

# **SIA Stockholm School of Economics in Riga**

Registration no. 40003162751  
Strēlnieku iela 4A, Riga, LV-1010, Latvia

## **Annual Report for the Year Ended**

**31 December 2025**

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## Company Information

Name of the Company	<b>Stockholm School of Economics in Riga</b>
Legal status of the Company	<b>Limited liability company</b>
Number, place and date of registration	<b>40003162751 Riga, 13 November 1993</b>
Registered address	<b>Strēlnieku iela 4A Riga LV-1010, Latvia</b>
NACE code	<b>85.42 Tertiary higher education</b>
Shareholders	<b>Rīgas Ekonomikas augstskolas – Stockholm School of Economics in Riga Foundation, reg. No. 40008164674 (100%), Strēlnieku iela 4A, Riga, LV-1010, Latvia</b>
Members of the Board	<b>Lars Anders Gustav Paalzow, Chairman of the Board Santa Blate Aivars Timofejevs</b>
Financial year	<b>1 January 2025 to 31 December 2025</b>
Auditors	<b>Kristīne Graudiņa Certified auditor Licence No. 223</b>  <b>Merhels Revidenti Konsultanti SIA A licensed practice of certified auditors, Licence No. 1 Republikas laukums 3-124, Riga LV - 1010, Latvia</b>

## Management Report

### Company's operations in the reporting period

The Stockholm School of Economics in Riga (henceforth the School, SSE Riga or Company) is an autonomous higher education establishment providing academic education. It operates under a trademark license agreement concluded with Handelshogskolan i Stockholm (Stockholm School of Economics, henceforth SSE) on September 10, 2010. There is also a master agreement on education services concluded with SSE on July 1, 2012, specifying the terms for the involvement of SSE faculty in teaching and research activities carried out at the School.

The School offers two degree programmes, a three-year Bachelor's Programme in Economics and Business and a two-year Executive Master of Business Administration (Executive MBA or EMBA) programme.

The Bachelor's degree programme is the main activity of the School. During the reporting period, SSE Riga admitted 136 new students to the Bachelor's Programme. The total number of students registered in the three-year programme varied from 506 students on January 1, 2025 to 485 students on December 31, 2025. For studies in the Bachelor's Programme, SSE Riga mainly accepts applicants from the Baltic states, but students from Russia, Belarus, the Eastern Partnership (Ukraine, Moldova, Georgia), the Central Asia and other countries also study at the SSE Riga. As part of the Erasmus+ Student Mobility Programme, the School received 3 exchange students in the spring semester of 2025 and 22 exchange students in the fall semester of 2025 from various countries. An important aspect in attracting new students is providing students with a place of residence and a declared address. Since the middle of 2020, these services for SSE Riga students have been provided by the Company's subsidiary company SIA "Patversmes 22", in which the Company is the sole shareholder.

The SSE Riga Executive MBA is a two-year, modular-based programme designed to deepen participants' expertise in business management, foster their professional growth and leadership development, and provide access to international networking opportunities through international study modules in Singapore and Sweden, as well as participation in the Global Network for Advanced Management student exchange programme with one study module at the world's best business schools. Each EMBA cohort typically consists of 20 to 30 highly experienced professionals from various industries across the Baltic states. During the reporting period, 30 new students were admitted to the programme, the same as the previous year, bringing the total number of enrolled participants across both classes to 65 effectively reaching the program's maximum capacity.

Both the Bachelor's and EMBA programmes are licensed until June 2027.

In addition to the degree programmes, the School provides executive training through open-enrolment programmes and bespoke courses tailored to specific organizational needs. In 2025, SSE Riga delivered record-breaking results, mainly driven by continuous sales efforts and client base development, an expanded course portfolio, and further development of public tender revenue streams.

Beyond its independent research initiatives, the School actively participates in various research, education and development projects funded by the European Union, Northern countries (Nordplus), the Latvian public sector, local and international organizations as well as corporate and individual funders such as Marcus Storch, who is providing funding for the entrepreneurship and media education activities in Latgale region. The School's research and project profile covers a wide range of fields. The research is carried out in areas such as economics, business, sustainability, migration, shadow economy, tax policy, finance, healthcare, entrepreneurship, media, language teaching and others. Both faculty and student research are supported. The research, education and development projects often are implemented in cooperation with SSE Riga partners in Latvia and other countries. These partnerships include universities and research institutes, public organizations and representatives of the business environment.

Educational activities in the field of media are organized within the School's Centre for Media Studies (Anne-Marie and Gustaf Ander Centre for Media Studies), which has become an important support for media professionals. There is an opportunity to share experiences, learn from recognized lecturers, mentors and get inspiration for new projects and collaborations. The operation and activities of the Centre for Media Studies are possible thanks to the support of the Swedish foundation "Anne-Marie och Gustaf Anders Stiftelse för Medieforskning". During the reporting period, the withdrawal of specific US funding sources created significant challenges for the Centre for Media Studies, making it much harder to compete for other available media grants. The most important activities of the reporting year included trainings for journalists and media managers from both the European Union and Eastern Partnership countries. Although the training programmes are often adapted to the current affairs of a particular country and the political situation in the region, some programmes are aimed at media professionals from different countries of the world. It promotes the exchange of good practice and encourages diversity and inclusion. The Eastern Partnership Network, coordinated by the Centre, is particularly important for mutual communication and exchange of experience. It includes around 150 independent media representatives from countries in the region, which continue to be threatened in the context of freedom of the press and freedom of expression. Training opportunities are increasingly valued by domestic media representatives, therefore, according to their needs, the Centre for Media Studies

organizes online professional development courses. Such a teaching model helps to include the media from the regions as well. More than 400 Latvian media professionals from all over the country showed interest in the six-week course. Last year, projects that have already become annual traditions were implemented: Summer School for Investigative Journalism, the "Future Leaders Academy" programme for young diplomats, an introductory course in journalism for young people in Tallinn and Rezekne, and the only media business forum in the Baltic region - Reinventing Media Business Forum.

The main sources of revenue to support the core activity of the School consist of:

- tuition fees for the Bachelor's studies,
- payments for other educational activities (incl. Executive Education and EMBA),
- research activities providing additional funds,
- donations.

The donations are handed over to the School mostly through Rīgas Ekonomikas augstskolas – Stockholm School of Economics in Riga Foundation (i.e. the Company's Shareholder), hereinafter referred to as the "Foundation". The main strategic goal is to provide the lowest possible tuition fees in the Bachelor programme while maintaining outstanding academic quality to attract the most talented students. Thus, the support provided by the Foundation and other donors, as well as additional resources from other activities, have so far provided the School with an opportunity for the students from the Baltic states to receive substantial tuition fee waivers.

### **Financial result of the reporting year**

Driven by a faster growth in revenue compared to expenses, the Company closed the reporting year with a net profit of EUR 234,388, which is an increase of 35.0% or EUR 60,820 compared to the previous year (2024: EUR 173,568). In 2025, the net profit margin (net profit/ total revenue) improved from 3.14% to 4.02%, demonstrating the Company's profitability growth and successful cost control.

In 2025, the Company's total revenue reached EUR 5,827,991, which is 5.4% or EUR 297,874 more than in 2024 (EUR 5,530,117). This positive dynamic was primarily driven by a 14.5% increase in net turnover, reaching EUR 4,110,652 (compared to EUR 3,588,538 in 2024), which was determined by successful sales efforts and growing demand in the field of executive education. Concurrently, external financial support and other operating income decreased by 11.5% (from EUR 1,941,579 to EUR 1,717,339), partly affected by a significant decline in US funding opportunities for the activities of the Centre for Media Studies and lower funding for scientific research.

The Company's total operating expenses in the reporting year grew moderately compared to 2024 – by 4.4%, amounting to EUR 5,589,237 (2024: EUR 5,355,523). The increase in expenses was mainly driven by other operating expenses.

In 2025, the current ratio stands at 1.16 (current assets/ current liabilities), which indicates Company's stable capacity to cover its short-term liabilities. The financial security is further reinforced by the fact that, in the School's case, the structure of short-term liabilities is dominated by deferred income (EUR 1,524,752), which essentially represents funding and tuition fees received in advance that will be gradually recognized as revenue. Excluding this deferred income from liabilities, the School's actual capacity to cover immediate debts is even more stable, as further evidenced by the substantial cash balance in bank accounts (EUR 1,782,942).

The Company's equity ratio (total equity/ total assets) reached 43.16% at the end of the reporting year, which confirms the School's high financial autonomy, stability, and independence from external funding sources.

### **Future perspectives and development**

SSE Riga will prioritize the maintenance of its leading position within the international business school arena, ensuring that its reputation for excellence in research and business education remains a benchmark for the region. A central challenge involves the strategic management of resources to ensure that Bachelor programme remains financially accessible. The School is specifically committed to maintaining the Baltic tuition fee waiver at a level that continues to attract the most talented students, regardless of their financial background. To support this objective, the School will deepen its cooperation with the donor community, continue close collaboration with the SSE Riga Alumni Association, strengthen its executive and media education offering while simultaneously diversifying income streams through the pursuit of external grants.

Another key strategic priority will be a formulation and implementation of a comprehensive artificial intelligence policy as well as utilizing its benefits in the daily operations. This initiative aims to ensure that faculty, administration and students are AI savvy and that the curriculum remains strictly aligned with evolving industry standards. Furthermore, the School will continue to invest in its research, seeking to attract top-level researchers and sustain a consistent presence in high-impact, peer-reviewed journals.

The upcoming period will be affected by external fluctuations, mainly caused by the unstable geopolitical situation in the world and the rapid development of artificial intelligence and technologies. A particular challenge arises from the massive inflow of public funding into the adult education system in Latvia, which provides free or heavily subsidized training opportunities. These challenges fundamentally change the market's thinking about the monetary value of professional development. To overcome this, SSE Riga will continue to offer high quality, while strengthening its ability to attract and use public funding opportunities. By proactively integrating these resources into its financial strategy, SSE Riga will ensure its competitiveness in the changing education environment, where the traditional self-funded training approach is changing.

Current global market trends, particularly in Europe and US, indicate a decline in demand for EMBA programmes, consequently the SSE Riga management is closely monitoring these developments to mitigate potential volatility in future income streams. Another trend that will affect the future is the growing demand for modular training and the integration of micro-qualifications. This will require a structural transition that balances flexible learning paths with academic rigor and long-term financial sustainability.

Moving forward, the Centre for Media Studies will navigate a highly competitive funding environment by diversifying its funder base and proactively exploring new revenue streams

### **Financial risk management**

#### **(a) Currency risk:**

The School renders its services in euros (EUR), Swedish crowns (SEK) and US dollars (USD). The purchases are primarily made in EUR and SEK. Taking into account the currencies that the School deals with, it is subject to currency risk from transactions in SEK and USD. This risk is minimized by matching sales transactions with purchase transactions in the same currency.

#### **(b) Liquidity risk:**

Liquidity risk is the risk that the School will not be able to meet its current liabilities timely and effectively. As a part of prudent liquidity management, the School maintains sufficient cash reserves in its bank accounts. The School controls its liquidity risk also by planning payment terms for the borrowings and trade payables. The School has access to short-term financing from the Foundation.

#### **(c) Credit risk:**

Credit risk is a risk of loss in case the borrower fails or refuses to meet the liabilities against the School. The School is subject to credit risk related to monetary resources and trade debtors. Management exercises continuous control of the credit risk by analysing the payment history of clients and keeping track of the outstanding balances.

### **Subsequent events**

There have been no significant events since the last day of the reporting period and the date of signing these annual accounts that could have material effect on financial position and financial performance of the Company as reported in these accounts.

### **Board proposals for profit distribution**

The profit for the reporting period will be reinvested in the Company to ensure further development and sustained competitiveness.

Lars Anders Gustav Paalzow  
Chairman of the Board

Aivars Timofejevs  
Member of the Board

Santa Blate  
Member of the Board

Riga, May 22, 2026

## Income Statement

	Notes	2025 EUR	2024 EUR
Net sales		4 110 652	3 588 538
Other operating income	2	1 717 339	1 941 579
		<b>5 827 991</b>	5 530 117
Personnel costs	3	(1 976 606)	(1 917 173)
Depreciation and amortization	5, 6	(87 596)	(81 266)
Other operating expenses	4	(3 525 035)	(3 357 084)
		<b>(5 589 237)</b>	(5 355 523)
Profit before corporate income tax		<b>238 754</b>	174 595
Corporate income tax for the financial year		<b>(4 366)</b>	(1 026)
Profit for the financial year		<b>234 388</b>	173 568

The accompanying notes on pages 9 to 15 are an integral part of these financial statements.

## Balance sheet

	Notes	31.12.2025 EUR	31.12.2024 EUR
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	5	7 501	3 564
Tangible fixed assets			
Buildings	6	830 840	788 600
Other fixed assets and inventory	6	166 303	183 925
Costs of the unfinished construction	6	3 238	-
		<b>1 007 882</b>	976 089
Long-term financial assets			
Investments in subsidiaries	7	360 000	360 000
		<b>1 367 882</b>	1 336 089
<b>Current assets</b>			
Debtors			
Trade receivables	8	113 548	70 740
Receivables from related entities		171 694	164 055
Other debtors	9	4 993	16 236
Prepaid expenses		147 397	132 873
Accrued income	10	300 284	323 691
		<b>737 916</b>	707 595
Cash	11	1 782 942	2 008 948
		<b>2 520 858</b>	2 716 543
<b>Total assets</b>		<b>3 888 740</b>	4 052 632
<b>Liabilities and Shareholder's Equity</b>			
<b>Shareholder's equity</b>			
Share capital	12	1 398 800	1 398 800
Reserves			
a) Other reserves		25	25
Retained earnings brought forward			
a) accumulated losses		47 304	(126 264)
b) profit for the current financial year		234 388	173 568
		<b>1 680 517</b>	1 446 129
<b>Provisions:</b>			
Other provisions	13	41 509	55 400
		<b>41 509</b>	55 400
<b>Current liabilities:</b>			
Advances from customers		218 045	352 933
Payables to suppliers		88 467	142 189
Tax liabilities	14	127 537	198 811
Deferred income	15	1 524 752	1 691 030
Other creditors		4 466	1 183
Accrued expenses		203 447	164 957
		<b>2 166 714</b>	2 551 103
<b>Total liabilities and shareholder's equity</b>		<b>3 888 740</b>	4 052 632

The accompanying notes on pages 9 to 15 are an integral part of these financial statements.

## Notes to the financial statements

### 1. Summary of significant accounting policies

#### **Overall considerations**

These financial statements have been drawn up in accordance with the Law on the Annual Reports and Consolidated Annual Reports of the Republic of Latvia and the Cabinet of Ministers Regulations on the Application of the Law on Annual Reports and Consolidated Annual Reports. The preparation of the financial statements complies with the requirements that apply to small companies within the meaning of the Law on Annual Reports and Consolidated Annual Reports.

#### **Application of the going concern principle**

The Company's Annual Report has been prepared on a going concern basis.

#### **Consolidation**

As the financial results of the Company's subsidiary are insignificant, the Company does not prepare consolidated report with reference to Article 66 of the Law on the Annual Reports and Consolidated Annual Reports.

#### **Use of estimates and assumptions**

When preparing the financial statements, which have impact on specific profit and loss items and the balance sheet as well as on the expected amount of liabilities, the management relies on certain estimates and assumptions. Future events may influence assumptions that provide the basis for the estimates. Any changes in the estimates and their impact are reflected in the financial statements at the time they occur.

#### **Significant management judgements and estimation uncertainty**

Provisions for guaranteed student loans. At the end of each reporting year the necessity to adjust the provisioning algorithm for the Company's guarantees provided to the banks in connection to the study loans issued to its students is reviewed. At the end of the reporting year no circumstances were identified due to which it would be necessary to adjust the calculation methodology applied so far.

Revenue recognition for projects. For projects not completed at the end of the reporting year, the Company estimates the amount of revenue to be recognized based on the amount of costs accrued up to the reporting date, the total planned cost of the project and the contractual terms for the reimbursement of deductible costs.

Useful life of fixed assets. The Company's management reviews the useful lives of depreciable assets at the end of each reporting year. No changes during the reporting year in this context made.

#### **Fair values of financial assets and liabilities**

Fair value is the amount for which an asset could be exchanged or a liability settled in an arm's length transaction between knowledgeable, willing parties who are not financially related.

#### **Foreign currencies**

The functional and presentation currency of the Company is euro (EUR). The transactions in foreign currencies are recognized in the Company's functional currency at the exchange rate of the European Central Bank ruling at the beginning of the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into euro applying the official exchange rate established by the European Central Bank at the last day of the reporting year. Foreign exchange gains and losses are recognised in the income statement in the period they arise.

	31.12.2025	31.12.2024
USD	1.1750	1.0389
SEK	10.8215	11.459

#### **Revenue and expense recognition**

Tuition fees: Tuition fees for the undergraduate and EMBA programme are recognized in revenue in proportion to the amount of services provided in the reporting period. Tuition fees received or reliably receivable in the reporting

year that relate to the next academic period are reflected in deferred income. Tuition fees that relate to the reporting year but have not yet been invoiced are reflected in accrued income.

Revenues from projects: The School has concluded contracts about projects that start in one, but end in another reporting period. At the end of the reporting year revenues thereof are assessed separately on a project-by-project basis with reference to the amount of expenses incurred during the reporting year.

Other revenues: Revenues from services are recognized at the time when they occur.

Donations: Donations are recognized in the profit and loss statement, when they are received or in the period, when donation related expenses or reimbursable losses are incurred.

Expenses: Expenses are recognised based on the time of their occurrence rather than at the time of payment.

### **Net sales**

Net sales are comprised of revenues from the Bachelor, EMBA, and Executive Education programmes carried out during the reporting period.

### **Intangible fixed assets**

Only intangible assets acquired for a fee are recognized in intangible assets. They are valued at cost less amortization. Amortization is calculated on a straight-line basis over the estimated useful lives of the intangible assets, using the following rates determined by management:

	%
Intangible assets	<b>33.33</b>

Computer software maintenance costs are expensed as incurred.

### **Tangible fixed assets**

Purchases of individual tangible fixed assets exceeding EUR 500 and expected to be in use for more than a year are capitalised.

Tangible fixed assets are stated in original value deducting accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated on a straight-line basis using the following management approved rates:

	%
Building and its components	<b>1</b>
Reconstruction and renovation costs	<b>10</b>
Furniture	<b>20</b>
Portable computers	<b>20</b>
Textbooks	<b>20</b>
Other fixed assets and intangible assets	<b>33.33</b>

Maintenance and repair costs are expensed in the period they incurred. The costs that extend the useful economic life and/ or improve the economic potential of the underlying asset are capitalized.

Gains or losses on disposals are calculated as a difference between the asset's carrying amount and the disposal proceeds and are included in the income statement during the period in which they are incurred.

The residual values and useful lives of the tangible fixed assets are reviewed and adjusted if appropriate, at the end of each reporting period.

### **Investment in a related company**

Investment in the subsidiary is stated at cost less impairment losses, if applicable. Income from the subsidiary is recognized only when a share of the post-acquisition profits is received. Amounts received in excess of this gain are treated as a recovery of the investment and are recorded as a reduction in the cost of the investment.

If there is objective evidence that an investment is impaired, the impairment loss is calculated as the difference between the investment's carrying amount and its recoverable amount. Recoverable amount is determined as the highest between these two indicators - investment's fair value less selling costs and usage value. An impairment

loss on an investment may be reversed if there has been a change in the estimates used to determine the impairment loss since the last impairment loss was recognized.

### **Loans**

Loans are recognised upon disbursement of funds to the borrower. They are derecognised when the contractual rights to the cash flows from the loan expire, or when the loan and all substantial risks and rewards are transferred. Loans are recognized at their initial value.

### **Trade receivables**

Receivables are recognized at a net amount due, which is calculated by deducting provisions for doubtful trade receivable from the book value. Provisions are valued at the amount, which is doubtful to be received. The Company recognizes provisions based on an individual assessment of the recoverability of each receivable.

### **Borrowings**

Initially borrowings are recognised at an amount of funds received less net of transaction costs incurred. Interest charges and commissions related to the borrowings are recognized as costs, and they are included in the profit and loss statement in the period in which they incurred.

### **Deferred income**

Deferred income consists of:

- Tuition fees paid by the students that relate to the next financial year;
- Fees paid for the executive education study programmes that relate to the next financial year;
- Foreign financial support received for education, research and journalism development, which will be used only in the next reporting year.

### **Provisions**

Provisions are recognized when the Company has incurred a contractual or other irrevocable obligation as a result of past events, and when a reliable estimate can be made of the amount of the obligation.

Guarantees: The Company has concluded contracts with banks for guaranteed study loans. According to the contracts, banks provide information to the Company about the actual amounts of overdue loans. Based on this information and experience to date, the Company makes provisions for the total amount of student loans considered as bad or doubtful by assuming that half of such loans as reported by banks as of the end of the reporting period will not be recovered.

### **Liabilities**

Liabilities are shown on the balance sheet as long-term or short-term ones, depending on the maturity of the debt or the maturity of the liability, whichever occurs later than 12 months after the end of the respective reporting year or within 12 months after the end of the reporting year.

### **Accrued liabilities**

Accrued expenses are comprised of liabilities to suppliers for services and goods received during the reporting period for which no invoice has been received at the balance sheet date and estimated amounts of liabilities to employees for unused vacation days accrued during the reporting year, as well as the estimated amounts of liabilities to employees for bonuses for the operating results of the reporting year.

Liabilities to employees for unused leave is calculated based on the number of unused leave days of employees at the end of the reporting year, which is multiplied by the average earnings of employees for the last 6 working months.

### **Related parties**

The Foundation – sole shareholder of the School and the subsidiary SIA “Patversmes iela 22”, are defined as the related undertakings.

The following parties are defined as the related parties: SSE, the Foundation - sole shareholder of the School, the Members of the Company's Management Board, their close relatives and companies in which they have a control or significant influence.

	2025	2024
	EUR	EUR
<b>2. Other operating income</b>		
Revenue from foreign grants for education, research and journalism development activities	<b>1 164 455</b>	1 445 786
Grants from state institutions	<b>175 734</b>	141 108
Revenue from donations	<b>132 722</b>	98 633
Revenue from lease and conference organization	<b>114 898</b>	88 365
Revenue from research, consulting and similar services	<b>71 618</b>	111 946
Other operating income	<b>38 712</b>	26 941
Grant from the Shareholder	<b>19 200</b>	28 800
	<b>1 717 339</b>	1 941 579
<b>3. Personnel costs</b>		
Remuneration for work	<b>(1 545 187)</b>	(1 503 729)
Social insurance contributions	<b>(367 263)</b>	(353 783)
Other personnel costs	<b>(64 156)</b>	(59 661)
	<b>(1 976 606)</b>	(1 917 173)
<b>4. Other operating expenses</b>		
Fees for services for education, research and journalism development activities	<b>(1 896 254)</b>	(1 825 603)
ERASMUS scholarships and other student costs	<b>(473 877)</b>	(371 785)
Administration and travel expenses	<b>(392 746)</b>	(342 325)
Rent and maintenance of premises	<b>(258 335)</b>	(267 004)
Procurement of books, periodicals, licences and data bases	<b>(231 658)</b>	(215 879)
Marketing and advertising expenses	<b>(196 867)</b>	(249 313)
Non-recoverable input VAT	<b>(75 298)</b>	(85 175)
	<b>(3 525 035)</b>	(3 357 084)
<b>5. Intangible fixed assets</b>		
	Other intangible assets	
	EUR	
<b>Cost</b>		
31.12.2024	8 209	
Additions	6 087	
Disposals	-	
31.12.2025	14 296	
<b>Accumulated amortisation</b>		
31.12.2024	(4 645)	
Charge for the year	(2 150)	
Disposals	-	
31.12.2025	(6 795)	
Net book value as at 31.12.2024	3 564	
<b>Net book value as at 31.12.2025</b>	<b>7 501</b>	

## 6. Tangible fixed assets

	Buildings and constructions* EUR	Other fixed assets EUR	Costs of the unfinished construction EUR	Total EUR
<b>Cost</b>				
31.12.2024	1 673 736	567 030	-	2 240 766
Additions	-	41 177	81 191	122 368
Reconstructions	77 953	-	(77 953)	-
Disposals	-	(45 018)	-	(45 018)
31.12.2025	1 751 689	563 189	3 238	2 318 116
<b>Accumulated depreciation</b>				
31.12.2024	(885 136)	(383 105)	-	(1 268 241)
Charge for the year	(35 713)	(49 734)	-	(85 447)
Disposals	-	35 953	-	35 953
31.12.2025	(920 849)	(396 886)	-	(1 317 735)
Net book value as at 31.12.2024	788 600	183 925	-	972 525
<b>Net book value as at 31.12.2025</b>	<b>830 840</b>	<b>166 303</b>	<b>3 238</b>	<b>1 000 381</b>

\* The state building at Strēlnieku iela 4A, Riga invested in the share capital of the Company, cannot be expropriated, pledged or otherwise encumbered. If the Company's operations are terminated, the state invested building shall be handed over to the University of Latvia. If it fails to use the building in accordance with the functions stipulated in its Constitution, the building shall be returned to the state without compensation.

## 7. Investments in subsidiaries

	31.12.2025 EUR	31.12.2024 EUR
Investments in subsidiary SIA Patversmes iela 22, 100%	360 000	360 000
	<b>360 000</b>	<b>360 000</b>

The Company acquired 100% of the share capital of SIA "Patversmes iela 22" in 2019, which owns the School's dormitory building, in order to continue providing the School's students with a place of residence and declared address, which is especially relevant for foreign students.

## 8. Trade receivables

Trade receivables, gross	120 173	88 315
Less: specific bad and doubtful debt provisions	(6 625)	(17 575)
	<b>113 548</b>	<b>70 740</b>

## 9. Other debtors

Due from students*	40 180	60 851
Other debtors	4 678	16 181
Overpaid taxes	315	55
	<b>45 173</b>	<b>77 087</b>
Provisions for students' debts	(40 180)	(60 851)
	<b>4 993</b>	<b>16 236</b>

\* The School has signed agreements with credit institutions registered in Latvia, acting as guarantor for student loans provided for studies at SSE Riga. In the reporting year the School has fulfilled guarantee obligations in amount of 2 730 EUR. At the same time in the reporting year the School has recovered the student debts incurred in the previous reporting years in amount of 11 470 EUR and written off as non-recoverable – in amount of 11 931 EUR.

	31.12.2025 EUR	31.12.2024 EUR
<b>10. Accrued income</b>		
Accrued income from EU and government funded projects	208 035	279 286
Accrued income for executive education services	68 000	-
Accrued income for EMBA tuition fee	24 249	44 406
	<b>300 284</b>	<b>323 692</b>

**11. Cash**

Cash at bank	1 781 285	2 007 820
Cash in hand	1 657	1 128
	<b>1 782 942</b>	<b>2 008 948</b>

Cash at bank inter-alia includes EUR 413 651 which are held in the Treasury of the Republic of Latvia (31.12.2022: EUR 545 351). These funds can be used only for payments under ERASMUS programme and payments of state scholarships.

**12. Share capital**

Registered and paid-up share capital consists of 100 ordinary shares with a nominal value of EUR 13 988 each.

**13. Other provisions**

	Provisions for guaranteed student loans EUR	Provisions for EMBA field trip EUR	Provision s for lecturers costs EUR	Total EUR
31.12.2024	36 971	14 094	4 335	55 400
Charge for the year	-	-	480	480
Reversal of the charge for the year	(277)	(14 094)	-	(14 371)
<b>31.12.2025</b>	<b>36 694</b>	<b>-</b>	<b>4 815</b>	<b>41 509</b>

**14. Tax liabilities**

	31.12.2025 EUR	31.12.2024 EUR
Value added tax	49 718	50 618
Social security tax	46 673	87 429
Personal income tax	28 894	60 721
Corporate income tax	2 231	-
Risk duty	21	43
	<b>127 537</b>	<b>198 811</b>

**15. Deferred income**

For foreign grants for education, research and journalism development activities	998 900	1 176 270
For EMBA study programme	366 273	346 238
For executive education courses and programmes	159 579	164 670
For donations	-	3 538
Other	-	314
	<b>1 524 752</b>	<b>1 691 030</b>

**16. Personnel information**

	2025	2024
Average number of persons employed in the School during the year	58	60

**17. Off the balance sheet liabilities**

In 2008 the Company concluded agreements with Latvian-registered credit institutions for provision of study loans to its students. Students receive the loans in accordance with the schedule set out in the contracts. The total guaranteed amount to the credit institutions as of 31 December 2025 constitutes EUR 669 249 (31.12.2024: EUR 715 621).

**18. Trademark license agreement**

On September 10, 2010, the Company entered into an indefinite-term agreement with SSE for the exclusive rights to use the SSE trademark (brand) for bachelor's and master's academic programmes in the Republic of Latvia. SSE has not requested a license fee.

**19. Approval of the Annual Report**

The financial statements on pages 7 to 16 were approved by the Management Board on May 22, 2026.

Lars Anders Gustav Paalzow  
Chairman of the Board

Aivars Timofejevs  
Member of the Board

Santa Blate  
Member of the Board

The financial statements were prepared by Ilga Beča, the Company's Financial Controller.

Ilga Beča  
Financial controller

THIS DOCUMENT HAS BEEN SIGNED BY SECURE ELECTRONIC SIGNATURE AND CONTAINS TIME STAMP