The most important events in 2016

- The services of SCM have been used by the World Champions and a positive assessment of the services provided was received, as evidenced by customer loyalty and the opinion of the hotel association - the maintenance of the three star status for the hotel.
- Replacement of damaged rain, water and sewage has been carried out, which has contributed to the increase in hotel occupancy and number of customers.
- The gym is equipped with a scoreboard, athlete and spectator seats, facilitating the various tournaments.

### Planned most significant events in 2017

- To continue to upgrade SCM hotel building.
- To improve SCM inventory to ensure the training and tournament progress.
- To continue work on improving the quality of existing services and promoting them with a view to retaining existing customers and attracting new customers.

### Main financial goals

Income increase from hotel, sports centre, quay and parking services. Provide stable profit and positive cash flow from economic activities.

### Main non-financial goals

- Provision of complete services.
- Creating sports environment in SCM territory.
- Provision of accessibility of sports base to every citizen with the opportunity to engage in physical and health-enhancing activities.

## Governance structure

Shareholders – Ministry of Education and Science, association “Latvijas Olimpiskā komiteja”

Member of the Management Board – Ieva Zunda

### Main financial indicators, thousands EUR

	2015	2016
Turnover	293.2	297.0
Profit/Loss	0.3	0.4
EBITDA	n/a	n/a
Assets	15 670.0	15 664.9
Share capital	15 604.4	15 604.4
Equity	15 226.6	15 227.0
Investment in fixed assets	0.0	0.0
Dividends paid to the state budget	0.0	0.0
Contributions made to the state and municipal budget	62.2	80.1
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	45.5	39.8

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.09	0.12
ROA (profit/assets), %	0.002	0.002
ROE (profit/equity), %	0.002	0.002
Total liquidity (current assets/short term liabilities)	2.34	2.82
D/E (liabilities/equity)	0.03	0.03

### Other indicators

Number of employees	15	15
Average gross remuneration per employee per year, thousands EUR	7.4	7.6
Gender representation in management, f/m		1/0
Annual report in accordance with IFRS		No

## Achieved results

- Net sales of services rendered increased by 1.3%, and there are no losses for a second consecutive year.
- Fulfilled the necessary preconditions for preserving the status of the National Sports Base, which provides tax rebates and qualifies for state grants.

## LLC Tenisa centrs "Lielupe" (TCL)

Reg. No. 40003030774

WEB: www.tenisslielupe.lv

State ownership 99,99%

TCL has no ownership in other enterprise.

Ensures the management and development of the National Sports Base - the TCL - ensuring the conditions for the training of athletes, high-level sports events, as well as providing people with the opportunity to engage in organized physical activities using the facilities offered by the sports centre.

### General Strategic Goal

To organize sports events and promote the development of tennis and other sports, providing athletes with the conditions appropriate to the requirements and rules of federations of international sports.

### The most important events in 2016

- Implementation of sports base reconstruction.
- Change of management Board members took place.

### Planned most significant events in 2017

The reconstruction of the project "Tenisa centra "Lielupe"" will be continued.

### Main financial goals

Ability to work successfully and not to request further state grants for economic activities after implementation of reconstruction projects in 2020.

### Main non-financial goals

To become the largest and most modern Tennis Center in the Baltics, providing a modern training environment and opportunities for sports events in accordance with the requirements of the International Federation of Tennis and other sports federations.

## Governance structure

Shareholders – Ministry of Education and Science, association "Latvijas Olimpiskā komiteja"

Member of the Management Board – Elmārs Martinsons

### Main financial indicators, thousands EUR

	2015	2016
Turnover	247.7	234.5
Profit/Loss	14.2	-5.5
EBITDA	44.0	21.2
Assets	11 977.8	11 871.1
Share capital	11 164.0	11 164.0
Equity	11 274.7	11 283.6
Investment in fixed assets	8.0	48.1
Dividends paid to the state budget	26.7	7.1
Contributions made to the state and municipal budget	131.1	120.2
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	50.0	36.0

### Main financial indicators, % and factors

Profitability (profit/turnover), %	5.72	-2.35
ROA (profit/assets), %	0.12	-0.05
ROE (profit/equity), %	0.13	-0.05
Total liquidity (current assets/short term liabilities)	0.60	0.57
D/E (liabilities/equity)	0.06	0.05

### Other indicators


Number of employees	15	16
Average gross remuneration per employee per year, thousands EUR	9.0	9.6
Gender representation in management, f/m		0/1
Annual report in accordance with IFRS		No

## Achieved results

- TCL held 40 events with 1500 participants.
- The total occupancy of the sports facility is 84%.





An aerial photograph of a river delta, likely the Amazon, showing a complex network of waterways and land. The image is overlaid with a semi-transparent blue filter. The text is centered on the image.

# 4.8.4 Other State-Owned Enterprises

## SJSC Attīstības finanšu institūcija Altum (ALTUM)

Reg. No. 50103744891

WEB: [www.altum.lv](http://www.altum.lv)

State ownership 100%

Related companies and capital shares:

KS Otrais Eko Fonds 33%

KS ZGI Fonds 65%

KS Baltcap Latvia Venture Capital Fund 67%

KS Imprimatur Capital Technology Venture Fund 67% KS

Imprimatur Capital Seed Fund 100% KS ZGI-3 95%

KS FlyCap investment Fund 95%

KS Expansion Capital fund 95%

KS Invento (under liquidation) 45% Baltic Innovation Fund 20%

Hipo Latvia Real Estate Fund I 100%

Hipo Latvia Real Estate Fund II 100%

ALTUM is a national development financial institution that in the form of financial instruments (loans, guarantees, investments in venture capital funds, etc.) provides state support to certain target groups.

### General Strategic Goal

To implement support and development programs in the form of financial instruments and grants, by implementing the state policy in the national economy, and eliminate market shortages in the form of various support instruments, facilitating economic development.

### The most important events in 2016

- Launching of the Fund's management task.
- Launching an energy efficiency program for multi-apartment houses.
- Promotion of the use of funds from the European Strategic Investment Fund (EFSI, Juncker Plan) in Latvia.

### Planned most significant events in 2017

- Launching of issue of Portfolio Guarantees.
- Launching of 4th generation venture capital funds.
- Expansion of ALTUM warranty offers.
- Bond Issue in the Baltics (20-30 million EUR).

### Main financial goals

- Return on equity (ROE) (indicator: 0.78%).
- Profit (indicator: 1 736 000 EUR).
- Equity (indicator: 220 740 000 EUR).
- Capital adequacy ratio (indicator: 40.17%).

## Governance structure

Shareholders - 40% Ministry of Finance, 30% Ministry of Economics and 30% Ministry of Agriculture

Chair of the Supervisory Council – Liga Kļaviņa

Members of the Supervisory Council – Jānis Šnore, Kristaps Soms

Chair of the Management Board – Reinis Bērziņš

Members of the Management Board – Jēkabs Krieviņš, Juris Vaskāns, Inese Zīle, Rolands Paņko

### Main financial indicators, thousands EUR

	2015	2016
Turnover	0 <sup>8</sup>	15 353.9
Profit/Loss	8 540.0	2170.0
EBITDA	5 601.0	2835.0
Assets	409 124.0	443 126.0
Share capital	204 862.0	204 862.0
Equity	219 805.0	210 094.0
Investment in fixed assets	4 750.7	3 676.0
Dividends paid to the state budget	0.0	0.0
Contributions made to the state and municipal budgets	2 053.6	2 538.7
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	3 945.0	48 411.9

### Main financial indicators, % and factors

Profitability (profit/turnover), %	n/a	14.13
ROA (profit/assets), %	2.09	0.49
ROE (profit/equity), %	3.89	1.03
Total liquidity (current assets/short term liabilities)	1.83	1.58
D/E (liabilities/equity)	0.86	1.03

### Other indicators

Number of employees	282	242
Average gross remuneration per employee per year, thousands EUR	14.5	22.7
Gender representation in management, f/m		2/7
Annual report in accordance with IFRS		yes

### Main non-financial goals

- To increase significantly the scope of activities.
- To promote the investment of financial resources in the national economy.
- To increase efficiency.
- To provide excellent service to customers;
- To introduce new State aid instruments.

### Achieved results

- All financial goals are met.
- Volume of activities increased by 16%, reaching 436 million EUR.
- Provided excellent customer service and as a result, ALTUM ranked No. 1 as the fastest growing brand.

<sup>8</sup> Data provided by the SRS.

## SJSC Latvijas Loto (LL)

Reg. No. 40003083998

WEB: [www.latloto.lv](http://www.latloto.lv)

State ownership 100%

Related companies and capital shares:

LLC Latloto nams 100%

The main activity is the organization of licensed games, especially national lotteries. LL organizes number and scratch card lotteries providing players the opportunity to play in a socially responsible environment in accordance with high quality standards. Organization of games is the main source of revenue for LL.

### General Strategic Goal

Organisation of licensed games at internationally recognized levels of social responsibility, security and quality, ensuring a higher quality standard and protection of public interests and players in Latvia, eliminating market shortage.

### The most important events in 2016

- Created Supervisory Council composed of 3 members.
- Confirmation of compliance with the Gold Index for Sustainability Index (2017) has been received.
- The development and deployment of new game offers and the expansion of service availability is ongoing. Introduced a new raffle Lotto 5 and scratch card Planēta. Launched development of centenary Lottery project.

### Planned most significant events in 2017

To organize and improve additional lotteries and lotteries for promotion of turnover growth. Launch a new lottery project.

### Main financial goals

- To ensure stable profits, net profit 3.5 million EUR.
- To increase net turnover to 24.5 million EUR.
- Return on equity (ROE) >40%.

### Main non-financial goals

- Quality, safety and corporate responsibility
- Market improvement and development,
- Product development

## Governance structure

Shareholder - Ministry of Finance

Chair of the Supervisory Council - Nils Sakss

Members of the Supervisory Council - Antra Duntava, Ingars Eriņš

Chair of the Management Board - Maija Kubli

Members of the Management Board - Edgars Lediņš, Jānis Pone

### Main financial indicators, thousands EUR

	2015	2016
Turnover	24 784.1	29 413.6
Profit/Loss	4 022.3	5 012.1
EBITDA	7 705.5	9 509.2
Assets	11 872.0	14 436.1
Share capital	284.6	1 400.0
Equity	7 107.7	8 813.0
Investment in fixed assets	630.6	420.9
Dividends paid to the state budget	3 164.7	3 624.5
Contributions made to the state and municipal budgets	7 619.3	8 330.8
Donations received	0.0	0.0
Donations made	23.5	30.0
Funding received from the state budget	0.0	0.0

### Main financial indicators, % and factors

Profitability (profit/turnover), %	16.23	17.04
ROA (profit/assets), %	33.88	34.72
ROE (profit/equity), %	56.59	56.87
Total liquidity (current assets/short term liabilities)	10.71	8.32
D/E (liabilities/equity)	0.11	0.15

### Other indicators

Number of employees	106	104
Average gross remuneration per employee per year, thousands EUR	12.1	13.6
Gender representation in management, f/m		2/4
Annual report in accordance with IFRS		no

## Achieved results

- Net profit is greater than the planned in strategy and for about 124% higher than in 2015. Net turnover reached 29.4 million EUR.
- The number of organized lotteries and instant lotteries has increased. Upgraded scratch Svētku (Celebration), Smails (Smile) and Domino. Increased availability of nationwide lotteries at retail outlets - an increase in the number of terminals.

## SLLC Latvijas Proves birojs (LPB)

Reg. No. 40103264961

WEB: [www.prove.lv](http://www.prove.lv)

State ownership 100%

LPB has no ownership in other enterprise.

The purpose of the founding of the LPB is to ensure the supervision of the State fineness in accordance with Section 5 of the Law "On Supervision of Official Fineness".

The main activity of the LPB is assaying of precious metals and assaying and stamping of precious stones. At the same time, the LPB carries out market monitoring of precious metals, precious stones and their products, ensuring the protection of state and consumer interests and fair competition among entrepreneurs. By diversifying the services provided and in order to mitigate the negative effects of the market recession, the expertise of precious metals, precious stones and their products is being carried out.

### General Strategic Goal

To provide the public and the state interests by creating an orderly, safe and reliable market for precious metals, precious stones and their products, promoting an excellent business environment and the availability of testing services for all market participants in accordance with the highest quality standards.

### The most important events in 2016

- Purchase and installation of SEM microscope.
- Purchase and installation of the EDX probe.

### Planned most significant events in 2017

Purchase of LIBS spectrometer.

### Main financial goals

- To provide a stable profit of 10.9 thousand EUR.
- To increase revenues from assaying services to 390 thousand EUR.
- Return on equity (ROE)>1.4%.

### Main non-financial goals

- To provide assaying of precious metals, precious stones according to international standards.
- To ensure market monitoring in accordance with the signed Delegation Agreement with the Ministry of Finance.
- To ensure participation in the committees of Convention on the Control and Marking of Articles of Precious Metals and the International Association of Assay Offices (IAAO).

## Governance structure

Shareholder - Ministry of Finance

Chair of the Management Board - Pēters Brangulis

### Main financial indicators, thousands EUR

	2015	2016
Turnover	535.7	487.1
Profit/Loss	30.0	19.1
EBITDA	93.9	74.3
Assets	824.3	898.0
Share capital	746.3	836.3
Equity	777.7	859.7
Investment in fixed assets	79.2	193.3
Dividends paid to the state budget	11.8	27.0
Contributions made to the state and municipal budget	11.8	27.0
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	52.2	52.2

### Main financial indicators, % and factors

Profitability (profit/turnover), %	5.60	3.92
ROA (profit/assets), %	3.64	2.13
ROE (profit/equity), %	3.86	2.22
Total liquidity (current assets/short term liabilities)	18.80	12.91
D/E (liabilities/equity)	0.04	0.04

### Other indicators

Number of employees	18	18
Average gross remuneration per employee per year, thousands EUR	10.8	11.6
Gender representation in management, f/m		0/1
Annual report in accordance with IFRS		no

## Achieved results

- LPB concludes the year with a profit for the fifth year in a row, which confirms the efficiency of economic activity.
- The testing laboratory has been re-accredited in accordance with the requirements of the LVS ISO 17025 standard.

## SLLC Latvijas Vēstnesis (LV)

Reg. No. 40003113794

WEB: [www.lv.lv](http://www.lv.lv)

State ownership 100%

LV has no ownership in other enterprise.

LV is the official publisher of the Republic of Latvia, which implements official publications of the state policy and the systematization of the information contained therein, including the publication of the journal "Jurista Vārds" and otherwise promotes understanding of the rights and obligations of individuals specified in regulatory enactments, as well as provides official state information, official publications and the systematization of the information contained therein.

LV ensures the availability of official publications and systematic laws for all residents of Latvia free of charge.

### General Strategic Goal

Taking into account that in accordance with clause 3 of the Transitional Provisions of the Official Journal and the Law On Official Publications and Legal Information (LOPLI), the planned transformation of LV into a state agency, the capital company has not set the general strategic objective.

### The most important events in 2016

The transformation of the LV into a state agency was postponed until further decision of the Cabinet of Ministers.

### Planned most significant events in 2017

- It is planned to organize the audit of the external functions in order to objectively assess the efficiency of the implementation of LOPLI's national functions.
- It is planned that the number of official announcements will decrease, as a result, the revenue from the LV will not cover costs and will be covered from reserves.

### Main financial goals

- To provide a turnover of 1.9 million EUR.
- To provide a stable profit of 1 497 EUR.
- Return on equity (ROE) >0.1%.

### Main non-financial goals

- To increase the number and proportion of provided informative e-service users (from all Internet users of Latvia) on average per month.
- To improve the state information system for official publications and systematisation of laws.

## Governance structure

Shareholder – Ministry of Justice

Chair of the Management Board – Daina Ābele

Member of the Management Board – Aivars Maldups

<b>Main financial indicators, thousands EUR</b>		
	<b>2015</b>	<b>2016</b>
Turnover	1 903.3	1 779.1
Profit/Loss	82.7	-17.5
EBITDA	208.7	117.4
Assets	2 996.7	2 852.1
Share capital	711.4	711.4
Equity	2 425.5	2 333.6
Investment in fixed assets	92.8	56.5
Dividends paid to the state budget	0.0	74.4
Contributions made to the state and municipal budget	592.3	632.1
Donations received	0.0	0.0
Donations made	3.0	2.2
Funding received from the state budget	0.0	0.0
<b>Main financial indicators, % and factors</b>		
Profitability (profit/turnover), %	4.35	-0.98
ROA (profit/assets), %	2.76	-0.61
ROE (profit/equity), %	3.41	-0.75
Total liquidity (current assets/short term liabilities)	5.53	5.30
D/E (liabilities/equity)	0.21	0.22
<b>Other indicators</b>		
Number of employees	67	65
Average gross remuneration per employee per year, thousands EUR	14.8	15.8
Gender representation in management, f/m		1/1
Annual report in accordance with IFRS		no

## Achieved results

- Since 2000, 2016 is the first year that was ended with a loss due to the critical reduction of the revenue base.
- LV fulfilled all non-financial delegated objectives.

## SLLC Latvijas Vides, ģeoloģijas un meteoroloģijas centrs (LVĢMC)

Reg. No. 50103237791

WEB: [www.lvģmc.lv](http://www.lvģmc.lv)

State ownership 100%

LVĢMC has no ownership in other enterprise.

LVĢMC ensures the collection, accumulation and provision of environmental information to the public and state and municipal institutions; environmental monitoring; identification and evaluation of subterranean resources; management of State-owned hazardous waste facilities, management of radioactive waste and nuclear facilities.

### General Strategic Goal

To provide services of strategic importance for the development of the country in the fields of geology, hydrology, air quality, climatology, meteorology and hazardous waste management, as well as efficient management of the infrastructure necessary for the provision of these services.

### The most important events in 2016

- Provided support for implementation of the EEA flagship program FI LV02 "National Climate Policy" project "Development of Proposal for National Adaptation Strategy, Including Identification of Scientific Data, and Measures for Adapting to Changing Climate, Impact and Cost Evaluation".
- Support for implementation of the project "Improvement of the National System for Greenhouse Gas Inventory and Reporting on Policies, Measures and Forecasts" in the framework of the project "National Climate Policy" by EEA FI LV02.

### Planned most significant events in 2017

E-commerce development. Salaspils Nuclear Reactor disassembly works.

### Main financial goals

Provision of annual profit before taxes 622 thousand EUR.

### Main non-financial goals

- To increase the quality of LVĢMC services and customer service.
- Improvement of reputation and cooperation of LVĢMC.
- To develop a working environment.

## Governance structure

Shareholder - Ministry of Environmental Protection and Regional Development

Chair of the Management Board - Kristaps Treimanis

Member of the Management Board - Jānis Lapiņš

### Main financial indicators, thousands EUR

	2015	2016
Turnover	5 868.7	6 547.5
Profit/Loss	-361.5	-591.0
EBITDA	930.6	790.8
Assets	23 381.5	22 881.0
Share capital	25 303.6	25 303.6
Equity	19 589.7	18 998.7
Investment in fixed assets	1 039.2	285.6
Dividends paid to the state Budget	0.0	0.0
Contributions made to the state and municipal budget	1 959.2	1 890.3
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	4848.6	4259.0

### Main financial indicators, % and factors

Profitability (profit/turnover), %	-6.16	-9.03
ROA (profit/assets), %	-1.55	-2.58
ROE (profit/equity), %	-1.85	-3.11
Total liquidity (current assets/short term liabilities)	1.32	2.16
D/E (liabilities/equity)	0.19	0.20

### Other indicators

Number of employees	296	293
Average gross remuneration per employee per year, thousands EUR	8.5	9.3
Gender representation in management, f/m		0/2
Annual report in accordance with IFRS		no

## Achieved results

- Loss reduction by 15% relative to planned.
- Number of interns and the number of lectures provided by the specialists of LVĢMC have increased significantly.

## SJSC Privatizācijas aģentūra (PA)

Reg. No. 40003192154

WEB: [www.pa.gov.lv](http://www.pa.gov.lv)

State ownership 100%

Related companies and capital shares:

JSC Reverta 96.89%

LLC Hiponia 100%

LLC FeLM 100%

PA provides professional management of State capital and problematic assets (subsidiaries), as well as the alienation and privatization of assets that are not necessary for the implementation of State functions.

### General Strategic Goal

To provide for the professional management of state capital and problematic assets, as well as the alienation and privatization of assets held by the PA that are not necessary for the implementation of state functions.

### The most important events in 2016

- Subsidiary LLC "FeLM" was founded, whose sole purpose is to manage the claim against JSC "KVV Liepājas metalurģs".
- In 2016, two major audits of the State Audit Office on the effectiveness and legality of the PA's activities were completed, ensuring the basic functions assigned to it and the sale process of JSC "Citadele banka". An agreement was signed with LLC "KPMG Baltics" for providing consulting services for the development of a national strategy for dealing with state capital shares of LLC "Lattelecom" and LLC "Latvijas Mobilais Telefons".

### Planned most significant events in 2017

Work was continued on monitoring of the sales process of portfolios of JSC "Reverta" and LLC "Hiponia", recovery of claim against JSC "KVV Liepājas metalurģs" in cooperation with LLC "FeLM". The most significant (financially most valuable) project is the sale of state-owned and PA-owned shares of JSC "Latvijas kuģniecība". Drafting of the final version for consideration by the Cabinet of Ministers of LLC "KPMG Baltics" "Development of the State Strategy for the Handling of the Capital Components of LLC "Lattelecom" and LLC "Latvijas Mobilais Telefons".

### Main financial goals

- Net profit 2074 thousand EUR.
- Net turnover 2.8 million EUR.

### Main non-financial goals

- The total number of alienation/privatization contracts concluded.
- Servicing of privatization certificate accounts.

## Governance structure

Shareholder – Ministry of Economics

Chair of the Management Board – Vladimirs Loginovs

Members of the Management Board – Juris Vaskāns, Alvis Mitenbergs

Main financial indicators, thousands EUR		
	2015	2016
Turnover	6 714.7	5 900.2
Profit/Loss	-11 364.8	47.4
EBITDA	-7 771.6	2 168.3
Assets	108 304.5	157 946.3
Share capital	443 064.9	443 064.9
Equity	-4 058.6	-4 019.0
Investment in fixed assets	125.3	231.0
Dividends paid to the state budget	0.0	0.0
Contributions made to the state and municipal Budgets	84 594.5 <sup>9</sup>	86 369.9 <sup>10</sup>
Donations received	0.0 <sup>11</sup>	0.0 <sup>12</sup>
Donations made	0.0 <sup>13</sup>	0.0 <sup>14</sup>
Funding received from the state budget	0.0	21.7
Main financial indicators, % and factors		
Profitability (profit/turnover), %	-169.25	0.80
ROA (profit/assets), %	-10.49	0.03
ROE (profit/equity), %	n/a <sup>15</sup>	n/a <sup>16</sup>
Total liquidity (current assets/short term liabilities)	0.78	2.13
D/E (liabilities/equity)	n/a <sup>17</sup>	n/a <sup>18</sup>
Other indicators		
Number of employees	125	125
Average gross remuneration per employee per year, thousands EUR	19.1	20.0
Gender representation in management, f/m		1/6
Annual report in accordance with IFRS		no

## Achieved results

- Overall, PA has reached and exceeded all of the financial results planned for 2016.
- As a result of the management and sale of the portfolio of assets held by the Company, the Company has transferred revenues to the state budget and other state institutions from privatization of state property, seizures and debt capitalization, as well as 64% more lease of state property than budgeted, i.e. 5.39 million EUR.

9 Summed contributions of LLC "FeLM", LLC "Certification and Testing Center", SJSC "Privatizācijas aģentūra", LLC "Hiponia" and JSC "Reverta".

10 Summed contributions of LLC "FeLM", LLC "Certification and Testing Center", SJSC "Privatizācijas aģentūra", LLC "Hiponia" and JSC "Reverta".

11, 12, 13, 14 Non-consolidated data.

15, 16, 17, 18 Negative equity.



## LLC Vides investīciju fonds (VIF)

Reg. No. 40003339615

WEB: [www.lvif.gov.lv](http://www.lvif.gov.lv)

State ownership 100%

VIF has no ownership in other enterprise.

VIF is designed to provide long-term loans on preferential terms for private and municipal sector projects by combining local and foreign resources, financing green projects.

The main activity of the VIF is related to participation in the implementation of environmental protection projects that improve the state of the environment, development and implementation of environmental protection projects, as well as the promotion of environmental protection measures and investments.

### General Strategic Goal

By establishing a sustainable financing model, promote Latvia's contribution to reducing global climate change, taking into account environmental, social and economic interests of Latvia.

### The most important events in 2016

The Cabinet of Ministers decided to maintain state ownership.

### Planned most significant events in 2017

- Ensuring supervision of the implementation of projects co-financed by the Emissions Trading Scheme.
- Development of a new medium-term strategy for 2018-2021.

### Main financial goals

- Income from interest, including ESCO 97.8 thousand EUR.
- Revenue from monitoring of ECII / KPFI projects 108.9 thousand EUR.

### Main non-financial goals

- To encourage reduction of energy consumption by making available funding for public sector energy efficient environmental projects (ESCO).
- To ensure implementation monitoring and post implementation monitoring of the Climate Change Financial Instrument (CCFI) projects.

### Achieved results

- Due to low interest rates, the VIF has failed to reach its financial targets. The year was concluded at a loss and revenue was lower than expected.
- The implemented monitoring plan has been exceeded by 18%, while the number of planned contracts and in-depth controls has not been reached.

## Governance structure

Shareholder - the Ministry of Environmental Protection and Regional Development

Chair of the Management Board – Egils Zariņš

Member of the Management Board – Ronalds Neimanis

### Main financial indicators, thousands EUR

	2015	2016
Turnover	112.1	76.3
Profit/Loss	0.9	-77.9
EBITDA	11.8	-71.5
Assets	6 718.8	6 662.3
Share capital	6 299.3	6 299.3
Equity	6 552.1	6 473.4
Investment in fixed assets	3.9	0.0
Dividends paid to the state budget	9.8	0.8
Contributions made to the state and municipal budget	202.5	112.9
Donations received	0.0	0.0
Donations made	0.0	0.0
Funding received from the state budget	297.3	108.9

### Main financial indicators, % and factors

Profitability (profit/turnover), %	0.79	-102.20
ROA (profit/assets), %	0.01	-1.17
ROE (profit/equity), %	0.01	-1.20
Total liquidity (current assets/short term liabilities)	14.21	17.44
D/E (liabilities/equity)	0.03	0.03

### Other indicators

Number of employees	22	12
Average gross remuneration per employee per year, thousands EUR	16.2	16.8
Gender representation in management, f/m		0/2
Annual report in accordance with IFRS		yes

# Annex

## SOEs, State-owned equity shares, equity shares belonging to the SOEs and enterprises effectively controlled by the State (prepared to 01.07.2017)

No	Enterprise's Title	Industry	Turnover, 2016, EUR '000	Profit/ losses, 2016, EUR '000	Assets total, 31.12.2016, EUR '000	Capital shares proportion, holder or owner	Additional information
<b>State-Owned Enterprises</b>							
1.	JSC "Latvenergo" (consolidated)	Energy	931 619.0	130 593.0	3 901 231.0	100% Ministry of Economics	
2.	SJSC "Latvijas dzelzceļš" (consolidated)	Transport	351 121.0	1 055.0	1 026 369.0	100% Ministry of Transport	
3.	JSC "Latvijas Valsts meži" (consolidated)	Forestry	257 062.9	50 603.5	359 801.4	100% Ministry of Agriculture	
4.	JSC "Augstsprieguma tīkls"	Energy	116 788.6	352.4	114 697.1	100% Ministry of Finance	
5.	LLC "Rīgas Austrumu klīniskā universitātes slimnīca"	Health care	97 371.6	-2 493.1	93 776.9	100% Ministry of Health	
6.	SLLC "Paula Stradiņa klīniskā universitātes slimnīca"	Health care	87 034.7	10.8	130 990.5	100% Ministry of Health	
7.	JSC "Pasažieru vilciens" (consolidated)	Transport	64 931.7	433.0	55 234.9	100% Ministry of Transport	
8.	SJSC "Latvijas autoceļu uzturētājs"	Transport	64 482.9	2 021.3	63 001.4	100% Ministry of Transport	
9.	SJSC "Latvijas Pasts" (consolidated)	Communications	63 115.4	3 630.6	85 680.6	100% Ministry of Transport	
10.	SJSC "Valsts nekustamie īpašumi" (consolidated)	Real estate management	50 747.4	-8 024.8	413 107.6	100% Ministry of Finance	
11.	SJSC "Starptautiskā lidosta Rīga"	Transport	50 447.1	358.5	180 395.6	100% Ministry of Transport	
12.	SJSC "Ceļu satiksmes drošības direkcija" (consolidated)	Transport	43 654.4	3 959.5	47 703.2	100% Ministry of Transport	
13.	SJSC "Bērnu klīniskā Universitātes slimnīca"	Health care	35 225.2	-2.3	60 158.0	100% Ministry of Health	
14.	SJSC "Latvijas Loto" (consolidated)	Other	29 413.6	5 012.1	14 436.1	100% Ministry of Finance	
15.	SJSC "Latvijas gaisa satiksme"	Transport	24 526.9	335.7	31 287.4	100% Ministry of Transport	
16.	SLLC "Latvijas televīzija"	Public Electronic Mass Media	17 671.6	-7.4	14 504.6	100% National Electronic Mass Media Council	

No	Enterprise's Title	Industry	Turnover, 2016, EUR '000	Profit/losses, 2016, EUR '000	Assets total, 31.12.2016, EUR '000	Capital shares proportion, holder or owner	Additional information
17.	SJSC "Attīstības finanšu institūcija Altum" (consolidated)	Other	15 353.9	2 170.0	443 126.0	40% Ministry of Finance, 30% Ministry of Economics and 30% Ministry of Agriculture	
18.	SJSC "Latvijas Valsts radio un televīzijas centrs"	Communications	15 126.1	4 612.0	106 996.8	100% Ministry of Transport	
19.	SJSC "Latvijas Valsts ceļi"	Transport	13 176.1	54.8	6 385.7	100% Ministry of Transport	
20.	SLLC "Rīgas Psihiatrijas un narkoloģijas centrs"	Health care	12 686.9	7.5	24 691.7	100% Ministry of Health	
21.	SLLC "Traumatoloģijas un ortopēdijas slimnīca"	Health care	12 424.6	0.5	10 826.6	100% Ministry of Health	
22.	SLLC "Nacionālais rehabilitācijas centrs Vaivari"	Health care	9 643.1	5.6	10 655.0	100% Ministry of Health	
23.	SLLC "Latvijas radio"	Public Electronic Mass Media	8 592.6	-120.4	6 847.4	100% National Electronic Mass Media Council	
24.	SLLC "Daugavpils Psihoneiroloģiskā slimnīca"	Health care	7 748.8	44.2	18 241.2	100% Ministry of Health	
25.	SLLC "Latvijas Vides, ģeoloģijas un meteoroloģijas centrs"	Other	6 547.5	-591.0	22 881.0	100% Ministry of Environmental Protection and Regional Development	
26.	SJSC "Elektroniskie sakari"	Communications	6 521.5	66.5	12 897.5	100% Ministry of Environmental Protection and Regional Development	
27.	SJSC "Tiesu namu aģentūra"	Real Estate management	6 476.6	54.3	47 952.5	100% Ministry of Justice	
28.	SLLC "Slimnīca Ģintermuiža"	Health care	5 920.7	4.5	13 782.8	100% Ministry of Health	
29.	SLLC "Rīgas Tūrisma un radošās industrijas tehnikums"	Education	5 683.4	68.9	13 759.7	100% Ministry of Education and Science	
30.	SLLC "Zemkopības Ministrijas nekustamie īpašumi"	Real Estate management	4 843.5	18.5	11 400.8	100% Ministry of Agriculture	
31.	SLLC "Strenču Psihoneiroloģiskā slimnīca"	Health care	4 656.7	18.9	7 174.1	100% Ministry of Health	
32.	SLLC "Latvijas Nacionālais teātris"	Culture	4 229.8	6.6	1 478.1	100% Ministry of Culture	
33.	SJSC "Latvijas Jūras administrācija"	Transport	4 163.5	6.6	5 412.9	100% Ministry of Transport	

No	Enterprise's Title	Industry	Turnover, 2016, EUR '000	Profit/losses, 2016, EUR '000	Assets total, 31.12.2016, EUR '000	Capital shares proportion, holder or owner	Additional information
34	SLLC "Latvijas Nacionālā opera un balets"	Culture	3 825.6	92.5	7 007.7	100% Ministry of Culture	
35	SLLC "Autotransporta direkcija"	Transport	3 441.7	649.1	3 626.8	100% Ministry of Transport	
36	SLLC "Aknistes Psihoneiroloģiskā slimnīca"	Health care	3 415.4	1.0	6 285.3	100% Ministry of Health	
37	SLLC "Piejūras slimnīca"	Health care	3 185.7	2.5	10 580.3	100% Ministry of Health	
38	SLLC "Jaunais Rīgas teātris"	Culture	2 856.8	7.0	1 372.9	100% Ministry of Culture	
39	SJSC "Privatizācijas aģentūra"	Other	2 843.9	5 785.4	49 341.9	100% Ministry of Economics	
40	SLLC "Dailes teātris"	Culture	2 549.6	2.0	867.8	100% Ministry of Culture	
41	SLLC "Iekšlietu ministrijas poliklīnika"	Health care	2 111.8	11.2	821.8	100% Ministry of the Interior	
42	SLLC "Latvijas Vēstnesis"	Other	1 779.1	-17.5	2 852.1	100% Ministry of Justice	
43	SLLC "Mihaila Čehova Rīgas Krievu teātris"	Culture	1 401.5	-98.5	945.1	100% Ministry of Culture	
44	SLLC "Latvijas Koncerti"	Culture	1 230.6	14.1	993.1	100% Ministry of Culture	
45	SLLC "Šampētera nams"	Real estate management	1 205.0	0.2	948.1	100% Ministry of Welfare	
46	LLC "Latvijas Nacionālais metroloģijas centrs"	Other	1 153.5	2.2	1 156.5	100% Ministry of Economics	
47	SLLC "Valsts Akadēmiskais koris Latvija"	Culture	1 100.1	5.4	222.6	100% Ministry of Culture	
48	SLLC "Bērnu Psihoneiroloģiskā slimnīca Ainaži"	Health care	1 046.8	47.1	4 319.0	100% Ministry of Health	
49	SLLC "Sertifikācijas un testēšanas centrs"	Other	852.7	49.2	464.3	100% SJSC Privatizācijas aģentūra	Cabinet decision from 04.12.2013 on transfer to alienation
50	SIA "Standartizācijas, akreditācijas un metroloģijas centrs"	Other	801.3	32.0	660.3	100% Ministry of Economics	Reorganized on 01.08.2017 no longer exists.
51	SLLC "Valmieras drāmas teātris"	Culture	655.5	0.2	526.5	100% Ministry of Culture	
52	SLLC "Latvijas Nacionālais simfoniskais orķestris"	Culture	626.0	29.1	728.0	100% Ministry of Culture	
53	SLLC "Straupes Narkoloģiskā slimnīca"	Health care	620.9	-7.0	129.4	100% Ministry of Health	

No	Enterprise's Title	Industry	Turnover, 2016, EUR '000	Profit/losses, 2016, EUR '000	Assets total, 31.12.2016, EUR '000	Capital shares proportion, holder or owner	Additional information
54	SLLC "Latvijas Leļļu teātris"	Culture	575.7	2.1	477.1	100% Ministry of Culture	
55	SLLC "Latvijas Proves birojs"	Other	487.1	19.1	898.0	100% Ministry of Finance	
56	SLLC "Meliorprojekts"	Other	411.0	4.2	266.9	100% Ministry of Agriculture	
57	SLLC "Bobsleja un kamanīņu trase Sigulda"	Sports	402.5	-25.4	11 821.6	100% Ministry of Education and Science	
58	SLLC "Eiropas dzelzceļa līnijas"	Transport	400.5	-0.4	2 156.7	100% Ministry of Transport	
59	SLLC "Liepājas simfoniskais orķestris"	Culture	308.1	-7.0	334.1	100% Ministry of Culture	
60	SLLC "Kultūras un sporta centrs Daugavas stadions"	Sports	231.5	-447.1	9 854.5	100% Ministry of Education and Science	
61	SLLC "Daugavpils teātris"	Culture	169.3	0.1	236.9	100% Ministry of Culture	
62	SLLC "KREMERATA BALTICA"	Culture	150.0	0.7	26.9	100% Ministry of Culture	
63	SLLC "Rīgas cirks"	Culture	131.7	26.4	236.4	100% Ministry of Culture	
64	SLLC "Vides investīciju fonds"	Other	76.3	-77.9	6 662.3	100% Ministry of Environmental Protection and Regional Development	
<b>Alienated State-Owned Enterprise</b>							
65	SLLC "Bulduru Dārzkopības vidusskola"	Education	1 338.3	389.8	6 376.0	100% Ministry of Education and Science	09.08.2016. Cabinet decision on the derivative public persons corporation. Starting from 15.01.2017 is owned by Latvian University of Agriculture.
<b>State-Owned Enterprise that is under liquidation process</b>							
66	SLLC "Vides projekti"	Other	n/a	n/a	n/a	100% Ministry of Environmental Protection and Regional Development	Due to the death of administrator is not excluded from ER.
<b>Enterprises effectively controlled by the State</b>							
67	JSC "Air Baltic Corporation" (consolidated)	Transport	249 832.0	120.0	287 870.0	80.05475% Ministry of Transport	
68	LLC "Lattelecom" (consolidated)	Communications	188 991.0	32 191.0	321 720.0	51% SJSC Privatizācijas aģentūra	
69	LLC "Latvijas Lauku konsultāciju un izglītības centrs"	Agriculture	8 673.8	12.6	5 525.8	99.32% Ministry of Agriculture	
70	LLC "Sporta centrs Mežaparks"	Sports	297.0	0.4	15 664.9	99.999% Ministry of Education and Science	

No	Enterprise's Title	Industry	Turnover, 2016, EUR '000	Profit/losses, 2016, EUR '000	Assets total, 31.12.2016, EUR '000	Capital shares proportion, holder or owner	Additional information
71	LLC "Tenisa centrs Lielupe"	Sports	234.5	-5.5	11 871.1	99.999% Ministry of Education and Science	
<b>Enterprise with direct State ownership of 20% to 50% (including) and decisive influence</b>							
72	LLC "Rīgas hematoloģijas centrs"	Health care	62.7	-19.7	256.7	50.96% LLC Rīgas Austrumu klīniskā universitātes slimnīca; 49.04% Ministry of Health	
<b>Enterprises with direct State ownership of 20% to 50% (including)</b>							
73	JSC "Rīgas siltums"	Energy	145 598.6	1 469.5	165 485.2	48.995% Ministry of Economics; 0.005% Latvenergo;	Other shareholders: 49% Rīgas dome, 2% LLC "Energijas risinājumi. RIX"
74	LLC "Latvijas Olimpiskā vienība"	Sports	2 510.8	149.8	828.1	29% Ministry of Education and Science	
75	LLC "Starptautiskā Rakstnieku un tulkotāju māja"	Real Estate management	389.0	1.2	101.5	33.33% Ministry of Culture	
76	JSC "Rīgas Kinostudija"	Other	18.7	141.8	3 063.0	24.1% Ministry of Culture	
<b>Enterprise with direct State ownership of 20% to 50% (including), which is in the process of insolvency</b>							
77	ILLC "Agroleasing S.I.A"	Other	n/a	n/a	n/a	50% SJSC Privatizācijas aģentūra	Insolvency
<b>Enterprises with direct State ownership up to 20%</b>							
78	JSC "Latvijas Gāze"	Energy	343 792.0	40 388.0	793 958.0	0.00021% Ministry of Economics	
79	JSC "Latvijas Kuģniecība" (consolidated)	Transport	90 682.0	-20 987.0	337 625.0	10% SJSC Privatizācijas aģentūra	
80	JSC "Latvijas maiznieks"	Other	25 033.4	470.8	20 088.4	3.97% VAS Privatizācijas aģentūra	
81	JSC "Rīgas dzirnavnieks"	Other	23 324.2	843.9	21 875.1	3.68% SJSC Privatizācijas aģentūra	
82	LLC "Strek" (consolidated)	Transport	21 762.3	7607.2	65 480.1	5.84% SJSC Latvijas dzelzceļš	
83	JSC "Rīgas sanitārā transporta autobāze" (consolidated)	Other	19 852.5	650.4	26 073.5	10% SJSC Privatizācijas aģentūra	
84	JSC "Ceļu pārvalde" (consolidated)	Other	19 537.6	596.1	12 444.4	0.93% SJSC Privatizācijas aģentūra	
85	Rēzekne SEZ AS "REBIR"	Other	2 396.0	104.5	8 771.0	5% SJSC Privatizācijas aģentūra	
86	JSC "Daugavpils specializētais autotransporta uzņēmums"	Other	2 180.1	123.1	3 140.3	3.2% SJSC Privatizācijas aģentūra	
87	LLC "Balt Alliance"	Other	1 708.0	42.9	3 189.1	8% SJSC Privatizācijas aģentūra	

No	Enterprise's Title	Industry	Turnover, 2016, EUR '000	Profit/losses, 2016, EUR '000	Assets total, 31.12.2016, EUR '000	Capital shares proportion, holder or owner	Additional information
88	JSC "Lopkopības izmēģinājumu stacija Latgale"	Other	1 131.4	204.5	4 747.3	4,77% SJSC Privatizācijas aģentūra	
89	JSC "Komunālprojekts"	Other	656.6	-50.7	1 003.5	14.75% SJSC Privatizācijas aģentūra	
90	JSC "Jelgavas mašīnbūves rūpnīca"	Other	574.0	-361.2	3 386.4	3,68% SJSC Privatizācijas aģentūra	
91	JSC "Lielplatone"	Other	557.5	51.5	1 661.5	5% SJSC Privatizācijas aģentūra	
92	JSC "Stendes selekcijas un izmēģinājumu stacija"	Other	331.2	149.8	4 040.2	4,81% SJSC Privatizācijas aģentūra	
93	LLC "UNI SAN"	Other	313.6	-15.1	656.2	5% SJSC Privatizācijas aģentūra	
94	JSC "AUTO-REMONTS"	Other	296.9	16.0	192.1	5,05% SJSC Privatizācijas aģentūra	
95	JSC "Latgales ciltslietu un mākslīgās apsūkšanas stacija"	Other	242.1	143.5	830.0	4,91% SJSC Privatizācijas aģentūra	
96	JSC "Pūres dārzkopības izmēģinājumu stacija"	Other	164.1	3.1	344.3	8,73% SJSC Privatizācijas aģentūra	
97	LLC "Sanatorija Dzimtene"	Health care	44.9	-12.6	72.4	10% SJSC Privatizācijas aģentūra	
98	LLC "Garantiju aģentūra"	Other	32.1	-7.5	241.4	0,34% SJSC Privatizācijas aģentūra	
99	LLC "Liepājas sērkočiņi"	Other	0.0	-19.1	653.9	10,62% SJSC Privatizācijas aģentūra	
100	JSC "Transinform"	Other	n/a	n/a	n/a	2,91% SJSC Privatizācijas aģentūra	
<b>Enterprise with direct State ownership up to 20%, that was established</b>							
101	JSC "Conexus Baltic Grid"	Energy	n/a	n/a	n/a	0.00029% Ministry of Economics	Founded on 22.12.2016.
<b>Enterprises with direct State ownership up to 20%, that were sold</b>							
102	JSC "Valmieras stikla šķiedra" (consolidated)	Other	124 813.9	4 769.3	140 862.8	1,78% SJSC Privatizācijas aģentūra	Sold on 08.11.2016.
103	JSC "Grindeks" (consolidated)	Other	105 366.5	9 502.8	174 913.4	2,29% SJSC Privatizācijas aģentūra	Sold on 08.11.2016.
104	JSC "B.L.B. Baltijas termināls"	Other	9 245.4	18.7	18 819.3	3,64% SJSC Privatizācijas aģentūra	Sold on 15.08.2016.
105	JSC "Latvijas Nacionālais Autopārvadātāju Centrs"	Other	0.2	0.1	0.2	5% SJSC Privatizācijas aģentūra	Sold on 11.11.2016.
<b>Enterprises with direct State ownership up to 20%, which are in the process of insolvency</b>							
106	IJSC "Daugavpils dzirnavnieks"	Other	55.1	-33.1	2 897.7	5% SJSC Privatizācijas aģentūra	Insolvency 29.12.2014.

No	Enterprise's Title	Industry	Turnover, 2016, EUR '000	Profit/losses, 2016, EUR '000	Assets total, 31.12.2016, EUR '000	Capital shares proportion, holder or owner	Additional information
107	LLC "Eiropas minerāls"	Other	n/a	n/a	n/a	6.89% SJSC Privatizācijas aģentūra	Insolvency 21.10.2013.
108	IJSC "Latvijas zoovetapgāde"	Other	n/a	-1 271.0	127.7	2.6% SJSC Privatizācijas aģentūra	Insolvency 21.01.2016.
109	IJSC "Liepājas metalurģis"	Other	n/a	-427.5	896.5	2,5% SJSC Privatizācijas aģentūra	Insolvency as of 13.11.2013.
<b>Enterprises with direct State ownership up to 20%, which have ceased their economic activity, are in the process of liquidation or are liquidated</b>							
110	LLC "Ventspils ekskursiju birojs"	Other	n/a	n/a	n/a	5% SJSC Privatizācijas aģentūra	Liquidation proceedings started on 04.02.2015 (in accordance with SRS decision)
111	JSC "Dzelzceļtransports"	Transport	n/a	n/a	n/a	5% SJSC Privatizācijas aģentūra	Liquidated 13.06.2016.
112	JSC "Jēkabpils labība"	Other	n/a	n/a	n/a	5% SJSC Privatizācijas aģentūra	Liquidated 17.05.2016
113	JSC "Madona – AB"	Other	n/a	n/a	n/a	5% SJSC Privatizācijas aģentūra	Liquidated 16.09.2016.
114	IJSC "Rīgas alus darītava „Vārpa”"	Other	n/a	n/a	n/a	5% SJSC Privatizācijas aģentūra	Liquidated 18.05.2017.
115	JSC "RAF-inženieru tehniskais centrs"	Other	n/a	n/a	n/a	6.83% SJSC Privatizācijas aģentūra	Liquidated 27.05.2016.
<b>Subsidiaries 100% owned by SOEs</b>							
116	JSC „Sadales tīkls”	Energy	315 697.0	2.5	1 597 690.0	100% JSC "Latvenergo"	
117	LLC "LDZ Cargo"	Transport	275 526.0	3 993.6	177 051.2	100% JSC "Latvijas dzelzceļš"	
118	LLC "LDZ ritošā sastāva serviss"	Transport	68 486.9	255.7	94 155.0	100% JSC "Latvijas dzelzceļš"	
119	JSC "Latvijas elektriskie tīkli"	Energy	51 294.0	6 852.2	422 035.0	100% JSC "Latvenergo"	
120	LLC "LDZ Loģistika"	Transport	13 538.0	127.0	1 261.5	100% JSC "Latvijas Dzelzceļš"	Until 09.09.2016. LLC "LDZ Cargo Loģistika", up to 10.08.2016. 100% equity shareholder LLC "LDZ CARGO"
121	LLC "LDZ infrastruktūra"	Transport	12 013.3	-131.8	19 461.5	100% JSC "Latvijas dzelzceļš"	
122	LLC "ZetCOM"	Other	9 996.5	641.4	3 872.0	100% "Latvijas Mobilais Telefons" LLC	
123	"LDZ apsardze" LLC	Other	6 610.1	15.0	1 555.3	100% JSC "Latvijas dzelzceļš"	
124	LLC "Hiponia"	Real estate management	3 026.0	-5 569.6	42 459.9	100% SJSC "Privatizācijas aģentūra"	
125	JSC "Enerģijas publiskais tirgotājs"	Energy	2 079.1	0.0	162 665.2	100% JSC "Latvenergo"	



No	Enterprise's Title	Industry	Turnover, 2016, EUR '000	Profit/losses, 2016, EUR '000	Assets total, 31.12.2016, EUR '000	Capital shares proportion, holder or owner	Additional information
126	JSC "LatRailNet"	Transport	1 197.9	22.9	263.9	100% JSC "Latvijas dzelzceļš"	
127	LLC "LatLoto nams"	Other	984.7	70.0	241.5	100% SJSC "Latvijas Loto"	
128	LLC "Jaunmoku pils"	Other	756.0	-3.5	1 406.8	100% JSC "Latvijas valsts meži"	
129	LLC "Mailmaster"	Communications	510.2	6.6	523.7	100% SJSC "Latvijas Pasts"	
130	LLC "VNĪ pils"	Real estate management	267.4	8.0	56.2	100% SJSC "Valsts nekustamie īpašumi"	
131	LLC FeLM	Other	30.8	-166.6	67 148.0	100% SJSC "Privatizācijas aģentūra"	
132	LLC "Rīgas vagonbūves uzņēmums Baltija"	Other	1.1	-73.6	386	100% LLC "LDZ Ritošā sastāva serviss"	
133	OÜ "Elektrum Eesti"	Other	n/a	n/a	n/a	100% JSC "Latvenergo"	
134	LLC "Elektrum Latvija"	Other	n/a	n/a	n/a	100% JSC "Latvenergo"	
135	UAB "Elektrum Lietuva"	Other	n/a	n/a	n/a	100% JSC "Latvenergo"	
136	"Hipo Latvijas Nekustamā īpašuma fonds I"	Other	n/a	n/a	n/a	100% SJSC "Attīstības finanšu institūcija Altum"	
137	"Hipo Latvijas Nekustamā īpašuma fonds II"	Other	n/a	n/a	n/a	100% SJSC "Attīstības finanšu institūcija Altum"	
138	LP "Imprimatur Capital Seed Fund"	Other	n/a	n/a	7 435.2	100% SJSC "Attīstības finanšu institūcija Altum"	
<b>Subsidiaries 100% owned by SOEs that were reorganised</b>							
139	LLC "Biroju centrs Ezerparks"	Real estate management	6 083.1	1 748.4	72 293.0	100% SJSC "Valsts nekustamie īpašumi"	Reorganised on 10.05.2017
140	LLC "Veselības aprūpes nekustamie īpašumi"	Real estate management	296.3	6.3	182.0	SJSC "Valsts nekustamie īpašumi"	Reorganised on 30.12.2016.
<b>Equity shares with decisive influence owned by SOEs or enterprises effectively controlled by the State</b>							
141	LLC "Auteko & TUV Latvija"	Other	6 540.8	1 264.1	4 482.0	51% SJSC Ceļu satiksmes drošības Direkcija	
142	LLC "Veselības centrs "Biķernieki""	Health care	1 569.7	5.0	597.3	99.58% LLC "Rīgas Austrumu klīniskā universitātes slimnīca"	
143	LLC "BALTIJAS KRAVU CENTRS"	Other	654.5	43.7	367.8	100% JSC "Air Baltic Corporation"	
144	LLC "Tilžas rapsis"	Agriculture	32.4	-22.0	127.6	86% LLC "Hiponia"	

No	Enterprise's Title	Industry	Turnover, 2016, EUR '000	Profit/losses, 2016, EUR '000	Assets total, 31.12.2016, EUR '000	Capital shares proportion, holder or owner	Additional information
145	UAB "NIF Lietuva"	Real estate management	n/a	n/a	n/a	100% JSC "Reverta"	
146	LLC "Vhiter"	Other	n/a	n/a	n/a	100% JSC "Air Baltic Corporation"	
147	LLC "Latvijas Mobilais Telefons" (consolidated)	Communications	189 866.2	22 353.6	259 504.7	23% SJSC "Latvijas Valsts radio un televīzijas centrs", 23% LLC "Lattelecom" and 5% SJSC "Privatizācijas aģentūra"	
148	LLC "LMT Retail&Logistics"	Communications	70 446.7	2 478.6	30 733.4	100% LLC "Latvijas Mobilais Telefons"	
149	LLC "CITRUS Solutions"	Other	28 166.2	90.3	11 515.5	100% LLC Lattelecom	
150	LLC "Lattelecom Technology"	Communications	18 133.9	2 384.8	10 869.4	100% LLC Lattelecom	
151	LLC "Liepājas enerģija"	Energy	16 822.8	3 159.3	42 075.7	51% JSC Latvenergo	
152	JSC "Aviation Crew Resources"	Other	12 813.2	70.9	6 081.3	95.5489% JSC "Air Baltic Corporation"	
153	LLC "NIF Dzīvojamie īpašumi"	Real estate management	7 206.1	-3 020.7	6 592.3	100% JSC "Reverta"	
154	LLC "NIF projekts 1"	Real estate management	6 233.4	760.6	6.3	100% JSC "Reverta"	
155	LLC "Baltijas datoru akadēmija"	Other	1 716.0	180.9	452.1	100% LLC Lattelecom	
156	LLC "Lattelecom BPO"	Communications	4 627.0	907.3	2 074.1	100% LLC "Lattelecom"	
157	LLC "PINS.CO"	Other	3 906.7	-1 440.4	3 004.6	95.42876% JSC "Air Baltic Corporation"	LLC Coalition Rewards since 26.04.2016 is LLC Pins.co
158	LLC "Air Baltic Training"	Other	2 992.8	303.4	1 439.6	100% JSC "Air Baltic Corporation"	
159	LLC "Media 360"	Communications	2 295.0	-465.2	3 351.1	100% "Lattelecom Technology"	
160	LLC "NIF Zemes īpašumi"	Real estate management	782.8	-1 140.5	929.7	100% JSC "Reverta"	
161	JSC "VRC Zaslauks"	Other	107.0	817.5	345.5	51% JSC "Pasažieru vilciens"	
162	LP "AIF Imprimatur Capital Technology Venture Fund"	Other	n/a	n/a	6 177.1	67% SJSC "Attīstības finanšu institūcija Altum"	Until 08.08.2014. KS Imprimatur Capital Technology Venture Fund.
163	LP alternatīvo ieguldījumu fonds "ZGI-3"	Other	n/a	n/a	11 194.8	95% SJSC "Attīstības finanšu institūcija Altum"	Until 01.08.2014. KS ZGI-3.

No	Enterprise's Title	Industry	Turnover, 2016, EUR '000	Profit/losses, 2016, EUR '000	Assets total, 31.12.2016, EUR '000	Capital shares proportion, holder or owner	Additional information
164	LP "BaltCap Latvia Venture Capital Fund"	Other	n/a	n/a	14 356.9	67% SJSC "Attīstības finanšu institūcija Altum"	
165	LLC "Baltic Contact Centre"	Other	n/a	n/a	n/a	100% JSC "Air Baltic Corporation"	
166	LLC "Blaker"	Other	n/a	n/a	n/a	100% JSC "Air Baltic Corporation"	
167	"Carnella Maritime Corporation"	Finance services	n/a	n/a	n/a	100% JSC "Reverta"	
168	LP "Expansion Capital Fund AIF"	Other	n/a	n/a	14 117.0	95% SJSC "Attīstības finanšu institūcija Altum"	Until 30.07.2014. LP Expansion Capital Fund.
169	LP "Flycap Investment Fund I AIF"	Other	n/a	n/a	12 863.3	95% SJSC "Attīstības finanšu institūcija Altum"	Until 02.09.2014. LP Flycap Investment Fund.
170	OOO "Parex Leasing & Factoring"	Finance services	n/a	n/a	n/a	100% JSC "Reverta"	
171	OU "NIF Eesti"	Real estate management	n/a	n/a	n/a	100% JSC "Reverta"	
172	JSC "Pirmais slēgtais pensiju fonds"	Other	n/a	n/a	155.3	50% LLC "Lattelecom"; 48.15% JSC "Latvenergo"; 1.85% JSC "Augstsprieguma tīkls"	
173	Regalite Holdings Limited	Finance services	n/a	n/a	n/a	100% JSC "Reverta"	
174	LP "ZGI fonds"	Other	n/a	n/a	58.3	65% SJSC Attīstības finanšu institūcija Altum	
<b>Capital shares owned by SOE of company that is currently undergoing liquidation process</b>							
175	JSC "Reverta" (consolidated)	Real estate management	3.0	-45 077.6	58 941.3	96.89% SJSC "Privatizācijas aģentūra"	Liquidation period 01.07.2017.-31.12.2017.
<b>Capital shares owned by SOEs or subsidiaries of SOEs with participation from 20% up to 50% (including)</b>							
176	LLC "Scantest"	Other	2 580.7	817.7	1 316.4	20% SJSC "Ceļu satiksmes drošības direkcija"	
177	LLC "Autests"	Other	1 742.7	390.3	1 738.8	20% SJSC "Ceļu satiksmes drošības direkcija"	
178	LLC "Meža un koksnes produktu pētniecības un attīstības institūts"	Other	1 355.9	-16.6	980.2	40% SJSC "Latvijas valsts meži"	
179	LP "Otrais Eko fonds"	Other	812.5	615.8	2 387	33% SJSC "Attīstības finanšu institūcija Altum"	
180	JSC "RB Rail"	Transport	718.6	-506.4	21 317.7	33,33% LLC "Eiropas dzelzceļa līnijas"	

No	Enterprise's Title	Industry	Turnover, 2016, EUR '000	Profit/losses, 2016, EUR '000	Assets total, 31.12.2016, EUR '000	Capital shares proportion, holder or owner	Additional information
181	LLC "Venttests"	Other	258.8	71.4	657.3	50% SJSC "Ceļu satiksmes drošības direkcija"	
182	"Baltic Innovation Fund"	Other	n/a	n/a	n/a	20% SJSC "Attīstības finanšu institūcija Altum"	
183	LLC "Priekuļu rapsis"	Agriculture	n/a	n/a	n/a	26% LLC "Hiponia"	
<b>Capital shares owned by SOEs or subsidiaries of SOEs with participation up to 20%</b>							
184	JSC "Latvijas Finieris" (consolidated)	Other	213 372.0	13 642.4	320 702.1	0.94% JSC "Latvijas valsts meži"	
185	LLC "Kurzemes radio"	Other	171.7	-30.5	102.9	0.58% SLLC "Latvijas radio"	
186	"Baltkrievijas-Latvijas kopuzņēmums "MIRIGO"	Other	n/a	n/a	n/a	3% SJSC "Latvijas dzelzceļš"	
187	LLC "BRC Novatēka"	Real estate management	n/a	n/a	n/a	7.02% LLC "Hiponia"	
<b>Capital shares owned by subsidiaries of SOE that was sold</b>							
188	LLC "NIF projekts 10"	Real estate management	n/a	-618.6	7 419.4	100% JSC "Reverta"	Sold 20.01.2017.
<b>Capital shares with decisive influence owned by SOEs or enterprises effectively controlled by the State that are being liquidated or are liquidated</b>							
189	LLC "NIF projekts 6"	Real estate management	n/a	-0.9	4.5	100% JSC "Reverta"	Liquidation proceedings 08.08.2017.
190	LLC "NIF projekts 7"	Real estate management	n/a	-983.3	1 061.9	100% JSC "Reverta"	Liquidation proceedings 08.08.2017.
191	LLC "Travellounge"	Other	n/a	n/a	46.2	100% JSC "Air Baltic Corporation"	Liquidation proceedings 21.07.2015
192	LLC "NIF Komerčpašumi"	Real estate management	4 884.8	-99.4	67.7	100% JSC "Reverta"	Liquidated 21.06.2017.
193	LLC "NIF projekts 8"	Real estate management	1 654.4	157.5	2 383.5	100% JSC "Reverta"	Liquidated 10.01.2017.
194	LLC "Riska investīciju sabiedrība"	Other	n/a	n/a	n/a	100% SJSC "Attīstības finanšu institūcija Altum"	Liquidated 03.05.2016
195	LLC "Rīgas centra namu pārvalde"	Real estate management	n/a	n/a	n/a	100% SJSC "Attīstības finanšu institūcija Altum"	Liquidated 03.02.2016.