

JSC DEVELOPMENT FINANCE INSTITUTION ALTUM

Unaudited interim condensed financial report
for the three months ended 31 March 2026

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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 2026 Q1, the Development Finance Institution Altum (hereinafter – the Company) made a significant contribution to the development of the national economy, with the volume of new financial instrument transactions reaching EUR 160 million, while simultaneously ensuring stable financial results and a positive return on capital.

Key financial and performance indicators

Based on data from audited financial statements for the respective years

	2026 3M	2025 3M	2025
Key financial data			
Net interest income (EUR '000)	5 011	5 538	20 026
Operating profit (EUR '000)	5 929	4 701	32 082
Profit for the period (EUR '000)	5 929	4 701	32 082
Cost to income ratio (CIR)	25.8%	41.8%	18.8%
Employees	264	255	258
Total assets (EUR '000)	1 790 061	1 538 845	1 730 046
Financial debt (EUR '000)	968 088	817 391	927 091
Tangible common equity (TCE) / Tangible managed assets (TMA) ¹	18.7%	20.8%	19.4%
Equity and reserves (EUR '000)	450 714	423 275	445 737
Return on average equity (ROE)	5.4%	4.5%	7.4%
Total risk coverage: (EUR '000)	392 263	326 931	374 448
Risk coverage reserve	357 398	286 009	342 557
Risk coverage reserve used for provisions	(50 577)	(47 965)	(52 656)
Portfolio loss reserve (specific reserve capital)	85 117	88 541	85 117
Portfolio loss reserve used to compensate provisions in the distribution of annual profit	325	346	(570)
Liquidity ratio for 180 days ²	300%	401%	321%
Net Cash flows from operating activities (EUR '000)	39 824	28 263	144 066
Net Cash flows from financing activities (EUR '000)	-	2 805	3 000
Net Cash flows from investing activities (EUR '000)	(33 780)	83 308	76 079
Support instruments gross value (EUR '000), of which	1 598 658	1 291 026	1 501 490
Grants	5 136	3 974	4 294
Financial instruments gross value (EUR '000) ⁵			
Loans (excluding sales and leaseback transactions)	652 534	494 749	621 218
Guarantees	686 041	548 176	627 944
Venture capital funds	96 023	97 305	90 210
Latvian Land Fund, of which:	158 924	146 822	157 824
- sales and leaseback transactions	36 608	43 942	37 005
- investment properties	122 316	102 880	120 819
Total	1 593 522	1 287 052	1 497 196
Number of transactions	43 318	39 725	42 414
Volumes issued (EUR '000) (by financial instrument) ⁵			
Loans (excluding sales and leaseback transactions)	67 515	58 215	292 079
Guarantees	85 598	48 908	199 628
Venture capital funds	4 882	1 794	13 910
Latvian Land Fund, of which:	2 489	14 537	28 668
- sales and leaseback transactions	988	5 370	9 823
- investment properties	1 501	9 167	18 845
Total	160 484	123 455	534 285
Number of transactions	1 983	1 948	8 387
Total contribution to economy by volumes issued in the reporting period, including the participation of the final recipients (EUR '000)	1 405 422 ⁴	978 319 ⁴	1 405 422
Leverage for raised private funding	125%	120%	158%
Volume of support programmes funding per employee (EUR '000)	6 036	5 047	5 803
Long-term rating assigned by Moody's Ratings	Baa1	Baa1	Baa1

Management Report (cont'd)

Key financial and performance indicators (cont'd)

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

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

³ 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 / data as at 31 December 2025, considering that the indicator "Total contribution to the national economy, including beneficiary participation, based on issued volumes during the reporting (EUR thousands)" is assessed annually at the end of the reporting year.

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

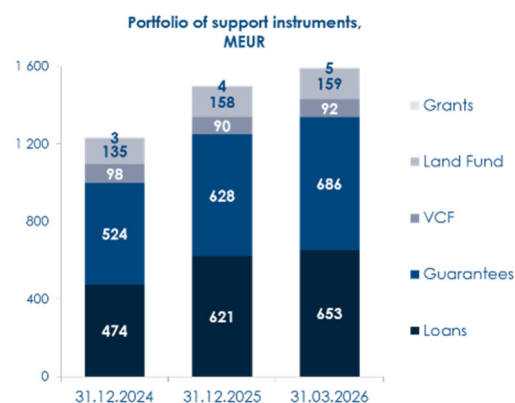
Management Report (cont'd)

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 first three months of 2026, the gross portfolio of Altum support instruments amounted to EUR 1,595 million (31 March 2024: EUR 1,291 million). This included a gross portfolio of financial instruments (excluding grants) of EUR 1,590 million, representing an increase of EUR 93 million (an increase of 6%) compared to the end of 2025. The largest increase was observed in the guarantee portfolio, which grew by EUR 58 million (an increase of 9%) during the first three months of 2026. The growth in the guarantee portfolio was mainly driven by an increase in guarantees issued to private individuals, which rose by EUR 31 million (an increase of 8%) over the period. In turn, the guarantee portfolio for SMEs and large corporates increased by EUR 27 million (an increase of 11%).



* 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 loan portfolio increased by EUR 31 million (an increase of 5%), with the main contribution coming from loans for the energy efficiency of multi-apartment buildings and investment loans with capital rebates.

The Land Fund transaction portfolio increased marginally by EUR 1 million (an increase of 1%).

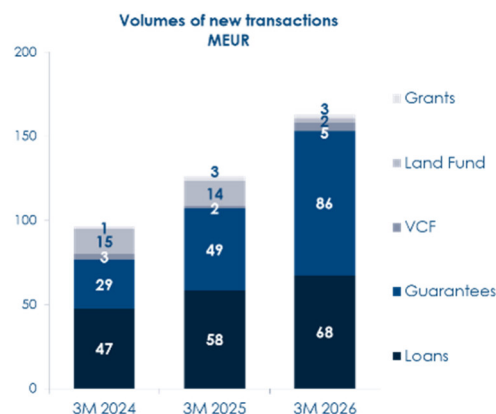
The gross portfolio of support instruments, in terms of the number of projects, increased by 906 transactions (an increase of 2%).

Management Report (cont'd)

Operational volumes (cont'd)

Support instruments (cont'd)

In the first three months of 2026, the volume of new support instrument transactions reached EUR 163 million, which was 29% (an increase of EUR 36 million) higher than in the corresponding period of 2025. The increase was mainly driven by a rise in the volume of new guarantee transactions (an increase of EUR 86 million), representing the highest quarterly volume of new guarantee transactions on record, as well as an increase in new loan transactions (an increase of EUR 68 million).



The increase in the volume of guarantees was mainly driven by guarantees to individuals totalling EUR 49 million, of which EUR 28 million were guarantees with a capital rebate issued under the new multi-apartment building energy efficiency programme within the EU Cohesion Policy programme 2021-2027. Demand for housing guarantees also remained stable, with the volume of new transactions reaching EUR 14 million (an increase of EUR 2 million compared with corresponding period in 2025).

In the first three months of 2026, the volume of new transactions in commercial guarantees reached EUR 36 million (an increase EUR 17 million compared with corresponding period in 2025). This was driven by several factors, including an increase in the average transaction size, reflecting stronger demand for guarantees for investment projects, as well as for loans for renewable energy projects. The growth was also supported by changes in the terms of guarantee products, which are currently less restrictive for M&A and management buy-out transactions. In addition, there is increasing demand for guarantees for projects in the defence sector.

The volume of new loan transactions was mainly driven by SME growth loans, which reached EUR 16 million (an increase of EUR 2 million compared with corresponding period of 2025). A comparable volume of new transactions was also issued under the Recovery Fund programmes. As with guarantees, there was strong demand for energy efficiency loans for apartment buildings with capital rebates, provided under the EU Cohesion Policy programming period 2021–2027. In the first three months of 2026, EUR 10 million was disbursed.

The volume of new Land Fund transactions in the first three months of 2026 amounted to EUR 2.5 million, continuing the relatively low volume of new transactions observed in the last two quarters of 2025. Compared with the corresponding period of 2025, the volume of new transactions in the Land Fund is EUR 12 million lower.

Management Report (cont'd)

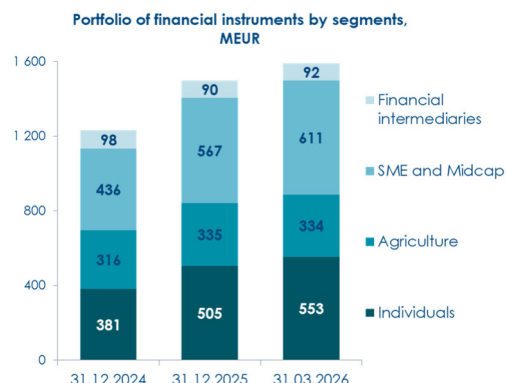
Operational volumes (cont'd)

Segments

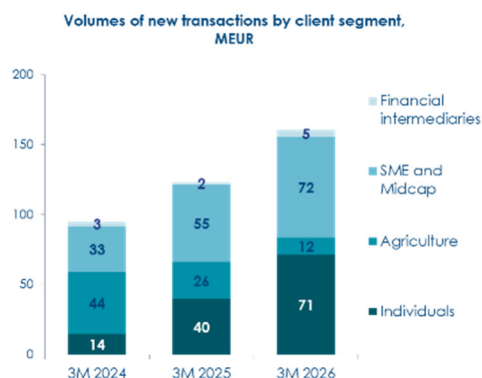
The Individuals segment accounts for 35% of the total portfolio (at the end of 2025: 34%). The largest part (75%) of the Individuals segment consists of guarantee instruments, mainly housing guarantees and guarantees for energy efficiency of multi-apartment buildings, as well as study portfolio guarantees. In this segment, the portfolio recorded an increase of EUR 48 million (10%) in the first three months of 2026. The volume of new transactions increased by EUR 32 million (an increase of 80%) compared to the corresponding period of 2025, reaching EUR 71 million. The highest volume of new transactions in the first three months of 2026 was observed in the new energy efficiency programme for apartment buildings with capital rebates, funded under the EU Cohesion Policy programming period 2021–2027. Within this, EUR 28 million was issued in guarantees and EUR 10 million in loans.

Demand for housing guarantees for families, service members and young specialists remained strong, with new transactions amounting to EUR 14 million. Active issuance continued under the Recovery Fund rental housing programme, with EUR 6 million issued in the first three months of 2026.

The SME and large corporate segment accounted for 38% of the total portfolio (year-end 2025: 38%), with loan instruments continuing to represent the largest share (57%). In the first three months of 2026, the portfolio of the SME and large corporate segment increased by EUR 44 million (8%), driven by growth in both the guarantee and loan portfolios. The guarantee portfolio increased by EUR 27 million (11%), while the loan portfolio grew by EUR 17 million (5%). Compared with the corresponding period of 2025, the volume of new transactions increased by EUR 17 million (30%) to EUR 72 million, largely driven by programmes funded under the EU Cohesion Policy programming period 2021–2027. In the first three months of 2026, the volume of new transactions reached EUR 34 million (an increase EUR 10 million compared to the corresponding period of 2025), of which EUR 6 million related to loans and EUR 28 million to guarantees.



* 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)

In the first three months of 2026, this segment experienced strong demand for loans under the SME Growth Programme, with new lending amounting to EUR 16 million (an increase of EUR 2 million compared with the corresponding period in 2025). This was followed by new transactions under the Recovery Fund programmes for digital transformation and energy efficiency EUR 8 million, as well as new investment loans with a capital rebate totalling EUR 7 million.

The loan portfolio in this segment decreased slightly in the first three months of 2026. The decrease was driven by lower demand for small loans in rural areas, as well as for land acquisition loans. New transactions in these programmes reached EUR 2.3 million and EUR 2 million respectively in the first three months of 2026, a decrease of EUR 2 million in each programme compared with the corresponding period in 2025. However, higher demand for working capital loans has been observed in the first three months of 2026, with new transactions reaching EUR 5 million (an increase of EUR 1.4 million compared with the corresponding period in 2025).

Financial intermediaries formed under Venture Capital Programmes account for 6% (31 December 2025: 6%) of the total segment portfolio. The financial intermediary portfolio increased by EUR 2 million overall in the first three months of 2026, driven by investments in 5th generation venture capital funds from funding available under the EU Cohesion Policy programming period 2021-2027. In total, EUR 3 million was invested in the first three months of 2026.

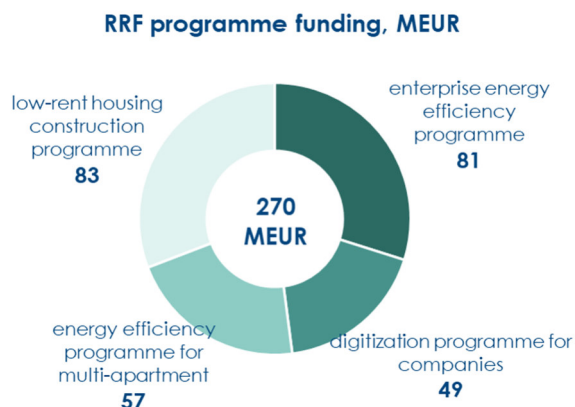
Altum plays an important role in ensuring the availability of financial instruments specifically in the regions, which is ensured through the development of targeted programmes for financing enterprises in the regions (small loans in rural areas, loans for the purchase of agricultural land, land fund, 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, 69% of new transactions (by number) in this portfolio are regional transactions. Overall, the volume of new transactions in the loan portfolio in the regions increased during 2026 compared with same period in 2025: EUR 40 million in the first 3 month of 2026 and EUR 36 million in the first 3 month of 2025.

Management Report (cont'd)

New products and increasing operational efficiency

In **Recovery Fund** programmes, as at 31 March 2026, approved transactions totalled EUR 282 million, of which EUR 200 million was disbursed in new transactions, with the total volume of capital rebates paid reaching EUR 62 million.

The acceptance of new applications under the programmes has concluded and no new rounds will be organized. However, similar programs have commenced - both the business greening programme and the multi-apartment building energy efficiency programme.



In 2026, the review of project applications received under **the Large Investment Loan Programme offering a capital rebate for medium-sized and Midcaps** continued. Until 31 March 2026, 27 applications for granting support to projects for a total project amount of more than EUR 810 million (the amount of the attributable capital EUR 176 million) have been approved, of which contracts have already been concluded for 24 (attributable amount of capital rebate EUR 156 million), while 1 application (attributable amount of capital rebate EUR 10 million) are still being evaluated by Altum. Under this programme EUR 7 million was disbursed in the first 3 months of 2026.

As part of the implementation of the **EU Cohesion Policy under the programming period 2021-2027**, starting with 2024, more than EUR 500 million in the form of financial instruments will be available to support entrepreneurship in at least 10 support programmes. In 2025, the implementation of five new programmes commenced, the terms of which were approved in late 2024 and January 2025: energy efficiency improvement in multi-apartment buildings, loans to entrepreneurs for dual-use product manufacturing loans for research and development; use of the renewable energy resources and energy efficiency improvement in district heating and cooling, promotion of renewable energy – biomethane. The business greening programme with capital rebate commenced in the 1st quarter of 2026.

Management Report (cont'd)

New products and increasing operational efficiency (cont'd)

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. In 2026, the average amount of loans granted above EUR 30 thousand increased to EUR 57 thousand comprising both investment loans for the acquisition equipment and machinery, and working capital transactions.

In the first quarter of 2026, to enhance operational efficiency, a remote identification process for Altum clients was developed. Its objective is to reduce the number of activities performed during the transaction preparation stage and to simplify the personal identification process for clients by utilizing modern technology solutions. The remote identification instrument allows clients to identify themselves as service support recipients without attending in person, thereby saving time. The remote identification process is one of the initiatives commenced by Altum to enhance IT risk management, making client servicing more modern and accessible to a wider range of client groups.

Management Report (cont'd)

New products and increasing operational efficiency (cont'd)

In 2024, **Altum launched the process modernisation project 'ATOMS'**, within which a new core Customer Relationship Management (CRM) system is being implemented to position Altum as a modern, customer-oriented development finance institution. 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.

In preparation for the implementation of the European Union InvestEU programme, Altum, in cooperation with the selected independent auditor, carried out a compliance assessment (Pillar Assessment). The compliance assessment is a prerequisite for Altum to apply for the role of InvestEU implementing partner, and in the future, for the role of cooperation partner in EU fund implementation, thereby expanding the range of new specialised and suitable financial instruments available to Latvian enterprises. The first stage of the assessment was completed at the end of 2023, with the submission of a draft report to the European Commission. Following the coordination of the draft report with the European Union Commission, the most significant recommendations were identified. The remediation of the recommendations has been completed, for which a repeat independent auditor assessment was obtained in 2025, the report was submitted to the European Commission for review and the provision of an opinion. The European Commission, based on the information provided by Altum and the auditor's opinion, having gained sufficient assurance regarding the implementation of the recommendations is proceeding with the closure of the assessment. The decision regarding the submission of an application for the role of Investment EU implementing partner has not yet been taken.

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. Within regular process, on 30 January 2026 Moody's has published ALTUM's updated credit rating (not rating action). Altum's long-term credit rating Baa1 is one of the highest credit ratings assigned to a corporate entity in Latvia and has been constantly high at Baa1 since first assigned in 2017.

The high credit rating strengthens ALTUM's ability to implement its long-term financing strategy. It supports regular participation in the capital markets, including bond issuance, as well as access to funding from international financial institutions. In the first quarter of 2026 Altum raised EUR 50 million in funding by signing an agreement with the Nordic Investment Bank, thereby expanding the availability of funding for SME's in Latvia.

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 392 million was established as at 31 March 2026 (31 December 2025: EUR 374 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 related economic uncertainty persist, Altum continues to adhere to the restrictions set out in its risk management policies regarding cooperation with the Russian Federation and Belarus. Since November 2022, loans to legal entities have been declined if their beneficial owners or officials are Russian or Belarusian citizens, except where their shareholding did not exceed 10%. From early 2026, this approach has been strengthened to a zero-tolerance regime, prohibiting Russian residents from receiving support. The Company ensures ongoing monitoring of international and national sanctions regimes and timely implementation of required 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-financing" product was introduced in the SME segment as early as summer 2023. This "transition financing" product for the agricultural sector became available in November 2025, marking the conclusion of an active launching phase during the year. The phase included both product development for farmers and the launch of a unified methodology, applies within the European financial sector for tagging sustainability projects, across all loan programmes of SME/Midcap and Agriculture segments. 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 European Investment Banks 'green project' tagging tool (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, the sustainability aspects were integrated into the strategy** covering both the loan origination - with an emphasis on transition financing and tailored products across various segments to support companies' transition - and the risk management framework. In line with the hierarchy of strategic documents, the Company will expand on the principles nailed already in Altum Strategy for 2025 – 2027: transition financing to support 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 and to provide funding for specific segments aimed at implementing sustainable projects. The Company will focus on financing projects contributing to improvement of energy efficiency in corporates segment and residential buildings, promote use of renewable energy resources and related infrastructure, support 'green buildings', sustainable transport, circular economy project and the transition to low carbon economy. Altum plans to expand support and financing to supply chain partners in these sectors to promote the overall decarbonisation of companies' products and services footprint 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 multi apartment buildings and supporting social entrepreneurship.

Management Report (cont'd)

Future Outlook

In 2026, Altum plans to ensure portfolio growth and efficient operation by continuing state support programmes, as well as commencing new ones.

The Ministry of Economics, as the policymaker, is advancing the initiative for a new fund "For Growth and Defence" ("Izaugsmei un aizsardzībai") in cooperation with the private fund managers, with the planned volume of EUR 100 million with the possibility of increasing it. The objective of the fund is to promote the development of Latvian enterprises, innovation and economic resilience by investing in the equity capital of Latvian enterprises, including defence sector enterprises and infrastructure and public-private partnership projects.

The development of a support program for the improvement of "ReARM" industrial capabilities is also underway. The programme will provide support for the introduction and commercialization of military of dual-use products, including the construction of infrastructure related to project implementation.

Also in the development stage is a Ministry of Agriculture loan programme with capital rebate for agricultural and other economic operations in rural areas, as well as loan restructuring programmes for farmers.

Reinis Bērziņš
Chairman of the Management
Board

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CONTAINS A TIME STAMP

Supervisory Council and Management Board

Supervisory Council

Name, Surname	Position	Appointment Date	Date of expiry of the term of the mandate
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.

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.

Management Board

Name, Surname	Position	Appointment Date	Date of expiry of the term of the mandate
Reinis Bērziņš	Chairman of the Board	07.11.2025.	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

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

Statement of Management's responsibility

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

The financial statements and notes thereto set out on pages 21 to 79 are prepared in accordance with the source documents and give a true and fair view of the financial position of the Company as of 31 March 2026 and 31 December 2025 and the results of its operations, changes in the shareholders' equity and cash flows for the three months periods ended 31 March 2026 and 31 March 2025.

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

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

Reinis Bērziņš
Chairman of the Management
Board

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Statement of Comprehensive Income

All amounts in thousands of euros

	Notes	01.01.2026.- 31.03.2026.	01.01.2025.- 31.03.2025.
Interest income at effective interest rate ¹	4	9 319	8 231
Other interest and similar income ¹	4	1 488	1 976
Interest expense	4	(5 796)	(4 669)
Net interest income		5 011	5 538
Income from implementation of state aid programmes	5	2 957	985
Expenses to be compensated for implementation of state aid programmes	6	(2 144)	(872)
Net income for implementation of state aid programmes		813	113
Gain / (losses) from trading securities and foreign exchange translation	4	1	(2)
Share of gains of investment in associate and other investments	7	682	1 247
(Losses) of investment in associate and other investments less losses from liabilities at fair value through profit or loss	8	(189)	(352)
Net gain from loans at fair value through profit or loss	9	-	(1 387)
Other income		1 231	928
Other expense		(249)	(240)
Operating income before operating expenses		7 300	5 845
Staff costs	4	(1 462)	(1 805)
Administrative expense	4	(164)	(465)
Amortisation of intangible assets and depreciation of property, plant and equipment	4	(257)	(173)
Allowances for expected credit losses	10	512	1 299
Profit before corporate income tax		5 929	4 701
Profit for the period		5 929	4 701
Other comprehensive income:		(952)	(286)
<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		(952)	(286)
Total comprehensive income for the period		4 977	4 415

¹ Following a review of interest classification as at 31 March 2025, loan Commission income in the amount of EUR 658 thousand was reclassified from the line item Other interest and similar income to the line item Interest income at effective interest rate.

The accompanying notes on pages 21 to 79 form an integral part of these financial statements.

Reinis Bērziņš
 Chairman of the Management
 Board

Rudīte Bērziņa
 Chief Accountant

THE DOCUMENT IS ELECTRONICALLY SIGNED WITH A SECURE ELECTRONIC SIGNATURE AND
 CONTAINS A TIME STAMP

Statement of Financial Position

All amounts in thousands of euros

	Notes	31.03.2026.	31.12.2025.
Assets			
Due from credit institutions and the State Treasury		770 559	839 708
<i>including cash and cash equivalents</i>		684 904	678 860
Financial assets at fair value through other comprehensive income - investment securities	11	230 247	130 859
Financial assets at amortised cost:			
Loans	12	447 540	438 864
Financial assets at fair value through profit or loss - loans with capital rebate	13	90 613	79 277
Grants		5 083	4 241
Deferred expense		938	479
Accrued income		9 306	8 347
Investments in associates	14	64 482	63 867
Other investments	15	39 688	34 228
Investment property	16	122 316	120 819
Property, plant and equipment		4 174	4 251
Intangible assets		2 240	2 398
Other assets		2 875	2 708
Total assets		1 790 061	1 730 046
Liabilities			
Due to credit institutions		48 269	23 225
Due to general government entities		254 245	262 894
Financial liabilities at amortised cost - Issued debt securities	17	92 061	91 404
Deferred income		8 796	7 260
Accrued expense		1 139	1 013
Liabilities from financial guarantees	18	50 339	53 620
Provisions for off-balance sheet liabilities		1 589	1 629
Support programme funding	19	880 334	839 469
Other liabilities		2 575	3 795
Total liabilities		1 339 347	1 284 309
Equity			
Share capital		211 033	211 033
Reserves	20	200 528	200 528
Revaluation reserve of financial assets measured at fair value through other comprehensive income	23	1 142	2 094
Retained earnings		38 011	32 082
Total equity		450 714	445 737
Total equity and liabilities		1 790 061	1 730 046

The accompanying notes on pages 21 to 79 form an integral part of these financial statements.

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Statement of Changes in Equity

All amounts in thousands of euros

	Share capital	Reserves			Revaluation reserve of financial assets measured at fair value through other comprehensive income	Retained earnings	Total equity
		Specific reserves for support programmes	General reserve capital	Other specific reserves-difference recognised in reorganisation reserve			
As at 1 January 2025	211 033	114 778	75 022	(15 935)	2 494	28 663	416 055
Profit for the period	-	-	-	-	-	4 701	4 701
Other comprehensive income	-	-	-	-	(286)	-	(286)
Total comprehensive income	-	-	-	-	(286)	4 701	4 415
Increase of reserve capital (Note 20)	-	2 805	-	-	-	-	2 805
As at 31 March 2025	211 033	117 583	75 022	(15 935)	2 208	33 364	423 275
Profit for the period	-	-	-	-	-	28 663	27 381
Other comprehensive income	-	-	-	-	(114)	-	(114)
Total comprehensive income	-	-	-	-	(114)	27 381	27 267
Increase of reserve capital (Note 20)	-	195	-	-	-	-	195
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	32 082	445 737
Profit for the period	-	-	-	-	-	5 929	5 929
Other comprehensive income	-	-	-	-	(952)	-	(952)
Total comprehensive income	-	-	-	-	(952)	5 929	4 977
As at 31 March 2026	211 033	114 159	102 304	(15 935)	1 142	38 011	450 714

The accompanying notes on pages 21 to 79 form an integral part of these financial statements.

Statement of Cash Flows

All amounts in thousands of euros

	Notes	01.01.2026.- 31.03.2026.	01.01.2025.- 31.03.2025.
Cash and cash equivalents at the beginning of period		668 860	455 715
Cash flows from operating activities			
Profit before taxes		5 929	4 701
Amortisation of intangible assets and depreciation of property, plant and equipment		257	173
(Decrease) in allowances for expected credit losses	10	(512)	(1 299)
Revaluation of investment properties		(16)	(54)
Revaluation of Investments in associates	14	(249)	(1 038)
Revaluation of other investment funds	15	(244)	100
Revaluation of loans with capital rebate	13	-	1 387
Interest income at the effective interest rate		(9 319)	(8 231)
Interest and similar income		(1 488)	(1 976)
Interest expense		5 796	4 669
(Gain) / loss from exchange differences		(1)	2
(Decrease) of cash and cash equivalents from operating activities before changes in assets and liabilities		153	(1 566)
(Increase) of loans		(42 699)	(31 355)
(Increase) of grants		(2 356)	(1 700)
Increase of due to credit institutions and general government entities		16 164	5 938
(Decrease) in deferred income and accrued expense		(1 235)	(521)
(Increase) in deferred expense and accrued income		(1 417)	(820)
Net increase in support programme funding		65 234	131 324
Paid-up capital rebate for guarantees with capital rebate		(6 432)	(1 954)
Decrease of other assets		(182)	(141)
(Decrease) in other liabilities		(1 326)	(1 911)
Increase of cash and cash equivalents from operating activities after changes in operating assets and liabilities		25 904	97 294
Interest received		16 148	12 470
Interest paid		(2 228)	(738)
Net cash flows from operating activities		39 824	109 026
Cash flows from investment activities			
Financial assets at fair value through other comprehensive income - investment securities, (Acquisition)		(111 806)	-
Financial assets at fair value through other comprehensive income - investment securities, Disposal		9 918	22 832
Debt securities issued: net issuance/(repayment)		-	(45 000)
Term deposits (Increase) / decrease		75 000	114 000
Acquisition of property, plant and equipment and intangible assets		(7)	(159)
Purchase of investment properties	16	(1 501)	(9 167)
Sale of investment properties	16	307	64
Investments in associates, (Acquisition)	14	(3 037)	(744)
Investments in associates, Disposal	14	2 562	2 532
Investments in other investment funds, (Acquisition)	15	(5 496)	(1 050)
Investments in other investment funds, Disposal	15	280	-
Net cash flows from investing activities		(33 780)	83 308
Cash flows from financing activities			
Increase of reserve capital		-	2 805
Net cash flows from financing activities		-	2 805
Increase / (decrease) in cash and cash equivalents		6 044	195 139
Cash and cash equivalents at the end of the period		684 904	650 854

The accompanying notes on pages 21 to 79 form an integral part of these financial statements.

Approval of the Financial Statements

The Management of the Company has approved these unaudited interim condensed financial statements on 27 May 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 3 months of 2026 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 the same as before. Altum's long-term credit rating Baa1 is one of the highest credit ratings assigned to a corporate entity in Latvia and has been constantly high at Baa1 since first assigned in 2017.

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
FlyCap Privat Debt Fund III AIF KS	Matrožu iela 15A, Rīga, Latvija, LV-1048	5	58.7
Buildit 5G fund AIF KS	Lastādijas iela 12/3, Rīga, Latvija, LV-1050	5	90.0
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	Roberta Hirša iela 1, Rīga, Latvija, LV-1045	4	60.0
FlyCap Mezzanine Fund II	Matrožu iela 15A, Rīga, Latvija, LV-1048	4	60.0
KS 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	Roberta 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
Baltic Innovation Fund 3	European Investment Fund, 37B, avenue J.F. Kennedy, L-2968 Luxembourg		33.3
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.

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.

European Investment Fund and Altum, together with the Baltic states' development finance institutions, are participating in the "Baltic Innovation Fund 3" (BIF 3) initiative. The objective of BIF 3 is to promote the development of the private equity market in the Baltics by investing in private equity funds that finance the growth of companies in the region.

The BIF 3 agreement was signed on January 15, 2026. The total size of the fund is EUR 150 million, with each Baltic state — through Altum, SmartCap, and ILTE — investing EUR 50 million. As a result, Altum's contribution represents 33.3% of the total fund size. In addition, the European Investment Fund plans to co-invest at least EUR 75 million, increasing the fund's total investment capacity to EUR 225 million.

The BIF 3 investment period begins on the date the agreement enters into force and lasts for five years, with the possibility of extension. During this period, BIF 3 is expected to invest in 8 to 11 private equity funds in order to provide financing for the growth of Baltic companies and to promote the development of the regional investment ecosystem.

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

2 Accounting Policies

(1) Basis of presentation

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

The Company's financial statements are prepared under the historical cost convention as modified by:

- the fair valuation of investment securities measured at fair value through other comprehensive income,
- investments in associates measured at fair value through profit or loss,
- investment properties measured at fair value,
- support programme financing measured at fair value,
- loans with capital rebate measured at fair value.

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

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

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

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

Other new or amended IFRSs or interpretations issued and not yet endorsed for use in the EU as at 31 March 2026 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 2025.

(1) Credit Risk

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

	Stage 1		Stage 2		Stage 3		Simplified approach		Total	
	31.03.2026.	31.12.2025.	31.03.2026.	31.12.2025.	31.03.2026.	31.12.2025.	31.03.2026.	31.12.2025.	31.03.2026.	31.12.2025.
Financial assets at AC										
Due from credit institutions and the Treasury	770 585	839 734	-	-	-	-	-	-	770 585	839 734
Allowances for expected credit losses	(26)	(26)	-	-	-	-	-	-	(26)	(26)
Total net due from credit institutions and the Treasury	770 559	839 708	-	-	-	-	-	-	770 559	839 708
Investment securities	-	-	-	-	3 630	3 552	-	-	3 630	3 552
Allowances for expected credit losses	-	-	-	-	(3 630)	(3 552)	-	-	(3 630)	(3 552)
Total net investment securities	-	-	-	-	-	-	-	-	-	-
Loans and receivables	352 436	358 339	72 892	66 474	44 292	35 250	-	-	469 620	460 063
Allowances for expected credit losses ^{1, 2}	(5 697)	(5 970)	(4 056)	(4 010)	(12 327)	(11 219)	-	-	(22 080)	(21 199)
Total net loans and receivables	346 739	352 369	68 836	62 464	31 965	24 031	-	-	447 540	438 864
Other financial assets	1 190	1 040	-	-	969	769	1 621	1 744	3 780	3 553
Allowances for expected credit losses	(30)	(30)	-	-	(715)	(655)	(160)	(160)	(905)	(845)
Total net other financial assets	1 160	1 010	-	-	254	114	1 461	1 584	2 875	2 708
Total financial assets at AC	1 124 211	1 199 113	72 892	66 474	48 891	39 571	1 621	1 744	1 247 615	1 306 902
Allowances for expected credit losses	(5 753)	(6 026)	(4 056)	(4 010)	(16 672)	(15 426)	(160)	(160)	(26 641)	(25 622)
Total net financial assets at AC	1 118 458	1 193 087	68 836	62 464	32 219	24 145	1 461	1 584	1 220 974	1 281 280

3 Risk Management (cont'd)

(1) Credit Risk (cont'd)

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

	Stage 1		Stage 2		Stage 3		Simplified approach		Total	
	31.03.2026.	31.12.2025.	31.03.2026.	31.12.2025.	31.03.2026.	31.12.2025.	31.03.2026.	31.12.2025.	31.03.2026.	31.12.2025.
Financial assets at FVOCI										
Investment securities	230 403	131 015	-	-	-	-	-	-	230 403	131 015
Allowances for expected credit losses	(156)	(156)	-	-	-	-	-	-	(156)	(156)
Total net investment securities	230 247	130 859	-	-	-	-	-	-	230 247	130 859
Total financial assets at FVOCI	230 403	130 859	-	-	-	-	-	-	230 403	131 015
Allowances for expected credit losses	(156)	(156)	-	-	-	-	-	-	(156)	(156)
Total net financial assets at FVOCI	230 247	130 703	-	-	-	-	-	-	230 247	130 859
Off-balance sheet items and contingent liabilities										
Outstanding guarantees	656 620	603 517	19 911	14 955	9 510	9 472	-	-	686 041	627 944
Allowances for expected credit losses ¹	(40 063)	(43 633)	(2 158)	(1 916)	(4 182)	(4 173)	-	-	(46 403)	(49 722)
Total net outstanding guarantees	616 557	559 884	17 753	13 039	5 328	5 299	-	-	639 638	578 222
Loan commitments	291 793	251 529	1 370	488	544	-	-	-	293 707	252 017
Allowances for expected credit losses ¹	(1 405)	(1 521)	(17)	(11)	(70)	-	-	-	(1 492)	(1 532)
Total net loan commitments	290 388	250 008	1 353	477	474	-	-	-	292 215	250 485
Total off-balance items and contingent liabilities	948 413	855 046	21 281	15 443	10 054	9 472	-	-	979 748	879 961
Allowances for expected credit losses	(41 468)	(45 154)	(2 175)	(1 927)	(4 252)	(4 173)	-	-	(47 895)	(51 254)
Total net off-balance items and contingent liabilities	906 945	809 892	19 106	13 516	5 802	5 299	-	-	931 853	828 707

¹ Includes total net impairment provisions of EUR 378 thousand, to be derecognized from the Portfolio Lost Reserve (Special Reserve Capital) risk coverage upon approval of the 2026 Annual Report. For additional information, see Appendix 20(3).

² Includes a provision of EUR 1,895 thousand (31 December 2025: EUR 1,895 thousand) for interest rate reduction, which is not to be classified as a credit impairment provision.

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 2025	5 970	4 010	11 219	-	21 199	358 339	66 474	35 250	-	460 063
Transfers between stages:										
from Stage 1 to Stage 2	(266)	762	-	-	496	(20 439)	19 715	-	-	(724)
to credit impaired (from Stage 1 and Stage 2 to Stage 3)	(47)	(339)	2 246	-	1 860	(6 799)	(5 204)	11 987	-	(16)
from Stage 3 to Stage 2	-	30	(75)	-	(45)	-	315	(354)	-	(39)
to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	53	(171)	-	-	(118)	4 437	(4 420)	-	-	17
New originated or purchased	101	-	-	-	101	20 933	-	-	-	20 933
Derecognised during the period	(36)	(29)	(374)	-	(439)	(8 404)	(1 685)	(1 228)	-	(11 317)
Changes to ECL measurement model assumptions (PD, LGD)	-	-	-	-	-	-	-	-	-	-
Changes to ECL measurement model assumptions (macroeconomic factors)	-	-	-	-	-	-	-	-	-	-
Changes in ECL impairment overlay	(60)	(165)	-	-	(225)	-	-	-	-	-
Decrease in the allowance for mortgage interest refunds	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-	-	-
Change of outstanding balance ²	(18)	(42)	(689)	-	(749)	4 369	(2 303)	(1 363)	-	703
As at 31 March 2026	5 697	4 056	12 327	-	22 080¹	352 436	72 892	44 292	-	469 620

¹ Includes:

- 1) a provision for interest rate reduction of EUR 1,895 thousand (31 December 2025: EUR 1,895 thousand) which is not to be treated as the provision for credit impairment;
- 2) an expected credit loss provision of EUR 621 thousand (31 December 2025: EUR 649 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 560 thousand (31 December 2025: EUR 605 thousand); see Appendix 3(3);
- 3) the expected credit loss provision reserve of EUR 872 thousand for the agricultural portfolio, (31 December 2025: EUR 1,024 thousand);
- 4) The net decrease in the expected credit loss provision reserve of EUR 225 thousand includes the conversion of the reserve from the general reserve to individual provisions of EUR 129 thousand, the reversal of the reserve due to portfolio amortization of EUR 96 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 2025	43 633	1 916	4 173	49 722	603 517	14 955	9 472	627 944
Transfers between stages:								
from Stage 1 to Stage 2	(1 036)	937	-	(99)	(8 213)	8 140	-	(73)
to credit impaired (from Stage 1 and Stage 2 to Stage 3)	(28)	(43)	221	150	(183)	(208)	331	(60)
from Stage 3 to Stage 2	-	6	(15)	(9)	-	18	(19)	(1)
to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	100	(356)	(20)	(276)	2 373	(2 330)	(49)	(6)
New originated or purchased	2 264	-	-	2 264	78 984	-	-	78 984
Derecognised during the period	(702)	(27)	(76)	(805)	(9 898)	(466)	(103)	(10 467)
Changes to ECL measurement model assumptions (PD, LGD)	-	-	-	-	-	-	-	-
Changes to ECL measurement model assumptions (macroeconomic factors)	-	-	-	-	-	-	-	-
Changes in impairment overlay for interest rate discounts	-	-	-	-	-	-	-	-
Paid-out guarantees	-	-	(60)	(60)	(2)	-	(79)	(81)
Write-offs	-	-	-	-	-	-	-	-
Change of outstanding balance ¹	(4 168)	(275)	(41)	(4 484)	(9 958)	(198)	(43)	(10 199)
As at 31 March 2026	40 063	2 158	4 182	46 403	656 620	19 911	9 510	686 041

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:

	31.03.2026.	31.12.2025.
Performing	436 806	415 609
Past due up to 30 days	18 559	26 723
Past due from 31 to 60 days	2 581	5 203
Past due from 61 to 90 days	2 140	1 912
Past due over 90 days	9 534	10 616
Total gross loans, without interest accrued on the loans	469 620	460 063
Impairment allowances	(22 080)	(21 199)
Total net loans	447 540	438 864

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

	31.03.2026.	31.12.2025.
Performing	218 857	192 935
Past due up to 30 days	407	4 543
Past due from 31 to 60 days	-	516
Past due from 61 to 90 days	95	-
Past due over 90 days	165	166
Total gross loans before recognition at fair value impact	219 524	198 160
Fair value (decrease) of potential future capital rebate component	(134 500)	(125 263)
Net increase in fair value of the loan component	5 589	6 380
Total net loans at fair value	90 613	79 277

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:

	31.03.2026.	31.12.2025.
Real estate (loans)	229 040	233 372
Real estate (sales and leaseback)	36 608	37 005
Movable property	123 017	119 427
Guarantees	1 000	1 316
Total collateral	389 665	391 120
Loan portfolio, gross	689 144	658 223
Impairment allowances	(22 080)	(21 199)
Fair value (decrease) of potential future capital rebate component	(134 500)	(125 263)
Net increase in fair value of the loan component	5 589	6 380
Loan portfolio, net ¹	538 153	518 141
Exposed	27.59%	24.51%

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 March 2026 was EUR 55,622 thousand (31 December 2025: EUR 54,312 thousand). In 2024, the granting of loans with reduced collateral requirements of up to EUR 100 thousand was launched under support programmes in the agricultural and SME segments. The balance of these loans as at 31 March 2026 was EUR 47,373 thousand (31 December 2025: EUR 42,952 thousand).

2) Support programmes under which loans with capital rebates are granted are issued against transaction-specific collateral. For example, under the affordable housing construction programme, collateral is taken at the intermediate stage of construction (upon registration of the new building) and, after completion of construction, through registration of the property that has been commissioned. The outstanding balance of this programme as at 31 March 2026 amounted to EUR 17,277 thousand (31 December 2025: EUR 14,400 thousand). In projects under the ANM energy efficiency programmes for apartment buildings, debtor payments, i.e. residents' future payments, are taken as collateral, and the outstanding balance of such programmes as at 31 March 2026 amounted to EUR 18,070 thousand (31 December 2025: EUR 14,281 thousand). Relaxed collateral requirements also apply under the Large Investment Loan Programme, and the outstanding balance of this programme as at 31 March 2026 amounted to EUR 20,604 thousand (31 December 2025: EUR 19,110 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:

	31.03.2026.	31.12.2025.
Assets exposed to credit risk		
Due from credit institutions and the Treasury	770 559	627 769
Financial assets at fair value through other comprehensive income - investment securities	230 247	183 572
Financial assets at amortised cost:		
Loans	447 540	412 249
Financial assets at fair value through profit or loss - Loans with capital rebate	90 613	24 971
Investments in associates	64 482	72 227
Other investments	39 688	29 043
Other assets	2 875	2 937
Total	1 646 004	1 352 768
Off-balance sheet items exposed to credit risk		
Contingent liabilities – Guarantees	686 041	523 538
Financial commitments	496 989	238 700
Total	1 183 030	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 March 2026, part of the Company's assets in the amount of EUR 306,541 thousand (31 December 2025: EUR 316,515 thousand) were pledged, including a mortgage related to land fund transactions amounting to EUR 10,999 thousand and a commercial pledge amounting to EUR 295,542 thousand. In accordance with the agreements the Company ensures, that assets in amount of EUR 70,176 thousand (31 December 2025: EUR 69,678 thousand) are free from any security and also ensures that the total amount of pledged assets does not exceed 35%, or EUR 626,521 thousand (31 December 2025: EUR 605,516 thousand), of the Company's total assets.

Article 49 of the Law on State Budget 2026 provides that guarantees issued by the Company in amount of EUR 290,000 thousand is backed by the state according to the Agriculture and Rural Development Law and the Development Finance Institution Law. Actual amount of guarantees issued under these conditions as at 31 March 2026 was EUR 262,475 thousand (31 December 2025: EUR 225,243 thousand).

3 Risk Management (cont'd)

(2) Liquidity Risk

Maturity profile of expected undiscounted future cash flows of financial liabilities, off-balance liabilities and liquid assets as at 31 March 2026, 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	7 743	35 535	9 448	-	-	52 726
Due to general governments	32 455	121 221	73 548	42 548	54 536	324 308
Issued debt securities	44 602	147 725	-	-	-	192 327
Support programme funding ²	47 896	322 416	92 407	145 922	271 693	880 334
Other liabilities	2 213	362	-	-	-	2 575
Total financial liabilities	134 909	627 259	175 403	188 470	326 229	1 452 270
Off-balance sheet items and contingent liabilities	779 379	191 978	211 673	-	-	1 183 030
Total financial liabilities, off-balance items and contingent liabilities³	914 288	819 237	387 076	188 470	326 229	2 635 300
Due from credit institutions and the Treasury	770 559	-	-	-	-	770 559
Investment securities	168 651	61 596	-	-	-	230 247
Liquid assets	939 210	61 596	-	-	-	1 000 806

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 March 2026 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 214 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 47 million is reflected under the *Up to 1 year* term, EUR 95 million under the *1–5-year* term, EUR 21 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 393 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 March 2026, 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	1 185	2 336	270	3 952	7 743
Due to general governments	2 152	1 773	10 544	17 986	32 455
Issued debt securities	212	418	2 755	41 217	44 602
Support programme funding	368	-	-	47 528	47 896
Other liabilities	1 772	359	-	82	2 213
Total financial liabilities	5 689	4 886	13 569	110 765	134 909
Off-balance sheet items and contingent liabilities ¹	734 190	8 472	10 939	25 778	779 379
Total financial liabilities, off-balance items and contingent liabilities	739 879	13 358	24 508	136 543	914 288
Due from credit institutions and the Treasury ²	710 136	60 423	-	-	770 559
Investment securities	-	416	53 937	114 298	168 651
Liquid assets	710 136	60 839	53 937	114 298	939 210

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 293,707 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 3,567 thousand (up to 1 year) – from respective grant support programme funding (see Note 19).

Commitments to investments in associates in amount of EUR 31,903 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 6,950 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 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)

Breakdown of assets and liabilities by maturity profile as at 31 March 2026 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	710 136	60 423	-	-	-	-	770 559
Investment securities ²	-	416	53 937	114 298	61 596	-	230 247
Loans ³	12 881	7 757	17 494	58 756	228 794	212 471	538 153
Grants	583	275	351	700	3 174	-	5 083
Deferred expense and accrued income	216	721	-	5 047	4 260	-	10 244
Investments in associates	4 806	2 434	3 884	408	44 702	8 248	64 482
Other investments	-	-	-	-	-	39 688	39 688
Investment property	-	-	-	-	-	122 316	122 316
Property, plant and equipment	-	-	-	-	-	4 174	4 174
Intangible assets	-	-	-	-	-	2 240	2 240
Other assets	1 961	658	14	101	127	14	2 875
Total assets	730 583	72 684	75 680	179 310	342 653	389 151	1 790 061
Liabilities							
Due to credit institutions	1 185	2 336	-	3 301	32 390	9 057	48 269
Due to general governments	2 124	1 773	8 370	13 743	95 692	132 543	254 245
Issued debt securities	-	-	2 128	20 000	69 933	-	92 061
Deferred income and accrued expense	240	33	-	933	-	8 729	9 935
Provisions	28 723	203	270	484	4 995	17 253	51 928
Support programme funding ⁴	368	-	-	47 528	322 416	510 022	880 334
Other liabilities	1 772	359	-	82	362	-	2 575
Total liabilities	34 412	4 704	10 768	86 071	525 788	677 604	1 339 347
Net liquidity	696 171	67 980	64 912	93 239	(183 135)	(288 453)	450 714

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 214 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 47 million is reflected under the *Up to 1 year* term, EUR 95 million under the *1–5-year* term, EUR 21 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 March 2026 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	6 822	32 390	9 057	-	-	48 269
Due to general governments	26 010	95 692	55 200	31 621	45 722	254 245
Issued debt securities	22 128	69 933	-	-	-	92 061
Support programme funding	47 896	322 416	92 407	145 922	271 693	880 334
Other liabilities	2 213	362	-	-	-	2 575
Total financial liabilities	105 069	520 793	156 664	177 543	317 415	1 277 484

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	699 111	70 428	70 169	-	-	-	839 708
Investment securities ²	760	1 021	296	46 936	81 846	-	130 859
Loans ¹	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	-	-	-	-	-	34 228	34 228
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	373 378	1 730 046
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	368	-	-	45 660	306 239	487 202	839 469
Other liabilities	3 052	320	-	82	341	-	3 795
Total liabilities	53 289	1 042	6 890	81 637	490 090	651 361	1 284 309
Net liquidity	676 131	86 624	88 879	14 042	(141 956)	(277 983)	445 737

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	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	46 028	306 239	87 625	145 368	254 209	839 469
Other liabilities	3 454	341	-	-	-	3 795
Total financial liabilities	109 255	485 241	146 763	178 017	301 511	1 220 787

3 Risk Management (cont'd)

(3) Impact of geopolitical risks

Geopolitical risks, including the war in Ukraine and the related sanctions against the Russian Federation and the Republic of Belarus, as well as other global security and geopolitical environment developments, have not had a significant impact on the carrying value of the Company's assets and liabilities. The company has assessed and mitigated the direct and indirect impact of these events in the course of its operations, and continues to monitor geopolitical developments, assessing the potential impacts on its operations.

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 March 2026, the Company's exposure related to these customers' counterparties located in Ukraine amounted to EUR 234 thousand, for which a provision of EUR 8 thousand was recognised. The Company ceased issuing new export guarantees to the Russian Federation and the Republic of Belarus as of 25 February 2022.

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:

	2026	2027	2028
GDP annual growth rate, in %			
Base case scenario ¹	2.7	2.8	2.9
Adverse scenario	1.3	2.2	2.2
Optimistic scenario	3.9	3.3	3.5
Weighted average ²	2.5	2.7	2.8

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 17 February 2026) forecasts Latvia's GDP growth of 2.6% in 2026 (the June 2025 forecast was 2.1%), 2.7% in 2027 (June 2025: 2.2%) and 2.6% in 2028 (June 2025: 2.2%).

(ii) The Bank of Latvia's Macroeconomic Development Scenario (published on 19 December 2025) forecasts GDP growth of 2.8% in 2026 (December 2024: 2.1%), 2.8% in 2026 (December 2024: 3.0%), 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 2025:

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

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 March 2026 was not significant compared to 31 December 2025: (was EUR 1,008 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 2025: EUR 1,254 thousand). In the first three months of 2026, the general provision reserve for loans was reduced by EUR 39 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 34 thousand (see Note 3 (1)).

As of 31 March 2026, the cumulative impact of the Russian Federation's war in Ukraine amounted EUR 2.2 million (31 December 2025: EUR 2.5 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 2026 till 31 March 2026, 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	8 351	21	49	-	825	-	73	9 319
of which from loans:	7 393	-	-	-	825	-	-	8 218
of which pass-through arrangement from loans	1 950	-	-	-	-	-	-	1 950
of which from deposits	958	21	49	-	-	-	73	1 101
of which pass-through arrangement from deposits	161	-	3	-	-	-	73	237
Other interest and similar income:	170	1 295	23	-	-	-	-	1 488
of which from guarantees:	-	700	-	-	-	-	-	700
of which pass-through arrangement from guarantees	-	104	-	-	-	-	-	104
of which from investment securities:	170	595	23	-	-	-	-	788
of which pass-through arrangement from investment securities	-	366	23	-	-	-	-	389
Interest expense:	(4 429)	(472)	(25)	-	(797)	-	(73)	(5 796)
of which pass-through arrangement	(2 111)	(470)	(26)	-	-	-	(73)	(2 680)
Income for implementation of state aid programmes	1 875	279	657	32	-	-	114	2 957
Expenses to be compensated for implementation of state aid programmes	(1 108)	(280)	(644)	(32)	-	-	(80)	(2 144)
Gains from debt securities and foreign exchange translation	1	-	-	-	-	-	-	1
Share of profit/(losses) of investment in associates and other investment funds	-	-	682	-	-	-	-	682
Gains less losses from liabilities at fair value through profit or loss	-	-	(189)	-	-	-	-	(189)
Net gain on loans at fair value through profit or loss:	-	-	-	-	-	-	-	-
Other income	-	-	-	15	1 162	54	-	1 231
Other expense	(44)	(18)	(3)	(4)	(126)	(54)	-	(249)
Staff costs	(809)	(168)	(126)	(160)	(111)	-	(88)	(1 462)
Administrative expense	(78)	(9)	(15)	(36)	(26)	-	-	(164)
Amortisation of intangible assets and depreciation of property, plant and equipment	(171)	(39)	(14)	(21)	(12)	-	-	(257)
Allowance for expected credit-losses, net	92	258	-	-	1	-	-	351
Profit or (loss) from assets held for sale revaluation	161	-	-	-	-	-	-	161
Total segment profit/(loss)	4 011	867	395	(206)	916	-	(54)	5 929
Financial assets at fair value through profit or loss	-	-	64 482	-	-	-	-	64 482
Other investments	-	-	39 688	-	-	-	-	39 688
Additions of property and equipment, intangible assets and investment property	5	1	-	1	1 501	-	-	1 508
Total segment assets	1 126 831	170 827	213 954	13 353	162 807	-	102 289	1 790 061
Total segment liabilities	906 892	183 489	30 595	12 844	111 450	-	94 077	1 339 347
Total off-balance	293 651	686 041	203 282	3 567	56	-	-	1 186 597
Assets under management (AUM)	-	-	-	-	-	15 824	-	15 824

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 2025 till 31 March 2025, 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:	7 127	197	-	-	907	-	-	8 231
of which from loans:	6 475	-	-	-	897	-	-	7 372
of which pass-through arrangement from loans	1 587	-	-	-	-	-	-	1 587
of which from deposits	652	197	-	-	-	-	-	849
Other interest and similar income (Notes5):	507	1 309	150	-	10	-	-	1 976
of which from guarantees:	-	751	-	-	-	-	-	751
of which pass-through arrangement from guarantees	-	199	-	-	-	-	-	199
of which from investment securities:	507	558	150	-	10	-	-	1 225
of which from investment securities	-	335	150	-	-	-	-	485
Interest expense:	(3 605)	(532)	(150)	-	(382)	-	-	(4 669)
of which pass-through arrangement	(1 587)	(534)	(150)	-	-	-	-	(2 271)
Income for implementation of state aid programmes	659	130	191	5	-	-	-	985
Expenses to be compensated for implementation of state aid programmes	(631)	(60)	(181)	-	-	-	-	(872)
Gains from debt securities and foreign exchange translation	(2)	-	-	-	-	-	-	(2)
Share of profit/(losses) of investment in associates and other investment funds	-	-	1 247	-	-	-	-	1 247
Gains less losses from liabilities at fair value through profit or loss	-	-	(352)	-	-	-	-	(352)
Net gain from loans at fair value through profit or loss	(1 387)	-	-	-	-	-	-	(1 387)
of which pass-through arrangement from loans at fair value	(342)	-	-	-	-	-	-	(342)
Other income	-	-	-	19	873	36	-	928
Other expense	(42)	(19)	(3)	(4)	(136)	(36)	-	(240)
Staff costs	(922)	(309)	(72)	(206)	(107)	-	(189)	(1 805)
Administrative expense	(295)	(79)	(23)	(45)	(22)	-	(1)	(465)
Amortisation of intangible assets and depreciation of property, plant and equipment	(113)	(28)	(8)	(16)	(8)	-	-	(173)
Allowance for expected credit-losses, net	855	141	-	-	(2)	-	-	994
Profit or (loss) from assets held for sale revaluation	305	-	-	-	-	-	-	305
Total segment profit/(loss)	2 456	750	799	(247)	1 133	-	(190)	4 701
Financial assets at fair value through profit or loss	-	-	72 227	-	-	-	-	72 227
Other investments	-	-	29 043	-	-	-	-	29 043
Additions of property and equipment, intangible assets and investment property	102	25	8	15	9 174	-	-	9 324
Total segment assets	929 949	153 777	187 901	8 937	148 688	-	109 593	1 538 845
Total segment liabilities	736 156	137 934	11 551	9 331	71 235	-	149 363	1 115 570
Total off-balance	172 693	548 176	84 432	3 314	-	-	-	808 615
Assets under management (AUM)	-	-	-	-	-	34 294	-	34 294

Segment assets, liabilities and off-balance as at 31 December 2025:

	Loans	Guarantees	Venture capital funds	Grants	Latvian Land Fund	Management of AIF "Altum capital fund"	Other services	Total
Total segment assets	1 085 716	151 789	207 537	8 794	165 654	-	110 556	1 730 046
Total segment liabilities	864 851	164 463	30 843	7 879	112 807	-	103 466	1 284 309
Total off-balance	252 017	627 944	156 015	3 461	-	-	-	1 039 437
Assets under management (AUM)	-	-	-	-	-	15 786	-	15 786

5 Income from implementation of state aid programmes

All amounts in thousands of euros

	01.01.2026.- 31.03.2026.	01.01.2025.- 31.03.2025.
Pārvaldības maksas leņēmumi par Valsts atbalsta programmu īstenošanu ¹	2 351	836
Compensated venture capital fund management fees	597	139
Income on compensated placement expenses of unrestricted funds	9	10
Total income from implementation of state support programmes	2 957	985

¹ The line item 'Management fee income from the implementation of state support programmes' comprises income calculated on the basis of support programme volumes (portfolio, new transactions, funding) by applying the management fee rate in accordance with the relevant Cabinet of Ministers regulations and/or agreements concluded with the funding providers of the support programmes. Following the refinement of the income recognition methodology for the implementation of state support programmes, a portion of the income EUR 439 thousand generated in 2025 has been classified as deferred income as at 31 December 2025.

6 Expenses to be compensated for implementation of state aid programmes

All amounts in thousands of euros

	01.01.2026.- 31.03.2026.	01.01.2025.- 31.03.2025.
Compensated staff costs	1 079	661
Compensated administrative expense	468	72
Compensated venture capital fund management fees	597	139
Total compensated expense for implementation of state support programmes	2 144	872

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

All amounts in thousands of euros

	Net gain / loss	Incl. realised gains	Net gain / loss	Incl. realised gains
	01.01.2026.-31.03.2026.		01.01.2025.-31.03.2025.	
RKF 2 nd , 3 rd , un 4 th generation	174	81	309	-
Baltic Innovation Fund	139	-	398	-
AIF Altum Capital Fund	125	-	640	167
Total investment in associates	438	81	1 347	167
Baltic Innovation Fund-2	244	-	(100)	-
Three Seas Initiative Investment Fund	-	-	-	-
Total other investments	244	-	(100)	-
Share of net gain /(loss) of investment in associate and other investments	682	81	1 247	167

¹ Incl. AIF Altum Capital Fund interest income in the 3 months of 2026: EUR 120 thousand (in the 3 months of 2025: EUR 283 thousand).

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

All amounts in thousands of euros

	01.01.2026.- 31.03.2026.	01.01.2025.- 31.03.2025.
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)
	01.01.2026.- 31.03.2026.	01.01.2026.- 31.03.2026.	01.01.2026.- 31.03.2026.	01.01.2026.- 31.03.2026.	01.01.2026.- 31.03.2026.
Net increase/(decrease) in fair value of capital rebate component	(17 231)	-	17 355	-	124
Net increase/ (decrease in fair value of loan component	-	(791)	-	-	(791)
Write-off of previously recognised fair value change upon appliance of capital rebate	7 994	-	(7 941)	-	53
Total net increase / (decrease) in fair value	(9 237)	(791)	9 414	-	(614)
Net increase in fair value compensated from public funding (allocated to public funding)	-	-	-	614	614
Total			(9 414)		(614)

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.

All amounts in thousands of euros

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

¹ When determining the fair value of loans with capital rebate to be recognised through profit or loss, the fair value measurement of the loan component for which no capital rebate will be applied is based on discounted expected future cash flows of the loan until maturity. By this measurement the difference between the fair value of financial asset and the transaction price at initial recognition 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 March 2026 the Company has issued the loans with capital rebate amounting EUR 220 million, including the amounts issued in previous years EUR 198 million. 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 2026, 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 2026 till 31 March 2026, in thousands of euros:

	Loss/(income) on expected credit losses and recoveries of written-off credit risk assets	incl. impairment losses covered by Portfolio Loss Reserve	impairment losses covered by Risk Coverage Reserve	a reduction in the provision for revenue recognised over 90 days	Total
Impairment losses on:	6 516	210	(5 333)	(13)	1 170
Loans	3 310	154	(2 270)	(13)	1 027
Guarantees	2 960	56	(2 888)	-	72
Loan commitments	246	-	(175)	-	71
Reversal of impairment on:	(8 934)	(522)	7 413	-	(1 521)
Loans	(2 511)	(273)	1 298	-	(1 213)
Guarantees	(6 219)	(249)	5 925	-	(294)
Loan commitments	(204)	-	190	-	(14)
Total impairment losses / (reversal), net	(2 418)	(312)	2 080	(13)	(351)
(Income) from the recovery of written-down assets	(168)	(66)	7	-	(161)
Total ECL reduction (income) and (income) from recoveries of written-off assets.	(2 586)	(378)	2 087	(13)	(512)

10 Allowances for expected credit losses (cont'd)

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

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

11 Investment securities

All amounts in thousands of euros:

	31.03.2026.	31.12.2025.
<i>Investment securities valued at amortised cost</i>		
OECD corporate bonds	3 630	3 552
Total investment securities valued at amortised cost	3 630	3 552
Impairment allowances	(3 630)	(3 552)
Net investment securities valued at amortised cost	-	-
<i>Investment securities valued at fair value through other comprehensive income</i>		
Latvian Treasury bills and government bonds	140 753	121 051
German Treasury bills and government bonds	89 650	9 964
Total investment securities valued at fair value through other comprehensive income	230 403	131 015
Impairment allowances	(156)	(156)
Total net investment securities valued at fair value through other comprehensive income	230 247	130 859
Total gross investment securities	234 033	134 567
Total net investment securities	230 247	130 859

When investing in securities, the Company performs an analysis and regular monitoring of external credit ratings assigned to credit institutions and issuers, as well as a financial and operational assessment and compliance of the assigned credit risk limits. To assess impairment allowance for ECL, all Latvian Treasury bills and government bonds are classified in stage 1, while all OECD corporate bonds are classified in stage 3, as they are defaulted securities. There were no movements between the stages during the year.

12 Loans

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

(1) Analysis of loan portfolio by client segments as at 31 March 2026, 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	6	-	-	-	-	-	6	-
Agriculture	114 972	(497)	33 560	(809)	17 028	(3 556)	165 560	(4 862)
SME and Midcaps	143 084	(2 094)	36 087	(1 924)	24 028	(8 408)	203 199	(12 426)
Private individuals	60 702	(444)	2 381	(35)	1 164	(359)	64 247	(838)
Latvian Land Fund	33 672	(2)	864	-	2 072	(4)	36 608	(6)
Total segments without Impairment overlay	352 436	(3 037)	72 892	(2 768)	44 292	(12 327)	469 620	(18 132)
Impairment overlay	-	(765)	-	(1 288)	-	-	-	(2 053)
Impairment overlay for interest rate discounts	-	(1 895)	-	-	-	-	-	(1 895)
Total segments	352 436	(5 697)	72 892	(4 056)	44 292	(12 327)	469 620	(22 080)

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:

	31.03.2026.	31.12.2025.
Number of customers	56	58
Total credit exposure of customers (EUR '000)	97 632	97 419
Percentage of total gross portfolio of loans	20.8%	21.2%

12 Loans (cont'd)

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

	31.03.2026.	31.12.2025.
Agriculture and forestry	215 801	218 705
Manufacturing	53 910	51 064
Electricity, gas and water utilities	37 286	37 073
Retail and wholesale	17 011	16 074
Real estate	11 651	10 520
Construction	10 399	8 976
Health and social care	9 176	8 033
Professional, science and technical services	8 990	8 458
Hotels and restaurants	7 799	7 043
Municipal authorities	7 026	6 418
Transport, warehousing and communications	6 417	6 330
Arts, sports and recreation	4 518	4 106
Education	2 264	2 402
Fishing	615	939
Telecommunication, computer programming, consulting, computing infrastructure and other information service activities	451	460
Other industries	12 058	12 726
Private individuals	64 248	60 736
Total gross loans	469 620	460 063
Impairment allowances	(22 080)	(21 199)
Total net loans	447 540	438 864

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

	01.01.2026.- 31.03.2026.	01.01.2025.- 31.03.2025.
Impairment allowances at the beginning of the period	21 199	22 996
Increase in impairment allowances	3 297	1 998
Decrease in impairment allowances	(2 511)	(2 449)
Decrease in the allowance for mortgage interest refunds	-	(1 941)
Loan interest overdue for more than 90 days	13	42
Increase of impairment allowances due to changes in off-balance sheet and balance sheet	82	124
Impairment allowances at the end of the period ended 31 March	22 080	20 770
<i>Company's share of impairment allowances</i>	10 949	11 219
<i>Impairment allowances covered by Portfolio Loss Reserve</i>	743	1 877
<i>Impairment allowances covered by Risk Coverage Reserve</i>	10 388	7 674
Impairment allowances at the beginning of the period		20 770
Increase in impairment allowances		6 881
Decrease in impairment allowances		(5 657)
Write-off of loans covered by Portfolio Loss Reserve		(42)
Write-off of loans covered by Risk Coverage Reserve		(463)
Write-off of loans Company's share of impairment allowances		(250)
Decrease in the allowance for mortgage interest refunds		(358)
Loan interest overdue for more than 90 days		-
Increase of impairment allowances due to changes in off-balance sheet and balance sheet		318
Impairment allowances at the end of the period ended 31 December		21 199
<i>Company's share of impairment allowances</i>		11 001
<i>Impairment allowances covered by Portfolio Loss Reserve</i>		861
<i>Impairment allowances covered by Risk Coverage Reserve</i>		9 337

¹ Includes impairment provision of EUR 1,895 thousand (31 December 2025: EUR 1,895 thousand) for interest rate discounts and as such not to be treated as allowance for ECL.

As at 31 March 2026 the average annual interest rate for the loan portfolio of the Company was 4.86% (31 December 2025: 4.80%).

13 Loans with capital rebate

Loans with capital rebate fair value 31 March 2026, 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	Total
Investment loans with capital rebate	87 642	79 032	(79 032)	20 604
RRF energy efficiency loans	25 137	9 118	(9 118)	15 455
RRF digitization loans	30 838	11 836	(11 836)	19 196
RRF Energy Efficiency Loans for Multi-apartment Buildings	24 412	8 288	(8 288)	14 725
RRF Loans for construction of affordable housing	32 828	10 868	(10 868)	17 277
Energy Efficiency Loans for Multi-apartment Buildings 3	18 536	15 229	(15 229)	3 345
Loans for biomethane projects	129	129	(129)	11
Total	219 522	134 500	(134 500)	90 613

As at 31 March 2026 the Company has issued the loans with capital rebate amounting EUR 220 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 145 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 135 million. As a result, additional fair value losses of EUR 10 million were recognized in the three months of 2026, 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 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	Total
Investment loans with capital rebate	82 094	74 067	(74 067)	19 110
RRF energy efficiency loans	24 109	10 047	(10 047)	13 748
RRF digitization loans	29 225	11 683	(11 683)	17 737
RRF Energy Efficiency Loans for Multi-apartment Buildings	26 032	11 593	(11 593)	13 199
RRF Loans for construction of affordable housing	28 022	10 141	(10 141)	14 400
Energy Efficiency Loans for Multi-apartment Buildings 3	8 678	7 732	(7 732)	1 083
Total	198 160	125 263	(125 263)	79 277

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

	Potential future capital rebate component ¹	Loan component ¹	Total
Fair value at the beginning of the period	-	24 971	24 971
Net increase at nominal value	16 952	6 906	23 858
Applied capital rebate in the reporting period ²	(6 934)	-	(6 934)
Changes in fair value, net	-	342	342
(Decrease) of fair value of potential future capital rebate component	(10 018)	-	(10 018)
Total fair value at the end of the period 31 March 2025	-	32 219	32 219
Net increase at nominal value	74 648	46 436	121 084
Applied capital rebate in the reporting period ²	(20 932)	-	(20 932)
Changes in fair value, net	-	622	622
(Decrease) of fair value of potential future capital rebate component	(53 716)	-	(53 716)
Total fair value at the end of the period 31 December 2025	-	79 277	79 277
Net increase at nominal value	25 680	1 922	27 602
Applied capital rebate in the reporting period ²	(8 449)	-	(8 449)
Changes in fair value, net	-	9 414	9 414
(Decrease) of fair value of potential future capital rebate component	(17 231)	-	(17 231)
Total fair value at the end of the period 31 March 2026	-	90 613	90 613

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 3 months of 2026.

13 Loans with capital rebate(cont'd)

Fair value changes of loans with capital rebate in 3 months of 2026, 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
Fair value at the beginning of the period	(125 263)	6 380	123 591	4 708
Increase/(decrease) in fair value of capital rebate	(17 231)	-	17 355	124
Net increase/(decrease) in fair value of loan component	-	(791)	-	(791)
Write-off of previously recognised fair value changes upon appliance of capital rebate	7 994	-	(7 941)	53
Total net changes in fair value	(134 500)	5 589	133 005	4 094

Breakdown of loans with capital rebate by industries, in thousands of euros:

	31.03.2026	31.12.2025.
Manufacturing	118 993	113 077
Real estate	6 768	5 624
Transport, warehousing and communications	4 080	3 574
Health and social care	2 534	2 455
Retail and wholesale	2 552	2 433
Construction	2 563	2 326
Electricity, gas and water utilities	2 223	2 143
Agriculture and forestry	1 359	1 719
Arts, sports and recreation	1 538	1 185
Municipal authorities	209	274
Other industries	930	617
Private individuals	75 775	62 733
Total gross loans	219 524	198 160
Fair value (decrease) of potential future capital rebate component	(134 500)	(125 263)
Impairment allowances	5 589	6 380
Total net loans	90 613	79 277

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	
		31.03.2026.	31.12.2025.	31.03.2026.	31.12.2025.
The 2nd generation VCFs	LV	6 172	8 471	4 614	5 947
The 3rd generation VCFs	LV	1 449	2 268	600	1 044
The 4th generation VCFs	LV	39 271	39 493	26 919	27 054
The 5th generation VCFs	LV	9 926	5 879	8 025	5 072
AIF "Altum capital fund" ¹	LV	15 993	16 630	7 822	7 721
Baltic Innovation Fund ¹	LU	81 395	84 395	16 279	16 879
Baltic SME Initial Public Offering Fund	LT	551	371	223	150
Total investments in associates		154 757	157 507	64 482	63 867

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

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

As at 31 March 2026 the total venture capital fund's portfolio value at cost value was EUR 63,168 thousand (31 December 2025: EUR 62,501 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	300	(61)	-	36 724
The 5th generation VCFs	-	-	-	-	-
Baltic SME Initial Public Offering Fund	-	-	-	-	-
Investments in AIF "Altum capital fund" (Note 7)	16 392	24	(287)	640	16 769
Investments in Baltic Innovation Fund (Note 7)	19 350	420	(2 139)	398	18 029
Total 31 March 2025	72 227	744	(2 487)	1 038	71 522
The 2., 3., 4. generation VCFs	36 724	900	(3 580)	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)	16 769	39	(9 764)	677	7 721
Investments in Baltic Innovation Fund (Note 7)	18 029	300	(941)	(509)	16 879
Total 31 December 2025	143 749	7 205	(16 772)	1 207	63 867
The 2., 3., 4. generation VCFs	34 045	-	(1 787)	(125)	32 133
The 5th generation VCFs	5 072	2 953	-	-	8 025
Baltic SME Initial Public Offering Fund	150	73	-	-	223
Investments in AIF "Altum capital fund" (Note 7)	7 721	11	(35)	125	7 822
Investments in Baltic Innovation Fund (Note 7)	16 879	-	(740)	140	16 279
Total 31 March 2026	63 867	3 037	(2 562)	140	64 482

14 Investments in Associates (cont'd)

Venture capital funds management fees in the 3 months of 2026, expenses included:

- Management fees for the 4th generation venture capital funds amounted to EUR 122 thousand (3 months of 2025: EUR 139 thousand) which were 100% compensated by public funding (see Note 19 (2)).
- Management fees for the 5th generation venture capital funds amounted to EUR 475 thousand (3 months of 2025: 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 11 thousand (3 months of 2025: EUR 24 thousand).
- Baltic SME Initial Public Offering Fund management cost EUR 73 thousand (in the 3 months of 2025: EUR 0 thousand).

15 Other Investments

Total cost of *Other investments* on 31 March 2026 was EUR 32,855 thousand (31 December 2025: EUR 27,638 thousand). The total cost of the investment includes the management fees paid to the funds' managers.

All amounts in thousands of euros

	Carrying amount at the beginning of period 01.01.2025.	Invested	Refunded	Revaluation	Carrying amount at the end of period
Baltic Innovation Fund 2	11 543	1 050	-	(100)	12 493
Three Seas Initiatives Investment Fund	17 500	-	-	-	17 500
Total 31 March 2025	29 043	1 050	-	(100)	29 993
Baltic Innovation Fund 2	12 493	2 450	(1 036)	345	14 252
Three Seas Initiatives Investment Fund	17 500	-	-	2 476	19 976
Total 31 December 2025	59 036	3 500	(1 036)	2 721	34 228
Baltic Innovation Fund 2	14 252	-	(280)	243	14 215
Three Seas Initiatives Investment Fund	19 976	1 929	-	-	21 905
CVI Private Debt Fund II S.C.A.	-	3 568	-	-	3 568
Total 31 March 2026	34 228	5 497	(280)	243	39 688

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

The Three Seas Initiative Investment Fund is a new financial instrument for financing and developing infrastructure projects in 12 countries, including Latvia, aimed at reducing infrastructure development gaps between different European regions. The Three Seas Initiative Investment Fund supports transport, energy and digitalization infrastructure projects in Central and Eastern Europe. The Company signed the subscription agreement on 16 September 2020. The total capital committed by the Company to the Three Seas Initiative Investment Fund is EUR 20 million thus arriving at the ownership rate of 2.15% on 31 March 2026 (31 December 2025: 2.15%) of the total committed capital the Three Seas Initiative Investment Fund 31 March 2026: EUR 928.1 million, (31 December 2025: EUR 928.1 million). The amount of capital investment paid by the Company to the Three Seas Initiative Investment Fund on 31 March 2026 was EUR 14.3 million (31 December 2025: EUR 14.3 million).

At the end of first quarter of 2026, ALtum signed an investment of EUR 6.5 million in CVI Private Debt Fund II S.C.A, a private debt fund managed by CVI Dom Maklerski S.A., which focuses on providing funding to enterprises in the Central and Eastern Europe region, including the Baltic states. The fund provides alternative funding primarily to medium sized enterprises through flexible loan instruments, thereby promoting enterprise growth and capital accessibility outside traditional bank financing.

16 Investment Properties

All amounts in thousands of euros

	31.03.2026.	31.12.2025.
Carrying amount at the beginning of period	120 819	92 976
Acquired during the reporting period ¹	1 501	18 944
New Exposures after Expiry of Reverse Leases	287	7 753
Sold during the reporting period	(307)	(2 505)
Revaluation gains	21	3 914
Revaluation losses	(5)	(263)
Carrying amount at the end of the period	122 316	120 819

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	31.03.2026.	31.12.2025.
LV0000870095	EUR	20 000	1 000	08.10.2021	08.10.2026	0.44%	20 043	20 013
LV0000104669	EUR	70 000	1 000	30.05.2025	30.05.2030	3.58%	72 018	71 391
Total issued debt securities at the end of period ended 31 December							92 061	91 404

To date, the company has issued 6 bonds with a total value of EUR 155 million (31 December 2025: EUR 85 million). It entered the regulated capital markets in October 2017 through the issuance of green bonds. In May of 2025, 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:

	31.03.2026.	31.12.2025.
At the beginning of period	91 404	65 491
Redemption of bonds	-	70 000
Accrued coupon	-	(45 000)
Coupon pay-out	648	1 688
Discount amortisation	-	(674)
Commission amortisation	9	(101)
Total issued debt securities at the end of period	92 061	91 404

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

Bondholders group	31.03.2026.		31.12.2025.	
	Number	%	Number	%
Pension plans and investment funds	57	72%	57	72%
Financial institutions	6	8%	6	8%
Other legal entities	5	6%	5	6%
Insurance companies	4	5%	4	5%
Private individuals	7	9%	7	9%
Total	79	100%	79	100%

18 Liabilities from financial guarantees

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

	31.03.2026.	31.12.2025.
Provisions at the beginning of the period	53 620	49 262
Increase in provisions	72	222
Impairment losses covered by Risk Coverage Reserve	2 888	4 040
Decrease in provisions	(294)	(312)
Reversal of impairment covered by Risk Coverage Reserve	(5 925)	(3 168)
Reclassification (Disbursed guarantee)	(60)	(160)
Compensation for guarantee premium	-	-
Fair value component - guarantee premiums	38	(77)
Provisions at the end of the period	50 339	49 807
<i>Fair value component - guarantee premiums</i>	<i>3 936</i>	<i>3 661</i>
<i>Company's share of provisions</i>	<i>219</i>	<i>275</i>
<i>Provisions covered by Portfolio Loss Reserve</i>	<i>7 795</i>	<i>6 787</i>
<i>Provisions covered by Risk Coverage Reserve</i>	<i>38 389</i>	<i>39 084</i>
Increase in provisions		1 795
Impairment losses covered by Risk Coverage Reserve		16 336
Decrease in provisions		(544)
Reversal of impairment covered by Risk Coverage Reserve		(13 884)
Reclassification (Disbursed guarantee)		(127)
Compensation for guarantee premium		-
Fair value component - guarantee premiums		237
Provisions at the end of the period		53 620
<i>Fair value component - guarantee premiums</i>		<i>3 898</i>
<i>Company's share of provisions</i>		<i>247</i>
<i>Provisions covered by Portfolio Loss Reserve</i>		<i>8 031</i>
<i>Provisions covered by Risk Coverage Reserve</i>		<i>41 444</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 March 2026, 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	2 642	311	-	(3)	(54)	2 585
Fund of Funds programme – Microcredits	293	-	-	-	-	293
Fund of Funds programme – Parallel loans	4 012	207	-	(44)	(51)	3 917
Energy Efficiency Loans for Multi-apartment Buildings (I)	17 734	15 263	-	(29)	(341)	17 364
Start-up State Aid Cumulation Lending Programme	1 871	1 871	-	(598)	(309)	964
Other loans to start-ups	322	-	-	-	-	322
Mezzanine Programme – Loans	2 751	2 696	-	-	(234)	2 517
Guarantees and interest grants programme	4 287	4 287	-	(1 198)	-	3 089
SME energy efficiency loans	1 723	1 723	-	(68)	(861)	794
SME growth loans	5 000	5 000	-	(942)	(1 235)	2 823
ERAF SME growth loans	20 316	1 219	-	-	(641)	19 675
ERAF loans for business sustainability	18 466	4 016	-	-	(1 928)	16 538
Parallel loans	2 000	2 000	-	(42)	(99)	1 859
Parallel loans 2	3 586	1 327	-	-	(328)	3 258
Loans for enterprises in rural territories	9 259	9 259	-	(810)	(208)	8 241
Start-up loans to innovative entrepreneurs	7 768	1 554	-	-	(177)	7 591
Multi-apartment building improvement loans	4 500	4 500	-	(120)	(126)	4 254
Energy Efficiency Loans for Multi-apartment Buildings (II)	9 398	564	-	-	(28)	9 370
Cultural industry support programme ²	244	-	-	-	-	244
ELFLA Agricultural and rural development loans	22 079	1 354	-	-	(313)	21 766
Working capital loans to Agriculture	12 836	11 257	-	(263)	(1 725)	10 848
ELFLA Working capital loans to Agriculture	2 904	2 404	-	-	(1)	2 903
ELFLA Loans for enterprises in rural territories	2 701	239	-	-	-	2 701
Co-funding loans for the construction of affordable housing	6 035	616	-	-	(491)	5 544
RRF energy efficiency loans ¹	48 612	7 437	-	-	-	48 612
RRF digitization loans ¹	19 938	3 202	-	-	-	19 938
RRF Energy Efficiency Loans for Multi-apartment Buildings ¹	13 655	1 266	-	-	-	13 655
RRF housing construction loans ¹	27 381	4 299	-	-	-	27 381
RRF the affordable housing construction loans/parallel loans	29 021	2 914	-	-	-	29 021
Investment Loans with capital rebate ¹	164 016	17 415	-	(190)	-	163 826
Investment Loans with capital rebate – co-funding loans	38 511	13 498	-	-	(840)	37 671
Loans for sustainability	6 000	2 940	-	(63)	(170)	5 767
Loans for biomethane projects ¹	6 386	2 027	-	-	-	6 386
Energy efficiency loans across regions ¹	12 458	1 188	-	-	-	12 458
Mortgage loans for residential property purchase in the regions	3 500	772	-	(137)	(4)	3 359
PF1 Start-up and Micro ERDF loans	26 026	3 805	-	-	(1 162)	24 864
PF1 Productivity growth loans	9 922	1 473	-	-	(113)	9 809
PF1 Business sustainability loans	16 490	2 449	-	-	(360)	16 130
PF1 Innovation loans	8 435	1 401	-	-	-	8 435
PF2 Energy Efficiency Loans for Multi-apartment Buildings (III) ¹	34 889	2 609	-	-	-	34 889
Total loans	633 775	140 366	-	(4 507)	(11 800)	617 468

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 March 2026, 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	46 355	46 355	-	-	(3 936)	42 419
Energy Efficiency Guarantees for Multi-apartment Buildings	12 527	12 527	-	-	(1 425)	11 102
Housing Guarantee Programme	27 173	27 173	-	(2 536)	(19 286)	5 351
Housing Guarantee Programme for NAF soldiers	1 447	1 446	-	(666)	(668)	113
Guarantee Programme for Clients of State Aid Accumulation, Grace Period and Large Economic Operators	8 753	8 753	-	(1 610)	(2 102)	5 041
Mezzanine Programme – Guarantees	2 259	2 215	-	-	(4)	2 255
Portfolio Guarantee Fund	8 812	8 515	-	(735)	(3 019)	5 058
Export credit guarantees	5 085	5 085	-	(1 016)	(43)	4 026
Study and student portfolio guarantees ³	877	-	-	-	-	877
Agricultural Guarantees	1 388	1 388	-	(637)	(598)	153
ELFLA Agricultural and rural development guarantees	832	832	-	-	(219)	613
RRM energy car guarantees	2 165	186	419	-	(10)	2 155
RRM Energy efficiency guarantees for multi-apartment buildings ¹	7 592	1 353	5 970	-	(458)	7 134
PF1 Guarantees for full-cycle business	30 233	26 963	-	-	(5 515)	24 718
PF1 Portfolio guarantees for full-cycle business	2 892	1 308	-	-	-	2 892
LF2 DME 3 guarantees ¹	26 000	2 779	22 454	-	(1 494)	24 506
Total guarantees	184 390	146 878	28 843	(7 200)	(38 777)	138 413
Grants						
Energy Efficiency Grants for Multi-apartment Buildings	6	-	-	-	-	6
Housing grant programme "Balsts"	6 594	-	-	-	-	6 594
Grants for energy efficiency improvement of family buildings	624	-	-	-	-	624
Social Entrepreneurship Programme II	2 502	-	-	-	-	2 502
Energy efficiency project grant	110	-	-	-	-	110
Grants for improving energy efficiency of family buildings	440	-	-	-	-	440
Energoefektivitātes granti DME	1 480	-	-	-	-	1 480
PF1 Multi-apartment buildings grants with consecutive grant payments	35	-	-	-	-	35
Total grants	11 791	-	-	-	-	11 791
Venture Capital Funds						
Fund of Funds and venture capital funds	43 245	42 749	-	-	-	43 245
Investment Fund Activity	8 218	7 396	-	-	-	8 218
Baltic Innovation Fund	2 000	600	-	(182)	-	1 818
Baltic Innovation Fund II	2 514	754	-	(147)	-	2 367
PF1 Contingent equity investments (5G)	17 291	6 641	-	-	-	17 291
Total venture capital funds	73 268	58 140	-	(329)	-	72 939
Other Activities						
Energy Efficiency Fund	4	-	-	-	-	4
Total other activities	4	-	-	-	-	4
2021-2027 Participation fund 1	31 451	11 288	-	-	-	31 451
2021-2027 Participation fund 2	8 268	726	-	-	-	8 268
Total support programme funding	942 947⁴	357 245	21 439	(12 036)	(50 577)	880 334

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 (see Note 20 (2)).

³ Risk coverage (Portfolio Loss Reserve) of EUR 5,629 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 29,712 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 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 29,712 thousand allocated for management costs of the Company to be compensated from support programme funding.

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 3 months of 2026, 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
	31.12.2025.										31.03.2026.
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)	1 213	-	-	-	-	-	-	-	-	-	1 213
Fund of Funds programme – Start-up loans	2 606	-	-	-	-	-	-	-	1	(22)	2 585
Fund of Funds programme – Microcredits	293	-	-	-	-	-	-	-	-	-	293
Fund of Funds programme – Parallel loans	3 885	-	-	-	-	-	-	-	-	32	3 917
Energy Efficiency Loans for Multi-apartment Buildings (I)	17 399	-	-	-	-	-	-	-	-	(35)	17 364
Start-up State Aid Cumulation Lending Programme	1 025	-	-	-	-	-	-	-	-	(61)	964
Other loans to start-ups	322	-	-	-	-	-	-	-	-	-	322
Mezzanine Programme – Loans	2 799	-	(513)	-	-	-	-	5	-	226	2 517
Guarantees and interest grants programme	3 089	-	-	-	-	-	-	-	-	-	3 089
SME energy efficiency loans	737	-	-	-	-	-	-	-	-	57	794
SME growth loans	2 995	-	-	-	-	-	-	-	-	(172)	2 823
ERDF SME growth loans	19 403	-	-	-	-	-	-	226	-	46	19 675
ERDF loans for business sustainability	17 931	-	(810)	-	-	-	-	148	-	(731)	16 538
Parallel loans	1 857	-	-	-	-	-	-	-	-	2	1 859
Parallel loans 2	3 215	-	-	-	-	-	-	33	-	10	3 258
Loans for enterprises in rural territories	8 251	-	-	-	-	-	-	-	-	(10)	8 241
Start-up loans to innovative entrepreneurs	7 555	-	-	-	-	-	-	36	2	(2)	7 591
Multi-apartment building improvement loans	4 245	-	-	-	-	-	-	-	-	9	4 254

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
	31.12.2025.										31.03.2026.
Energy Efficiency Loans for Multi-apartment Buildings (II)	9 146	-	-	-	(14)	-	-	72	-	166	9 370
Cultural industry support programme	244	-	-	-	-	-	-	-	-	-	244
ELFLA Agricultural and rural development loans	21 894	-	-	-	-	-	-	132	(201)	(59)	21 766
Working capital loans to agriculture	13 043	-	(2 000)	-	-	-	-	-	-	(195)	10 848
ELFLA Working capital loans to Agriculture	-	900	2 000	-	-	-	-	4	-	(1)	2 903
ELFLA Loans for enterprises in rural territories	-	2 700	-	-	-	-	-	1	-	-	2 701
Co-funding loans for the construction of affordable housing	5 411	-	-	-	-	-	-	9	-	124	5 544
RRF energy efficiency loans ¹	50 762	-	-	(2 438)	(563)	851	(173)	173	-	-	48 612
RRF digitization loans ¹	23 603	-	-	(2 540)	(1 131)	(204)	49	161	-	-	19 938
RRF Energy Efficiency Loans for Multi-apartment Buildings ¹	14 182	-	-	(3 455)	(479)	3 315	(170)	262	-	-	13 655
RRF housing construction loans ¹	29 257	-	-	-	-	(843)	(1 086)	53	-	-	27 381
RRF the affordable housing construction loans/parallel loans ¹	29 021	-	-	-	-	-	-	-	-	-	29 021
Investment Loans with capital rebate ¹	127 880	40 000	-	-	-	(5 008)	955	-	-	-	163 827
Investment Loans with capital rebate – co-funding loans	37 677	-	-	-	-	-	-	-	-	(7)	37 670
Loans for sustainability	5 766	-	-	-	-	-	-	-	-	1	5 767
Loans for biomethane projects ¹	6 482	-	-	-	-	(124)	5	23	-	-	6 386
Energy efficiency loans across regions ¹	12 458	-	-	-	-	-	-	-	-	-	12 458
Mortgage loans for residential property purchase in the regions	3 362	-	-	-	-	-	-	-	(1)	(2)	3 359
PF1 Start-up and Micro ERDF loans	23 885	-	1 000	-	-	-	-	208	-	(229)	24 864
PF1 Productivity growth loans	9 708	-	-	-	-	-	-	57	-	44	9 809
PF1 Business sustainability loans	16 034	-	-	-	-	-	-	88	-	8	16 130
PF1 Innovation loans	8 435	-	-	-	-	-	-	-	-	-	8 435
PF2 Energy Efficiency Loans for Multi-apartment Buildings (III) ¹	42 082	-	-	(16)	-	(7 401)	(194)	418	-	-	34 889
Total loans	593 746	43 600	(323)	(8 449)⁴	(2 187)	(9 414)⁵	(614)⁸	2 109	(199)	(801)	617 468

19 Support programme funding (cont'd)

(2) Movement in the Company's support programme funding in 3 months of 2026, 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
	31.12.2025.										31.03.2026.
Guarantees											
Fund of Funds programme - Guarantees	40 983	-	-	-	-	-	-	195	5	1 236	42 419
Energy Efficiency Guarantees for Multi-apartment Buildings	10 960	-	-	-	(57)	-	-	86	-	113	11 102
Housing Guarantee Programme	5 383	-	-	-	-	-	-	-	-	(32)	5 351
Housing Guarantee Programme for NAF soldiers	124	-	-	-	-	-	-	-	-	(11)	113
Guarantee Programme for Clients of State Aid Accumulation, Grace Period and Large Economic Operators	4 745	-	-	-	-	-	-	-	-	296	5 041
Mezzanine Programme - Guarantees	1 883	-	513	-	-	-	-	-	-	(141)	2 255
Portfolio Guarantee Fund	4 907	-	-	-	-	-	-	-	-	151	5 058
Export credit guarantees	3 990	-	-	-	-	-	-	-	-	36	4 026
Study and student portfolio guarantees	877	-	-	-	-	-	-	-	-	-	877
Agricultural Guarantees	110	-	-	-	-	-	-	-	-	43	153
ELFLA Agricultural and rural development guarantees	622	-	-	-	-	-	-	2	-	(11)	613
RRM energy car guarantees ¹	2 181	-	-	(32)	-	-	-	4	-	2	2 155
RRM Multi-apartment building energy efficiency guarantees ¹	13 868	-	-	(6 399)	(343)	-	-	-	-	8	7 134
PF1 Guarantees for full-cycle business	7 346	-	15 162	-	-	-	-	158	-	2 052	24 718
PF1 Portfolio guarantees for full-cycle business	2 874	-	-	-	-	-	-	18	-	-	2 892
LF2 DME 3 guarantees ¹	7 368	-	20 000	-	-	-	-	-	-	(862)	26 506
Total guarantees	108 221	-	35 675	(6 431)	(400)	-	-	463	5	2 880	140 413

19 Support programme funding (cont'd)

(2) Movement in the Company's support programme funding in 3 months of 2026, 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
	31.12.2025.										31.03.2026.
Grants											
Energy Efficiency Grants for Multi-apartment Buildings	6	-	-	-	-	-	-	-	-	-	6
Housing grant programme "Balsts"	2 304	5 500	-	(1 210)	-	-	-	-	-	-	6 594
Grants for energy efficiency improvement of family buildings ¹	624	-	-	-	-	-	-	-	-	-	624
Social Entrepreneurship Programme II	1 302	1 200	-	-	-	-	-	-	-	-	2 502
Energy efficiency project grant	224	-	-	(114)	-	-	-	-	-	-	110
Grants for improving energy efficiency of family buildings	440	-	-	-	-	-	-	-	-	-	440
Energoefektivitātes granti DME	1 657	-	-	(66)	(111)	-	-	-	-	-	1 480
PF1 Multi-apartment Buildings grants with consecutive grant payments	158	-	-	(123)	-	-	-	-	-	-	35
Total grants	6 715	6 700	-	(1 513)	(111)	-	-	-	-	-	11 791
Venture Capital Funds											
Fund of Funds and venture capital funds	42 532	-	810	-	(312) ²	-	-	215 ³	-	-	43 245
Investment Fund Activity	8 256	-	-	-	-	-	(125)	87 ⁴	-	-	8 218
Baltic Innovation Fund	1 802	-	-	-	-	-	16	-	-	-	1 818
Baltic Innovation Fund II	2 367	-	-	-	-	-	-	-	-	-	2 367
PF1 Contingent equity investments (5G)	17 743	-	-	-	(475) ⁷	-	-	23	-	-	17 291
Total venture capital funds	72 700	-	810	-	(787)	-	(109)	325	-	-	72 939

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
	31.12.2025.										31.03.2026.
Other Activities											
Energy Efficiency Fund	4	-	-	-	-	-	-	-	-	-	4
Total other activities	4	-	-	-	-	-	-	-	-	-	4
2021-2027 Participation fund 1	32 678	14 935	(16 162)	-	-	-	-	-	-	-	31 451
2021-2027 Participation fund 2	25 405	791	(20 000)	-	-	-	-	72	-	-	6 268
Total support programme funding	839 469	66 026	-	(16 393)	(3 485)	(9 414)	(723)	2 969	(194)	2 079	880 334

¹ Combined financial instrument.

² include EUR 122 thousand management fees for the 4th generation venture capital funds.

³ include EUR 215 thousand mezzanine interest received.

⁴ include EUR 1 thousand mezzanine interest received and realized gain of EUR 86 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 9,414 thousand has been recognised as income in the financial statements (see Note 9).

⁶ See Note 13 *Loans with capital rebate*

⁷ include EUR 475 thousand management fees for the 5th generation venture capital funds.

⁸ Includes: changes in fair value of loans with a capital rebate in the 3 months of 2026 EUR 667 thousand, changes in fair value previously recognized upon granting the capital rebate EUR 53 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 2025	114 778	(15 935)	75 022	173 865
Increase of reserve capital	2 805	-	-	2 805
Reserves as of 31 March 2025	117 583	(15 935)	75 022	176 670
Increase of reserve capital	195	-	-	195
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	114 778	(15 935)	102 304	200 528
Reserves as of 31 March 2026	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	Guarantee Programme for Clients of State Aid Accumulation, Grace Period and Large Economic Operators	Loans 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 2025	23 751	5 610	3 300	20 853	13 829	16 268	7 187	23 980	114 778
of which:									
Portfolio Loss Reserve (Specific Reserves)	23 751	5 610	3 300	20 587	1 018	16 268	7 187	8 015	85 736
Increase of reserve capital	-	2 805	-	-	-	-	-	-	2 805
Specific reserves as of 31 March 2025	23 751	8 415	3 300	20 853	13 829	16 268	7 187	23 980	117 583
of which:									
Portfolio Loss Reserve (Specific Reserves)	23 751	8 415	3 300	20 587	1 018	16 268	7 187	8 015	88 541
Increase of reserve capital	195	-	-	-	-	-	-	-	195
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
Specific reserves as of 31 March 2026	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)

(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	Guarantee Programme for Clients of State Aid Accumulation, Grace Period and Large Economic Operators	Loans 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 2025	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 2023 annual report	-	(1 558)	75	63	-	1 305	1 675	(179)	1 381
Increase of specific reserves	-	2 805	-	-	-	-	-	-	7 384
Portfolio Loss Reserve as of 31 March 2025	23 751	8 415	3 300	20 587	1 018	16 268	7 187	8 015	88 541
of which:									
Portfolio Loss Reserve (Specific Reserves) to be used to cover credit loss upon approval of the 2024 annual report	-	(1 558)	75	63	-	1 305	1 675	(179)	1 381
Portfolio Loss Reserve (Specific Reserves) to be used to cover credit loss upon approval of the 2025 annual report	(42)	31	41	(39)	-	361	29	(35)	346
Increase of specific reserves	195	-	-	-	-	-	-	-	195
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:									
Portfolio Loss Reserve (Specific Reserves) to be used to cover credit loss upon approval of the 2025 annual report	-	(1 227)	(40)	201	-	609	48	(161)	(570)
Portfolio Loss Reserve as of 31 March 2026	23 946	6 857	3 375	15 650	1 018	17 573	8 862	7 836	85 117
of which:									
Portfolio Loss Reserve (Specific Reserves) to be used to cover credit loss upon approval of the 2025 annual report	-	(1 227)	(40)	201	-	609	48	(161)	(570)
Portfolio Loss Reserve (Specific Reserves) to be used to cover credit loss upon approval of the 2026 annual report	-	96	98	(111)	-	295	-	(53)	325

21 Off-balance sheet items and contingent liabilities

All amounts in thousands of euros

	31.03.2026.	31.12.2025.
Contingent liabilities:		
Outstanding guarantees	686 041	627 944
Financial commitments:		
Loan commitments	293 707	252 017
Commitments to investments in associates	185 247	138 983
Commitments to other investments	18 035	17 032
Grant commitments	3 567	3 461
Total contingent liabilities and financial commitments	1 186 597	1 039 437

Impairment allowances for loan commitments, in thousands of euros:

	31.03.2026.	31.12.2025.
Unutilised loan facilities	293 707	252 017
Impairment allowances	(1 492)	(1 532)
Total unutilized loan facilities, net	292 215	250 485

Impairment allowances for grant commitments, in thousands of euros:

	31.03.2026.	31.12.2025.
Grant commitments	3 567	3 461
Impairment allowances	(97)	(97)
Total grant commitments, net	3 470	3 364

Analysis of the guarantee portfolio by client segments as at 31 March 2026, 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	7 298	(656)	2 593	(160)	-	-	9 891	(816)
SME and Midcaps	241 739	(10 030)	13 625	(1 593)	8 215	(3 062)	263 579	(14 685)
Private individuals	407 583	(29 377)	3 693	(405)	1 295	(1 120)	412 571	(30 902)
Total segments, gross	656 620	(40 063)	19 911	(2 158)	9 510	(4 182)	686 041	(46 403)
Impairment overlay for interest rate decrease	-	-	-	-	-	-	-	-
Total segments, net	656 620	(40 063)	19 911	(2 158)	9 510	(4 182)	686 041	(46 403)

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 March 2026, 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	439 365 ¹	1 176	2 063	4 215	58 705	180 517	686 041
Financial commitments							
Loan commitments	293 707	-	-	-	-	-	293 707
Commitments to investments in associates	768	6 696	7 776	16 663	122 988	30 356	185 247
Commitments to other investments	350	600	1 100	4 900	10 285	800	18 035
Total financial commitments	294 825	7 296	8 876	21 563	133 273	31 156	496 989
Grant commitments	3 567	-	-	-	-	-	3 567
Total contingent liabilities and financial commitments	737 757	8 472	10 939	25 778	191 978	211 673	1 186 597

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.

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 investments in associates ²	639	6 465	7 070	14 140	106 395	4 274	138 983
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.

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	
	31.03.2026.	31.12.2025.	31.03.2026.	31.12.2025.	31.03.2026.	31.12.2025.
Investments in venture capital funds	-	-	56 660	56 146	-	-
Investments in AIF "Altum capital fund"	-	-	7 822	7 721	-	-
Due to general governments	-	-	-	-	250 182	1 942
Support programme funding	589 408	573 572	-	-	289 336	264 015
Off-balance sheet financial liabilities for venture capital funds	-	-	156 225	90 099	-	-
Off-balance sheet financial liabilities for AIF "Altum capital fund"	-	-	29 022	29 034	-	-

Transactions with related parties, in thousands of euros:

	Received State aid funding		Issued State aid funding or funding paid back	
	01.01.2026.- 31.03.2026.	01.01.2025.- 31.03.2025.	01.01.2026.- 31.03.2026.	01.01.2025.- 31.03.2025.
Transactions with shareholders				
Ministry of Finance of the Republic of Latvia	6 996	11 116	(5 938)	(16 735)
Ministry of Agriculture of the Republic of Latvia	-	-	-	-
Ministry of Economics of the Republic of Latvia	45 500	30 000	-	-
Associates				
Venture capital funds	3 037	1 794	(2 562)	(7 653)
Other companies owned by the shareholders				
Rural Support Service	3 600	-	-	-
Central Finance and Contracting Agency of the Republic of Latvia	15 726	100 503	-	(2 008)
Ministry of Education and Science of the Republic of Latvia	-	2 925	-	-
Ministry of Culture of the Republic of Latvia	-	-	-	(132)
Ministry of Defence of the Republic of Latvia	-	-	-	-
Ministry of Wealth Fair of the Republic of Latvia	1 240	532	-	-

The remuneration of the members of the Supervisory Council, Audit Committee and the Management Board of the Company in the 3 months of 2026 amounted to EUR 135 thousand (3 months of 2025: EUR 194 thousand), including social insurance tax.

	01.01.2026.- 31.03.2026.	01.01.2025.- 31.03.2025.
Remuneration to the Supervisory Council and the Management Board	109	157
to the Supervisory Council	22	23
to the Management Board	76	123
to the Audit Committee	11	11
Social insurance tax	26	37
Total	135	194

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	
	31.03.2026.	31.12.2025.	31.03.2026.	31.12.2025.	31.03.2026.	31.12.2025.	31.03.2026.	31.12.2025.
<i>Assets measured at fair value</i>								
Financial assets at fair value through other comprehensive income - investment securities	230 247	130 859	230 247	130 859	230 247	130 859	-	-
Other investments	64 482	63 867	64 482	63 867	-	-	64 482	63 867
Investments in associates	39 688	34 228	39 688	34 228	-	-	39 688	34 228
Investment properties	122 316	120 819	122 316	120 819	-	-	122 316	120 819
Loans with capital rebate	90 613	79 277	90 613	79 277	-	-	90 613	79 277
<i>Assets with fair values disclosed</i>								
Due from credit institutions and the Treasury	770 559	839 708	770 375	839 084	770 375	839 084	-	-
<i>Financial assets at amortised cost:</i>								
Loans	447 540	438 864	412 541	402 489	-	-	412 541	402 489
Other financial assets	2 875	2 708	2 875	2 708	-	-	2 875	2 708
Total assets	1 768 320	1 710 330	1 733 137	1 673 331	1 000 622	969 943	732 515	703 388
<i>Liabilities measured at fair value</i>								
Support programme funding	880 334	664 256	880 334	664 256	-	-	880 334	839 469
<i>Liabilities with fair value disclosed</i>								
Due to credit institutions	48 269	40 366	48 269	40 366	-	-	48 269	23 225
Due to general governments	254 245	207 634	236 363	196 654	-	-	236 363	245 111
Liabilities from financial guarantees	50 339	49 262	50 339	49 262	-	-	50 339	53 620
Financial liabilities at amortised cost - issued debt securities	92 061	65 491	89 828	63 139	-	-	89 828	89 718
Total liabilities	1 325 248	1 027 009	1 305 133	1 013 677	-	-	1 305 133	1 251 143
<i>Off-balance-sheet commitments for which the fair value is disclosed:</i>								
Outstanding guarantees	686 041	627 944	686 041	627 944	-	-	686 041	627 944
Total off-balance sheet liabilities	686 041	627 944	686 041	627 944	-	-	686 041	627 944

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

	2026 3M	2025 12M	2025 9M
Key financial data			
Net interest income (EUR '000)	5 011	20 026	14 937
Operating profit (EUR '000)	5 929	31 470	25 841
Profit for the period (EUR '000)	5 929	31 470	25 841
Cost to income ratio (CIR)	25.8%	19.1%	21.6%
Employees	264	258	257
Total assets (EUR '000)	1 790 061	1 729 663	1 722 138
Financial debt (EUR '000)	968 088	927 320	950 175
Tangible common equity (TCE) / Tangible managed assets (TMA) ¹	18.7%	19.4%	19.4%
Equity and reserves (EUR '000)	450 714	445 125	439 368
Return on average equity (ROE)	5.4%	7.3%	4.5%
Total risk coverage: (EUR '000)	392 263	374 448	349 366
Risk coverage reserve	357 398	342 557	317 495
Risk coverage reserve used for provisions	(50 577)	(52 656)	(53 061)
Portfolio loss reserve (specific reserve capital)	85 117	85 117	84 922
Portfolio loss reserve used to compensate provisions in the distribution of annual profit	325	(570)	10
Liquidity ratio for 180 days ²	300%	328%	351%
Net Cash flows from operating activities (EUR '000)	39 824	144 167	149 226
Net Cash flows from financing activities (EUR '000)	-	3 000	2 805
Net Cash flows from investing activities (EUR '000)	(33 780)	75 978	114 585
Support instruments gross value (EUR '000), of which	1 598 658	1 501 490	1 432 714
Grants	5 136	4 294	4 600
Financial instruments gross value (EUR '000) ³			
Loans (excluding sales and leaseback transactions)	652 534	621 218	580 795
Guarantees	686 041	627 944	603 656
Venture capital funds	96 023	90 210	89 789
Latvian Land Fund, of which:	158 924	157 824	153 874
- sales and leaseback transactions	36 608	37 005	44 526
- investment properties	122 316	120 819	109 348
Total	1 593 522	1 497 196	1 428 114
Number of transactions	43 318	42 414	42 046
Volumes issued (EUR '000) (by financial instrument) ³			
Loans (excluding sales and leaseback transactions)	67 515	292 079	202 612
Guarantees	85 598	199 628	153 222
Venture capital funds	4 882	13 910	11 894
Latvian Land Fund, of which:	2 489	28 668	24 684
- sales and leaseback transactions	988	9 823	8 152
- investment properties	1 501	18 845	16 532
Total	160 484	534 285	392 412
Number of transactions	1 983	8 387	6 409
Total contribution to economy by volumes issued in the reporting period, including the participation of the final recipients (EUR '000)	1 405 422 ⁴	1 405 422	978 3194
Leverage for raised private funding	125%	158%	133%
Volume of support programmes funding per employee (EUR '000)	6 036	5 803	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 / data as at 31 December 2025, 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	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)	32 082	28 663	17 810	11 484	13 829	5 539
Profit for the period (EUR '000)	32 082	28 663	17 810	11 484	13 829	5 539
Cost to income ratio (CIR)	18.8%	23.32%	26.34%	38.26%	39.46%	47.51%
Employees	258	254	255	234	226	211
Total assets (EUR '000)	1 730 046	1 455 350	1 316 086	1 099 588	976 204	850 704
Financial debt (EUR '000)	927 091	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)	445 737	416 055	389 353	395 983	440 736	382 594
Return on average equity (ROE)	7.4%	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	321%	342%	430%	366%	518%	464%
Net Cash flows from operating activities (EUR '000)	144 066	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)	76 079	(249 994)	(121 467) ⁴	(8 437)	4 553	(4 016)
Support instruments gross value (EUR '000), of which	1 501 490	1 234 002⁶	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 843⁶	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>