

JSC DEVELOPMENT FINANCE INSTITUTION ALTUM

Corporate Governance Report
for the year ended 31 December 2025

General information

The Corporate Governance Report 2025 of the joint-stock company Attīstības Finanšu Institūcija ALTUM (Development Finance Institution ALTUM, hereinafter – ALTUM), unified registration No.50103744891, is prepared in accordance with the requirements of Article 56.²(3) of the [Financial Instrument Market Law](#) and based on the good corporate governance recommendations for capital companies in Latvia [Corporate Governance Code](#) (updated version December 2025) (hereinafter – the Code) developed by the [Corporate Governance Advisory Council](#). The recommendations were developed taking into consideration the requirements for companies provided in the legislation of the Republic of Latvia as well as corporate governance recommendations of the Organization for Economic Co-operation and Development. Besides, the Corporate Governance Report covers environmental, social and corporate governance (hereinafter – ESG) considerations based on [the Nasdaq ESG Reporting Guide 2.0](#) (May 2019). ESG risk management principles and reflected information are based on ECB (European Central Bank) guidelines, EBA (European Banking Authority) guidelines and TCFD ([Task Force on Climate-related Financial Disclosures](#)) Recommendations.

ALTUM is a Latvia state-owned company ensuring to enterprises and households access to financing resources by means of financial support instruments – loans, guarantees, investments in venture capital funds – in areas defined as important and to be supported by the state, thus developing national economy and in such a way enhancing mobilisation of private capital and financial resources. Moody's assigned Baa1 issuer rating has been constantly high since first assigned in 2017.

In May 2020 ALTUM is registered with the Bank of Latvia (before Financial and Capital Market Commission) as the manager of the alternative investment fund "Altum Capital Fund". The Fund was created with the aim to support well-managed, perspective Mid-cap companies to overcome the effect of Covid-19 that as a result of the virus impact are ready to adjust their operations by changing their business model, adjusting product development, introducing new technology and expanding to new export markets. The capital investment paid into the Fund as at 31 December 2025 amounted to EUR 40.6 million (the Company's share EUR 19.9 million).

By obtaining a consumer lending license in 2025, Altum's supervision over mortgage lending is provided by the Consumer Rights Protection Centre.

In its day-to-day operations in implementing the state-delegated functions to foster the development of national economy and taking voluntary company responsibility for impact on society and environment, ALTUM acts in compliance with the organization's strategy and values. Our values define our daily activities, are reflected in our operations and conduct, and fully permeate our positive attitude and openness to changes and innovation. ALTUM's value system is designed to provide a clear perception of ALTUM to our external partners and clients as well as to our employees.



TEAM

We work professionally in a unified team together with our customers and partners, thereby creating and implementing effective state aid programmes that are relevant to our client's needs.



EXCELLENCE

Making use of our experience and creative perspective, we strive for excellence in everything we do. We constantly develop ourselves. We take on the complicated, yet finish with simplicity. We look at things and challenges creatively.



RESPONSIBILITY

We strive to reach our goals, pursue everyday work with efficiency, fairness and respect.

Strategy 2025 – 2027

In accordance with the mid-term strategy of JSC Development Finance Institution Altum for the period 2025–2027 approved by the Supervisory Board on 19 May 2025, the following strategic development directions and most significant long-term objectives have been set:



- Main financial objective when implementing the state aid programmes is to ensure a positive return on Altum's capital;
- The main non-financial objective is to facilitate access to finance for economic development, focusing on the following key areas:
 - implementation of the new programmes for EU programming period 2021-2027. The programmes focus on solutions for climate change mitigation and sustainable finance for business, including developing a range of financial instruments in the areas of innovation, R&D, productivity and digitalisation, and energy efficiency in both the residential and corporate segments;
 - promoting affordable housing in the regions;
 - increasing the role of venture capital instruments
 - in business financing through actively introducing the 5th generation venture capital funds in the scope of early-to growth-stage funds;
 - launching the Baltic Capital Markets Acceleration Fund (IPO Fund) to support capital market development;
 - further development of the Latvian Land Fund.
- Increasing Altum's role in direct lending through active lending and servicing; given the inadequate funding offer from the private sector, this would include the initiation of mortgage lending in the regions of Latvia`s
- Replacement of IT systems and implementation of Customer Relationship Management (CRM) platform technologies to modernise customer service and ensure effective loan application appraisal and underwriting processes.

Strategy 2025 – 2027 financial and non-financial targets

The ALTUM Strategy established the following key financial targets related to ALTUM's financial performance and non-financial targets derived from ALTUM's overall strategic objective, the regulatory framework and policy planning documents, and related to ensuring the performance of the functions assigned to a public entity:

- The Strategy sets a target for a moderate increase in the volume of new transactions, their volume increasing by more than 10% by 2027;
- ALTUM's gross portfolio of financial instruments is planned to grow by more than 10% per year, reaching a total portfolio of EUR 1.8 billion by the end of 2027;
- The contribution to the economy generated by ALTUM volumes issued reflects the planned increase in ALTUM's impact on economic development by facilitating the mobilization of private capital and financial resources in the priority areas. During the Strategy implementation period, the expected contribution to the economy from programs financed by ALTUM amounts to at least EUR 2.8 billion;
- *Return on Equity* (ROE) is targeted to remain above 3% during the Strategy implementation period;
- *Equity* at the end of the reporting year is planned to show a positive trend;
- To ensure ALTUM's financial efficiency, the cost-to-income ratio is targeted not to exceed 40%.

Contribution to economy



Total contribution to economy by ALTUM volumes issued in 2025:

2025: EUR 1,405 million (2024: EUR 978 million)

Strategy 2025 – 2027 (cont'd)

Achievement of the non-financial targets for the year 2025 set out in the Strategy

- **New transaction volumes (incl. grants)** reached EUR 545 million in 2025, which is EUR 110 million (25%) above the EUR 435 million target set in the Strategy for 2025. Compared with 2024, the indicator increased by EUR 117 million (+27%).

The sharp increase was primarily driven by the growth in new loan transactions (+EUR 70 million) and new guarantee transactions (+EUR 57 million).

The growth in new loan transactions was largely triggered by new transactions under the Resilience and Recovery Facility (RRF) programs, totalling EUR 98 million (+EUR 49 million compared with 2024), followed by the Investment Loans with a Capital Rebate program, with new transactions of EUR 46 million (+EUR 14 million). There continued significant demand for SME loans, with new transactions reaching EUR 66 million over the 12 months of 2025 (+EUR 12 million).

In 2025 the growth in new guarantee transactions was driven by strong demand for both corporate guarantees (in the SME and large enterprise segment) – and individual guarantees. Guarantees issued to corporates totalled EUR 102 million (+EUR 31 million compared with 2024), while guarantees issued to individuals reached EUR 97 million (+EUR 28 million). The high demand for corporate guarantees was supported by ALTUM's attractive product terms and by the increased lending pace of commercial banks. For individuals, the growth in new transactions was largely driven by demand for Housing Guarantees and the Multi-apartment Building Energy Efficiency Programme guarantees.

In 2025, all fifth-generation venture capital funds commenced operations, alongside the Baltic Capital Market Acceleration Fund.

- **Gross portfolios (including grants)** totalled EUR 1,501 million at the end of 2025, which is EUR 99 million (7%) above the EUR 1,402 million target set in the Strategy for 2025. Compared with 2024, the figure increased by EUR 267 million (+22%).

The gross portfolio of financial instruments (excluding grants) amounted to EUR 1,497 million. Compared with the end of 2024, it increased by EUR 266 million (+22%). The largest growth was in the loan portfolio, which rose by EUR 147 million (+31%) in 2025, reaching EUR 621 million. Of the total portfolio growth, 46% was accounted for by loans under the Resilience and Recovery Facility (RRF) programs and 31% by Investment Loans with a Capital Rebate. The guarantee portfolio increased by EUR 104 million (+20%), reaching EUR 628 million. The largest contribution to the growth of the guarantee portfolio came from individual guarantees, which rose by EUR 60 million (+19%) in 2025. The corporate guarantee portfolio, including guarantees in the SME and large enterprise segments, as well as the agriculture segment increased by EUR 45 million (+22%) in 2025. The Land Fund transaction portfolio grew by EUR 23 million (+17%) over 12 months, reaching EUR 158 million.

The gross portfolio of support instruments increased by 3,731 transactions (+10%) in 2025.

By segment, the largest portfolio was held in the Small, Medium, and Large Enterprises (SMEs and Midcaps) segment – 38% (31 December 2024: 35%), followed by Individuals – 34% (31 December 2024: 31%), Agriculture – 22% (31 December 2024: 26%), and Financial Intermediaries, which comprise the venture capital programs – 6% (31 December 2024: 8%).

- **The Moody's credit** rating is intended to be maintained as high as possible, but not lower than one notch below the sovereign rating assigned to Latvia by Moody's. On 28 January 2025, the international credit rating agency Moody's Ratings ("Moody's") reaffirmed ALTUM's long-term credit rating at **Baa1** with a stable outlook. The rating is the same as affirmed on 2 February 2024. The short-term issuer rating was also confirmed at the same P-2. ALTUM's credit rating is based on Moody's July 2024 Finance Companies Methodology. ALTUM's long-term credit rating of Baa1 is among the highest assigned to Latvian corporates.

ALTUM's long-term credit rating of Baa1, confirmed by Moody's, is one notch below the sovereign rating assigned to Latvia, which stood at A3 at the end of 2025, and is in line with the target set out in the Strategy.

The high credit rating enables ALTUM to more effectively implement its long-term strategy for raising financing, by being a regular participant in the capital markets and issuing bonds.

- Total **contribution to the economy by ALTUM volumes issued** reached **EUR 1,405 million** in 2025, meeting the target set in the Strategy for 2025 (≥EUR 950 million). Compared with 2024, the figure increased by 44%, largely driven by the growth in new transaction volumes. The indicator reflects the total contribution to the economy, including the participation of financing recipients, i.e., the funds invested by private co-financiers and project implementers.

Strategy 2025 – 2027 (cont'd)

Achievement of the non-financial targets for the year 2025 set out in the Strategy (cont'd)

- **The volume of State Support programs (including grants) per employee** amounted to **EUR 5.8 million**, which is EUR 0.3 million (6%) above the target set in the Strategy for 2025 (EUR 5.5 million). Compared with 2024, the figure increased by 25% (EUR 1.2 million).
- **Voluntary employee turnover** stood at **8.5%**, which is below the target set in the Strategy (<10%), representing an increase of 1.5 percentage points compared with 2024. Turnover below the target supports ALTUM in achieving its established objectives.
- **The share of employees trained** during the year reached **98%**, exceeding the target set in the Strategy (>70%). Compared with 2024, the figure increased by 2%, driven by the extensive organization of remote training sessions.
- In a customer satisfaction survey assessing how simple, convenient, and understandable the remote service process at mans.altum.lv is, **85% of respondents rated the digital transaction process as “good” and/or “very good”** exceeding the target of ≥80%. 11% of customers rated it as “satisfactory,” 2% as “partially satisfactory,” and ratings of “more unsatisfactory” and “unsatisfactory” accounted for less than 2%.
- In 2025, ALTUM employees submitted **nine proposals to the responsible ministry officials for improving programs and introducing new financial instruments**, exceeding the target set in the Strategy (≥5). The proposals covered all programs launched in 2025, including two new programs under the Ministry of Climate and Energy (KEM) (district heating, biomethane), four new programs under the Ministry of Economics (EM) (mortgage lending, energy efficiency of multi-apartment buildings, innovation loans, 4th round of large investment loans), as well as improvements to the terms of guarantee, portfolio guarantee, and SME loan programs.



In 2025, ALTUM achieved the main non-financial target set out in the Strategy: **to support and promote access to finance for businesses and foster economic development, by improving the delivery of services in the digital environment and streamlining internal processes.**

Strategy 2025 – 2027 (cont'd)

Achievement of financial targets for the year 2025 set out in the Strategy

- **Return on Equity (ROE) reached 7.4%** in 2025, exceeding the target set in the Strategy ($\geq 3\%$) and increasing by 0.3 percentage points compared with 2024;
- **Profit amounted to EUR 32,082 thousand**, exceeding the target set in the Strategy for 2025 (EUR 20,177 thousand) and increasing by EUR 3,419 thousand (12%) compared with 2024);
- **Equity amounted to EUR 446 million at the end of the year** (the target set in the Strategy for 2025: EUR 431 million), representing an increase of EUR 29.7 million compared with 2024. The level of equity is in line with the target set in the Strategy. The growth in equity in 2025 was driven by:
 - profit for the reporting year of EUR 32.08 million;
 - increase in the specific capital reserve of EUR 3 million, including EUR 2.805 million for the Study and Student Portfolio Guarantee Program, in accordance with the decision of the extraordinary shareholders' meeting on 20 March 2025, adopted on the basis of Cabinet Regulation No. 231 of 21 April 2020; and EUR 0.195 million for the Housing Guarantee Programme for the purchase or construction of residential premises for soldiers of the Latvian National Armed Forces (LNAF).
 - decrease in the specific capital reserve of EUR 5 million, in accordance with the decision of the extraordinary shareholders' meeting on 18 December 2025, adopted on the basis of Cabinet Regulation No. 95 of 20 February 2018. The decrease in the specific capital reserve for the Loans for Mitigating the Consequences of the War in Ukraine Programme was carried out by increasing funding for the Investment Loans with Capital Rebate Programme (additional loan) in accordance with the decision of the shareholders' meeting on 30 April 2025, adopted on the basis of Cabinet Regulations No. 628 and No. 627 of 31 October 2023. As a result of the decrease in the specific capital reserve, the reallocated funding will be directed to finance the Investment Loans with Capital Rebate (co-funding loans) Program. Thus, the decrease in the specific capital reserve, by reducing funding for certain support programs and reallocating the corresponding EUR 5 million to the Investment Loans with Capital Rebate (additional loan) Program, will be implemented while maintaining the same funding purpose — to finance the implementation of a new support programme and cover expected losses.
- **The cost-to-income ratio stood at 19%**, which is below the target set in the Strategy ($< 40\%$), representing a decrease of 4 percentage points compared with 2024;
- **The 6-month liquidity ratio of 321%** is above the planned target ($\geq 100\%$), although it decreased by 21 percentage points compared with 2024. ALTUM maintains a high level of liquidity;
- The **Capital without Revaluation Reserve (CWR)/Total Managed Assets (TMA)** ratio stood at **19.4%**, which is 0.6 percentage points below the target set in the Strategy ($\geq 20\%$). Compared with 2024, this ratio decreased by 2.2 percentage points, driven by a significant increase in total managed assets in 2025 of EUR 364 million (+19%). ALTUM has sufficient equity to cover the risks associated with its operations.



In 2025, ALTUM achieved the main financial target set out in the Strategy: **to ensure a positive return on equity ($\geq 3\%$) through the implementation of state support programs.**

Deviations of individual indicators from the targets set out in the Strategy have not adversely affected ALTUM's achievement of its main objectives or the implementation of the Strategy.

Additional information on the implementation of non-financial and financial targets is available in the 2025 Annual Report (hereinafter – the Annual Report), in the Management Report and in Other Notes to Annual Report.

ESG - Governance

Ensuring ALTUM's effective operation in the long term is only possible by adhering to the principles of sustainable business, which consist of three interconnected and equally important ESG aspects – Environmental, Social, and Governance.

Corporate governance is a fundamental basis for ALTUM's operations, ensuring transparency, accountability, and sustainable development. The year 2025 was marked by significant achievements and high recognition in various areas, demonstrating ALTUM's practices in sustainability, investor relations and promoting diversity. The achieved results reflect the company's strategic approach to responsible business practices and continuous improvements in corporate governance processes.

In 2025, Altum's compliance assessment (**Pillar Assessment**) under the **European Commission regulation on the financial rules applicable to the general budget of the European Union** was essentially completed, enabling Altum to apply for the role of an InvestEU implementing partner and, in the future, also for the role of a cooperation partner in the implementation of EU funds, thereby increasing the availability of new, specialised and suitable financial instruments for Latvian enterprises. This is a highly complex, three-year project in which an independent auditor assessed Altum's processes across nine blocks covering the internal control system, accounting records, external audit activities, the management of grants and financial instruments, procurement procedures, lending processes including credit risk and ratings, tax-evasion controls, AML requirements, aid-allocation procedures, information accessibility and personal data processing. In total, the assessment provided an in-depth review of 67 areas. The audit scope covered obtaining assurance both regarding the existence of the processes and the effectiveness of the processes established. Recommendations for the necessary improvements were provided, and subsequent final report was issued to the European Commission confirming whether all recommendations had been implemented. Based on the information submitted by Altum and the auditor's opinion the European Commission has now obtained sufficient assurance regarding the implementation of the recommendations, and the closure of the assessment is currently underway.

Application of the Corporate Governance Code in ALTUM's Operations

Since 2021, ALTUM has been applying the corporate governance recommendations set out in the Code. ALTUM's corporate governance model is continuously improved and provides the basis for achieving ALTUM's strategic objectives by ensuring transparency, accountability, and sustainable development.

An assessment of ALTUM's corporate governance system against the corporate governance principles set out in the updated version of the Code at the end of 2025 (2nd edition), and their implementation in ALTUM's operations, confirms that ALTUM fully complies with all corporate governance principles established in the Code.

Code's Principle	Implementation in ALTUM's Operations
Principle 1 The company maintains an up-to-date strategy that clearly defines its objectives and tracks progress toward long-term value creation.	ALTUM's Mid-term Operational Strategy 2025–2027 was approved by the ALTUM Supervisory Board on 19 May 2025. A summary of the Strategy is publicly available on ALTUM's website: https://www.altum.lv/wp-content/uploads/2025/07/ALTUM-Strategija_2025-2027_saisinata-versija.pdf .
Principle 2 The company fosters an internal culture and maintains an ethics code that serves as a standard of conduct for management and employees.	In the Medium-term Operational Strategy, the Supervisory Board has defined the company's core values: excellence, teamwork, and responsibility. The key principles of ALTUM's Code of Ethics are set out in the Code and serve as a standard of conduct for ALTUM's management and all employees. The Code provides guidance to employees for their daily interactions with colleagues, clients, and partners, and helps create a responsible, safe, and user-friendly work environment. This, in turn, fosters employee trust and ethical behavior, thereby supporting the achievement of the company's long-term objectives.
Principle 3 The company maintains an internal control system whose effectiveness is overseen by the Supervisory Board.	ALTUM's internal control system is described in the "Internal Control" section of the Corporate Governance Report. ALTUM has established a comprehensive internal control system; its design and effective operation is the responsibility of ALTUM's management. The monitoring of ALTUM's internal control system, including the assessment of its adequacy and effectiveness, is carried out by the Internal Audit Division, which is an independent structural unit functionally reporting to the ALTUM Supervisory Board, with its head appointed by a decision of the ALTUM Shareholders' Meeting. The Supervisory Board supervises how the Management Board ensures the establishment of the internal control system and its effective operation.

<p>Principle 4</p> <p>The company identifies, evaluates, and monitors the risks associated with its operations.</p>	<p>To ensure ALTUM's effective and sustainable operations, a comprehensive Risk Management System has been established, providing for proactive identification, assessment, and mitigation of risks, as well as timely implementation of corrective measures. When assuming risks, ALTUM follows the principle of prudence and ensures its capability to fulfil the objectives and functions assigned to the company in the long term. In risk management, ALTUM uses various qualitative and quantitative methods and tools, and establishes risk limits and control mechanisms that cover all significant identified risks. The selection of risk management methods is based on the potential material impact of the respective risk on ALTUM's operations and financial stability. ALTUM has developed the Risk Management Strategy and the Risk Management Policy, which are approved by the ALTUM Supervisory Board and define the key principles of risk management, as well as the acceptable level of risk and respective limits. At least once a year, the Supervisory Board reviews the Management Board's reports on risk management measures and the implementation of the risk management policy. Information on the elements of the risk management system is available in ALTUM's Annual Report 2025.</p>
<p>Principle 5</p> <p>The company has established an internal audit function that independently and objectively evaluates its operations.</p>	<p>ALTUM has established the Internal Audit Division, an independent structural unit functionally reporting to the ALTUM Supervisory Board, with its head appointed by a decision of the ALTUM Shareholders' Meeting. The Internal Audit Division monitors ALTUM's internal control system and evaluates its adequacy and effectiveness. Each year the Shareholders' Meeting approves the annual activity plan of the Internal Audit Division, and the Unit reports to the Shareholders' Meeting on its implementation.</p> <p>The Internal Audit Division performs its duties in accordance with the applicable laws and regulations, the International Standards for the Professional Practice of Internal Auditing, and ALTUM's internal regulations. At least once a year, the Internal Audit Department prepares and submits to the Supervisory Board for review and following its review at a meeting of the Supervisory Board, to the Shareholders' Meeting, a report on the audits performed, the main issues and deficiencies identified, assesses the effectiveness of the internal control system, and provides recommendations for improving its operation.</p>

Principle 6

The company has an independent external auditor.

ALTUM's annual financial statements are subject to an independent audit; within its framework independent auditors provide their opinion whether they consider ALTUM's financial statements to present a true and fair view of ALTUM's financial position, results of operations, and cash flows in accordance with the [International Financial Reporting Standards](#) as adopted by the European Union. PricewaterhouseCoopers SIA has been appointed as the auditor of ALTUM's financial statements for the period 2023–2025. In accordance with the requirements of EU Regulation No.537/2014 regarding the appointment of statutory auditors or audit firms for public-interest entities (ALTUM qualifies as a public-interest entity because its issued bonds are listed on regulated capital markets), the ALTUM Audit Committee was involved in the auditor selection process. The auditor was selected in accordance with the procedures set out in the Public Procurement Law.

In the auditor selection process, the following qualification criteria were assessed:

- The candidate is registered in accordance with the regulatory requirements of its country of registration or permanent residence.

This requirement also applies to a partnership and all members of the partnership (if the proposal is submitted by a partnership), or all members of a consortium of suppliers (if the proposal is submitted by a consortium), as well as to subcontractors (if the candidate intends to engage subcontractors);

- In the previous three (3) years (2020, 2021, 2022), and 2023 up to the submission date, the candidate must have had experience in at least three (3) audits of IFRS financial statements of EU credit institutions, where the credit institution's loan portfolio balance amounted to no less than EUR 200 million;
- The candidate holds a license as a certified auditor;
- The responsible auditor holds a certified auditor license;
- The candidate is free from any conflicts of interest related to the provision of audit services;
- The candidate, as well as any network firm or cooperation partner of the candidate (if the candidate is a partner in a network firm), has not provided ALTUM with prohibited non-audit services referred to in Article 5(1), second subparagraph, of Regulation (EU) No.537/2014 during the period specified in the first subparagraph of Article 5(1), and complies with the requirements set out in Articles 4 and 5 of Regulation (EU) No.537/2014.

The following criteria were applied in selecting the auditor:

- The most economically advantageous offer with the lowest price;
- The engagement involves a technical IFRS expert from the candidate's associated office's Technical Competence Center, based outside the Baltic states.

The ALTUM Audit Committee monitors the effectiveness of the internal control and risk management systems to the extent they relate to the financial statements and assurance of objectivity. In accordance with the requirements of the [Financial Instruments Market Law](#), the Audit Committee supervises the preparation of ALTUM's financial statements and performs other duties assigned to it by applicable legislation.

<p>Principle 7</p> <p>The company ensures transparent procedures for the election and removal of Supervisory Board members.</p>	<p>ALTUM's governance model is designed in accordance with corporate governance best practices set out in the Code, with a clear separation between strategic and operational management. The company operates a three-tier governance structure, comprising the Shareholders' Meeting, the Supervisory Board, and the Management Board. In cases prescribed by the <u>Law on Governance of Capital Shares of Public Entity and Management of Capital Companies Thereof</u>, the Cabinet of Ministers also takes decisions as the highest decision-making authority. In accordance with the <u>Commercial Law</u>, both the Management Board and the Supervisory Board bear joint responsibility.</p> <p>In assessing ALTUM's corporate governance system against the corporate governance principles set out in the Code and their application in ALTUM's operations, ALTUM fully complies with all corporate governance principles established in the Code. The composition and term of office of the Supervisory Board and the Management Board are determined by <u>the Law on Development Finance Institution</u> (hereinafter, the DFI Law).</p> <p>In accordance with Article 7 of the DFI Law, the requirements applicable to members of ALTUM's Supervisory Board and Management Board correspond to those established for the Supervisory and Management Boards of credit institutions under the Credit Institutions Law.</p> <p>ALTUM's Supervisory Board consists of three members. Each shareholder is entitled to nominate one candidate for the Supervisory Board. The Chair of the Supervisory Board is a member appointed by the Ministry of Finance. The Management Board may consist of no more than five members. The Supervisory Board elects the Chair of the Management Board from among the Management Board members. The term of office for members of both the Supervisory Board and the Management Board is three years.</p> <p>The procedure for nominating members of the Management Board and Supervisory Board is determined by the Law on Governance of Capital Shares of Public Entity and Management of Capital Companies Thereof and the Cabinet Regulation "<u>Procedure for Nominating Members of Management and Supervisory Boards in Companies Whose Capital Shares are Owned by the State or a Derived Public Person</u>". For the evaluation of candidates for the Management Board or Supervisory Board, the shareholder of the state capital or the company's Supervisory Board establishes a Nomination Committee. The Nomination Committee includes representatives appointed by the state capital shareholder or the Supervisory Board, as well as representatives from the Cross-Sectoral Coordination Department (CSCD) of the State Chancellery, independent experts, and, if necessary, observers with advisory rights.</p> <p>Potential candidates for the Management Board and Supervisory Board are selected through an application procedure. Exceptions are permitted only in cases prescribed by law, such as when a current member is reappointed for a new term or when it is not possible to nominate a candidate within a timeframe to ensure effective operation of the Supervisory or Management Board.</p> <p>If it is not possible to nominate a candidate for the Supervisory or Management Board within the prescribed timeframe to ensure the institution's operational capacity, a candidate meeting the required professional and competence criteria shall be appointed as a member of the Supervisory or Management Board. A person appointed in this manner shall perform the duties of the office until a member is elected according to the statutory nomination procedure, but for no longer than one year.</p> <p>The nomination procedure for ALTUM's Supervisory and Management Board members ensures the achievement of the corporate governance objectives set out in the Code and promotes good corporate governance within the company.</p>
<p>Principle 8</p> <p>Supervisory Board members collectively possess the relevant experience and competence.</p>	<p>ALTUM's Supervisory Board members have relevant experience and competence, with a combined set of skills and knowledge covering the financial sector, business development management, as well as corporate strategy and financial management. The Management Board provides induction training for new members of the Supervisory Board. Both genders are represented on the Board, and diversity principles are observed. Information about the Supervisory Board is available on ALTUM's website: https://www.altum.lv/par-altum/ilgtspeja-parvaldiba?tab=3.</p>

<p>Principle 9</p> <p>The company's Supervisory Board includes independent members.</p>	<p>ALTUM's Supervisory Board includes an independent member. Information is available at https://www.altum.lv/par-altum/ilgtspeja-parvaldiba?tab=3. Candidates for the positions of independent members of the Supervisory Board submit a confirmation of their compliance with the independence criteria, and members of the Supervisory Board are required, during their term of office, to notify any changes in their independence status. Prior to the election of the Supervisory Board, an assessment of the independence of its members is carried out on the basis of the information available.</p>
<p>Principle 10</p> <p>The company has established a remuneration policy for the Management Board and the Supervisory Board.</p>	<p>The remuneration of the Supervisory Board and the Management Board is determined by Latvian legislation — the Law on Governance of Capital Shares of Public Entity and Management of Capital Companies Thereof and the Cabinet regulations issued on its basis. These legal acts provide a uniform framework for the remuneration of Supervisory and Management Board members in state-owned companies. The regulations developed by the CSCD, titled <i>Guidelines for Determining the Remuneration of Management and Supervisory Board Members of State-Owned and Public-Private Companies</i>, define the procedure for the payment of bonuses, i.e., the variable part of remuneration, to the Management Board. Bonuses are paid after the approval of the annual financial statements and the evaluation of the Management and Supervisory Boards' performance during the reporting year. The remuneration policy has been developed and is currently under review. The Supervisory Board's remuneration policy is publicly available on ALTUM's website: https://www.altum.lv/wp-content/uploads/2025/10/Padome_atalgojuma-politika_2025_gads_oktobris.pdf, and information on the Supervisory Board's remuneration is available at https://www.altum.lv/wp-content/uploads/2026/01/Atlidzibas_ALTUM-padome.docx.</p> <p>The Management Board's remuneration policy is available at https://www.altum.lv/wp-content/uploads/2025/09/Valde_atalgojuma-politika_2025.pdf, and information on the Management Board's remuneration is available at https://www.altum.lv/wp-content/uploads/2026/03/Atlidzibas_ALTUM-valde-1.pdf.</p>
<p>Principle 11</p> <p>The company has a defined and transparent organization of the work of the Supervisory Board</p>	<p>The principles of activities and the main duties of the Supervisory Board are determined by the Articles of Association and the Rules of Procedure for the Supervisory Board, published at https://www.altum.lv/wp-content/uploads/2022/05/padomes_darba_organizesanas_kartiba_v2.pdf. The Board's tasks and responsibilities are governed by applicable laws and regulation.</p> <p>In 2025, 17 Supervisory Board meetings (10 Supervisory Board meetings in 2024) were held, during which issues related to ALTUM's operational oversight and governance were reviewed. The Board evaluated the work of the Audit Committee, the activities and independence of the Internal Audit Division, and matters concerning the functioning of the internal control system. In addition, the meetings addressed ALTUM's strategy, the implementation and monitoring of state support programs, and their overall execution. The Supervisory Board actively participated in the Strategy development process through regular Supervisory Board and Management Board sessions, which included discussions on corporate governance, risk management, and development programs. In addition, the Supervisory Board sets and evaluates the individually achievable key performance indicators (KPIs) of Management Board members and regularly monitors operational results and the implementation of the Strategy. The Supervisory Board is also represented on the Audit Committee and in the selection committee for the Head of the Internal Audit Division.</p> <p>The Supervisory Board carries out an annual self-assessment of its performance and reviews the results at a Board meeting. Each year, it also assesses whether its composition provides the appropriate experience and competence, including whether it has sufficient capacity and complies with the principles of diversity</p>
<p>Principle 12</p> <p>The Supervisory Board makes informed and well-considered decisions.</p>	<p>Representing the interests of the shareholder, ALTUM's Supervisory Board oversees the Management Board's activities and is involved in ALTUM's strategic development, as well as financial and risk management oversight. A defined organization of the Board's work ensures timely, high-quality, and relevant information, promotes effective execution of the Board's duties, and enables full engagement of its members in decision-making. The Supervisory Board sets and evaluates individually achievable key performance indicators (KPIs) for Management Board members and regularly monitors operational results and the implementation of the Strategy.</p>

<p>Principle 12.1</p> <p>A committee prepares proposals for the Supervisory Board's decision-making</p>	<p>Since 1 December 2017, ALTUM has established an Audit Committee, which, among other responsibilities, oversees the effectiveness of the internal control and risk management systems to the extent they relate to financial reporting and the assurance of objectivity. In accordance with the requirements of the Financial Instruments Market Law, the Audit Committee monitors ALTUM's financial reporting process and performs other duties assigned to it under applicable legislation. The Audit Committee works closely with the Internal Audit Division. In 2025, three Audit Committee meetings were held, during which five issues were reviewed (in 2024, six meetings were held, covering six issues). For more information, see ALTUM's website at www.altum.lv in the "About ALTUM" section under "Audit Committee".</p>
<p>Principle 13</p> <p>Members of the Management and Supervisory Boards are fully aware of potential conflicts of interest and are informed of the required actions to take in the event of a conflict.</p>	<p>Members of the Management and Supervisory Boards are fully aware of potential conflicts of interest and are informed of the required actions to take in the event of a conflict. The Management Board's Rules of Procedure stipulate: "A Management Board member shall not participate in the decision-making on any matter in which the member has a conflict of interest, or where there are reasons that independently and objectively prevent the member from fulfilling their duties. This includes matters related to family, emotional ties, political or national affiliation, economic interests, or any other direct or indirect personal interests. The restriction also applies to matters directly or indirectly affecting the member's spouse, siblings, parents, or children, as well as the spouse's parents, siblings, or any companies in which the member or the aforementioned persons have a significant direct or indirect interest, hold executive or supervisory positions, or otherwise exert significant influence. In such cases, the Management Board member shall leave the meeting while the matter is discussed."</p> <p>The Supervisory Board's Rules of Procedure specify: "Following their election, a Supervisory Board member is required to familiarize themselves with ALTUM's binding regulations, which set out the identification of related parties and the conduct required in such situations. A Supervisory Board member is obliged to promptly notify the Board of any conflict of interest by submitting a written statement prior to the discussion of the relevant matter at a Board meeting."</p>
<p>Principle 14</p> <p>The company provides shareholders with timely information on the conduct of shareholders' meetings, including all information necessary for decision-making.</p>	<p>Effective shareholder engagement in decision-making contributes to achieving ALTUM's financial and non-financial objectives and supports the company's sustainable operations. ALTUM's governance is determined by the Law on Governance of Capital Shares of Public Entity and Management of Capital Companies Thereof, and in certain cases decisions are taken by the Cabinet of Ministers as the highest decision-making authority.</p> <p>The Company provides shareholders, in a timely manner, with information on the agenda of the shareholders' meeting, the options for participation, the voting procedures, and any related changes.</p> <p>The Company ensures that shareholders have timely access to draft resolutions and the accompanying documentation, including through the use of digital tools.</p> <p>The Company ensures that shareholders are able to submit, prior to the shareholders' meeting, questions regarding the items included on the agenda and the draft resolutions.</p> <p>The draft resolutions and the accompanying documentation provide detailed, clear and comprehensive information on the matters under consideration.</p>

<p>Principle 15</p> <p>The company promotes effective shareholder involvement in decision-making and encourages the broadest possible participation of shareholders in shareholders' meetings.</p>	<p>ALTUM's shareholders are ministries of the Republic of Latvia, with the following distribution of shareholdings: the Ministry of Finance – 40%, the Ministry of Economics – 30%, and the Ministry of Agriculture – 30%. Information on the representatives of the state shareholder is available on ALTUM's website: https://www.altum.lv/par-altum/ilgtspejca-parvaldiba?tab=3.</p> <p>As at 31 December 2025, the representatives of the state shareholder were: Baiba Bāne, State Secretary of the Ministry of Finance; Raivis Bremšmits, State Secretary of the Ministry of Economics; and Ģirts Krūmiņš, State Secretary of the Ministry of Agriculture. The Company ensures that shareholders have the opportunity to participate in the shareholders' meeting either in person or remotely, subject to the necessary security and technical arrangements.</p> <p>The Company determines an appropriate duration for the shareholders' meeting and provides shareholders with the opportunity, during the meeting, to express their views and obtain the information necessary for decision-making. The Company invites members of the Management Board and the Supervisory Board, candidates for positions on the Supervisory Board, the auditor and the internal auditor, as well as other persons, to participate in the shareholders' meeting in accordance with the matters to be considered at the meeting.</p> <p>The shareholders' meeting adopts resolutions in accordance with the draft resolutions announced in advance.</p>
<p>Principle 16</p> <p>The company develops and discusses its dividend policy with shareholders</p>	<p>According to Article 16 of the Law on Development Finance Institution, "the profit of the financial institution shall be used in accordance with Article 15, Paragraph two of this Law" (the profit is allocated to the reserve capital). "The financial institution shall not make payments for the use of state capital."</p>
<p>Principle 17</p> <p>The company regularly and in a timely manner informs shareholders and other stakeholders about the company's business operations, financial results, governance, and other relevant matters.</p>	<p>Transparency in the company's operations forms the basis for effective investor relations and successful communication with shareholders and other stakeholders. ALTUM regularly and in a timely manner informs shareholders and other stakeholders about the company's business operations, financial results, governance, and other relevant matters, disclosing accurate, complete, objective, up-to-date, and reliable information. The company's website publishes information on governance, strategy and areas of activity, the annual report, as well as the Articles of Association, the Code of Ethics guidelines, company key policies, and the Corporate Governance Report.</p> <p>Information is disclosed within the time limits prescribed by law or immediately after the occurrence of an event that requires disclosure. The information is published in both Latvian and English.</p> <p>ALTUM has established and regulated procedures for information management, as well as procedures for internal and external communication. Specific persons have been designated to respond on behalf of the company to questions from investors and other stakeholders, and to liaise with the media. Since ALTUM commenced the listing of its bonds on Nasdaq Riga in October 2017, it has regularly disclosed information in accordance with the "Procedure for the Disclosure of Information by Issuers of Nasdaq Riga, AS" and ALTUM's internal regulations.</p>
<p>Principle 18</p> <p>Groups of companies have a transparent governance system that ensures the implementation of corporate governance principles in their subsidiaries.</p>	<p>ALTUM is the manager of AIF ALTUM Capital Fund (hereinafter – the Fund), registered with the Bank of Latvia (until 31 December 2022 – with the Financial and Capital Market Commission). The Fund was established in spring 2020 to support overcoming the impact of Covid-19. Its objective is to support well-managed, promising large companies (MidCaps and large SMEs) that, as a result of the virus's impact, are ready to adapt their existing operations by changing their business model, adjusting product development, introducing new technologies, entering new export markets, and fostering the growth of these companies. In managing the Fund, ALTUM applies best practices from the private equity and venture capital sectors. The Investment Committee, which evaluates potential investments and makes investment decisions, also includes independent industry experts. Reporting to the Fund's investors is carried out in accordance with Invest Europe guidelines, while investment valuation is conducted according to an internal procedure developed on the bases of the Valuation Guidelines approved by the IPEV (International Private Equity and Venture Capital Valuation) Board.</p>

Highlights and achievements 2025

Below are the most significant events and recognitions awarded to ALTUM for the year 2025.

MOODY'S RATINGS

On January 28, 2025, Moody's reaffirmed **ALTUM's long-term credit rating at Baaa1 with a stable outlook**, that has been constantly high since first assigned in 2017. Altum's credit rating is based on Moody's Finance Companies Methodology of July 2024. Altum's long-term credit rating Baa1 is one of the highest credit ratings assigned to a corporate entity in Latvia. The high credit rating strengthens ALTUM's ability to implement its long-term strategy for raising funding both via regular bond issues in the regulated capital markets as well as from international financial institutions. Raising funding in capital markets ensures diversification of ALTUM funding sources, promotes sustainability and self-sufficiency in financing mobilization, while also fostering the development of the Baltic capital markets.

Nasdaq

3rd place "Best Investor Relations on Bond List" in the Baltics. In spring 2025, for the second time ALTUM was awarded the 3rd place in [the Nasdaq Baltic Awards 2025](#) category "Best Investor Relations on Bond List". For the awards, the Nasdaq Baltic-listed companies were evaluated based on their achievements in transparency, investor relations and good corporate governance practices. Moreover, the companies' trading activity was considered, taking into account market analysts' and investors' assessments.



During 2025 ALTUM gross portfolio of support instruments reached the historic milestone of **EUR 1.5 billion**, where guarantee portfolio amounts EUR 628 million, loan portfolio (excl. Sales and leaseback) amounts EUR 621 million and Land Fund portfolio amounts EUR 158 million. Based on portfolio volume ALTUM currently is one of the top five finance institutions in Latvia.

Governance structure

ALTUM's governance model is designed to follow good corporate governance practices, contained in the Code, separating strategic and operational management. The company has a three-tier governance structure. ALTUM is governed by a shareholders' meeting, the Supervisory Board and the Management Board. In the cases set out in the [Law on Governance of Capital Shares of a Public Person and Capital Companies](#), decisions are also taken by [the Cabinet of Ministers](#) as the supreme decision-making body.

Shareholders

Effective involvement of shareholders in decision-making helps to achieve the Company's financial and non-financial objectives and ensures its sustainability.



Finanšu ministrija

Baiba Bāne

State Secretary of the Ministry of
Finance

continues as a representative of
ALTUM shareholders



Ekonomikas ministrija

Raivis Bremšmits

State Secretary of the Ministry of
Economics

a representative of ALTUM
shareholders



Zemkopības ministrija

Ģirts Krūmiņš

State Secretary of the Ministry of
Agriculture

continues as a representative of
ALTUM shareholders

Governance structure (cont'd)

Supervisory Board

The members of ALTUM Supervisory Board have relevant experience and expertise, and possess a range of skills and knowledge, including in the financial sector, business development management as well as corporate strategy and financial management. The Supervisory Board is gender-balanced and respects the principles of diversity.



Ieva Jansone – Buka

Chairperson of the Supervisory Board

Member of the Management Board of the financial advisory and investment company SIA IJ Birojs, Member of the Supervisory Board of SIA Tet, and Member of the Management Board of the Latvian Private Equity and Venture Capital Association. More than 20 years of experience in finance and corporate management, as well as significant experience in the venture capital industry. The previous professional experience includes the implementation of strategic initiatives while serving as a Member of the Management Board of JSC Development Finance Institution ALTUM from March 2021 to June 2025. Prior to that, held senior positions at IPAS INDEXO, SIA IJ Birojs, Nordea Bank Finland Plc Latvian Branch, SIA Clean R, and SIA Vides pakalpojumu grupa.

Holds a Professional Master's degree in Business from the Stockholm School of Economics in Riga and a Bachelor of Social Sciences degree in Management Science and Political Science from the University of Latvia.

Term of office: until a candidate is selected in accordance with the procedure set out in the Law on Governance of Capital Shares of Public Entity and Management of Capital Companies Thereof.



Krišjānis Znotiņš

Member of the Supervisory Board (independent)

15+ years experience in the management and corporate governance working in executive positions in financial sector companies (DNB leasing, Eleving Group Latvia, Wandoo finance, Luminor bank).

Holds Bachelor's degree from the Banku Augstskola and Master's degree in business management in international finance and banking from SBS Swiss Business School (Switzerland).

Term of office: 30 April 2027



Ilze Lore

Member of the Supervisory Board

Director of the Business Support Department at the Ministry of Economics of the Republic of Latvia. Extensive experience in the field of business competitiveness and support, gained while holding several senior positions at the Ministry of Economics. Ministry-appointed representative on the Management Board of the Three Seas Initiative Investment Fund S.A. SICAV-RAIF from March 2021 to May 2025.

Holds a Master's degree in International Economics and Business and a Bachelor's degree in International Business from the University of Latvia.

Term of office: until a candidate is selected in accordance with the procedure set out in the Law on Governance of Capital Shares of Public Entity and Management of Capital Companies Thereof.

Līga Kļaviņa ceased to perform the duties of Chairperson of the ALTUM Supervisory Board as of 31 August 2025. Accordingly, as of 1 September 2025, Ieva Jansone–Buka was appointed Acting Chairperson of the ALTUM Supervisory Board.

Ansis Grasmanis ceased to perform the duties of Member of the ALTUM Supervisory Board on 1 September 2025, and as of 2 September 2025 Ilze Lore was appointed Acting Member of the ALTUM Supervisory Board.

Governance structure (cont'd)

Management Board



Reinis Bērziņš

Chairperson of the Management Board

Biznesa Business management and finance professional with extensive experience in managing companies and institutions.

Holder of a Master's degree in International Finance and Banking from BA School of Business and Finance, a Master's degree in Business Administration from the Swiss Business School and a Master's degree in Law from the University of Latvia.

Main areas of responsibility: finance and resource management and sustainability management.

Paula Stradiņa Clinical University Hospital, Chairman of the Supervisory Board. Three Seas Initiative Investment Fund S.A. SICAV-RAIF, Member of the Supervisory Board.

Managing ALTUM since 12 October 2015.

Terms of office: 6 November 2028



Jēkabs Krieviņš

Member of the Management Board

Financial expert with more than 25 years of experience in the organisation and management of corporate lending, gained working in both the commercial banking and public financial institutions sectors.

Holder of a Master's degree in Business and Institutional Management from Riga Business School, a Certificate in Banking from BA School of Business and Finance and a Bachelor's degree in Economics from the Latvian University of Agriculture (now the Latvian University of Life Sciences and Technologies).

Main areas of responsibility: IT and technology development, ALTUM's customer and regional service centres, private housing guarantees, oversight of the Latvian Land Fund.

Member of the Board of the European Association of Guarantee Institutions (AECM). Three Seas Initiative Investment Fund S.A. SICAV-RAIF, Member of the Management Board.

Terms of office: 26 May 2027



Inese Zīle

Member of the Management Board

20 years' experience in the financial sector, including more than 15 years managing various departments, as well as experience in the public sector.

Holder of a Master's degree in International Economics and Business from the University of Latvia.

Main areas of responsibility: development and implementation of ALTUM's state support programmes, energy efficiency in residential buildings, corporate client services, marketing and public relations.

ALTUM's representative on the Supervisory Board of the Finance Latvia Association. Member of the Supervisory Board of VAS Sadales fīkls.

Terms of office: 26 May 2027



Juris Jansons

Member of the Management Board

More than 20 years of experience in operational compliance, financial crime prevention and risk management, gained in senior positions in the commercial banking sector.

A Master's degree in Law from the University of Latvia. In addition to many years of experience in the field of anti-money laundering, holding CAMS certificate.

Main areas of responsibility: risk management, anti-money laundering and countering the financing of terrorism and proliferation, legal and administrative management, monitoring of client liabilities and human resources.

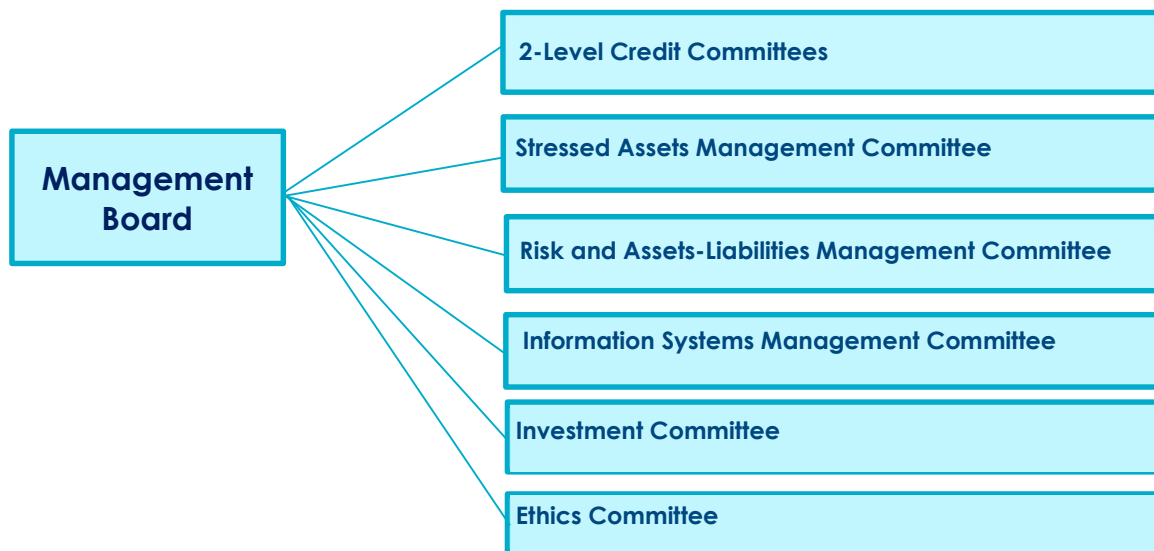
Terms of office: 8 January 2026

On 5 June 2025, Ieva Jansone-Buka resigned from her position as a member of the Management Board of JSC Development Financial Institution Altum. As of 7 November 2025, Reinis Bērziņš was reappointed as Chair of the Management Board for the term ending 6 November 2028. On 8 January 2026, Juris Jansons ceased performing the duties of a Management Board member upon the expiry of his term of office. Accordingly areas of responsibility are split between the current Management Board members.

Governance structure (cont'd)

Management Board (cont'd)

Committees were established by a decision of the ALTUM Management Board. Their main tasks, rights and responsibilities, principles of operation as well as the rights and obligations of the members of the Committees are set out in the Committee Regulations.



Information on ALTUM management, ALTUM shareholder representatives, ALTUM Audit Committee and ALTUM governance is available on ALTUM's website www.altum.lv, in the "ABOUT ALTUM" section under "[Corporate Governance](#)".

Audit Committee

More about Audit Committee can be found in the section "Internal control and risk management system".

Internal control and risk management system

Internal control

The internal control system of ALTUM has been designed to ensure efficient, sustainable and effective operation of the company, accuracy of information provided, and compliance with the relevant laws and regulations to provide a reasonable assurance that the assets of ALTUM are secured against loss and unauthorised management and use, operational risks are identified and managed on an ongoing basis, the amount of capital is adequate to cover the identified risks inherent in the operation of ALTUM, the transactions are performed in line with the procedures established by ALTUM, the company operates reasonably, prudently and efficiently in compliance with the legal requirements, and the drawbacks identified in the ALTUM management are timely eliminated.

The ALTUM management bears responsibility for establishing a comprehensive internal control system (ICS) and its effective functioning. Regarding the preparation of financial statements and veracity, impartiality, clarity and completeness of the information presented, this responsibility manifests as selecting adequate accounting methods, accordingly described in internal regulatory documents.

The **Internal Audit Division**, an independent body subordinated to ALTUM Supervisory Board, monitors ALTUM's internal control system and assesses its adequacy and efficiency. The Head of the Internal Audit Division is appointed by a decision of ALTUM's shareholders' meeting. The objective of the Internal Audit Division is to strengthen ALTUM's values and to help the Supervisory Board, Management Board and heads of business units to achieve their strategic and business objectives more effectively through independent and impartial assessment. Every year the shareholders' meeting approves the annual action plan of the Internal Audit Division, about the implementation of which the Internal Audit Division reports to the shareholders' meeting. The Supervisory Board supervises the Management Board in ensuring that the internal control system is established and operates effectively.



In 2025, the Internal Audit Division prepared 11 (2024: 14) audit reports in accordance with the agreed action plan, providing an assessment of the functioning of the process management and control system; they were presented to the ALTUM Supervisory Board. As a result of the internal audits carried out during the reporting period, it was concluded that the internal control system is generally effective, although certain improvements are required. During the reporting year, 60 (2024: 108) audit recommendations with respective implementation deadlines and 12 advisory recommendations were issued. As at the date of preparing the report, 35 out of the 60 recommendations had been implemented, while the implementation deadline for the remaining 25 recommendations had not yet occurred. The audit reports provided assurance to the ALTUM management on business processes, e.g., the credit rating calculation; provision of internal training; calculation and analysis of the cost of State aid programmes and other products/services; State aid for working capital for farmers; use of repayments for programme implementation; compliance of loans funded by green bonds financing with the Green Bond Framework; the internal control system for preventing conflicts of interest, fraud and corruption; the justification for requesting data from the Bank of Latvia's Credit Register and other sources and the accuracy of the information/data submitted; accounting of transactions under the Latvian Land Fund; portfolio guarantees; and the implementation of remote client identification.

The Internal Audit Division performs its functions in accordance with the applicable laws and regulations, international standards for the professional practice of internal auditing, and ALTUM's internal regulations. The Internal Audit Division prepares and submits to the shareholders' meeting, at least once a year, a report on the audits performed, the main problems and drawbacks identified, assessing the effectiveness of the internal control system and giving an opinion on the measures to be taken to improve the functioning of the internal control system.

Since 1 December 2017, ALTUM has an **Audit Committee**; among other things, it monitors the effectiveness of the internal control and risk management to the extent it relates to financial reporting and impartiality. The Audit Committee monitors ALTUM's financial reporting process and performs other duties as required by [the Financial Instrument Market Law](#). In 2025, 3 meetings of the Audit Committee were held, during which 5 issues were reviewed (in 2024, there were 6 committee meetings, during which 6 issues were reviewed). For more detailed information, please visit the ALTUM website at www.ALTUM.lv under the "ABOUT ALTUM" section, in the subsection "[Audit Committee](#)".

ALTUM has an Accounting Policy and a Provisions for Impairment Policy, the purpose of which is to set out the principles, methods and terms for accounting, valuation and disclosing of transactions, facts, events and financial statements' items. ALTUM management has established financial accounting principles that ensure that the financial statements provide information that is reliable and useful for decision-making of users of the financial statements. The Accounting and Provisions for Impairment Policies applied ensure that the information disclosed in ALTUM's financial statements is true, comparable, timely, significant, understandable, relevant and complete. ALTUM has internal regulatory documents governing financial reporting.

Internal control and risk management system (cont'd)

Internal control (cont'd)

ALTUM's principles on the processing of personal data, recruitment processes including, provide information on the way ALTUM handles personal data through its internal resources, including information systems. Personal data is any information relating to an identified or identifiable natural person. In order to provide information on the processing of personal data, ALTUM gives the above information on its website under the section "[Privacy Policy](#)" in accordance with [Regulation \(EU\) 2016/679](#) of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.

Risk management

Risk management aims to identify, assess, manage and control potential events and situations to provide assurance that the strategic objectives of the business are achieved.

ALTUM has a risk management framework, taking into account the Company size, structure and operational specificities as well as the limited capacity to manage individual risks. The Risk Management Strategy contains the core principles of risk management and is approved by the ALTUM Supervisory Board. The strategy defines the acceptable ranges of risk exposures and risk-award ratios for the main risk types based on the risk classification. The ALTUM Board implements risk management policy complying in its strategic activities with the risk limits set by the Supervisory Board.

ALTUM manages risks affecting its operations in accordance with the Company approved internal regulations for risk management, which describe and define the measures used to manage risks inherent in its operations.

Risk management regulations and internal rules aim to take preventive risk management measures to build a pre-emptive and balanced risk management framework, ensuring that transactions and other operations are assessed prior to their start. At the same time, the internal risk management system is continuously monitored and improved in line with ALTUM's growing business volumes and corporate governance structure.

Risk management adheres to the principle of sound management, based on the following key elements:

- ALTUM ensures continuity of risk management as part of its functions;
- ALTUM identifies and assesses potential risks before introducing new products or services;
- while assuming risks, ALTUM maintains its long-term capacity to meet its objectives and targets;
- ALTUM does not engage in transactions, activities, etc., which create risks that might threaten the stability of ALTUM's business or significantly harm ALTUM's reputation.

ALTUM uses various risk analysis methods and tools to manage its risks and sets risk limits and restrictions. Risk management is integrated into all ALTUM management processes and is carried out on the basis of established and approved policies, strategies, procedures, methodologies and other internal regulations. The risk management process includes the identification and management of risks, including measurement, evaluation, the procedure for monitoring compliance with the set restrictions and limits, identification of risk mitigating measures and risk reporting.

In line with macroeconomic changes and trends, adjustment of risk management takes place as well, including not only specific support to particular business sectors within the framework of the support programmes, but also the management and monitoring of the risks of the beneficiaries under these programmes through portfolio risk management tools such as credit risk management and other elements related to portfolio quality monitoring.

As geopolitical tensions and related economic uncertainty persist, Altum continues to adhere to the restrictions set out in its risk management policies regarding cooperation with the Russian Federation and Belarus. Since November 2022, loans to legal entities have been declined if their beneficial owners or officials are Russian or Belarusian citizens, except where their shareholding did not exceed 10%. From early 2026, this approach has been strengthened to a zero-tolerance regime, prohibiting Russian residents from receiving support. The Company ensures ongoing monitoring of international and national sanctions regimes and timely implementation of required control measures.

Internal control and risk management system (cont'd)

Risk management (cont'd)

In 2025, Altum introduced **enhancement to its core general risk assessment methodology** by implementing electronic questionnaires while retaining the existing framework. This update optimizes the overall risk evaluation process, making it faster, more efficient, and suitable for more frequent execution compared to the current 18-month cycle. Key changes in this approach include: conducting remote interviews via electronic questionnaires, consolidating risk indicators by reducing their number threefold and ranking them by materiality, performing validation interviews within risk segments where substantial deviations from 2024 results were observed.

Other key activities to foster ALTUM risks management system implemented in 2025 are as follows:

The capital adequacy calculation (CAR) methodology has been finalized in line with Basel III principles and regulatory requirements, obligatory for banks, which are mandatory for banks but applied by Altum voluntarily.

The Expected Credit Loss (ECL) model for state aid programmes has been enhanced **to incorporate concentration risk arising from increased ticket size** in particular programmes. This ensures that risk coverage remains sufficient to absorb potential defaults of significant exposures.

Several digitalization initiatives are initiated or implemented to improve efficiency and data accuracy in several risk management processes.

In 2025, ALTUM implemented **the risk-based approach on customer due diligence**, where risk management measures - including the frequency and scope of customer due diligence are determined proportionally to the inherent risks, considering the customer, product, geographic and transaction risk levels.

Altum applies the risk-based approach to AML/CFT and sanctions risk management in line with the Three Lines of Defence model:

- 1) 1st Line of Defence – Business Units - Responsible for managing AML/CFT and sanctions risks during customer interactions;
- 2) 2nd Line of Defence – Compliance Department - Ensures implementation of AML/CFT and sanctions risk management, performing control functions, including oversight of the First Line of Defence;
- 3) 3rd - Line of Defence – Internal Audit- Independently monitors the actions of the First and Second Lines of Defence, Evaluates the effectiveness of the internal control system for AML/CFT and sanctions risk management.

To enhance the quality, speed, and accessibility of customer service, the implementation of a **remote identification process** has been initiated in 2025.

For ESG risk management of ALTUM's credit portfolio and guarantee portfolio, see the section "**ESG Risk Management for ALTUM's Loan Portfolio and Guarantee Portfolio**".

Information on the elements of the risk management framework is available in ALTUM's Annual Report 2025. The Annual Report is publicly available in Latvian and English at ALTUM's office at Doma laukums 4, Riga, and in an electronic form on the website <https://www.ALTUM.lv/en/>, under "[FINANCIAL INFORMATION](#)" in the section "FOR INVESTORS" and under "ABOUT ALTUM" in the section "[FINANCIAL INFORMATION](#)".

Organisational culture and ethical conduct

ALTUM has zero tolerance for bribery and corruption and prohibits it in any form, directly or indirectly. ALTUM does not engage in corrupt practices and fully condemns them. To ensure adequate management of corruption, bribery and conflict of interest risks, ALTUM has established an organizational control system that ensures preventive risk management and a control environment that aims to prevent corruption risks by preventing conflict of interest and corrupt practices and bribery in decision-making and in the working environment in general.

ALTUM's ethical principles are laid down in the Ethical Code and serve as the standard of conduct for ALTUM management and all employees. The Ethical Code comprises guidelines for employees' day-to-day communication with colleagues, customers, business partners; it helps create a responsible, safe and comfortable working environment, which in turn promotes loyalty and ethical conduct among employees, thus ensuring the attainment of the Company's long-term goals.

ALTUM provides a number of secure and protected channels, among them for [whistleblowing](#), in order to detect any possible bribery or corruption activity, or any violation of anti-corruption laws and regulations. No complaints about corruption or whistleblowing reports were received in 2025.

Internal control and risk management system (cont'd)

Transparency of the company's operations

Transparency is the foundation for effective investor relations and successful communication with shareholders and other stakeholders. ALTUM regularly and timely informs shareholders and other stakeholders about the company business activities, financial performance, governance and other relevant issues, disclosing accurate, complete, objective, up-to-date and reliable information. The Company's website publishes information on governance, the strategy and the lines of business, the annual report as well as the articles of association, the Code of Conduct guidelines, company key policies and the corporate governance report.

Disclosure is made within the time limits prescribed by law or immediately after the occurrence of an event requiring disclosure. The information is disclosed in Latvian and English.

ALTUM has its regulated information as well as internal and external communication procedures. On behalf of the company, authorized persons answer inquiries made by investors and stakeholders as well as communicate with the media. In October 2017, ALTUM started listing on [Nasdaq Riga](#), and regularly ALTUM discloses information in accordance with the "Procedure on disclosure of information by Nasdaq Riga AS issuers" and ALTUM's internal rules.

Sustainability Governance

ALTUM's sustainability governance structure is comprehensive and involves employees from several ALTUM units. By engaging management at various levels and forming specialized working groups, ALTUM ensures the strategic setting and implementation of ESG goals, effective ESG risk management, the development of sustainable financing, and compliance with external ESG requirements.

The Supervisory Board defines the strategic direction, while the Management Board ensures the implementation of the ESG strategy and approves the ESG risk assessment. Specialized working groups and departments integrate ESG into daily operations. Sustainability and risk management experts coordinate ESG initiatives, conduct risk assessments and monitoring, while the Sustainable Financial Products Working Group develops new solutions. More on sustainability management at ALTUM can be found [here](#).

Stakeholder management

Regular and meaningful communication with stakeholders is an important tool in identifying and addressing issues relevant for each stakeholder group. ALTUM stakeholders have been identified while recognising ALTUM's specific role in the national economy. As a development finance institution, ALTUM ensures access to finance for defined groups of entrepreneurs and private individuals. This support provides a positive and meaningful long-term impact on the society. To ensure effective cooperation ALTUM communication practices are tailored for the needs of each stakeholder group.

- **Clients**

In 2025, ALTUM continued to broaden its engagement with new client segments, focusing particularly on companies operating in the military and security technology sectors, as well as other innovative businesses. These companies represent rapidly expanding market segments that have a significant impact on the country's economic resilience and technological capacity, making their support strategically crucial.

In the fourth quarter 2025, ALTUM launched a new mortgage loan programme for residents in regional areas. To implement the program, a new customer service workflow was developed in the Salesforce system, serving as a modernized customer relationship management platform. The development of the new workflow prioritized faster and more accurate processing of applications while reducing the amount of documentation and data required from clients.

ALTUM also provides a remote customer service workflow, enabling clients to submit loan applications and all necessary documents independently, thus ensuring convenience and flexibility. Analysis shows, however, that clients who use the fully remote process are more likely to have their first application rejected. Guidance from a relationship manager helps clients understand the programme requirements more clearly and prepare an appropriate application, substantially improving the quality of resubmissions and increasing the likelihood of approval.

Based on this experience, ALTUM actively encourages clients - both businesses and individuals - to schedule a consultation before submitting an application. A high-quality consultation helps clients save time and resources while optimizing the workload of ALTUM staff and improving the overall efficiency of application processing.

Stakeholder management (cont'd)

- **Employees**

Employee involvement is essential for the improvement of ALTUM's working environment, safety, training processes, etc., as well as for the development of new ALTUM business lines, the creation, implementation and improvement of support programmes. Employees' views are sought periodically through employee surveys, in cooperation with their authorised representatives, working groups, hackathons, etc.

Shareholders and Supervisory Board

Shareholders

Transparency is the foundation for effective investor relations and successful communication with shareholders and other stakeholders. ALTUM regularly and timely informs shareholders and other stakeholders about the company business activities, financial performance, governance and other relevant issues, disclosing accurate, complete, objective, up-to-date and reliable information.

Shareholder involvement in decision-making contributes to achieving company's financial and non-financial objectives and ensures its sustainability.

Supervisory Board

Supervisory board represents interests of the shareholders, oversees work of the management board, participates in strategic development of JSC ALTUM and supervises its financial and risk management. ALTUM has defined procedure for organisation of work of the supervisory board and the availability of high-quality information. This allows for an effective performance of supervisory board members and their inclusion into decision-making process.

The principles of the Supervisory Board's operations, as well as its main duties, are defined by the statutes and the rules of procedure for organizing the Board's work. The Board's tasks and responsibilities are regulated by legal acts.

In May 2025 the Supervisory Board approved the ALTUM mid-term strategy for 2025 – 2027, see more in "Strategy 2025 – 2027".

More information on JSC ALTUM's shareholders and supervisory board can be found in "Governance structure".

- **Investors**

Sound financial, risk and corporate governance is a prerequisite for well-organised and successful investor relations. Regular bond emissions on NASDAQ Riga since 2017 have strengthened ALTUM's position as an active member of the capital markets. Investor road show and consistent communication is an integral part of preparation for bond emission. Provision of high-quality quarterly financial and operational information and stock market notifications on significant operational events at ALTUM are an inherent part of investor relations. ALTUM carries out these activities with highest responsibility and diligence.

On May 23, 2025, ALTUM successfully issued 5-year bond placement, totalling EUR 70 million, marking the Company's largest bond issuance to date. Overall, 18 institutional investors participated in the bond offering, including Nordic Investment Bank. The allocation of the issued volume was as follows: 69% to asset management funds, 14% to Nordic Investment Bank, 13% to banks, and 4% to insurance companies. Geographically 43% of the bond was allocated to Latvian investors, 32% to – Lithuanian, 11% to – Estonian and 14% to an investor based in Finland. Bond yield on issuance was level 3.576%.

- **Financial sector**

Banks are essential partners in ALTUM's operations, both by using ALTUM guarantee products and by attracting ALTUM co-financing for the financing of bank clients' projects. ALTUM guarantees provide a multiplier effect, as each guaranteed euro allows banks to issue a larger amount of financing. The guarantees provided by ALTUM in 2025 amount to EUR 200 million, an increase of EUR 57 million compared to the 2024 issuance volumes, while ALTUM's guarantee portfolio reaches 628 million euros by the end of 2025."

For the assessment of collaboration partners, specifically banks, ALTUM conducts an annual survey where bank employees provide feedback on the services provided by ALTUM, employee competence, and evaluate past collaborations.

Stakeholder management (cont'd)

Shareholders and Supervisory Board (cont'd)

- **Policy makers, governmental or regulatory institutions**

ALTUM collaborates with ministries of Republic of Latvia to identify priorities and needs of policy-makers as well as problems facing their industries. This allows for an efficient cooperation between institutions in development of support instruments for respective industries.

- **Suppliers**

To ensure successful cooperation with stakeholders, ALTUM introduced a Supplier Code of Conduct in the summer of 2024. This code sets out the requirements for business partners from whom ALTUM purchases goods or services, ensuring principles of fair collaboration. It includes respect for human rights, prevention of discrimination, provision of a safe and healthy work environment, environmental protection, climate change mitigation, and the prohibition of bribery and corruption. Suppliers whose contract value, excluding VAT, is equal to or greater than 100,000 euros are required to confirm their compliance with this code. More information can be found [here](#).

- **Educational Institutions**

To promote collaboration between science and entrepreneurship, encourage youth engagement in research, enhance research quality, and support the commercialization of innovative ideas, ALTUM cooperated in 2025 with Latvia University of Life Sciences and Technologies and the Latvian Academy of Agricultural and Forestry Sciences.

By providing financial support to the authors of the best scientific research projects of the [Latvian Academy of Agricultural and Forestry Sciences](#), ALTUM fosters the development of innovative agricultural solutions and their practical implementation. Cooperation with the [BA School of Business and Finance](#) and the University of Latvia provides future finance professionals with hands-on involvement in the implementation of state support instruments, offering internship opportunities to students and thereby strengthening the link between academic studies and the development of the financial sector.

- **Non-Governmental organisations, experts and professional associations**

ALTUM cooperates with industry experts and organisations to align financial product development with interests of entrepreneurs and other parties involved. ALTUM is open to advice of experts and professional organisation in creating new and improving current financial products. ALTUM is actively involved in international professional associations of national promotional banks and financial institutions, both by discussing the European Commission's new legislative initiatives, by sharing best practices with peers, and by strengthening cooperation with EU-level promotional banks.

Membership in professional associations and partnerships

Public sector



Finanšu ministrija



Ekonomikas ministrija



Zemkopības ministrija



Klimata un enerģētikas ministrija



Labklājības ministrija



Associations and Non-Governmental Organisations



Financial Institutions



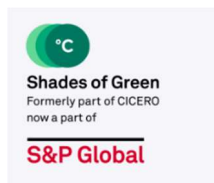
Membership in professional associations and partnerships (cont'd)

International professional associations and Financial Institutions



ALTUM is an investor in the [Three Seas Initiative Investment Fund](#). The fund was established with the goal of supporting transportation, energy, and digital infrastructure projects in the Central and Eastern European region, promoting economic development and ensuring that the region's infrastructure meets high standards. The Chairman of the Board, Reinis Bērziņš, holds the position of a Supervisory Board member and member of the Management Board, Jēkabs Krieviņš, holds the position of the Management Board.

Expert organisations



ESG – Environment

Contribution to sustainability

The financial sector has a crucial role to play in achieving the European Green Deal objectives, including the transition to a climate-neutral, climate-resilient, resource-efficient and fair economy. Sustainability is a key part of ALTUM's business and strategy and has become an important strategic driver for the banking sector as well as for development finance institutions in Europe. ALTUM takes responsibility for the long-term economic, environmental and social impact of its day-to-day activities and continuously works to ensure that the investment decisions it makes in building its portfolio contribute to sustainable development, do not adversely impact sustainability factors and facilitates its clients' transition towards a sustainable economy and encourage responsible business practices.

In support of the Global Shared Agenda to halt climate change, eradicate poverty and fight inequality by 2030, ALTUM follows those companies committed to contributing to sustainable development and has prioritised the [UN Sustainable Development Goals](#) (UN SDGs). ALTUM in its operations has defined four areas of sustainability, through which the achievement of the UN Sustainable Development Goals is promoted.

Sustainability Areas	UN Sustainable Development Goals
Development Finance Institution business model <ul style="list-style-type: none"> - Management of financial instrument portfolio and investments impact, sustainable financing - Capital markets - Credit risk management 	
Development Finance Institution operations <ul style="list-style-type: none"> - Corporate governance - Procurement - In-house environmental protection 	
Employee relations and Workplace <ul style="list-style-type: none"> - Employee well-being - Promotion and exchange of expertise and experience 	
Sustainability Management and Reporting <ul style="list-style-type: none"> - Sustainability governance - Sustainability reporting of ALTUM and AIF ALTUM Capital Fund 	

Since the beginning of 2021, ALTUM's management has prioritized sustainable financing and the integration of ESG aspects into credit risk management and business processes. This was also one of the goals set by ALTUM's 2022-2024 Strategy.

During the development of **ALTUM's medium term strategy for 2025-2027, the sustainability aspects were integrated into the strategy** covering both the loan origination - with an emphasis on transition financing and tailored products across various segments to support companies' transition - and the risk management framework. In line with the hierarchy of strategic documents, the Company will expand on the principles nailed already in Altum Strategy for 2025 – 2027: transition financing to support the transition to low-carbon economy and moving towards carbon neutrality. Altum has set a goal to reduce the CO₂ emissions of its financed portfolio by funding particular segments engaged in sustainability projects. The Company will focus on financing projects contributing to improvement of energy efficiency in corporates segment and residential buildings, promote use of renewable energy resources and related infrastructure, support 'green buildings', sustainable transport, circular economy project and the transition to low carbon economy. Altum plans to expand support and financing to supply chain partners in these sectors to promote the overall decarbonisation of companies' products and services footprint throughout the supply chain. In addition, Altum will support projects that contribute to social wellbeing and productivity, such as the construction of affordable housing, improving the energy efficiency of multi apartment buildings and supporting social entrepreneurship.

Contribution to sustainability (cont'd)

ALTUM upholds responsible business practices based on internationally recognized regulations and guidelines, ensuring transparency, ethical conduct, and sustainable development. The company's activities are focused not only on compliance but also on proactive actions to create sustainable value for all stakeholders, including employees, investors, clients, and society as a whole.

ALTUM continuously improves and develops processes to monitor adherence to the [UN Global Compact principles](#) and ensure alignment with the [OECD Guidelines for Multinational Enterprises](#). ALTUM upholds human rights across all business functions in daily operations and works to comply with the [UN Guiding Principles on Business and Human Rights](#).

We work towards sustainable finance and the integration of sustainability into all ALTUM processes and disclosures related to sustainability in the financial services sector:



work is under way to expand the range of sustainable finance instruments



SMEs and Midcaps are promoted to move towards sustainable development through appropriate access to finance and incentives



overall, financial sector and public support is increased to accelerate the transition of businesses to a sustainable economy



internal processes are reviewed to integrate ESG considerations in financing decisions and further portfolio monitoring



staff competencies are developed in integrating sustainable finance and ESG considerations into risk management

Double materiality matrix

ALTUM works closely with its stakeholders, and recognising ALTUM's specific role in the national economy identified the needs of stakeholders and address them. ALTUM is aware of and assesses the social, environmental and economic impacts of its activities and involves stakeholders in solving issues of mutual concern. In building relationships with stakeholders, ALTUM organises and engages them in consultations, partnerships, informative and educational events.

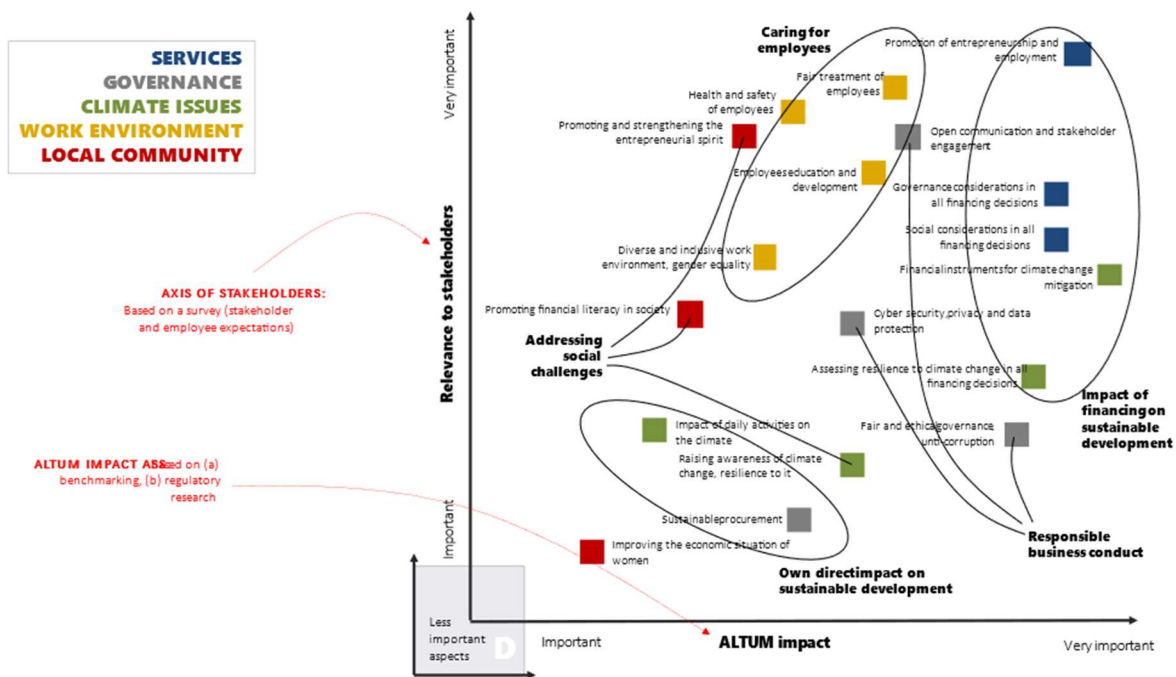
To establish ALTUM's materiality matrix for sustainability and define the ambition level for sustainable finance in the loan portfolio, stakeholder identification, mapping and a survey were carried out at the end of 2021 to identify the material aspects to be included in the sustainability content.

This process resulted in the identification of the most significant areas of impact and materiality aspects, reflected in the materiality matrix.

More information on ALTUM's double materiality matrix can be found in ALTUM web "Sustainability and corporate governance" sub-section "[Materiality matrix](#)".

Contribution to sustainability (cont'd)

Double materiality matrix (cont'd)



In 2026, the Materiality Matrix will be updated to monitor changes in stakeholder expectations and to comply with the new European Sustainability Reporting Standards (ESRS) requirements, which will be binding for ALTUM from 2027 onwards.

Sustainable financing

ALTUM's level of ambition regarding sustainable financing is implemented voluntarily and is determined by (i) the expectations of stakeholders such as investors, credit rating agencies, international lenders, and Nasdaq Baltic towards ALTUM as Latvia's development financial institution, which has a significant impact on the Latvian economy, and (ii) compliance requirements for public financing available from the EU Cohesion Policy and/or the Recovery and Resilience Facility (RRF), which contribute to the Sustainable Europe Investment Plan/Green Deal Investment Plan, where ALTUM plays a critically important role in implementing financial instruments for the SME sector in Latvia.

ALTUM's level of ambition is also influenced by sustainable finance regulations that already apply to a portion of ALTUM's portfolio (for example, the portfolio financed under [ALTUM's Green Bond Framework 2021](#), previously the [Green Bond Framework 2017](#)), in accordance with the Green and Social Bond Principles published by the [International Capital Market Association \(ICMA\)](#). To ensure investors' confidence that ALTUM will invest green bond funding in environmentally friendly projects and achieve certain environmental goals, [CICERO](#) (the Center for International Climate and Environmental Research, Oslo, part of the credit rating agency S&P Global since 2022) provided an independent opinion on ALTUM's Green Bond Framework in September 2017 and received a [Medium Green assessment](#).



In the second half of 2021, [ALTUM's Green Bond Framework 2021](#) was updated, taking into account the Green and Social Bond Principles published by the [International Capital Market Association \(ICMA\)](#) in June 2021. In December 2021, ALTUM received a renewed [Medium Green assessment](#) from CICERO.

Issuance of green bonds ensured ALTUM to become the first company from Latvia to join the [Nasdaq Sustainable Bond Network](#) globally in September 2021.

Contribution to sustainability (cont'd)

Portfolio contribution in sustainable development

Financed projects supporting Environmental goals

In addition to the transition financing product, which is now available not only in the SME/Midcap segment but also in the Agriculture segment (see previous subsection), a significant share of projects that contribute to achieving environmental goals is formed by the RRF climate programmes. There should be highlighted that all the new programmes available within the framework of RRF funding have a sustainability focus in terms of the activities to be supported, but they are of different types and fall into the following groups: (i) climate programmes that ensure compliance with DNSH for the specific environmental objective of the Taxonomy (ii) a digitisation programme aimed at increasing productivity, and (iii) affordable housing programme with the social goal of reducing inequalities.

Meanwhile, from the loan programme historically developed for "green bond" financing in the SME segment for energy efficiency, renewable energy, sustainable transport, and passive building sectors, several sustainable project loan programmes have further evolved, where the funding sources consist of both public financing and borrowed resources.

The increase in the volume of new transactions for sustainable loans has been positively impacted by the additional incentive granted since the fall of 2023 – a discount on the financing cost of sustainable projects, which is initially applied for 18 months from the moment the loan is issued. Along with launch of unified methodology, applied within the European financial sector for tagging sustainability projects across all loan programmes of SME / Midcap and Agriculture segments, **all sustainable loan projects** (loans without capital rebate) **in both the SME / Midcap and Agricultural segments** that comply with European Investment Banks 'green project' tagging tool (EIB Green Checker) will benefit from **financing price discount for the entire duration of the loan**.

The launch of sustainable projects identification process ensures the identification of sustainable projects also within SME/Midcap and Agriculture segments general loan programmes, that are not dedicated sustainable projects financing programmes.

At the end of 2025, ALTUM introduced two new support programmes – for centralized heating supply and for biomethane production. The total available funding for both programmes amounts to EUR 77 million. Support is provided in the form of a combined financial instrument – ALTUM loan with a capital rebate or a bank loan with an ALTUM guarantee with capital rebate.

You can read more about programmes for corporate sustainability and energy efficiency [here](#), while more information on multi apartment building energy efficiency can be found [here](#).

The [ALTUM Energy Efficiency Technical Competence Center](#) team provides consulting services to businesses on energy efficiency assessments, energy audits, and the preparation of technical documentation for investment projects. The team has built its expertise since 2017 when ALTUM issued Green Bonds to raise funds for financing sustainable projects.

Our team's knowledge of energy efficiency solutions and market trends extends beyond standard solutions, offering added value to clients. Over the past three years, the projects consulted by our team - if all energy audit recommendations were implemented - would result in an annual savings of more than **14,000 t CO₂e**.

In 2025, the total CO₂ savings from the consulted projects will reach **9,050 t CO₂e** (2024: 1,093 t CO₂e) per annum. A significant increase in 2025 was driven by the consultation project launched already in 2024 – **more than 300 energy audits of public buildings in Riga**.

Financed projects supporting Social goals

As a development financial institution, ALTUM ensures diversity and equal opportunities not only within its organization but also on a much broader scale, with a positive and meaningful long-term impact on a significantly wider range of individuals and society as a whole.

By making a direct contribution to the development of Latvian society, ALTUM ensures equal access to financing for:

- (i) socially significant projects,
- (ii) socially vulnerable groups,
- (iii) business startups and development in rural areas regardless of profession or age, and
- (iv) social enterprises, fostering social entrepreneurship and integrating individuals into the workforce who might otherwise struggle to fully integrate into society.

Contribution to sustainability (cont'd)

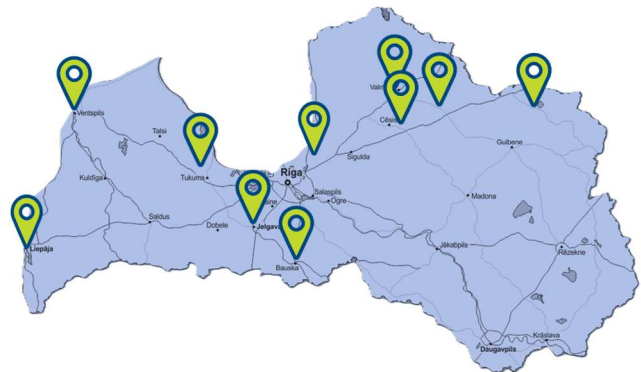
Portfolio contribution in sustainable development (cont'd)

By financing socially significant projects, ALTUM's positive impact on promoting diversity and equality extends far beyond the organization's boundaries. Social objectives are achieved through financial instruments such as loans, guarantees, and investments in venture capital funds, which provide financial resources to businesses and households. Funding is allocated to areas identified by the state as supportable and significant, thereby promoting economic development and facilitating the mobilization of private capital and financial resources.

It should be noted that the affordable housing programme with issued loans nearly EUR 27 million is rapidly developing in 2025, **contributing to the achievement of social goals in regions of Latvia**. The programme provides support for the construction of three or more apartment affordable and energy-efficient residential buildings in regions, aiming to promote housing affordability for households that cannot afford housing under market conditions.

Redzot lielo pieprasījumu, programmas finansējuma apjoms ir palielināts sasniedzot 100 milj. eiro. Līdz 2025.gada beigām piešķirti aizdevumi par 56 milj. EUR, jau šobrīd 10 dažādās Latvijas pilsētās notiek projektu īstenošana, kas ļaus izveidot 676 jaunus dzīvokļus zemas īres namu programmā.

RRF affordable housing programme financed project location in 2025:



To reduce geographical barriers to purchasing housing in regions where mortgage lending has so far been limited, in October 2025 ALTUM launched a housing loan programme in the regions for the first time. The loans are available only for purchasing a housing outside the territories of Riga and the Pierīga area, and the maximum loan amount is up to EUR 74 thousand. The programme will operate until the end of 2029, with a total volume of up to EUR 105 million. The aim of the programme is to expand the geographic scope of lending in regions where commercial banks have so far been less active due to smaller market size and higher risks. Within this program, ALTUM takes on a higher level of risk, creating precedents for future transactions and establishing market practices that will allow commercial banks to become more actively involved in the future. In the first month of the program, public interest was high - more than 100 loan applications were received.

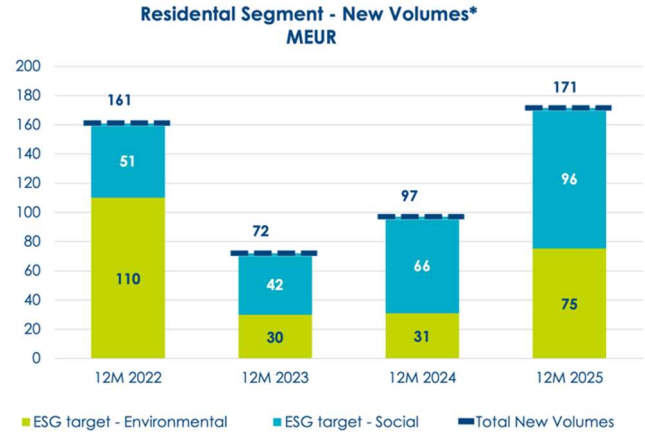
There is also growing demand for ALTUM's created product in the regions, which allows **loans of up to EUR 100 thousand to be issued with reduced collateral requirements**. Data show that this offer is particularly relevant for entrepreneurs in the regions – approximately 70% of the transactions are outside Riga, and the average loan amount is EUR 34 thousand. In total, loan applications exceeding EUR 75 million have been received, indicating a steadily increasing demand since the introduction of collateral relief as of early 2024.

Contribution to sustainability (cont'd)

Portfolio contribution in sustainable development (cont'd)

Summary on ALTUM new volumes contributing to the achievement of Environmental and Social targets

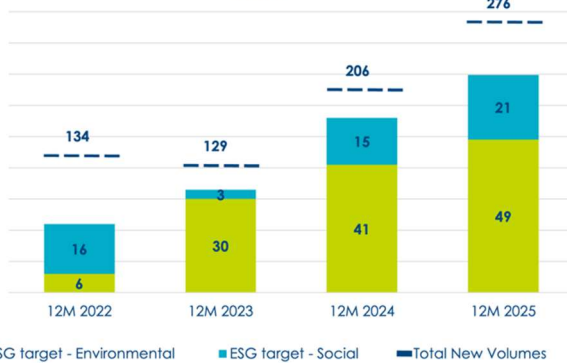
In achieving Social goals, the most significant contribution in the Individuals segment in 2024 came from housing guarantees, with the total amount of guarantees issued reaching EUR 58 million (2024: EUR 39 million). Due to high demand in RRF affordable housing building programme, the issued loans in 2025 amounts nearly EUR 27 million (2024: EUR 5.6 million).



* New volumes in loan, guarantee and grant portfolios

The total volume of loans issued to support **Environmental goals in the Individuals segment** amounted to EUR 48 million (2024: EUR 14 million), consisting of loans for improving the energy efficiency in multi-apartment buildings (MAB EE). The significant increase in the volume of loans issued compared to 2024 (+EUR 34 million) was driven both by the RRF MAB EE programme, which has reached its full disbursement capacity, and by the strong demand for the MAB EE 3 programme opened in spring 2025, resulting in loan disbursements already by the end of 2025.

SME Segment - New Volumes* MEUR



* New volumes in loan, guarantee and grant portfolios

Sustainability loans issued to the **SME segment to support Environmental goals** amounted EUR 39 million (2024: EUR 36 million), primarily concentrated in the energy-efficiency and renewable energy sectors. In 2025, projects related to battery energy storage systems were particularly prominent, while activity in green buildings and sustainable transport was comparatively lower. The volume of loans issued for sustainability projects in 2025 is similar when comparing the RRF financing programmes with the other financing programmes. From issued guarantees nearly EUR 10 million are for implementation of renewable energy projects (solar parks, battery energy storage systems).

Meanwhile, the volume of loans issued for projects that **support Social goals** has been boosted by the startup and micro loans programmes, with a strong focus on financing in regional areas.

Contribution to sustainability (cont'd)

Portfolio contribution in sustainable development (cont'd)

Environmental goals expected to deliver **total sustainable contribution by estimated annual reduction in CO₂ emissions of 21.4 thousand tonnes** (2024: 15.3 thousand tonnes CO₂e). Almost half of this impact, (47%), comes from battery energy storage system projects. As a result, the renewable energy sector accounts for 73% of the total positive CO₂ reduction impact of new projects, while the energy efficiency sector accounts for 27%.

Analysing by segment, the new financed projects in SME segment will reach annual reduction of 649 tonnes CO₂e per one million euros invested (2024: 422 tonnes) on total project impact basis.

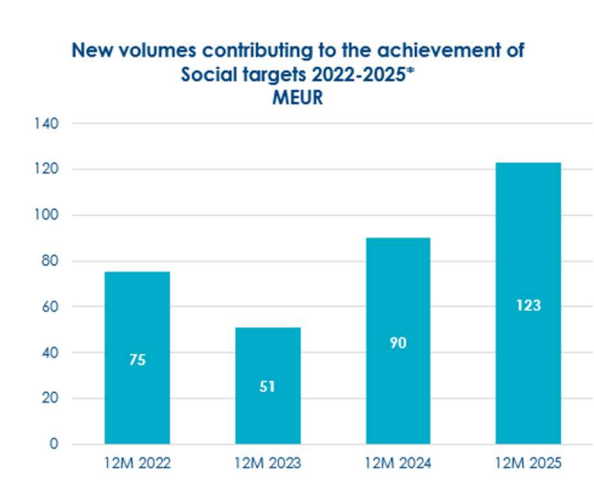
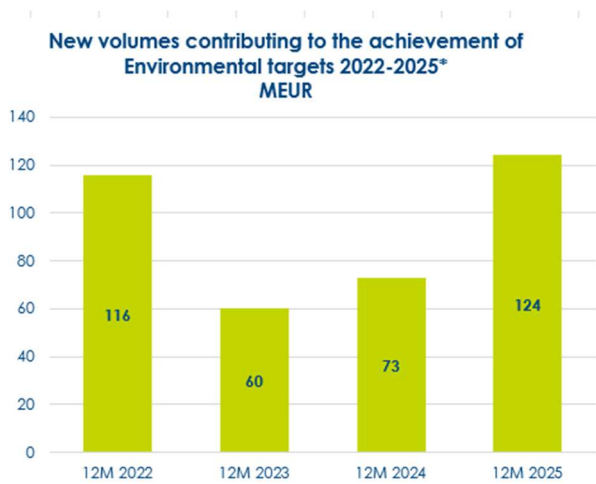
Since CO₂ reductions for SME green building projects is not applicable for calculations; therefore, the positive contribution in sustainability of such projects comes with additional value.

In contrast, in the Individuals segment, the total impact of ALTUM financed new projects supporting Environmental goals are expected to result in estimated annual reduction of only 21 CO₂e per one million euros invested (2024: 25 tonnes), even though the expected reduction in primary energy consumption in the projects will reach 30%. However, this is explained by the higher investment amount per project along with significantly lower CO₂e footprint of heat-energy suppliers included in respective calculation - obvious improvement resulting from the recent years transition to more environmentally friendly heat-generation solutions.

The above activities providing loans, guarantees and grants under the programmes for improving energy efficiency in multi-apartment buildings and private houses in the Individuals segment and loans for sustainable projects in the SME segment resulted in the following volumes of new volumes transactions contributing to achievement the Environmental targets:



Providing guarantees for housing purchase and loans under affordable housing building programme (Individuals segment) and a full range of state support financial instruments to companies in the regions resulted in the following volumes of new transactions contributing to achievement the Social targets:



* New volumes in loan, guarantee and grant portfolios

* New volumes in loan, guarantee and grant portfolios

ESG risk management

The term of environment, social and governance (ESG) comprises approach that drives adequate business pattern of the organisation. In recent years the importance of ESG has increased significantly since the policy makers, finance sector and the society draw more and more attention towards companies impact upon society and their contribution towards climate change mitigation. Upon realisation of any ESG risk, negative impact on credit risk, assets, financial and profit indicators or reputation of ALTUM might occur.

In 2023 the methodology for analyses of materiality of ESG risks upon ALTUM was developed and the materiality assessment of ESG risks was carried out. The materiality assessment of ESG risks primary represents the risks that might impact the ALTUM's credit exposure portfolio (loan portfolio, collateral portfolio and guarantee portfolio) triggered by its customers' business operations industry, financed project's industry and geographical location of the client or the financed project. Within materiality analyses of ESG risks ALTUM credit exposure portfolio per loan, collateral and guarantee portfolios of the SME / Midcaps and Agriculture segments towards climate risks - transition risks and various physical climate was assessed. In light of the amortisation structure of ALTUM loan portfolio the climate risks are assessed in the following time scale – (i) the next three years, (ii) 2029 – 2040, (iii) after the year 2040.

The Transition risks substantially impact the economic activities of the companies with further direct effect upon ALTUM by the companies' debt service capacity or maintenance the market value of the collateral. Transition risks might be directly or indirectly developed by transition process of the customers towards low carbon emission and more sustainable economy. The transition risk might increase, for example, if it arises from new climate and environment regulatory requirements, such as a reduction in emissions of GHG or competitors' technology progress or change of behaviour of the market and customers and is significantly depending on the customer's capacity to bear the necessary investment costs of transition project and its timely realisation.

The methodology for analyses of ESG risks' materiality for assessment of Transition risks is based on ECB guidance, ECB climate risk stress test reports and UNEP FI methodology strongly rooted in the Recommendations of the Task force on Climate-related Financial Disclosures (TCFD). Following the said methodology the transition risk level of each project is assessed at segment/sector bases (NACE code, 4 digit) on a scale of five risk levels Low – Very High. The table represents Transition risk heatmap with High and Very high transition risk exposure within Total credit exposure as at year end of 2025 and 2024 based on assessment done at segment/industry level.

Table 1: Transition risk heatmap - High and Very high transition risk exposure in individual economic sectors as at period-end

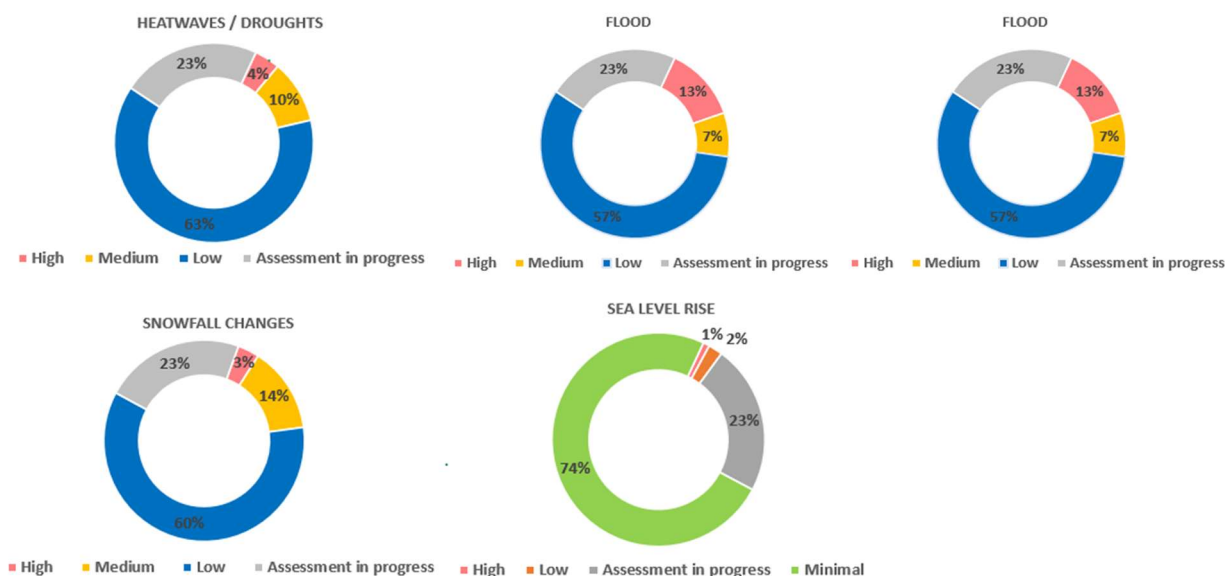
	31.12.2025.		31.12.2024.	
	'000 EUR	% from Total credit exposure	'000 EUR	% from Total credit exposure
Agriculture	30 895	3%	29 248	4%
Wood and paper production	85 026	9%	74 307	11%
Food and beverage production	97 868	11%	34 674	5%
Metals and mining	23 210	3%	16 871	2%
Chemicals	23 411	3%	10 483	2%
Construction materials	10 876	1%	14 961	2%
Consumer goods	242	0.03%	715	0.1%
Logistics	3 760	0.4%	2 173	0.3%
Other	706	0.1%	1 976	0.3%
Transition risk @ High / Very high label:	275 994	30%	185 408	27%
Total credit exposure¹:	910 384	100%	687 950	100%

¹ Total credit exposure: Gross loan portfolio (incl. issued loans with capital rebate) and Loan commitments

ESG risk management (cont'd)

A climate physical risk assessment tool has been developed during 2024 to enable large-scale portfolio monitoring at the individual asset level. As at end of the year 2025 the climate physical risk assessment at individual project level has been carried out for loan portfolio of SME/Midcaps and Agriculture segments applying the newly developed tool. The individual assessment of Residential segment loan portfolio as well as Investment properties is yet in process.

Tab. 2 Climate physical risks assessment upon Loan portfolio as at 31 December 2025:



* Climate physical risks assessment upon Total credit exposure – Gross loan portfolio (incl. issued loans with capital rebate) and Loan commitments, which amounted to EUR 910 million at the end of 2025.

In respect of the integration of ESG aspects in credit risk management, during 2025 active work on integration of developed ESG scoring model within loan origination processes was continued. It will be applied in loan origination process above particular materiality threshold, as well as in monitoring of existing portfolio and collateral valuation in SME/Midcap and Agriculture segments. ESG scoring model will enable to assess the level of Transition risk at individual deal level. The implementation of ESG scoring model is step-by-step process taking into consideration the customers' ability to fulfil the unified banking sector ESG questionnaire published in April 2024 to obtain information for the assessment of ESG risks and regarding the planned/actual customer sustainability KPI's data. Thus the originally planned launch date spring 2025 is postponed to spring 2026.

Since 2024, an employee training programme has been underway to successfully integrate individual ESG assessments into loan origination and loan portfolio monitoring processes.

Mitigation of direct impact

Being a development finance institution, ALTUM has a relatively small direct impact on environment. Still the Company aims to further reduce its own environmental footprint.

One of the most widely used calculation frameworks worldwide for measuring CO₂ or GHG emissions is the [Greenhouse Gas Protocol](#) (GHGP), a voluntary accounting and reporting mechanism for GHG emissions. ALTUM uses it as a basis for voluntarily calculating, accounting for and later comparing the company CO₂ footprint and publicly reporting about the results. To make the data collection structured and comparable, the GHG Protocol is based on three Scopes:

- Scope 1 direct emissions or GHG emissions from company-owned and controlled resources. The scope covers GHGs emitted in the course of carrying out its business activities or in the production of its products;
- Scope 2 indirect GHG emissions from the consumption of purchased electricity, steam, heat and cooling;
- Scope 3 all other indirect emissions in the value chain, starting with logistics, suppliers, product use, etc. generated outside the company.

ESG risk management (cont'd)

Mitigation of direct impact (cont'd)

Corporate Governance Report 2025 provides data on Scope 1 and Scope 2 emissions.

The CO₂ footprint is a measure of the total carbon dioxide emissions directly and indirectly caused by ALTUM activities. ALTUM measures its CO₂ footprint since 2018 and the calculations are made in accordance with Cabinet Regulation No 42 of 23 January 2018 "[Methodology for Calculating Greenhouse Gas Emissions](#)". The calculation is based on the CO₂ emission factors set by the aforementioned Cabinet Regulation (for transport fuels and district heating) and on the information published by the Ministry of Climate and Energy (for centralized heat supply and electricity). For calculating emissions from centralized heat supply and electricity, emission factors with a one-year lag are used, meaning that the 2024 emission factors are applied.

In 2025, the total emissions (Scope 1 and Scope 2) **amounted to 78 tCO₂e (2024: 69 tCO₂e)**, representing a decrease of 64% compared to 2018 (216 tCO₂e). Compared to 2024, there has been a 12% increase in the emissions generated by Scope 1 and Scope 2 due to change of methodology scope – consumption in real estate objects where Altum rents the premises has been included in the calculation of the total CO₂ footprint.

	Fuel	23.0 tCO ₂ e		electricity	14.3 tCO ₂ e
				Heat	40.3 tCO ₂ e
	Total:	23.0 tCO₂e		Total:	54.6 tCO₂e

In order to achieve its intention for reduction of GHG emissions, an energy audit of the Company was also carried out in 2018, covering the analyses of natural gas, car fleet and electricity consumption and possible activities to improve energy efficiency. Based on the conclusions and recommendations of the energy audit, ALTUM annually implements targeted activities to increase the Company's energy efficiency: work is underway to improve the energy efficiency of operations and buildings, reduce business travel through remote meetings, teleworking and the transition to an energy-efficient car fleet for the company needs. Special emphasis is placed on educating employees, encouraging a change in their attitudes and increasing their commitment to reducing their individual environmental impact as well.



Assessment of the intensity of CO₂ emissions:

In 2025, **emission generated per employee amounted to 0.30 tCO₂** (2024: 0.27), which is 69% less than in 2018 (2018: 0.97 tCO₂e).

In 2025, ALTUM generated 0.052 tCO₂ per EUR 1 million of gross financial instrument portfolio, which is by 7% less than in 2024 (2024: 0.056 tCO₂ emissions per EUR 1 million of financial instrument portfolio). **Since 2018, there has been an 87% reduction in emissions** (2018: 0.41 tCO₂ emissions per EUR 1 million of financial instrument portfolio). Since 2018, ALTUM has not only reduced emissions but also significantly increased the size of its gross credit portfolio.

The opinion on the greenhouse gas emission volumes was prepared by ALTUM and approved by the technical expert company SIA [energi](#) in March 2026.

ESG risk management (cont'd)

Mitigation of direct impact (cont'd)

ALTUM strives to minimise the amount of waste it produces, segregates waste, provides separate waste bins for batteries (hazardous waste) in offices, promotes recycling and reduces greenhouse gas emissions that are directly linked to ALTUM activities.

Key activities:



Replacement and upgrading of the heating system in the central office



Replacement of the car fleet, significantly reducing fuel consumption and CO2 emissions



LED lighting installed in offices, as well as motion sensors in certain areas



Waste sorting ensured



Digital document management system established



Reduced office paper consumption and continuous recycling of waste paper



Drinking water filters installed, PET bottles phased out



Cleaning service ensured, including the use of environmentally friendly products



Roof insulation works, significantly reducing heat loss



Bike parking and shower facilities installed

Mitigation of indirect impacts

For more information on ALTUM's indirect impact mitigation, please refer to the section "**Portfolio contribution in sustainable development**"

ESG – Social

Human Resources management

ALTUM's Human Resources Policy establishes the fundamental principles of sustainable human resource management in order to ensure consistent and effective personnel management within the company. ALTUM aims to attract, retain, and develop qualified, professional, and motivated employees to achieve high operational efficiency, as well as to ensure compliance with labour laws and regulations, improve work organization, and promote employee development and loyalty to ALTUM.

Diversity, inclusive work environment, and human rights

ALTUM's Human Resources Policy is based on the principles of sustainable human resource management, which strengthens equality and a respectful work environment. Equal opportunities are ensured at all stages of employment - recruitment, development, career growth, and compensation.

ALTUM's practices are fully aligned with the EU Equal Treatment Directive, the EU Employment Strategy in the areas of diversity and inclusion, and the UN Guiding Principles on Business and Human Rights. ALTUM respects human rights in all human resource management processes. ALTUM has established a Code of Ethics and operates a whistleblowing mechanism.

Key highlights in 2025:

- A relatively **low employee turnover rate** was maintained at **8.5%** (2024: 7%), demonstrating stable and sustainable employment relationships;
- **The average length of service was 11 years** (2024: 10 years), with the longest tenure reaching 32 years (2024: 31 years); long-term employment reduces the risk of knowledge loss;
- **No reports of violations** were received through the whistleblowing mechanism or by the Ethics Committee (2024: none) regarding discrimination, human rights violations, or breaches of labour rights;
- The Diversity, Equality, and Inclusion Policy of Altum was further improved, expanding its focus on the inclusion of different groups;
- ALTUM continues to participate in the **Latvian Diversity Charter** and the movement "**Strength in Diversity**", intensifying its commitment to an inclusive culture.

Employee structure, recruitment, and work environment

ALTUM provides a modern, safe, and inclusive work environment that supports different life situations and ways of working. In all human resources management processes, ALTUM respects and upholds human rights. ALTUM has established a Code of Ethics and operates a whistleblowing mechanism.

Employment contracts are concluded with all employees, and full-time employment is ensured for **99.2%** of the staff, while also offering flexible working arrangements and remote work opportunities. These practices help reduce social risks and support work-life balance. ALTUM maintains a zero-tolerance policy toward discrimination on any grounds.

Employee profile in 2025:

- average number of employees – **258** (2024: 253), of which **70% are women** and **30% are men**;
- Management Board gender diversity – **31.3% are woman / 68.7% are men** of all Management board members;
- average age – **46 years**; the age structure is balanced;
- **64%** of management positions are held by **women**, exceeding the EU average and aligning with the **EU targets for gender balance in leadership**;
- ALTUM monitors diversity indicators including gender, age, pay structure, and balance across management levels;
- all 40 announced vacancies were filled in due time, while **5 positions** out of 12 internal recruitment processes **were taken by ALTUM employees**, promoting internal career development;
- **8%** of employees received a promotion.

ALTUM offers internship programs for students in cooperation with leading universities, and in 2025 a total of **7 internship placements** were provided (2024: 8).

ESG – Social (cont'd)

Human Resources management (cont'd)

Working conditions, well-being, and safety

ALTUM's remuneration system ensures **equal pay for work of equal value**, in line with the **EU Pay Transparency Directive** and **EU gender equality** requirements. Independent market data are used in determining remuneration, including salary surveys conducted by *Figure Baltic Advisory*.

To comply with the requirements of the EU Pay Transparency Directive, ALTUM regularly monitors gender pay differences, the gender balance among managers and specialists, and the age structure of employees, enabling timely identification of potential risk trends.

Salaries are determined based on market data and job evaluation, ensuring equal remuneration for work of equal value. **In 2025, the unadjusted gender pay gap among the company's employees was 8.4%**, while the unadjusted gender pay gap among senior and middle management was **4.9%**.

In 2025, a new **Collective Agreement** entered into force at ALTUM, providing a range of benefits and support measures for employees and addressing the **needs of different employee groups**.

Benefits available to employees:

- health insurance with a broad range of outpatient and inpatient services, including support for mental health;
- accident insurance from the first day of employment;
- additional leave days that can be used for various life situations (e.g., family care, religious holidays, rest, health);
- allowances for certain life events and health improvement.

In 2025, parental leave was taken by 5 employees (2024: 6).

Well-being and safety

ALTUM provides modern, ergonomic, and safe working conditions and organizes various well-being activities for employees.

Key results in 2025:

- health insurance for all permanent employees, including access to mental health services;
- accident insurance for all employees;
- training on healthy lifestyles, productivity, and mental health as part of the annual "Health Month" initiative;
- sports activities, such as a walking challenge, where employees together achieved 26.3 million steps and a positive CO₂ impact (5,956 kg CO₂);
- corporate events and team-building activities;
- occupational safety onboarding, regular safety briefings, health checks, and first aid training for all employees;
- epidemiological safety measures, including vaccinations, personal protective equipment, testing, and hygiene resources.

These activities made a **significant contribution in 2025 to promoting employee well-being and ensuring a healthy work environment**.

ESG – Social (cont'd)

Human Resources management (cont'd)

Education, professional development, and public engagement

ALTUM fosters a learning culture based on the long-term development of skills and competencies and promotes continuous professional growth for employees.

Knowledge and skills were developed through public training groups, internal company training groups, and specially tailored programs. The most appropriate solutions were used in organizing the learning process to support professional development and enhance competencies.

In 2025, employees participated in 141 (2024: 140) training activities, dedicating an average of **24** (2024: 29) **hours per year** to training

Strategic training priorities:

- digital skills and security;
- leadership and inclusive management competencies;
- prevention of corruption and conflicts of interest;
- knowledge of energy efficiency and data analytics;
- mandatory training on fire safety, IT security, and data protection.

ALTUM offers internship programs for students in cooperation with the leading universities, and in 2025 a total of **7 internship placements** were provided (2024: 8), contributing to the development of a future talent pipeline. One of the interns continued employment with ALTUM after completing the internship.

In 2025, the onboarding programme for new employees was improved, and the development of a unified mentor training programme started.

Stakeholder evaluation

Bank satisfaction

In 2025, ALTUM updated its evaluation methodology for cooperation partners - banks and non-bank lenders - shifting from engagement-based measurements grounded in factor analysis to operational, real-time service satisfaction measurements collected after each transaction. The previous factor analysis approach significantly contributed to product development, particularly during the initial stages when the service model, service delivery speed, data exchange formats, day-to-day communication with external partners, and other key factors were tested. The research model served as a structured tool to enhance processes, implement IT improvements for secure data exchange, and align service standards. In recent studies, consistently high scores were observed across the most critical factors, leading to the adoption of a revised approach—transaction-based measurements enabling immediate feedback following each transaction.

The new approach enables real-time measurement of: (1) transaction processing efficiency, (2) documentation requirements, (3) expert involvement, and (4) transaction execution speed.

The aggregated survey responses reveal several key insights:

- The most frequent ratings across the main questions are "4 – good" and "5 – excellent," indicating a strong and consistently positive cooperation, with 88% positively assessing process organization, 92% noting clarity of documentation requirements, and 87% confirming adequate support from ALTUM staff;
- A portion of respondents indicated that decision-making timelines range between 6–10 days that complies with current term of 10 business days;
- Respondents highlight the importance of clear communication and efficient processes in driving satisfaction, which are also reflected in the 2026 communication plan.

ESG – Social (cont'd)

Stakeholder evaluation (cont'd)

Client experience and satisfaction

In 2025, ALTUM continued to systematically measure customer satisfaction by sending surveys to all clients who received either a positive or negative decision regarding financing. The survey results indicate stable and consistently high customer ratings of ALTUM's service quality. The professional competence of ALTUM employees and the level of customer service also remained highly rated in 2025, with 95% of respondents evaluating these criteria as "good" or "very good".

Lower ratings were received for criteria such as the complexity of required documentation and the speed of application processing. However, the overall result in these areas remained positive, with 79% of clients giving a rating of "good" or "very good." These indicators provide valuable feedback for further simplification of processes and improvements in efficiency. A particularly important indicator is the level of customer trust. In response to the question, "Would you recommend ALTUM to your family, friends, or acquaintances?", 96% of clients answered "definitely yes" or "probably yes," confirming ALTUM's reputation as a reliable and high-quality financial partner.

Complaints

Client complaints or dissatisfaction about issues within ALTUM's remit or the actions of its employees open an opportunity to improve the services provided, enhance cooperation with clients and develop the Company's internal processes.

In 2025, there were no complaints related to breaches of client privacy and the processing of personal data, nor were there any cases related to the loss, leakage or theft of client data.

ESG – Social (cont'd)

Accessibility

Client service and service accessibility

In 2025, ALTUM implemented several initiatives to improve client service accessibility and simplify communication. A unified call handling system was introduced as a step toward a single phone number approach, enabling clients to reach ALTUM more easily through a centralized call channel. At the same time, work continues on the implementation of specific technical solutions to gradually integrate regional center contacts into the unified ALTUM phone number.

In parallel, in 2025, a process was initiated to centralize the handling of consultation requests and incoming emails from interested parties within a single organizational unit. This approach enables more efficient management of incoming request flows and ensures that clients receive a consistent, coordinated response, avoiding the fragmentation of information across multiple organizational units.

In 2025, ALTUM introduced remote authentication during calls when contacting the ALTUM information line, as well as in a targeted manner within the Private Individuals Loan Service Unit.

This enables clients to use Smart-ID and eParaksts mobile authentication tools to make necessary clarifications within transactions during the call, simplifying communication with the responsible staff member and reducing the need for additional communication channels.

In 2026, ALTUM continues work on the development of a new client portal. In light of this strategic direction, no additional functional or accessibility improvements were implemented in 2025 for the existing client portal, mans.altum.lv, while ensuring its stable operation and continuous availability to clients.

Digital accessibility

ALTUM considers accessibility a continuous standard of digital quality and good governance rather than a separate initiative. Therefore, the website has been designed from the outset in accordance with usability (UX) and accessibility best practices, including compliance with WCAG guidelines - ensuring sufficient colour contrast, scalable text size, a semantically correct structure, functional navigation, and content accessibility for various assistive technologies. In parallel, we have implemented employee training on plain language principles, clear visual hierarchy, and information architecture to improve content accessibility for people with different functional needs. We have also ensured that contact details for assistants providing direct support are easy to find.

Each year, on our own initiative, we conduct a website accessibility audit, assessing both technical and editorial compliance. In addition, in 2025 we participated in the overarching audit organized by the Ministry of Smart Administration and Regional Development for state-owned companies. The recommendations from this audit serve as concrete tasks for the website administrators—for example, the recommendations from the third-quarter audit were fully implemented already in the fourth quarter. We consider digital accessibility to be a fundamental element of digital hygiene and an inclusive society in a democratic state—one that respects its citizens and ensures equal access to information and services for everyone.

ESG – Social (cont'd)

Accessibility (cont'd)

Accessibility of Premises

Altum's regional centres in Liepāja, Rezekne, Jekabpils, Jelgava and Riga operate in premises that ensure environmental accessibility and high energy efficiency. Individual metering of utility services is available in the Rezekne, Liepāja and Riga offices. The regional centres provide consultations to persons with mobility impairments, and in cases where access to office premises is limited, Altum cooperates with municipalities to provide alternative premises.

The Central Region office in Riga is located in the ZEISS Office complex, which is certified BREEAM "Excellent" and meets the highest sustainability standards. The complex hosts the largest rooftop solar power plant in Riga, providing green energy and reducing heating costs. The office premises feature individually adjustable underfloor ventilation and cooling systems, CO₂ - responsive ventilation, sound-absorbing glass partitions, and water taps designed for reduced consumption.

Altum's central office at Dome Square operates as an open-plan workspace. The project to improve accessibility of work and public areas is nearing completion, including the installation of a lift for persons with special needs and automatic opening and closing of the main entrance doors. Roof insulation works and insulation of the exterior walls of the upper-floor offices have been completed, which will improve energy efficiency in the long term and enhance the working environment for employees and clients. Work is also underway on the construction and improvement of shelter infrastructure, and an additional emergency exit has been built in the conference hall. Altum continues to further develop its office infrastructure by implementing new sustainable solutions.

Support to society and contribution to local community development

ALTUM employees are also actively engaged in volunteer activities aimed at enhancing public understanding of state support instruments, promoting their smart and efficient use, and strengthening financial literacy in relation to these instruments. In total, employees dedicated 1,078 hours to these activities in 2025.

This voluntary contribution to societal sustainability is delivered through informational and educational activities targeting both professional audiences and the broader community of entrepreneurs and private individuals. These activities cover a wide range of topics—from business development, capital market development, and export promotion to climate change mitigation, business digitalization, and the implementation of green projects. The expertise provided by ALTUM employees in these areas represents a significant contribution to societal sustainability, including the ability to adapt effectively to changing economic conditions, foster growth, and support the overall sustainable development of the economy and society.

In 2025, the primary focus of employee volunteer work was on **promoting financial literacy and understanding of financial instruments**, to which **570 hours** were dedicated. Employees actively contributed in this area by participating in the evaluation of projects not directly related to ALTUM, serving on competition juries, and engaging in other initiatives where their knowledge and expertise supported the development of financial literacy, awareness, and sustainable growth in the fields of finance and entrepreneurship.

Sharing expertise and knowledge represents the second most significant focus area of ALTUM employee volunteer work. In 2025, **260 hours** were dedicated to this area, including participation in and expert support for events organized by cooperation partners, as well as involvement in seminars, discussions, and other activities that contribute to long-term improvements in understanding of state support instruments and their development.

A substantial share of volunteer work was also dedicated to **supporting education**. In 2025, **160 hours** were invested in this area, including participation in and expert support for projects organized by universities and municipalities, as well as involvement in the evaluation of student research papers and examination boards.

Employees also participated in various charitable initiatives organized by ALTUM - donating blood, supporting the Children's Hospital project "Courage Box," and taking part in the nationwide Great Cleanup (Lielā Talka), among other activities - thereby contributing to a positive social impact beyond the company.

For the most notable events in 2025 involving ALTUM representatives, please refer to the website ([here](#)).

Corporate Governance Report 2025 is publicly available in Latvian and English at ALTUM's premises at Doma laukums 4, Riga and in electronic form – on the website www.ALTUM.lv, in the section ABOUT ALTUM/SUSTAINABILITY AND GOVERNANCE under [Corporate Governance](#) sub-section.

Reinis Bērziņš
Chairman of the Management Board