

Limited Partnership

AIF “ALTUM KAPITĀLA FONDS”

Reg. No 40203252367

Annual report

for the year ended 31 December 2024

(the 5th reporting period)

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Information on the Fund

Name of the company	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	
Management company	JSC Development Finance Institution Altum (hereinafter – 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	Chairman of the Board
	Jēkabs Krieviņš	Board Member
	Inese Zīle	Board Member
	Ieva Jansone-Buka	Board Member
	Juris Jansons	Board Member
Depository Bank	JSC Swedbank, 40003074764, Balasta dambis 15, Riga, LV-1048	
Reporting period	1 January 2024 – 31 December 2024	
Auditor	PricewaterhouseCoopers SIA License No 5 Marijas street 2A, Centre district, Riga, LV-1050 Latvia Responsible Certified Auditor: Ilandra Lejiņa Certificate No 168	

Report of the Alternative Investment Fund's Manager

During the reporting period the aim of the Fund remained unchanged, insuring 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, of which EUR 38.2 million has been invested. 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 3rd 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.

During the reporting period the performance of the Fund and its portfolio companies was affected the fluctuations of global economy. The growth rate of the economy has been slow during the reporting period, which in combination with rapid growth of the operating expenses (e.g. raw materials, energy, rent of premises and personnel expenses), has created challenging environment. The geopolitical uncertainty in relation to the Russia's invasion in Ukraine has also remained in the region. Since the COVID-19 pandemic such habits as remote work and significantly increased price levels in the tourism and hospitality industry has remained.

As the inflation rates dropped in the second half of year 2024 the central banks decrease the interest rates several times, to prohibit the economy from stagnation and improve the consumer sentiment. During the reporting period the European Central Bank increase the refinancing rate once and decrease four time afterwards causing the refinancing rate to drop from 4.5% to 3.15%. As a result not only, the expenses related to debt service has decreased for the companies, but it also has created a positive dynamic in the values of Fund's portfolio investments.

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 as in line with the discounted cashflow model. According to the statistics published in the Latvian Bank and NASDAQ Baltic websites, both interest rates and bond yields has been initially growing and later decreasing maintaining similar levels as in the pervious reporting period. 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. The highest level was reached in the 2nd quarter of 2024 when an additional discount rate of 3.5 p.p. was used to value Fund's investments.

Even tough the uncertainty related to the Russia's invasion in Ukraine remains in the region, during the reporting period the adverse effect on individual Fund's portfolio companies could be considered low or insignificant. Moreover, the Fund exited one of portfolio companies, which initially was considerably affected. Overall, the effects of the war on the value of Fund's portfolio at the end of reporting period could be evaluated as insignificant.

During the reporting period the Fund's portfolio value increased by EUR 0.5 million.

During the reporting period the Fund exited on of the Fund's investment as well as provided one of the Fund's portfolio companies with next stage investment. According to the investment documentation additional next stage investments was possible until the end of 2024, thus no additional investments are planned in the Fund's portfolio companies.

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 40.5 million or 40.5% of the total committed capital, of which EUR 38.2 million were investments, while EUR 2.3 million - management fees and operating expenses. The amount of capital repayment to the Partners was EUR 11.3 million. In comparison with the previous reporting period the amount of Fund’s total investment has increased by EUR 3.0 million.

At the end of the reporting year, the net asset value of the Fund was EUR 33.5 million, including capitalized interest of EUR 0.74 million and the result of revaluation of EUR -0.6 million. In the reporting year, the Fund earned a profit of EUR 2.6 million (2023: a profit of EUR 0.8 million) as interest income exceeded the drop of investment value and the Fund’s expenses.

In accordance with the article 4 of the Sustainable Finance Disclosure Regulation the Fund’s Principal Adverse Impact report is published in Fund’s website reflecting how we are assessing and reporting the Principal Adverse Impact with regards to our investment decisions.

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 of 31 December 2024.

Reinis Bērziņš

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

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 of 31 December 2024, 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 2024 according to Regulation No 346 of the Bank of Latvia '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.

Reinis Bērziņš

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JSC Development Finance Institution Altum,
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Rīga, LV-1048, Latvija
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Depository Bank Report

for the period from 1 January 2024 to 31 December 2024

For date, see the timestamp of the document signature

No. A08.04-03/2025/SWBL-1780

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, established 14.05.1992, 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 keep records of Fund's assets;
- 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;
- 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 2024 to 31 December 2024 for transactions with the Fund's assets comply with the requirements of the legislation, the Limited Partnership Agreement and the Depository Bank Agreement.
- compliance of the issue, sale and redemption of investment certificates or shares with the requirements of regulatory requirements, the investment fund prospectus and the investment fund management statutes and alternative investment fund operating regulations or documents of incorporation.

Līva Bresle
Depository Services Compliance Analyst
Swedbank AS

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Balance Sheet

Assets	Notes	31.12.2024	31.12.2023
		EUR	EUR
Placements with financial institutions	4	222 563	7 167
Investments			
Debt securities and other fixed - income securities	16	979 937	3 832 274
Shares and other variable - income securities	16	5 204 608	3 720 379
Total investments		6 184 545	7 552 653
Loans and receivables			
Loans issued	16	27 105 366	25 756 222
Receivables	5	-	5 282
Total loans and receivables		27 105 366	25 761 504
Accrued income and deferred expenses	6	20 821	77 529
Total assets		33 533 295	33 398 853
Liabilities			
Accrued expenses and deferred income	7	18 531	16 854
Other liabilities	8	-	900
Total liabilities		18 531	17 754
Net Assets		33 514 764	33 381 099
Equity			
Paid-in capital		29 194 272	31 687 710
Previous years' profit/(loss)		1 693 389	848 856
Profit for the reporting year		2 627 103	844 533
Total equity	14	33 514 764	33 381 099
Off – balance sheet items			
Contingent assets	9,15	59 489 584	62 519 509
Off - balance sheet liabilities	10	3 610 000	6 410 000

The accompanying notes on pages 12 through 26 form an integral part of these financial statements.

Reinis Bērziņš

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

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Statement of Profit or Loss

	Notes	2024 EUR	2023 EUR
Income for the reporting period			
Interest income	11	2 347 387	2 399 879
Total income		2 347 387	2 399 879
Expenses for the reporting period			
Management fee		(179 431)	(187 550)
Depository bank fee		(13 141)	(13 522)
Other Fund management expenses	12	(25 635)	(24 399)
Total expenses		(218 207)	(225 471)
Increase / (decrease) of investment value	14, 16	497 923	(1 329 875)
Profit before corporate income tax		2 627 103	844 533
Profit for the year		2 627 103	844 533

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Statement of Cash Flows

	Notes	2024 EUR	2023 EUR
Cash flows from operating activities			
Interest income received		2 170 108	2 403 087
Investment management expenses		(226 275)	(284 504)
Net cash flows generated from/ (used in) operating activities		1 943 833	2 118 583
Cash flows from investment activities			
Investments made	16	-	(500 000)
Loans issued	16	(2 800 000)	(500 000)
Loans repayments	16	700 000	880 000
Obligāciju dzēšana	16	2 865 000	-
Net cash flows (used in) investment activities		765 000	(120 000)
Cash flow from financing activities			
Paid-in capital	14	3 029 927	1 290 883
Interest income distributed to Partners	14	(5 523 364)	(3 283 087)
Net cash flows generated from financing activities		(2 493 437)	(1 992 204)
Change in cash and cash equivalents		215 396	6 379
Cash and cash equivalents at the beginning of the reporting year		7 167	788
Cash and cash equivalents at the end of the reporting year	13	222 563	7 167

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Statement of Changes in Equity

	Paid-in capital	Previous years' profit / (loss)	Profit for the reporting year	Total equity
	EUR	EUR	EUR	EUR
As at 1 January 2023	33 679 914	(368 041)	1 216 897	34 528 770
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
As at 31 December 2023	31 687 710	848 856	844 533	33 381 099
Paid-in capital	3 029 926	-	-	3 029 926
Distributions to Partners	(5 523 364)	-	-	(5 523 364)
2023 profit moved to previous years' profit/(loss)	-	844 533	(844 533)	-
Profit for the year	-	-	2 627 103	2 627 103
As at 31 December 2024	29 194 272	1 693 389	2 627 103	33 514 764

The accompanying notes on pages 12 through 26 form an integral part of these financial statements.

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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 EUR	Ownership %
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
Total		100 000 000	100.00

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 (hereinafter - KP) 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, the law "On Accounting" and the Bank of Latvia Regulations No 346 "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 94 of the Bank of Latvia Regulations No 346 "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 Tittle	Legal Address	Investment % in share capital
Mogotel development holding SIA	Latgales street 240-3, Riga, Latvia, LV-1063	84.55

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 recognized 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, taking into account 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 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):

	31.12.2024.	31.12.2023.
	EUR	EUR
Balance sheet items exposed to credit risk		
Placements with financial institutions	222 563	7 167
Investments		
Debt securities and other fixed - income securities	979 937	3 832 274
Shares and other variable - income securities	5 204 608	3 720 379
Loans and receivables		
Loans issued	27 105 366	25 756 222
Receivables	-	5 282
Total assets	33 512 474	33 321 324
Off – balance sheet items exposed to credit risk		
Contingent assets	59 489 582	62 519 509
Off - balance sheet liabilities	3 610 000	6 410 000
Total off – balance sheet items	63 099 582	68 929 509

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 2024.

	Up to 1 month EUR	1 to 6 months EUR	6 to 12 months EUR	1 to 5 years EUR	Total EUR
Assets					
Placements with financial institutions	222 563	-	-	-	222 563
Investments					
Debt securities and other fixed - income securities	-	-	-	979 937	979 937
Shares and other variable income securities	-	-	-	5 204 608	5 204 608
Total investments	-	-	-	6 184 545	6 184 545
Loans and receivables					
Loans issued	-	490 000	420 000	26 195 366	27 105 366
Receivables	-	-	-	-	-
Total loans and receivables	-	490 000	420 000	26 195 366	27 105 366
Accrued income and deferred expenses	13 830	6 805	42	144	20 821
Total assets	236 393	496 805	420 042	32 380 055	33 533 295
Liabilities					
Deferred income and accrued expense	-	18 531	-	-	18 531
Other liabilities	-	-	-	-	-
Total liabilities	-	18 531	-	-	18 531
Net Assets	236 393	478 274	420 042	32 380 055	33 514 764

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 2023.

	Up to 1 month EUR	1 to 6 months EUR	6 to 12 months EUR	1 to 5 years EUR	Total EUR
Assets					
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
Total assets	23 847	416 127	350 004	32 608 875	33 398 853
Liabilities					
Deferred income and accrued expense	-	16 854	-	-	16 854
Other liabilities	900	-	-	-	900
Total liabilities	900	16 854	-	-	17 754
Net Assets	22 947	399 273	350 004	32 608 875	33 381 099

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

	31.12.2024.	31.12.2023.
	EUR	EUR
Demand placement with AS Swedbank	222 563	7 167
Total	222 563	7 167

5. Receivables

	31.12.2024.	31.12.2023.
	EUR	EUR
Expenses covered by the fund manager's fee	-	5 282
Total	-	5 282

6. Accrued income and deferred expenses

	31.12.2024.	31.12.2023.
	EUR	EUR
Accrued income	20 289	77 294
Deferred expenses	532	235
Total	20 821	77 529

7. Accrued expenses

	31.12.2024.	31.12.2023.
	EUR	EUR
Accrued audit fee	15 246	14 484
Legal services fees	1 265	1 265
Depositary bank fee	1 120	1 105
Fee to the Bank of Latvia	900	-
Total	18 531	16 854

8. Other liabilities

	31.12.2024.	31.12.2023.
	EUR	EUR
Other liabilities	-	900
Total	-	900

Notes to the financial statements (cont'd)

9. Contingent assets

	31.12.2024.	31.12.2023.
	EUR	EUR
Uncalled capital (Note 15)	59 489 584	62 519 509
Total	59 489 584	62 519 509

10. Off - balance sheet liabilities

	31.12.2024.	31.12.2023.
	EUR	EUR
Equity investments	300 000	1 700 000
Loans	3 310 000	4 710 000
Total	3 610 000	6 410 000

11. Interest income

	2024	2023
	EUR	EUR
Interest income on debt securities and other fixed - income securities	122 867	247 238
Interest income on loans issued, including capitalized interest	2 224 520	2 152 641
Total	2 347 387	2 399 879

12. Other Fund management expenses

	2024	2023
	EUR	EUR
Annual audit fee	21 780	20 691
Legal services fees	1 452	1 266
Payments to the Credit Register of the Bank of Latvia	2 112	2 160
Bank fees	291	282
Total	25 635	24 399

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

	2024	2023
	EUR	EUR
Demand deposits with credit institutions	222 563	7 167
Total	222 563	7 167

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 31.12.2024

Fund Investor	Capital account at fair value 01.01.2024	Paid in capital from investors	Distribution to investors	Realized portfolio gains/(losses)	Unrealized portfolio gains/(losses)	Non portfolio income/(expense)	Capital account at fair value 31.12.2024
Swedbank investment plan "Dynamics"	4 140 017	375 711	(684 897)	(622)	62 364	264 018	4 156 591
Swedbank investment plan "1970+"	1 101 779	99 987	(182 271)	(166)	16 597	70 263	1 106 189
Swedbank investment plan "1980+"	1 035 004	93 928	(171 224)	(155)	15 591	66 005	1 039 149
Swedbank investment plan "1990+"	667 745	60 598	(110 467)	(100)	10 059	42 584	670 419
SEB active plan	3 488 966	316 627	(577 192)	(524)	52 557	222 499	3 502 933
SEB balanced plan	1 085 085	98 473	(179 509)	(163)	16 345	69 198	1 089 429
Pension plan SEB-Balanced	226 876	20 604	(37 559)	(34)	3 420	14 478	227 785
Pension plan SEB-Active	136 793	12 423	(22 646)	(21)	2 062	8 730	137 341
INVL Ekstra 47+	267 098	24 239	(44 187)	(40)	4 024	17 033	268 167
INVL Komforts 53+	100 162	9 090	(16 570)	(15)	1 509	6 388	100 564
CBL Active investment plan	2 368 981	215 125	(392 159)	(356)	35 708	151 172	2 378 471
Luminor investment plan "Luminor 58+"	467 123	42 419	(77 327)	(70)	7 041	29 808	468 994
Luminor investment plan "Luminor 53-58"	1 968 590	178 766	(325 879)	(296)	29 673	125 622	1 976 476
JSC Development Finance Institution Altum	16 326 880	1 481 937	(2 701 477)	(2 452)	245 986	1 041 382	16 392 256
Total	33 381 099	3 029 927	(5 523 364)	(5 014)	502 936	2 129 180	33 514 764

See Note 15 for more information.

Notes to the financial statements (cont'd)

14. Capital account (cont'd)

b) Capital account as at 31.12.2023

Fund Investor	Capital account at fair value 01.01.2023	Paid in capital from investors	Distribution to investors	Realised portfolio gains/ (losses)	Unrealised portfolio gains/ (losses)	Non portfolio income/ (expense)	Capital account at fair value 31.12.2023
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 Balanced investment plan	483 190	18 072	(45 963)	-	(18 618)	30 442	467 123
Luminor Active investment plan	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
Total	34 528 770	1 290 883	(3 283 087)	-	(1 329 875)	2 174 408	33 381 099

15. Uncalled capital and Paid-in capital

a) Uncalled capital and Paid-in capital since inception till 31.12.2024.

Fund Investor	% Ownership	Commitment	Called capital	Paid in capital from investors	Uncalled capital
Swedbank investment plan "Dynamics"	12.40%	12 400 000	5 024 053	5 024 053	7 375 947
Swedbank investment plan "1970+"	3.30%	3 300 000	1 337 046	1 337 046	1 962 954
Swedbank investment plan "1980+"	3.10%	3 100 000	1 256 013	1 256 013	1 843 987
Swedbank investment plan "1990+"	2.00%	2 000 000	810 331	810 331	1 189 669
SEB active plan	10.45%	10 450 000	4 233 980	4 233 980	6 216 020
SEB balanced plan	3.25%	3 250 000	1 316 788	1 316 788	1 933 212
Pension plan SEB-Balanced	0.68%	680 000	275 356	275 356	404 644
Pension plan SEB-Active	0.41%	410 000	166 023	166 023	243 977
INVL Ekstra 47+	0.80%	800 000	324 132	324 132	475 868
INVL Komforts 53+	0.30%	300 000	121 550	121 550	178 450
CBL Active investment plan	7.10%	7 100 000	2 875 162	2 875 162	4 224 838
Luminor investment plan "Luminor 58+"	1.40%	1 400 000	566 933	566 933	833 067
Luminor investment plan "Luminor 53-58"	5.90%	5 900 000	2 389 219	2 389 219	3 510 781
JSC Development Finance Institution Altum	48.91%	48 910 000	19 813 830	19 813 830	29 096 170
Total	100.00%	100 000 000	40 510 416	40 510 416	59 489 584

Notes to the financial statements (cont'd)

15. Uncalled capital and Paid-in capital (cont'd)

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

Fund Investor	% Ownership	Commitment	Called capital	Paid in capital from investors	Uncalled capital
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 Balanced investment plan	1.40%	1 400 000	524 514	524 514	875 486
Luminor Active investment plan	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
Total	100.00%	100 000 000	37 480 491	37 480 491	62 519 509

16. Investment movement

a) Investment movement in 2024

	Fair value 01.01.2024	Increase / purchase	Capitalized interest / net	Reduction / disposal	Revaluation	Fair value 31.12.2024
Debt securities and other fixed - income securities	3 832 274	-	30 970	(2 865 000)	(18 307)	979 937
Shares and other variable - income securities	3 720 379	1 400 000	-	-	84 229	5 204 608
Loans issued	25 756 222	1 400 000	212 130	(700 000)	437 014	27 105 366
Total	33 308 875	2 800 000	243 100	(3 565 000)	502 936	33 289 911

b) Investment movement in 2023

	Fair value 01.01.2023	Increase / purchase	Capitalized interest	Reduction / disposal	Revaluation	Fair value 31.12.2023
Debt securities and other fixed - income securities	3 683 100	-	30 795	-	118 379	3 832 274
Shares and other variable - income 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
Total	34 331 107	1 000 000	187 643	(880 000)	(1 329 875)	33 308 875

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 31.12.2024.:

	1.level	2.level	3.level	Total
Financial assets at fair value through profit or loss:				
Debt securities and other fixed - income securities	979 937	-	-	979 937
Shares and other variable - income securities	-	-	5 204 608	5 204 608
Loans issued	-	-	27 105 366	27 105 366
Assets whose fair value is disclosed:				-
Placements with financial institutions	-	222 563	-	222 563
Receivables	-	-	-	-
Accrued income and deferred expenses	-	-	20 821	20 821
Total assets	979 937	222 563	32 330 795	33 533 295
Liabilities whose fair value is disclosed:				
Deferred income and accrued expense	-	-	18 531	18 531
Other liabilities	-	-	-	-
Total liabilities	-	-	18 531	18 531

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

	1.level	2.level	3.level	Total
Financial assets at fair value through profit or loss:				
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
Assets whose fair value is disclosed:				
Placements with financial institutions	-	7 167	-	7 167
Receivables	-	-	5 282	5 282
Accrued income and deferred expenses	-	-	77 529	77 529
Total assets	3 832 274	7 167	29 559 412	33 398 853
Liabilities whose fair value is disclosed:				
Deferred income and accrued expense	-	-	16 854	16 854
Other liabilities	-	-	900	900
Total liabilities	-	-	17 754	17 754

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 2024.



Independent Auditor's Report

To the Partners of Limited Partnership AIF "Altum kapitāla fonds"

Our opinion

In our opinion, the financial statements set out on pages 8 to 26 of the accompanying annual report give a true and fair view of the financial position of Limited Partnership AIF "Altum kapitāla fonds" (the "Fund") as at 31 December 2024, and the Fund's financial performance and cash flows for the year ended 31 December 2024 in accordance with the Bank of Latvia Regulations No 346 "Regulations on Preparation of Annual Reports and Consolidated Annual Reports of Closed-End Alternative Investment Fund".

What we have audited

The Fund's financial statements comprise:

- the balance sheet as at 31 December 2024,
- the statement of profit and loss for the year ended 31 December 2024,
- the statement of cash flows for the year ended 31 December 2024,
- the statement of changes in equity for the year ended 31 December 2024, and
- the notes to the financial statements which include a summary of significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Law on Audit Services that are relevant to our audit of the financial statements in the Republic of Latvia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Law on Audit Services.

Reporting on Other Information

The Alternative Investment Fund's Manager is responsible for the other information. The other information comprises:

- Information on the Fund, as set out on page 3 of the annual report,
- Report of the Alternative Investment Fund's Manager, as set out on pages 4 to 5 of the annual report,
- Statement of the Responsibility of the Alternative Investment Fund's Manager, as set out on page 6 of the annual report,
- Depository Bank Report, as set out on page 7 of the annual report,

but does not include the financial statements and our auditor's report thereon.



Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

With respect to the Report of the Alternative Investment Fund's Manager, we also performed the procedures required by the Law on Audit Services. Those procedures include considering whether the Report of the Alternative Investment Fund's Manager is prepared in accordance with the requirements of the Bank of Latvia Regulations No 346 "Regulations on Preparation of Annual Reports and Consolidated Annual Reports of Closed-End Alternative Investment Fund".

Based on the work undertaken in the course of our audit, in our opinion, in all material respects:

- the information given in the Report of the Alternative Investment Fund's Manager and information on the Fund for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Alternative Investment Fund's Manager has been prepared in accordance with requirements of the Bank of Latvia Regulations No 346 "Regulations on Preparation of Annual Reports and Consolidated Annual Reports of Closed-End Alternative Investment Fund".

In addition, in light of the knowledge and understanding of the entity and its operating environment obtained in the course of our audit, we are required to report if we have identified material misstatements in the other information. We have nothing to report in this respect.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Board of the Alternative Investment Fund's Manager ("management") is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Bank of Latvia Regulations No 346 "Regulations on Preparation of Annual Reports and Consolidated Annual Reports of Closed-End Alternative Investment Fund" and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers SIA
Certified audit company
Licence No. 5

Ilandra Lejiņa
Member of the Board
Certified auditor in charge
Certificate No.168

Riga, Latvia
28 February 2025

Independent Auditor's Report is signed electronically with a secure electronic signature and contains a time stamp.