

# JSC DEVELOPMENT FINANCE INSTITUTION ALTUM

Unaudited interim condensed financial report  
for the six months ended 30 June 2025

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## 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 when implementing the state aid programmes is to ensure positive return on Altum's capital;
- The main non-financial objective is to facilitate access to finance for economic development, focusing on the following key areas:
  - implementation of the new programmes for EU programming period 2021-2027. The programmes focus on solutions for climate change mitigation and sustainable finance for business, including developing a range of financial instruments in the areas of innovation, R&D, productivity and digitalisation, and energy efficiency in both the residential and corporate segments;
  - promoting affordable housing in the regions;
  - increasing the role of venture capital instruments in business financing through actively introducing the 5th generation venture capital funds in the scope of early- to growth-stage funds;
- launching the Baltic Capital Markets Acceleration Fund (IPO Fund) to support capital market development;
- further development of the Latvian Land Fund;
- Increasing Altum's role in direct lending through active lending and servicing; given the inadequate funding offer from the private sector, this would include the initiation of mortgage lending in the regions of Latvia;
- Replacement of IT systems and implementation of Customer Relationship Management (CRM) platform technologies to modernise customer service and ensure effective loan application appraisal and underwriting processes.



# Management Report

## Activity during the reporting period

In the 6 months of 2025, the Development Finance Institution Altum (hereinafter – the Company) has ensured stable financial results and earned a profit of EUR 8.8 million.

## Key financial and performance indicators

Based on data from audited financial statements for the respective years

	2025 6M	2024 6M	2024
<b>Key financial data</b>			
Net interest income (EUR '000)	9 787	10 651	23 026
Operating profit (EUR '000)	8 813	12 808	28 663
Profit for the period (EUR '000)	8 813	12 808	28 663
Cost to income ratio (CIR)	39.4%	32.58%	23.3%
Employees	256	258	254
Total assets (EUR '000)	1 703 185	1 310 745	1 455 350
Financial debt (EUR '000)	975 102	493 751	755 011
<b>Tangible common equity (TCE) / Tangible managed assets (TMA) <sup>1</sup></b>	<b>19.1%</b>	<b>23.4%</b>	<b>21.6%</b>
Equity and reserves (EUR '000)	423 256	407 543	416 055
Return on average equity (ROE)	4.2%	6.4%	7.1%
<b>Total risk coverage: (EUR '000)</b>	<b>327 361</b>	<b>308 155 <sup>3</sup></b>	<b>309 853</b>
Risk coverage reserve	287 118	252 489 <sup>3</sup>	269 321
Risk coverage reserve used for provisions	(49 547)	(41 006)	(46 585)
Portfolio loss reserve (specific reserve capital)	89 922	96 462	85 736
Portfolio loss reserve used to compensate provisions in the distribution of annual profit	(132)	210	1 381
Liquidity ratio for 180 days <sup>2</sup>	387%	285%	342%
Net Cash flows from operating activities (EUR '000)	152 778	(13 135)	135 234
Net Cash flows from financing activities (EUR '000)	2 805	2 805	4 579
Net Cash flows from investing activities (EUR '000)	127 363	(163 300)	(249 994)
<b>Support instruments gross value (EUR '000), of which</b>	<b>1 357 347</b>	<b>1 123 052</b>	<b>1 234 002 <sup>5</sup></b>
Grants	4 451	3 048	3 159
<b>Financial instruments gross value (EUR '000) <sup>5</sup></b>			
Loans (excluding sales and leaseback transactions)	535 947	415 639	474 193 <sup>4</sup>
Guarantees	570 559	496 237	523 538
Venture capital funds	93 894	92 163	97 999
Latvian Land Fund, of which:	152 496	115 965	135 113
- sales and leaseback transactions	44 140	39 521	42 137
- investment properties	108 356	76 444	92 976
<b>Total</b>	<b>1 352 896</b>	<b>1 120 004</b>	<b>1 230 843<sup>5</sup></b>
Number of transactions	40 841	36 814	38 730
<b>Volumes issued (EUR '000) (by financial instrument) <sup>5</sup></b>			
Loans (excluding sales and leaseback transactions)	128 237	99 687	221 741
Guarantees	94 662	61 920	142 902
Venture capital funds	6 449	6 921	15 745
Latvian Land Fund, of which:	21 874	22 413	40 506
- sales and leaseback transactions	6 590	13 312	19 692
- investment properties	15 284	9 101	20 814
<b>Total</b>	<b>251 222</b>	<b>190 941</b>	<b>420 894</b>
Number of transactions	4 099	3 504	6 710
Total contribution to economy by volumes issued in the reporting period, including the participation of the final recipients (EUR '000)	978 319 <sup>7</sup>	946 008 <sup>7</sup>	978 319
Leverage for raised private funding	126%	219%	129%
Volume of support programmes funding per employee (EUR '000)	5 285	4 341	4 625
Long-term rating assigned by Moody's Ratings	Baa1	Baa1	Baa1

# Management Report (cont'd)

## Key financial and performance indicators (cont'd)

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

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

<sup>3</sup> 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.

<sup>4</sup> 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 as at 31 December 2024 amounts EUR 474,193 thousand (previously: EUR 418,079 thousand).

<sup>5</sup> 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).

<sup>6</sup> 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.

<sup>7</sup> Data as at 31 December 2024 / data as at 31 December 2023, 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 half of 2025, the gross portfolio of Altum, support instruments was EUR 1,357 million (30 June 2024: EUR 1,126 million), of which the gross portfolio of financial instruments (excluding grants) was EUR 1,353 million, that increased by EUR 122 million (+9.9%) compared with the end of 2024. The largest increase was in the Loan portfolio, which grew by EUR 62 million (+13%) in the first 6 months of 2025, of which 49% comprised loans under the Resilience and Recovery Fund (RRF) and 22% were investment loans with a capital rebate. The guarantee portfolio grew by EUR 47 million (9%), as in previous periods, driven primarily 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 contributing 68% to portfolio growth.

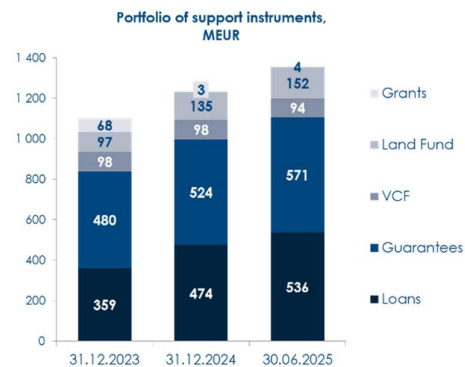
Guarantees for merchants added further 37%. The portfolio of Land Fund increased by EUR 17 million (+12.9 %).

The gross portfolio of support instruments, by the number of projects increased by EUR 2,154 million (+5.5%).

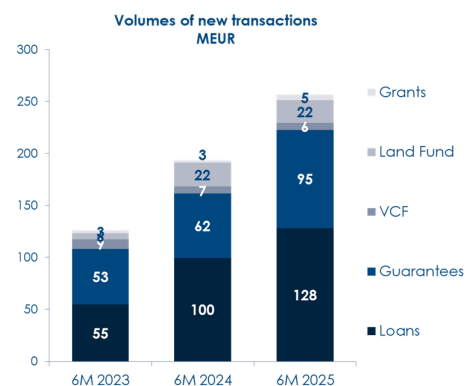
In the first half of 2025, the volume of new transactions reached EUR 257 million, 33 % (+EUR 63 million) higher than in the corresponding period in 2024. The increase was mainly attributable to higher volumes of new guarantees and loans (+EUR 30 million in guarantees and +EUR 29 million in loans, respectively). In the loan portfolio, the volume of new transactions continued to be driven primarily by programmes under the Recovery fund, with EUR 43 million issued during the first six months (+EUR 30 million higher than in the corresponding period in 2024). The highest number of new transactions under these programmes were consistently issued to support the digital transformation of merchants, followed by loans aimed at improving the energy efficiency of multi-apartment buildings and loans under the low rent housing construction programme. Demand also reminded for SME loans, EUR 33 million issued during the first six months (+ EUR 11 million).

In the first six months of 2025, the increase in the volume of new guarantee transactions was driven by strong demand for merchant guarantees, particularly SME guarantees. The total volume of guarantees issued to merchants during this period amounted to EUR 47 million (+EUR 16 million higher than in the corresponding period in 2024). High demand also persisted for housing guarantees with the volume of new transactions reaching EUR 25 million in the first half of 2025 (+ EUR 10 million).

In the first six months of 2025, demand for the Land fund remained stable. The volume of new transactions amounted EUR 2 million, matching the level recorded 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)

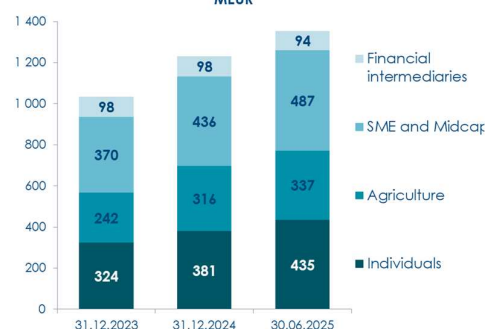
### Segments

The Individuals segment accounts for 32% of the total portfolio (at the end of 2024: 31%). The largest part (81%) of the Individuals segment consists of guarantee 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 six months of 2025 was in this segment: +EUR 54 million (+14%). Compared to the corresponding period in 2024, the volume of new transactions increased by EUR 42 million (+137%). The highest volume of new transactions during the first six months of 2025 remained in the programme for multi-apartment buildings energy efficiency projects under the RRF, with guarantees issued totalling EUR 15 and loans amounting to EUR 11 million. Significant transaction volumes were also recorded in housing guarantees for families, soldiers and new specialists, with EUR 25 million in new transactions. New transactions continued to be actively disbursed under the RRF affordable housing construction programme, with EUR 10 million disbursed during the reporting period.

The portfolio of the SMEs and Midcaps segment makes up 36% (at the end of 2024: 36%), of which the majority (58%) consists of loan instruments. The loan portfolio in this segment continues to grow. In the first six months of 2025, the portfolio of the SMEs and Midcaps segment increased by EUR 51 million (+12%). The volume of new transactions increased by EUR 4.3 million compared to the corresponding period in 2024 (+52%). This growth was driven by new transactions under programmes implemented with funding available under EU cohesion policy 2021-2027 programming period. The total

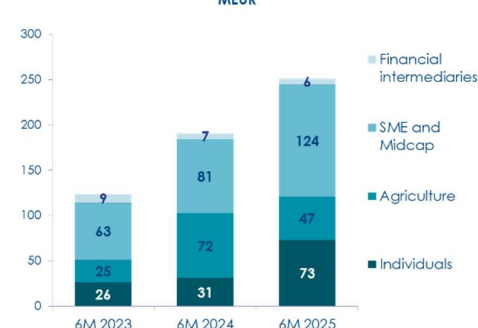
volume of new transactions under these programmes reaching EUR 55 million in the first six months of 2025 (+40 million euros compared to the corresponding period in 2024). The growth rate of new business continues to increase under Recovery Fund for digital transformation and energy efficiency with EUR 22 million issued in the first half 2025, on average, compared to EUR 12 million in the same period in 2024. This growth in 2025 is also accompanied by higher demand for SME loans, with EUR 22 million additionally issued - EUR 4 million more than in the corresponding period of 2024.

Portfolio of financial instruments by segments, MEUR



\* 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

Volumes of new transactions by client segment, MEUR



# Management Report (cont'd)

## Operational volumes (cont'd)

### Segments (cont'd)

The portfolio of the Agriculture segment accounted for 25% (at the end of 2024: 26%). In this segment the portfolio continued to grow in the first six months of 2025, in this case by EUR 21 million (+7%). The increase of the portfolio is still influenced by a high volume of new transactions under the Land Fund. In the first six months of 2025, EUR 22 million in new transactions have been concluded, resulting in EUR 17 million increase in the Land Fund portfolio (+9%). In this segment, loan portfolio has grown by 6 million in the first six months of 2025. This growth is mainly supported by new transactions and the Small Loans in Rural Areas programme, where EUR 9 million (EUR +2 million compared to the corresponding period in 2024) were issued and the Land Acquisition programme, where EUR 7 million were issued during the same period ((+EUR 2.5 million compared to the corresponding period in 2024).

Financial intermediaries formed under venture capital programs account for 7% (31 December 2024: 8%) of the total segment portfolio. The financial intermediaries portfolio continues to decrease in the 2nd quarter of 2025, influenced by both investment repayments and lower volumes of new business. In the second quarter of 2025, the first investments were made in the 5th generation of venture capital funds amounting to EUR 1 million, from EU Cohesion Policy funding available under the 2021-2027 programming period.

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, 68% of new transactions (by number) in this portfolio are regional transactions. Also, in the overall loan portfolio, the volume of new transactions in the regions increased during the six months of 2025 compared to the same period in 2024: EUR 88 million in 2025 and EUR 79 million in 2024.

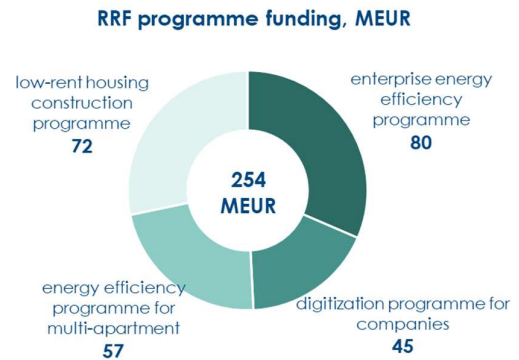


## Management Report (cont'd)

### New products and increasing operational efficiency

As at 30 June 2025, transactions amounting to EUR 188 million were approved under the RRF programmes, of which EUR 111 million were issued in new transactions. The total amount of capital rebates paid out reached EUR 24.2 million.

In addition to the active observation of the Recovery Fund programmes, the available funding for the low-rent housing construction programme was increased by EUR 29 million in June 2025. Currently EUR 72 million in funding under the Recovery Fund remains available for this program. Meanwhile, a new application round for the ANM Enterprise Energy Efficiency Programme was announced on 15 August 2025.



In 2025, the review of project applications received under **the Large Investment Loan Programme offering a capital rebate for medium-sized and Midcaps** continued. Until 30 June 2025, 22 applications for granting support to projects for a total project amount of more than EUR 600 million (the amount of the attributable capital EUR 139 million) have been approved, of which contracts have already been concluded for 17 (attributable amount of capital rebate EUR 110 million), while 4 applications (attributable amount of capital rebate EUR 31 million) are still being evaluated by Altum. The volume of new transactions in this program in the six months of 2025 was EUR 14 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.

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. 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 May 2025, two new support programs for entrepreneurs were launched, which will provide up to EUR 100 million for innovation, production and dual-use products, as well as research and development.

## Management Report (cont'd)

### New products and increasing operational efficiency (cont'd)

In late 2024 and early 2025, agreements were signed with 5th generation fund managers to initiate the establishment of funds and ensure the necessary conditions for the commencement of operations. In the 2nd quarter of 2025, BIFI AIF KS and Outlast Fund I AIF KS began, operations having made their first investments. The remaining 5th generation funds are planned to commence operations in the 3rd quarter of 2025. Altum, in cooperation with the Lithuanian National Development Institution ILTE, has launched the Baltic Capital Markets Acceleration Fund, for which the selection process of the fund manager has been completed. The fund manager together with private market participants will invest in SMEs and small innovative medium sized enterprises at the pre- IPO, IPO and IBO stages operating in Latvia and Lithuania and regions of the European Union. The total planned amount of the fund is EUR 48.8 million of which Altum, will invest EUR 20 million. The fund plans to begin investments in the 4th quarter 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. To launch the program in August 2025, Altum received a license from the Consumer Rights Protection Center, and the program Regulations of the Cabinet of Ministers are currently undergoing official coordination. Approval is expected by the end of September. Altum has also received a decision from the European Commission, which is prerequisite for initiating mortgage lending outside Riga its suburban areas.

**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 six months of 2025, 506 projects in amount of EUR 16 million were approved in the centralized remote evaluation, which constitutes 42% of all loan transactions approved in this period (in 2024 on average: 40%). The proportion of rejected applications in the six months of 2025 amounts to an average of 20% of the received applications.

# Management Report (cont'd)

## 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 bond placement, totalling EUR 70 million, marking the Company's largest bond issuance to date. 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%.

## 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 30 June 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 geopolitical tension Altum continues to implement the restrictions on cooperation with the Russian Federation and the Republic of Belarus set in the risk management policies. This includes by ongoing monitoring of changes in applicable sanctions.

# 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

To promote the transition of companies to a low-carbon economy, reduce the CO<sub>2</sub> footprint across product and service lifecycles, adapt to supply chain ESG requirements, and strengthen resilience to physical climate risks, dedicated "transition-facilitating financing" product was introduced in the SME segment as early as summer 2023. In the first half of 2025, active efforts are being made to launch "transition financing" product to the agricultural sector. The volume of new transactions continues to benefit from an additional incentive introduced in autumn 2023 - a financing price discount for sustainable projects, initially applied for 18 months from the date of loan issuance. A transition is currently underway to enable all new sustainable loan projects that comply with the European Investment Bank Green Checker to benefit from a financing cost discount applied over the full term of the loan.

Taking into account the results of ESG risk materiality analysis conducted in 2023, during the development of ALTUM's medium term strategy for 2025-2027, sustainability aspects were integrated into both the lending function - with an emphasis on transaction financing and tailored products across various segments to support companies' transformation - and the risk management framework. In line with the hierarchy of strategic documents, the ALTUM Sustainability Strategy is scheduled for approval in autumn 2025, following the mid-term strategy for 2025-2027 approved in May. Among other measures, the existing client portfolio will be reviewed to encourage clients' transition towards sustainable development, while progressively limiting exposure to projects that may not fully align with ALTUM's ESG considerations within credit risk management.

ALTUM Capital Fund conducts investments with due consideration for each company's, ESG performance and the anticipated effects of economic shifts on its supply and value chains. In line with the Sustainable Finance Disclosure Regulation, AKF published its guidelines at the end of 2022, outlining the approach to assessing the principal adverse impacts of investment decisions on sustainability factors (Principal Adverse Impact report), as required under Article 4 of SFDR. It should be noted that the key adverse impact indicators of the portfolio managed by the Fund do not indicate any significant negative effect of investment decisions on sustainability factors, both at the end of 2023 and in the updated assessment at the end of 2024.

## Management Report (cont'd)

### 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 4<sup>th</sup> 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

THE DOCUMENT IS ELECTRONICALLY SIGNED WITH A SECURE ELECTRONIC SIGNATURE AND  
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 75 are prepared in accordance with the source documents and give a true and fair view of the financial position of the Company as of 30 June 2025 and 31 December 2024 and the results of its operations, changes in the shareholders' equity and cash flows for the six months periods ended 30 June 2025 and 30 June 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.- 30.06.2025.	01.01.2024.- 30.06.2024.
Interest income at effective interest rate	4	14 763	15 416
Other interest and similar income	4	4 828	3 588
Interest expense	4	(9 804)	(8 353)
<b>Net interest income</b>		<b>9 787</b>	<b>10 651</b>
Income from implementation of state aid programmes	5	3 541	3 549
Expenses to be compensated for implementation of state aid programmes	6	(3 309)	(2 983)
<b>Net income for implementation of state aid programmes</b>		<b>232</b>	<b>566</b>
Gains / (losses) from trading securities and foreign exchange translation	4	(7)	3
Share of gains of investment in associate and other investments	7	3 209	(234)
(Losses) of investment in associate and other investments less losses from liabilities at fair value through profit or loss	8	(1 088)	1 140
Net gain from loans at fair value through profit or loss	9	(1 387)	-
Other income		2 241	1 422
Other expense		(783)	(530)
<b>Operating income before operating expenses</b>		<b>12 204</b>	<b>13 018</b>
Staff costs	4	(3 633)	(3 186)
Administrative expense	4	(824)	(695)
Amortisation of intangible assets and depreciation of property, plant and equipment	4	(355)	(360)
Allowances for expected credit losses	10	1 421	4 031
<b>Profit before corporate income tax</b>		<b>8 813</b>	<b>12 808</b>
<b>Profit for the period</b>		<b>8 813</b>	<b>12 808</b>
<b>Other comprehensive income:</b>		<b>583</b>	<b>(611)</b>
<i>Items to be reclassified to profit or loss in subsequent periods</i>			
Net profit / (loss) from financial assets measured at fair value through other comprehensive income		583	(611)
<b>Total comprehensive income for the period</b>		<b>9 396</b>	<b>12 197</b>

The accompanying notes on pages 19 through 75 form an integral part of these financial statements.

Reinis Bērziņš  
Chairman of the Management  
Board

Rudīte Bērziņa  
Chief Accountant

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## Statement of Financial Position

All amounts in thousands of euros

	Notes	30.06.2025.	31.12.2024.
<b>Assets</b>			
Due from credit institutions and the State Treasury		819 069	627 769
<i>including cash and cash equivalents</i>		723 661	455 715
Financial assets at fair value through other comprehensive income - investment securities	11	161 160	183 572
Financial assets at amortised cost:			
Investment securities	11	-	-
Loans and receivables	12	436 878	412 249
Financial assets at fair value through profit or loss - loans with capital rebate	13	56 693	24 971
Grants		4 420	3 128
Deferred expense		603	522
Accrued income		8 551	723
Investments in associates	14	67 139	72 227
Other investments	15	32 371	29 043
Investment property	16	108 356	92 976
Property, plant and equipment		4 179	4 287
Intangible assets		1 412	946
Other assets		2 354	2 937
<b>Total assets</b>		<b>1 703 185</b>	<b>1 455 350</b>
<b>Liabilities</b>			
Due to credit institutions		33 600	40 366
Due to general government entities		241 033	207 634
Financial liabilities at amortised cost - Issued debt securities	17	90 157	65 491
Deferred income		10 136	5 439
Accrued expense		1 196	785
Liabilities from financial guarantees	18	51 157	49 262
Provisions for off-balance sheet liabilities		1 160	609
Support programme funding	19	847 883	664 256
Other liabilities		3 607	5 453
<b>Total liabilities</b>		<b>1 279 929</b>	<b>1 039 295</b>
<b>Equity</b>			
Share capital		211 033	211 033
Reserves	20	200 333	173 865
Revaluation reserve of financial assets measured at fair value through other comprehensive income	23	3 077	2 494
Retained earnings		8 813	28 663
<b>Total equity</b>		<b>423 256</b>	<b>416 055</b>
<b>Total equity and liabilities</b>		<b>1 703 185</b>	<b>1 455 350</b>

The accompanying notes on pages 19 through 75 form an integral part of these financial statements.

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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			
<b>As at 1 January 2024</b>	<b>204 862</b>	<b>125 629</b>	<b>57 265</b>	<b>(15 935)</b>	<b>(278)</b>	<b>17 810</b>	<b>389 353</b>
Profit for the period	-	-	-	-	-	12 808	12 808
Other comprehensive income	-	-	-	-	(611)	-	(611)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(611)</b>	<b>12 808</b>	<b>12 197</b>
Increase of share capital	6 171	-	-	-	-	-	6 171
Increase of reserve capital (Note 20)	-	5 610	-	-	-	-	5 610
Reallocation of general reserves to specific reserves attributable to support programmes (Note 20)	-	(5 788)	-	-	-	-	(5 788)
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)	-	-	-	-
<b>As at 30 June 2024</b>	<b>211 033</b>	<b>125 504</b>	<b>75 022</b>	<b>(15 935)</b>	<b>(889)</b>	<b>12 808</b>	<b>407 543</b>
Profit for the period	-	-	-	-	-	15 855	15 855
Other comprehensive income	-	-	-	-	3 383	-	3 383
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 383</b>	<b>15 855</b>	<b>19 238</b>
Increase of reserve capital (Note 20)	-	1 774	-	-	-	-	1 774
Reallocation of general reserves to specific reserves attributable to support programmes (Note 20)	-	(12 500)	-	-	-	-	(12 500)
<b>As at 31 December 2024</b>	<b>211 033</b>	<b>114 778</b>	<b>75 022</b>	<b>(15 935)</b>	<b>2 494</b>	<b>28 663</b>	<b>416 055</b>
Profit for the period	-	-	-	-	-	8 813	8 813
Other comprehensive income	-	-	-	-	583	-	583
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>583</b>	<b>8 813</b>	<b>9 396</b>
Increase of reserve capital (Note 20)	-	2 805	-	-	-	-	2 805
Reallocation of general reserves to specific reserves attributable to support programmes (Note 20)	-	(5 000)	-	-	-	-	(5 000)
Distribution of 2024 profit	-	-	28 663	-	-	(28 663)	-
Distribution of Specific Reserves to General reserve capital at distribution of the profit for year 2024	-	1 381	(1 381)	-	-	-	-
<b>As at 30 June 2025</b>	<b>211 033</b>	<b>113 964</b>	<b>102 304</b>	<b>(15 935)</b>	<b>3 077</b>	<b>8 813</b>	<b>423 256</b>

The accompanying notes on pages 19 through 75 form an integral part of these financial statements.

## Statement of Cash Flows

All amounts in thousands of euros

	Notes	01.01.2025.- 30.06.2025.	01.01.2024.- 30.06.2024.
Cash and cash equivalents at the beginning of period		455 715	565 896
Cash flows from operating activities			
Profit before taxes		8 813	12 808
Amortisation of intangible assets and depreciation of property, plant and equipment		355	360
(Decrease) in allowances for expected credit losses	10	(1 421)	(4 031)
Revaluation of investment properties		(72)	(12)
Revaluation of Investments in associates	14	(729)	(544)
Revaluation of other investment funds	15	(1 349)	(362)
Revaluation of loans with capital rebate	13	1 387	-
Interest income at the effective interest rate		(14 763)	(15 416)
Interest and similar income		(4 828)	(3 588)
Interest expense		9 804	8 353
(Gain) / loss from exchange differences		7	(3)
<b>(Decrease) of cash and cash equivalents from operating activities before changes in assets and liabilities</b>		<b>(2 796)</b>	<b>(2 435)</b>
(Increase) of loans		(79 852)	(69 908)
(Increase) of grants		(4 010)	(2 039)
Increase / (Decrease) of due to credit institutions and general government entities		24 665	2 411
Increase in deferred income and accrued expense		5 450	165
(Increase) in deferred expense and accrued income		(8 180)	(3 504)
Increase of support programmes		201 075	49 038
Decrease of other assets		606	493
(Decrease) in other liabilities		(2 325)	(386)
<b>Increase of cash and cash equivalents from operating activities after changes in operating assets and liabilities</b>		<b>134 633</b>	<b>(26 165)</b>
Interest received		21 576	17 300
Interest paid		(3 431)	(4 270)
<b>Net cash flows from operating activities</b>		<b>152 778</b>	<b>(13 135)</b>
Cash flows from investment activities			
Financial assets at fair value through other comprehensive income - investment securities (Increase)		22 832	(148 666)
Redemption of financial liabilities at amortized cost – issued debt securities	17	24 887	-
Term deposits (Increase)		90 000	(4 000)
Acquisition of property, plant and equipment and intangible assets		(745)	(296)
Purchase of investment properties	16	(15 284)	(9 905)
Sale of investment properties	16	1 587	1 823
Investments in associates	14	6 065	(606)
Investments in other investment funds	15	(1 979)	(1 650)
<b>Net cash flows from investing activities</b>		<b>127 363</b>	<b>(163 300)</b>
Cash flows from financing activities			
Increase of reserve capital		2 805	2 805
<b>Net cash flows from financing activities</b>		<b>2 805</b>	<b>2 805</b>
<b>Increase / (decrease) in cash and cash equivalents</b>		<b>282 946</b>	<b>(173 630)</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>738 661</b>	<b>392 266</b>

The accompanying notes on pages 19 through 75 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 27 August 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 6 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.

## 1 General Information (cont'd)

### (1) Corporate Information (cont'd)

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 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 30 June 2025 amounted to EUR 40.6 million (the Company's share EUR 19.9 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
BIFI AIF KS	Lastādijas iela 12/3, Rīga, Latvija, LV-1050	5	84.9
Outlast Fund I AIF, KS	Lastādijas iela 12/3, Rīga, Latvija, LV-1050	5	89.7
KS Overkill Ventures Fund I	Dzirnavu iela 105, Rīga, Latvija, LV-1011	4	100.0
KS Buildit Latvia Pre-Seed Fund	Lastādijas iela 12/3, Rīga, Latvija, LV-1050	4	100.0
KS Commercialization Reactor Pre-seed Fund	Brīvības gatve 300 -9, Rīga, Latvija, LV-1006	4	100.0
KS INEC 1	Vilandes iela 3 - 7, Rīga, Latvija, LV-1010	4	75.0
KS INEC 2	Vilandes iela 3 - 7, Rīga, Latvija, LV-1010	4	90.0
KS Overkill Ventures Fund II	Dzirnavu iela 105, Rīga, Latvija, LV-1011	4	80.0
KS Buildit Latvia Seed Fund	Lastādijas iela 12/3, Rīga, Latvija, LV-1050	4	80.0
KS Commercialization Reactor Seed Fund	Brīvības gatve 300 -9, Rīga, Latvija, LV-1006	4	80.0
KS ZGI-4	Roberta Hirša iela 1, Rīga, Latvija, LV-1045	4	60.0
FlyCap Mezzanine Fund II	Matrožu iela 15A, Rīga, Latvija, LV-1048	4	60.0
KS Baltcap Latvia Venture Capital Fund (fund is in the process of liquidation)	Jaunmoku iela 34, Rīga, Latvija, LV-1046	2	66.7
KS Imprimator Capital Technology Venture Fund (fund is in the process of liquidation)	Ščecinas iela 4, Rīga, Latvija, LV-1014	2	67.0
KS Imprimator Capital Seed Fund (fund is in the process of liquidation)	Ščecinas iela 4, Rīga, Latvija, LV-1014	2	100.0
KS ZGI-3 (fund is in the process of liquidation) <sup>2</sup>	Roberta Hirša iela 1, Rīga, Latvija, LV-1045	3	95.2
KS FlyCap investment Fund <sup>1</sup>	Matrožu iela 15A, Rīga, Latvija, LV-1048	3	95.2
KS Expansion Capital Fund (fund is in the process of liquidation) <sup>2</sup>	Vilandes iela 3 - 7, Rīga, Latvija, LV-1010	3	95.2
Baltic Innovation Fund	European Investment Fund, 37B, avenue J.F. Kennedy, L-2968 Luxembourg		20.0
KS AIF "Altum capital fund"	Doma laukums 4, Rīga, LV-1050		48.9

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

<sup>2</sup> 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.

## 1 General Information (cont'd)

### (1) Corporate Information (cont'd)

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.

In implementing Altum Venture Capital's 5th generation investment programme, a public procurement process for the selection of fund managers was concluded in 2024. As a result, one growth-stage fund manager and three pre-seed and seed stage fund managers were selected. At the end of 2024 and the beginning of 2025, agreements were signed with fund managers to initiate the establishment of funds and ensure the necessary conditions for the start of operations. In the first quarter of 2025, Subscription agreements were signed with the manager of the pre-seed and seed stage KS AIF BIFI Fund, and in the second quarter, with the manager of the fund KS AIF Outlast Fund I. Both funds have since commenced investment operations. In the second quarter of 2025, KS AIF BIFI made its first investment.

Based on a preliminary assessment of significant influence and control indicators as required by IFRS, the rights identified are considered protective in nature (they are time limited and can only be exercised under exceptional circumstances). Accordingly, they are not treated as indicators of control, and both above mentioned funds are accounted as associates for financial accounting purposes.



## 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,
- 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 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 30 June 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	
	30.06.2025.	31.12.2024.	30.06.2025.	31.12.2024.	30.06.2025.	31.12.2024.	30.06.2025.	31.12.2024.	30.06.2025.	31.12.2024.
<b>Financial assets at AC</b>										
Due from credit institutions and the Treasury	819 097	627 797	-	-	-	-	-	-	819 097	627 797
Allowances for expected credit losses	(28)	(28)	-	-	-	-	-	-	(28)	(28)
<b>Total net due from credit institutions and the Treasury</b>	<b>819 069</b>	<b>627 769</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>819 069</b>	<b>627 769</b>
Investment securities	-	-	-	-	3 565	4 023	-	-	3 565	4 023
Allowances for expected credit losses	-	-	-	-	(3 565)	(4 023)	-	-	(3 565)	(4 023)
<b>Total net investment securities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Loans and receivables	343 661	326 523	77 225	74 685	36 034	34 037	-	-	456 920	435 245
Allowances for expected credit losses <sup>1, 2</sup>	(5 323)	(7 177)	(3 397)	(4 520)	(11 322)	(11 299)	-	-	(20 042)	(22 996)
<b>Total net loans and receivables</b>	<b>338 338</b>	<b>319 346</b>	<b>73 828</b>	<b>70 165</b>	<b>24 712</b>	<b>22 738</b>	<b>-</b>	<b>-</b>	<b>436 878</b>	<b>412 249</b>
Other financial assets	1 612	2 176	-	-	979	841	837	842	3 428	3 859
Allowances for expected credit losses	(42)	(41)	-	-	(897)	(746)	(135)	(135)	(1 074)	(922)
<b>Total net other financial assets</b>	<b>1 570</b>	<b>2 135</b>	<b>-</b>	<b>-</b>	<b>82</b>	<b>95</b>	<b>702</b>	<b>707</b>	<b>2 354</b>	<b>2 937</b>
<b>Total financial assets at AC</b>	<b>1 164 370</b>	<b>956 496</b>	<b>77 225</b>	<b>74 685</b>	<b>40 578</b>	<b>38 901</b>	<b>837</b>	<b>842</b>	<b>1 283 010</b>	<b>1 070 924</b>
Allowances for expected credit losses	(5 393)	(7 246)	(3 397)	(4 520)	(15 784)	(16 068)	(135)	(135)	(24 709)	(27 969)
<b>Total net financial assets at AC</b>	<b>1 158 977</b>	<b>949 250</b>	<b>73 828</b>	<b>70 165</b>	<b>24 794</b>	<b>22 833</b>	<b>702</b>	<b>707</b>	<b>1 258 301</b>	<b>1 042 955</b>

### 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	
	30.06.2025.	31.12.2024.	30.06.2025.	31.12.2024.	30.06.2025.	31.12.2024.	30.06.2025.	31.12.2024.	30.06.2025.	31.12.2024.
<b>Financial assets at FVOCI</b>										
Investment securities	161 531	183 943	-	-	-	-	-	-	161 531	183 943
Allowances for expected credit losses	(371)	(371)	-	-	-	-	-	-	(371)	(371)
<b>Total net investment securities</b>	<b>161 160</b>	<b>183 572</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>161 160</b>	<b>183 572</b>
<b>Total financial assets at FVOCI</b>	<b>161 531</b>	<b>183 572</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>161 531</b>	<b>183 943</b>
Allowances for expected credit losses	(371)	(371)	-	-	-	-	-	-	(371)	(371)
<b>Total net financial assets at FVOCI</b>	<b>161 160</b>	<b>183 201</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>161 160</b>	<b>183 572</b>
<b>Off-balance sheet items and contingent liabilities</b>										
Outstanding guarantees	547 738	496 051	17 669	21 993	5 152	5 494	-	-	570 559	523 538
Allowances for expected credit losses <sup>1</sup>	(42 796)	(39 859)	(2 393)	(3 241)	(2 291)	(2 424)	-	-	(47 480)	(45 524)
<b>Total net outstanding guarantees</b>	<b>504 942</b>	<b>456 192</b>	<b>15 276</b>	<b>18 752</b>	<b>2 861</b>	<b>3 070</b>	<b>-</b>	<b>-</b>	<b>523 079</b>	<b>478 014</b>
Loan commitments	221 289	169 889	79	156	-	-	-	-	221 368	170 045
Allowances for expected credit losses <sup>1</sup>	(1 104)	(551)	(1)	(3)	-	-	-	-	(1 105)	(554)
<b>Total net loan commitments</b>	<b>220 185</b>	<b>169 338</b>	<b>78</b>	<b>153</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>220 263</b>	<b>169 491</b>
<b>Total off-balance items and contingent liabilities</b>	<b>769 027</b>	<b>665 940</b>	<b>17 748</b>	<b>22 149</b>	<b>5 152</b>	<b>5 494</b>	<b>-</b>	<b>-</b>	<b>791 927</b>	<b>693 583</b>
Allowances for expected credit losses	(43 900)	(40 410)	(2 394)	(3 244)	(2 291)	(2 424)	-	-	(48 585)	(46 078)
<b>Total net off-balance items and contingent liabilities</b>	<b>725 127</b>	<b>625 530</b>	<b>15 354</b>	<b>18 905</b>	<b>2 861</b>	<b>3 070</b>	<b>-</b>	<b>-</b>	<b>743 342</b>	<b>647 505</b>

<sup>1</sup> Includes total net impairment provision in the amount of EUR 45 thousand, to be allocated to risk coverage under Portfolio Loss Reserve (Special Reserve Capital) upon approval of the 2025 Annual Report. For additional information, see Appendix 20(3).

<sup>2</sup> 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 second 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	
<b>As at 31 December 2024</b>	<b>7 177</b>	<b>4 520</b>	<b>11 299</b>	<b>-</b>	<b>22 996</b>	<b>326 523</b>	<b>74 685</b>	<b>34 037</b>	<b>-</b>	<b>435 245</b>
Transfers between stages:										
from Stage 1 to Stage 2	(187)	479	-	-	292	(23 418)	22 869	-	-	(549)
to credit impaired (from Stage 1 and Stage 2 to Stage 3)	(33)	(148)	1 777	-	1 596	(4 359)	(6 753)	10 688	-	(424)
from Stage 3 to Stage 2	-	23	(146)	-	(123)	-	441	(501)	-	(60)
to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	21	(95)	-	-	(74)	2 747	(3 165)	-	-	(418)
New originated or purchased	331	-	-	-	331	49 503	-	-	-	49 503
Derecognised during the period	(133)	(394)	(857)	-	(1 384)	(13 755)	(6 546)	(5 745)	-	(26 046)
Changes to ECL measurement model assumptions (PD, LGD)	-	-	-	-	-	-	-	-	-	-
Changes to ECL measurement model assumptions (macroeconomic factors)	-	-	-	-	-	-	-	-	-	-
Changes in ECL impairment overlay	(69)	(778)	-	-	(847)	-	-	-	-	-
Decrease in the allowance for mortgage interest refunds	(1 946)	-	-	-	(1 946)	-	-	-	-	-
Write-offs	-	-	(432)	-	(432)	-	-	(432)	-	(432)
Change of outstanding balance <sup>2</sup>	162	(210)	(319)	-	(367)	6 420	(4 306)	(2 013)	-	101
<b>As at 30 June 2025</b>	<b>5 323</b>	<b>3 397</b>	<b>11 322</b>	<b>-</b>	<b>20 042<sup>1</sup></b>	<b>343 661</b>	<b>77 225</b>	<b>36 034</b>	<b>-</b>	<b>456 920</b>

<sup>1</sup> Includes an expected credit loss provision of EUR 727 thousand (31 December 2024: EUR 988 thousand) for SME and Midcaps 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 770 thousand (31 December 2024: EUR 1,356 thousand), see Appendix 3(3). The net decrease in the expected credit loss provision reserve of 847 thousand includes the conversion of EUR 550 thousand from the general reserve to individual provisions, and the reversed reserve of EUR of 213 thousand due to portfolio amortization.

<sup>2</sup> 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
<b>As at 31 December 2024</b>	<b>39 859</b>	<b>3 241</b>	<b>2 424</b>	<b>45 524</b>	<b>496 051</b>	<b>21 993</b>	<b>5 494</b>	<b>523 538</b>
Transfers between stages:								
from Stage 1 to Stage 2	(298)	298	-	-	(2 978)	2 830	-	(148)
to credit impaired (from Stage 1 and Stage 2 to Stage 3)	(40)	(356)	877	481	(505)	(1 400)	1 991	86
from Stage 3 to Stage 2	-	45	(94)	(49)	-	99	(100)	(1)
to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	292	(357)	(188)	(253)	2 789	(2 529)	(408)	(148)
New originated or purchased	5 496	-	-	5 496	82 947	-	-	82 947
Derecognised during the period	(1 430)	(107)	(613)	(2 150)	(28 762)	(2 662)	(1 610)	(33 034)
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 <sup>1</sup>	(1 083)	(371)	(13)	(1 467)	(1 800)	(660)	(23)	(2 483)
<b>As at 30 June 2025</b>	<b>42 796</b>	<b>2 393</b>	<b>2 291</b>	<b>47 480</b>	<b>547 738</b>	<b>17 669</b>	<b>5 152</b>	<b>570 559</b>

<sup>1</sup> Change of outstanding balance includes cash flows from repayment of principal of underlying loan

Breakdown of issued loans at amortised cost by overdue periods, including accrued interest on loans, in thousands of euros:

	30.06.2025.	31.12.2024.
Performing	417 155	387 723
Past due up to 30 days	21 671	32 503
Past due from 31 to 60 days	3 431	3 090
Past due from 61 to 90 days	3 652	1 749
Past due over 90 days	11 011	10 180
<b>Total gross loans, without interest accrued on the loans</b>	<b>456 920</b>	<b>435 245</b>
Impairment allowances	(20 042)	(22 996)
<b>Total net loans</b>	<b>436 878</b>	<b>412 249</b>

### 3 Risk Management (cont'd)

#### (1) Credit Risk (cont'd)

Breakdown of granted loans at fair value by overdue periods, including accrued interest on loans, in thousands of euros:

	30.06.2025	31.12.2024
Performing	121 892	80 891
Past due up to 30 days	1 088	193
Past due over 90 days	186	-
<b>Total gross loans at fair value</b>	<b>123 166</b>	<b>81 084</b>
Fair value (decrease) of potential future capital rebate component	(71 547)	(61 529)
Increase in fair value of the loan component	5 074	5 416
<b>Total net loans at fair value</b>	<b>56 693</b>	<b>24 971</b>

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:

	30.06.2025.	31.12.2024.
Real estate (loans)	254 991	238 585
Real estate (leaseback)	44 139	42 137
Movable property	99 681	92 635
Guarantees	1 494	1 640
<b>Total collateral</b>	<b>400 305</b>	<b>374 997</b>
Loan portfolio, gross	580 086	516 329
Impairment allowances	(20 042)	(22 996)
Increase in fair value of the loan component	(71 547)	(61 529)
Fair value (decrease) of potential future capital rebate component	5 074	5 416
Loan portfolio, net <sup>1</sup>	493 571	437 220
<b>Exposed</b>	<b>18.90%</b>	<b>14.23%</b>

<sup>1</sup> 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 with the credit risk is fully covered by the risk cover. This applies, for example, to the Energy Efficiency programme for multi-apartment buildings and for the Renovation Loan programme. The combined balance of these programmes as of 30 June 2025 amounts to EUR 48,559 thousand (31 December 2024: EUR 46,075 thousand). In 2024, the issuance of loans with reduced collateral requirements – for amounts up to EUR 100,000 – was launched under support programmes in the agriculture and SME segments. As of 30 June 2025, the balance of these loans amounted to EUR 34,930 (31 December 2024: EUR 16,433 thousand), together constituting 18,44 percentage points of the total unsecured loan portfolio. Support programmes under which loans are granted with a capital rebate and issued mainly without collateral and/or in cooperation with other financiers as parallel loans (including low-rent housing, construction loans, large investment loans, and energy efficiency loans for apartment buildings) amounting to EUR 25,707 thousand as of 30 June 2025 (31 December 2024: EUR 6,726 thousand). As the mentioned programmes have additional risk coverage from public funding to cover credit risk, collateral is not required from borrowers.

### 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:

	30.06.2025.	31.12.2024.
<b>Assets exposed to credit risk</b>		
Due from credit institutions and the Treasury	819 069	627 769
Financial assets at fair value through other comprehensive income - investment securities	161 160	183 572
Financial assets at amortised cost:		
Investment securities	-	-
Loans	436 878	412 249
Financial assets at fair value through profit or loss - Loans with capital rebate	56 693	24 971
Investments in associates	67 139	72 227
Other investments	32 371	29 043
Other assets	2 354	2 937
<b>Total</b>	<b>1 575 664</b>	<b>1 352 768</b>
<b>Off-balance sheet items exposed to credit risk</b>		
Contingent liabilities	570 559	523 538
Financial commitments	319 443	238 700
<b>Total</b>	<b>890 002</b>	<b>762 238</b>

Part of subitem "Loans and receivables" are loans to agriculture segment (see Note 12) 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 19 and Note 20.

As of 30 June 2025, part of the Company's assets in amount of EUR 291,400 thousand (31 December 2024: EUR 250,464 thousand) were pledged. In accordance with the agreements the Company ensures, that assets in amount of EUR 121,097 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 30 June 2025 was EUR 248,853 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 30 June 2025, in thousands of euros:

	Up to 1 year <sup>1</sup>	1 to 5 years	5 to 10 years	10 to 15 years	Over 15 years and w/o maturity	Total
Due to credit institutions	10 394	24 987	-	-	-	35 381
Due to general governments	33 262	104 113	75 689	40 628	54 415	308 107
Issued debt securities	2 538	99 738	-	-	-	102 276
Support programme funding <sup>2</sup>	15 632	322 618	177 015	139 325	193 293	847 883
Other liabilities	3 179	428	-	-	-	3 607
<b>Total financial liabilities</b>	<b>65 005</b>	<b>551 884</b>	<b>252 704</b>	<b>179 953</b>	<b>247 708</b>	<b>1 297 254</b>
Off-balance sheet items and contingent liabilities	583 330	122 113	184 559	-	-	890 002
<b>Total financial liabilities, off-balance items and contingent liabilities <sup>3</sup></b>	<b>648 335</b>	<b>673 997</b>	<b>437 263</b>	<b>179 953</b>	<b>247 708</b>	<b>2 187 256</b>
Due from credit institutions and the Treasury	819 069	-	-	-	-	819 069
Investment securities	65 638	95 522	-	-	-	161 160
<b>Liquid assets</b>	<b>884 707</b>	<b>95 522</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>980 229</b>

<sup>1</sup> 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 30 June 2025 and supporting analysis is presented in table below.

<sup>2</sup> 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.

At the end of support programme's operation, its funding remains on the Company's balance sheet, as any refunds from existing support programme are accumulated and used to finance new ones. According to recent estimates, the funding for support programmes currently included in the 1–5-year term, in the amount of EUR 136,526 thousand, will have its repayment period extended.

The financing of support programmes includes received funding intended for future transactions where capital rebate may be applied, which would reduce the amount of required public funding. Since the potential size of the capital rebate depends on loan issuance rates, the probability of rebate application, and the uncertainty surrounding the timing of its occurrence, the related public funding is reported in the term structure on a precautionary basis. As a result, EUR 146 million is reflected under the 1–5-year term and EUR 101 million under the 5–10-year term.

<sup>3</sup> 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 233,188 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 30 June 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	-	-	6 161	4 233	10 394
Due to general governments	5 807	354	3 817	23 284	33 262
Issued debt securities	-	-	62	2 476	2 538
Support programme funding	336	486	803	14 007	15 632
Other liabilities	2 903	-	-	276	3 179
<b>Total financial liabilities</b>	<b>9 046</b>	<b>840</b>	<b>10 843</b>	<b>44 276</b>	<b>65 005</b>
Off-balance sheet items and contingent liabilities <sup>1</sup>	565 197	3 729	6 038	8 366	583 330
<b>Total financial liabilities, off-balance items and contingent liabilities</b>	<b>574 243</b>	<b>4 569</b>	<b>16 881</b>	<b>52 642</b>	<b>648 335</b>
Due from credit institutions and the Treasury <sup>2</sup>	733 950	15 015	60 088	10 016	819 069
Investment securities	-	64 925	85	628	65 638
<b>Liquid assets</b>	<b>733 950</b>	<b>79 940</b>	<b>60 173</b>	<b>10 644</b>	<b>884 707</b>

<sup>1</sup> 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 21.

<sup>2</sup> 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 341,898 thousand (up to 1 year) – from respective guarantee support programme funding (see Note 19) and Specific reserve capital (see Note 20). 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 221,368 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 19), as well as corresponding financing of loan support programs.

Grant commitments in amount of EUR 3,375 thousand (up to 1 year) – from respective grant support programme funding (see Note 19).

Commitments to investments in associates in amount of EUR 14,314 thousand (up to 1 year) – from respective venture capital fund support programme funding (see Note 19).

Commitments to AIF "Altum capital fund" in amount of EUR 100 thousand (up to 1 year) – from specific reserve capital (see Note 20).

Commitments to other investments in amount of EUR 5,650 thousand (up to 1 year) – for Baltic Innovation Fund 2 from support programme funding and repayments on different support programmes (see Note 19) 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 <sup>1</sup>	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
<b>Total financial liabilities</b>	<b>114 950</b>	<b>254 095</b>	<b>363 210</b>	<b>127 752</b>	<b>193 750</b>	<b>1 053 757</b>
Off-balance sheet items and contingent liabilities <sup>2</sup>	495 317	109 965	156 956	-	-	762 238
<b>Total financial liabilities, off-balance items and contingent liabilities <sup>3</sup></b>	<b>610 267</b>	<b>364 060</b>	<b>520 166</b>	<b>127 752</b>	<b>193 750</b>	<b>1 815 995</b>
Due from credit institutions and the Treasury	627 769	-	-	-	-	627 769
Investment securities	88 475	95 097	-	-	-	183 572
<b>Liquid assets</b>	<b>716 244</b>	<b>95 097</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>811 341</b>

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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
<b>Total financial liabilities</b>	<b>11 800</b>	<b>47 771</b>	<b>9 573</b>	<b>45 806</b>	<b>114 950</b>
Off-balance sheet items and contingent liabilities <sup>1</sup>	486 911	792	1 492	6 122	495 317
<b>Total financial liabilities, off-balance items and contingent liabilities</b>	<b>498 711</b>	<b>48 563</b>	<b>11 065</b>	<b>51 928</b>	<b>610 267</b>
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
<b>Liquid assets</b>	<b>528 799</b>	<b>56 677</b>	<b>46 530</b>	<b>84 238</b>	<b>716 244</b>

<sup>1</sup> 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 21.

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 19) and Specific reserve capital (see Note 20). 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 19).

Grant commitments in amount of EUR 1,922 thousand (up to 1 year) – from respective grant support programme funding (see Note 19).

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 19).

Commitments to AIF "Altum capital fund" in amount of EUR 100 thousand (up to 1 year) – from specific reserve capital (see Note 20).

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 19) 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 30 June 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
<b>Assets</b>							
Due from credit institutions and the Treasury <sup>1</sup>	733 950	15 015	60 088	10 016	-	-	819 069
Investment securities	-	64 925	85	628	95 522	-	161 160
Loans <sup>2</sup>	7 619	9 900	38 936	43 690	230 425	163 001	493 571
Grants	1 056	196	738	324	2 106	-	4 420
Deferred expense and accrued income	591	9	-	8 554	-	-	9 154
Investments in associates	5 984	-	539	2 561	56 754	1 301	67 139
Other investments	-	-	-	-	-	32 371	32 371
Investment property	-	-	-	-	-	108 356	108 356
Property, plant and equipment	-	-	-	-	-	4 179	4 179
Intangible assets	-	-	-	-	-	1 412	1 412
Other assets	891	494	15	684	256	14	2 354
<b>Total assets</b>	<b>750 091</b>	<b>90 539</b>	<b>100 401</b>	<b>66 457</b>	<b>385 063</b>	<b>310 634</b>	<b>1 703 185</b>
<b>Liabilities</b>							
Due to credit institutions	-	-	5 823	3 889	23 888	-	33 600
Due to general governments	5 802	354	1 773	19 384	79 858	133 862	241 033
Issued debt securities	-	-	48	205	89 904	-	90 157
Deferred income and accrued expense	323	-	-	6 005	5 004	-	11 332
Provisions	28 531	228	266	382	5 113	17 797	52 317
Support programme funding <sup>3</sup>	336	486	803	14 007	322 618	509 633	847 883
Other liabilities	2 903	-	-	276	428	-	3 607
<b>Total liabilities</b>	<b>37 895</b>	<b>1 068</b>	<b>8 713</b>	<b>44 148</b>	<b>526 813</b>	<b>661 292</b>	<b>1 279 929</b>
<b>Net liquidity</b>	<b>712 196</b>	<b>89 471</b>	<b>91 688</b>	<b>22 309</b>	<b>(141 750)</b>	<b>(350 658)</b>	<b>423 256</b>

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> At the end of support programme's operation, its funding remains on the Company's balance sheet, as any refunds from existing support programme are accumulated and used to finance new ones. According to recent estimates, the funding for support programmes currently included in the 1–5-year term, in the amount of EUR 136,526 thousand, will have its repayment period extended.

The financing of support programmes includes received funding intended for future transactions where capital rebate may be applied, which would reduce the amount of required public funding. Since the potential size of the capital rebate depends on loan issuance rates, the probability of rebate application, and the uncertainty surrounding the timing of its occurrence, the related public funding is reported in the term structure on a precautionary basis. As a result, EUR 146 million is reflected under the 1–5-year term and EUR 101 million under the 5–10-year term.

	Up to 1 year	1 to 5 years	5 to 10 years	10 to 15 years	Over 15 years and w/o maturity	Total
Due to credit institutions	9 712	23 888	-	-	-	33 600
Due to general governments	27 313	79 858	58 054	30 281	45 527	241 033
Issued debt securities	253	89 904	-	-	-	90 157
Support programme funding	15 632	322 618	177 015	139 325	193 293	847 883
Other liabilities	3 179	428	-	-	-	3 607
<b>Total financial liabilities</b>	<b>56 089</b>	<b>516 696</b>	<b>235 069</b>	<b>169 606</b>	<b>238 820</b>	<b>1 216 280</b>

### 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
<b>Assets</b>							
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 <sup>1</sup>	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
<b>Total assets</b>	<b>556 962</b>	<b>68 809</b>	<b>62 349</b>	<b>132 384</b>	<b>345 539</b>	<b>289 307</b>	<b>1 455 350</b>
<b>Liabilities</b>							
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
<b>Total liabilities</b>	<b>38 395</b>	<b>48 474</b>	<b>8 410</b>	<b>42 954</b>	<b>238 361</b>	<b>662 701</b>	<b>1 039 295</b>
<b>Net liquidity</b>	<b>518 567</b>	<b>20 335</b>	<b>53 939</b>	<b>89 430</b>	<b>107 178</b>	<b>(373 394)</b>	<b>416 055</b>

<sup>1</sup> 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 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
<b>Total financial liabilities</b>	<b>105 801</b>	<b>229 518</b>	<b>345 733</b>	<b>117 264</b>	<b>184 884</b>	<b>983 200</b>

### 3 Risk Management (cont'd)

#### (3) Impact of geopolitical risks

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 of 30 June 2025, the Company's exposure related to these customers' counterparties located in Ukraine amounted to EUR 194 thousand, for which a provision of EUR 43 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 the AIF Altum Fund. Given the ongoing war in Ukraine initiated by the Russian Federation, the Altum capital fund's investment portfolio is diversified by sector and region, according to where the portfolio companies generate their revenue. This diversification is considered as loss-mitigating factor. As a result, the impact of the war on each portfolio company varies.

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 30 June 2025 was EUR 6 thousand (Company's share).

To account for persistently elevated uncertainty, primarily related to the geopolitical situation and the resulting weaker economic growth outlook, the Company reviews the forward-looking macroeconomic forecasts of 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 – are applied:

- 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, and no substantial economic impact on the growth of the Latvian economy beyond what has already been observed.
- The adverse scenario reflects a less likely but plausible deterioration, incorporating elevated geopolitical and economic 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 reflects a less likely but potentially more favourable outcome compared to the base case scenario.

### 3 Risk Management (cont'd)

#### (3) Impact of geopolitical risks (cont'd)

Macroeconomic forecasts to March 31, 2025:

	2025	2026	2027
GDP annual growth rate, in %			
Base case scenario <sup>1</sup>	1.2	2.5	2.7
Adverse scenario	0.7	0.6	2.3
Optimistic scenario	1.6	4.1	3.1
<b>Weighted average <sup>2</sup></b>	<b>1.1</b>	<b>2.2</b>	<b>2.7</b>

<sup>1</sup> The base case scenario combines two external scenarios, using the information available by 12 June 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 2.9%), followed by an acceleration to 2.1% in 2026 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 (published on 10 June 2025) forecasts GDP growth of 1.2% in 2025, 2.8% in 2026, and 3.2% in 2027.

<sup>2</sup> A weighting of 70% 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
<b>Weighted average</b>	<b>2.4</b>	<b>2.9</b>	<b>2.9</b>

The indirect cumulative impact of forward-looking macroeconomic forecasts used to calculate expected credit losses on loans, credit commitments and guarantees as at 30 June 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 1,497 thousand (31 December 2024: EUR 2,344 thousand). In the first half of 2025, the general provision reserve for loans was reduced by EUR 634 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 213 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) Impact of geopolitical risks (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. 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 individual assessment of all venture capital funds (VCF), taking into account the specific circumstances of each case. Altum's assessment of the VCF investments is based on Altum's conservative approach. When valuing investments, Altum considers future prospects, and the fair value of portfolio companies is adjusted in a timely manner.

During the 2nd quarter of 2025, 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.

As of 30 June 2025, the cumulative impact of the Russian Federation's war in Ukraine amounted EUR 2.5 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 30 June 2025, in thousands of euros:

	Loans <sup>1</sup>	Guarantees <sup>1</sup>	Venture capital funds	Grants	Latvian Land Fund	Management of AIF "Altum capital fund"	Other services	Total
Interest income at effective interest rate (Note 4)	12 631	237	-	-	1 830	-	65	14 763
of which from loans:	11 773	-	-	-	1 830	-	-	13 603
of which pass-through arrangement from loans	2 808	-	-	-	-	-	-	2 808
of which from deposits	858	237	-	-	-	-	65	1 160
Other interest and similar income (Note 5):	2 032	2 582	190	-	24	-	-	4 828
of which from loans:	1 335	-	-	-	15	-	-	1 350
of which pass-through arrangement from loans	590	-	-	-	-	-	-	590
of which from guarantees:	-	1 468	-	-	-	-	-	1 468
of which pass-through arrangement from guarantees	-	371	-	-	-	-	-	371
of which from investment securities:	696	1 114	190	-	10	-	-	2 010
of which pass-through arrangement from investment securities	-	667	190	-	-	-	-	857
Interest expense (Note 6):	(7 632)	(1 037)	(190)	-	(880)	-	(65)	(9 804)
of which pass-through arrangement	(3 398)	(1 038)	(190)	-	-	-	-	(4 626)
Income for implementation of state aid programmes	1 921	823	707	79	-	-	11	3 541
Expenses to be compensated for implementation of state aid programmes	(1 864)	(670)	(685)	(79)	-	-	(11)	(3 309)
Gains from debt securities and foreign exchange translation	(7)	-	-	-	-	-	-	(7)
Share of profit/(losses) of investment in associates	-	-	3 209	-	-	-	-	3 209
Gains less losses from liabilities at fair value through profit or loss	-	-	(1 088)	-	-	-	-	(1 088)
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	-	-	-	20	2 120	87	14	2 241
Other expense	(120)	(44)	(6)	(11)	(263)	(87)	(2)	(533)
Staff costs	(2 133)	(323)	(148)	(415)	(233)	-	(381)	(3 633)
Administrative expense	(729)	(80)	(56)	(136)	(70)	-	(3)	(1 074)
Amortisation of intangible assets and depreciation of property, plant and equipment	(236)	(54)	(17)	(32)	(15)	-	(1)	(355)
Allowance for expected credit-losses, net	1 520	(537)	2	-	(3)	-	-	982
Profit or (loss) from assets held for sale revaluation	439	-	-	-	-	-	-	439
<b>Total segment profit/(loss)</b>	<b>4 435</b>	<b>897</b>	<b>1 918</b>	<b>(574)</b>	<b>2 510</b>	<b>-</b>	<b>(373)</b>	<b>8 813</b>
Financial assets at fair value through profit or loss	-	-	67 139	-	-	-	-	67 139
Other investments	-	-	32 371	-	-	-	-	32 371
Additions of property and equipment, intangible assets and investment property	491	113	41	66	15 315	-	2	16 028
<b>Total segment assets</b>	<b>1 062 963</b>	<b>149 936</b>	<b>194 470</b>	<b>12 252</b>	<b>155 423</b>	<b>-</b>	<b>128 141</b>	<b>1 703 185</b>
<b>Total segment liabilities</b>	<b>827 228</b>	<b>161 284</b>	<b>25 486</b>	<b>11 733</b>	<b>104 725</b>	<b>-</b>	<b>149 473</b>	<b>1 279 929</b>
<b>Total off-balance</b>	<b>220 920</b>	<b>570 559</b>	<b>98 075</b>	<b>3 375</b>	<b>448</b>	<b>-</b>	<b>-</b>	<b>893 377</b>
<b>Assets under management (AUM)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23 333</b>	<b>-</b>	<b>23 333</b>

<sup>1</sup> 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 30 June 2024, in thousands of euros:

	Loans	Guarantees	Venture capital funds	Grants	Latvian Land Fund	Management of AIF "Altum capital fund"	Other services	Total
Interest income at effective interest rate:	12 474	1 379	110	-	1 362	-	91	15 416
of which from loans:	11 462	-	-	-	1 362	-	-	12 824
of which pass-through arrangement from loans	2 249	-	-	-	-	-	-	2 249
of which from deposits	1 012	1 379	110	-	-	-	91	2 592
Other interest and similar income (Note5):	1 159	2 364	22	-	40	-	3	3 588
of which from loans:	1 016	-	-	-	15	-	-	1 031
of which pass-through arrangement from loans	263	-	-	-	-	-	-	263
of which from guarantees:	-	1 838	-	-	-	-	-	1 838
of which pass-through arrangement from guarantees	-	437	-	-	-	-	-	437
of which from investment securities:	143	526	22	-	25	-	3	719
of which from investment securities	5	344	19	-	-	-	-	368
Interest expense:	(7 006)	(851)	(44)	-	(431)	-	(21)	(8 353)
of which pass-through arrangement	(2 517)	(781)	(19)	-	-	-	-	(3 317)
Income for implementation of state aid programmes	1 609	680	579	614	-	-	67	3 549
Expenses to be compensated for implementation of state aid programmes	(1 568)	(501)	(548)	(300)	-	-	(66)	(2 983)
Gains from debt securities and foreign exchange translation	2	1	-	-	-	-	-	3
Share of profit/(losses) of investment in associates	-	-	(234)	-	-	-	-	(234)
Gains less losses from liabilities at fair value through profit or loss	-	-	1 140	-	-	-	-	1 140
Other income	-	-	-	1	1 296	102	23	1 422
Other expense	(108)	(30)	(5)	(12)	(255)	(113)	(7)	(530)
Staff costs	(1 745)	(508)	(169)	(373)	(158)	-	(233)	(3 186)
Administrative expense	(334)	(152)	(27)	(95)	(46)	-	(41)	(695)
Amortisation of intangible assets and depreciation of property, plant and equipment	(1 67)	(73)	(34)	(47)	(20)	-	(19)	(360)
Allowance for expected credit-losses, net	2 472	324	-	905	(2)	-	-	3 699
Profit or (loss) from assets held for sale revaluation	332	-	-	-	-	-	-	332
<b>Total segment profit/(loss)</b>	<b>7 120</b>	<b>2 633</b>	<b>790</b>	<b>693</b>	<b>1 786</b>	<b>(11)</b>	<b>(203)</b>	<b>12 808</b>
Financial assets at fair value through profit or loss	-	-	66 753	-	-	-	-	66 753
Other investments	-	-	27 410	-	-	-	-	27 410
Additions of property and equipment, intangible assets and investment property	168	51	15	32	9 913	-	19	10 198
<b>Total segment assets</b>	<b>773 787</b>	<b>200 366</b>	<b>191 472</b>	<b>7 962</b>	<b>115 729</b>	<b>-</b>	<b>21 429</b>	<b>1 310 745</b>
<b>Total segment liabilities</b>	<b>608 166</b>	<b>127 906</b>	<b>6 430</b>	<b>7 596</b>	<b>92 229</b>	<b>-</b>	<b>60 875</b>	<b>903 202</b>
<b>Total off-balance</b>	<b>103 296</b>	<b>482 478</b>	<b>52 033</b>	<b>1 592</b>	<b>2 714</b>	<b>29 866</b>	<b>-</b>	<b>671 979</b>
<b>Assets under management (AUM)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31 947</b>	<b>-</b>	<b>31 947</b>

Segment assets, liabilities and off-balance as at 31 December 2024:

	Loans	Guarantees	Venture capital funds	Grants	Latvian Land Fund	Management of AIF "Altum capital fund"	Other services	Total
<b>Total segment assets</b>	<b>557 289</b>	<b>162 114</b>	<b>200 777</b>	<b>9 583</b>	<b>507 826</b>	<b>-</b>	<b>17 761</b>	<b>1 455 350</b>
<b>Total segment liabilities</b>	<b>724 886</b>	<b>152 272</b>	<b>10 900</b>	<b>8 984</b>	<b>76 312</b>	<b>-</b>	<b>65 941</b>	<b>1 039 295</b>
<b>Total off-balance</b>	<b>170 015</b>	<b>523 538</b>	<b>68 655</b>	<b>1 992</b>	<b>30</b>	<b>-</b>	<b>-</b>	<b>764 230</b>
<b>Assets under management (AUM)</b>						<b>33 514</b>		<b>33 514</b>

## 5 Income from implementation of state aid programmes

All amounts in thousands of euros

	01.01.2025.- 30.06.2025.	01.01.2024.- 30.06.2024.
Compensation of expenses for management of state support programmes	2 829	2 933
Compensated administrative expense	481	365
Compensated venture capital fund management fees	205	251
Income on compensated placement expenses of unrestricted funds	26	-
<b>Total income from implementation of state support programmes</b>	<b>3 541</b>	<b>3 549</b>

## 6 Expenses to be compensated for implementation of state aid programmes

All amounts in thousands of euros

	01.01.2025.- 30.06.2025.	01.01.2024.- 30.06.2024.
Compensated staff costs	2 104	2 115
Compensated administrative expense	724	503
Compensated venture capital fund management fees	481	365
<b>Total compensated expense for implementation of state support programmes</b>	<b>3 309</b>	<b>2 983</b>

## 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.-30.06.2025.		01.01.2024.-30.06.2024.	
RKF 2 <sup>nd</sup> , 3 <sup>rd</sup> , un 4 <sup>th</sup> generation	1 044	(2)	(1 140)	12
Baltic Innovation Fund	33	-	-	-
AIF Altum Capital Fund	784	167	544	-
<b>Total investment in associates</b>	<b>1 861</b>	<b>165</b>	<b>(596)</b>	<b>12</b>
Baltic Innovation Fund-2	159	-	-	-
Three Seas Initiative Investment Fund	1 189	-	362	-
<b>Total other investments</b>	<b>1 348</b>	<b>-</b>	<b>362</b>	<b>-</b>
<b>Share of net gain /(loss) of investment in associate and other investments</b>	<b>3 209</b>	<b>165</b>	<b>(234)</b>	<b>12</b>

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

All amounts in thousands of euros

	01.01.2025.- 30.06.2025.	01.01.2024.- 30.06.2024.
Revaluation (loss) on investments in 2nd and 3rd generation venture capital funds, net	387	(668)
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	23	341
Revaluation (loss) on investments in 4th generation venture capital funds, net	(227)	(1 370)
Realised gain on investments in 4th generation venture capital funds	-	-
Mezzanine interest received from investments in 4th generation venture capital funds	861	545
Revaluation (loss) on investments in BIF, net	44	-
<b>Total gain less losses from liabilities at fair value through profit or loss</b>	<b>1 088</b>	<b>(1 140)</b>
<b>Gains/(losses) of investment in associate and other investments less losses from liabilities at fair value through profit or loss at June 30</b>	<b>(1 088)</b>	<b>1 140</b>

## 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 <sup>1</sup>	Net profit/ (loss)
	01.01.2025- 30.06.2025	01.01.2025- 30.06.2025	01.01.2025- 30.06.2025
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
<b>Total</b>	<b>(1 729)</b>	<b>342</b>	<b>(1 387)</b>

For details on valuation of the loans at fair value see Note 23 Loans with capital rebate.

<sup>1</sup> 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.

As at 30 June 2025 the Company has issued the loans with capital rebate amounting EUR 123 million, including EUR 42 million during the first half of 2025. For majority of these loans, a capital rebate of 100% may be applied if the performance of the financed project is deemed eligible. The initial loan assessment indicates a high probability that the capital rebate will be applied in the future. Accordingly, fair value losses have been recognized in the first half of 2025, resulting from the initial measurement of loans with a capital rebate issued during the year.

Received public funding for loans with capital rebate is interest-free or at interest rate below market rate. At initial recognition the difference between received funding and its fair value is classified as grant. Based on probability level for appliance of capital rebate in the future the said grant is recognised in profit and loss statement upon issue of the loan (high level of certainty) or later when high certainty on appliance of capital rebate in the future incur.

## 10 Allowances for expected credit losses

Analysis of expected credit loss movements for the period from 1 January 2025 till 30 June 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:	12 670	1 093	(10 588)	(38)	2 044
Loans	3 233	106	(2 193)	(38)	1 002
Financial assets related to loan agreements	9	-	-	-	9
Guarantees	8 559	987	(7 537)	-	1 022
Loan commitments	869	-	(858)	-	11
Reversal of impairment on:	(10 569)	(825)	7 543	-	(3 026)
Loans	(4 064)	(492)	1 435	-	(2 629)
Disbursed guarantee compensations	(10)	-	10	-	-
Investment securities	(2)	-	-	-	(2)
Financial assets related to loan agreements	(1)	-	-	-	(1)
Guarantees	(6 425)	(333)	6 035	-	(390)
Loan commitments	(67)	-	63	-	(4)
Total impairment losses / (reversal), net	2 101	268	(3 045)	(38)	(982)
(Income) from the recovery of written-down assets	(443)	(222)	4	-	(439)
<b>Total impairment allowance and (income) from recovery of written down assets</b>	<b>1 658</b>	<b>46</b>	<b>(3 041)</b>	<b>(38)</b>	<b>(1 421)</b>

## 10 Allowances for expected credit losses (cont'd)

Analysis of expected credit loss movements for the period from 1 January 2024 till 30 June 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:	9 706	1 349	(7 091)	(137)	2 478
Loans	2 761	334	(1 287)	(137)	1 337
Financial assets related to loan agreements	2	-	-	-	2
Guarantees	6 591	1 015	(5 467)	-	1 124
Loan commitments	352	-	(337)	-	15
Reversal of impairment on:	(14 105)	(1 653)	7 928	-	(6 177)
Loans	(5 211)	(874)	1 424	-	(3 787)
Disbursed guarantee compensations	(152)	(150)	2	-	(150)
Grants	(905)	-	-	-	(905)
Guarantees	(7 604)	(625)	6 306	-	(1 298)
Loan commitments	(233)	(4)	196	-	(37)
Total impairment losses / (reversal), net	(4 399)	(304)	837	(137)	(3 699)
(Income) from the recovery of written-down assets	(405)	(8)	73	-	(332)
<b>Total impairment allowance and (income) from recovery of written down assets</b>	<b>(4 804)</b>	<b>(312)</b>	<b>910</b>	<b>(137)</b>	<b>(4 031)</b>



## 11 Investment securities

All amounts in thousands of euros:

	30.06.2025.	31.12.2024.
Investment securities valued at amortised cost		
OECD corporate bonds	3 565	4 023
<b>Total investment securities valued at amortised cost</b>	<b>3 565</b>	<b>4 023</b>
Impairment allowances	(3 565)	(4 023)
<b>Net investment securities valued at amortised cost</b>	<b>-</b>	<b>-</b>
Investment securities valued at fair value through other comprehensive income		
Latvian Treasury bills and government bonds	161 531	183 943
<b>Total investment securities valued at fair value through other comprehensive income</b>	<b>161 531</b>	<b>183 943</b>
Impairment allowances	(371)	(371)
<b>Total net investment securities valued at fair value through other comprehensive income</b>	<b>161 160</b>	<b>183 572</b>
<b>Total gross investment securities</b>	<b>165 096</b>	<b>187 966</b>
<b>Total net investment securities</b>	<b>161 160</b>	<b>183 572</b>

## 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 30 June 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	14	-	-	-	-	-	14	-
Agriculture	128 274	(437)	32 932	(663)	12 285	(2 858)	173 491	(3 958)
SME and Midcaps	135 032	(2 063)	28 514	(1 474)	22 815	(8 372)	186 361	(11 909)
Private individuals	39 003	(245)	13 520	(440)	391	(89)	52 914	(774)
Latvian Land Fund	41 338	(6)	2 259	-	543	(3)	44 140	(9)
<b>Total segments without impairment overlay</b>	<b>343 661</b>	<b>(2 751)</b>	<b>77 225</b>	<b>(2 577)</b>	<b>36 034</b>	<b>(11 322)</b>	<b>456 920</b>	<b>(16 650)</b>
Impairment overlay	-	(677)	-	(820)	-	-	-	(1 497)
Impairment overlay for interest rate discounts	-	(1 895)	-	-	-	-	-	(1 895)
<b>Total segments</b>	<b>343 661</b>	<b>(5 323)</b>	<b>77 225</b>	<b>(3 397)</b>	<b>36 034</b>	<b>(11 322)</b>	<b>456 920</b>	<b>(20 042)</b>

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

	30.06.2025.	31.12.2024.
Number of customers	61	53
Total credit exposure of customers (EUR '000)	98 683	87 426
Percentage of total gross portfolio of loans	21.6%	19.9%

As at 30 June 2025 the average annual interest rate for the loan portfolio of the Company was 4.97% (31 December 2024: 5.46%).

## 12 Loans (cont'd)

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

	30.06.2025.	31.12.2024.
Agriculture and forestry	235 559	231 199
Manufacturing	47 990	49 404
Electricity, gas and water utilities	33 738	30 286
Retail and wholesale	14 537	17 336
Real estate	10 169	8 765
Construction	9 749	7 414
Health and social care	7 998	8 071
Professional, science and technical services	5 752	6 634
Hotels and restaurants	6 619	5 034
Municipal authorities	5 682	5 081
Transport, warehousing and communications	6 719	5 527
Arts, sports and recreation	3 520	2 324
Education	2 333	918
Fishing	1 655	1 937
Telecommunication, computer programming, consulting, computing infrastructure and other information service activities	756	863
Other industries	11 231	6 073
Private individuals	52 913	48 379
<b>Total gross loans</b>	<b>456 920</b>	<b>435 245</b>
Impairment allowances	(20 042)	(22 996)
<b>Total net loans</b>	<b>436 878</b>	<b>412 249</b>

## 12 Loans (cont'd)

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

	01.01.2025.- 30.06.2025.	01.01.2024.- 30.06.2024.
Impairment allowances at the beginning of the period	22 996	25 490
Increase in impairment allowances	3 195	1 337
Decrease in impairment allowances	(4 064)	(3 787)
Write-off of loans covered by Portfolio Loss Reserve	(227)	(50)
Write-off of loans covered by Risk Coverage Reserve	(82)	(26)
Write-off of loans Company's share of impairment allowances	(124)	(52)
Decrease in the allowance for mortgage interest refunds	(1 941)	(13)
Loan interest overdue for more than 90 days	38	70
Increase of impairment allowances due to changes in off-balance sheet and balance sheet	251	136
<b>Impairment allowances at the end of the period ended 30 June</b>	<b>20 042 <sup>1</sup></b>	<b>23 105</b>
Company's share of impairment allowances	10 641	13 897
Impairment allowances covered by Portfolio Loss Reserve	1 386	3 012
Impairment allowances covered by Risk Coverage Reserve	8 015	6 196
Impairment allowances at the beginning of the period		23 105
Increase in impairment allowances		6 352
Decrease in impairment allowances		(5 914)
Loan interest overdue for more than 90 days		199
Write-off of loans covered by Portfolio Loss Reserve		(826)
Write-off of loans covered by Risk Coverage Reserve		(21)
Write-off of loans Company's share of impairment allowances		(118)
Decrease in the allowance for mortgage interest refunds		(23)
Increase of impairment allowances due to changes in off-balance sheet and balance sheet		242
<b>Impairment allowances at the end of the period ended 31 December</b>		<b>22 996</b>
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

<sup>1</sup> Includes impairment provision of EUR 1,894 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 30 June 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	52 156	47 015	(42 166)	16 067	<b>16 067</b>
RRF energy efficiency loans	17 886	9 284	(7 813)	10 032	<b>10 032</b>
RRF digitization loans	24 955	12 708	(10 618)	14 740	<b>14 740</b>
RRF Energy Efficiency Loans for Multi-apartment Buildings	14 421	8 927	(4 975)	9 164	<b>9 164</b>
RRF Loans for construction of affordable housing	13 749	7 415	(5 974)	6 690	<b>6 690</b>
<b>Total</b>	<b>123 167</b>	<b>85 349</b>	<b>(71 546)</b>	<b>56 693</b>	<b>56 693</b>

The reduction in the potential future capital rebate component was recognised at the end of the 1<sup>st</sup> quarter of 2025, taking into account the minor net impact from the change in the fair value of this component and the related funding recognised under public financing liabilities in the 2<sup>nd</sup> quarter.

As at 30 June 2025 the Company has issued the loans with capital rebate amounting EUR 123 million. Since the loans with capital rebate are measured at fair value (see Note 23), then the fair value is determined separately for (a) a potential future capital rebate and (b) the component of the loan for which no capital rebate will be applied.

The maximum amount of the capital rebate is determined at the time the loan is issued (at the end of reporting period for issued loans with capital rebate amount EUR 92 million), however 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 set goals, 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 set project goals to qualify for the capital rebate. The probability of the capital allowance to be applied is determined by assessing the likelihood of each major project financed achieving its set goals or by using historical data on the amount of capital rebate applied.

The column "Potential future capital rebate component" the estimated amount of capital rebate expected to apply, based on eligibly assumptions at the end of the reporting period. At that point, the initial valuation of loans indicated a high probability of a capital rebate totalling EUR 85.3 million. As a result, fair value losses of EUR 10 million were recognized in the second quarter of 2025, reflecting the fair value of this component as at the end of the reporting period. (see Note 9).

Considering the received public funding classified within State support funding in liabilities, to finance the issued loans with capital rebate, 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. 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 8.6 million has been recognised as income in the first half of 2025 (see Note 9).

### 13 Loans with capital rebate(cont'd)

Considering the received public funding classified within State support funding in liabilities, to finance the issued loans with capital rebate, 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. 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 8.6 million has been recognised as income in the first half of 2025 (see Note 9).

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
<b>Total</b>	<b>81 085</b>	<b>61 529</b>	<b>(61 529)</b>	<b>24 971</b>	<b>24 971</b>

Movement in fair value of loans with capital rebate in 6 months of 2025, in thousands of euros:

	Potential future capital rebate component <sup>1</sup>	Loan component <sup>1</sup>	Total
Fair value at the beginning of the period	-	24 971	24 971
Net increase at nominal value	22 677	32 064	54 741
Compensated capital rebate in the reporting period <sup>2</sup>	(12 659)	-	(12 659)
Increase in fair value	-	(342)	(342)
(Decrease) in fair value	(10 018)	-	(10 018)
<b>Total fair value at the end of the period</b>	<b>-</b>	<b>56 693</b>	<b>56 693</b>

<sup>1</sup> For details on valuation of the loans at fair value see Note 23 Loans with capital rebate.

<sup>2</sup> See Note 19 (2) Movement in the Company's support programme funding in 6 months of 2025.

## 14 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	
		30.06.2025.	31.12.2024.	30.06.2025.	31.12.2024.
The 2nd generation VCFs	LV	7 951	7 503	5 570	5 187
The 3rd generation VCFs	LV	2 400	2 431	953	1 199
The 4th generation VCFs	LV	44 212	44 048	30 880	30 099
The 5th generation VCFs	LV	1 532	-	1 301	-
AIF "Altum capital fund" <sup>1</sup>	LV	23 332	33 515	11 412	16 392
Baltic Innovation Fund <sup>1</sup>	LU	87 272	96 750	17 023	19 350
<b>Total investments in associates</b>		<b>166 699</b>	<b>184 247</b>	<b>67 139</b>	<b>72 227</b>

<sup>1</sup> Investments in associates are carried at fair value through profit or loss.

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

As at 30 June 2025 the total venture capital fund's portfolio value at cost value was EUR 66,739 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	
	30.06.2025.	31.12.2024.	30.06.2025.	31.12.2024.	30.06.2025.	31.12.2024.	30.06.2025.	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	3 589	3 045	40	748	720	360	4 349	4 153
Refunded	(1 530)	(1 522)	(5 804)	(2 024)	(3 080)	(951)	(10 414)	(4 497)
Revaluation	160	(2 039)	784	544	33	-	977	(1 495)
<b>Net carrying amount at the end of the period ended 30 June</b>	<b>38 704</b>	<b>34 248</b>	<b>11 412</b>	<b>15 595</b>	<b>17 023</b>	<b>14 910</b>	<b>67 139</b>	<b>64 753</b>
Invested		4 472		734		300		5 506
Refunded		(2 337)		(678)		(137)		(3 152)
Revaluation		102		741		4 277		5 120
<b>Net carrying amount at the end of the period ended 31 December</b>		<b>36 485</b>		<b>16 392</b>		<b>19 350</b>		<b>72 227</b>

Venture capital funds management fees in the 6 months of 2025, expenses included:

- Management fees for the 4<sup>th</sup> generation venture capital funds amounted to EUR 329 thousand (6 months of 2024: EUR 365 thousand) which were 100% compensated by public funding (see Note 19 (2)).
- Management fees for the 5<sup>th</sup> generation venture capital funds amounted to EUR 151 thousand (6 months of 2024: EUR 0 thousand) which were 100% compensated by public funding (see Note 19 (2)).
- Management fees for the AIF "Altum capital fund" amounted to EUR 40 thousand (6 months of 2024: EUR 63 thousand).

## 15 Other Investments

Total cost of *Other investments* on 30 June 2025 was EUR 27,155 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	
	30.06.2025.	31.12.2024.	30.06.2025.	31.12.2024.	30.06.2025.	31.12.2024.
Carrying amount at the beginning of period	11 543	7 739	17 500	17 659	29 043	25 398
Invested	2 100	1 650	-	-	2 100	1 650
Refunded	(121)	-	-	-	(121)	-
Revaluation	160	-	1 189	-	1 349	-
<b>Net carrying amount at the end of period ended 30 June</b>	<b>13 682</b>	<b>9 389</b>	<b>18 689</b>	<b>17 659</b>	<b>32 371</b>	<b>27 048</b>
Invested		1 644		1 832		3 476
Refunded		(127)		(3 590)		(3 717)
Revaluation		637		1 599		2 236
<b>Net carrying amount at the end of period ended 31 December</b>		<b>11 543</b>		<b>17 500</b>		<b>29 043</b>

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 30 June 2025 (31 December 2024: 2.15%) of the total committed capital the Three Seas Initiative Investment Fund 30 June 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 30 June 2025 was EUR 14.3 million (31 December 2024: EUR 14.3 million).

## 16 Investment Properties

All amounts in thousands of euros

	30.06.2025.	31.12.2024.
Carrying amount at the beginning of period	92 976	68 246
Acquired during the reporting period <sup>1</sup>	15 284	21 711
New Exposures after Expiry of Reverse Leases	1 611	188
Sold during the reporting period	(1 587)	(2 308)
Revaluation gains	88	5 161
Revaluation losses	(16)	(22)
<b>Carrying amount at the end of the period</b>	<b>108 356</b>	<b>92 976</b>

<sup>1</sup> 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 Issued Debt Securities

All bonds are listed on the Baltic bond list by Nasdaq Riga.

All amounts in thousands of euros

ISIN	Currency	Number of initially issued securities	Par Value	Date of issuance	Maturity Date	Discount / Coupon Rate	30.06.2025.	31.12.2024.
LV0000880037	EUR	10 000	1 000	07.03.2018	07.03.2025	1.30%	-	10 106
LV0000880037	EUR	15 000	1 000	05.06.2019	07.03.2025	1.30%	-	15 172
LV0000880037	EUR	20 000	1 000	15.04.2020	07.03.2025	1.30%	-	20 213
LV0000870095	EUR	20 000	1 000	08.10.2021	08.10.2026	0.44%	20 058	20 000
LV0000104669	EUR	70 000	1 000	30.05.2025	30.05.2030	3.58%	70 099	-
<b>Total issued debt securities at the end of period ended 31 December</b>							<b>90 157</b>	<b>65 491</b>

To date, the company has issued 6 bonds with a total value of EUR 155 million (31 December 2024: EUR 85 million). It entered the regulated capital markets in October 2017 through the issuance of green bonds. In May of this year, the company issued bonds amounting to EUR 70 million, representing its largest bond issuance to date.



## 17 Issued Debt Securities (cont'd)

Movements in issued debt securities, in thousands of euros:

	30.06.2025.	31.12.2024.
At the beginning of period	65 491	85 533
Redemption of bonds	69 882	-
Accrued coupon	(45 000)	(20 000)
Coupon pay-out	365	879
Discount amortisation	(585)	(933)
Commission amortisation	4	12
<b>Total issued debt securities at the end of period</b>	<b>90 157</b>	<b>65 491</b>

Information about bondholders structure according to holders groups and total number of bondholders at the end of period:

Bondholders group	30.06.2025.		31.12.2024.	
	Number	%	Number	%
Pension plans and investment funds	58	81%	45	42%
Financial institutions	6	8%	9	8%
Other legal entities	3	4%	7	7%
Insurance companies	5	7%	8	8%
Private individuals	-	0%	37	35%
<b>Total</b>	<b>72</b>	<b>100%</b>	<b>106</b>	<b>100%</b>

## 18 Liabilities from financial guarantees

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

	30.06.2025.	31.12.2024.
Provisions at the beginning of the period	49 262	47 319
Increase in provisions	1 022	1 124
Impairment losses covered by Risk Coverage Reserve	7 537	5 467
Decrease in provisions	(390)	(1 298)
Reversal of impairment covered by Risk Coverage Reserve	(6 035)	(6 306)
Reclassification (Disbursed guarantee)	(178)	(243)
Compensation for guarantee premium	-	(355)
Fair value component - guarantee premiums	(61)	(155)
<b>Provisions at the end of the period</b>	<b>51 157</b>	<b>45 553</b>
<i>Fair value component - guarantee premiums</i>	3 677	3 605
<i>Company's share of provisions</i>	284	730
<i>Provisions covered by Portfolio Loss Reserve</i>	7 482	7 296
<i>Provisions covered by Risk Coverage Reserve</i>	39 714	33 922
Increase in provisions		1 174
Impairment losses covered by Risk Coverage Reserve		10 969
Decrease in provisions		(1 619)
Reversal of impairment covered by Risk Coverage Reserve		(6 157)
Reclassification (Disbursed guarantee)		(412)
Compensation for guarantee premium		(380)
Fair value component - guarantee premiums		134
<b>Provisions at the end of the period</b>		<b>49 262</b>
<i>Fair value component - guarantee premiums</i>		3 738
<i>Company's share of provisions</i>		305
<i>Provisions covered by Portfolio Loss Reserve</i>		6 862
<i>Provisions covered by Risk Coverage Reserve</i>		38 357

## 19 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 30 June 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
<b>Loans</b>						
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	4	-	-	-	1 202
Fund of Funds programme – Start-up loans	2 638	368	-	(38)	(37)	2 563
Fund of Funds programme – Microcredits	292	2	-	(1)	-	291
Fund of Funds programme – Parallel loans	4 012	229	-	(259)	(93)	3 660
Energy Efficiency Loans for Multi-apartment Buildings (I)	17 351	14 260	-	(327)	(327)	16 697
Start-up State Aid Cumulation Lending Programme	1 841	1 841	-	(615)	(168)	1 058
Other loans to start-ups	320	-	-	-	-	320
Mezzanine Programme – Loans	3 423	3 355	-	-	(546)	2 877
Guarantees and interest grants programme	4 287	4 287	-	(1 201)	-	3 086
SME energy efficiency loans	3 723	3 723	-	(74)	(975)	2 674
SME growth loans	3 000	3 000	-	(346)	(575)	2 079
ERAF SME growth loans	21 786	1 307	-	-	(780)	21 006
ERAF loans for business sustainability	18 719	4 071	-	-	(865)	17 854
Parallel loans	2 000	2 000	-	(159)	(113)	1 728
Parallel loans 2	3 645	1 349	-	-	(486)	3 159
Loans for enterprises in rural territories	9 298	9 298	-	(270)	(144)	8 884
Start-up loans to innovative entrepreneurs	7 866	1 573	-	-	(191)	7 675
Multi-apartment building improvement loans	4 500	4 500	-	(44)	(112)	4 344
Energy Efficiency Loans for Multi-apartment Buildings (II)	9 286	557	-	-	(80)	9 206
Cultural industry support programme <sup>2</sup>	245	-	-	-	-	245
ELFLA Agricultural and rural development loans	22 719	1 393	-	-	(166)	22 553
Working capital loans to Agriculture	12 535	10 542	-	(239)	(1 559)	10 737
Co-funding loans for the construction of affordable housing	6 022	780	-	-	(317)	5 705
RRF energy efficiency loans <sup>1</sup>	59 793	7 773	-	-	-	59 793
RRF digitization loans <sup>1</sup>	26 981	2 805	-	-	-	26 981
RRF Energy Efficiency Loans for Multi-apartment Buildings <sup>1</sup>	26 204	1 493	-	-	-	26 204
RRF housing construction loans <sup>1</sup>	38 816	4 014	-	-	-	38 816
Investment Loans with capital rebate <sup>1</sup>	152 469	10 098	-	(88)	-	152 381
Investment Loans with capital rebate – co-funding loans	38 511	2 683	-	-	(607)	37 904
Loans for sustainability	5 000	5 000	-	(222)	(103)	4 675
Loans for biomethane projects	6 440	2 044	-	-	-	6 440
PF1 Start-up and Micro ERDF loans	19 750	2 888	-	-	(582)	19 168
PF1 Productivity growth loans	10 011	1 487	-	-	(159)	9 852
PF1 Business sustainability loans	16 870	2 505	-	-	(124)	16 746
PF1 Innovation loans	8 474	1 408	-	-	-	8 474
<b>Total loans</b>	<b>574 539</b>	<b>112 637</b>	<b>-</b>	<b>(3 883)</b>	<b>(9 109)</b>	<b>561 547</b>

## 19 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 30 June 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
<b>Guarantees</b>						
Fund of Funds programme – Guarantees	46 719	46 719	-	-	(6 710)	40 009
Energy Efficiency Guarantees for Multi-apartment Buildings	12 274	12 274	-	-	(1 189)	11 085
Housing Guarantee Programme	27 172	27 172	-	(2 546)	(18 532)	6 094
Housing Guarantee Programme for NAF soldiers	1 061	1 061	-	(572)	(489)	-
Guarantee Programme for Clients of State Aid Accumulation, Grace Period and Large Economic Operators	8 753	8 753	-	(1 424)	(1 788)	5 541
Mezzanine Programme – Guarantees	1 383	1 356	-	-	(79)	1 304
Portfolio Guarantee Fund	9 394	8 138	-	(1 252)	(3 031)	5 111
Export credit guarantees	5 199	5 199	-	(1 304)	(186)	3 709
Study and student portfolio guarantees <sup>3</sup>	914	-	-	-	-	914
Agricultural Guarantees	1 388	1 388	-	(495)	(819)	74
ELFLA Agricultural and rural development guarantees	989	989	-	-	(186)	803
RRM energy car guarantees	1 461	125	373	-	(11)	1 450
RRM Energy efficiency guarantees for multi-apartment buildings <sup>1</sup>	18 972	949	14 649	-	(552)	18 420
PF1 Individual guarantees for digitalisation and automation	1 478	668	-	-	(10)	1 468
PF1 Guarantees for full-cycle business	14 066	6 684	-	-	(6 684)	7 382
PF1 Portfolio guarantees for full-cycle business	2 882	1 303	-	-	(172)	2 710
<b>Total guarantees</b>	<b>154 105</b>	<b>122 778</b>	<b>15 022</b>	<b>(7 593)</b>	<b>(40 438)</b>	<b>106 074</b>
<b>Grants</b>						
Energy Efficiency Grants for Multi-apartment Buildings	6	-	-	-	-	6
Housing grant programme "Balsts"	5 282	-	-	-	-	5 282
Grants for energy efficiency improvement of family buildings	747	-	-	-	-	747
Social Entrepreneurship Programme II	833	-	-	-	-	833
Energy efficiency project grant	795	-	-	-	-	795
Grants for improving energy efficiency of family buildings	526	-	-	-	-	526
Energoefektivitātes granti DME	1 701	-	-	-	-	1 701
PF1 Multi-apartment buildings grants with consecutive grant payments	455	-	-	-	-	455
<b>Total grants</b>	<b>10 345</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10 345</b>
<b>Venture Capital Funds</b>						
Fund of Funds and venture capital funds	39 669	38 538	-	-	-	39 669
Investment Fund Activity	7 446	6 701	-	-	-	7 446
Baltic Innovation Fund	2 000	600	-	(182)	-	1 818
Baltic Innovation Fund II	2 531	759	-	(148)	-	2 383
PF1 Contingent equity investments (5G)	13 292	5 105	-	-	-	13 292
<b>Total venture capital funds</b>	<b>64 938</b>	<b>51 703</b>	<b>-</b>	<b>(330)</b>	<b>-</b>	<b>64 608</b>
<b>Other Activities</b>						
Energy Efficiency Fund	5	-	-	-	-	5
<b>Total other activities</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>
2021-2027 Participation fund 1	24 476	-	-	-	-	24 476
2021-2027 Participation fund 2	80 828	-	-	-	-	80 828
<b>Total support programme funding</b>	<b>909 236 <sup>4</sup></b>	<b>287 118</b>	<b>15 022</b>	<b>(11 806)</b>	<b>(49 547)</b>	<b>847 883</b>

<sup>1</sup> Combined financial instrument.

<sup>2</sup> Risk coverage (Portfolio Loss Reserve) of EUR 809 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.

<sup>3</sup> Risk coverage (Portfolio Loss Reserve) of EUR 6,856 thousand has been included in the reserve, which is part of the specific reserves attributable to support programs (see Note 20 (2))

<sup>4</sup> Support programme funding contains EUR 36,650 thousand allocated for management costs of the Company to be compensated from support programme funding.

## 19 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
<b>Loans</b>						
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 <sup>2</sup>	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 <sup>1</sup>	32 257	5 257	-	-	-	32 257
RRF digitization loans <sup>1</sup>	31 817	6 123	-	-	-	31 817
RRF Energy Efficiency Loans for Multi-apartment Buildings <sup>1</sup>	17 611	1 148	-	-	-	17 611
RRF housing construction loans <sup>1</sup>	40 022	4 615	-	-	-	40 022
Investment Loans with capital rebate <sup>1</sup>	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
<b>Total loans</b>	<b>493 457</b>	<b>113 005</b>	<b>-</b>	<b>(3 883)</b>	<b>(7 640)</b>	<b>481 934</b>

## 19 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
<b>Guarantees</b>						
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 <sup>3</sup>	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 <sup>1</sup>	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
<b>Total guarantees</b>	<b>144 624</b>	<b>120 807</b>	<b>10 217</b>	<b>(7 592)</b>	<b>(38 945)</b>	<b>98 087</b>
<b>Grants</b>						
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
<b>Total grants</b>	<b>7 788</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7 788</b>
<b>Venture Capital Funds</b>						
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
<b>Total venture capital funds</b>	<b>73 430</b>	<b>35 509</b>	<b>-</b>	<b>(330)</b>	<b>-</b>	<b>73 100</b>
<b>Other Activities</b>						
Energy Efficiency Fund	6	-	-	-	-	6
<b>Total other activities</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>
2021-2027 Participation fund I	3 341	-	-	-	-	3 341
<b>Total support programme funding</b>	<b>722 646</b>	<b>269 321</b>	<b>10 217</b>	<b>(11 805)</b>	<b>(46 585)</b>	<b>664 256</b>

<sup>1</sup> Combined financial instrument.

<sup>2</sup> 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.

<sup>3</sup> 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 20 (2))

## 19 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 6 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.									30.06.2025.
<b>Loans</b>										
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	-	-	-	-	-	-	3	-	2 563
Fund of Funds programme – Microcredits	291	-	-	-	-	-	-	-	-	291
Fund of Funds programme – Parallel loans	3 322	-	-	-	-	-	-	-	338	3 660
Energy Efficiency Loans for Multi-apartment Buildings (I)	16 846	-	-	-	-	-	-	-	(149)	16 697
Start-up State Aid Cumulation Lending Programme	1 041	-	-	-	-	-	-	(45)	62	1 058
Other loans to start-ups	320	-	-	-	-	-	-	-	-	320
Mezzanine Programme – Loans	2 988	-	(222)	-	-	-	36	-	75	2 877
Guarantees and interest grants programme	3 086	-	-	-	-	-	-	-	-	3 086
SME energy efficiency loans	2 644	-	-	-	-	-	-	-	30	2 674
SME growth loans	2 305	-	-	-	-	-	-	-	(226)	2 079
ERDF SME growth loans	22 050	-	(2 000)	-	44	-	697	-	215	21 006
ERDF loans for business sustainability	22 769	-	(5 500)	-	85	-	402	-	98	17 854
Parallel loans	1 724	-	-	-	-	-	-	-	4	1 728
Parallel loans 2	3 035	-	-	-	5	-	92	-	27	3 159
Loans for enterprises in rural territories	8 882	-	-	-	-	-	-	-	2	8 884
Start-up loans to innovative entrepreneurs	7 557	-	-	-	4	-	118	(37)	33	7 675
Multi-apartment building improvement loans	4 383	-	-	-	-	-	-	-	(39)	4 344
Energy Efficiency Loans for Multi-apartment Buildings (II)	9 078	-	-	-	-	-	161	-	(33)	9 206

## 19 Support programme funding (cont'd)

(2) Movement in the Company's support programme funding in 6 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.									30.06.2025.
Cultural industry support programme <sup>1</sup>	245	-	-	-	-	-	-	-	-	245
ELFLA Agricultural and rural development loans	18 278	4 000	-	-	-	-	287	-	(12)	22 553
Working capital loans to agriculture	11 614	-	-	-	-	-	-	-	(877)	10 737
Co-funding loans for the construction of affordable housing	2 333	-	3 406	-	-	-	5	-	(39)	5 705
RRF energy efficiency loans <sup>1</sup>	32 257	32 234	-	(6 509)	-	1 563	248	-	-	59 793
RRF digitization loans <sup>1</sup>	31 817	-	-	(4 093)	(157)	(942)	356	-	-	26 981
RRF Energy Efficiency Loans for Multi-apartment Buildings <sup>1</sup>	17 611	22 913	(11 500)	(2 057)	-	(1 043)	280	-	-	26 204
RRF housing construction loans <sup>1</sup>	40 022	-	-	-	(24)	(1 224)	42	-	-	38 816
Investment Loans with capital rebate	129 367	30 000	-	-	-	(6 986)	-	-	-	152 381
Investment Loans with capital rebate – co-funding loans	33 511	5 000 <sup>a</sup>	-	-	-	-	-	-	(607)	37 904
Loans for sustainability	736	-	4 000	-	-	-	-	-	(61)	4 675
Loans for biomethane projects	-	6 440	-	-	-	-	-	-	-	6 440
PF1 Start-up and Micro ERDF loans	8 969	-	10 142	-	-	-	309	-	(252)	19 168
PF1 Productivity growth loans	14 097	-	(4 340)	-	-	-	151	-	(56)	9 852
PF1 Business sustainability loans	8 603	-	7 990	-	-	-	155	-	(2)	16 746
PF1 Innovation loans	8 474	-	-	-	-	-	-	-	-	8 474
<b>Total loans</b>	<b>481 934</b>	<b>100 587</b>	<b>(1 434)</b>	<b>(12 659)<sup>6</sup></b>	<b>(43)</b>	<b>(8 632)<sup>5</sup></b>	<b>3 342</b>	<b>(79)</b>	<b>(1 469)</b>	<b>561 547</b>



## 19 Support programme funding (cont'd)

(2) Movement in the Company's support programme funding in 6 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.									30.06.2025.
<b>Guarantees</b>										
Fund of Funds programme - Guarantees	38 260	-	-	-	285	-	564	-	900	40 009
Energy Efficiency Guarantees for Multi-apartment Buildings	10 794	-	-	-	-	-	191	-	100	11 085
Housing Guarantee Programme	8 767	-	(2 500)	-	-	-	-	(1)	(172)	6 094
Housing Guarantee Programme for NAF soldiers	-	-	-	-	-	-	-	(1)	1	-
Guarantee Programme for Clients of State Aid Accumulation, Grace Period and Large Economic Operators	5 858	-	-	-	-	-	-	-	(317)	5 541
Mezzanine Programme - Guarantees	972	-	222	-	-	-	3	-	107	1 304
Portfolio Guarantee Fund	4 734	-	-	-	-	-	-	-	377	5 111
Export credit guarantees	3 503	-	-	-	-	-	-	1	205	3 709
Study and student portfolio guarantees	794	120	-	-	-	-	-	-	-	914
Agricultural Guarantees	-	-	-	-	-	-	-	-	74	74
ELFLA Agricultural and rural development guarantees	756	-	-	-	-	-	5	-	42	803
RRM energy car guarantees	1 490	-	-	(49)	-	-	6	-	3	1 450
RRM Multi-apartment building energy efficiency guarantees	10 795	-	11 500	(3 620)	-	-	-	-	(255)	18 420
PF1 Individual guarantees for digitalisation and automation	1 449	-	-	-	-	-	18	-	1	1 468
PF1 Guarantees for full-cycle business	7 077	-	2 510	-	-	-	182	-	(2 387)	7 382
PF1 Portfolio guarantees for full-cycle business	2 838	-	-	-	-	-	44	-	(172)	2 710
<b>Total guarantees</b>	<b>98 087</b>	<b>120</b>	<b>11 732</b>	<b>(3 669)</b>	<b>285</b>	<b>-</b>	<b>1 013</b>	<b>(1)</b>	<b>(1 493)</b>	<b>106 074</b>

## 19 Support programme funding (cont'd)

(2) Movement in the Company's support programme funding in 6 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.									30.06.2025.
<b>Grants</b>										
Energy Efficiency Grants for Multi-apartment Buildings	6	-	-	-	-	-	-	-	-	6
Housing grant programme "Balsts"	4 704	-	2 500	(1 922)	-	-	-	-	-	5 282
Grants for energy efficiency improvement of family buildings <sup>1</sup>	809	-	4	(66)	-	-	-	-	-	747
Social Entrepreneurship Programme II	586	904	-	(603)	(54)	-	-	-	-	833
Energy efficiency project grant	846	-	-	(51)	-	-	-	-	-	795
Grants for improving energy efficiency of family buildings	543	-	-	(12)	(5)	-	-	-	-	526
Energoefektivitātes granti DME	-	1 701	-	-	-	-	-	-	-	1 701
PF1 Multi-apartment Buildings grants with consecutive grant payments	294	225	-	(64)	-	-	-	-	-	455
<b>Total grants</b>	<b>7 788</b>	<b>2 830</b>	<b>2 504</b>	<b>(2 718)</b>	<b>(59)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10 345</b>
<b>Venture Capital Funds</b>										
Fund of Funds and venture capital funds	36 251	-	3 500	-	(716) <sup>2</sup>	(227)	861 <sup>3</sup>	-	-	39 669
Investment Fund Activity	7 036	-	-	-	-	387	23 <sup>4</sup>	-	-	7 446
Baltic Innovation Fund	1 774	-	-	-	-	44	-	-	-	1 818
Baltic Innovation Fund II	2 383	-	-	-	-	-	-	-	-	2 383
PF1 Contingent equity investments (5G)	25 656	-	(12 400)	-	(151) <sup>7</sup>	-	187	-	-	13 292
<b>Total venture capital funds</b>	<b>73 100</b>	<b>-</b>	<b>(8 900)</b>	<b>-</b>	<b>(867)</b>	<b>204</b>	<b>1 071</b>	<b>-</b>	<b>-</b>	<b>64 608</b>
<b>Other Activities</b>										
Energy Efficiency Fund	6	-	-	-	(1)	-	-	-	-	5
<b>Total other activities</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>
2021-2027 Participation fund 1	3 341	25 037	(3 902)	-	-	-	-	-	-	24 476
2021-2027 Participation fund 2	-	80 763	-	-	-	-	65	-	-	80 828
<b>Total support programme funding</b>	<b>664 256</b>	<b>209 337</b>	<b>-</b>	<b>(19 046)</b>	<b>(685)</b>	<b>(8 428)</b>	<b>5 491</b>	<b>(80)</b>	<b>(2 962)</b>	<b>847 883</b>

<sup>1</sup> Combined financial instrument.

<sup>2</sup> include EUR 329 thousand management fees for the 4<sup>th</sup> generation venture capital funds and EUR 37 thousand in refunded management fees.

<sup>3</sup> include EUR 861 thousand mezzanine interest received in 6 months of 2025.

<sup>4</sup> include EUR 21 thousand mezzanine interest received in 6 months of 2025.

<sup>5</sup> 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).

<sup>6</sup> See Note 13 *Loans with capital rebate*

<sup>7</sup> include EUR 151 thousand management fees for the 5<sup>th</sup> generation venture capital funds.

<sup>8</sup> Includes an increase of 5 thousand, reducing the Special Reserve Capital. See Appendix 20(2).

## 20 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
<b>Reserves as of 1 January 2024</b>	<b>125 629</b>	<b>(15 935)</b>	<b>57 265</b>	<b>166 959</b>
Increase of reserve capital	5 610	-	-	5 610
Reduction of reserve capital due to increased funding of Support Programmes	(5 788)	-	-	(5 788)
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
<b>Reserves as of 30 June 2024</b>	<b>125 504</b>	<b>(15 935)</b>	<b>75 022</b>	<b>184 591</b>
Increase of reserve capital	1 774	-	-	1 774
Reduction of reserve capital due to increased funding of Support Programmes	(12 500)	-	-	(12 500)
<b>Reserves as of 31 December 2024</b>	<b>114 778</b>	<b>(15 935)</b>	<b>75 022</b>	<b>173 865</b>
Increase of reserve capital	2 805	-	-	2 805
Reduction of reserve capital due to increased funding of Support Programmes	(5 000)	-	-	(5 000)
Increase of Specific Reserves from General reserve capital at distribution of the profit for year 2024	3 118	-	(3 118)	-
Reduction of Specific Reserves from General reserve capital at distribution of the profit for year 2024	(1 737)	-	1 737	-
2024 profit of the Company	-	-	28 663	28 663
<b>Reserves as of 30 June 2025</b>	<b>113 964</b>	<b>(15 935)</b>	<b>102 304</b>	<b>200 333</b>

## 20 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		
<b>Specific reserves as of 1 January 2024</b>	<b>21 977</b>	<b>1 402</b>	<b>5 788</b>	<b>4 018</b>	<b>21 500</b>	<b>12 500</b>	<b>13 829</b>	<b>15 551</b>	<b>5 157</b>	<b>23 907</b>	<b>125 629</b>
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	-	5 610	-	-	-	-	-	-	-	-	5 610
Reduction of reserve capital due to increased funding of Support Programmes	-	-	(5 788)	-	-	-	-	-	-	-	(5 788)
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)
<b>Specific reserves as of 30 June 2024</b>	<b>21 977</b>	<b>5 610</b>	<b>-</b>	<b>3 300</b>	<b>20 853</b>	<b>12 500</b>	<b>13 829</b>	<b>16 268</b>	<b>7 187</b>	<b>23 980</b>	<b>125 504</b>
of which:											
Portfolio Loss Reserve (Specific Reserves)	21 977	5 610	-	3 300	20 587	12 500	1 018	16 268	7 187	8 015	96 462
Increase of reserve capital	1 774	-	-	-	-	-	-	-	-	-	1 774
Reduction of reserve capital due to increased funding of Support Programmes	-	-	-	-	-	(12 500)	-	-	-	-	(12 500)
<b>Specific reserves as of 31 December 2024</b>	<b>23 751</b>	<b>5 610</b>	<b>-</b>	<b>3 300</b>	<b>20 853</b>	<b>-</b>	<b>13 829</b>	<b>16 268</b>	<b>7 187</b>	<b>23 980</b>	<b>114 778</b>
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

## 20 Reserves (cont'd)

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

	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		
Increase of reserve capital	-	2 805	-	-	-	-	-	-	-	-	2 805
Reduction of reserve capital due to increased funding of Support Programmes	-	-	-	-	(5 000)	-	-	-	-	-	(5 000)
Increase of Specific Reserves from General reserve capital at distribution of the profit for year 2024	-	-	-	75	63	-	-	1 305	1 675	-	3 118
Reduction of Specific Reserves from General reserve capital at distribution of the profit for year 2024	-	(1 558)	-	-	-	-	-	-	-	(179)	(1 737)
<b>Specific reserves as of 30 June 2025</b>	<b>23 751</b>	<b>6 857</b>	<b>-</b>	<b>3 375</b>	<b>15 916</b>	<b>-</b>	<b>13 829</b>	<b>17 573</b>	<b>8 862</b>	<b>23 801</b>	<b>113 964</b>
of which:											
Portfolio Loss Reserve (Specific Reserves)	23 751	6 857	-	3 375	20 650	-	1 018	17 573	8 862	7 836	89 922

## 20 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 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.
- includes a reduction in the Special Reserve allocated to the programme Loans for mitigating the consequences of the war in Ukraine, in the amount of EUR 5000 thousand. The reallocated funds increase the financing of support programmes under the Investment Loans with Capital Rebate additional loan, in accordance with the resolution of the Shareholders' Meeting held on 30 April 2025. The decision is based on Cabinet of Ministers Regulation, No.628 of October 31, 2023 "Amendments to the Cabinet of Ministers Regulation No.503 of July 6, 2021, Regulations Regarding Loans with a capital rebate for Investment Projects for Promoting Projects of Merchants for Facilitating Competitiveness" clause 7; Cabinet of Ministers Regulation No. 627 of 31 October 2023 "Amendment to Cabinet of Ministers Regulation No. 349 of 14 June 2022, "Regulations on the Loan Programme to Mitigate the Economic Consequences of Russia's Military Aggression Against Ukraine", and Agreement No. 2 of 3 March 2025 to the agreement of 19 October 2022, concluded between Altum and the Ministry of Economics, regarding the redistribution of funding to reserve capital to ensure financing for the Ukraine Loan Programme No. 2022-0163."

The reallocation of the funds resulting from the reduction in the specific capital reserve will be redirected to the financing of the (Investment) Loans with a capital rebate program. Thus, the reduction of the specific capital reserve by reducing the funding for certain support programs and the corresponding transfer of funding to liabilities of EUR 5,000 thousand for the financing of the Loans with a capital rebate program will ensure that the same nature of funding is maintained - funding for the implementation of a new support program and for the coverage of expected losses.

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.

## 20 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		
<b>Portfolio Loss Reserve as of 1 January 2024</b>	<b>21 977</b>	<b>1 402</b>	<b>5 788</b>	<b>4 018</b>	<b>21 234</b>	<b>12 500</b>	<b>1 018</b>	<b>15 551</b>	<b>5 157</b>	<b>7 942</b>	<b>96 587</b>
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
Increase of specific reserves	-	5 610	-	-	-	-	-	-	-	-	5 610
Reduction of reserve capital due to increased funding of Support Programmes	-	-	(5 788)	-	-	-	-	-	-	-	(5 788)
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)
<b>Portfolio Loss Reserve as of 30 June 2024</b>	<b>21 977</b>	<b>5 610</b>	<b>-</b>	<b>3 300</b>	<b>20 587</b>	<b>12 500</b>	<b>1 018</b>	<b>16 268</b>	<b>7 187</b>	<b>8 015</b>	<b>96 462</b>
of which:											
Portfolio Loss Reserve (Specific Reserves) to be used to cover credit loss upon approval of the 2024 annual report	-	(697)	-	81	113	-	-	439	376	(102)	210
Increase of specific reserves	1 774	-	-	-	-	-	-	-	-	-	1 774
Reduction of reserve capital due to increased funding of Support Programmes	-	-	-	-	-	(12 500)	-	-	-	-	(12 500)
<b>Portfolio Loss Reserve as of 31 December 2024</b>	<b>23 751</b>	<b>5 610</b>	<b>-</b>	<b>3 300</b>	<b>20 587</b>	<b>-</b>	<b>1 018</b>	<b>16 268</b>	<b>7 187</b>	<b>8 015</b>	<b>85 736</b>
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

## 20 Reserves (cont'd)

### (3) Analysis of portfolio loss reserve movements, in thousands of euros (cont'd):

	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		
Increase of specific reserves	-	2 805	-	-	-	-	-	-	-	-	2 805
Increase of Specific Reserves from General reserve capital at distribution of the profit for year 2024	-	-	-	75	63	-	-	1 305	1 675	-	3 118
Reduction of Specific Reserves from General reserve capital at distribution of the profit for year 2024	-	(1 558)	-	-	-	-	-	-	-	(179)	(1 737)
<b>Portfolio Loss Reserve as of 30 June 2025</b>	<b>23 751</b>	<b>6 857</b>	<b>-</b>	<b>3 375</b>	<b>20 650</b>	<b>-</b>	<b>1 018</b>	<b>17 573</b>	<b>8 862</b>	<b>7 836</b>	<b>89 922</b>
of which:											
Portfolio Loss Reserve (Specific Reserves) to be used to cover credit loss upon approval of the 2025 annual report	(76)	(669)	-	44	86	-	-	523	47	(87)	(132)



## 21 Off-balance sheet items and contingent liabilities

All amounts in thousands of euros

	30.06.2025.	31.12.2024.
Contingent liabilities:		
Outstanding guarantees	570 559	523 538
Financial commitments:		
Loan commitments	221 368	170 045
Commitments to AIF "Altum capital fund" <sup>1</sup>	29 056	29 096
Commitments to investments in associates	50 587	19 027
Commitments to other investments	18 432	20 532
Grant commitments	3 375	1 992
<b>Total contingent liabilities and financial commitments</b>	<b>893 377</b>	<b>764 230</b>

<sup>1</sup> Includes commitments based on the limited partnership agreement concluded between the Company, as a limited partner, and the participants of the AIF Altum Capital Fund, which obligates the Company to invest in the Fund for a total amount of EUR 4 million. As the fund's investment period has ended and no additional investments in existing portfolio companies are expected, the indicated amount could decrease by at least EUR 26 million.

Impairment allowances for loan commitments, in thousands of euros:

	30.06.2025.	31.12.2024.
Unutilised loan facilities	221 368	170 045
Impairment allowances	(1 105)	(554)
<b>Total unutilized loan facilities, net</b>	<b>220 263</b>	<b>169 491</b>

Impairment allowances for grant commitments, in thousands of euros:

	30.06.2025.	31.12.2024.
Grant commitments	3 375	1 992
Impairment allowances	(55)	(55)
<b>Total grant commitments, net</b>	<b>3 320</b>	<b>1 937</b>

Analysis of the guarantee portfolio by client segments as at 30 June 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	8 944	(830)	1 967	(176)	-	-	10 911	(1 006)
SME and Midcaps	188 593	(14 972)	12 915	(1 844)	4 475	(1 633)	205 983	(18 449)
Private individuals	350 201	(26 994)	2 787	(373)	677	(658)	353 665	(28 025)
<b>Total segments, gross</b>	<b>547 738</b>	<b>(42 796)</b>	<b>17 669</b>	<b>(2 393)</b>	<b>5 152</b>	<b>(2 291)</b>	<b>570 559</b>	<b>(47 480)</b>
Impairment overlay for interest rate decrease	-	-	-	-	-	-	-	-
<b>Total segments, net</b>	<b>547 738</b>	<b>(42 796)</b>	<b>17 669</b>	<b>(2 393)</b>	<b>5 152</b>	<b>(2 291)</b>	<b>570 559</b>	<b>(47 480)</b>

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

Breakdown of off-balance sheet assets and contingent liabilities by remaining contractual maturities as at 30 June 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
<b>Contingent liabilities</b>							
Outstanding guarantees	341 631 <sup>1</sup>	28	9	230	48 649	180 012	570 559
<b>Financial commitments</b>							
Loan commitments	221 368	-	-	-	-	-	221 368
Commitments to AIF "Altum capital fund" <sup>2</sup>	8	15	23	54	28 956	-	29 056
Commitments to investments in associates	1 840	3 086	3 106	6 282	34 076	2 197	50 587
Commitments to other investments	350	600	2 900	1 800	10 432	2 350	18 432
<b>Total financial commitments</b>	<b>223 333</b>	<b>2 037</b>	<b>4 508</b>	<b>4 887</b>	<b>80 131</b>	<b>4 547</b>	<b>319 443</b>
Grant commitments	3 375	-	-	-	-	-	3 375
<b>Total contingent liabilities and financial commitments</b>	<b>568 339</b>	<b>2 065</b>	<b>4 517</b>	<b>5 117</b>	<b>128 780</b>	<b>184 559</b>	<b>893 377</b>

<sup>1</sup> 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.

<sup>2</sup> Includes commitments based on the limited partnership agreement concluded between the Company, as a limited partner, and the participants of the AIF Altum Capital Fund, which obligates the Company to invest in the Fund for a total amount of EUR 4 million. As the fund's investment period has ended and no additional investments in existing portfolio companies are expected, the indicated amount with term 1-5 years could decrease by at least EUR 26 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
<b>Contingent liabilities</b>							
Outstanding guarantees	316 338 <sup>1</sup>	-	305	1 991	55 040	149 864	523 538
<b>Financial commitments</b>							
Loan commitments	170 045	-	-	-	-	-	170 045
Commitments to AIF "Altum capital fund" <sup>2</sup>	8	17	25	50	28 996	-	29 096
Commitments to investments in associates <sup>3</sup>	231	197	295	2 347	15 957	-	19 027
Commitments to other investments	289	578	867	1 734	9 972	7 092	20 532
<b>Total financial commitments</b>	<b>170 573</b>	<b>792</b>	<b>1 187</b>	<b>4 131</b>	<b>54 925</b>	<b>7 092</b>	<b>238 700</b>
Grant commitments	1 992	-	-	-	-	-	1 992
<b>Total contingent liabilities and financial commitments</b>	<b>488 903</b>	<b>792</b>	<b>1 492</b>	<b>6 122</b>	<b>109 965</b>	<b>156 956</b>	<b>764 230</b>

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

## 22 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	
	30.06.2025.	31.12.2024.	30.06.2025.	31.12.2024.	30.06.2025.	31.12.2024.
Investments in venture capital funds	-	-	55 727	55 835	-	-
Investments in AIF "Altum capital fund"	-	-	11 412	16 392	-	-
Due to general governments	-	-	-	-	3 968	1 978
Support programme funding	613 022	543 225	-	-	232 365	126 422
Off-balance sheet financial liabilities for venture capital funds	-	-	50 587	19 227	-	-
Off-balance sheet financial liabilities for AIF "Altum capital fund"	-	-	29 056	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.- 30.06.2025.	01.01.2024.- 30.06.2024.	01.01.2025.- 30.06.2025.	01.01.2024.- 30.06.2024.
<b>Transactions with shareholders</b>				
Ministry of Finance of the Republic of Latvia	11 116	8 712	10 755	(4 828)
Ministry of Agriculture of the Republic of Latvia	-	-	-	-
Ministry of Economics of the Republic of Latvia	30 000	-	-	-
<b>Associates</b>				
Venture capital funds	6 449	1 555	(10 535)	(1 547)
<b>Other companies owned by the shareholders</b>				
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	-	350	-

The remuneration of the members of the Supervisory Council, Audit Committee and the Management Board of the Company in the 6 months of 2025 amounted to EUR 381 thousand (6 months of 2024: EUR 389 thousand), including social insurance tax.

	01.01.2025.- 30.06.2025.	01.01.2024.- 30.06.2024.
Remuneration to the Supervisory Council and the Management Board	308	315
to the Supervisory Council	46	46
to the Management Board	239	246
to the Audit Committee	23	23
Social insurance tax	73	74
<b>Total</b>	<b>381</b>	<b>389</b>

## 23 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	
	30.06.2025.	31.12.2024.	30.06.2025.	31.12.2024.	30.06.2025.	31.12.2024.	30.06.2025.	31.12.2024.
<b>Assets measured at fair value</b>								
Financial assets at fair value through other comprehensive income - investment securities	161 160	183 572	161 160	183 572	161 160	183 572	-	-
Other investments	67 139	72 227	67 139	72 227	-	-	67 139	72 227
Investments in associates	32 371	29 043	32 371	29 043	-	-	32 371	29 043
Investment properties	108 356	92 976	108 356	92 976	-	-	108 356	92 976
Loans with capital rebate	56 693	24 971	56 693	24 971	-	-	56 693	24 971
<b>Assets with fair values disclosed</b>								
Due from credit institutions and the Treasury	819 069	627 769	818 944	627 168	818 944	627 168	-	-
Financial assets at amortised cost:								
Investment securities	-	-	-	-	-	-	-	-
Loans	436 878	412 249	392 843	377 187	-	-	392 843	377 187
Other financial assets	2 354	2 937	2 354	2 937	-	-	2 354	2 937
<b>Total assets</b>	<b>1 684 020</b>	<b>1 445 744</b>	<b>1 639 860</b>	<b>1 410 081</b>	<b>980 104</b>	<b>810 740</b>	<b>659 756</b>	<b>599 341</b>
<b>Liabilities measured at fair value</b>								
Support programme funding	847 883	664 256	847 883	664 256	-	-	847 883	664 256
<b>Liabilities with fair value disclosed</b>								
Due to credit institutions	33 600	40 366	33 600	40 366	-	-	33 600	40 366
Due to general governments	241 033	207 634	228 971	196 654	-	-	228 971	196 654
Liabilities from financial guarantees	51 157	49 262	51 157	49 262	-	-	51 157	49 262
Financial liabilities at amortised cost - issued debt securities	90 157	65 491	88 254	63 139	-	-	88 254	63 139
<b>Total liabilities</b>	<b>1 263 830</b>	<b>1 027 009</b>	<b>1 249 865</b>	<b>1 013 677</b>	<b>-</b>	<b>-</b>	<b>1 249 865</b>	<b>1 013 677</b>
<b>Off-balance-sheet commitments for which the fair value is disclosed:</b>								
Outstanding guarantees	570 559	523 538	570 559	523 538	-	-	570 559	523 538
<b>Total off-balance sheet liabilities</b>	<b>570 559</b>	<b>523 538</b>	<b>570 559</b>	<b>523 538</b>	<b>-</b>	<b>-</b>	<b>570 559</b>	<b>523 538</b>

## 23 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 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.

### 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.

## 23 Fair values of assets and liabilities (cont'd)

### 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 classifies 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 uses 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 measurements 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 valued by adjusting the nominal value of the relevant securities to their market price, excluding the accrued coupon. The market price is determined based on the average offer price quotations from 3 banks with which the Company has a settlement services agreement.

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.

## 23 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.

## 24 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	77 - 80
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## OTHER NOTES TO THE interim condensed report

### KEY FINANCIAL AND PERFORMANCE INDICATORS

Based on data from financial statements for the respective reporting period

	2025 6M	2025 3M	2024 12M
<b>Key financial data</b>			
Net interest income (EUR '000)	9 787	5 538	23 026
Operating profit (EUR '000)	8 813	4 701	28 663
Profit for the period (EUR '000)	8 813	4 701	28 663
Cost to income ratio (CIR)	39.4%	41.8%	23.32%
Employees	256	255	254
Total assets (EUR '000)	1 703 185	1 538 845	1 455 350
Financial debt (EUR '000)	975 102	817 391	755 011
<b>Tangible common equity (TCE) / Tangible managed assets (TMA) <sup>1</sup></b>	<b>19.1%</b>	<b>20.8%</b>	<b>21.6%</b>
Equity and reserves (EUR '000)	423 256	423 275	416 055
Return on average equity (ROE)	4.2%	4.5%	7.1%
<b>Total risk coverage: (EUR '000)</b>	<b>327 361</b>	<b>326 931</b>	<b>309 853</b>
Risk coverage reserve	287 118	286 009	269 321
Risk coverage reserve used for provisions	(49 547)	(47 965)	(46 585)
Portfolio loss reserve (specific reserve capital)	89 922	88 541	85 736
Portfolio loss reserve used to compensate provisions in the distribution of annual profit	(132)	346	1 381
Liquidity ratio for 180 days <sup>2</sup>	387%	401%	342%
Net Cash flows from operating activities (EUR '000)	152 778	28 263	135 234
Net Cash flows from financing activities (EUR '000)	2 805	2 805	4 579
Net Cash flows from investing activities (EUR '000)	127 363	83 308	(249 994)
<b>Support instruments gross value (EUR '000), of which</b>	<b>1 357 347</b>	<b>1 291 026</b>	<b>1 234 002 <sup>5</sup></b>
Grants	4 451	3 974	3 159
<b>Financial instruments gross value (EUR '000) <sup>3</sup></b>			
Loans (excluding sales and leaseback transactions)	535 947	494 749	474 193 <sup>4</sup>
Guarantees	570 559	548 176	523 538
Venture capital funds	93 894	97 305	97 999
Latvian Land Fund, of which:	152 496	146 822	135 113
- sales and leaseback transactions	44 140	43 942	42 137
- investment properties	108 356	102 880	92 976
<b>Total</b>	<b>1 352 896</b>	<b>1 287 052</b>	<b>1 230 843<sup>5</sup></b>
Number of transactions	40 841	39 725	38 730
<b>Volumes issued (EUR '000) (by financial instrument) <sup>3</sup></b>			
Loans (excluding sales and leaseback transactions)	128 237	58 215	221 741
Guarantees	94 662	48 908	142 902
Venture capital funds	6 449	1 794	15 745
Latvian Land Fund, of which:	21 874	14 537	40 506
- sales and leaseback transactions	6 590	5 370	19 692
- investment properties	15 284	9 167	20 814
<b>Total</b>	<b>251 222</b>	<b>123 455</b>	<b>420 894</b>
Number of transactions	4 099	1 948	6 710
Total contribution to economy by volumes issued in the reporting period, including the participation of the final recipients (EUR '000)	978 319 <sup>6</sup>	978 319 <sup>6</sup>	978 319
Leverage for raised private funding	126%	120%	129%
Volume of support programmes funding per employee (EUR '000)	5 047	5 047	4 625
Long-term rating assigned by Moody's Ratings	Baa1	Baa1	Baa1

<sup>1</sup> 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)

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

<sup>3</sup> 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.

<sup>4</sup> 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).

<sup>5</sup> 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).

<sup>6</sup> Data as at 31 December 2024 / data as at 31 December 2023, 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
<b>Key financial data</b>						
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
<b>Tangible common equity (TCE) / Tangible managed assets (TMA) <sup>1</sup></b>	<b>21.6%</b>	<b>23.4%</b>	<b>27.01%</b>	<b>33.82%</b>	<b>33.56%</b>	<b>29.40%</b>
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%
<b>Total risk coverage: (EUR '000)</b>	<b>309 853</b>	<b>281 355 <sup>2</sup></b>	<b>297 218</b>	<b>285 954</b>	<b>180 205</b>	<b>87 456</b>
Risk coverage reserve	269 321	226 793 <sup>2</sup>	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 <sup>3</sup>	342%	430%	366%	518%	464%	582%
Net Cash flows from operating activities (EUR '000)	135 234	138 724 <sup>4</sup>	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) <sup>4</sup>	(8 437)	4 553	(4 016)	(11 230)
<b>Support instruments gross value (EUR '000), of which</b>	<b>1 234 002 <sup>6</sup></b>	<b>1 101 797</b>	<b>1 064 821</b>	<b>979 130</b>	<b>872 302</b>	<b>667 649</b>
Grants	3 159	68 132	58 280	45 397	31 107	17 186
<b>Financial instruments gross value (EUR '000)</b>						
Loans (excluding sales and leaseback transactions)	474 193 <sup>5</sup>	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: <sup>7</sup>	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
<b>Total</b>	<b>1 230 843 <sup>6</sup></b>	<b>1 033 665</b>	<b>963 676</b>	<b>895 788</b>	<b>803 509</b>	<b>617 341</b>
Number of transactions	38 730	35 260	33 976	30 978	26 578	22 437
<b>Volumes issued (EUR '000) (by financial instrument)</b>						
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: <sup>7</sup>	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
<b>Total</b>	<b>420 894</b>	<b>283 029</b>	<b>274 827</b>	<b>267 716</b>	<b>317 868</b>	<b>187 966</b>
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

<sup>1</sup> TMA includes off-balance sheet item outstanding guarantees.

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

### KEY FINANCIAL AND PERFORMANCE INDICATORS (cont'd)

<sup>2</sup> 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.

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

<sup>4</sup> 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.

<sup>5</sup> 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).

<sup>6</sup> 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).

<sup>7</sup> 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>