



INVESTMENT FUND
CBL European Leaders Equity Fund

ANNUAL REPORT for 2025

Prepared in accordance with the IFRS
Accounting Standards adopted by the European Union

Riga, 2026



**CBL ASSET
MANAGEMENT**

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INFORMATION ON THE INVESTMENT FUND

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| Name of the Fund: | IF CBL European Leaders Equity Fund |
| Type of the Fund: | Investment Fund |
| Date of registration of the Fund: | 7 March 2013 |
| Date of commencement of the Fund's operations: | 20 November 2013 |
| Number of the Fund: | FL127 |
| Name of the Investment Management Joint Stock Company: | CBL Asset Management IPAS |
| Legal address: | Republikas laukums 2a, Riga, LV-1010, Latvia |
| Registration number: | 40003577500 |
| License number: | 06.03.07.098/367 |
| Name of the Fund's custodian bank: | Citadele banka AS |
| Legal address: | Republikas laukums 2a, Riga, LV-1010, Latvia |
| Registration number: | 40103303559 |
| Name, surname, position of the members of the Supervisory Board and the Management Board of the Investment Management Joint Stock Company: | Supervisory Board of the Investment Management Joint Stock Company: Vaidas Žagunis, Chairperson of the Supervisory Board, appointed on 03.08.2021 Vladimirs Ivanovs, Deputy Chairperson of the Supervisory Board, appointed on 03.08.2021 Ruta Ezerskiene, Member of the Supervisory Board, resigned on 17.03.2025 Edward Rebane, Member of the Supervisory Board, appointed on 17.03.2025 Management Board of the Investment Management Joint Stock Company: Kārlis Purgailis, Chairperson of the Management Board Zigurds Vaikulis, Member of the Management Board Lolita Sičeva, Member of the Management Board |
| Rights and responsibilities related to the investment fund management: | Members of the Supervisory Board and Management Board shall perform all duties provided for in the laws and regulations of the Republic of Latvia and the Articles of Association of the investment management joint stock company. |
| Fund Managers: | Andrejs Piļka, Edgars Lao |
| Rights and responsibilities related to the Fund management: | The Fund Managers shall perform all duties of the Fund Manager provided for in the laws and regulations of the Republic of Latvia, Articles of Association of the investment management joint stock company and the Fund Prospectus. |
| Auditors: | Rihards Grasis Certified Auditor Certificate No. 227 KPMG Baltics SIA Roberta Hirša iela 1, Riga Latvia, LV-1045 License No. 55 |

INVESTMENT MANAGEMENT JOINT STOCK COMPANY REPORT

The asset manager of the sub-fund CBL European Leaders Equity Fund (hereinafter – the Fund) is CBL Asset Management, an investment management joint stock company with registered office at Republikas laukums 2a, Riga, LV-1010 (hereinafter – the Company). The Company's operating license number is 06.03.07.098/367, which was last re-registered on 19 January 2015.

The aim of the fund's investments is to achieve long-term capital growth by investing mainly in the shares of issuers registered or having their principal activity in Europe. The income of the fund consists of the increase in share prices and income from dividends. The underlying investments for this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

At the end of the year, the cash position amounted to 1.91% of the Fund's net assets. During the 2025 reporting period, the Fund's net assets increased by EUR 5,808,238, and at the end of the year the Fund's net assets amounted to EUR 15,288,621. Gross assets amounted to EUR 15,318,919 as at 31.12.2025. In turn, the value of the Fund's share increased by EUR 4.12 in 2025, reaching EUR 57.44. The total return of the Fund in 2025 was positive in 7.73% of the Fund's base currency (euro) at foreign exchange rates set in the financial markets at the end of the day.

2025, despite an overall positive trend, has provided global stock markets with more than enough reasons for nervousness. Since Donald Trump's inauguration at the end of January, financial markets have been subject to heightened volatility, culminating in early April when the US announced massive import tariffs on all trading partner countries. This triggered a major adjustment in global stock markets. The panic was relatively short-lived though. With the easing of tensions on the tariff front, the stock markets were able to recover from the downturns and return to growth.

The US and global economy have adapted to the new tariff reality without major shocks. The chaotic foreign policy of the United States has not been able to steer the US economy away from growth. The US labour market has become much cooler since the spring, but there is no sign of a crisis – the wage bill continues to grow at a healthy pace and consumers have continued to spend actively. US economic growth is expected to be close to 2.0% in 2025 (2.8% in 2024). Eurozone business sentiment remained optimistic throughout 2025. Although the situation in the manufacturing sector of the eurozone remains fragile, the replenishment of US stocks due to tariffs contributed to the recovery of the sector. Eurozone GDP growth could reach 1.4% in 2025 compared to 0.9% in 2024.

Inflation became a secondary concern in 2025. Inflation in the eurozone stabilized close to the European Central Bank's 2% target level, while in the US it remained in the 2.5-3.0% range. For the time being, the impact of import tariffs on US inflation is relatively small. This allowed the US Federal Reserve and the ECB to continue reducing interest rates in 2025, which further supported the stock markets. The ECB lowered the deposit rate by 0.75 percentage points to 2.0% in the first half of the year and has kept rates unchanged since June. In the autumn, the Fed took over from the ECB and lowered the benchmark interest rate in three steps to 3.50-3.75%. Market participants expect the ECB to take a break in 2026 while the Fed could continue to reduce rates.

The agreement of European countries to increase military defence spending, as well as Germany's approval of a fiscal support programme focused on military and infrastructure spending, aimed at increasing the country's competitiveness after years of rather modest infrastructure investments, provided significant support to the European stock market. The announcements of these plans pushed up the prices of the military and infrastructure-related shares, which became growth leaders in the European stock market in 2025.

The tariffs introduced by the US, as well as the strengthening of the euro exchange rate, had a negative impact on European exporters and led analysts to revise downward profit forecasts in most of the sectors. One of the more sheltered sectors in this situation turned out to be the financial sector, which benefited from still relatively high interest rates, low dependence on exchange rate fluctuations and relatively low valuation ratios. European banks reported strong financial results in each quarter of the year, consistently exceeding analysts' forecasts. This contributed to the growth of the sector's shares throughout 2025.

In 2025, the broad European market index Stoxx Europe 600 closed the year with an increase of almost 20%, outperforming the performance of the main US stock market index S&P 500 (+17.4%).

The total management costs during the reporting period amounted to EUR 216,195, which is within the maximum remuneration payable of 4.00% of the Fund's assets as set out in the Fund's Prospectus. The amount of the rewards payable out of the assets of the Fund is determined as a percentage per annum of the average value of the Fund's net assets.

The assets of the Fund during the reporting period covered the fee of the investment management joint stock company for the management of the Fund's assets of EUR 168,702, the remuneration of the custodian bank of EUR 21,690 and other expenses of EUR 25,803. The Fund's ongoing charges ratio for the period under review was 1.70% of the Fund's average net asset value. The prospectuses of the investment funds managed by the Company do not provide for performance fees.

The team of managers of CBL Asset Management IPAS closely follows the development of global events: economic development scenarios, monetary and fiscal policies of the largest countries, as well as possible inflationary and political risks. Among the factors that could have a negative impact on the stock market result are geopolitical risks, including the recent escalation of the situation in the Middle East, the uncertainty of the American political exchange rate. To mitigate these risks, the Fund's strategy is based on maintaining high selectivity in the choice of instruments.

On behalf of the Management Board of the Investment Management Joint Stock Company:

Karlis Purgailis
Chairperson of the Management Board

Andrejs Pilka
Fund Manager

Edgars Lao
Fund Manager

Riga, 24 April 2026

*This report is signed with a secure electronic signature and contains a time stamp.

REPORT ON THE IMPLEMENTATION OF THE ENGAGEMENT POLICY

The Asset Manager shall participate in the management of the companies in which the assets of the Fund are invested by exercising its voting rights, where the voting rights held by the Fund amount to at least 5% of the total number of votes.

During the reporting period, the Asset Manager did not implement any engagement activities through voting rights at general meetings of shareholders and/or bondholders and did not use the services of proxy advisors.

On behalf of the Management Board of the Investment Management Joint Stock Company:

Karlis Purgailis
Chairperson of the Management Board

Andrejs Pilka
Fund Manager

Edgars Lao
Fund Manager

Riga, 24 April 2026

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STATEMENT OF RESPONSIBILITY OF THE MANAGEMENT BOARD OF THE INVESTMENT MANAGEMENT JOINT STOCK COMPANY

The Management Board of the Investment Management Joint Stock Company (hereinafter – the Company) is responsible for preparation of financial statements of the CBL European Leaders Equity Fund (hereinafter – the Fund).

The financial statements set out on pages 7 to 22 have been prepared based on the supporting documents and give a clear and fair view of the financial position of the Fund as at 31 December 2025 and of its performance for the year then ended.

The above financial statements have been prepared in accordance with the IFRS Accounting Standards adopted by the European Union, as required by the regulation of the Bank of Latvia – Regulation No. 382 “On Preparation of Annual Reports, Consolidated Annual Reports and Semi-Annual Reports of Investment Fund and Open Alternative Investment Fund” on a going concern basis. Appropriate accounting policies have been consistently applied during the reporting period. The judgements and assumptions made by management in the preparation of the financial statements have been prudent and reasonable.

The Management Board of the Investment Management Joint Stock Company is responsible for the maintenance of proper accounting records, the safeguarding of assets of the CBL European Leaders Equity Fund and detecting and preventing fraud and other unfair practices. The Management Board is also responsible for compliance with the Law on Investment Management Companies of the Republic of Latvia, regulations of the Bank of Latvia and other legislative requirements of the Republic of Latvia.

On behalf of the Management Board of the Investment Management Joint Stock Company:

Karlis Purgailis
Chairperson of the Management Board

Riga, 24 April 2026

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STATEMENT OF ASSETS AND LIABILITIES

| | Notes | <u>31.12.2025</u> | <u>31.12.2024</u> |
|--|--------------|--------------------------|--------------------------|
| Assets | | | |
| Financial assets measured at amortized cost | | | |
| Due on demand from credit institutions | 3 | 291,829 | 147,455 |
| Financial assets at fair value through profit or loss | | | |
| Equity instruments | 4 | 15,027,090 | 9,351,763 |
| Financial assets measured at amortized cost | | | |
| Other assets | | - | 220 |
| Total assets | | <u>15,318,919</u> | <u>9,499,438</u> |
| Liabilities | | | |
| Financial liabilities measured at amortised cost | | | |
| Accrued expenses | 5 | (30,298) | (19,055) |
| Total liabilities | | <u>(30,298)</u> | <u>(19,055)</u> |
| Net assets | | <u>15,288,621</u> | <u>9,480,383</u> |

Notes 11 to 22 form an integral part of these financial statements.

On behalf of the Management Board of the Investment Management Joint Stock Company:

Karlis Purgailis
Chairperson of the Management Board

Riga, 24 April 2026

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STATEMENT OF INCOME AND EXPENSES

| | Notes | 2025 | 2024 |
|---|-------|------------------|------------------|
| Income for the reporting period | | | |
| Interest income | | 2,340 | 2,475 |
| Dividend income | | 141,148 | 111,343 |
| Other income | | 3,564 | 10,192 |
| Total income | 7 | 147,052 | 124,010 |
| Expenses for the reporting period | | | |
| Remuneration to the investment management joint stock company | | (168,702) | (135,175) |
| Remuneration to the custodian bank | | (21,690) | (17,380) |
| Other Fund management expenses | 6 | (25,803) | (19,946) |
| Total expenses | | (216,195) | (172,501) |
| Increase in investment value | | | |
| Realised (decrease) in investment value | 8 | (613,346) | (284,984) |
| Unrealised increase in investment value | 9 | 1,514,425 | 677,247 |
| Total increase in investment value | | 901,079 | 392,263 |
| Increase in net assets from investments | | 831,936 | 343,772 |

Notes 11 to 22 form an integral part of these financial statements.

On behalf of the Management Board of the Investment Management Joint Stock Company:

Karlis Purgailis
Chairperson of the Management Board

Riga, 24 April 2026

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STATEMENT OF CHANGES IN NET ASSETS

| | Notes | 2025 | 2024 |
|--|--------------|-------------------|------------------|
| Net assets at the beginning of the reporting year | | 9,480,383 | 8,370,468 |
| Increase in net assets from investments | | 831,936 | 343,772 |
| Transactions in share certificates and units | | | |
| Inflow from sale of share certificates and units | | 5,866,953 | 2,858,716 |
| Outflow on redemption of share certificates and units | | (890,651) | (2,092,573) |
| Increase in net assets from transactions in share certificates and units | | 4,976,302 | 766,143 |
| Increase in net assets during the reporting period | | 5,808,238 | 1,109,915 |
| Net assets at the end of the reporting year | 17 | 15,288,621 | 9,480,383 |
| Number of issued share certificates and units at the beginning of the reporting period | | 177,798 | 164,080 |
| Number of issued share certificates and units at the end of the reporting period | 17 | 266,186 | 177,798 |
| Net assets per share certificate and unit at the beginning of the reporting period | | 53.32 | 51.01 |
| Net assets per share certificate and unit at the end of the reporting period | 17 | 57.44 | 53.32 |

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On behalf of the Management Board of the Investment Management Joint Stock Company:

Karlis Purgailis
Chairperson of the Management Board

Riga, 24 April 2026

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CASH FLOW STATEMENT

| | Notes | 2025 | 2024 |
|---|-------|--------------------|------------------|
| Interest income | | 2,340 | 2,475 |
| Dividend income | | 140,981 | 112,464 |
| Other income | | 3,574 | 10,192 |
| Investment management expenses | | (204,952) | (169,475) |
| Acquisition of investments | 10 | (12,730,620) | (6,537,644) |
| Inflow from sale of investments | 10 | 7,967,354 | 5,790,124 |
| (Decrease) in cash and cash equivalents from operating activities | | (4,821,323) | (791,864) |
| Cash flow from financing activities | | | |
| Inflow from sale of share certificates and units | | 5,867,173 | 2,858,496 |
| Outflow on redemption of share certificates and units | | (890,651) | (2,092,573) |
| Increase in cash and cash equivalents from financing activities | | 4,976,522 | 765,923 |
| Increase/(decrease) in net cash and cash equivalents in the reporting period | | 155,199 | (25,941) |
| Cash and cash equivalents at the beginning of the reporting year | | 147,455 | 177,622 |
| Effects of changes in foreign exchange rates on cash and cash equivalents | | (10,825) | (4,226) |
| Cash and cash equivalents at the end of the reporting year | 3 | 291,829 | 147,455 |

Notes 11 to 22 form an integral part of these financial statements.

On behalf of the Management Board of the Investment Management Joint Stock Company:

Karlis Purgailis
Chairperson of the Management Board

Riga, 24 April 2026

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NOTES TO THE FINANCIAL STATEMENTS

1. NOTE GENERAL INFORMATION

| | |
|--|--|
| Name of the Fund: | IF CBL European Leaders Equity Fund |
| Type of the Fund: | Investment Fund |
| Scope of the Fund: | The investment fund aims to achieve long-term capital growth by investing primarily in shares of issuers that are established or have their principal activities in Europe, without sectoral restrictions. The income of the Fund is generated by share price appreciation and dividend income. The Fund shall promote environmental and/or social characteristics within the meaning of Article 8 of the SFDR. The Fund shall not track the performance of a financial index. |
| Name of the investment management joint stock company: | CBL Asset Management IPAS Republikas laukums 2a, Riga, LV-1010, Latvia |

NOTE 2 SIGNIFICANT ACCOUNTING PRINCIPLES

Principles for the preparation of financial statements

The financial statements of the CBL European Leaders Equity Fund have been prepared in accordance with the IFRS Accounting Standards as adopted by the European Union, as required by the Bank of Latvia – Regulation No. 382 “On Preparation of Annual Reports, Consolidated Annual Reports and Semi-Annual Reports of Investment Fund and Open Alternative Investment Fund”.

The financial statements are prepared under the historical cost convention, except for financial instruments held for trading, which are carried at fair value. The financial statements are presented in the official currency of the Republic of Latvia, the euro (EUR). The financial statements cover the period from 1 January 2025 to 31 December 2025.

Functional and reporting currency

The Fund’s functional currency is the US dollar, but in accordance with the requirements of the Bank of Latvia, the Fund also maintains its accounts in euro and accordingly the presentation currency of these financial statements is euro.

Significant estimates and assumptions

All interest income and expenses are accounted for on an accrual basis.

Interest income and expenses relating to assets or liabilities measured at amortised cost are recognised in the statement of income and expenses using the effective interest rate method. The effective interest rate is the rate that exactly discounts the future cash flows of a financial instrument over the expected life of the financial asset or liability. For financial instruments measured at fair value through profit or loss, interest income is recognised on an accrual basis, without applying the effective interest rate method. Dividend income is recognised upon receipt. In certain cases, dividend income may be recognised upon a decline in the share price following the issuer’s announcement of dividend payment. However, no such cases occurred in 2025.

Income and expense recognition

All interest income and expenses are accounted for on an accrual basis. Interest income and expense on assets or liabilities carried at amortised cost is recognised in the income statement using the effective interest method. The effective interest rate is the rate that exactly discounts the future cash flows of a financial instrument over the expected life of the financial asset or liability. For financial instruments at fair value through profit or loss, interest income is recognised on an accrual basis but without applying the effective interest rate. The remuneration of the Asset Manager for managing the Fund and a custodian fee is calculated as a percentage of the value of the Fund’s assets and is accrued daily and paid monthly.

Revaluation of foreign currencies

Transactions in foreign currencies are revalued in euro at the reference foreign exchange rate published by the European Central Bank on the transaction date. Monetary assets and liabilities denominated in foreign currencies are revalued in euro at the foreign exchange reference rate published by the European Central Bank at the end of the last day of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies and measured at fair value in a foreign currency are translated into the functional currency using the exchange rate of the day on which the fair value was determined. Foreign exchange gains or losses arising from changes in foreign exchange rates are included in the statement of income and expenses as gains or losses on revaluation of foreign currency positions. The exchange rates published by the European Central Bank for the currencies most used in the preparation of the Fund’s statement of assets and liabilities (foreign currency unit to EUR) were as follows:

| Currency | 31.12.2025 | 31.12.2024 |
|----------|------------|------------|
| CHF | 0.9314 | 0.9412 |
| DKK | 7.4689 | 7.4578 |
| GBP | 0.8726 | 0.82918 |
| NOK | 11.843 | 11.795 |
| PLN | 4.221 | 4.275 |
| SEK | 10.8215 | 11.459 |

Cash

Cash of the Fund are all claims of the Fund on credit institutions.

Financial instruments

Financial assets are recognised in the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are classified as at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss. The basis for classification is both the business model within which the financial assets are managed and the contractual cash flow characteristics of the financial asset. The asset classification category is determined at the time of acquisition based on guidelines established by management. To decide whether a financial asset is classified in a particular category, the Company determines at the time of acquisition whether the asset meets the criteria

for a particular business model and contractual cash flows. The business model revealed through in the Group's activities. It results from the way in which the Company typically manages its financial assets to generate cash flows. Therefore, this assessment is not made on the grounds of scenarios that the Company does not consider sufficiently realistic. In the event of a stress scenario, if cash flows were recovered in a manner different from that expected by the Company under a typical business model, this would not be a basis for considering that a prior period error had occurred, nor would a reclassification of the remaining financial assets relating to a particular business model be required. However, historical cash flows would need to be evaluated in classifying future acquisitions and could be the basis for a change in the business model.

Financial assets are initially recognised at fair value plus directly attributable transaction costs, except for financial assets at fair value through profit or loss. Regular way purchases or sales of assets are recognised using settlement date accounting. The settlement date refers to the recognition of the asset on the date the asset is transferred to the Fund and the derecognition of the asset on the date the Company transfers it to a third party.

Financial assets and liabilities measured at amortised cost

To be measured at amortised cost, a financial asset must be held simultaneously within a business model that seeks to hold the financial asset to receive its contractual cash flows, and the financial asset's contractual cash flows must be fixed and determinable over time and must comply with the 'principal and interest only' principle.

Financial assets measured at amortised cost are carried at amortised cost using the effective interest method, less any provision for impairment.

Provisions for impairment losses on financial assets that are not impaired (Stage 1 and Stage 2) are measured as the present value of any cash shortfall, being the difference between the contractual cash flows expected to be received by the Company and the cash flows expected to be received by the Company, discounted at the financial asset's effective interest rate. The provision for impairment losses on financial assets that are impaired at the reporting period end date (Stage 3) is measured as the difference between the gross carrying amount and the present value of estimated future cash flows, discounted at the financial asset's effective interest rate. For financial assets purchased or issued with impairment, the credit-adjusted effective interest rate is applied from initial recognition.

Income or expense from a financial asset measured at amortised cost is recognised through profit or loss when the financial asset is derecognised, reclassified or amortised, or to recognise or reverse an impairment loss. Financial assets measured at amortised cost are recognised at the date of issue. From the date of signature of the relevant contract until the actual date of issue, they are accounted for as a lending liability in off-balance sheet items. If the financial assets cannot be recovered, they are written off and recorded as a reduction in the allowance for credit losses. The decision to write off loans is made by the Company's management. Proceeds from the recovery of loans previously written off are recognised through profit or loss.

The Company classifies all financial liabilities as carried at amortised cost using the effective interest method, except for derivative financial instruments, which are measured at fair value through profit or loss. Gains or losses on financial liabilities measured at amortised cost are recognised through profit or loss when the financial liability is derecognised and amortised.

Financial instruments at fair value through profit or loss

Financial assets are measured at fair value through profit or loss if they are not measured at amortised cost or at fair value through other comprehensive income. Most of the Fund's financial assets are classified in this category because the Fund's business model is designed to increase its net assets through holding and trading these assets. Financial assets or liabilities can be designated at fair value through profit or loss upon initial recognition if this helps to avoid or significantly reduce accounting mismatches. These mismatches could otherwise arise from different accounting treatments for assets, liabilities, income, or expenses. Additionally, a group of financial liabilities or both financial assets and liabilities can be measured and evaluated on a fair value basis according to a documented risk management or investment strategy, with performance reported internally to management on this basis.

After initial recognition, financial assets and liabilities of swaps are remeasured at fair value based on quoted market prices or prices quoted by brokers. This category includes certain assets and liabilities that are managed and whose returns are measured on a fair value basis in accordance with a documented risk management or investment strategy. Financial assets and liabilities held for trading are measured at fair value through profit or loss. Financial assets and liabilities are held for trading if they are acquired to profit from short-term price movements or dealer margin, or if they are included in a portfolio characterised by short-term profit-taking. The Fund also has demand claims on credit institutions, but given the short-term structure and credit ratings, the allowance for credit losses is not material.

Recognition and derecognition from assets

Purchases and sales of financial assets are recognised on the settlement date. Financial assets are derecognised when the rights to the cash flows from the financial assets expire or when the Fund has transferred all risks and rewards of ownership. Financial assets classified as financial assets at fair value through profit or loss are initially recognised at fair value, with any costs associated with closing a transaction being recognised in the income statement. Other financial assets are initially recognised at fair value, including transaction costs.

Provisions for impairment of financial assets

The Company estimates expected credit losses. The impairment allowance requirements apply to financial assets measured at amortised cost but not to financial assets measured at fair value through profit or loss. Impairment provisions are recognised based on future information, even if the loss event has not occurred. A wide range of information is considered in the assessment, but as most of these exposures are credit rated, the calculation relies heavily on external credit ratings and estimated default probabilities derived from multi-period rating migration matrices calculated by rating agencies. If an external rating agency credit rating is not available for assessment, it may be replaced by an internally calculated credit quality level. Credit risk indicators (default, delinquency, restructuring) and individual issuer credit risk assessment are also considered. The Company considers exposures with investment grade credit ratings to be low risk assets and therefore it is assumed that they have not significantly increased in credit risk since acquisition. For exposures rated below investment grade by more than 3 notches, a decline in credit rating since the original acquisition is considered as a factor indicating a significant increase in credit risk. Estimated credit losses are recognised based on the stage of the provision to which the exposure is allocated at the reporting date. A 12-month expected

credit loss is recognised for Stage 1 exposures where there has been no material increase in credit risk since initial recognition. Life-cycle expected credit losses are recognised for Stage 2 exposures where the credit risk has increased significantly since initial recognition and for Stage 3 exposures that are in default. Stage 3 exposures, if identified, would be subject to additional comprehensive assessment, including comparison with market valuations for similar exposures, market depth of the underlying security, past trading performance and other available information.

Fair value of financial assets and liabilities

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

When possible, the Company measures the fair value of a financial instrument using quoted prices in an active market. A market is considered active if transactions in the asset or liability occur frequently enough and in sufficient volume to permit regular price information to be obtained. The revaluation of securities is carried out using financial information available on Bloomberg and NASDAQ OMX Riga on the bid prices of these securities. Purchases and sales of securities are recognised on the settlement date. The acquisition value of securities sold is determined using the FIFO (first in, first out) method. Where a quoted price in an active market is not available, the Company uses valuation techniques that use observable market data to the extent possible and unobservable inputs to the extent possible. The valuation method chosen includes all factors that market participants would consider in determining the transaction price. At initial recognition, the best evidence of the fair value of a financial instrument is the transaction price, i.e. the fair value of the consideration paid or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is not evidenced either by a quoted price in an active market for an identical asset or liability or by the results of a valuation technique that uses only observable inputs, the financial instrument is initially measured at fair value, adjusted to reflect the difference between the fair value at initial recognition and the transaction price. This difference is subsequently recognised in profit or loss, as appropriate, considering the expected life of the instrument, but not later than the point at which the value can be fully supported by observable market data or the transaction is completed. The portfolios of financial assets and financial liabilities exposed to market risk and credit risk managed by the Company based on net exposure to either market risk or credit risk are valued by reference to the price that would be paid to sell a net long position (or paid to transfer a net short position) in the individual risks. These portfolio level adjustments are allocated to individual assets and liabilities based on relative risk adjustments for each individual portfolio of instruments. A description of the methods used to determine fair value by 3 levels, based on the degree of observability of the information used in the valuation techniques, is presented below.

Level 1 – Financial instruments are valued using unadjusted prices in active markets. Valuation technique: observable market inputs. This category mainly includes equity instruments, debt instruments, short-term bonds and standardised derivatives valued using quoted exchange prices. Securities traded in active markets over-the-counter are also included in this category.

Level 2 – Financial instruments are valued using techniques based on observable market data. In some cases, valuation reports prepared by independent third parties or prices in less liquid markets are used. Valuation technique: unobservable market inputs. This category is predominantly less liquid debt instruments and derivatives which are valued based on available market data. The price of less liquid debt securities is adjusted for yield spreads available in the market.

Level 3 – Financial instruments are valued using techniques in which significant inputs are not based on observable market data. The Company recognises a change in the fair value hierarchy level for instruments in the Fund's reports at the end of the reporting period in which the change occurs. There have been no changes in the fair value hierarchy levels compared to last year.

The portfolios of financial assets and financial liabilities exposed to market risk and credit risk that the Company manages for the Fund, based on the net exposure to either market risk or credit risk, are valued by reference to the price that would be paid to sell a net long position (or paid to transfer a net short position) in the individual exposures. These portfolio-level adjustments are allocated to individual assets and liabilities based on the relative risk adjustment for each individual instrument in the portfolio.

Taxes

The income of the Fund is subject to income taxes in the country where it is earned. The Fund is not subject to corporate income tax in the Republic of Latvia.

IFRS accounting standards issued or amended during the financial year with effect from 1 January 2025

- Lack of exchangeability – amendments to IAS 21;

In 2025, the Fund has not had transactions affected by the new standards in force or amendments thereto, and the Company's accounting policies already comply with the requirements of the new standards.

Published standards not yet in force

A number of new standards or amendments thereto are in force for accounting periods beginning after 1 January 2025 (some of which have not yet been approved by the European Union) and their earlier application is permitted; however, in preparing these financial statements, the Fund has not applied the new or amended standards earlier. The new and supplemented standards listed below are not expected to have a material effect on the financial statements of the Fund.

The Company is currently evaluating the potential impact of the abovementioned new or supplemented standards on the financial statements of the Plan:

- Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective from 1 January 2026);
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (effective from 1 January 2026);
- Annual Improvements to IFRS Accounting Standards – Volume 11 (effective from 1 January 2026);
- Presentation and Disclosure in Financial Statements – IFRS 18 (effective from 1 January 2027);
- Subsidiaries without Public Accountability: Disclosures – IFRS 19 (effective from 1 January 2027);

NOTE 3 DUE ON DEMAND FROM CREDIT INSTITUTIONS

| | 31.12.2025 | % of the Fund's net assets 31.12.2025 | 31.12.2024 | % of the Fund's net assets 31.12.2024 |
|---|-------------------|--|-------------------|--|
| Due on demand from credit institutions, Citadele banka AS | 291,829 | 1.91% | 147,455 | 1.56% |

NOTE 4 EQUITY INSTRUMENTS

| | 31.12.2025 | % of the Fund's net assets 31.12.2025 | 31.12.2024 | % of the Fund's net assets 31.12.2024 |
|---|-------------------|--|-------------------|--|
| Corporate equity instruments | | | | |
| Equity instruments for companies in the OECD region | 15,027,090 | 98.29% | 9,351,763 | 98.64% |
| Total equity instruments | 15,027,090 | 98.29% | 9,351,763 | 98.64% |

The following table shows the equity instruments by country of origin of the issuer at 31 December 2025:

| Financial instrument | ISIN code | Currency | Quantity | Acquisition value (EUR) | Carrying amount 31.12.2025 | % of the Fund's net assets 31.12.2025 |
|---|--------------|----------|----------|-------------------------|----------------------------|---------------------------------------|
| Financial instruments traded on regulated markets: | | | | 13,132,944 | 15,027,090 | 98.29% |
| Equity instruments of German issuers: | | | | 3,105,489 | 3,666,389 | 23.99% |
| HOCHTIEF AG | DE0006070006 | EUR | 1,868 | 330,318 | 629,516 | 4.12% |
| HeidelbergCement AG | DE0006047004 | EUR | 1,910 | 381,454 | 425,930 | 2.79% |
| Deutsche Bank AG | DE0005140008 | EUR | 11,699 | 342,184 | 387,354 | 2.53% |
| GEA Group AG | DE0006602006 | EUR | 6,635 | 315,755 | 383,503 | 2.51% |
| Siemens Energy AG | DE000ENER6Y0 | EUR | 3,100 | 372,974 | 373,240 | 2.44% |
| thyssenkrupp AG | DE0007500001 | EUR | 35,000 | 326,543 | 324,590 | 2.12% |
| MTU Aero Engines AG | DE000A0D9PT0 | EUR | 851 | 317,250 | 302,360 | 1.98% |
| DEUTSCHE BOERSE STK N | DE0005810055 | EUR | 1,304 | 286,359 | 291,705 | 1.91% |
| Nemetschek SE | DE0006452907 | EUR | 3,014 | 180,842 | 279,699 | 1.83% |
| Rheinmetall AG | DE0007030009 | EUR | 172 | 251,810 | 268,492 | 1.76% |
| Equity instruments of UK issuers: | | | | 1,996,731 | 2,508,573 | 16.40% |
| Barclays PLC | GB0031348658 | GBP | 88,665 | 352,477 | 483,512 | 3.16% |
| St James's Place PLC | GB0007669376 | GBP | 27,299 | 323,928 | 433,136 | 2.83% |
| HSBC Holdings PLC | GB0005405286 | GBP | 29,127 | 314,097 | 391,475 | 2.56% |
| Rolls-Royce Holdings PLC | GB00B63H8491 | GBP | 28,046 | 263,130 | 369,458 | 2.42% |
| Games Workshop Group PLC | GB0003718474 | GBP | 1,461 | 252,963 | 316,779 | 2.07% |
| Lloyds Banking Group PLC | GB0008706128 | GBP | 230,000 | 234,521 | 258,941 | 1.69% |
| Cranswick PLC | GB0002318888 | GBP | 4,500 | 255,615 | 255,272 | 1.67% |
| Equity instruments of French issuers: | | | | 1,155,431 | 1,359,020 | 8.90% |
| Bouygues SA | FR0000120503 | EUR | 9,846 | 390,033 | 436,572 | 2.86% |
| Safran SA | FR0000073272 | EUR | 1,362 | 251,452 | 404,923 | 2.65% |
| Societe Generale SA | FR0000130809 | EUR | 4,600 | 298,511 | 316,112 | 2.07% |
| Thales SA | FR0000121329 | EUR | 878 | 215,435 | 201,413 | 1.32% |
| Equity instruments of Italian issuers: | | | | 1,070,176 | 1,258,118 | 8.23% |
| UniCredit SpA | IT0005239360 | EUR | 6,170 | 346,174 | 436,219 | 2.85% |
| Banca Mediolanum SpA | IT0004776628 | EUR | 22,183 | 357,808 | 430,350 | 2.82% |
| Banco BPM SpA | IT0005218380 | EUR | 30,542 | 366,194 | 391,549 | 2.56% |
| Equity instruments of Dutch issuers: | | | | 895,402 | 1,174,792 | 7.68% |
| ASML Holding NV | NL0010273215 | EUR | 543 | 255,169 | 500,212 | 3.27% |
| ABN AMRO Bank NV | NL0011540547 | EUR | 15,526 | 407,423 | 462,364 | 3.02% |
| ASM International NV | NL0000334118 | EUR | 410 | 232,810 | 212,216 | 1.39% |
| Equity instruments of Swiss issuers: | | | | 875,118 | 1,029,874 | 6.74% |
| Galderma Group AG | CH1335392721 | CHF | 2,200 | 384,597 | 382,886 | 2.51% |
| ABB Ltd | CH0012221716 | CHF | 5,850 | 190,895 | 371,953 | 2.43% |
| Belimo Holding AG | CH1101098163 | CHF | 328 | 299,626 | 275,035 | 1.80% |
| Equity instruments of Finnish issuers: | | | | 771,000 | 754,979 | 4.94% |
| Metso Oyj | FI0009014575 | EUR | 25,500 | 369,015 | 381,990 | 2.50% |
| Orion Oyj | FI0009014377 | EUR | 5,860 | 401,985 | 372,989 | 2.44% |
| Equity instruments of Danish issuers: | | | | 741,645 | 621,595 | 4.06% |
| ISS A/S | DK0060542181 | DKK | 15,075 | 393,443 | 439,197 | 2.87% |
| Novo Nordisk A/S | DK0062498333 | DKK | 4,184 | 348,202 | 182,398 | 1.19% |
| Equity instruments of Polish issuers: | | | | 540,835 | 589,247 | 3.86% |
| CD Projekt SA | PLOPTTC00011 | PLN | 5,700 | 231,682 | 325,444 | 2.13% |
| Dino Polska SA | PLDINPL00011 | PLN | 26,929 | 309,153 | 263,803 | 1.73% |
| Equity instruments of Swedish issuers: | | | | 570,902 | 554,368 | 3.62% |
| Tele2 AB | SE0005190238 | SEK | 20,000 | 302,391 | 286,467 | 1.87% |
| Lagercrantz Group AB | SE0014990966 | SEK | 13,598 | 268,511 | 267,901 | 1.75% |
| Equity instruments of Norwegian issuers: | | | | 595,729 | 526,599 | 3.44% |
| Kongsberg Gruppen ASA | NO0013536151 | NOK | 12,265 | 389,134 | 267,815 | 1.75% |
| Gjensidige Forsikring ASA | NO0010582521 | NOK | 10,155 | 206,595 | 258,784 | 1.69% |
| Equity instruments of Austrian issuers: | | | | 375,884 | 494,467 | 3.23% |
| BAWAG Group AG | AT0000BAWAG2 | EUR | 3,857 | 375,884 | 494,467 | 3.23% |
| Equity instruments of Spanish issuers: | | | | 438,602 | 489,069 | 3.20% |
| Endesa SA | ES0130670112 | EUR | 15,967 | 438,602 | 489,069 | 3.20% |
| Total equity instruments: | | | | 13,132,944 | 15,027,090 | 98.29% |

The following table shows the equity instruments by country of origin of the issuer at 31 December 2024:

| Financial instrument | ISIN code | Currency | Quantity | Acquisition value (EUR) | Carrying amount 31.12.2024 | % of the Fund's net assets 31.12.2024 |
|---|--------------|----------|----------|-------------------------|----------------------------|---------------------------------------|
| Financial instruments traded on regulated markets: | | | | 7,849,886 | 9,351,763 | 98.64% |
| Equity instruments of German issuers: | | | | 1,513,167 | 1,905,934 | 20.10% |
| SAP AG | DE0007164600 | EUR | 1,328 | 168,340 | 313,607 | 3.31% |
| Nemetschek SE | DE0006452907 | EUR | 3,014 | 180,842 | 281,809 | 2.97% |
| Rational AG | DE0007010803 | EUR | 325 | 253,927 | 267,475 | 2.82% |
| DEUTSCHE BOERSE STK N | DE0005810055 | EUR | 1,200 | 258,172 | 267,240 | 2.82% |
| GEA Group AG | DE0006602006 | EUR | 5,550 | 255,375 | 265,845 | 2.80% |
| Scout24 SE | DE000A12DM80 | EUR | 3,024 | 199,960 | 257,040 | 2.71% |
| CTS Eventim AG & Co. KGaA | DE0005470306 | EUR | 3,090 | 196,551 | 252,918 | 2.67% |
| Equity instruments of Dutch issuers: | | | | 873,428 | 1,273,146 | 13.42% |
| ASM International NV | NL0000334118 | EUR | 555 | 185,576 | 310,134 | 3.27% |
| Wolters Kluwer NV | NL0000395903 | EUR | 1,838 | 203,414 | 294,356 | 3.10% |
| ASML Holding NV | NL0010273215 | EUR | 379 | 136,301 | 257,227 | 2.71% |
| Adyen NV | NL0012969182 | EUR | 144 | 220,484 | 206,496 | 2.18% |
| BE Semiconductor Industries NV | NL0012866412 | EUR | 1,549 | 127,653 | 204,933 | 2.16% |
| Equity instruments of Swedish issuers: | | | | 1,092,391 | 1,115,052 | 11.76% |
| Atlas Copco AB | SE0017486889 | SEK | 18,426 | 262,776 | 270,625 | 2.85% |
| AAK AB | SE0011337708 | SEK | 8,898 | 215,851 | 244,289 | 2.58% |
| Sectra AB | SE0022419784 | SEK | 9,200 | 228,536 | 221,108 | 2.33% |
| Fortnox AB | SE0017161243 | SEK | 31,500 | 201,213 | 198,033 | 2.09% |
| Alfa Laval AB | SE0000695876 | SEK | 4,500 | 184,015 | 180,997 | 1.91% |
| Equity instruments of Swiss issuers: | | | | 987,336 | 1,053,565 | 11.11% |
| ABB Ltd | CH0012221716 | CHF | 5,850 | 190,895 | 304,993 | 3.22% |
| Siegfried Holding AG | CH0014284498 | CHF | 220 | 255,392 | 230,472 | 2.43% |
| VAT Group AG | CH0311864901 | CHF | 530 | 191,020 | 193,034 | 2.04% |
| Logitech International SA | CH0025751329 | CHF | 2,241 | 155,081 | 178,670 | 1.88% |
| Inficon Holding AG | CH0011029946 | CHF | 133 | 194,948 | 146,396 | 1.54% |
| Equity instruments of French issuers: | | | | 716,933 | 832,421 | 8.79% |
| Safran SA | FR0000073272 | EUR | 1,251 | 223,452 | 265,212 | 2.80% |
| Schneider Electric SE | FR0000121972 | EUR | 1,038 | 239,838 | 250,054 | 2.64% |
| Hermes International | FR0000052292 | EUR | 91 | 133,688 | 211,211 | 2.23% |
| L'Oreal SA | FR0000120321 | EUR | 310 | 119,955 | 105,944 | 1.12% |
| Equity instruments of Italian issuers: | | | | 513,188 | 557,043 | 5.87% |
| Reply SpA | IT0005282865 | EUR | 1,622 | 234,833 | 243,787 | 2.57% |
| Ferrari NV | NL0011585146 | EUR | 460 | 147,573 | 188,140 | 1.98% |
| Moncler SpA | IT0004965148 | EUR | 2,460 | 130,782 | 125,116 | 1.32% |
| Equity instruments of Polish issuers: | | | | 423,061 | 468,449 | 4.94% |
| CD Projekt SA | PLOPTTC00011 | PLN | 5,700 | 231,682 | 255,267 | 2.69% |
| Dino Polska SA | PLDINPL00011 | PLN | 2,338 | 191,379 | 213,182 | 2.25% |
| Equity instruments of UK issuers: | | | | 413,288 | 435,433 | 4.60% |
| Cranswick PLC | GB0002318888 | GBP | 4,500 | 255,615 | 263,212 | 2.78% |
| Auto Trader Group PLC | GB00BVYVFW23 | GBP | 18,090 | 157,673 | 172,221 | 1.82% |
| Equity instruments of Danish issuers: | | | | 431,050 | 420,170 | 4.44% |
| Novo Nordisk A/S | DK0062498333 | DKK | 2,776 | 256,654 | 230,893 | 2.44% |
| ROCKWOOL A/S | DK0010219153 | DKK | 554 | 174,396 | 189,277 | 2.00% |
| Equity instruments of Norwegian issuers: | | | | 120,310 | 339,729 | 3.58% |
| Kongsberg Gruppen ASA | NO0003043309 | NOK | 3,133 | 120,310 | 339,729 | 3.58% |
| Equity instruments of Spanish issuers: | | | | 186,717 | 312,550 | 3.30% |
| Industria de Diseno Textil SA | ES0148396007 | EUR | 6,251 | 186,717 | 312,550 | 3.30% |
| Equity instruments of issuers in Belgium: | | | | 213,750 | 312,040 | 3.29% |
| Lotus Bakeries NV | BE0003604155 | EUR | 29 | 213,750 | 312,040 | 3.29% |
| Equity instruments of Finnish issuers: | | | | 205,861 | 186,259 | 1.96% |
| Wartsila OYJ Abp | FI0009003727 | EUR | 10,886 | 205,861 | 186,259 | 1.96% |
| Equity instruments of Irish issuers: | | | | 159,406 | 139,972 | 1.48% |
| Experian PLC | GB00B19NLV48 | GBP | 3,369 | 159,406 | 139,972 | 1.48% |
| Total equity instruments: | | | | 7,849,886 | 9,351,763 | 98.64% |

NOTE 5 ACCRUED EXPENSES

| | 31.12.2025 | 31.12.2024 |
|--|-------------------|-------------------|
| Accrued expenses for the asset manager's fees | 18,399 | 11,460 |
| Accrued expenses for custodian fees | 2,366 | 1,473 |
| Accrued expenses for professional services of auditors | 3,570 | 1,634 |
| Accrued expenses for the Bank of Latvia | 4,070 | 2,811 |
| Other expenses | 1,893 | 1,677 |
| Total accrued expenses: | 30,298 | 19,055 |

NOTE 6 OTHER FUND MANAGEMENT EXPENSES FOR THE REPORTING PERIOD

| | 31.12.2025 | 31.12.2024 |
|---|-------------------|-------------------|
| Expenses for professional services of auditors | 1,936 | 1,634 |
| Expenses for the Bank of Latvia | 13,923 | 11,195 |
| Expenses for information sources and analytical studies | 7,445 | 6,724 |
| Other expenses | 2,499 | 393 |
| Total other fund management expenses: | 25,803 | 19,946 |

NOTE 7 FUND INCOME FOR THE REPORTING PERIOD

| | 31.12.2025 | 31.12.2024 |
|--|-------------------|-------------------|
| Dividend income | 141,148 | 111,343 |
| Interest income on claims on credit institutions | 2,340 | 2,475 |
| Other income | 3,564 | 10,192 |
| Total income: | 147,052 | 124,010 |

NOTE 8 REALISED INCREASE/(DECREASE) IN INVESTMENT VALUE

| | 31.12.2025 | 31.12.2024 |
|--|-------------------|-------------------|
| Income for the period from sale of investments* | 8,812,415 | 5,748,747 |
| Acquisition value of investments sold during the reporting period | (8,326,248) | (5,473,932) |
| Decrease in value of sold investments recognised in previous reporting periods | 166,101 | 55,555 |
| (Increase) in value of sold investments recognised in previous reporting periods | (1,265,614) | (615,354) |
| Total realised (decrease) in investment value: | (613,346) | (284,984) |

* Income for the reporting period from the sale/(redemption) of investments is recorded at the exchange rate on the date of acquisition of the financial instrument. Gains or losses arising from changes in foreign exchange rates are reflected in the gain or loss on the investment recognised in the previous reporting period.

NOTE 9 UNREALISED INCREASE/(DECREASE) IN INVESTMENT VALUE

| | 31.12.2025 | 31.12.2024 |
|---|-------------------|-------------------|
| Result of revaluation of equity instruments at fair value | 1,528,098 | 730,067 |
| Foreign currency revaluation result* | (13,673) | (52,820) |
| Total realised increase in investment value: | 1,514,425 | 677,247 |

* The result of foreign currency revaluation includes EUR 33,973 (negative EUR 25,626 in 2024), arising from realised exchange rate differences on financial instruments between the purchase and sale rates during the reporting year.

NOTE 10 CHANGES IN THE VALUE OF INVESTMENTS

The table below shows the change in the value of investments in 2025:

| Financial assets at fair value through profit or loss | 31.12.2024 | Increase during the reporting period | Decrease during the reporting period* | Fair value revaluation result | 31.12.2025 |
|---|------------------|--------------------------------------|---------------------------------------|-------------------------------|-------------------|
| Equity instruments | 9,351,763 | 12,730,620 | (7,967,354) | 912,061 | 15,027,090 |
| Total investments: | 9,351,763 | 12,730,620 | (7,967,354) | 912,061 | 15,027,090 |

* Decrease during the reporting period is carried at the exchange rate on the date the investment is sold. This item includes income from the sale of investments.

The table below shows the change in the value of investments in 2024:

| Financial assets at fair value through profit or loss | 31.12.2023 | Increase during the reporting period | Decrease during the reporting period* | Fair value revaluation result | 31.12.2024 |
|---|------------------|--------------------------------------|---------------------------------------|-------------------------------|------------------|
| Equity instruments | 8,208,872 | 6,537,644 | (5,790,124) | 395,371 | 9,351,763 |
| Total investments: | 8,208,872 | 6,537,644 | (5,790,124) | 395,371 | 9,351,763 |

* Decrease during the reporting period is carried at the exchange rate on the date the investment is sold. This item includes income from the sale of investments.

NOTE 11 PLEDGED ASSETS

During the year under review, the Fund did not issue any guarantees or sureties or pledge or otherwise encumber any assets.

NOTE 12 TAXES AND DUTIES

In 2025 and 2024, no taxes, duties or allowances were paid on the assets of the Fund.

NOTE 13 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The management of the investment management joint stock company considers that the carrying amounts of financial assets are consistent with their fair values. Fair values are determined using market quotes, based on information published by stock exchanges and brokers, and based on daily net asset quotations by fund managers.

All of the Fund's financial assets measured at fair value as at 31 December 2024 and 31 December 2025 are classified within Level 1 of the fair value hierarchy, as all shares held by the Fund are traded in regulated markets.

NOTE 14 RISK MANAGEMENT

Investment process risk can be defined as a probability of undesirable outcome that may materialise in a given market economy at a given point in time. Risk management is described as risk identification, measurement and its possible prevention. The investment process may be affected by the exchange rate risk, interest rate risk, price risk, credit risk, liquidity risk and other risks, including operational risk. The Fund's investment strategy is designed to minimise these risks, but the Company cannot guarantee that these risks can be completely avoided in the future.

Risk management framework

Risk identification and measurement is a responsibility of an independent unit - the Risk Management Department of the Company, which develops and presents the information on risk profile to the Fund Manager. The Fund Manager can make certain decisions on the necessity to reduce existing or potential risks.

Risk measurement process employs models that are developed by the company, are based on historical data and are adjusted according to the economic situation. Certain models are also used to predict the financial risk factor changes under both normal and exceptional financial market circumstances.

The Manager of Investment Fund follows risk diversification and hedging principles whose objective is to reduce the investment risk that are developed in accordance with the Management Policy. When investing for the account of the Fund, the Fund Manager shall obtain sufficient information on potential or acquired investment targets and shall monitor the financial and economic situation of issuers in whose securities the Fund's assets will be or have been invested. When developing the Fund's investment strategy and setting risk limits, the Company performs an analysis of the Fund's distribution of maturity, geographic location and types of currency investments by assessing the risk level for each of these factors. The Manager acts in strict compliance with the Prospectus of the Fund, Fund Management Regulations, as well as regulations and restrictions prescribed in laws and regulations of the Republic of Latvia.

Market risk

Market risk is the probability that the Fund's value may decrease when any of the market factors changes, for example, in case of changes in prices of securities (price risk), foreign currency exchange rates (foreign currency risk) or other market risk factors. The assessment of each of these market risk sources is provided below, however, they cannot be fully diversified.

Price volatility risk

For equity securities (shares), price movements depend on two variables: the changes in the stock indices of the country concerned (for the Central Asian region, this is the change in the corporate stock index - RENCASIA), and the financial situation of the issuer concerned (its ability to make money in the future), which in turn affects the fluctuations between the demand and supply equilibrium. The former is also often referred to as systematic risk; the latter as specific risk.

Systematic risk is managed based on forecasts of the overall development of the economy in a given geographical region and the potential development of the economy in a given sector. Specific risk is managed by a detailed study of the issuer's financial position and profitability as well as other factors affecting the price of the security, mainly based on the issuer's public reports, media coverage, etc. This focuses on both the volatility (deviations) of security prices and their correlations. As a result, it is possible to calculate the total price risk of the securities in the portfolio, considering their historical yields.

The risk of market price volatility was calculated as at 31 December 2025. The standard deviation of the benchmark index values of the relevant investment fund category was used for the price volatility risk calculation.

| | Standard deviation in the reference index | Carrying amount, EUR | Potential negative impact on the current year profit, EUR | Potential positive impact on the current year profit, EUR | % of the Fund's net assets 31.12.2025* |
|---|---|----------------------|---|---|--|
| Classified as financial assets at fair value through profit or loss | | | | | |
| - Equity instruments | 15.00% | 15,027,090 | (2,254,064) | 2,254,064 | 14.74% |
| Total: | | 15,027,090 | (2,254,064) | 2,254,064 | 14.74% |

* Net value of investment fund assets is reflected as a percentage of the Fund's net assets.

The risk of market price volatility was calculated as at 31 December 2024. The standard deviation of the benchmark index values of the relevant investment fund category was used for the price volatility risk calculation.

| | Standard deviation in the reference index | Carrying amount, EUR | Potential negative impact on the current year profit, EUR | Potential positive impact on the current year profit, EUR | % of the Fund's net assets 31.12.2024* |
|---|---|----------------------|---|---|--|
| | | EUR | EUR | EUR | |
| Classified as financial assets at fair value through profit or loss | | | | | |
| - Equity instruments | 10.00% | 9,351,763 | (935,176) | 935,176 | 9.86% |
| Total: | | 9,351,763 | (935,176) | 935,176 | 9.86% |

* Net value of investment fund assets is reflected as a percentage of the Fund's net assets.

Exchange rate risk

Exchange rate risk arises when the nominal currency of securities or other financial instruments in the Fund differs from the currency of the Fund (EUR). Exchange rate fluctuations may result in gains or losses, depending on the direction of exchange rate fluctuations and the currency position of the Fund. Exchange rate risk can be limited by the diversification effect that arises when a Fund has several currencies and the movements in the exchange rates of these currencies are not closely correlated. The impact of exchange rate movements on the net asset value of the Fund is shown in the table below. The exchange rate movements are the one-year standard deviation of the respective exchange rate.

| Impact of exchange rate changes (2025) | | | | Impact of exchange rate changes (2024) | | | |
|--|---------------------------------|---------------------------|---------------------------------|--|---------------------------------|---------------------------|---------------------------------|
| Currency | Share in the fund (% of assets) | Exchange rate against EUR | Impact on the value of the fund | Currency | Share in the fund (% of assets) | Exchange rate against EUR | Impact on the value of the fund |
| EUR | 61.50% | 0.00% | 0.00% | EUR | 58.11% | 0.00% | 0.00% |
| GBP | 16.42% | 4.88% | 0.80% | SEK | 11.76% | 5.72% | 0.67% |
| CHF | 6.74% | 4.94% | 0.33% | CHF | 11.11% | 5.21% | 0.58% |
| DKK | 4.07% | 0.54% | 0.02% | GBP | 6.07% | 4.05% | 0.25% |
| SEK | 3.91% | 5.65% | 0.22% | PLN | 4.94% | 4.91% | 0.24% |
| PLN | 3.86% | 4.26% | 0.16% | DKK | 4.43% | 0.53% | 0.02% |
| NOK | 3.50% | 7.68% | 0.27% | NOK | 3.58% | 7.01% | 0.25% |
| Total | 100.00% | | 1.80% | Total | 100.00% | | 2.01% |

The following table shows the breakdown of the Fund's assets and liabilities by currency at 31 December 2025:

| Assets | EUR | GBP | CHF | DKK | SEK | PLN | NOK | Total |
|---|------------------|------------------|------------------|----------------|----------------|----------------|----------------|-------------------|
| Financial assets measured at amortised cost: | | | | | | | | |
| Due on demand from credit institutions | 236,044 | 2,429 | 689 | 49 | 44,145 | 152 | 8,321 | 291,829 |
| Financial assets at fair value through profit or loss: | | | | | | | | |
| Equity instruments | 9,196,834 | 2,508,573 | 1,029,874 | 621,595 | 554,368 | 589,247 | 526,599 | 15,027,090 |
| Total assets: | 9,432,878 | 2,511,002 | 1,030,563 | 621,644 | 598,513 | 589,399 | 534,920 | 15,318,919 |
| Financial liabilities measured at amortised cost: | | | | | | | | |
| Accrued expenses | (30,298) | - | - | - | - | - | - | (30,298) |
| Total liabilities: | (30,298) | - | - | - | - | - | - | (30,298) |
| Net assets | 9,402,580 | 2,511,002 | 1,030,563 | 621,644 | 598,513 | 589,399 | 534,920 | 15,288,621 |
| Net long/(short) position | 61.50% | 16.42% | 6.74% | 4.07% | 3.91% | 3.86% | 3.50% | 100.00% |

The following table shows the breakdown of the Fund's assets and liabilities by currency at 31 December 2024:

| Assets | EUR | SEK | CHF | GBP | PLN | DKK | NOK | Total |
|---|------------------|------------------|------------------|----------------|----------------|----------------|----------------|------------------|
| Financial assets measured at amortised cost: | | | | | | | | |
| Due on demand from credit institutions | 147,455 | - | - | - | - | - | - | 147,455 |
| Financial assets at fair value through profit or loss: | | | | | | | | |
| Equity instruments | 5,379,393 | 1,115,052 | 1,053,565 | 575,405 | 468,449 | 420,170 | 339,729 | 9,351,763 |
| Financial assets measured at amortised cost: | | | | | | | | |
| Other assets | 220 | - | - | - | - | - | - | 220 |
| Total assets: | 5,527,068 | 1,115,052 | 1,053,565 | 575,405 | 468,449 | 420,170 | 339,729 | 9,499,438 |
| Financial liabilities measured at amortised cost: | | | | | | | | |
| Accrued expenses | (19,055) | - | - | - | - | - | - | (19,055) |
| Total liabilities: | (19,055) | - | - | - | - | - | - | (19,055) |
| Net assets | 5,508,013 | 1,115,052 | 1,053,565 | 575,405 | 468,449 | 420,170 | 339,729 | 9,480,383 |
| Net long/(short) position | 58.11% | 11.76% | 11.11% | 6.07% | 4.94% | 4.43% | 3.58% | 100.00% |

Concentration risk

The industry and geography of the issuer are additional risk factors that may affect both the price of the security issued and the issuer's own solvency, and it is therefore important to identify concentration risk, i.e., the extent to which the value of the Fund is affected by changes in certain regions and/or industries. The geographical breakdown of concentration risk (based on the country with the greatest impact on the issuer's solvency) and the sectoral breakdown are set out in the tables below.

The following table shows the geographical breakdown of the Fund's assets and liabilities at 31 December 2025:

| Assets | Latvia | OECD countries | Total |
|---|-----------------|-------------------|-------------------|
| Financial assets measured at amortised cost: | | | |
| Due on demand from credit institutions | 291,829 | - | 291,829 |
| Financial assets at fair value through profit or loss: | | | |
| Equity instruments | - | 15,027,090 | 15,027,090 |
| Total assets: | 291,829 | 15,027,090 | 15,318,919 |
| Financial liabilities measured at amortised cost: | | | |
| Accrued expenses | (30,298) | - | (30,298) |
| Total liabilities: | (30,298) | - | (30,298) |
| Net assets | 261,531 | 15,027,090 | 15,288,621 |

The following table shows the geographical breakdown of the Fund's assets and liabilities at 31 December 2024:

| Assets | Latvia | OECD countries | Total |
|---|-----------------|------------------|------------------|
| Financial assets measured at amortised cost: | | | |
| Due on demand from credit institutions | 147,455 | - | 147,455 |
| Financial assets at fair value through profit or loss: | | | |
| Equity instruments | - | 9,351,763 | 9,351,763 |
| Financial assets measured at amortised cost: | | | |
| Other assets | 220 | - | 220 |
| Total assets: | 147,675 | 9,351,763 | 9,499,438 |
| Financial liabilities measured at amortised cost: | | | |
| Accrued expenses | (19,055) | - | (19,055) |
| Total liabilities: | (19,055) | - | (19,055) |
| Net assets | 128,620 | 9,351,763 | 9,480,383 |

The following table shows the breakdown of the Fund's net assets by country (based on the issuer's country of incorporation):

| Country | % of the Fund's net | | % of the Fund's net | |
|----------------|-------------------------------|----------------------|-------------------------------|----------------------|
| | Carrying amount 31.12.2025 | assets 31.12.2025 | Carrying amount 31.12.2024 | assets 31.12.2024 |
| Germany | 3,666,389 | 23.99% | 1,905,934 | 20.10% |
| United Kingdom | 2,508,573 | 16.40% | 435,433 | 4.60% |
| France | 1,359,020 | 8.90% | 832,421 | 8.79% |
| Italy | 1,258,118 | 8.23% | 557,043 | 5.87% |
| Netherlands | 1,174,792 | 7.68% | 1,273,146 | 13.42% |
| Switzerland | 1,029,874 | 6.74% | 1,053,565 | 11.11% |
| Finland | 754,979 | 4.94% | 186,259 | 1.96% |
| Denmark | 621,595 | 4.06% | 420,170 | 4.44% |
| Poland | 589,247 | 3.86% | 468,449 | 4.94% |
| Sweden | 554,368 | 3.62% | 1,115,052 | 11.76% |
| Norway | 526,599 | 3.44% | 339,729 | 3.58% |
| Austria | 494,467 | 3.23% | - | 0.00% |
| Spain | 489,069 | 3.20% | 312,550 | 3.30% |
| Latvia | 261,531 | 1.71% | 128,620 | 1.36% |
| Belgium | - | 0.00% | 312,040 | 3.29% |
| Ireland | - | 0.00% | 139,972 | 1.48% |
| Total | 15,288,621 | 100.00% | 9,480,383 | 100.00% |

Liquidity risk

Liquidity risk may arise if the Fund has difficulties meeting its financial obligations. The Fund Manager maintains an asset structure of the Fund that enables the Fund to sell securities in a timely manner and without material loss.

The following table shows the maturity structure of the Fund's assets and liabilities at 31 December 2025:

| Assets | Up to 1 month | 1 - 6 Months | Indefinite | Total |
|---|------------------|-----------------|-------------------|-------------------|
| Financial assets measured at amortised cost: | | | | |
| Due on demand from credit institutions | 291,829 | - | - | 291,829 |
| Financial assets at fair value through profit or loss: | | | | |
| Equity instruments | - | - | 15,027,090 | 15,027,090 |
| Total assets: | 291,829 | - | 15,027,090 | 15,318,919 |
| Financial liabilities measured at amortised cost: | | | | |
| Accrued expenses | (20,765) | (9,533) | - | (30,298) |
| Total liabilities: | (20,765) | (9,533) | - | (30,298) |
| Net assets | 271,064 | (9,533) | 15,027,090 | 15,288,621 |
| Net position % | 1.77% | (0.06%) | 98.29% | 100.00% |

The following table shows the maturity structure of the Fund's assets and liabilities at 31 December 2024:

| Assets | Up to 1 month | 1 - 6 Months | Indefinite | Total |
|---|------------------|-----------------|------------------|------------------|
| Financial assets measured at amortised cost: | | | | |
| Due on demand from credit institutions | 147,455 | - | - | 147,455 |
| Financial assets at fair value through profit or loss: | | | | |
| Equity instruments | - | - | 9,351,763 | 9,351,763 |
| Financial assets measured at amortised cost: | | | | |
| Other assets | 220 | - | - | 220 |
| Total assets: | 147,675 | - | 9,351,763 | 9,499,438 |
| Financial liabilities measured at amortised cost: | | | | |
| Accrued expenses | (12,933) | (6,122) | - | (19,055) |
| Total liabilities: | (12,933) | (6,122) | - | (19,055) |
| Net assets | 134,742 | (6,122) | 9,351,763 | 9,480,383 |
| Net position % | 1.42% | (0.06%) | 98.64% | 100.00% |

NOTE 15 INFORMATION ON HOLDERS OF SHARE CERTIFICATES OF THE FUND

The following tables present the share certificates held by related parties with a significant participation in the Company, as well as the proportion of share certificates held by related parties and other persons in the total number of issued share certificates of the Fund.

For the purposes of these financial statements, related parties are considered to be: officers of the Company, employees of the Company, as well as other natural persons involved in the provision of management services performed by the Company and entities controlled by such persons, or their first-degree relatives; and companies belonging to the Citadele banka group.

| | 31.12.2025 | % of the total number 31.12.2025 | 31.12.2024 | % of the total number 31.12.2024 |
|---|----------------|--|----------------|--|
| Share certificates held by related parties | 11,618 | 4.36% | 9,945 | 5.59% |
| Share certificates held by other persons | 254,568 | 95.64% | 167,853 | 94.41% |
| Number of issued share certificates at the end of the reporting period | 266,186 | 100.00% | 177,798 | 100.00% |

NOTE 16 RELATED PARTY TRANSACTIONS

Most of the Fund's investments are purchased through a custodian bank. The custodian bank receives remuneration disclosed in the statement of income and expenses (see Note 5), and the Fund's cash funds are also held with Citadele banka AS (see Note 3). During the reporting period, the Fund earned interest income on claims against credit institutions in the amount of EUR 2,340; in 2024, EUR 2,475 was earned (see Note 7).

During the reporting period, related parties carried out transactions involving the Fund's investment certificates:

| 2025 | Number of units purchased | Number of units sold |
|-------------|----------------------------------|-----------------------------|
| | 2,683 | 1,010 |
| 2024 | Number of units purchased | Number of units sold |
| | 1,764 | 489 |

NOTE 17 PERFORMANCE DYNAMICS OF THE INVESTMENT FUND

| | 31.12.2025 | 31.12.2024 | 31.12.2023 |
|-------------------------------|-------------------|------------------|------------------|
| Net assets (EUR)* | 15,288,621 | 9,480,383 | 8,370,468 |
| Number of share certificates | 266,186 | 177,798 | 164,080 |
| Value of the unit of the Fund | 57.44 | 53.32 | 51.01 |
| Fund return** | 7.73% | 4.53% | 22.06% |

* Net asset value in EUR determined using end-of-day foreign exchange rates quoted on financial markets.

** Return calculated assuming 365 days per year using end-of-day foreign exchange rates.

NOTE 18 EVENTS AFTER THE END OF THE REPORTING PERIOD

From the end of the reporting year until the date of approval of these financial statements, no significant events have occurred that could materially affect the assessment of the 2025 financial statements or the financial position of the Fund.

Rīga,

DATE: AS STATED IN THE TIME STAMP OF THE ELECTRONIC SIGNATURE

CUSTODIAN BANK REPORT

For the period from 1st January 2025 to 31st December 2025

To the holders of "CBL European Leaders Equity Fund"
Investment Fund Share Certificates

AS "Citadele banka", registered in the Register of Enterprises of the Republic of Latvia on June 30, 2010 with No. 40103303559, registered office: Republikas laukums 2a, Rīga, hereby confirms the following:

- in accordance with the custody agreement concluded on 7th April 2017 (hereinafter - the Custody Agreement), AS "Citadele banka" (hereinafter the Custodian) performs custodian's duties for the investment fund "CBL European Leaders Equity Fund" (hereinafter - the Fund) established by IPAS "CBL Asset Management" (hereinafter - the Company);
- the Custodian performs the functions of the Fund's custodian pursuant to the law "On Investment Management Companies" and other laws and regulations applicable to the Custodian (hereinafter - the Law).

The Custodian is responsible for the performance of obligations set forth for it in the Law and in the Custody Agreement. The main duties of the Custodian include:

- holding the Fund's assets in accordance with the Law and the Custody Agreement;
- ensuring the maintenance of the Fund's accounts, receiving and executing the Company's orders, as well as settlement of the orders according to requirements of the Law and the Custody Agreement;
- ensuring that the value of Fund's net assets and Fund Share Certificates is estimated in accordance with requirements of the Law, Regulations of Latvijas Banka, Fund prospectus and the Fund Management Rules;
- ensuring that issue, sale or repurchase of the Fund Share Certificates is effected in compliance with requirements of the Law, Fund's prospectus and the Fund Management Rules.
- ensuring that Fund income is allocated in accordance with the Law, the Fund prospectus and the Fund Management Rules.

During the period from January 1st, 2025 to December 31st, 2025 according to the information provided to the Custodian by the Company:

- Issue, sale and repurchase of the Fund Share Certificates were effected in compliance with requirements of the Law, Fund prospectus and the Fund Management Rules;
- Fund assets were held in accordance with requirements of the Law and the Custody Agreement;
- the value of Fund's net assets was assessed in accordance with requirements of the Law, Regulations of Latvijas Banka, Fund prospectus and the Fund Management Rules;
- the Company's orders, as well as transactions executed with the Fund's assets were performed in accordance with the Law, Fund prospectus, the Fund Management Rules and the Custody Agreement.

Member of the Management Board

Valters Ābele

THIS DOCUMENT IS SIGNED ELETRONICALLY WITH SECURE ELECTRONIC SIGNATURE AND CONTAINS TIME STAMP



Independent Auditors' Report

To the shareholders of the investment fund 'CBL European Leaders Equity Fund'

Report on the audit of financial statements

Our Opinion on the Financial Statements

We have audited the financial statements of the investment fund 'CBL European Leaders Equity Fund' ("the Fund") managed by IPAS 'CBL Asset Management' ("the Asset Manager") as set out on pages 7 to 22 of the accompanying Annual Report. The accompanying financial statements include:

- Overview of assets and liabilities as 31 December 2025,
- Report on income and expenses for the year then ended,
- Statement of changes to net assets for the year then ended,
- Statement of cash flows for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the investment fund 'CBL European Leaders Equity Fund' as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for Opinion

In accordance with the 'Law on Audit Services' of the Republic of Latvia we conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibility for the Audit of the Financial Statements* section of our report.

We are independent of the Fund and the Asset Manager in accordance with the Code of Ethics for Professional Accountants (IESBA Code) by the International Ethics Standards Board for Accountants and the independence requirements included in the 'Law on Audit Services' of the Republic of Latvia that are relevant to our audit of the financial statements in the Republic of Latvia. We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the IESBA Code and the 'Law on Audit Services' of the Republic of Latvia.

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

Reporting on Other Information

The management of the Asset Manager is responsible for the other information. The other information comprises:

- Information about the investment fund, as set out on page 3 of the accompanying Annual Report,
- Report of the Investment Management Company, as set out on page 4 of the accompanying Annual Report,



- Report on the implementation of the engagement policy, presented on page 5 of the accompanying Annual Report,
- Statement of responsibility of the board of the Asset Manager, as set out on page 6 of the accompanying Annual Report.
- Custodian Bank Report, as set out on page 23 of the accompanying Annual Report.

Our opinion on the financial statements does not cover the other information included in the Annual Report, and we do not express any form of assurance conclusion thereon, except as described in the *Other Reporting Responsibilities in Accordance with the Legislation of the Republic of Latvia related to Other Information* section of our report.

In connection with our audit of the financial statements, our responsibility is to read the other information 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 and in light of the knowledge and understanding of the Asset Manager and the Fund and its environment obtained in the course of our audit, 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.

Other Reporting Responsibilities in Accordance with the Legislation of the Republic of Latvia Related to Other Information

In addition, in accordance with the 'Law on Audit Services' of the Republic of Latvia, our responsibility is to express an opinion on whether the Asset Manager's Report is prepared in accordance with the requirements of Regulation No. 382 'Regulation on the preparation of annual reports, consolidated annual reports and interim reports of an investment fund and open alternative investment fund' issued by the Bank of Latvia (Regulation No. 382).

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

- the information presented in the Asset Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Asset Manager's Report has been prepared in accordance with the requirements of Regulation No. 382.

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management of the Asset Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management of the Asset Manager 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.

Auditors' Responsibility 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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



We communicate with those charged with governance of the Fund and the Asset Manager 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.

KPMG Baltics SIA
Licence No. 55

Rihards Grasis
Member of the Board
Sworn Auditor
Certificate No. 227
Riga, Latvia
24 April 2026

This report is an English translation of the original Latvian. In the event of discrepancies between the two reports, the Latvian version prevails.