

Limited Partnership

**AIF “ALTUM KAPITĀLA FONDS”**

Annual report

for the year ended 31 December 2023

(the 4th reporting period)

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## Information on the Fund

|  |   |   |
|--|---|---|
| <b>Name of the company</b>   | AIF “Altum kapitāla fonds” (hereinafter – the Fund)   |   |
| Type of fund   | Closed-end alternative investment fund  |   |
| Legal status of the fund   | Limited partnership   |   |
| Address  | Dome Square 4, Riga, LV-1050  |   |
| Registration number, place and date of registration                                    | 40203252367, Riga, 31 July 2020   |   |
| LB (FCMC) registration number  | AF257   |   |
| <b>Management company</b>  | JSC Development Finance Institution Altum (hereinafter – the Manager), registered with the Financial and Capital Market Commission (hereinafter – FCMC) on 26 May 2020              |   |
| Address  | Dome Square 4, Riga, LV-1050  |   |
| Registration number  | 50103744891   |   |
| LB (FCMC) registration number  | 574   |   |
| Key personnel  | Atis Zvidriņš   | Investment Director   |
| Board Members  | Reinis Bērziņš<br>Jēkabs Krieviņš<br>Inese Zīle<br>Ieva Jansone-Buka<br>Juris Jansons   | Chairman of the Board<br>Member of the Board<br>Member of the Board<br>Member of the Board<br>Member of the Board from 09.01.2023 |
| <b>Depositary Bank</b>   | AS Swedbank, 40003074764, Balasta dambis 15, Riga, LV-1048  |   |
| <b>Reporting period</b>  | 1 January 2023 – 31 December 2023   |   |
| <b>Name and address of the certified audit company and certified auditor in charge</b> | PricewaterhouseCoopers SIA<br>License No 5<br>Kr. Valdemāra iela 21-21<br>Riga, LV-1010<br>Latvia<br><br>Responsible Certified Auditor:<br>Ilandra Lejiņa<br><br>Certificate No 168 |   |

## Report of the Alternative Investment Fund's Manager

The operations and aim of the Fund are related to the monitoring and development of those companies in which the Fund has made its investments as well as planning and executing the realization scenarios of those investments. The Fund was registered on 31 July 2020. The first closing took place on 3 September 2020 and the investment decisions about funding companies that were affected by Covid-19 crisis were made until 30 June 2022. The Fund's investments were made in medium-sized and large Latvian companies that within the group meet at least one of the following criteria: 1) 150 employees or 2) turnover of EUR 50 million and total assets of EUR 43 million. The Fund was able to invest in companies in a number of ways: 1) investments in private or public equity with or without co-funding by other private investors; 2) mezzanine, subordinated or other loans with or without conversion; 3) bonds listed on a regulated market or First North. The Fund's funding can be used for both investments and working capital needs.

During the investment period Fund made decisions about investments amounting EUR 41.8 million. The Fund's lifetime is 7 years until 3 September 2027, with the option to prolong it for one more year i.e., until 3 September 2028. The majority of the funds 51.1% comes from private investors while 48.9% is public funding provided by JSC Development Finance Institution Altum. Partners are investment companies that invested on behalf of the investment plans of the state-funded pension scheme they manage and an open pension fund that made an investment from pension scheme 3<sup>rd</sup> pillar assets.

The Fund's depositary bank is Swedbank AS. The Fund Manager uses best practices of the venture capital and private equity sector, reports to the Fund investors according to the Invest Europe guidelines, while the valuation of investments is carried out in accordance with an established internal procedure based on the valuation guidelines approved by the IPEV Board.

Even though the effects that Covid-19 pandemic has on the Latvian economy has decrease significantly, certain habits established during the pandemic such as remote work (incl. outside from Latvia) and increase in online purchases remains. The hospitality sector saw significant increase of traveling costs, as a result the flow of tourists didn't recover to the 2019 levels as fast as expected. The results of the Fund and its portfolio companies were also affected by the volatility of global economy, due to the supply chain disruptions as initially caused by the pandemic, growing household savings, geopolitical instability in Eastern Europe and the Middle East, as well as due to the overall macroeconomic forces. During the reporting period, the global economy was affected by high inflation rates, which led the central banks to significantly increase the interest rates, to slow down the consumption and return the inflation rate within the limits of not more than 2%, not allowing for an inflation spiral to form. For instance, European Central Bank, during the year increased the interest rates from 2.5% to 4.5%. This has created a significant increase in the cost of debt, making the debt service more costly and creates an additional burden to the company cash-flows and limits the resources available as working capital. The companies also saw inflationary pressure on the costs related to the raw materials, energy, rent, personnel, and other essential costs.

In addition to the effects of the Covid-19 pandemic, the portfolio companies, and the overall economy, was significantly disrupted by the sudden Russian invasion in the territory of Ukraine on 24 February 2022. As a result of this, companies terminated or significantly decreased operations in the Russian and Belorussian markets, as well as the operations in Ukraine were seriously affected. Due to the war, there was an additional inflationary pressure, mainly due to high price volatility of energy sector, but not only.

The impact from Russia's invasion in Ukraine in 2022 was still noticeable among Fund's portfolio companies during the reporting period as well. Two of the Fund's portfolio companies were impacted directly. Countries involved in the war comprised a significant part of the markets of those companies. Despite this, the companies timely initiated activities to terminate cooperation with the aggressor countries and currently the lost market share in Russia has been replaced with new markets. In the end of reporting period the overall negative impact from the war on the value of Fund's portfolio has been estimated as unsubstantial. A more substantial contributor to the drop of the value of Fund's portfolio came from raising interest rates. In accordance, with the investment valuation policy of the Fund a substantial increase in the bank's interest rates and yields in the corporate bond market results in a downward revaluation of debt investments made by the Fund in line with the discounted cashflow model. According to the statistics published on the Bank of Latvia and NASDAQ Baltic websites, both interest rates and bond yields has grown significantly. Since initial investments in 2021 the total additional risk premium in the discount rates has reached 2.5 p.p in accordance with the financial markets.

During the reporting period the Fund's portfolio value decreased by EUR 1.33 million.

During the reporting period the Fund made a next stage investment in one of the Fund's portfolio companies according to the existing investment agreements signed during the investment period. According to the investment documentation additional next stage investments in two of the Fund's portfolio companies are planned in 2024.

## Report of the Alternative Investment Fund’s Manager (cont’d)

Since the inception date of the Fund, the amount of capital contributions requested from and paid in by the Partners of the Fund (hereinafter collectively referred to as Partners) amounted to EUR 37.5 million or 37.5% of the total committed capital, of which EUR 35.4 million were investments, while EUR 2.1 million - management fees and operating expenses. The amount of capital repayment to the Partners was EUR 5.8 million. In comparison with the previous reporting period the amount of Fund’s total investment has increased by EUR 1.0 million and it is expected that the additional EUR 6.4 million will be issued as follow-on investments increasing the Fund’s total investment amount to EUR 41.8 million.

At the end of the reporting year, the net asset value of the Fund was EUR 33.4 million, including capitalised interest of EUR 0.5 million and the result of revaluation of EUR -1.7 million. In the reporting year, the Fund earned a profit of EUR 0.8 million (2022: a profit of EUR 1.2 million) as interest income exceeded the drop of investment value and the Fund's expenses.

In line with the Regulation about the disclosure of information which is related to sustainability in the financial services industry (The Sustainable Finance Disclosure Regulation) requirements, there are guidelines published in the Fund’s website, which reflect our approach in evaluating and reporting for the Principal Adverse Impact as according to requirements of Article 4 of The Sustainable Finance Disclosure Regulation.

### Subsequent events

As of the last day of the reporting year, there have been no events that would have a significant effect on the financial position of the Fund as at 31 December 2023.

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**Reinis Bērziņš**

Limited partnership’s  
AIF “Altum kapitāla fonds”  
General partner  
JSC Development Finance  
Institution Altum,  
represented by its Chairman  
of the Management Board

28 February 2024

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**Atis Zvidriņš**

AIF “Altum kapitāla fonds”  
Investment Director

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## **Statement of the Responsibility of the Alternative Investment Fund's Manager**

The Board of the Fund's Manager is responsible for the preparation of financial statements that give a true and fair view of the financial position of the Fund as at 31 December 2023, and of its financial performance and cash flows for the year then ended in accordance with the existing legislation.

The Board of the Fund's Manager confirms that suitable accounting policies have been used and applied consistently in the preparation of the financial statements presented on pages 8 to 27 for the year ended 31 December 2023 according to Regulation No 217 of the Financial and Capital Market Commission "Regulations on Preparation of Annual Reports and Consolidated Annual Reports of Closed-End Alternative Investment Fund as well as that the judgments and assumptions used in the preparation of these financial statements have been prudent and reasonable. The Board of the Fund's Manager also confirms that the financial statements have been prepared on a going concern basis.

The Board of the Fund's Manager is also responsible for the maintenance of proper accounting records, taking reasonable efforts to safeguard the Fund's resources and to prevent and detect fraud and other irregularities.

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**Reinis Bērziņš**

Limited partnership's  
AIF "Altum kapitāla fonds" General partner  
JSC Development Finance Institution Altum,  
represented by its Chairman of the  
Management Board

28 February 2024

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Rīga, LV-1048, Latvija  
Tālr. +371 67 444 444  
Fakss +371 67 444 344  
www.swedbank.lv

## **Depository Bank Report for the period from 1 January 2023 to 31 December 2023**

For date, see the timestamp of the document signature  
No. A08.04-03/2024/SWBL-725

In accordance with the Law on Alternative Investment Funds and their Managers of the Republic of Latvia, the Limited Partnership Agreement on the establishment of the limited partnership AIF Altum Kapitāla Fonds, concluded on 23 July 2020, hereinafter – the "Limited Partnership Agreement", and the Depository Bank Agreement concluded on 1 January 2020, Swedbank AS, registration No. 40003074764, address: Balasta dambis 15, Rīga, hereinafter – the "Depository Bank", performs the duties of the depository bank for the limited partnership AIF Altum Kapitāla Fonds, hereinafter – the "Fund", managed by AS Attīstības Finanšu Institūcija Altum, hereinafter – the "Company".

The principal duties of Swedbank AS under the above agreement are as follows:

- to open a current account into which all monies received from investors in the Fund as investment commitment contributions shall be credited, out of which all payments related to the Fund transactions shall be made and into which the income earned on the assets of the Fund shall be credited;
- open a securities account where the securities contained in the Fund's assets and registered in the transferable financial instruments accounts are recorded;
- to control whether the Company manages the Fund in accordance with the requirements of applicable legislation, the Limited Partnership Agreement and the Depository Bank Agreement;
- to settle transactions with the Fund's assets, ensure safekeeping of the Fund's assets in accordance with the Depository Bank Agreement;
- to control the compliance of the Fund's valuation with the applicable legislation and the Limited Partnership Agreement.

The Depository Bank shall be fully liable to the Fund's investors and to the Company for any loss suffered as a result of the Depository Bank's wilful or negligent breach of legislation, the Depository Bank Agreement or negligent performance of its duties.

Taking into account the information available to Swedbank AS and the details provided by the Company, Swedbank AS is of the opinion that:

- The Fund's assets are held in accordance with the requirements of the legislation and the Depository Bank Agreement;
- Swedbank AS has monitored the calculation of the net asset value of the Fund and confirms that it complies with the requirements of the legislation and the Limited Partnership Agreement;
- The Company's orders submitted during the period from 1 January 2023 to 31 December 2023 for transactions with the Fund's assets comply with the requirements of the legislation, the Limited Partnership Agreement and the Depository Bank Agreement.

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Lauris Mencis  
Chairman of the Board  
"Swedbank" AS

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## Balance Sheet

| Assets  | Notes | 31.12.2023<br>EUR        | 31.12.2022<br>EUR        |
|---|-------|--------------------------|--------------------------|
| Placements with financial institutions              | 4     | 7 167                    | 788                      |
| <b>Investments</b>                                  |       |                          |                          |
| Debt securities and other fixed - income securities | 16    | 3 832 274                | 3 683 100                |
| Shares and other variable - income securities       | 16    | 3 720 379                | 3 348 780                |
| <b>Total investments</b>                            |       | <u>7 552 653</u>         | <u>7 031 880</u>         |
| <b>Loans and receivables</b>                        |       |                          |                          |
| Loans issued  | 16    | 25 756 222               | 27 299 227               |
| Receivables   | 5     | 5 282                    | 28 968                   |
| <b>Total loans and receivables</b>                  |       | <u>25 761 504</u>        | <u>27 328 195</u>        |
| Accrued income and deferred expenses                | 6     | 77 529                   | 268 539                  |
| <b>Total assets</b>                                 |       | <u><b>33 398 853</b></u> | <u><b>34 629 402</b></u> |
| <b>Liabilities</b>                                  |       |                          |                          |
| Accrued expenses and deferred income                | 7     | 16 854                   | 15 003                   |
| Other liabilities                                   | 8     | 900                      | 85 629                   |
| <b>Total liabilities</b>                            |       | <u><b>17 754</b></u>     | <u><b>100 632</b></u>    |
| <b>Net Assets</b>                                   |       | <u><b>33 381 099</b></u> | <u><b>34 528 770</b></u> |
| <b>Equity</b>                                       |       |                          |                          |
| Paid-in capital                                     |       | 31 687 710               | 33 679 914               |
| Previous years' profit/(loss)                       |       | 848 856                  | (368 041)                |
| Profit for the reporting year                       |       | 844 533                  | 1 216 897                |
| <b>Total equity</b>                                 | 14    | <u><b>33 381 099</b></u> | <u><b>34 528 770</b></u> |
| <b>Off – balance sheet items</b>                    |       |                          |                          |
| Contingent assets                                   | 9,15  | 62 519 509               | 63 810 392               |
| Off - balance sheet liabilities                     | 10    | 6 410 000                | 7 410 000                |

The accompanying notes on pages 12 through 27 form an integral part of these financial statements.

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### Reinis Bērziņš

Limited partnership's  
AIF “Altum kapitāla fonds” General partner  
JSC Development Finance Institution Altum,  
represented by its Chairman of the  
Management Board

28 February 2024

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## Statement of Profit or Loss

|   | Notes | 2023<br>EUR                  | 2022<br>EUR                    |
|---|-------|------------------------------|--------------------------------|
| <b>Income for the reporting period</b>    |       |                              |                                |
| Interest income                           | 11    | <u>2 399 879</u>             | <u>2 287 210</u>               |
| <b>Total income</b>                       |       | <b>2 399 879</b>             | <b>2 287 210</b>               |
| <b>Expenses for the reporting period</b>  |       |                              |                                |
| Management fee                            |       | (187 550)                    | (485 013)                      |
| Depositary bank fee                       |       | (13 522)                     | (12 781)                       |
| Other Fund management expenses            | 12    | <u>(24 399)</u>              | <u>(94 886)</u>                |
| <b>Total expenses</b>                     |       | <b>(225 471)</b>             | <b>(592 680)</b>               |
| <b>(Decrease) of investment value</b>     | 16    | <b>(1 329 875)</b>           | <b>(477 633)</b>               |
| <b>Profit before corporate income tax</b> |       | <u><b>844 533</b></u>        | <u><b>1 216 897</b></u>        |
| <b>Profit for the year</b>                |       | <u><u><b>844 533</b></u></u> | <u><u><b>1 216 897</b></u></u> |

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## Statement of Cash Flows

|   | <b>2023</b>        | <b>2022</b>        |
|---|--------------------|--------------------|
|   | <b>EUR</b>         | <b>EUR</b>         |
| <b>Cash flows from operating activities</b>                       |                    |                    |
| Interest income received  | 2 403 087          | 1 932 430          |
| Investment management expenses                                    | (284 504)          | (623 858)          |
| <b>Net cash flows generated from operating activities</b>         | <b>2 118 583</b>   | <b>1 308 572</b>   |
| <b>Cash flows from investment activities</b>                      |                    |                    |
| Investments made  | (500 000)          | (2 490 000)        |
| Loans issued  | (500 000)          | (1 500 000)        |
| Loans repaid  | 880 000            | -                  |
| <b>Net cash flows (used in) investment activities</b>             | <b>(120 000)</b>   | <b>(3 990 000)</b> |
| <b>Cash flow from financing activities</b>                        |                    |                    |
| Paid-in capital   | 1 290 883          | 4 580 468          |
| Repayment of capital contribution                                 | (3 283 087)        | (1 932 430)        |
| <b>Net cash flows generated from financing activities</b>         | <b>(1 992 204)</b> | <b>2 648 038</b>   |
| <b>Change in cash and cash equivalents</b>                        | <b>6 379</b>       | <b>(33 390)</b>    |
| Cash and cash equivalents at the beginning of the reporting year  | <b>788</b>         | <b>34 178</b>      |
| <b>Cash and cash equivalents at the end of the reporting year</b> | <b>7 167</b>       | <b>788</b>         |

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## Statement of Changes in Equity

|  | <b>Paid-in<br/>capital<br/>EUR</b> | <b>Previous<br/>years' profit /<br/>(loss)<br/>EUR</b> | <b>Profit for the<br/>reporting year<br/>EUR</b> | <b>Total equity<br/>EUR</b> |
|--|------------------------------------|--|--|-----------------------------|
| <b>As at 1 January 2022</b>                        | <b>31 031 876</b>                  | <b>(379 205)</b>                                       | <b>11 164</b>                                    | <b>30 663 835</b>           |
| Paid-in capital                                    | 4 580 468                          | -  | -  | 4 580 468                   |
| Distributions to Partners                          | (1 932 430)                        | -  | -  | (1 932 430)                 |
| 2021 profit moved to previous years' profit/(loss) | -                                  | 11 164   | (11 164)   | -                           |
| Profit for the year                                | -                                  | -  | 1 216 897  | 1 216 897                   |
| <b>As at 31 December 2022</b>                      | <b>33 679 914</b>                  | <b>(368 041)</b>                                       | <b>1 216 897</b>                                 | <b>34 528 770</b>           |
| Paid-in capital                                    | 1 290 883                          | -  | -  | 1 290 883                   |
| Distributions to Partners                          | (3 283 087)                        | -  | -  | (3 283 087)                 |
| 2022 profit moved to previous years' profit/(loss) | -                                  | 1 216 897  | (1 216 897)                                      | -                           |
| Profit for the year                                | -                                  | -  | 844 533  | 844 533                     |
| <b>As at 31 December 2023</b>                      | <b>31 687 710</b>                  | <b>848 856</b>   | <b>844 533</b>                                   | <b>33 381 099</b>           |

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### Reinis Bērziņš

Limited partnership's  
AIF "Altum kapitāla fonds" General partner  
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## Notes to the financial statements

### 1. Corporate information

AIF Altum Capital Fund (hereinafter - the Fund) was registered with the Enterprises Register on 31 July 2020 with its operations expiry date 3 September 2027, including the possibility of extending it for another year, namely, until 3 September 2028. The investment period of the Fund ended on 30 June 2022.

The Fund's aim is to render support in overcoming the impact of Covid-19 to well-managed and promising medium un large companies, which to cope with the situation are willing to adapt their current operations by transforming their business model, adapting product development, introducing new technologies, entering new export markets, thus promoting their growth.

The full amount of the Fund's subscribed capital contribution, namely, EUR 100 million, was reached on 16 September 2020, of which the majority (EUR 51.1 million or 51.1%) were contributions made by private investors and EUR 48.9 million represented the public funding invested by JSC Development Finance Institution Altum.

| Partners         |  | Commitment<br>EUR  | Ownership<br>% |
|------------------|--|--------------------|----------------|
| General partner  | JSC Development Finance Institution Altum                        | 48 910 000         | 48.91          |
| Limited Partners | "Swedbank Investment Management Company" AS                      | 20 800 000         | 20.80          |
|                  | IPAS "SEB Investment Management"                                 | 13 700 000         | 13.70          |
|                  | Luminor Asset Management IPAS                                    | 7 300 000          | 7.30           |
|                  | "CBL Asset Management" investment management joint stock company | 7 100 000          | 7.10           |
|                  | IPAS "INVL Asset Management"                                     | 1 100 000          | 1.10           |
|                  | AS "SEB open pension fund"                                       | 1 090 000          | 1.09           |
| <b>Total</b>     |  | <b>100 000 000</b> | <b>100.00</b>  |

The Fund could make the following investments or a combination of the latter for meeting the company's financing needs up to EUR 10 million per company:

- equity investments;
- mezzanine loans;
- acquisition of corporate bonds on Nasdaq alternative First North Bond market or Baltic Regulated market.

The Fund Manager is JSC Development Finance Institution Altum, registered with the Financial and Capital Market Commission as an alternative investment fund manager on 26 May 2020.

The key personnel takes the necessary actions in accordance with the decisions of the Investment Committee, control the development of investments and sell investments to ensure the best return on capital contributions made by the Fund's Partners.

### 2. Accounting policies and valuation principles

The Fund organizes its accounting and prepares financial statements in accordance with the Law on Alternative Investment Funds and Fund's Managers, Accounting law and the FCMC Regulations No 217 "Regulations on Preparation of Annual Reports and Consolidated Annual Reports of Closed-End Alternative Investment Fund" on a going concern basis. The accounting and measurement methods used by the Fund remain unchanged from the previous year.

The statement of cash flows is prepared using direct method. The financial statements are prepared on the historical cost basis, except for investments and loans that are measured at fair value.

## Notes to the financial statements (cont'd)

### 2. Accounting policies and valuation principles (cont'd)

The Fund has used possibility provided for in Section 91 of the FCMC Regulations No 217 "Regulations on Preparation of Annual Reports and Consolidated Annual Reports of Closed-End Alternative Investment Fund" to derogate from the measurement provisions provided in those rules and, pursuant to Article 40 of the Law on Annual Reports and Consolidated Annual Reports, recognises, measures, reports and discloses financial instruments (investments and loans issued) according to IFRS 9 "Financial Instruments".

#### Significant estimates and assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, income and expense, and disclosure of contingencies. Future events may impact the assumptions used as the basis for estimates. Such estimates and assumptions are based on most reliable information available to the management in respect of specific events and actions. The effect of any changes in estimates are recorded in the financial statements when determinable.

Preparing of the financial statements is based on the assumption that the Fund operates as an investment entity. The Fund has the following investments in equity instruments:

| Legal Title                     | Legal Address                              | Investment % in share capital |
|---------------------------------|--|-------------------------------|
| Mogotel development holding SIA | Maskavas iela 240-3, Riga, Latvia, LV-1063 | 83.52                         |

In determining whether the Fund meets a definition of an investment entity the following criteria set out in IFRS 10 "Consolidated Financial Statements" were considered: 1) the Fund obtains funds for investments from several investors for the purpose of providing those investors with investment management services; 2) the Fund commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; 3) the Fund measures and evaluates investments at fair value.

#### Currency unit and foreign currency revaluation

All amounts in these financial statements are expressed in the Latvian official currency - euro (EUR).

Foreign currency transactions have been translated into euro applying the exchange rate valid at the beginning of the day of transaction determined by the conversion procedure between central banks of the European System of Central Banks and other central banks and which is published on the European Central Bank's website.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the revaluation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

#### Financial instruments

##### *Classification*

The Fund's financial instruments consist of financial assets and financial liabilities.

The Fund's investment objective was to optimise investment yields by making long-term investments in financial instruments, while maintaining flexibility in the holding period and exit strategy of these instruments.

The Fund has elected to irrevocably designate financial assets as at fair value through profit or loss (FVTPL) at initial recognition. This classification provides meaningful information to users of the financial statements because the management of financial assets and the performance measurement are based on the fair values of the assets; the information for the Partners about the Fund's performance is prepared by applying fair value accounting, too.

## Notes to the financial statements (cont'd)

### 2. Accounting policies and valuation principles (cont'd)

#### Financial instruments (cont'd)

##### *Classification* (cont'd)

Debt instruments, such as corporate bonds, are those that meet the definition of a financial liability from the perspective of the issuer. The Fund classifies them as financial instruments at fair value through profit or loss. Debt instruments are included in the balance sheet item “Debt securities and other fixed income securities”.

Equity instruments are those that meet the definition of equity from the perspective of the issuer, such instruments are contracts that include no contractual obligation to pay and evidences a residual interest in the net assets of the issuer. Examples of equity instruments are ordinary shares. The Fund measures all investments in equity instruments at fair value through profit or loss. Dividends are recognised in profit or loss when they represent a return on such investments and the Fund's right to receive payment of the dividend is established. Equity instruments are included in the balance sheet item “Shares and other non-fixed income securities”.

Financial assets at fair value through profit or loss are as follows:

- debt securities and other fixed income securities: in this category, the Fund includes investments in securities issued by commercial companies;
- shares and other non-fixed income securities: in this category, the Fund includes investments in the share capital of commercial companies;
- loans: this category includes mezzanine funding, i.e., loans issued.

Financial liabilities are measured at amortised cost.

Other liabilities: this category includes liabilities with a maturity of less than one year, such as fees payable to the Fund's Manager.

##### *Initial recognition and measurement*

Financial assets and financial liabilities are initially recognised by the Fund when incurred. Purchases and sales of financial assets are recognized on the settlement date.

Financial assets or financial liabilities are initially measured at fair value plus transaction costs directly attributable to the acquisition of the financial asset or financial liability unless the financial asset or financial liability is at fair value through profit or loss. Transaction costs of financial assets or liabilities at fair value through profit or loss are recognised in the statement of profit or loss.

##### *Fair value measurement*

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market, or in its absence, the most advantageous market to which the Fund has access at that date. The fair value of liabilities shows the default risk.

The fair value of financial instruments is determined by applying various valuation techniques, or a combination thereof depending on the specific nature of the investment and the information available to support the underlying assumptions.

## Notes to the financial statements (cont'd)

### 2. Accounting policies and valuation principles (cont'd)

#### Financial instruments (cont'd)

##### *Fair value measurement* (cont'd)

The choice of methods is prioritized as follows:

- a) the fair value of financial instruments publicly quoted on regulated market is always determined by reference to their market bid price at the reporting date;
- b) third party quoted market prices in active markets;
- c) transactions in comparable financial instruments of comparable entities on or outside regulated markets;
- d) discounted cash flow.

The fair value of debt securities is determined by reference to the market bid price on NASDAQ Riga First North.

The fair value of both the loans and the equity instruments is determined using the discounted cash flow method.

Fair value measurements are categorised into a three-level hierarchy, based on the type of inputs to the valuation techniques used, as follows:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: inputs other than the quoted prices included within Level 1 that are directly (i.e., prices) or indirectly (i.e., derived from prices) observable for that asset or liability;
- Level 3: inputs not based on observable market data (unobservable data).

The valuation process and the necessary data gathering and their analysis are carried out by the Investment Director who is responsible for managing the specific investment. In addition, each assessment is evaluated and approved by Head of the Planning and Financial Management Department who is not directly involved in specific investment management. The results of the analysis are presented in an Investment Valuation Report and submitted quarterly to the Fund's Investment Committee for review.

Unless the Investment Committee of the Fund requires changes or additions to a valuation report, it is submitted to the Accounting Department of the Fund to record the changes in the investment value.

#### ***Derecognition***

Financial assets are derecognised when the contractual rights to receive cash flows from the financial asset have expired or when the Fund has transferred substantially all the risks and rewards of the asset to the counterparty.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits with credit institutions and high-liquidity assets with an original maturity of three months or less.

#### **Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount reported on the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

## Notes to the financial statements (cont'd)

### 2. Accounting policies and valuation principles (cont'd)

#### Accrued expenses

Accrued expenses comprise balances known with certainty that are due to suppliers for goods and services received in the reporting year but for which supporting documents (invoices) were not received at the balance sheet date because of the respective purchase or contract terms or otherwise.

#### Provisions

Provisions are recognized when the Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required from the Fund to settle the obligation, and the amount of obligation can be measured reasonably.

The amount of expected provisions is based on the best possible assessment by the management at the end of the reporting year and the assumption about the economic benefits required for settling the current liability, considering the outflow of resources and their recovery probability from related sources.

#### Recognition of income and expenses

All income and expense are recognised on an accrual basis. Interest income is recognised in the statement of profit or loss using the effective interest rate method.

#### Off-balance sheet items

##### *Contingent assets*

This item shows the amount of the Fund's capital defined in the Limited Partnership Agreement and not recognised in the balance sheet line item "Paid-in capital", i.e., uncalled capital.

##### *Off - balance sheet liabilities*

This item includes the amount of the Fund's contractual investment commitments to clients for which the latter have not yet submitted a request for a disbursement of a loan tranche or equity contribution.

#### Fund management expenses

In accordance with the Limited Partnership Agreement, the following expenses are covered from the contributions made by the Fund's Partners:

- a) set-up expenses;
- b) management fee;
- c) operational expenses (in the amount not covered by the management fee);
- d) other expenses, the coverage of which has been approved by the Partners within the framework of the Partners' consent procedure.

If the said expenses of the Fund exceed the amount of the management fee and if together with the management fee, they do not exceed 2% p.a. of the commitment to Fund during the investment period or the paid-in capital after the end of the investment period, the General Partner covers them from the Fund's assets and the relevant fact is disclosed in the Fund's quarterly reports.

The said expenses of the Fund are financed from the capital contributions made by the Partners in proportion to the amount of the registered contributions of each Partner.

The management fee is specified in the Limited Partnership Agreement. In the period from the first closing date to the end of the investment period, the management fee is 0.65% p.a. of the commitment to Fund at the relevant contribution request date. In the period after the end of the investment period until the termination of the Fund's operations, the management fee is 0.60% p.a. of the paid-in capital.



## Notes to the financial statements (cont’d)

### 2. Accounting policies and valuation principles (cont’d)

#### Fund management expenses (cont’d)

As the Fund is managed by a registered manager, in accordance with Article 57 (11) of the Law on Alternative Investment Funds and Fund’s Managers, the annual report of the Fund does not include information on the remuneration of AIFM officials and employees.

The Fund's expenses include a payment to the LB, the amount of which is specified in LB Regulation.

#### Related parties

Related parties are defined as Company’s shareholders, members of the Manager’s Executive Board and Supervisory Board, their close relatives and companies in which they have a significant influence or control.

### 3. Risk management

In carrying out its activities, the Fund is exposed to various types of financial and other risks. To mitigate their impact on the Fund's operations and financial performance, the Fund has established a comprehensive Risk Management Framework that comprises principles and methods for managing risks, including, but not limited to, risk monitoring measures, actions in case of increased risks and risk mitigation measures, and defines responsibilities for ensuring risk management.

The Fund’s principal financial instruments are long-term investments and cash. Before making such an investment, all risks associated with it are carefully assessed in accordance with the Fund's procedures.

#### Credit risk

Credit risk is the possibility of a financial loss resulting from a counterparty failure to meet their contractual obligations.

When acquiring a financial instrument, the Fund assesses credit risk by conducting financial, tax, legal and business due diligence. As part of its credit risk management, the Fund regularly assesses credit risk of both individual investments and investment portfolio, assessing the conformity of the investments with the limits and/or key performance indicators set by the Fund.

The Fund decides that a forced sale of the investment is to be made in cases where the level of credit risk is determined as material and/or material deviations in the performance are detected.

Exposure of the Fund's balance sheet and off-balance sheet items to credit risk (excluding available collateral or other types of security):

|   | 31.12.2023        | 31.12.2022        |
|---|-------------------|-------------------|
|   | EUR               | EUR               |
| <b>Balance sheet items exposed to credit risk</b>       |                   |                   |
| Placements with financial institutions                  | 7 167             | 788               |
| Investments   |                   |                   |
| Debt securities and other fixed - income securities     | 3 832 274         | 3 683 100         |
| Shares and other variable - income securities           | 3 720 379         | 3 348 780         |
| Loans and receivables                                   |                   |                   |
| Loans issued  | 25 756 222        | 27 299 227        |
| Receivables   | 5 282             | 28 968            |
| <b>Total assets</b>                                     | <b>33 321 324</b> | <b>34 360 863</b> |
| <b>Off – balance sheet items exposed to credit risk</b> |                   |                   |
| Contingent assets                                       | 62 519 509        | 63 810 392        |
| Off - balance sheet liabilities                         | 6 410 000         | 7 410 000         |
| <b>Total off – balance sheet items</b>                  | <b>68 929 509</b> | <b>71 220 392</b> |

## Notes to the financial statements (cont'd)

### 3. Risk management (cont'd)

#### *Concentration risk*

Concentration risk is the possibility of losses arising from large transactions with a single investee or investees whose creditworthiness is determined by one common risk factor (e.g., the sector of economy).

As part of its concentration risk management, the Fund complies with the size limit of investments in transactions with a single investee and takes measures to diversify its investments by economic sectors.

#### *Liquidity risk*

Liquidity risk is the risk that the Fund will be unable to meet its financial obligations as they fall due. The Fund timely submits requests for contributions to the Partners to ensure making investments under the concluded agreements and management fees in accordance with the Limited Partnership Agreement.

The following table summarizes the maturity profile of the assets and liabilities as at 31 December 2023.

|   | Up to 1 month<br>EUR | 1 to 6 months<br>EUR | 6 to 12 months<br>EUR | 1 to 5 years<br>EUR | Total<br>EUR      |
|---|----------------------|----------------------|-----------------------|---------------------|-------------------|
| <b>Assets</b>                                       |                      |                      |                       |                     |                   |
| Placements with financial institutions              | 7 167                | -                    | -                     | -                   | 7 167             |
| Investments   |                      |                      |                       |                     |                   |
| Debt securities and other fixed - income securities | -                    | -                    | -                     | 3 832 274           | 3 832 274         |
| Shares and other variable income securities         | -                    | -                    | -                     | 3 720 379           | 3 720 379         |
| Total investments                                   | -                    | -                    | -                     | 7 552 653           | 7 552 653         |
| Loans and receivables                               |                      |                      |                       |                     |                   |
| Loans issued  | -                    | 350 000              | 350 000               | 25 056 222          | 25 756 222        |
| Receivables   | 5 282                | -                    | -                     | -                   | 5 282             |
| Total loans and receivables                         | 5 282                | 350 000              | 350 000               | 25 056 222          | 25 761 504        |
| Accrued income and deferred expenses                | 11 398               | 66 127               | 4                     | -                   | 77 529            |
| <b>Total assets</b>                                 | <b>23 847</b>        | <b>416 127</b>       | <b>350 004</b>        | <b>32 608 875</b>   | <b>33 398 853</b> |
| <b>Liabilities</b>                                  |                      |                      |                       |                     |                   |
| Deferred income and accrued expense                 | -                    | 16 854               | -                     | -                   | 16 854            |
| Other liabilities                                   | 900                  | -                    | -                     | -                   | 900               |
| <b>Total liabilities</b>                            | <b>900</b>           | <b>16 854</b>        | <b>-</b>              | <b>-</b>            | <b>17 754</b>     |
| <b>Net Assets</b>                                   | <b>22 947</b>        | <b>399 273</b>       | <b>350 004</b>        | <b>32 608 875</b>   | <b>33 381 099</b> |

## Notes to the financial statements (cont'd)

### 3. Risk management (cont'd)

#### Liquidity risk (cont'd)

The following table summarizes the maturity profile of the assets and liabilities as at 31 December 2022.

|   | Up to 1 month<br>EUR | 1 to 6 months<br>EUR | 6 to 12 months<br>EUR | 1 to 5 years<br>EUR | Total<br>EUR      |
|---|----------------------|----------------------|-----------------------|---------------------|-------------------|
| <b>Assets</b>                                       |                      |                      |                       |                     |                   |
| Placements with financial institutions              | 788                  | -                    | -                     | -                   | 788               |
| Investments   |                      |                      |                       |                     |                   |
| Debt securities and other fixed - income securities | -                    | -                    | -                     | 3 683 100           | 3 683 100         |
| Shares and other variable income securities         | -                    | -                    | -                     | 3 348 780           | 3 348 780         |
| Total investments                                   | -                    | -                    | -                     | 7 031 880           | 7 031 880         |
| Loans and receivables                               |                      |                      |                       |                     |                   |
| Loans issued  | -                    | 400 000              | 460 000               | 26 439 227          | 27 299 227        |
| Receivables   | 28 968               | -                    | -                     | -                   | 28 968            |
| Total loans and receivables                         | 28 968               | 400 000              | 460 000               | 26 439 227          | 27 328 195        |
| Accrued income and deferred expenses                | 200 600              | 67 545               | 394                   | -                   | 268 539           |
| <b>Total assets</b>                                 | <b>230 356</b>       | <b>467 545</b>       | <b>460 394</b>        | <b>33 471 107</b>   | <b>34 629 402</b> |
| <b>Liabilities</b>                                  |                      |                      |                       |                     |                   |
| Deferred income and accrued expense                 | 1 112                | 13 891               | -                     | -                   | 15 003            |
| Other liabilities                                   | -                    | 85 629               | -                     | -                   | 85 629            |
| <b>Total liabilities</b>                            | <b>1 112</b>         | <b>99 520</b>        | <b>-</b>              | <b>-</b>            | <b>100 632</b>    |
| <b>Net Assets</b>                                   | <b>229 244</b>       | <b>368 025</b>       | <b>460 394</b>        | <b>33 471 107</b>   | <b>34 528 770</b> |

**Market risk** is the possibility of incurring losses from changes in market conditions that affect a category of assets or the market as a whole. Market risk includes interest rate risk, price risk and currency risk. The Fund is not exposed to significant market risk. Market risk is assessed through the relevant analysis of market and financial instruments.

**Currency risk** is the possibility of unexpected losses due to fluctuations in foreign exchange rates. The Fund is not exposed to significant currency risk. It does not make investments in foreign currencies and in the reporting year it had no assets and liabilities denominated in foreign currencies.

**Interest rate risk** is the risk that the value of the Fund's assets and interest income may change as market interest rates change, affecting the Fund's performance. The value of debt securities can change depending on changes in interest rates: if they rise, the prices of these securities fall, and vice versa. The Fund Manager monitors interest rate trends and decides on the maturity structure of the portfolio based on forecasts of future interest rate developments.

**Operational risk** arises from intentional or unintentional deviations from the standards in the daily operation of the Fund, for example, human error or fraud, disturbances in the operation of the information systems, insufficient control procedures or ignoring them, etc.

The Fund manages operational risk by identifying its main causes and taking timely preventive and corrective measures to address them. The main causes relate to potential conflicts of interest, fraud and information systems failures.

## Notes to the financial statements (cont'd)

### 3. Risk management (cont'd)

#### *Money laundering and financing of terrorism and proliferation risk and sanctions risk*

In its activities, the Fund strictly complies with the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing (AML/CFTP Law) and the requirements of the laws and regulations issued on the basis thereof, as well as ensures compliance with international and national sanctions.

Prior to each investment, the Fund assesses the compliance of the investees and their related parties with the AML/CFTP requirements. The Fund refrains from making investments and takes all necessary measures in accordance with the AML/CFTP/sanctions laws and regulations if the investee or its related parties are found to be involved in money laundering or the financing of terrorism or proliferation or are subject to sanctions.

### 4. Placements with financial institutions

|                                   | <b>31.12.2023</b> | <b>31.12.2022</b> |
|-----------------------------------|-------------------|-------------------|
|                                   | <b>EUR</b>        | <b>EUR</b>        |
| Demand placement with AS Swedbank | 7 167             | 788               |
| <b>Total</b>                      | <b>7 167</b>      | <b>788</b>        |

### 5. Receivables

|  | <b>31.12.2023</b> | <b>31.12.2022</b> |
|--|-------------------|-------------------|
|  | <b>EUR</b>        | <b>EUR</b>        |
| Expenses covered by the fund manager's fee | 5 282             | 28 968            |
| <b>Total</b>                               | <b>5 282</b>      | <b>28 968</b>     |

### 6. Accrued income and deferred expenses

|                   | <b>31.12.2023</b> | <b>31.12.2022</b> |
|-------------------|-------------------|-------------------|
|                   | <b>EUR</b>        | <b>EUR</b>        |
| Accrued income    | 77 294            | 268 145           |
| Deferred expenses | 235               | 394               |
| <b>Total</b>      | <b>77 529</b>     | <b>268 539</b>    |

### 7. Accrued expenses

|                     | <b>31.12.2023</b> | <b>31.12.2022</b> |
|---------------------|-------------------|-------------------|
|                     | <b>EUR</b>        | <b>EUR</b>        |
| Accrued audit fee   | 14 484            | 13 891            |
| Legal services fees | 1 265             | -                 |
| Depository bank fee | 1 105             | 1 112             |
| <b>Total</b>        | <b>16 854</b>     | <b>15 003</b>     |

### 8. Other liabilities

|                                     | <b>31.12.2023</b> | <b>31.12.2022</b> |
|-------------------------------------|-------------------|-------------------|
|                                     | <b>EUR</b>        | <b>EUR</b>        |
| Management fees for the 4th quarter | -                 | 85 247            |
| Other liabilities                   | 900               | 382               |
| <b>Total</b>                        | <b>900</b>        | <b>85 629</b>     |

## Notes to the financial statements (cont'd)

### 9. Contingent assets

|                            | <b>31.12.2023</b> | <b>31.12.2022</b> |
|----------------------------|-------------------|-------------------|
|                            | <b>EUR</b>        | <b>EUR</b>        |
| Uncalled capital (Note 15) | 62 519 509        | 63 810 392        |
| <b>Total</b>               | <b>62 519 509</b> | <b>63 810 392</b> |

### 10. Off - balance sheet liabilities

|                    | <b>31.12.2023</b> | <b>31.12.2022</b> |
|--------------------|-------------------|-------------------|
|                    | <b>EUR</b>        | <b>EUR</b>        |
| Equity investments | 1 700 000         | 2 200 000         |
| Loans              | 4 710 000         | 5 210 000         |
| <b>Total</b>       | <b>6 410 000</b>  | <b>7 410 000</b>  |

### 11. Interest income

|  | <b>2023</b>      | <b>2022</b>      |
|--|------------------|------------------|
|  | <b>EUR</b>       | <b>EUR</b>       |
| Interest income on debt securities and other fixed - income securities | 247 238          | 173 550          |
| Interest income on loans issued, including capitalized interest        | 2 152 641        | 2 113 660        |
| <b>Total</b>   | <b>2 399 879</b> | <b>2 287 210</b> |

### 12. Other Fund management expenses

|   | <b>2023</b>   | <b>2022</b>   |
|---|---------------|---------------|
|   | <b>EUR</b>    | <b>EUR</b>    |
| Remuneration of an independent member of the Investment Committee         | -             | 57 808        |
| Annual audit fee  | 20 691        | 23 293        |
| Legal services fees   | 1 266         | 11 033        |
| Payments to finance FCMC and to the Credit Register of the Bank of Latvia | 2 160         | 2 160         |
| Bank fees   | 282           | 592           |
| <b>Total</b>  | <b>24 399</b> | <b>94 886</b> |

### 13. Cash and cash equivalents at the end of the reporting year

|  | <b>2023</b>  | <b>2022</b> |
|--|--------------|-------------|
|  | <b>EUR</b>   | <b>EUR</b>  |
| Demand deposits with credit institutions | 7 167        | 788         |
| <b>Total</b>                             | <b>7 167</b> | <b>788</b>  |

## Notes to the financial statements (cont'd)

### 14. Capital account

Profit or loss are distributed to the Investors in proportion to their investment in the Fund.

a) Capital account as at 31.12.2023

| <b>Fund Investor</b>                      | <b>Capital account at fair value 01.01.2023</b> | <b>Paid in capital from investors</b> | <b>Distribution to investors</b> | <b>Realised portfolio gains/ (losses)</b> | <b>Unrealised portfolio gains/ (losses)</b> | <b>Non portfolio income/ (expense)</b> | <b>Capital account at fair value 31.12.2023</b> |
|---|---|---------------------------------------|----------------------------------|---|---|--|---|
| Swedbank investment plan "Dynamics"       | 4 282 329                                       | 160 069                               | (407 103)                        | -   | (164 905)                                   | 269 627                                | 4 140 017                                       |
| Swedbank investment plan "1970+"          | 1 139 652                                       | 42 599                                | (108 342)                        | -   | (43 886)                                    | 71 755                                 | 1 101 778                                       |
| Swedbank investment plan "1980+"          | 1 070 582                                       | 40 017                                | (101 776)                        | -   | (41 226)                                    | 67 407                                 | 1 035 004                                       |
| Swedbank investment plan "1990+"          | 690 698   | 25 818                                | (65 662)                         | -   | (26 597)                                    | 43 488                                 | 667 745   |
| SEB active plan                           | 3 608 898                                       | 134 897                               | (343 082)                        | -   | (138 972)                                   | 227 226                                | 3 488 967                                       |
| SEB balanced plan                         | 1 122 385                                       | 41 954                                | (106 700)                        | -   | (43 221)                                    | 70 668                                 | 1 085 086                                       |
| Pension plan SEB-Balanced                 | 234 680   | 8 778                                 | (22 325)                         | -   | (9 043)                                     | 14 786                                 | 226 876   |
| Pension plan SEB-Active                   | 141 499   | 5 293                                 | (13 461)                         | -   | (5 452)                                     | 8 915                                  | 136 794   |
| INVL Ekstra 47+                           | 276 279   | 10 327                                | (26 265)                         | -   | (10 639)                                    | 17 395                                 | 267 097   |
| INVL Komforts 53+                         | 103 605   | 3 873                                 | (9 849)                          | -   | (3 990)                                     | 6 523                                  | 100 162   |
| CBL Active investment plan                | 2 450 465                                       | 91 653                                | (233 099)                        | -   | (94 421)                                    | 154 383                                | 2 368 981                                       |
| Luminor investment plan "Luminor 58+"     | 483 190   | 18 072                                | (45 963)                         | -   | (18 618)                                    | 30 442                                 | 467 123   |
| Luminor investment plan "Luminor 53-58"   | 2 036 302                                       | 76 162                                | (193 702)                        | -   | (78 463)                                    | 128 290                                | 1 968 589                                       |
| JSC Development Finance Institution Altum | 16 888 206                                      | 631 371                               | (1 605 758)                      | -   | (650 442)                                   | 1 063 503                              | 16 326 880                                      |
| <b>Total</b>                              | <b>34 528 770</b>                               | <b>1 290 883</b>                      | <b>(3 283 087)</b>               | <b>-</b>                                  | <b>(1 329 875)</b>                          | <b>2 174 408</b>                       | <b>33 381 099</b>                               |

See Note 15 for more information.

## Notes to the financial statements (cont'd)

### b) Capital account as at 31.12.2022

| <b>Fund Investor</b>                      | <b>Capital account at fair value 01.01.2022</b> | <b>Paid in capital from investors</b> | <b>Distribution to investors</b> | <b>Realised portfolio gains/ (losses)</b> | <b>Unrealised portfolio gains/ (losses)</b> | <b>Non portfolio income/ (expense)</b> | <b>Capital account at fair value 31.12.2022</b> |
|---|---|---------------------------------------|----------------------------------|---|---|--|---|
| Swedbank investment plan "Dynamics"       | 3 803 077                                       | 567 978                               | (239 621)                        | -   | (59 226)                                    | 210 122                                | 4 282 329                                       |
| Swedbank investment plan "1970+"          | 1 012 109                                       | 151 155                               | (63 770)                         | -   | (15 762)                                    | 55 919                                 | 1 139 652                                       |
| Swedbank investment plan "1980+"          | 950 769   | 141 995                               | (59 905)                         | -   | (14 807)                                    | 52 530                                 | 1 070 582                                       |
| Swedbank investment plan "1990+"          | 613 399   | 91 609                                | (38 649)                         | -   | (9 553)                                     | 33 891                                 | 690 698   |
| SEB active plan                           | 3 205 012                                       | 478 659                               | (201 939)                        | -   | (49 913)                                    | 177 078                                | 3 608 898                                       |
| SEB balanced plan                         | 996 774   | 148 865                               | (62 804)                         | -   | (15 523)                                    | 55 072                                 | 1 122 385                                       |
| Pension plan SEB-Balanced                 | 208 399   | 31 147                                | (13 141)                         | -   | (3 248)                                     | 11 523                                 | 234 680   |
| Pension plan SEB-Active                   | 125 653   | 18 780                                | (7 923)                          | -   | (1 958)                                     | 6 948                                  | 141 499   |
| INVL Ekstra 47+                           | 245 360   | 36 644                                | (15 459)                         | -   | (3 821)                                     | 13 556                                 | 276 279   |
| INVL Komforts 53+                         | 92 010  | 13 741                                | (5 797)                          | -   | (1 433)                                     | 5 084                                  | 103 605   |
| CBL Active investment plan                | 2 176 055                                       | 325 213                               | (137 203)                        | -   | (33 912)                                    | 120 312                                | 2 450 465                                       |
| Luminor Balanced investment plan          | 429 081   | 64 127                                | (27 054)                         | -   | (6 687)                                     | 23 723                                 | 483 190   |
| Luminor Active investment plan            | 1 808 271                                       | 270 248                               | (114 013)                        | -   | (28 180)                                    | 99 977                                 | 2 036 302                                       |
| JSC Development Finance Institution Altum | 14 997 866                                      | 2 240 307                             | (945 152)                        | -   | (233 610)                                   | 828 795                                | 16 888 206                                      |
| <b>Total</b>                              | <b>30 663 835</b>                               | <b>4 580 468</b>                      | <b>(1 932 430)</b>               | <b>-</b>                                  | <b>(477 633)</b>                            | <b>1 694 530</b>                       | <b>34 528 770</b>                               |

## 15. Uncalled capital and Paid-in capital

### a) Uncalled capital and Paid-in capital since inception till 31.12.2023.

| <b>Fund Investor</b>                      | <b>% Ownership</b> | <b>Commitment</b>  | <b>Called capital</b> | <b>Paid in capital from investors</b> | <b>Uncalled capital</b> |
|---|--------------------|--------------------|-----------------------|---------------------------------------|-------------------------|
| Swedbank investment plan "Dynamics"       | 12.40%             | 12 400 000         | 4 648 342             | 4 648 342                             | 7 751 658               |
| Swedbank investment plan "1970+"          | 3.30%              | 3 300 000          | 1 237 059             | 1 237 059                             | 2 062 941               |
| Swedbank investment plan "1980+"          | 3.10%              | 3 100 000          | 1 162 085             | 1 162 085                             | 1 937 915               |
| Swedbank investment plan "1990+"          | 2.00%              | 2 000 000          | 749 733               | 749 733                               | 1 250 267               |
| SEB active plan                           | 10.45%             | 10 450 000         | 3 917 353             | 3 917 353                             | 6 532 647               |
| SEB balanced plan                         | 3.25%              | 3 250 000          | 1 218 315             | 1 218 315                             | 2 031 685               |
| Pension plan SEB-Balanced                 | 0.68%              | 680 000            | 254 752               | 254 752                               | 425 248                 |
| Pension plan SEB-Active                   | 0.41%              | 410 000            | 153 600               | 153 600                               | 256 400                 |
| INVL Ekstra 47+                           | 0.80%              | 800 000            | 299 893               | 299 893                               | 500 107                 |
| INVL Komforts 53+                         | 0.30%              | 300 000            | 112 460               | 112 460                               | 187 540                 |
| CBL Active investment plan                | 7.10%              | 7 100 000          | 2 660 038             | 2 660 038                             | 4 439 962               |
| Luminor investment plan "Luminor 58+"     | 1.40%              | 1 400 000          | 524 514               | 524 514                               | 875 486                 |
| Luminor investment plan "Luminor 53-58"   | 5.90%              | 5 900 000          | 2 210 454             | 2 210 454                             | 3 689 546               |
| JSC Development Finance Institution Altum | 48.91%             | 48 910 000         | 18 331 893            | 18 331 893                            | 30 578 107              |
| <b>Total</b>                              | <b>100.00%</b>     | <b>100 000 000</b> | <b>37 480 491</b>     | <b>37 480 491</b>                     | <b>62 519 509</b>       |

## Notes to the financial statements (cont'd)

b) Uncalled capital and Paid-in capital since inception till 31.12.2022.

| <b>Fund Investor</b>                      | <b>%<br/>Ownership</b> | <b>Commitment</b>  | <b>Called<br/>capital</b> | <b>Paid in capital<br/>from investors</b> | <b>Uncalled<br/>capital</b> |
|---|------------------------|--------------------|---------------------------|---|-----------------------------|
| Swedbank investment plan "Dynamics"       | 12.40%                 | 12 400 000         | 4 488 272                 | 4 488 272                                 | 7 911 728                   |
| Swedbank investment plan "1970+"          | 3.30%                  | 3 300 000          | 1 194 460                 | 1 194 460                                 | 2 105 540                   |
| Swedbank investment plan "1980+"          | 3.10%                  | 3 100 000          | 1 122 068                 | 1 122 068                                 | 1 977 932                   |
| Swedbank investment plan "1990+"          | 2.00%                  | 2 000 000          | 723 915                   | 723 915                                   | 1 276 085                   |
| SEB active plan                           | 10.45%                 | 10 450 000         | 3 782 455                 | 3 782 455                                 | 6 667 545                   |
| SEB balanced plan                         | 3.25%                  | 3 250 000          | 1 176 362                 | 1 176 362                                 | 2 073 638                   |
| Pension plan SEB-Balanced                 | 0.68%                  | 680 000            | 245 974                   | 245 974                                   | 434 026                     |
| Pension plan SEB-Active                   | 0.41%                  | 410 000            | 148 308                   | 148 308                                   | 261 692                     |
| INVL Ekstra 47+                           | 0.80%                  | 800 000            | 289 566                   | 289 566                                   | 510 434                     |
| INVL Komforts 53+                         | 0.30%                  | 300 000            | 108 587                   | 108 587                                   | 191 413                     |
| CBL Active investment plan                | 7.10%                  | 7 100 000          | 2 568 385                 | 2 568 385                                 | 4 531 615                   |
| Luminor Balanced investment plan          | 1.40%                  | 1 400 000          | 506 442                   | 506 442                                   | 893 558                     |
| Luminor Active investment plan            | 5.90%                  | 5 900 000          | 2 134 292                 | 2 134 292                                 | 3 765 708                   |
| JSC Development Finance Institution Altum | 48.91%                 | 48 910 000         | 17 700 522                | 17 700 522                                | 31 209 478                  |
| <b>Total</b>                              | <b>100.00%</b>         | <b>100 000 000</b> | <b>36 189 608</b>         | <b>36 189 608</b>                         | <b>63 810 392</b>           |

## 16. Investment movement

a) Investment movement in 2023

|  | <b>Fair value<br/>01.01.2023</b> | <b>Increase /<br/>purchase</b> | <b>Capitalized<br/>interest / net</b> | <b>Reduction /<br/>disposal</b> | <b>Revaluation</b> | <b>Fair value<br/>31.12.2023</b> |
|--|----------------------------------|--------------------------------|---------------------------------------|---------------------------------|--------------------|----------------------------------|
| Debt securities and other fixed -<br>income securities | 3 683 100                        | -                              | 30 795                                | -                               | 118 379            | 3 832 274                        |
| Shares and other variable - income<br>securities       | 3 348 780                        | 500 000                        | -                                     | -                               | (128 401)          | 3 720 379                        |
| Loans issued   | 27 299 227                       | 500 000                        | 156 848                               | (880 000)                       | (1 319 853)        | 25 756 222                       |
| <b>Total</b>   | <b>34 331 107</b>                | <b>1 000 000</b>               | <b>187 643</b>                        | <b>(880 000)</b>                | <b>(1 329 875)</b> | <b>33 308 875</b>                |

b) Investment movement in 2022

|  | <b>Fair value<br/>01.01.2022</b> | <b>Increase /<br/>purchase</b> | <b>Capitalized<br/>interest</b> | <b>Reduction /<br/>disposal</b> | <b>Revaluation</b> | <b>Fair value<br/>31.12.2022</b> |
|--|----------------------------------|--------------------------------|---------------------------------|---------------------------------|--------------------|----------------------------------|
| Debt securities and other fixed -<br>income securities | 2 936 625                        | 990 000                        | -                               | -                               | (243 525)          | 3 683 100                        |
| Shares and other variable - income<br>securities       | 1 840 993                        | 1 500 000                      | -                               | -                               | 7 787              | 3 348 780                        |
| Loans issued   | 25 789 247                       | 1 500 000                      | 251 875                         | -                               | (241 895)          | 27 299 227                       |
| <b>Total</b>   | <b>30 566 865</b>                | <b>3 990 000</b>               | <b>251 875</b>                  | <b>-</b>                        | <b>(477 633)</b>   | <b>34 331 107</b>                |



## Notes to the financial statements (cont'd)

### 17. Fair value hierarchy of financial assets and liabilities

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the data used in the measurement. There are 3 levels in the Fund's fair value hierarchy:

- the first level includes listed financial instruments for which there is an active market, if the Fund uses unadjusted quoted market prices obtained from the stock exchange to determine their fair value;
- the second level includes cash in credit institutions;
- the third level includes financial instruments for which a significant part of the fair value measurement is based on data that are not observable in an active market and are based on the assumptions of the Fund.

a) Levels of the hierarchy of the Fund's financial assets and liabilities that are measured at fair value 31.12.2023:

|   | Level 1          | Level 2      | Level 3           | Total             |
|---|------------------|--------------|-------------------|-------------------|
| <b>Financial assets at fair value through profit or loss:</b> |                  |              |                   |                   |
| Debt securities and other fixed - income securities           | 3 832 274        | -            | -                 | 3 832 274         |
| Shares and other variable - income securities                 | -                | -            | 3 720 379         | 3 720 379         |
| Loans issued  | -                | -            | 25 756 222        | 25 756 222        |
| <b>Assets whose fair value is disclosed:</b>                  |                  |              |                   |                   |
| Placements with financial institutions                        | -                | 7 167        | -                 | 7 167             |
| Receivables   | -                | -            | 5 282             | 5 282             |
| Accrued income and deferred expenses                          | -                | -            | 77 529            | 77 529            |
| <b>Total assets</b>   | <b>3 832 274</b> | <b>7 167</b> | <b>29 559 412</b> | <b>33 398 853</b> |
| <b>Liabilities whose fair value is disclosed:</b>             |                  |              |                   |                   |
| Deferred income and accrued expense                           | -                | -            | 16 854            | 16 854            |
| Other liabilities   | -                | -            | 900               | 900               |
| <b>Total liabilities</b>                                      | <b>-</b>         | <b>-</b>     | <b>17 754</b>     | <b>17 754</b>     |

b) Levels of the hierarchy of the Fund's financial assets and liabilities that are measured at fair value 31.12.2022:

|   | Level 1          | Level 2    | Level 3           | Total             |
|---|------------------|------------|-------------------|-------------------|
| <b>Financial assets at fair value through profit or loss:</b> |                  |            |                   |                   |
| Debt securities and other fixed - income securities           | 3 683 100        | -          | -                 | 3 683 100         |
| Shares and other variable - income securities                 | -                | -          | 3 348 780         | 3 348 780         |
| Loans issued  | -                | -          | 27 299 227        | 27 299 227        |
| <b>Assets whose fair value is disclosed:</b>                  |                  |            |                   |                   |
| Placements with financial institutions                        | -                | 788        | -                 | 788               |
| Receivables   | -                | -          | 28 968            | 28 968            |
| Accrued income and deferred expenses                          | -                | -          | 268 539           | 268 539           |
| <b>Total assets</b>   | <b>3 683 100</b> | <b>788</b> | <b>30 945 514</b> | <b>34 629 402</b> |
| <b>Liabilities whose fair value is disclosed:</b>             |                  |            |                   |                   |
| Deferred income and accrued expense                           | -                | -          | 15 003            | 15 003            |
| Other liabilities   | -                | -          | 85 629            | 85 629            |
| <b>Total liabilities</b>                                      | <b>-</b>         | <b>-</b>   | <b>100 632</b>    | <b>100 632</b>    |

## **Notes to the financial statements (cont’d)**

### **18. Pledge and encumbrances of the Fund’s assets**

The Fund’s assets are not pledged or otherwise encumbered.

### **19. Information on restrictions on disposal of assets**

There are no significant restrictions on the disposal of the Fund’s financial assets at the end of the reporting period.

### **20. Subsequent events**

As of the last day of the reporting year until the date of signing these financial statements there have been no events that could significantly affect the Fund’s financial position as at 31 December 2023.

## **Independent Auditor’s Report**