

Annual report 2025

Usaldusfond EfTEN Special Opportunities Fund

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MANAGEMENT REPORT

The Usaldusfond EFTEN Special Opportunities Fund (hereinafter also 'EFTEN Special Opportunities Fund' or 'the Fund') is a closed-end alternative fund established in November 2023 that invests in real estate projects with a financing gap. The Fund's term ends on 26 January 2029, with the possibility, subject to investor consent, to extend the term twice for one year each time. The size of the Fund (total capital commitments by investors) amounts to 40.16 million euros. The Fund's main investors are the European Bank for Reconstruction and Development (EBRD) (36.8% stake), SEB Estonian and Latvian pension funds (36.8% stake), Swedbank Estonian pension funds (13.32% stake) and LHV pension funds (7.47% stake). As at the end of 2025, the investors of EFTEN Special Opportunities Fund had contributed a total of 26.55 million euros to the Fund.

As of 31 December 2025, the Fund's portfolio comprised seven investments.

Investment	Sector	Investment type	Location	Maturity	Interest rate	Amount
<i>€ thousands</i>						
Releven	Multifunctional real estate	Loan	Vilnius, Lithuania	20.06.2028	12.12%	7,500
MO Villas	Residential	Loan	Vilnius, Lithuania	18.07.2028	13.50%	2,000
Rinvest	Residential	Loan	Vilnius, Lithuania	25.11.2029	12.25%	4,500
Invego Marupe	Residential	Shareholder loan	Marupe, Latvia	19.04.2029	10.00%	1,250
Invego Marupe	Residential	Equity (50% ownership)	Marupe, Latvia	-	-	350
Hepsor Lasnamäe	Residential	Shareholder loan	Tallinn, Estonia	31.05.2030	12.00%	4,517
Hepsor Lasnamäe	Residential	Subordinated loan	Tallinn, Estonia	31.05.2030	11.00%	1,038
Hepsor Lasnamäe	Residential	Equity (50% ownership)	Tallinn, Estonia	-	-	1
Švitrigailose office building	Commercial real estate	Bond	Vilnius, Lithuania	20.08.2028	12.50%	2,000
TechZity technology centre	Commercial real estate	Bond	Vilnius, Lithuania	03.12.2028	12.50%	3,000
Investments in total						26,156

In December 2025, the Fund entered into two preliminary agreements (one in Kaunas and one in Tallinn) to finance residential real estate developments in 2026 in the total amount of 11.6 million euros. In addition, the Fund has an agreement to finance the second and third development stages of the Hepsor Lasnamäe project in the amount of 1.58 million euros. Upon the realisation of these investments, the Fund does not plan to make any further new investments and will enter a so-called investment holding phase.

The Fund distributes to investors, on a periodic basis, interest income received from loans and bonds. In 2025, the Fund made its first distribution to investors in the total amount of 750 thousand euros.

The Fund continuously assesses its objectives and principles for the management of financial risks. The Fund's principal financial risks are credit risk, liquidity risk and market risk.

Financial results

In 2025, EFTEN Special Opportunities Fund earned interest income of 2,049 thousand euros (2024: 223 thousand euros) from loans, bonds and liquid funds held in bank accounts, as well as 25 thousand euros in profit from the change in the value of joint ventures (2024: nil). The Fund's total expenses amounted to 324 thousand euros (2024: 134 thousand euros). The Fund's net profit for 2025 totalled 1,595 thousand euros (2024: 89 thousand euros). In accordance with the expected credit loss (ECL) model, the Fund recognised impairment losses on loan receivables in the total amount of 215 thousand euros in 2025.

	2025	02.11.2023-31.12.2024
<i>€ thousands</i>		
Interest income	2,049	223
Profit from the change in the value of joint ventures	25	0
Management fees	-249	-26
Other general expenses	-75	-108
Other income	60	0
Impairment of expected credit losses	-215	0
Net profit	1,595	89

In 2025, the Fund made four long-term financial investments, issuing loans in the total amount of 13,306 thousand euros and acquiring 50% ownership interests in two joint ventures for a total consideration of 351 thousand euros. By year-end, the Fund's total assets amounted to 27,483 thousand euros (31 December 2024: 12,719 thousand euros). In 2025, the Fund received interest income from loans and bonds totalling 1,287 thousand euros (2024: 134 thousand euros).

The Fund's assets and equity as of 31.12.2025 and 31.12.2024 are presented in the table below:

	31.12.2025	31.12.2024
€ millions		
Loans granted	20,805	7,500
Impairment of loans for expected credit losses	-215	0
Bonds	5,000	5,000
Interest receivable	835	84
Cash	682	135
Total assets	27,483	12,719
Net asset value (NAV)	27,481	12,709
Capital contributions, cumulative	26,548	12,620
Total investment obligation of investors	40,160	40,160
Investors' remaining investment obligation	13,612	27,540

The Fund's key financial ratios are presented in the table below:

12 months	31.12.2025	31.12.2024
ROE, % (net profit for the period / weighted average net asset value of the fund for the period) * 100	7.9	2.3
ROA, % (net profit for the period / weighted average assets for the period) * 100	7.9	2.2
ROIC, % (net profit for the period / weighted average invested capital for the period ¹) * 100	8.1	2.3
IRR (internal rate of return on capital per year)	9.7%	8.7%
Liquidity ratio (current assets / current liabilities)	341.0	13.5

As of 31 December 2025, the Fund had a total of 24 investors. Shareholders holding more than 10% of the Fund are disclosed in the table below:

Investor	31.12.2025
European Bank for Reconstruction and Development (EBRD)	36.8%
Pension fund SEB aktīvais plāns	16.3%

Management

EFTEN Special Opportunities Fund Usaldusfond was registered in the Commercial Register in November 2023, after which the Fund began its operations.

According to the management agreement and the fund's partnership agreement, the fund's management company is EFTEN Capital AS. EFTEN Capital AS has an alternative fund manager license issued by the Financial Supervision Authority.

The management board of the Fund's general partner, EFTEN SOF GP OÜ, consists of two members: Viljar Arakas and Tõnu Uustalu. There were no changes in the board during the reporting period. The management board of the general partner of the Fund supervises the activities of the management company related to the Fund and the activities of the depository to the extent and in accordance with the procedure prescribed in the depository agreement, as well as performs tasks arising from the partnership agreement.

Applying sustainability principles to investing

Information regarding compliance with SFDR regulations is disclosed in the Note on page 21 of this report and the Fund's sustainable investment principles are disclosed on the Fund's website www.efTEN.ee.

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2025	02.11.2023-31.12.2024
<i>€ thousands</i>			
Income			
Interest income using the effective interest rate method	3	2,049	223
Profit from the change in the value of joint ventures	8	25	0
Other income		60	0
Impairment of expected credit losses	9	-215	0
Total income	3	1,919	223
Operating expenses			
Management fee	4	-249	-26
Other general expenses	5	-75	-108
Total operating expenses		-324	-134
Operating profit		1,595	89
Net profit for the reporting period		1,595	89
Total comprehensive income for the reporting period		1,595	89
Increase in the Fund's net asset value attributable to limited and general partners		1,595	89

STATEMENT OF FINANCIAL POSITION

	Lisad	31.12.2025	31.12.2024
<i>€ thousands</i>			
ASSETS			
Cash and cash equivalents	6,9	682	135
Total current assets		682	135
Loans and receivables	7,9	25,590	12,500
Long-term interest receivables	7,9	835	84
Investment in joint ventures	8	376	0
Total non-current assets		26,801	12,584
TOTAL ASSETS		27,483	12,719
LIABILITIES AND NET ASSET VALUE			
Trade payables	9	2	10
Total current liabilities		2	10
TOTAL LIABILITIES		2	10
Net asset value of the Fund attributable to limited and general partners		27,481	12,709
TOTAL LIABILITIES AND TOTAL NET ASSETS		27,483	12,719

The Notes on pages 6-20 are an integral part of the financial statements.

STATEMENT OF CASH FLOWS

	Notes	2025	02.11.2023-31.12.2024
<i>€ thousands</i>			
Cash flows from operating activities			
Increase in the Fund's net asset value attributable to limited and general partners		1,595	89
<i>Adjustments of net profit:</i>			
Interest income	3	-2,049	-223
Profit from the change in the value of joint ventures	8	-25	0
Expected credit loss	9	215	0
Total adjustments with non-cash changes		-1,859	-223
Cash flow from operations before changes in working capital		-264	-134
Change in liabilities and prepayments related to operating activities		-7	9
Loans granted and bonds acquired	7	-13,306	-12,500
Interest received from loans and bonds	7	1,287	135
Total cash flows from operating activities		-12,290	-12,490
Cash flows from investing activities			
Acquisition of joint ventures	8	-351	0
Other interest received		11	5
Total cash flows from investing activities		-340	5
Cash flows from financing activities			
Capital contributions	10	13,928	12,620
Capital distributions	10	-751	0
Total cash flows from financing activities		13,177	12,620
TOTAL CASH FLOWS		547	135
Cash and cash equivalents at the beginning of period	6	135	0
Change in cash and cash equivalents		547	135
Cash and cash equivalents at end of period	6	682	135

STATEMENT OF CHANGES IN NET ASSETS OF THE FUND

	2025	02.11.2023-31.12.2024
<i>€ thousands</i>		
Net asset value of the Fund attributable to limited and general partners as of 31.12.2024	12,709	0
Capital contributions (Note 10)	13,928	12,620
Net change in capital	13,928	12,620
Comprehensive income for the reporting period	1,595	89
Capital distributions to the investors (Note 10)	-751	0
Net asset value of the Fund attributable to limited and general partners as of 31.12.2025	27,481	12,709

The Notes on pages 6-20 are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 *General information*

The eFTEN Special Opportunities Fund (hereinafter referred to as the 'Fund') is a closed-end alternative fund established in November 2023 that invests in real estate projects with a financing gap. The Fund's investment region is the Baltic States.

The Fund's investment activities are managed by eFTEN Capital AS. The fund's general partner is eFTEN SOF GP OÜ.

The financial statements of the eFTEN Special Opportunities Fund for the period of 01.01.2025 to 31.12.2025 has been signed by the Management Board on 27. February 2026.a.

The Fund has been established as a closed-ended fund. The term of the Fund is five (5) years from the date of the first closing of investor commitments (1st Closing), which took place on 26 January 2024. In accordance with the partnership agreement, the fund manager is entitled, subject to investor consent, to extend the term of the Fund by up to two additional one-year periods, resulting in a maximum extension of the Fund's term until 26 January 2031.

The Fund is a company registered and operating in Estonia.

2 *Confirmation of compliance and general principles for preparing the report*

In accordance with the Investment Funds Act, the Fund's financial statements are prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (hereinafter IFRS), taking into account the rules for determining the net asset value of a fund set out in the regulation issued pursuant to Section 54 (11) of the Investment Funds Act, as well as other specific requirements included in the aforementioned regulation. The requirements of the Accounting Act have also been taken into consideration.

In preparing its financial statements, the Fund has applied IFRS to the extent that such application does not conflict with the requirements of the Investment Funds Act and Regulation No. 8 of the Minister of Finance. In the event of any conflict, the Fund has applied the requirements set out in the Investment Funds Act and Regulation No. 8 of the Minister of Finance (Requirements for disclosure of fund reports). The principal accounting policies applied in the preparation of the financial statements are described in more detail below. The Fund's annual financial statements are presented in thousands of euros.

The financial statements have been prepared on the historical cost basis, except where otherwise stated (for example, investment properties are measured at fair value).

2.1 *Changes in accounting principles and presentation*

1.2.1 *Application of new or revised standards and interpretations*

No new or amended standards or interpretations became mandatory for the Fund as from 1 January 2025.

Standards that will be effective in the next reporting periods and standards that have not yet been adopted

Standards effective for reporting periods beginning on or after 1 January 2026

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to:

(a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;

(b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;

(c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and

(d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Fund will analyse and disclose the impact of this change after implementation.

Standards effective for reporting periods beginning on or after 1 January 2026 that have not yet been adopted by the European Union

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information.

The Fund will analyse and disclose the impact of this change after implementation.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

The International Accounting Standard Board (IASB) has issued a new IFRS Accounting Standard for subsidiaries. IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements. Subsidiaries using IFRS Accounting Standards for their own financial statements provide disclosures that maybe disproportionate to the information needs of their users. IFRS 19 will resolve these challenges by:

- enabling subsidiaries to keep only one set of accounting records – to meet the needs of both their parent company and the users of their financial statements;
- reducing disclosure requirements – IFRS 19 permits reduced disclosure better suited to the needs of the users of their financial statements.

The Fund will analyse and disclose the impact of this change after implementation.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28

These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are held by a subsidiary. In 2015, the IASB decided to postpone the effective date of these amendments indefinitely.

The Fund will analyse and disclose the impact of this change after implementation.

2.2 Summary of material accounting principles

Management's critical estimates and judgements

The presentation of financial statements in accordance with International Financial Reporting Standards as adopted by the European Union requires management to make estimates and judgments that affect the principles and amounts of assets and liabilities at the balance sheet date, the presentation of contingent assets and liabilities based on the probability of their realization, and the income and expenses for the reporting period.

Although management continuously reviews its judgments and estimates and they are based on historical experience and the best available knowledge of probable future events, actual results may differ from those estimates.

The most critical management judgements that have a material effect on the information reported in the financial statements primarily concern impairments on loans granted and bonds acquired (see Note 9), which are reported in accordance with IFRS 9. The measurement of the loans granted and bonds acquired is based on the three-stage expected credit loss (ECL) model, which takes into account changes in credit quality since the initial recognition of the loans and bonds. The Fund applies internally developed models for the assessment of credit exposures.

The Fund's management has assessed the Fund's business model for classifying the various financial assets. The business objective of both issued loans and purchased bonds is to collect contractual cash flows. Contractual cash flows include only interest payments calculated on the principal and outstanding principal, including interest cash flows as a compensation for the time value of money, credit risk, liquidity risk and covering, among other things, administrative expenses and profit margin. All financial assets recognised meet this criterion and are therefore recognised at amortised cost. In addition, management also makes estimates regarding the inputs to the expected credit loss model for financial assets. Management's estimates are constantly reviewed based on historical experience and other factors, including expectations of future events that are considered reasonable under the circumstances. Changes in estimates may have a material impact on the financial statements of the period in which the estimates were changed. Management believes that the underlying assumptions are appropriate and that the financial statements prepared on their basis fairly reflect the financial position and financial performance of the company.

Revenue recognition

The Fund receives interest income from loans, purchased bonds and funds in bank accounts or deposits. Interest income is recognized using the effective interest rate method. The effective interest rate is the interest rate that discounts estimated future cash receipts or payments through the expected life of the financial instrument to its net carrying amount.

Cash and cash equivalents

Cash and cash equivalents are cash and short-term (with a maturity of up to 3 months from the date of acquisition) highly liquidity investments that, based on the actual maturity of the transaction, can be converted into a known amount of cash within up to three months and whose market value is subject to an insignificant risk of changes. Such assets include cash and bank accounts, cash on demand and deposits with a maturity of up to three months.

Financial assets

(1) Classification

The Fund classifies financial assets into the following measurement categories:

- those that are measured at fair value (either through profit or loss or through other comprehensive income)
- those that are recorded at amortized cost.

As of 31 December 2025, the Fund records loan receivables and bonds at amortized cost.

The classification depends on the Fund's business model for managing financial assets and the contractual terms of the cash flows.

(2) Recognition and derecognition

Purchases and sales of financial assets that occur under normal market conditions are recognized on the trade date, i.e. the date on which the Fund commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial asset expire or are transferred and the Fund transfers substantially all risks and rewards. Regular purchases and sales of financial assets are recognized on the trade date, the date on which the Fund commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial asset expire or are transferred and the Fund has transferred substantially all risks and rewards of ownership.

(3) Measurement

Financial assets are initially recognised at fair value plus transaction costs directly attributable to the acquisition of the financial asset, except for financial assets at fair value through profit or loss. Transaction fees for financial assets at fair value through profit or loss are recognised as an expense in the income statement.

Debt instruments

The subsequent measurement of debt instruments depends on the company's business model for managing financial assets and the contractual cash flows of the financial asset.

All debt instruments of the Fund are classified in the amortized cost measurement category.

Assets held to collect contractual cash flows and whose cash flows are solely principal and interest on the principal amount outstanding are measured at amortized cost. Interest income from these assets is recognized in finance income using the effective interest rate method. Upon derecognition, any resulting gain or loss is recognized in other income/expenses in the income statement.

As of 31 December 2025, all financial assets of the Fund were classified in the following categories:

- cash and cash equivalents;
- notes receivable;
- bonds.

Assets that do not meet the criteria for measurement at amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss. Gains or losses on debt instruments measured at fair value through profit or loss are recognised in the statement of profit or loss for the period in which the change in fair value occurs, within finance income and expenses. Such fair value gains and losses also include the contractual interest income earned on the respective instruments.

Equity instruments

The Fund has no investments in equity instruments as of the reporting date.

(4) Depreciation

Credit risk has increased significantly when the credit risk of a debt instrument has increased significantly compared to its initial assessment. This means that both quantitative and qualitative risk indicators – such as a decline in solvency, a deterioration in credit rating, or other significant changes in financial condition indicate that the risk profile of the instrument has changed significantly.

Definition of default and credit-impaired assets

The Fund defines the status of a financial instrument as defaulted and it fully meets the definition of credit-impaired if the asset meets one or more of the criteria described below.

Quantitative criteria

A borrower is considered to have breached the materiality threshold criterion if the breach persists for 90 consecutive days. As at the end of the reporting period, the Fund did not have any loans with payments overdue by more than 90 days, and all of the Fund's credit exposures were repaid in accordance with contractual terms, either on time or ahead of schedule. Accordingly, during the reporting period, there were no credit-impaired financial assets identified based on quantitative criteria.

Qualitative criteria

The Fund's credit risk arises primarily from loans granted for the financing of real estate development projects. The Fund's risk exposure increases mainly in situations where borrowers' cash flows deteriorate, the realisation of development projects is delayed, liquidity in the real estate market decreases, or the fair value of collateral declines. Credit risk may also increase due to macroeconomic factors, including rising interest rates and a general deterioration in the economic environment.

The objective of the Fund's credit risk management is to limit potential losses and ensure the preservation of invested capital. To achieve this, the Fund applies a conservative lending policy, which is based on a thorough assessment of borrowers' creditworthiness, the requirement for adequate collateral, and continuous monitoring of both the borrowers' financial position and the value of collateral throughout the loan term. This approach ensures that even in the event of potential payment defaults, sufficient risk protection is in place, thereby reducing the need for additional expected credit loss provisions.

The measurement of credit risk is based on the expected credit loss model in accordance with IFRS 9, taking into account both historical experience and forward-looking macroeconomic scenarios (see Note 9).

The following are circumstances that may indicate that the client is unable to pay the debt in full:

- there are indications of an improbability of payment, indicating that the borrower is in significant financial difficulty;
- restructuring has taken place due to economic difficulties;
- the contract has been terminated.

The above criteria have been applied to all financial instruments of the Fund and are consistent with the definition of default used in internal credit risk management. The definition of default has been used throughout the Fund's calculation of expected credit losses for the PD (probability of default), EAD (exposure at default) and LGD (loss given default) models. A client-based approach is used to apply default status.

The measurement of expected credit losses takes into account: (i) an unbiased and probability-weighted amount that assesses a range of possible outcomes, (ii) the time value of money, and (iii) reasonable and supportable information about past events, current conditions, and future economic conditions that is available at the end of the reporting period without undue cost or effort.

The Fund uses a three-stage model for all debt instruments at amortized cost, which considers the change in credit quality since initial recognition.

- Stage 1 – includes financial assets for which the credit risk has not increased since initial recognition. The expected credit loss is the portion of the expected credit loss over the entire contractual period that arises from the potential failure to perform the obligation within the next 12 months or until the end of the contract, if shorter (12-month expected credit loss).
- Stage 2 – includes financial assets whose credit risk has increased significantly since initial recognition, but for which there are no objective reasons to consider them as uncollectible. Expected credit losses are measured based on expected credit losses over the expected contractual life.
- Stage 3 – includes financial assets that have decreased in value (for example, 90 days past due, debtor is in payment difficulties, it is probable that the debtor will enter bankruptcy or restructuring proceedings, non-performing receivable). Expected credit losses are measured over the entire expected contractual period.

As at the reporting date, the Fund had seven debt instruments, of which three are secured by mortgages whose fair value significantly exceeds the outstanding balance of the respective debt instruments, resulting in a significantly reduced credit risk for these exposures. Although expected credit losses (ECL) are calculated for all of the Fund's debt instruments, the expected credit losses related to these three exposures are quantitatively insignificant due to the over-collateralisation of the instruments.

Debt instruments measured at amortised cost are recognised in the Fund's statement of financial position at their net carrying amount, taking into account expected credit losses. In respect of loan assets, an allowance for expected credit losses is recognised and presented as a deduction from the carrying amount of the financial asset in the statement of financial position.

For contract assets without a significant financing component, the Fund applies the simplified approach permitted under IFRS 9 and recognises an allowance for credit losses equal to lifetime expected credit losses upon initial recognition of the receivables. The Fund applies a provision matrix, whereby impairment is calculated based on receivables with different maturity periods.

During the reporting period, there were no changes in the Fund's credit risk management objectives, methods or processes compared to the previous reporting period. Furthermore, there were no significant changes in the Fund's risk position or in the structure of its exposure to risk. All of the Fund's loan receivables were repaid in accordance with contractual terms, either on time or ahead of schedule, and no financial assets with indicators of impairment were identified during the reporting period.

Investments in joint ventures

Joint ventures are entities over which the Fund has joint control. Investments in joint ventures are accounted for using the equity method. Investments are initially recognised at cost and are subsequently adjusted for the Fund's share of the profit or loss of the investees and other changes in equity. Dividends received reduce the carrying amount of the investment. The Fund acquires interests in joint ventures as strategic investments in connection with loan transactions.

Financial liabilities

All financial liabilities are initially measured at cost, which includes all directly attributable costs of acquisition. Subsequent measurement is carried out using the amortised cost method.

The amortized cost of short-term financial liabilities is generally equal to their nominal value, which is why short-term financial liabilities are measured in the balance sheet at the amount payable.

A financial liability is classified as current if it is due to be settled within 12 months of the balance sheet date or if the Fund does not have an unconditional right to defer settlement of the liability for more than 12 months from the balance sheet date. Borrowings that are due to be settled within 12 months of the balance sheet date but are refinanced into long-term debt after the balance sheet date but before the approval of the annual accounts are classified as current.

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

Income tax

The Fund is registered as a trust under the Investment Funds Act. The trust fund is a tax-transparent company under the Income Tax Act, therefore the trust fund is not considered to be liable for income tax. Tax transparency means that the income received is attributed directly to the Fund's investors.

Contributed capital

The investors of the Fund have undertaken an investment obligation to the Fund and the maximum amount of the obligations undertaken is set out in Note 10. In accordance with the agreement between the Fund and the investors (partnership agreement), the Fund requires the investors to pay the investment obligation as necessary, by submitting a written request to the investors. The investors of the Fund (limited partners) are liable to the Fund with the maximum investment obligation undertaken and, in accordance with the Commercial Code, are liable for the obligations undertaken by the Fund up to the maximum amount of the investment obligation. The management company (general partner) has also undertaken the maximum investment obligation, but pursuant to the Commercial Code, the general partner is liable to the Fund with all of its assets. The contributions of investors (limited partners and general partners) are recognised in the annual financial statements as part of net assets.

3 Interest income using the effective interest method

	2025	02.11.2023-31.12.2024
<i>€ thousands</i>		
Interest income from loans (Note 7)	1,413	55
Interest income from bonds (Note 7)	625	163
Interest income from cash and cash equivalents	11	5
Total interest income	2,049	223

4 Management fee

In accordance with the management agreement and partnership agreement concluded with EFTEN Capital AS (the fund manager), the Fund management company provides management services to the Fund, the basis of which is the Fund's invested capital. In addition, the Fund manager is entitled to receive a performance fee on amounts exceeding investors' contributions and the preferred return (10% of contributions per year). Of the payouts exceeding investors' contributions and the preferred return rate, 75% is paid to investors and 25% to EFTEN Capital AS. The Fund recognizes a potential contingent performance fee liability at each balance sheet date, considering the contributions made to the Fund (invested capital), earned profit and the Fund's net asset value as of the balance sheet date. The performance fee liability is paid to the Fund manager after all the initially contributed capital and the preferred return have been returned to the Fund's investors.

In 2025, the total management service purchased from the Fund manager was 249 thousand euros (2024: 26 thousand euros), see also Note 11. The Fund's return as of 31.12.2025 was 9.7% (31.12.2024: 8.7%), therefore the performance fee reserve has not been included in this report.

5 Other general expenses

	2025	02.11.2023-31.12.2024
<i>€ thousands</i>		
Legal services	-30	-92
Consulting expenses	-2	-10
Depository fees, securities account fees	-16	-3
Accounting service, audit ¹	-26	-2
Other general expenses	-1	-1
Total other general expenses	-75	-108

¹General expenses include accounting services purchased from a related party in the amount of 8 thousand euros (2024: 2 thousand euros). See also Note 11.

6 Cash and cash equivalents

	31.12.2025	31.12.2024
<i>€ thousands</i>		
Demand deposits	682	135
Total cash and cash equivalents (Note 9)	682	135

7 Loans and receivables

	31.12.2025	31.12.2024
<i>€ thousands</i>		
Loans granted	20,805	7,500
Impairment of loans for expected credit losses	-215	0
Total loans granted	20,590	7,500
Bonds ¹	5,000	5,000
Total bonds	5,000	5,000
Total loans granted and bonds	25,590	12,500

¹ No expected credit loss has been recognised on bonds (2024: 0 euros). See also Note 9.

As of 31 December 2025, the Fund had long-term interest receivables related to loans granted and bonds held in the amount of 835 thousand euros (31.12.2024: 84 thousand euros).

Impairment of loans

	31.12.2025	31.12.2024
<i>€ thousands</i>		
Balance at the beginning of the reporting period	0	0
Change in expected credit loss	-215	0
Balance at the end of the reporting period	-215	0

Information on credit risk management and loan collateral is disclosed under credit risk management in Note 9.

Loans granted

As of 31.12.2025

Borrower	Country of borrower	Mortgage	Due date	Interest rate	Contractual loan amount	Loan balance 31.12.2025	Share of the fund's net asset value
<i>€ thousands</i>							
KÜB "Releven Prime Properties"	Lithuania	Mortgage Lvivo st. 59, Vilnius	20.06.2028	12.12%	7,500	7,500	27.3%
MO VILLAS, UAB	Lithuania	Mortgage Mozūriškių str. 240, Vilnius; commercial pledge	18.07.2028	13.50%	2,000	2,000	7.3%
UAB M2-SPV	Lithuania	Mortgage Mozūriškių str. 2, Vilnius; commercial pledge	25.11.2029	12.25%	4,500	4,500	16.4%
Invego Marupe Sirds Holding SIA	Latvia	Structural measures through ownership ¹	19.04.2029	10.00%	1,250	1,250	4.5%
Hepsor SOF OÜ	Estonia	Structural measures through ownership ¹	31.05.2030	11.00%	2,890	1,038	3.8%
Hepsor SOF OÜ	Estonia	Structural measures through ownership ¹	31.05.2030	12.00%	4,517	4,517	16.4%
Total loans					22,657	20,805	75.7%

¹ The Fund considers structural measures through ownership as additional collateral. As of 31 December 2025, the Fund held a 50% ownership interest in the joint ventures Invego Marupe Sirds Holding SIA and Hepsor SOF OÜ (Note 8). Loans granted to the joint ventures are unsecured.

As of 31.12.2024

Borrower	Country of borrower	Mortgage	Due date	Interest rate	Contractual loan amount	Loan balance 31.12.2024	Share of the fund's net asset value
<i>€ thousands</i>							
KÜB "Releven Prime Properties"	Lithuania	Mortgage Lvivo st. 59, Vilnius	20.06.2028	12.12%	7,500	7,500	59.0%
Total loans					7,500	7,500	59.0%

In 2025, the Fund recognised interest income from loans in the total amount of 1,413 thousand euros (2024: 55 thousand euros). As of 31 December 2025, the Fund had long-term interest receivables accrued on loans amounting to 433 thousand euros (31.12.2024: 0 euros).

Bonds

As of 31.12.2025

Issuer	Country of issuer	Mortgage	Due date	Interest rate	Bond balance 31.12.2025	Share of the fund's net asset value
<i>€ thousands</i>						
ZeroSum Mixed Fund II UTIISIUAB	Lithuania	Švitrigailos 11B, 11H, 11L Vilnius; security deposit	20.08.2028	12.50%	2,000	7.3%
Project Lilium, UAB	Lithuania	Panerių st. 43, Vilnius; security deposit	03.12.2028	12.50%	3,000	10.9%
Total bonds					5,000	18.2%

As of 31.12.2024

Issuer	Country of issuer	Mortgage	Due date	Interest rate	Bond balance 31.12.2024	Share of the fund's net asset value
<i>€ thousands</i>						
ZeroSum Mixed Fund II UTIISIUAB	Lithuania	Švitrigailos 11B, 11H, 11L Vilnius; security deposit	20.08.2028	12.50%	2,000	15.7%
Project Lilium, UAB	Lithuania	Panerių st. 43, Vilnius; security deposit	03.12.2028	12.50%	3,000	23.6%
Total bonds					5,000	39.3%

In 2025, the Fund accrued interest income on bonds in the total amount of 625 thousand euros (2024: 163 thousand euros), of which 353 thousand euros was received during the reporting year (2024: 79 thousand euros). The remaining accrued but unpaid interest receivables amounted to 402 thousand euros as of 31 December 2025 (31.12.2024: 84 thousand euros) and will be collected upon their maturity in accordance with the contractual terms (see also Notes 3 and 9).

All cash flows from non-current financial assets meet the SPPI (Solely Payments of Principal and Interest) criteria and are therefore recorded using the amortized cost method. The Fund analyses compliance with the SPPI criteria as follows:

- Does the contract provide for changes in the principal amounts of loans and bonds;
- Does the contract provide for conditions for interest rate changes;
- Does the contract establish conditions for early repayment of loans;
- Do the contracts contain derivatives;
- Are there any other conditional changes arising from the contract;

- Do the contracts entail payments other than interest and principal;
- Do the contracts allow for the restructuring of loans and bonds;
- Are there any legal or regulatory requirements that may affect the cash flows of loans and bonds;
- Is the fund's business model to collect contractual cash flows.

The fund management estimates that all loans and bonds issued meet the SPPI criteria.

The fair value of the loans and bonds issued as of 31.12.2025 does not differ significantly from their carrying amount, as the market interest rates of similar loans used to discount the loan cash flows do not differ significantly from their contractual interest rates.

All loans and bonds issued are in fair value level group 3 (based on the company's own estimates and models).

8 Joint ventures

During the reporting period, EFTEN Special Opportunities Fund acquired interests in two joint ventures that are related to loans granted by the Fund to the same entities. On 11 April 2025, the Fund acquired a 50% ownership interest in the joint venture Hepsor SOF OÜ, paying 1,250 euros for the interest. On 23 December 2025, the Fund acquired a 50% ownership interest in the joint venture Invego Marupe Holding SIA, paying 350 thousand euros for the interest.

The Fund treats its interests in joint ventures as structural collateral, which supports the fulfilment of claims arising from loans and enables the Fund to participate in the upside potential of the investments.

Joint venture	Country of location	Date of acquisition	Equity, € thousands		Fund's share, %	
			31.12.2025	31.12.2024	31.12.2025	31.12.2024
Hepsor SOF OÜ	Estonia	11.04.2025	26	0	50	0
Invego Marupe Sirds Holding SIA	Latvia	23.12.2025	350	0	50	0

9 Financial instruments, management of financial risks

Fund's investment policy

The Fund's objective is to finance and acquire high-yield real estate in the Baltics.

The Fund focuses on investments in the commercial and residential real estate sector. Investments are made, for example, through the purchase, subscription or acquisition of shares, preferred shares, options, warrants and other participation rights in real estate companies. The Fund may also invest in convertible loans, convertible bonds or other securities (including debt instruments) or provide loans, which may be secured or unsecured, senior or subordinated, or a combination thereof. All loans and debt instruments must have a risk and return similar to that of shares.

The aim of the Fund is to achieve full or at least partial control of the invested assets. If the structure of the transaction requires it, the partnership has the right to make direct investments in real estate.

At least 80% of the market value of the Fund's assets is invested in real estate or real estate-related securities. No single investment may exceed 25% of the Fund's total capital at the end of the Fund's investment period. The Fund does not invest more than 20% of its capital in deposits with credit institutions, money market instruments or other liquid low-risk instruments for cash flow management purposes.

Financial instruments

The table below shows the breakdown of the fund's financial assets and financial liabilities by type of financial instrument.

Carrying amounts of financial instruments

	Notes	31.12.2025	31.12.2024
<i>€ thousands</i>			
Financial assets - loans and receivables measured at amortized cost			
Cash and cash equivalents	6	682	135
Loans granted	7	20,590	7,500
Bonds	7	5,000	5,000
Interest receivables	7	835	84
Total financial assets measured at amortized cost		27,107	12,719
Financial liabilities measured at amortized cost			
Trade payables		2	10
Total financial liabilities measured at amortized cost		2	10
Total financial liabilities		2	10

The fair value of the financial assets and financial liabilities presented in the table above, which are carried at amortized cost, does not differ significantly from their fair value (cash and cash equivalents are held in a bank with a high credit rating; the borrowers and bond issuers are financially sound and all debt instruments are secured by mortgages).

The Fund's risk management is based on the principle that risks must be taken in a balanced manner, considering the rules established by the Fund and implementing risk mitigation measures according to the situation, thereby achieving stable profitability and an increase in the value of investors' assets. When making new investment decisions, the solvency of future clients is carefully assessed, the client's financial statements and cash flows are analysed, suitable collateral is set as collateral for loan and bond claims, requirements applicable to clients' deposit accounts are established in the amount of 3-6 months of interest payments, and after making an investment, the clients' financial situation and creditworthiness are regularly monitored. If the Fund involves external capital for investments, the principal and interest payments are adjusted to correspond to the net cash flow of a specific investment object, which ensures the preservation of sufficient free cash for the Fund and its growth even after fulfilling financial obligations.

The investment of the Fund's assets is based on investors' risk expectations, therefore excessive risk-taking is unacceptable and appropriate measures must be applied to manage risks.

The Fund defines financial risk as the risk arising from investments, including market, liquidity, and credit risks, which may impact the company's financial capacity and investment value.

Market risk

Market risk is the risk of changes in the fair value of financial instruments due to changes in market prices. The main factor affecting these financial instruments is interest rate risk.

Interest risk

Interest rate risk is the risk of changes in future cash flows of financial instruments resulting from changes in market interest rates. Changes in market interest rates mainly affect future loans granted by the Fund, where lower interest rates may reduce the income from the investment.

As of 31.12.2025, all loans and bonds issued by the Fund bear fixed interest, therefore changes in market interest rates will not have an impact on financial assets. The Fund has no contracts with variable interest rates.

The Fund does not apply hedge accounting for interest rate risk within the meaning of IFRS 9, nor does it use derivative instruments for risk hedging purposes. Market risks are managed primarily through the structure of financial instruments, contractual terms, and portfolio diversification.

Liquidity risk

Liquidity risk arises from a potential change in financial condition that would reduce the Fund's ability to service its obligations in a timely and correct manner. The following circumstances in particular affect the Fund's liquidity:

- Decrease in interest income or volatility in receipts, which reduces the fund's ability to generate positive net cash flows;
- Customer payment difficulties;
- Difference in the maturities of assets and liabilities and flexibility in changing them;
- Marketability of long-term assets;
- Volume and pace of investment activity;
- Decrease in collateral value;
- Financing structure.

The Fund's financing policy stipulates that loan agreements for attracting external capital are concluded on a long-term basis, considering the terms of financial investments.

Maturity of financial assets

As of 31.12.2025	Less than 1 month	2-4 months	5 to 12 months	2 to 5 years	Over 5 years	Total
<i>€ thousands</i>						
Loans granted	0	0	0	20,590	0	20,590
Bonds	0	0	0	5,000	0	5,000
Interest receivables	0	0	0	835	0	835
Total financial assets	0	0	0	26,425	0	26,425

As of 31.12.2024	Less than 1 month	2-4 months	5 to 12 months	2 to 5 years	Over 5 years	Total
<i>€ thousands</i>						
Loans granted	0	0	0	7,500	0	7,500
Bonds	0	0	0	5,000	0	5,000
Interest receivables	0	0	0	84	0	84
Total financial assets	0	0	0	12,584	0	12,584

All of the Fund's financial liabilities mature within less than one month. The amounts of the Fund's liabilities as of 31 December 2025 and 31 December 2024 are immaterial.

The carrying amount of the loans granted does not differ materially from their fair value.

Working capital report

	31.12.2025	31.12.2024
<i>€ thousands</i>		
Cash and cash equivalents (Note 6)	682	135
Total current assets	682	135
Trade payables	-2	-10
Total current liabilities	-2	-10
Total working capital	680	125

Credit risk

Credit risk is the risk arising from the inability of counterparties to transactions to meet their obligations to the Fund.

The Fund is exposed to credit risk as a result of its business activities and transactions with financial institutions, including through cash on accounts and deposits.

The Fund's activities to prevent a decrease in cash flows resulting from credit risk and to minimize such risk consist of daily monitoring and directing customers' payment behaviour, which enables the prompt implementation of necessary measures.

The basis for credit risk management is the Fund's credit policy. The main objective of the credit policy is to achieve a return on the fund's assets from its business activities that ensures investor profitability, while adhering to the principles of conservatism and risk diversification and taking moderate risks that are assessable and manageable. The Fund's main assets exposed to credit risk are as follows:

- Loans granted and bonds (Note 7).
- Cash and cash equivalents (including notes to credit institutions, Note 6);

Measurement of credit risk

In assessing credit risk, the Fund applies both quantitative and qualitative indicators. Quantitative indicators include, among others, the loan-to-value (LTV) ratio, the carrying amount of loans compared to the fair value of collateral, analysis of the financial indicators of borrowers and bond issuers, monitoring of liquidity, and payment delays.

Qualitative indicators include, for example, the compliance of projects with business plans and timelines, refinancing options, and changes in the economic environment. Based on the combined assessment of quantitative and qualitative indicators, the Fund determines whether a financial asset should be classified into a lower or higher risk category and whether the expected credit loss should be measured on a 12-month or lifetime basis.

The Fund applies internal credit risk grades that reflect its assessment of the probability of default of each counterparty. The Fund's credit exposures are classified on a quarterly basis. The credit risk grades of credit exposures, based on the borrowers' payment discipline, financial position, and the cost structure of development projects, are as follows:

Risk class	Description	Probability of default (PD)	Loss given default (LGD)
1 Low risk	Very strong ability to meet obligations in a timely manner	2%	30%
2 Medium risk	Adequate ability to meet obligations. Adverse economic conditions are likely to weaken this ability.	5%	40%
3 Increased risk	Adequate ability to meet obligations in the short term. Adverse economic conditions may result in delays in meeting obligations.	10%	50%
4 High risk	Ability to meet obligations is questionable and dependent on favourable economic conditions. Delays in meeting obligations are likely.	50%	60%
5 Default	Default; obligations are not being met	100%	100%

When assessing the loss given default (LGD), the Fund takes into account the type of collateral, the ranking of mortgages, and conservative assumptions regarding the realisable value of collateral. For mortgage-secured loans, the expected LGD is low, whereas for loans secured through structural measures, the assessment additionally considers the Fund's control position over the borrower.

Measurement of expected credit loss (ECL)

The assessment of credit claims is based on a three-stage expected credit loss (ECL) model that considers changes in credit quality since the initial recognition of the loan. The Fund applies internally developed models for the assessment of credit exposures.

According to the IFRS 9 standard, financial assets are divided into three stages based on the number of days past due, the financial condition of the customer and other changes in the quality of the claim:

- whether for a working requirement (performing, stage 1),
- for a claim with a deterioration in quality (under-performing, significant increase in credit risk, stage 2) or
- non-performing claim (stage 3).

For Stage 1 claims, the discount rate is calculated based on 12-month expected credit losses. For Stage 2 and Stage 3 claims, the discount rate is calculated based on the expected credit losses over the life of the contract. For Stage 3 claims, the discount is calculated assuming default. The expected loss is calculated as the product of the probability of default (PD), the loss rate (LGD) and the expected exposure at default (EAD) discounted to today. Loan losses are estimated by taking into account future loan and interest payment receipts, as well as

expected receipts from the sale of collateral, sale of the loan claim or future recovery of solvency, by discounting the financial asset at the original effective interest rate, which results in the recoverable amount of the loan.

As of 31 December 2025, all financial investments of the Fund are classified as Stage 1.

The Fund assesses all loan receivables and bonds individually at least once per quarter. In evaluating loan receivables and bonds, the assessment takes into account, among other factors, the borrower's payment discipline, creditworthiness, liquidity indicators, compliance of the project with the business plan, as well as management and legal aspects of the borrower.

As of 31 December 2025, the Fund's 12-month expected credit loss amounted to 215 thousand euros. The change in expected credit losses (ECL) during the reporting period is presented in Note 7.

The fair values of the mortgages provided as collateral for the bonds acquired by the Fund significantly exceed the amounts of claims arising from the bonds; therefore, there is no need to recognise expected credit losses on bonds as of 31 December 2025 or 31 December 2026.

In measuring expected credit losses, the Fund considers the maximum contractual period, including extension options arising from contractual terms. Extension options are taken into account where their exercise is under the control of the Fund or the borrower and where their use is reasonably expected. Periods exceeding the maximum contractual term are not considered in the calculation of ECL.

As of 31 December 2025, the Fund has also included in the ECL calculation contractual loan commitments that have not yet been drawn down, amounting to 272 thousand euros.

Sensitivity analysis

The Fund's credit loss depends, in addition to the asset-specific assessment inputs, on the probability of default (PD) assumptions. The table below illustrates the impact on credit loss in a scenario where the probability of default increases by 5% or 10%, respectively.

Scenario	Total credit loss	Δ vs base (€ thousands)	Δ vs base (%)
Base	215		
PD +5%	407	192	89%
PD +10%	599	384	179%

Significant increase in credit risk

The following criteria reflect the Fund's credit risk management practices and are used to assess whether the credit risk of a financial instrument has increased significantly since initial recognition.

A significant increase in credit risk is considered to have occurred when one or more of the criteria below are met:

- if the client has been in debt for more than 30 days at least once in the last three months or repeatedly in the last year;
- if the customer's claim has been restructured due to payment difficulties or has been restructured repeatedly due to payment difficulties during the term of the contract;
- the client has significant payment defaults towards other creditors.

If it becomes apparent that there is a risk of the client becoming insolvent, the Fund assesses each claim individually and decides to write off the claims as unlikely to be collected. In general, claims that are more than 180 days past due are assessed as unlikely to be collected in full, unless the fund has sufficient certainty that the claim will be collected or a payment schedule has been agreed for the collection of the claims.

The maximum credit risk of the Fund is set out in the table below:

	31.12.2025	31.12.2024
€ thousands		
Cash and cash equivalents (Note 6)	682	135
Loans (Note 7)	20,805	7,500
Bonds (Note 7)	5,000	5,000
Interest receivables (Note 7)	835	84
Impairments (Note 7)	-215	0
Total maximum credit risk	27,107	12,719

The balances of bank accounts included in the Fund's cash and cash equivalents are rated Aa3 by Moody's long-term banks.

Additional information on credit risk assessment is disclosed in Note 1.

Collateral of loans and bonds

As of 31.12.2025	Loan balance	Collateral	Total value of collateral	Notes
€ thousands				
Secured loans and bonds	19,000	Mortgage	122,473	
Unsecured loans	6,805	-	-	The Fund holds an equity interest in the borrower (Note 8)
Total	25,805			

The Fund assesses the value of collateral assets both during the loan origination process and subsequently on a regular basis. Estimates of the market value of collateral are based on the principle of prudence and take into account the type of collateral. For collateral in the form of real estate investments, independent expert valuations are used, which are updated at least once a year. In the case of residential real estate, the assessment of collateral value is primarily based on project budgets.

The principal types of loan collateral are:

- Real estate (mortgage)
- Commercial pledge
- Security deposit

In the absence of mortgages, the Fund applies structural measures to mitigate credit risk, including participation in the borrower's equity of at least 50%. Such participation enables the Fund to exercise control over the borrower's activities and cash flows and to influence the realisation of the investment, thereby reducing credit risk.

For loan agreements and bonds where the fair value of the mortgage collateral significantly exceeds the Fund's credit exposure to the borrower, no 12-month expected credit loss is recognised due to its immateriality.

Capital management

The Fund's objective in managing capital is to ensure the Fund's ability to continue as a going concern, to ensure investors a return on their investment and to maintain an optimal capital structure. The Fund considers the net asset value of the Fund's assets owned by limited and general partners as capital.

The required capital volume is calculated individually for each investment, considering the volume of net cash flows of a specific investment. The Fund management monitors capital adequacy on a daily basis, analysing the volume of the fund's net assets and periodic changes.

10 Fund capital contributions

In 2025, the Fund's investors made capital contributions totalling 13,928 thousand euros (from inception to 31.12.2024: 12,620 thousand euros). In 2025, the Fund made capital distributions to investors for the first time in its operating history, in the amount of 751 thousand euros. As of 31 December 2025, the outstanding balance of capital contributions amounted to 26,548 thousand euros.

As of 31 December 2025, capital commitment agreements have been entered into between the Fund and its investors, under which investors are committed to contribute a total of 40,160 thousand euros to the Fund for investment purposes. Accordingly, as at the end of the reporting period, the Fund may still call an additional 13,612 thousand euros of capital from investors.

Shareholders holding more than 10% of the Fund are presented in the table below:

Investor	31.12.2025
European Bank for Reconstruction and Development (EBRD)	36.8%
Pension fund SEB aktīvais plāns	16.3%

11 Related party transactions

EFTEN Special Opportunities Fund usaldusfond considers related parties:

- EFTEN Special Opportunities Fund usaldusfond employees and employee-owned companies;
- General partner EFTEN SOF GP OÜ;
- General partner EFTEN SOF GP OÜ board members and their related companies;
- persons who own more than 10% of the Fund's paid-in capital
- EFTEN Capital AS (fund manager).

In 2025, the Fund purchased management services from EFTEN Capital AS in the amount of 249 thousand euros (2024: 26 thousand euros) (see Note 4) and accounting services in the amount of 8 thousand euros (2024: 2 thousand euros) (see Note 5). EFTEN Special Opportunities Fund did not purchase any other goods or services from, nor sell any goods or services to, other related parties.

In 2025, the Fund granted loans to joint ventures in the total amount of 6,806 thousand euros and recognised interest income on these loans amounting to 363 thousand euros. As of 31 December 2025, the Fund had long-term interest receivables from joint ventures totalling 363 thousand euros. In 2024, no loans were granted to joint ventures and no interest was recognised.

The Fund had no employees during the reporting period.



Independent Auditor's Report

To the unitholders of Usaldusfond EfTEN Special Opportunities Fund

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Usaldusfond EfTEN Special Opportunities Fund (the "Fund") as at 31 December 2025, and the Fund's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

What we have audited

The Fund's financial statements comprise:

- the statement of comprehensive income for the year ended 31 December 2025;
- the statement of financial position as at 31 December 2025;
- the statement of cash flows for the year then ended;
- the statement of changes in net assets of the fund for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Estonia) (ISAs (EE)). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

Independence

We are independent of the Fund in accordance with the Code of Ethics for Professional Accountants (Estonia) (including Independence Standards) as adopted by Auditing Activities Oversight Board (Code of Ethics (Estonia)) and we have fulfilled our other ethical responsibilities in accordance with Code of Ethics (Estonia).

Other information

The Management Board is responsible for the other information. The other information comprises the Management report and Note: environmental and/or social characteristics of the fund (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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Translation note:
This version of the report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Board and those charged with governance for the financial statements

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the Management Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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This version of the report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

On behalf of AS PricewaterhouseCoopers

Original report is signed in Estonian language.

Jüri Koltsov
Auditor's certificate no. 623

27 February 2026
Tallinn, Estonia

Translation note:
This version of the report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Signatures of the Management to the Annual report 2025

We hereby confirm the accuracy of the information provided in the annual report of the EFTEN Special Opportunities usaldusfond for the financial year ended 31 December 2025.

Viljar Arakas

Member of the Management Board of EFTEN SOF GP OÜ

Tõnu Uustalu

Member of the Management Board of EFTEN SOF GP OÜ

ANNEX: Environmental and/or social characteristics of the Fund

Product name: Usaldusfond EFTEN Special Opportunities Fund

Legal entity identifier: N/A

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?	
<p>●● <input type="checkbox"/> Yes</p> <p><input type="checkbox"/> It made sustainable investments with an environmental objective: ___%</p> <p style="margin-left: 20px;"><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p style="margin-left: 20px;"><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It made sustainable investments with a social objective: ___%</p>	<p>● ● <input checked="" type="checkbox"/> No</p> <p><input checked="" type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 100% of sustainable investments</p> <p style="margin-left: 20px;"><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p style="margin-left: 20px;"><input type="checkbox"/> with a social objective</p> <p><input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments</p>

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



To what extent were the environmental and/or social characteristics promoted by this financial product met?

Usaldusfond EFTEN Special Opportunities Fund (hereinafter the Fund) has defined performance indicators and metrics in its documentation, covering pre-investment sustainability assessment, sustainable portfolio management of acquired and/or (re)developed assets, and reporting to investors. Over the long term, the Fund promotes sustainable lease agreements (so-called green leases) as well as cost-efficient sustainability improvements, the impact of which is measured throughout the investment lifecycle using EPC energy performance certificates and BREEAM certification levels. The entire portfolio of the Fund complies with the environmental characteristics promoted in the Fund’s documentation.

● **How did the sustainability indicators perform?**

The Fund is currently in the investment phase and its portfolio has not yet been fully established. The Fund’s documentation defines metrics for assessing sustainability performance, which are monitored on an asset-by-asset basis (including through consumption data and progress in certification). Until the portfolio is fully developed, it is not reasonable to

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

apply comprehensive, portfolio-wide performance measurement. To provide an overview of sustainability topics, the Sustainability Report 2024 has been published.

● **...and compared to previous periods?**

Certifications:

- In 2025, the BREEAM certification of the existing buildings at Švitrigailos was completed, achieving the targeted level of “Very Good.”
- In 2025, the Fund made four (4) new investments, for which the target has been set that the assets achieve an energy performance class (EPC) of A or higher.

Consumption data overview:

- Consumption data for the Švitrigailos buildings was collected and monitored for both 2024 and 2025, ensuring continuous oversight of building performance and resource use.
- Data coverage was 100%, and therefore no estimations or proxy data were required.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

Sustainable investments contribute to achieving the set objectives by integrating sustainability criteria into the design and construction process and by ensuring compliance with certification target levels, including achieving and maintaining the target level of the energy performance certificate (EPC).

In 2025, the Fund made four (4) new investments, for which the target has been set that the assets achieve an energy performance class (EPC) of A or higher.

BREEAM certification targets by investment:

Investment	BREEAM certificate level	
Švitrigailose office building	In-Use	Very Good
Tech Zity development	In-Use	Very Good
Releven residential	New Construction	Very Good
Releven commercial	New Construction	Excellent

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

When assessing the avoidance of significant harm to any environmental or social objectives, the Fund relies on the EU Taxonomy “do no significant harm” criteria for real estate investments. Accordingly, the Fund considers the “do no significant harm” requirements to be met where the asset’s climate change mitigation measures substantially align with the principles of the EU Taxonomy.

— *How were the indicators for adverse impacts on sustainability factors taken into account?*

The Fund does not currently account for principal adverse impacts on sustainability factors due to limited data of underlying investments. As the Fund’s investment portfolio matures and data becomes available, principal adverse impacts will be reconsidered and accounted for.

— *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

All investments of the Fund are real estate investments. Compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is assessed through due diligence processes carried out in the course of investment and portfolio management, with a particular focus on counterparties related to the investments (e.g. developers, asset managers and service providers). During the reporting period, no material breaches of these principles have been identified to the best of the Fund's knowledge.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
Švitrigailose office building	Commercial	28,6%	Lithuania
Hepsor Lasnamäe	Residential	21,4%	Estonia
Rinvest loan	Residential	17,2%	Lithuania
Tech Zity development	Commercial	11,5%	Lithuania
Releven	Mixed-use	7,6%	Lithuania
MO Villas	Residential	7,6%	Lithuania
Invego Marupe	Residential	6,1%	Latvia

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01.01.2025-31.12.2025.



What was the proportion of sustainability-related investments?

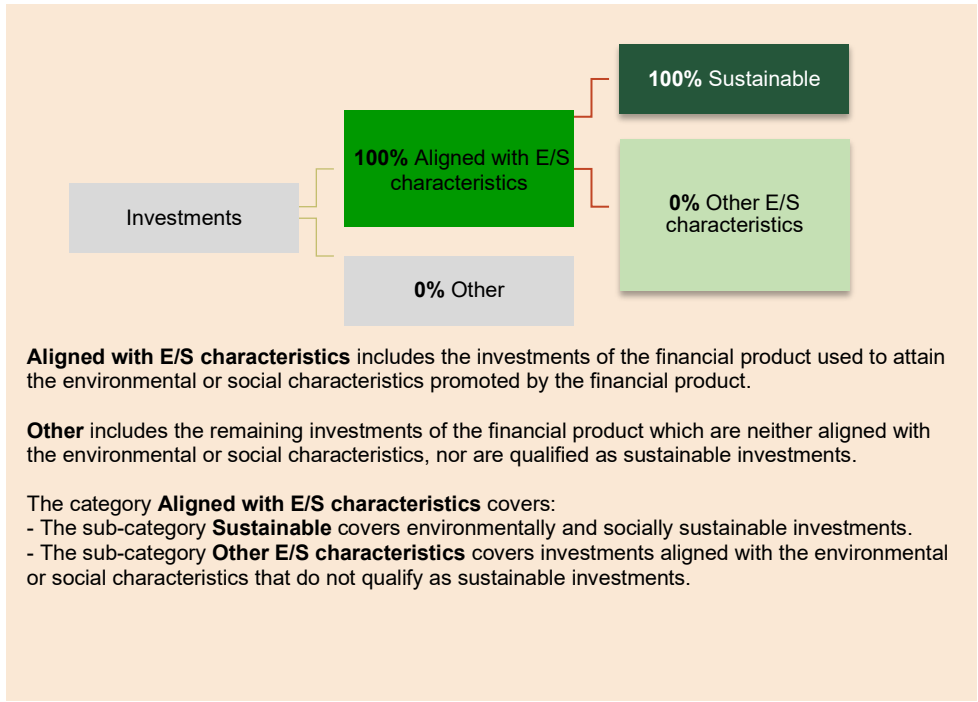
All of the Fund's investments follow the criteria established in the Fund's documentation, including eligibility for promoted sustainability related activities. The Fund does not have a minimum level of sustainable investments.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

● **What was the asset allocation?**



● **In which economic sectors were the investments made?**

The Fund’s investments are 100% allocated to the real estate sector, covering both existing buildings and development projects.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

11.5% of the Fund’s investments are fully aligned with the EU Taxonomy.

● **What was the share of investments made in transitional and enabling activities?**

11.5% of the Fund’s investments are fully allocated to real estate development, where investments to be made in the coming years take into account transition and enabling activities.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The share of investments aligned with the EU Taxonomy was 11.5% (previous period: 24%).



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

During the reporting period, sustainable investments with an environmental objective that were not aligned with the EU Taxonomy accounted for 88,5% of the Fund’s investments. EU Taxonomy alignment was not a precondition for investment decisions. The Fund assesses its assets on an ongoing basis and plans and implements improvement measures with the aim of increasing the share of investments aligned with the EU Taxonomy in the future.

What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

No other investments were made.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.





What actions have been taken to meet the environmental and/or social characteristics during the reference period?

During the reporting period, the Fund implemented measures to promote environmental characteristics both at the investment stage and in portfolio management, and published the Sustainability Report 2024 to provide an overview of sustainability-related topics.

At the investment stage, a pre-investment sustainability assessment was applied, including, among other aspects, an analysis of the energy performance of the assets and opportunities for improvement. In 2025, the Fund made four (4) new investments in development projects, where the targeted energy performance class (EPC) of the assets was A or higher.

As part of portfolio management, asset-level performance monitoring was continued, including the collection and monitoring of building consumption data. For the Švitrigailos buildings, data coverage reached 100%, and therefore no estimations or proxy data were required.

With regard to certification, the BREEAM certification of the existing Švitrigailos buildings was completed in 2025, achieving the targeted rating level of "Very Good."