

JSC DEVELOPMENT FINANCE INSTITUTION ALTUM

Unaudited interim condensed financial report
for the three months ended 31 March 2025

TABLE OF CONTENTS

Altum	2
Management Report	3
Supervisory Council and Management Board	13
Statement of Management's Responsibility	14
Financial statements:	
Statement of Comprehensive Income	15
Statement of Financial Position	16
Statement of Changes in Equity	17
Statement of Cash Flows	18
Notes to the Financial Statements	19
Other Notes to the Interim Condensed Report	69

AS Attīstības finanšu institūcija Altum
Doma laukums 4, Rīga, LV-1050, Latvia
Registration No: 50103744891
Phone: + 371 67774010
E-mail: altum@altum.lv
www.altum.lv

Altum

MISSION We help Latvia grow!

VISION To be a partner and financial expert in economic development

VALUES Excellence / Team / Responsibility

AS Attīstības finanšu institūcija Altum (the joint stock company Development Finance Institution Altum) is a Latvian state-owned company that implements the aid and development programmes by means of financial instruments and grants pursuing the state's policy in the national economy and provides for execution of other government assignments stipulated and delegated by laws and regulations. Elimination of the market failures with the help of various support instruments that enhance the development of national economy is the fundamental purpose of Altum's activities.

Strategy 2025-2027

In accordance with the strategy of JSC Development Finance Institution Altum for the period 2025–2027, the following strategic development directions and most significant long-term objectives have been set:

- The main financial objective in the implementation of the state aid programs is to ensure positive return on Altum's capital.
- The main non-financial objective is to support and facilitate availability of finances to businesses and to contribute to national economic development, embracing solutions for climate change mitigation including implementation of energy efficiency programmes in both the residential building and corporate segment, promoting the availability of housing and lending in the regions, launching new projects, and developing the range of financial instruments in areas such as innovation, research and development, the promotion of productivity and digitalization, as well as the development of the Latvian Land Fund.
- Altum's priority areas include the issuance and servicing of guarantees and loans focusing on increase of Altum's role in direct lending during the strategy period through the offered financial instruments.
- Among ALTUM's priority areas are venture capital instruments, during the strategy period increasing the role of venture capital instruments in business financing by actively introducing 5th generation venture capital funds and the Baltic Capital Markets Acceleration Fund.
- In order to enhance and develop the service of financial instruments and customers, and to ensure the highest service standards, modernization and efficiency improvements of IT systems have been initiated.



Management Report

Activity during the reporting period

In the 3 months of 2025, the Development Finance Institution Altum (hereinafter – the Company) has ensured stable financial results and earned a profit of EUR 4.7 million.

Key financial and performance indicators

Based on data from audited financial statements for the respective years

	2025 3M	2024 3M	2024
Key financial data			
Net interest income (EUR '000)	5 538	5 069	23 026
Operating profit (EUR '000)	4 701	5 808	28 663
Profit for the period (EUR '000)	4 701	5 808	28 663
Cost to income ratio (CIR)	41.8%	34.7%	23.3%
Employees	255	257	254
Total assets (EUR '000)	1 538 845	1 343 756	1 455 350
Financial debt (EUR '000)	817 391	599 285	755 011
Tangible common equity (TCE) / Tangible managed assets (TMA) ¹	20.8%	23.6%	21.6%
Equity and reserves (EUR '000)	423 275	401 150	416 055
Return on average equity (ROE)	4.5%	5.9%	7.1%
Total risk coverage: (EUR '000)	326 931	269 394 ³	309 853
Risk coverage reserve	286 009	215 185 ³	269 321
Risk coverage reserve used for provisions	(47 965)	(42 994)	(46 585)
Portfolio loss reserve (specific reserve capital)	88 541	96 587	85 736
Portfolio loss reserve used to compensate provisions in the distribution of annual profit	346	616	1 381
Liquidity ratio for 180 days ²	401%	382%	342%
Net Cash flows from operating activities (EUR '000)	28 263	(2 626)	135 234
Net Cash flows from financing activities (EUR '000)	2 805	-	4 579
Net Cash flows from investing activities (EUR '000)	83 308	(54 914)	(249 994)
Support instruments gross value (EUR '000), of which	1 291 026	1 141 335	1 234 002 ⁵
Grants	3 974	67 131	3 159
Financial instruments gross value (EUR '000) ⁵			
Loans (excluding sales and leaseback transactions)	494 749	384 240	474 193 ⁴
Guarantees	548 176	482 478	523 538
Venture capital funds	97 305	97 402	97 999
Latvian Land Fund, of which:	146 822	110 084	135 113
- sales and leaseback transactions	43 942	35 022	42 137
- investment properties	102 880	75 062	92 976
Total	1 287 052	1 074 204	1 230 843⁵
Number of transactions	39 725	36 616	38 730
Volumes issued (EUR '000) (by financial instrument) ⁵			
Loans (excluding sales and leaseback transactions)	58 215	47 451	221 741
Guarantees	48 908	29 180	142 902
Venture capital funds	1 794	3 347	15 745
Latvian Land Fund, of which:	14 537	14 933	40 506
- sales and leaseback transactions	5 370	7 386	19 692
- investment properties	9 167	7 547	20 814
Total	123 455	94 911	420 894
Number of transactions	1 948	2 040	6 710
Total contribution to economy by volumes issued in the reporting period, including the participation of the final recipients (EUR '000)	978 319 ⁷	946 008 ⁷	978 319
Leverage for raised private funding	120%	213%	129%
Volume of support programmes funding per employee (EUR '000)	5 047	4 180	4 625
Long-term rating assigned by Moody's Ratings	Baa1	Baa1	Baa1

Management Report (cont'd)

Key financial and performance indicators (cont'd)

¹ TMA includes the off-balance sheet item, namely, guarantees at net carrying amount.

² The calculation of liquidity ratio takes into account the previous experience and management estimate of the expected amount and timing of guarantee claims.

³ From the 3rd quarter of 2024, the Risk Coverage Reserve no longer includes the potential capital rebate component, which has been part of public financing since 2023. Accordingly: 1) in the recalculation of the Risk Coverage Reserve under the new approach, the comparative figures as at 31 March 2024 is EUR 215,185 thousand (previously: EUR 333,363 thousand); and 2) Total Risk Coverage under the new approach as at 31 March 2024 is EUR 269,394 thousand (previously: EUR 387,572 thousand).

⁴ The gross loan portfolio has consistently been presented in accordance with the definition of the gross loan portfolio. The KPI reported as at 31 December 2024 is presented taking into account the impact of fair value change on the future potential capital rebate component - loans with a capital rebate. However, this decrease should not have occurred under the gross loan portfolio definition; subsequently this indicator amounts EUR 474,193 thousand (previously: EUR 418,079 thousand).

⁵ Taking into account reference No.4, the total Financial instruments gross value as at 31 December 2024 should amount to EUR 1,230,843 thousand (previously: EUR 1,174,729 thousand), and the total Support instruments gross value as at 31 December 2024 should amount to EUR 1,234,002 thousand (previously: EUR 1,177,888 thousand).

⁶ Taking into account the significance of the volume, Latvian Land Fund portfolio, which consists of leaseback transactions and investment properties, is also presented in the operational volumes for the period. As in compliance with the accounting principles and IFRS the leaseback transactions are accounted for under the loans, the loan volume in this table has been reduced for the volume of the leaseback transactions as it is recorded under Latvian Land Fund portfolio.

⁷ Data as at 31 December 2023 / data as at 31 December 2024, considering that the indicator "Total contribution to the national economy, including beneficiary participation, based on issued volumes during the reporting (EUR thousands)" is assessed annually at the end of the reporting year.

The figures are explained in the section 'Key Financial and Performance Indicators' under Other Notes to the Interim condensed report.

Operational volumes

Altum's operational volumes are characterized by two dimensions: (i) support instruments that include lending, issuing of guarantees, investments in capital instruments, transactions of the Latvian Land Fund (hereinafter - the Land Fund) and servicing of grants, and (ii) segments that include SME and Midcaps, Agriculture, Individuals and Financial intermediaries.

Management Report (cont'd)

Operational volumes (cont'd)

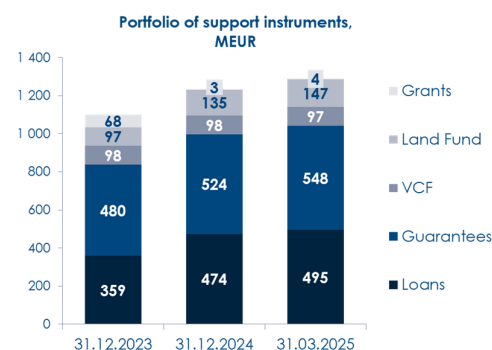
Support instruments

In the first 3 month of 2025, the gross portfolio of Altum support instruments was EUR 1,291 million (31 March 2024: EUR 1,141 million), of which the gross portfolio of financial instruments (without grants) was EUR 1,287 million, that increased by EUR 56 million (+4.6%) compared to the end of 2024. The largest increase was recorded in the portfolio of guarantees, that increased by EUR 25 million (+4.7%) in the first 3 month of 2025 provided by support programmes for individuals – housing guarantees for families, members of the National Armed Forces and young professionals, as well as guarantees for improving the energy efficiency of multi - apartment buildings, and for businesses – SME guarantees. The loan portfolio increased by EUR 21 million (+4.3%), the largest

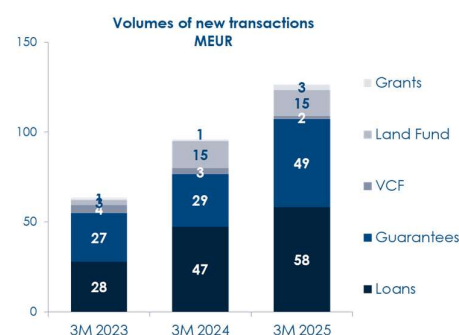
proportion of which was comprised of loans from the Resilience and Recovery Fund (RRF) and investment loans to large companies with a capital rebate. The portfolio of Land Fund increased by EUR 12 million (+8.7 %). The gross portfolio of support instruments by the number of projects increased by EUR 995 (+2.5%).

In first 3 months of 2025, the volume of new transactions reached EUR 126 million, which was 32 % (+EUR 30 million) higher than in the corresponding period in 2024. The increase was mainly due to increase in the volume of new guarantees and loans (+EUR 20 million in guarantees and +EUR 11 million in loans, respectively). Loans had a large impact on loans from Resilience and Recovery Fund, where EUR 17 million was issued in 3 months. The most new transactions under the auspices of this fund's

programmes have been issued for promotion of the digital transformation of businesses and in the affordable housing construction programme. An increase in new transactions has also been observed in SME loan programmes, where EUR 14 million loans were issued in the first 3 months, as well as in the large investment loan programme with a capital rebate, with EUR 8 million loans granted during the 1st quarter. Meanwhile, in the first 3 months of 2025, the increase in the volume of new transactions in guarantees, as in the last quarters of 2024, was mainly ensured by the growth of the energy efficiency of multi apartment building programme under RRF (+ EUR 9 million) and in the housing guarantee programme (+ EUR 6 million). The 1st quarter saw a continuation in the growth in business guarantees observed during the 4th quarter of 2024. During the first 3 months of 2025, high demand continued in the Land Fund, with the volume of new transactions amounting to EUR 15 million, which is equivalent to the volume of new transactions in the corresponding period of 2024.



* The loan portfolio is presented in accordance with the definition of gross portfolio, including as at 31 December 2024 the amount of the loan issued and outstanding, which is not reduced by the component of a possible capital rebate

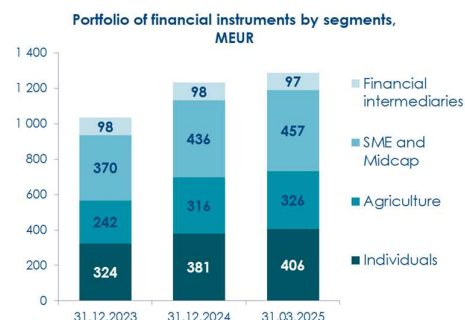


Management Report (cont'd)

Operational volumes (cont'd)

Segments

The Individuals segment accounts for 32% of the total portfolio (at the end of 2024: 31%). The largest part (83%) of the Individuals segment consists of guarantees' instruments, mainly- housing guarantees and guarantees for energy efficiency of multi - apartment buildings, as well as study portfolio guarantees. The largest portfolio growth in the 3 months of 2025 was in this segment: EUR 26 million (+7%). Compared to the corresponding period in 2024, the volume of new transactions increased by EUR 25 million (+174%). The largest amount of new transactions during the first 3 months of 2025 is in the programme for energy efficiency projects of multi-apartment buildings under the RRF, where EUR 12 million in guarantees were issued along with EUR 4 million in loans. There are also large transaction volumes in housing guarantees for families, soldiers and new specialists - with new transactions EUR 12 million. New transactions continue to be actively disbursed under the RRF affordable housing construction programme, with EUR 5 million disbursed during the 1st quarter.



* The loan portfolio is presented in accordance with the definition of gross portfolio, including as at 31 December 2024 the amount of the loan issued and outstanding, which is not reduced by the component of a possible capital rebate

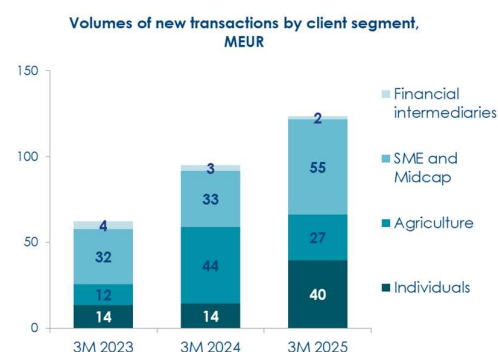
Management Report (cont'd)

Operational volumes (cont'd)

Segments (cont'd)

The portfolio of the SMEs and Midcaps segment makes up 36% (at the end of 2024: 36%), of which the majority (57%) consists of loan instruments. The loan portfolio in this segment continues to grow. In the first 3 months of 2025, the portfolio of the SMEs and Midcaps segment increased by EUR 21 million (+5%). The amount of new volumes increases by EUR 23 million (+69 %) compared to corresponding period of 2024, which was influenced by the growth of new transactions

in the digital transformation and energy efficiency programmes of the RRF – reaching EUR 9 million in the first 3 months of 2025 compared to EUR 6 million in the same period in 2024. During the 1st quarter of 2025, greater demand was observed for SME growth loans compared to the corresponding period of 2024. EUR 9 million in loans were issued, which is EUR 3 million more than in the same period of 2024. New transactions in investment loans for large companies with a capital rebate also continued to increase reaching EUR 8 million in the three months of 2024 compared to EUR 4 million in the same period in 2024. There is also a growth in the volume of new transactions in the loan and guarantee programmes of the new EU programming period 2021-2027 (EUR 25 million).



The portfolio of the Agriculture segment accounted for 25% (at the end of 2024: 26%). In this segment too, in the first 3 months of 2025 the portfolio continued to grow, in this case by EUR 10 million (+3%). The increase of the portfolio is still influenced by a high volume of new transactions of the Land Fund, in the first 3 months of 2025 EUR 15 million in new transactions have been concluded, resulting in EUR 12 million increase in the Land Fund portfolio (+9%). However, the loan portfolio in this segment has not changed in the first 3 months of 2025 due to demand for working capital loans which was significantly lower than in the first 3 months of 2024.

The Financial Intermediaries formed by venture capital fund programmes account for 8 % (31 December 2024: 8%) of the total segments portfolio. The portfolio of Financial Intermediaries decreased slightly in the 1st quarter of 2025 due to investment repayments.

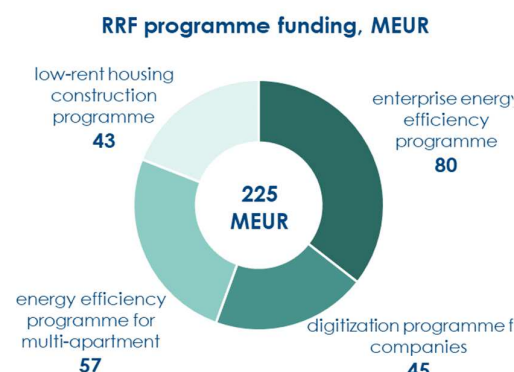
Altum plays an important role in ensuring the availability of financial instruments specifically in the regions, which is ensured through the development of targeted programmes for financing enterprises in the regions (small loans in rural areas, loans for the purchase of agricultural land, land fund, etc.), as well as by proactively introducing conditions encouraging lending in the regions in general programmes implemented by Altum. Since the start of 2024, in order to encourage lending in regions, Altum has been issuing loans of up to EUR 100 thousand to businesses with substantially reduced collateral requirements. In 2025, 67% of new transactions (by number) in this portfolio are regional transactions. Overall, the volume of new transactions in the regions has remained stable – EUR 40 million in the first three months in 2025, the same as in the first three months 2024.

Management Report (cont'd)

New products and increasing operational efficiency

As at 31 March 2025, transactions amounting to EUR 179.4 million were approved under the RRF programmes, of which EUR 72.2 million were issued in new transactions, including the following:

- in under the **Energy Efficiency Programme for Enterprises**, 300 loan transactions worth EUR 43 million were approved, of which 216 were new transactions totalling EUR 25 million, including EUR 3 million in the first three months of 2025. Transactions of EUR 0.4 million were made under the Programme for Guarantees with capital rebate for electric car purchases. No more selection rounds will take place. In total, EUR 10 million of capital discounts were paid out.



- under the **Business Digitalisation Support Programme** 130 transactions worth EUR 58 million were approved, of which 66 were new transactions totalling EUR 27 million, including EUR 6 million in the first three months of 2025. Total capital rebate paid out exceeded EUR 7 million. Together with the amounts applied for, currently all public funding for this programme is reserved.
- under the **Energy Efficiency Programme for Multi-Apartment Buildings**, 66 transactions worth EUR 33 million were approved, of which 38 were new transactions totalling EUR 10 million. Under the Guarantee Programme 55 transactions worth EUR 29 million were made. No more selection rounds will take place as together with the amounts applied for all the funding available for this programme is reserved.
- under the **Affordable Housing Construction Programme**, 7 transactions worth EUR 38 million were approved, which accounts for 89% of the funding earmarked for this programme. EUR 9 million was issued under 3 new contracts.

In 2025, the review of project applications received under **the Large Investment Loan Programme offering a capital rebate for medium-sized and large enterprises** continued. Until 31 March 2025, 20 applications for granting support to projects for a total project amount of more than EUR 450 million (the amount of the attributable capital EUR 123 million) have been approved, of which contracts have already been concluded for 14 (attributable amount of capital discount EUR 86 million), while 7 applications (attributable amount of capital discount EUR 56 million) are still being evaluated by Altum. The volume of new transactions in this program in the three months of 2025 was EUR 8 million. A faster increase in the volume of new transactions in this programme is expected in the following months as the pace of implementation of the financed projects increases.

Management Report (cont'd)

New products and increasing operational efficiency (cont'd)

As part of the implementation of the **EU Cohesion Policy under the programming period 2021-2027**, starting with 2024, more than EUR 400 million in the form of financial instruments will be available to support entrepreneurship in at least 10 support programmes. Taking into account the Covid-19 pandemic and its impact on the national economy, the RRF was created to overcome this impact, which, together with the closing of the implementation of the EU programming period 2014-2020 at the end of 2023, delayed the start of the programmes of the new programming period. In 2024, EUR 86 million was available for 5 programmes under the EU Cohesion Policy actions in the programming period 2021-2027, while at least four new programmes are planned to be launched in 2025, with terms of reference approved at the end of 2024 and in January 2025 (energy efficiency improvement in multi-apartment buildings, productive loans for business innovation, use of the renewable energy resources and energy efficiency improvement in district heating and cooling, promotion of renewable energy – biomethane) (total funding of more than EUR 300 million). On 3 April 2025, Altum began accepting applications for the programme aimed at improving the energy efficiency of multi-apartment buildings. In 2024, the **public tenders for the selection of the 5th generation venture capital fund managers** were finalised with the selection of one growth fund and three start-up venture capital fund managers. Contracts have been signed with all selected fund managers (both growth and venture capital funds). The new venture capital fund managers will invest in promising and viable companies over the next five years, investing more than EUR 100 million in total, of which EUR 80 million will come from ALTUM. The growth fund and start-up funds plan to start investing in companies in the 2nd and 3rd quarter of 2025.

ALTUM, in cooperation with the Lithuanian national development institution ILTE, **has started the creation of the Baltic Capital Markets Acceleration Fund**, where currently the selection process of the fund manager is nearing completion. The selected fund manager together with private market participants will invest in **SMEs and small and innovative medium-sized enterprises** operating in Latvia, Lithuania and regions of the European Union prior to the IPO, IPO and IBO stages. The total planned volume of the Fund is EUR 48.8 million, of which ALTUM will contribute EUR 20 million. The Fund plans to launch investments in the 2nd half of 2025.

On 25 October 2024, the Ministry of Economics submitted to the European Commission a draft notification on commencing Altum's activities in mortgage lending in segments where, according to the study of the Bank of Latvia, mortgage lending is significantly lower - primarily outside Riga and its suburbs. Several correspondences and meetings were held with the European Commission on the market gaps and the need for intervention. A decision of the European Commission is expected in the 2nd quarter of 2025. The launch of the programme requires a licence issued by the Consumer Rights Protection Centre as well as the Cabinet Regulation on the programme.

Continuing the implementation of increasing Altum's operational efficiency and proceeding with the centralised reviewing of the applications for small loans (with the ticket size up to EUR 100 thousand) as part of the automation process, Altum since the beginning of 2024, increased the limit of the loan amount in the centralized remote evaluation from EUR 50 thousand to EUR 100 thousand, while also introducing a scoring system in the small loan segment with the aim of achieving a significant reduction in the terms of application review compared to the average indicators in previous years. In the first three months of 2025, 298 projects in amount of EUR 9 million were approved in the centralized remote evaluation, which constitutes 44% of all loan transactions approved in this period (in 2024 on average: 40%). The proportion

Management Report (cont'd)

New products and increasing operational efficiency (cont'd)

of rejected applications in the three months of 2025 amounts to an average of 18% of the received applications.

Rating

On 28 January 2025, Moody's Ratings (Moody's) affirmed Altum's Baa1 long-term issuer rating, with outlook stable, following update of rating methodology. The rating is the same as affirmed on 2 February 2024. The short-term issuer rating is also affirmed at the same P-2. Altum's credit rating is based on Moody's Finance Companies Methodology of July 2024. Altum's long-term credit rating Baa1 is one of the highest credit ratings assigned to a corporate entity in Latvia.

The high rating allows Altum to better pursue its long-term strategy of raising finance by being a regular capital market participant and issuing bonds.

On May 23, 2025, ALTUM successfully issued 5-year bonds totaling EUR 70 million with a fixed annual interest rate of 3.576%. Overall, 18 institutional investors participated in the bond offering, including Nordic Investment Bank. The allocation of the issued volume was as follows: 69% to asset management funds, 14% to Nordic Investment Bank, 13% to banks, and 4% to insurance companies. Geographically 43% of the bond was allocated to Latvian investors, 32% to – Lithuanian, 11% to – Estonian and 14% to investor based in Finland. Bond yield level 3.576%. Luminor Bank acted as the Sole Lead Manager of this bond issuance. Legal advice in connection with the issuance of bonds was provided by COBALT.

Risk Management

To have an adequate risk management, Altum has developed the Risk Management System that provides both preventive risk management and timely implementation of risk mitigation or prevention measures. While assuming risks, Altum retains the long-term capability of implementing the established operational targets and assignments.

To manage risks, Altum applies various risk management methods and instruments as well as establishes risk limits and restrictions. The choice of the risk management methods is based on the materiality of the particular risk and its impact on Altum's operations.

In view of Altum's activities in high-risk areas when implementing the state aid programmes, as of 31 March 2025 Altum has the risk coverage of EUR 327 million (31 December 2024: EUR 310 million) to cover the expected credit loss of the State aid programmes. The expected loss is assessed before implementing the respective aid programme and a portion of the public funding received within this programme is earmarked for the Risk Coverage. The Risk Coverage consists of the sum of the Risk Coverage Reserve and Portfolio Loss Reserve (Special Reserve Capital) less provisions for expected credit losses.

In view of the invasion of Ukraine by the Russian Federation and the continued tension in the geopolitical situation, Altum continues to implement the restrictions on cooperation with the Russian Federation and the Republic of Belarus set in the risk management policies, including by continuously monitoring changes in sanctions. Along with the established restrictions, Altum regularly takes measures to assess the impact of the Russian Federation's invasion of Ukraine and its consequences on the solvency of Altum's customers.

Management Report (cont'd)

Contribution to Sustainability

The financial sector has a crucial role to play in achieving the European Green Deal objectives, including the transition to a climate-neutral, climate-resilient, resource-efficient, and fair economy. Sustainability is a key part of the Altum's business and strategy and has become an important strategic driver for the banking sector as well as for development finance institutions in Europe. Altum takes responsibility for the long-term impact of its day-to-day activities and continuously works to ensure that the investment decisions it makes in building its portfolio contribute to sustainable development, do not adversely impact sustainability factors, and facilitates its clients' transition towards a sustainable economy and encourages responsible business practices.

Following the introduction of sustainability product in the SME segment during summer 2023 to support companies in their transition to low-carbon economy - by reducing the CO₂ footprint across their product or service life cycle, adapting to supply chain requirements regarding ESG compliance, and enhancing resilience to physical climate risks - the volume of financing allocated under this transaction-facilitating instrument has gained momentum during 2024. The volume of new transactions has been positively influenced by an additional incentive introduced in autumn 2023 - a discount on the financing cost of sustainable projects, initially applied for 18 months from the date of loan disbursement. Meanwhile, in the first quarter of 2025, work is underway to develop a transitional financing product for the agricultural sector.

The integration of the ESG scoring model into the lending process is being finalised in first quarter of 2025. It will be applied in the SME/Large Enterprise and Agricultural segments during the evaluation process of new transactions exceeding a defined materiality threshold, as well as in the monitoring of the existing portfolio and collateral valuation. The ESG scoring model will also enable the assessment of transition risk at the individual transaction level. Its implementation is taking place gradually, taking into account the readiness of clients to complete the unified banking ESG questionnaire, published in April 2024, which serves to collect information for ESG risk evaluation and to assess planned/actual client sustainability KPI's. Using the climate physical risk assessment tool developed during 2024, which can be applied at an individual level to the monitoring of a large number of transactions, a mapping of assets financed in the SME/Large Enterprise and Agricultural segments as at 31 December 2024, by types of climate physical risk, has been carried out. The data is planned to be published in June 2025.

Taking into consideration the outcome of materiality analyses of ESG risks carried out earlier in the 2023, the development of ALTUM mid-term strategy for 2025 – 2027 is underway with integrated sustainability aspects into both the lending sector, with a focus on transition financing and products across various segments to support business transformation, and the risk management sector. In accordance with the hierarchy of strategic documents, ALTUM's Sustainability Strategy will be approved after the approval of the medium-term strategy for 2025–2027. Among other things, the existing client portfolio will be reviewed, engaging clients to move towards sustainable development as well as phasing out the financing of projects that do not meet Altum's ESG considerations in credit risk management.

Management Report (cont'd)

Contribution to Sustainability (cont'd)

The AIF "Altum Capital Fund" investments have been made, paying due attention to the ESG performance of the target company and the expected impact of related economic changes on the company's supply and value chains. In compliance with the requirements of The Sustainable Finance Disclosure Regulation, the Fund's policy was published at the end of 2022, which reflects how the Company assesses the principal adverse effects of the Company's investment decisions on sustainability factors (Principal Adverse Impact report), in accordance with the requirements of Article 4 of SFDR. For note of record the principal adverse impact indicators of the Fund portfolio companies for the years 2023 as well as for 2024 do not have principal adverse impact, caused by an investment decisions, on sustainability factors.

Future Outlook

To prepare for the implementation of the new InvestEU programme of the European Union, in 2023, in cooperation with the selected independent auditor, Altum conducted the Pillar Assessment. Pillar assessment is a prerequisite for ALTUM to apply for the role of the InvestEU implementing partner and, in the future, also for the role of cooperation partner in the implementation of EU funds thus increasing the scope of new specialized and customized financial instruments to companies in Latvia. The first phase of the assessment was completed at the end of 2023 with the submission of a draft report to the European Commission. After coordinating the draft report with the European Commission, key recommendations were identified. The recommendations were implemented and a repeated assessment by independent auditors received. The assessment is submitted to the European Commission for consideration and providing opinion. The assessment is planned to be completed in the 2nd quarter of 2025 after the European Commission, on the basis of the information provided by Altum and the auditors' opinion, has obtained reasonable assurance on the implementation of the recommendations. The decision on submitting the application for the role of the InvestEU implementing partner has not yet been made.

On 19 May 2025, The ALTUM mid-term Strategy for 2025-2027 was approved by Supervisory Council.

Reinis Bērziņš
Chairman of the Management
Board

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CONTAINS A TIME STAMP

Supervisory Council and Management Board

Supervisory Council

Name, Surname	Position	Appointment Date	Date of expiry of the term of the mandate
Līga Kļaviņa	Chairperson of the Council	27.12.2022.	26.12.2025.
Ansis Grasmanis	Member of the Council	01.05.2024.	30.04.2027.
Krišjānis Znotiņš	Member of the Council	01.05.2024.	30.04.2027.

Management Board

Name, Surname	Position	Appointment Date	Date of expiry of the term of the mandate
Reinis Bērziņš	Chairman of the Board	02.04.2024.	01.04.2027.
Jēkabs Krieviņš	Member of the Board	02.04.2024.	01.04.2027.
Inese Zīle	Member of the Board	02.04.2024.	01.04.2027.
Ieva Jansone-Buka	Member of the Board	18.03.2024.	05.06.2025.
Juris Jansons	Member of the Board	09.01.2023	08.01.2026

As at 6 June 2025, Ieva Jansone – Buka, will cease to hold office as a member of the Management Board.

Statement of Management's responsibility

The Supervisory Board and the Management Board (hereinafter – Management) of the joint stock company Development Finance Institution Altum (hereinafter - Company) are responsible for preparation of the financial statements of the Company as well as for information disclosed in the Other notes to the Interim Condensed Report.

The financial statements and notes thereto set out on pages 19 to 68 are prepared in accordance with the source documents and give a true and fair view of the financial position of the Company as of 31 March 2025 and 31 December 2024 and the results of its operations, changes in the shareholders' equity and cash flows for the twelve months periods ended 31 March 2025 and 31 March 2024.

The aforementioned financial statements are prepared on a going concern basis in conformity with IFRS Accounting Standards as adopted by the European Union. Prudent and reasonable judgements and estimates have been made by the Management in the preparation of the financial statements.

The Management are responsible for maintenance of proper accounting records, safeguarding of the Company's assets, and prevention and detection of fraud and other irregularities in the Company. The Management are also responsible for operating the Company in compliance with the Law of the Republic of Latvia on Development Finance Institution and other laws of the Republic of Latvia as well as European Union Regulations applicable to the Company.

Reinis Bērziņš
Chairman of the Management
Board

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Statement of Comprehensive Income

All amounts in thousands of euros

	Notes	01.01.2025.- 31.03.2025.	01.01.2024.- 31.03.2024.
Interest income at effective interest rate	4	7 573	7 598
Other interest and similar income	4	2 634	1 399
Interest expense	4	(4 669)	(3 928)
Net interest income		5 538	5 069
Income from implementation of state aid programmes	5	985	1 356
Expenses to be compensated for implementation of state aid programmes	6	(872)	(1 239)
Net income for implementation of state aid programmes		113	117
Gains / (losses) from trading securities and foreign exchange translation	4	(2)	2
Share of gains of investment in associate and other investments	7	1 247	(265)
(Losses) of investment in associate and other investments less losses from liabilities at fair value through profit or loss	8	(352)	450
Net gain from loans at fair value through profit or loss	9	(1 387)	-
Other income		928	690
Other expense		(240)	(268)
Operating income before operating expenses		5 845	5 795
Staff costs	4	(1 805)	(1 444)
Administrative expense	4	(465)	(381)
Amortisation of intangible assets and depreciation of property, plant and equipment	4	(173)	(184)
Allowances for expected credit losses	10	1 299	2 022
Profit before corporate income tax		4 701	5 808
Profit for the period		4 701	5 808
Other comprehensive income:		(286)	(182)
Items to be reclassified to profit or loss in subsequent periods			
Net profit / (loss) from financial assets measured at fair value through other comprehensive income		(286)	(182)
Total comprehensive income for the period		4 415	5 626

The accompanying notes on pages 18 through 68 form an integral part of these financial statements.

Reinis Bērziņš
Chairman of the Management
Board

Rudīte Bērziņa
Chief Accountant

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CONTAINS A TIME STAMP

Statement of Financial Position

All amounts in thousands of euros

	Notes	31.03.2025.	31.12.2024.
Assets			
Due from credit institutions and the State Treasury		707 630	627 769
<i>including cash and cash equivalents</i>		650 854	455 715
Financial assets at fair value through other comprehensive income - investment securities	11	159 991	183 572
Financial assets at amortised cost:			
Investment securities	11	-	-
Loans and receivables	12	419 229	412 249
Financial assets at fair value through profit or loss - loans with capital rebate	13	32 219	24 971
Grants		3 943	3 128
Deferred expense		506	522
Accrued income		1 559	723
Investments in associates	15	71 522	72 227
Other investments	14	29 993	29 043
Investment property	16	102 880	92 976
Property, plant and equipment		4 178	4 287
Intangible assets		1 003	946
Other assets		4 192	2 937
Total assets		1 538 845	1 455 350
Liabilities			
Due to credit institutions		40 617	40 366
Due to general government entities		216 683	207 634
Financial liabilities at amortised cost - Issued debt securities		20 025	65 491
Deferred income		5 103	5 439
Accrued expense		943	785
Liabilities from financial guarantees	17	49 807	49 262
Provisions for off-balance sheet liabilities		542	609
Support programme funding	18	778 110	664 256
Other liabilities		3 740	5 453
Total liabilities		1 115 570	1 039 295
Equity			
Share capital		211 033	211 033
Reserves	19	176 670	173 865
Revaluation reserve of financial assets measured at fair value through other comprehensive income	22	2 208	2 494
Retained earnings		33 364	28 663
Total equity		423 275	416 055
Total equity and liabilities		1 538 845	1 455 350

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Statement of Changes in Equity

All amounts in thousands of euros

	Share capital	Reserves			Revaluation reserve of financial assets measured at fair value through other comprehensive income	Retained earnings	Total equity
		Specific reserves for support programmes	General reserve capital	Other specific reserves-difference recognised in reorganisation reserve			
As at 1 January 2024 (audited)	204 862	125 629	57 265	(15 935)	(278)	17 810	389 353
Profit for the period	-	-	-	-	-	5 808	5 808
Other comprehensive income	-	-	-	-	(182)	-	(182)
Total comprehensive income	-	-	-	-	(182)	5 808	5 626
Increase of share capital	6 171	-	-	-	-	-	6 171
As at 31 March 2024 (unaudited)	211 033	125 629	57 265	(15 935)	(460)	23 618	401 150
Profit for the period	-	-	-	-	-	22 855	22 855
Other comprehensive income	-	-	-	-	2 954	-	2 954
Total comprehensive income	-	-	-	-	2 954	22 855	25 809
Increase of reserve capital (Note 19)	-	7 384	-	-	-	-	7 384
Distribution of 2023 profit	-	-	17 810	-	-	(17 810)	-
Distribution of Specific Reserves to General reserve capital at distribution of the profit for year 2023	-	53	(53)	-	-	-	-
Reallocation of general reserves to specific reserves attributable to support programmes	-	(18 288)	-	-	-	-	(18 288)
As at 31 December 2024 (audited)	211 033	114 778	75 022	(15 935)	2 494	28 663	416 055
Profit for the period	-	-	-	-	-	4 701	4 701
Other comprehensive income	-	-	-	-	(286)	-	(286)
Total comprehensive income	-	-	-	-	(286)	4 701	4 415
Increase of reserve capital (Note 19)	-	2 805	-	-	-	-	2 805
As at 31 March 2025 (unaudited)	211 033	117 583	75 022	(15 935)	2 208	33 364	423 275

The accompanying notes on pages 18 through 68 form an integral part of these financial statements.

Statement of Cash Flows

All amounts in thousands of euros

	Notes	01.01.2025.- 31.03.2025.	01.01.2024.- 31.03.2024.
Cash and cash equivalents at the beginning of period		455 715	565 896
Cash flows from operating activities			
Profit before taxes		4 701	5 808
Amortisation of intangible assets and depreciation of property, plant and equipment		173	184
(Decrease) in allowances for expected credit losses	10	(1 299)	(2 022)
Revaluation of investment properties		(54)	(12)
Revaluation of support programmes		-	-
Revaluation of Investments in associates	15	(1 038)	(185)
Revaluation of other investment funds	14	100	-
Revaluation of loans with capital rebate	13	1 387	-
Interest income at the effective interest rate		(7 573)	(7 598)
Interest and similar income		(2 634)	(1 399)
Interest expense		4 669	3 928
(Gain) / loss from exchange differences		2	(2)
(Decrease) of cash and cash equivalents from operating activities before changes in assets and liabilities		(1 566)	(1 298)
(Increase) of loans		(31 355)	(32 039)
(Increase) of grants		(1 700)	(888)
Increase / (Decrease) of due to credit institutions and general government entities		5 938	2 073
Increase in deferred income and accrued expense		(521)	76
(Increase) in deferred expense and accrued income		(820)	(986)
Increase of support programmes		129 370	22 247
Decrease of other assets		(141)	733
(Decrease) in other liabilities		(1 911)	(212)
Increase of cash and cash equivalents from operating activities after changes in operating assets and liabilities		97 294	(10 294)
Interest received		12 470	8 359
Interest paid		(738)	(691)
Net cash flows from operating activities		109 026	(2 626)
Cash flows from investment activities			
Financial assets at fair value through other comprehensive income - investment securities (Increase)		22 832	(57 185)
Redemption of financial liabilities at amortized cost – issued debt securities		(45 000)	-
Term deposits (Increase)		114 000	10 000
Acquisition of property, plant and equipment and intangible assets		(159)	(120)
Purchase of investment properties	16	(9 167)	(8 444)
Sale of investment properties	16	64	1 744
Sale of other assets		-	-
Investments in associates	14	1 788	(459)
Investments in other investment funds	15	(1 050)	(450)
Net cash flows from investing activities		83 308	(54 914)
Cash flows from financing activities			
Increase of reserve capital		2 805	-
Share capital increase		-	-
Net cash flows from financing activities		2 805	-
Increase / (decrease) in cash and cash equivalents		195 139	(57 540)
Cash and cash equivalents at the end of the period		650 854	508 356

The accompanying notes on pages 18 through 68 form an integral part of these financial statements.

Approval of the Financial Statements

The Management of the Company has approved these unaudited interim condensed financial statements on 28 May 2025.

1 General Information

(1) Corporate Information

These unaudited interim condensed financial statements contain financial information on the joint-stock company Development Finance Institution Altum (Company).

Comparatives on the Company's financial performance for the 3 months of 2025 are included in the Statement of Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement, respectively, as well as in the relevant notes to the financial statements.

JSC Development Finance Institution Altum is a Latvia state-owned company that ensures access of the enterprises and households to the financial resources by means of support financial instruments - loans, guarantees, investments in venture capital funds - in the areas defined as important and to be supported by the state, thus developing the national economy and enhancing mobilization of the private capital and financial resources. On 28 January 2025, Moody's Ratings (Moody's) affirmed Altum's Baa1 long-term issuer rating, with outlook stable. The rating is the same as affirmed on 2 February 2024. The short-term issuer rating is also affirmed at the same P-2. Altum is rated by Moody's Finance Companies Methodology, published in July 2024. Altum's standalone assessment set at Baa3 is same as before. Altum's long-term credit rating Baa1 is one of the highest credit ratings assigned to a corporate entity in Latvia.

JSC Development Finance Institution Altum was established on 27 December 2013 by a decision of the Cabinet of Ministers. The mission of the Company's establishment is by merging three prior independently operating companies providing state support into a single institution and further allocate the state funds for implementation of financial instrument state support and development programmes in one place. The Company's operations are governed by its specific law – Development Finance Institution Law. The Company's Article of Association has been approved by the Cabinet of Ministers. All voting shares of the Company are owned by the Republic of Latvia. The holders of the shares are ministries of the Republic of Latvia as stipulated by the Development Finance Institution Law with following split of the shares – the Ministry of Finance 40%, the Ministry of Economics 30% and the Ministry of Agriculture 30% respectively.

The Company does not perform any regulated activities related to the financial and capital markets as financial institution, therefore the Company is not required to comply with capital adequacy requirements. However, the Company operates in accordance with the best financial and capital market practices regarding internal control, risk management and compliance.

The Company holds investment in alternative investment fund "Altum Capital Fund" (the Fund) registered on 31 July 2020. The Fund is created with the aim to support well-managed, perspective Mid-cap companies to overcome the effect of Covid-19 that as a result of the virus impact are ready to adjust their operations by changing their business model, adjusting product development, introducing new technology and expanding to new export markets. The Fund's committed capital was fully subscribed on 16 September 2020, reaching EUR 100 million, of which the majority (EUR 51.1 million or 51.1%) were largest private pension funds

1 General Information (cont'd)

and EUR 48.9 million consists of public funding invested by the Company. The Company is also the manager of the Fund registered with the Financial and Capital Market Commission on 26 May 2020. The investment period agreed with the EC ended on 30 June 2022, after its end, new investments were no longer approved, but investments in the portfolio's companies approved until 30 June 2022 continued. The capital investment paid into the Fund as at 31 March 2025 amounted to EUR 40.5 million (the Company's share EUR 19.8 million).

The below listed venture capital funds - are treated as associates during the reporting period for purposes of financial accounting.

Legal Title	Legal Address	Generation	Investment % in share capital
KS Overkill Ventures Fund I	Dzirnavu iela 105, Rīga, Latvija, LV-1011	4	100
KS Buildit Latvia Pre-Seed Fund	Lastādijas iela 12/3, Rīga, Latvija, LV-1050	4	100
KS Commercialization Reactor Pre-seed Fund	Brīvības gatve 300 -9, Rīga, Latvija, LV-1006	4	100
KS INEC 1	Vilandes iela 3 - 7, Rīga, Latvija, LV-1010	4	75
KS INEC 2	Vilandes iela 3 - 7, Rīga, Latvija, LV-1010	4	90
KS Overkill Ventures Fund II	Dzirnavu iela 105, Rīga, Latvija, LV-1011	4	80
KS Buildit Latvia Seed Fund	Lastādijas iela 12/3, Rīga, Latvija, LV-1050	4	80
KS Commercialization Reactor Seed Fund	Brīvības gatve 300 -9, Rīga, Latvija, LV-1006	4	80
KS ZGI-4	Roberta Hirša iela 1, Rīga, Latvija, LV-1045	4	60
FlyCap Mezzanine Fund II	Matrožu iela 15A, Rīga, Latvija, LV-1048	4	60
KS Balticap Latvia Venture Capital Fund (fund is in the process of liquidation)	Jaunmoku iela 34, Rīga, Latvija, LV-1046	2	67
KS Imprimatur Capital Technology Venture Fund (fund is in the process of liquidation)	Ščecinas iela 4, Rīga, Latvija, LV-1014	2	67
KS Imprimatur Capital Seed Fund (fund is in the process of liquidation)	Ščecinas iela 4, Rīga, Latvija, LV-1014	2	100
KS ZGI-3 (fund is in the process of liquidation) ²	Roberta Hirša iela 1, Rīga, Latvija, LV-1045	3	95
KS FlyCap investment Fund ¹	Matrožu iela 15A, Rīga, Latvija, LV-1048	3	95
KS Expansion Capital Fund (fund is in the process of liquidation) ²	Vilandes iela 3 - 7, Rīga, Latvija, LV-1010	3	95
Baltic Innovation Fund	European Investment Fund, 37B, avenue J.F. Kennedy, L-2968 Luxembourg		20
KS AIF "Altum capital fund"	Doma laukums 4, Rīga, LV-1050		48.9

¹ The term of venture capital fund's operations is 31 December 2025 followed by commencement of fund's liquidation.

² The term of 3rd generation venture capital funds' Expansion Capital Fund and ZGI-3 operations was 31 December 2024 followed by commencement of funds' liquidation. During the liquidation process, the fund managers will continue the exit in remaining portfolio investments at the most favourable terms and conditions.

For the financial reporting purposes Altum's investments in VC funds are classified as associates or investments in subsidiaries depending on existence of significant influence or control indicators assessed based on annual control assessment following IFRS requirements.

Altum's 5th Generation Venture Capital Investment Programme aims to invest in several new venture capital funds. Through a public procurement process in 2024, three pre-seed and seed-stage fund managers were selected and one growth-stage fund manager. To start setting up the funds and provide other necessary conditions for launching the funds, agreements with fund managers have been signed in late 2024 and early 2025. In the first quarter of 2025, a subscription agreement has been signed with the manager of the pre-seed and early stage fund KS AIF BIFI and in the second quarter this fund with Altum's share representing 84.91 per-cent of the fund's capital made its first investment.

In accordance with ALTUM's preliminary assessment of significant influence or control indicators as required by IFRS, it may result in KS AIF BIFI to be assessed as a subsidiary for the financial reporting purposes as of Q2 2025, and consequently, consolidated into Altum's group of companies.

2 Accounting Policies

(1) Basis of presentation

The Company's financial statements are prepared in accordance with IFRS Accounting Standards as adopted in the European Union (IFRS), on a going concern basis. In preparation of these financial statements on a going concern basis the management considered the Company's financial position, access to financial resources and analysed the impact of the external factors on future operations of the Company.

The Company's financial statements are prepared under the historical cost convention as modified by the fair valuation of investment securities measured at fair value through other comprehensive income, investments in associates measured at fair value through profit or loss, investment properties measured at fair value, support programme financing measured at fair value and loans with capital rebate measured at fair value.

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the Management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

In the Statement of Cash Flows, the item Changes in Term Deposits has been reclassified under Cash Flow from Investing Activities (previously reported under Cash Flow from Operating Activities). To ensure transparency and comparability, the comparative figures for Net Cash Flow from Operating Activities and Net Cash Flow from Investing Activities in the Cash Flow Statement have been adjusted accordingly.

Details of the quantitative impact on the Statement of Cash flows of clarified comparatives are presented below, in thousands of euros:

Clarified items of the Statement of Cash Flows	Original amount 3m 2024	Reclassification	Clarified amount 3m 2024
Term deposits (Increase)			
Increase / (Decrease) of cash and cash equivalents from operating activities before changes in assets and liabilities	1 697	(10 000)	(8 303)
Net cash flows from operating activities	7 374	(10 000)	(2 626)
Net cash flows from investing activities	(64 914)	10 000	(54 914)

In the financial statements the amounts are presented in thousands of euros, unless specified otherwise. The functional and presentation currency of the Company is euro.

(2) Application of new and/or amended IFRS and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC)

The adoption of new or amended IFRSs or Interpretations implemented in 2025 had no impact on the disclosures or amounts presented in these financial statements.

Other new or amended IFRSs or interpretations issued and not yet endorsed for use in the EU as at 31 March 2025 are not expected to have an impact on the Company's financial position, performance, cash flows or disclosures.

3 Risk Management

The major risks that the Company is exposed to are credit, liquidity and operational risks. These unaudited interim condensed financial statements do not include all information on risk management and disclosures required in the annual financial statements. They are to be viewed together with the complete financial statements for the year 2024.

(1) Credit Risk

Breakdown of financial assets, off-balance sheet items and contingent liabilities by their qualitative assessment, in thousands of euros:

	Stage 1		Stage 2		Stage 3		Simplified approach		Total	
	31.03.2025.	31.12.2024.	31.03.2025.	31.12.2024.	31.03.2025.	31.12.2024.	31.03.2025.	31.12.2024.	31.03.2025.	31.12.2024.
Financial assets at AC										
Due from credit institutions and the Treasury	707 658	627 797	-	-	-	-	-	-	707 658	627 797
Allowances for expected credit losses	(28)	(28)	-	-	-	-	-	-	(28)	(28)
Total net due from credit institutions and the Treasury	707 630	627 769	-	-	-	-	-	-	707 630	627 769
Investment securities	-	-	-	-	4 023	4 023	-	-	4 023	4 023
Allowances for expected credit losses	-	-	-	-	(4 023)	(4 023)	-	-	(4 023)	(4 023)
Total net investment securities	-	-	-	-	-	-	-	-	-	-
Loans and receivables	336 399	326 523	66 737	74 685	36 863	34 037	-	-	439 999	435 245
Allowances for expected credit losses ^{1, 2}	(5 248)	(7 177)	(3 346)	(4 520)	(12 176)	(11 299)	-	-	(20 770)	(22 996)
Total net loans and receivables	331 151	319 346	63 391	70 165	24 687	22 738	-	-	419 229	412 249
Other financial assets	2 338	2 176	-	-	979	841	1 956	842	5 273	3 859
Allowances for expected credit losses	(41)	(41)	-	-	(905)	(746)	(135)	(135)	(1 081)	(922)
Total net other financial assets	2 297	2 135	-	-	74	95	1 821	707	4 192	2 937
Total financial assets at AC	1 046 395	956 496	66 737	74 685	41 865	38 901	1 956	842	1 156 953	1 070 924
Allowances for expected credit losses	(5 317)	(7 246)	(3 346)	(4 520)	(17 104)	(16 068)	(135)	(135)	(25 902)	(27 969)
Total net financial assets at AC	1 041 078	949 250	63 391	70 165	24 761	22 833	1 821	707	1 131 051	1 042 955

3 Risk Management (cont'd)

(1) Credit Risk (cont'd)

Breakdown of financial assets, off-balance sheet items and contingent liabilities by their qualitative assessment, in thousands of euros: (cont'd)

	Stage 1		Stage 2		Stage 3		Simplified approach		Total	
	31.03.2025.	31.12.2024.	31.03.2025.	31.12.2024.	31.03.2025.	31.12.2024.	31.03.2025.	31.12.2024.	31.03.2025.	31.12.2024.
Financial assets at FVOCI										
Investment securities	160 362	183 943	-	-	-	-	-	-	160 362	183 943
Allowances for expected credit losses	(371)	(371)	-	-	-	-	-	-	(371)	(371)
Total net investment securities	159 991	183 572	-	-	-	-	-	-	159 991	183 572
Total financial assets at FVOCI	160 362	183 572	-	-	-	-	-	-	160 362	183 943
Allowances for expected credit losses	(371)	(371)	-	-	-	-	-	-	(371)	(371)
Total net financial assets at FVOCI	159 991	183 201	-	-	-	-	-	-	159 991	183 201
Off-balance sheet items and contingent liabilities										
Outstanding guarantees	522 047	496 051	20 995	21 993	5 134	5 494	-	-	548 176	523 538
Allowances for expected credit losses ¹	(41 005)	(39 859)	(2 872)	(3 241)	(2 269)	(2 424)	-	-	(46 146)	(45 524)
Total net outstanding guarantees	481 042	456 192	18 123	18 752	2 865	3 070	-	-	502 030	478 014
Loan commitments	172 524	169 889	169	156	-	-	-	-	172 693	170 045
Allowances for expected credit losses ¹	(482)	(551)	(5)	(3)	-	-	-	-	(487)	(554)
Total net loan commitments	172 042	169 338	164	153	-	-	-	-	172 206	169 491
Total off-balance items and contingent liabilities	694 571	665 940	21 164	22 149	5 134	5 494	-	-	720 869	693 583
Allowances for expected credit losses	(41 487)	(40 410)	(2 877)	(3 244)	(2 269)	(2 424)	-	-	(46 633)	(46 078)
Total net off-balance items and contingent liabilities	653 084	625 530	18 287	18 905	2 865	3 070	-	-	674 236	647 505

¹ Includes total net impairment provisions reverse of EUR 1,560 thousand to be allocated to risk coverage under the Portfolio Loss Reserve (Special Reserve Capital), upon approval of the 2024 Annual Report and EUR 423 thousand to be allocated to the risk coverage under Portfolio Loss Reserve (Special Reserve Capital) upon approval of the 2025 annual report. For additional information, see Appendix 19(3).

² Includes a provision of EUR 1,895 thousand (31 December 2024: EUR 3,841 thousand) for interest rate reduction, which is not to be classified as a credit impairment provision. The decrease in the provision reserve of EUR 1,946 thousand, recognized in the first quarter of 2025, includes interest compensation paid to customers for a portion of interest income received in 2024.

3 Risk Management (cont'd)

(1) Credit Risk (cont'd)

Changes in credit loss allowance and gross carrying amount for loans, in thousands of euros:

	Credit loss allowance				Total	Gross carrying amount				Total
	Stage 1	Stage 2	Stage 3	Simplified approach		Stage 1	Stage 2	Stage 3	Simplified approach	
As at 31 December 2024	7 177	4 520	11 299	-	22 996	326 523	74 685	34 037	-	435 245
Transfers between stages:										
from Stage 1 to Stage 2	(25)	89	-	-	64	(5 887)	5 827	-	-	(60)
to credit impaired (from Stage 1 and Stage 2 to Stage 3)	(5)	(138)	1 337	-	1 194	(1 583)	(5 787)	7 224	-	(146)
from Stage 3 to Stage 2	-	2	(47)	-	(45)	-	261	(269)	-	(8)
to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	6	(19)	-	-	(13)	1 298	(1 429)	-	-	(131)
New originated or purchased	208	-	-	-	208	21 700	-	-	-	21 700
Derecognised during the period	(106)	(371)	(245)	-	(722)	(8 612)	(3 508)	(1 195)	-	(13 315)
Changes to ECL measurement model assumptions (PD, LGD)	-	-	-	-	-	-	-	-	-	-
Changes to ECL measurement model assumptions (macroeconomic factors)	-	-	-	-	-	-	-	-	-	-
Changes in ECL impairment overlay	(74)	(644)	-	-	(718)	-	-	-	-	-
Decrease in the allowance for mortgage interest refunds	(1 946)	-	-	-	(1 946)	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-	-	-
Change of outstanding balance ²	13	(93)	(168)	-	(248)	2 960	(3 312)	(2 934)	-	(3 286)
As at 31 March 2025	5 248	3 346	12 176	-	20 770¹	336 399	66 737	36 863	-	439 999

¹ Includes an expected credit loss provision of EUR 794 thousand (31 December 2024: EUR 988 thousand) for SME and Large Enterprises portfolio, reflecting continued high uncertainty caused by Russia's invasion of Ukraine and the impact of increased interest rates on the credit risk of borrowers of EUR 832 thousand (31 December 2024: EUR 1,356 thousand), see Appendix 3(3). The net decrease in the expected credit loss provision reserve of 718 thousand includes the conversion of EUR 550 thousand from the general reserve to individual provisions, and the reversed reserve of EUR of 164 thousand due to portfolio amortization.

² Change of outstanding balance includes cash flows from repayment of principal.

3 Risk Management (cont'd)

(1) Credit Risk (cont'd)

Changes in credit loss allowance and gross carrying amount for outstanding guarantees, in thousands of euros:

	Credit loss allowance				Gross carrying amount			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at 31 December 2024	39 859	3 241	2 424	45 524	496 051	21 993	5 494	523 538
Transfers between stages:								
from Stage 1 to Stage 2	(227)	295	-	68	(2 335)	2 171	-	(164)
to credit impaired (from Stage 1 and Stage 2 to Stage 3)	(10)	(51)	222	161	(52)	(200)	366	114
from Stage 3 to Stage 2	-	2	(37)	(35)	-	39	(39)	-
to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	248	(222)	(188)	(162)	2 324	(1 931)	(408)	(15)
New originated or purchased	2 997	-	-	2 997	39 319	-	-	39 319
Derecognised during the period	(741)	(41)	(41)	(823)	(11 220)	(612)	(71)	(11 903)
Changes to ECL measurement model assumptions (PD, LGD)	-	-	-	-	-	-	-	-
Changes to ECL measurement model assumptions (macroeconomic factors)	-	-	-	-	-	-	-	-
Changes in impairment overlay for interest rate discounts	-	-	-	-	-	-	-	-
Paid-out guarantees	-	-	(102)	(102)	(4)	(2)	(192)	(198)
Write-offs	-	-	-	-	-	-	-	-
Change of outstanding balance ¹	(1 121)	(352)	(9)	(1 482)	(2 036)	(463)	(16)	(2 515)
As at 31 March 2025	41 005	2 872	2 269	46 146	522 047	20 995	5 134	548 176

¹ Change of outstanding balance includes cash flows from repayment of principal of underlying loan

3 Risk Management (cont'd)

(1) Credit Risk (cont'd)

Breakdown of issued loans by overdue terms, including accrued interest on loans, in thousands of euros:

	31.03.2025.	31.12.2024.
Performing	409 271	387 723
Past due up to 30 days	15 514	32 503
Past due from 31 to 60 days	2 697	3 090
Past due from 61 to 90 days	948	1 749
Past due over 90 days	11 569	10 180
Total gross loans, without interest accrued on the loans	439 999	435 245
Impairment allowances	(20 770)	(22 996)
Total net loans	419 229	412 249

In calculating the ECL due to default on loan principal or interest payments or other loss events the following is taken into account collateral, including real estate and commercial pledges measured at market value. The value of collateral is based on the valuations performed by independent valuers.

Information on the value of collateral assessed at fair value and position against net loan portfolio, in thousands of euros:

	31.03.2025.	31.12.2024.
Real estate (loans)	227 343	228 503
Real estate (leaseback)	43 847	42 137
Movable property	64 072	66 454
Guarantees	1 698	1 640
Total collateral	336 960	338 734
Loan portfolio, gross	439 999	435 245
Impairment allowances	(20 770)	(22 996)
Loan portfolio, net ¹	419 229	412 249
Exposed	19.62%	17.83%

¹ The item *Loan portfolio, net* includes loans for which, according to the terms of the support programme, no pledge of immovable or movable property is required as collateral, but the credit risk is fully covered by the risk cover, such as the energy efficiency programme for multi-apartment buildings and the renovation loan programme. The balance of these programmes as of 31 March 2025 amounts to EUR 46,424 thousand (31 December 2024: EUR 46,424 thousand). In 2024, the issuance of loans with ticket size up to EUR 100 thousand with lowered collateral requirements was started and the outstanding balance of these loans as of 31 March 2025 amounted to EUR 21,253 thousand (31 December 2024: EUR 16,665 thousand).

3 Risk Management (cont'd)

(1) Credit Risk (cont'd)

Maximum credit risk exposures of the balance and off-balance sheet items (not including collateral held or other security), in thousands of euros:

	31.03.2025.	31.12.2024.
Assets exposed to credit risk		
Due from credit institutions and the Treasury	707 630	627 769
Financial assets at fair value through other comprehensive income - investment securities	159 991	183 572
Financial assets at amortised cost:		
Investment securities	-	-
Loans	419 229	412 249
Financial assets at fair value through profit or loss - Loans with capital rebate	32 219	24 971
Investments in associates	71 522	72 227
Other investments	29 993	29 043
Other assets	4 192	2 937
Total	1 424 776	1 352 768
Off-balance sheet items exposed to credit risk		
Contingent liabilities	548 176	523 538
Financial commitments	257 125	238 700
Total	805 301	762 238

Part of subitem "Loans and receivables" are loans to agriculture segment (see Note 18) that are secured by agricultural land with a cautious valuation. Loans to other segments are secured mostly by real estate, to a lesser extent – by other types of assets or commercial pledges. The expected cash flows from collateral are taken into account when estimating impairment allowances for expected credit losses. Risk Coverage Reserve and Specific Reserve Capital is available to the Company to cover expected credit losses arising from deterioration of quality of loan portfolio. For more detailed information on Risk Coverage Reserve and Specific Reserve Capital see Note 18 and Note 19.

As of 31 March 2025, part of the Company's assets in amount of EUR 261,751 thousand (31 December 2024: EUR 250,464 thousand) were pledged. In accordance with the agreements the Company ensures, that assets in amount of EUR 118,517 thousand (31 December 2024: EUR 121,097 thousand) are free from any security.

Article 49 of the Law on State Budget 2025 provides that guarantees issued by the Company in amount of EUR 260,000 thousand is backed by the state according to the Agriculture and Rural Development Law and the Development Finance Institution Law. Actual amount of guarantees issued under these conditions as at 31 March 2025 was EUR 255,754 thousand (31 December 2024: EUR 239,350 thousand).

3 Risk Management (cont'd)

(2) Liquidity Risk

Maturity profile of expected undiscounted future cash flows of financial liabilities, off-balance liabilities and liquid assets as at 31 March 2025, in thousands of euros:

	Up to 1 year ¹	1 to 5 years	5 to 10 years	10 to 15 years	Over 15 years and w/o maturity	Total
Due to credit institutions	13 821	29 520	-	-	-	43 341
Due to general governments	34 972	91 768	64 854	40 512	55 396	287 502
Issued debt securities	82	20 065	-	-	-	20 147
Support programme funding ²	44 231	217 789	55 537	120 599	339 954	778 110
Other liabilities	3 272	468	-	-	-	3 740
Total financial liabilities	96 378	359 610	120 391	161 111	395 350	1 132 840
Off-balance sheet items and contingent liabilities	513 583	126 488	165 230	-	-	805 301
Total financial liabilities, off-balance items and contingent liabilities ³	609 961	486 098	285 621	161 111	395 350	1 938 141
Due from credit institutions and the Treasury	707 630	-	-	-	-	707 630
Investment securities	64 927	95 064	-	-	-	159 991
Liquid assets	772 557	95 064	-	-	-	867 621

¹ According to IAS 7 "Financial Instruments: Disclosures" requirements the major part of the guarantee portfolio issued by the Company has been classified within maturity "Up to 1 year". The exception is the housing guarantees for families with children and housing guarantees for young specialists – these guarantees with remaining contractual maturity exceeding 3 years, counting from the reporting date, are classified within maturity "1 to 5 years", because the compensation mechanism for housing guarantee for families with children and housing guarantee for young specialists stipulates that compensation for the declared guarantee cases is paid within 3 years from the date the guarantee case is declared. In turn, the housing guarantees for families with children and housing guarantees for young specialists with remaining contractual maturity shorter than 1 year, counting from the reporting date, are presented in accordance with the remaining contractual maturity.

Maturity profile of the Company's expected undiscounted future cash flows of financial liabilities, off-balance liabilities and liquid assets "Up to 1 year" as at 31 March 2025 and supporting analysis is presented in table below.

² After expiring of the support programme its funding remains on the Company's balance sheet since any repayment from the existing support programme accumulates and are used to finance new support programmes.

³ Since part of off-balance sheet items and contingent liabilities is backed by funding which has already been recognized as financial liabilities in amount of EUR 229,044 thousand, then this amount is included in both the Company's financial liabilities and the Company's off-balance sheet items and contingent liabilities.

3 Risk Management (cont'd)

(2) Liquidity Risk (cont'd)

Maturity profile of expected undiscounted future cash flows of financial liabilities, off-balance liabilities and liquid assets "Up to 1 year" as at 31 March 2025, in thousands of euros:

	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Total up to 1 year
Due to credit institutions	1 577	6 008	-	6 236	13 821
Due to general governments	3 794	1 773	6 129	23 276	34 972
Issued debt securities	7	14	20	41	82
Support programme funding	1 150	-	4 506	38 575	44 231
Other liabilities	2 968	-	-	304	3 272
Total financial liabilities	9 496	7 795	10 655	68 432	96 378
Off-balance sheet items and contingent liabilities ¹	501 733	1 722	3 730	6 398	513 583
Total financial liabilities, off-balance items and contingent liabilities	511 229	9 517	14 385	74 830	609 961
Due from credit institutions and the Treasury ²	667 630	30 000	10 000	-	707 630
Investment securities	-	417	64 293	217	64 927
Liquid assets	667 630	30 417	74 293	217	772 557

¹ Split of off-balance sheet items and contingent liabilities by type of financial instrument – outstanding financial guarantees, loan commitments as well as commitments to AIF "Altum capital fund", investments in associates and other investments, are presented in Note 20.

² includes the contractual expected cash flows from term deposits with credit institutions, which are available within 1 month for the purpose of liquidity management in accordance with the signed agreements, therefore in the calculation of the liquidity ratio is included in the maturity group up to 1 month.

Contingent liabilities and financial commitments are funded from various funding sources available to the Company.

Outstanding financial guarantees in amount of EUR 331,519 thousand (up to 1 year) – from respective guarantee support programme funding (see Note 18) and Specific reserve capital (see Note 19). Track records of claimed guarantee compensations presents that the volume of guarantees claimed within such terms are considerably less than the amount of the commitment disclosed in the above maturity analyses.

Loan commitments in amount of EUR 172,693 thousand (up to 1 year) – from financial facilities (either received by the Company or available upon request), in accordance with loan agreements concluded with financial institutions and the State Treasury and respective loan support programme funding (see Note 18), as well as corresponding financing of loan support programs.

Grant commitments in amount of EUR 3,314 thousand (up to 1 year) – from respective grant support programme funding (see Note 18).

Commitments to investments in associates in amount of EUR 5,153 thousand (up to 1 year) – from respective venture capital fund support programme funding (see Note 18).

Commitments to AIF "Altum capital fund" in amount of EUR 100 thousand (up to 1 year) – from specific reserve capital (see Note 19).

Commitments to other investments in amount of EUR 4,118 thousand (up to 1 year) – for Baltic Innovation Fund 2 from support programme funding and repayments on different support programmes (see Note 18) and the Company's own funding for Three Seas Initiatives Investment Fund.

As a consequence, the liquidity of the Company is not deteriorated.

3 Risk Management (cont'd)

(2) Liquidity Risk (cont'd)

Maturity profile of expected undiscounted future cash flows of financial liabilities, off-balance liabilities and liquid assets as at 31 December 2024, in thousands of euros:

	Up to 1 year ¹	1 to 5 years	5 to 10 years	10 to 15 years	Over 15 years and w/o maturity	Total
Due to credit institutions	13 414	29 561	-	-	-	42 975
Due to general governments	21 163	95 537	66 210	39 381	53 000	275 291
Issued debt securities	45 736	20 046	-	-	-	65 782
Support programme funding	29 614	108 521	297 000	88 371	140 750	664 256
Other liabilities	5 023	430	-	-	-	5 453
Total financial liabilities	114 950	254 095	363 210	127 752	193 750	1 053 757
Off-balance sheet items and contingent liabilities ²	495 317	109 965	156 956	-	-	762 238
Total financial liabilities, off-balance items and contingent liabilities ³	610 267	364 060	520 166	127 752	193 750	1 815 995
Due from credit institutions and the Treasury	627 769	-	-	-	-	627 769
Investment securities	88 475	95 097	-	-	-	183 572
Liquid assets	716 244	95 097	-	-	-	811 341

¹ According to IAS 7 "Financial Instruments: Disclosures" requirements the major part of the guarantee portfolio issued by the Company has been classified within maturity "Up to 1 year". The exception is the housing guarantees for families with children and housing guarantees for young specialists – these guarantees with remaining contractual maturity exceeding 3 years, counting from the reporting date, are classified within maturity "1 to 5 years", because the compensation mechanism for housing guarantee for families with children and housing guarantee for young specialists stipulates that compensation for the declared guarantee cases is paid within 3 years from the date the guarantee case is declared. In turn, the housing guarantees for families with children and housing guarantees for young specialists with remaining contractual maturity shorter than 1 year, counting from the reporting date, are presented in accordance with the remaining contractual maturity.

Maturity profile of the Company's expected undiscounted future cash flows of financial liabilities, off-balance liabilities and liquid assets "Up to 1 year" as at 31 December 2024 and supporting analysis is presented in table below.

² After expiring of the support programme its funding remains on the Company's balance sheet since any repayment from the existing support programme accumulates and are used to finance new support programmes.

³ Since part of off-balance sheet items and contingent liabilities is backed by funding recognized as financial liabilities, EUR 233,375 thousand are included in both the Company's financial liabilities and the Company's off-balance sheet items and contingent liabilities.

3 Risk Management (cont'd)

(2) Liquidity Risk (cont'd)

Maturity profile of expected undiscounted future cash flows of financial liabilities, off-balance liabilities and liquid assets "Up to 1 year" as at 31 December 2024, in thousands of euros:

	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Total up to 1 year
Due to credit institutions	-	1 264	5 895	6 255	13 414
Due to general governments	5 584	354	3 658	11 567	21 163
Issued debt securities	56	45 619	20	41	45 736
Support programme funding	1 699	-	-	27 915	29 614
Other liabilities	4 461	534	-	28	5 023
Total financial liabilities	11 800	47 771	9 573	45 806	114 950
Off-balance sheet items and contingent liabilities ¹	486 911	792	1 492	6 122	495 317
Total financial liabilities, off-balance items and contingent liabilities	498 711	48 563	11 065	51 928	610 267
Due from credit institutions and the Treasury	505 411	55 912	46 235	20 211	627 769
Investment securities	23 388	765	295	64 027	88 475
Liquid assets	528 799	56 677	46 530	84 238	716 244

¹ Split of off-balance sheet items and contingent liabilities by type of financial instrument – outstanding financial guarantees, loan commitments as well as commitments to AIF "Altum capital fund", investments in associates and other investments, are presented in Note 20.

Contingent liabilities and financial commitments are funded from various funding sources available to the Company.

Outstanding financial guarantees in amount of EUR 318,634 thousand (up to 1 year) – from respective guarantee support programme funding (see Note 18) and Specific reserve capital (see Note 19). Track records of claimed guarantee compensations presents that the volume of guarantees claimed within such terms are considerably less than the amount of the commitment disclosed in the above maturity analyses.

Loan commitments in amount of EUR 170,045 thousand (up to 1 year) – from financial facilities (either received by the Company or available to the Company upon request) concluded with financial institutions and the Treasury and respective loan support programme funding (see Note 18).

Grant commitments in amount of EUR 1,922 thousand (up to 1 year) – from respective grant support programme funding (see Note 18).

Commitments to investments in associates in amount of EUR 3,070 thousand (up to 1 year) – from respective venture capital fund support programme funding (see Note 18).

Commitments to AIF "Altum capital fund" in amount of EUR 100 thousand (up to 1 year) – from specific reserve capital (see Note 19).

Commitments to other investments in amount of EUR 3,468 thousand (up to 1 year) – for Baltic Innovation Fund 2 from support programme funding and repayments on different support programmes (see Note 18) and the Company's own funding for Three Seas Initiatives Investment Fund.

As a consequence, the liquidity of the Company is not deteriorated.

3 Risk Management (cont'd)

(2) Liquidity Risk (cont'd)

Breakdown of assets and liabilities by maturity profile as at 31 March 2025 based on the time remaining from the reporting date to their contractual maturity, in thousands of euros:

	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years and w/o maturity	Total
Assets							
Due from credit institutions and the Treasury ¹	667 630	30 000	10 000	-	-	-	707 630
Investment securities	-	417	64 293	217	95 064	-	159 991
Loans ²	12 014	5 860	17 629	59 573	200 868	155 504	451 448
Grants	-	1 384	293	317	1 949	-	3 943
Deferred expense and accrued income	488	-	-	1 577	-	-	2 065
Investments in associates	5 814	-	-	539	65 169	-	71 522
Other investments	-	-	-	-	-	29 993	29 993
Investment property	-	-	-	-	-	102 880	102 880
Property, plant and equipment	-	-	-	-	-	4 178	4 178
Intangible assets	-	-	-	-	-	1 003	1 003
Other assets	2 006	65	120	359	1 624	18	4 192
Total assets	687 952	37 726	92 335	62 582	364 674	293 576	1 538 845
Liabilities							
Due to credit institutions	1 450	5 625	-	5 764	27 778	-	40 617
Due to general governments	1 897	1 773	4 167	19 418	68 109	121 319	216 683
Issued debt securities	-	-	-	-	20 025	-	20 025
Deferred income and accrued expense	294	165	-	582	5 005	-	6 046
Provisions	26 678	238	302	468	6 122	16 541	50 349
Support programme funding	1 150	-	4 506	38 575	217 789	516 090	778 110
Other liabilities	2 968	-	-	304	468	-	3 740
Total liabilities	34 437	7 801	8 975	65 111	345 296	653 950	1 115 570
Net liquidity	653 515	29 925	83 360	(2 529)	19 378	(360 374)	423 275

¹ Includes term deposits with credit institutions, split by the remaining maturity according to the contracts, but for the purpose of liquidity management, they are available within 1 month in accordance with the signed contracts, therefore, they are included in the calculation of the liquidity ratio in the maturity group up to 1 month.

² With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the effective interest rate. Investments in securities reflect their contractual coupon amortisations.

	Up to 1 year ¹	1 to 5 years	5 to 10 years	10 to 15 years	Over 15 years and w/o maturity	Total
Due to credit institutions	12 839	27 778	-	-	-	40 617
Due to general governments	27 255	68 109	46 654	29 319	45 346	216 683
Issued debt securities	-	20 025	-	-	-	20 025
Support programme funding	44 231	217 789	55 537	120 599	339 954	778 110
Other liabilities	3 272	468	-	-	-	3 740
Total financial liabilities	87 597	334 169	102 191	149 918	385 300	1 059 175

3 Risk Management (cont'd)

(2) Liquidity Risk (cont'd)

Breakdown of assets and liabilities by maturity profile as at 31 December 2024 based on the time remaining from the reporting date to their contractual maturity, in thousands of euros:

	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years and w/o maturity	Total
Assets							
Due from credit institutions and the Treasury	505 411	55 912	46 235	20 211	-	-	627 769
Investment securities	23 388	765	295	64 027	95 097	-	183 572
Loans ¹	19 761	11 615	15 545	46 652	181 608	162 039	437 220
Grants	827	480	192	238	1 391	-	3 128
Deferred expense and accrued income	522	-	-	723	-	-	1 245
Investments in associates	6 386	-	-	-	65 841	-	72 227
Other investments	-	-	-	-	-	29 043	29 043
Investment property	-	-	-	-	-	92 976	92 976
Property, plant and equipment	-	-	-	-	-	4 287	4 287
Intangible assets	-	-	-	-	-	946	946
Other assets	667	37	82	533	1 602	16	2 937
Total assets	556 962	68 809	62 349	132 384	345 539	289 307	1 455 350
Liabilities							
Due to credit institutions	-	1 199	5 625	5 764	27 778	-	40 366
Due to general governments	3 607	354	1 773	7 896	72 702	121 302	207 634
Issued debt securities	-	45 508	-	-	19 983	-	65 491
Deferred income and accrued expense	857	622	688	874	3 860	(677)	6 224
Provisions	27 771	257	324	477	5 087	15 955	49 871
Support programme funding	1 699	-	-	27 915	108 521	526 121	664 256
Other liabilities	4 461	534	-	28	430	-	5 453
Total liabilities	38 395	48 474	8 410	42 954	238 361	662 701	1 039 295
Net liquidity	518 567	20 335	53 939	89 430	107 178	(373 394)	416 055

¹ With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the effective interest rate. Investments in securities reflect their contractual coupon amortisations.

	Up to 1 year ¹	1 to 5 years	5 to 10 years	10 to 15 years	Over 15 years and w/o maturity	Total
Due to credit institutions	12 588	27 778	-	-	-	40 366
Due to general governments	13 630	72 702	48 733	28 865	43 704	207 634
Issued debt securities	45 508	19 983	-	-	-	65 491
Support programme funding	29 614	108 521	297 000	88 371	140 750	664 256
Other liabilities	4 461	534	-	28	430	5 453
Total financial liabilities	105 801	229 518	345 733	117 264	184 884	983 200

3 Risk Management (cont'd)

(3) Russian military incursion into Ukraine and the impact of related sanctions

The ongoing war in Ukraine and related sanctions against the Russian Federation and the Republic of Belarus have not had significant impact the book value of the Company's assets and liabilities. The Company has already assessed and mitigated the direct and indirect impact of these events.

The Company does not issue loans directly to companies in Ukraine, the Russian Federation and the Republic of Belarus. Contracts with business partners for the execution of client settlements, as well as for concluding financial transactions to ensure the Company's liquidity and asset and liability management, are concluded only with financial institutions registered in the Republic of Latvia.

The Company may be directly affected by the military invasion of Ukraine only in relation to export credit guarantees issued within the guarantee portfolio, covering political and buyer risk losses in trade transactions where the counterparties of the company's customers are residents of Ukraine. As at December 31, 2024, the Company's exposure related to the customers' counterparties located in Ukraine amounted to EUR 153 thousand, for which provision of EUR 52 thousand was recognised. The Company ceased issuing new export guarantees to the Russian Federation and the Republic of Belarus as of 25 February 2022.

The Company has invested EUR 19.8 million in AIF Altum capital fund. In the context of the Russian Federation's war in Ukraine, the Altum capital fund's investment portfolio is diversified by sectors and by regions, based on where the portfolio companies generate revenues, which is considered as a loss-mitigating factor. The impact of the Russian Federation's war in Ukraine on each the portfolio companies is therefore different.

Overall, the impact of the direct and indirect consequences of the war and related sanctions on the portfolio companies of the AIF Altum capital fund can be assessed as insignificant. The cumulative direct impact of the Russian Federation's war in Ukraine as of 31 March 2025 was EUR 7 thousand (Company's share).

To account for the persistently high uncertainty related to the geopolitical situation and the resulting weaker economic growth prospects outlook, the Company reviews the forward-looking forecasts of macroeconomic indicators used in the calculation of expected losses on a quarterly basis. In the event of significant changes, these forecasts are revised, and three economic scenarios, including adverse and optimistic scenarios:

- The base case scenario reflects the most likely path of future economic development, assuming no significant deterioration in the geopolitical situation and no sharp escalation of hostilities, without creating a significant economic impact on the growth of the Latvian economy beyond the impact already observed;
- The adverse scenario reflects a less likely but plausible deterioration, incorporating elevated geopolitical and economic growth uncertainty, including risks arising from the impact of new US trade tariffs, which are expected to slow the growth of the Latvian economy;
- The optimistic scenario, which foresees a less likely but possibly more favourable change compared to the base case scenario.

3 Risk Management (cont'd)

(3) Russian military incursion into Ukraine and the impact of related sanctions (cont'd)

Macroeconomic forecasts to March 31, 2025:

	2025	2026	2027
GDP annual growth rate, in %			
Base case scenario ¹	1.7	2.6	2.8
Adverse scenario	0.1	2.1	2.2
Optimistic scenario	3.0	3.0	3.2
Weighted average ²	1.5	2.5	2.7

¹ The base case scenario combines two external scenarios, using the information available by 31 March 2025:

(i) The Ministry of Finance's Macroeconomic Development Scenario (published on 14 February 2025) forecasts slow growth, with GDP expected to increase by 1.2% in 2025 (in the December 2024, forecast was 2.5%), followed by an acceleration to 2.1% in 2025 and to 2.2% in 2027 (in December 2024, the forecast was 2.8% for 2026 and 2.6% for 2027).

(ii) The Bank of Latvia's Macroeconomic Development Scenario (most recent published on 13 December 2024) forecasts GDP growth of 2.1% in 2025, 3.0% in 2026, and 3.3% in 2027.

² A 70% weighting was applied to the base case scenario, 20% - to the adverse scenario and 10% - to the optimistic scenario.

Macroeconomic forecasts to 31 December 2024:

	2025	2026	2027
GDP annual growth rate, in %			
Base case scenario	2.5	2.9	3.0
Adverse scenario	1.8	2.8	2.6
Optimistic scenario	3.1	3.0	3.3
Weighted average	2.4	2.9	2.9

The indirect cumulative impact of forward-looking macroeconomic forecasts used to calculate expected credit losses on loans, credit commitments and guarantees as at 31 March 2025 was not significant compared to 31 December 2024 (amounting to EUR 919 thousand).

Taking into account the persistently high geopolitical uncertainty and its potential impact on economic activity and the solvency of the companies, the Company continued to recognise the general provision reserve for expected credit losses during the reporting period, amounting EUR 1,626 thousand (31 December 2024: EUR 2,344 thousand). In the first quarter of 2025, the general provision reserve for loans was reduced by EUR 515 thousand to offset provisioning expenses for loans reclassified to Stage 2 or Stage 3, and for loans fully written off in the amount of EUR 164 thousand (see Note 3 (1)). For additional information on the general provision reserve and its assessment criteria, refer to Note 3(8) of the 2024 financial statement.

3 Risk Management (cont'd)

(3) Russian military incursion into Ukraine and the impact of related sanctions (cont'd)

The venture capital funds co-financed by Altum operate in accordance with the current sanctions framework and actively monitor changes in relevant legislation. Each quarter, Altum organises discussions with fund managers and conducts an assessment of venture capital funds, reviewing all investments on an individual bases and taking into account the specific circumstances of each investment. Altum's assessment of the VCF investments is based on Altum's conservative approach. When valuing investments, Altum takes into account future prospects, and the fair value of companies is adjusted in a timely manner.

During the 4th quarter of 2024, following discussions with fund managers and the revaluation of investments in Altum's portfolio companies, no companies newly exposed to the impact of the war were identified.

The cumulative impact of the Russian Federation's war in Ukraine as of 31 March 2025 was EUR 3.2 million (31 December 2024: EUR 4.7 million).

4 Segment Information

The Company's management considers that the Company's operations are performed in 7 operational segments:

- Loan,
- Guarantee,
- Venture capital fund,
- Grant,
- Latvian Land Fund,
- Management of AIF "Altum capital fund"
- Other services.

Other services include transactions with repossessed collaterals taken over in the debt collection process and development of new support programmes as well as transactions, which cannot be attributed to support programmes.

Segment information is prepared in a manner consistent with the internal management information provided to the chief operating decision maker. The chief operating decision maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Management board of the Company is the chief operating decision maker. The Company doesn't provide detailed information on the type of transaction since all the transactions are external.

4 Segment Information (cont'd)

Analysis of the operating segments for the period from 1 January 2025 till 31 March 2025, in thousands of euro:

	Loans ¹	Guarantees ¹	Venture capital funds	Grants	Latvian Land Fund	Management of AIF "Altum capital fund"	Other services	Total
Interest income at effective interest rate (Note 4)	6 479	197	-	-	897	-	-	7 573
of which from loans:	5 827	-	-	-	897	-	-	6 724
of which pass-through arrangement from loans	1 354	-	-	-	-	-	-	1 354
of which from deposits	652	197	-	-	-	-	-	849
Other interest and similar income (Notes):	1 155	1 310	150	-	19	-	-	2 634
of which from loans:	648	-	-	-	10	-	-	658
of which pass-through arrangement from loans	233	-	-	-	-	-	-	233
of which from guarantees:	-	751	-	-	-	-	-	751
of which pass-through arrangement from guarantees	-	199	-	-	-	-	-	199
of which from investment securities:	507	558	150	-	10	-	-	1 225
of which pass-through arrangement from investment securities	-	335	150	-	-	-	-	485
Interest expense (Note 6):	(3 605)	(532)	(150)	-	(382)	-	-	(4 669)
of which pass-through arrangement	(1 587)	(534)	(150)	-	-	-	-	(2 271)
Income for implementation of state aid programmes	659	130	191	5	-	-	-	985
Expenses to be compensated for implementation of state aid programmes	(631)	(60)	(181)	-	-	-	-	(872)
Gains from debt securities and foreign exchange translation	(2)	-	-	-	-	-	-	(2)
Share of profit/(losses) of investment in associates	-	-	1 247	-	-	-	-	1 247
Gains less losses from liabilities at fair value through profit or loss	-	-	(352)	-	-	-	-	(352)
Net gain on loans at fair value through profit or loss:	(1 387)	-	-	-	-	-	-	(1 387)
of which pass-through arrangement from loans at fair value	(342)	-	-	-	-	-	-	(342)
Other income	-	-	-	19	873	36	-	928
Other expense	(42)	(19)	(3)	(4)	(136)	(36)	-	(240)
Staff costs	(922)	(309)	(72)	(206)	(107)	-	(189)	(1 805)
Administrative expense	(295)	(79)	(23)	(45)	(22)	-	(1)	(465)
Amortisation of intangible assets and depreciation of property, plant and equipment	(113)	(28)	(8)	(16)	(8)	-	-	(173)
Allowance for expected credit-losses, net	855	141	-	-	(2)	-	-	994
Profit or (loss) from assets held for sale revaluation	305	-	-	-	-	-	-	305
Total segment profit/(loss)	2 456	751	799	(247)	1 132	-	(190)	4 701
Financial assets at fair value through profit or loss	-	-	72 227	-	-	-	-	72 227
Other investments	-	-	29 043	-	-	-	-	29 043
Additions of property and equipment, intangible assets and investment property	102	25	8	15	9 174	-	-	9 324
Total segment assets	929 949	153 777	187 901	8 937	148 688	-	109 593	1 538 845
Total segment liabilities	736 156	137 934	11 551	9 331	71 235	-	149 363	1 115 570
Total off-balance	172 693	548 176	84 432	3 314	-	-	-	808 615
Assets under management (AUM)	-	-	-	-	-	34 294	-	34 294

¹ The financial result of the segment also includes the financial result of the combined financial instruments, which are not disclosed separately in the segment analysis, but which include the component of financial instrument (such as a loan or guarantee) and the component of the capital rebate.

4 Segment Information (cont'd)

Analysis of the operating segments for the period from 1 January 2024 till 31 March 2024, in thousands of euro:

	Loans	Guarantees	Venture capital funds	Grants	Latvian Land Fund	Management of AIF "Altum capital fund"	Other services	Total
Interest income at effective interest rate:	6 316	679	-	-	603	-	-	7 598
of which from loans:	5 696	-	-	-	603	-	-	6 299
of which pass-through arrangement from loans	1 103	-	-	-	-	-	-	1 103
of which from deposits	620	679	-	-	-	-	-	1 299
Other interest and similar income (Note5):	534	854	-	-	11	-	-	1 399
of which from loans:	489	-	-	-	11	-	-	500
of which pass-through arrangement from loans	122	-	-	-	-	-	-	122
of which from guarantees:	-	761	-	-	-	-	-	761
of which pass-through arrangement from guarantees	-	224	-	-	-	-	-	224
of which from investment securities	45	93	-	-	-	-	-	138
Interest expense (Note 6):	(3 461)	(225)	-	-	(242)	-	-	(3 928)
of which pass-through arrangement	(1 225)	(224)	-	-	-	-	-	(1 449)
Income for implementation of state aid programmes	612	320	255	145	-	-	24	1 356
Expenses to be compensated for implementation of state aid programmes	(593)	(231)	(246)	(145)	-	-	(24)	(1 239)
Gains from debt securities and foreign exchange translation	1	-	-	-	-	-	1	2
Share of profit/(losses) of investment in associates	-	-	(265)	-	-	-	-	(265)
Gains less losses from liabilities at fair value through profit or loss	-	-	450	-	-	-	-	450
Other income	-	-	-	1	636	51	2	690
Other expense	(54)	(9)	(2)	(6)	(126)	(67)	(4)	(268)
Staff costs	(858)	(203)	(67)	(155)	(66)	-	(95)	(1 444)
Administrative expense	(197)	(82)	(13)	(41)	(25)	-	(23)	(381)
Amortisation of intangible assets and depreciation of property, plant and equipment	(81)	(38)	(19)	(25)	(11)	-	(10)	(184)
Allowance for expected credit-losses, net	1 315	475	14	-	-	-	23	1 827
Profit or (loss) from assets held for sale revaluation	195	-	-	-	-	-	-	195
Total segment profit/(loss)	3 729	1 540	107	(226)	780	(16)	(106)	5 808
Financial assets at fair value through profit or loss	-	-	65 577	-	-	-	-	65 577
Other investments	-	-	25 848	-	-	-	-	25 848
Additions of property and equipment, intangible assets and investment property	69	21	6	13	8 448	-	7	8 564
Total segment assets	774 623	153 910	202 579	81 450	112 013	-	19 181	1 343 756
Total segment liabilities	576 487	128 615	42 502	70 719	89 319	-	34 964	942 606
Total off-balance	103 296	482 478	52 033	1 592	2 714	29 866	-	671 979
Assets under management (AUM)	-	-	-	-	-	32 547	-	32 547

5 Income from implementation of state aid programmes

All amounts in thousands of euros

	01.01.2025.- 31.03.2025.	01.01.2024.- 31.03.2024.
Compensation of expenses for management of state support programmes	733	1 074
Compensated administrative expense	139	165
Compensated venture capital fund management fees	103	117
Income on compensated placement expenses of unrestricted funds	10	-
Total income from implementation of state support programmes	985	1 356

6 Expenses to be compensated for implementation of state aid programmes

All amounts in thousands of euros

	01.01.2025.- 31.03.2025.	01.01.2024.- 31.03.2024.
Compensated staff costs	661	837
Compensated administrative expense	72	237
Compensated venture capital fund management fees	139	165
Total compensated expense for implementation of state support programmes	872	1 239

7 Share of gain / loss of investment in associate and other investments

All amounts in thousands of euros

	Net gain / loss	Incl. realised gains	Net gain / loss	Incl. realised gains
	01.01.2025.-31.03.2025.		01.01.2024.-31.03.2024.	
RKF 2 nd , 3 rd , un 4 th generation	309	-	(450)	12
Baltic Innovation Fund	398	-	-	-
AIF Altum Capital Fund	640	167	185	-
Total investment in associates	1 347	167	(265)	12
Baltic Innovation Fund-2	(100)	-	-	-
Three Seas Initiative Investment Fund	-	-	-	-
Total other investments	(100)	-	-	-
Share of net gain /(loss) of investment in associate and other investments	1 247	167	(265)	12

8 Gain/(loss) less losses from liabilities at fair value through profit or loss

All amounts in thousands of euros

	01.01.2025.- 31.03.2025.	01.01.2024.- 31.03.2024.
Revaluation (loss) on investments in 2nd and 3rd generation venture capital funds, net	-	(195)
Realised gain on investments in 2nd and 3rd generation venture capital funds, net	-	12
Mezzanine interest received from investments in 2nd and 3rd generation venture capital funds	21	13
Revaluation (loss) on investments in 4th generation venture capital funds, net	-	(513)
Realised gain on investments in 4th generation venture capital funds	-	-
Mezzanine interest received from investments in 4th generation venture capital funds	287	233
Revaluation (loss) on investments in BIF, net	44	-
Total gain less losses from liabilities at fair value through profit or loss	352	(450)
Gains/(losses) of investment in associate and other investments less losses from liabilities at fair value through profit or loss at March 31	(352)	450

9 Net losses from loans at fair value through profit or loss

All amounts in thousands of euros

	Change in fair value	Deferred change in fair value ¹	Net profit/ (loss)
	01.01.2025.- 31.03.2025.	01.01.2025.- 31.03.2025.	01.01.2025.- 31.03.2025.
Increase in fair value of the loan component	342	(342)	-
Fair value (decrease) of potential future capital rebate component	(10 019)	-	(10 019)
Fair value decrease of public funding to finance potential future capital rebate component	8 632	-	8 632
Total	(1 045)	(342)	(1 387)

For details on valuation of the loans at fair value see Note 22 Loans with capital rebate.

¹ When determining the fair value of loans with capital rebate to be recognised through profit or loss, the fair value measurement of the loan component for which no capital rebate will be applied is based on discounted expected future cash flows of the loan until maturity. By this measurement the difference between the fair value of financial asset and the transaction price at initial recognition is deferred and recognised within Deferred income since the fair value can't be measured using a quoted price in an active market for identical asset (i.e., a Level 1 in the Fair value hierarchy). The deferred difference is amortised over the life of respective individual loan on a linear basis.

10 Allowances for expected credit losses

Analysis of expected credit loss movements for the period from 1 January 2025 till 31 March 2025, in thousands of euros:

	Loss/(income) on expected credit losses and recoveries of written-off credit risk assets	incl. impairment losses covered by Portfolio Loss Reserve	impairment losses covered by Risk Coverage Reserve	a reduction in the provision for revenue recognised over 90 days	Total
Impairment losses on:	6 409	307	(5 402)	(42)	965
Loans	2 040	100	(1 261)	(42)	737
Guarantees	4 262	207	(4 040)	-	222
Loan commitments	107	-	(101)	-	6
Reversal of impairment on:	(5 981)	(489)	4 022	-	(1 959)
Loans	(2 449)	(224)	802	-	(1 647)
Disbursed guarantee compensations	(2)	-	2	-	-
Guarantees	(3 480)	(265)	3 168	-	(312)
Loan commitments	(50)	-	50	-	-
Total impairment losses / (reversal), net	428	(182)	(1 380)	(42)	(994)
(Income) from the recovery of written-down assets	(307)	(199)	2	-	(305)
Total impairment allowance and (income) from recovery of written down assets	121	(381)	(1 378)	(42)	(1 299)

10 Allowances for expected credit losses (cont'd)

Analysis of expected credit loss movements for the period from 1 January 2024 till 31 March 2024, in thousands of euros:

	Loss/(income) on expected credit losses and recoveries of written-off credit risk assets	incl. impairment losses covered by Portfolio Loss Reserve	impairment losses covered by Risk Coverage Reserve	a reduction in the provision for revenue recognised over 90 days	Total
Impairment losses on:	4 171	314	(3 096)	(70)	1 005
Loans	1 657	143	(842)	(70)	745
Guarantees	2 367	171	(2 116)	-	251
Loan commitments	147	-	(138)	-	9
Reversal of impairment on:	(5 015)	(958)	2 183	-	(2 832)
Loans	(2 682)	(456)	520	-	(2 162)
Disbursed guarantee compensations	(151)	(150)	1	-	(150)
Guarantees	(2 074)	(351)	1 569	-	(505)
Loan commitments	(108)	(1)	93	-	(15)
Total impairment losses / (reversal), net	(844)	(644)	(913)	(70)	(1 827)
(Income) from the recovery of written-down assets	(184)	2	(11)	-	(195)
Total impairment allowance and (income) from recovery of written down assets	(1 028)	(642)	(924)	(70)	(2 022)

11 Investment securities

All amounts in thousands of euros:

	31.03.2025.	31.12.2024.
Investment securities valued at amortised cost		
OECD corporate bonds	3 865	4 023
Total investment securities valued at amortised cost	3 865	4 023
Impairment allowances	(3 865)	(4 023)
Net investment securities valued at amortised cost	-	-
Investment securities valued at fair value through other comprehensive income		
Latvian Treasury bills and government bonds	160 362	183 943
Total investment securities valued at fair value through other comprehensive income	160 362	183 943
Impairment allowances	(371)	(371)
Total net investment securities valued at fair value through other comprehensive income	159 991	183 572
Total gross investment securities	164 227	187 966
Total net investment securities	159 991	183 572

12 Loans

The loans granted constitute the Company's balances due from residents of Latvia.

(1) Analysis of loan portfolio by client segments as at 31 March 2025, in thousands of euros:

	Stage 1		Stage 2		Stage 3		Total gross loans	Total impairment allowance
	Gross loans	Impairment allowance	Gross loans	Impairment allowance	Gross loans	Impairment allowance		
Financial Intermediaries	17	-	-	-	-	-	17	-
Agriculture	120 107	(406)	35 422	(729)	12 039	(2 603)	167 568	(3 738)
SME and Midcaps	128 100	(2 024)	26 468	(1 495)	23 947	(9 477)	178 515	(12 996)
Private individuals	45 656	(245)	3 822	(168)	479	(94)	49 957	(507)
Latvian Land Fund	42 519	(6)	1 025	-	398	(2)	43 942	(8)
Total segments without impairment overlay	336 399	(2 681)	66 737	(2 392)	36 863	(12 176)	439 999	(17 249)
Impairment overlay	-	(672)	-	(954)	-	-	-	(1 626)
Impairment overlay for interest rate discounts	-	(1 895)	-	-	-	-	-	(1 895)
Total segments	336 399	(5 248)	66 737	(3 346)	36 863	(12 176)	439 999	(20 770)

(2) Analysis of the loan amount, equalling to or exceeding EUR 1,000 thousand, issued to one customer:

	31.03.2025.	31.12.2024.
Number of customers	53	53
Total credit exposure of customers (EUR '000)	92 451	87 426
Percentage of total gross portfolio of loans	21.0%	19.9%

As at 31 March 2025 the average annual interest rate for the loan portfolio of the Company was 5.26% (31 December 2024: 5.46%).

12 Loans (cont'd)

(3) Breakdown of loans by industries, in thousands of euros:

	31.03.2025.	31.12.2024.
Agriculture and forestry	229 685	231 199
Manufacturing	47 088	49 404
Electricity, gas and water utilities	32 362	30 286
Retail and wholesale	17 729	17 336
Real estate	9 488	8 765
Construction	8 921	7 414
Health and social care	8 061	8 071
Professional, science and technical services	6 580	6 634
Hotels and restaurants	6 231	5 034
Municipal authorities	5 879	5 081
Transport, warehousing and communications	5 809	5 527
Arts, sports and recreation	3 491	2 324
Education	2 303	918
Fishing	1 745	1 937
Information technologies and communication	963	863
Other industries	4 914	6 073
Private individuals	48 750	48 379
Total gross loans	439 999	435 245
Impairment allowances	(20 770)	(22 996)
Total net loans	419 229	412 249

(4) Movement in impairment allowances, in thousands of euros:

	01.01.2025.- 31.03.2025.	01.01.2024.- 31.03.2024.
Impairment allowances at the beginning of the period	22 996	25 490
Increase in impairment allowances	1 998	1 587
Decrease in impairment allowances	(2 449)	(2 682)
Decrease in the allowance for mortgage interest refunds	(1 941)	-
Loan interest overdue for more than 90 days	42	70
Increase of impairment allowances due to changes in off-balance sheet and balance sheet	124	56
Impairment allowances at the end of the period ended 31 March	20 770¹	24 521
Company's share of impairment allowances	11 219	14 693
Impairment allowances covered by Portfolio Loss Reserve	1 877	3 290
Impairment allowances covered by Risk Coverage Reserve	7 674	6 538
Impairment allowances at the beginning of the period		24 521
Increase in impairment allowances		6 102
Decrease in impairment allowances		(7 019)
Write-off of loans covered by Portfolio Loss Reserve		199
Write-off of loans covered by Risk Coverage Reserve		(876)
Write-off of loans Company's share of impairment allowances		(47)
Decrease in the allowance for mortgage interest refunds		(170)
Loan interest overdue for more than 90 days		(36)
Increase of impairment allowances due to changes in off-balance sheet and balance sheet		322
Impairment allowances at the end of the period ended 31 December		22 996
Company's share of impairment allowances		13 900
Impairment allowances covered by Portfolio Loss Reserve		2 000
Impairment allowances covered by Risk Coverage Reserve		7 096

¹ Includes impairment provision of EUR 1,895 thousand (31 December 2024: EUR 3,841 thousand) for interest rate discounts and as such not to be treated as allowance for ECL.

13 Loans with capital rebate

Loans with capital rebate fair value 31 March 2025, in thousands of euros:

	Nominal value of issued loans with capital rebate	Potential future capital rebate component	Fair value (decrease) of potential future capital rebate component	Loan component at fair value	Total
Investment loans with capital rebate	46 783	42 166	(42 166)	10 694	10 694
RRF energy efficiency loans	14 677	7 813	(7 813)	6 823	6 823
RRF digitization loans	19 973	10 618	(10 618)	9 759	9 759
RRF Energy Efficiency Loans for Multi-apartment Buildings	8 249	4 975	(4 975)	2 992	2 992
RRF Loans for construction of affordable housing	9 010	5 974	(5 974)	1 951	1 951
Total fair value	98 692	71 546	(71 546)	32 219	32 219

Loans with capital rebate fair value 31 December 2024, in thousands of euros:

	Nominal value of issued loans with capital rebate	Potential future capital rebate component	Fair value (decrease) of potential future capital rebate component	Loan component at fair value	Total
Investment loans with capital rebate	38 503	34 731	(34 731)	8 832	8 832
RRF energy efficiency loans	15 759	9 425	(9 425)	6 401	6 401
RRF digitization loans	16 101	9 600	(9 600)	6 871	6 871
RRF Energy Efficiency Loans for Multi-apartment Buildings	5 716	3 575	(3 575)	2 364	2 364
RRF Loans for construction of affordable housing	5 006	4 198	(4 198)	503	503
Total fair value	81 085	61 529	(61 529)	24 971	24 971

Movement in fair value of loans with capital rebate in 3 months of 2025, in thousands of euros:

	Potential future capital rebate component ¹	Loan component ¹	Total
Fair value at the beginning of the period	-	24 971	24 971
Net increase at nominal value	16 952	6 906	23 858
Compensated capital rebate in the reporting period ²	(6 934)	-	(6 934)
Increase in fair value	-	342	342
(Decrease) in fair value	(10 018)	-	(10 018)
Total fair value at the end of the period	-	32 219	32 219

¹ For details on valuation of the loans at fair value see Note 22 Loans with capital rebate.

² See Note 18 (2) Movement in the Company's support programme funding in 3 months of 2025.

14 Other Investments

Total cost of Other investments on 31 March 2025 was EUR 26,225 thousand (31 December 2024: EUR 23,766 thousand). The total cost of the investment includes the management fees paid to the funds' managers.

All amounts in thousands of euros

	Investments in Baltic Innovation Fund 2		Three Seas Initiatives Investment Fund		Total	
	31.03.2025.	31.12.2024.	31.03.2025.	31.12.2024.	31.03.2025.	31.12.2024.
Carrying amount at the beginning of period	11 543	7 739	17 500	17 659	29 043	25 398
Invested	1 050	450	-	-	1 050	450
Refunded	-	-	-	-	-	-
Revaluation	(100)	-	-	-	(100)	-
Net carrying amount at the end of period ended 31 March	12 493	8 189	17 500	17 659	29 993	25 848
Invested		2 844		1 832		4 676
Refunded		(127)		(3 590)		(3 717)
Revaluation		637		1 599		2 236
Net carrying amount at the end of period ended 31 December		11 543		17 500		29 043

Baltic Innovation Fund 2 (BIF 2) is a EUR 156 million Fund-of-Funds initiative launched by the European Investment Fund (EIF) in co-operation with the Baltic national promotional institutions – KredEx (Estonia), Altum (Latvia) and Invega (Lithuania). BIF 2 continues to sustain investments into private equity and venture capital funds focused on the Baltic States to boost equity investments into SMEs with high growth potential. The Company signed agreement on BIF 2 on 16 August 2019. The total capital committed by the Company to the BIF2 is EUR 26.5 million thus arriving at the ownership rate 16.99% of the total committed capital of the BIF 2 (EUR 156 million).

The Three Seas Initiative Investment Fund is a new financial instrument for financing and developing infrastructure projects in 12 countries, including Latvia, aimed at reducing infrastructure development gaps between different European regions. The Three Seas Initiative Investment Fund supports transport, energy and digitalization infrastructure projects in Central and Eastern Europe. The Company signed the subscription agreement on 16 September 2020. The total capital committed by the Company to the Three Seas Initiative Investment Fund is EUR 20 million thus arriving at the ownership rate of 2.15% on 31 March 2025 (31 December 2024: 2.15%) of the total committed capital the Three Seas Initiative Investment Fund 31 March 2025: EUR 928.1 million, (31 December 2024: EUR 928.1 million). The amount of capital investment paid by the Company to the Three Seas Initiative Investment Fund on 31 March 2025 was EUR 14.3 million (31 December 2024: EUR 14.3 million).

15 Investments in Associates

(1) Investments in associates based on information provided by venture capital fund managers, in thousands of euros:

Company or venture capital fund generation	Country of incorporation	Net asset value, VCF		Net asset value, Altum	
		31.03.2025.	31.12.2024.	31.03.2025.	31.12.2024.
The 2nd generation VCFs	LV	7 615	7 503	5 187	5 187
The 3rd generation VCFs	LV	2 547	2 431	1 165	1 199
The 4th generation VCFs	LV	41 778	44 048	30 372	30 099
AIF "Altum capital fund" ¹	LV	34 285	33 515	16 769	16 392
Baltic Innovation Fund ¹	LU	90 145	96 750	18 029	19 350
Total investments in associates		176 370	184 247	71 522	72 227

¹ Investments in associates are carried at fair value through profit or loss.

(2) Movement in investments in associates, in thousands of euros:

As at 31 March 2025 the total venture capital fund's portfolio value at cost value was EUR 71,080 thousand (31 December 2024: EUR 73,690 thousand).

	Investments in venture capital funds		Investments in AIF "Altum capital fund"		Investments in Baltic Innovation Fund		Total	
	31.03.2025.	31.12.2024.	31.03.2025.	31.12.2024.	31.03.2025.	31.12.2024.	31.03.2025.	31.12.2024.
Carrying amount at the beginning of period	36 485	34 764	16 392	16 327	19 350	15 501	72 227	66 592
Invested	300	756	24	712	420	360	744	1 828
Refunded	(61)	(64)	(287)	(1 305)	(2 139)	(951)	(2 487)	(2 320)
Revaluation	-	(708)	640	185	398	-	1 038	(523)
Net carrying amount at the end of the period ended 31 March	36 724	34 748	16 769	15 919	18 029	14 910	71 522	65 577
Invested		6 761		770		300		7 831
Refunded		(3 795)		(1 397)		(137)		(5 329)
Revaluation		(1 229)		1 100		4 277		4 148
Net carrying amount at the end of the period ended 31 December		36 485		16 392		19 350		72 227

Venture capital funds management fees in the 3 months of 2025, expenses included:

- Management fees for the 4th generation venture capital funds amounted to EUR 139 thousand (3 months of 2024: EUR 165 thousand) which were 100% compensated by public funding (see Note 18 (2));
- Management fees for the AIF "Altum capital fund" amounted to EUR 24 thousand (3 months of 2024: EUR 28 thousand).

16 Investment Properties

All amounts in thousands of euros

	31.03.2025.	31.12.2024.
Carrying amount at the beginning of period	92 976	68 246
Acquired during the reporting period ¹	9 167	21 711
New Exposures after Expiry of Reverse Leases	748	188
Sold during the reporting period	(64)	(2 308)
Revaluation gains	57	5 161
Revaluation losses	(4)	(22)
Carrying amount at the end of the period	102 880	92 976

¹ All acquisitions of investment properties made were related to the activities of Latvian Land Fund programme.

Latvian Land Fund was established on 1 July 2015. According to the Cabinet of Ministers decree dated March 11, 2015, the Company is the manager of Latvian Land Fund. The Law "On Land Privatisation in Rural Areas" stipulated establishment of Latvian Land Fund. Latvian Land Fund is one of the tools used to ensure that agricultural land is preserved and used for agricultural purposes.

Real estate (including investment property) owned by Altum is revalued annually in accordance with accounting requirements and on disposal.

The revaluation of Altum's real estate in 2024 was carried out by certified real estate appraisers on the basis of an outsourcing contract resulting from procurement.

17 Liabilities from financial guarantees

Movement of Liabilities from financial guarantees, in thousands of euros:

	31.03.2025.	31.12.2024.
Provisions at the beginning of the period	49 262	47 319
Increase in provisions	222	251
Impairment losses covered by Risk Coverage Reserve	4 040	2 116
Decrease in provisions	(312)	(505)
Reversal of impairment covered by Risk Coverage Reserve	(3 168)	(1 569)
Reclassification (Disbursed guarantee)	(160)	(122)
Fair value component - guarantee premiums	(77)	(195)
Provisions at the end of the period	49 807	47 295
Fair value component - guarantee premiums	3 661	3 564
Company's share of provisions	275	1 575
Provisions covered by Portfolio Loss Reserve	6 787	6 727
Provisions covered by Risk Coverage Reserve	39 084	35 429
Increase in provisions		2 047
Impairment losses covered by Risk Coverage Reserve		14 320
Decrease in provisions		(2 412)
Reversal of impairment covered by Risk Coverage Reserve		(10 894)
Reclassification (Disbursed guarantee)		(533)
Compensation for guarantee premium		(735)
Fair value component - guarantee premiums		174
Provisions at the end of the period		49 262
Fair value component - guarantee premiums		3 738
Company's share of provisions		305
Provisions covered by Portfolio Loss Reserve		6 862
Provisions covered by Risk Coverage Reserve		38 357

18 Support programme funding

(1) The Company's information on the risk coverage reserve included in the support programme funding and state aid, which can be used for covering the Company's credit risk losses as at 31 March 2025, in thousands of euros:

Financial Instrument / Programme	Programme funding	Of which, Risk Coverage Reserve	Of which, committed liability for reserved capital rebate	Programme funding fair Value Correction	Provisions covered by Risk Coverage Reserve	Net programme funding
Loans						
ERDF II	3 095	-	-	-	-	3 095
ESF II	897	-	-	-	-	897
Microcredits of Swiss programme	331	-	-	-	-	331
ERDF I	33	-	-	-	-	33
ESF I	154	-	-	-	-	154
ERDF II (second round)	1 202	5	-	-	-	1 202
Fund of Funds programme – Start-up loans	2 636	386	-	(38)	(36)	2 562
Fund of Funds programme – Microcredits	292	2	-	(1)	-	291
Fund of Funds programme – Parallel loans	4 012	389	-	(259)	(109)	3 644
Energy Efficiency Loans for Multi-apartment Buildings (I)	17 351	14 260	-	(327)	(170)	16 854
Start-up State Aid Cumulation Lending Programme	1 886	1 886	-	(615)	(217)	1 054
Other loans to start-ups	320	-	-	-	-	320
Mezzanine Programme – Loans	3 651	3 578	-	-	(555)	3 096
Guarantees and interest grants programme	4 287	4 287	-	(1 201)	-	3 086
SME energy efficiency loans	3 723	3 723	-	(74)	(972)	2 677
SME growth loans	3 000	3 000	-	(346)	(399)	2 255
ERAF SME growth loans	21 413	1 285	-	-	(933)	20 480
ERAF loans for business sustainability	23 929	5 205	-	-	(976)	22 953
Parallel loans	2 000	2 000	-	(159)	(115)	1 726
Parallel loans 2	3 595	1 330	-	-	(499)	3 096
Loans for enterprises in rural territories	9 298	9 298	-	(270)	(144)	8 884
Start-up loans to innovative entrepreneurs	7 846	1 569	-	-	(243)	7 603
Multi-apartment building improvement loans	4 500	4 500	-	(44)	(89)	4 367
Energy Efficiency Loans for Multi-apartment Buildings (II)	9 206	552	-	-	(49)	9 157
Cultural industry support programme ²	245	-	-	-	-	245
ELFLA Agricultural and rural development loans	18 566	4 456	-	-	(175)	18 391
Working capital loans to Agriculture	12 535	10 542	-	(239)	(1 370)	10 926
Co-funding loans for the construction of affordable housing	6 020	779	-	-	(277)	5 743
RRF energy efficiency loans ¹	30 165	3 877	-	-	-	30 165
RRF digitization loans ¹	28 983	5 508	-	-	-	28 983
RRF Energy Efficiency Loans for Multi-apartment Buildings ¹	9 561	754	-	-	-	9 561
RRF housing construction loans ¹	38 820	4 618	-	-	-	38 820
Investment Loans with capital rebate ¹	152 469	12 191	-	(88)	-	152 381
Investment Loans with capital rebate – co-funding loans	33 511	2 334	-	-	-	33 511
Loans for sustainability	3 000	3 000	-	(222)	(57)	2 721
Loans for biomethane projects (2021-2027)	6 440	2 044	-	-	-	6 440
PF1 Start-up and Micro ERDF loans	13 773	1 708	-	-	(507)	13 266
PF1 Productivity growth loans	9 936	1 476	-	-	(147)	9 789
PF1 Business sustainability loans	16 777	2 491	-	-	(111)	16 666
PF1 Innovation loans	8 474	1 258	-	-	-	8 474
Total loans	517 932	114 291	-	(3 883)	(8 150)	505 899

18 Support programme funding (cont'd)

(1) The Company's information on the risk coverage reserve included in the support programme funding and state aid, which can be used for covering the Company's credit risk losses as at 31 March 2025, in thousands of euros (cont'd):

Financial Instrument / Programme	Programme funding	Of which, Risk Coverage Reserve	Of which, committed liability for reserved capital rebate	Programme funding fair Value Correction	Provisions covered by Risk Coverage Reserve	Net programme funding
Guarantees						
Fund of Funds programme – Guarantees	46 162	46 162	-	-	(6 982)	39 180
Energy Efficiency Guarantees for Multi-apartment Buildings	12 179	12 179	-	-	(1 218)	10 961
Housing Guarantee Programme	29 672	29 672	-	(2 545)	(18 417)	8 710
Housing Guarantee Programme for NAF soldiers	1 061	1 061	-	(571)	(486)	4
Guarantee Programme for Clients of State Aid Accumulation, Grace Period and Large Economic Operators	8 753	8 753	-	(1 424)	(1 502)	5 827
Mezzanine Programme – Guarantees	1 142	1 119	-	-	(217)	925
Portfolio Guarantee Fund	9 394	8 138	-	(1 252)	(3 103)	5 039
Export credit guarantees	5 199	5 199	-	(1 305)	(371)	3 523
Study and student portfolio guarantees ³	914	-	-	-	-	914
Agricultural Guarantees	1 388	1 388	-	(495)	(819)	74
ELFLA Agricultural and rural development guarantees	987	987	-	-	(201)	786
RRM energy car guarantees	1 507	129	373	-	(13)	1 494
RRM Energy efficiency guarantees for multi-apartment buildings ¹	15 137	489	14 649	-	(489)	14 648
PF1 Individual guarantees for digitalisation and automation	1 469	664	-	-	(11)	1 458
PF1 Guarantees for full-cycle business	13 982	6 321	-	-	(5 883)	8 099
PF1 Portfolio guarantees for full-cycle business	2 858	1 292	-	-	(103)	2 755
Total guarantees	151 804	123 553	15 022	(7 592)	(39 815)	104 397
Grants						
Energy Efficiency Grants for Multi-apartment Buildings	6	-	-	-	-	6
Housing grant programme "Balsts"	3 890	-	-	-	-	3 890
Grants for energy efficiency improvement of family buildings	813	-	-	-	-	813
Social Entrepreneurship Programme II	1 086	-	-	-	-	1 086
Energy efficiency project grant	839	-	-	-	-	839
Grants for improving energy efficiency of family buildings	543	-	-	-	-	543
PF1 Multi-apartment buildings grants with consecutive grant payments	230	-	-	-	-	230
Total grants	7 407	-	-	-	-	7 407
Venture Capital Funds						
Fund of Funds and venture capital funds	36 436	35 305	-	-	-	36 436
Investment Fund Activity	7 057	6 352	-	-	-	7 057
Baltic Innovation Fund	2 000	600	-	(182)	-	1 818
Baltic Innovation Fund II	2 531	759	-	(148)	-	2 383
PF1 Contingent equity investments (5G)	13 405	5 149	-	-	-	13 405
Total venture capital funds	61 429	48 165	-	(330)	-	61 099
Other Activities						
Energy Efficiency Fund	6	-	-	-	-	6
Total other activities	6	-	-	-	-	6
2021-2027 Participation fund No 1	18 539	-	-	-	-	18 539
2021-2027 Participation fund No 2	80 763	-	-	-	-	80 763
Total support programme funding	837 880 ⁴	286 009	15 022	(11 805)	(47 965)	778 110

¹ Combined financial instrument.

² Risk coverage (Portfolio Loss Reserve) of EUR 810 thousand has been included in the reserve for mitigation of the consequences of Covid-19, which is part of the specific reserves attributable to support programs.

³ Risk coverage (Portfolio Loss Reserve) of EUR 8,414 thousand has been included in the reserve, which is part of the specific reserves attributable to support programs (see Note 19 (2))

⁴ Support programme funding contains EUR 33,695 thousand allocated for management costs of the Company to be compensated from support programme funding.

18 Support programme funding (cont'd)

(1) The Company's information on the risk coverage reserve included in the support programme funding and state aid, which can be used for covering the Company's credit risk losses as at 31 December 2024, in thousands of euros:

Financial Instrument / Programme	Programme funding	Of which, Risk Coverage Reserve	Of which, committed liability for reserved capital rebate	Programme funding fair Value Correction	Provisions covered by Risk Coverage Reserve	Net programme funding
Loans						
ERDF II	6 275	-	-	-	-	6 275
ESF II	897	-	-	-	-	897
Microcredits of Swiss programme	335	-	-	-	-	335
ERDF I	33	-	-	-	-	33
ESF I	154	-	-	-	-	154
ERDF II (second round)	1 199	5	-	-	-	1 199
ERDF II 2 Public fund	226	-	-	-	-	226
Fund of Funds programme – Start-up loans	2 635	411	-	(38)	(37)	2 560
Fund of Funds programme – Microcredits	292	3	-	(1)	-	291
Fund of Funds programme – Parallel loans	4 012	1 877	-	(259)	(431)	3 322
Energy Efficiency Loans for Multi-apartment Buildings (I)	17 351	15 842	-	(327)	(178)	16 846
Start-up State Aid Cumulation Lending Programme	1 886	1 886	-	(615)	(230)	1 041
Other loans to start-ups	320	2	-	-	-	320
Mezzanine Programme – Loans	3 609	3 536	-	-	(621)	2 988
Guarantees and interest grants programme	4 287	4 287	-	(1 201)	-	3 086
SME energy efficiency loans	3 723	3 723	-	(74)	(1 005)	2 644
SME growth loans	3 000	3 000	-	(346)	(349)	2 305
ERAF SME growth loans	23 045	1 383	-	-	(995)	22 050
ERAF loans for business sustainability	23 732	5 162	-	-	(963)	22 769
Parallel loans	2 000	2 000	-	(159)	(117)	1 724
Parallel loans 2	3 548	1 313	-	-	(513)	3 035
Loans for enterprises in rural territories	9 298	9 298	-	(270)	(146)	8 882
Start-up loans to innovative entrepreneurs	7 781	1 556	-	-	(224)	7 557
Multi-apartment building improvement loans	4 500	4 500	-	(44)	(73)	4 383
Energy Efficiency Loans for Multi-apartment Buildings (II)	9 125	510	-	-	(47)	9 078
Cultural industry support programme ²	245	-	-	-	-	245
ELFLA Agricultural and rural development loans	18 432	4 424	-	-	(154)	18 278
Working capital loans to Agriculture	12 535	11 051	-	(239)	(682)	11 614
Co-funding loans for the construction of affordable housing	2 611	338	-	-	(278)	2 333
RRF energy efficiency loans ¹	32 257	5 257	-	-	-	32 257
RRF digitization loans ¹	31 817	6 123	-	-	-	31 817
RRF Energy Efficiency Loans for Multi-apartment Buildings ¹	17 611	1 148	-	-	-	17 611
RRF housing construction loans ¹	40 022	4 615	-	-	-	40 022
Investment Loans with capital rebate ¹	129 455	10 667	-	(88)	-	129 367
Investment Loans with capital rebate – co-funding loans	33 511	2 334	-	-	-	33 511
Loans for sustainability	1 000	1 000	-	(222)	(42)	736
PF1 Start-up and Micro ERDF loans	9 299	1 128	-	-	(330)	8 969
PF1 Productivity growth loans	14 200	2 080	-	-	(103)	14 097
PF1 Business sustainability loans	8 725	1 288	-	-	(122)	8 603
PF1 Innovation loans	8 474	1 258	-	-	-	8 474
Total loans	493 457	113 005	-	(3 883)	(7 640)	481 934

18 Support programme funding (cont'd)

(1) The Company's information on the risk coverage reserve included in the support programme funding and state aid, which can be used for covering the Company's credit risk losses as at 31 December 2024, in thousands of euros (cont'd):

Financial Instrument / Programme	Programme funding	Of which, Risk Coverage Reserve	Of which, committed liability for reserved capital rebate	Programme funding fair Value Correction	Provisions covered by Risk Coverage Reserve	Net programme funding
Guarantees						
Fund of Funds programme – Guarantees	45 870	45 870	-	-	(7 610)	38 260
Energy Efficiency Guarantees for Multi-apartment Buildings	12 083	10 492	-	-	(1 289)	10 794
Housing Guarantee Programme	29 672	29 672	-	(2 545)	(18 360)	8 767
Housing Guarantee Programme for NAF soldiers	1 061	1 061	-	(571)	(490)	-
Guarantee Programme for Clients of State Aid Accumulation, Grace Period and Large Economic Operators	8 753	8 753	-	(1 424)	(1 471)	5 858
Mezzanine Programme – Guarantees	1 158	1 135	-	-	(186)	972
Portfolio Guarantee Fund	9 394	8 594	-	(1 252)	(3 408)	4 734
Export credit guarantees	5 199	5 199	-	(1 305)	(391)	3 503
Study and student portfolio guarantees ³	794	-	-	-	-	794
Agricultural Guarantees	1 388	1 388	-	(495)	(893)	-
ELFLA Agricultural and rural development guarantees	984	984	-	-	(228)	756
RRM energy car guarantees	1 504	128	319	-	(14)	1 490
RRM Energy efficiency guarantees for multi-apartment buildings ¹	11 092	555	9 898	-	(297)	10 795
PF1 Individual guarantees for digitalisation and automation	1 460	649	-	-	(11)	1 449
PF1 Guarantees for full-cycle business	11 374	5 065	-	-	(4 297)	7 077
PF1 Portfolio guarantees for full-cycle business	2 838	1 262	-	-	-	2 838
Total guarantees	144 624	120 807	10 217	(7 592)	(38 945)	98 087
Grants						
Energy Efficiency Grants for Multi-apartment Buildings	6	-	-	-	-	6
Housing grant programme "Balsts"	4 704	-	-	-	-	4 704
Grants for energy efficiency improvement of family buildings	809	-	-	-	-	809
Social Entrepreneurship Programme II	586	-	-	-	-	586
Energy efficiency project grant	846	-	-	-	-	846
Grants for improving energy efficiency of family buildings	543	-	-	-	-	543
PF1 Multi-apartment buildings grants with consecutive grant payments	294	-	-	-	-	294
Total grants	7 788	-	-	-	-	7 788
Venture Capital Funds						
Fund of Funds and venture capital funds	36 251	18 011	-	-	-	36 251
Investment Fund Activity	7 036	6 333	-	-	-	7 036
Baltic Innovation Fund	1 956	587	-	(182)	-	1 774
Baltic Innovation Fund II	2 531	759	-	(148)	-	2 383
PF1 Contingent equity investments (5G)	25 656	9 819	-	-	-	25 656
Total venture capital funds	73 430	35 509	-	(330)	-	73 100
Other Activities						
Energy Efficiency Fund	6	-	-	-	-	6
Total other activities	6	-	-	-	-	6
2021-2027 Participation fund No 1	3 341	-	-	-	-	3 341
Total support programme funding	722 646	269 321	10 217	(11 805)	(46 585)	664 256

¹ Combined financial instrument.

² Risk coverage (Portfolio Loss Reserve) of EUR 810 thousand has been included in the reserve for mitigation of the consequences of Covid-19, which is part of the specific reserves attributable to support programs.

³ Risk coverage (Portfolio Loss Reserve) of EUR 5,610 thousand has been included in the reserve, which is part of the specific reserves attributable to support programs (see Note 19 (2))

18 Support programme funding (cont'd)

Based on the concluded programme implementation contracts, the funding received could be reduced by the outstanding principal amount of the loans classified as lost, non-repaid loan principal amount and / or disbursements of guarantee compensations. The Company need not have to repay the reductions of funding to the funding provider.

(2) Movement in the Company's support programme funding in 3 months of 2025, in thousands of euros:

Financial Instrument / Programme	Financing, net	Financing received	Reallocated funding between programmes	Compensated grants/ capital rebate	Compensated income and expense	Change in FV of Venture capital / Capital rebate	Programmes' income/ profit distribution	Other changes	Changes in provisions covered by Risk Coverage Reserve	Financing, net
	31.12.2024.									31.03.2025.
Loans										
ERDF II	6 275	-	(3 180)	-	-	-	-	-	-	3 095
ESF II	897	-	-	-	-	-	-	-	-	897
Microcredits of Swiss programme	335	-	(4)	-	-	-	-	-	-	331
ERDF I	33	-	-	-	-	-	-	-	-	33
ESF I	154	-	-	-	-	-	-	-	-	154
ERDF II (second round)	1 199	-	-	-	-	-	3	-	-	1 202
ERDF II 2 Public fund	226	-	(226)	-	-	-	-	-	-	-
Fund of Funds programme – Start-up loans	2 560	-	-	-	-	-	-	1	1	2 562
Fund of Funds programme – Microcredits	291	-	-	-	-	-	-	-	-	291
Fund of Funds programme – Parallel loans	3 322	-	-	-	-	-	-	-	322	3 644
Energy Efficiency Loans for Multi-apartment Buildings (I)	16 846	-	-	-	-	-	-	-	8	16 854
Start-up State Aid Cumulation Lending Programme	1 041	-	-	-	-	-	-	-	13	1 054
Other loans to start-ups	320	-	-	-	-	-	-	-	-	320
Mezzanine Programme – Loans	2 988	-	20	-	-	-	22	-	66	3 096
Guarantees and interest grants programme	3 086	-	-	-	-	-	-	-	-	3 086
SME energy efficiency loans	2 644	-	-	-	-	-	-	-	33	2 677
SME growth loans	2 305	-	-	-	-	-	-	-	(50)	2 255
ERDF SME growth loans	22 050	-	(2 000)	-	-	-	368	-	62	20 480
ERDF loans for business sustainability	22 769	-	-	-	-	-	197	-	(13)	22 953
Parallel loans	1 724	-	-	-	-	-	-	-	2	1 726
Parallel loans 2	3 035	-	-	-	-	-	47	-	14	3 096
Loans for enterprises in rural territories	8 882	-	-	-	-	-	-	-	2	8 884
Start-up loans to innovative entrepreneurs	7 557	-	-	-	-	-	65	-	(19)	7 603
Multi-apartment building improvement loans	4 383	-	-	-	-	-	-	-	(16)	4 367
Energy Efficiency Loans for Multi-apartment Buildings (II)	9 078	-	-	-	-	-	81	-	(2)	9 157

18 Support programme funding (cont'd)

(2) Movement in the Company's support programme funding in 3 months of 2025, in thousands of euros: (cont'd)

Financial Instrument / Programme	Financing, net	Financing received	Reallocated funding between programmes	Compensated grants/capital rebate	Compensated income and expense	Change in FV of Venture capital / Capital rebate	Programmes' income/profit distribution	Other changes	Changes in provisions covered by Risk Coverage Reserve	Financing, net
	31.12.2024.									31.03.2025.
Cultural industry support programme ¹	245	-	-	-	-	-	-	-	-	245
ELFLA Agricultural and rural development loans	18 278	-	-	-	-	-	134	-	(21)	18 391
Working capital loans to agriculture	11 614	-	-	-	-	-	-	-	(688)	10 926
Co-funding loans for the construction of affordable housing	2 333	-	3 406	-	-	-	3	-	1	5 743
RRF energy efficiency loans ¹	32 257	-	-	(3 772)	-	1 563	117	-	-	30 165
RRF digitization loans ¹	31 817	-	-	(2 043)	-	(942)	151	-	-	28 983
RRF Energy Efficiency Loans for Multi-apartment Buildings ¹	17 611	-	(6 000)	(1 118)	-	(1 043)	111	-	-	9 561
RRF housing construction loans ¹	40 022	-	-	-	-	(1 224)	22	-	-	38 820
Investment Loans with capital rebate	129 367	30 000	-	-	-	(6 986)	-	-	-	152 381
Investment Loans with capital rebate – co-funding loans	33 511	-	-	-	-	-	-	-	-	33 511
Loans for sustainability	736	-	2 000	-	-	-	-	-	(15)	2 721
Loans for biomethane projects (2021-2027)	-	6 440	-	-	-	-	-	-	-	6 440
PF1 Start-up and Micro ERDF loans	8 969	-	4 342	-	-	-	132	-	(177)	13 266
PF1 Productivity growth loans	14 097	-	(4 340)	-	-	-	76	-	(44)	9 789
PF1 Business sustainability loans	8 603	-	7 990	-	-	-	62	-	11	16 666
PF1 Innovation loans	8 474	-	-	-	-	-	-	-	-	8 474
Advance payment 2021-2027 in the Participation Fund No 1 loan segment	245	-	-	-	-	-	-	-	-	245
Total loans	481 934	36 440	2 008	(6 933)⁶	-	(8 632)⁵	1 591	1	(510)	505 899

18 Support programme funding (cont'd)

(2) Movement in the Company's support programme funding in 3 months of 2025, in thousands of euros: (cont'd)

Financial Instrument / Programme	Financing, net	Financing received	Reallocated funding between programmes	Compensated grants/capital rebate	Compensated income and expense	Change in FV of Venture capital / Capital rebate	Programmes' income/profit distribution	Other changes	Changes in provisions covered by Risk Coverage Reserve	Financing, net
	31.12.2024.									31.03.2025.
Guarantees										
Fund of Funds programme - Guarantees	38 260	-	-	-	-	-	292	-	628	39 180
Energy Efficiency Guarantees for Multi-apartment Buildings	10 794	-	-	-	-	-	96	-	71	10 961
Housing Guarantee Programme	8 767	-	-	-	-	-	-	-	(57)	8 710
Housing Guarantee Programme for NAF soldiers	-	-	-	-	-	-	-	-	4	4
Guarantee Programme for Clients of State Aid Accumulation, Grace Period and Large Economic Operators	5 858	-	-	-	-	-	-	-	(31)	5 827
Mezzanine Programme - Guarantees	972	-	(20)	-	-	-	4	-	(31)	925
Portfolio Guarantee Fund	4 734	-	-	-	-	-	-	-	305	5 039
Export credit guarantees	3 503	-	-	-	-	-	-	-	20	3 523
Study and student portfolio guarantees	794	120	-	-	-	-	-	-	-	914
Agricultural Guarantees	-	-	-	-	-	-	-	-	74	74
ELFLA Agricultural and rural development guarantees	756	-	-	-	-	-	3	-	27	786
RRM energy car guarantees	1 490	-	-	-	-	-	3	-	1	1 494
RRM Multi-apartment building energy efficiency guarantees	10 795	-	6 000	(1 954)	-	-	-	(1)	(192)	14 648
PF1 Individual guarantees for digitalisation and automation	1 449	-	-	-	-	-	9	-	-	1 458
PF1 Guarantees for full-cycle business	7 077	-	2 510	-	-	-	98	-	(1 586)	8 099
PF1 Portfolio guarantees for full-cycle business	2 838	-	-	-	-	-	20	-	(103)	2 755
Total guarantees	98 087	120	8 490	(1 954)	-	-	525	(1)	(870)	104 397

18 Support programme funding (cont'd)

(2) Movement in the Company's support programme funding in 3 months of 2025, in thousands of euros: (cont'd)

Financial Instrument / Programme	Financing, net	Financing received	Reallocated funding between programmes	Compensated grants/ capital rebate	Compensated income and expense	Change in FV of Venture capital / Capital rebate	Programmes' income/ profit distribution	Other changes	Changes in provisions covered by Risk Coverage Reserve	Financing, net
	31.12.2024.									31.03.2025.
Grants										
Energy Efficiency Grants for Multi-apartment Buildings	6	-	-	-	-	-	-	-	-	6
Housing grant programme "Balsts"	4 704	-	-	(814)	-	-	-	-	-	3 890
Grants for energy efficiency improvement of family buildings ¹	809	-	4	-	-	-	-	-	-	813
Social Entrepreneurship Programme II	586	500	-	-	-	-	-	-	-	1 086
Energy efficiency grants for enterprises 2 RRM	846	-	-	(7)	-	-	-	-	-	839
Grants for improving energy efficiency of family buildings	543	-	-	-	-	-	-	-	-	543
PF1 Multi-apartment Buildings grants with consecutive grant payments	294	-	-	(64)	-	-	-	-	-	230
Total grants	7 788	500	4	(885)	-	-	-	-	-	7 407
Venture Capital Funds										
Fund of Funds and venture capital funds	36 251	-	-	-	(102) ²	-	287 ³	-	-	36 436
Investment Fund Activity	7 036	-	-	-	-	-	21 ⁴	-	-	7 057
Baltic Innovation Fund	1 774	-	-	-	-	44	-	-	-	1 818
Baltic Innovation Fund II	2 383	-	-	-	-	-	-	-	-	2 383
PF1 Contingent equity investments (SG)	25 656	-	(12 400)	-	-	-	149	-	-	13 405
Total venture capital funds	73 100	-	(12 400)	-	(102)	44	457	-	-	61 099
Other Activities										
Energy Efficiency Fund	6	-	-	-	-	-	-	-	-	6
Total other activities	6	-	-	-	-	-	-	-	-	6
2021-2027 Participation fund No 1	3 341	13 300	1 898	-	-	-	-	-	-	18 539
2021-2027 Participation fund No 2	-	80 763	-	-	-	-	-	-	-	80 763
Total support programme funding	664 256	131 123	-	(9 772)	(102)	(8 588)	2 573	-	(1 380)	778 110

¹ Combined financial instrument.

² include EUR 139thousand management fees for the 4th generation venture capital funds.

³ include EUR 287 thousand mezzanine interest received in 3 months of 2025.

⁴ include EUR 21 thousand mezzanine interest received in 3 months of 2025.

⁵ The received public funding to finance the issued loans with capital rebate are measured at fair value. After measurement of the fair value of the said public funding, the difference between the received financing nominal value and its the fair value is classified as grant following IAS 20 requirements, see more in Note 13 *Loans with capital rebate*. The said grant is recognised in profit and loss statement at full amount to cover the loss on change in fair value of respective asset – loan with capital rebate. As a consequence the said grant amounting EUR 8,632 thousand has been recognised as income in the financial statements (see Note 9).

⁶ See Note 13 *Loans with capital rebate*

19 Reserves

(1) Analysis of the Company's reserves movements, in thousands of euros:

	Specific reserves for support programmes	Other specific reserves-difference recognised in reorganisation reserve	General reserve capital	Total reserves
Reserves as of 1 January 2024	125 629	(15 935)	57 265	166 959
Reserves as of 31 March 2024	125 629	(15 935)	57 265	166 959
Increase of reserve capital	7 384	-	-	7 384
Reduction of reserve capital due to increased funding of Support Programmes	(18 288)			(18 288)
Increase of Specific Reserves from General reserve capital at distribution of the profit for year 2023	2 821	-	(2 821)	-
Reduction of Specific Reserves from General reserve capital at distribution of the profit for year 2023	(2 768)	-	2 768	-
2023 profit of the Company	-	-	17 810	17 810
Reserves as of 31 December 2024	114 778	(15 935)	75 022	173 865
Increase of reserve capital	2 805	-	-	2 805
Reserves as of 31 March 2025	117 583	(15 935)	75 022	176 670

19 Reserves (cont'd)

(2) Breakdown of the Company's "Specific reserves for support programmes", in thousands of euros:

	Reserve capital for non-Covid-19 guarantees programmes							Reserve capital for mitigating of impact of Covid-19		Reserve capital for AIF "Altum capital fund"	Total specific reserves for support programmes
	Housing Guarantee Programme	Study and student portfolio guarantees	Guarantees for agriculture, fisheries and rural development	Guarantee Programme for Clients of State Aid Accumulation, Grace Period and Large Economic Operators	Loans for mitigating the consequences of the Ukrainian war	Guarantees for mitigating the consequences of the Ukrainian war	Baltic SME Initial Public Offering Fund	Working capital loans	Loan holiday guarantees		
Specific reserves as of 1 January 2024	21 977	1 402	5 788	4 018	21 500	12 500	13 829	15 551	5 157	23 907	125 629
of which:											
Portfolio Loss Reserve (Specific Reserves)	21 977	1 402	5 788	4 018	21 234	12 500	1 018	15 551	5 157	7 942	96 587
Specific reserves as of 31 March 2024	21 977	1 402	5 788	4 018	21 500	12 500	13 829	15 551	5 157	23 907	125 629
of which:											
Portfolio Loss Reserve (Specific Reserves)	21 977	1 402	5 788	4 018	21 234	12 500	1 018	15 551	5 157	7 942	96 587
Increase of reserve capital	1 774	5 610	-	-	-	-	-	-	-	-	7 384
Reduction of reserve capital due to increased funding of Support Programmes	-	-	(5 788)	-	-	-	(12 500)	-	-	-	(18 288)
Increase of Specific Reserves from General reserve capital at distribution of the profit for year 2023	-	-	-	-	-	-	-	717	2 030	73	2 820
Reduction of Specific Reserves from General reserve capital at distribution of the profit for year 2023	-	(1 402)	-	(718)	(647)	-	-	-	-	-	(2 767)
Specific reserves as of 31 December 2024	23 751	5 610	-	3 300	20 853	-	13 829	16 268	7 187	23 980	114 778
of which:											
Portfolio Loss Reserve (Specific Reserves)	23 751	5 610	-	3 300	20 587	-	1 018	16 268	7 187	8 015	85 736
Increase of reserve capital	-	2 805	-	-	-	-	-	-	-	-	2 805
Specific reserves as of 31 March 2025	23 751	8 415	-	3 300	20 853	-	13 829	16 268	7 187	23 980	117 583
of which:											
Portfolio Loss Reserve (Specific Reserves)	23 751	8 415	-	3 300	20 587	-	1 018	16 268	7 187	8 015	88 541

19 Reserves (cont'd)

(2) Breakdown of the Company's "Specific reserves for support programmes", in thousands of euros (cont'd):

The item Reserve capital for non-Covid-19 programs includes an increase in the special reserve capital in 2024 for Portfolio Guarantees for Studies and Students for the total amount of EUR 2,805 thousand in accordance with the decision of the Extraordinary Shareholders' Meeting of 20 March 2025, which has been taken on the basis of the Cabinet Regulation No.231 of 21 April 2020 Regulations regarding Loans for Studies and Students for Studying in Latvia from the Resources of Credit Institutions Guaranteed by the State Budget's Resources, and the Agreement of 10 August 2020 (with amendments of 14 December 2023) concluded with the Ministry of Education and Science regarding funding, implementation, co-operation, monitoring and information exchange of the Guarantee Program for Studies and Student Loans.

The funding included in the Specific Reserves will be used to cover the expected credit losses of the programs at full extent as well as such are disclosed separately as Portfolio Loss Reserve within respective reserve capital.

19 Reserves (cont'd)

(3) Analysis of portfolio loss reserve movements, in thousands of euros:

	Portfolio loss reserve for non-Covid-19 guarantees programmes							Portfolio loss reserve for mitigating of impact of Covid-19		Reserve capital for AIF "Altum capital fund"	Total portfolio loss reserve
	Housing Guarantee Programme	Study and student portfolio guarantees	Guarantees for agriculture, fisheries and rural development	Guarantee Programme for Clients of State Aid Accumulation, Grace Period and Large Economic Operators	Loans for mitigating the consequences of the Ukrainian war	Guarantees for mitigating the consequences of the Ukrainian war	Baltic SME Initial Public Offering Fund	Working capital loans	Loan holiday guarantees		
Portfolio Loss Reserve as of 1 January 2024	21 977	1 402	5 788	4 018	21 234	12 500	1 018	15 551	5 157	7 942	96 587
of which:											
Portfolio Loss Reserve (Specific Reserves) to be used to cover credit loss upon approval of the 2023 annual report	-	(1 402)	-	(718)	(647)	-	-	717	2 030	73	53
Portfolio Loss Reserve as of 1 January 2024	21 977	1 402	5 788	4 018	21 234	12 500	1 018	15 551	5 157	7 942	96 587
of which:											
Portfolio Loss Reserve (Specific Reserves) to be used to cover credit loss upon approval of the 2023 annual report	-	(1 402)	-	(718)	(647)	-	-	717	2 030	73	53
Portfolio Loss Reserve (Specific Reserves) to be used to cover credit loss upon approval of the 2024 annual report	-	129	-	(38)	25	-	-	289	239	(28)	616
Increase of specific reserves	1 774	5 610	-	-	-	-	-	-	-	-	7 384
Reduction of reserve capital due to increased funding of Support Programmes	-	-	(5 788)	-	-	(12 500)	-	-	-	-	(18 288)
Increase of Specific Reserves from General reserve capital at distribution of the profit for year 2023	9	-	-	-	-	-	-	717	2 030	73	2 820
Reduction of Specific Reserves from General reserve capital at distribution of the profit for year 2023	-	(1 402)	-	(718)	(647)	-	-	-	-	-	(2 767)
Portfolio Loss Reserve as of 31 December 2024	23 751	5 610	-	3 300	20 587	-	1 018	16 268	7 187	8 015	85 736
of which:											
Portfolio Loss Reserve (Specific Reserves) to be used to cover credit loss upon approval of the 2024 annual report	-	(1 558)	-	75	63	-	-	1 305	1 675	(179)	1 381
Increase of specific reserves	-	2 805	-	-	-	-	-	-	-	-	2 805
Portfolio Loss Reserve as of 31 March 2025	23 751	8 415	-	3 300	20 587	-	1 018	16 268	7 187	8 015	88 541
of which:											
Portfolio Loss Reserve (Specific Reserves) to be used to cover credit loss upon approval of the 2024 annual report	-	(1 558)	-	75	63	-	-	1 305	1 675	(179)	1 381
Portfolio Loss Reserve (Specific Reserves) to be used to cover credit loss upon approval of the 2025 annual report	(42)	31	-	41	(39)	-	-	361	29	(35)	346

20 Off-balance sheet items and contingent liabilities

All amounts in thousands of euros

	31.03.2025.	31.12.2024.
Contingent liabilities:		
Outstanding guarantees	548 176	523 538
Financial commitments:		
Loan commitments	172 693	170 045
Commitments to AIF "Altum capital fund" ¹	29 072	29 096
Commitments to investments in associates	35 878	19 027
Commitments to other investments	19 482	20 532
Grant commitments	3 314	1 992
Total contingent liabilities and financial commitments	808 615	764 230

¹ Considering the investments made by AIF Altum capital fund as of 31 March 2025 (EUR 19.8 million), as well as scheduled contributions to cover management fee EUR 0.2 million, the position "Commitments to AIF Altum capital fund" could decrease by EUR 28.8 million.

Impairment allowances for loan commitments, in thousands of euros:

	31.03.2025.	31.12.2024.
Unutilised loan facilities	172 693	170 045
Impairment allowances	(487)	(554)
Total unutilized loan facilities, net	172 206	169 491

Impairment allowances for grant commitments, in thousands of euros:

	31.03.2025.	31.12.2024.
Grant commitments	3 314	1 992
Impairment allowances	(55)	(55)
Total grant commitments, net	3 259	1 937

Analysis of the guarantee portfolio by client segments as at 31 March 2025, in thousands of euros:

	Stage 1		Stage 2		Stage 3		Total outstanding guarantees	Total impairment allowance
	Outstanding guarantees	Impairment allowance	Outstanding guarantees	Impairment allowance	Outstanding guarantees	Impairment allowance		
Agriculture	10 009	(840)	2 012	(180)	-	-	12 021	(1 020)
SME and Midcaps	176 088	(14 001)	16 619	(2 398)	4 398	(1 573)	197 105	(17 972)
Private individuals	335 950	(26 164)	2 364	(294)	736	(696)	339 050	(27 154)
Total segments, gross	522 047	(41 005)	20 995	(2 872)	5 134	(2 269)	548 176	(46 146)
Impairment overlay for interest rate decrease	-	-	-	-	-	-	-	-
Total segments, net	522 047	(41 005)	20 995	(2 872)	5 134	(2 269)	548 176	(46 146)

20 Off-balance sheet items and contingent liabilities (cont'd)

Breakdown of off-balance sheet assets and contingent liabilities by remaining contractual maturities as at 31 March 2025, in thousands of euros:

	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years and w/o maturity	Total
Contingent liabilities							
Outstanding guarantees	327 279 ¹	385	926	2 929	61 008	155 649	548 176
Financial commitments							
Loan commitments	172 693	-	-	-	-	-	172 693
Commitments to AIF "Altum capital fund" ²	8	17	25	50	28 972	-	29 072
Commitments to investments in associates	1 364	642	1 762	1 385	27 936	2 789	35 878
Commitments to other investments	389	678	1 017	2 034	8 572	6 792	19 482
Total financial commitments	174 454	1 337	2 804	3 469	65 480	9 581	257 125
Grant commitments	3 314	-	-	-	-	-	3 314
Total contingent liabilities and financial commitments	505 047	1 722	3 730	6 398	126 488	165 230	808 615

¹ Outstanding financial guarantees are presented "Up to 1 month" as these guarantees can be claimed on demand and the Company has to make a decision on payment of guarantee claim within one month.

² Considering the investments made by AIF Altum capital fund as of 31 December 2024 (EUR 19.8 million) as well as scheduled contributions to cover management fee EUR 0.2 million, the position "Commitments to AIF Altum capital fund" could decrease by EUR 28.8 million.

Breakdown of off-balance sheet assets and contingent liabilities by remaining contractual maturities as at 31 December 2024, in thousands of euro:

	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years and w/o maturity	Total
Contingent liabilities							
Outstanding guarantees	316 338 ¹	-	305	1 991	55 040	149 864	523 538
Financial commitments							
Loan commitments	170 045	-	-	-	-	-	170 045
Commitments to AIF "Altum capital fund" ²	8	17	25	50	28 996	-	29 096
Commitments to investments in associates ³	231	197	295	2 347	15 957	-	19 027
Commitments to other investments	289	578	867	1 734	9 972	7 092	20 532
Total financial commitments	170 573	792	1 187	4 131	54 925	7 092	238 700
Grant commitments	1 992	-	-	-	-	-	1 992
Total contingent liabilities and financial commitments	488 903	792	1 492	6 122	109 965	156 956	764 230

¹ Outstanding financial guarantees are presented "Up to 1 month" as these guarantees can be claimed on demand and the Company has to make a decision on payment of guarantee claim within one month.

² Considering the investments made by AIF Altum capital fund as of 31 December 2024 EUR 19.8 million, as well as scheduled contributions to cover management fee EUR 0.3 million, the position "Commitments to AIF Altum capital fund" could decrease by EUR 28.8 million.

³ Considering the investments are realized in the 2nd and 3rd generation venture capital funds and the subsequent liquidation of the funds, the position "Commitments to investments in associates" could decrease by EUR 0.9 million.

Subitem *Commitments to AIF "Altum capital fund"* are contingent liabilities based on a limited partnership agreement between the Company as a general partner and the members of the AIF "Altum capital fund" as limited partners which put an obligation on the Company to allocate financial resources to the fund.

21 Related party transactions

Related parties include members of the Supervisory Council and the Management Board of the Company, their close family members, as well as companies under their control.

In accordance with [International Accounting Standard \(IAS\) 24](#) "Related Party Disclosures", the key management personnel, directly or indirectly authorised and responsible for planning, management and control of the Company's operations are treated as related parties to the Company. The powers granted to the heads of the structural units of the Company do not entitle them to manage the operations of the Company and decide on material transactions that could affect the Company's operations and/or result in legal consequences.

The Company has entered into a number of transactions with other public authorities. The most significant were obtaining financing from the Investment and Development Agency of Latvia, Ministry of Finance, Ministry of Economics, Ministry of Agriculture, Rural Support Service and Central Finance and Contracting Agency, which co-finance the development programmes of the Company.

Balances from transactions with related parties, including off-balance sheet financial liabilities, in thousands of euros:

	Transactions with shareholders		Associates		Other companies owned by the shareholders	
	31.03.2025.	31.12.2024.	31.03.2025.	31.12.2024.	31.03.2025.	31.12.2024.
Investments in venture capital funds	-	-	54 752	55 835	-	-
Investments in AIF "Altum capital fund"	-	-	16 769	16 392	-	-
Due to general governments	-	-	-	-	3 850	1 978
Support programme funding	556 041	543 225	-	-	221 229	126 422
Off-balance sheet financial liabilities for venture capital funds	-	-	35 878	19 227	-	-
Off-balance sheet financial liabilities for AIF "Altum capital fund"	-	-	29 072	29 096	-	-

Transactions with related parties, in thousands of euros:

	Received State aid funding		Issued State aid funding or funding paid back	
	01.01.2025.- 31.03.2025.	01.01.2024.- 31.03.2024.	01.01.2025.- 31.03.2025.	01.01.2024.- 31.03.2024.
Transactions with shareholders				
Ministry of Finance of the Republic of Latvia	11 116	8 712	5 938	(4 828)
Ministry of Agriculture of the Republic of Latvia	-	-	-	-
Ministry of Economics of the Republic of Latvia	30 000	-	-	-
Associates				
Venture capital funds	1 794	1 555	(2 487)	(1 547)
Other companies owned by the shareholders				
Central Finance and Contracting Agency of the Republic of Latvia	100 503	19 048	-	-
Ministry of Education and Science of the Republic of Latvia	2 925	2 925	-	-
Ministry of Wealth Fair of the Republic of Latvia	532	-	-	-

The remuneration of the members of the Supervisory Council, Audit Committee and the Management Board of the Company in the 3 months of 2025 amounted to EUR 194 thousand (3 months of 2024: EUR 169 thousand), including social insurance tax.

	01.01.2025.- 31.03.2025.	01.01.2024.- 31.03.2024.
Remuneration to the Supervisory Council and the Management Board	157	137
to the Supervisory Council	23	23
to the Management Board	123	103
to the Audit Committee	11	11
Social insurance tax	37	32
Total	194	169

22 Fair values of assets and liabilities

The fair values of financial assets and financial liabilities and their differences to their carrying amount are presented below, in thousands of euros:

	Total carrying amount		Total fair value incl.		Level 2		Level 3	
	31.03.2025.	31.12.2024.	31.03.2025.	31.12.2024.	31.03.2025.	31.12.2024.	31.03.2025.	31.12.2024.
Assets measured at fair value								
Financial assets at fair value through other comprehensive income - investment securities	159 991	183 572	159 991	183 572	159 991	183 572	-	-
Other investments	71 522	72 227	71 522	72 227	-	-	71 522	72 227
Investments in associates	29 993	29 043	29 993	29 043	-	-	29 993	29 043
Investment properties	102 880	92 976	102 880	92 976	-	-	102 880	92 976
Loans with capital rebate	32 219	24 971	32 219	24 971	-	-	32 219	24 971
Assets with fair values disclosed								
Due from credit institutions and the Treasury	707 630	627 769	707 495	627 168	707 495	627 168	-	-
Financial assets at amortised cost:								
Investment securities	-	-	-	-	-	-	-	-
Loans	419 229	412 249	387 175	377 187	-	-	387 175	377 187
Other financial assets	4 192	2 937	4 192	2 937	-	-	4 192	2 937
Total assets	1 527 656	1 445 744	1 495 467	1 410 081	867 486	810 740	627 981	599 341
Liabilities measured at fair value								
Support programme funding	778 110	664 256	778 110	664 256	-	-	778 110	664 256
Liabilities with fair value disclosed								
Due to credit institutions	40 617	40 366	40 617	40 366	-	-	40 617	40 366
Due to general governments	216 683	207 634	204 621	196 654	-	-	204 621	196 654
Liabilities from financial guarantees	49 807	49 262	49 807	49 262	-	-	49 807	49 262
Financial liabilities at amortised cost - Issued debt securities	20 025	65 491	18 254	63 139	-	-	18 254	63 139
Total liabilities	1 105 242	1 027 009	1 091 409	1 013 677	-	-	1 091 409	1 013 677
Off-balance-sheet commitments for which the fair value is disclosed:								
Outstanding guarantees	548 176	523 538	548 176	523 538	-	-	548 176	523 538
Total off-balance sheet liabilities	548 176	523 538	548 176	523 538	-	-	548 176	523 538

22 Fair values of assets and liabilities (cont'd)

Loans with capital rebate

The fair value of loans with capital rebate is determined separately for (a) for a potential future capital rebate and (b) the component of the loan for which no capital rebate will be applied. The fair value is determined based on a discounted cash flow method using inputs that are primarily unobservable in an active market, which are based on the Company's assumptions and estimates and are regularly reviewed and adjusted based on the most recent information available.

The maximum amount of the capital rebate is determined at the time the loan is granted, but the actual amount of the capital rebate will depend on the performance of the financed project in the post-monitoring phase, taking into account the degree of achievement of the project's stated objectives, so the fair value calculation estimates the expected amount of the capital rebate based on assumptions about the timing and probability of the capital rebate being applied, allowing for the possibility that not all borrowers will achieve the stated project objectives to qualify for the capital rebate. The probability of the capital allowance being applied is determined by assessing the likelihood of each major project financed achieving its stated objectives or by using historical data on the amount of capital rebate applied. The expected amount of the capital rebate is discounted at a risk-free interest rate determined using the yield curve for AAA-rated euro area government bonds published by the European Central Bank.

The fair value measurement of the component of the loan to which the capital rebate will not be applied is based on assumptions about the expected future cash flows of the loan until maturity. The cash flows include the expected repayments of principal, reduced by the expected capital rebate at the date of application of the capital rebate, as well as interest payments and related costs (e.g. applicable administrative costs). To determine the fair value of future cash flows, the cash flows are reduced by the expected loss given default of the borrower's probability of default (PD) and loss given default (LGD) measures and discounted at respective loans interest rate.

22 Fair values of assets and liabilities (cont'd)

Assets

Where possible, the fair value of securities is estimated on the basis of quoted market prices. For determining the fair value of other securities, the Management has applied the discounted cash flow method where the cash flow forecasts are based on assumptions and up-to-date market information available at the time of measurement. The fair value of loans with interest payable at fixed rates by specified dates was determined by applying the discounted cash flow method, whilst in regard to the fair value of loans with their basic interest rate tied to variable market rates, the Company have assumed that the carrying amount of such loans corresponds to their fair value.

Liabilities

The fair value of financial liabilities stated at amortised cost, for example, the fair value of balances due to credit institutions, is estimated using the discounted cash flow method and the interest rates applied to similar products at the end of the year. The fair value of financial liabilities (for example, balances due to credit institutions) repayable on demand or subject to a variable interest rate, approximately corresponds to their carrying amount.

Fair value hierarchy of financial assets and liabilities

The Company classify the fair value measurements based on the fair value hierarchy, reflecting the significance of the input data. The fair value hierarchy of the Company has 3 levels:

- Level 1 includes listed financial instruments for which an active market exists, if in determining their fair value the Company use unadjusted quoted market prices, obtained from a stock-exchange or reliable information systems;
- Level 2 includes balances due from other credit institutions and the Treasury as well as financial instruments traded over the counter (OTC) and financial instruments having no active market or a declining active market whose fair value measurement are based to a significant extent on observable market inputs (e.g., rates applied to similar instruments, benchmark financial instruments, credit risk insurance transactions, etc.);
- Level 3 includes financial instruments whose fair value measurements rely on observable market inputs requiring significant adjustment and have to be supported by unobservable market inputs, and financial instruments whose fair value measurements are based to a significant extent on data that cannot be observed on the active market and assumptions and estimates of the Company that enable a credible measurement of the financial instrument's value.

Investment securities

Investment securities are measured applying quoted prices or valuation techniques using observable or unobservable market inputs or combination of both. The majority of investment securities recognised at fair value are the Latvian treasury bills with a quoted price, but not traded on the active market. The Management has estimated that it is reasonable to presume the fair value of these securities to be equal to their quoted price.

22 Fair values of assets and liabilities (cont'd)

Investments in venture capital funds

The Company have a number of investments in venture capital funds.

Investments in venture capital funds, except for investment in Baltic Innovation Fund, Baltic Innovation Fund 2, the Three Seas Fund, and the Altum Capital Fund, are measured using the equity method at the Company level. Investments in Baltic Innovation Fund, Baltic Innovation Fund 2, the Three Seas Fund, and the Altum Capital Fund are measured at fair value through profit or loss.

Investment properties

The fair value of the Company's investment property is determined based on reports of independent appraisers, who hold a recognised and relevant professional qualification, and who have had recent experience of the valuation of property in similar locations and of similar category. Investment properties are measured at fair value applying one or complex of the following three methods: (a) market approach, (b) income approach and (c) cost approach.

Support programme funding

Support programme funding are liabilities used to ensure the liquidity of the support programme and to cover expected credit losses, as well as to compensate the costs of managing the support programme. Expected credit losses of the support programme throughout the life of the programme are covered by the Risk Coverage Reserve, which is part of the support programme funding. The Company determines the fair value of the support programme funding once a year using the discounted cash flow method. The discounted cash flow method is used to determine the present value of the estimated expected credit losses in the next three years after the end of the reporting period in those support programme in which the Company is a principal and new volumes are issued. The Company uses internal information to estimate the expected credit losses, which are included in the cash flows in an amount that does not exceed the amount of the Risk Coverage Reserve at the end of the reporting period. On the other hand, the discount rate used in the calculations reflects the Company's current financial market borrowing rate at the end of the reporting period. The discount rate is an unobservable input, therefore the Company performed its sensitivity analysis.

23 Events after the reporting date

There are no events outside the normal course of business since the last day of the reporting year, which would have a significant effect on the financial position of the Company.

OTHER NOTES TO Unaudited interim condensed report

Key financial and performance indicators	70 - 73
Definitions of indicators	74 - 75

OTHER NOTES TO THE interim condensed report

KEY FINANCIAL AND PERFORMANCE INDICATORS

Based on data from financial statements for the respective reporting period

	2025 3M	2024 12M	2024 9M
Key financial data			
Net interest income (EUR '000)	5 538	23 026	16 672
Operating profit (EUR '000)	4 701	28 663	26 647
Profit for the period (EUR '000)	4 701	28 663	26 647
Cost to income ratio (CIR)	41.8%	23.32%	20.97%
Employees	255	254	258
Total assets (EUR '000)	1 538 845	1 455 350	1 391 224
Financial debt (EUR '000)	817 391	755 011	707 837
Tangible common equity (TCE) / Tangible managed assets (TMA) ¹	20.8%	21.6%	23.1%
Equity and reserves (EUR '000)	423 275	416 055	424 107
Return on average equity (ROE)	4.5%	7.1%	8.7%
Total risk coverage: (EUR '000)	326 931	309 853	302 980
Risk coverage reserve	286 009	269 321	246 549
Risk coverage reserve used for provisions	(47 965)	(46 585)	(41 311)
Portfolio loss reserve (specific reserve capital)	88 541	85 736	96 462
Portfolio loss reserve used to compensate provisions in the distribution of annual profit	346	1 381	1 280
Liquidity ratio for 180 days ²	401%	342%	248%
Net Cash flows from operating activities (EUR '000)	28 263	135 234	19 199
Net Cash flows from financing activities (EUR '000)	2 805	4 579	2 805
Net Cash flows from investing activities (EUR '000)	83 308	(249 994)	(170 986)
Support instruments gross value (EUR '000), of which	1 291 026	1 234 002 ⁵	1 165 444
Grants	3 974	3 159	3 150
Financial instruments gross value (EUR '000) ³			
Loans (excluding sales and leaseback transactions)	494 749	474 193 ⁴	450 420
Guarantees	548 176	523 538	501 345
Venture capital funds	97 305	97 999	94 054
Latvian Land Fund, of which:	146 822	135 113	116 475
- sales and leaseback transactions	43 942	42 137	39 531
- investment properties	102 880	92 976	76 944
Total	1 287 052	1 230 843⁵	1 162 294
Number of transactions	39 725	38 730	37 740
Volumes issued (EUR '000) (by financial instrument) ³			
Loans (excluding sales and leaseback transactions)	58 215	221 741	154 995
Guarantees	48 908	142 902	102 058
Venture capital funds	1 794	15 745	11 890
Latvian Land Fund, of which:	14 537	40 506	25 272
- sales and leaseback transactions	5 370	19 692	15 546
- investment properties	9 167	20 814	9 726
Total	123 455	420 894	294 215
Number of transactions	1 948	6 710	4 791
Total contribution to economy by volumes issued in the reporting period, including the participation of the final recipients (EUR '000)	978 319 ⁶	978 319	946 008 ⁶
Leverage for raised private funding	120%	129%	233%
Volume of support programmes funding per employee (EUR '000)	5 047	4 625	4 505
Long-term rating assigned by Moody's Ratings	Baa1	Baa1	Baa1

¹ TMA includes the off-balance sheet item, namely, guarantees at net carrying amount.

OTHER NOTES TO THE INTERIM CONDENSED REPORT (cont'd)

KEY FINANCIAL AND PERFORMANCE INDICATORS (cont'd)

² The calculation of liquidity ratio takes into account the previous experience and management estimate of the expected amount and timing of guarantee claims.

³ Taking into account the significance of the volume, Latvian Land Fund portfolio, which consists of leaseback transactions and investment properties, is also presented in the operational volumes for the period. As in compliance with the accounting principles and IFRS the leaseback transactions are accounted for under the loans, the loan volume in this table has been reduced for the volume of the leaseback transactions as it is recorded under Latvian Land Fund portfolio.

⁴ The gross loan portfolio has consistently been presented in accordance with the definition of the gross loan portfolio. The KPI reported as at 31 December 2024 is presented taking into account the impact of fair value change on the future potential capital rebate component - loans with a capital rebate. However, this decrease should not have occurred under the gross loan portfolio definition; subsequently this indicator amounts EUR 474,193 thousand (previously: EUR 418,079 thousand).

⁵ Taking into account reference No.4, the total Financial instruments gross value as at 31 December 2024 should amount to EUR 1,230,843 thousand (previously: EUR 1,174,729 thousand), and the total Support instruments gross value as at 31 December 2024 should amount to EUR 1,234,002 thousand (previously: EUR 1,177,888 thousand).

⁶ Data as at 31 December 2023 / data as at 31 December 2024, considering that the indicator "Total contribution to the national economy, including beneficiary participation, based on issued volumes during the reporting (EUR thousands)" is assessed annually at the end of the reporting year.

OTHER NOTES TO THE INTERIM CONDENSED REPORT (cont'd)

KEY FINANCIAL AND PERFORMANCE INDICATORS (cont'd)

Based on data from audited financial statements for the respective years

	2024	2023	2022	2021	2020	2019
Key financial data						
Net interest income (EUR '000)	23 026	17 765	16 974	16 717	14 572	11 569
Operating profit (EUR '000)	28 663	17 810	11 484	13 829	5 539	8 131
Profit for the period (EUR '000)	28 663	17 810	11 484	13 829	5 539	8 131
Cost to income ratio (CIR)	23.32%	26.34%	38.26%	39.46%	47.51%	52.58%
Employees	254	255	234	226	211	203
Total assets (EUR '000)	1 455 350	1 316 086	1 099 588	976 204	850 704	560 061
Financial debt (EUR '000)	755 011	599 305	458 382	360 909	342 490	217 943
Tangible common equity (TCE) / Tangible managed assets (TMA) ¹	21.6%	23.4%	27.01%	33.82%	33.56%	29.40%
Equity and reserves (EUR '000)	416 055	389 353	395 983	440 736	382 594	232 738
Return on average equity (ROE)	7.1%	4.5%	2.7%	3.4%	1.8%	3.6%
Total risk coverage: (EUR '000)	309 853	281 355 ²	297 218	285 954	180 205	87 456
Risk coverage reserve	269 321	226 793 ²	230 524	159 196	112 567	99 778
Risk coverage reserve used for provisions	(46 585)	(42 078)	(38 039)	(29 496)	(28 197)	(27 829)
Portfolio loss reserve (specific reserve capital)	85 736	96 587	109 979	159 700	102 264	15 507
Portfolio loss reserve used to compensate provisions in the distribution of annual profit	1 381	53	(5 246)	(3 446)	(6 429)	-
Liquidity ratio for 180 days ³	342%	430%	366%	518%	464%	582%
Net Cash flows from operating activities (EUR '000)	135 234	138 724 ⁴	89 534	49 555	21 966	39 813
Net Cash flows from financing activities (EUR '000)	4 579	9 009	3 526	43 768	165 800	18 700
Net Cash flows from investing activities (EUR '000)	(249 994)	(121 467) ⁴	(8 437)	4 553	(4 016)	(11 230)
Support instruments gross value (EUR '000), of which	1 234 002 ⁶	1 101 797	1 064 821	979 130	872 302	667 649
Grants	3 159	68 132	58 280	45 397	31 107	17 186
Financial instruments gross value (EUR '000)						
Loans (excluding sales and leaseback transactions)	474 193 ⁵	359 246	311 844	315 674	302 481	225 144
Guarantees	523 538	480 025	481 013	414 978	359 605	284 232
Venture capital funds	97 999	97 456	90 277	85 973	73 165	68 331
Latvian Land Fund, of which: ⁷	135 113	96 938	80 542	79 163	68 258	39 634
- sales and leaseback transactions	42 137	28 692	27 089	32 999	31 500	15 268
- investment properties	92 976	68 246	53 453	46 164	36 758	24 366
Total	1 230 843 ⁶	1 033 665	963 676	895 788	803 509	617 341
Number of transactions	38 730	35 260	33 976	30 978	26 578	22 437
Volumes issued (EUR '000) (by financial instrument)						
Loans (excluding sales and leaseback transactions)	221 741	141 993	95 820	100 966	138 238	64 320
Guarantees	142 902	99 440	153 067	126 997	137 425	98 240
Venture capital funds	15 745	23 920	18 526	29 158	14 014	9 022
Latvian Land Fund, of which: ⁷	40 506	17 676	7 414	10 595	28 191	16 384
- sales and leaseback transactions	19 692	7 916	3 105	3 254	16 796	7 239
- investment properties	20 814	9 760	4 309	7 341	11 395	9 145
Total	420 894	283 029	274 827	267 716	317 868	187 966
Number of transactions	6 710	4 846	6 539	6 579	6 147	5 559
Total contribution to economy by volumes issued in the reporting period, including the participation of the final recipients (EUR '000)	978 319	946 008	765 577	791 646	696 306	531 661
Leverage for raised private funding	129%	229%	123%	177%	114%	142%
Volume of support programmes funding per employee (EUR '000)	4 625	4 054	4 118	3 964	3 808	3 041
Long-term rating assigned by Moody's Ratings	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1

¹ TMA includes off-balance sheet item outstanding guarantees.

OTHER NOTES TO THE INTERIM CONDENSED REPORT (cont'd)

KEY FINANCIAL AND PERFORMANCE INDICATORS (cont'd)

² As of Q3 2024 Risk Coverage Reserve excludes the public funding for full coverage of potential capital rebate component. Thus 1) restated comparatives for Risk Coverage Reserve as at 31 December 2023 are EUR 226 793 thousand instead of EUR 315 649 thousand and 2) restated comparatives for Total Risk Coverage as at 31 December 2023 are EUR 281 355 thousand instead of EUR 370 211 thousand.

³ Liquidity ratio calculation takes into account the previous experience and management estimate of expected amount and timing of guarantees claims

⁴ As of Q2 2024 Term deposits increase is reclassified within Cash flows from investment activities from Cash flows from operating activities. Thus restated comparatives for Net cash flows from operating activities as at 31 December 2023 should be EUR 138 724 thousand instead of EUR 35 724 thousand and restated comparatives for Net cash flows from investing activities as at 31 December 2023 should be EUR (121 467) thousand instead of EUR (18 467) thousand.

⁵ The gross loan portfolio has consistently been presented in accordance with the definition of the gross loan portfolio. The KPI reported as at 31 December 2024 is presented taking into account the impact of fair value change on the future potential capital rebate component - loans with a capital rebate. However, this decrease should not have occurred under the gross loan portfolio definition; subsequently this indicator amounts EUR 474,193 thousand (previously: EUR 418,079 thousand).

⁶ Taking into account reference No.5, the total Financial instruments gross value as at 31 December 2024 should amount to EUR 1,230,843 thousand (previously: EUR 1,174,729 thousand), and the total Support instruments gross value as at 31 December 2024 should amount to EUR 1,234,002 thousand (previously: EUR 1,177,888 thousand).

⁷ Taking into account the significance of the volume, Latvian Land Fund portfolio, which consists of sales and leaseback transactions and investment properties, is also presented in the operational volumes for the period. As in compliance with the accounting principles and IFRS the sales and leaseback transactions are accounted for under the loans, the loan volume in this table has been reduced for the volume of the sales and leaseback transactions as it is recorded under Latvian Land Fund portfolio.

Definitions of ratios

<i>Net interest income</i>	<p>"Net interest income" is equal to the item "Net interest income" in the Statement of Comprehensive Income. Until 2018 this ratio included the following items of the Statement of Comprehensive Income: "Net interest income" and "Net income from fees and commissions". In 2019 following the industry practise fee and commission income from lending activities is reclassified to "Net interest income" from "Net income from fees and commissions". Subsequently the fee and commission income not related to lending activities is reclassified within "Other income" and as such is not included in this ratio. The item "Net income from fees and commissions" is not applicable in the Statement of Comprehensive Income anymore. The comparatives have been reclassified accordingly. Altum uses this indicator as the key financial metric for profitability by evaluating Altum net income amount generated by the portfolio of financial instruments and recognised in the Statement of Comprehensive income. Altum management measures and monitors the actual performance of this indicator on a quarterly basis compared to the approved level in Altum budget.</p>
<i>Operating profit</i>	<p>"Operating profit" is calculated by deducting "Operating expenses" from "Operating income before operating expenses" included in the Statement of Comprehensive Income. "Operating expenses" is calculated as the sum of "Staff costs", "Administrative expense", "Amortisation of intangible assets and depreciation of property, plant and equipment" and "Allowance for expected credit losses" included in the Statement of Comprehensive Income.</p>
<i>Cost to income ratio (CIR)</i>	<p>"Cost to income ratio" (CIR) is calculated by dividing the amount of "Staff costs", "Administrative expense", "Amortisation of intangible assets and depreciation of property, plant and equipment" by "Operating income before operating expenses" included in the Statement of Comprehensive Income. Altum uses CIR to evaluate the operational efficiency. This is one of the measures of operational efficiency which Altum management assesses on a quarterly basis in the management reports to evaluate the outputs from different operational activities and efficiency improving measures.</p>
<i>Financial debt</i>	<p>"Financial debt" is calculated as the sum of "Due to credit institutions", "Due to general government entities", "Financial liabilities at amortised cost – issued debt securities" and "Support programme funding" included in the Statement of Financial Position less difference between "Risk Coverage Reserve" and "Risk Coverage Reserve Used for Provisions".</p> <p>"Risk Coverage Reserve" is disclosed in the Note on Support Programme Funding to the Financial statements of Altum. "Risk Coverage Reserve Used for Provisions" is the amount of "Risk Coverage Reserve" allocated to and used for allowance for expected credit losses on loan portfolio and guarantees which in its turn is disclosed in the Note on Support Programme Funding to the Financial statements of Altum.</p>
<i>Tangible common equity (TCE) / Tangible managed assets (TMA)</i>	<p>"Tangible Common Equity" (TCE) is calculated by subtracting the revaluation reserve of financial assets measured at fair value through Other Comprehensive Income.</p> <p>The amount of "Total managed assets" (TMA) is calculated by adding the guarantees shown as off-balance sheet items to the total assets of Altum taking into account provisions for these guarantees and subtracting "Deferred expense", "Accrued income", "Property, plant and equipment", "Intangible assets" and "Other assets".</p> <p>Data for the calculation of both indicators (TCE, TMA) are obtained from Altum Financial statements: Statement of Financial Position and Statement of Changes in Equity, notes - Off balance sheet items and contingent liabilities and Provisions. ALTUM uses the ratio "TCE/TMA" to evaluate Altum capital position adequacy and to measure Altum tangible common equity in terms of Altum tangible managed assets including the off-balance sheet item Guarantee portfolio. The Risk, Assets and Liabilities Management Committee of Altum monitors its level on a quarterly basis.</p>
<i>Return on average equity (ROE)</i>	<p>"Return on average equity" (ROE) is calculated by dividing the "Profit for the period" of the relevant period, converted into annual terms, by the average amount of "Equity and reserves" at the beginning and end of the period.</p>

Definition of ratios (cont'd)

<i>Total risk coverage</i>	<p>"Total Risk Coverage" is the net funding available for covering the expected credit losses of the support programmes implemented by Altum. "Total Risk Coverage" is calculated as the total of "Risk Coverage Reserve" and "Portfolio Loss Reserve (Specific Capital Reserves)" less "Risk Coverage Reserve Used for Provisions" and "Portfolio loss reserve used to compensate provisions upon approval of the annual report". The expected credit losses are estimated before implementation of the respective support programme and part of the public funding received under respective support programme for coverage of expected credit losses is transferred either to "Portfolio Loss Reserve" as Altum specific capital reserve or accounted separately as provisions for risk coverage under liabilities item "Risk Coverage Reserve". "Portfolio Loss Reserve (specific capital reserve)" is disclosed in the Note on Reserves to the Financial statements of the Altum. "Risk Coverage Reserve" is disclosed in the Note on Support Programme Funding to the Financial statements of Altum. "Risk Coverage Reserve Used for Provisions" is the amount of "Risk Coverage Reserve" allocated to and used for allowance for expected credit losses on loan portfolio and guarantees which in its turn is disclosed in the Note on Support Programme Funding to the Financial statements of Altum. "Portfolio loss reserve used to compensate provisions upon approval of the annual report" is disclosed in the Note on Reserves to the Financial statements of the Altum.</p> <p>"Total Risk Coverage" is key indicator to be used for assessment of Altum risk coverage on implemented programmes and long-term financial stability.</p>
<i>180-day liquidity ratio</i>	<p>"180-days-liquidity ratio" is calculated by dividing the amount of the balances "Due from other credit institutions and the Treasury" with a maturity of up to 1 month and "Financial assets at fair value through other comprehensive income - investment securities" by the amount of the total liabilities maturing within 6 months and total financial commitments maturing within 6 months (off-balance sheet items. The data required for the calculation of the "180-days liquidity ratio" is disclosed in the following Altum Financial statements: Statement of Financial Position and notes – Maturity profile of assets and liabilities under the section of Risk Management, Off-balance sheet items and contingent liabilities. Altum uses the "180-days-liquidity ratio" to assess and monitor Altum ability to fulfil Altum contractual and/or contingent liabilities during 6 months with the currently available liquidity resources. "180-days-liquidity ratio" helps to manage Altum's liquidity risk in line with Altum funding management objectives and risk framework. Risk, Assets and Liabilities Management Committee of Altum monitors its level on a quarterly basis.</p>
<i>Gross Value of Support Instruments</i>	<p>For loans – the issued and outstanding amount; for guarantees – the issued amount of guarantees recorded off-balance sheet; for grants and investments in venture capital funds – at the original acquisition value; for investment properties – at the carrying amount.</p>
<i>Total contribution to the economy, including the participation of the final recipients, by volumes issued in the period</i>	<p>"Total contribution to the economy, including the participation of the final recipients, by volumes issued in the period" is calculated by adding the financing provided by the private co-financier and the project promoter to the volumes issued by Altum.</p>
<i>Leverage for raised private funding</i>	<p>"Leverage for raised private funding" indicates the amount of additional private funding invested in a project in addition to Altum financing. "Leverage for raised private funding" is determined considering the financing invested by a private co-financier and a project's implementer.</p>
<i>Employees</i>	<p>Average number of full-time employees in the report period excluding members of the Supervisory Board and the Audit Committee.</p>
<i>Volume of support programmes funding per employee</i>	<p>"Support programmes funding per employee" is calculated by dividing the gross value of the Financial Instruments Portfolio by "Employees".</p>
<i>Venture capital</i>	<p>The Venture Capital Funds presented at their gross value.</p>