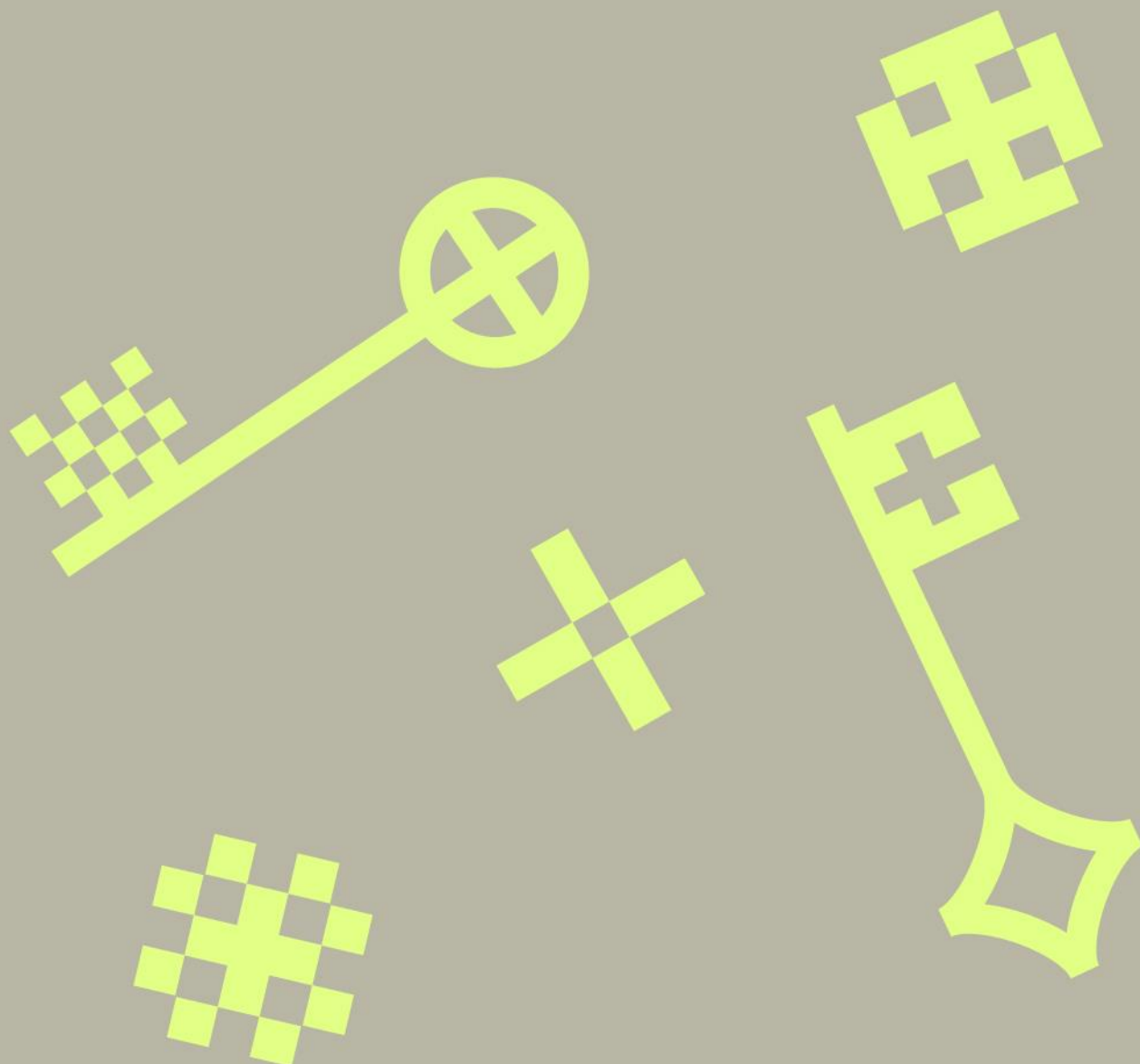


Public Report 2025 of Riga State City Municipality



RIGA



APPROVED

with Riga State City Council decision
of 2026.06.10 No. RD-26-851-lē



Riga, 2026

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THE CHAIRMAN OF THE RIGA COUNCIL INTRODUCTION TO THE PUBLIC REPORT 2025

During the reporting year, the Riga State City Municipality operated in accordance with the Statute, which determines transparent organization of the Riga State City Municipality administration, the decision-making procedure, the rights of citizens in local administration, with the aim to bring the administration closer to the recipients of municipal services. At the same time, the municipality continued to perform the autonomous and other functions prescribed by law, as well as the functions of the capital city, for which responsibility is shared between the state and the municipality.

In 2025, Riga State City Municipality was affected by the economic and financial situation, with gross domestic product at constant prices increasing by 2,1% compared with the previous year. According to the latest available data, Riga's share of the country's total gross domestic product is approximately 53%, which clearly demonstrates Riga's leading role in Latvia's economy and its significant importance in ensuring the country's economic growth.

In 2025, Riga State City Municipality's budget revenue was 1 477,1 million euro, which is by 77,2 million euro more than in the previous year. Revenue from the largest revenue item – personal income tax – reached 895,1 million euro, which is by 12,8 million euro more than in 2024. Real estate tax revenue was 118,8 million euro, an increase by 2,4 million euro. Total tax revenue reached 1 016,6 million euro, forming 101,4% of the planned amount. Non-tax revenue was 35,9 million euro, while revenue from paid services and other own revenue were 36,3 million euro. Transfers reached 383,6 million euro, including 81,5 million euro in EU project reimbursement transfers, which accounted for a total increase in transfers of 58,1 million euro.

In 2025, the largest share of funding of Municipality's budget expenditures, as in previous years, was allocated to education – 546,3 million euro. Expenditures on economic activities reached to 411,5 million euro.

Capital expenditures reached the highest level in the city's budget history – 262 million euro.

The municipality closed 2025 with a basic budget deficit of 68,3 million euro. At the same time, the municipality's positive financial balance reached 70,9 million euro, fully covering the budget deficit and leaving 127,8 million euro in budget funds at the end of the year, which is sufficient to meet obligations in the coming years.

The greatest risks to the municipality's revenue in the coming years are linked to potential changes in the municipal financial equalization system, as well as to trends in personal income tax revenue affected by macroeconomic factors. The most significant risks in the expenditure area are related to the implementation of capital projects and the balance of cash flows. A major challenge remains the renewal of the city's transport infrastructure using European Union funding and loans.

In 2025, Riga achieved a high rate of EU project implementation, demonstrating the city's ability to effectively carry out projects. In cooperation with ministries, positive progress was made in implementing projects that were at an advanced stage of readiness. The 2026 State Budget Law provides the municipality with the opportunity to secure a loan of 84,5 million euro for the implementation of the "The Vansu Bridge Reconstruction" project from year 2026 to 2028.

During the reporting year, international credit rating agency "Standard & Poor's" continued evaluation of Municipality's financial and budget policy. In October of 2025, it reaffirmed credit rating assigned to Riga State City Municipality at "A" level and with stable development perspective confirming successful financial management in a changing economic environment.

The financial stability that has been achieved, as evidenced by the data in this report, provides a solid foundation for growth.

In the coming years, Riga will implement an ambitious development program with a total investment of 2,8 to 4,2 billion euro, combining EU funds, state, municipal, and private capital.

Investments will focus on strengthening competitiveness and innovation, developing mobility and connectivity, transitioning to clean energy, promoting well-being and social cohesion, as well as urban safety and resilience.

The overall goal of these investments is to improve Riga's demographic situation and increase its population by creating a city that is equally attractive to both residents and investors.

A balanced investment attraction policy, a high-quality urban environment, modern infrastructure, and strong social policies will help create a growing, socially responsible, and economically competitive Riga in the Baltic region.

V. Kleinbergs
Chairman of the Riga State City Council

ECONOMIC DESCRIPTION OF RIGA STATE CITY MUNICIPALITY

RIGA POPULATION

POPULATION

At the beginning of 2026, according to data of The Office of Citizenship and Migration Affairs 659,4 thousand inhabitants lived in Riga, decreasing by 13,1 thousand per year (by 1,9%). The State's overall population decreased by 35,8 thousand (1,8%) over the past year.

Natural population growth in Riga has been negative for a long time; in 2024, it reached 7,9 people per 1 000 residents. The net migration rate was also negative that year, at -3,4 people per 1 000 residents. The main reason for the negative net migration in 2024 was the negative external migration balance, while the internal migration balance with the rest of Latvia remained positive.

There were 377,3 thousand working age inhabitants in Riga State City at the beginning of the reporting year, by 3,4 thousand more than in the previous year. Proportion of this group from all inhabitants increased to 63%. The number of children and youth (inhabitants below working age) was 84,6 thousand, decreasing by 2,7 thousand within a year. At the beginning of the reporting year, the number of inhabitants above working age was 133,1 thousand (22,4% from all the inhabitants) in Riga.

During the reporting year, the average age of the population in Riga was 43 years, similar to the average age of the State.

ETHNICAL COMPOSITIONS

According to data of the Central Statistical Bureau Republic of Latvia the ethnic composition of Riga State City inhabitants hasn't changed significantly during the recent years. In 2025, largest nationalities were Latvians – 48% and Russians – 34,2%.

EMPLOYMENT

In 2025, the number of employed in Riga was 306,8 thousand, decreasing by 1,2 thousand within a year.

During the reporting year, the share of the transportation and storage sector in Riga's employment structure continued to decline. The number of employees in this sector decreased by 3,7 thousand within a year and by 2,1 thousand in public administration, while the largest increase was in the finance and insurance, scientific and administrative services, and real estate sectors – by 5,3 thousand. The share of this sector in the total employment structure of the capital reached 16,8%, being behind only to the trade sector, which employs 20,1% of the workforce.

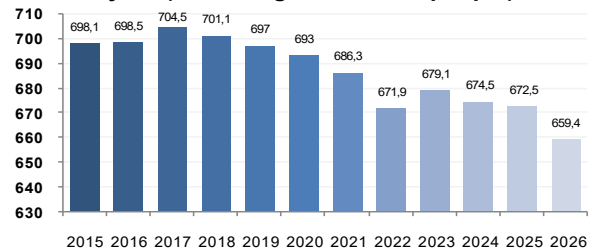
UNEMPLOYMENT

During the reporting year, the number of unemployed decreased by 0,7 thousand. There were 11,2 thousand unemployed in the city at the end of the year (3,1% from economically active city inhabitants). In total the unemployment rate was 3,8% in State at the end of 2025.

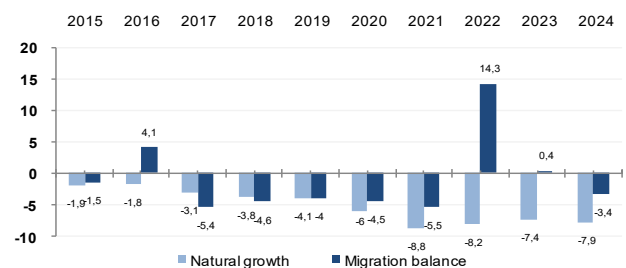
WAGE

During the reporting year, the average monthly gross wage in Riga reached 2 011 euro, increasing by 7,6% compared with the previous year. Growth of wage, compared with the previous year, was faster in the private sector – by 7,8%, but in the public sector it increased by 7,3%.

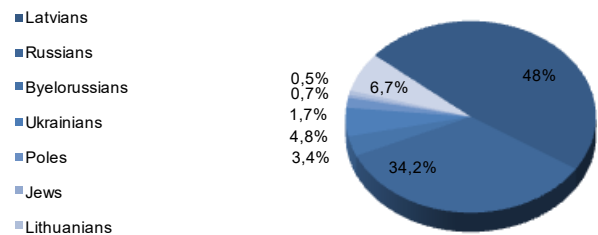
The number of Riga inhabitants at the beginning of the year (according to OCMA, k people)



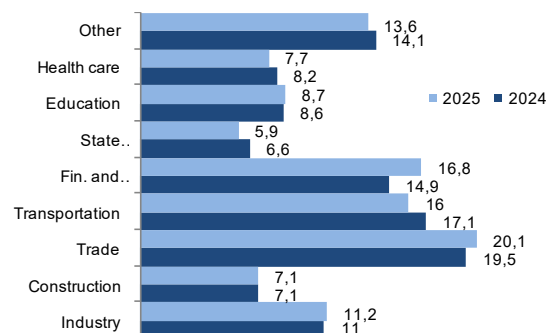
Effect of natural growth and migration on the number of Riga inhabitants (people on k inhabitants)



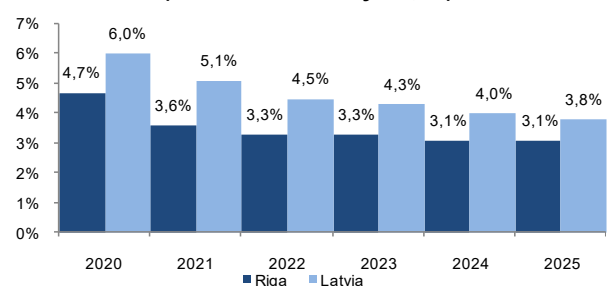
Ethnic composition of Riga inhabitants (at the beginning of the 2025, %)



Distribution of employed inhabitants in Riga by type of economic activity (% from total)



Unemployment rate* in Riga and Latvia (at the end of the year, %)



*Unemployment rate against the economically active population (Data from the State Employment department)

During the reporting year, average wage of employees in public sector was still higher by 6,3% than in private sector in Riga.

With decreasing inflation, the average real wage of workers in Riga increased by 3,8% in 2025, compared with a 8,1% increase in real wages in 2024. During the reporting year, average wage in Riga was higher by 10,8% than in the country on average, with this gap having narrowed by 1.5 percentage points over the past four years. As in the previous year, the most rapid growth of wage in Riga was in education sector – by 17,3% and in real estate operation sector – by 14,1%.

During the reporting year, changes in the breakdown of Riga's sectors by average wage level occurred in the lower-paying sectors. Rapid wage growth in the education sector allowed it to surpass the retail, real estate, and transportation sectors in terms of average wages. The wage ratio between the sector with the highest and lowest wages decreased from 87% to 82%.

ECONOMIC DESCRIPTION OF RIGA STATE CITY MUNICIPALITY

In 2025, gross domestic product increased by 2,1% in Latvia compared with the previous year. Economic growth was driven primarily by the manufacturing industry, construction, and the trade and information and communication services sectors. At the same time, the transport and storage sector continued to experience a downward trend. The value added of the manufacturing sector increased by 3,2% in 2025, while the value added of the service sector increased by 1,6%.

In 2025, the biggest proportion in Riga economic structure by value added had professional scientific and technical services, administrative services – 12,9%, trade – 12,6%, information and communication services – 11,9%, real estate operations – 10,6%.

Compared with 2024, the share of finances and insurance in the sectoral structure of Riga decreased – from 6,7% to 6,1%, as well as the share of the trade sector – from 13% to 12,6%, but increased the share of the real estate operations – from 10,2% to 10,6%, state administration – from 7,6% to 7,8%, education – from 4,2% to 4,4% and health sector – from 6,1% to 6,3%. According to the latest available statistical data, the added value created in the Riga economy is around 52,6% of the total added value in the country.

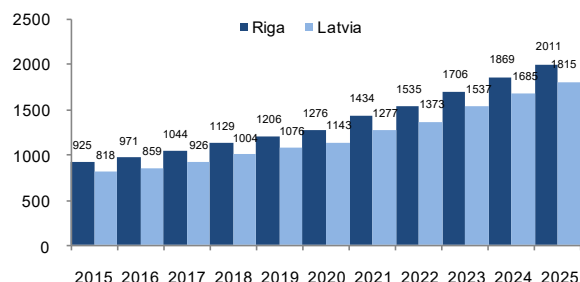
TRANSPORTATION AND COMMUNICATIONS

RIGA PORT

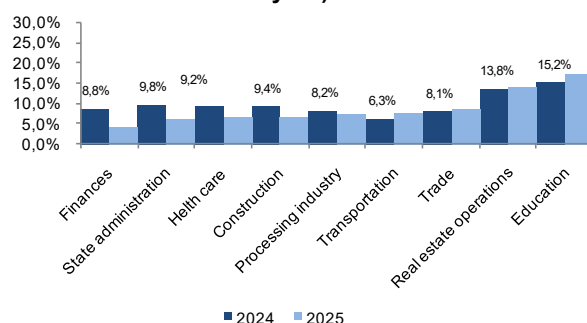
During the reporting year, cargo turnover decreased by 7,3% as the volume of cargo shipped dropped by 9,1%, but the volume of cargo received shipped – by 1,4%. The volume of cargo shipped at the Riga Port in the reporting year was about 75% of the total cargo volume. Of the total cargo turnover of Latvian ports, 49% of cargo was transshipped at the Riga Port in the reporting year.

In 2025, the biggest proportion of transferred cargo in Riga port, as in the previous year, was cargo containers – 27,6%, grain and grain products – 16,8%, timber – 14,5%.

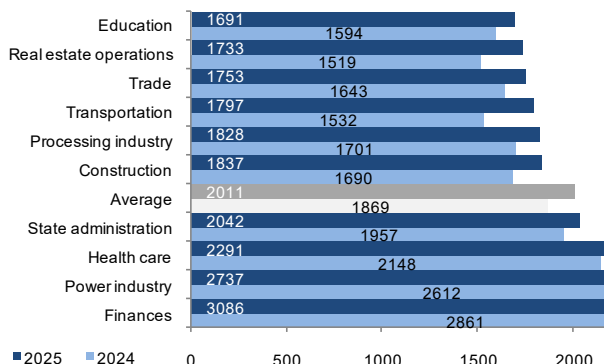
**Monthly average gross wage in Riga
2015 – 2024 (in euro)**



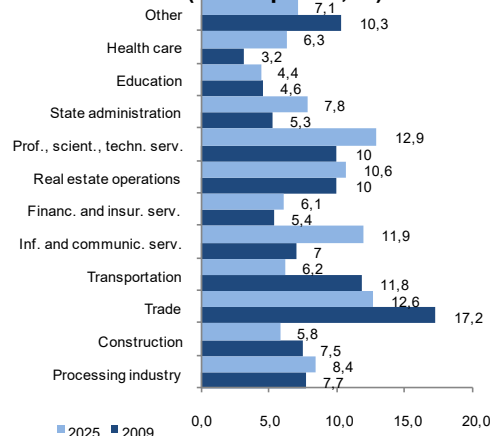
**The increase of monthly average gross wage in Riga
by sectors (in percent compared with the previous
year)**



**Monthly average gross wage in Riga
(by sectors, in euro)**



**Riga economic sectors by share in the total value
added (actual prices, %)**



AIRPORT

Riga International Airport is not located in the capital's administrative territory, yet it is closely linked to Riga's economy, in particular in the fields of tourism and transport. In 2025, turnover of serviced passengers in Riga Airport remained unchanged compared with the previous year, still being by 9% lower than the pre-crisis highest result in 2019.

During the reporting year, amount of shipped and received cargo was 20,1 thousand tons, by 7% more than in the previous year and just 38% from the maximum of the amount of shipped cargo, that was reached in 2013.

PUBLIC TRANSPORTATION

In 2025, 118,5 million passengers were transported in Riga public transportation, by 2,5 million (by 2,2%) more than in the previous year. Although the number of transported passengers in Riga public transportation has increased by 44,2 million over past 4 years, however it still was less by 15,9 million passengers than the amount of transported passengers before Covid-19 crisis.

In 2025, 93% of the total number of vehicles being in use in public transportation service was adjusted for persons with functional disorder, pregnant women and persons with little children (including with prams).

During the reporting year, Riga State City Municipality Ltd. "Rīgas satiksme" provided passengers' transportation services on 7 tram, 22 trolleybus and 53 city bus routes. In 2025, the total distance managed in Riga's transportation network was 35,1 million kilometers, by 1,4% more than in the previous year.

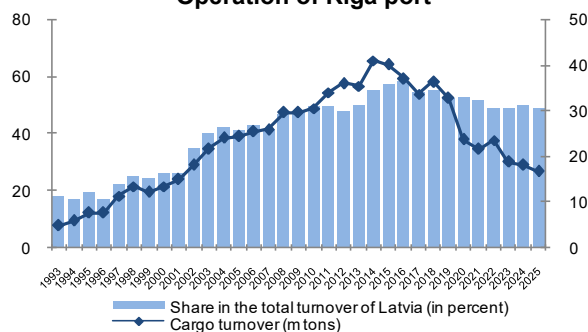
TOURISM

During the reporting year, 1,53 million tourists were serviced in tourists' lodgings in Riga, 0,1 million (by 7%) more than in the previous year. 1,2 million (79%) from all the serviced tourists in Riga were foreign tourists (by 6% more than in the previous year). 71,8% from all the tourists that have used tourists' lodgings stayed in Riga. During the reporting year, the number of the City's tourists' lodgings increased by 1, reaching 110 lodgings at the end of the year, the number of accommodations increased by 90 reaching 7 565 accommodations (around 42% from the entire number of accommodations in state).

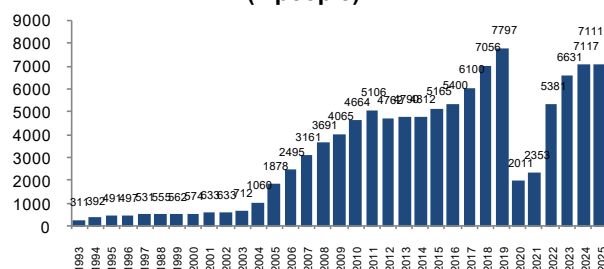
CONSTRUCTION

In 2025, the space of commissioned new-built dwelling houses in Riga was 87,6 thousand square meters, increasing by 5%. In 2025, the proportion of built dwelling houses in Riga was 14% of the state overall result. During the reporting year, the space of commissioned single apartment dwelling houses in Riga was 37,9 thousand square meters, by 67% more than in the previous year, yet only 8% from the total amount of newly built space in this segment in state, while it reached 63% in the Riga suburbs.

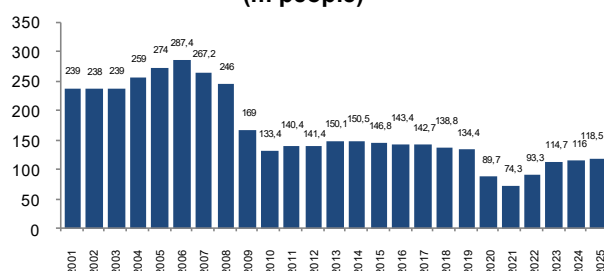
Operation of Riga port



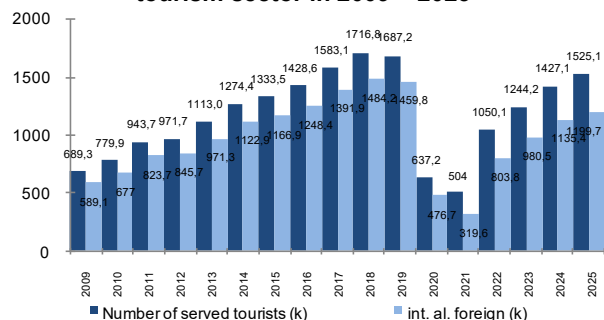
Riga International Airport: passenger turnover (k people)



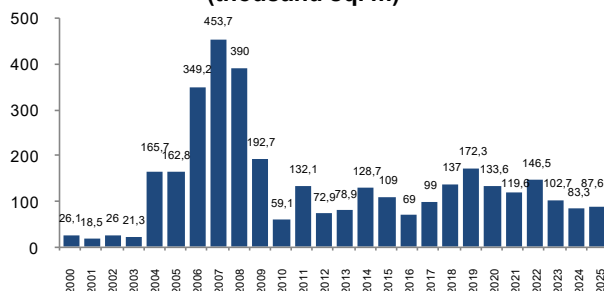
Passenger carriage in Riga public transportation (m people)



Characteristics of development of Riga State City tourism sector in 2009 – 2025



Dwelling houses constructed in Riga 2000 – 2025 (thousand sq. m)



RIGA MUNICIPALITY ADMINISTRATION STRUCTURE, FUNCTIONS, PERSONNEL

The Riga City Council is a derived legal entity governed by public law; it has been granted autonomous authority by law, which includes the authority to draft and approve its own budget. In accordance with the procedures established by law for representative democracy, eligible voters in Riga elect the City Council – comprising 60 members.

The Riga City Council elects committees that provide opinions on draft decisions of the Riga City Council and other matters falling within the respective committee's jurisdiction. The Riga City Council has the following committees:

- ✕ Security, Public Order and Corruption Prevention Issues Committee;
- ✕ Finance and Administration Committee;
- ✕ Education, Culture and Sports Committee;
- ✕ Housing and Environmental Committee;
- ✕ City Development Committee;
- ✕ City Property Committee;
- ✕ Transport Issues Committee;
- ✕ Social Issues Committee.

Operation of Riga Council is provided by Chairman of City Council, his deputies, Riga City Executive director, his deputies, as well as officials of municipal administration according to administration structure of municipality. The municipal administration is organized under a unified hierarchical system that is subordinated to the Riga City Executive Director and consists of Central Administration, Neighborhoods Inhabitants' Centre (NIC), Municipality's departments, their subordinate institutions, municipal agencies and municipal administration's special status institutions.

The implementation of municipal functions is organized by the Central Administration, NIC – in the areas of municipal service management, business support, social integration, and neighborhood development – and, by sectors, by the departments of the Riga City Council:

Riga State City Municipality Finance Department – leading institution in management of municipal financial resources, which is responsible for administering the taxes and fees under the municipality's jurisdiction and for determining the designated uses of real estate parcels located within the municipality's territory;

Riga State City Municipality Property Department – leading institution in management of municipal real estate property and in arrangement of buildings that degrade environment in municipal territory;

Riga State City Municipality Education, Culture and Sports Department – leading institution in implementation of municipal policy in education, culture and sports sectors and work with youth; implements measures to promote a healthy lifestyle and ensures access to healthcare services; promotes the development of sports, maintains and develops municipal sports facilities, supports the activities of athletes and sports clubs – including professional sports clubs – and provides support for the organization of sporting events; provides education for the residents, including ensuring access to compulsory education and providing for the availability of preschool education, secondary education, vocational education, interest education, and adult education; protects the rights and interests of children and persons under

guardianship; provides a diverse range of cultural offerings and opportunities to participate in cultural life, promotes the preservation of cultural heritage within the municipality's territory, and supports cultural activities;

Riga State City Municipality Housing and Environment Department – leading institution in implementation of municipal policy in provision of power supply, water supply and sewerage services, operation of land amelioration system, environment protection, cemetery management and administration of municipal residential buildings and living accommodation; organizes water supply, heating, and household waste management services for residents, regardless of the ownership status of the housing stock; provides assistance in resolving housing issues, and promotes the development, maintenance, and modernization of the housing stock;

Riga State City Municipality Welfare Department – leading institution in, within the framework of competence defined for municipality, social services, social help and health care sphere; provides support for social issues and access to social assistance and services;

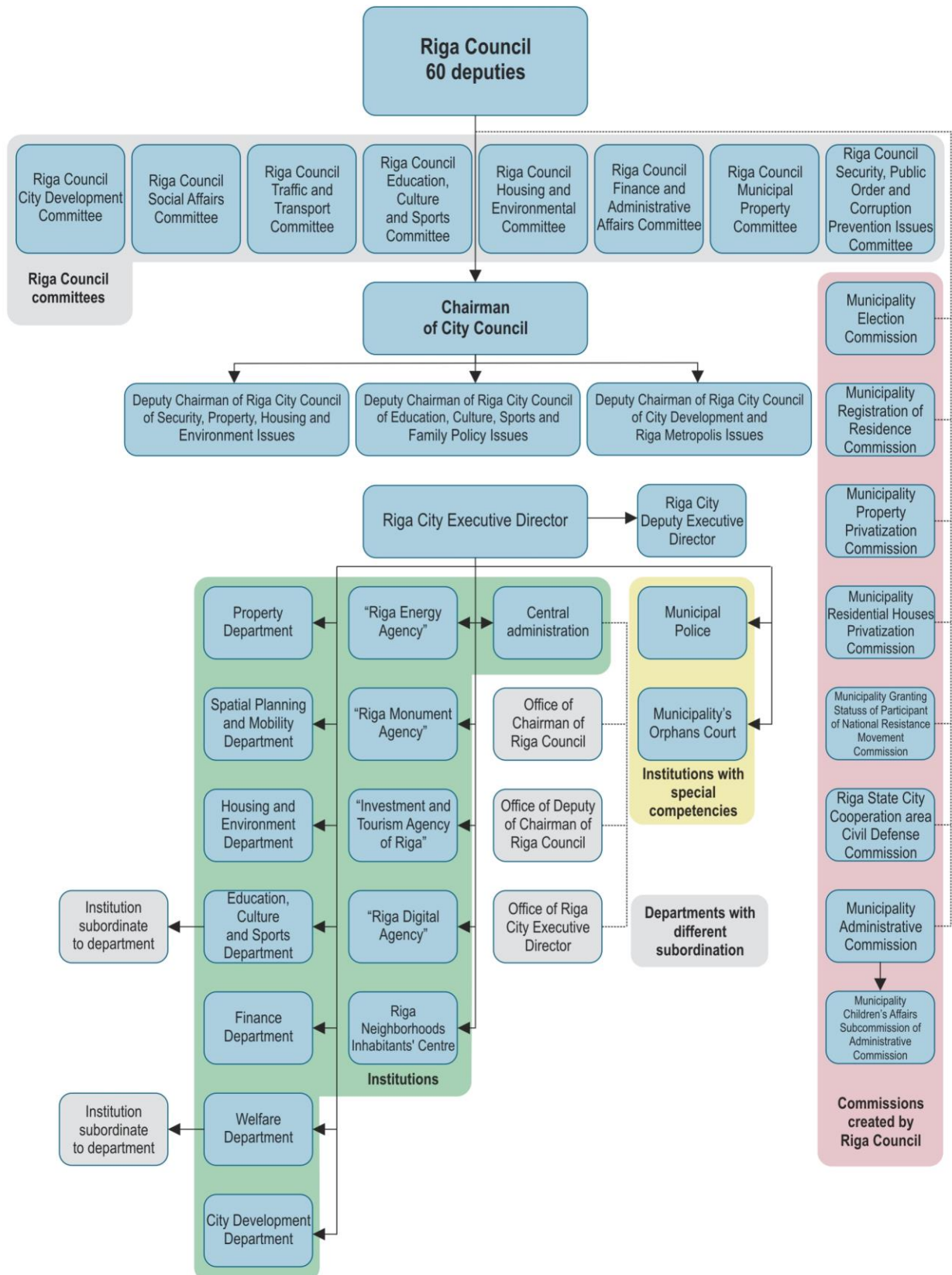
Riga State City Municipality City Development Department – leading institution in Riga development and territory planning sphere; which oversees and coordinates development processes, ensures the legality of the construction process, performs the functions of the municipal building authority, oversees the quality of the architectural process and the development of a high-quality urban environment, and supervises and controls the placement of environmental features, urban landscaping, and land development; ensures the protection of cultural and historical values and the assignment of addresses; in accordance with the municipal spatial plan, determines land use and development, and ensures the legality of administrative procedures related to the construction process;

Riga State City Municipality Spatial Planning and Mobility Department – leading institution in traffic infrastructure and transportation sphere; responsible for the construction, maintenance, and management of roads owned by the municipality; organizes public transportation services; ensures balanced mobility development.

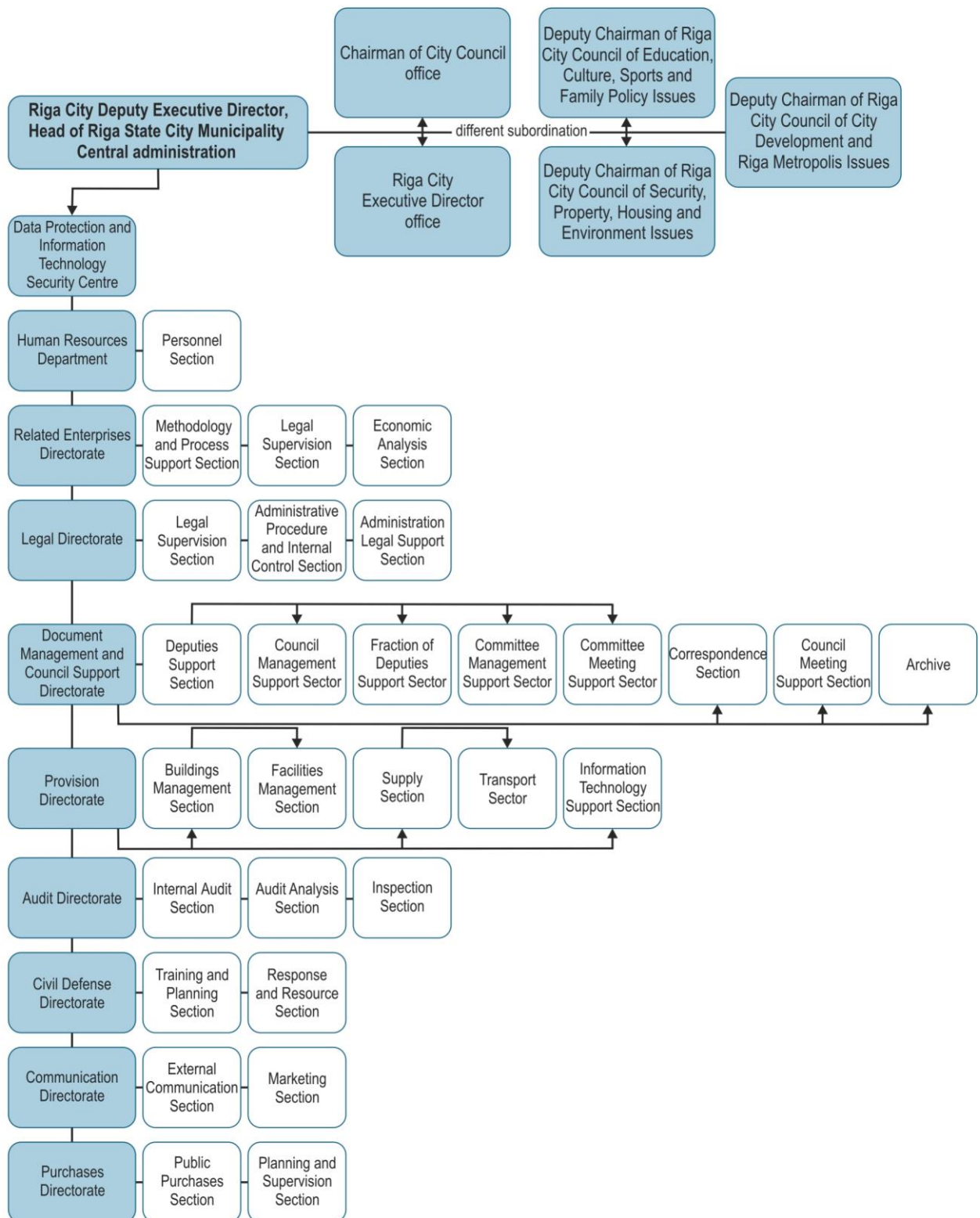
In order to establish a unified framework for human resources management processes within the Riga State City Municipality, promote a development-oriented organizational culture, foster diversity and the creation of an inclusive work environment, improve the work-life balance of employees, and to promote the municipality's sustainable development, the Riga City Executive Director issued an order in 2025 "On the Approval of the Riga City Municipality Human Resources Strategy for 2025 – 2027".

The strategy applies to all municipal institutions. The principles set forth in it include employee development and growth, work-life balance, a healthy, safe, and innovation-supportive work environment, teamwork and collaboration, sustainable human resource management, compensation policy, diversity, respect, and inclusion. The strategy outlines 14 action areas with specific tasks and activities.

STRUCTURE OF RIGA STATE CITY MUNICIPALITY GOVERNMENT



CENTRAL ADMINISTRATION STRUCTURE OF RIGA STATE CITY MUNICIPALITY



VALUE OF RIGA STATE CITY MUNICIPALITY EQUITY AND ITS ANTICIPATED CHANGES

At the end of 2025, the net book value of Riga State City Municipality fixed assets was 2 778,2 million euro, increasing by 200,8 million euro within the year. The total value of Municipality's assets, including other line items of the balance sheet comprised 4 261,3 million euro at the end of 2025, increasing by 211 million euro within the year.

RIGA STATE CITY MUNICIPALITY SHARE IN MUNICIPAL ENTERPRISE EQUITY

At the end of 2025, Riga State City Municipality long-term investments in equity of related and associates was 1,17 billion euro.

At the end of 2025, long-term investments in equity of subsidiaries were 1,09 billion euro, increasing by almost 10 million euro within a year but long-term investments in equity of associates was 82,35 million euro, increasing by 8,39 million euro within a year.

In 2025, the equity of Riga City State Municipality subsidiaries was increased by a total of 832,9 thousand euro.

At the end of the reporting year Riga State City Municipality's balance sheet contains investments accounted for using the equity method. 10 of these investments are into the equity of subsidiaries with 100% ownership by Riga State City Municipality, 1 investment into the equity of enterprise with more than 50% ownership by Riga State City Municipality (Ltd. "Getliņi EKO" – 97,7%) and investment into the equity capital of associate with less than 50% ownership by Riga State City Municipality (JSC "Rīgas siltums" – 48,9999%).

In 2026, Riga City Council adopted a resolution "On the termination of the Riga City Municipality's participation in Ltd. "Rīgas namu pārvaldnieks", as well as the reorganization of Ltd. "Rīgas namu pārvaldnieks", which provides the termination of the Riga City Council's participation in Ltd. "Rīgas namu pārvaldnieks" by placing shares for a public offering. As of December 31, 2025, 100% was still owned by the Riga State City Municipality.

In 2026, the Riga City Council adopted a resolution "On the development of the culture and recreation park "Mežaparks", increasing the Riga State City Municipality's investment in Ltd. "Rīgas Nacionālais zooloģiskais dārzs" and the initiation of reorganization of Ltd. "Rīgas meži" and Ltd. "Rīgas Nacionālais zooloģiskais dārzs", what is planned to perform reorganization by means of merging Ltd. "Rīgas meži" and Ltd. "Rīgas Nacionālais zooloģiskais dārzs".

CHARACTERISTICS OF RIGA STATE CITY MUNICIPALITY REAL ESTATE

To ensure execution of Riga Municipality's autonomous functions, in 2025 Riga State City Municipality obtained real estate properties to implement traffic infrastructure construction projects. A total of 322 land lease agreements with third parties for the performance of Municipality's functions were administered.

In 2025, 26 real estate acquisition transactions were completed, with agreements signed with 47 private persons to acquire real estate (or portions thereof) necessary for public needs into municipal ownership for the implementation of transportation infrastructure construction projects.

In 2025, Property Department has assessed 378 construction projects, construction proposals and spatial planning projects submitted by other persons, examined 80 applications for tree cutting, issued 19 opinions on other persons' local plans, detailed plans or thematic plans.

In 2025, Riga State City Council Property Department continued first registration of municipal real estate properties in Land Register, as a result of it 288 land lots with total area of 250,87 ha and total assessed value of real estate of 4,47 million euro, 14 buildings with total assessed value of 3,09 million euro, 14 land lots and 29 apartments, which were taken over from State were registered in Land Register. 31 real estate properties (land and buildings) were registered in Land Register as a result of division, merging or reorganization of borders of properties with total area of 62,96 ha and total assessed value of real estate of 1,05 million euro. Amendments for 128 Riga State City Municipality's real estate properties were done in Land Register, int. al. erasing nonexistent on-site buildings, strengthening lending and easement rights.

In 2025, evaluation and selling of Municipality's real estate properties that are not necessary for execution of Municipality's autonomous functions was performed. 143 sales agreements of Riga State City Municipality's real estate property were concluded. 25 public sales were announced which resulted in selling of 18 real estate properties. In 2025, 26 real estate purchase deal was carried out, signing agreements with 47 private persons.

In 2025, the municipality issued 193 certificates authorizing the acquisition or continued ownership of land lots. At the end of the reporting year, there were 4 516 valid lease agreements on real estate property rent.

More than 500 cadastral objects have been updated in the State real estate cadastre information system.

In 2025, the Property Department continued its work on the identification and put in order of buildings that are not used, endangers public safety and spoils urban landscape. A total of 147 objects were put in order in 2025.

193 certificates were issued on permission to obtain or maintain property rights on land lots.

EXECUTION OF TERRITORY DEVELOPMENT PLAN

Following work was performed during development of new Riga territory plan (RTP) in 2025:

- x Information about the RTP Land Use and Development Regulations, which are regularly updated, is published on the website of the City Development Department www.rdpad.lv in an easy-to-understand format for the public;
- x The Working Group on the Application of the Land Use and Development Regulations held 34 meetings, during which it reviewed 89 issues. Informative explanations regarding the application of RTP were prepared and updated for internal use by department staff.

Decisions taken in the framework of the detail plans administration function:

- x on submission to public inquiry of 3 detail plans;
- x on approval of 3 detail plans;
- x on cancelation of 4 detail plans.

Decisions taken in the framework of the detail plans administration function:

- on launching development of 7 local plans;
- on submission to public inquiry of editions 10 of local plans;
- on improvement of editions 2 of local plans;
- on approval of 6 local plans;
- on suspension of development of 3 local plans;

In 2025, a study Thematic Plan for Transportation and Mobility Development in Historic Centre of Riga (HCR) and its protection area was conducted:

- x The regulations on territory planning, land use, and development for the HCR and its protection area have been drafted and adopted for the purpose of developing the section on transportation and mobility;
- x Draft versions of possible solutions for the Hanza crossing have been prepared;
- x The necessary procurement documentation has been prepared.

Work has launched on amendments of the territory plan of HCR and its protection area, which involves evaluating and updating the Riga City Council's binding regulations, "Regulations on Land Use and Development in the Historic Centre of Riga and its protection area" regarding land use and development regulations.

In 2025, improvements were made to the network of street red lines:

- x Approximately 300 submissions regarding proposals for adjustments of the red lines were compiled, and solutions were prepared for inclusion in the Local Plan of Red Lines;
- x A scope of work has been prepared for the development of a local plan for red lines;
- x Riga City Council resolution on launch of development of local plan was passed.

In 2025, work on the development of HCR development zone and Strategic Framework 2050 was continued, which were prepared in the form of a concise and visually accessible booklet. The studies necessary to ensure the development of the spatial plan for the HCR and its protection zone were completed.

In 2025, the work on the ownership of land units in the territory of "Rail Baltica" railway line project in Riga continued – updating of cadastral data, specifying land unit boundaries, collecting and providing information on the jurisdiction of the state over land units included in the reserve land fund, transferring real estate owned by the municipality to the state free of charge for the construction of the "Rail Baltica" railway line, as well as within the framework of the implementation of the project "Integration of European level railway infrastructure Rail Baltica into infrastructure of Centre of Riga" – granting authorization to the municipality, with respect to state-owned real estate, providing authorizations for cadastral surveying of the necessary land units and for registration of ownership rights in the Land Register, as well as participation in working groups related to the development of the local plan for the "Rail Baltica" railway line.

In 2025, plans of Action plan and Investment plan 2025 - 2027 of Riga Development program 2022 – 2027 was approved and Action plan and annual update of Action plan and Investment plan 2025 - 2027 of Development program was launched.

Report on introduction of Sustainable Development Strategy of Riga until 2030 and Riga Development program 2022 - 2027 was prepared within Strategy Supervisory system (SSS). Report is available on website www.sus.lv.

In 2025, Riga State City Council City Development Department continued to perform monitoring functions concerning legality of construction process. 1 014 decisions were made in total, whereof:

- x 137 administrative provisions, which remains in effect decisions made by departments;
- x 34 administrative provisions on reversing decisions made by City Development Department due to violation of substantive and procedural rules;
- x 168 interim judgments;
- x 80 other definitive decision on administrative matters;
- x 212 legal decisions;
- x 78 business letters and other documents were prepared in process of legal supervision of construction process;
- x 89 decisions on infrastructure charge;
- x 107 answers to legal and physical entities on legal issues;
- x 63 decisions on administrative violations;
- x 37 administrative acts, which left in force the decisions of the Riga City Municipality Residential Housing Privatization Commission;
- x 5 other type of final decisions made by Riga City Municipality Residential Housing Privatization Commission;
- x 4 Riga State City Council's decisions on applying a discount.

The Department is responsible for 99 court cases.

In 2025, the assessment of Riga State City Municipality's real estate properties (10 077 cadastral objects in total) related to privatized residential houses was continued. In 2025, 4 674 objects were examined and the necessary amendments to the land register compartments were provided (it was established that as of 31.12.2025 the work on 7 281 real estate (representing ~ 72% of the total) has been fully completed)) - Municipality property rights were cancelled in the land register.

RIGA STATE CITY MUNICIPALITY INVESTMENT PROJECTS

CAPITAL INVESTMENTS FROM MUNICIPAL BUDGET

During the reporting year, capital expenditures in the Riga City Municipality budget reached the highest level in the city's budget history – 262 million euro (75% of the annual plan) – an increase of 70 million euro compared to 2024.

INVESTMENT IN TANGIBLE FIXED ASSETS

The largest investment projects implemented and launched during the reporting year:

- ✕ Construction of traffic overpass from Tvaika Street to Kundziņsala, total construction expense 68 144 545 eur);
- ✕ Reconstruction of Jorģa Zemitāna bridge, total construction expense 20 456 630 euro;
- ✕ Reconstruction of 3 streets, total construction expense 5 974 846 euro;
- ✕ Reinforcement of the Mūkusalas Street waterfront and construction of related infrastructure, total construction expense 25 243 934 euro;
- ✕ Launched construction of Jāņa Čakstes Avenue from Valdeķu Street to Ziepniekkalna Street – 1st stage, total construction expense 79 224 668 euro;
- ✕ Launched construction of Jāņa Čakstes Avenue from Vienības Avenue to Valdeķu Street – 2nd stage, total construction expense 42 829 353 euro;
- ✕ Launched construction of regional and city-level bicycle infrastructure route Riga – Babīte – Piņķi, total construction expense 13 255 956 euro;
- ✕ Launched construction of regional and city-level bicycle infrastructure route Riga – Ķekava, total construction expense 5 965 318 euro and other projects.

EU AND OTHER EXTERNAL FINANCIAL SOURCES' CO-FINANCED PROJECTS

Execution of the "Co-financing for European Union Funds and Other Projects" program was 78,9% from the annual plan, or 109,5 million euro, while execution of the "Implementation of the Investment Program" program was 72,9% of the annual plan, or 117,8 million euro.

Between 2028 and 2034, Riga plans to implement an ambitious development program with a total investment of 2,8 – 4,2 billion euro, combining EU funds, state, municipal, and private capital. The development program focuses on addressing issues related to promoting competitiveness, increasing productivity, and alleviating demographic pressure. To address these issues, the Riga City Council plans to attract investments in the following areas:

- ✕ Competitiveness and innovation, which include Research and development ecosystems, e-service development, IT solutions, database building, workforce training and development of industrial areas;
- ✕ Mobility and connectivity, providing Integration of Riga into the TEN-T core network, integration with Rail Baltica, construction of arterial street infrastructure, renewal of public transportation and other measures;
- ✕ Transition to clean energy, by implementation, development and promotion of climate-neutral urban systems, energy efficiency in buildings, centralized heating, electrification of transport and remediation of polluted areas;
- ✕ Promoting prosperity, social cohesion, what include improvement of urban environment, renovation of buildings, creating new housing supply, attracting workforce, accessibility of culture, sports, education and social services infrastructure and other life quality improvements;
- ✕ Security and resilience provided by protection of critical infrastructure, city's preparedness for emergencies, energy independence and IT systems' resilience.

RIGA STATE CITY MUNICIPALITY FINANCIAL AND BUDGET POLICY

REVENUE

In 2025, total Riga State City Municipality's basic budget revenue was 1 477,1 million euro, by 77,2 million euro (by 5,5%) more than in 2024, and just by 0,1% less than planned.

In 2025, municipal budget revenue from personal income tax was 895,1 million euro, by 12,8 million euro (by 1,5%) more than in 2024. RET revenue was 118,8 million euro, by 2,4 million euro (by 2,1%) more than in the previous year. Municipal budget gambling tax revenue was 0,75 million euro, natural resources tax revenue – 1,98 million euro. During the reporting year, budget revenue from paid services and other own revenues was 36,3 million euro, by 2,8 million euro less than in the previous year. Non-tax revenues reached 35,9 million euro. In 2025, dividend revenue reached 12,2 million euro. State budget transfers revenue was 374,1 million euro.

EXPENSES

In 2025, Riga State City Municipality budget expenses were 1 545,4 million euro or 91% from annual plan that is less by 156,6 million euro than planned. In 2025, execution of capital expenditures was 262 million euro or 75% from annual plan. Execution of City's investment program in 2025 was 117,8 million euro (72,9% from the planned). Operating expenses were executed at the amount of 93%, ie. 802,8 million euro whereof: 536,9 million euro on compensations, 265,9 million euro on purchase of services and goods. 296,4 million euro were allocated to subsidies and social benefits, and 138,6 million euro were allocated to deposits to municipal financial cohesion fund.

In 2025, Riga State City Municipality budget expenses exceeded revenues by 68,3 million euro, which was significantly less than initially planned 223,2 million euro budget deficit. In 2025, Riga State City Municipality continued fulfilling essential municipal budget criteria, exceeding municipal revenue over operating expenses by 193,7 million euro (by 15,1%).

MUNICIPALITY'S DEBT DYNAMICS

According to the audited balance sheet of the Riga City Municipality for 2025, the municipality's long-term liabilities account for 14,2% of the total balance sheet amount, while the liquidity ratio (excluding inventories) is 0,53.

Riga State City Municipality Finance Department provides regular supervision and assessment of liabilities portfolio taking into account the current situation in financial market. As a result of the decline in the overall level of municipal debt, the potential borrowing capacity of the Riga City Municipality has increased significantly. The performance of 20% benchmark, which is the ratio of current year principal and interest payments to annual budget revenue, has also improved. In 2025, this criteria was 9,03%, but in 2026 and following years will be 6,36% – 8,7%.

In 2025, the Municipality has fully repaid the South Bridge 1st stage liabilities, for its part Bridge 2nd stage liabilities will be paid until June 15 of 2027 increasing the Municipality's potential ability to take new liabilities for financing projects and investments co-financed by EU funds.

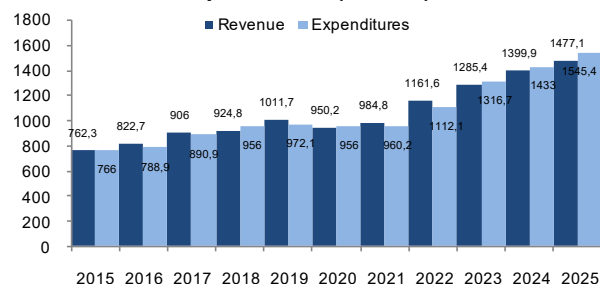
CREDIT-RATING

International credit rating agency "Standard & Poor's" continued evaluation of Riga State City Municipality's budget and financial and budget policy. In 2025, evaluating Riga State City Municipality's budget and financial situation credit rating agency "Standard & Poor's" repeatedly affirmed credit rating assigned to Riga State City Municipality unchanged at "A" level and with stable development perspective.

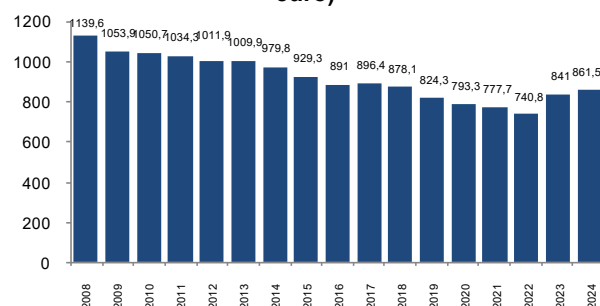
History of Riga State City credit-rating

Year of granting the rating	Standard & Poor's rating for liabilities in local and foreign currencies	Moody's Investors Service rating for liabilities in local and foreign currencies
1997	BBB-/Positive/A-3	–
1999	BBB/Stable/A-3	–
2001	BBB-/Positive/A-3	–
2003	BBB-/Stable/A-3	–
2004	BBB-/Stable/A-3	–
2005	BBB/Stable/A-3	–
2006	BBB/Stable/A-3	A2 Stable
2007	BBB/Stable/A-3	A2 Stable
2008	BBB-/Negative/A-3	A3 Negative
2009	BB-/Negative/B	Baa3 Negative
2010	BB/Stable/B	Baa3 Stable
2011	BB+/Stable/B	Baa3 Stable
2012	BBB-/Positive/A-2	Baa3 Stable
2013	BBB-/Positive/A-2	Baa3 Positive
2014	BBB+/Stable/A-2	Baa2 Stable
2015	BBB+/Stable/A-2	Baa1 Stable
2016	BBB+/Stable/A-2	Baa1 Stable
2017	BBB+/Stable/A-2	Baa1 Stable
2018	BBB+/Positive/A-2	Baa1 Stable
2019	A-/Stable/A-2	Baa1 Stable
2020	A-/Stable/A-2	Baa1 Stable
2021	A-/Positive/A-2	Baa1 Stable
2022	A/Stable/A-1	–
2023	A/Stable/A-1	–
2024	A/Stable/A-1	–
2025	A/Stable/A-1	–

Riga State City consolidated budget revenue and expenditures (m euro)



Dynamics of total amount of Riga State City Municipality's financial commitments 2005 - 2024 (m euro)



RIGA STATE CITY MUNICIPALITY BUDGET EXECUTION PERFORMANCE

The results of Riga economical development and Riga State City Municipality's fiscal policy in 2025 are characterized by achievements in ensuring budget revenues and purposeful use in provision of municipal operations according to the budget approved by Riga State City Municipality. Budget is a tool for realization of Riga Municipality economic policy by means of financial methods. Riga State City Municipality budget includes Municipality's revenue and expenditure. Riga State City Municipality budget is prepared based on the cash flow principle, simultaneously in compliance with State Treasury instructions, ensuring accounting based also on accrual principle.

RIGA MUNICIPALITY BUDGET REVENUES

Riga State City Municipality budget main revenue portion is formed by the basic budget revenue.

In accordance with laws and regulations, Riga State City Municipality performs administration of real estate tax.

Basic budget revenue mostly comprises:

× TAX REVENUES:

- × personal income tax;
- × real estate tax on land, buildings, constructions and housing.

× NON-TAX REVENUES:

- × State and municipality fees;
- × charges for paid services rendered by Municipal institutions;
- × charges for utilization of Municipality's capital;
- × State budget transfers
- × other revenues (fines, sales of property, etc.).

Riga State City Municipality also has budget revenue consisting of donations and endowments.

SUMMARY OF COMPOSITION OF RIGA STATE CITY MUNICIPALITY BASIC BUDGET REVENUE

Cash flow basis (k EUR)	2024 actual	2025 budget	2025 actual
Total revenues	1 399 895.5	1 478 875.9	1 477 075.1
Total tax revenues	999 768.4	1 002 383.4	1 016 595.5
Personal income tax	882 258.3	884 629.4	895 098.9
Real estate taxes int. al.	116 352.0	116 450.0	118 771.7
int.al. real estate tax on land	46 107.8	47 250.0	46 706.3
int.al. real estate tax on buildings	43 837.2	43 400.0	45 387.8
int.al. real estate tax on housing	26 407.0	25 800.0	26 677.6
Other tax revenue	1 158.1	1 304.0	2 724.9
Total non-tax revenues	29 613.2	26 485.1	35 944.1
Government (municipality) fees	6 750.9	5 836.8	7 825.7
Other non-tax revenues	22 862.3	20 648.3	28 118.4
Charges for paid and other own revenues	43 006.7	44 100.6	40 897.4
Transfers	327 507.2	405 906.8	383 638.1
Transfers of public entities partially financed by State budget and institutions not financed by budget	387.4	–	459.8
State budget transfers, int.al.	315 963.1	395 143.9	374 059.7
State budget transfers received by municipalities	290 026.9	285 256.1	270 705.1
Transfers received from state institutions for projects co-financed by EU policies' instruments and other foreign financial aid	25 936.2	87 999.7	81 466.5
Subsidies from municipal financial cohesion fund received by municipality's budget	–	21 888.1	21 888.1
Municipal budget transfers	11 156.7	10 762.9	9 118.6

SUMMARY OF COMPOSITION OF RIGA STATE CITY MUNICIPALITY SPECIAL BUDGET REVENUES FROM DONATIONS AND ENDOWMENTS

Cash flow basis (k EUR)	2024 actual	2025 budget	2025 actual
Total revenues	67.1	102.4	117.9
Donations and endowments from legal entities and individuals	67.1	102.4	117.9
Donations and endowments for education	63.7	100.3	117.0
Donations and endowments for social care	3.4	1.1	0.5
Other donations from legal entities and individuals	–	1.0	0.4

RIGA MUNICIPALITY BUDGET EXPENSES

Riga State City Municipality budget expenses of 2025 in this report is reflected according to the functional categories, which correspond to the structure of expenses by government function or sector – education, economic activity, environmental protection, social security, management of Municipality territories and housing facilities, health care, recreation, culture and religion, public order and security, etc.

Budget forms the basis for financial operation and management of the Municipality and it serves as financial means of ensuring Municipality's operations. Performing municipal budget preparation approval, execution, and control procedures, a unified, transparent and effective approach shall be applied by all budget executors. Such an approach ensures that there are unified principles used throughout the entire Riga State City Municipality budgeting process, including budget requests preparation and evaluation, as well as budget monitoring and control. This regulation serves as a basis for preparation of annual methodological guidelines for particular budgeting process steps.

In the same way economical and efficient utilization of municipal funds is already provided by performance indicators' system realized by Municipality defined by Municipality Law. Providing execution of municipal autonomous functions, municipal budget programs, which regularly are providing the necessary services for inhabitants and city guests have defined particular performance results, have set particular goals and performance indicators (services), execution of which are subordinated to performance indicators (service activities) – number of units and expenses of one unit.

Riga as the capital City has special importance that is related to hosting of national holiday celebrations, as well as provision of other traditional cultural events and visits of foreign representatives and state and officials. It also has significant contribution to Riga's economy, as a large proportion of Riga's businesses are involved in serving the city's visitors.

In 2025, priorities of Riga State City Municipality's budget were:

- × renewal and development of infrastructure;
- × civil defense and security;
- × housing and Historic Centre of Riga support programs.

Riga State City Municipality's budget revenues are allocated for provision of execution of municipal functions –expenses for operation of institutions financed from budget. int. al. municipal education, culture and sports institutions, departments and social care services, for financing city's events, for operation of city's infrastructure, for payment of services necessary for city, int. al. for execution of municipal functions in social and education spheres, nongovernmental organizations and private sector, benefits for population of moderate means, for financing investments, for co-financing of EU projects as well as subsidies for public transport. More and more attention is being paid to improvement of public infrastructure and neighborhoods, and Riga's citizens are actively involved in improving their neighborhoods with the support of the Municipality, as a result of which urban improvements are shaping Riga as a pleasant and environmentally friendly city.

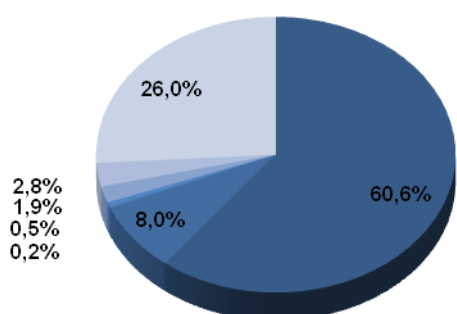
SUMMARY OF COMPOSITION OF RIGA MUNICIPALITY BASIC BUDGET EXPENSES

Expenses by government function Cash flow basis (k EUR)	2024 actual	2025 budget	2025 actual
Total expenses	1 432 961.7	1 702 048.5	1 545 352.0
General governmental agencies int.al.	247 600.1	251 793.1	249 694.2
deposits to municipal financial cohesion fund	142 274.9	138 641.9	138 641.9
Public order and security	27 352.7	35 738.8	35 495.8
Economic activity	313 441.2	480 776.3	411 478.4
Environment protection	6 805.3	11 567.3	9 244.2
Municipal territory and housing management	62 959.4	62 247.4	44 788.4
Health care	8 285.9	8 375.6	7 793.3
Recreation, culture and religion	41 998.2	46 945.5	42 272.4
Education	539 357.5	587 169.6	546 288.0
Social security	185 161.4	217 434.9	198 297.3

SUMMARY OF COMPOSITION OF RIGA MUNICIPALITY SPECIAL BUDGET EXPENSES FROM DONATIONS AND ENDOWMENTS

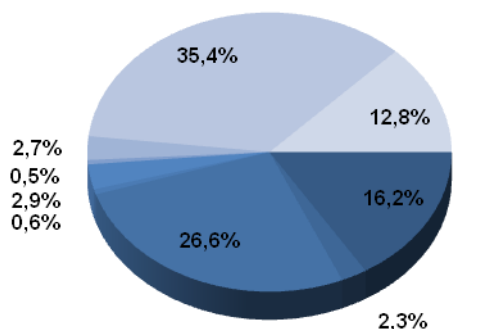
Expenses by government function Cash flow basis (k EUR)	2024 actual	2025 budget	2025 actual
Total expenses	75.6	376.4	99.1
General governmental agencies	–	0.2	–
Recreation, culture and religion	6.7	88.5	0.9
Education	68.6	275.5	96.7
Social security	0.3	12.2	1.5

Composition of Riga Municipality basic budget revenue in 2025



- Personal income tax
- Real estate tax
- Other tax revenue
- Government (municipality) fees
- Other non-tax revenues
- State budget transfers
- Municipal budget transfers

Composition of Riga Municipality basic budget expenses in 2025



- General governmental agencies
- Public order and security
- Economic activity
- Environment protection
- Municipal territory and housing management
- Health care
- Recreation, culture, and religion
- Education
- Social security

RIGA STATE CITY MUNICIPALITY BUDGET RESOURCE UTILIZATION FOR MUNICIPALITY OPERATIONS

EDUCATION AND SPORTS

Riga State City Municipality Education, Culture and Sports Department (ECSD) implements municipal policy in education, culture and sports sector and in youth work. ECSD operates in accordance with the Riga City Council's long-term planning document "Sustainable Development Strategy of Riga until 2030", as well as "Riga Development Program 2022 – 2027" and the Action Plan and Investment Plan 2024 – 2026. Functions of ECSD include:

- x Elementary and comprehensive education;
- x Accessibility of out-of-school and vocational education;
- x Diversity and accessibility of cultural events;
- x Preservation of cultural values and cultural and immaterial heritage, improvement of city's environment, development of creative activities and useful and creative passing of free time for all the residents of the city of Riga;
- x Work with youth;
- x Accessibility of sports and physical activities.

In 2022, the Saeima adopted amendments to the Education Law and the General Education Law, which provide transition to education only in Latvian within three years. In the 2024/2025 school year, a gradual transition to *United School* in Riga schools was continued to promote the integration of young people into society and facilitate the successful development of professional career in Latvia. At the same time, minority pupils will be able to learn minority language and cultural history as part of an interest education program. In 2025, this opportunity was provided to 2 301 preschool students.

In 2025, Riga State City Municipality education ecosystem development strategy 2024 - 2028 was approved. Several seminars and meetings involving stakeholders have been held, attended by other Riga City Council departments, school representatives, non-governmental organizations, businesses, neighboring municipalities, parents, universities, private educational institutions, and other ecosystem participants.

In order to ensure improvement of school network and accessibility to quality education for every student, in 2025, two pre-school institutions were merged and new pre-school educational institution – Riga Valdorfa preschool was established, two schools were closed, status of six schools was changed from “secondary school” to “elementary school”. Due to changes of the operation of the Riga Ilģuciema Elementary School the school building at Baltā Street 22A was vacated, transferred to the Property Department of the Riga City Municipality, and the school began operating in a building at Dzirciema Street 109.

Special attention has been paid to STEM activities – infrastructure has been improved, equipment for learning process has been purchased for 74 schools in total. In 2025, robotics and experiment kits were purchased for pre-school educational institutions. Information technology infrastructure in comprehensive education institutions was improved.

Since Russian Federation invasion in Ukraine on 24 February 2022, there is a significant influx of Ukrainian civilians in Riga. This has created an additional burden on the education system by enrolling children who do not speak Latvian. There were 106 Ukrainian civilians

employed in Riga educational institutions. 36 from them are pedagogue assistants, interest education teachers, comprehensive primary education teachers, teacher assistants, nannies, and laboratory assistants.

377 Ukrainian children are registered in Riga State City Municipality pre-school educational institutions, 1 528 Ukrainian pupils are registered in Riga State City Municipality educational institutions from 1st to 12th grade. In total 1 905 Ukrainian pupils are registered in Riga State City Municipality educational institutions. There are currently 267 Ukrainian children registered in Riga private pre-school educational institutions. In total 38 Ukrainian pupils are registered in Riga private educational institutions from 1st to 12th grade.

OUT-OF-SCHOOL EDUCATION AND SPORTS

In 2025, during school holidays 170 children's and youth camps organized by educational institutions with municipal co-funding, in which 5 612 participants took part. The number of municipally funded camps for children with functional disabilities increased, 16 free camps for 271 children and youth were organized in 2025 summer. 83 projects of non-governmental organizations (NGOs) in youth work were supported through co-financing competitions.

In the 2025/2026 academic year, the number of pupils in various out-of-school education programs reached 89 271. STEM programs – 15 507 students, sports programs – 17 940, cultural education programs (dance, folklore and music, visual arts, theater) – 38 346; in minority language and cultural history extracurricular programs – 10 477 and in other programs (such as social and civic education, medicine, and health) – 7 001 students.

In 2025, a STEAM synergy project for out-of-school educational institutions and schools was continued, involving 4 out-of-school educational institutions. The aim of the project is to gain experience of cooperation between schools and out-of-school educational institutions, which would promote in-depth learning of STEAM subjects. In total, 1 075 7-9 grade pupils were involved in the project during the academic year.

37 integrative camps for 1 381 Ukrainian and Latvian children and youth during the summer and autumn holidays were provided by means of State funding, and in summer of 2025 Riga hosted 99 children and young people from various Ukraine regions, providing a 9-day program of activities.

The most significant investment projects and programs:

- Improvement of energy efficiency in Riga secondary school No 21 on Tomsona Street 35 and Riga Dārzciema secondary school on Vietalvas Street;
- Reconstruction of historical façade of Riga preschool educational institution No 88;
- Modernization of the learning environment of comprehensive schools of the Riga City Municipality;
- Construction of fire extinguishing systems in 5 educational institutions of the Riga City Municipality;
- Renovation of 15 school buildings;
- Improvement of energy efficiency in 3 Riga pre-school educational institutions;
- Renovation of interior of buildings of 11 pre-school educational institutions;
- Territory improvement of 15 Riga State City Municipality pre-school educational institutions;

RIGA STATE CITY MUNICIPALITY BUDGET RESOURCE UTILIZATION FOR MUNICIPALITY OPERATIONS

- Construction of ventilation system in Riga State Classical grammar school;
 x Renovation and restoration of buildings of 5 educational institutions;
 x Creation of sports infrastructure in Riga comprehensive schools;
 x Selective renovation works at sports school "Ārkādija".

Budget expenses allocated to education (k EUR)	2023 actual	2024 actual	2025 budget	2025 actual
Preschool education	149 109.7	172 569.0	180 855.7	173 161.8
Elementary, comprehensive and professional education	259 951.4	297 884.6	323 002.7	299 799.6
Higher education	7.9	—	—	—
Education undefined by educational levels	54 066.9	62 878.5	76 940.8	67 174.1
Other education, not classified above	5 299.4	6 025.4	6 370.4	6 152.5
Total basic budget expenses	468 435.3	539 357.5	587 169.6	546 288.0
int.al. investment	22 533.5	32 909.7	32 316.0	29 615.3

SOCIAL SECURITY

During the reporting year, the provision of existing social services continued, and new social services were implemented within the approved budget. In total, the funding allocated for social services in the Welfare Department's budget across 12 core budget programs reached 150 480 056 euro.

During the reporting year, 29 714 212 euro (85,5%) were spent for the budget program "Social Benefits for Riga State City Residents" of which 23,32 million euro were paid to Riga residents and 6,39 million euro to Ukrainian civilians. In 2025, 5 363 Ukrainian civilians received social benefits from the municipality, which is by 14% less than in the previous year, while the amount of funding spent decreased by 4%.

In 2025, the number of recipients of social benefits decreased by 2 547 (by 8%) compared to 2024, while the funding used for social benefits increased by 147 222 euro (by 1%).

Considering increase in the income threshold for low-income households, the number of recipients of healthcare benefits and the funding allocated to these benefits continued to rise in 2025 as well. In 2025, 6 415 people received healthcare benefits of 755 537 euro (by 15% more than in the previous year).

As the median minimum income rose, which is used to determine the minimum income threshold for low-income households, the amount of the guaranteed minimum income (hereinafter GMI) benefit increased by 14% in 2025.

In 2025, the demand for long-term social care and social rehabilitation service in institution for adults (hereinafter - SCC), group home/apartment services and day care centre places for persons with mental disorders remained high, int. al. for persons with dementia, which is approximately 60% of the number of service recipients. In 2025, 8 022 people received home care services, which is 640 more than in 2024. The amount of care provided by this service also increased from 4 447 589 hours in 2024 to 4 947 476 hours in 2025. Approximately 34% of beneficiaries have observed/diagnosed signs of dementia.

The number of children receiving home care services, including individualized care, increased – 1 364 children, which is 468 more than in 2024.

In 2025, 191 social service providers, including six municipal institutions, as well as social service providers with whom the municipality has concluded contracts for the provision of social services, provided social services. In 2025, 38 085 persons in total received social services, which is more by 3 196 than in 2024, due to increase of volume of the services.

During the reporting period, Riga 1st hospital continued to provide short-term social care services at the short-term social care centre, which was received by 916 clients. 47% of them were able to return to their place of residence, 13% moved to the SAC, the service was interrupted for 12% of clients due to the need for health care in an inpatient medical institution, while 28% died.

In 2025, the number of children receiving long-term social care and social rehabilitation services in institutions increased. In 2025, 241 children received these services, which is by 32 more than in 2024. For this reason, in 2025, in collaboration with social service providers, the number of places available at service providers was increased, and three facilities were established in Riga.

In 2025, Riga State City Municipality Welfare Department signed a cooperation agreement for the implementation of the "PROTI un DARI 2.0" project of the European Union's Cohesion Policy program. The project is aimed towards young people at the age of 15 to 29 who are neither in school, nor employed, nor registered as unemployed. Its goal is to develop young people's skills and interests by providing individualized activity programs that help them obtain an education and integrate into the labor market. The total cost of implementing the project is up to 448 834 euro, of which 411 391,60 euro is funded by the Agency for International Youth Programs and 37 442,40 euro is co-financed by the municipality. The project plans to involve up to 200 young people and the project implementation term is December 31, 2027.

The most significant investment projects and programs:

- Renovation and adoption of building for rendering social services on Burtnieku Street 37, 2nd part;
- Project and construction of lift in the building of Municipality's Orphans' Court on Terbatas Street 69.

RIGA STATE CITY MUNICIPALITY BUDGET RESOURCE UTILIZATION FOR MUNICIPALITY OPERATIONS

Budget expenses allocated to social security (k EUR)	2023 actual	2024 actual	2025 budget	2025 actual
Social security in case of inability to work	16 591.4	21 652.1	28 897.0	25 749.2
Assistance to elderly people	22 020.1	26 519.7	25 675.2	25 408.2
Assistance to families with children	19 017.4	23 938.7	30 318.8	29 223.1
Assistance in unemployment case	219.5	57.4	88.7	51.2
Housing allowance	7 624.8	8 325.3	9 938.0	9 492.4
Other support for socially repudiated persons not classified above	93 113.2	99 782.9	109 427.2	102 291.4
Applied research and experimental development in social protection	–	–	4.0	4.0
Other social care not classified above	4 877.4	4 885.3	13 086.0	6 077.8
Total basic budget expenses	163 463.8	185 161.4	217 434.9	198 297.3
int.al. investment	826.7	3 741.3	2 288.0	2 092.1

HEALTH CARE

Riga State City Municipality Welfare Department (hereinafter Welfare Department) continued implementation of municipality's function to take care of inhabitant's health, implementation of measures promoting healthy lifestyles and organize access to healthcare services, providing evidence-based and diverse health promotion and disease prevention activities.

In 2025, Welfare Department planned and organized health promotion and disease prevention work in accordance with the goals, objectives and achievement indicators set by "Riga Development Program 2022 – 2027". One of them is the increase of funding to 2,20 euro per one Riga inhabitant in 2027.

In 2025, Welfare Department continued implementation of ESF project "We are for healthy Riga!" was continued, within the framework of which health-promoting measures are planned for residents of different ages, but especially for those at risk of poverty, social and territorial exclusion, to promote physical activity, classes on healthy nutrition, promotion of sexual and reproductive health, etc. The total costs are up to 4,87 million euro, of which ESF+ funding is up to 4,06 million euro, state budget funding is up to 0,7 million euro and Riga State City Municipality co-financing is up to 0,09 million euro in 2025.

During the reporting year, in order to prevent inhabitants from potential health risks and to promote reduction of HIV, type C and B hepatitis provision of addiction prevention services launched in the previous years was continued. In 2025, psychologist, social worker consultations, HIV specialist consultations were rendered, syringes exchange and handing out of condoms were performed as well as social workers on streets was provided. Total funding spent in 2025 was 140 243 euro.

In 2025, specialists in educational institutions conducted 389 interactive classes and discussions on various health promotion topics, including 323 on the prevention of the use of addictive substances.

In 2025, video recordings and online lectures for residents on various health-promoting topics were provided on the "Healthy Riga" Facebook page.

The Welfare Department plans, organizes and implements evidence-based public health activities. In 2025, more than 3 700 health promotion activities in total were organized. 272 982 euro were spent from the program budget.

Riga State City Municipality Welfare Department continued provision of 2 Health rooms provided by the "Latvian Red Cross", offering quick and together in one place professional consultations and preventive medical examinations for any inhabitant. As well as operation of day centre for children and youth "Resilience Centre", which provides health promotion, disease prevention and education services, consultations on sexual reproductive health, opportunity to make HIV, type C and B hepatitis tests and have free contraceptives. In 2025, the Health Rooms were visited 3 064 times.

The most significant investment projects and programs:

Selective renovation works of pool premises in building of Ltd. "Rīgas veselības centrs" branch "Kengarags" on Kanjiera Street 13;
Establishing waterproofing for buildings of Ltd. "Rīgas 1. slimnīca".

Budget expenses allocated to health care (k EUR)	2023 actual	2024 actual	2025 budget	2025 actual
Operation and services of ambulatory medical institutions, and public health-care agency services	2.7	26.9	13.6	2.6
Hospital services. Health-care services for mother and child	95.4	1 523.0	634.3	612.7
Services provided by social health care services	5 872.9	6 736.0	7 727.7	7 178.0
Total basic budget expenses	5 971.0	8 285.9	8 375.6	7 793.3
int.al. investment	69.0	1 349.9	510.0	499.1

MUNICIPAL TERRITORY AND HOUSING MANAGEMENT

In 2025, financing of 302 598 euro were utilized within Riga State City Municipality budget program "Management of residential and nonresidential accommodations owned by Riga State City Municipality" in accordance with compensations defined by Riga State City Municipality for lodgers of social apartment houses and apartment houses with separate social apartments.

Expenses of owners of apartment houses, apartment houses with separate social apartments as well as 16 social apartment houses, which exceed the established rent for lodgers, 50% compensation of water and sewerage expenses and 25% compensation of heating expenses.

In 2025, financing at a sum of 176 504 euro was provided for the repair, renovation, or reconstruction of residential buildings owned by the Riga State City Municipality that are in an unsatisfactory technical condition or in a state of disrepair.

In 2025, Riga State City Council City Housing and Environment Department (hereinafter Housing and Environment Department) renovated 24 apartments for rent, with an average area of 39 m² per apartment, at an average renovation cost per square meter of 338 euro/m².

In 2025, Riga State City Council City Housing and Environment Department compensated house managers' losses which occurred because of free and not being rented out premises for a prolonged period owned by Riga State City Municipality. Amount of compensation was 1 158 909 euro.

1 507 persons/families (18 lodgers of denationalized buildings) for receiving support on solving housing issues were recorded. In 2025, 337 residential apartments were rented out based on decisions made by Riga State City Council Commission of rental apartments. 6 accommodation units are rented to people in need of emergency assistance. 11 temporary accommodation units were rented out. Lodgings change service was used by 84 persons which cost 14 560,24 euro. 147 decisions were made on alienation of residential premises not fit for habitation by means of auction.

In 2025, real estate of the Riga City State Municipality was inspected to evaluate its actual condition. 190 apartments located in buildings transferred to the owners were inspected, and a number of violations and inconsistencies were identified.

In 2025, 695 Ltd. "Rīgas namu pārvaldnieks" inspection reports on technical condition of Riga State City Municipality apartments and 1 511 Ltd. "Rīgas nami" inspection reports were received.

Methodic support for the apartment owners was continued on transferring administration rights of the privatized residential buildings. Personnel of management administration took part in 295 apartment owners' meetings on transferring administration rights of residential buildings to the apartment owners, creating joint ownership administration structures and other matters concerning administration of residential buildings. In 2025, the law on the completion of the privatization of State and Municipal residential buildings came into force, as a result of what a total of 319 residential buildings and real estate properties were transferred to the possession of apartment owners and under the management of various property managers. In addition, 108 residential buildings and real estate properties were transferred into possession as of January 1, 2026. 16 contracts of authorization of management were concluded on management of unprivatized parts of residential buildings.

79 new rental agreements were concluded on application of Riga State City Municipality's residential buildings which administration rights were transferred to possession of apartment owners.

In residential buildings which administration rights are transferred to apartment owners, many lodgers of Riga State City Municipality housing are not fulfilling rental agreement obligations, resulting in accumulation of arrears of rent and paid services, in 2025, committee for evaluation of lodgers' arrears prepared 187 orders concerning necessity of payment of lodgers of Riga State City Municipality's housing and repayment of debt was done for a total sum of 131 572 euro.

The most significant investment projects and programs:

- ✗ Construction of Zolitūde tragedy memorial place;
- ✗ Project of a new columbarium in I Meža kapi;
- ✗ Construction of slips at public waters of Ķīšezers lake;
- ✗ Reconstruction of Victory Park and territory improvement 2nd part of the 2nd stage;
- ✗ Renovation of fountain at Kronvalda park;
- ✗ Construction of infrastructure of Marupīte forest park;
- ✗ Construction of lifeguard station at the Vakarbulī swimming area;
- ✗ Strengthening of the Mūkusalas Street embankment and construction of related infrastructure;
- ✗ Renovation of vegetable pavilion of Riga Central Market;
- ✗ Renovation of infrastructure of Victory Park between Raņķa dambis and Slokas Street.

Budget expenses allocated to municipality territory management and housing facilities (k EUR)	2023 actual	2024 actual	2025 budget	2025 actual
Apartment development	–	12.5	462.5	138.3
Territory development	105.4	193.4	889.0	823.0
Street illumination	10 411.5	2 572.1	38.5	29.5
Other activities concerning municipality territory management and housing facilities not classified above	48 341.9	60 181.4	60 857.4	43 797.6
Total basic budget expenses	58 858.8	62 959.4	62 247.4	44 788.4
int.al. investment	18 820.9	28 890.1	18 155.3	15 472.1

ENVIRONMENTAL PROTECTION

Riga can be proud of great number of various overground water objects, there are either artificial or natural reservoirs among them. To provide efficient exploitation of reservoirs both for recreation and commercial purposes, management principles were worked out and provided coordination of introduction and realization. In 2025, following projects were implemented:

- ✕ Lifting out of underwater objects were performed in aquatorium of the Riga channel, Ķīšezers and Daugava;
- ✕ Cleaning of small water courses in Riga;
- ✕ Cleaning Riga channel from garbage;
- ✕ Removal and disposal of trees that have fallen into water bodies or dangerous trees located on their shores.

In 2025, during the exploitation and maintenance works of water objects in Riga territory were implemented projects of coastal anti-erosion measures in several Riga water bodies, cleaning of Riga small water courses, amelioration ditches and channels, cleaning of protective bars, mowing of and removal of reeds and overgrowth, renovation of 2 pedestrian crossings over the Tēriņstraits and over the Mārupite's confluent, elimination of illegal wastewater discharges in hydrographic network, collection of petroleum products and other pollutants in Riga hydrographic network and other works.

Housing and Environment Department is responsible for the establishment, maintenance and water quality management of 3 bathing sites in The Gulf of Riga and 5 inland bathing sites in the territory of the Riga State City Municipality.

To maintain and renew Riga greenery management of City's greenery was performed – upkeep of 2 828 young trees of street greeneries, planted 193 trees, upkeep of crowns of 2 767 growing trees, sawing of damaged, dangerous and dead trees – 435 trees, sawing of 286 dangerous trees and 76 dangerous boughs, groomed 17 protected trees, renovation of park infrastructure, construction of children's playgrounds, renovation and construction of walkway surfaces, landscaping of parks, squares, and open spaces and other works.

Waste management achievements in 2025:

- ✕ Separate paper, cardboard, plastic, metal, glass, textile and biological waste collection was continued;
- ✕ A new procurement process was being prepared for household waste management in the Riga State City Municipality;
- ✕ 7 specialized waste collection sites were provided which offers an opportunity for residents to dispose of household hazardous waste free of charge. In 2025,

99,74 tons of household hazardous waste wereremoved and disposed of;

- ✕ Control of implementation of separate waste collection in apartment buildings were performed in cooperation with waste management companies;
- ✕ In cooperation with the municipalities of the Central Latvian waste management region and Ltd "Getlīņi EKO", Work was carried out on the creation of a unified waste sorting guide for the Central Latvian regional waste management;
- ✕ A contract has been signed for the construction of two sorted waste collection sites and other works.

In 2025, mowing of biologically valuable meadows and reed in specially protected natural territories was performed in area of 123,02 ha, improvement of territories, scavenging, localization of invasive species, preservation of biological grasslands tending of protected trees was performed within Riga State City basic budget program "Maintenance of biological diversity".

Riga State City Municipality provides control of animals' population in Riga State City according to laws and regulations, within it catching of 231 runabout dogs and 240 cats was performed, 363 ownerless dogs and cats were housed at City's paid animal shelter. 501 ownerless cats were caught and sterilized, 195 cats and dogs suffered an accident were brought to veterinary hospitals from City streets. Riga State City Municipality also provided services of picking up and utilization of animal corpses, euthanasia and sterilization of low-income inhabitants' pets and maintenance of walking grounds for dogs.

Municipality organizes exploitation of fishing rights in the waters of the Gulf of Riga and inland waters of Republic of Latvia owned by state in accordance with fishing laws and regulations. Greatest part of the collected revenues from exploitation of industrial fishing rights Riga State City Council Housing and Environment Department used for replenishing of fish resources. In 2025, 22 904 juvenile sanders were let into Ķīšezers lake.

Air quality and noise pollution supervision is performed in Riga State City. In 2025, action program of improvement of air quality in Riga State City 2021 – 2025 was provided, operation of 3 air monitoring stations was provided; work on development of action program of improvement of air quality in Riga State City 2026 – 2030 was continued; control of execution of Action plan of reduction of noise in Riga agglomeration 2024 - 2028 was provided.

The most significant investment projects and programs:

- ✕ Renovation of the protective dams at the Spilve polder pumps station.

Budget expenses allocated to environmental protection (k EUR)	2023 actual	2024 actual	2025 budget	2025 actual
Waste management	96.9	95.7	299.6	243.8
Waste-water management	530.6	515.6	767.2	548.2
Prevention and reduction of environmental pollution	838.4	961.7	2 051.9	2 033.0
Protection of biodiversity and landscape	211.1	231.7	306.0	283.0
Other expenditures related to environmental protection	4 198.9	5 000.6	8 142.6	6 136.2
Total basic budget expenses	5 875.9	6 805.3	11 567.3	9 244.2
int.al. investment	–	–	224.6	31.9

CULTURE

In 2025, work on the third phase of the restructuring of the cultural governance model was continued, which resulted in the establishment of an independent Riga State City Municipality institution "Riga Contemporary Art Space".

In 2025, Riga State City Municipality's cultural policy guidelines 2025 – 2028 were approved. Work was launched on implementation of the guidelines' priority actions: opportunities for EU Structural Fund and program project competitions were identified; five project applications were prepared and submitted; an audit of the accessibility of the environment, information, and service content was conducted at the Imanta Cultural Center and an action plan was developed to improve accessibility for people with functional disabilities. The number of programs and venues of the "Stropi" Cultural Space was increased by implementing the "Stropi" Cultural Space program in seven neighborhoods.

In 2025, the municipality's cultural and cultural education institutions were actively involved in ensuring access to culture for the Riga residents and visitors, both by providing high-quality cultural, cultural education and library services and by actively participating in the development of the offer of public events.

The participation of Riga collectives in the XIII Latvian School Youth Song and Dance Festival was provided. The festival featured 391 cultural education collectives from 78 municipal institutions with 8 761 participants, as well as 65 other collectives from Riga with 1 360 participants. 80 choirs, 171 folk dance groups and 25 contemporary dance groups; 7 folklore groups, 7 accordion orchestras, 9 brass bands; 9 symphony orchestras, 12 vocal and vocal-instrumental ensembles, 17 kokler ensembles, 15 theater groups and members of other creative collectives.

The most important events in 2025: the 35th anniversary of the restoration of independence of the Republic of Latvia, Christmas, New Year, Easter and Midsummer Day celebrations in Mežaparks, Dzegužkalns and Grīziņkalns, Riga Summer Culture program from August 1 to 31, Riga 824th birthday events at 11 November Embankment and Victory Park. The Riga summer cultural events program was visited by approximately 205 thousand residents and city guests. The program of events dedicated to the Lāčplēša Day and the 107th anniversary of the proclamation of the Republic of Latvia, and the light festival "Staro Riga". Visitors had the opportunity to see 40 light objects and installations both in the Old Town and on the left bank of the Daugava River. Festival's objects were visited by approximately 300 000 people.

Throughout 2025, the design of public holidays and commemoration days in the urban environment, creation of contemporary art objects and murals in Riga center and neighborhoods was ensured.

Two open procurement tenders were organized for Christmas season decorations in the urban environment, resulting in the signing of 10 contracts to decorate 150 locations in the city center and surrounding neighborhoods. Seventy-seven new light decorations featuring the city's graphic symbols have been installed on lampposts in the Ziepniekkalns, Torņakalns, Jugla, and Latgale neighborhoods. New, impressive light design compositions have been created to enliven the green spaces along Kaļķu Street and the City Canal.

Eleven visual identity campaigns were implemented in urban settings on large-format billboards and poster poles: Easter, the restoration of independence of the Republic of Latvia, Family Month, Midsummer Day, the "STROPI" cultural space, Riga Summer, EuroBasket, Mīkēlis Day, Staro Riga, the anniversary of the proclamation of the Republic of Latvia and Christmas.

In 2025, public cultural events organized and supported by the municipality were held in accordance with the annual calendar of events approved by the Riga State City Municipality Education, Culture and Sports Department. A notable new addition to the event schedule for the first half of the year was the Meterņi celebration in Town Hall Square, which was attended by 2 400 Riga residents and visitors, offering everyone the opportunity to experience ancient Latvian traditions of welcoming spring. The event received positive feedback from attendees.

In 2025, there were 26 libraries and 3 outreach service points operating in Riga, and their services were used 632 673 times during the year.

The contemporary culture forum "White Night" took place for the 20th time, with the forum's program featuring 35 projects, concerts, performances, installations, plays, art projects, and poetry. A total of 56 972 people attended the events of the "White Night" forum.

In 2025, co-financing was allocated for 74 events in 7 sectors as a part of "Co-financing of cultural and artistic events organized by private individuals" competition: 21 music, 7 theatre, 8 dance, 8 visual arts, 10 book, 15 interdisciplinary and 5 non-commercial audiovisual projects.

24 festival organizers received co-financing from the Riga budget special-purpose program for festivals and their organized events were attended by 159 226 visitors.

The most significant investment projects and programs:

- Development of the construction project of the Riga Philharmonic;
- Renovation and reconstruction of Riga 700th anniversary pavilion 2nd stage.

Budget expenses allocated to recreation, culture and religion (k EUR)	2023 actual	2024 actual	2025 budget	2025 actual
Recreational and sports events	7 537.1	7 397.5	7 609.8	7 504.2
Culture	30 089.5	34 600.7	39 335.7	34 768.2
Total basic budget expenses	37 626.6	41 998.2	46 945.5	42 272.4
int.al. investment	535.6	2 589.9	4 092.6	1 228.2

ECONOMIC ACTIVITY

Riga State City Municipality's public transport systems serve either for Riga inhabitants or for City's nearest area. Municipality public transport network in Riga is well developed and provides good coverage of City's territory. In 2025 Riga State City Municipality public transport network was formed by:

- ✕ 53 bus routes, provided by 423 buses in the daytime;
- ✕ 7 tram routes, provided by 113 trams in the daytime;
- ✕ 22 trolleybus routes, provided by 225 trolleybuses in the daytime.

Total length of transportation network reached 35,1 million km.

In 2025, 118,5 million passengers were transported in Riga State City public transport, which is by 2,5 million passengers (by 2,2%) more than a year earlier.

From May through October 2025, Riga State City Municipality implemented a pilot project for nighttime public transportation. During the pilot project, 11 422 passengers were transported, and the municipality allocated 0,08 million euro to provide the service.

To ensure the accessibility of public transportation services and promote passenger mobility, Riga State City Municipality has established fare discounts for certain groups of passengers. Approximately 60% of passengers take advantage of these discounts, either in full or in part. In 2025, Riga State City Municipality continued to provide a 100% fare discount to Ukrainian civilians registered within the municipality's administrative territory, and this discount was used 3 834 045 times.

In 2025, 93% from all the public transportation vehicle, 100% of them trolleybuses and 48% trams, which were used to provide public transportation service were adjusted for use for persons with functional impairments, pregnant women and persons with little children and perambulators.

During the reporting year, work on following infrastructure objects was performed:

- ✕ Construction of traffic overpass from Tvaika Street to Kundziņsala was continued (total construction expense – 68 144 545 euro);
- ✕ Reconstruction of Jorģa Zemitāna bridge, as well as renovation of street pavement in the nearby territory of Jorģa Zemitāna bridge and in Pērnavas Street and Aleksandra Čaka Street crossing was continued (total construction expense – 20 456 630 euro).

During the reporting year, Riga's infrastructure was improved with various newly constructed objects, including reconstruction of 2 streets (including construction and reconstruction of underground utilities,

dismantling of existing pavement, construction of new pavement, greening, construction of street development elements and other works), construction of 12 new objects, periodical renovation of street pavement in 33 sites was performed, erection of 5 bicycle lanes, designing of 18 street illumination objects.

In 2025, within the territory of Riga, Riga State City Municipality Spatial Planning and Mobility Department was responsible for approximately 2 819 territory units with a total area of approximately 1 695 ha. During the reporting year, an area of 3 997 ha was maintained, including playgrounds and recreational areas, street vending locations established by the municipality, summer parklets, and other areas.

In 2025, a number of improvements of public transport traffic and safety were performed, including improvement of pedestrians' safety, reduction of maximum traffic speed, etc. activities, int. al. in 9 locations maximum speed was reduced, in 29 locations prohibition to stop/to stand was established, 9 parking-lots for disabled were erected, 13 temporary parking-lots were erected, cargo transport traffic was limited in 3 locations, public transport traffic organization was improved in 13 locations, 120 speed bumps were built and 6 new traffic lights objects were built, renewed 98 traffic lights.

Other traffic organization system works done in 2025: safety of 2 pedestrian crossings was improved, temporary traffic lights were installed at three intersections, pedestrian flow was improved at 16 intersections and traffic safety was improved at 4 tram track crossings.

The most significant investment projects and programs:

- ✕ Construction and renovation of public transport stops according to the new design;
- ✕ Construction of new street in Lucavsala;
- ✕ Construction of bike path and renovation of street pavement on Vilhema Purviša Street;
- ✕ Reconstruction of crossing of Hipokrāta Street and Kvēles Street in section from Malienas Street to Plasas Street;
- ✕ Construction of additional illumination of 8 pedestrian crossings;
- ✕ Launch of reconstruction of Jorģa Zemitāna bridge;
- ✕ Reconstruction of pavement on Čiekurkalna 2nd Line from Čiekurkalna 2nd Crossing Line to Viskalū Street;
- ✕ Reconstruction of pavement on 14 Riga's streets;
- ✕ Periodical renovation of pavement in 28 sections of Riga's streets;
- ✕ Reconstruction of Ielejas Street and Asnu Street from Dzintaru Street to Ielejas Street;
- ✕ Reconstruction of crossing on Skanstes Street.

Budget expenses allocated to economic activity (k EUR)	2023 actual	2024 actual	2025 budget	2025 actual
Agriculture, forestry, fishery and hunting	8.8	9.2	11.0	8.2
Mining, industry and construction	10 689.4	11 928.2	12 535.1	11 751.3
Transportation	302 020.7	296 228.2	460 334.0	392 995.3
Other sectors	3 562.1	4 264.2	4 438.4	3 679.6
Other economic activity not classified above	2 424.3	1 011.4	3 457.8	3 044.0
Total basic budget expenses	318 705.3	313 441.2	480 776.3	411 478.4
int.al. investment	15 214.6	61 508.1	95 170.7	60 199.5

PUBLIC ORDER AND SECURITY

During the reporting year, Riga State City Municipality Police officials secured public order during important mass gathering events, rendering support also for the state law enforcement institutions together with their direct responsibilities int. al. during State Holidays of the Republic of Latvia, visits of foreign delegations, events organized by Riga State City Municipality, meetings, street processions, sports games and recreation events and during other important mass events. 250 Riga State City Municipality Police event plans were prepared to ensure public order at the most important events of the year.

In 2025, Riga State City Municipality Police officials secured public order near 180 Riga State City educational institutions' complexes of buildings. 1 007 educating events were organized in Riga State City educational institutions; 1 706 preventive discussions were held for minors.

During the reporting year, 130 288 calls were maintained, and 26 175 applications were received. In 2025, Riga State City Municipality Police recorded 7 882 persons who committed administrative violations or crimes, 569 wanted persons were detained, 57 of them were juvenile persons.

By means of Riga State City Municipality Police video surveillance center 3 739 cases of law violation were recorded, 1 162 video records were submitted to law enforcement institutions. In 2025, Riga State City Municipality Police initiated 47 940 administrative violation proceedings for various types of violations, 845 of them administrative violations committed by minors and 558 administrative violations against minors recorded. 387 709 decisions imposing fines were issued for traffic violations, 72 198 administrative violations actions on road traffic violations were started.

In 2025, 436 raids were carried out on the city's public transport, 19 violations were recorded and 25 wanted persons were detained. 276 administrative offense proceedings were initiated for disregard of animal protection and welfare requirements, 1 188 for disregard of the waste management regulations, 850 for the consumption of alcoholic beverages, 572 for failure to keep the premises clean and maintain structures in good order, 506 for disturbing the 98 for causing minor bodily injuries.

In 2025, 1 330 inspections of floating crafts were made and 370 administrative violations related to floating craft operation instructions were recorded, during raids 129 illegal fishing tools were confiscated, including poaching nets at total lengths of 2 km, 530 administrative violations were recorded.

In 2025, 685 raids were performed to control the sale of alcohol, tobacco and pyrotechnics to minors, during which 26 cases when alcoholic beverages or tobacco products were sold to minors were recorded, 76 administrative violation proceedings were initiated.

In 2025, 1 swimmer was rescued, medical aid was rendered to 64 persons and 7 lost children were found.

In 2025, phone rendered help to 1 918 foreign tourists among them 1 540 refugees from Ukraine.

Information is regularly updated in Riga State City Municipality Police internet home page www.rpp.riga.lv. More than 500 news were prepared in internal communications channels and 370 press releases were prepared in social media platforms (Facebook, Instagram, X, Youtube).

The most significant investment projects:

- ✕ Reconstruction of Riga State City Municipality Police building on Lēdurgas Street 26;
- ✕ Adaptation of premises for the needs of the Riga City Municipal Police in the building on Vizlas Street 1.

Budget expenses allocated to public order and security (k EUR)	2023 actual	2024 actual	2025 budget	2025 actual
The police	22 664.2	26 216.5	35 306.0	34 699.4
Other public order and security services not classified above	0.7	1 136.2	432.8	796.4
Total basic budget expenses	22 664.9	27 352.7	35 738.8	35 495.8
int.al. investment	167.2	1 516.8	7 042.4	7 030.0

RIGA STATE CITY MUNICIPALITY MANAGEMENT AND OPERATION IMPROVEMENT IN ORDER TO PROVIDE EFFECTIVE OPERATION, INTERNAL AUDIT, CORRUPTION PREVENTION ETC.

CORRUPTION PREVENTION

As part of the implementation of methodological guidance on corruption prevention, several seminars were held for the heads of municipal educational institutions on the requirements of the municipal corruption prevention system, introducing the methodology for assessing corruption risks and addressing any uncertainties, including explanations of the restrictions set forth in the Law "On the Prevention of Conflicts of Interest in the Activities of Public Officials" and the most common violations.

The Municipality and the Cesis Region Municipality, in cooperation with the Corruption Prevention and Combating Bureau, are participating in the sixth evaluation round of GRECO (Groupe d'Etats contre la corruption), whose main objective is to prevent corruption and promote integrity at the local level. The municipality's goal is to ensure transparent, accountable governance that serves the interests of residents by implementing effective mechanisms to mitigate corruption risks and promote integrity.

INTERNAL AUDIT

According to the Riga State City Council Audit Directorate 2024 plan of internal audit realization approved by Executive Director of Riga, in 2025, municipal Audit Directorate performed 11 internal control system evaluation audits, int. al. 4 audits in specific Riga State City Municipality institutions (performing 2-4 system audits within each audit – 10 in total) and 7 separate system audits (performing 1-5 Riga State City Municipality institutions within it – 15 in total).

Audit reports gave evaluation of the audited systems and suggestions on improvement of operation and control mechanisms of these systems. As a result of audits introduction schedule of suggestions was developed, where 96 suggestions were included.

In 2025, new procedures for conducting internal audits were developed, bringing the municipality's internal audit functions into greater alignment with the General Internal Audit standards. Employees of the Internal Audit Section of the Audit Directorate are constantly acquiring new knowledge and improving their qualifications to ensure that internal auditing within the municipality develops in line with global trends.

In accordance with the Audit Directorate internal audit plan 2025 approved by the Riga Executive Director, in 2025, Riga State City Council Audit Directorate performed 4 inspections of financial and economic activities.

As a result of performed audit 37 suggestions on elimination of the found offences and flaws were suggested. Central Administration Audit Directorate assesses and gives an opinion to Riga State City Municipality's enterprises and to representative of the capital share holder on the plan prepared by Municipality's enterprises for elimination of deficiencies identified in the audit and implementation of recommendations, as well as on the report of Municipality's enterprises on the implementation of the action plan.

OPERATION IMPROVEMENT

In 2025, following improvements were made:

- x Reorganization process of Spatial Planning and Mobility Department was finished, which goal was to ensure effective cooperation between the Riga State City Municipality administrative institutions in organization of planning, maintenance, design and construction of traffic infrastructure objects, as well as to avoid overlapping functions between institutions;
- x Riga State City Municipality in cooperation with Sate Ltd. "Autotransporta direkcija" and JSC "Pasažieru vilciens", launched the "Riga Single Ticket" pilot project. The goal of the pilot project is to introduce a unified public transportation ticketing system that would improve convenience and accessibility;
- x To increase the capacity and performance of ICT resources, as well as to mitigate cyber security risks by ensuring the redundancy of equipment and data, the data center has been modernized. This involved purchasing new equipment and relocating existing ICT equipment – which is still serviceable in the long term – and critical data infrastructure to a data center that meets security requirements;
- x Cooperation with CERT.LV to provide information technology security services was launched. The implementation of the Security Operations Center (SOC) continues – active and customized real-time cyber security monitoring to identify, investigate, and prevent cyber threats and incidents in 24-hour mode;
- x Modernization of video surveillance network;
- x Development of school infrastructure by updating networks, hardware and performing computer hardware purchases;
- x 1st stage of the development of the Civil Defense Information System (CDIS) was completed; it will help manage civil defense facilities and automate the preparation and updating of civil protection plans.

RIGA STATE CITY MUNICIPALITY PARTICIPATION IN LOCAL AND INTERNATIONAL COOPERATION PROJECTS

In 2025, Riga State City Municipality continued cooperation with international institutions and cooperation networks, as well as cities of various countries, in areas of culture, education, sports, city planning and development, transportation and traffic, police, order and security issues, environment protection, tourism, as well as other areas.

The most significant international projects and events Riga State City Municipality's participated during 2025 in association with execution of Riga territory plan:

- x Revitalization of Skanste territory 1st stage – the object was commissioned in 2024, in 2025, post-improvement environmental monitoring was performed, survey and documentation of defects during the warranty period were carried out and estimation and elimination of defect was organized and supervised;
- x Measures for flood protection project in Bolderāja, which goal is to adapt to climate changes by preventing flood risks and to ensure quality living environment. In 2025, monitoring of Bolderāja's flood protection infrastructure was provided by regular inspections and coordination of the assessment and repair of identified defects;
- x "Development of infrastructure objects that reduce anthropogenic load and improvement in the status of biotopes in natural park "Piejūra" (Natura 2000)";
- x "Development of multifunctional public open space in Riga neighborhoods;
- x Project "Pedestrians'/cyclists' bridge over the Zunds and its integration into city's environment";
- x Project "Pedestrians'/cyclists' bridge over the Kileveina ditch";
- x Development of 13th Janvara Street and public open space;
- x Development of Brīvības Boulevard, Brīvības Square and Baumaņa Square;
- x Development of public open space of Old Riga (1st stage);
- x "Development of Esplanade Park";
- x "Development of Victory Park";
- x Development of concept plans of neighborhood centers;
- x Reconstruction of Dauderu Park;
- x Development of construction plans of a park in the centre of Ķengarags neighborhood;
- x Recovery of the Kileveina ditch;
- x Development project of The Great Cemetery;
- x Foundation of Zolitūde tragedy memorial garden in Riga on Priedaine Street 20.

In 2025, Riga State City Municipality Education, Culture and Sports Department implemented 16 projects co-financed by the EU and other financial instruments with a total budget of 27 499 904 euro, of which 22 210 115 euro (81%) was financed by the EU and other external financial sources and 5 289 789 euro (19%) by the Riga State City Municipality. The most significant projects:

- x "Digitization of educational institutions for 7-9 grades";
- x "Closing the digital divide for socially vulnerable learners and educational institutions";
- x "Digital Platform to Support the Implementation of EU Projects in the Riga State City Municipality";
- x "Development of society's digital skills";
- x "Provision of private preschool education services in Riga State city;
- x "Provision of educational institutions for the high-quality implementation of the revised general

educational content at the primary and secondary education levels";

- x "School – in a community";
- x "Sustainable business education";
- x "Development of a digital youth work system in the Municipality".

In 2025, Riga State City Municipality continued cooperation with international organizations and cooperation networks:

- x In cooperation with Urban Planning commission of Union of Baltic Cities (UBC) an international urban planning seminar was organized for urban planners and architects from municipal governments of various countries of the Baltic Sea region. A discussion and workshop were held on the development of public spaces in Riga historic center, as well as a working seminar for Riga City Council members on the vision for the development of Riga historic center and priority projects;
- x Participation in the seminary "Sustainable World Heritage" organized by the World Heritage Office of the City of Amsterdam;
- x Organization and conduction of Urban management and Mobility forum of EURO CITIES platform in Riga;
- x Participation in project "Multidimensional Storm Water Treatment in Urban Areas for Cleaner Baltic Sea (MUSTBE)" to develop new technological and digital multidimensional solutions for stormwater administration and management;
- x Participation in Interreg Europe project "Improving local policies on temporary uses (IMPETUS)";
- x Participation in project "Developing and demonstrating portfolio of nature based and smart solutions for improving urban climate resilience in Latvia and Estonia";
- x Participation in project "Introducing adaptive community-based biodiversity management in urban areas for improved connectivity and ecosystem health";
- x Participation in project "Promoting Safe, Fair and Enjoyable Mobility in the Urban Environment" (JUST STREETS) to increase the mobility safety of vulnerable citizens and improve the accessibility of the public environment. (including the elderly, children, women and people with reduced mobility, pedestrians and cyclists).

PROMOTION OF INHABITANTS' AWARENESS AND EDUCATION AND COOPERATION WITH PRIVATE SECTOR

PROMOTION OF INHABITANTS' AWARENESS AND EDUCATION

All the most important information about City and Municipality is available on internet portals, internet social networks, published in newspapers, broadcasted on radio, TV as well as outdoor advertising and digital screens in city environment and public transport. Normative acts, Riga State City Council's and its committees' meeting schedule, documents to be revised, resolutions and resolution projects, information about planned and actual events, live broadcasts and records of Council's and Committees' meetings, as well as press conferences are available on Riga State City Municipality's home page www.riga.lv. Information is updated several times a day. Portal supplies information on Municipality structure, competences of municipal structures, officials and contacts, as well as other important information either for businessmen and inhabitants or nongovernmental organizations (NGO).

By means of various information media all the interested persons were informed about planning and execution of the Municipality budget, City Council work priorities, topical education issues, improvement of city's environment, new development projects and construction plans, as well as important investment and cultural projects. Information about issues on social help, opportunities to receive various benefits and receipt procedure, organization of summer camps, distribution of hot meals, mobile teams, involvement of persons with disabilities, movement of foster families, charity events etc.

Information on possibilities to receive real estate tax allowances, paid service discounts was provided, availability of kindergartens, requirements for children registration and enrollment, municipal support for private kindergartens was shown. Information on education sphere, sports and cultural events was provided. Inhabitants were informed also about traffic restrictions or repair works on City's streets, for example by publishing digital maps with repair works on City's streets and bypass routes. Detailed information was provided on the transition to centralized cleaning of pavements.

In 2025, cooperation with mass media was continued. Most topical and important events of Municipality were reflected in mass media, press conferences were regularly held in the Riga Council, a lot of them were broadcasted on online media: Facebook, LETA, Delfi and other online media, interviews and comments were provided, as well as journalists were provided with various informative materials on municipal issues.

In order to provide feedback between municipality and society, in cooperation with research centre SKDS inhabitants' opinion surveys and researches were continued in 2025 as well. Survey results as well as residents' of Riga opinion expressed in public discussions are used in further activities; they affect Riga State City Municipality decisions, as well as development and their progress.

In 2025, information of inhabitants on Municipality's topical issues was continued by means of social media. Topical and important information for inhabitants as well as answers on various inhabitants' questions was published in Riga State City Municipality Facebook and Twitter accounts. The website www.apkaimes.lv publishes the latest information on the Municipality's work, urban development trends and other topics. In 2025, the total number of visitors to apkaimes.lv was 78 350. Information on Riga State City Municipality's institutions and their services in sign language is available for residents of Riga in several sites.

Active information work of inhabitants is continued by Neighborhoods Inhabitants' Centre (NIC). NIC employees receive visitors in-person, by phone or electronically. NIC also offers gratis legal aid. Coordinators are working in seven support centers.

Active cooperation with NGO was carried out in order to enable closer society's participation in development and adoption of Riga State City Municipality's decisions and evaluation of its performance.

COOPERATION WITH PRIVATE SECTOR

In 2025, a survey of Riga residents was conducted to determine the attitude of Riga residents towards various activities related to the goals and achievable indicators defined in the Sustainable Development Strategy of Riga until 2030 and Riga Development program 2022 - 2027. A total of 2 267 Riga residents from all 56 neighborhoods were surveyed.

To promote the activities of neighborhood associations in Riga, their cooperation with the Riga State City Council and public engagement, neighborhood associations are eligible for financial support from the municipality of up to 3 000 euro. In 2025, only 28 applications were received, all of which received financial support.

In 2025, a contest of participatory ideas budget was announced, where 39 project proposals were submitted, 32 were put to a vote and following the vote 11 projects were approved for implementation. Voting was available both in person and via the website www.geolatvija.lv. A total of 18 169 residents cast their votes.

In 2025, six contests of social integration and participation projects were organized. 120 projects were supported in total, allocating municipal co-financing of 504 460 euro. 25 158 participants were involved in project activities in total and the projects' informational activities reached an audience of approximately 10 000 people.

The operation of the Memorandum of Cooperation between the Riga City Council and NGOs and the Memorandum Implementation Council, the operation of the Riga City Council Consultative Council on Social Integration Issues, as well as Riga's participation in the Intercultural Cities Program of the Council of Europe has been ensured. Constant support to NGOs was provided. NGOs used the premises of the NGO House in seven locations in different neighborhoods of Riga, where 4 265 events were organized, and the total number of visitors to the NGO House reached 58 578.

ACTIVITIES PLANNED FOR THE NEXT YEAR

LAUNCHED PROJECTS THAT WILL BE CONTINUED

In 2026, work on following projects is planned to be continued:

- ✗ Establishment of regional and city-level routes' bicycle infrastructure: Riga – Ulbroka, Riga – Ķekava un Riga – Babīte – Piņķi, planned to be completed in 2026;
- ✗ Construction of Jāņa Čakstes Avenue;
- ✗ Public transport connection points with railway stations and stops;
- ✗ Development of public open space integration of mobility point “Brasa” into city's environment;
- ✗ Construction of pedestrian rail-crossing infrastructure on Armerija Street;
- ✗ Development of construction plan of bikeway on Dzirciema Street and Buļļu Street;
- ✗ Development of construction plan of bikeway on Nīcgales Street and Pildas Street;
- ✗ Development of construction plan of bikeway on Ilūkstes Street;
- ✗ Development of construction plan of bikeway on Andreja Saharova Street and Katlakalna Street;
- ✗ Development of construction plan of bikeway on Ulbrokas Street;
- ✗ Development of construction plan of bikeway on Brāļu Kaudzīšu Street;
- ✗ Development of construction plan of regional and city-level routes' bicycle infrastructure: Vecāķi – Carnikava;
- ✗ Preparation of construction project documentation for the major level route bicycle infrastructure along the Brasa – Sarkandaugava – Mīlgrāvis
- ✗ Construction of bikeway on 11. Novembra Krastmala Street;
- ✗ Construction of bicycle lanes on Dzirnau Street;
- ✗ Reconstruction of Jorģa Zemītāna bridge;
- ✗ Construction of traffic overpass from Tvaika Street to Kundziņsala;
- ✗ Construction and renewal of public transport stops according to new design;
- ✗ Periodical renovation of Municipality's Street pavement;
- ✗ Development of sports and recreation grounds in neighborhoods;
- ✗ Buildings' renovation and restoration works as part of the optimization of the school network;
- ✗ Construction of a new pre-school institution building on Sudrabu Edžus Street 2;
- ✗ Renovation of building on Burtnieku Street 37 changing its purpose of use (to ensure accessibility to social services);
- ✗ Construction of Zolitūde tragedy memorial place.

MAIN TASKS OF THE NEXT YEAR AND PLANNED COOPERATION PROJECTS

- ✗ Development of complex of buildings for Riga Skanstes preschool on Grostonas Street 6;
- ✗ Creation and development of community-based social services infrastructure at Spilves Street 19;
- ✗ Renovation of 10 buildings of educational institutions in stages;
- ✗ Development of sports infrastructure – on the grounds currently used by Riga Anniņmuiža Secondary School on Kleistu Street 14;
- ✗ Establishment of learning centers for the new learning content in natural sciences and technology at 4 educational institutions;
- ✗ Provision of accessibility in 18 Municipality social service buildings;
- ✗ Renovation works in 3 out-of-school educational institution buildings – adjusting buildings for provision of out-of-school education;
- ✗ Improvement of infrastructure and learning environment in five Municipality's special educational institutions;
- ✗ Development of infrastructure for implementation of national defense education program in 2 municipal educational institutions;
- ✗ Renovation of swimming pools and adjacent facilities at 3 sports educational institutions;
- ✗ Improvement of energy efficiency in 2 pre-school educational institution buildings;
- ✗ Renovation works in kitchens and dining-halls of educational institution buildings;
- ✗ Construction of fire extinguishing systems in educational institutions;
- ✗ Renovation of interior of buildings of pre-school educational institution buildings and territory improvement;
- ✗ Measures to reduce air pollution in Riga;
- ✗ Implementation of a service to set up bomb shelters;
- ✗ Participation in the EU Cohesion Policy Programme 2021 – 2027, under the specific support objective “Promoting Energy Efficiency Measures and Reducing Greenhouse Gas Emissions,” measure “Improvement of the Energy Efficiency of Municipal Buildings” in the third round of project applications;
- ✗ EU co-financed project “Renovation of individual social housing groups premises, 1st stage”, which includes the renovation of 196 unrented apartments owned by the municipality.

RIGA STATE CITY MUNICIPALITY FINANCIAL STATEMENTS 2025 (SUMMARY)

RIGA MUNICIPALITY SUMMARY BALANCE SHEET	At the beginning of the accounting period (k EUR)	At the end of the accounting period (k EUR)
ASSETS	4 050 274.7	4 261 275.6
Non-current assets	3 859 866.6	4 073 369.4
Intangible assets	17 481.2	20 002.3
Licenses, concessions and patents, trademarks and similar rights	16 997.4	19 550.1
Other intangible assets	468.5	352.0
Intangible assets under construction	15.3	3.6
Advances for intangible assets	–	96.6
Fixed assets	2 577 477.3	2 778 245.5
Land and construction	1 907 007.3	1 942 015.6
Technological equipment and machinery	16 035.5	19 944.3
Other fixed assets	82 301.3	90 063.1
Construction in progress, fixed assets under construction	94 348.4	242 855.5
State and municipal real estate property assigned for actual possession	436 826.7	450 450.8
Biological and underground assets	14 333.2	15 895.8
Leasehold improvements	43.1	56.2
Advances for fixed assets	26 581.8	16 964.2
Long-term financial investments	1 156 507.0	1 174 913.0
Investments in subsidiaries	1 082 430.3	1 092 450.7
Investments in equity capital of associates	73 958.7	82 349.5
Advances for Long-term financial investments	118.0	112.9
Long-term receivables	575.0	692.9
Other long-term receivables	575.0	692.9
Investment property	107 826.1	99 515.8
Investment property	90 457.5	81 214.6
Investment property assigned for actual possession	17 368.6	18 301.2
Current assets	190 408.1	187 906.3
Inventory	34 590.1	33 260.2
Short-term receivables	22 255.0	20 688.2
Deferred expenses and advances for services and projects	8 385.0	6 124.6
Cash	125 178.0	127 833.2
LIABILITIES	4 050 274.7	4 261 275.6
Equity	3 250 332.6	3 360 973.6
Reserves	499 298.3	483 364.9
Results of the budget execution	2 751 034.3	2 877 608.7
Retained results of the budget execution	2 636 547.5	2 751 034.2
Results of the budget execution in current period	114 486.8	126 574.5
Provisions	3 853.1	3 331.1
Liabilities	796 089.0	896 971.0
Non-current liabilities	545 848.0	604 312.5
Long-term borrowings	481 692.1	552 922.7
Long-term liabilities to suppliers and contractors	8 505.4	3 730.3
Long-term deferred income and received advances	14 404.5	19 452.5
Long-term liabilities for financial derivatives	37 880.6	22 926.0
Other long-term liabilities	3 365.4	5 280.9
Current borrowings and current portion of long-term debt	70 243.7	67 268.1
Current liabilities to suppliers and contractors	23 563.3	32 797.1
Current accrued liabilities	62 578.4	75 584.3
Salaries and deduction payments (excluding taxes)	17 471.5	18 750.7
Taxes, fees and other payment liabilities	21 079.9	20 001.5
Other current liabilities	19 352.9	19 594.9
Deferred income and received advances and transfers	35 951.4	58 662.0

RIGA MUNICIPALITY SUMMARY BALANCE SHEET	At the beginning of the accounting period (k EUR)	At the end of the accounting period (k EUR)
OFF-BALANCE SHEET		
Off-balance sheet assets	17 183.0	15 651.2
Demurrages, fines, penalties and late payment interest receivable	11 575.6	9 618.2
Claims for illegally expropriated assets	31.8	48.8
Other off-balance sheet assets	5 575.6	5 984.2
Off-balance sheet liabilities	323 522.5	241 006.1
Future liabilities according to agreements concluded on projects financed by foreign financial aid and EU policies' instruments	143 985.7	111 376.0
Future liabilities and payments according to agreements and government decisions on purchase and creation of long-term assets, except those concluded on projects financed by foreign financial aid and EU policies' instruments	161 554.1	109 969.4
Received and not paid invoices for advance payments	50.8	12 335.5
Future lease payments	–	6.5
Warranties issued	25.2	20.3
Other off-balance sheet liabilities	17 906.7	7 298.4

BASIC BUDGET INCOME STATEMENT	2024 actual	2025 budget	2025 actual
Cash flow basis	(k EUR)	(k EUR)	(k EUR)
Total revenues	1 399 895.5	1 478 875.9	1 477 075.1
Total tax revenues	999 768.4	1 002 383.4	1 016 595.5
Personal income tax	882 258.3	884 629.4	895 098.9
Real estate taxes	116 352.0	116 450.0	118 771.7
int.al. real estate tax on land	46 107.8	47 250.0	46 706.3
int.al. real estate tax on buildings	43 837.2	43 400.0	45 387.8
int.al. real estate tax on housing	26 407.0	25 800.0	26 677.6
Other tax revenue	1 158.1	1 304.0	2 724.9
Total non-tax revenues	29 613.2	26 485.1	35 944.1
Government (municipality) fees	6 750.9	5 836.8	7 825.7
Other non-tax revenues	22 862.3	20 648.3	28 118.4
Paid services and other own revenues	43 006.7	44 100.6	40 897.4
Total transfers	327 507.2	405 906.8	383 638.1
Transfers of public entities partially financed by State budget and institutions not financed by budget	387.4	–	459.8
State budget transfers, int.al.	315 963.1	395 143.9	374 059.7
state budget transfers received by municipalities	290 026.9	285 256.1	270 705.1
transfers received from state institutions for projects co-financed by EU policies' instruments and other foreign financial aid	25 936.2	87 999.7	81 466.5
Grant received by the municipal budget from the municipal cohesion fund	–	21 888.1	21 888.1
Municipal budget transfers	11 156.7	10 762.9	9 118.6
Total expenses by government functions			
Total expenses	1 432 961.7	1 702 048.5	1 545 352.0
General governmental agencies, int.al.:	247 600.1	251 793.1	249 694.2
contributions to municipal cohesion fund	142 274.9	138 641.9	138 641.9
Public order and security	27 352.7	35 738.8	35 495.8
Economic activity	313 441.2	480 776.3	411 478.4
Environmental protection	6 805.3	11 567.3	9 244.2
Territory and housing management	62 959.4	62 247.4	44 788.4
Health care	8 285.9	8 375.6	7 793.3
Recreation, culture, and religion	41 998.2	46 945.5	42 272.4
Education	539 357.5	587 169.6	546 288.0
Social security	185 161.4	217 434.9	198 297.3
INCOME STATEMENT ON DONATIONS AND ENDOWMENTS	2024 actual	2025 budget	2025 actual
Cash flow basis	(k EUR)	(k EUR)	(k EUR)
Total revenues	67.1	102.4	117.9
Donations and endowments from legal entities and individuals	67.1	102.4	117.9
Total expenses by government functions			
Total expenses	75.6	376.4	99.1
General governmental agencies	–	0.2	–
Recreation, culture, and religion	6.7	88.5	0.9
Education	68.6	275.5	96.7
Social security	0.3	12.2	1.5

EXPLANATION OF BASIS OF PREPARATION OF SUMMARY FINANCIAL STATEMENTS 2025

This financial statements summary including Riga State City Municipality's summary balance sheet as of 31 December 2025, basic budget income statement for 2025 (cash flow basis) and income statement on donations and endowments (cash flow basis) for 2025 are prepared on the basis of audited Riga State City Municipality financial statements, based on following principles:

- x Balance sheet presented is identical to the one included in the audited financial statements of Riga State City Municipality 2025 (k EUR) (Form No 1);
- x Basic budget income statements prepared on a cash flow basis are prepared based on information included in Riga State City Municipality Annual Report 2025 (Form No 2) "Budget execution statement" (basic budget). Income is classified in groups characterizing the type of the income in terms of economic activities, in compliance with Regulations of the Cabinet of Ministers of the Republic of Latvia No 1032 dated 27.12.2005. "Regulations on classification of budget income".
- x Expenses are presented according to the groups of functional categories by administrative, functional and sectoral features in compliance with Regulations of the Cabinet of Ministers of the Republic of Latvia No 934 dated 13.12.2005. "Regulations on classification of budget expenses according to functional categories";

- x Income statement on donations and endowments is prepared on a cash flow basis and is based on information included in Riga State City Municipality Annual Report 2025 (Form No 2) "Budget execution statement" (donations and endowments). Income is classified in groups characterizing the type of the income of economic activities, in compliance with the Regulations of the Cabinet of Ministers of the Republic of Latvia No 1032 dated 27.12.2005. "Regulations on classification of budget income". Expenses are declared according to groups of functional categories by administrative, functional and sector features in compliance with Regulations of the Cabinet of Ministers of the Republic of Latvia No 934 dated 13.12.2005. "Regulations on classification of budget expenses according to functional categories";

According to paragraph 38.1. of the Cabinet of Ministers regulations No 400 dated 01.07.2025. "Procedure for preparation of the annual report", information on Riga State City Municipality's financial statements 2025 is available at the State treasury's home page from 1 June 2026.

INDEPENDENT AUDITOR'S REPORT ON RIGA STATE CITY MUNICIPALITY FINANCIAL STATEMENTS 2025

INDEPENDENT AUDITOR'S REPORT

To Riga State City Municipality

Our Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Riga State City Municipality (the "Municipality") as at 31 December 2025, and the Municipality's financial performance and cash flows for the year then ended in accordance with the Cabinet of Ministers regulation no. 400 "Procedures for Preparing the Annual Report" dated 1 July 2025.

What we have audited

The Municipality's financial statements comprise:

- x the balance sheet as at 31 December 2025,
- x the statement of financial results for the year ended 31 December 2025,
- x the statement of changes in equity for the year ended 31 December 2025,
- x the cash flow statement for the year ended 31 December 2025,
- x the basic budget execution report for the year ended 31 December 2025,
- x the donation and endowment budget execution report for the year ended 31 December 2025, and
- x the notes to the financial statements, comprising a description of principles of accounting policies, a description of the principles for preparing the annual report and other explanatory information.

Basis for Opinion

We conducted our audit in accordance with International Standards of Supreme Audit Institutions adopted in the Republic of Latvia (ISSAI). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Municipality in accordance with ethical requirements of the Law on Audit Services that are relevant to audits of financial statements in the Republic of Latvia and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have also fulfilled our other ethical responsibilities in accordance with the ethical requirements of Law on Audit Services and the IESBA Code.

Reporting on other information including the Management Report

Management is responsible for the other information. The other information comprises the Management Report, as set out in the system eParskati section Documents "1. Management Report", but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information, including the Management Report.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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.

With respect to the Management Report, we also performed the procedures required by the Law on Audit Services. Those procedures include considering whether the Management Report includes the disclosures required by the Cabinet of Ministers regulation no. 400 "Procedures for Preparing the Annual Report" dated 1 July 2025.

Based on the work undertaken in the course of our audit, in our opinion, in all material respects:

- x the information given in the other information identified above for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- x the Management Report has been prepared in accordance with requirements of the Cabinet of Ministers regulation no. 400 "Procedures for Preparing the Annual Report" dated 1 July 2025.

In addition, in light of the knowledge and understanding of the Municipality and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the other information. We have nothing to report in this regard.

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 Cabinet of Ministers regulation no. 400 "Procedures for Preparing the Annual Report" dated 1 July 2025, 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 Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality'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 ISSAI 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 ISSAI, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- x 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.
- x 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 Municipality's internal control.

- x Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- x 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 Municipality'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 Municipality to cease to continue as a going concern.
- x 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.

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.

This is a translation of the original independent auditor's report prepared in Latvian and issued on 30 March 2026 on Riga State City Municipality's financial statements included in the Municipality's 2025 annual report, which was prepared in accordance with the Cabinet of Ministers regulation no. 400 "Procedures for Preparing the Annual Report" dated 1 July 2025. This pdf format of independent auditor's report does not relate and cannot be considered as a report on the Public Report 2025 of Riga State City Municipality and is prepared only to fulfil the requirements of the Cabinet of Ministers Regulation no. 413 "Regulations on Annual Public Accounts" dated 5 May 2010. Translation note: 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, views or opinions, the original language version of our report takes precedence over this translation.

PricewaterhouseCoopers SIA
Certified audit company
Licence No. 5

Ilandra Lejiņa
Chairman of the Board
Certified auditor in charge
Certificate No.168

Riga, Latvia
30 March 2026