

ALTUM Green Bond Project-by-project report

as Annex to ALTUM Green Bond Investor Report as at 30 June 2022

In October 2017, ALTUM became the first development bank in Eastern Europe to issue the Green Bonds.

20 mEUR Green Bond was issued under Green Bond Framework 2017 which received Medium Green shading from CICERO. During the reporting period ALTUM's Green Bond Framework 2017 has been subject to an update. Revised Green Bond Framework 2021 follows the recommendations outlined in the 2021 edition of the Green Bond Principles by ICMA and received CICERO Medium Green in December 2021. The 20 mEUR Green Bond (ISIN LV0000802353) with tenor of 7 years constitute Senior Unsecured debt obligation of ALTUM.

As at 30 June 2022 ALTUM has committed a total of 18.5 mEUR and disbursed a total of 17.3 mEUR for green projects. Almost all funded projects have been completed and their contribution to sustainability has commenced during the reporting period generating an annual reduction in GHG emissions corresponding to 7 963 tonnes CO₂e. That in turn corresponds to an actual reduction of 430 tonnes CO₂e p.a. on total project impact basis per committed 1 mEUR mainly boosted above average by Energy Efficiency projects. Covid-19 pandemic restrictions leading to decrease of economic activities negatively affected actual sustainability KPI's that are slightly lower than originally estimated and reported last year. Green Bond proceeds are allocated to individual projects.

The share of new projects out of total committed Facility amount stands for 90%.

Per Eligible projects categories

Energy efficiency

Project	Year of approval	Facility amount 30 June 2022, EUR	Disbursed amount 30 June 2022, EUR	Altum funding 30 June 2022, %	Reduced GHG emissions, tCO ₂ e p.a.	Energy reduced, MWh p.a.	Reduction of energy use, %
ESCO-project (lighting)*	2018	1 000 000	1 000 000	66%	711	6 982	73%
ESCO-project (lighting)*	2018	800 000	800 000	90%	182	1 782	75%
Infrastructure energy efficiency, Salaspils	2018	51 049	51 049	85%	59	1 608	26%
Logistic warehouse lighting, Salaspils	2018	81 002	81 002	85%	40	394	76%
Renovation of heating, Rīga	2018	54 995	54 995	85%	12	117	65%
Wood drying chamber equipment, Rīga	2018	11 500	11 500	82%	2	18	38%
Renovation of boiler house, Milzkalne	2018	165 833	165 833	56%	-2	1 252	30%
Heating system automation, Sigulda	2018	62 475	62 475	85%	32	313	10%
Renovation of boiler house, Misa	2018	108 000	108 000	36%	36	528	9%
Renovation of boiler house, Vangaži	2018	1 118 445	1 118 445	53%	3 827	2 738	14%
ESCO-project (district heating)	2018	115 000	115 000	59%	0	507	24%
ESCO-project (district heating)	2019	597 152	597 152	37%	0	2 600	31%
ESCO-project (district heating)	2019	308 000	308 000	80%	0	156	2%
Renovation of boiler house, Ludza	2018	440 000	440 000	48%	88	3 370	11%
Renovation of lighting, Mežvidi	2018	55 000	55 000	18%	13	132	28%
Metalworking equipment, Rēzekne	2018	99 875	99 875	85%	5	48	27%
Renovation of boiler house, Talsi	2018/2019	1 705 846	1 705 846	60%	34	5 280	18%
ESCO-project (district heating), Lubāna	2018	125 000	125 000	77%	0	710	28%
Renovation of heating, Rauna	2018/2019	65 902	65 902	85%	0	434	75%
ESCO-project (lighting)*	2019	1 170 000	1 170 000	85%	510	5 000	67%
Film replacement for greenhouses, Lēdmane	2019	110 670	110 670	35%	0	1 424	26%
Biogas Cogeneration plant, Lēdmane	2019	231 507	231 507	75%	88	3 370	11%
Woodworking equipment, Kuldīga	2019	760 609	760 609	90%	46	452	36%
Tile block processing line, Auri	2019/2020	471 150	471 150	85%	40	225	37%
Woodworking equipment, Staiņele	2019	638 255	638 255	58%	9	39	80%
Renovation and automation of heating system, Murmasteine	2019	647 571	647 571	53%	0	413	80%
Renovation of heating and ventilation, Rīga	2019	200 979	200 979	85%	49	280	30%
Renovation of heating, Rīga	2019	80 060	80 060	85%	101	377	100%
Renovation of boiler house, Ādaži**	2020	440 640	440 640	52%	1 354	-1 288	-19%
Multifunctional CNC cutting and drilling equipment, Rīga	2020	179 506	179 506	85%	2	20	8%
Process management system, Rīga	2021	258 682	258 682	85%	1	9	31%
Woodworking equipment, Platone	2021	1 024 000	14 000	85%	10	530	10%
Painting chamber, Rīga	2021	97 260	73 998	82%	6	62	97%
Metal parts treatment equipment, Rīga	2022	110 202	110 202	85%	3	40	90%
Renovation of lighting, Mežvidi	2021	106 916	106 917	43%	9	120	16%
Air treatment equipment, Stopiņi	2021	38 215	38 215	84%	104	342	41%
Automated bottle filling machine, Kekava	2021	158 000	158 000	72%	1	14	78%
TOTAL		13 689 297	12 656 035		7 372	40 395	20%

* ESCO company's deals reported as 1 green project although there is considerable amount of underlying small green objects.

** Energy consumption increased in terms of MWh due to change of resources used from natural gas to biomass.

Renewables

Project	Year of approval	Facility amount 30 June 2022	Disbursed amount 30 June 2022	Altum funding 30 June 2022, %	Reduced GHG emissions, tCO ₂ p.a.	Energy reduced, MWh p.a.	Reduction of energy use, %
ESCO-project* Solar panels, Amatiems	2021	171 784	171 784	73%	26	257	100%
Solar panels, Roja	2020	141 140	141 140	90%	17	167	23%
Solar panels, Valka	2019	52 832	52 832	85%	6	60	100%
Solar panels, Stopiņi	2021	30 000	30 000	80%	3	28	74%
Solar panels, Jēkabpils	2021	216 139	41 136	90%	15	203	100%
TOTAL:		611 895	436 892		67	715	55%

* ESCO company's deals reported as 1 green project although there is considerable amount of underlying small green objects.

Sustainable transportation

Project	Year of approval	Facility amount 30 June 2022	Disbursed amount 30 June 2022	Altum funding 30 June 2022, %	Reduced GHG emissions, tCO ₂ p.a.	Reduction of energy use, %	Clean transportation p.a., Mkm
Electric cars, Riga	2020	2 429 820	2 429 820	90%	311	100%	2.30
Electric bicycles, Riga	2020	157 925	157 925	85%	136	100%	0.92
City electric buses Universal 907 OPP, Riga	2020	1 600 000	1 600 000	36%	77	100%	0.42
TOTAL:		4 187 745	4 187 745		524	100%	3.6

Methodology

- KPI's: reported actual total project impact, excluding any supply/value chain impact. KPI's represent respective projects contribution to sustainability started during the reporting period.
- The actual reduction of GHG emissions for Energy Efficiency and Renewables project categories has been calculated based on respective conversion rates applied to estimated energy savings according to local methodology - Republic of Latvia Cabinet Regulation No.42 "Methodology for Calculating Greenhouse Gas Emissions" dtd 23 January 2018. Conversion rates for Latvia are based on the particular country's energy balance (LV energy consumption balance includes considerable portion of renewable energy) thus leading to lower reduction of GHG emissions as might be in other countries with different structure of the country's energy balance for projects with similar energy saving.
- When the project that was partially financed by Green Bond proceeds repays portion of the loan from external sources (for example, grant received), then such amount is deducted from the initial reported percentage of Green Bond funding (Altum funding, %) in the next Investors Report.
- Energy Efficiency projects using biomass are treated as CO₂e neutral.
- The actual reduction of GHG emissions for Sustainable Transportation project category has been calculated based on average traditional CO₂e emissions for combustion engines – cars 135 g CO₂/100 km and buses 183 g CO₂/100 km respectively.

Disclaimer

Actual energy/fuel savings per project as well as km of clean transportation has been obtained from ALTUM's customers. The data has been reviewed by ALTUM but has not been verified. The calculations of environmental impact have been carried by ALTUM. We do our best to quality-assure the information contained in this report.