JSC DEVELOPMENT FINANCE INSTITUTION ALTUM

Unaudited interim condensed financial report

for the six months ended 30 June 2026

TABLE OF CONTENTS

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

Altum

MISSION We help Latvia grow!

VISION To be a partner and financial expert in economic development

VALUES Excellence / Team / Responsibility

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

Strategy 2025-2027

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

- The main financial objective 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.

altum

Management Report

Activity during the reporting period

In 2026 Q2, 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 342 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 6M	2025 6M	2025
Key financial data			
Net interest income (EUR '000)	10 060	9 787	20 026
Operating profit (EUR '000)	10 127	8 813	32 082
Profit for the period (EUR '000)	10 127	8 813	32 082
Cost to income ratio (CIR)	31.4%	39.4%	18.8%
Employees	267	256	258
Total assets (EUR '000)	1 791 899	1 703 185	1 730 046
Financial debt (EUR '000)	955 673	975 102	927 091
Tangible common equity (TCE) / Tangible managed assets (TMA) [1]	**18.5%**	**19.1%**	**19.4%**
Equity and reserves (EUR '000)	455 823	423 256	445 737
Return on average equity (ROE)	4.6%	4.2%	7.4%
Total risk coverage: (EUR '000)	**392 736**	**327 361**	**374 448**
Risk coverage reserve	362 589	287 118	342 557
Risk coverage reserve used for provisions	(54 057)	(49 547)	(52 656)
Portfolio loss reserve (specific reserve capital)	84 547	89 922	85 117
Portfolio loss reserve used to compensate provisions in the distribution of annual profit	(343)	(132)	(570)
Liquidity ratio for 180 days [2]	227%	387%	321%
Net Cash flows from operating activities (EUR '000)	(1 589)	152 778	144 066
Net Cash flows from financing activities (EUR '000)	-	2 805	3 000
Net Cash flows from investing activities (EUR '000)	(34 033)	127 363	76 079
Support instruments gross value (EUR '000), of which	**1 710 677**	**1 357 347**	**1 501 490**
Grants	5 868	4 451	4 294
Financial instruments gross value (EUR '000) [3]			
Loans (excluding sales and leaseback transactions)	707 126	535 947	621 218
Guarantees	737 741	570 559	627 944
Venture capital funds	98 361	93 894	90 210
Latvian Land Fund, of which:	161 581	152 496	157 824
- sales and leaseback transactions	37 478	44 140	37 005
- investment properties	124 103	108 356	120 819
Total	**1 704 809**	**1 352 896**	**1 497 196**
Number of transactions	44 207	40 841	42 414
Volumes issued (EUR '000) (by financial instrument) [3]			
Loans (excluding sales and leaseback transactions)	161 393	128 237	292 079
Guarantees	159 914	94 662	199 628
Venture capital funds	13 653	6 449	13 910
Latvian Land Fund, of which:	6 841	21 874	28 668
- sales and leaseback transactions	3 479	6 590	9 823
- investment properties	3 362	15 284	18 845
Total	**341 801**	**251 222**	**534 285**
Number of transactions	4 200	4 099	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	135%	126%	158%
Volume of support programmes funding per employee (EUR '000)	6 385	5 285	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.

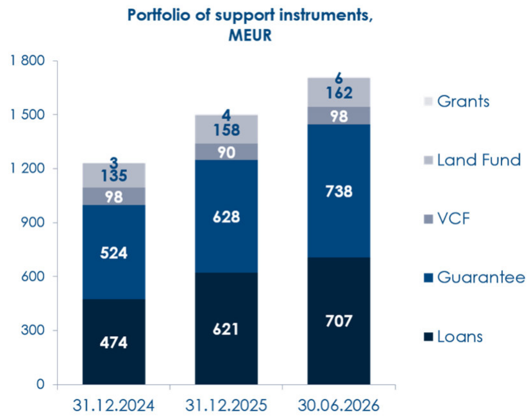
Management Report (cont'd)

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

At the end of the first six month of 2026, the gross portfolio of Altum support instruments amounted to EUR 1,711 million (30 June 2025: EUR 1,357 million). This included a gross portfolio of financial instruments (excluding grants) of EUR 1,705 million, representing an increase of EUR 208 million (an increase of 14%) compared to the end of 2025. The largest increase was observed in the guarantee portfolio, which grew by EUR 110 million (an increase of 18%) during the first six months of 2026. The main driver of the growth in the guarantee portfolio was the SME and large enterprise segment where the portfolio increased by EUR 63 million (+27%) over the six-months period. A significant increase was also recorded in guarantees to private individuals, with the portfolio growing by EUR 45 million (+12%) during the period.



* 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 86 million (an increase of 14%), 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 4 million (an increase of 2%).

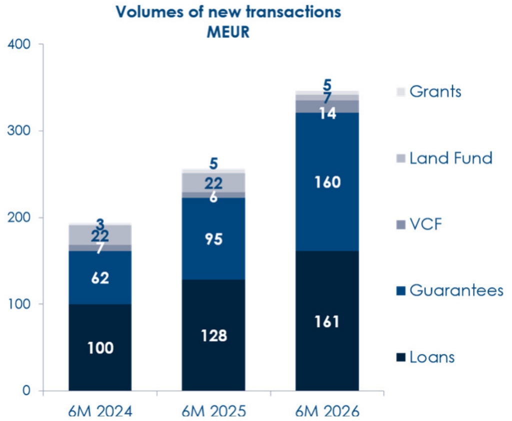
The gross portfolio of support instruments, in terms of the number of projects, increased by 1,830 transactions (an increase of 4%).

Management Report (cont'd)

Operational volumes (cont'd)

Support instruments (cont'd)

In the first six months of 2026, the volume of new support instrument transactions reached EUR 346 million, which was 35% (an increase of EUR 90 million) higher than in the corresponding period of 2025. The increase was mainly driven by a rise in the volume of new guarantee transactions (+EUR 65 million), as well as an increase in new loan transactions (+ EUR 33 million).



The increase in the volume of guarantees in the first six months was mainly driven by commercial guarantees, with the volume of new transactions reaching EUR 90 million (+ EUR 43 million more than in the corresponding period of 2025). As in previous quarters, growth in new transactions continues to be driven by an increase in the average transaction size, reflecting higher demand for guarantees in the construction, trade and manufacturing sectors, as well as for renewable energy projects and management buy-out transactions. Overall, despite geopolitical uncertainty, business activity remains strong, with companies actively investing in development and growth. The volume of new guarantee transactions in the first six months of 2026 was also supported by the attractive terms of ALTUM's products.

Although the volume of new transactions for guarantees to private individuals decreased in the second quarter of 2026 compared with the first quarter, it significantly exceeded the level recorded in the corresponding period in 2025. The volume of new transactions in the first six months of 2026 was EUR 70 million (+ EUR 23 million compared with the corresponding period in 2025). The increase in new transactions was driven by guarantees with a capital rebate issued under the new multi-apartment building energy efficiency programme within the EU Cohesion Policy programming period 2021-2027, with new transactions totalling 31 million euros in the first six months of 2026. New transactions under Housing Guarantee programme also had a relatively modest impact, with demand remaining stable. The volume of new transactions in the first six months of 2026 was EUR 31 million (+ EUR 6 million compared with the corresponding period in 2025).

In loans, the volumes of new transactions was mainly driven by SME Growth Loans, where it reached EUR 37 million (+ EUR 4 million compared with the corresponding period of 2025). As in the first quarter, demand for multi-apartment building energy efficiency loans with a capital rebate, issued under the EU Cohesion Policy programming period 2021-2027, remained high also in the second quarter, with EUR 32 million disbursed in the first six months of 2026. In the second quarter, the volume of new transactions in investment loans with a capital rebate increased, with EUR 21 million euros issued in the first half of 2026 (+ EUR 8 million compared with the corresponding period in 2025).

Management Report (cont'd)

Operational volumes (cont'd)

Support instruments (cont'd)

Although the volume of new transactions under the Recovery and Resilience Facility programmes decreased by EUR 11 million compared with the corresponding period in 2025, reflecting the implementation period of the programmes financed by Facility, the volume of new transactions reached EUR 32 million in the first six months of 2026. The largest share of new transactions under these programmes related to the construction of affordable rental housing, as well as projects aimed at improving energy efficiency of businesses.

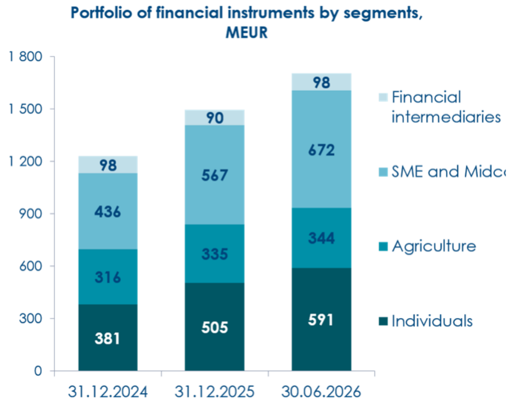
In the Land Fund, the volume of new transactions in the first six months of 2026 amounted to EUR 7 million, reflecting the continuation of the relatively low transaction volumes observed already at the end of 2025. Although the volume of new transactions increased in the second quarter of 2026, it remained EUR 15 million below the level recorded in the corresponding period of 2025.

Management Report (cont'd)

Operational volumes (cont'd)

Segments

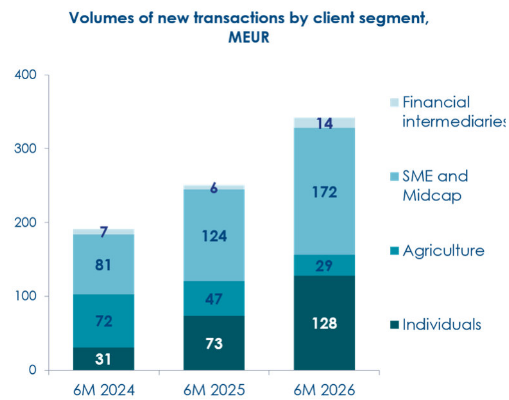
The Individuals segment accounts for 35% of the total portfolio (at the end of 2025: 34%). The largest part (72%) of the Individuals segment consists of guarantee instruments, mainly housing guarantees and guarantees for energy efficiency of multi-apartment buildings, as well as study portfolio guarantees. In this segment, the portfolio recorded an increase of EUR 86 million (17%) in the first six months of 2026. The volume of new transactions increased by EUR 54 million (an increase of 74%) compared to the corresponding period of 2025, reaching EUR 128 million. The highest volume of new transactions in the first six 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 31 million was issued in guarantees and EUR 32 million in loans.



* 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

Demand for housing guarantees for families, service members and young specialists remained strong, with new transactions amounting to EUR 31 million. Active issuance continued under the Recovery Fund rental housing programme, with EUR 13 million issued in the first six months of 2026.

The SME and large corporate segment accounted for 39% of the total portfolio (year-end 2025: 38%), with loan instruments continuing to represent the largest share (55%). In the first six months of 2026, the portfolio of the SME and large corporate segment increased by EUR 105 million (19%), driven by growth in both the guarantee and loan portfolios. The guarantee portfolio increased by EUR 63 million (27%), while the loan portfolio grew by EUR 42 million (13%). Compared with the corresponding period of 2025, the volume of new transactions increased by EUR 48 million (39%) to EUR 172 million, largely driven by programmes



Management Report (cont'd)

Operational volumes (cont'd)

Segments (cont'd)

funded under the EU Cohesion Policy programming period 2021–2027 planning period, with new transactions in these programmes totaling EUR 66 million in the first six months of 2026 (+EUR 19 million versus 2025), including EUR 9 million in loans and EUR 57 million in guarantees. In the first six months of 2026 demand in this segment was particularly strong for loans under the SME Growth Programme, with new transactions amounting to EUR 36 million (+EUR 5 million compared with the corresponding period of 2025). This was followed by investment loans with a capital rebate, where new transactions amounted to EUR 21 million (+EUR 8 million compared with the corresponding period of 2025), as well as Recovery and Resilience Facility programmes for digital transformation and energy efficiency improvements, where new transactions amounted to EUR 15 million.

The agricultural segment accounted for 20% of the portfolio (end -2025: 22%). In this segment, the portfolio increased by EUR 9 million (+3%) in the first six months of 2026. The portfolio growth was mainly driven by the Land Fund portfolio, which increased by EUR 4 million (+2%), as well as the loan portfolio, which grew by EUR 3 million (+2%) in the first six months of 2026. In the loan portfolio, higher demand was observed for working capital loans, with new transactions reaching EUR 9 million (+EUR 1.3 million compared with the corresponding period of 2025). By contrast, lower demand was observed for both small loans in rural areas and loans for land purchase, where new transactions in the first six months of 2026 amounted to EUR 5.3 million (-EUR 3.4 million compared with the corresponding period of 2025), and EUR 4.5 million (-EUR 2.5 million compared with the corresponding period of 2025), respectively.

Financial intermediaries, comprising venture capital programmes, accounted for 6% of the total segment portfolio (31 December 2025: 6%). In the first six months of 2026, the financial intermediaries portfolio increased by EUR 8 million. The growth was mainly driven by investments in fifth-generation venture capital funds from the funding available under the EU Cohesion Policy programming period 2021–2027, with total investments of EUR 6 million made in the first six months of 2026. In the second quarter, the first investments in the IPO Fund were made, amounting to EUR 1 million.

Altum plays an important role in ensuring the availability of financial instruments specifically in the regions, which is ensured through the development of targeted programmes for financing enterprises in the regions (small loans in rural areas, loans for the purchase of agricultural land, land fund, etc.), as well as by proactively introducing conditions encouraging lending in the regions in general programmes implemented by Altum. Since the start of 2024, in order to encourage lending in regions, Altum has been issuing loans of up to EUR 100 thousand to businesses with substantially reduced collateral requirements. In 2025, 70% 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 100 million in the first 6 month of 2026 and EUR 88 million in the first 6 month of 2025.

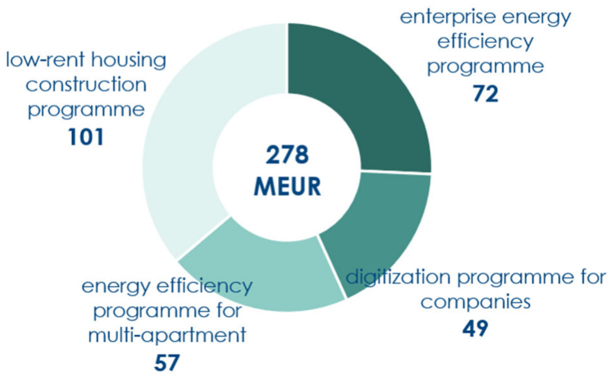
Management Report (cont'd)

New products and increasing operational efficiency

In **Recovery Fund** programmes, as at 30 June 2026, approved transactions totalled EUR 278 million, of which EUR 216 million was disbursed in new transactions, with the total volume of capital rebates paid reaching EUR 81 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.

Recovery Fund programme funding, MEUR



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 30 June 2026, 26 applications for granting support to projects for a total project amount of more than EUR 750 million (the amount of the attributable capital EUR 166 million) have been approved, of which contracts have already been concluded for 25 (attributable amount of capital rebate EUR 160 million), while 9 application from 4th round (attributable amount of capital rebate EUR 66 million) are still being evaluated by Altum. Under this programme EUR 21 million was disbursed in the first 6 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)

As part of Altum's measures to improve operational efficiency and automate processes centralized review of applications for small loans (up to EUR 100 thousand) has been introduced. In the first six months of 2026, 442 projects totalling EUR 14 million were approved through centralized remote assessment, accounting for 35% of all approved loan transactions during the period (average in 2025: 41%). The rejection rate for applications during the same period averaged 36% of all applications received. The average amount of approved transactions in 2026 remained at the 2025 level: EUR 31 thousand. This average amount reflects the fact that 35% of all approved transactions are up to EUR 30 thousand, with an average transaction size of EUR 17 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 remained at EUR 56 thousand comprising both investment loans for the acquisition equipment and machinery, and working capital transactions.

In the first half of 2026 as a part of measures to improve operational efficiency Altum implemented a remote customer identification process. By introducing remote identification, the company achieved one of its efficiency improvement objectives to reduce the number of activities required at 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 synergies between IT and risk management, making client service more modern and significantly more accessible to a wider range of client groups.

In 2024, **Altum launched the process modernisation project 'ATOMS'**, under 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 and receiving Altum support is simple, fast and easy to understand;
- to improve the employee experience by ensuring that staff time is devoted to high-value added activities.

Management Report (cont'd)

New products and increasing operational efficiency (cont'd)

In the first half of 2026, several key strategic initiative areas were implemented under the project, aimed at improving customer experience. Digitising core processes and strengthening the organisation's operational efficiency, including:

- A contact centre was introduced and the transition to unified customer service was completed;
- A remote identification solution was introduced, significantly reducing the time required for both customers and employees. The solution provides a material improvement in customer experience and increases security as documents are also checked for signs of forgery, including deepfakes;
- Prepare preparatory work was completed to enable the transfer to the landing workflow and processes to the newly developed solution;
- Work continued on developing integrations for data exchange between Altum and external data providers;
- Work continued on the first phase of implementing the SME declaration solution, which will provide customers with significant time savings in preparing the declaration.

It is planned that data migration will be carried out and loan transaction processing will commence in the new system in the second half of 2026.

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 393 million was established as at 30 June 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 CO_2 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. Guarantee instruments constitute another important component of ALTUM's contribution to the clean transition. Through guarantees provided to private commercial lenders, ALTUM helps reduce financing risks and facilitates access to finance for sustainable investment projects (e.g., solar parks, battery energy storage systems). Since mid-2026, 0% guarantee premium has been applied to SME/MidCap projects that qualify under private commercial lenders' sustainability frameworks, supporting green and sustainable investments and energy efficiency improvements.

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 CO_2 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. For the establishment of the fund, taking into account the European Commission's guidance, the possibility of establishing an Altum subsidiary is being assessed, which could make investments without being subject to state aid.

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.

A loan programme of the Ministry of Agriculture with a capital rebate for entities engaged in agricultural and other economic activity in rural areas is also under development, as are loan restructuring programmes for farmers, with their launch planned in the third quarter of 2026.

Reinis Bērziņš
Chairman of the Management Board

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

Supervisory Council and Management Board

Supervisory Council

Name, Surname	Position	Appointment Date	Date of expiry of the term of the mandate
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	27.05.2024.	26.05.2027.
Inese Zīle	Member of the Board	27.05.2024.	26.05.2027.
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 22 to 84 are prepared in accordance with the source documents and give a true and fair view of the financial position of the Company as of 30 June 2026 and 31 December 2025 and the results of its operations, changes in the shareholders' equity and cash flows for the six months periods ended 30 June 2026 and 30 June 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

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

Statement of Comprehensive Income

All amounts in thousands of euros

	Notes	01.01.2026.-30.06.2026.	01.01.2025.-30.06.2025.
Interest income at effective interest rate [1]	4	19 101	16 113
Other interest and similar income [1]	4	3 150	3 478
Interest expense	4	(12 191)	(9 804)
Net interest income		10 060	9 787
Income from implementation of state aid programmes	5	5 566	3 541
Expenses to be compensated for implementation of state aid programmes	6	(4 623)	(3 309)
Net income for implementation of state aid programmes		943	232
Gain / (losses) from trading securities and foreign exchange translation	4	2	(7)
Share of gains of investment in associate and other investments	7	645	3 209
(Losses) of investment in associate and other investments less losses from liabilities at fair value through profit or loss	8	818	(1 088)
Net gain from loans at fair value through profit or loss	9	-	(1 387)
Other income		2 244	2 241
Other expense		(468)	(783)
Operating income before operating expenses		14 244	12 204
Staff costs	4	(3 332)	(3 633)
Administrative expense	4	(623)	(824)
Amortisation of intangible assets and depreciation of property, plant and equipment	4	(512)	(355)
Allowances for expected credit losses	10	350	1 421
Profit before corporate income tax		10 127	8 813
Profit for the period		**10 127**	**8 813**
Other comprehensive income:		(41)	583
Items to be reclassified to profit or loss in subsequent periods Net profit / (loss) from financial assets measured at fair value through other comprehensive income		(41)	583
Total comprehensive income for the period		**10 086**	**9 396**

[1] Following a review of interest classification as at 30 June 2025, loan Commission income in the amount of EUR 1.35 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 22 to 84 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	30.06.2026.	31.12.2025.
Assets			
Due from credit institutions and the State Treasury		693 338	839 708
including cash and cash equivalents		*643 238*	*678 860*
Financial assets at fair value through other comprehensive income - investment securities	11	262 313	130 859
Financial assets at amortised cost - loans	12	473 603	438 864
Financial assets at fair value through profit or loss - loans with capital rebate	13	105 805	79 277
Grants		5 815	4 241
Deferred expense		891	479
Accrued income		10 966	8 347
Investments in associates	14	64 649	63 867
Other investments	15	41 477	34 228
Investment property	16	124 103	120 819
Property, plant and equipment		4 085	4 251
Intangible assets		2 511	2 398
Other assets		2 343	2 708
Total assets		**1 791 899**	**1 730 046**
Liabilities			
Due to credit institutions		45 009	23 225
Due to general government entities		262 711	262 894
Financial liabilities at amortised cost - Issued debt securities	17	90 180	91 404
Deferred income		12 448	7 260
Accrued expense		1 118	1 013
Liabilities from financial guarantees	18	52 907	53 620
Provisions for off-balance sheet liabilities		1 828	1 629
Support programme funding	19	866 305	839 469
Other liabilities		3 570	3 795
Total liabilities		1 336 076	1 284 309
Equity			
Share capital		211 033	211 033
Reserves	20	232 610	200 528
Revaluation reserve of financial assets measured at fair value through other comprehensive income	23	2 053	2 094
Retained earnings		10 127	32 082
Total equity		455 823	445 737
Total equity and liabilities		**1 791 899**	**1 730 046**

The accompanying notes on pages 22 to 84 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 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	-	-	-	-	-	8 813	8 813
Other comprehensive income	-	-	-	-	583	-	583
Total comprehensive income	-	-	-	-	583	8 813	9 396
Increase of reserve capital (Note 20)	-	2 805	-	-	-	-	2 805
Reallocation of general reserves to specific reserves attributable to support programmes (Note 20)	-	(5 000)	-	-	-	-	(5 000)
Distribution of 2024 profit	-	-	28 663	-	-	(28 663)	-
Distribution of Specific Reserves to General reserve capital at distribution of the profit for year 2024	-	1 381	(1 381)	-	-	-	-
As at 30 June 2025	**211 033**	**113 964**	**102 304**	**(15 935)**	**3 077**	**8 813**	**423 256**
Profit for the period	-	-	-	-	-	23 269	23 269
Other comprehensive income	-	-	-	-	(983)	-	(983)
Total comprehensive income	-	-	-	-	(983)	23 269	22 286
Increase of reserve capital (Note 20)	-	195	-	-	-	-	195
As at 31 December 2025	**211 033**	**114 159**	**102 304**	**(15 935)**	**2 094**	**32 082**	**445 737**
Profit for the period	-	-	-	-	-	10 127	10 127
Other comprehensive income	-	-	-	-	(41)	-	(41)
Total comprehensive income	-	-	-	-	(41)	10 127	10 086
Distribution of 2025 profit	-	-	32 082	-	-	(32 082)	-
Distribution of Specific Reserves to General reserve capital at distribution of the profit for year 2025	-	(570)	570	-	-	-	-
As at 30 June 2026	**211 033**	**113 589**	**134 956**	**(15 935)**	**2 053**	**10 127**	**455 823**

The accompanying notes on pages 22 to 84 form an integral part of these financial statements.

altum

Statement of Cash Flows

All amounts in thousands of euros

	Notes	01.01.2026.-30.06.2026.	01.01.2025.-30.06.2025.
Cash and cash equivalents at the beginning of period		678 860	455 715
Cash flows from operating activities			
Profit before taxes		10 127	8 813
Amortisation of intangible assets and depreciation of property, plant and equipment		512	355
(Decrease) in allowances for expected credit losses	10	(350)	(1 421)
Revaluation of investment properties	16	(16)	(72)
Revaluation of Investments in associates		(132)	(729)
Revaluation of other investment funds		(1 333)	(1 349)
Revaluation of loans with capital rebate	13	-	1 387
Interest income at the effective interest rate	4	(19 101)	(16 113)
Interest and similar income	4	(3 150)	(3 478)
Interest expense	4	12 191	9 804
(Gain) / loss from exchange differences	4	(2)	7
(Decrease) of cash and cash equivalents from operating activities before changes in assets and liabilities		**(1 254)**	**(2 796)**
(Increase) of loans		(109 926)	(79 852)
(Increase) of grants		(4 396)	(4 010)
Increase of due to credit institutions and general government entities		21 186	24 665
(Decrease) in deferred income and accrued expense		(1 527)	5 450
(Increase) in deferred expense and accrued income		(3 681)	(8 180)
Net increase in support programme funding		91 014	201 075
Paid-up capital rebate for guarantees with capital rebate	19	(9 748)	-
Decrease of other assets		384	606
(Decrease) in other liabilities		(945)	(2 325)
Increase of cash and cash equivalents from operating activities after changes in operating assets and liabilities		**(18 893)**	**134 633**
Interest received		24 559	21 576
Interest paid		(7 255)	(3 431)
Net cash flows from operating activities		**(1 589)**	**152 778**
Cash flows from investment activities			
Financial assets at fair value through other comprehensive income - investment securities, (Acquisition)		(142 530)	-
Financial assets at fair value through other comprehensive income - investment securities, Disposal		9 915	22 832
Debt securities issued: net issuance/(repayment)		-	24 887
Term deposits (Increase)		(50 000)	(70 000)
Term deposits decrease		160 000	160 000
Acquisition of property, plant and equipment and intangible assets		(484)	(745)
Purchase of investment properties	16	(3 362)	(15 284)
Sale of investment properties	16	381	1 587
Investments in associates, (Acquisition)	14	(6 451)	(4 349)
Investments in associates, Disposal	14	4 414	10 414
Investments in other investment funds, (Acquisition)	15	(6 196)	(2 100)
Investments in other investment funds, Disposal	15	280	121
Net cash flows from investing activities		**(34 033)**	**127 363**
Cash flows from financing activities			
Increase of reserve capital	20	-	2 805
Net cash flows from financing activities		**-**	**2 805**
Increase / (decrease) in cash and cash equivalents		(35 622)	282 946
Cash and cash equivalents at the end of the period		**643 238**	**738 661**

The accompanying notes on pages 22 to 84 form an integral part of these financial statements.

Approval of the Financial Statements

The Management of the Company has approved these unaudited interim condensed financial statements on 26 August 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 6 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 30 June 2026 amounted to EUR 40.7 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 Tittle	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 Baltcap 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 KS Buildit 5G fund AIF, 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 an presentation currency of the Company is euro.

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

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

Other new or amended IFRSs or interpretations issued and not yet endorsed for use in the EU as at 30 June 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	
	30.06.2026.	31.12.2025.	30.06.2026.	31.12.2025.	30.06.2026.	31.12.2025.	30.06.2026.	31.12.2025.	30.06.2026.	31.12.2025.
Financial assets at AC										
Due from credit institutions and the Treasury	693 364	839 734	-	-	-	-	-	-	693 364	839 734
Allowances for expected credit losses	(26)	(26)	-	-	-	-	-	-	(26)	(26)
Total net due from credit institutions and the Treasury	**693 338**	**839 708**	**-**	**-**	**-**	**-**	**-**	**-**	**693 338**	**839 708**
Investment securities	-	-	-	-	3 662	3 552	-	-	3 662	3 552
Allowances for expected credit losses	-	-	-	-	(3 662)	(3 552)	-	-	(3 662)	(3 552)
Total net investment securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loans and receivables	372 448	358 339	78 599	66 474	45 626	35 250	-	-	496 673	460 063
Allowances for expected credit losses[1, 2]	(5 787)	(5 970)	(4 501)	(4 010)	(12 782)	(11 219)	-	-	(23 070)	(21 199)
Total net loans and receivables	**366 661**	**352 369**	**74 098**	**62 464**	**32 844**	**24 031**	**-**	**-**	**473 603**	**438 864**
Other financial assets	535	1 040	-	-	1 340	769	1 727	1 744	3 602	3 553
Allowances for expected credit losses	(30)	(30)	-	-	(1 069)	(655)	(160)	(160)	(1 259)	(845)
Total net other financial assets	**505**	**1 010**	**-**	**-**	**271**	**114**	**1 567**	**1 584**	**2 343**	**2 708**
Total financial assets at AC	**1 066 347**	**1 199 113**	**78 599**	**66 474**	**50 628**	**39 571**	**1 727**	**1 744**	**1 197 301**	**1 306 902**
Allowances for expected credit losses	(5 843)	(6 026)	(4 501)	(4 010)	(17 513)	(15 426)	(160)	(160)	(28 017)	(25 622)
Total net financial assets at AC	**1 060 504**	**1 193 087**	**74 098**	**62 464**	**33 115**	**24 145**	**1 567**	**1 584**	**1 169 284**	**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	
	30.06.2026.	31.12.2025.	30.06.2026.	31.12.2025.	30.06.2026.	31.12.2025.	30.06.2026.	31.12.2025.	30.06.2026.	31.12.2025.
Financial assets at FVOCI										
Investment securities	262 469	131 015	-	-	-	-	-	-	262 469	131 015
Allowances for expected credit losses	(156)	(156)	-	-	-	-	-	-	(156)	(156)
Total net investment securities	**262 313**	**130 859**	**-**	**-**	**-**	**-**	**-**	**-**	**262 313**	**130 859**
Total financial assets at FVOCI	**262 469**	**130 859**	**-**	**-**	**-**	**-**	**-**	**-**	**262 469**	**131 015**
Allowances for expected credit losses	(156)	(156)	-	-	-	-	-	-	(156)	(156)
Total net financial assets at FVOCI	**262 313**	**130 703**	**-**	**-**	**-**	**-**	**-**	**-**	**262 313**	**130 859**
Off-balance sheet items and contingent liabilities										
Outstanding guarantees	703 452	603 517	25 941	14 955	8 348	9 472	-	-	737 741	627 944
Allowances for expected credit losses[1]	(41 945)	(43 633)	(2 457)	(1 916)	(4 444)	(4 173)	-	-	(48 846)	(49 722)
Total net outstanding guarantees	**661 507**	**559 884**	**23 484**	**13 039**	**3 904**	**5 299**	**-**	**-**	**688 895**	**578 222**
Loan commitments	342 812	251 529	1 564	488	178	-	-	-	344 554	252 017
Allowances for expected credit losses [1]	(1 386)	(1 521)	(289)	(11)	(56)	-	-	-	(1 731)	(1 532)
Total net loan commitments	**341 426**	**250 008**	**1 275**	**477**	**122**	**-**	**-**	**-**	**342 823**	**250 485**
Total off-balance items and contingent liabilities	**1 046 264**	**855 046**	**27 505**	**15 443**	**8 526**	**9 472**	**-**	**-**	**1 082 295**	**879 961**
Allowances for expected credit losses	(43 331)	(45 154)	(2 746)	(1 927)	(4 500)	(4 173)	-	-	(50 577)	(51 254)
Total net off-balance items and contingent liabilities	**1 002 933**	**809 892**	**24 759**	**13 516**	**4 026**	**5 299**	**-**	**-**	**1 031 718**	**828 707**

[1] Includes total net impairment provisions of EUR 258 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					Gross carrying amount				
	Stage 1	Stage 2	Stage 3	Simplified approach	**Total**	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	(380)	1 216	-	-	836	(28 577)	29 774	-	-	1 197
to credit impaired (from Stage 1 and Stage 2 to Stage 3)	(130)	(394)	3 485	-	2 961	(10 254)	(7 466)	17 354	-	(366)
from Stage 3 to Stage 2	-	417	(635)	-	(218)	-	2 621	(2 775)	-	(154)
to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	57	(233)	-	-	(176)	6 026	(6 310)	-	-	(284)
New originated or purchased	428	-	-	-	428	52 839	-	-	-	52 839
Derecognised during the period	(74)	(39)	(453)	-	(566)	(14 861)	(3 154)	(1 916)	-	(19 931)
Changes to ECL measurement model assumptions (PD, LGD)	-	-	-	-	-	-	-	-	-	-
Changes to ECL measurement model assumptions (macroeconomic factors)	-	-	-	-	-	-	-	-	-	-
Changes in ECL impairment overlay	(111)	(297)	-	-	(408)	-	-	-	-	-
Decrease in the allowance for mortgage interest refunds	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	(170)	-	(170)	-	-	(170)	-	(170)
Change of outstanding balance [2]	27	(179)	(664)	-	(816)	8 936	(3 340)	(2 117)	-	3 479
As at 30 June 2026	**5 787**	**4 501**	**12 782**	**-**	**23 070[1]**	**372 448**	**78 599**	**45 626**	**-**	**496 673**

[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 566 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 517 thousand (31 December 2025: EUR 605 thousand); see Appendix 3(3);

3) the expected credit loss provision reserve of EUR 788 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 408 thousand includes the conversion of the reserve from the general reserve to individual provisions of EUR 231 thousand, the reversal of the reserve due to portfolio amortization of EUR 177 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	(1 680)	1 374	-	(306)	(12 773)	15 399	-	2 626
to credit impaired (from Stage 1 and Stage 2 to Stage 3)	(112)	(57)	772	603	(1 219)	(266)	1 408	(77)
from Stage 3 to Stage 2	-	2	(3)	(1)	-	4	(5)	(1)
to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	137	(403)	(20)	(286)	2 904	(2 843)	(49)	12
New originated or purchased	6 445	-	-	6 445	158 988	-	-	158 988
Derecognised during the period	(2 310)	(79)	(581)	(2 970)	(39 123)	(1 184)	(2 236)	(42 543)
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	(7)	-	(145)	(152)	(382)	-	(202)	(584)
Write-offs	-	-	-	-	-	-	-	-
Change of outstanding balance [1]	(4 161)	(296)	248	(4 209)	(8 460)	(124)	(40)	(8 624)
As at 30 June 2026	**41 945**	**2 457**	**4 444**	**48 846**	**703 452**	**25 941**	**8 348**	**737 741**

[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:

	30.06.2026.	31.12.2025.
Performing	460 020	415 609
Past due up to 30 days	21 069	26 723
Past due from 31 to 60 days	1 720	5 203
Past due from 61 to 90 days	697	1 912
Past due over 90 days	13 167	10 616
Total gross loans, without interest accrued on the loans	**496 673**	**460 063**
Impairment allowances	(23 070)	(21 199)
Total net loans	**473 603**	**438 864**

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

	30.06.2026.	31.12.2025.
Performing	228 489	192 935
Past due up to 30 days	19 192	4 543
Past due from 31 to 60 days	-	516
Past due from 61 to 90 days	-	-
Past due over 90 days	250	166
Total gross loans before recognition at fair value impact	**247 931**	**198 160**
Fair value (decrease) of potential future capital rebate component	(146 882)	(125 263)
Net increase in fair value of the loan component	4 756	6 380
Total net loans at fair value	**105 805**	**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:

	30.06.2026.	31.12.2025.
Real estate (loans)	247 651	233 372
Real estate (sales and leaseback)	37 479	37 005
Movable property	134 488	119 427
Guarantees	897	1 316
Total collateral	**420 515**	**391 120**
Loan portfolio, gross	744 604	658 223
Impairment allowances	(23 070)	(21 199)
Fair value (decrease) of potential future capital rebate component	(146 882)	(125 263)
Net increase in fair value of the loan component	4 756	6 380
Loan portfolio, net [1]	579 408	518 141
Exposed	**27.42%**	**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 30 June 2026 was EUR 56,904 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 30 June 2026 was EUR 51,846 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 30 June 2026 amounted to EUR 22,077 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 30 June 2026 amounted to EUR 25,451 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 30 June 2026 amounted to EUR 21,673 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:

	30.06.2026.	31.12.2025.
Assets exposed to credit risk		
Due from credit institutions and the Treasury	693 338	627 769
Financial assets at fair value through other comprehensive income - investment securities	262 313	183 572
Financial assets at amortised cost - loans	473 603	412 249
Financial assets at fair value through profit or loss - Loans with capital rebate	105 805	24 971
Investments in associates	64 649	72 227
Other investments	41 477	29 043
Other assets	2 343	2 937
Total	**1 643 528**	**1 352 768**
Off-balance sheet items exposed to credit risk		
Contingent liabilities – Guarantees	737 741	523 538
Financial commitments	542 517	238 700
Total	**1 280 258**	**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 30 June 2026, part of the Company's assets in the amount of EUR 317,037 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 306,037 thousand. In accordance with the agreements the Company ensures, that assets in amount of EUR 59,719 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 627,165 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 30 June 2026 was EUR 286,708 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 30 June 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	7 829	32 016	9 418	-	-	49 263
Due to general governments	33 028	130 232	77 091	42 473	53 691	336 515
Issued debt securities	22 458	77 178	-	-	-	99 636
Support programme funding [2]	40 113	306 702	94 840	139 297	285 353	866 305
Other liabilities	3 244	326	-	-	-	3 570
Total financial liabilities	**106 672**	**546 454**	**181 349**	**181 770**	**339 044**	**1 355 289**
Off-balance sheet items and contingent liabilities	868 583	127 345	284 330	-	-	1 280 258
Total financial liabilities, off-balance items and contingent liabilities [3]	**975 255**	**673 799**	**465 679**	**181 770**	**339 044**	**2 635 547**
Due from credit institutions and the Treasury	693 338	-	-	-	-	693 338
Investment securities	200 364	61 949	-	-	-	262 313
Liquid assets	**893 702**	**61 949**	**-**	**-**	**-**	**955 651**

[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 30 June 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 183 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 40 million is reflected under the *Up to 1 year* term, EUR 124 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 362 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 30 June 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	-	282	3 602	3 945	7 829
Due to general governments	10 246	354	4 136	18 292	33 028
Issued debt securities	-	-	21 049	1 409	22 458
Support programme funding	368	-	2 260	37 485	40 113
Other liabilities	2 698	432	82	32	3 244
Total financial liabilities	**13 312**	**1 068**	**31 129**	**61 163**	**106 672**
Off-balance sheet items and contingent liabilities [1]	822 762	10 534	12 844	22 443	868 583
Total financial liabilities, off-balance items and contingent liabilities	**836 074**	**11 602**	**43 973**	**83 606**	**975 255**
Due from credit institutions and the Treasury [2]	683 327	-	-	10 011	693 338
Investment securities	16 932	55 159	87 193	41 080	200 364
Liquid assets	**700 259**	**55 159**	**87 193**	**51 091**	**893 702**

[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 478,811 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 344,554 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 3,510 thousand (up to 1 year) – from respective grant support programme funding (see Note 19).

Commitments to investments in associates in amount of EUR 37,468 thousand (up to 1 year) – from respective venture capital fund support programme funding (see Note 19), AIF "Altum capital fund"– from specific reserve capital (see Note 20), investments in the Baltic SME Initial Public Offering Fund 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 7,750 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	306 239	87 625	145 368	254 209	839 469
Other liabilities	3 454	341	-	-	-	3 795
Total financial liabilities	**117 042**	**520 485**	**165 611**	**189 236**	**310 750**	**1 303 124**
Off-balance sheet items and contingent liabilities	684 032	172 018	179 926	-	-	1 035 976
Total financial liabilities, off-balance items and contingent liabilities [3]	**801 074**	**692 503**	**345 537**	**189 236**	**310 750**	**2 339 100**
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), AIF "Altum capital fund"– from specific reserve capital (see Note 20), investments in the Baltic SME Initial Public Offering Fund 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 30 June 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]	683 327	-	-	10 011	-	-	693 338
Investment securities [2]	16 932	55 159	87 193	41 080	61 949	-	262 313
Loans [3]	12 212	8 156	36 154	46 596	241 722	234 568	579 408
Grants	160	911	459	789	3 496	-	5 815
Deferred expense and accrued income	256	70	3 332	318	2 239	5 642	11 857
Investments in associates	5 215	1 216	238	2 266	44 063	11 651	64 649
Other investments	-	-	-	3 630	-	37 847	41 477
Investment property	-	-	-	-	-	124 103	124 103
Property, plant and equipment	-	-	-	-	-	4 085	4 085
Intangible assets	-	-	-	-	-	2 511	2 511
Other assets	2 103	72	27	25	103	13	2 343
Total assets	**720 205**	**65 584**	**127 403**	**104 715**	**353 572**	**420 420**	**1 791 899**
Liabilities							
Due to credit institutions	-	256	3 310	3 305	29 075	9 063	45 009
Due to general governments	10 219	354	1 773	13 739	102 911	133 715	262 711
Issued debt securities	-	-	20 045	196	69 939	-	90 180
Deferred income and accrued expense	311	169	883	99	599	11 505	13 566
Provisions	29 955	670	260	426	2 629	20 795	54 735
Support programme funding [4]	368	-	2 260	37 485	306 702	519 490	866 305
Other liabilities	2 698	432	82	32	326	-	3 570
Total liabilities	**43 551**	**1 881**	**28 613**	**55 282**	**512 181**	**694 568**	**1 336 076**
Net liquidity	**676 654**	**63 703**	**98 790**	**49 433**	**(158 609)**	**(274 148)**	**455 823**

[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 183 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 40 million is reflected under the *Up to 1 year* term, EUR 124 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 30 June 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	6 871	29 075	9 063	-	-	45 009
Due to general governments	26 085	102 911	57 791	31 160	44 764	262 711
Issued debt securities	20 241	69 939	-	-	-	90 180
Support programme funding	40 113	306 702	94 840	139 297	285 353	866 305
Other liabilities	3 244	326	-	-	-	3 570
Total financial liabilities	**96 554**	**508 953**	**161 694**	**170 457**	**330 117**	**1 267 775**

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 30 June 2026, the Company's exposure related to these customers' counterparties located in Ukraine amounted to EUR 432 thousand, for which a provision of EUR 66 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 30 June 2026:

	2026	2027	2028
GDP annual growth rate, in %			
Base case scenario [1]	2.7	2.8	2.9
Adverse scenario	0.7	0.8	2.3
Optimistic scenario	4.5	4.6	3.4
Weighted average [2]	**2.5**	**2.6**	**2.8**

[1] The base case scenario combines two external scenarios, using the information available by 30 June 2026:

(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.

The indirect cumulative impact of the forward-looking macroeconomic forecasts used to calculate expected credit losses on loans, credit commitments and guarantees as at 30 June 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 1,082 thousand (31 December 2025: EUR 1,254 thousand). In the first six months of 2026, the general provision reserve for loans was reduced by EUR 92 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 80 thousand (see Note 3 (1)).

In the second quarter of 2026, the Company began assessing the impact of the geopolitical situation when reviewing loan and credit guarantee applications. Before an application is reviewed by the decision-making body, an assessment is obtained from the borrower on how the geopolitical situation affects its business operations, including changes in energy and raw material prices, supply chain disruptions and fluctuations in sales volumes. In the creditworthiness analysis, financial forecasts take into account the potential impact of geopolitical risks and assume an increase in Euribor for liabilities with a variable interest rate, while additional requirements for preparing forecasts and applying cost assumptions are set for certain sectors, including agriculture. An assessment of the impact of the geopolitical situation on the borrower's operations is included in the materials prepared for the decision-making body.

As of 30 June 2026, the cumulative impact of geopolitical risks 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 30 June 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	16 957	78	248	-	1 690	-	128	19 101
of which from loans:	15 302	-	-	-	1 690	-	-	16 992
of which pass-through arrangement from loans	4 171	-	-	-	-	-	-	4 171
of which from deposits	1 655	78	248	-	-	-	128	2 109
of which pass-through arrangement from deposits	209	35	92	-	-	-	128	464
Other interest and similar income:	351	2 753	46	-	-	-	-	3 150
of which from guarantees:	-	1 436	-	-	-	-	-	1 436
of which pass-through arrangement from guarantees	-	204	-	-	-	-	-	204
of which from investment securities:	351	1 317	46	-	-	-	-	1 714
of which pass-through arrangement from investment securities	4	856	46	-	-	-	-	906
Interest expense:	(9 238)	(1 098)	(137)	-	(1 590)	-	(128)	(12 191)
of which pass-through arrangement	(4 384)	(1 095)	(138)	-	-	-	(128)	(5 745)
Income for implementation of state aid programmes	3 065	723	1 585	210	-	-	(17)	5 566
Expenses to be compensated for implementation of state aid programmes	(2 289)	(619)	(1 496)	(210)	-	-	(9)	(4 623)
Gains from debt securities and foreign exchange translation	2	-	-	-	-	-	-	2
Share of profit/(losses) of investment in associates and other investment funds	-	-	645	-	-	-	-	645
of which investments in associates	-	-	(688)	-	-	-	-	(688)
of which other investment funds	-	-	1 271	-	-	-	-	1 271
of which other investments	-	-	62	-	-	-	-	62
Gains less losses from liabilities at fair value through profit or loss	-	-	818	-	-	-	-	818
Net gain on loans at fair value through profit or loss:	-	-	-	-	-	-	-	-
Other income	-	-	-	16	2 180	47	1	2 244
Other expense	(100)	(42)	(5)	(10)	(258)	(51)	(2)	(468)
Staff costs	(2 031)	(365)	(113)	(259)	(257)	-	(307)	(3 332)
Administrative expense	(420)	(51)	(17)	(70)	(65)	-	-	(623)
Amortisation of intangible assets and depreciation of property, plant and equipment	(348)	(77)	(22)	(41)	(23)	-	(1)	(512)
Allowance for expected credit-losses, net	481	(636)	-	-	1	-	-	(154)
Profit from assets held for sale revaluation	503	-	-	-	1	-	-	504
Total segment profit/(loss)	**6 933**	**666**	**1 552**	**(364)**	**1 679**	**(4)**	**(335)**	**10 127**
Financial assets at fair value through profit or loss	-	-	64 649	-	-	-	-	64 649
Other investments	-	-	41 477	-	-	-	-	41 477
of which other investments	-	-	3 630	-	-	-	-	3 630
Additions of property and equipment, intangible assets and investment property	326	72	25	38	3 384	-	1	3 846
Total segment assets	**1 129 810**	**200 974**	**213 429**	**12 936**	**164 920**	**-**	**69 830**	**1 791 899**
Total segment liabilities	**876 874**	**201 080**	**34 138**	**12 608**	**114 240**	**-**	**97 136**	**1 336 076**
Total off-balance	**344 498**	**737 741**	**197 963**	**3 510**	**56**	**-**	**-**	**1 283 768**
Assets under management (AUM)	-	-	-	-	-	16 194	-	16 194

[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 30 June 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:	13 966	237	-	-	1 845	-	65	*16 113*
of which from loans:	13 108	-	-	-	1 830	-	-	*14 938*
of which pass-through arrangement from loans	3 398	-	-	-	-	-	-	*3 398*
of which from deposits	858	237	-	-	-	-	65	*1 160*
Other interest and similar income (Note5):	696	2 582	190	-	10	-	-	*3 478*
of which from guarantees:	-	*1 468*	-	-	-	-	-	*1 468*
of which pass-through arrangement from guarantees	-	*371*	-	-	-	-	-	*371*
of which from investment securities:	696	*1 114*	*190*	-	*10*	-	-	*2 010*
of which from investment securities	-	*667*	*190*	-	-	-	-	*857*
Interest expense:	(7 632)	(1 037)	(190)	-	(880)	-	(65)	*(9 804)*
of which pass-through arrangement	(3 398)	(1 038)	(190)	-	-	-	-	*(4 626)*
Income for implementation of state aid programmes	1 921	823	707	79	-	-	11	3 541
Expenses to be compensated for implementation of state aid programmes	(1 864)	(670)	(685)	(79)	-	-	(11)	(3 309)
Gains from debt securities and foreign exchange translation	(7)	-	-	-	-	-	-	(7)
Share of profit/(losses) of investment in associates and other investment funds	-	-	3 209	-	-	-	-	3 209
Gains less losses from liabilities at fair value through profit or loss	-	-	(1 088)	-	-	-	-	(1 088)
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	-	-	-	20	2 120	87	14	2 241
Other expense	(370)	(44)	(6)	(11)	(263)	(87)	(2)	(783)
Staff costs	(2 133)	(323)	(148)	(415)	(233)	-	(381)	(3 633)
Administrative expense	(479)	(80)	(56)	(136)	(70)	-	(3)	(824)
Amortisation of intangible assets and depreciation of property, plant and equipment	(236)	(54)	(17)	(32)	(15)	-	(1)	(355)
Allowance for expected credit-losses, net	1 520	(537)	2	-	(3)	-	-	982
Profit or (loss) from assets held for sale revaluation	439	-	-	-	-	-	-	439
Total segment profit/(loss)	**4 434**	**897**	**1 918**	**(574)**	**2 511**	**-**	**(373)**	**8 813**
Financial assets at fair value through profit or loss	-	-	67 139	-	-	-	-	67 139
Other investments	-	-	32 371	-	-	-	-	32 371
Additions of property and equipment, intangible assets and investment property	491	113	41	66	15 315	-	2	16 028
Total segment assets	**1 062 963**	**149 936**	**194 470**	**12 252**	**155 423**	**-**	**128 141**	**1 703 185**
Total segment liabilities	**827 228**	**161 284**	**25 486**	**11 733**	**104 725**	**-**	**149 473**	**1 279 929**
Total off-balance	**220 920**	**570 559**	**98 075**	**3 375**	**448**	**-**	**-**	**893 377**
Assets under management (AUM)	-	-	-	-	-	23 333	-	23 333

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.-30.06.2026.	01.01.2025.-30.06.2025.
Compensation of expenses for management of state support programmes [1]	4 290	2 829
Compensated venture capital fund management fees	1 248	481
Compensated administrative expense	28	205
Income on compensated placement expenses of unrestricted funds	-	26
Total income from implementation of state support programmes	**5 566**	**3 541**

[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 178 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.-30.06.2026.	01.01.2025.-30.06.2025.
Compensated staff costs	2 483	2 104
Compensated administrative expense	892	724
Compensated venture capital fund management fees	1 248	481
Total compensated expense for implementation of state support programmes	**4 623**	**3 309**

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.-30.06.2026.		01.01.2025.-30.06.2025.	
VCF 2nd, 3rd, un 4th generation	(850)	129	1 044	(2)
VCF 5th generation	16	-	-	-
Baltic Innovation Fund	(176)	-	33	-
AIF Altum Capital Fund [1]	322	61	784	167
Total investment in associates	(688)	190	1 861	165
Baltic Innovation Fund-2	531	-	159	-
Three Seas Initiative Investment Fund	740	-	1 189	-
CVI Private Debt Fund II S.C.A.	62	-	-	-
Total other investments	1 333	-	1 348	-
Share of net gain /(loss) of investment in associate and other investments	**645**	**190**	**3 209**	**165**

[1] Incl. AIF Altum Capital Fund interest income in the 6 months of 2026: EUR 421 thousand (in the 6 months of 2025: EUR 469 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	(1 339)	387
Realised gain on investments in 2nd and 3rd generation venture capital funds, net	81	-
Mezzanine interest received from investments in 2nd and 3rd generation venture capital funds	1	23
Revaluation (loss) on investments in 4th generation venture capital funds, net	(63)	(227)
Revaluation gains on investments in 4th generation venture capital funds	48	-
Mezzanine interest received from investments in 4th generation venture capital funds	422	861
Mezzanine interest received from investments in 5th generation venture capital funds	16	-
Baltic Innovation Fund revaluation gains, net	16	44
Total gain less losses from liabilities at fair value through profit or loss	**(818)**	**1 088**
Gains/(losses) of investment in associate less losses from liabilities at fair value through profit or loss at 30 June	**818**	**(1 088)**

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.- 30.06.2026.	01.01.2026.- 30.06.2026.	01.01.2026.- 30.06.2026.	01.01.2026.- 30.06.2026.	01.01.2026.- 30.06.2026.
Net increase/(decrease) in fair value of capital rebate component	(44 764)	-	45 119	-	355
Net increase/ (decrease in fair value of loan component	-	(1 624)	-	-	(1 624)
Write-off of previously recognised fair value change upon appliance of capital rebate	23 145	-	(23 323)	-	(178)
Total net increase / (decrease) in fair value	**(21 619)**	**(1 624)**	**21 796**	**-**	**(1 447)**
Net increase in fair value compensated from public funding (allocated to public funding)	-	-	-	1 447	1 447

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.

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

All amounts in thousands of euros

	Change in fair value of capital rebate component	Change in fair value of loan component	Change in fair value of public funding	Changes in fair value compensated from public funding [1]	Net profit/ (loss)
	01.01.2025-30.06.2025	01.01.2025-30.06.2025	01.01.2025-30.06.2025	01.01.2025-30.06.2025	01.01.2025-30.06.2025
Net increase/(decrease) in fair value of capital rebate component	(35 531)	-	30 669	-	(4 862)
Net increase/ (decrease in fair value of loan component	-	(2 265)	-	-	(2 265)
Write-off of previously recognised fair value change upon appliance of capital rebate	11 711	-	(10 252)	-	1 459
Total net increase / (decrease) in fair value	**(23 820)**	**(2 265)**	**20 417**	-	**(5 668)**

[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.

As at 30 June 2026 the Company has issued the loans with capital rebate amounting EUR 248 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 30 June 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:	16 050	1 343	(13 295)	(102)	2 653
Loans	5 915	157	(4 478)	(102)	1 335
Financial assets related to loan agreements	6	-	-	-	6
Guarantees	9 364	1 186	(8 139)	-	1 225
Loan commitments	765	-	(678)	-	87
Reversal of impairment on:	(14 099)	(796)	11 600	-	(2 499)
Loans	(4 173)	(347)	2 193	-	(1 980)
Investment securities	(1)	-	-	-	(1)
Guarantees	(9 657)	(449)	9 154	-	(503)
Loan commitments	(268)	-	253	-	(15)
Total impairment losses / (reversal), net	1 951	547	(1 695)	(102)	154
(Income) from the recovery of written-down assets	(517)	(288)	13	-	(504)
Total ECL reduction loss and (income) from recoveries of written-off assets.	**1 434**	**259**	**(1 682)**	**(102)**	**(350)**

10 Allowances for expected credit losses (cont'd)

Analysis of expected credit loss movements for the period from 1 January 2025 till 30 June 2025, in thousands of euros:

	Loss/(income) on expected credit losses and recoveries of written-off credit risk assets	incl. impairment losses covered by Portfolio Loss Reserve	impairment losses covered by Risk Coverage Reserve	a reduction in the provision for revenue recognised over 90 days	Total
Impairment losses on:	12 670	1 093	(10 588)	(38)	2 044
Loans	3 233	106	(2 193)	(38)	1 002
Financial assets related to loan agreements	9	-	-	-	9
Guarantees	8 559	987	(7 537)	-	1 022
Loan commitments	869	-	(858)	-	11
Reversal of impairment on:	(10 569)	(825)	7 543	-	(3 026)
Loans	(4 064)	(492)	1 435	-	(2 629)
Disbursed guarantee compensations	(10)	-	10	-	-
Securities at amortised cost	(2)	-	-	-	(2)
Financial assets related to loan agreements	(1)	-	-	-	(1)
Guarantees	(6 425)	(333)	6 035	-	(390)
Loan commitments	(67)	-	63	-	(4)
Total impairment losses / (reversal), net	2 101	268	(3 045)	(38)	(982)
(Income) from the recovery of written-down assets	(443)	(222)	4	-	(439)
Total ECL reduction (income) and (income) from recoveries of written-off assets.	**1 658**	**46**	**(3 041)**	**(38)**	**(1 421)**

11 Investment securities

All amounts in thousands of euros:

	30.06.2026.	31.12.2025.
Investment securities valued at amortised cost		
OECD corporate bonds	3 662	3 552
Total investment securities valued at amortised cost	**3 662**	**3 552**
Impairment allowances	(3 662)	(3 552)
Net investment securities valued at amortised cost	**-**	**-**
Investment securities valued at fair value through other comprehensive income		
Latvian Treasury bills and government bonds	145 547	121 051
Foreign government debt securities	116 922	9 964
Total investment securities valued at fair value through other comprehensive income	**262 469**	**131 015**
Impairment allowances	(156)	(156)
Total net investment securities valued at fair value through other comprehensive income	**262 313**	**130 859**
Total gross investment securities	**266 131**	**134 567**
Total net investment securities	**262 313**	**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 30 June 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	3	-	-	-	-	-	3	-
Agriculture	118 503	(472)	34 418	(786)	17 697	(3 971)	170 618	(5 229)
SME and Midcaps	157 034	(2 257)	38 428	(2 415)	24 713	(8 394)	220 175	(13 066)
Private individuals	61 911	(447)	5 353	(144)	1 135	(413)	68 399	(1 004)
Latvian Land Fund	34 997	(2)	400	-	2 081	(4)	37 478	(6)
Total segments without Impairment overlay	**372 448**	**(3 178)**	**78 599**	**(3 345)**	**45 626**	**(12 782)**	**496 673**	**(19 305)**
Impairment overlay	-	(714)	-	(1 156)	-	-	-	(1 870)
Impairment overlay for interest rate discounts	-	(1 895)	-		-	-	-	(1 895)
Total segments	**372 448**	**(5 787)**	**78 599**	**(4 501)**	**45 626**	**(12 782)**	**496 673**	**(23 070)**

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:

	30.06.2026.	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	19.7%	21.2%

12 Loans (cont'd)

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

	30.06.2026.	31.12.2025.
Agriculture and forestry	221 289	218 705
Manufacturing	59 961	51 064
Electricity, gas and water utilities	38 127	37 073
Retail and wholesale	18 112	16 074
Construction	12 622	10 520
Real estate	11 574	8 976
Transport, warehousing and communications	10 562	8 033
Health and social care	11 726	8 458
Hotels and restaurants	8 556	7 043
Professional, science and technical services	7 473	6 418
Municipal authorities	6 857	6 330
Arts, sports and recreation	5 347	4 106
Education	2 176	2 402
Telecommunication, computer programming, consulting, computing infrastructure and other information service activities	1 052	939
Fishing	445	460
Other industries	12 395	12 726
Private individuals	68 399	60 736
Total gross loans	**496 673**	**460 063**
Impairment allowances	(23 070)	(21 199)
Total net loans	**473 603**	**438 864**

12 Loans (cont'd)

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

	01.01.2026.-30.06.2026.	01.01.2025.-30.06.2025.
Impairment allowances at the beginning of the period	21 199	22 996
Increase in impairment allowances	5 813	3 195
Decrease in impairment allowances	(4 173)	(4 064)
Write-off of loans covered by Portfolio Loss Reserve	-	(227)
Write-off of loans covered by Risk Coverage Reserve	(128)	(82)
Write-off of loans Company's share of impairment allowances	(42)	(124)
Decrease in the allowance for mortgage interest refunds	-	(1 941)
Loan interest overdue for more than 90 days	102	38
Increase of impairment allowances due to changes in off-balance sheet and balance sheet	299	251
Impairment allowances at the end of the period ended 30 June	**23 070**	**20 042**
Company's share of impairment allowances	*10 629*	*10 641*
Impairment allowances covered by Portfolio Loss Reserve	*671*	*1 386*
Impairment allowances covered by Risk Coverage Reserve	*11 770*	*8 015*
Impairment allowances at the beginning of the period		20 042
Increase in impairment allowances		5 684
Decrease in impairment allowances		(4 042)
Write-off of loans covered by Portfolio Loss Reserve		(38)
Write-off of loans covered by Risk Coverage Reserve		(236)
Write-off of loans Company's share of impairment allowances		(168)
Decrease in the allowance for mortgage interest refunds		(234)
Loan interest overdue for more than 90 days		-
Increase of impairment allowances due to changes in off-balance sheet and balance sheet		191
Impairment allowances at the end of the period ended 31 December		**21 199**
Company's share of impairment allowances		*11 001*
Impairment allowances covered by Portfolio Loss Reserve		*861*
Impairment allowances covered by Risk Coverage Reserve		*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 30 June 2026 the average annual interest rate for the loan portfolio of the Company was 4.97% (31 December 2025: 4.80%).

13 Loans with capital rebate

Loans with capital rebate fair value 30 June 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	94 136	84 853	(84 853)	21 673
RRF energy efficiency loans	27 537	10 132	(10 132)	16 631
RRF digitization loans	28 575	9 296	(9 296)	19 309
RRF Energy Efficiency Loans for Multi-apartment Buildings	20 910	3 071	(3 071)	15 852
RRF Loans for construction of affordable housing	34 815	8 410	(8 410)	22 077
Energy Efficiency Loans for Multi-apartment Buildings 3	40 571	30 376	(30 376)	9 599
Loans for biomethane projects	514	129	(129)	344
Innovation loans	519	397	(397)	163
Central Heating loans	354	218	(218)	157
Total	**247 931**	**146 882**	**(146 882)**	**105 805**

As at 30 June 2026 the Company has issued the loans with capital rebate amounting EUR 248 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 158 million), however the actual amount of the capital rebate will depend on the performance of the financed project in the post-monitoring phase, taking into account the degree of achievement of the project's set goals, so the fair value calculation estimates the expected amount of the capital rebate based on assumptions about the timing and probability of the capital rebate being applied, allowing for the possibility that not all borrowers will achieve the set project goals to qualify for the capital rebate. The probability of the capital allowance to be applied is determined by assessing the likelihood of each major project financed achieving its set goals or by using historical data on the amount of capital rebate applied.

The column “Potential future capital rebate component” the estimated amount of capital rebate expected to apply, based on eligibly assumptions at the end of the reporting period. At that point, the initial valuation of loans indicated a high probability of a capital rebate totalling EUR 147 million. As a result, additional fair value losses of EUR 11 million were recognized in the six 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	22 677	32 064	**54 741**
Applied capital rebate in the reporting period [2]	(12 659)	-	**(12 659)**
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 30 June 2025	**-**	**56 693**	**56 693**
Net increase at nominal value	68 923	21 278	**90 201**
Applied capital rebate in the reporting period [2]	(15 207)	-	**(15 207)**
Changes in fair value, net	-	1 306	**1 306**
(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	68 887	4 732	**73 619**
Applied capital rebate in the reporting period [2]	(24 123)	-	**(24 123)**
Changes in fair value, net	-	21 796	**21 796**
(Decrease) of fair value of potential future capital rebate component	(44 764)	-	**(44 764)**
Total fair value at the end of the period 30 June 2026	**-**	**105 805**	**105 805**

[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 6 months of 2026.

13 Loans with capital rebate(cont'd)

Fair value changes of loans with capital rebate in 6 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	(44 764)	-	45 119	355
Net increase/(decrease) in fair value of loan component	-	(1 624)	-	(1 624)
Write-off of previously recognised fair value changes upon appliance of capital rebate	23 145	-	(23 323)	(178)
Total net changes in fair value	**(21 619)**	**(1 624)**	**21 796**	**(1 447)**

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

	30.06.2026	31.12.2025.
Manufacturing	125 812	113 077
Real estate	7 878	5 624
Transport, warehousing and communications	2 477	3 574
Health and social care	2 534	2 455
Retail and wholesale	2 564	2 433
Construction	2 936	2 326
Electricity, gas and water utilities	2 932	2 143
Agriculture and forestry	1 162	1 719
Arts, sports and recreation	1 998	1 185
Municipal authorities	203	274
Other industries	1 139	617
Private individuals	96 296	62 733
Total gross loans	**247 931**	**198 160**
Fair value (decrease) of potential future capital rebate component	(146 882)	(125 263)
Impairment allowances	4 756	6 380
Total net loans	**105 805**	**79 277**

14 Investments in Associates

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

		Net asset value, VCF		Net asset value, Altum	
Company or venture capital fund generation	**Country of incorporation**	30.06.2026.	31.12.2025.	30.06.2026.	31.12.2025.
The 2nd generation VCFs	LV	4 930	8 471	3 531	5 947
The 3rd generation VCFs	LV	376	2 268	358	1 044
The 4th generation VCFs	LV	38 702	39 493	26 436	27 054
The 5th generation VCFs	LV	12 346	5 879	9 940	5 072
AIF "Altum capital fund" [1]	LV	16 046	16 630	7 848	7 721
Baltic Innovation Fund [1]	LU	74 130	84 395	14 826	16 879
Baltic Innovation Fund 3	LU	909	-	200	-
Baltic SME Initial Public Offering Fund	LT	3 731	371	1 510	150
Total investments in associates		**151 170**	**157 507**	**64 649**	**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 30 June 2026 the total venture capital fund's portfolio value at cost value was EUR 64,806 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	3 589	(1 530)	160	38 704
The 5th generation VCFs	-	-	-	-	-
Baltic SME Initial Public Offering Fund	-	-	-	-	-
Investments in AIF "Altum capital fund" (Note 7)	16 392	40	(5 804)	784	11 412
Investments in Baltic Innovation Fund (Note 7)	19 350	720	(3 080)	33	17 023
Total 30 June 2025	**72 227**	**4 349**	**(10 414)**	**977**	**67 139**
The 2., 3., 4. generation VCFs	38 704	(2 389)	(2 111)	(159)	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)	11 412	23	(4 247)	533	7 721
Investments in Baltic Innovation Fund (Note 7)	17 023	-	-	(144)	16 879
Total 31 December 2025	**67 139**	**2 856**	**(6 358)**	**230**	**63 867**
The 2., 3., 4. generation VCFs	34 045	-	(2 318)	(1 402)	30 325
The 5th generation VCFs	5 072	4 868	-	-	9 940
Baltic SME Initial Public Offering Fund	150	1 360	-	-	1 510
Investments in AIF "Altum capital fund" (Note 7)	7 721	23	(218)	322	7 848
Investments in Baltic Innovation Fund (Note 7)	16 879	-	(1 878)	(175)	14 826
Investments in Baltic Innovation Fund 3 (Note 7)	-	200	-	-	200
Total 30 June 2026	**63 867**	**6 451**	**(4 414)**	**(1 255)**	**64 649**

14 Investments in Associates (cont'd)

Venture capital funds management fees in the 6 months of 2026, expenses included:

- Management fees for the 4th generation venture capital funds amounted to EUR 292 thousand (6 months of 2025: EUR 329 thousand) which were 100% compensated by public funding (see Note 19 (2)).
- Management fees for the 5th generation venture capital funds amounted to EUR 956 thousand (6 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 23 thousand (6 months of 2025: EUR 63 thousand).
- Baltic SME Initial Public Offering Fund management cost EUR 146 thousand (in the 6 months of 2025: EUR 0 thousand).

15 Other Investments

Total cost of *Other investments* on 30 June 2026 was EUR 33,555 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	Invested	Refunded	Revaluation	Carrying amount at the end of period
Baltic Innovation Fund 2	11 543	2 100	(121)	160	13 682
Three Seas Initiatives Investment Fund	17 500	-	-	1 189	18 689
Total 30 June 2025	**29 043**	**2 100**	**(121)**	**1 349**	**32 371**
Baltic Innovation Fund 2	13 682	1 400	(915)	85	14 252
Three Seas Initiatives Investment Fund	18 689	-	-	1 287	19 976
Total 31 December 2025	**32 371**	**1 400**	**(915)**	**1 372**	**34 228**
Baltic Innovation Fund 2	14 252	700	(280)	531	15 203
Three Seas Initiatives Investment Fund	19 976	1 929	-	740	22 645
CVI Private Debt Fund II S.C.A.	-	3 567	-	62	3 629
Total 30 June 2026	**34 228**	**6 196**	**(280)**	**1 333**	**41 477**

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

The Three Seas Initiative Investment Fund is a new financial instrument for financing and developing infrastructure projects in 12 countries, including Latvia, aimed at reducing infrastructure development gaps between different European regions. The Three Seas Initiative Investment Fund supports transport, energy and digitalization infrastructure projects in Central and Eastern Europe. The Company signed the subscription agreement on 16 September 2020. The total capital committed by the Company to the Three Seas Initiative Investment Fund is EUR 20 million thus arriving at the ownership rate of 2.15% on 30 June 2026 (31 December 2025: 2.15%) of the total committed capital the Three Seas Initiative Investment Fund 30 June 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 30 June 2026 was EUR 16.2 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. The total capital committed by the Company to the CVI Private Debt Fund II S.C.A., is EUR 6,5 million thus arriving at the ownership rate of 2.5% on 30 June 2026 (31 December 2025: 0%). The amount of capital investment paid by the Company to the CVI Private Debt Fund II S.C.A. on 30 June 2026 was EUR 3.6 million (31 December 2025: EUR 0 million).

16 Investment Properties

All amounts in thousands of euros

	30.06.2026.	31.12.2025.
Carrying amount at the beginning of period	120 819	92 976
Acquired during the reporting period [1]	3 362	18 944
New Exposures after Expiry of Reverse Leases	287	7 753
Sold during the reporting period	(381)	(2 505)
Revaluation gains	21	3 914
Revaluation losses	(5)	(263)
Carrying amount at the end of the period	**124 103**	**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	30.06.2026.	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%	70 137	71 391
Total issued debt securities at the end of period ended 31 December							**90 180**	**91 404**

To date, the company has issued 6 bonds with a total value of EUR 155 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:

	30.06.2026.	31.12.2025.
At the beginning of period	91 404	65 491
Redemption of bonds	-	70 000
Accrued coupon	-	(45 000)
Coupon pay-out	1 261	1 688
Discount amortisation	(2 503)	(674)
Commission amortisation	18	(101)
Total issued debt securities at the end of period	**90 180**	**91 404**

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

	30.06.2026.		31.12.2025.	
Bondholders group	**Number**	**%**	**Number**	**%**
Pension plans and investment funds	52	70%	57	72%
Financial institutions	6	8%	6	8%
Other legal entities	5	7%	5	6%
Insurance companies	4	5%	4	5%
Private individuals	7	10%	7	9%
Total	**74**	**100%**	**79**	**100%**

18 Liabilities from financial guarantees

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

	30.06.2026.	31.12.2025.
Provisions at the beginning of the period	53 620	49 262
Increase in provisions	1 225	1 022
Impairment losses covered by Risk Coverage Reserve	8 139	7 537
Decrease in provisions	(503)	(390)
Reversal of impairment covered by Risk Coverage Reserve	(9 154)	(6 035)
Reclassification (Disbursed guarantee)	(583)	(178)
Fair value component - guarantee premiums	163	(61)
Provisions at the end of the period	**52 907**	**51 157**
Fair value component - guarantee premiums	*4 061*	*3 677*
Company's share of provisions	*233*	*284*
Provisions covered by Portfolio Loss Reserve	*8 331*	*7 482*
Provisions covered by Risk Coverage Reserve	*40 282*	*39 714*
Increase in provisions		995
Impairment losses covered by Risk Coverage Reserve		12 839
Decrease in provisions		(466)
Reversal of impairment covered by Risk Coverage Reserve		(11 017)
Reclassification (Disbursed guarantee)		(109)
Fair value component - guarantee premiums		221
Provisions at the end of the period		**53 620**
Fair value component - guarantee premiums		*3 898*
Company's share of provisions		*247*
Provisions covered by Portfolio Loss Reserve		*8 031*
Provisions covered by Risk Coverage Reserve		*41 444*

19 Support programme funding

(1) The Company's information on the risk coverage reserve included in the support programme funding and state aid, which can be used for covering the Company's credit risk losses as at 30 June 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	3 200	-	-	-	-	3 200
ESF II	915	-	-	-	-	915
Microcredits of Swiss programme	368	-	-	-	-	368
ERDF I	53	-	-	-	-	53
ESF I	163	-	-	-	-	163
ERDF II (second round)	1 214	3	-	-	(1)	1 213
Fund of Funds programme – Start-up loans	2 643	282	-	(3)	(52)	2 588
Fund of Funds programme – Microcredits	293	-	-	-	-	293
Fund of Funds programme – Parallel loans	4 012	200	-	(44)	(23)	3 945
Energy Efficiency Loans for Multi-apartment Buildings (I)	17 734	15 263	-	(29)	(435)	17 270
Start-up State Aid Cumulation Lending Programme	4 370	863	-	(598)	(346)	3 426
Other loans to start-ups	322	-	-	-	-	322
Mezzanine Programme – Loans	796	780	-	-	(69)	727
Guarantees and interest grants programme	4 287	4 287	-	(1 198)	-	3 089
SME energy efficiency loans	1 723	1 723	-	(68)	(829)	826
SME growth loans	11 000	11 000	-	(942)	(2 012)	8 046
SME growth loans to support Ukraine	2 000	1 958	-	-	-	2 000
ERAF SME growth loans	11 510	691	-	-	(619)	10 891
ERAF loans for business sustainability	18 616	4 049	-	-	(2 158)	16 458
Parallel loans	2 000	2 000	-	(42)	(96)	1 862
Parallel loans 2	3 619	1 339	-	-	(315)	3 304
Loans for enterprises in rural territories	9 259	9 259	-	(810)	(227)	8 222
Start-up loans to innovative entrepreneurs	7 800	1 560	-	-	(159)	7 641
Multi-apartment building improvement loans	4 500	4 500	-	(120)	(138)	4 242
Energy Efficiency Loans for Multi-apartment Buildings (II)	9 469	568	-	-	(29)	9 440
Cultural industry support programme [2]	244	-	-	-	-	244
ELFLA Agricultural and rural development loans	22 198	1 361	-	-	(330)	21 868
Working capital loans to Agriculture	12 836	11 193	-	(263)	(2 120)	10 453
ELFLA Working capital loans to Agriculture	4 560	4 060	-	-	(9)	4 551
ELFLA Loans for enterprises in rural territories	3 377	299	-	-	(3)	3 374
Co-funding loans for the construction of affordable housing	4 103	663	-	-	(655)	3 448
Central Heating loans [1]	4 124	1 054	-	-	-	4 124
RRF energy efficiency loans [1]	36 910	6 051	-	-	-	36 910
RRF digitization loans [1]	19 497	2 904	-	-	-	19 497
RRF Energy Efficiency Loans for Multi-apartment Buildings [1]	12 973	951	-	-	-	12 973
RRF housing construction loans [1]	26 353	562	-	-	-	26 353
RRF the affordable housing construction loans/parallel loans	47 460	4 319	-	-	-	47 460

19 Support programme funding (cont'd)

(1) The Company's information on the risk coverage reserve included in the support programme funding and state aid, which can be used for covering the Company's credit risk losses as at 30 June 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
Investment Loans with capital rebate [1]	156 681	17 271	-	(190)	-	156 491
Investment Loans with capital rebate – co-funding loans	38 511	13 498	-	-	(849)	37 662
Loans for sustainability	7 000	3 430	-	(63)	(186)	6 751
Loans for biomethane projects [1]	6 339	2 012	-	-	-	6 339
Energy efficiency loans across regions [1]	12 461	1 188	-	-	-	12 461
Mortgage loans for residential property purchase in the regions	3 500	772	-	(137)	(7)	3 356
PF1 Start-up and Micro ERDF loans	25 601	3 743	-	-	(1 310)	24 291
PF1 Productivity growth loans	9 974	1 481	-	-	(144)	9 830
PF1 Business sustainability loans	16 463	2 445	-	-	(306)	16 157
PF1 Innovation loans	8 046	1 337	-	-	-	8 046
PF2 Energy Efficiency Loans for Multi-apartment Buildings (III) [1]	23 137	2 791	-	-	-	23 137
Total loans	**624 214**	**143 710**	**-**	**(4 507)**	**(13 427)**	**606 280**
Guarantees						
Fund of Funds programme – Guarantees	46 573	46 573	-	-	(3 825)	42 748
Energy Efficiency Guarantees for Multi-apartment Buildings	12 612	12 612	-	-	(1 385)	11 227
Housing Guarantee Programme	27 171	27 170	-	(2 536)	(19 532)	5 103
Housing Guarantee Programme for NAF soldiers	1 447	1 446	-	(666)	(688)	93
Guarantee Programme for Clients of State Aid Accumulation, Grace Period and Large Economic Operators	10 088	10 088	-	(1 610)	(2 699)	5 779
Mezzanine Programme – Guarantees	2 217	2 173	-	-	(10)	2 207
Portfolio Guarantee Fund	8 648	8 343	-	(735)	(3 142)	4 771
Export credit guarantees	5 085	5 086	-	(1 016)	(99)	3 970
Study and student portfolio guarantees [3]	877	-	-	-	-	877
Agricultural Guarantees	1 388	1 388	-	(637)	(652)	99
ELFLA Agricultural and rural development guarantees	834	834	-	-	(213)	621
Central Heating guarantees [1]	5 400	902	4 498	-	(378)	5 022
RRM energy car guarantees [1]	2 033	174	274	-	(7)	2 026
RRM Energy efficiency guarantees for multi-apartment buildings [1]	4 721	842	1 879	-	(454)	4 267
PF1 Guarantees for full-cycle business	32 870	29 316	-	-	(5 290)	27 580
PF1 Portfolio guarantees for full-cycle business	-	-	-	-	-	-
LF2 DME 3 guarantees [1]	30 699	3 282	23 998	-	(2 256)	28 443
Total guarantees	**192 663**	**150 229**	**30 649**	**(7 200)**	**(40 630)**	**144 833**

19 Support programme funding (cont'd)

(1) The Company's information on the risk coverage reserve included in the support programme funding and state aid, which can be used for covering the Company's credit risk losses as at 30 June 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
Grants						
Energy Efficiency Grants for Multi-apartment Buildings	6	-	-	-	-	6
Housing grant programme "Balsts"	5 379	-	-	-	-	5 379
Grants for energy efficiency improvement of family buildings	624	-	-	-	-	624
Social Entrepreneurship Programme II	3 201	-	-	-	-	3 201
Energy efficiency project grant	48	-	-	-	-	48
Grants for improving energy efficiency of family buildings	440	-	-	-	-	440
Energoefektivitātes granti DME	1 447	-	-	-	-	1 447
PF1 Multi-apartment buildings grants with consecutive grant payments	35	-	-	-	-	35
Total grants	**11 180**	**-**	**-**	**-**	**-**	**11 180**
Venture Capital Funds						
Fund of Funds and venture capital funds	43 265	42 769	-	-	-	43 265
Investment Fund Activity	7 092	6 382	-	-	-	7 092
Baltic Innovation Fund	2 000	600	-	(182)	-	1 818
Baltic Innovation Fund II	2 514	754	-	(147)	-	2 367
PF1 Contingent equity investments (5G)	21 848	8 392	-	-	-	21 848
Total venture capital funds	**76 719**	**58 897**	**-**	**(329)**	**-**	**76 390**
Other Activities						
Energy Efficiency Fund	4	-	-	-	-	4
Total other activities	**4**	**-**	**-**	**-**	**-**	**4**
2021-2027 Participation fund 1	26 988	9 681	-	-	-	26 988
2021-2027 Participation fund 2	630	72	-	-	-	630
Total support programme funding	**932 398** [4]	**362 589**	**30 649**	**(12 036)**	**(54 057)**	**866 305**

[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 29,913 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	-	(3)	(32)	2 606
Fund of Funds programme – Microcredits	293	1	-	-	-	293
Fund of Funds programme – Parallel loans	4 012	215	-	(44)	(83)	3 885
Energy Efficiency Loans for Multi-apartment Buildings (I)	17 734	15 263	-	(29)	(306)	17 399
Start-up State Aid Cumulation Lending Programme	1 871	1 871	-	(598)	(248)	1 025
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	-	(1 198)	-	3 089
SME energy efficiency loans	1 723	1 723	-	(68)	(918)	737
SME growth loans	5 000	5 000	-	(942)	(1 063)	2 995
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	-	(42)	(101)	1 857
Parallel loans 2	3 553	1 315	-	-	(338)	3 215
Loans for enterprises in rural territories	9 259	9 259	-	(810)	(198)	8 251
Start-up loans to innovative entrepreneurs	7 730	1 546	-	-	(175)	7 555
Multi-apartment building improvement loans	4 500	4 500	-	(120)	(135)	4 245
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	-	(263)	(1 530)	13 043
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	-	(190)	-	127 880
Investment Loans with capital rebate – co-funding loans	38 511	13 499	-	-	(834)	37 677
Loans for sustainability	6 000	6 000	-	(63)	(171)	5 766
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	-	(137)	(1)	3 362
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	**609 252**	**140 720**	**-**	**(4 507)**	**(10 999)**	**593 746**

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	-	(2 536)	(19 254)	5 383
Housing Guarantee Programme for NAF soldiers	1 447	1 446	-	(666)	(657)	124
Guarantee Programme for Clients of State Aid Accumulation, Grace Period and Large Economic Operators	8 753	8 753	-	(1 610)	(2 398)	4 745
Mezzanine Programme – Guarantees	1 746	1 712	-	-	137	1 883
Portfolio Guarantee Fund	8 812	8 812	-	(735)	(3 170)	4 907
Export credit guarantees	5 085	5 086	-	(1 016)	(79)	3 990
Study and student portfolio guarantees [3]	877	-	-	-	-	877
Agricultural Guarantees	1 388	1 388	-	(637)	(641)	110
ELFLA Agricultural and rural development guarantees	830	830	-	-	(208)	622
RRM energy car guarantees	2 193	188	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**	**(7 200)**	**(41 657)**	**108 221**
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	-	(147)	-	2 367
PF1 Contingent equity investments (5G)	17 743	6 815	-	-	-	17 743
Total venture capital funds	**73 029**	**57 630**	**-**	**(329)**	**-**	**72 700**
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	**904 161 [4]**	**342 557**	**18 036**	**(12 036)**	**(52 656)**	**839 469**

[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 6 months of 2026, in thousands of euros:

Financial Instrument / Programme	Financing, net	Financing received	Reallo-cated funding between program-mes	Compen-sated grants/ capital rebate	Compen-sated income and expense	Change in fair value of the financing component	Revaluation of liabilities / Fair value adjustment for loans with capital rebate	Program mes' income / profit distri-bution	Other chan ges	Changes in provi-sions covered by Risk Coverage Reserve	Financing, net
	31.12.2025.										30.06.2026.
Loans											
ERDF II	3 095	-	105	-	-	-	-	-	-	-	3 200
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	-	-	-	-	-	-	-	2	(20)	2 588
Fund of Funds programme – Microcredits	293	-	-	-	-	-	-	-	-	-	293
Fund of Funds programme – Parallel loans	3 885	-	-	-	-	-	-	-	-	60	3 945
Energy Efficiency Loans for Multi-apartment Buildings (I)	17 399	-	-	-	-	-	-	-	-	(129)	17 270
Start-up State Aid Cumulation Lending Programme	1 025	-	2 500	-	-	-	-	-	(1)	(98)	3 426
Other loans to start-ups	322	-	-	-	-	-	-	-	-	-	322
Mezzanine Programme – Loans	2 799	-	(2 471)	-	-	-	-	8	-	391	727
Guarantees and interest grants programme	3 089	-	-	-	-	-	-	-	-	-	3 089
SME energy efficiency loans	737	-	-	-	-	-	-	-	-	89	826
SME growth loans	2 995	-	6 000	-	-	-	-	-	-	(949)	8 046
SME growth loans to support Ukraine	-	-	2 000	-	-	-	-	-	-	-	2 000
ERDF SME growth loans	19 403	-	(9 000)	-	-	-	-	416	4	68	10 891
ERDF loans for business sustainability	17 931	-	(810)	-	-	-	-	298	-	(961)	16 458

19 Support programme funding (cont'd)

(2) Movement in the Company's support programme funding in 6 months of 2026, in thousands of euros: (cont'd)

Financial Instrument / Programme	Financing, net	Financing received	Reallocated funding between programmes	Compen-sated grants/ capital rebate	Compen-sated income and expense	Change in fair value of the financing component	Revaluation of liabilities / Fair value adjustment for loans with capital rebate	Programmes' income/ profit distri-bution	Other changes	Changes in provi-sions covered by Risk Coverage Reserve	Financing, net
	31.12.2025.										30.06.2026.
Parallel loans	1 857	-	-	-	-	-	-	-	-	5	1 862
Parallel loans 2	3 215	-	-	-	-	-	-	66	-	23	3 304
Loans for enterprises in rural territories	8 251	-	-	-	-	-	-	-	-	(29)	8 222
Start-up loans to innovative entrepreneurs	7 555	-	-	-	-	-	-	68	2	16	7 641
Multi-apartment building improvement loans	4 245	-	-	-	-	-	-	-	-	(3)	4 242
Energy Efficiency Loans for Multi-apartment Buildings (II)	9 146	-	-	-	(15)	-	-	144	-	165	9 440
Cultural industry support programme	244	-	-	-	-	-	-	-	-	-	244
ELFLA Agricultural and rural development loans	21 894	-	-	-	-	-	-	251	(201)	(76)	21 868
Working capital loans to agriculture	13 043	-	(2 000)	-	-	-	-	-	-	(590)	10 453
ELFLA Working capital loans to Agriculture	-	2 609	1 917	-	-	-	-	34	-	(9)	4 551
ELFLA Loans for enterprises in rural territories	-	3 283	83	-	-	-	-	11	-	(3)	3 374
Co-funding loans for the construction of affordable housing	5 411	-	(1 941)	-	-	-	-	18	-	(40)	3 448
Central Heating loans [1]	-	-	4 315	-	-	(212)	15	6	-	-	4 124

19 Support programme funding (cont'd)

(2) Movement in the Company's support programme funding in 6 months of 2026, in thousands of euros: (cont'd)

Financial Instrument / Programme	Financing, net	Financing received	Reallocated funding between programmes	Compen-sated grants/ capital rebate	Compen-sated income and expense	Change in fair value of the financing component	Revaluation of liabilities / Fair value adjustment for loans with capital rebate	Programmes' income/ profit distri-bution	Other changes	Changes in provi-sions covered by Risk Coverage Reserve	Financing, net
	31.12.2025.										30.06.2026.
RRF energy efficiency loans[1]	50 762	-	(8 419)	(4 655)	(597)	(98)	(446)	363	-	-	36 910
RRF digitization loans[1]	23 603	-	-	(5 531)	(1 131)	2 225	(4)	335	-	-	19 497
RRF Energy Efficiency Loans for Multi-apartment Buildings [1]	14 182	-	-	(8 681)	(788)	8 553	(778)	485	-	-	12 973
RRF housing construction loans [1]	29 257	-	(952)	(2 827)	(121)	1 716	(832)	112	-	-	26 353
RRF the affordable housing construction loans/parallel loans[1]	29 021	9 067	9 372	-	-	-	-	-	-	-	47 460
Investment Loans with capital rebate [1]	127 880	40 000	-	(1 910)	-	(11 028)	1 549	-	-	-	156 491
Investment Loans with capital rebate – co-funding loans	37 677	-	-	-	-	-	-	-	-	(15)	37 662
Loans for sustainability	5 766	-	1 000	-	-	-	-	-	-	(15)	6 751
Loans for biomethane projects [1]	6 482	-	-	-	-	(125)	(45)	27	-	-	6 339
Energy efficiency loans across regions[1]	12 458	-	-	-	-	-	-	3	-	-	12 461
Mortgage loans for residential property purchase in the regions	3 362	-	-	-	-	-	-	-	-	(6)	3 356
PF1 Start-up and Micro ERDF loans	23 885	-	1 000	-	(525)	-	-	435	(127)	(377)	24 291
PF1 Productivity growth loans	9 708	-	-	-	(15)	-	-	124	-	13	9 830
PF1 Business sustainability loans	16 034	-	-	-	(121)	-	-	182	-	62	16 157
PF1 Innovation loans	8 435	-	-	-	(38)	(416)	60	5	-	-	8 046
PF2 Energy Efficiency Loans for Multi-apartment Buildings (III) [1]	42 082	-	5 000	(519)	(1 038)	(22 411)	(966)	989	-	-	23 137
Total loans	**593 746**	**54 959**	**7 699**	**(24 123)[6]**	**(4 389)**	**(21 796)[5]**	**(1 447)[8]**	**4 380**	**(321)**	**(2 428)**	**606 280**

19 Support programme funding (cont'd)

(2) Movement in the Company's support programme funding in 6 months of 2026, in thousands of euros: (cont'd)

Financial Instrument / Programme	Financing, net	Financing received	Reallocated funding between programmes	Compen-sated grants/ capital rebate	Compen-sated income and expense	Change in fair value of the financing component	Revaluation of liabilities / Fair value adjustment for loans with capital rebate	Programmes' income / profit distri-bution	Other changes	Changes in provi-sions covered by Risk Coverage Reserve	Financing, net
	31.12.2025.										30.06.2026.
Guarantees											
Fund of Funds programme - Guarantees	40 983	-	-	-	-	-	-	414	4	1 347	42 748
Energy Efficiency Guarantees for Multi-apartment Buildings	10 960	-	-	-	(57)	-	-	171	-	153	11 227
Housing Guarantee Programme	5 383	-	-	-	-	-	-	-	(2)	(278)	5 103
Housing Guarantee Programme for NAF soldiers	124	-	-	-	-	-	-	-	-	(31)	93
Guarantee Programme for Clients of State Aid Accumulation, Grace Period and Large Economic Operators	4 745	-	1 335	-	-	-	-	-	-	(301)	5 779
Mezzanine Programme - Guarantees	1 883	-	471	-	-	-	-	-	-	(147)	2 207
Portfolio Guarantee Fund	4 907	-	-	-	-	-	-	-	(164)	28	4 771
Export credit guarantees	3 990	-	-	-	-	-	-	-	-	(20)	3 970
Study and student portfolio guarantees	877	-	-	-	-	-	-	-	-	-	877
Agricultural Guarantees	110	-	-	-	-	-	-	-	-	(11)	99
ELFLA Agricultural and rural development guarantees	622	-	-	-	-	-	-	4	-	(5)	621
Central Heating guarantees [1]	-	-	5 400	-	-	-	-	-	-	(378)	5 022
RRM energy car guarantees [1]	2 181	-	-	(168)	-	-	-	8	-	5	2 026
RRM Multi-apartment building energy efficiency guarantees[1]	13 868	-	-	(9 580)	(33)	-	-	-	-	12	4 267
PF1 Guarantees for full-cycle business	7 346	-	18 036	-	(520)	-	-	441	-	2 277	27 580
PF1 Portfolio guarantees for full-cycle business	2 874	-	(2 874)	-	-	-	-	-	-	-	-
LF2 DME 3 guarantees[1]	7 368	-	23 000	-	(335)	-	-	34	-	(1 624)	28 443
Total guarantees	**108 221**	**-**	**45 368**	**(9 748)**	**(945)**	**-**	**-**	**1 072**	**(162)**	**1 027**	**144 833**

19 Support programme funding (cont'd)

(2) Movement in the Company's support programme funding in 6 months of 2026, in thousands of euros: (cont'd)

Financial Instrument / Programme	**Financing, net**	**Financing received**	**Reallo-cated funding between program-mes**	**Compen-sated grants/ capital rebate**	**Compen-sated income and expense**	**Change in fair value of the financing component**	**Revaluation of liabilities / Fair value adjustment for loans with capital rebate**	**Programmes' income/ profit distri-bution**	**Other changes**	**Changes in provi-sions covered by Risk Coverage Reserve**	**Financing, net**
	31.12.2025.										30.06.2026.
Grants											
Energy Efficiency Grants for Multi-apartment Buildings	6	-	-	-	-	-	-	-	-	-	6
Housing grant programme "Balsts"	2 304	5 500	-	(2 425)	-	-	-	-	-	-	5 379
Grants for energy efficiency improvement of family buildings [1]	624	-	-	-	-	-	-	-	-	-	624
Social Entrepreneurship Programme II	1 302	1 996	-	-	(97)	-	-	-	-	-	3 201
Energy efficiency project grant	224	-	-	(176)	-	-	-	-	-	-	48
Grants for improving energy efficiency of family buildings	440	-	-	-	-	-	-	-	-	-	440
Energoefektivitātes granti DME	1 657	-	-	(99)	(111)	-	-	-	-	-	1 447
PF1 Multi-apartment Buildings grants with consecutive grant payments	158	-	-	(123)	-	-	-	-	-	-	35
Total grants	**6 715**	**7 496**	**-**	**(2 823)**	**(208)**	**-**	**-**	**-**	**-**	**-**	**11 180**
Venture Capital Funds											
Fund of Funds and venture capital funds	42 532	-	810	-	(482)[2]		(63)	468 [3]	-	-	43 265
Investment Fund Activity	8 256	-	-	-	-		(1 339)	175 [4]	-	-	7 092
Baltic Innovation Fund	1 802	-	-	-	-		16	-	-	-	1 818
Baltic Innovation Fund II	2 367	-	-	-	-		-	-	-	-	2 367
PF1 Contingent equity investments (5G)	17 743	-	5 000	-	(956)[7]		-	61	-	-	21 848
Total venture capital funds	**72 700**	**-**	**5 810**	**-**	**(1 438)**	**-**	**(1 386)**	**704**	**-**	**-**	**76 390**

19 Support programme funding (cont'd)

(2) Movement in the Company's support programme funding in 6 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.										30.06.2026.
Other Activities											
Energy Efficiency Fund	4	-	-	-	-	-	-	-	-	-	4
Total other activities	**4**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4**
2021-2027 Participation fund 1	32 678	16 523	(21 162)	-	(1 061)	-	-	10	-	-	26 988
2021-2027 Participation fund 2	25 405	12 822	(37 715)	-	-	-	-	118	-	-	630
Total support programme funding	**839 469**	**91 800**	**-**	**(36 694)**	**(8 041)**	**(21 796)**	**(2 833)**	**6 284**	**(483)**	**(1 401)**	**866 305**

1 Combined financial instrument.

2 include EUR 292 thousand management fees for the 4th generation venture capital funds.

3 include EUR 422 thousand mezzanine interest received and realized gain of EUR 46 thousand.

4 include EUR 2 thousand mezzanine interest received and realized gain of EUR 81 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 21,796 thousand has been recognised as income in the financial statements (see Note 9).

6 See Note 13 *Loans with capital rebate*

7 include EUR 956 thousand management fees for the 5th generation venture capital funds.

8 Includes: changes in fair value of loans with a capital rebate in the 6 months of 2026 EUR 1,269 thousand, changes in fair value previously recognized upon granting the capital rebate EUR 178 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
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 30 June 2025	**113 964**	**(15 935)**	**102 304**	**200 333**
Increase of reserve capital	195			195
Reserves as of 31 December 2025	**114 159**	**(15 935)**	**102 304**	**200 528**
Increase of Specific Reserves from General reserve capital at distribution of the profit for year 2025	858	-	(858)	-
Reduction of Specific Reserves from General reserve capital at distribution of the profit for year 2025	(1 428)	-	1 428	-
2025 profit of the Company	-	-	32 082	32 082
Reserves as of 30 June 2026	**113 589**	**(15 935)**	**134 956**	**232 610**

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
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 30 June 2025	**23 751**	**6 857**	**3 375**	**15 916**	**13 829**	**17 573**	**8 862**	**23 801**	**113 964**
of which:									
Portfolio Loss Reserve (Specific Reserves)	*23 751*	*6 857*	*3 375*	*15 650*	*1 018*	*17 573*	*8 862*	*7 836*	*84 922*
Increase of reserve capital	195	-	-	-	-	-	-	-	195
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*
Increase of Specific Reserves from General reserve capital at distribution of the profit for year 2025	-	-	-	201	-	609	48	-	858
Reduction of Specific Reserves from General reserve capital at distribution of the profit for year 2025	-	(1 227)	(40)	-	-	-	-	(161)	(1 428)
Reserve capital redistribution	-	-	10 777	-	-	(2 000)	(8 777)	-	-
Specific reserves as 30 June 2026	**23 946**	**5 630**	**14 112**	**16 117**	**13 829**	**16 182**	**133**	**23 640**	**113 589**
of which:									
Portfolio Loss Reserve (Specific Reserves)	*23 946*	*5 630*	*14 112*	*15 851*	*1 018*	*16 182*	*133*	*7 675*	*84 547*

20 Reserves (cont'd)

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

The item Reserve capital redistribution includes a decrease in the Special Reserve Capital for mitigating the consequences of COVID-19 in 2026 in the amount of EUR 10,777 thousand, in accordance with Cabinet Regulation No.507 of 12 August 2025, Amendments to Cabinet Regulation No.383 of 16 June 2020 "Regulations Regarding Guarantees for Economic Operators to Improve Competitiveness":

- EUR 8,300 thousand from the reserve capital of the programme implemented in accordance with Cabinet Regulation No.150 of 19 March 2020, Regulations Regarding Guarantees for the Enterprises whose Activity has been Affected by the Spread of COVID-19;
- EUR 477 thousand from the reserve capital of the programme implemented in accordance with Cabinet Regulation No.537 of 5 September 2017, Regulations Regarding Portfolio Guarantees for the Promotion of Crediting of Micro, Small, and Medium-sized Performers of Economic Activity which Are Legal Persons;
- EUR 2,000 thousand from the reserve capital of the programme implemented in accordance with Cabinet Regulation No.149 of 19 March 2020, Regulations Regarding Loans for Current Assets to the Enterprises the Activity of Which has been Affected by the Spread of COVID-19.

Pursuant to the resolution of the Annual General Meeting of Shareholders of 11 May 2026, EUR 10,777 thousand is allocated to the special reserve capital of the programme implemented in accordance with Cabinet Regulation No.383 of 16 June 2020, Regulations Regarding Guarantees for Economic Operators to Improve Competitiveness.

In the 3rd quarter of 2026, pursuant to shareholder decision No 2 of 13 August 2026, the reserve capital for the Housing Guarantee programme will be reduced by EUR 5,000 thousand. The programme is implemented in accordance with Cabinet Regulation No 95 of 20 February 2018 "Regulations regarding State Aid for the Purchase or Construction of Residential Premises. The amount will be reallocated to the reserve capital for the Mortgage Loans for Home Purchase in Regions Programme. Implemented in accordance with Cabinet Regulation No 609 of 14 October 2025 "Regulations Regarding Loans for Home Purchase in Regions".

The funds credited to the special reserve capital will be used to cover the programme's expected credit risk losses in full and, as such, are presented separately as the Portfolio Loss Reserve within the respective reserve capital.

20 Reserves (cont'd)

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

	Portfolio loss reserve for non-Covid-19 guarantees programmes					**Portfolio loss reserve for mitigating of impact of Covid-19**		**Reserve capital for AIF "Altum capital fund"**	**Total portfolio loss reserve**
	Housing Guarantee Programme	Study and student portfolio guarantees	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	-	-	-	-	-	-	2 805
Reduction of reserve capital due to increased funding of Support Programmes	-	-	-	(5 000)	-	-	-	-	(5 000)
Increase of Specific Reserves from General reserve capital at distribution of the profit for year 2024	-	-	75	63	-	1 305	1 675	-	3 118
Reduction of Specific Reserves from General reserve capital at distribution of the profit for year 2024	-	(1 558)	-	-	-	-	-	(179)	(1 737)
Portfolio Loss Reserve as of 30 June 2025	**23 751**	**6 857**	**3 375**	**15 650**	**1 018**	**17 573**	**8 862**	**7 836**	**84 922**
of which:									
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
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)*
Increase of Specific Reserves from General reserve capital at distribution of the profit for year 2024	-	-	-	201	-	609	48	-	858
Reduction of Specific Reserves from General reserve capital at distribution of the profit for year 2024	-	(1 227)	(40)	-	-	-	-	(161)	(1 428)
Reserve capital redistribution	-	-	10 777	-	-	(2 000)	(8 777)	-	-
Portfolio Loss Reserve as of 30 June 2026	**23 946**	**5 630**	**14 112**	**15 851**	**1 018**	**16 182**	**133**	**7 675**	**84 547**
of which:									
Portfolio Loss Reserve (Specific Reserves) to be used to cover credit loss upon approval of the 2026 annual report	-	*(599)*	*(138)*	*(74)*	-	*552*	*1*	*(85)*	*(343)*

21 Off-balance sheet items and contingent liabilities

All amounts in thousands of euros

	30.06.2026.	31.12.2025.
Contingent liabilities:		
Outstanding guarantees	737 741	627 944
Financial commitments:		
Loan commitments	344 554	252 017
Commitments to investments in associates	180 628	138 983
Commitments to other investments	17 335	17 032
Grant commitments	3 510	3 461
Total contingent liabilities and financial commitments	**1 283 768**	**1 039 437**

Impairment allowances for loan commitments, in thousands of euros:

	30.06.2026.	31.12.2025.
Unutilised loan facilities	344 554	252 017
Impairment allowances	(1 731)	(1 532)
Total unutilized loan facilities, net	**342 823**	**250 485**

Impairment allowances for grant commitments, in thousands of euros:

	30.06.2026.	31.12.2025.
Grant commitments	3 510	3 461
Impairment allowances	(97)	(97)
Total grant commitments, net	**3 413**	**3 364**

Analysis of the guarantee portfolio by client segments as at 30 June 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	9 112	(727)	2 619	(139)	-	-	11 731	(866)
SME and Midcaps	273 374	(10 283)	19 603	(1 924)	6 954	(3 205)	299 931	(15 412)
Private individuals	420 966	(30 934)	3 719	(395)	1 394	(1 239)	426 079	(32 568)
Total segments, gross	**703 452**	**(41 944)**	**25 941**	**(2 458)**	**8 348**	**(4 444)**	**737 741**	**(48 846)**
Impairment overlay for interest rate decrease	-	-	-	-	-	-	-	-
Total segments, net	**703 452**	**(41 944)**	**25 941**	**(2 458)**	**8 348**	**(4 444)**	**737 741**	**(48 846)**

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

Breakdown of off-balance sheet assets and contingent liabilities by remaining contractual maturities as at 30 June 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	475 893[1]	527	789	1 602	15 273	243 657	737 741
Financial commitments							
Loan commitments	344 554	-	-	-	-	-	344 554
Commitments to investments in associates [2]	1 315	9 257	10 955	15 941	102 587	40 573	180 628
Commitments to other investments	1 000	750	1 100	4 900	9 485	100	17 335
Total financial commitments	346 869	10 007	12 055	20 841	112 072	40 673	542 517
Grant commitments	3 510	-	-	-	-	-	3 510
Total contingent liabilities and financial commitments	**826 272**	**10 534**	**12 844**	**22 443**	**127 345**	**284 330**	**1 283 768**

[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 28.4 million.

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 28.8 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 Ministry of Finance, Ministry of Economics, Ministry of Agriculture, Rural Support Service and Central Finance and Contracting Agency, which co-finance the development programmes of the Company.

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

	Transactions with shareholders		Associates		Other companies owned by the shareholders	
	30.06.2026.	31.12.2025.	30.06.2026.	31.12.2025.	30.06.2026.	31.12.2025.
Investments in venture capital funds	-	-	56 801	56 146	-	-
Investments in AIF "Altum capital fund"	-	-	7 848	7 721	-	-
Due to general governments	-	-	-	-	258 574	1 942
Support programme funding	568 380	604 837	-	-	296 430	232 365
Off-balance sheet financial liabilities for venture capital funds	-	-	151 617	90 099	-	-
Off-balance sheet financial liabilities for AIF "Altum capital fund"	-	-	29 011	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.-30.06.2026.	01.01.2025.-30.06.2025.	01.01.2026.-30.06.2026.	01.01.2025.-30.06.2025.
Transactions with shareholders				
Ministry of Finance of the Republic of Latvia	17 161	11 116	(5 938)	10 755
Ministry of Agriculture of the Republic of Latvia	15	-	-	-
Ministry of Economics of the Republic of Latvia	5 467	30 000	-	-
Associates				
Venture capital funds	6 451	6 449	(4 414)	(10 535)
Other companies owned by the shareholders				
Rural Support Service	5 892	-	-	-
Central Finance and Contracting Agency of the Republic of Latvia	29 345	100 503	-	-
Ministry of Education and Science of the Republic of Latvia	-	2 925	-	-
Ministry of Wealth Fair of the Republic of Latvia	2 035	532	-	350

The remuneration of the members of the Supervisory Council, Audit Committee and the Management Board of the Company in the 6 months of 2026 amounted to EUR 268 thousand (6 months of 2025: EUR 389 thousand), including social insurance tax.

	01.01.2026.-30.06.2026.	01.01.2025.-30.06.2025.
Remuneration to the Supervisory Council and the Management Board	217	315
to the Supervisory Council	*43*	*46*
to the Management Board	*151*	*246*
to the Audit Committee	*23*	*23*
Social insurance tax	*51*	*74*
Total	**268**	**389**

23 Fair values of assets and liabilities

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

	Total carrying amount		Total fair value incl.		Level 2		Level 3	
	30.06.2026.	31.12.2025.	30.06.2026.	31.12.2025.	30.06.2026.	31.12.2025.	30.06.2026.	31.12.2025.
Assets measured at fair value								
Financial assets at fair value through other comprehensive income - investment securities	262 313	130 859	262 313	130 859	262 313	130 859	-	-
Other investments	64 649	63 867	64 649	63 867	-	-	64 649	63 867
Investments in associates	41 477	33 845	41 477	33 845	-	-	41 477	33 845
Investment properties	124 103	120 819	124 103	120 819	-	-	124 103	120 819
Loans with capital rebate	105 805	79 277	105 805	79 277	-	-	105 805	79 277
Assets with fair values disclosed								
Due from credit institutions and the Treasury	693 338	839 708	692 719	839 084	692 719	839 084	-	-
Financial assets at amortised cost - loans	473 603	438 864	442 394	402 489	-	-	442 394	402 489
Other financial assets	2 343	2 708	2 343	2 708	-	-	2 343	2 708
Total assets	**1 767 631**	**1 709 947**	**1 735 803**	**1 672 948**	**955 032**	**969 943**	**780 771**	**703 005**
Liabilities measured at fair value								
Support programme funding	866 305	839 698	866 305	839 698	-	-	866 305	839 698
Liabilities with fair value disclosed								
Due to credit institutions	45 009	23 225	45 009	23 225	-	-	45 009	23 225
Due to general governments	262 711	262 894	242 875	245 111	-	-	242 875	245 111
Liabilities from financial guarantees	52 907	53 620	52 907	53 620	-	-	52 907	53 620
Financial liabilities at amortised cost - Issued debt securities	90 180	91 404	89 928	89 718	-	-	89 928	89 718
Total liabilities	**1 317 112**	**1 270 841**	**1 297 024**	**1 251 372**	**-**	**-**	**1 297 024**	**1 251 372**
Off-balance-sheet commitments for which the fair value is disclosed:								
Outstanding guarantees	737 741	627 944	737 741	627 944	-	-	737 741	627 944
Total off-balance sheet liabilities	**737 741**	**627 944**	**737 741**	**627 944**	**-**	**-**	**737 741**	**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, CVI Private Debt Fund II S.C.A. and the Altum Capital Fund, are measured using the equity method at the Company level. Investments in Baltic Innovation Fund, Baltic Innovation Fund 2, the Three Seas Fund, and the Altum Capital Fund are measured at fair value through profit or loss.

Investment properties

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

Support programme funding

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

24 Events after the reporting date

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

OTHER NOTES TO Unaudited interim condensed report

OTHER NOTES TO THE interim condensed report

KEY FINANCIAL AND PERFORMANCE INDICATORS

Based on data from financial statements for the respective reporting period

	2026 6M	2026 3M	2025
Key financial data			
Net interest income (EUR '000)	10 060	5 011	20 026
Operating profit (EUR '000)	10 127	5 929	32 082
Profit for the period (EUR '000)	10 127	5 929	32 082
Cost to income ratio (CIR)	31.4%	25.8%	18.8%
Employees	267	264	258
Total assets (EUR '000)	1 791 899	1 790 061	1 730 046
Financial debt (EUR '000)	955 673	968 088	927 091
Tangible common equity (TCE) / Tangible managed assets (TMA) [1]	**18.5%**	**18.7%**	**19.4%**
Equity and reserves (EUR '000)	455 823	450 714	445 737
Return on average equity (ROE)	4.6%	5.4%	7.4%
Total risk coverage: (EUR '000)	**392 736**	**392 263**	**374 448**
Risk coverage reserve	362 589	357 398	342 557
Risk coverage reserve used for provisions	(54 057)	(50 577)	(52 656)
Portfolio loss reserve (specific reserve capital)	84 547	85 117	85 117
Portfolio loss reserve used to compensate provisions in the distribution of annual profit	(343)	325	(570)
Liquidity ratio for 180 days [2]	227%	300%	321%
Net Cash flows from operating activities (EUR '000)	(1 589)	39 824	144 066
Net Cash flows from financing activities (EUR '000)	-	-	3 000
Net Cash flows from investing activities (EUR '000)	(34 033)	(33 780)	76 079
Support instruments gross value (EUR '000), of which	**1 710 677**	**1 598 658**	**1 501 490**
Grants	5 868	5 136	4 294
Financial instruments gross value (EUR '000) [3]			
Loans (excluding sales and leaseback transactions)	707 126	652 534	621 218
Guarantees	737 741	686 041	627 944
Venture capital funds	98 361	96 023	90 210
Latvian Land Fund, of which:	161 581	158 924	157 824
- sales and leaseback transactions	37 478	36 608	37 005
- investment properties	124 103	122 316	120 819
Total	**1 704 809**	**1 593 522**	**1 497 196**
Number of transactions	44 207	43 318	42 414
Volumes issued (EUR '000) (by financial instrument) [3]			
Loans (excluding sales and leaseback transactions)	161 393	67 515	292 079
Guarantees	159 914	85 598	199 628
Venture capital funds	13 653	4 882	13 910
Latvian Land Fund, of which:	6 841	2 489	28 668
- sales and leaseback transactions	3 479	988	9 823
- investment properties	3 362	1 501	18 845
Total	**341 801**	**160 484**	**534 285**
Number of transactions	4 200	1 983	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]	1 405 422 [4]	1 405 422
Leverage for raised private funding	135%	125%	158%
Volume of support programmes funding per employee (EUR '000)	6 385	6 036	5 803
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 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**	**1 234 002[6]**	**1 101 797**	**1 064 821**	**979 130**	**872 302**
Grants	4 294	3 159	68 132	58 280	45 397	31 107
Financial instruments gross value (EUR '000)						
Loans (excluding sales and leaseback transactions)	621 218	474 193 [5]	359 246	311 844	315 674	302 481
Guarantees	627 944	523 538	480 025	481 013	414 978	359 605
Venture capital funds	90 210	97 999	97 456	90 277	85 973	73 165
Latvian Land Fund, of which: [7]	157 824	135 113	96 938	80 542	79 163	68 258
- sales and leaseback transactions	37 005	42 137	28 692	27 089	32 999	31 500
- investment properties	120 819	92 976	68 246	53 453	46 164	36 758
Total	**1 497 196**	**1 230 843[6]**	**1 033 665**	**963 676**	**895 788**	**803 509**
Number of transactions	42 414	38 730	35 260	33 976	30 978	26 578
Volumes issued (EUR '000) (by financial instrument)						
Loans (excluding sales and leaseback transactions)	292 079	221 741	141 993	95 820	100 966	138 238
Guarantees	199 628	142 902	99 440	153 067	126 997	137 425
Venture capital funds	13 910	15 745	23 920	18 526	29 158	14 014
Latvian Land Fund, of which: [7]	28 668	40 506	17 676	7 414	10 595	28 191
- sales and leaseback transactions	9 823	19 692	7 916	3 105	3 254	16 796
- investment properties	18 845	20 814	9 760	4 309	7 341	11 395
Total	**534 285**	**420 894**	**283 029**	**274 827**	**267 716**	**317 868**
Number of transactions	8 387	6 710	4 846	6 539	6 579	6 147
Total contribution to economy by volumes issued in the reporting period, including the participation of the final recipients (EUR '000)	1 405 422	978 319	946 008	765 577	791 646	696 306
Leverage for raised private funding	158%	129%	229%	123%	177%	114%
Volume of support programmes funding per employee (EUR '000)	5 803	4 625	4 054	4 118	3 964	3 808
Long-term rating assigned by Moody's Ratings	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1

[1] TMA includes off-balance sheet item outstanding guarantees.

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

KEY FINANCIAL AND PERFORMANCE INDICATORS (cont'd)

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

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

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

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

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

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

Definitions of ratios

Net interest income	"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.
Operating profit	"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.
Cost to income ratio (CIR)	"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.
Financial debt	"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". "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.
Tangible common equity (TCE) / Tangible managed assets (TMA)	"Tangible Common Equity" (TCE) is calculated by subtracting the revaluation reserve of financial assets measured at fair value through Other Comprehensive Income. 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". 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.
Return on average equity (ROE)	"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.

Definition of ratios (cont'd)

Total risk coverage	"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. "Total Risk Coverage" is key indicator to be used for assessment of Altum risk coverage on implemented programmes and long-term financial stability.
180-day liquidity ratio	"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.
Gross Value of Support Instruments	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.
Total contribution to the economy, including the participation of the final recipients, by volumes issued in the period	"'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.
Leverage for raised private funding	"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.
Employees	Average number of full-time employees in the report period excluding members of the Supervisory Board and the Audit Committee.
Volume of support programmes funding per employee	"Support programmes funding per employee" is calculated by dividing the gross value of the Financial Instruments Portfolio by "Employees".
Venture capital	The Venture Capital Funds presented at their gross value.