

**STATE JOINT STOCK COMPANY  
STARPTAUTISKĀ LIDOSTA RĪGA**

**ANNUAL REPORT 2024**

**PREPARED IN ACCORDANCE WITH IFRS ACCOUNTING STANDARDS AS ADOPTED  
BY EU**

**\*This version of financial statements is a translation from the original, which was prepared in Latvian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, the original language version of financial statements takes precedence over this translation.**

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## General information

Name of the company	Starptautiskā lidosta Rīga (Riga International Airport)
Legal status	State joint stock company
Unified registration number, place and date of registration	40003028055 Riga, 30 September 1991
Place and date of re-registration with the Commercial Registry	Riga, 10 September 2004
Registered office	Mārupe municipality, Lidosta Rīga 10/1 Latvia, LV-1053
Core business	Aircraft, passenger and cargo servicing; airfield maintenance and other services
Shareholder	The Republic of Latvia, represented by the Ministry of Transport (100%) Emīlijas Benjamiņas iela 3, Riga, Latvia, LV- 1743
Corporate governance	Shareholders' meeting, Supervisory and Management Board
Supervisory Board	Juris Kanels – Chairman of the Supervisory Board Elīna Salava – Member of the Supervisory Board Eduards Toms – Member of the Supervisory Board until 23.05.2024
Board	Laila Odiņa - Chairperson of the Board Normunds Feierbergs – Board Member Artūrs Saveļjevs - Board Member
Reporting year	1 January – 31 December 2024
Name and address of the auditor and responsible certified auditor	Ernst & Young Baltic SIA Unified reg. No 40003593454 License No 17 Muitas iela 1a, Riga, Latvia, LV-1010 Responsible certified auditor: Dace Negulinere Certificate No 175

## Management report

### Service volumes

In 2024, SJSC Starptautiskā lidosta Rīga (Riga International Airport) (hereinafter referred to as the Airport or RIX Riga Airport) continued its steady growth in passenger traffic compared to the same period of the previous year. RIX Riga Airport handled 7.12 million passengers in 2024, an increase of 7% compared to 2023. Transit passengers accounted for 22%, while total number of passenger flights reached 63,200. At the end of the year, the number of passengers handled at the Airport exceeded the pre-pandemics or the 2019 figure.

Air cargo traffic in 2024 amounted to 18.79 thousand tonnes, a 2% decrease compared to 2023. However, recent months showed signs of a recovery in air freight traffic, driven by military flights and the launch of new cargo routes by Lufthansa Cargo and Uzbekistan's Fly Khiva.

The war in Ukraine, the military conflicts in the Middle East, the related sanctions and airspace closures continue to have a major impact on service volumes, in particular air freight and transit passengers.



### Economic performance

The Airport's revenue in 2024 was EUR 77.63 million, an increase of 7.07% compared to 2023. Revenues from aviation services amounted to EUR 44.87 million i.e. 3.6% above the previous year, while non-aviation services grew by 12.3% compared to 2023, reaching EUR 32.76 million.

In 2024, grants totaling EUR 5.22 million were recognized as revenue, including a state grant for aviation security in the amount of EUR 48 thousand, a Cohesion Fund grant of EUR 5.01 million, and EUR 169 thousand from ERDF funding and other grants.

Operating expense in 2024 amounted to EUR 78.82 million, i.e. 3.6% more than in 2023.

The Airport's EBITDA (earnings before interest, taxes, depreciation and amortisation) reached EUR 11.2 million, up 37.2% compared to the previous year. In 2024, the Airport earned a profit of EUR 3 441 thousand, more than two times higher than the result for 2023.

### **Investment projects**

In 2024, work continued on the priority project "Reconstruction of the Technical Services Building", with an investment of EUR 2.08 million. In 2024, the Airport purchased nine electric buses for passenger transport investing EUR 3.07 million, an ambulift for transporting passengers with disabilities and heavy-duty platform equipment investing EUR 436 thousand and EUR 544 thousand respectively.

The Aircraft Bridge Replacement Project was completed, and two more aircraft bridges were put into operation for a total amount of EUR 896 thousand. The projects "Reconstruction of engineering networks of Tehnikas Street" and "Reconstruction of feeder points FP-3 and FP-4" were completed and the project "Reconstruction of boarding sectors B8/B9 and B1" is ongoing.

A total of EUR 3.9 million was invested in the development of the electricity supply infrastructure. The largest projects were "Construction of electric car charging infrastructure", "Optimization and switching of part of the 10kV network to the 20kV network", "Reconstruction of TP-11". The project "Construction of a solar panel park on the roof of the North Pier of Riga Airport" was also launched and the design works were completed.

In total, the Airport invested EUR 16.2 million in 2024.

On 17 June 2024 the Airport signed an agreement with the European Union's European Executive Agency for Climate, Infrastructure and Environment (CINEA) on the financing of the project "Reconstruction of SJSC Riga International Airport apron No 4 to provide a dual-use TEN-T infrastructure for civil and military purposes". The project involves the reconstruction of over 80 000 square meters of hard surface of apron No 4, creating Class A - E aircraft stands, taxiways and service lanes in ten different configurations.

The project also envisages the construction of a power supply substation with two independent inputs to ensure the lighting of apron No 4 and power supply of aircraft stands in accordance with the latest EU requirements, storage areas for aircraft servicing equipment in the apron adjacent areas, the construction of an airfield lighting system, reconstruction of lighting masts and floodlights, installation of a new video surveillance system and related electrical networks as well as a rainwater drainage system. The Airport has received an advance payment of EUR 6.9 million for the project implementation and has started the designing of the construction plan.

### **Sustainability and environmental aspects**

To achieve its climate targets, Riga Airport has been participating in the Airport Carbon Accreditation (ACA) Programme of the Airports Council International (ACI) since 2015. To be certified for the Programme Level 3 "Optimization", in Q1 2024, Riga Airport developed and approved a Stakeholder Engagement Plan to reduce CO<sub>2</sub> emissions and successfully re-certified for the Programme Level 3 at the end of 2024.

The Airport is committed to achieving ACA Level 7 and climate neutrality by 2035. To this end, in 2024, Riga Airport updated its Net Zero Roadmap 2050 to 2035. Key actions to achieve the targets:

- purchase of renewable energy;
- renewable energy generation;

- replacement of heating equipment;
- increasing energy efficiency;
- replacement of internal combustion engine machinery;
- credit purchase for CO2 sequestration projects.

In 2024, RIX Riga Airport also continued work on a number of infrastructure projects to reduce Scope 1 and Scope 2 CO<sub>2</sub> emissions:

- Riga Airport and the Lithuanian airports company Lietuvos oro uostai, in a joint EU co-funded project "Establishment of electricity supply and charging infrastructure in the Baltic airports in North Sea-Baltic CNC/TEN-T Corridor for the transition to environmentally friendly operations", are modernising the airfield electricity supply systems. In 2024, an electricity supply substation was constructed, charging points were installed and a 348 kW solar panel park was set up. The project is expected to be completed in Q1 2025.
- Riga Airport commissioned its first solar panel park with a capacity of 701 kW at the beginning of 2024 and its second solar panel park with a capacity of 348 kW at the end of the year. In 2024, Riga Airport generated a total of 612 MWh of electricity using solar energy. In 2024, the share of renewable electricity generated by Riga Airport accounted for 3.41% of the total airport consumption.
- Designing of the project "Design, author supervision and construction of a solar panel park on the roof of the North Pier of Riga Airport" is in progress and the deadline for the approval of the construction design is Q2 2025. An application for a loan with a capital rebate has been submitted to the Development Finance Institution Altum that will be granted after the project has been implemented and the project objectives achieved.

In 2024, work continued on the Riga Airport Noise Action Plan, involving a wide range of stakeholders. Riga Airport organised public information on the draft Noise Action Map by holding three face-to-face meetings in the Imanta area of Riga, in the villages of Piņķi and Jaunmārupe in Mārupe municipality. The comments provided by the citizens were assessed and taken into account in refining the draft Airport Noise Action Plan, which was approved by the Board of Riga Airport on 5 December 2024.

Achieving environmental sustainability goals is closely linked to research, innovation and technology, the reason why Riga Airport is involved in international research and development projects:

- To promote the reduction of emissions, the fulfilment of European climate goals and the preparation for the introduction of hydrogen technologies in aviation, in 2024, within the framework of the flagship project "BSR HyAirport" under the Interreg Baltic Sea Region Transnational Cooperation Programme, Riga Airport completed a feasibility study on the legal framework for the introduction of hydrogen in airport operations, started an analysis of the possibilities of introducing hydrogen-powered equipment and participated in the development of the project's joint procurement documentation for the engagement of consultants - experts in hydrogen implementation.
- In the *Horizon Europe* project "Integration and Digital Demonstration of Low-emission Aircraft Technologies and Airport Operations", Riga Airport continued the implementation of activities, compiling and producing information on population distribution, aircraft flight paths, flight forecasts, neighbourhood buildings and other data as requested by project partners.

Riga Airport's sustainability achievements and assessments in 2024:

- Diamond Category in the Sustainability Index maintained;
- Riga Airport joined the Business Sustainability Council that brings together 15 companies to deepen understanding of sustainability practices and work together to create a more sustainable business environment in Latvia;
- Gold Status in the Diversity Assessment (Society Integration Foundation) awarded;
- Family Friendly Workplace status (Society Integration Foundation) maintained;
- Mārupe Entrepreneurs Annual Reward for contribution to education in the municipality;
- Acknowledgement at the Autism Good Practice Conference.

### **Risk management**

To ensure that its service volumes return to pre-pandemic levels and that strategic objectives are met, the Airport continues to monitor the following risks:

- geopolitical instability, including, in addition to the war in Ukraine started by Russia and the related closure of airspace and restrictive measures adopted by the European Union, the military conflict in the Gaza Strip and the related reduction of flights to Israel and the Middle East, and its direct and indirect impact;
- adverse price fluctuations/changes in services, products and commodities (e.g. more expensive construction projects);
- decrease in Riga Airport's competitiveness in the region due to external conditions, e.g. increase in aviation charges that might result in inability to secure new destinations, attract additional airlines/cargo carriers.

### **State aid**

In 2023, the Airport started obtaining the necessary approvals to ensure the termination of the State aid participation, received in June 2021 in accordance with the European Commission Decision of 8 March 2021 in State aid case SA.57756 (2021/N) – Latvia COVID-19: Recapitalisation of Riga International Airport.

For the Airport to be able to implement the termination of the investment participation of the state aid instrument, in accordance with the strategy of the Airport for the termination of the said instrument, considered at the Cabinet meeting on 22 June 2022, an independent audit firm was engaged to perform an assessment of the market value of the recipient of the state aid as at 31 December 2023.

The independent assessment concluded that as compared to the estimated average market value of the Airport's shares (equity) determined on 30 April 2020, the average market value of the Airport's shares (equity) as at 31 December 2023 had increased, with which it is considered that the Airport has implemented the termination of participation in the state aid investment instrument as at 31 December 2023.

On 20 August 2024, the Cabinet took note of the informative report prepared by the Ministry of Transport "On the termination of the participation in the state aid investment instrument (for covering the losses caused by the Covid-19 crisis, overcoming the economic crisis and stabilising the industry) granted to SJSC Riga International Airport by 31 December 2023". 31 December 2023 is considered the termination date of the completion of the state aid instrument.

### **Subsequent events**

At the beginning of 2025, Air Baltic Corporation AS, major client of the Airport, announced a planned reduction in the number of flights in the summer season of 2025. The Airport has assessed the impact of the reduced volumes on the planned revenues and will take compensatory measures to reduce costs.

On 13 January 2025, UAVs were visually detected in the vicinity of Riga Airport and the runway was closed 3 times for approximately 10-30 minutes to ensure a high level of security.

Since 2022, Riga Airport, in cooperation with the relevant state authorities and in accordance with their recommendations, has strengthened the protection of critical infrastructure, and together with the state services, has tested UAV countermeasure equipment for use at the airfield and its impact on air traffic. In autumn 2024, Riga Airport received the UAVs purchased under the procurement procedure; they are intended to be used for airfield patrol, identification and counteraction of unauthorised UAVs, and the staff has been trained, i.e. UAV pilots. Work is currently underway in cooperation with AS Latvijas gaisa satiksme (Latvian Air Traffic) to modify the existing airfield and flight procedures and develop new procedures to safely integrate patrol UAV flights into daily airfield operations.

In February 2025, the Airport signed a contract for the purchase of UAV detection equipment was installed at the end of March.

In order to strengthen the protection of critical infrastructure, procurement documentation (technical specification) for the provision of a complex facility is currently being developed in cooperation with government departments and other relevant institutions. The Airport will need a preliminary investment of EUR 5 million to purchase it.

As of the last day of the reporting year there have been no material events that could affect the financial statements.

## Key financial and performance indicators

KPI	2024	2023
Number of passengers	7 116 829	6 630 891
Cargo handled, tonnes	18 794	19 160
Departure punctuality, %	98,85 %	99,33 %
Revenue, EUR	77 628 572	72 500 788
EBITDA*, EUR	11 165 131	8 139 719
Profit (loss), EUR	3 441 352	1 612 140
Equity, EUR	89 447 745	86 006 394
Net operating cash flow, EUR	17 402 251	10 105 100
Investments, EUR	16 224 745	9 600 679
Total liquidity ratio **	1,40	0,97
Equity in the balance sheet, %	47,20 %	49,12 %
Liabilities to equity**, %	57,79 %	52,26 %
* EBITDA – earnings before interest, tax, depreciation and amortisation		
** Liabilities adjusted for deferred income		

The Board of SJSC Riga International Airport at the date of the annual report:

Laila Odiņa	Chairperson of the Board
Artūrs Saveljevs	Board Member
Normunds Feierbergs	Board Member

The Supervisory Board of SJSC Riga International Airport at the date of the annual report:

Juris Kanels	Chairman of the Supervisory Board
Elīna Salava	Member of the Supervisory Board

\_\_\_\_\_  
Laila Odiņa

Chairperson of  
the Board

\_\_\_\_\_  
Artūrs Saveljevs

Board Member

\_\_\_\_\_  
Normunds  
Feierbergs

Board Member

This document is signed electronically with a safe electronic signature and contains a time stamp.

11 April 2025

## Statement of management responsibility

The Board of the Airport is responsible for the preparation of the Airport's financial statements.

The financial statements set out on pages 11 to 55 have been prepared on the basis of the supporting documents and give a true and fair view of the financial position of the Airport as at 31 December 2024 and of the results of its operations, changes in equity and reserves and cash flows for the year ended 31 December 2024. The management report set out on pages 4 to 9 presents a true and fair view of the Airport's financial performance for the reporting period and future prospects.

The above financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the European Union on a going concern basis. Appropriate accounting policies have been consistently applied during the reporting period. During the preparation of the financial statements the management has made prudent and reasonable judgements and estimates.

The management of the Airport is responsible for ensuring an adequate accounting system, the preservation of assets and the detection and prevention of fraud and other irregularities committed at the Airport. Likewise, it is responsible for compliance with the legislative requirements of the Republic of Latvia.

<hr/> Laila Odiņa	<hr/> Artūrs Saveļjevs	<hr/> Normunds Feierbergs
Chairperson of the Board	Board Member	Board Member

This document is signed electronically with a safe electronic signature and contains a time stamp.

11 April 2025

## Statement of comprehensive income

EUR

	Notes	2024	2023
Revenue	3	77 628 572	72 500 788
Government and EU grants	4	5 222 833	5 388 358
Staff costs	5	(45 988 101)	(42 162 738)
Depreciation and amortisation	6	(12 351 681)	(11 690 860)
Operating expenses	7	(20 475 340)	(22 198 048)
Operating income	8	534 698	817 657
Other expenses	9	(776 240)	(581 959)
<b>Operating profit/(loss) before financial items</b>		<b>3 794 741</b>	<b>2 073 199</b>
Finance income	10	159 303	195 756
Finance costs	11	(512 692)	(656 815)
<b>Profit before corporate income tax</b>		<b>3 441 352</b>	<b>1 612 140</b>
<b>Corporate income tax</b>		<b>-</b>	<b>-</b>
<b>Net profit for the reporting year</b>		<b>3 441 352</b>	<b>1 612 140</b>
<b>Total comprehensive income for the reporting year</b>		<b>3 441 352</b>	<b>1 612 140</b>

The accompanying notes on pages 16 through 55 form an integral part of these financial statements.

## Statement of financial position

### Assets, EUR

	Notes	31.12.2024	31.12.2023
<b>Non-current assets</b>			
Intangible assets	12	1 581 517	1 484 712
Property, plant and equipment	13	150 691 300	145 880 077
Right-of-use assets	14	18 644	69 977
Other receivables	18	1 696 497	-
Investment properties	15	1 286 823	1 040 491
<b>Total non-current assets</b>		<b>155 274 781</b>	<b>148 475 257</b>
<b>Current assets</b>			
Inventories	16	2 390 946	1 304 176
Trade receivables	17	8 370 811	10 493 945
Other receivables	18	1 512 344	5 785 444
Prepaid expense	19	698 046	677 914
Cash and cash equivalents	20	21 263 090	8 340 061
<b>Total current assets</b>		<b>34 235 237</b>	<b>26 601 540</b>
<b>Total assets</b>		<b>189 510 018</b>	<b>175 076 797</b>

The accompanying notes on pages 16 through 55 form an integral part of these financial statements.

## Statement of financial position (cont'd)

### Equity and liabilities, EUR

	Notes	31.12.2024	31.12.2023
<b>Equity</b>			
Share capital	21	68 347 231	68 347 231
Reserves:			
other reserves	22	25 183 928	25 183 928
Retained earnings		(4 083 414)	(7 524 766)
<b>Total equity</b>		<b>89 447 745</b>	<b>86 006 394</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans from credit institutions and other loans	23	26 897 156	17 686 641
Deferred income	24	41 935 856	38 426 906
Accrued liabilities	26	403 198	-
<b>Total non-current liabilities</b>		<b>69 236 210</b>	<b>56 113 547</b>
Loans from credit institutions and other loans	23	4 589 762	11 092 959
Trade payables		6 381 809	4 450 718
Other liabilities	25	3 188 866	4 250 340
Deferred income	24	6 436 015	5 700 426
Accrued liabilities	26	10 229 611	7 462 413
<b>Total current liabilities</b>		<b>30 826 063</b>	<b>32 956 856</b>
<b>Total liabilities</b>		<b>100 062 273</b>	<b>89 070 403</b>
<b>Total equity and liabilities</b>		<b>189 510 018</b>	<b>175 076 797</b>

The accompanying notes on pages 16 through 55 form an integral part of these financial statements.

## Statement of cash flows

EUR

	Notes	2024	2023
<b>Cash flow to/from operating activities</b>			
Profit or loss before corporate income tax		3 441 352	1 612 140
<i>Adjustments:</i>			
Depreciation and amortisation	12,13,14,15	12 351 883	11 692 764
Amount included in the reporting year's revenue from national and EU-funded projects	4	(5 222 833)	(5 350 346)
Government compensation for electricity costs		-	252 328
Property, plant and equipment acquired for no consideration included in income for the year		(75 102)	(75 068)
Expensed construction in progress		-	527 031
Increase in accrued liabilities		3 473 077	1 716 090
Gain on disposal of property, plant and equipment		-	46 966
Interest income	10	(159 303)	195 756
Interest expense	11	506 152	(656 815)
<b>Changes in working capital</b>			
(Increase) in inventories		(1 086 770)	(257 777)
(Increase) in trade receivables		59 292	(1 397 116)
Decrease in other receivables and prepaid expense		164 435	606 642
(Decrease)/increase in payables		4 496 923	(1 850 679)
Increase/(decrease) in deferred income		(546 855)	2 999 777
<b>Cash generated from operations</b>			
		17 402 251	10 105 100
Interest paid		(654 554)	(648 640)
Interest received		154 030	195 756
<b>Net cash flows to/from operating activities</b>			
		16 901 727	9 652 216
Government and EU funding projects		10 708 276	2 039 859
Purchase of intangible assets	12	(574 364)	(406 018)
Purchase of property, plant and equipment		(15 600 390)	(21 144 988)
<b>Net cash flows to/from investing activities</b>			
		(5 466 478)	(19 511 147)
Proceeds from borrowings	23	25 200 000	372 000
Proceeds from leaseback	23	4 665 215	82 400
Repayment of borrowings	23	(28 015 462)	(3 120 199)
Payment of lease liabilities	23	(361 973)	(156 785)
<b>Net cash flows to/from financing activities</b>			
		1 487 780	(2 822 584)
<b>Net cash flow for the year</b>			
		12 923 029	(12 681 515)
<b>Cash and cash equivalents at the beginning of the year</b>			
		8 340 061	21 021 576
<b>Cash and cash equivalents at the end of the year</b>			
	20	21 263 090	8 340 061

The accompanying notes on pages 16 through 55 form an integral part of these financial statements.

## Statement of changes in equity

EUR

	Share capital	Other reserves	Retained earnings	Total
<b>Balance as at 31 December 2022</b>	<b>68 347 231</b>	<b>25 188 002</b>	<b>(9 136 906)</b>	<b>84 398 327</b>
Excluded from reserves	-	(4 073)	-	(4 073)
Total comprehensive income for the reporting year	-	-	1 612 140	1 612 140
<b>Balance as at 31 December 2023</b>	<b>68 347 231</b>	<b>25 183 929</b>	<b>(7 524 766)</b>	<b>86 006 394</b>
Total comprehensive income for the reporting year	-	-	3 441 352	3 441 352
<b>Balance as at 31 December 2024</b>	<b>68 347 231</b>	<b>25 183 929</b>	<b>(4 083 414)</b>	<b>89 447 745</b>

The accompanying notes on pages 16 through 55 form an integral part of these financial statements.

## Notes to the financial statement

### 1. Corporate information

The state-owned joint stock company Starptautiskā lidosta Rīga (Riga International Airport) (hereinafter - the Company) was established in 1997 by transforming the State Airports Company Riga, registered with the Enterprise Register of the Republic of Latvia in 1991. The Company is registered in the Commercial Register of the Republic of Latvia as a state-owned joint stock company. The registered office of the Company is "Lidosta Rīga 10/1", Riga Airport, Mārupe pagasts, Mārupe municipality, LV-1053, Latvia. Its sole shareholder is the Republic of Latvia.

The key lines of business are:

- Aviation operations, including:
  - handling aircraft, passengers and cargo;
  - airport terminal services;
  - aircraft technical maintenance, airfield technical operation;
- Non-aviation operations, including:
  - lease of real estate;
  - providing of public utility services;
  - car park services;
  - concession services;
  - handling business passengers;
  - advertising services.
- Ensuring civil aviation safety, rescue and medical assistance at Riga International Airport.

These financial statements were authorised for issue by the Board and the Supervisory Board on 11 April 2025. At the date of signing the financial statements the Members of the Company Board included Laila Odiņa (Chairperson of the Board since 16 April 2021), Artūrs Saveljevs (since 13 September 2022) and Normunds Feierbergs (since 10 November 2021). At the date of signing the financial statements the Members of the Supervisory Board were Juris Kanels (Chairman of the Supervisory Board since 17 May 2021) and Elīna Salava (Member of the Supervisory Board since 7 July 2021).

The Company auditor is the commercial firm of certified auditors SIA Ernst & Young Baltic and the responsible certified auditor is Dace Negulinere.

### 2. Summary of material accounting policies

These financial statements are prepared using the accounting policies and measurement principles set out below.

#### **(a) Statement of compliance and accounting and measurement principles**

The financial statements of Riga International Airport are prepared in accordance with IFRS Accounting Standards as adopted by the European Union (EU) and effective at the reporting date.

#### *Going concern*

In 2024, the Company's profit was EUR 3 441 352. As of 31 December 2024, the Company's short-term liabilities, less the short-term part of the deferred income, which will not require the outflow of financial resources, amounted to EUR 24 390 048, while current assets on 31 December 2024 amounted to EUR 34 235 237.

The financial statements are prepared on the basis that the Company will continue to be a going concern.

*Accounting and measurement principles*

The financial statements are prepared on a historical cost basis. The Company's financial assets and liabilities are stated at amortised cost using the effective interest method. The effective interest rate is the rate that directly discounts estimated future payments and receivables through the expected life of the financial asset or liability. In calculating the effective interest rate, the Company estimates future cash flows taking into account all contractual terms of the financial instruments.

The amounts included in the financial statements are presented in the official currency of the Republic of Latvia - euro, which is the functional currency of the Company

To prepare financial statements in accordance with IFRS, management is required to make estimates and assumptions that affect the balances of certain items reported in the statement of financial position and the consolidated income statement, as well as the potential amount of liabilities. Future events may influence the assumptions on which these estimates are based. Any impact from changes in estimates is reflected in the financial statements in the period in which the changes are made. Although these estimates are based on comprehensive information available to management regarding current events and activities, actual results may differ from these estimates.

The Company made changes to its accounting estimates for provisions for holiday costs and post-employment benefits, taking into account current data on employee remuneration, usage trends and other relevant factors. These changes have been made on the basis of new assumptions and current information to ensure more accurate and reliable preparation of financial statements.

In the preparation of the 2024 financial statements other accounting policies used in the preparation of the 2023 financial statements remained unchanged.

In the reporting year, the following amendments to standards that did not have a material impact on the Company's financial statements became effective and were adopted for use in the EU as of 1 January 2024:

- IFRS 16 Leases: Lease Liability in a Sale and Leaseback (Amendments): The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The amendments are intended to improve the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction in IFRS 16, while it does not change the accounting for leases unrelated to sale and leaseback transactions. Under the amendments, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use it retains. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease. The amendments apply retrospectively to sale and leaseback transactions entered into after the date of initial application, being the beginning of the annual reporting period in which an entity first applied IFRS 16.
- IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments): The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and are applied retrospectively. The objective of the amendments is to clarify the principles in IAS 1 for the classification of liabilities as either current or non-current. The amendments clarify the meaning of a right to defer settlement, the requirement for this right to exist at the end of the reporting period, that management

intent does not affect current or non-current classification, that options by the counterparty that could result in settlement by the transfer of the entity's own equity instruments do not affect current or non-current classification. Also, the amendments specify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification. Additional disclosures are also required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied within twelve months after the reporting period.

- IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosures - Supplier Finance Arrangements (Amendments): The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The amendments supplement requirements already in IFRS and require an entity to disclose the terms and conditions of supplier finance arrangements. Additionally, entities are required to disclose at the beginning and end of reporting period the carrying amounts of supplier finance arrangement financial liabilities and the line items in which those liabilities are presented as well as the carrying amounts of financial liabilities and line items, for which the finance providers have already settled the corresponding trade payables. Entities should also disclose the type and effect of non-cash changes in the carrying amounts of supplier finance arrangement financial liabilities, which prevent the carrying amounts of the financial liabilities from being comparable. Furthermore, the amendments require an entity to disclose at the beginning and end of the reporting period the range of payment due dates for financial liabilities owed to the finance providers and for comparable trade payables that are not part of those arrangements.

The following amendments to standards or their interpretations that could have an impact on the Company's financial statements and whose impact is currently assessed by the Company management but whose initial estimates indicate that it will not be material will become effective for reporting periods beginning on or after 1 January 2025:

- IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments): The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.
- IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (Amendments): The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early adoption of amendments related to the classification of financial assets and the related disclosures is permitted, with the option to apply the other amendments at a later date. The amendments clarify that a financial liability is derecognised on the 'settlement date', when the obligation is discharged, cancelled, expired, or otherwise qualifies for derecognition. They introduce an accounting policy option to derecognise liabilities settled via electronic payment systems before the settlement date, subject to

specific conditions. They also provide guidance on assessing the contractual cash flow characteristics of financial assets with environmental, social, and governance (ESG)-linked features or other similar contingent features. Additionally, they clarify the treatment of non-recourse assets and contractually linked instruments and require additional disclosures under IFRS 7 for financial assets and liabilities with contingent event references (including ESG-linked) and equity instruments classified at fair value through other comprehensive income.

- IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity (Amendments): The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The amendments include clarifying the application of the 'own-use' requirements, permitting hedge accounting if contracts in scope of the amendments are used as hedging instruments, and introduce new disclosure requirements to enable investors to understand the impact of these contracts on a company's financial performance and cash flows. The clarifications regarding the 'own-use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application.
- IFRS 18 Presentation and Disclosure in Financial Statements: IFRS 18 introduces new requirements on presentation within the statement of profit or loss. It requires an entity to classify all income and expenses within its statement of profit or loss into one of the five categories: operating; investing; financing; income taxes; and discontinued operations. These categories are complemented by the requirements to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards. IFRS 18 is effective for reporting periods beginning on or after January 1, 2027, with earlier application permitted. Retrospective application is required in both annual and interim financial statements.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures: IFRS 19 permits subsidiaries without public accountability to use reduced disclosure requirements if their parent company (either ultimate or intermediate) prepares publicly available consolidated financial statements in compliance with IFRS accounting standards. These subsidiaries must still apply the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. IFRS 19 is effective for reporting periods beginning on or after January 1, 2027, with early application permitted.
- Annual Improvements to IFRS Accounting Standards – Volume 11: The IASB's annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRS. In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11. An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. The Annual Improvements to IFRS Accounting Standards - Volume 11, includes amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7. These amendments aim to clarify wording, correct minor unintended consequences, oversights, or conflicts between requirements in the standards.

Impact of the amendments is currently assessed by the Company management but whose initial estimates indicate that it will not be material

***(b) Financial instruments***

*Classification of financial instruments*

The Company's financial instruments consist of financial assets (financial assets at amortised cost) and financial liabilities (financial liabilities at amortised cost). The classification of debt instruments depends both on the Company's business model for managing financial assets and whether the cash flows are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the asset give rise to cash flows that are solely payments of principal and interest on the principal amount. Debt instruments with cash flows that are SPPI are classified and measured at fair value through other comprehensive income (FVOCI) if they are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss (FVPL), irrespective of the business model (e.g., derivative financial instruments).

*Recognition and derecognition*

Financial assets are recognised when the Company becomes a party to the contract and has fulfilled the conditions of the transaction, i.e., on the trade date.

A financial asset is derecognised when the Company's contractual rights to the asset's cash flows expire or when the Company has transferred the asset or substantially all the risks and rewards of ownership. All regular way purchases and sales of financial assets are recognised on the trade date, i.e., the date that the Company commits to purchasing or selling the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

*Measurement*

When financial instruments are recognised initially, they are measured at fair value plus, in the case of financial assets and liabilities at amortised cost, transaction costs that are directly attributable to the acquisition of the financial instrument.

*Financial assets at amortised cost*

Financial assets at amortised cost are debt instruments and whose future cash flows consist solely of payments of principal and interest. Financial assets at amortised cost include trade and other receivables, receivables from related companies as well as cash and cash equivalents. The above assets are classified as current if their maturity is one year or less; in case this period exceeds one year, they are reported as non-current assets. Current receivables are not discounted.

Financial assets at amortised cost are initially recognised at transition price and subsequently carried at amortised cost using the effective interest method less any impairment allowance.

*Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less; and short-term highly liquid deposits that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. Cash and cash equivalents are held for the purpose of meeting short-term cash commitments.

#### *Impairment of financial assets at amortised cost*

Impairment is measured and recognised using the expected credit loss (ECL) model, i.e., a three-step approach based on changes in credit quality since initial recognition. Upon initial recognition of a financial asset, ECLs are provided for credit losses that result from potential events of default within the next 12-months (a 12-month ECL) also in the event there are no indicators of impairment (for trade receivables, a lifetime ECL is recognised). If there has been a significant increase in credit risk, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL rather than a 12-month ECL). For trade receivables, the model allows for a simplified approach.

The Company has applied the practical expedient permitted by IFRS 9 for the measurement of trade receivables, namely, they are grouped by credit quality and days past due, with an ECL rate applied to each group. The ECL rates are estimated taking into account the payment history of the last three years, adjusted to consider current and forward-looking information.

The ECL allowance is taken to separate allowance account, and the loss is recognised in the statement of profit or loss. If, in a period subsequent to the impairment recognition, the amount of the loss decreases which can be related objectively to an event occurring after impairment was recognised (e.g., the debtor's credit rating improves), a reversal of the previously recognised impairment loss is presented in the statement of profit or loss.

#### *Financial liabilities at amortised cost*

Financial liabilities at amortised cost comprise loans from credit institutions, other loans, trade payables and other liabilities and payables to related companies.

Financial liabilities at amortised cost are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method. Financial liabilities at amortised cost are classified as current if their maturity is one year or less. If the maturity is longer than one year, they are reported as non-current liabilities.

#### *Borrowings*

All borrowings are initially recognised at cost, net of issue costs associated with the borrowing. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest method. The difference between the amount of cash received, net of borrowing costs, and the amortisations is gradually charged to the statement of profit or loss using the effective interest rate of the borrowing. This difference is recognised under finance charges.

Borrowings are classified as current liabilities unless the Company has a right to defer settlement for at least 12 months after the reporting date.

#### *Offsetting of financial assets and liabilities*

Financial assets and financial liabilities are offset and the net amount reported on the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### **(c) Foreign currency translation**

Transactions in foreign currencies are translated into the euro at the euro foreign exchange reference rate based on a regular daily concertation procedure between central banks of the European System of Central Banks and other central banks and which is published on the European Central Bank's website.

On the last day of the reporting year all monetary assets and liabilities were translated into euro in accordance with the rates published on the European Central Bank's website.

	<b>31.12.2024</b>		<b>31.12.2023</b>
	<b>EUR 1</b>		<b>EUR 1</b>
<u>USD 1</u>	1.03890	<u>USD 1</u>	1.10500
		<u>GBP 1</u>	0.86905

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

***(d) Intangible assets***

Intangible assets (software licences) acquired by the Company that have a finite useful life are stated at cost less accumulated amortisation and impairment losses.

Subsequent expenditure on intangible assets is capitalised only if it increases the future economic benefits embodied in the asset to which it relates. All other expenditure is written off to profit or loss as incurred.

Amortisation of intangible assets is recognised in profit or loss on a straight-line basis over their estimated useful lives of 5 years since the date they are brought into use.

***(e) Property, plant and equipment***

Property, plant and equipment (further also – PPE) are stated at cost or deemed cost less accumulated depreciation (see below) and any impairment in value. Cost includes expenditure that is directly attributable to the acquisition of an asset. Purchased computer software that is closely related to the functionality of the equipment is capitalised as part of that equipment.

Expenses related to leasehold improvements are capitalized as property, plant and equipment and depreciated over the lease period on a straight-line basis.

Where the useful lives of certain items of property, plant and equipment differ, they are accounted for as separate components of property, plant and equipment.

The cost of replacing an item of property, plant and equipment is recognised at its present value if it is probable that the future economic benefits embodied in the item will flow to the Company and the cost can be measured reliably. The day-to-day maintenance costs of property, plant and equipment are recognised in profit or loss as incurred

Any gain or loss on the disposal or retirement of an asset is measured as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

***Construction in progress***

Construction in progress includes costs directly attributable to the construction of property, plant and equipment, including an appropriate share of directly attributable variable overheads incurred during the construction, borrowing costs. Interest and other borrowing costs are capitalized in proportion to the value of the construction-in-progress asset during its construction or development phase. Interest incurred after placing the asset in service is not capitalized but is expensed in the statement of profit or loss for the reporting period. Depreciation of these assets, as for other items of property, plant and equipment, is calculated when they are ready for their intended use. Construction in progress is evaluated on a regular basis to determine whether the carrying amount reported is correct and adequate impairment

allowances have been made. If in the reporting year the Company decides not to implement a technical project in progress, its cost is expensed in that reporting year.

*Impairment of other non-financial assets*

The Company assesses at each balance sheet date whether there is any indication that property, plant and equipment and intangible assets might be impaired. If it is determined that such indications exist, the asset's recoverable amount is estimated.

An impairment loss is recognised when the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generate cash inflows that are independent of the cash inflows from other assets or groups of assets. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets included in that unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit, for which the estimates of future cash flows are not adjusted.

Impairment losses recognised in prior periods are reviewed at each reporting date to assess whether there is an indication that an impairment loss may no longer exist or may have decreased. An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. The reversal of impairment loss is limited so that the carrying amount of the asset does not exceed its recoverable amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

**(f) Investment properties**

Investment properties consist of investments in land and buildings that are held to earn rentals or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

Investment properties are measured initially at cost, including transaction costs, less accumulated depreciation and any accumulated impairment in value.

In cases where the property is used both for the economic activity of the Company and is leased to third parties on market terms, the share of the investment property is determined on the basis of the proportion of use of the relevant area and the economic essence. The entire value of the property is classified according to the dominant purpose of the use (i.e. if more than 50% of the property is used for the purposes of the Company, the property is not classified as investment property).

Depreciation of investment property is charged to profit or loss and is calculated on a straight-line basis over the estimated useful life of the investment property, with buildings depreciated at a rate of between 5% and 20% per annum. Land is not depreciated.

Investment properties are derecognised when either they have been disposed of or when an investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development.

**(g) Inventories**

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Cost is determined on a FIFO (first in, first out) basis.

Impairment allowances are made for obsolete, slow-moving or damaged inventories, where necessary. The amount of the allowance is included in the statement of profit or loss.

**(h) Share capital and dividends/ payments for the use of the state capital**

The share of profit for the reporting year is to be paid out in dividends according to Cabinet Regulation No 72 "Procedures for forecasting, setting the amount of and paying for the use of public/State capital" dated 25 January 2022, and the Law On the State Budget 2025 and the Budgetary Framework for 2023, 2024 and 2025., the dividends shall be calculated and determined by the Company at the rate of 64% of net profit, unless otherwise specified in the medium-term strategy of the capital company and in the State Budget Law for the current year in accordance with Chapter II of the above-mentioned Cabinet Regulation. The decision on the use of profits and the amount of dividends is taken by the shareholders' meeting of AS "Riga International Airport".

Based on Paragraph 11 of Cabinet Order No 366<sup>1</sup> (Minutes No 45, § 76), dated 2 June 2021, the Airport shall comply with the conditions set out in the European Commission Decision of 8 March 2021 in Case SA/57756 (2021/N) - Latvia COVID-19: Recapitalisation of Riga International Airport that imposes restrictions on dividend payments until the Airport has implemented the termination of the State's participation.

On 20 August 2024, the Cabinet took note of the informative report "Termination of participation in the state aid instrument (for covering losses caused by the crisis caused by Covid-19, overcoming the economic crisis and stabilizing the sector) granted to Riga International Airport as of 31 December 2023".

**(i) Other reserves**

After the approval of each annual report, the shareholders' meeting decides on the distribution of the profit for the year. The shareholders' meeting may resolve to transfer a part of the Company profit after tax to the reserve capital. For this purpose, an item 'Other reserves' has been created under equity.

**(j) Leases**

*The Company as a lessee*

The Company assesses at contract inception whether a contract is, or contains, a lease. The Company recognizes the right-of-use asset and corresponding lease liability for all leases in which it acts as the lessee, except for short-term leases (where the lease term is 12 months or less) and leases of low-value assets. At the commencement date, a lessee measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee applies its incremental borrowing rate. The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;

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<sup>1</sup> Amendments to Cabinet Order No 219 "On increase of share capital of SJSC Riga International Airport, dated 23 April 2020.

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received un any initial direct costs incurred by the lessee. They are subsequently measured at cost, less accumulated depreciation and any impairment losses. Right-of-use assets are depreciated over the lease term. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

#### *The Company as a lessor*

The Company, as a lessor, has only operating lease agreements. Lease income is recognized based on the lease payment amount specified in each lease agreement and on a straight-line basis over the lease term.

#### **(k) Revenue from contracts with customers**

Revenue from contracts with customers is recognised at the fair value of consideration received or receivable. Revenue from contracts with customers is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and when specific criteria are met for each of the Company's activities, as set out below.

The Company does not have any contracts with a customer that have a settlement period exceeding one year and, accordingly, the Company does not make adjustments to reflect the changes in time value of money. The following specific revenue recognition criteria must also be met:

Revenue is recognised in the period when the services are rendered, less any discounts granted.

#### *Aviation services*

Ground handling services are provided on the basis of international standards IATA and IATA AHM, as well as the conditions included in contracts with customers—air carriers. Aircraft handling includes passenger handling, baggage handling, cargo and mail handling, ground handling services and other services requested by the flight crew. Aviation service revenue also includes security and rescue charges, aircraft take-off/landing charges and passenger service charges.

Revenue from centralized infrastructure services includes the use of the Company's infrastructure elements.

#### *Non-aviation revenue*

Revenue from the lease of land and premises is generated through lease agreements for specific areas of land or premises which are part of the Company owned areas or buildings.

The Company provides utility services to businesses operating within its territory under signed contracts which may include the provision of electricity sales and distribution, heat supply,

water supply and sewage disposal, municipal waste removal, and the removal of hazardous and environmentally hazardous waste.

Revenue from advertising services is generated through contracts for the sale of advertising space in the Company released materials or for the placement of advertisements on the Company's premises.

Revenue from VIP centre services includes VIP passenger handling for departures and arrivals, as well as VIP lounge rental. VIP passenger handling is provided in a separate VIP centre terminal, which features separate security control, border control, and customs control infrastructure. Services include processing passenger travel documents (check-in, baggage handling), providing comfortable waiting areas with personalized passenger service, and arranging individual transfers to the aircraft.

Revenue from parking services is generated from the use of short-term, long-term, and employee parking facilities.

The Company has entered into a number of long-term contracts for the supply of aircraft fuel and aircraft de-icing services. Fee income is accounted for throughout the life of the contracts on a straight-line basis.

Revenue is recognized at the time of provision of the service.

***(l) Government and EU grants***

Government co-financing and EU funds are recognized at their fair value when there is sufficient certainty about their receipt and it can be reliably stated that the Company will be able to fulfil all conditions related to the receipt of these funds.

Government and European Union grants are recognised as income under the following conditions:

Grants received from the State budget and used to cover maintenance costs in the reporting year are included in the reporting year's income. The unused part of the grant is presented as deferred revenue.

Government and EU grants attributable to assets (property, plant and equipment) are presented in the statement of financial position under deferred income and recognised in profit or loss periodically in proportion to the depreciation of the assets (property, plant and equipment) over their useful lives.

***(m) Finance income and expense***

Finance income and expense comprise interest payments on borrowings calculated using the effective interest method, interest received on invested funds and gains or losses on foreign exchange rate fluctuations. Interest income is recognised in profit or loss as it accrues, using the effective interest method. Interest expense on finance lease payments is recognised in profit or loss to achieve a constant rate of interest on the remaining balance of the liability.

***(n) Related parties***

Parties are considered related if one party has the ability to control the other or exercises significant influence over the other in financial and operational decision-making. Ordinary trade transactions with the Latvian government, including ministries and state agencies, as well as transactions with state-controlled companies and public service providers, are not classified as related party transactions and are not subject to related party disclosure requirements.

The following persons are deemed to be related parties of the Company:

- a) a party that directly or indirectly controls, is controlled by, or is under common control with the Company;
- b) a party is an associate of the Company;
- c) the Company is a member of a joint venture;
- d) members of the Company's governing bodies – the Board and the Supervisory Board;
- e) entities that are directly controlled by, or if the persons referred to in (a) or (d) exercise significant influence there;
- f) a party is an entity that is controlled, jointly controlled or substantially influenced by any of the private individuals referred to in (d) and (e) or who holds, directly or indirectly through any of the individuals referred to in (d) and (e), a substantial voting interest in such entity.

**(o) Subsequent events**

Events after the end of the reporting date that provide additional information about the Company's position at the end of the reporting period (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

**(p) Employee benefits**

*Remuneration and bonuses*

The Company recognises salary obligations, vacation pay reserve, provisions for bonuses measured as well as other costs related to the collective agreement, at the amounts expected to be paid when settling the liability. Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event.

In addition to the above, the Company recognizes a certain post-employment benefit for those employees whose employment conditions meet certain criteria in the collective agreement. Benefit liabilities are calculated annually, taking into account the existing level of salary and the number of employees who are required to receive payments. The present value of the benefit liability is determined by discounting estimated future cash flows.

*Social insurance and pension scheme contributions*

The Company makes social insurance contributions to the state funded pension scheme in accordance with the legislation of the Republic of Latvia. The state funded pension scheme is a defined contribution pension plan under which the Company is required to make contributions of a legally determined amount. The Company does not incur additional obligations (legal or constructive) to make additional payments if the State funded pension scheme is unable to settle its obligations to employees. Social insurance contributions are recognised as an expense on an accrual basis and included in staff costs.

**(r) Corporate income tax**

Corporate income tax is calculated in accordance with the Latvian tax legislation.

Corporate income tax is calculated on the distributed profits (20/80 of the net amount to be paid to shareholders). Corporate income tax is recognised on the distributed profits at the time the Company shareholder passes a resolution on profit distribution. Corporate income tax charged on distribution of profit in dividends is taken to the statement of profit or loss, otherwise to other operating expense.

**(s) Significant accounting estimates and assumptions**

The management makes estimates and assumptions about the future. Accounting estimates, by their nature, rarely agree with actual results. Estimates and assumptions that have a significant risk of causing a material adjustment to the reported amounts of assets and liabilities in future financial statements are discussed below.

*Recoverable amount and impairment*

The carrying values of property, plant and equipment are tested for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. When performing impairment tests, the management considers various estimates of the cash flows that would arise from the use, sale, maintenance and repair of assets as well as forecasts of inflation and economic conditions. In the event of a change in future circumstances, additional impairment may be recognised or previously recognised impairment may be reversed in whole or in part. The impairment losses recognised by the Company are disclosed in Note 13.

*Expected credit losses for receivables*

The Company recognises an allowance for expected credit losses (ECL) for receivables. To determine the amount of expected credit losses, the management estimates based on historical experience and adjusted for future macroeconomic forecasts are used (Note 18).

*Useful lives of property, plant and equipment*

The management estimates the useful lives of property, plant and equipment in proportion to the expected duration of use of the asset based on historical experience with similar assets and future plans. Depreciation of property, plant and equipment is recognised in profit or loss on a straight-line basis based on the estimated useful lives of the items of property, plant and equipment. Depreciation of leased property, plant and equipment is calculated over the shorter of the lease term or the useful life. Land is not depreciated.

Depreciation is calculated over the useful life applying the following depreciation rates:

Buildings and constructions	2% – 10% p.a.
Equipment and machinery	5% – 33.3% p.a.
Other PPE items	5% – 20% p.a.

*Provisions*

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of provisions to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss net of any reimbursement.

### 3. Revenue

EUR

	2024	2023
<b>Revenue from contracts with customers, recognised over time (in accordance with IFRS 15)</b>	<b>57 302 171</b>	<b>55 850 608</b>
Aviation revenue	44 868 328	43 328 932
Non-aviation revenue	12 433 843	12 521 676
<b>Other revenue (IFRS 16 )</b>	<b>20 326 401</b>	<b>16 650 180</b>
Renting premises in the terminal	16 385 075	13 503 790
Renting in the rest of the airport area***	3 506 794	2 850 803
Income from the right to refuel aviation aircraft	288 946	295 587
Rent of assets	145 586	-
<b>Total</b>	<b>77 628 572</b>	<b>72 500 788</b>

EUR

	2024	2023
<b>Aviation revenue, total</b>	<b>44 868 328</b>	<b>43 328 931</b>
Security and rescue fees *	16 468 137	13 978 057
Ground handling	9 922 880	10 829 178
Passenger service fees	8 130 380	8 643 765
Take-off/landing charges	6 368 620	4 101 616
Centralised infrastructure services	2 264 664	2 541 107
Other aviation services	1 713 647	3 235 209
<i>Including charges for providing services for disabled passengers **</i>	<i>1 344 854</i>	<i>1 252 038</i>
<b>Total non-aviation revenue</b>	<b>32 760 244</b>	<b>29 171 858</b>
Lease of premises in the terminal	16 385 075	13 503 790
Car parking services	6 037 778	5 775 956
Other lease in the airport territory ***	3 506 794	2 850 803
Public utilities	3 441 291	3 841 166
Services for business class passengers	1 344 063	1 399 781
Advertising services	662 866	553 415
Fee for the right to refuel aircraft	288 946	295 587
Other non-aviation services	1 093 431	951 359
<b>Total</b>	<b>77 628 572</b>	<b>72 500 788</b>

EUR

	2024	2023
<b>EU Statistical Classification of Economic Activities (NACE codes):</b>		
Aviation revenue (52.23)	44 868 328	42 660 663
Non-aviation revenue (68.20)	30 715 001	27 768 940
Non-aviation revenue (73.12)	662 866	553 415
Non-aviation revenue (79.90)	1 382 377	1 517 770
<b>Total</b>	<b>77 628 572</b>	<b>72 500 788</b>

\* Introduced as of 1 January 2012 by Cabinet Regulation No 823 "Regulation on Charges for Safety and Rescue Measures Provided at Airfield", dated 19 October 2011.

\*\* In accordance with Regulation (EC) No 1107/2006 of the European Parliament and of the Council of 5 July 2006 concerning the rights of disabled persons and persons with reduced mobility when travelling by air, the Company charges air carriers for the provision of the service. See Note 31.

\*\*\*Including rental income from investment property of EUR 2 652 286 (2023: EUR 2 201 115).

The revenue generated by the Company does not vary by geographical segment. All of the Company's revenue is generated in Latvia.

#### 4. Government and EU grants

Pursuant to Article 27 of the Law on Aviation, the Company provides facilities, systems and specially trained personnel to prevent acts of unlawful interference with the safety of civil aviation, and carries out a package of measures to ensure the security control of aircraft, their crews, passengers and cargo in accordance with the requirements of national and international laws and regulations. In order to ensure the performance of this function, as from 1 January 2007 the Company received a grant from the State budget in the form of a direct payment amounting to EUR 502 283 in 2024 (2023: EUR 412 218). The part of the government grant for the aviation safety used to cover maintenance costs is recognised as revenue for the reporting year. As at 31 December 2024, grant funds for the acquisition and development of non-current assets necessary for the aviation safety not recognised as revenue (presented as deferred income) totalled EUR 1 041 002 (2023: EUR 588 386).

On 27 December 2016, the Airport signed Agreement No J-16/37 with the Central Finance and Contracting Agency (Cooperation Authority) for the EU Cohesion Fund financed project "Development of Safe and Environmentally Friendly Infrastructure at Riga International Airport" No 6.1.2.0/16/I/001 for the implementation, allocation and monitoring of the funding. The objective is to improve environmental and security measures at the Airport by implementing investment projects related to mitigating environmental impacts and increasing security requirements, while contributing to achieving the climate and energy efficiency policy objectives in line with increasing sales. The project also includes activities related to the implementation of airport safety and aviation rescue functions that qualify as activities related to the exercise of public authority to ensure the improvement of civil aviation security measures.

On 28 December 2020, the Company received a direct payment of EUR 530 000 from the MoD Centre for Defence Military Sites and Procurement to provide for the improvement of the Company's infrastructure through the implementation of reconstruction works to support

military aircraft; the depreciation amount of EUR 50 134 was included in the 2024 revenue (2023: EUR 50 134).

Property, plant and equipment acquired through projects co-financed by European Union funds are subject to certain restrictions in accordance with EU regulations, regulatory enactments of the Republic of Latvia and agreements with the beneficiary.

The main conditions are as follows:

Property, plant and equipment are subject to a sustainability period, which is usually not less than five years after the implementation of the project. During this period, property, plant and equipment may not be sold, gifted, written off, transferred to third parties or changed the purpose of their use without the consent of the responsible authority.

The use of grants recognised in the statement of comprehensive income may be presented as follows:

EUR

	2024	2023
<b>Government grants for aviation safety:</b>	<b>47 925</b>	<b>32 145</b>
Depreciation of PPE purchased from grants	47 925	32 145
<b>Grants received from the Cohesion Fund:</b>	<b>5 005 871</b>	<b>5 119 387</b>
Depreciation of PPE purchased using the Cohesion Fund resources	4 084 328	4 659 688
Depreciation of PPE purchased using the funding under the EU project for development of safe and environmentally friendly infrastructure	921 543	459 699
<b>Other grants:</b>	<b>169 037</b>	<b>236 826</b>
A-CDM Riga project	102 904	102 904
Depreciation of PPE purchased from grants	65 116	95 048
ERAF funding	862	862
CINEA Project BSR HyAirport INTERREG H2	155	-
Grants from State Employment Agency and other grants from EU	-	38 012
<b>Total</b>	<b>5 222 833</b>	<b>5 388 358</b>

## 5. Staff costs

EUR

	2024	2023
<b>Total wages and salaries:</b>	<b>37 246 825</b>	<b>34 131 627</b>
Employees	36 827 954	33 636 856
Member of the Board and the Supervisory Board	418 871	494 771
<b>Total statutory social insurance contributions:</b>	<b>8 741 276</b>	<b>8 031 111</b>
Employees	8 645 473	7 917 402
Member of the Board and the Supervisory Board	95 803	113 709
<b>Total</b>	<b>45 988 101</b>	<b>42 162 738</b>

In 2024, the average number of employees of the Company was 1 437, including three Board Members (2023: 1 423, including three Board Members).

## 6. Depreciation and amortisation\*

EUR

	2024	2023
Buildings and constructions	6 815 302	7 007 794
Equipment and machinery	3 431 555	2 704 110
Other property, plant and equipment	1 591 254	1 515 310
Intangible assets	477 558	412 509
Right-of-use assets	21 970	39 545
Investment properties	14 042	11 592
<b>Total</b>	<b>12 351 681</b>	<b>11 690 860</b>

\* See Notes 12, 13, 14 and 15.

## 7. Operating expenses

EUR

	2024	2023
Public utilities	6 138 732	7 497 294
Ongoing infrastructure repairs	2 907 117	2 688 391
Communications	2 382 383	2 074 829
Materials and low-value inventory	1 884 255	2 225 429
Transport costs	1 384 268	1 540 051
Management fee*	1 086 419	1 348 058
Lease expense**	954 869	1 017 928
Health insurance	896 970	730 115
Personnel training	602 397	554 531
Security	602 064	573 786

Marketing and advertising	595 531	311 591
Insurance of movable and immovable property	426 947	344 216
Business trips	219 333	195 360
Maintenance of territory	210 680	164 107
Other external costs	183 375	932 361
<b>Total</b>	<b>20 475 340</b>	<b>22 198 048</b>

\* Incl. audit fee for the 2023 annual report of EUR 49 199 (2023: EUR 17 500).

\*\*Lease expense can be specified as follows:

EUR

	2024	2023
Lease of intangible assets	463 844	389 591
Lease of low-value assets	359 916	326 012
Short-term lease	118 578	287 102
Lease capacity	12 531	15 223
<b>Total</b>	<b>954 869</b>	<b>1 017 928</b>

## 8. Operating income

EUR

	2024	2023
Other operating income*	240 659	512 368
Penalties	206 907	213 754
Government and EU grants	72 687	46 966
Previous years' income and recovered debts	14 445	44 569
<b>Total</b>	<b>534 698</b>	<b>817 657</b>

\* Incl. net gain on disposal of property, plant and equipment of EUR 68 943 in 2024 (2023: EUR 47 569).

## 9. Other expense

EUR

	2024	2023
Real estate tax	346 662	342 981
Non-operating expense, primarily trade union events*	250 271	151 328
Other operating expense*	179 307	87 649
<b>Total</b>	<b>776 240</b>	<b>581 958</b>

\* Incl. depreciation of property, plant and equipment relating to social infrastructure of EUR 203 in the reporting year (2023: EUR 1 904), costs of social events of EUR 189 621 (2023: EUR 118 312), incl. real estate tax attributable to investment properties of EUR 34 382 in 2024 (2023: EUR 38 006).

## 10. Finance income

EUR

	2024	2023
Interest received	154 030	195 756
Net interest income from subleases	5 273	-
<b>Total</b>	<b>159 303</b>	<b>195 756</b>

## 11. Finance expense

EUR

	2024	2023
Interest on non-current loans	570 099	633 307
Interest on finance leases	76 396	18 193
Currency exchange loss, net	6 540	3 940
Interest expense on subleases	-	1 375
Capitalised loan interest expense	(140 343)	-
<b>Total</b>	<b>512 692</b>	<b>656 815</b>

## 12. Intangible assets

EUR

	Software
<b>Cost as at 31.12.2022</b>	<b>3 117 115</b>
Additions	406 018
<b>Cost as at 31.12.2023</b>	<b>3 523 133</b>
<b>Accumulated amortisation as at 31.12.2022</b>	<b>1 625 912</b>
Amortisation charge	412 509
<b>Accumulated amortisation as at 31.12.2023</b>	<b>2 038 421</b>
<b>Carrying amount as at 31.12.2022</b>	<b>1 491 203</b>
<b>Carrying amount as at 31.12.2023</b>	<b>1 484 712</b>
<b>Cost as at 31.12.2023</b>	<b>3 523 133</b>
Additions	574 364
Disposals	(135 337)
<b>Cost as at 31.12.2024</b>	<b>3 962 159</b>
<b>Accumulated amortisation as at 31.12.2023</b>	<b>2 038 421</b>
Amortisation charge	477 558
Accumulated disposals of disposals	(135 337)
<b>Accumulated amortisation as at 31.12.2024</b>	<b>2 380 642</b>
<b>Carrying amount as at 31.12.2023</b>	<b>1 484 712</b>
<b>Carrying amount as at 31.12.2024</b>	<b>1 581 517</b>

### 13. Property, plant and equipment

EUR

	Land, buildings and constructions	Equipment and machinery	Other PPE and inventory	Construction in progress	Total
<b>Cost as at 31.12.2022</b>	<b>216 384 618</b>	<b>57 891 568</b>	<b>28 274 475</b>	<b>11 266 348</b>	<b>313 817 009</b>
Additions	468 293	12 482 222	4 071 515	8 155 980	25 178 010
Reclassification from construction in progress	4 525 941	2 273 797	-	(6 799 738)	-
Reclassified from right-of-use assets	-	184 500	-	-	184 500
Reclassified from/to investment properties	52 837	-	-	-	52 837
Disposals	(58 020)	(2 686 001)	(49 553)	(527 031)	(3 320 605)
Disposals due to sale	-	(344 751)	-	-	(344 751)
Replacement part of PPE	(98 926)	(68 207)	(119 686)	-	(286 819)
<b>Cost as at 31.12.2023</b>	<b>221 274 743</b>	<b>69 733 128</b>	<b>32 176 751</b>	<b>12 095 559</b>	<b>335 280 181</b>
<b>Accumulated depreciation as at 31.12.2022</b>	<b>113 649 252</b>	<b>47 905 031</b>	<b>19 887 568</b>	<b>-</b>	<b>181 441 851</b>
Depreciation charge	7 007 794	2 704 110	1 517 214	-	11 229 118
Accumulated depreciation of disposals	(58 020)	(2 685 579)	(49 372)	-	(2 792 971)
Accumulated depreciation of sold assets	-	(344 751)	-	-	(344 751)
Reclassified from right-of-use assets	-	153 676	-	-	153 676
Replacement part of PPE	(98 926)	(68 207)	(119 686)	-	(286 819)
<b>Accumulated depreciation as at 31.12.2023</b>	<b>120 500 100</b>	<b>47 664 280</b>	<b>21 235 724</b>	<b>-</b>	<b>189 400 104</b>
<b>Carrying amount as at 31.12.2022</b>	<b>102 735 366</b>	<b>9 986 537</b>	<b>8 386 907</b>	<b>11 266 348</b>	<b>132 375 158</b>
<b>Carrying amount as at 31.12.2023</b>	<b>100 774 643</b>	<b>22 068 848</b>	<b>10 941 027</b>	<b>12 095 559</b>	<b>145 880 077</b>
<b>Cost as at 31.12.2023</b>	<b>221 274 743</b>	<b>69 733 128</b>	<b>32 176 751</b>	<b>12 095 559</b>	<b>335 280 181</b>
Additions	265 876	3 126 278	5 878 143	7 819 282	17 089 579

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Reclassification from construction in progress	2 505 978	3 786 016		(6 291 994)	-
Reclassified from right-of-use assets	-	-	163 380	-	<b>163 380</b>
Reclassified from/ to investment properties	(173 282)	-	-	-	<b>(173 282)</b>
Disposals	(310 117)	(1 138 437)	(263 660)	(209 003)	<b>(1 921 217)</b>
Disposals due to sale	-	(51 394)	(56 021)	-	<b>(107 415)</b>
Replacement part of PPE	-	(14 280)	-	-	<b>(14 280)</b>
<b>Cost as at 31.12.2024</b>	<b>223 563 198</b>	<b>75 441 311</b>	<b>37 898 593</b>	<b>13 413 844</b>	<b>350 316 946</b>
<b>Accumulated depreciation as at 31.12.2023</b>	<b>120 500 100</b>	<b>47 664 280</b>	<b>21 235 724</b>	-	<b>189 400 104</b>
Depreciation charge	6 815 302	3 431 555	1 591 457	-	<b>11 838 314</b>
Accumulated depreciation of disposals	(310 119)	(1 138 437)	(263 630)	-	<b>(1 712 186)</b>
Accumulated depreciation of sold assets	-	(51 394)	(56 021)	-	<b>(107 415)</b>
Reclassified from right-of-use assets	-	-	134 017	-	<b>134 017</b>
Reclassified from investment properties	87 092	-	-	-	<b>87 092</b>
Replacement part of PPE	-	(14 280)	-	-	<b>(14 280)</b>
<b>Accumulated depreciation as at 31.12.2024</b>	<b>127 092 375</b>	<b>49 891 724</b>	<b>22 641 547</b>		<b>199 625 646</b>
<b>Carrying amount as at 31.12.2023</b>	<b>100 774 643</b>	<b>22 068 848</b>	<b>10 941 027</b>	<b>12 095 559</b>	<b>145 880 077</b>
<b>Carrying amount as at 31.12.2024</b>	<b>96 470 823</b>	<b>25 549 587</b>	<b>15 257 046</b>	<b>13 413 844</b>	<b>150 691 300</b>

\* Reclassified from/to investment properties: land EUR 240 984 and buildings and structures EUR 87 296 reclassified from investment properties, while buildings and structures EUR 19 594 - to investment properties (2023: EUR 52 837 from investment properties) (see Note 15).

\*\* Cost: as at 31 December 2024, the total original cost of fully depreciated but still in active use property, plant and equipment was EUR 105 432 906 (2023: EUR 84 577 940).

As at 31 December 2024, land with a total area of 69.0812 ha (2023: 71.0912 ha) was a property of the Ministry of Transport of the Republic of Latvia that had been put into use by the Company for an indefinite time and was not presented in the Company's statement of financial position as the conditions of use did not meet the classification of finance lease. The

Company's property, plant and equipment are not pledged and are not subject to any other encumbrances.

In 2024, the Company capitalised loan interest expense of EUR 140 343 (Note 11). The interest expense capitalisation rate is 1.67%.

As at 31 December 2024, prepayments for construction in progress amounting to EUR 1 696 497 (2023: EUR 2 836 312) were made.

#### 14. Right-of-use assets

EUR

	Right-of-use assets	Right-of-use assets, equipment and machinery	Right-of-use assets, other PPE and inventory	Total
<b>Cost as at 31.12.2022</b>	<b>61 016</b>	<b>184 500</b>	<b>163 380</b>	<b>408 896</b>
Reclassified to PPE	-	(184 500)	-	(184 500)
<b>Cost as at 31.12.2023</b>	<b>61 016</b>	-	<b>163 380</b>	<b>224 396</b>
<b>Accumulated depreciation as at 31.12.2022</b>	<b>1 695</b>	<b>144 257</b>	<b>122 598</b>	<b>268 550</b>
Depreciation charge	20 339	9 419	9 787	<b>39 545</b>
Reclassified to PPE	-	(153 676)	-	(153 676)
<b>Accumulated depreciation as at 31.12.2023</b>	<b>22 034</b>	-	<b>132 385</b>	<b>154 419</b>
<b>Carrying amount as at 31.12.2022</b>	<b>59 321</b>	<b>40 243</b>	<b>40 782</b>	<b>140 346</b>
<b>Carrying amount as at 31.12.2023</b>	<b>38 982</b>	-	<b>30 995</b>	<b>69 977</b>
<b>Cost as at 31.12.2023</b>	<b>61 016</b>	-	<b>163 380</b>	<b>224 396</b>
Reclassified to PPE	-	-	(163 380)	(163 380)
<b>Cost as at 31.12.2024</b>	<b>61 016</b>	-	-	<b>61 016</b>
<b>Accumulated depreciation as at 31.12.2023</b>	<b>22 034</b>	-	<b>132 385</b>	<b>154 419</b>
Depreciation charge	20 338	-	1 632	<b>21 970</b>
Reclassified to PPE	-	-	(134 017)	(134 017)
<b>Accumulated depreciation as at 31.12.2024</b>	<b>42 372</b>	-	-	<b>42 372</b>
<b>Carrying amount as at 31.12.2023</b>	<b>38 982</b>	-	<b>30 995</b>	<b>69 977</b>
<b>Carrying amount as at 31.12.2024</b>	<b>18 644</b>	-	-	<b>18 644</b>

## 15. Investment properties

EUR

	Land	Buildings	Total
<b>Cost as at 31.12.2022</b>	<b>978 230</b>	<b>956 911</b>	<b>1 935 141</b>
Reclassified from/to PPE	(52 837)	-	(52 837)
<b>Cost as at 31.12.2023</b>	<b>925 393</b>	<b>956 911</b>	<b>1 882 304</b>
<b>Accumulated depreciation as at 31.12.2022</b>	-	<b>830 221</b>	<b>830 221</b>
Depreciation charge	-	11 592	11 592
<b>Accumulated depreciation as at 31.12.2023</b>	-	<b>841 813</b>	<b>841 813</b>
<b>Carrying amount as at 31.12.2022</b>	<b>978 230</b>	<b>126 690</b>	<b>1 104 920</b>
<b>Carrying amount as at 31.12.2023</b>	<b>925 393</b>	<b>115 098</b>	<b>1 040 491</b>
<b>Cost as at 31.12.2023</b>	<b>925 393</b>	<b>956 911</b>	<b>1 882 304</b>
Reclassified from/to PPE	240 984	(67 702)	173 282
<b>Cost as at 31.12.2024</b>	<b>1 166 377</b>	<b>889 209</b>	<b>2 055 586</b>
<b>Accumulated depreciation as at 31.12.2023</b>	-	<b>841 813</b>	<b>841 813</b>
Depreciation charge	-	14 042	14 042
Reclassified from/to PPE	-	(87 092)	(87 092)
<b>Accumulated depreciation as at 31.12.2024</b>	-	<b>768 763</b>	<b>768 763</b>
<b>Carrying amount as at 31.12.2023</b>	<b>925 393</b>	<b>115 098</b>	<b>1 040 491</b>
<b>Carrying amount as at 31.12.2024</b>	<b>1 166 377</b>	<b>120 446</b>	<b>1 286 823</b>

As part of its business activities, as at 31 December 2024, the Company had leased part of its land of a total area of 82.1392 ha (2023: 65.1685 ha). In 2024, the land area of 24 hectares in the amount of EUR 340 800, intended for the purpose of the RIX Airport City project - the creation of a new, multifunctional city, has been reclassified from PPE, taking into account the economic nature of the project. The comparative figures have not been adjusted as the impact on the total amount of assets is not considered material.

The area of the terminal owned by the Company is not classified as investment property, since the volume of leased commercial space accounts for only 13% of the total area, which is not a significant part in relation to the entire property.

## 16. Inventories

EUR

	2024	2023
Materials and consumables*	2 390 946	1 304 176
<b>Total</b>	<b>2 390 946</b>	<b>1 304 176</b>

\*\*Incl. prepayments for goods EUR 3 310 (2023: EUR 495) at 31 December 2024, and property, plant and equipment written off in order to be disposed of amounting to EUR 0 (2023: EUR 10 207).

## 17. Trade receivables

EUR

	2024	2023
Trade receivables	8 690 271	10 783 101
Allowance for expected credit losses	(319 460)	(289 156)
<b>Total</b>	<b>8 370 811</b>	<b>10 493 945</b>

The payment term for of receivables is usually from 30 to 60 days, which corresponds to the credit policy of the Company. The actual number of days of receivables' circulation in the reporting year was 44 days, compared to 47 days in the previous year.

Expected credit losses for receivables:

EUR

<b>Allowances for expected credit losses for receivables as at 31 December 2022</b>	<b>(333 725)</b>
Release of allowances, receivables recovered	45 914
Allowances made	(1 345)
<b>Allowances for expected credit losses for receivables as at 31 December 2023</b>	<b>(289 156)</b>
Release of allowances, receivables recovered	539
Allowances made	(30 843)
<b>Allowances for expected credit losses for receivables as at 31 December 2024</b>	<b>(319 460)</b>

## 18. Other receivables

EUR

	2024	2023
<b>Other receivables non-current part:</b>	<b>1 696 497</b>	-
Other receivables*	1 696 497	-
<b>Other receivables current part:</b>	<b>1 512 344</b>	<b>5 785 444</b>
Other receivables*	1 504 090	5 760 856
Prepayments for services	8 254	24 588

\* Incl. the balance due from the Central Finance and Contracting Agency of EUR 0 at 31 December 2024 (2023: EUR 2 585 314) and the balance due for sublease of EUR 1 329 294 (2023: EUR 0).

## 19. Prepaid expenses

EUR

	2024	2023
Insurance	256 076	225 690
Other prepaid expense	441 970	452 224
<b>Total</b>	<b>698 046</b>	<b>677 914</b>

## 20. Cash and cash equivalents

EUR

	2024	2023
Cash at bank	21 221 284	8 294 406
Cash in exchange machine and cash in transit	39 557	43 406
Cash on hand	2 249	2 249
<b>Total</b>	<b>21 263 090</b>	<b>8 340 061</b>

## 21. Share capital

The registered and paid-up share capital of the Company is EUR 68 347 231 (2023: EUR 68 347 231) and consists of 28 608 932 Class A shares with a nominal value of EUR 1 each and 397 382 990 Class B shares with a nominal value of EUR 0.10 each. All shares are owned by the Republic of Latvia. The Ministry of Transport of the Republic of Latvia is the holder of the State share in the joint stock company. All shares in the Company have the same right to receive dividends, liquidation quota and voting rights at the shareholders' meeting.

## 22. Reserves and dividends

Other reserves consist of reserve capital that is made up of profits from previous years set aside for the development of the Company in accordance with the resolution of the shareholders' meeting.

The procedure for the use and renewal of the Company's reserve capital is determined by the Company shareholders' meeting. After the approval of each annual report, the shareholders' meeting decides on the deductions from profit to the reserve capital. See also Notes 2 (h) and (i).

EUR

Reserve capital as at 31 December 2022	25 178 608
Reserve capital as at 31 December 2023	25 178 608
Reserve capital as at 31 December 2024	25 178 608

Apart from the reserve capital, other reserves also include the non-current assets revaluation reserve amounting to EUR 5 321 as 31 December 2024 (31 December 2023: EUR 5 321).

In these financial statements, the amount of the dividends is not recognised as a liability as the dividends were not approved as at 31 December 2024.

## 23. Loans from credit institutions and lease liabilities

EUR

	2024	2023
<b>Non-current loans from credit institutions</b>	<b>22 886 667</b>	<b>17 398 679</b>
Loan from the State Treasury	-	17 109 346
Loan from Swedbank AS	22 886 667	289 333

<b>Current loans from credit institutions</b>	<b>2 660 328</b>	<b>10 973 572</b>
Loan from the State Treasury	-	1 752 193
Loan from Swedbank AS	2 660 328	5 838 403
Loan from SEB banka	-	3 382 976
<b>Total</b>	<b>25 546 995</b>	<b>28 372 251</b>

As at 31 December 2024 and 31 December 2023, all of the Company's borrowings were in euros. The purpose of the loans was to refinance the borrower's liabilities and to finance long-term projects.

Loans from credit institutions by maturity:

EUR

	2024	2023
<b>Non-current and current loans with a fixed interest rate</b>	-	<b>18 861 539</b>
- maturing in less than one year (current portion of non-current loans)	-	1 752 193
- maturing between one and five years	-	-
- maturing in more than five years	-	17 109 346
<b>Non-current and current loans with a floating interest rate</b>	<b>25 546 995</b>	<b>9 510 712</b>
- maturing in less than one year (current portion of non-current loans)	2 660 328	9 221 379
- maturing between one and five years	22 886 667	289 333
<b>Total</b>	<b>25 546 995</b>	<b>28 372 251</b>

All loans bear floating interest rates, and in 2024, the effective interest rates ranged from 1% to 4.26% per annum.

On 18 April 2024, the Company entered into a EUR 10 000 000 credit line agreement for financing working capital for a period of one year until 17 April 2025. As at 31 December 2024, the amount of the credit line used was EUR 0.

By the end of 2024, the Company had established a mortgage for the benefit of the State Treasury of the Republic of Latvia, secured by its real estate and pledged movable assets. In December 2024, the loan was repaid in full and the mortgage was cancelled.

## Lease liabilities

EUR

	01.01.2024	Calculated	Paid	31.12.2024
Principal amount of lease liability	407 214	6 412 242	(882 312)	5 937 143
Interest payments on lease liability	134	145 643	(142 997)	2 780
<b>Total</b>	<b>407 348</b>	<b>6 557 885</b>	<b>1 025 309</b>	<b>5 939 923</b>
Current portion				1 929 434
Non-current portion				4 010 489

Future lease payments can be specified as follows:

EUR

	2024	2023
Maturing in less than one year, including interest	2 149 719	136 933
Maturing between one and five years, including interest	4 234 770	302 852
<b>Total finance lease liabilities – minimum lease payments and interest</b>	<b>6 384 489</b>	<b>439 785</b>
Future lease charges – interest	(444 566)	(32 436)
<b>Present value of lease liabilities</b>	<b>5 939 923</b>	<b>407 349</b>

The present value of the lease liabilities, broken down by current and non-current items, is as follows:

EUR

	2024	2023
Maturing in less than one year	1 929 434	119 387
Maturing between one and five years	4 010 489	287 962
<b>Present value of lease liabilities</b>	<b>5 939 923</b>	<b>407 349</b>

Movement of loans:

EUR

	2024	2023
<b>Balance as at the beginning of the reporting year</b>	<b>28 779 600</b>	<b>31 597 952</b>
Loans received	25 200 000	454 400
New lease liabilities (IFRS 16)	1 747 026	-
Finance lease (sales and leaseback)	4 665 215	-
Loans repaid	(28 015 462)	(3 120 199)
Lease payments made	(882 312)	(156 785)
Interest charged	641 222	652 872
Interest paid	(648 371)	(648 640)
<b>Balance as at the end of the year</b>	<b>31 486 918</b>	<b>28 779 600</b>

On 31 May 2022, the Company entered into a five-year finance lease agreement with Swedbank Leasing SIA for an available limit of EUR 2 253 711. As at 31 December 2024, the finance lease liabilities to Swedbank Leasing SIA totalled EUR 270 106 plus accrued interest of EUR 63 (31 December 2023: EUR 365 166 and interest EUR 125 respectively).

In 2022, the Company entered into three-year a full service lease agreement for the lease of three cars. As at 31 December 2024, the lease liabilities under IFRS 16 totalled EUR 17 855 (31 December 2023: EUR 38 283).

In 2024, a new five-year sale and leaseback agreement was signed with SEB Leasing SIA for EUR 4 665 215. As at 31 December 2024, the finance lease liabilities to SEB Leasing SIA totalled EUR 4 422 495 plus accrued interest of EUR 2 717.

On 13 May 2024, the Company entered into a two-year agreement for the lease of a technical hangar. The lease payments for the contract period total EUR 1 872 000. On 15 May 2024, the Company entered into an agreement for the sublease of the hangar for a period of two years.

Contractual interest rates ranged from 1% to 4.11% p.a.

## 24. Deferred income

EUR

	2024	2023
<b>Deferred income, non-current portion</b>	<b>41 935 856</b>	<b>38 426 906</b>
EU grants	31 936 183	35 621 763
Advance from CINEA *	6 884 655	-
Government grants	1 399 908	1 032 120
Other deferred income	1 715 110	1 773 023
<b>Deferred income, non-current portion</b>	<b>6 436 015</b>	<b>5 700 426</b>
EU grants	5 797 322	5 109 635
Government grants	124 104	104 392
Other deferred income	514 589	486 399
<b>Total</b>	<b>48 371 871</b>	<b>44 127 332</b>

See also Note 4.

\* CINEA - European Climate, Infrastructure and Environment Executive Agency of the European Union. Co-financing for the project "Reconstruction of the 4th apron of aircraft of SJSC "Riga International Airport" in order to provide dual-use TEN-T infrastructure for civil and military purposes", which provides for the reconstruction of the hard surface of the 4th platform of RIX Riga Airport with an area of more than 80,000 square meters, creating ten parking lots, shunting routes and service lanes of class A – E aircraft used in different configurations.

## 25. Other liabilities

EUR

	2024	2023
<b>Current part of financial liabilities</b>	<b>3 188 866</b>	<b>4 250 340</b>
Other liabilities	1 784 752	3 080 543
Other accrued liabilities	1 404 114	1 169 797
<b>Total</b>	<b>3 188 866</b>	<b>4 250 340</b>

## 26. Accrued expense

EUR

	2024	2023
<b>Accrued expense non-current part</b>	<b>403 198</b>	<b>-</b>
Post employment benefit	403 198	-
<b>Accrued expense current part</b>	<b>10 229 611</b>	<b>7 462 413</b>
Post employment benefit	60 707	-
Accrued staff costs	3 632 992	2 105 731
Vacation pay reserve	3 186 513	1 854 921
Wages and salaries	1 737 922	1 598 996
Taxes and statutory social insurance contributions	1 611 477	1 902 765
<b>Total</b>	<b>10 632 809</b>	<b>7 462 413</b>

## 27. Financial risk management

### Financial risks

The Company's overall risk management approach is based on the Company's operational strategy and internal control procedures approved by the Board. The Company's overall risk management programme incorporates unpredictability in the financial market and the Company management seeks to minimise the potential adverse effect of financial risks on its financial position.

The Company holds the following financial instruments: financial assets – current and non-current receivables, cash at banks, cash on deposit with banks; and financial liabilities – current and non-current borrowings, lease liabilities, accounts payable.

### Financial instruments by categories

EUR

	Notes	2024	2023
<b>Financial assets at amortised cost</b>			
Trade receivables, net	17	8 370 811	10 493 945
Other financial assets	18	1 504 090	2 924 544
Cash and cash equivalents	20	21 263 090	8 340 061
<b>Total</b>		<b>31 137 991</b>	<b>21 758 550</b>

EUR

	Notes	2024	2023
<b>Financial liabilities at amortised cost</b>			
Loans from credit institutions	23	(25 546 995)	(28 372 251)
Lease liabilities	23	(5 939 923)	(407 349)
Trade payables		(6 381 809)	(4 450 718)
Other financial liabilities	25	(3 188 866)	(4 250 340)
<b>Total</b>		<b>(41 057 593)</b>	<b>(37 480 658)</b>

The Company is exposed to the following risks:

- credit risk;
- liquidity risk;
- interest rate risk;
- foreign currency risk.

**Credit risk**

The Company is exposed to credit risk, which is the risk of material loss in the event that a counterparty fails to meet its contractual obligations to the Company. Credit risk is an essential part of the Company's business and it is important to manage this risk effectively.

*Sources of credit risk*

Credit risk mainly relates to the Company's major customers. Three of the Company's customers account for 64% (2023: 76%) of total gross receivables. As at 31 December 2024, one of these customers accounted for 34% (2023: 48%), another – for 13% (2023: 17%) and the third - for 18% (2023: 11%) of total receivables.

*Credit risk management*

The Board of the Company has approved a procedure for the control of payment of invoices and the recovery of receivables, defining the competences and responsibilities of the structural units in the recovery process.

The Company does not have an internal credit rating system for assessing trade receivables. The Company manages credit risk by continuously assessing the credit history of its customers and assigning credit terms on an individual basis. The Company has implemented and follows a credit policy that requires it to provide services on credit only to customers with good credit histories.

There were no material changes in expected credit losses on trade receivables in 2024.

Trade receivables are written off only when they are not expected to be recovered. Indicators of uncollectibility include, inter alia, the debtor's inability to agree on a repayment schedule, compounded by its insolvency, bankruptcy or liquidation.

Each month, receivables from specific debtors are assessed and an aging analysis of receivables is carried out.

The aging analysis of receivables as at 31 December 2024:

EUR

	Not past due	<30 days	30-90 days	90-180 days	>180 days	Total
Trade receivables, gross	8 296 615	26 882	40 828	17 531	308 416	<b>8 690 272</b>
ECL	-	-	-	-	(319 461)	<b>(319 461)</b>
Trade receivables, net	8 296 615	26 882	40 828	17 531	(11 045)	<b>8 370 811</b>

The aging analysis of receivables as at 31 December 2023:

EUR

	Not past due	<30 days	30-90 days	90-180 days	>180 days	Total
Trade receivables, gross	8 848 809	1 621 898	29 000	7	283 387	<b>10 783 101</b>
ECL	-	-	-	-	(289 156)	<b>(289 156)</b>
Trade receivables, net	8 848 809	1 621 898	29 000	7	5 769	<b>10 493 945</b>

Receivables are stated at net amount, calculated by deducting from their carrying amount any ECL made for receivables. ECL for receivables are made on a prudent basis of 100% whenever, in the opinion of management, the recoverability of the receivables are doubtful.

In the event of a significant increase in credit risk, impairment is measured using the asset's lifetime ECLs rather than the 12-month ECLs. The model includes operational simplifications for trade receivables. The Company has applied the operational simplifications permitted by IFRS 9 for the measurement of trade receivables that are grouped by credit quality and days past due, with a percentage of expected credit losses applied to each group. The ECL rates are estimated taking into account the last three years of payment history, adjusted present and forward-looking information. As the estimated rates for the receivables not past due are low, the estimated ECLs thereunder are negligible and were therefore set to zero.

Credit risk management as at 31 December 2024

EUR

				Balances not past due		Balances past due	
	Total, gross	ECL	Total, net	Carrying amount	ECL	Carrying amount	ECL
Trade receivables, incl.:	8 690 272	(319 461)	8 370 811	8 296 615	-	393 657	(319 461)
<i>Three major clients</i>	6 447 092	-	6 447 092	6 450 588	-	(3 496)	-
<i>Other clients</i>	3 572 473	(319 461)	3 253 012	3 175 320	-	397 153	(319 461)
Other receivables, net	1 504 090	-	1 504 090	1 504 090	-	-	-
<b>Total</b>	<b>10 194 362</b>	<b>(319 461)</b>	<b>9 874 901</b>	<b>9 800 705</b>	<b>-</b>	<b>393 657</b>	<b>(319 461)</b>

Credit risk management as at 31 December 2023

EUR

	Total, gross	ECL	Total, net	Balances not past due		Balances past due	
				Carrying amount	ECL	Carrying amount	Allowances
Trade receivables, incl.:	10 783 101	(289 156)	10 493 945	8 848 809	-	1 934 292	(289 156)
<i>Three major clients</i>	8 223 109	-	8 223 109	6 633 133	-	1 589 976	-
<i>Other clients</i>	2 559 992	(289 156)	2 270 836	2 215 676	-	344 316	(289 156)
Other receivables, net	2 924 544	-	2 924 544	2 924 544	-	-	-
<b>Total</b>	<b>13 707 645</b>	<b>(289 156)</b>	<b>13 418 489</b>	<b>11 773 353</b>	<b>-</b>	<b>1 934 292</b>	<b>(289 156)</b>

\* ECL have been recognized (see Note 17).

#### Quality of receivables

The major part of the receivables that are not yet past due are receivables from airlines for aviation services provided in December, whose ECLs are not material if compared to the overall performance indicators and therefore not recognised.

Past due receivables are not secured (with mortgage or commercial pledge).

#### Cash at banks

EUR

Bank	Moody's long-term rating	31.12.2024	31.12.2023
AS Swedbank	Aa3	12 313 138	2 185 253
Luminor Banka	A2	7 214 419	201 877
OP Corporate Bank plc	Aa3	1 459 809	4 548 927
AS Citadele Banka	Baa1	158 382	426 664
State Treasury	A3	73 872	771 547
SEB banka	Aa3	1 664	160 138
<b>Total</b>		<b>21 221 284</b>	<b>8 294 406</b>

Credit risk related to cash and short-term deposits with banks is managed by balancing the placement of financial assets to maintain the possibility of choosing the most favourable offers while minimising the likelihood of losing financial resources. The table presents the existing cash balances in banks, categorised by credit rating according to the Moody's credit rating scale.

Expected credit losses were not recognised for cash as their amounts were not material in the context of the financial statements.

## Liquidity risk

Liquidity risk relates to the failure of the Company to meet its payment obligations as they fall due.

The main principle of the liquidity risk management is preventing creditors from defaulting. The Company manages its liquidity risk by maintaining an adequate amount of cash and cash equivalents (see Note 23).

To manage liquidity, an operating cash flow forecast is drawn up on a monthly basis. Where working capital adequacy deteriorates, operating cash flow forecasts are drawn up weekly or more frequently.

The following tables present the maturity analysis of the Company's financial liabilities. The amounts are based on undiscounted contractual cash flows.

The Company management believes that the going concern assumption is applicable in the preparation of these financial statements.

The Company's accounting and measurement principles were not changed from those of the previous reporting year.

Maturity analysis of financial liabilities at 31 December 2024 based on their contractual undiscounted cash flows:

EUR

	Carrying amount	Contractual cash flow	1-3 months	3 months - 1 year	1-5 years	More than 5 years
Loans from credit institutions	(25 546 995)	(28 753 156)	(869 850)	(2 618 571)	(15 184 735)	(10 080 000)
Lease liabilities	(5 939 923)	(6 384 489)	(541 545)	(1 608 174)	(4 234 770)	-
Trade payables	(6 381 809)	(6 381 809)	(6 381 809)	-	-	-
Other liabilities	(3 188 866)	(3 188 866)	(2 122 104)	(1 401 929)	(8 660 453)	-
<b>Total</b>	<b>(41 057 593)</b>	<b>(44 708 320)</b>	<b>(9 915 308)</b>	<b>(5 628 674)</b>	<b>(28 079 958)</b>	<b>(10 080 000)</b>

Maturity analysis of financial liabilities at 31 December 2023 based on their contractual undiscounted cash flows:

EUR

	Carrying amount	Contractual cash flow	1-3 months	3 months - 1 year	1-5 years	More than 5 years
Loans from credit institutions	(28 372 251)	(29 786 849)	(969 353)	(10 486 601)	(9 399 934)	(8 930 961)
Lease liabilities	(407 349)	(439 650)	(37 495)	(99 302)	(302 853)	-
Trade payables	(4 450 718)	(4 450 718)	(4 450 718)	-	-	-
Other liabilities	(4 250 340)	(4 250 340)	(1 880 640)	(784 549)	(1 585 151)	-
<b>Total</b>	<b>(37 480 658)</b>	<b>(38 927 557)</b>	<b>(7 338 206)</b>	<b>(11 370 452)</b>	<b>(11 287 938)</b>	<b>(8 930 961)</b>

### Interest rate risks

The Company is exposed to interest rate risk mainly through its current and non-current borrowings. The Company's policy is to ensure that the majority of its borrowings are at a floating rate. The loans from financial institutions bear a floating interest rate, consisting of the 3-month or 6-month EURIBOR plus a fixed rate.

Other financial assets and liabilities are non-interest bearing.

Loans with fixed interest rates do not create interest rate risks for the Company.

### Foreign currency risk

Foreign currency risk is the probability that fluctuations in exchange rates will affect the Company's financial position and cash flows. The Company's financial assets and liabilities, which are exposed to foreign currency risk, comprise cash and cash equivalents, trade receivables and current and non-current borrowings. The Company is mainly exposed to foreign currency risk of U.S. dollar.

### Capital risk management

Primary objectives of the capital risk management are to ensure the Company's ability to continue as a going concern, delivering returns to its owner and benefits to other stakeholders, and to maintain an optimal capital structure, thereby reducing the cost of capital.

The Company manages capital on the basis of the debt-to-capital ratio. This ratio is calculated by dividing the Company's total debt by its total capital less cash and cash equivalents and funding from the EU Cohesion Fund and public funding for the acquisition of property, plant and equipment included in deferred income. The total debt includes all non-current and current- liabilities, while total capital includes all liabilities and equity of the Company. This ratio is used to assess the capital structure of the Company as well as its solvency. The Company's strategy is to ensure that this ratio does not exceed 50%.

In 2024 and 2023, the debt-to-capital ratio was as follows:

EUR

	2024	2023
Total debt	100 062 273	89 070 404
(Cash and cash equivalents)	(21 263 090)	(8 340 061)
(Funding from the EU Cohesion Fund and public funding for the acquisition of property, plant and equipment included in deferred income)	(46 142 174)	(41 867 911)
Net debt	32 657 009	38 862 432
Total liabilities and equity	189 510 018	175 076 797
<b>Debt-to-capital ratio:</b>	<b>17,23%</b>	<b>22,19%</b>

### Fair value

IFRS 13 establishes a hierarchy of valuation techniques dependent on the valuation technique used, i.e. observable or unobservable inputs. Observable inputs are obtained from independent sources. Where market data are not observable, the valuation technique is based on the Company management's assumptions about market conditions. This hierarchy requires the use of observable market data where available. The Company considers relevant and observable market prices in its valuations where possible.

The objective of fair value measurement, even if the market is not active, is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. In order to arrive at the fair value of a financial instrument different methods are used, such as quoted prices or a valuation technique that incorporates observable market inputs and is based on internal models. The fair value hierarchy categorises the inputs used in valuation techniques into three levels: Level 1, Level 2 and Level 3. The level in the fair value hierarchy within which the fair value of a financial instrument is categorized is to be determined based on the lowest level input that is significant to the fair value in its entirety.

The classification of a financial instrument into the fair value hierarchy is a two-phase process:

- 1) classifying each input used to determine the fair value into one of the three levels;
- 2) classifying the financial instrument itself based on the lowest level input that is significant to the fair value in its entirety.

#### Quoted market prices - Level 1

Level 1 inputs are unadjusted quoted prices in an active market for identical assets or liabilities, where the quoted prices are readily available and the price is representative of the actual market situation for arm's length transactions.

#### Valuation techniques using observable inputs - Level 2

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

The following financial assets and liabilities are included in Level 2:

Assets: Cash and cash equivalents (EUR 21 263 090).

#### Valuation technique using market data that are not based on observable market data – Level 3

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable market data are those that are not readily available in an active market, an illiquid market or due to the complexity of the financial instrument. Level 3 inputs are predominantly determined on the basis of observable market data of a similar nature, historical observations or analytical approaches.

The Company considers that there are no material differences between the fair values of its financial assets and liabilities and their carrying amounts.

All of the Company's financial instruments other than cash and cash equivalents qualify for Level 3.

### **Assets and liabilities for which fair value is disclosed**

The carrying amounts of liquid and current (maturities of three months or less) financial instruments, such as cash and cash equivalents, current trade receivables and trade payables, approximate their fair values.

The fair value of loans from credit institutions, finance lease liabilities and other non-current liabilities is estimated by discounting future cash flows using market interest rates. As the interest rates charged on loans from credit institutions, finance lease liabilities and other non-current liabilities are predominantly variable and do not differ significantly from market interest rates, and the risk premium applicable to the Company has not changed significantly, the fair value of non-current liabilities approximates their carrying amount.

As of 31 December 2024, the calculation of the market value of investment properties using external valuers has not been performed. The fair value of investment assets has been

determined using the income approach, where the value of an asset is estimated based on the estimated value of future benefits – cash flows – using the net present value method based on projections of future cash flows over a 20-year period. At the end of the reporting year, the estimated fair value of the Company's investment properties totalled EUR 55 million (see Note 15).

### Assets measured at fair value

The Company has no assets or liabilities that are measured at fair value.

## 28. Capital commitments

The Company plans to make capital investments in property, plant and equipment and intangible assets of EUR 41 969 thousand in the next financial year (2023: EUR 23 789 thousand), including:

- contracted for, but not yet delivered): EUR 11 783 thousand (2023: EUR 14 812 thousand);
- approved, but not yet contracted for): EUR 30 186 thousand (2023: EUR 8 977 thousand).

## 29. Related party disclosures

The Company has transactions with several state-owned companies. The largest transactions are with AS Air Baltic Corporation, VAS Latvijas gaisa satiksme, VA Civilās aviācijas aģentūra, VAS Latvijas pasts. The transactions between the parties are related to their core business.

### (a) Balances due to related parties

EUR

	31.12.2024	31.12.2023
Payables to VA Civilās valsts aģentūra, safety and rescue charges	919 558	444 170

### (b) Balances due from related parties

EUR

	31.12.2024	31.12.2023
VAS Latvijas gaisa satiksme, for lease and public utility services	64 424	80 150
VAS Latvijas pasts, for lease and public utility services	9 127	9 897
AS Air Baltic Corporation, for aviation and lease services	3 372 263	5 220 901

### (c) Services provide to related parties

EUR

	2024	2023
VAS Latvijas gaisa satiksme, for lease and public utility services	773 776	865 273
VAS Latvijas pasts, for lease and public utility services	180 393	163 884
AS Air Baltic Corporation, for aviation and lease services	27 129 532	23 765 953

**(d) Purchase of goods and services from related parties**

EUR

	2024	2023
Services received from VAS Latvijas gaisa satiksme	54 606	51 940
Services received from VAS Latvijas pasts	5 454	2 887
Services received from AS Air Baltic Corporation	39 553	72 761

**(e) Grants from related parties**

EUR

	2024	2023
Aviation safety grants from the State (see Note 4)	502 283	412 218

Transactions with key management personnel are disclosed in Note 5.

**30. Contingent assets and liabilities**

**Provisions**

In accordance with the decisions taken by the Board of Riga International Airport at its meeting held on 3 February 2025, the provisions made in previous years for possible compensation for the real estate properties Mazā Gramzdas iela 1A, cadastral No 8076 002 0061 and Mūkupurvi, cadastral No 8076 002 0063, totalling EUR 295 120, are still listed on the Company's Statement of financial position.

**Information on major litigation pending as at 31 December 2024**

On 4 December 2023, the Airport filed a claim with the Riga District Court to recover a debt of EUR 22 044.98 from Aeroflot Russian Airlines (a company registered in the Russian Federation, registration No 1027700092661) in favour of Riga International Airport. By the judgment of the Riga District Court dated February 28, 2025, in civil case No. C33576223, the airport's claim was satisfied. The judgment has not yet entered into legal force.

On 30 November 2023, the Airport filed a claim with the Riga City Court to recover a debt of EUR 104 103.66 from SIA ATRAN (a company registered in the Russian Federation, registration No 1065009017897) in favour of Riga International Airport. By the decision of the judge of the Riga City Court of 14 December 2023, civil case No C771715623 was initiated. The civil case will be heard before the court on 13 October 2025.

On 5 October 2023, the Airport filed a claim with the Riga District Court to recover a debt of EUR 64 403.95 from Rossiya Airlines JSC (a company registered in the Russian Federation, registration No 1117847025284) in favour of Riga International Airport. The Riga District Court's judgment of 20 December 2024 in civil case No C33515623 upheld the Airport's claim. The judgment has not yet entered into force.

On 13 December 2023, the Airport filed a claim with the Riga City Court to recover a debt of EUR 15 203.87 from Siberia Airlines JSC (a company registered in the Russian Federation, registration No 5448100656) in favour of Riga International Airport. By the decision of the judge of the Riga City Court of 22 December 2023, civil case No C771740923 was initiated. The civil case will be heard before the court on 28 November 2025.

### Future lease income

In 2023, the Company entered into a number of operating lease agreements as a lessor for land and premises. In 2024, the Company generated revenue of EUR 20 471 704 (2023: EUR 16 752 037) under these lease agreements.

The leases (office space in the terminal) are for periods ranging from 1 to 49 years. Short-term leases may be extended.

### 31. Charge for services provided to disabled persons

In accordance with Regulation (EC) No 1107/2006 of the European Parliament and of the Council of 5 July 2006 concerning the rights of disabled persons and persons with reduced mobility when travelling by air, the Company charges air carriers for the provision of the service. Fee income and expense may be specified as follows:

EUR

	2024	2023
Income	1 344 854	1 252 038
Direct expense	(1 100 014)	(854 628)
Indirect expense	(210 247)	(212 175)
<b>Operating profit</b>	<b>34 593</b>	<b>185 234</b>
Other operating expense	(1 980)	(2 316)
<b>Profit before tax</b>	<b>32 614</b>	<b>182 918</b>

### 32. Profit distribution proposed by the Board

The distribution of the 2024 profit is subject to the decision of the Company's shareholders meeting.

### 33. Subsequent events

As of the last day of the reporting year there have been no material events that could affect the financial statements.

The annual report of the Company has been prepared by Inga Simsone, Chief Accountant  
The 2024 financial statements of the Company, as set out on pages 11 to 54, have been  
signed on 11 April 2025 by:

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Laila Odiņa  
Chairperson of the  
Board

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Artūrs  
Saveljevs  
Board Member

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Normunds  
Feierbergs  
Board Member

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Agnese Lasmane  
Director Finance

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Inga Simsone  
Chief Accountant

This document is signed electronically with a safe electronic signature and contains a time stamp.

## Corporate Governance Statement

### **SJSC Riga International Airport Corporate Governance Statement 2024**

The corporate governance statement for 2024 of SJSC “Riga International Airport” (hereinafter – the Airport), unified registration No. 40003028055, has been prepared in accordance with the Law on Governance of Capital Shares of a Public Person and Capital Companies<sup>2</sup>, as well as in compliance with the Cabinet regulations on the application of corporate governance recommendations in state-owned and public-private capital companies<sup>3</sup>, stipulating that a capital company applies the Latvian Corporate Governance Code “Good corporate governance recommendations for companies in Latvia”<sup>4</sup>.

In accordance with the Law on Governance of Capital Shares of a Public Person and Capital Companies, state-owned enterprises that qualify as large companies are required to prepare a corporate governance statement. In line with the applicable legislation<sup>5</sup>, the Airport qualifies as a large capital company and is therefore subject to the obligation to prepare a corporate governance statement as stipulated in the Law on Governance of Capital Shares of a Public Person and Capital Companies.

The observance of corporate governance principles promotes the long-term growth of the company’s value, ensures effective management and operational transparency, and applies across all levels of the Airport. It supports the development of a successful system of mutual relationships between the Airport’s shareholder, the Supervisory Board, the Management Board, employees, clients, and the wider public. In its day-to-day operations, the Airport fosters open and trustworthy communication with all stakeholders and ensures compliance with both Latvian and international legal norms and ethical standards.

The statement provides information on the compliance with the Latvian Corporate Governance Code and the principles set out therein, following the “comply or explain” approach.

An evaluation of the Airport’s operations was conducted in accordance with the corporate governance principles set out in the Corporate Governance Code, and it was concluded that the Airport complied with all the said principles applicable to its operations.

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<sup>2</sup> Article 58<sup>1</sup> of the Law on Governance of Capital Shares of a Public Person and Capital Companies.

<sup>3</sup> Cabinet Regulation of 15 March 2022 No 175 “Regulations on the Application of Corporate Governance Recommendations in State-Owned and Public-Private Capital Companies”.

<sup>4</sup> Corporate Governance Code: [https://www.tm.gov.lv/sites/tm/files/media\\_file/korporativas-parvaldibas-kodekss\\_0.pdf](https://www.tm.gov.lv/sites/tm/files/media_file/korporativas-parvaldibas-kodekss_0.pdf)

<sup>5</sup> Section 6.3 of Cabinet Regulation of 4 February 2020 No 63 Regulations on the Number of Members of the Board of Directors and the Council of Publicly Owned Capital Companies and Publicly Owned Private Capital Companies, as well as the Maximum Amount of Monthly Remuneration of the Members of the Board of Directors and the Council

## Governance and organizational structure of the Airport

100% of the Airport's capital shares are owned by the state, and the holder of the state-owned capital shares is the Ministry of Transport, and its State Secretary performs the duties of the state capital shares holder.

The Airport's governance model has been developed in accordance with good corporate governance practices, distinguishing between strategic and operational management. Governance at the Airport is exercised by the General Meeting of Shareholders, the Supervisory Board and the Management Board. In cases specified by the Law on Governance of Capital Shares of a Public Person and Capital Companies, decisions are taken by the Cabinet of Ministers as the highest decision-taking authority.

More detailed information about the governance structure is included in the Non-Financial Statement 2024, which was prepared in accordance with the requirements of the Law on Governance of Capital Shares of a Public Person and Capital Companies and the "Global Reporting Initiative" standard. The Non-Financial Statement was prepared together with the Airport's Annual Report 2024 and will be published on the Airport's website.



## Company Strategy

Principle No 1: “The company has an up-to-date strategy that sets out the company’s objectives and focuses on long-term value growth”.

	Criteria	Facts
	The company has an up-to-date strategy, drafted by the Management Board	<p>The criterion is met. The Airport has developed a Medium-Term Operational Strategy for 2021-2027<sup>6</sup> (hereinafter – the Strategy), drawn up by the Management Board. The Strategy sets out key financial and non-financial objectives in line with the overall strategic objective<sup>7</sup>, and outlines five strategic goals, each of which identifies key actions and performance indicators.</p> <p>The Strategy has been coordinated with the Ministry of Transport and the Cross-Sectoral Coordination Centre (hereinafter – CSCC<sup>8</sup>), and after the receipt of positive approvals, the Management Board approved the final draft of the strategy<sup>9</sup>.</p>
	The Supervisory Board is involved in the Strategy development process and approves the strategy at a Supervisory Board meeting.	The criterion is met. At the end of 2021, the Management Board and the Supervisory Board jointly developed the Strategy for the period 2021–2027, which was approved by the Supervisory Board <sup>10</sup> .
	The Supervisory Board monitors the implementation of the Strategy.	The criterion is met. The Supervisory Board monitors the implementation of the Strategy. To implement the tasks set out in the Strategy, the Supervisory Board approves the Annual Action Plan <sup>11</sup> , the execution of which is monitored biannually <sup>12</sup> , with the Supervisory Board approving progress reports on the implementation of the action plan, which are submitted to the shareholder.
	The Management Board implements the Strategy and regularly reports to the	The criterion is met. The implementation of the Strategy is ensured by the Management Board, which reports to the Supervisory Board every six

<sup>6</sup> The development of the Strategy was carried out in compliance with Regulation No 1.2-23/1/1 of 28 August 2018 “Guidelines for the Development of the Medium-Term Operational Strategy of State Capital Companies” issued by the Cross-Sectoral Coordination Centre and Internal Regulation No 01-02/31 of 27 September 2021 of the Ministry of Transport “Procedures for the Governance of State-Owned Capital Shares”.

<sup>7</sup> By Cabinet Order No 283 of 28 April 2021 “On the Overall Strategic Objective of the State Joint Stock Company Riga International Airport” the following overall strategic objective of the Airport was approved: “to provide the regional traffic centre with appropriate modern air transportation infrastructure and services, offering convenient and safe connectivity for passengers and businesses, as well as promoting sustainable development and competitiveness”.

<sup>8</sup> As of 1 March 2023, the functions of the Cross-Sectoral Coordination Centre have been transferred to the State Chancellery.

<sup>9</sup> Management Board Decision No. 1 of 11 October 2021 (Minutes No 41).

<sup>10</sup> Supervisory Board Decision No 1 of 20 October 2021 (Minutes No 15).

<sup>11</sup> On 12 February 2024, the Supervisory Board approved the Strategy Action Plan 2024 (Decision No 3, Minutes No 5).

<sup>12</sup> On 12 February 2024 (Decision No 2, Minutes No 5) and on 13 August 2024 (Decision No 3, Minutes No 17) the Supervisory Board approved the reports on the implementation of the Strategy Action Plan.

	Supervisory Board on its progress.	<p>months on the progress of the objectives set out in the Strategy and the execution of the Action Plan.</p> <p>The report includes information on the status of the financial and non-financial objectives and performance indicators set out in the Strategy, as well as information on identified deviations and their causes.</p>
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### Organisational culture and ethical conduct

Principle No 2: “The company develops a code of organisational culture and ethical conduct, which serves as a standard of conduct for the company's management and employees”

	Criteria	Facts
	The Supervisory Board defines the company's core values.	The criterion is met. The Supervisory Board has been involved in defining the company's core values, which are included in the Airport's Strategy, approved by the Supervisory Board, and are defined as follows: growth, responsibility, safety and security, openness, efficiency.
	The Management Board prepares, and the Supervisory Board approves the organisational culture and ethical conduct code.	The criterion is met. The Code of Business Ethics has been developed and approved at both the Management Board and the Supervisory Board meetings <sup>13</sup> . The Code sets out the core principles of organisational culture, professional ethics and conduct: loyalty, professionalism, integrity and diligence, as well as responsibility and sustainability. The Airport has developed the Personnel Policy and approved it at meetings <sup>14</sup> of the Management Board and the Supervisory Board. The Airport has also developed and approved at the Supervisory Board meeting the Corporate Governance Policy which includes the fundamental principles of ethical conduct. <sup>15</sup>
	The Management Board ensures compliance with the organisational culture and ethical conduct code in the company's daily operations and takes action if a breach of the ethical conduct code is identified.	The criterion is met. In order to foster a values-oriented organisational culture based on integrity, mutual respect, and openness, all employees are regularly provided with e-training on the core principles of ethics and conduct, both upon hiring and once every three years thereafter. In 2024, 661 employees participated in training on the Code of Business Ethics. Employees have the

<sup>13</sup> On 21 November 2024, the Code of Business Ethics was approved by the Management Board (Decision No 2.4, Minutes No 83) and on 18 December 2024 – by the Supervisory Board (Decision No 4.4, Minutes No 23).

<sup>14</sup> On 21 November 2024, the Personnel Policy was approved by the Management Board (Decision No 2.6, Minutes No 83) and on 18 December 2024 – by the Supervisory Board (Decision No 4.3, Minutes No 23).

<sup>15</sup> Section 5.3.1 of the Corporate Governance Code of SJSC Riga International Airport: The Airport has developed the Code of Business Ethics aimed at promoting ethical, responsible, and lawful conduct by its employees in the interests of both the company and the public. It also seeks to strengthen public trust in the Airport by fostering a value-based corporate culture grounded in integrity, mutual respect, and openness, thereby enhancing employee loyalty, satisfaction, and productivity.

		<p>opportunity to report potential violations related to the Code of Business Ethics through the "Code of Business Ethics Violations" reporting tool. An Order<sup>16</sup> has been issued at the Airport titled "On the Procedure for Reporting and Handling Employee Complaints and Alleged Violations".</p> <p>No cases of discrimination were registered in 2024. There have been no whistleblowing cases.</p> <p>More detailed information on the reporting procedure and the Permanent Commission on Alleged Violations is available in the Non-financial Statement 2024, sections "Ethics, anti-corruption policy and conflict of interest prevention" and "Communication on critical issues".</p>
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**Internal control system, risk management and internal audit**

Principle No 3: "The company has an internal control system, the effectiveness of which is overseen by the Supervisory Board".

	<b>Criteria</b>	<b>Facts</b>
	The company has a documented internal control system; the Management Board is responsible for establishing it.	<p>The criterion is met. The Airport has implemented and maintains an internal control system that covers the following aspects:</p> <ul style="list-style-type: none"> <li>• definition of the Airport's Strategy and operational planning;</li> <li>• maintenance and improvement of the control environment;</li> <li>• identification, assessment and management of the Airport's significant risks;</li> <li>• organisation of operations, including the implementation of regular control measures;</li> <li>• ensuring information and communication;</li> <li>• protection of assets and information systems;</li> <li>• remuneration system;</li> <li>• accounting;</li> <li>• operational compliance;</li> <li>• regular review, effectiveness assessment, and improvement of the internal control system, taking into account changes in the</li> </ul>

<sup>16</sup> On 16 September 2024, Order No. 24-88 was issued titled "On the Procedure for Reporting and Handling Employee Complaints and Alleged Violations".

		<p>Airport's operations and external factors influencing its activities.</p> <p>The internal controls are integrated into the Airport's processes and daily operations. The Airport's internal control system is documented in the Airport's internal regulations, outlining a clear distribution of duties and responsibilities, thus promoting the development of a unified understanding and continuity of knowledge.</p>
	<p>The Internal Audit Unit conducts an evaluation of the effectiveness of the internal control system at least once a year, taking into account predefined criteria, and reports the results of the evaluation to the Supervisory Board.</p>	<p>The criterion is met. In accordance with the Internal Audit Manual, the Internal Audit Unit (hereinafter - IAU) prepares an annual report on the internal audits conducted, the key issues identified, evaluating the compliance and effectiveness of the internal control system, and providing an opinion on the measures to be taken to improve the functioning of the internal control system.</p>
	<p>The Supervisory Board evaluates the assessment of the effectiveness of the internal control system at least once a year.</p>	<p>The criterion is met. Regarding the implementation of the internal audit function, each year a report on the internal audits carried out, key issues identified, the assessment of the internal control system's compliance and effectiveness, and recommendations for improving the internal control system's operation is submitted to the Management Board, the Supervisory Board and the shareholder<sup>17</sup> for decision-making.</p>

Principle No 4: "The company identifies, assesses and monitors the risks related to its operations"

	<b>Criteria</b>	<b>Facts</b>
	<p>The Management Board develops and the Supervisory Board approves the company's risk management policy.</p>	<p>The criterion is met. The Airport's Supervisory Board has approved the Risk Management Policy.<sup>18</sup>.</p>
	<p>Based on the identified risk assessment, the Management Board implements risk management measures.</p>	<p>The criterion is met. At the Airport, risks (such as strategic, operational, financial, environmental, energy management, occupational safety, aviation safety, information systems and personal data protection risks, which may also be sustainability risks) are identified, analysed, assessed and reassessed, taking into account</p>

<sup>17</sup> The Internal Audit Report for 2023 of SJSC Riga International Airport was reviewed and agreed upon at the Management Board meeting on 15 January 2024 (Minutes No 4, Decision No 3), approved at the Supervisory Board meeting on 30 January 2024 (Minutes No 3, Decision No 7) and taken note of at the Shareholders' Meeting on 28 February 2024 (Minutes No 1, Decision No 4).

<sup>18</sup> The Risk Management Policy of the SJSC Riga International Airport was approved by the Airport's Supervisory Board on 11 August 2023 (Decision No 6, Minutes No 10).

		<p>internal regulations governing the management of each risk type. In response to the Airport risk exposures that exceed the acceptable level, or risk appetite, risk management (mitigation) action plans are developed for the Airport's risks (strategic, operational and financial risks). These plans outline the risk mitigation measures, responsible employees for their implementation and deadlines. The plans are evaluated by the Airport's Risk Management Committee and approved by the Management Board or, if applicable, in accordance with external regulations. Based on the approved risk mitigation action plans, the measures outlined in them were implemented.</p>
	<p>At least once a year, the Supervisory Board reviews the Management Board's reports on risk management measures and the implementation of the Risk Management Policy.</p>	<p>The criterion is met. In line with the Risk Management Policy, an annual report on the Airport's risk management is prepared each year. The report covers the implementation of the Risk Management Policy, progress on risk control measures, and necessary improvements to the risk management process. The report is appraised by the Risk Management Committee.<sup>19</sup> The Management Board reviews<sup>20</sup> and submits the aforementioned report to the Supervisory Board for consideration.<sup>21</sup></p>

More detailed information is available in the Non-Financial Statement 2024, section "Risk assessment and risk management".

The Airport's risk management does not apply to the management of safety risks, which is handled within the framework of the Safety Management System in accordance with European Commission Regulation No 139 and the Airport's Safety Management System Manual.

Principle No 5: "The company has established an internal audit unit that independently and objectively assesses the company's operations".

	<b>Criteria</b>	<b>Facts</b>
	<p>The company has an internal auditor who functions independently of the Management Board and reports to the Supervisory Board.</p>	<p>The criterion is met. The Airport has an independent internal audit unit (IAU), which is administratively subordinated to the Management Board but functionally reports to the Supervisory Board</p>
	<p>The internal auditor is appointed by the Supervisory Board.</p>	<p>The criterion is met. The internal auditor was appointed in 2018 without the Supervisory Board's approval, in accordance with the binding regulations at that time. However, starting from 1 January 2022, in line with Rules of Procedure of</p>

<sup>19</sup> The report was appraised by the Airport's Risk Management Committee on 04 March 2024.

<sup>20</sup> The report was reviewed by the Management Board on 11 March 2024 (Decision No 2, Minutes No 19).

<sup>21</sup> The report was reviewed by the Supervisory Board on 26 March 2024 (Decision No 3, Minutes No 8).

		the Internal Audit Unit (IAU) approved by the Management Board <sup>22</sup> and agreed upon by the Supervisory Board <sup>23</sup> , the decision regarding the appointment and dismissal of the Head of the Internal Audit Unit is taken by the Supervisory Board.
	The internal auditor develops a risk-based internal audit plan, which is approved by the supervisory board.	The criterion is met. The Management Board, the Supervisory Board, and the shareholder approve the Strategic Internal Audit Plan every three years <sup>24</sup> (the 2022-2024 plan binding in 2024) and approve the Annual Internal Audit Plan each year. <sup>25</sup>
	The internal auditor informs the Management Board and the Supervisory Board about the execution of the internal audit plan, audit results, and recommended actions to address any identified deficiencies, if applicable.	The criterion is met. Reports prepared by the Internal Audit Unit on the results of internal audit inspections and on the functioning of the management and control system are submitted to the Management Board, the Supervisory Board and the shareholder. In addition, at least once a year, a summary report is submitted on the audits carried out <sup>26</sup> and the main issues identified, including an assessment of the adequacy and effectiveness of the internal control system and recommendations for actions to improve its performance.

### External auditor

Principle No 6: “The company has an independent external auditor.”

	Criteria	Facts
	The Supervisory Board and the Audit Committee, if established, determine the selection criteria for the external auditor.	The criterion is met. The selection of the auditor and the process for determining the remuneration are transparent, carried out through a public procurement procedure in accordance with the internal regulatory framework <sup>27</sup> of the Airport, while also adhering to the principles set out in the Law on Procurement of Public Service Providers. The results of the procurement procedure were approved by the Management Board <sup>28</sup> and the Supervisory Board <sup>29</sup> . The decision on the

<sup>22</sup> Decision No 2 of the Management Board of 28 October 2021 (Minutes No 43).

<sup>23</sup> Decision No 3 of the Supervisory Board of 8 November 2021 (Minutes No 16).

<sup>24</sup> Decision No 2.3 of the Management Board of 13 December 2021 (Minutes No 53), Decision No 4 of the Supervisory Board of 10 January 2022 (Minutes No 1), Decision No 3 of the Shareholders' Meeting of 16 February 2022 (Minutes No 1).

<sup>25</sup> The Internal Audit Plan for 2024 was approved on 4 January 2024 by the Management Board (Decision No 2, Minutes No 1), on 30 January 2024 by the Supervisory Board (Decision No 8, Minutes No 3) and on 28 February 2024 by the Extraordinary Shareholders' Meeting (Decision No 5, Minutes No 1).

<sup>26</sup> The 2023 Internal Audit Report was reviewed and approved at the Management Board meeting on 15 January 2024 (Decision No 3, Minutes No 4), approved at the Supervisory Board meeting on 30 January 2024 (Decision No 7, Minutes No 3), and taken note of at the Extraordinary Shareholders' Meeting on 28 February 2024 (Decision No 4, Minutes No 1).

<sup>27</sup> Procurement Procedure IP 1233P of SJSC Riga International Airport.

<sup>28</sup> Decision No 5 of the Management Board of 11 July 2024 (Minutes No 49)

<sup>29</sup> Decision No 2 of the Supervisory Board of 24 July 2024 (Minutes No 16)

		<p>appointment of the auditor and the determination of the remuneration<sup>30</sup> was adopted by the Shareholders' Meeting.<sup>31</sup></p> <p>In 2024, a negotiation procedure without the publication of a call for participation was conducted, inviting three international audit firms registered in Latvia to audit the annual accounts for 2024, 2025 and 2026. The selection criteria set out in the tender specifications were agreed with the Supervisory Board.</p>
	The company has an independent external auditor with appropriate qualifications.	The criterion is met. The Airport has an independent external auditor with appropriate qualifications. A contract was signed with Ernst & Young Baltic SIA on 19 September 2024 for the audit of the annual reports for 2024, 2025, and 2026.
	The term of engagement of a single external auditor does not exceed five years	<p>The criterion is met.</p> <p>The audit of the financial statements for 2021, 2022 and 2023 was conducted by SIA PricewaterhouseCoopers. On 19 September 2024, a contract was signed with SIA "Ernst &amp; Young Baltic" for the audit of the financial statements for 2024, 2025, and 2026.</p>

### Election of members of the Supervisory Board

Principle No 7: "The company ensures a transparent procedure for the election and removal of the Supervisory Board members."

	Criteria	Facts
	The Company has adopted procedures for the selection and removal of Supervisory Board members.	<p>The criterion is met. The Airport's Corporate Governance Policy outlines the procedures for the nomination and appointment of Supervisory Board members<sup>32</sup>.</p> <p>The Law on Governance of Capital Shares of a Public Person and Capital Companies sets out provisions regarding the establishment and composition of the Supervisory Board, its responsibilities, the requirements for Supervisory Board candidates, and the procedures for the election and removal of its members.</p> <p>The Law on Governance of Capital Shares of a Public Person and Capital Companies establishes</p>

<sup>30</sup> In accordance with Article 94(1)(5) and (8) of the Law on Governance of Capital Shares of a Public Person and Capital Companies.

<sup>31</sup> Decision of the Extraordinary Shareholders' Meeting of 12 August 2024 (Minutes No 4)

<sup>32</sup> SJSC Riga International Airport Corporate Governance Policy, Section 5.6.1: "The procedure for the nomination and appointment of members of the Management Board and the Supervisory Board, as well as the requirements for candidates, are determined by the Governance Law, the Cabinet Regulations issued on its basis, and the recommendations outlined in the Guidelines issued by the Cross-Sectoral Coordination Centre."

		<p>the procedure for the removal of Supervisory Board members<sup>33</sup>.</p> <p>In 2024, the selection process for one member of the Supervisory Board was initiated. In 2024, the term of office of one member of the Supervisory Board expired. The Supervisory Board members are appointed and removed by the Shareholders' Meeting.</p>
	<p>The company provides timely and sufficient information to its shareholders about Supervisory Board members standing for election or re-election</p>	<p>The criterion is met. Candidates for the position of Supervisory Board members are nominated in accordance with the procedure established by the Law on Governance of Capital Shares of a Public Person and Capital Companies.</p> <p>The selection of members of the Supervisory Board is carried out through a public application process, with the additional involvement of a recruitment consultant in the nomination procedure.</p> <p>There were no nominations for reappointment to the Supervisory Board in 2024. Given that the term of office of one Supervisory Board member expired in 2024 and the selection process for a new member was begun, the Supervisory Board informed the Ministry of Transport about the competencies required for the new member.</p>
	<p>The size of the Supervisory Board is appropriate to the specific nature of the company.</p>	<p>The criterion is met. The number of members of the Supervisory Board, as specified in the Airport's Articles of Association, is three, which aligns with the provisions of the Cabinet Regulation<sup>34</sup>. This number is appropriate to the specific nature and size of the company.</p>
	<p>A member of the Supervisory Board is elected for a term of office not exceeding five years.</p>	<p>The criterion is met. The Airport's Articles of Association stipulate that a member of the Supervisory Board is elected for a term not exceeding five years. As of the preparation of the Corporate Governance Statement, the Supervisory Board functioned, represented by two members, each with a five-year term of office.</p>

More detailed information is available in the Non-Financial Statement 2024, section "Procedure for the nomination and selection of the Management Board and the Supervisory Board".

<sup>33</sup> Article 94(1)(4) of the Law on Governance of Capital Shares of a Public Person and Capital Companies.

<sup>34</sup> Cabinet Regulation No 63 of 4 February 2020 "Regulations on the Number of Members of the Management Boards and Supervisory Boards of Publicly Owned Capital Companies and Publicly Owned Private Capital Companies, as well as the Maximum Amount of Monthly Remuneration of the Members of the Management Board and Supervisory Board".

Principle No 8: “The Supervisory Board members, as a collective body, have appropriate experience and competence”

	<b>Criteria</b>	<b>Facts</b>
	The Supervisory Board collectively possesses the requisite skills, experience and knowledge, including sector-specific expertise, to discharge its duties effectively.	The criterion is met. Members of the Supervisory Board are selected through a competitive process based on their experience, education, skills and knowledge. The composition of the Supervisory Board is balanced, and its members generally possess the necessary expertise, experience, and sector-specific knowledge to effectively perform their duties. Information on the members' education and experience is available on the Airport's website and in the 2024 Non-Financial Statement.
	Diversity principles are taken into account when forming the composition of the Supervisory Board.	The criterion is met. The process for selecting members of the Supervisory Board is governed by the applicable laws and regulations <sup>35</sup> . Discrimination on the basis of age, gender, ethnicity, or other characteristics is strictly prohibited and is not tolerated.
	The Supervisory Board members represent both genders.	The criterion is met. In 2024, both genders were represented on the Airport's Supervisory Board.
	The Management Board develops an induction programme and provides training for new Supervisory Board members.	The criterion is met. Members of the Supervisory Board are provided with sector-specific training upon taking up their duties at Riga Airport. The Supervisory Board is granted access to all binding documents of the Airport upon request.  No new members were elected to the Supervisory Board of the Airport in 2024.

More detailed information about the Supervisory Board (and the Management Board) is available in the Non-Financial Statement 2024, section “CV, competence and performance of the members of the Supervisory Board and the Management Board”.

Principle No 9: “The Supervisory Board of the company includes independent members”.

	<b>Criteria</b>	<b>Facts</b>
	The company evaluates and the shareholders determine the proportion of independent members on the Supervisory Board.	Not applicable. The proportion of independent members of the Supervisory Board is specified in a regulatory document <sup>36</sup> .

<sup>35</sup> Cabinet Regulation No. 20 of 7 January 2020, titled "Nomination Procedure for Members of the Management Board and the Supervisory Board in Capital Companies Where the State or a Derivative Public Entity Holds Shares".

<sup>36</sup> Article 37(6) of the Law on Governance of Capital Shares of a Public Person and Capital Companies: In order to ensure the professional and objective operation of the Supervisory Board of the company, thereby promoting the company's long-term value growth and operational efficiency, the shareholder ensures that at least half of the members of the Supervisory Board are independent.

	At least half of the members of the Supervisory Board are independent.	The criterion is met. At the Airport, at least half of the members of the Supervisory Board in 2024 were independent and met the criteria for an independent Supervisory Board member. The reference to the independent member of the Supervisory Board is included in the description of the professional experience of the relevant Supervisory Board member on the Airport's website.
	Independent candidates for election to the Supervisory Board submit a declaration confirming their compliance with the independence criteria.	The criterion is met. No new members were elected in 2024. All existing independent members of the Supervisory Board have submitted a declaration confirming that they are not restricted from holding a position of the Supervisory Board member in accordance with the laws and regulations <sup>37</sup> and have committed to promptly inform the public shareholder of any impediments to the exercise of their duties.
	Before the election of the Supervisory Board, the company assesses the independence of the candidates based on the available information.	The criterion is met. No new members were elected in 2024. The shareholder ensures that at least half of the members of the Supervisory Board are independent and meet all the criteria set out in the external regulatory framework <sup>38</sup> .

## Remuneration determination principles for the Supervisory and Management Boards

Principle No 10: "A remuneration policy is set up in the company"

	Criteria	Facts
	The company has a remuneration policy, developed by the Management Board, reviewed by the Supervisory Board, and approved by the Shareholders' Meeting.	<p>The criterion is met.</p> <p>The Airport has a remuneration policy for the Management Board and the Supervisory Board, which has been reviewed by the Management Board, the Supervisory Board and at the shareholders' meeting<sup>39</sup>.</p> <p>The procedure for setting the remuneration of Supervisory Board and Management Board members is outlined in the Airport's Corporate Governance Policy<sup>40</sup>.</p>

<sup>37</sup> Article 37(4) of the Law on Governance of Capital Shares of a Public Person and Capital Companies.

<sup>38</sup> Article 31(6) of the Law on Governance of Capital Shares of a Public Person and Capital Companies.

<sup>39</sup> The remuneration policy for the Management Board and the Supervisory Board was approved at the Management Board meeting on 21 November 2024 (Decision No 2.8, Minutes No 83, ), at the Supervisory Board meeting on 18 December 2024 (Decision No. 4.4, Minutes No 23) and at the Extraordinary Shareholders' Meeting on 20 January 2025 (Decision No. 1.5, Minutes No 1).

<sup>40</sup> Section 5.7.1 of the Corporate Governance Policy of SJSC Riga International Airport: "The remuneration of the members of the Supervisory Board and the Management Board is determined in accordance with the Governance Law and Cabinet Regulations as well as with due regard to the Guidelines issued by the Cross-Sectoral Coordination Centre on the remuneration of Management Board and Supervisory Board members of state-owned companies."

	<p>The Supervisory Board sets annual financial and non-financial objectives for the Management Board, determines their impact on the variable component of remuneration, and monitors their implementation</p>	<p>The criterion is met.</p> <p>In 2024, the Supervisory Board set individual performance objectives (KPIs) for each member of the Management Board, in line with the CSCC guidelines<sup>41</sup>, and monitored their achievement.</p> <p>Variable remuneration is determined in accordance with the criteria established by external legislation<sup>42</sup>, taking into account the achievement of both financial and non-financial objectives, and in line with the CSCC guidelines<sup>43</sup>.</p> <p>No bonuses were paid to the members of the Management Board in 2024. More detailed information is available in the Non-Financial Statement 2024, in the section “CV, competence and performance of the members of the Supervisory Board and the Management Board”</p>
	<p>No variable remuneration is set for the members of the Supervisory Board, nor is any compensation paid in the event of their removal from office or resignation</p>	<p>The criterion is met. No variable components or bonuses are paid to the members of the Supervisory Board, nor is any compensation paid in the event of their removal from office or resignation.</p>
	<p>The Management Board prepares a report on the remuneration allocated to each current and former member of the Management Board and the Supervisory Board once a year.</p>	<p>The criterion is met. Information on the remuneration set for each member of the Supervisory Board and the Management Board is available on the Airport's website. The Airport prepares information on the remuneration of the Management Board and the Supervisory Board, which is disclosed both in the annual report and in the interim financial statements published on the Airport's website.</p> <p>Members of the Airport's Management Board and Supervisory Board are classified as public officials under external regulations<sup>44</sup>, and information on their remuneration is publicly available in their public official tax declarations, which are accessible in the State Revenue Service database. In 2024, there were no changes in the composition or remuneration of the members of the Management Board and the Supervisory Board. In 2024, the term of office of</p>

<sup>41</sup> Guidelines No 1.2-23/3/2 of 17 August 2020 issued by the Cross-Sectoral Coordination Centre “Guidelines for the Evaluation of the Performance of the Management Board and the Supervisory Board Members”.

<sup>42</sup> Article 117(2) of the Law on Governance of Capital Shares of a Public Person and Capital Companies.

<sup>43</sup> Guidelines No 1.2-23/3/2 of 22 January 2021 issued by the Cross-Sectoral Coordination Centre “Guidelines for Determining the Remuneration of the Management Board and the Supervisory Board Members of Public Capital Companies of a Public Person and Public-Private Capital Companies”.

<sup>44</sup> Law on Prevention of Conflict of Interest in Activities of Public Officials.

		one of the three Supervisory Board members expired.
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More detailed information is available in the Non-Financial Statement 2024, section “Remuneration Policy for the Management Board and the Supervisory Board”.

### Organisation of the activities and decision-making processes of the Supervisory Board

Principle No 11: “The company has established a clear and transparent framework for the work organisation of the Supervisory Board”

	Criteria	Facts
	The Supervisory Board organises its work in accordance with its Rules of Procedure and work schedule.	The criterion is met. The Supervisory Board organises its work in accordance with the Rules of Procedure <sup>45</sup> of the Supervisory Board of SJSC Riga International Airport approved at a Supervisory Board meeting, and the annual schedule <sup>46</sup> of Supervisory Board meetings.
	The Supervisory Board holds at least one separate meeting each year to discuss the company's strategy and its implementation	The criterion is met. In accordance with the Supervisory Board's Rules of Procedure and the procedure established by the Ministry of Transport <sup>47</sup> , the Supervisory Board reviews the results of the Strategy Action Plan on a biannual basis. Once a year, in accordance with the regulatory requirements <sup>48</sup> , the company evaluates its performance (including the achievement of financial and non-financial objectives set out in the Strategy) and receives an assessment from the State Chancellery and the Ministry of Transport as the sectoral ministry.
	The company's budget provides the necessary funding for the operation of the Supervisory Board.	The criterion is met. The Airport's budget provides for the necessary funding for the operation of the Supervisory Board in accordance with the mandate agreements of the members of the Supervisory Board.
	The Supervisory Board conducts an annual self-assessment of its work, and the results are reviewed at a Supervisory Board meeting.	The criterion is met. The Supervisory Board conducts an annual self-assessment of its work and reviews the results at a Supervisory Board meeting <sup>49</sup> .
	The Supervisory Board has assessed the need for the	The criterion is not applicable. In 2024, the Supervisory Board consisted of three members

<sup>45</sup> Approved at the Supervisory Board meeting on 8 November 2021 (Minutes No 16).

<sup>46</sup> The schedule of Supervisory Board meetings for 2025 was approved at the Supervisory Board meeting on 18 December 2024 (Decision No 7, Minutes No 23).

<sup>47</sup> Internal Regulations of the Ministry of Transport of 27 September 2021 No 01-02/31 “Procedure for the Management of State Capital Shares”.

<sup>48</sup> Cabinet Regulation No 96 of 9 February 2016 “Procedure for Assessment of Performance Results and Financial Indicators for a Capital Company where the State Exerts an Effective Control”.

<sup>49</sup> The self-assessment for 2023 was reviewed at the Supervisory Board meeting on 26 March 2024 (Decision No 7, Minutes No 8).

	<p>establishment of committees (if a committee has been established, refer to Principle No 12.1).</p>	<p>(since May 2024, two members). Given that the Corporate Governance Code recommends a minimum of three members for committees, the establishment of such committees is not deemed necessary.</p> <p>The Supervisory Board has assessed and initiated the establishment of committees beyond those referred to in Article 12.1 of the Corporate Governance Code.</p> <p>In July 2020, the 'Supervisory Committee for Phase 6 of the Expansion of the Passenger Terminal of SJSC Riga International Airport' was established.</p> <p>In September 2021, the Supervisory Committee for the Business Park Development Project of SJSC Riga International Airport was established. The committees continued their work in 2024.</p>
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Principle No 12: "The Supervisory Board takes informed and balanced decisions"

	<b>Criteria</b>	<b>Facts</b>
	<p>The Supervisory Board has timely and sufficient access to the information prepared by the Management Board for decision-making.</p>	<p>The criterion is met. In accordance with the Rules of Procedure of the Supervisory Board, the Secretary of the Airport's Supervisory Board sends the notice, along with the draft agenda, proposed decisions, documents, and other materials for the Supervisory Board meeting, to the members of the Supervisory Board and the Management Board one week prior to the meeting date. To consider issues that are not in the agenda notice about the meeting of the Supervisory Board is possible only on the agreement of all the present Supervisory Board members.</p>
	<p>The Supervisory Board determines the procedures for the circulation of information, including its right to request any necessary information from the Management Board to enable informed decision-making.</p>	<p>The criterion is met. The Supervisory Board is entitled to receive all necessary information from the Management Board for its decision-making. The Rules of Procedure of the Supervisory Board set out the extent of the information that the Management Board must provide to facilitate decision-making</p>
	<p>A member of the Supervisory Board analyses the information and prepares proposals for decision-making by the Supervisory Board.</p>	<p>The criterion is met. The proposals and opinions of Supervisory Board members are discussed at Supervisory Board meetings.</p>
	<p>When taking decisions, the Supervisory Board assesses risks, as well as the short-term</p>	<p>The criterion is met. The Supervisory Board represents the interests of the shareholder in the interim of shareholders' meetings and monitors</p>

	and long-term impact on the company's value, sustainability, and responsible development.	the activities of the Management Board by applying sound and effective governance tools: it participates in the strategic development of the Airport, oversees the Airport's financial and risk management systems, assesses the effectiveness of the internal control system, and performs other duties required by the applicable legislation. When taking informed and balanced decisions, the short- and long-term impact on the Airport's value, sustainability and responsible development is assessed. The principles governing the operation of the Supervisory Board, as well as its main duties, are set out in the Articles of Association of the Airport and the Rules of Procedure of the Supervisory Board. The tasks and responsibilities of the Supervisory Board are regulated by legislative acts.
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### Prevention of conflicts of interest

Principle No 13: " Members of the Management Board and the Supervisory Board are clearly aware of signs of potential conflicts of interest and are informed of the necessary actions to be taken in the event of a conflict.

	Criteria	Facts
	The Supervisory Board defines the indicators of a conflict of interest and establishes the procedures for the prevention and management of conflicts of interest.	The criterion is met. In 2022, the Supervisory Board approved the Airport's Corruption and Conflict of Interest Prevention Policy <sup>50</sup> (hereinafter – the Airport's Conflict of Interest Prevention Policy), which defines the indicators of a conflict of interest. The purpose of this Policy is to establish uniform guidelines and principles for the prevention of corruption, as well as for early and transparent identification, prevention, and management of real, alleged, and potential conflicts of interest. It aims to prevent employees from performing their duties and exercising their powers in situations of conflict of interest at the Airport, and defines the duties and responsibilities of those involved in preventing corruption and conflicts of interest. In accordance with the Airport's Conflict of Interest Prevention Policy, the Conflict of Interest Prevention Management Manual has been developed and approved <sup>51</sup> by the Management Board, setting out the procedures by which: <ul style="list-style-type: none"> <li>a) the Supervisory Board coordinates and monitors the necessary procedures for</li> </ul>

<sup>50</sup> Approved at the Supervisory Board meeting on 1 December 2022 (Decision No 3, Minutes No 18).

<sup>51</sup> Approved at the Management Board meeting on 20 April 2023 (Decision No 1, Minutes No 29), and agreed upon at the Supervisory Board meeting on 10 May 2023 (Decision No 5, Minutes No 6).

		<p>preventing conflict of interest situations, and manages them where members of the Airport's Supervisory Board, Management Board, or their related parties are involved;</p> <p>b) the Management Board manages conflict of interest situations where Airport's employees are involved, and supervises the Airport's transactions with former members of the Management Board and Supervisory Board, as well as with persons related to members of the Airport's Supervisory Board or Management Board.</p>
	<p>Members of the Supervisory Board or Management Board do not participate in decision-making on matters where the interests of the company conflict with the interests of the Supervisory Board or Management Board members, or persons associated with them.</p>	<p>The Criterion is met. The Rules of Procedure of the Supervisory Board<sup>52</sup> and those of the Management Board<sup>53</sup>, as well as the Conflict of Interest Prevention Policy and the Conflict of Interest Prevention Management Manual, specify the circumstances in which a member of the Supervisory Board or Management Board must not participate in decision-making. Therefore, members of the Supervisory Board and the Management Board must avoid conflicts of interest and must not take decisions or participate in decision-making that affect or may affect the personal or pecuniary interests of the members themselves, their associated persons, or business partners.</p>
	<p>Persons subject to the conflict of interest prevention obligation regularly participate in training on how to act in situations involving a conflict of interest.</p>	<p>The criterion is met. In accordance with external regulations<sup>54</sup>, in 2022, Airport staff participated in online training on 'Current Issues in Conflict of Interest, Anti-Corruption and Ethics',<sup>55</sup> delivered by experts from the Corruption Prevention and Combating Bureau. Up to 60 mid- and senior-level employees, whose positions are most exposed to corruption and conflict of interest risks, received the training. Training was also provided to employees who were unable to participate in the online sessions. The training videos have been uploaded to the Airport's</p>

<sup>52</sup> Section 6.1.4 of the Rules of Procedure of the Supervisory Board of SJSC Riga International Airport provides the obligation for Supervisory Board members to avoid conflicts of interest, as well as not to take decisions or participate in decision-making, or perform any other activities related to the duties of a Supervisory Board member that may affect or have the potential to affect the personal or financial interests of the Board member, their family members, relatives, or business partners.

<sup>53</sup> "Section 4.8 of the Rules of Procedure of the Management Board of SJSC Riga International Airport: "If the interests of the Company conflict with the interests of a Management Board member, their spouse, relative, or in-law (up to the third degree of kinship and the second degree of affinity), and such matters are decided by the Management Board, the interested Management Board member must not participate in the vote, and this must be recorded in the minutes of the Management Board meeting".

<sup>54</sup> Cabinet Regulation No 630 of 17 October 2017 "Regulations Regarding the Basic Requirements for an Internal Control System for the Prevention of Corruption and Conflict of Interest in an Institution of a Public Person".

<sup>55</sup> The training sessions took place on 10 May and 16 June 2022.

	<p>training system. In 2024, 10 employees completed the e-learning course.</p> <p>The next online training sessions led by experts from the Corruption Prevention and Combating Bureau are scheduled for April 2025. At the beginning of 2025, the development of an internal training programme was launched.</p> <p>The Airport has developed the training programme "Code of Business Ethics" and established that all employees must complete the training once every three years. The programme is based on requirements concerning conduct in relation to potential violations, fraudulent activities, or corrupt practices.</p>
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More detailed information is available in the Non-Financial Statement 2024, section "Ethics, anti-corruption policy and conflict of interest prevention".

### Shareholders' Meeting

Principle No 14: " The company provides shareholders with timely information regarding conducting of a Shareholders' Meeting, ensuring that all necessary information for decision-making is made available".

	Criteria	Facts
	The company informs shareholders in a timely manner about the agenda, its run, and voting procedures at a Shareholders' Meeting, as well as about any related changes.	The criterion is met. The Airport's Shareholders' Meeting is convened in accordance with the procedures for convening and preparing documents set out in the Law on Governance of Capital Shares of a Public Person and Capital Companies, as well as the regulations of the Ministry of Transport <sup>56</sup> . The timing and agenda of the Shareholders' Meeting are agreed upon with the shareholder.
	At the time of announcing the meeting, the company provides shareholders with the opportunity to review the draft decisions initially scheduled for voting at the meeting and promptly informs them of any additional draft decisions submitted.	The criterion is met. The Airport provides the shareholder with the opportunity to review the draft decisions initially intended for voting at the meeting and ensures that the shareholder is informed of any changes.
	The Company provides shareholders with the opportunity to submit questions regarding the agenda items and	The criterion is met. Additional information is made available to the shareholder upon request.

<sup>56</sup> Internal Regulation No 01-02/31 of 27 September 2021 of the Ministry of Transport "Procedures for the Governance of State-Owned Capital Shares".

	draft resolutions prior to the Shareholders' Meeting.	
	The draft decisions and the documents attached thereto provide detailed, clear and comprehensive information on the matter under consideration	The criterion is met. The draft decisions and the documents attached thereto provide detailed, clear and comprehensive information on the matter under consideration, and the shareholder is entitled to submit questions both prior to and during the Shareholders' Meeting.

Principle No 15: "The Company promotes effective shareholder engagement in decision-making and encourages greater shareholder participation in Shareholders' Meetings"

	<b>Criteria</b>	<b>Facts</b>
	The Shareholders' Meeting is convened and held at a time and place convenient for the shareholders.	The criterion is met. Shareholders' Meetings were convened and held at a time and venue convenient for the shareholder, following prior agreement with the shareholder.
	The Company ensures for shareholders the possibility to participate in the Shareholders' Meeting remotely.	The criterion is met. In 2024, the Shareholders' Meetings were convened and held at a venue and time convenient for the shareholder (including remotely). The format of the Shareholders' Meeting was recorded in the Minutes.  The Airport, in cases where the Shareholders' Meeting is conducted using electronic communication tools (remotely), takes the necessary measures to ensure the run of the meeting, providing shareholders with the opportunity to speak, ask questions, and participate in discussions
	The company determines the appropriate duration of the Shareholders' Meeting and provides shareholders with the opportunity to express their opinions and obtain the necessary information for decision-making during the meeting.	The criterion is met. The duration of the Shareholders' Meeting was determined based on the number of items on the agenda and the volume of information to be discussed.
	The company announces another shareholders' meeting if the items on the agenda cannot be addressed within the scheduled time.	The criterion is met. In 2024, all submitted questions were addressed within the scheduled time.
	The company invites the members of the Management Board and the Supervisory Board, candidates for Supervisory Board members, the auditor, and the internal	The criterion is met. Members of the Supervisory Board and the Management Board as well as other Airport employees, whose expertise is relevant to the items on the agenda, participated in the Shareholders' Meetings. The need for the

	auditor, as well as other relevant individuals, to attend the Shareholders' Meeting based on the items on the meeting's agenda.	auditor's participation is determined by the applicable regulations <sup>57</sup> .
	The Shareholders' Meeting takes decisions in accordance with the draft resolutions previously announced.	The criterion is met. The Shareholders' Meeting reviewed the submitted draft resolutions, evaluated the provided information, and took appropriate decisions.

Principle No 16: " The Company develops and discusses a dividend policy with shareholders".

	Criteria	Facts
	The Company has developed and published an up-to-date dividend policy.	The criterion is met. The shareholder's expectations regarding the dividend policy are set out in the Letter of Expectations for the medium-term strategy for 2024–2030 and is published on the Airport's website.
	The dividend policy is discussed with the shareholder during the Shareholders' Meeting.	The criterion is met. At the Annual Shareholders' Meeting <sup>58</sup> , the Letter of Expectations from the shareholder regarding the medium-term strategy for 2024–2030, which outlines the shareholder's expectations regarding the dividend policy, was discussed and approved.

### Transparency of the Company's operations

Principle No 17: "The Company regularly and in a timely manner informs shareholders and other stakeholders about its business operations, financial results, governance and other topical issues".

	Criteria	Facts
	The Company discloses complete, accurate, objective, up-to-date, and truthful information in a timely manner	<p>The criterion is met. In accordance with regulatory requirements<sup>59</sup>, the Airport discloses complete, accurate, objective, up-to-date, and truthful information in a timely manner, which is available on the Airport's website: <a href="https://www.riga-airport.com/lv">https://www.riga-airport.com/lv</a>.</p> <p>The Airport publishes information on its website in accordance with regulatory requirements, ensuring that the published information is timely and provides a clear overview of the company's governance, strategy, business activities, and financial results. The company's website publishes information about the company, its activities, strategy, and objectives, as well as details about the shareholder, members of the Management Board and the Supervisory Board.</p>

<sup>57</sup> Article 103 of the Law on Governance of Capital Shares of a Public Person and Capital Companies.

<sup>58</sup> The Annual Shareholders' Meeting, held on 27 May 2024 (Decision No 5.1, Minutes No. 3).

<sup>59</sup> Article 58 of the Law on Governance of Capital Shares of a Public Person and Capital Companies.

		Additionally, the website includes information on financial reports, shareholders' meetings, and key policies.
	The company discloses information to all shareholders at the same time and to the same extent.	The criterion is met. The Airport is a wholly (100%) owned company of the Republic of Latvia, with the Ministry of Transport being the sole shareholder.
	The company publishes information about its governance, strategy, and business lines on its website, along with financial reports and other relevant information as outlined in Annex 1.	The criterion is met (see Annex 1). The disclosure of information is carried out in accordance with the Law on Governance of Capital Shares of a Public Person and Capital Companies, by publishing on the website: <a href="https://www.riga-airport.com/lv">https://www.riga-airport.com/lv</a> information on general strategic objectives, details about the company's activities, and business types.
	The company provides information in both Latvian and at least one other language that is understandable to the majority of the company's foreign shareholders and other stakeholders.	The criterion is met. The Airport's website is available in English at <a href="https://www.riga-airport.com/lv">https://www.riga-airport.com/lv</a>

**Annex 1. Information to be Disclosed on the Company’s Website**

Company				
Scope/ criterion	Met	N/A	Not met	Explanation
Information about the company – its establishment and operational history, registration details, address, industry description, main business activities, and the company’s position within the group structure (if applicable)	X			
Information about the company’s strategic objectives	X			
Company’s Articles of Association	X			
Information about the company’s corporate governance structure	X			
Company’s code of organisational culture and ethical conduct	X			
The company’s key policies (Information Disclosure, Circulation and Confidentiality Policy, Conflict of Interest Prevention Policy, Risk Management Policy, etc.)	X			

Shareholders and beneficial owners				
Scope/ criterion	Met	N/A	Not met	Explanation
Information about the company’s shareholders holding at least 5% of the company’s share capital (indicating the date the information was prepared).		X		The Airport has only one shareholder.
Information about the company’s beneficial owners (indicating the date the information was prepared).		X		Given that the Airport is a wholly state-owned company, it is not possible to identify its beneficial owners
Number of issued, paid-up, and voting shares, bonds, or other		X		The Airport does not issue securities.

financial instruments of the company				
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Supervisory Board and Management Board				
Scope/ criterion	Met	N/A	Not met	Explanation
Rules of Procedure of the Management Board and the Supervisory Board (or other equivalent document)	X			
Information about each member of the company's Supervisory Board and Management Board: <ul style="list-style-type: none"> <li>• term of office;</li> <li>• position and area of responsibility (if specified);</li> <li>• professional work experience and education;</li> <li>• current information about positions in other companies;</li> <li>• current information on shares owned in the company;</li> <li>• statistics on attendance of board meetings.</li> </ul>	X			The information available on the Airport's website is published in accordance with Article 58 of the Law on Governance of Capital Shares of a Public Person and Capital Companies "Disclosure of Information about Capital Companies"
Information about independent members of the Supervisory Board: <ul style="list-style-type: none"> <li>• which Supervisory Board members are considered independent;</li> <li>• the criteria by which the independence of a Supervisory Board member is determined;</li> <li>• annual evaluation of a Supervisory Board members' independence</li> </ul>	X			All current independent members of the Supervisory Board have submitted a declaration confirming that they have no restrictions on holding the position of a Supervisory Board member in accordance with the regulations, and have committed to immediately inform the holder of the state shares of any obstacles that may arise in fulfilling their duties.

<p>Remuneration policy for the Management Board and the Supervisory Board and a remuneration report.</p>	<p>X</p>		<p>The Airport prepares information about the remuneration of the Management and Supervisory Boards once a year, which is disclosed in the annual report.</p> <p>The Airport's website includes a section on the remuneration policy and remuneration for the Management and Supervisory Boards (<a href="https://www.riga-airport.com/lv/korporati-va-parvaldiba/">https://www.riga-airport.com/lv/korporati-va-parvaldiba/</a>).</p>
<p>Information about the nomination process for the Management and Supervisory Boards</p>	<p>X</p>		<p>Starting the nomination process in May 2024, information about the selection (nomination) process for the Supervisory Board members was published on the Airport's website at <a href="https://www.riga-airport.com/lv/darbs-lidosta">https://www.riga-airport.com/lv/darbs-lidosta</a>, as well as on the websites of the State Chancellery, the State Employment Agency, and the Ministry of Transport, the CV-Online portal, and social media platforms.</p>
<p>Information about the Supervisory Board committees and the audit committee:</p> <ul style="list-style-type: none"> <li>• committee's Rules of Procedure;</li> <li>• information about committee members.</li> </ul>	<p>X</p>		<p>The Airport does not have an Audit Committee.</p> <p>In July 2020, the 'Supervisory Committee for Phase 6 of the Expansion of the Passenger Terminal of SJSC Riga International Airport' was established.</p>

				<p>In September 2021, the Supervisory Committee for the Business Park Development Project of SJSC Riga International Airport was established.</p> <p>Information about the composition of the committees is available on the Airport's website.</p>
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Financial and non-financial statements and information				
Scope/ criterion	Met	N/A	Not met	Explanation
<p>The company's financial statements and reports for the last 3 financial years:</p> <ul style="list-style-type: none"> <li>• annual reports;</li> <li>• interim reports and quarterly reports</li> </ul>	X			
The company's non-financial statements for at least the last 3 financial years	X			The non-financial statement, or sustainability report, prepared since 2020 according to the Global Reporting Initiative standard
Corporate governance reports.	X			
The company's financial calendar or any other calendar of significant and scheduled communication events	X			Availability of information about financial statements as well as press releases on significant events at the Airport, scheduled for the near future or already effected.

Information for shareholders and investors				
Scope/ criterion	Met	N/A	Not met	Explanation
<p>Information about planned shareholders' meetings:</p> <ul style="list-style-type: none"> <li>• notices of shareholder meetings;</li> <li>• draft decisions</li> </ul>	X			The Airport complies with the regulations <sup>60</sup> regarding the publication of shareholders' meeting notices. Information about past shareholders' meetings and decisions made is publicly available.
<p>Information about past shareholders' meetings:</p> <ul style="list-style-type: none"> <li>• information about decisions made at shareholders' meetings</li> </ul>	X			
The company's dividend policy and information about dividends paid (for at least the last 10 years of the company's operations)	X			See Principle No 16. Information about dividends paid is included in the company's annual reports, published on the Airport's website since 2002.
Information about related party transactions		X		The Airport has no subsidiaries or shareholdings in other companies.
The company's public announcements and material information for investors, including investor presentations, video recordings of investor events, forecasts, if any, etc.		X		The Airport is not a listed company and does not issue securities; therefore, there is no separate information intended for investors.
Investor Relations Specialist contact (if applicable)		X		An investor relations specialist position has not been established at the Airport

<sup>60</sup> Article 58 of the Law on Governance of Capital Shares of a Public Person and Capital Companies.

## Annex 2. Key policies

Key policies included in the Corporate Governance Code (information available on the website: <https://www.riga-airport.com/lv>):

	Published/ complied with	N/A	Not published	Explanation
Risk Management Policy	X			The principles of the Risk Management Policy are publicly available on the website
Remuneration Policy	X			The principles of the Remuneration Policy are included in the Personnel Policy and are published on the website "Personnel Policy, including the principles outlined in the Remuneration Policy" <a href="https://www.riga-airport.com/lv/politikas">https://www.riga-airport.com/lv/politikas</a>
Dividend Policy	X			The Dividend Policy is defined in the medium-term strategy, while the dividend payments made are reflected in the annual reports, which are published on the Airport's website.

Other key policies mentioned in the Corporate Governance Code:

	Published/ complied with	N/A	Not published	Explanation
Internal Audit Policy			X	The Internal Audit Policy is published on the website: <a href="https://www.riga-airport.com/lv/politikas">https://www.riga-airport.com/lv/politikas</a>
Conflict of Interest Prevention Policy	X			The principles of the Corruption and Conflict of Interest Prevention Policy are published on the website
Information Disclosure, Circulation and Confidentiality Policy	X			The policy is defined in the following documents: - Communication Strategy 2022–2027 of SJSC Riga International Airport;

				<ul style="list-style-type: none"> <li>- Maintenance and development of the Airport's website;</li> <li>- Ensuring internal and external communication;</li> <li>- The instruction on the protection and circulation of restricted access information;</li> </ul> <p>The principles of information disclosure are published on the website (<a href="https://www.riga-airport.com/lv/politikas">https://www.riga-airport.com/lv/politikas</a>).</p>
Whistleblowing Policy	X			<p>The policy is defined in the Whistleblowing Procedure. Information is available on the website: <a href="https://www.riga-airport.com/lv/trauksmes-celsana">https://www.riga-airport.com/lv/trauksmes-celsana</a></p>
Fair Competition Enforcement Policy	X			<p>The policy is defined in the following documents:</p> <ul style="list-style-type: none"> <li>- Procurement Procedure IP 1233 P;</li> <li>-the Code of Business Ethics of SJSC Riga International Airport. Information is available on the website <a href="https://www.riga-airport.com/lv/etikas-principi-partneriem">https://www.riga-airport.com/lv/etikas-principi-partneriem</a>.</li> </ul>
Diversity Policy	X			<p>Diversity aspects are included in the Personnel Policy and the Code of Business Ethics. The principles are published on the website <a href="https://www.riga-airport.com/lv/politikas">https://www.riga-airport.com/lv/politikas</a>.</p>
Sustainability Policy	X			<p>The Sustainability Policy is published on the website <a href="#">Politikas   RIX</a>.</p>

Key compliance policies:

	Published/ complied with	N/A	Not published	Explanation
Due Diligence Policy for Business Partners	X			<p>The policy is defined in the following documents:</p>

				<p>- the Code of Business Ethics of SJSC Riga International Airport. Airport's Supplier Due Diligence Procedure.</p> <p>Information is available on the website <a href="https://www.riga-airport.com/lv/etikas-principi-partneriem">https://www.riga-airport.com/lv/etikas-principi-partneriem</a>.</p>
Sanctions Risk Management Policy	X			<p>The policy is defined in the following documents:</p> <ul style="list-style-type: none"> <li>- Sanctions Risk Management and Internal Control System Procedure JD 1462 P;</li> <li>- Procurement Procedure IP 1233 P;</li> <li>- the Code of Business Ethics of SJSC Riga International Airport. Information is available on the website <a href="https://www.riga-airport.com/lv/etikas-principi-partneriem">https://www.riga-airport.com/lv/etikas-principi-partneriem</a>.</li> </ul>
Personal Data Processing Policy	X			<p>Privacy policy. The policy is published on the website: <a href="https://www.riga-airport.com/lv/privatuma-politika">https://www.riga-airport.com/lv/privatuma-politika</a></p>

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Laila Odiņa  
Chairperson of  
the Board

\_\_\_\_\_  
Artūrs  
Saveljevs  
Board Member

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Normunds  
Feierbergs  
Board Member

11 April 2025

This document is signed electronically with a safe electronic signature and contains a time stamp.

*Translation from Latvian*

## INDEPENDENT AUDITORS' REPORT

To the Shareholder of VAS "Starptautiskā Lidosta "Rīga""

### Opinion

We have audited the accompanying financial statements of VAS "Starptautiskā Lidosta "Rīga"" (the Company) set out on pages 11 to 55 of the accompanying annual report, which comprise the statement of financial position as at 31 December 2024 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the independence requirements included in the Law on Audit Services of Republic of Latvia that are relevant to our audit of the financial statements in the Republic of Latvia. We have fulfilled our other ethical responsibilities in accordance with the Law on Audit Services of Republic of Latvia and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Reporting on other information

Management is responsible for the other information. The other information comprises:

- the General information about the Company as set out on page 3 of the accompanying Annual Report;
- the Management Report as set out on pages 4 to 9 of the accompanying Annual Report;
- the Statement on Management Responsibility, as set out on page 10 of the accompanying Annual Report;
- the Statement of Corporate Governance, as set out in a separate statement on pages 56 to 83 provided by the Company's management.

Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as described in the *Other reporting responsibilities in accordance with the legislation of the Republic of Latvia* section of our report.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and in light of the knowledge and understanding of the Company and its environment obtained in the course of our audit, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Other reporting responsibilities in accordance with the legislation of the Republic of Latvia*

We have other reporting responsibilities in accordance with the Law on Audit Services of the Republic of Latvia with respect to the Management Report. These additional reporting responsibilities are beyond those required under the ISAs.



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with confidence**

Our responsibility is to consider whether the Management Report is prepared in accordance with the requirements of the Law on the Annual Reports and Consolidated Annual Reports of the Republic of Latvia.

Based solely on the work undertaken in the course of our audit, in our opinion:

- the information given in the Management Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Management Report has been prepared in accordance with the requirements of the Law on Annual Reports and Consolidated Annual Reports of the Republic of Latvia.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

ERNST & YOUNG BALTIC SIA

Licence No. 17

A handwritten signature in blue ink, appearing to read 'Diana Krīšjāne', written in a cursive style.

Diana Krīšjāne

Chairperson of the Board

A handwritten signature in blue ink, appearing to read 'Dace Negulinere', written in a cursive style.

Dace Negulinere

Latvian Certified Auditor

Certificate No. 175

Rīga,  
11 April 2025