

UB Renewable Energy Fund (AIF)

OBJECTIVES AND STRATEGY

The UB Renewable Energy Fund (AIF) develops and invests in renewable energy production facilities (wind and solar), energy storage solutions, hydrogen production facilities, and infrastructure that supports the growth of renewable energy and serves the energy sector in Europe.

The fund is suitable for a long-term investor seeking exposure to renewable energy production in Europe, with a particular focus on the Nordic countries and the Baltics. The fund's long-term annual return target is 6–9%.

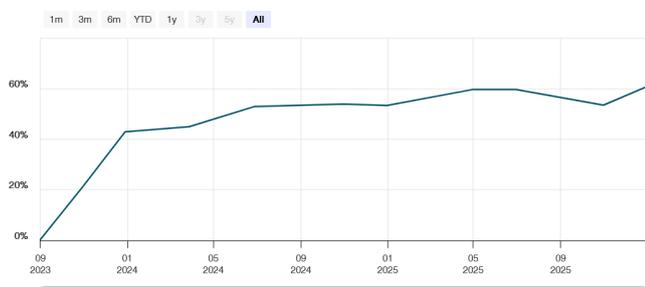
RISC INDICATOR



< Low risk

High risk >

FUND RETURN (I-series)



KEY FIGURES OF THE FUND 31.12.2025

Net Asset Value (NAV) 31.12.2025	79.7 MEUR
Development Projects	19.7 MEUR
Construction Projects	21.3 MEUR
Operational Projects	12.1 MEUR
Fixed-Income Investments	22.4 MEUR
Cash	5.1 MEUR
Accounts Payable	-1.0 MEUR
Other Items	0.0 MEUR
Fund Leverage Ratio	0%
Net Asset Value of the Fund (NAV) 1.1.2026	79.5 MEUR

KEY FIGURES OF DEVELOPMENT PROJECTS

Number of Wind Power Projects	12 Units
Total Capacity of Wind Power Projects	634 MW
Number of BESS Projects	1 Units
Capacity of BESS Projects	30MW / 70MWh

Project development is typically characterized by the fact that the number of wind power projects and planned wind turbines, as well as their capacity, may change over the course of the development process. BESS=Battery Energy Storage System.

KEY FIGURES OF CONSTRUCTION PROJECTS

Number of Solar Power Projects	1 Units
Total Capacity of Solar Power Projects	63.3 MW
Number of BESS Projects	1 Units
Capacity of BESS Projects	30MW / 70MWh

KEY FIGURES OF OPERATIONAL ASSETS

Number of Wind Power Projects	1 Units
Total Capacity of Wind Power Projects	38.4 MW
Number of Solar Power Projects	1 Units
Total Capacity of Solar Power Projects	10.5 MW

The key figures for construction and operational projects include both fully and partially owned projects of the Fund.

Portfolio Managers' comments Q4/2025

This quarterly report describes the status of the UB Renewable Energy Fund (AIF) as of 31 December 2025. The fund started operations on 1 September 2023. Its return since inception has been 60.76% (I-Series), and the return for November–December was 4.76% (I-Series). This report covers the period 1 November–31 December 2025 and also includes a brief review of the second half of 2025.

Several factors influenced the fund's value development in the second half of 2025. The fund's previous valuation was on 31 October 2025, covering the reporting period 1 July–31 October 2025. During that period, several factors negatively affected the fund's calculated value, particularly rising discount rates, weakening short-term electricity price outlooks in Finland and Estonia, and the realization of political and structural risks related to individual projects, which led to the write-down of one wind project. These factors were detailed in the October review.

During the most recent reporting period, the fund's value developed positively. The number of turbines in development projects increased, and the revenue and profitability forecasts published by an independent third party for electricity storage projects were updated to include the mFRR market (manual Frequency Restoration Reserve). In addition, the life expectancy based on the revenue forecasts of BESS projects (Battery Energy Storage System) was extended by one year to 16 years. Progress in development and construction projects also significantly increased the fund's valuation during the last two months of the year.

The fund has continued its operational and strategic progress across several key areas, creating a strong foundation for long-term value creation.

Strategy and Operating Model

The UB Renewable Energy Fund's strategy is to operate as a significant producer of renewable energy in Finland and elsewhere in Europe. The fund develops projects from early stages into operational production assets and complements its portfolio by acquiring permitted or operational assets from third parties.

Value created through internal development remains in the fund and supports long-term returns for investors. Investments are diversified across onshore wind, solar power, electricity storage, and related infrastructure. Additionally, the fund actively monitors the green hydrogen market, although large-scale commercial utilization is expected further in the future.

Risks related to project development are managed by phasing projects, optimizing overall solutions, and evaluating alternative technical and operational approaches. Milestones achieved during development, such as the completion of environmental impact assessments, positively affect the fund's valuation.

Operating Environment

Electricity demand outlooks have remained strong as society continues to electrify in Finland and across Europe. Structural demand is further supported by data center projects, the electrification of district heating, and projects related to the future hydrogen economy.

Several large data centers are currently under construction in Finland, and interest in new projects remains high. The electrification of district heating is expected to increase electricity consumption by over 3,000 MW at full load.

The EU's commitment to a green transition, the geopolitical situation, and the need to strengthen energy self-sufficiency support renewable energy investments. In Finland, wind power has become a key part of electricity production, and its share is expected to continue growing in the coming years. According to Fingrid, current wind power capacity is expected to double or even quadruple over the next ten years.

The growth of weather-dependent production increases the need for flexibility and energy storage. Battery-based electricity storage enables participation in reserve and balancing markets and supports the stability of the electricity system. Finland's integration into the PICASSO market opens new opportunities for cross-border reserve trading.

The Fund's Operational Assets

The Korpilevonmäki wind farm in Finland and the Raadi solar park in Estonia are partially protected by long-term power purchase agreements (PPAs). These agreements have effectively mitigated the impact of short-term electricity price fluctuations on the fund's cash flow and valuation.

The 63-megawatt expansion of the Raadi solar park increases the site's total capacity to approximately 74 megawatts. The project is progressing as planned and is expected to be connected to Estonia's transmission grid in July 2026. Structural factors in the Estonian electricity market support attractive long-term electricity prices. The fund is also evaluating adding electricity storage to the site to enhance and stabilize returns.

Construction of the electricity storage project in Kemijärvi is essentially complete, and the project has moved into the equipment installation phase. Delivery and testing of the main transformer were successfully completed in December 2025. The battery system is scheduled for delivery in February 2026, after which electrification and commissioning work will begin. Commercial operations are expected to start in summer 2026.

Development Projects and Energy Parks

The fund has 12 active wind power development projects, two of which are being developed according to an energy park concept. These projects plan to combine wind power with solar power, electricity storage, and infrastructure suitable for data center operations.

The fund has signed land lease agreements for approximately 20 wind power development projects. Several projects have received favorable statements from the Defence Forces and are progressing through zoning and permitting processes. Based on preliminary assessments, the combined theoretical capacity of the projects is around 634 MW.

Collaboration with UB's forest funds creates significant synergies and accelerates project development, particularly in land management and contract negotiations. UB's forest funds own over 140,000 hectares of land in Finland and the Baltics.

Potential conflicts of interest are managed with particular care. For example, external advisors have been used for land lease agreements to provide statements on market terms. The fund has adhered to these principles in all its agreements.

Other Investment Targets

In addition to internal development, the fund continuously evaluates new investment opportunities in Finland and abroad. In the coming years, the geographic focus will be on Finland, other Nordic countries, the Baltics, Poland, and Ireland, with particular interest in onshore wind, solar power, and electricity storage projects.

Outlook

The progress of development projects, ongoing construction projects, and portfolio diversification support the fund's long-term return potential. Despite short-term market fluctuations, the fund continues to focus on cost-effective development, disciplined risk management, and building stable cash flows.

Staffan Söderholm & Tapio Nuotio

Portfolio Managers

FUND RETURN

	11-12/2025	Since Inception	1-12/2025	1-12/2024
R-Series Growth	4.73%	58.94%	4.36%	6.72%
A-Series Growth	4.74%	60.00%	4.64%	7.04%
A-Series Distribution	4.74%	60.00%	4.64%	7.04%
I-Series Growth	4.76%	60.76%	4.85%	7.27%

COMPOSITION OF RETURN 11-12/2025

Net Cash Flow	0.0%
Cash	0.0%
Fixed-Income Investments	0.1%
Change in Value	9.0%
Fund Fees	-4.4%
Total, on average	4.7%

FEES

Management Fee	% of GAV
R-Series	1.85%
A-Series	1.5%
I-Series	1.25%
Subscription Fee	
5,000 – 99,999 EUR	2%
100,000 – 499,999 EUR	1.5%
500,000 EUR –	1%
Redemption Fee	
< 2 years	5%
> 2 years < 3 years	4%
> 3 years < 4 years	3%
> 4 years < 5 years	2%
> 5 years	1%
Performance Fee	Up to 20% of the total return exceeding the Fund's benchmark return. The Fund's benchmark return is 6% per annum, calculated from the inception of the fund series
HWM I-Series	160.7566

FUND INFORMATION

Fund Management Company	UB Fund Management Ltd Business ID 2118101-5
Domicile	Helsinki
Inception Date	1.9.2023
Gross Asset Value (GAV) 1.1.2026	79.5 MEUR
Net Asset Value (NAV) 1.1.2026	79.5 MEUR
Borrowed Capital	0 MEUR
Minimum Investment	
R-Series	5,000 EUR
A-Series	100,000 EUR
I-Series	500,000 EUR
NAV per Share 31.12.2025	
R-Series Growth	158.9410
A-Series Growth	159.9979
A-Series Distribution	155.3813
I-Series Growth	160.7566
ISIN-codes	
R-Series Growth	FI4000556949
A-Series Growth	FI4000556956
A-Series Distribution	FI4000556964
I-Series Growth	FI4000556972

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