

JSC DEVELOPMENT FINANCE INSTITUTION ALTUM

Unaudited interim condensed financial report
for the twelve months ended 31 December 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 12 months of 2025, the Development Finance Institution Altum (hereinafter – the Company) has ensured stable financial results and earned a profit of EUR 31.4 million.

Key financial and performance indicators

Based on data from audited financial statements for the respective years

	2025 12M unaudited	2024 audited
Key financial data		
Net interest income (EUR '000)	20 026	23 026
Operating profit (EUR '000)	31 470	28 663
Profit for the period (EUR '000)	31 470	28 663
Cost to income ratio (CIR)	19.1%	23.3%
Employees	258	254
Total assets (EUR '000)	1 729 663	1 455 350
Financial debt (EUR '000)	927 320	755 011
Tangible common equity (TCE) / Tangible managed assets (TMA) ¹	19.4%	21.6%
Equity and reserves (EUR '000)	445 125	416 055
Return on average equity (ROE)	7.3%	7.1%
Total risk coverage: (EUR '000)	374 448	309 853
Risk coverage reserve	342 557	269 321
Risk coverage reserve used for provisions	(52 656)	(46 585)
Portfolio loss reserve (specific reserve capital)	85 117	85 736
Portfolio loss reserve used to compensate provisions in the distribution of annual profit	(570)	1 381
Liquidity ratio for 180 days ²	328%	342%
Net Cash flows from operating activities (EUR '000)	144 167	135 234
Net Cash flows from financing activities (EUR '000)	3 000	4 579
Net Cash flows from investing activities (EUR '000)	75 978	(249 994)
Support instruments gross value (EUR '000), of which	1 501 490	1 234 002⁴
Grants	4 294	3 159
Financial instruments gross value (EUR '000) ⁵		
Loans (excluding sales and leaseback transactions)	621 218	474 193 ³
Guarantees	627 944	523 538
Venture capital funds	90 210	97 999
Latvian Land Fund, of which:	157 824	135 113
- sales and leaseback transactions	37 005	42 137
- investment properties	120 819	92 976
Total	1 497 196	1 230 843⁴
Number of transactions	42 414	38 730
Volumes issued (EUR '000) (by financial instrument) ⁵		
Loans (excluding sales and leaseback transactions)	292 079	221 741
Guarantees	199 628	142 902
Venture capital funds	13 910	15 745
Latvian Land Fund, of which:	28 668	40 506
- sales and leaseback transactions	9 823	19 692
- investment properties	18 845	20 814
Total	534 285	420 894
Number of transactions	8 387	6 710
Total contribution to economy by volumes issued in the reporting period, including the participation of the final recipients (EUR '000)	1 405 422	978 319
Leverage for raised private funding	158%	129%
Volume of support programmes funding per employee (EUR '000)	5 803	4 625
Long-term rating assigned by Moody's Ratings	Baa1	Baa1

Management Report (cont'd)

Key financial and performance indicators (cont'd)

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

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

³ 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).

⁴ Taking into account reference No.3, 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).

⁵ 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.

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

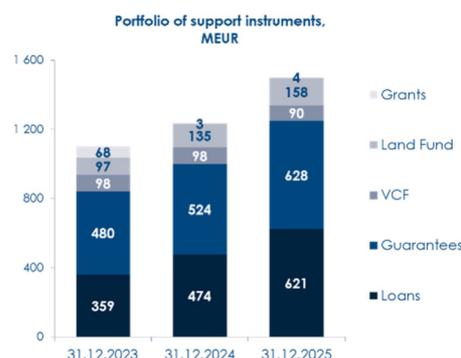
Management Report (cont'd)

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.

Support instruments

In the 12 months of 2025, Altum's gross portfolio of support instruments totalled EUR 1,501 million (31 December 2024: EUR 1,234 million), of which the gross portfolio of financial instruments (excluding grants) was EUR 1,497 million, an increase of EUR 226 million (+22%) compared with the end of 2024. The largest increase was in the loan portfolio, which grew by EUR 147 million (+31%) in the 12 months of 2025, exceeding the EUR 600 million mark for the first time. Loans under the Recovery Fund programme accounted for 46% of total portfolio growth, and investment loans with a capital rebate accounted for 31%. The guarantee portfolio grew by EUR 104 million (20%). The greatest impact on guarantee portfolio growth in 4th quarter and over the full 12 months of 2025 came from guarantees issued to private individuals, which increased by EUR 60 million (+19%). Although business guarantee demand declined in 4th quarter compared with earlier quarters, the business guarantee portfolio still expanded by EUR 48 million (+26%) over the year.



* 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

The Land Fund portfolio increased by EUR 23 million (+17%) in the 12 months of 2025.

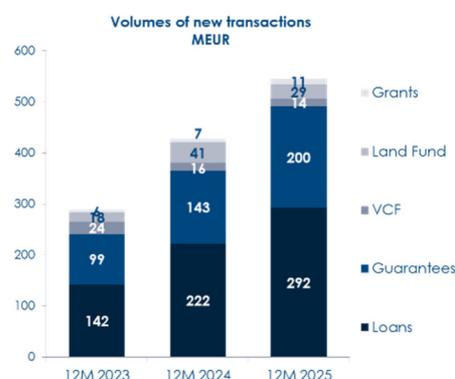
The gross portfolio of support instruments, by the number of projects increased by EUR 3,731 (+10%).

Management Report (cont'd)

Operational volumes (cont'd)

Support instruments (cont'd)

In the 12 months of 2025, the volume of new transactions reached EUR 545 million, 27 % (+EUR 117 million) higher than in the corresponding period in 2024. The increase was mainly driven by the higher volume of new loan transactions (+EUR 70 million) and the higher volume of new guarantee transactions (+EUR 57 million). In the loan portfolio, the volume of new transactions continued to be driven primarily by programmes under the Recovery Fund, with EUR 98 million issued during the 12-month period (+EUR 49 million compared with the corresponding



period in 2024). The volume of new transactions under this fund's programmes was driven almost equally by new transactions in the Energy Efficiency Promotion Programme for Apartment Buildings and the Affordable Housing Construction Programme. A particularly high volume of new transactions in the 4th quarter was observed in the Investment Loan Programme with Capital Rebate, where new transaction volume in the 4th quarter reached EUR 24 million. Over the 12 months of 2025, the new transaction volume in this programme was EUR 46 million (+EUR 14 million). There is also significant demand for SME loans, continuing the growth in demand that began in the 2nd quarter. Over the 12 months of 2025, new transactions in SMEs reached EUR 66 million (+EUR 12 million).

Over the 12 months of 2025, the increase in the volume of new guarantee transactions was driven by high demand for both merchant guarantees (SME guarantees) and guarantees to private individuals. Over the 12 months of 2025, the volume of guarantees issued to merchants was EUR 102 million (+EUR 31 million compared with 2024), while the volume of guarantees issued to private individuals reached EUR 97 million (+EUR 28 million compared with 2024). The high demand for merchant guarantees was supported by Altum's attractive product conditions and the increased lending activity in commercial banks. Growth in new transactions for private individuals continued to be driven mainly by demand for Housing Guarantees and for energy efficiency guarantees for apartment buildings. Over the 12 months of 2025, new Housing Guarantee transactions totalled EUR 58 million (+EUR 19 million), while new energy efficiency guarantees for apartment buildings reached EUR 27 million (+EUR 11 million).

In the Land Fund, demand decreased over the 12 months of 2025, with new transaction volume of EUR 29 million, which is EUR 12 million less compared with 2024.

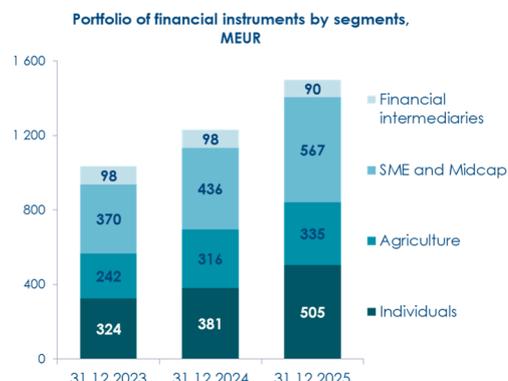
Management Report (cont'd)

Operational volumes (cont'd)

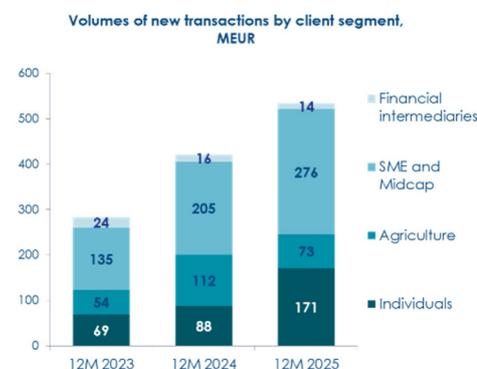
Segments

The Individuals segment accounts for 34% of the total portfolio (at the end of 2024: 31%). The largest part (76%) 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 twelve months of 2025 was in this segment: +EUR 124 million (+33%). Compared to the corresponding period in 2024, the volume of new transactions increased by EUR 84 million (+95%). The largest volume of new transactions in the 12 months of 2025 was recorded in the multi-apartment building energy-efficiency programme. Across both the Recovery Fund and the new multi-apartment building energy-efficiency programme, implemented under the EU Cohesion Policy for the 2021–2027 planning period, loans amounting to EUR 35 million were issued, while guarantees totalled EUR 27 million. Strong demand also continued for housing guarantees for families, service members, and young specialists, with new transactions amounting to EUR 58 million. Issuance activity also remained high in the Recovery Fund rental housing programme, where EUR 27 million in new transactions were issued over the 12-month period.

The SME and large enterprise segment accounted for 38% of the total portfolio (2024 year-end: 35%), with loan instruments currently representing the majority share (58%). In the 12 months of 2025, the SME and large enterprise segment portfolio increased in total by EUR 131 million (+38%), supported by growth in both the loan and guarantee portfolios. The loan portfolio grew by EUR 83 million (+33%), while the guarantee portfolio increased by EUR 48 million (+26%). Compared with 2024, new transaction volumes increased by EUR 71 million (+35%). This growth was driven mainly by programmes



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



Management Report (cont'd)

Operational volumes (cont'd)

Segments (cont'd)

implemented under the EU Cohesion Policy for the 2021–2027 planning period, with new transactions in these programmes totalling EUR 96 million in the 12 months of 2025 (+EUR 24 million versus 2024), including EUR 24 million in loans and EUR 72 million in guarantees. Demand remained strong for Investment Loans with Capital Rebate, where new transactions reached EUR 46 million in 2025 (+EUR 14 million compared with 2024). Significant activity was also observed in the Recovery Fund programmes for digital transformation and energy-efficiency improvements, where new transactions totalled EUR 45 million (+EUR 8 million), as well as in SME Growth Loans, with EUR 44 million issued in the 12 months of 2025 (+EUR 9 million).

The agricultural segment accounted for 22% of the total portfolio (2024 year-end: 26%). A slight increase in this segment was observed, with the portfolio growing by EUR 19 million in the 12 months of 2025 (+6%). This growth was driven mainly by the Land Fund, where new transactions totalled EUR 29 million in 2025, contributing to a EUR 23 million increase in the Land Fund portfolio (+17%). The loan portfolio in this segment did not increase in the 12 months of 2025, reflecting significantly lower demand for working capital loans. During 2025, EUR 10 million in working capital loans were issued - EUR 29 million less than in 2024 -resulting in a EUR 9 million decline in the overall working capital loan portfolio. Demand remained steady for small loans in rural areas and for land acquisition loans, where new transactions in the 12 months of 2025 reached EUR 17 million and EUR 13 million respectively.

Financial intermediaries formed under Venture Capital Programmes account for 6% (31 December 2024: 8%) of the total segment portfolio. Although the portfolio of financial intermediaries declined in 2025, in the 4th quarter it remained at the same level as in the 3rd quarter. The size of the portfolio of financial intermediaries was influenced by both investment repayments and low volumes of new business. Investments were made at the beginning of the 2nd quarter in fifth-generation venture capital funds supported by EU Cohesion Policy funding under the 2021-2027 programming period; however, this had a limited impact on portfolio growth. Total invested: EUR 7 million.

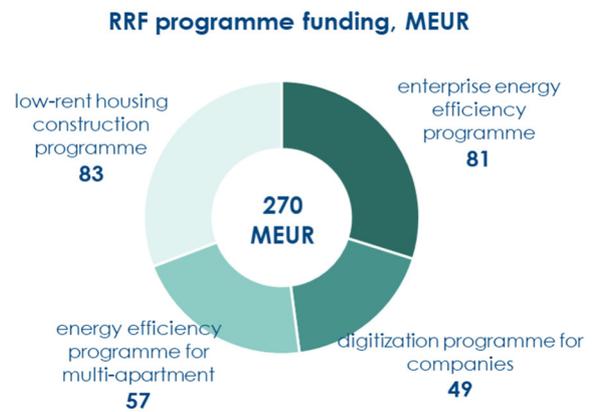
Altum plays an important role in ensuring the availability of financial instruments specifically in the regions, which is ensured through the development of targeted programmes for financing enterprises in the regions (small loans in rural areas, loans for the purchase of agricultural land, land fund, 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, 64% 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 twelve months of 2025 compared to the same period in 2024: EUR 201 million in 2025 and EUR 158 million in 2024.

Management Report (cont'd)

New products and increasing operational efficiency

In Recovery Fund programmes, as at 31 December 2025, approved transactions totalled EUR 248 million, of which EUR 168 million was disbursed in new transactions, with the total volume of capital rebates paid reaching EUR 47 million.

To promote active uptake of Recovery Fund programmes, the final 12th round of the Recovery Fund Corporate Energy Efficiency Programme was announced in December 2025. No further rounds will be announced in this programme; however, a similar Business Sustainability Programme is planned to be launched in the 1st quarter of 2026."



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 31 December 2025, 26 applications for granting support to projects for a total project amount of more than EUR 790 million (the amount of the attributable capital EUR 170 million) have been approved, of which contracts have already been concluded for 23 (attributable amount of capital rebate EUR 150 million), while 2 applications (attributable amount of capital rebate EUR 16,5 million) are still being evaluated by Altum. The volume of new transactions in this program in the twelve months of 2025 was EUR 46 million. The launch of this round is planned for the fourth quarter of 2025.

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. 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). 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. Among the programmes referenced above, Altum launched the application process for the multi-apartment building energy-efficiency support programme on 3 April 2025, with the issuance of loans and guarantees already starting in the fourth quarter of 2025. In May 2025, two new support programmes for entrepreneurs were opened, aimed at the production, research, and development of dual-use products. In December 2025, the application process was launched for two additional support programmes: 'Promotion of Renewable Energy - Biomethane' and 'Use of Renewable Energy and Improvement of Energy Efficiency in District Heating and Cooling'.

Management Report (cont'd)

New products and increasing operational efficiency (cont'd)

In 2025, all fifth-generation venture capital funds began operations, including one growth venture capital fund: "FlyCap Private Debt Fund III AIF KS" as well as three pre-seed and seed venture capital funds: "KS AIF BIFI", "KS AIF Outlast Fund", "KS AIF Buildit 5G Fund". The Baltic Capital Market Acceleration Fund also commenced operations in the 4th quarter of 2025. The manager of this fund, together with private market participants, will make investments in SMEs, as well as small and innovative medium-sized enterprises at pre-IPO, IPO and IBO stages, operating in Latvia, Lithuania and other European Union regions.

At the end of 2024, the Ministry of Economics submitted a notification to the European Commission regarding ALTUM's launch of mortgage lending in market segments where, according to a study by the Bank of Latvia, mortgage lending volumes are significantly lower - outside Riga and its surrounding areas. For the launch of this programme, ALTUM received approval from the European Commission through an amendment to its founding decision, as well as a licence from the Consumer Rights Protection Centre. The programme was opened on 29 October 2025. From the launch date until the end of 2025, applications totalling EUR 0.9 million were approved.

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 twelve months of 2025, 866 projects worth EUR 27 million were approved through centralized remote assessment, accounting for 41% of all approved loan transactions during the period (2024 average: 40%). The rejection rate for applications during the same period averaged 23% of all applications received. The average amount of approved transactions in 2025 remained at the 2024 level: EUR 31 thousand. This average amount reflects the fact that 30% of all approved transactions are up to EUR 30 thousand, with an average transaction size of EUR 16 thousand. These relate to the nature of the transactions, primarily micro-loans for the purchase of small equipment, machinery or vehicles, as well as working capital loans. For loans above EUR 30 thousand, the average amount in 2025 remained EUR 54 thousand, comprising both investment loans mainly for equipment and machinery purchases, and working capital transactions.

In 2025, by increasing operational efficiency, Altum implemented significant changes in its Anti-Money Laundering, Counter-Terrorism and Counter-Proliferation Financing (AML/CTPF) and sanctions risk management system. To increase capacity for implementing risk control measures and to ensure a more effective risk-based approach, part of the client risk assessment activities was delegated to the first line of customer service.

Thus, a highly competent AML/CTPF and sanctions risk specialisation centre was retained centrally within the Risk Management Department, focusing on the analysis of risks related to the most complex clients and beneficiary groups, as well as on methodological development. Meanwhile, the assessment of lower-risk profiles is carried out in the first line of defence, significantly increasing operational efficiency and improving the speed of control execution.

Management Report (cont'd)

New products and increasing operational efficiency (cont'd)

In 2024, Altum launched the system modernisation project 'ATOMS', within which a new core Customer Relationship Management (CRM) system is being implemented to position Altum as a modern, customer-oriented financial leader. The main objectives of the ATOMS project are:

- to improve the customer experience by ensuring that applying for Altum support and completing the process is simple, fast and easy to understand;
- to improve the employee experience by ensuring that staff time is devoted to high value-added activities.

Within the project, several essential strategic initiatives were implemented in 2025, purposefully improving the customer experience, digitising core processes and strengthening the organisation's operational efficiency, including:

- the introduction of a unified customer service model, with a modern contact centre that meets contemporary requirements and provides remote authentication options using Smart-ID and eParaksts mobile;
- the implementation of the new core CRM system, enabling the centralised collection of customer data ('customer 360');
- the development of a new SME process design, focusing both on the customer journey and the employee experience, ensuring a balance between customer-valued services and efficient internal workflows, while reducing manual steps and associated risks.

Overall, the work completed in 2025 significantly strengthened the organisation's digital maturity, improved both customer and employee experience, and created a stable foundation for further process automation and business development. In 2026, the replacement of the customer service and transaction processing systems initiated in 2025 is expected to be completed, introducing remote identification capabilities, enhancing data exchange between Altum and external data providers, as well as internally between Altum's systems. To reduce customer-facing bureaucracy, an MKV declaration solution will be introduced, providing the basis for a sustainable and standardised approach in the future.

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 ensure Altum's effective and sustainable operations, a comprehensive Risk Management System has been established, providing for the proactive identification, assessment and mitigation of risks, as well as the timely implementation of corrective measures. In assuming risks, Altum adheres to the principle of prudence and ensures the ability to meet its objectives and functions over the long term.

In its risk management, Altum applies a range of qualitative and quantitative methods and instruments, and sets risk limits and control mechanisms that cover all material identified risks. The selection of risk management methods is made with consideration of the material impact of each specific risk on Altum's operations and financial stability.

Given Altum's operations in higher-risk areas through the implementation of state support programmes, a risk coverage of EUR 375 million was established as at 31 December 2025 (31 December 2024: EUR 310 million), available to cover expected credit losses under the support programmes. Expected credit losses are estimated prior to the launch of each respective support programme, and a portion of the public funding received for expected credit loss coverage under that programme is allocated to the Risk Coverage. The Risk Coverage consists of the total of the Risk Coverage Reserve and the Portfolio Loss Reserve (special reserve capital), net of provisions established for expected credit losses.

Geopolitical risk management

As geopolitical tensions and the associated economic uncertainty continue, Altum consistently adheres to the restrictions set out in its risk management policies regarding cooperation with the Russian Federation and the Republic of Belarus. The Company ensures continuous monitoring of international and national sanctions regimes and timely implementation of the necessary control measures.

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 CO₂ 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. This "bridge financing" product for the agricultural sector became available in November 2025, marking the conclusion of an active adaption phase during the year. The phase included both product development for farmers and the adoption of a unified methodology, approved within the European Union's financial sector for identifying sustainability projects across all loan programmes. 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. From November 2025, all sustainable loan projects (loans without capital rebate) in both the SME and agricultural segments that comply with the European Investment Banks 'green project' tool framework (EIB Green Checker) will benefit from financing price discount for the entire duration 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 Company will expand on the directions set out in Altum Sustainability Strategy for 2025 – 2027: financing the transition to low-carbon economy and moving towards carbon neutrality. Altum has set a goal to reduce the CO₂ emissions of its financed portfolio by funding certain segments engaged in sustainability projects. The Company will focus on financing projects aimed at improving energy efficiency in businesses and residential buildings, promote use of smart energy resources and related infrastructure, support 'green buildings', sustainable transport, circular economy project and the transition to a low carbon economy. Altum plans to expand support and financing for supply chain partners in these sectors to promote the overall decarbonisation of companies' products and services throughout the supply chain. In addition, Altum will support projects that contribute to social wellbeing and productivity, such as the construction of affordable housing, improving the energy efficiency of apartment buildings and supporting social entrepreneurship.

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. Based on the information provided by Altum and the auditors' opinion, the European Commission has obtained sufficient assurance regarding the implementation of the recommendations, and the assessment is being closed. A decision on submitting the application for the role of an InvestEU implementing partner has not yet been taken.

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

Jēkabs Krieviņš
Member of the 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
Ieva Jansone-Buka	Chairperson of the Council	01.09.2025	temporarily ¹
Ilze Lore	Member of the Council	02.09.2025	temporarily ¹
Krišjānis Znotiņš	Member of the Council	01.05.2024.	30.04.2027.
Līga Kļaviņa	Chairperson of the Council	27.12.2022.	31.08.2025.
Ansis Grasmanis	Member of the Council	01.05.2024.	01.09.2025

¹ For the time until a new candidate is selected in line with the procedures of nominating supervisory board members, according to the Law on Governance of Capital Shares of a Public Person and Capital Companies.

Līga Kļaviņa ceased to hold office as Chairman of ALTUM on 31 August 2025.

Ieva Jansone-Buka was appointed as Chairman of ALTUM's Interim Council on 1 September 2025.

Ansis Grasmanis ceased to hold office as a member of the Council of ALTUM on 1 September 2025.

Ilze Lore was appointed as a member of ALTUM Interim Council on 2 September 2025.

Management Board

Name, Surname	Position	Appointment Date	Date of expiry of the term of the mandate
Reinis Bērziņš	Chairman of the Board	27.05.2024.	06.11.2028.
Jēkabs Krieviņš	Member of the Board	02.04.2024.	01.04.2027.
Inese Zīle	Member of the Board	02.04.2024.	01.04.2027.
Juris Jansons	Member of the Board	09.01.2023	08.01.2026
Ieva Jansone-Buka	Member of the Board	18.03.2024.	05.06.2025.

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

As at 8 January 2026, Juris Jansons ceases to hold office as a member of the Management Board.

Reinis Bērziņš was reappointed as Chairman of the Board from 7 November 2025 until 6 November 2028.

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 82 are prepared in accordance with the source documents and give a true and fair view of the financial position of the Company as of 31 December 2025 and 31 December 2024 and the results of its operations, changes in the shareholders' equity and cash flows for the twelve months periods ended 31 December 2025 and 31 December 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.

Jēkabs Krieviņš
Member of the Board

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CONTAINS A TIME STAMP

Statement of Comprehensive Income

All amounts in thousands of euros

	Notes	01.01.2025.- 31.12.2025.	01.01.2024.- 31.12.2024.
Interest income at effective interest rate	4	30 881	32 036
Other interest and similar income	4	10 350	8 134
Interest expense	4	(21 205)	(17 144)
Net interest income		20 026	23 026
Income from implementation of state aid programmes	5	10 496	7 926
Expenses to be compensated for implementation of state aid programmes	6	(10 030)	(7 478)
Net income for implementation of state aid programmes		466	448
Gain / (losses) from trading securities and foreign exchange translation	4	(7)	6
Share of gains of investment in associate and other investments	7	6 187	9 028
(Losses) of investment in associate and other investments less losses from liabilities at fair value through profit or loss	8	(2 686)	(1 230)
Net gain from loans at fair value through profit or loss	9	7 465	(7 465)
Other income		8 110	8 188
Other expense		(1 288)	(1 203)
Operating income before operating expenses		38 273	30 798
Staff costs	4	(5 522)	(5 345)
Administrative expense	4	(1 013)	(1 107)
Amortisation of intangible assets and depreciation of property, plant and equipment	4	(759)	(731)
Allowances for expected credit losses	10	491	5 048
Profit before corporate income tax		31 470	28 663
Profit for the period		31 470	28 663
Other comprehensive income:		(400)	2 772
<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		(400)	2 772
Total comprehensive income for the period		31 070	31 435

The accompanying notes on pages 19 to 82 form an integral part of these financial statements.

Jēkabs Krieviņš
 Member of the Board

Rudīte Bērziņa
 Chief Accountant

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Statement of Financial Position

All amounts in thousands of euros

	Notes	31.12.2025.	31.12.2024.
Assets			
Due from credit institutions and the State Treasury		839 708	627 769
<i>including cash and cash equivalents</i>		678 860	455 715
Financial assets at fair value through other comprehensive income - investment securities	11	130 859	183 572
Financial assets at amortised cost:			
Loans	12	438 864	412 249
Financial assets at fair value through profit or loss - loans with capital rebate	13	79 277	24 971
Grants		4 241	3 128
Deferred expense		479	522
Accrued income		8 347	723
Investments in associates	14	63 867	72 227
Other investments	15	33 845	29 043
Investment property	16	120 819	92 976
Property, plant and equipment		4 251	4 287
Intangible assets		2 398	946
Other assets		2 708	2 937
Total assets		1 729 663	1 455 350
Liabilities			
Due to credit institutions		23 225	40 366
Due to general government entities		262 894	207 634
Financial liabilities at amortised cost - Issued debt securities	17	91 404	65 491
Deferred income		7 260	5 439
Accrued expense		1 013	785
Liabilities from financial guarantees	18	53 620	49 262
Provisions for off-balance sheet liabilities		1 629	609
Support programme funding	19	839 698	664 256
Other liabilities		3 795	5 453
Total liabilities		1 284 538	1 039 295
Equity			
Share capital		211 033	211 033
Reserves	20	200 528	173 865
Revaluation reserve of financial assets measured at fair value through other comprehensive income	23	2 094	2 494
Retained earnings		31 470	28 663
Total equity		445 125	416 055
Total equity and liabilities		1 729 663	1 455 350

The accompanying notes on pages 19 to 82 form an integral part of these financial statements.

Jēkabs Krieviņš
 Member of the Board

Rudīte Bērziņa
 Chief Accountant

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Statement of Changes in Equity

All amounts in thousands of euros

	Share capital	Reserves			Revaluation reserve of financial assets measured at fair value through other comprehensive income	Retained earnings	Total equity
		Specific reserves for support programmes	General reserve capital	Other specific reserves-difference recognised in reorganisation reserve			
As at 1 January 2024	204 862	125 629	57 265	(15 935)	(278)	17 810	389 353
Profit for the period	-	-	-	-	-	28 663	28 663
Other comprehensive income	-	-	-	-	2 772	-	2 772
Total comprehensive income	-	-	-	-	2 772	28 663	31 435
Increase of share capital	6 171	-	-	-	-	-	6 171
Increase of reserve capital (Note 20)	-	7 384	-	-	-	-	7 384
Reallocation of general reserves to specific reserves attributable to support programmes (Note 20)	-	(18 288)	-	-	-	-	(18 288)
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)	-	-	-	-
As at 31 December 2024	211 033	114 778	75 022	(15 935)	2 494	28 663	416 055
Profit for the period	-	-	-	-	-	31 470	31 470
Other comprehensive income	-	-	-	-	(400)	-	(400)
Total comprehensive income	-	-	-	-	(400)	31 470	31 070
Increase of reserve capital (Note 20)	-	3 000	-	-	-	-	3 000
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)	-	-	-	-
As at 31 December 2025	211 033	114 159	102 304	(15 935)	2 094	31 470	445 125

The accompanying notes on pages 19 to 82 form an integral part of these financial statements.

Statement of Cash Flows

All amounts in thousands of euros

	Notes	01.01.2025.- 31.12.2025.	01.01.2024.- 31.12.2024.
Cash and cash equivalents at the beginning of period		455 715	565 896
Cash flows from operating activities			
Profit before taxes		31 470	28 663
Amortisation of intangible assets and depreciation of property, plant and equipment		759	731
(Decrease) in allowances for expected credit losses	10	(491)	(5 048)
Revaluation of investment properties		(3 651)	(5 139)
Revaluation of support programmes		-	169
Revaluation of Investments in associates	14	(1 207)	(5 562)
Revaluation of other investment funds	15	(2 338)	(2 236)
Revaluation of loans with capital rebate	13	(7 465)	7 465
Interest income at the effective interest rate		(30 881)	(32 036)
Interest and similar income		(10 350)	(8 134)
Interest expense		21 205	17 144
(Gain) / loss from exchange differences		7	(6)
(Decrease) of cash and cash equivalents from operating activities before changes in assets and liabilities		(2 942)	(3 989)
(Increase) of loans		(182 532)	(138 020)
(Increase) of grants		(9 024)	(5 722)
Increase of due to credit institutions and general government entities		36 082	41 359
(Decrease) in deferred income and accrued expense		(529)	(69)
(Increase) in deferred expense and accrued income		(7 581)	(5 774)
Net increase in support programme funding		280 189	218 592
Paid-up capital rebate for guarantees		(7 754)	(15)
Decrease of other assets		380	1 074
(Decrease) in other liabilities		(2 054)	(662)
Increase of cash and cash equivalents from operating activities after changes in operating assets and liabilities		104 235	106 774
Interest received		48 082	38 363
Interest paid		(8 150)	(9 903)
Net cash flows from operating activities		144 167	135 234
Cash flows from investment activities			
Financial assets at fair value through other comprehensive income - investment securities (Increase), net		52 700	(170 609)
Debt securities issued: net issuance/(repayment)	17	24 899	(20 000)
Term deposits (Increase) / decrease		10 000	(35 000)
Acquisition of property, plant and equipment and intangible assets		(2 285)	(611)
Purchase of investment properties	16	(18 944)	(21 711)
Sale of investment properties	16	2 505	2 308
Investments in associates	14	9 567	(2 961)
Investments in other investment funds	15	(2 464)	(1 410)
Net cash flows from investing activities		75 978	(249 994)
Cash flows from financing activities			
Increase of reserve capital		3 000	4 579
Net cash flows from financing activities		3 000	4 579
Increase / (decrease) in cash and cash equivalents		223 145	(110 181)
Cash and cash equivalents at the end of the period		678 860	455 715

The accompanying notes on pages 19 to 82 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 26 February 2026.

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 12 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 31 December 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	84.5
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	Vīlandes iela 3 - 7, Rīga, Latvija, LV-1010	4	75.0
KS INEC 2	Vīlandes 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	Robertas 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 Balticcap Latvia Venture Capital Fund (fund is in the process of liquidation)	Jaunmoku iela 34, Rīga, Latvija, LV-1046	2	66.7
KS Imprimatur Capital Technology Venture Fund (fund is in the process of liquidation)	Ščecinas iela 4, Rīga, Latvija, LV-1014	2	67.0
KS Imprimatur Capital Seed Fund (fund is in the process of liquidation)	Ščecinas iela 4, Rīga, Latvija, LV-1014	2	100.0
Company KS ZGI-3 was dissolved on 26 November 2025	Robertas Hirša iela 1, Rīga, Latvija, LV-1045	3	95.2
KS FlyCap investment Fund ¹	Matrožu iela 15A, Rīga, Latvija, LV-1048	3	95.2
KS Expansion Capital Fund (fund is in the process of liquidation) ²	Vīlandes iela 3 - 7, Rīga, Latvija, LV-1010	3	95.2
Baltic SME Initial Public Offering Fund	Upės str. 21-1, Vilnius, the Republic of Lithuania		40.5
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

¹ The term of KS FlyCap investment Fund was extended until 31 December 2026.

² The 3rd generation capital fund, The Expansion Capital fund expired on 31 December 2024. The fund is currently in liquidation. During liquidation process, the fund manager will continue to dispose of the remaining portfolio investments on the most favourable terms available.

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, in turn, in the third quarter, Subscription Agreements were signed with the manager of the KS AIF FlyCap Private Debt Fund III, and the funds have commenced investment activities. In the second quarter of 2025, KS AIF BIFI, and in the third quarter, KS AIF Outlast Fund I made their 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.

On 22 September 2025 Altum signed an agreement with the manager of Baltic Capital Market Acceleration Fund. The Fund, co-founded by Altum and ILTE (Lithuania) and attracting private investors, is the first initiative of its kind in the Baltic region. It will support small and medium sized enterprises, primarily from Latvia and Lithuania, seeking to list on Baltic exchanges to initiate investment activities. On November 6, 2025, the fund began its investment period.

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 31 December 2025 are not expected to have an impact on the Company's financial position, performance, cash flows or disclosures.

3 Risk Management

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

(1) Credit Risk

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

	Stage 1		Stage 2		Stage 3		Simplified approach		Total	
	31.12.2025.	31.12.2024.	31.12.2025.	31.12.2024.	31.12.2025.	31.12.2024.	31.12.2025.	31.12.2024.	31.12.2025.	31.12.2024.
Financial assets at AC										
Due from credit institutions and the Treasury	839 734	627 797	-	-	-	-	-	-	839 734	627 797
Allowances for expected credit losses	(26)	(28)	-	-	-	-	-	-	(26)	(28)
Total net due from credit institutions and the Treasury	839 708	627 769	-	-	-	-	-	-	839 708	627 769
Investment securities	-	-	-	-	3 552	4 023	-	-	3 552	4 023
Allowances for expected credit losses	-	-	-	-	(3 552)	(4 023)	-	-	(3 552)	(4 023)
Total net investment securities	-	-	-	-	-	-	-	-	-	-
Loans and receivables	358 339	326 523	66 474	74 685	35 250	34 037	-	-	460 063	435 245
Allowances for expected credit losses ^{1, 2}	(5 970)	(7 177)	(4 010)	(4 520)	(11 219)	(11 299)	-	-	(21 199)	(22 996)
Total net loans and receivables	352 369	319 346	62 464	70 165	24 031	22 738	-	-	438 864	412 249
Other financial assets	1 040	2 176	-	-	769	841	1 744	842	3 553	3 859
Allowances for expected credit losses	(30)	(41)	-	-	(655)	(746)	(160)	(135)	(845)	(922)
Total net other financial assets	1 010	2 135	-	-	114	95	1 584	707	2 708	2 937
Total financial assets at AC	1 199 113	956 496	66 474	74 685	39 571	38 901	1 744	842	1 306 902	1 070 924
Allowances for expected credit losses	(6 026)	(7 246)	(4 010)	(4 520)	(15 426)	(16 068)	(160)	(135)	(25 622)	(27 969)
Total net financial assets at AC	1 193 087	949 250	62 464	70 165	24 145	22 833	1 584	707	1 281 280	1 042 955

3 Risk Management (cont'd)

(1) Credit Risk (cont'd)

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

	Stage 1		Stage 2		Stage 3		Simplified approach		Total	
	31.12.2025.	31.12.2024.	31.12.2025.	31.12.2024.	31.12.2025.	31.12.2024.	31.12.2025.	31.12.2024.	31.12.2025.	31.12.2024.
Financial assets at FVOCI										
Investment securities	131 015	183 943	-	-	-	-	-	-	131 015	183 943
Allowances for expected credit losses	(156)	(371)	-	-	-	-	-	-	(156)	(371)
Total net investment securities	130 859	183 572	-	-	-	-	-	-	130 859	183 572
Total financial assets at FVOCI	131 015	183 572	-	-	-	-	-	-	131 015	183 943
Allowances for expected credit losses	(156)	(371)	-	-	-	-	-	-	(156)	(371)
Total net financial assets at FVOCI	130 859	183 201	-	-	-	-	-	-	130 859	183 572
Off-balance sheet items and contingent liabilities										
Outstanding guarantees	603 517	496 051	14 955	21 993	9 472	5 494	-	-	627 944	523 538
Allowances for expected credit losses ¹	(43 633)	(39 859)	(1 916)	(3 241)	(4 173)	(2 424)	-	-	(49 722)	(45 524)
Total net outstanding guarantees	559 884	456 192	13 039	18 752	5 299	3 070	-	-	578 222	478 014
Loan commitments	251 529	169 889	488	156	-	-	-	-	252 017	170 045
Allowances for expected credit losses ¹	(1 521)	(551)	(11)	(3)	-	-	-	-	(1 532)	(554)
Total net loan commitments	250 008	169 338	477	153	-	-	-	-	250 485	169 491
Total off-balance items and contingent liabilities	855 046	665 940	15 443	22 149	9 472	5 494	-	-	879 961	693 583
Allowances for expected credit losses	(45 154)	(40 410)	(1 927)	(3 244)	(4 173)	(2 424)	-	-	(51 254)	(46 078)
Total net off-balance items and contingent liabilities	809 892	625 530	13 516	18 905	5 299	3 070	-	-	828 707	647 505

¹ Includes total net impairment provisions of **EUR 409 thousand**, to be derecognized from the Portfolio Lost Reserve (Special Reserve Capital) risk coverage upon approval of the 2025 Annual Report. For additional information, see Appendix 20(3).

² Includes a provision of **EUR 1,895 thousand** (31 December 2024: EUR 3,841 thousand) for interest rate reduction, which is not to be classified as a credit impairment provision. The decrease in the provision reserve of **EUR 1,946 thousand**, recognized in twelve months 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				
	Stage 1	Stage 2	Stage 3	Simplified approach		Stage 1	Stage 2	Stage 3	Simplified approach	Total
As at 31 December 2024	7 177	4 520	11 299	-	22 996	326 523	74 685	34 037	-	435 245
Transfers between stages:										
from Stage 1 to Stage 2	(201)	742	-	-	541	(21 684)	23 169	-	-	1 485
to credit impaired (from Stage 1 and Stage 2 to Stage 3)	(76)	(204)	3 520	-	3 240	(8 206)	(8 016)	15 141	-	(1 081)
from Stage 3 to Stage 2	-	8	(295)	-	(287)	-	1 119	(1 346)	-	(227)
to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	27	(150)	-	-	(123)	4 499	(5 938)	-	-	(1 439)
New originated or purchased	882	-	-	-	882	102 189	-	-	-	102 189
Derecognised during the period	(280)	(803)	(1 841)	-	(2 924)	(39 058)	(11 653)	(8 217)	-	(58 928)
Changes to ECL measurement model assumptions (PD, LGD)	147	185	414	-	746	-	-	-	-	-
Changes to ECL measurement model assumptions (macroeconomic factors)	47	14	1	-	62	-	-	-	-	-
Changes in ECL impairment overlay	79	(145)	-	-	(66)	-	-	-	-	-
Decrease in the allowance for mortgage interest refunds	(1 946)	-	-	-	(1 946)	-	-	-	-	-
Write-offs	-	-	(1 071)	-	(1 071)	-	-	(1 071)	-	(1 071)
Change of outstanding balance ²	114	(157)	(808)	-	(851)	(5 924)	(6 892)	(3 294)	-	(16 110)
As at 31 December 2025	5 970	4 010	11 219	-	21 199¹	358 339	66 474	35 250	-	460 063

¹ Includes:

- 1) a provision for interest rate reduction of EUR 1,895 thousand (31 December 2024: EUR 3,841 thousand) which is not to be treated as the provision for credit impairment;
- 2) an expected credit loss provision of EUR 649 thousand (31 December 2024: EUR 988 thousand) for the Small, Medium-sized and Large enterprises (SME and Large) portfolio, recognizing the ongoing uncertainty arising from the consequences of the Russian invasion of Ukraine and the impact of increased interest rates on borrowed credit risk, amounting to EUR 605 thousand (31 December 2024: EUR 1,356 thousand); see Appendix 3(3);
- 3) the expected credit loss provision reserve of EUR 1,024 thousand for the agricultural portfolio, which was established in the 4th quarter of 2025. The net decrease in the expected credit loss provision reserve of EUR 66 thousand includes the conversion of the reserve from the general reserve to individual provisions of EUR 691 thousand, the reversal of the reserve due to portfolio amortization of EUR 399 thousand, as well as the establishment of a provisional reserve for the agricultural portfolio of EUR 1,024 thousand.

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

3 Risk Management (cont'd)

(1) Credit Risk (cont'd)

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

	Credit loss allowance				Gross carrying amount			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at 31 December 2024	39 859	3 241	2 424	45 524	496 051	21 993	5 494	523 538
Transfers between stages:								
from Stage 1 to Stage 2	(599)	810	-	211	(5 793)	6 404	-	611
to credit impaired (from Stage 1 and Stage 2 to Stage 3)	(441)	(519)	3 453	2 493	(5 236)	(2 305)	6 775	(766)
from Stage 3 to Stage 2	-	6	(125)	(119)	-	131	(134)	(3)
to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	272	(655)	(198)	(581)	6 632	(6 252)	(419)	(39)
New originated or purchased	12 980	-	-	12 980	185 304	-	-	185 304
Derecognised during the period	(3 860)	(500)	(954)	(5 314)	(56 365)	(4 152)	(1 975)	(62 492)
Changes to ECL measurement model assumptions (PD, LGD)	(35)	(17)	(280)	(332)	-	-	-	-
Changes to ECL measurement model assumptions (macroeconomic factors)	2	1	2	5	-	-	-	-
Changes in impairment overlay for interest rate discounts	-	-	-	-	-	-	-	-
Paid-out guarantees	(15)	(5)	(123)	(143)	(72)	(16)	(227)	(315)
Write-offs	-	-	-	-	-	-	-	-
Change of outstanding balance ¹	(4 530)	(446)	(26)	(5 002)	(17 004)	(848)	(42)	(17 894)
As at 31 December 2025	43 633	1 916	4 173	49 722	603 517	14 955	9 472	627 944

¹ 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:

	31.12.2025.	31.12.2024.
Performing	415 610	387 723
Past due up to 30 days	5 203	32 503
Past due from 31 to 60 days	1 912	3 090
Past due from 61 to 90 days	26 723	1 749
Past due over 90 days	10 615	10 180
Total gross loans, without interest accrued on the loans	460 063	435 245
Impairment allowances	(21 199)	(22 996)
Total net loans	438 864	412 249

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

	31.12.2025.	31.12.2024.
Performing	192 936	80 891
Past due up to 30 days	4 543	193
Past due from 31 to 60 days	516	-
Past due from 61 to 90 days	166	-
Total gross loans before recognition at fair value impact	198 161	81 084
Fair value (decrease) of potential future capital rebate component	(125 264)	(61 529)
Net increase in fair value of the loan component	6 380	5 416
Total net loans at fair value	79 277	24 971

3 Risk Management (cont'd)

(1) Credit Risk (cont'd)

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 and position against net loan portfolio, in thousands of euros:

	31.12.2025.	31.12.2024.
Real estate (loans)	263 919	238 585
Real estate (sales and leaseback)	44 526	42 137
Movable property	109 962	92 635
Guarantees	1 316	1 640
Total collateral	419 723	374 997
Loan portfolio, gross	625 321	516 329
Impairment allowances	(19 774)	(22 996)
Fair value (decrease) of potential future capital rebate component	(99 037)	(61 529)
Net increase in fair value of the loan component	4 237	5 416
Loan portfolio, net ¹	510 747	437 220
Exposed	17.82%	14.23%

¹ The position 'Loan portfolio, net' includes:

1) Loans measured at amortized cost which, in accordance with the terms of the support programme, are not secured by real estate or movable property pledges. The risk for such loans is covered by a risk coverage mechanism. In the apartment building energy efficiency programme, the absence of the above collateral is mitigated by assigning debtor payments as security – i.e., future payments by residents for house management. This collateral structure is the standard solution in apartment building renovation and energy efficiency projects. The balance of these programmes as at 31 December 2025 was EUR 54,312 thousand (31 December 2024: EUR 46,424 thousand). In 2024, support programmes for loans with reduced collateral requirements of up to EUR 100 thousand in the agricultural and SME segments were introduced. The balance of these loans as at 31 December 2025 was EUR 42,952 thousand (31 December 2024: EUR 16,665 thousand).

2) Support programmes providing loans with a capital rebate and issued in accordance with the collateral transaction structure, for example, under the Affordable Housing Construction Programme. Collateral is secured at the mid-stage of construction (upon registering the new building), and the completed building is subsequently registered as collateral upon commissioning. The balance of this programme as at 31 December 2025 was EUR 14,400 thousand (31 December 2024: EUR 503 thousand). Within the energy efficiency programme for ANM multi-apartment buildings, debtor payments or future resident payments serve as collateral. The balance of these programs as at 31 December 2025 was EUR 14,281 thousand (31 December 2024: EUR 2,365 thousand). Reduce collateral requirements also apply in the Large Investment Loan Programme. The balance of which, as at 31 December 2025, was EUR 19,110 thousand (31 December 2024: EUR 8,832 thousand).

Both the above-mentioned multi-apartment building energy efficiency programmes, the Large Investment Loan Programme and the Affordable Housing Construction Programme are implemented in accordance with the shareholder-delegated tasks addressing a market gap in lending. Risks associated with flexible collateral structures are mitigated through structured borrower assessment, compliance with the specific financial covenant framework and risk coverage provided by public funding resources assigned to each programme.

3 Risk Management (cont'd)

(1) Credit Risk (cont'd)

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

	31.12.2025.	31.12.2024.
Assets exposed to credit risk		
Due from credit institutions and the Treasury	839 708	627 769
Financial assets at fair value through other comprehensive income - investment securities	130 859	183 572
Financial assets at amortised cost:		
Loans	438 864	412 249
Financial assets at fair value through profit or loss - Loans with capital rebate	79 277	24 971
Investments in associates	63 867	72 227
Other investments	33 845	29 043
Other assets	2 708	2 937
Total	1 589 128	1 352 768
Off-balance sheet items exposed to credit risk		
Contingent liabilities – Guarantees	627 944	523 538
Financial commitments	408 032	238 700
Total	1 035 976	762 238

Part of subitem "Loans" are loans to agriculture segment (see Note 12) that are secured by agricultural land with a cautious valuation. 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 31 December 2025, part of the Company's assets in the amount of EUR 316,515 thousand (31 December 2024: EUR 250,464 thousand) were pledged, including a mortgage related to land fund transactions amounting to EUR 10,999 thousand and a commercial pledge amounting to EUR 305,516 thousand. In accordance with the agreements the Company ensures, that assets in amount of EUR 69,678 thousand (31 December 2024: EUR 121,097 thousand) are free from any security.

Article 49 of the Law on State Budget 2025 provides that guarantees issued by the Company in amount of EUR 260,000 thousand is backed by the state according to the Agriculture and Rural Development Law and the Development Finance Institution Law. Actual amount of guarantees issued under these conditions as at 31 December 2025 was EUR 225,243 thousand (31 December 2024: EUR 239,350 thousand).

3 Risk Management (cont'd)

(2) Liquidity Risk

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

	Up to 1 year ¹	1 to 5 years	5 to 10 years	10 to 15 years	Over 15 years and w/o maturity	Total
Due to credit institutions	7 098	17 217	-	-	-	24 315
Due to general governments	37 931	118 208	77 986	43 868	56 541	334 534
Issued debt securities	22 531	78 480	-	-	-	101 011
Support programme funding ²	46 028	305 434	88 037	145 547	254 652	839 698
Other liabilities	3 454	341	-	-	-	3 795
Total financial liabilities	117 042	519 680	166 023	189 415	311 193	1 303 353
Off-balance sheet items and contingent liabilities	684 032	172 018	179 926	-	-	1 035 976
Total financial liabilities, off-balance items and contingent liabilities³	801 074	691 698	345 949	189 415	311 193	2 339 329
Due from credit institutions and the Treasury	839 708	-	-	-	-	839 708
Investment securities	49 013	81 846	-	-	-	130 859
Liquid assets	888 721	81 846	-	-	-	970 567

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

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.

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 2025 and supporting analysis is presented in table below.

² 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 204 million, 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 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 41 million is reflected under the *Up to 1 year* term, EUR 101 million under the *1–5-year* term, EUR 22 million under the *5–10-year* term.

³ Since part of off-balance sheet items and contingent liabilities is backed by funding which has already been recognized as financial liabilities in amount of EUR 291 million, then this amount is included in both the Company's financial liabilities and the Company's off-balance sheet items and contingent liabilities.

3 Risk Management (cont'd)

(2) Liquidity Risk (cont'd)

Maturity profile of expected undiscounted future cash flows of financial liabilities, off-balance liabilities and liquid assets "Up to 1 year" as at 31 December 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	-	-	3 538	3 560	7 098
Due to general governments	17 412	354	3 897	16 268	37 931
Issued debt securities	212	424	637	21 258	22 531
Support programme funding	368	-	-	45 660	46 028
Other liabilities	3 052	320	-	82	3 454
Total financial liabilities	21 044	1 098	8 072	86 828	117 042
Off-balance sheet items and contingent liabilities ¹	644 403	7 316	9 544	22 769	684 032
Total financial liabilities, off-balance items and contingent liabilities	665 447	8 414	17 616	109 597	801 074
Due from credit institutions and the Treasury ²	699 111	70 428	70 169	-	839 708
Investment securities	760	1 021	296	46 936	49 013
Liquid assets	699 871	71 449	70 465	46 936	888 721

¹ Split of off-balance sheet items and contingent liabilities by type of financial instrument – outstanding financial guarantees, loan commitments as well as commitments to AIF "Altum capital fund", investments in associates and other investments, are presented in Note 21.

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

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

Outstanding financial guarantees in amount of EUR 396,301 thousand (up to 1 year) – from respective guarantee support programme funding (see Note 19) and Specific reserve capital (see Note 20).

Loan commitments in amount of EUR 252,017 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 3,461 thousand (up to 1 year) – from respective grant support programme funding (see Note 19).

Commitments to investments in associates in amount of EUR 22,590 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 104 thousand (up to 1 year) – from specific reserve capital (see Note 20).

Contingent liabilities for investments in the Baltic SME Initial Public Offering Fund amount to EUR 5,620 thousand (up to 1 year) and maybe covered either from special reserve capital (see note 20) or from financing provided as a contribution to share capital.

Commitments to other investments in amount of EUR 7,400 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 ¹	1 to 5 years	5 to 10 years	10 to 15 years	Over 15 years and w/o maturity	Total
Due to credit institutions	13 414	29 561	-	-	-	42 975
Due to general governments	21 163	95 537	66 210	39 381	53 000	275 291
Issued debt securities	45 736	20 046	-	-	-	65 782
Support programme funding	29 614	108 521	297 000	88 371	140 750	664 256
Other liabilities	5 023	430	-	-	-	5 453
Total financial liabilities	114 950	254 095	363 210	127 752	193 750	1 053 757
Off-balance sheet items and contingent liabilities ²	495 317	109 965	156 956	-	-	762 238
Total financial liabilities, off-balance items and contingent liabilities³	610 267	364 060	520 166	127 752	193 750	1 815 995
Due from credit institutions and the Treasury	627 769	-	-	-	-	627 769
Investment securities	88 475	95 097	-	-	-	183 572
Liquid assets	716 244	95 097	-	-	-	811 341

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

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.

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

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

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

3 Risk Management (cont'd)

(2) Liquidity Risk (cont'd)

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

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

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

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 31 December 2025 based on the time remaining from the reporting date to their contractual maturity, in thousands of euros:

	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years and w/o maturity	Total
Assets							
Due from credit institutions and the Treasury ¹	699 111	70 428	70 169	-	-	-	839 708
Investment securities ²	760	1 021	296	46 936	81 846	-	130 859
Loans ³	20 080	15 385	17 248	42 325	216 657	206 446	518 141
Grants	252	814	256	514	2 405	-	4 241
Deferred expense and accrued income	463	16	4 696	1 911	1 740	-	8 826
Investments in associates	6 991	-	2 434	3 884	45 335	5 223	63 867
Other investments	-	-	-	-	-	33 845	33 845
Investment property	-	-	-	-	-	120 819	120 819
Property, plant and equipment	-	-	-	-	-	4 251	4 251
Intangible assets	-	-	-	-	-	2 398	2 398
Other assets	1 763	2	670	109	151	13	2 708
Total assets	729 420	87 666	95 769	95 679	348 134	372 995	1 729 663
Liabilities							
Due to credit institutions	-	-	3 357	3 314	16 554	-	23 225
Due to general governments	17 412	354	1 773	12 086	92 180	139 089	262 894
Issued debt securities	-	-	1 479	19 998	69 927	-	91 404
Deferred income and accrued expense	339	175	-	-	-	7 759	8 273
Provisions	32 118	193	281	497	4 849	17 311	55 249
Support programme funding ⁴	368	-	-	45 660	305 434	488 236	839 698
Other liabilities	3 052	320	-	82	341	-	3 795
Total liabilities	53 289	1 042	6 890	81 637	489 285	652 395	1 284 538
Net liquidity	676 131	86 624	88 879	14 042	(141 151)	(279 400)	445 125

¹ Includes term deposits with credit institutions, split by the remaining maturity according to the contracts.

² Investments in securities reflect their contractual coupon amortisations.

³ 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.

⁴ 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 204 million**, 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 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 41 million** is reflected under the *Up to 1 year* term, **EUR 101 million** under the *1–5-year* term, **EUR 22 million** under the *5–10-year* term.

3 Risk Management (cont'd)

(2) Liquidity Risk (cont'd)

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

	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	6 671	16 554	-	-	-	23 225
Due to general governments	31 625	92 180	59 138	32 649	47 302	262 894
Issued debt securities	21 477	69 927	-	-	-	91 404
Support programme funding	41 242	299 086	88 037	145 547	265 786	839 698
Other liabilities	3 454	341	-	-	-	3 795
Total financial liabilities	104 469	478 088	147 175	178 196	313 088	1 221 016

3 Risk Management (cont'd)

(2) Liquidity Risk (cont'd)

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

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

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

² Investing in securities reflects the contractually agreed amortization of coupon flows.

	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
Total financial liabilities	105 801	229 518	345 733	117 264	184 884	983 200

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 31 December 2025, the Company's exposure related to these customers' counterparties located in Ukraine amounted to EUR 258 thousand, for which a provision of EUR 23 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 made investments in the AIF Altum Capital Fund totalling EUR 19.87 million. As at 31 December 2025, the total amount repaid to the Company amounted to EUR 15.28 million and the capital account balance at fair value is EUR 7.72 million. Given that the investment portfolio has decreased significantly, and the remaining investments are diversified across sectors and the regions in which the portfolio companies generate revenue, the impact of the direct and indirect consequences of the Russian Federation's war in Ukraine, and related sanctions, on the portfolio companies of the AIF Altum Capital Fund is assessed as insignificant. As at 31 December 2025, the cumulative direct impact of the Russian Federation's war in Ukraine was EUR 0 thousand.

To account for persistently elevated uncertainty, primarily related to the geopolitical situation and the resulting weaker economic growth outlook, the Company continues to monitor developments in these risks. On a quarterly basis, the Company analyses and, in the event of significant changes, revises the forward-looking macroeconomic forecasts of indicators used in the calculation of expected losses. Three economic scenarios are applied, including adverse and optimistic scenarios:

- The base case scenario reflects the most likely path of future economic development, assuming no significant deterioration in the geopolitical situation and no sharp escalation of hostilities, 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 uncertainty arising from the deterioration of the global trade environment and possible changes in US trade policy, 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 31 December 2025:

	2025	2026	2027	2028
GDP annual growth rate, in %				
Base case scenario ¹	1.4	2.5	2.6	2.7
Adverse scenario	0.0	1.3	2.2	2.2
Optimistic scenario	2.6	3.5	2.9	3.1
Weighted average ²	1.2	2.3	2.5	2.6

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

(i) The Ministry of Finance's Macroeconomic Development Scenario (published on 16 June 2025) forecasts slow growth, with GDP expected to increase by 1.1% in 2025 (in the December 2024, forecast was 2.9%), followed by an acceleration to 2.1% in 2026 and to 2.2% in both 2027 and 2028 (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 19 December 2025) forecasts GDP growth of 1.7% in 2025 (December 2024: 2.1%), 2.8% in 2026 (December 2024: 3%), 2.9% in 2027 (December 2024: 3.3%) and 3.2% in 2028.

² 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
Weighted average	2.4	2.9	2.9

The indirect cumulative impact of the forward-looking macroeconomic forecasts used to calculate expected credit losses on loans, credit commitments and guarantees as at 31 December 2025 was EUR 1,008 thousand (31 December 2024: 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 1,254 thousand (31 December 2024: EUR 2,344 thousand). In the twelve months of 2025, the general provision reserve for loans was reduced by EUR 691 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 398 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 the applicable legislation. Each quarter, Altum organises discussions with fund managers and carries out an individual assessment of all venture capital fund (VCF) investments, 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 4th quarter of 2025, following discussions with fund managers and the revaluation of investments in Altum's portfolio companies, no additional companies newly exposed to the impact of the war were identified.

As of 31 December 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 31 December 2025, in thousands of euros:

	Loans ¹	Guarantees ¹	Venture capital funds	Grants	Latvian Land Fund	Management of AIF "Altum capital fund"	Other services	Total
Interest income at effective interest rate	26 343	229	28	-	3 640	-	641	30 881
of which from loans:	23 821	-	-	-	3 640	-	-	27 461
of which pass-through arrangement from loans	5 563	-	-	-	-	-	-	5 563
of which from deposits	2 522	229	28	-	-	-	641	3 420
Other interest and similar income:	4 360	5 577	374	-	39	-	-	10 350
of which from loans:	2 776	-	-	-	30	-	-	2 806
of which pass-through arrangement from loans	1 837	-	-	-	-	-	-	1 837
of which from guarantees:	-	2 918	-	-	-	-	-	2 918
of which pass-through arrangement from guarantees	-	629	-	-	-	-	-	629
of which from investment securities:	1 583	2 659	374	-	10	-	-	4 626
of which pass-through arrangement from investment securities	-	1 601	374	-	-	-	-	1 975
Interest expense:	(15 525)	(2 236)	(373)	-	(2 429)	-	(642)	(21 205)
of which pass-through arrangement	(7 400)	(2 230)	(374)	-	-	-	-	(10 004)
Income for implementation of state aid programmes	5 918	1 800	1 942	479	-	-	357	10 496
Expenses to be compensated for implementation of state aid programmes	(5 828)	(1 471)	(1 895)	(479)	-	-	(357)	(10 030)
Gains from debt securities and foreign exchange translation	(7)	-	-	-	-	-	-	(7)
Share of profit/(losses) of investment in associates and other investment funds	-	-	6 187	-	-	-	-	6 187
Gains less losses from liabilities at fair value through profit or loss	-	-	(2 686)	-	-	-	-	(2 686)
Net gain on loans at fair value through profit or loss:	7 465	-	-	-	-	-	-	7 465
Other income	59	-	-	42	7 806	161	42	8 110
Other expense	(479)	(94)	(12)	(24)	(503)	(171)	(5)	(1 288)
Staff costs	(2 833)	(520)	(403)	(530)	(436)	-	(800)	(5 522)
Administrative expense	(588)	(74)	(133)	(205)	(122)	-	109	(1 013)
Amortisation of intangible assets and depreciation of property, plant and equipment	(511)	(115)	(33)	(69)	(29)	-	(2)	(759)
Allowance for expected credit-losses, net	1 195	(1 117)	3	(64)	(1)	-	-	16
Profit or (loss) from assets held for sale revaluation	475	-	-	-	-	-	-	475
Total segment profit/(loss)	20 044	1 979	2 999	(850)	7 965	(10)	(657)	31 470
Financial assets at fair value through profit or loss	-	-	63 867	-	-	-	-	63 867
Other investments	-	-	33 845	-	-	-	-	33 845
Additions of property and equipment, intangible assets and investment property	1 525	343	120	202	19 032	-	7	21 229
Total segment assets	1 085 716	151 789	207 154	8 794	165 654	-	110 556	1 729 663
Total segment liabilities	864 851	164 463	30 843	7 879	112 807	-	103 695	1 284 538
Total off-balance	252 017	627 944	156 015	3 461	-	-	-	1 039 437
Assets under management (AUM)	-	-	-	-	-	15 786	-	15 786

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

4 Segment Information (cont'd)

Analysis of the operating segments for the period from 1 January 2024 till 31 December 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:	26 203	2 581	110	-	3 051	-	91	32 036
of which from loans:	23 639	-	-	-	3 051	-	-	26 690
of which pass-through arrangement from loans	4 767	-	-	-	-	-	-	4 767
of which from deposits	2 563	2 581	110	-	-	-	91	5 345
Other interest and similar income (Notes):	2 635	5 293	102	-	101	-	3	8 134
of which from loans:	2 170	-	-	-	49	-	-	2 219
of which pass-through arrangement from loans	614	-	-	-	-	-	-	614
of which from guarantees:	-	3 723	-	-	-	-	-	3 723
of which pass-through arrangement from guarantees	-	837	-	-	-	-	-	837
of which from investment securities:	464	1 570	102	-	52	-	3	2 191
of which from investment securities	-	1 019	99	-	-	-	-	1 118
Interest expense:	(14 093)	(1 920)	(125)	-	(985)	-	(21)	(17 144)
of which pass-through arrangement	(5 381)	(1 856)	(99)	-	-	-	-	(7 336)
Income for implementation of state aid programmes	3 972	1 526	1 307	995	-	-	126	7 926
Expenses to be compensated for implementation of state aid programmes	(4 271)	(1 164)	(1 237)	-	(681)	-	(125)	(7 478)
Gains from debt securities and foreign exchange translation	4	1	-	-	-	-	1	6
Share of profit/(losses) of investment in associates and other investment funds	-	-	9 028	-	-	-	-	9 028
Gains less losses from liabilities at fair value through profit or loss	-	-	(1 230)	-	-	-	-	(1 230)
Net gain from loans at fair value through profit or loss	(7 465)	-	-	-	-	-	-	(7 465)
of which pass-through arrangement from loans at fair value	893	-	-	-	-	-	-	893
Other income	-	-	-	4	7 954	179	51	8 188
Other expense	767	(689)	(584)	(24)	(487)	(179)	(7)	(1 203)
Staff costs	(2 662)	(833)	(269)	(635)	(343)	-	(603)	(5 345)
Administrative expense	(524)	(200)	(44)	(194)	(99)	-	(46)	(1 107)
Amortisation of intangible assets and depreciation of property, plant and equipment	(395)	(135)	(54)	(89)	(34)	-	(24)	(731)
Allowance for expected credit-losses, net	2 044	943	36	879	(3)	-	53	3 952
Profit or (loss) from assets held for sale revaluation	1 096	-	-	-	-	-	-	1 096
Total segment profit/(loss)	7 311	5 403	7 040	936	8 474	-	(501)	28 663
Financial assets at fair value through profit or loss	-	-	72 227	-	-	-	-	72 227
Other investments	-	-	29 043	-	-	-	-	29 043
Additions of property and equipment, intangible assets and investment property	361	105	33	67	21 733	-	24	22 323
Total segment assets	557 289	162 114	200 777	9 583	507 826	-	17 761	1 455 350
Total segment liabilities	724 886	152 272	10 900	8 984	76 312	-	65 941	1 039 295
Total off-balance	170 015	523 538	68 655	1 992	30	-	-	764 230
Assets under management (AUM)	-	-	-	-	-	33 514	-	33 514

5 Income from implementation of state aid programmes

All amounts in thousands of euros

	01.01.2025.- 31.12.2025.	01.01.2024.- 31.12.2024.
Compensation of expenses for management of state support programmes	8 357	6 626
Compensated administrative expense	1 674	798
Compensated venture capital fund management fees	407	449
Income on compensated placement expenses of unrestricted funds	58	53
Total income from implementation of state support programmes	10 496	7 926

6 Expenses to be compensated for implementation of state aid programmes

All amounts in thousands of euros

	01.01.2025.- 31.12.2025.	01.01.2024.- 31.12.2024.
Compensated staff costs	6 109	5 169
Compensated administrative expense	2 247	1 510
Compensated venture capital fund management fees	1 674	799
Total compensated expense for implementation of state support programmes	10 030	7 478

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

All amounts in thousands of euros

	01.01.2025.-31.12.2025.		01.01.2024.-31.12.2024.	
	Net gain / loss	Incl. realised gains	Net gain / loss	Incl. realised gains
RKF 2 nd , 3 rd , un 4 th generation	2 643	910	1 230	3 167
Baltic Innovation Fund	(111)	437	4 277	1 014
AIF Altum Capital Fund	1 317	587	1 285	1 061
Total investment in associates	3 849	1 934	6 792	5 242
Baltic Innovation Fund-2	245	-	637	-
Three Seas Initiative Investment Fund	2 093	-	1 599	-
Total other investments	2 338	-	2 236	-
Share of net gain /(loss) of investment in associate and other investments	6 187	1 934	9 028	5 242

¹ Incl. AIF Altum Capital Fund interest income in the 12 months of 2025: EUR 727 thousand (in the 12 months of 2024: EUR 1,148 thousand).

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

All amounts in thousands of euros

	01.01.2025.- 31.12.2025.	01.01.2024.- 31.12.2024.
Revaluation gain / (loss) on investments in 2nd and 3rd generation venture capital funds, net	861	(1 414)
Realised gain on investments in 2nd and 3rd generation venture capital funds, net	373	1 333
Mezzanine interest received from investments in 2nd and 3rd generation venture capital funds	39	798
Revaluation (loss) on investments in 4th generation venture capital funds, net	(860)	(523)
Revaluation gains on investments in 4th generation venture capital funds	537	9
Mezzanine interest received from investments in 4th generation venture capital funds	1 692	1 027
Baltic Innovation Fund revaluation gains, net	44	-
Total gain less losses from liabilities at fair value through profit or loss	2 686	1 230
Gains/(losses) of investment in associate less losses from liabilities at fair value through profit or loss at December 31	(2 686)	(1 230)

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

All amounts in thousands of euros

	Change in fair value of capital rebate component	Change in fair value of loan component	Change in fair value of public funding	Changes in fair value compensated from public funding ¹	Net profit/ (loss)
	01.01.2025.- 31.12.2025.	01.01.2025.- 31.12.2025.	01.01.2025.- 31.12.2025.	01.01.2025.- 31.12.2025.	01.01.2025.- 31.12.2025.
Net increase/(decrease) in fair value of capital rebate component	(89 682)	-	93 078	-	3 396
Net increase/ (decrease in fair value of loan component	-	964	-	-	964
Write-off of previously recognised fair value change upon appliance of capital rebate	25 948	-	(23 552)	-	2 396
Total net increase / (decrease) in fair value	(63 734)	964	69 526	-	6 756
Net increase in fair value compensated from public funding (allocated to public funding)	-	-	-	(6 756)	(6 756)
Changes in fair value for 2024 offset by 2025 amendments to public funding agreements	-	-	-	7 465	7 465
Total					7 465

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

¹ According to the 2025 amendments to the public funding agreements, the public financing is permitted to cover expenses arising from accounting for loans with capital rebate under IFRS.

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 was 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 was amortised over the life of respective individual loan on a linear basis. From 2025, the approach has been revised, and changes in the fair value of the loan component are no longer deferred or recognised in Deferred income.

9 Net losses from loans at fair value through profit or loss (cont'd)

As at 31 December 2025 the Company has issued the loans with capital rebate amounting EUR 198 million, including EUR 117 million in the nine months 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 nine months of 2025, resulting from the initial measurement of loans with a capital rebate.

Received public funding, issued 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 31 December 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:	33 452	2 091	(27 574)	-	5 878
Loans	8 879	141	(5 465)	-	3 414
Grants	31	-	-	-	31
Other assets	25	-	-	-	25
Financial assets related to loan agreements	256	-	-	-	256
Guarantees	22 393	1 950	(20 376)	-	2 017
Loan commitments	1 775	-	(1 733)	-	42
Grants commitments	93	-	-	-	93
Reversal of impairment on:	(26 707)	(1 548)	20 813	-	(5 894)
Loans	(8 106)	(817)	3 399	-	(4 707)
Disbursed guarantee compensations	(18)	-	18	-	-
Investment securities	(220)	-	-	-	(220)
Grants	(16)	-	-	-	(16)
Financial assets related to loan agreements	(37)	-	-	-	(37)
Guarantees	(17 908)	(731)	17 052	-	(856)
Loan commitments	(355)	-	344	-	(11)
Grants commitments	(45)	-	-	-	(45)
Total impairment losses / (reversal), net	6 745	543	(6 761)	-	(16)
(Income) from the recovery of written-down assets	(759)	(13)	284	-	(475)
Total ECL reduction (income) and (income) from recoveries of written-off assets.	5 986	530	(6 477)	-	(491)

10 Allowances for expected credit losses (cont'd)

Analysis of expected credit loss movements for the period from 1 January 2024 till 31 December 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:	28 436	2 963	(21 153)	(269)	7 014
Loans	7 958	885	(3 697)	(269)	3 992
Grants	16	-	-	-	16
Investment securities	402	-	-	-	402
Other assets	151	-	(27)	-	124
Due from credit institutions and the Treasury	2	-	-	-	2
Financial assets related to loan agreements	71	-	-	-	71
Guarantees	18 734	2 078	(16 436)	-	2 298
Loan commitments	1 048	-	(993)	-	55
Grants commitments	54	-	-	-	54
Reversal of impairment on:	(26 913)	(3 888)	15 947	-	(10 966)
Loans	(9 701)	(1 611)	3 075	-	(6 626)
Disbursed guarantee compensations	(338)	(181)	44	-	(294)
Grants	(925)	-	-	-	(925)
Due from credit institutions and the Treasury	(72)	-	-	-	(72)
Financial assets related to loan agreements	(41)	-	-	-	(41)
Guarantees	(15 380)	(2 088)	12 463	-	(2 917)
Loan commitments	(435)	(8)	365	-	(70)
Grants commitments	(21)	-	-	-	(21)
Total impairment losses / (reversal), net	1 523	(925)	(5 206)	(269)	(3 952)
(Income) from the recovery of written-down assets	(1 222)	(635)	126	-	(1 096)
Total ECL reduction (income) and (income) from recoveries of written-off assets.	301	(1 560)	(5 080)	(269)	(5 048)

11 Investment securities

All amounts in thousands of euros:

	31.12.2025.	31.12.2024.
Investment securities valued at amortised cost		
OECD corporate bonds	3 552	4 023
Total investment securities valued at amortised cost	3 552	4 023
Impairment allowances	(3 552)	(4 023)
Net investment securities valued at amortised cost	-	-
Investment securities valued at fair value through other comprehensive income		
German Treasury bills and government bonds	9 964	-
Latvian Treasury bills and government bonds	121 051	183 943
Total investment securities valued at fair value through other comprehensive income	131 015	183 943
Impairment allowances	(156)	(371)
Total net investment securities valued at fair value through other comprehensive income	130 859	183 572
Total gross investment securities	134 567	187 966
Total net investment securities	130 859	183 572

12 Loans

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

(1) Analysis of loan portfolio by client segments as at 31 December 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	9	-	-	-	-	-	9	-
Agriculture	120 334	(539)	33 749	(800)	13 546	(3 146)	167 629	(4 485)
SME and Midcaps	145 035	(2 251)	29 459	(1 705)	20 190	(7 580)	194 684	(11 536)
Private individuals	57 378	(456)	2 524	(52)	834	(490)	60 736	(998)
Latvian Land Fund	35 583	(4)	742	-	680	(3)	37 005	(7)
Total segments without Impairment overlay	358 339	(3 250)	66 474	(2 557)	35 250	(11 219)	460 063	(17 026)
Impairment overlay	-	(825)	-	(1 453)	-	-	-	(2 278)
Impairment overlay for interest rate discounts	-	(1 895)	-	-	-	-	-	(1 895)
Total segments	358 339	(5 970)	66 474	(4 010)	35 250	(11 219)	460 063	(21 199)

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

	31.12.2025.	31.12.2024.
Number of customers	58	53
Total credit exposure of customers (EUR '000)	97 419	87 426
Percentage of total gross portfolio of loans	21.2%	19.9%

As at 31 December 2025 the average annual interest rate for the loan portfolio of the Company was 4.80% (31 December 2024: 5.46%).

12 Loans (cont'd)

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

	31.12.2025.	31.12.2024.
Agriculture and forestry	218 705	231 199
Manufacturing	51 064	49 404
Electricity, gas and water utilities	37 073	30 286
Retail and wholesale	16 074	17 336
Real estate	8 976	8 765
Construction	10 520	7 414
Health and social care	8 458	8 071
Professional, science and technical services	6 418	6 634
Hotels and restaurants	7 043	5 034
Municipal authorities	6 330	5 081
Transport, warehousing and communications	8 033	5 527
Arts, sports and recreation	4 106	2 324
Education	2 402	918
Fishing	460	1 937
Telecommunication, computer programming, consulting, computing infrastructure and other information service activities	939	863
Other industries	12 726	6 073
Private individuals	60 736	48 379
Total gross loans	460 063	435 245
Impairment allowances	(21 199)	(22 996)
Total net loans	438 864	412 249

12 Loans (cont'd)

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

	01.01.2025.- 31.12.2025.	01.01.2024.- 31.12.2024.
Impairment allowances at the beginning of the period	22 996	25 490
Increase in impairment allowances	8 879	7 689
Decrease in impairment allowances	(8 106)	(9 701)
Write-off of loans covered by Portfolio Loss Reserve	(463)	(876)
Write-off of loans covered by Risk Coverage Reserve	(250)	(47)
Write-off of loans Company's share of impairment allowances	(358)	(170)
Decrease in the allowance for mortgage interest refunds	(1 941)	(36)
Loan interest overdue for more than 90 days	-	269
Increase of impairment allowances due to changes in off-balance sheet and balance sheet	442	378
Impairment allowances at the end of the period ended 31 December	21 199	22 996
<i>Company's share of impairment allowances</i>	11 001	13 900
<i>Impairment allowances covered by Portfolio Loss Reserve</i>	861	2 000
<i>Impairment allowances covered by Risk Coverage Reserve</i>	9 337	7 096

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

13 Loans with capital rebate

Loans with capital rebate fair value 31 December 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	82 094	74 067	(74 067)	19 110	19 110
RRF energy efficiency loans	24 109	10 047	(10 047)	13 748	13 748
RRF digitization loans	29 225	11 683	(11 683)	17 737	17 737
RRF Energy Efficiency Loans for Multi-apartment Buildings	26 032	11 593	(11 593)	13 199	13 199
RRF Loans for construction of affordable housing	28 022	10 141	(10 141)	14 400	14 400
Energy Efficiency Loans for Multi-apartment Buildings 3	8 678	7 732	(7 732)	1 083	1 083
Total	198 160	125 263	(125 263)	79 277	79 277

As at 31 December 2025 the Company has issued the loans with capital rebate amounting EUR 154 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 135 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 eligible 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 125 million. As a result, fair value losses were recognized in the twelve months of 2025, reflecting the fair value of this component as at the end of the reporting period. (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 (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
Total	81 085	61 529	(61 529)	24 971	24 971

Movement of Loans with capital rebate in 12 months of 2025, in thousands of euros:

	Potential future capital rebate component ¹	Loan component ¹	Total
Fair value at the beginning of the period	-	24 971	24 971
Net increase at nominal value	91 600	53 342	144 942
Applied capital rebate in the reporting period ²	(27 866)	-	(27 866)
Changes in fair value, net	-	964	964
(Decrease) of fair value of potential future capital rebate component	(63 734)	-	(63 734)
Total fair value at the end of the period	-	79 277	79 277

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

² See Note 19 (2) Movement in the Company's support programme funding in 12 months of 2025.

13 Loans with capital rebate(cont'd)

Fair value adjustment of loans with capital rebate in 12 months of 2025, in thousands of euros:

	Change in fair value of capital rebate component	Change in fair value of loan component	Changes in fair value of public funding	Net change in fair value compensated from public funding
Accumulated change in fair value at the beginning of the period 01.01.2025	(61 529)	5 416	54 064	-
Changes in fair value offset by public funding by amendments to public funding agreements	-	-	-	7 465
Fair value adjustment of the loan component related to financing as at 31.12.2024, based on amendments to the agreement	-	-	-	(5 416)
Net increase/(decrease) in fair value of capital rebate component	(89 682)	-	93 078	(3 396)
Net increase/(decrease) in fair value of loan component	-	964	-	(964)
Write-off of previously recognised fair value changes upon appliance of capital rebate.	25 948	-	(23 551)	(2 397)
Total net increase / (decrease) in fair value	(63 734)	964	69 527	(4 708)
Accumulated change in fair value at the end of the period	(125 263)	6 380	123 591	(4 708)

Movement of Loans with capital rebate in 2024, in thousands of euros:

	Potential future capital rebate component ¹	Loan component ¹	Total
Fair value at the beginning of the period	9 883	3 205	13 088
Net increase at nominal value	62 068	17 902	79 970
Applied capital rebate in the reporting period	(10 422)	-	(10 422)
Increase in fair value	-	3 864	3 864
(Decrease) of fair value of potential future capital rebate component	(61 529)	-	(61 529)
Total fair value at the end of the period	-	24 971	24 971

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

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	
		31.12.2025.	31.12.2024.	31.12.2025.	31.12.2024.
The 2nd generation VCFs	LV	10 026	7 503	6 981	5 187
The 3rd generation VCFs	LV	2 361	2 431	1 133	1 199
The 4th generation VCFs	LV	41 723	44 048	28 526	30 099
The 5th generation VCFs	LV	3 938	-	3 413	-
Baltic SME Initial Public Offering Fund	LT				
AIF "Altum capital fund" ¹	LV	16 630	33 515	8 134	16 392
Baltic Innovation Fund ¹	LU	87 272	96 750	17 255	19 350
Total investments in associates		161 950	184 247	65 442	72 227

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

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

As at 31 December 2025 the total venture capital fund's portfolio value at cost value was EUR 62,501 thousand (31 December 2024: EUR 73,690 thousand).

	Carrying amount at the beginning of period	Invested	Refunded	Revaluation	Net carrying amount at the end of the period
The 2., 3., 4. generation VCFs	36 485	1 200	(3 641)	1	34 045
The 5th generation VCFs	-	5 072	-	-	5 072
Baltic SME Initial Public Offering Fund	-	150	-	-	150
Investments in AIF "Altum capital fund" (Note 7)	16 392	63	(10 051)	1 317	7 721
Investments in Baltic Innovation Fund (Note 7)	19 350	720	(3 080)	(111)	16 879
Total	72 227	7 205	(16 772)	1 207	63 867

Venture capital funds management fees in the 12 months of 2025, expenses included:

- Management fees for the 4th generation venture capital funds amounted to EUR 749 thousand (12 months of 2024: EUR 798 thousand) which were 100% compensated by public funding (see Note 19 (2)).
- Management fees for the 5th generation venture capital funds amounted to EUR 925 thousand (12 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 63 thousand (12 months of 2024: EUR 112 thousand).
- Baltic SME Initial Public Offering Fund management cost EUR 150 thousand (in the 12 months of 2024: EUR 0 thousand).

15 Other Investments

Total cost of *Other investments* on 31 December 2025 was EUR 27,638 thousand (31 December 2024: EUR 23,766 thousand). The total cost of the investment includes the management fees paid to the funds' managers.

All amounts in thousands of euros

	Investments in Baltic Innovation Fund 2		Three Seas Initiatives Investment Fund		Total	
	31.12.2025.	31.12.2024.	31.12.2025.	31.12.2024.	31.12.2025.	31.12.2024.
Carrying amount at the beginning of period	11 543	7 739	17 500	17 659	29 043	25 398
Invested	3 500	3 294	-	1 832	3 500	5 126
Refunded	(1 036)	(127)	-	(3 590)	(1 036)	(3 717)
Revaluation	245	637	2 093	1 599	2 338	2 236
Net carrying amount at the end of period ended 31 December	14 252	11 543	19 593	17 500	33 845	29 043

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

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

16 Investment Properties

All amounts in thousands of euros

	31.12.2025.	31.12.2024.
Carrying amount at the beginning of period	92 976	68 246
Acquired during the reporting period ¹	18 944	21 711
New Exposures after Expiry of Reverse Leases	7 753	188
Sold during the reporting period	(2 505)	(2 308)
Revaluation gains	3 914	5 161
Revaluation losses	(263)	(22)
Carrying amount at the end of the period	120 819	92 976

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

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

Real estate (including investment property) owned by Altum is revalued annually in accordance with accounting requirements and on disposal. Leaseback properties are subject to annual revaluation, with the most recent valuation applied upon transferring discontinued leaseback transactions to investment properties.

The revaluation of Altum's real estate in 2025 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	31.12.2025.	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%	20 013	20 000
LV0000104669	EUR	70 000	1 000	30.05.2025	30.05.2030	3.58%	71 391	-
Total issued debt securities at the end of period ended 31 December							91 404	65 491

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:

	31.12.2025.	31.12.2024.
At the beginning of period	65 491	85 533
Redemption of bonds	69 876	-
Accrued coupon	(45 000)	(20 000)
Coupon pay-out	1 688	879
Discount amortisation	(674)	(933)
Commission amortisation	23	12
Total issued debt securities at the end of period	91 404	65 491

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

Bondholders group	31.12.2025.		31.12.2024.	
	Number	%	Number	%
Pension plans and investment funds	57	72%	45	42%
Financial institutions	6	8%	9	8%
Other legal entities	5	6%	7	7%
Insurance companies	4	5%	8	8%
Private individuals	7	9%	37	35%
Total	79	100%	106	100%

18 Liabilities from financial guarantees

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

	31.12.2025.	31.12.2024.
Provisions at the beginning of the period	49 262	47 319
Increase in provisions	2 017	2 298
Impairment losses covered by Risk Coverage Reserve	20 376	16 436
Decrease in provisions	(856)	(2 917)
Reversal of impairment covered by Risk Coverage Reserve	(17 052)	(12 463)
Reclassification (Disbursed guarantee)	(287)	(655)
Compensation for guarantee premium	-	(735)
Fair value component - guarantee premiums	160	(21)
Provisions at the end of the period	53 620	49 262
<i>Fair value component - guarantee premiums</i>	<i>3 898</i>	<i>3 738</i>
<i>Company's share of provisions</i>	<i>247</i>	<i>305</i>
<i>Provisions covered by Portfolio Loss Reserve</i>	<i>8 031</i>	<i>6 862</i>
<i>Provisions covered by Risk Coverage Reserve</i>	<i>41 444</i>	<i>38 357</i>

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 31 December 2025, in thousands of euros:

Financial Instrument / Programme	Programme funding	Of which, Risk Coverage Reserve	Of which, committed liability for reserved capital rebate	Programme funding fair Value Correction	Provisions covered by Risk Coverage Reserve	Net programme funding
Loans						
ERDF II	3 095	-	-	-	-	3 095
ESF II	915	-	-	-	-	915
Microcredits of Swiss programme	368	-	-	-	-	368
ERDF I	53	-	-	-	-	53
ESF I	163	-	-	-	-	163
ERDF II (second round)	1 214	4	-	-	(1)	1 213
Fund of Funds programme – Start-up loans	2 641	325	-	(38)	(32)	2 571
Fund of Funds programme – Microcredits	292	1	-	(1)	-	291
Fund of Funds programme – Parallel loans	4 012	215	-	(259)	(83)	3 670
Energy Efficiency Loans for Multi-apartment Buildings (I)	17 734	15 263	-	(327)	(306)	17 101
Start-up State Aid Cumulation Lending Programme	1 871	1 871	-	(615)	(248)	1 008
Other loans to start-ups	322	-	-	-	-	322
Mezzanine Programme – Loans	3 259	3 193	-	-	(460)	2 799
Guarantees and interest grants programme	4 287	4 287	-	(1 201)	-	3 086
SME energy efficiency loans	1 723	1 723	-	(74)	(918)	731
SME growth loans	5 000	5 000	-	(346)	(1 063)	3 591
ERAF SME growth loans	20 090	1 205	-	-	(687)	19 403
ERAF loans for business sustainability	19 128	4 160	-	-	(1 197)	17 931
Parallel loans	2 000	2 000	-	(159)	(101)	1 740
Parallel loans 2	3 553	1 315	-	-	(338)	3 215
Loans for enterprises in rural territories	9 259	9 259	-	(270)	(198)	8 791
Start-up loans to innovative entrepreneurs	7 730	1 546	-	-	(175)	7 555
Multi-apartment building improvement loans	4 500	4 500	-	(44)	(135)	4 321
Energy Efficiency Loans for Multi-apartment Buildings (II)	9 340	560	-	-	(194)	9 146
Cultural industry support programme ²	244	-	-	-	-	244
ELFLA Agricultural and rural development loans	22 148	1 358	-	-	(254)	21 894
Working capital loans to Agriculture	14 836	13 257	-	(239)	(1 530)	13 067
Co-funding loans for the construction of affordable housing	6 026	615	-	-	(615)	5 411
RRF energy efficiency loans ¹	50 762	7 827	-	-	-	50 762
RRF digitization loans ¹	23 603	3 583	-	-	-	23 603
RRF Energy Efficiency Loans for Multi-apartment Buildings ¹	14 182	1 490	-	-	-	14 182
RRF housing construction loans ¹	29 257	4 299	-	-	-	29 257
RRF the affordable housing construction loans/parallel loans	29 021	2 914	-	-	-	29 021
Investment Loans with capital rebate ¹	128 070	14 400	-	(88)	-	127 982
Investment Loans with capital rebate – co-funding loans	38 511	13 499	-	-	(834)	37 677
Loans for sustainability	6 000	6 000	-	(222)	(171)	5 607
Loans for biomethane projects ¹	6 482	2 057	-	-	-	6 482
Energy efficiency loans across regions ¹	12 458	1 188	-	-	-	12 458
Mortgage loans for residential property purchase in the regions	3 500	772	-	-	(1)	3 499
PF1 Start-up and Micro ERDF loans	24 818	3 629	-	-	(933)	23 885
PF1 Productivity growth loans	9 865	1 465	-	-	(157)	9 708
PF1 Business sustainability loans	16 402	2 436	-	-	(368)	16 034
PF1 Innovation loans	8 435	1 401	-	-	-	8 435
PF2 Energy Efficiency Loans for Multi-apartment Buildings (III) ¹	42 082	2 103	-	-	-	42 082
Total loans	609 251	140 720	-	(3 883)	(10 999)	594 369

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 2025, in thousands of euros (cont'd):

Financial Instrument / Programme	Programme funding	Of which, Risk Coverage Reserve	Of which, committed liability for reserved capital rebate	Programme funding fair Value Correction	Provisions covered by Risk Coverage Reserve	Net programme funding
Guarantees						
Fund of Funds programme – Guarantees	46 155	46 155	-	-	(5 172)	40 983
Energy Efficiency Guarantees for Multi-apartment Buildings	12 498	12 498	-	-	(1 538)	10 960
Housing Guarantee Programme	27 173	27 172	-	(2 546)	(19 254)	5 373
Housing Guarantee Programme for NAF soldiers	1 447	1 446	-	(572)	(657)	218
Guarantee Programme for Clients of State Aid Accumulation, Grace Period and Large Economic Operators	8 753	8 753	-	(1 424)	(2 398)	4 931
Mezzanine Programme – Guarantees	1 746	1 712	-	-	137	1 883
Portfolio Guarantee Fund	8 812	8 812	-	(1 252)	(3 170)	4 390
Export credit guarantees	5 085	5 085	-	(1 304)	(79)	3 702
Study and student portfolio guarantees ³	877	-	-	-	-	877
Agricultural Guarantees	1 388	1 388	-	(495)	(641)	252
ELFLA Agricultural and rural development guarantees	830	830	-	-	(208)	622
RRM energy car guarantees	2 193	189	435	-	(12)	2 181
RRM Energy efficiency guarantees for multi-apartment buildings ¹	14 334	717	11 254	-	(466)	13 868
PF1 Guarantees for full-cycle business	14 913	13 300	-	-	(7 567)	7 346
PF1 Portfolio guarantees for full-cycle business	2 874	1 300	-	-	-	2 874
LF2 DME 3 guarantees ¹	8 000	855	6 347	-	(632)	7 368
Total guarantees	157 078	130 212	18 036	(7 593)	(41 657)	107 828
Grants						
Energy Efficiency Grants for Multi-apartment Buildings	6	-	-	-	-	6
Housing grant programme "Balsts"	2 304	-	-	-	-	2 304
Grants for energy efficiency improvement of family buildings	624	-	-	-	-	624
Social Entrepreneurship Programme II	1 302	-	-	-	-	1 302
Energy efficiency project grant	224	-	-	-	-	224
Grants for improving energy efficiency of family buildings	440	-	-	-	-	440
Energoefektivitātes granti DME	1 657	-	-	-	-	1 657
PF1 Multi-apartment buildings grants with consecutive grant payments	158	-	-	-	-	158
Total grants	6 715	-	-	-	-	6 715
Venture Capital Funds						
Fund of Funds and venture capital funds	42 532	42 035	-	-	-	42 532
Investment Fund Activity	8 256	7 431	-	-	-	8 256
Baltic Innovation Fund	1 984	595	-	(182)	-	1 802
Baltic Innovation Fund II	2 514	754	-	(148)	-	2 366
PF1 Contingent equity investments (5G)	17 743	6 815	-	-	-	17 743
Total venture capital funds	73 029	57 630	-	(330)	-	72 699
Other Activities						
Energy Efficiency Fund	4	-	-	-	-	4
Total other activities	4	-	-	-	-	4
2021-2027 Participation fund 1	32 678	11 728	-	-	-	32 678
2021-2027 Participation fund 2	25 405	2 267	-	-	-	25 405
Total support programme funding	904 160⁴	342 557	18 036	(11 806)	(52 656)	839 698

¹ Combined financial instrument.

² Risk coverage (Portfolio Loss Reserve) of EUR 798 thousand has been included in the reserve for mitigation of the consequences of Covid-19, which is part of the specific reserves attributable to support programs.

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

⁴ Support programme funding contains EUR 31,944 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
Loans						
ERDF II	6 275	-	-	-	-	6 275
ESF II	897	-	-	-	-	897
Microcredits of Swiss programme	335	-	-	-	-	335
ERDF I	33	-	-	-	-	33
ESF I	154	-	-	-	-	154
ERDF II (second round)	1 199	5	-	-	-	1 199
ERDF II 2 Public fund	226	-	-	-	-	226
Fund of Funds programme – Start-up loans	2 635	411	-	(38)	(37)	2 560
Fund of Funds programme – Microcredits	292	3	-	(1)	-	291
Fund of Funds programme – Parallel loans	4 012	1 877	-	(259)	(431)	3 322
Energy Efficiency Loans for Multi-apartment Buildings (I)	17 351	15 842	-	(327)	(178)	16 846
Start-up State Aid Cumulation Lending Programme	1 886	1 886	-	(615)	(230)	1 041
Other loans to start-ups	320	2	-	-	-	320
Mezzanine Programme – Loans	3 609	3 536	-	-	(621)	2 988
Guarantees and interest grants programme	4 287	4 287	-	(1 201)	-	3 086
SME energy efficiency loans	3 723	3 723	-	(74)	(1 005)	2 644
SME growth loans	3 000	3 000	-	(346)	(349)	2 305
ERAF SME growth loans	23 045	1 383	-	-	(995)	22 050
ERAF loans for business sustainability	23 732	5 162	-	-	(963)	22 769
Parallel loans	2 000	2 000	-	(159)	(117)	1 724
Parallel loans 2	3 548	1 313	-	-	(513)	3 035
Loans for enterprises in rural territories	9 298	9 298	-	(270)	(146)	8 882
Start-up loans to innovative entrepreneurs	7 781	1 556	-	-	(224)	7 557
Multi-apartment building improvement loans	4 500	4 500	-	(44)	(73)	4 383
Energy Efficiency Loans for Multi-apartment Buildings (II)	9 125	510	-	-	(47)	9 078
Cultural industry support programme ²	245	-	-	-	-	245
ELFLA Agricultural and rural development loans	18 432	4 424	-	-	(154)	18 278
Working capital loans to Agriculture	12 535	11 051	-	(239)	(682)	11 614
Co-funding loans for the construction of affordable housing	2 611	338	-	-	(278)	2 333
RRF energy efficiency loans ¹	32 257	5 257	-	-	-	32 257
RRF digitization loans ¹	31 817	6 123	-	-	-	31 817
RRF Energy Efficiency Loans for Multi-apartment Buildings ¹	17 611	1 148	-	-	-	17 611
RRF housing construction loans ¹	40 022	4 615	-	-	-	40 022
Investment Loans with capital rebate ¹	129 455	10 667	-	(88)	-	129 367
Investment Loans with capital rebate – co-funding loans	33 511	2 334	-	-	-	33 511
Loans for sustainability	1 000	1 000	-	(222)	(42)	736
PF1 Start-up and Micro ERDF loans	9 299	1 128	-	-	(330)	8 969
PF1 Productivity growth loans	14 200	2 080	-	-	(103)	14 097
PF1 Business sustainability loans	8 725	1 288	-	-	(122)	8 603
PF1 Innovation loans	8 474	1 258	-	-	-	8 474
Total loans	493 457	113 005	-	(3 883)	(7 640)	481 934

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
Guarantees						
Fund of Funds programme – Guarantees	45 870	45 870	-	-	(7 610)	38 260
Energy Efficiency Guarantees for Multi-apartment Buildings	12 083	10 492	-	-	(1 289)	10 794
Housing Guarantee Programme	29 672	29 672	-	(2 545)	(18 360)	8 767
Housing Guarantee Programme for NAF soldiers	1 061	1 061	-	(571)	(490)	-
Guarantee Programme for Clients of State Aid Accumulation, Grace Period and Large Economic Operators	8 753	8 753	-	(1 424)	(1 471)	5 858
Mezzanine Programme – Guarantees	1 158	1 135	-	-	(186)	972
Portfolio Guarantee Fund	9 394	8 594	-	(1 252)	(3 408)	4 734
Export credit guarantees	5 199	5 199	-	(1 305)	(391)	3 503
Study and student portfolio guarantees ³	794	-	-	-	-	794
Agricultural Guarantees	1 388	1 388	-	(495)	(893)	-
ELFLA Agricultural and rural development guarantees	984	984	-	-	(228)	756
RRM energy car guarantees	1 504	128	319	-	(14)	1 490
RRM Energy efficiency guarantees for multi-apartment buildings ¹	11 092	555	9 898	-	(297)	10 795
PF1 Individual guarantees for digitalisation and automation	1 460	649	-	-	(11)	1 449
PF1 Guarantees for full-cycle business	11 374	5 065	-	-	(4 297)	7 077
PF1 Portfolio guarantees for full-cycle business	2 838	1 262	-	-	-	2 838
Total guarantees	144 624	120 807	10 217	(7 592)	(38 945)	98 087
Grants						
Energy Efficiency Grants for Multi-apartment Buildings	6	-	-	-	-	6
Housing grant programme "Balsts"	4 704	-	-	-	-	4 704
Grants for energy efficiency improvement of family buildings	809	-	-	-	-	809
Social Entrepreneurship Programme II	586	-	-	-	-	586
Energy efficiency project grant	846	-	-	-	-	846
Grants for improving energy efficiency of family buildings	543	-	-	-	-	543
PF1 Multi-apartment buildings grants with consecutive grant payments	294	-	-	-	-	294
Total grants	7 788	-	-	-	-	7 788
Venture Capital Funds						
Fund of Funds and venture capital funds	36 251	18 011	-	-	-	36 251
Investment Fund Activity	7 036	6 333	-	-	-	7 036
Baltic Innovation Fund	1 956	587	-	(182)	-	1 774
Baltic Innovation Fund II	2 531	759	-	(148)	-	2 383
PF1 Contingent equity investments (5G)	25 656	9 819	-	-	-	25 656
Total venture capital funds	73 430	35 509	-	(330)	-	73 100
Other Activities						
Energy Efficiency Fund	6	-	-	-	-	6
Total other activities	6	-	-	-	-	6
2021-2027 Participation fund 1	3 341	-	-	-	-	3 341
Total support programme funding	722 646	269 321	10 217	(11 805)	(46 585)	664 256

¹ Combined financial instrument.

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

³ Risk coverage (Portfolio Loss Reserve) of EUR 5,610 thousand has been included in the reserve, which is part of the specific reserves attributable to support programs (see Note 20 (2))

19 Support programme funding (cont'd)

Under programme implementation agreements, the funding received may be reduced by the outstanding principal amount of loans classified as lost, by unpaid loan principal, and/or by disbursed guarantee compensations. The company is not required to repay these funding reductions to the funding provider.

(2) Movement in the Company's support programme funding in 12 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 fair value of the financing component	Revaluation of liabilities / Fair value adjustment for loans with capital rebate	Programmes' income/profit distribution	Other changes	Changes in provisions covered by Risk Coverage Reserve	Financing, net
	31.12.2024.										31.12.2025.
Loans											
ERDF II	6 275	-	(3 180)	-	-	-	-	-	-	-	3 095
ESF II	897	-	-	-	-	-	-	18	-	-	915
Microcredits of Swiss programme	335	-	(4)	-	-	-	-	7	30	-	368
ERDF I	33	-	-	-	-	-	-	20	-	-	53
ESF I	154	-	-	-	-	-	-	9	-	-	163
ERDF II (second round)	1 199	-	-	-	-	-	-	15	-	(1)	1 213
ERDF II 2 Public fund	226	-	(226)	-	-	-	-	-	-	-	-
Fund of Funds programme – Start-up loans	2 560	-	-	-	-	-	-	-	6	5	2 571
Fund of Funds programme – Microcredits	291	-	-	-	-	-	-	-	-	-	291
Fund of Funds programme – Parallel loans	3 322	-	-	-	-	-	-	-	-	348	3 670
Energy Efficiency Loans for Multi-apartment Buildings (I)	16 846	-	-	-	(56)	-	-	493	(54)	(128)	17 101
Start-up State Aid Cumulation Lending Programme	1 041	-	-	-	-	-	-	-	(15)	(18)	1 008
Other loans to start-ups	320	-	-	-	-	-	-	2	-	-	322
Mezzanine Programme – Loans	2 988	-	(591)	-	(13)	-	-	54	200	161	2 799
Guarantees and interest grants programme	3 086	-	-	-	-	-	-	-	-	-	3 086
SME energy efficiency loans	2 644	-	(2 000)	-	-	-	-	-	-	87	731
SME growth loans	2 305	2 000	-	-	-	-	-	-	-	(714)	3 591
ERDF SME growth loans	22 050	-	(3 000)	-	-	-	-	45	-	308	19 403
ERDF loans for business sustainability	22 769	-	(5 500)	-	-	-	-	896	-	(234)	17 931
Parallel loans	1 724	-	-	-	-	-	-	-	-	16	1 740
Parallel loans 2	3 035	-	-	-	-	-	-	5	-	175	3 215
Loans for enterprises in rural territories	8 882	-	-	-	-	-	-	-	(39)	(52)	8 791
Start-up loans to innovative entrepreneurs	7 557	-	-	-	-	-	-	4	(55)	49	7 555

19 Support programme funding (cont'd)

(2) Movement in the Company's support programme funding in 12 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 fair value of the financing component	Revaluation of liabilities / Fair value adjustment for loans with capital rebate	Programmes' income/profit distribution	Other changes	Changes in provisions covered by Risk Coverage Reserve	Financing, net
	31.12.2024.										31.12.2025.
Multi-apartment building improvement loans	4 383	-	-	-	-	-	-	-	-	(62)	4 321
Energy Efficiency Loans for Multi-apartment Buildings (II)	9 078	-	-	-	-	-	-	314	(99)	(147)	9 146
Cultural industry support programme	245	-	-	-	(1)	-	-	-	-	-	244
ELFLA Agricultural and rural development loans	18 278	3 662	158	-	(696)	-	-	592	-	(100)	21 894
Working capital loans to agriculture	11 614	2 800	-	-	(499)	-	-	-	-	(848)	13 067
Co-funding loans for the construction of affordable housing	2 333	-	3 406	-	(7)	-	-	16	-	(337)	5 411
RRF energy efficiency loans ¹	32 257	32 234	(1 000)	(11 301)	(162)	(1 219)	(607)	560	-	-	50 762
RRF digitization loans ¹	31 817	3 515	2 000	(11 018)	(157)	(2 816)	(181)	443	-	-	23 603
RRF Energy Efficiency Loans for Multi-apartment Buildings ¹	17 611	22 913	(11 000)	(5 547)	(358)	(9 016)	(1 180)	759	-	-	14 182
RRF housing construction loans ¹	40 022	-	-	-	(60)	(7 917)	(2 903)	115	-	-	29 257
RRF the affordable housing construction loans/parallel loans ¹	-	29 021	-	-	-	-	-	-	-	-	29 021
Investment Loans with capital rebate ¹	129 367	30 000	-	-	-	(40 967)	9 582	-	-	-	127 982
Investment Loans with capital rebate – co-funding loans	33 511	5 000 ⁸	-	-	-	-	-	-	-	(834)	37 677
Loans for sustainability	736	-	5 000	-	-	-	-	-	-	(129)	5 607
Loans for biomethane projects ¹	-	6 440	-	-	-	-	-	42	-	-	6 482
Energy efficiency loans across regions ¹	-	12 458	-	-	-	-	-	-	-	-	12 458
Mortgage loans for residential property purchase in the regions	-	3 500	-	-	-	-	-	-	-	(1)	3 499
PF1 Start-up and Micro ERDF loans	8 969	-	16 142	-	(1 220)	-	-	661	(64)	(603)	23 885
PF1 Productivity growth loans	14 097	-	(4 340)	-	(269)	-	-	274	-	(54)	9 708
PF1 Business sustainability loans	8 603	-	7 990	-	(663)	-	-	350	-	(246)	16 034
PF1 Innovation loans	8 474	-	-	-	(39)	-	-	-	-	-	8 435
PF2 Energy Efficiency Loans for Multi-apartment Buildings (III) ¹	-	1 500	48 000	-	-	(7 592)	(3)	177	-	-	42 082
Total loans	481 934	155 043	51 855	(27 866)⁶	(4 200)	(69 527)⁵	4 708⁹	5 871	(90)	(3 359)	594 369

19 Support programme funding (cont'd)

(2) Movement in the Company's support programme funding in 12 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 fair value of the financing component	Revaluation of liabilities / Fair value adjustment for loans with capital rebate	Programmes' income/profit distribution	Other changes	Changes in provisions covered by Risk Coverage Reserve	Financing, net
	31.12.2024.										31.12.2025.
Guarantees											
Fund of Funds programme - Guarantees	38 260	-	-	-	-	-	-	285	-	2 438	40 983
Energy Efficiency Guarantees for Multi-apartment Buildings	10 794	-	-	-	(8)	-	-	423	-	(249)	10 960
Housing Guarantee Programme	8 767	-	(2 500)	-	-	-	-	-	-	(894)	5 373
Housing Guarantee Programme for NAF soldiers	-	385	-	-	-	-	-	-	-	(167)	218
Guarantee Programme for Clients of State Aid Accumulation, Grace Period and Large Economic Operators	5 858	-	-	-	-	-	-	-	-	(927)	4 931
Mezzanine Programme - Guarantees	972	-	591	-	(7)	-	-	4	-	323	1 883
Portfolio Guarantee Fund	4 734	-	-	-	(256)	-	-	-	(326)	238	4 390
Export credit guarantees	3 503	-	-	-	-	-	-	-	(113)	312	3 702
Study and student portfolio guarantees	794	120	-	-	(37)	-	-	-	-	-	877
Agricultural Guarantees	-	-	-	-	-	-	-	-	-	252	252
ELFLA Agricultural and rural development guarantees	756	-	(158)	-	(6)	-	-	10	-	20	622
RRM energy car guarantees ¹	1 490	-	1 000	(326)	-	-	-	15	-	2	2 181
RRM Multi-apartment building energy efficiency guarantees ¹	10 795	-	11 000	(7 428)	(329)	-	-	-	(1)	(169)	13 868
PF1 Individual guarantees for digitalisation and automation	1 449	-	(1 432)	-	(5)	-	-	(23)	-	11	-
PF1 Guarantees for full-cycle business	7 077	-	3 942	-	(804)	-	-	401	-	(3 270)	7 346
PF1 Portfolio guarantees for full-cycle business	2 838	-	-	-	(39)	-	-	75	-	-	2 874
LF2 DME 3 guarantees ¹	-	-	8 000	-	-	-	-	-	-	(632)	7 368
Total guarantees	98 087	505	20 443	(7 754)	(1 491)	-	-	1 190	(440)	(2 712)	107 828

19 Support programme funding (cont'd)

(2) Movement in the Company's support programme funding in 12 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 fair value of the financing component	Revaluation of liabilities / Fair value adjustment for loans with capital rebate	Programmes' income / profit distribution	Other changes	Changes in provisions covered by Risk Coverage Reserve	Financing, net
	31.12.2024.										31.12.2025.
Grants											
Energy Efficiency Grants for Multi-apartment Buildings	6	-	-	-	-	-	-	-	-	-	6
Housing grant programme "Balsts"	4 704	-	2 500	(4 900)	-	-	-	-	-	-	2 304
Grants for energy efficiency improvement of family buildings ¹	809	-	4	(185)	(4)	-	-	-	-	-	624
Social Entrepreneurship Programme II	586	2 659	-	(1 726)	(217)	-	-	-	-	-	1 302
Energy efficiency project grant	846	-	-	(506)	(116)	-	-	-	-	-	224
Grants for improving energy efficiency of family buildings	543	-	-	(90)	(13)	-	-	-	-	-	440
Energoefektivitātes granti DME	-	1 701	-	(44)	-	-	-	-	-	-	1 657
PF1 Multi-apartment Buildings grants with consecutive grant payments	294	375	-	(438)	(73)	-	-	-	-	-	158
Total grants	7 788	4 735	2 504	(7 889)	(423)	-	-	-	-	-	6 715
Venture Capital Funds											
Fund of Funds and venture capital funds	36 251	-	3 500	-	(1 082) ²		(860)	4 686 ³	37	-	40 028
Investment Fund Activity	7 036	-	-	-	(53)		861	412 ⁴	-	-	9 398
Baltic Innovation Fund	1 774	-	-	-	(16)		44	-	-	-	1 818
Baltic Innovation Fund II	2 383	-	-	-	(17)		-	-	-	-	2 383
PF1 Contingent equity investments (5G)	25 656	-	(7 314)	-	(965) ⁷		-	366	-	-	18 209
Total venture capital funds	73 100	-	(3 814)	-	(2 133)	-	45	5 464	37	-	72 699

19 Support programme funding (cont'd)

(2) Movement in the Company's support programme funding in 12 months of 2025, in thousands of euros: (cont'd)

Financial Instrument / Programme	Financing, net	Financing received	Reallo-cated funding between program-mes	Compen-sated grants/ capital rebate	Compen-sated income and expense	Change in fair value of the financing component	Revaluation of liabilities / Fair value adjustment for loans with capital rebate	Program mes' income / profit distri-bution	Other changes	Changes in provisions covered by Risk Coverage Reserve	Financing, net
	31.12.2024.										31.12.2025.
Other Activities											
Energy Efficiency Fund	6	-	-	-	(2)	-	-	-	-	-	4
Total other activities	6	-	-	-	(2)	-	-	-	-	-	4
2021-2027 Participation fund 1	3 341	46 124	(14 988)	-	(1 799)	-	-	-	-	-	32 678
2021-2027 Participation fund 2	-	80 763	(56 000)	-	-	-	-	642	-	-	25 405
Total support programme funding	664 256	287 170	-	(43 509)	(10 048)	(69 527)	4 753	13 167	(493)	(6 071)	839 698

¹ Combined financial instrument.

² include EUR 749 thousand management fees for the 4th generation venture capital funds.

³ include EUR 1,598 thousand mezzanine interest received in 12 months of 2025 and realized gain of EUR 373 thousand.

⁴ include EUR 363 thousand mezzanine interest received in 12 months of 2025 and realized gain of EUR 537 thousand.

⁵ The received public funding to finance the issued loans with capital rebate are measured at fair value. After measurement of the fair value of the said public funding, the difference between the received financing nominal value and its the fair value is classified as grant following IAS 20 requirements, see more in Note 13 *Loans with capital rebate*. The said grant is recognised in profit and loss statement at full amount to cover the loss on change in fair value of respective asset – loan with capital rebate. As a consequence the said grant amounting EUR 69,526 thousand has been recognised as income in the financial statements (see Note 9).

⁶ See Note 13 *Loans with capital rebate*

⁷ include EUR 925 thousand management fees for the 5th generation venture capital funds.

⁸ Includes an increase of EUR 5,000 thousand, reducing the Special Reserve Capital. See Appendix 20(2).

⁹ Includes: changes in fair value of loans with a capital rebate in the reporting year EUR 4,360 thousand; changes in fair value previously recognized upon granting the capital rebate EUR 2,397 thousand; changes in fair value of the loan component recognized in future income in 2024 EUR 5,416 thousand; and a decrease in the fair value of the future possible capital rebate component in 2024 EUR (7,465) thousand.

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
Reserves as of 1 January 2024	125 629	(15 935)	57 265	166 959
Increase of reserve capital	7 384	-	-	7 384
Reduction of reserve capital due to increased funding of Support Programmes	(18 288)	-	-	(18 288)
Increase of Specific Reserves from General reserve capital at distribution of the profit for year 2023	2 821	-	(2 821)	-
Reduction of Specific Reserves from General reserve capital at distribution of the profit for year 2023	(2 768)	-	2 768	-
2023 profit of the Company	-	-	17 810	17 810
Reserves as of 31 December 2024	114 778	(15 935)	75 022	173 865
Increase of reserve capital	3 000	-	-	3 000
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
Reserves as of 31 December 2025	114 159	(15 935)	102 304	200 528

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
Specific reserves as of 1 January 2024	21 977	1 402	5 788	4 018	21 500	12 500	13 829	15 551	5 157	23 907	125 629
of which:											
Portfolio Loss Reserve (Specific Reserves)	21 977	1 402	5 788	4 018	21 234	12 500	1 018	15 551	5 157	7 942	96 587
Increase of reserve capital	1 774	5 610	-	-	-	-	-	-	-	-	7 384
Reduction of reserve capital due to increased funding of Support Programmes	-	-	(5 788)	-	-	(12 500)	-	-	-	-	(18 288)
Increase of Specific Reserves from General reserve capital at distribution of the profit for year 2023	-	-	-	-	-	-	-	717	2 030	73	2 820
Reduction of Specific Reserves from General reserve capital at distribution of the profit for year 2023	-	(1 402)	-	(718)	(647)	-	-	-	-	-	(2 767)
Specific reserves as of 31 December 2024	23 751	5 610	-	3 300	20 853	-	13 829	16 268	7 187	23 980	114 778
of which:											
Portfolio Loss Reserve (Specific Reserves)	23 751	5 610	-	3 300	20 587	-	1 018	16 268	7 187	8 015	85 736

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	195	2 805	-	-	-	-	-	-	-	-	3 000
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)
Specific reserves as of 31 December 2025	23 946	6 857	-	3 375	15 916	-	13 829	17 573	8 862	23 801	114 159
of which:											
Portfolio Loss Reserve (Specific Reserves)	23 946	6 857	-	3 375	15 650	-	1 018	17 573	8 862	7 836	85 117

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.
- Increase in special reserve capital for the housing guarantee programme for soldiers of the National Armed Forces for the purchase or construction of residential premises, in the total amount of EUR 195 thousand. The increase was made in accordance with the decision of the Extraordinary Shareholders' Meeting of 18 December 2025, adopted on the basis of Cabinet of Ministers Regulation No.95 (20 February 2018), "Regulations Regarding the State Assistance for the Purchase or Construction of Residential Premises," and the agreement concluded on 19 December 2022 (as amended on 30 September 2025) between the Company and the Ministry of Defence on State assistance for soldiers of the National Armed Forces for the purchase or construction of residential premises.
- 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
Portfolio Loss Reserve as of 1 January 2024	21 977	1 402	5 788	4 018	21 234	12 500	1 018	15 551	5 157	7 942	96 587
of which:											
Portfolio Loss Reserve (Specific Reserves) to be used to cover credit loss upon approval of the 2023 annual report	-	(1 402)	-	(718)	(647)	-	-	717	2 030	73	53
Increase of specific reserves	1 774	5 610	-	-	-	-	-	-	-	-	7 384
Reduction of reserve capital due to increased funding of Support Programmes	-	-	(5 788)	-	-	(12 500)	-	-	-	-	(18 288)
Increase of Specific Reserves from General reserve capital at distribution of the profit for year 2023	-	-	-	-	-	-	-	717	2 030	73	2 820
Reduction of Specific Reserves from General reserve capital at distribution of the profit for year 2023	-	(1 402)	-	(718)	(647)	-	-	-	-	-	(2 767)
Portfolio Loss Reserve as of 31 December 2024	23 751	5 610	-	3 300	20 587	-	1 018	16 268	7 187	8 015	85 736
of which:											
Portfolio Loss Reserve (Specific Reserves) to be used to cover credit loss upon approval of the 2024 annual report	-	(1 558)	-	75	63	-	-	1 305	1 675	(179)	1 381

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	195	2 805	-	-	-	-	-	-	-	-	3 000
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)
Portfolio Loss Reserve as of 31 December 2025	23 946	6 857	-	3 375	15 650	-	1 018	17 573	8 862	7 836	85 117
of which:											
<i>Portfolio Loss Reserve (Specific Reserves) to be used to cover credit loss upon approval of the 2025 annual report</i>	-	(1 227)	-	(40)	201	-	-	609	48	(161)	(570)

21 Off-balance sheet items and contingent liabilities

All amounts in thousands of euros

	31.12.2025.	31.12.2024.
Contingent liabilities:		
Outstanding guarantees	627 944	523 538
Financial commitments:		
Loan commitments	252 017	170 045
Commitments to AIF "Altum capital fund" ¹	29 034	29 096
Commitments to Baltic SME Initial Public Offering Fund	19 850	-
Commitments to investments in associates	90 099	19 027
Commitments to other investments	17 032	20 532
Grant commitments	3 461	1 992
Total contingent liabilities and financial commitments	1 039 437	764 230

¹ 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 48.9 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:

	31.12.2025.	31.12.2024.
Unutilised loan facilities	252 017	170 045
Impairment allowances	(1 532)	(554)
Total unutilized loan facilities, net	250 485	169 491

Impairment allowances for grant commitments, in thousands of euros:

	31.12.2025.	31.12.2024.
Grant commitments	3 461	1 992
Impairment allowances	(97)	(55)
Total grant commitments, net	3 364	1 937

Analysis of the guarantee portfolio by client segments as at 31 December 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	8 248	(708)	1 714	(141)	-	-	9 962	(849)
SME and Midcaps	219 016	(14 275)	9 515	(1 288)	8 244	(3 061)	236 775	(18 624)
Private individuals	376 253	(28 650)	3 726	(487)	1 228	(1 112)	381 207	(30 249)
Total segments, gross	603 517	(43 633)	14 955	(1 916)	9 472	(4 173)	627 944	(49 722)
Impairment overlay for interest rate decrease	-	-	-	-	-	-	-	-
Total segments, net	603 517	(43 633)	14 955	(1 916)	9 472	(4 173)	627 944	(49 722)

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 31 December 2025, in thousands of euros:

	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years and w/o maturity	Total
Contingent liabilities							
Outstanding guarantees	389 497 ¹	501	1 774	4 529	56 791	174 852	627 944
Financial commitments							
Loan commitments	252 017	-	-	-	-	-	252 017
Commitments to AIF "Altum capital fund" ²	8	15	27	54	28 930	-	29 034
Commitments to Baltic SME Initial Public Offering Fund	77	1 328	1 405	2 810	13 580	650	19 850
Commitments to investments in associates	554	5 122	5 638	11 276	63 885	3 624	90 099
Commitments to other investments	2 250	350	700	4 100	8 832	800	17 032
Total financial commitments	254 906	6 815	7 770	18 240	115 227	5 074	408 032
Grant commitments	3 461	-	-	-	-	-	3 461
Total contingent liabilities and financial commitments	647 864	7 316	9 544	22 769	172 018	179 926	1 039 437

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

² 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 48.9 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
Contingent liabilities							
Outstanding guarantees	316 338 ¹	-	305	1 991	55 040	149 864	523 538
Financial commitments							
Loan commitments	170 045	-	-	-	-	-	170 045
Commitments to AIF "Altum capital fund" ²	8	17	25	50	28 996	-	29 096
Commitments to investments in associates ³	231	197	295	2 347	15 957	-	19 027
Commitments to other investments	289	578	867	1 734	9 972	7 092	20 532
Total financial commitments	170 573	792	1 187	4 131	54 925	7 092	238 700
Grant commitments	1 992	-	-	-	-	-	1 992
Total contingent liabilities and financial commitments	488 903	792	1 492	6 122	109 965	156 956	764 230

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

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

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

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	
	31.12.2025.	31.12.2024.	31.12.2025.	31.12.2024.	31.12.2025.	31.12.2024.
Investments in venture capital funds	-	-	56 146	55 835	-	-
Investments in AIF "Altum capital fund"	-	-	7 721	16 392	-	-
Due to general governments	-	-	-	-	1 942	1 978
Support programme funding	604 837	543 225	-	-	232 365	126 422
Off-balance sheet financial liabilities for venture capital funds	-	-	90 099	19 227	-	-
Off-balance sheet financial liabilities for AIF "Altum capital fund"	-	-	29 034	29 096	-	-

Transactions with related parties, in thousands of euros:

	Received State aid funding		Issued State aid funding or funding paid back	
	01.01.2025.- 31.12.2025.	01.01.2024.- 31.12.2024.	01.01.2025.- 31.12.2025.	01.01.2024.- 31.12.2024.
Transactions with shareholders				
Ministry of Finance of the Republic of Latvia	65 960	44 794	(20 684)	(16 735)
Ministry of Agriculture of the Republic of Latvia	88	18	(3)	-
Ministry of Economics of the Republic of Latvia	124 683	166 871	-	-
Associates				
Venture capital funds	10 705	9 665	(17 808)	(7 653)
Other companies owned by the shareholders				
Rural Support Service	6 800	11 902	(338)	-
Central Finance and Contracting Agency of the Republic of Latvia	146 161	36 475	-	(2 008)
Ministry of Education and Science of the Republic of Latvia	2 925	2 925	-	-
Ministry of Culture of the Republic of Latvia	-	-	-	(132)
Ministry of Defence of the Republic of Latvia	-	581	-	-
Ministry of Wealth Fair of the Republic of Latvia	2 301	846	(350)	-

The remuneration of the members of the Supervisory Council, Audit Committee and the Management Board of the Company in the 12 months of 2025 amounted to EUR 762 thousand (12 months of 2024: EUR 889 thousand), including social insurance tax.

	01.01.2025.- 31.12.2025.	01.01.2024.- 31.12.2024.
Remuneration to the Supervisory Council and the Management Board	617	720
<i>to the Supervisory Council</i>	90	92
<i>to the Management Board</i>	485	580
<i>to the Audit Committee</i>	42	48
Social insurance tax	145	169
Total	762	889

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	
	31.12.2025.	31.12.2024.	31.12.2025.	31.12.2024.	31.12.2025.	31.12.2024.	31.12.2025.	31.12.2024.
<i>Assets measured at fair value</i>								
Financial assets at fair value through other comprehensive income - investment securities	130 859	183 572	130 859	183 572	130 859	183 572	-	-
Other investments	63 867	72 227	63 867	72 227	-	-	63 867	72 227
Investments in associates	33 845	29 043	33 845	29 043	-	-	33 845	29 043
Investment properties	120 819	92 976	120 819	92 976	-	-	120 819	92 976
Loans with capital rebate	79 277	24 971	79 277	24 971	-	-	79 277	24 971
<i>Assets with fair values disclosed</i>								
Due from credit institutions and the Treasury	839 708	627 769	839 084	627 168	839 084	627 168	-	-
<i>Financial assets at amortised cost:</i>								
Loans	438 864	412 249	402 489	377 187	-	-	402 489	377 187
Other financial assets	2 708	2 937	2 708	2 937	-	-	2 708	2 937
Total assets	1 709 947	1 445 744	1 672 948	1 410 081	969 943	810 740	703 005	599 341
<i>Liabilities measured at fair value</i>								
Support programme funding	839 698	664 256	839 698	664 256	-	-	839 698	664 256
<i>Liabilities with fair value disclosed</i>								
Due to credit institutions	23 225	40 366	23 225	40 366	-	-	23 225	40 366
Due to general governments	262 894	207 634	245 111	196 654	-	-	245 111	196 654
Liabilities from financial guarantees	53 620	49 262	53 620	49 262	-	-	53 620	49 262
Financial liabilities at amortised cost - issued debt securities	91 404	65 491	89 718	63 139	-	-	89 718	63 139
Total liabilities	1 270 841	1 027 009	1 251 372	1 013 677	-	-	1 251 372	1 013 677
<i>Off-balance-sheet commitments for which the fair value is disclosed:</i>								
Outstanding guarantees	627 944	523 538	627 944	523 538	-	-	627 944	523 538
Total off-balance sheet liabilities	627 944	523 538	627 944	523 538	-	-	627 944	523 538

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

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

Investment securities

Investment securities are 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.

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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 12M	2025 9M	2025 6M
Key financial data			
Net interest income (EUR '000)	20 026	14 937	9 787
Operating profit (EUR '000)	31 470	25 841	8 813
Profit for the period (EUR '000)	31 470	25 841	8 813
Cost to income ratio (CIR)	19.1%	21.6%	39.4%
Employees	258	257	256
Total assets (EUR '000)	1 729 663	1 722 138	1 703 185
Financial debt (EUR '000)	927 320	950 175	975 102
Tangible common equity (TCE) / Tangible managed assets (TMA) ¹	19.4%	19.4%	19.1%
Equity and reserves (EUR '000)	445 125	439 368	423 256
Return on average equity (ROE)	7.3%	4.5%	4.2%
Total risk coverage: (EUR '000)	374 448	349 366	327 361
Risk coverage reserve	342 557	317 495	287 118
Risk coverage reserve used for provisions	(52 656)	(53 061)	(49 547)
Portfolio loss reserve (specific reserve capital)	85 117	84 922	89 922
Portfolio loss reserve used to compensate provisions in the distribution of annual profit	(570)	10	(132)
Liquidity ratio for 180 days ²	328%	351%	387%
Net Cash flows from operating activities (EUR '000)	144 167	149 226	152 778
Net Cash flows from financing activities (EUR '000)	3 000	2 805	2 805
Net Cash flows from investing activities (EUR '000)	75 978	114 585	127 363
Support instruments gross value (EUR '000), of which	1 501 490	1 432 714	1 357 347
Grants	4 294	4 600	4 451
Financial instruments gross value (EUR '000) ³			
Loans (excluding sales and leaseback transactions)	621 218	580 795	535 947
Guarantees	627 944	603 656	570 559
Venture capital funds	90 210	89 789	93 894
Latvian Land Fund, of which:	157 824	153 874	152 496
- sales and leaseback transactions	37 005	44 526	44 140
- investment properties	120 819	109 348	108 356
Total	1 497 196	1 428 114	1 352 896
Number of transactions	42 414	42 046	40 841
Volumes issued (EUR '000) (by financial instrument) ³			
Loans (excluding sales and leaseback transactions)	292 079	202 612	128 237
Guarantees	199 628	153 222	94 662
Venture capital funds	13 910	11 894	6 449
Latvian Land Fund, of which:	28 668	24 684	21 874
- sales and leaseback transactions	9 823	8 152	6 590
- investment properties	18 845	16 532	15 284
Total	534 285	392 412	251 222
Number of transactions	8 387	6 409	4 099
Total contribution to economy by volumes issued in the reporting period, including the participation of the final recipients (EUR '000)	1 405 422	978 319 4	978 319 4
Leverage for raised private funding	158%	133%	126%
Volume of support programmes funding per employee (EUR '000)	5 803	5 047	5 047
Long-term rating assigned by Moody's Ratings	Baa1	Baa1	Baa1

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

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

KEY FINANCIAL AND PERFORMANCE INDICATORS (cont'd)

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

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

⁴ Data as at 31 December 2024, considering that the indicator "Total contribution to the national economy, including beneficiary participation, based on issued volumes during the reporting (EUR thousands)" is assessed annually at the end of the reporting year.

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

KEY FINANCIAL AND PERFORMANCE INDICATORS (cont'd)

Based on data from audited financial statements for the respective years

	2025 unaudited	2024	2023	2022	2021	2020
Key financial data						
Net interest income (EUR '000)	20 026	23 026	17 765	16 974	16 717	14 572
Operating profit (EUR '000)	31 470	28 663	17 810	11 484	13 829	5 539
Profit for the period (EUR '000)	31 470	28 663	17 810	11 484	13 829	5 539
Cost to income ratio (CIR)	19.1%	23.32%	26.34%	38.26%	39.46%	47.51%
Employees	258	254	255	234	226	211
Total assets (EUR '000)	1 729 663	1 455 350	1 316 086	1 099 588	976 204	850 704
Financial debt (EUR '000)	927 320	755 011	599 305	458 382	360 909	342 490
Tangible common equity (TCE) / Tangible managed assets (TMA) ¹	19.4%	21.6%	23.4%	27.01%	33.82%	33.56%
Equity and reserves (EUR '000)	445 125	416 055	389 353	395 983	440 736	382 594
Return on average equity (ROE)	7.3%	7.1%	4.5%	2.7%	3.4%	1.8%
Total risk coverage: (EUR '000)	374 448	309 853	281 355 ²	297 218	285 954	180 205
Risk coverage reserve	342 557	269 321	226 793 ²	230 524	159 196	112 567
Risk coverage reserve used for provisions	(52 656)	(46 585)	(42 078)	(38 039)	(29 496)	(28 197)
Portfolio loss reserve (specific reserve capital)	85 117	85 736	96 587	109 979	159 700	102 264
Portfolio loss reserve used to compensate provisions in the distribution of annual profit	(570)	1 381	53	(5 246)	(3 446)	(6 429)
Liquidity ratio for 180 days ³	328%	342%	430%	366%	518%	464%
Net Cash flows from operating activities (EUR '000)	144 167	135 234	138 724 ⁴	89 534	49 555	21 966
Net Cash flows from financing activities (EUR '000)	3 000	4 579	9 009	3 526	43 768	165 800
Net Cash flows from investing activities (EUR '000)	75 978	(249 994)	(121 467) ⁴	(8 437)	4 553	(4 016)
Support instruments gross value (EUR '000), of which	1 501 490	1 234 002 ⁵	1 101 797	1 064 821	979 130	872 302
Grants	4 294	3 159	68 132	58 280	45 397	31 107
Financial instruments gross value (EUR '000)						
Loans (excluding sales and leaseback transactions)	621 218	474 193 ⁵	359 246	311 844	315 674	302 481
Guarantees	627 944	523 538	480 025	481 013	414 978	359 605
Venture capital funds	90 210	97 999	97 456	90 277	85 973	73 165
Latvian Land Fund, of which: ⁷	157 824	135 113	96 938	80 542	79 163	68 258
- sales and leaseback transactions	37 005	42 137	28 692	27 089	32 999	31 500
- investment properties	120 819	92 976	68 246	53 453	46 164	36 758
Total	1 497 196	1 230 843 ⁶	1 033 665	963 676	895 788	803 509
Number of transactions	42 414	38 730	35 260	33 976	30 978	26 578
Volumes issued (EUR '000) (by financial instrument)						
Loans (excluding sales and leaseback transactions)	292 079	221 741	141 993	95 820	100 966	138 238
Guarantees	199 628	142 902	99 440	153 067	126 997	137 425
Venture capital funds	13 910	15 745	23 920	18 526	29 158	14 014
Latvian Land Fund, of which: ⁷	28 668	40 506	17 676	7 414	10 595	28 191
- sales and leaseback transactions	9 823	19 692	7 916	3 105	3 254	16 796
- investment properties	18 845	20 814	9 760	4 309	7 341	11 395
Total	534 285	420 894	283 029	274 827	267 716	317 868
Number of transactions	8 387	6 710	4 846	6 539	6 579	6 147
Total contribution to economy by volumes issued in the reporting period, including the participation of the final recipients (EUR '000)	1 405 422	978 319	946 008	765 577	791 646	696 306
Leverage for raised private funding	158%	129%	229%	123%	177%	114%
Volume of support programmes funding per employee (EUR '000)	5 803	4 625	4 054	4 118	3 964	3 808
Long-term rating assigned by Moody's Ratings	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1

¹ TMA includes off-balance sheet item outstanding guarantees.

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

KEY FINANCIAL AND PERFORMANCE INDICATORS (cont'd)

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

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

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

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

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

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

Definitions of ratios

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

Definition of ratios (cont'd)

<i>Total risk coverage</i>	<p>"Total Risk Coverage" is the net funding available for covering the expected credit losses of the support programmes implemented by Altum. "Total Risk Coverage" is calculated as the total of "Risk Coverage Reserve" and "Portfolio Loss Reserve (Specific Capital Reserves)" less "Risk Coverage Reserve Used for Provisions" and "Portfolio loss reserve used to compensate provisions upon approval of the annual report". The expected credit losses are estimated before implementation of the respective support programme and part of the public funding received under respective support programme for coverage of expected credit losses is transferred either to "Portfolio Loss Reserve" as Altum specific capital reserve or accounted separately as provisions for risk coverage under liabilities item "Risk Coverage Reserve". "Portfolio Loss Reserve (specific capital reserve)" is disclosed in the Note on Reserves to the Financial statements of the Altum. "Risk Coverage Reserve" is disclosed in the Note on Support Programme Funding to the Financial statements of Altum. "Risk Coverage Reserve Used for Provisions" is the amount of "Risk Coverage Reserve" allocated to and used for allowance for expected credit losses on loan portfolio and guarantees which in its turn is disclosed in the Note on Support Programme Funding to the Financial statements of Altum. "Portfolio loss reserve used to compensate provisions upon approval of the annual report" is disclosed in the Note on Reserves to the Financial statements of the Altum.</p> <p>"Total Risk Coverage" is key indicator to be used for assessment of Altum risk coverage on implemented programmes and long-term financial stability.</p>
180-day liquidity ratio	<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>