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.

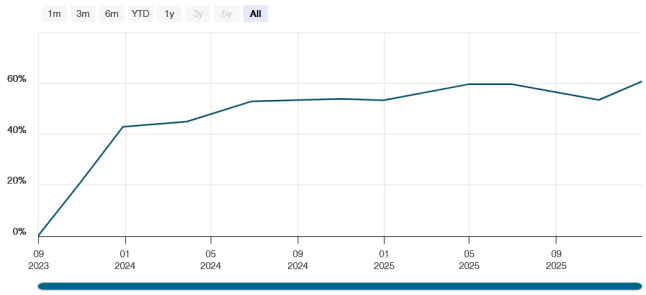
The fund is suitable for a long-term investor seeking exposure to renewable energy production in Europe, with a particular focus on the Nordic countries and the Baltics. The fund's long-term annual return target is 6–9%.

RISC INDICATOR

1	2	3	4	5	**6**	7

< Low risk High risk >

FUND RETURN (I-series)



KEY FIGURES OF THE FUND 30.6.2026

Net Asset Value (NAV) 30.6.2026	78.4 MEUR
Development Projects	18.3 MEUR
Construction Projects	28.0 MEUR
Operational Projects	13.5 MEUR
Fixed-Income Investments	16.1 MEUR
Cash	3.2 MEUR
Accounts Payable	-0.3 MEUR
Other Items	-0.4 MEUR
Fund Leverage Ratio	0%
Net Asset Value of the Fund (NAV) 1.7.2026	85.5 MEUR

KEY FIGURES OF DEVELOPMENT PROJECTS

Number of Wind Power Projects	11 Units
Total Capacity of Wind Power Projects	619 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 Q2/2026

This quarterly report describes the status of the UB Renewable Energy Fund (AIF) as of 30 June 2026. The fund commenced operations on 1 September 2023. The return of the I Unit Class for January-June 2026 was -1.12%, and the fund's cumulative return since inception was 58.96%. This report covers the period from 1 January to 30 June 2026.

In accordance with its rules, the fund held one subscription window during the first half of the year at the end of June. At the same time, the fund continued to make systematic progress both in the development of its own wind power projects and in the execution of ongoing construction projects. The most significant projects currently under construction are the 63 MW expansion of the Raadi solar park in Estonia and the 30 MW / 70 MWh battery energy storage project in Kemijärvi, Finland.

The expansion of the Raadi solar park has progressed according to plan, and electricity production to the Estonian transmission grid is expected to commence on 1 July 2026, slightly ahead of the original schedule. The project will be complemented by a 20 MW / 40 MWh battery energy storage system, the procurement of which will be carried out during the third quarter of 2026. The hybrid solution formed by the solar power plant and battery storage system is expected to enhance the project's return potential by enabling participation in reserve markets and by stabilizing electricity sales revenues through reduced exposure to negative and low electricity prices.

The expansion of the Raadi solar project has been implemented entirely using solar tracking systems (trackers) that follow the movement of the sun. This increases annual energy production and improves generation particularly during morning, evening, and winter periods when the angle of solar irradiation is low.

Construction of the Kemijärvi battery storage facility has progressed as planned. Participation in the electricity markets was expected to begin in August 2026, and participation in reserve markets in September 2026. However, new requirements introduced by Fingrid in testing and commissioning processes are currently expected to delay the commercial commissioning of the Kemijärvi battery storage facility by approximately two to three months.

Documentation supporting the building permit application for the Lantonsuo battery storage development project was supplemented in June with additional information required by the authorities. The building permit is expected to be granted during the second half of 2026.

The energy park concepts being developed by the fund in Vaala and Hyrynsalmi have attracted significant interest from international data center operators. For one of the projects, cooperation has already advanced to the Letter of Intent (LOI) stage. The fund will continue developing its energy park concept, and the number of energy park projects is expected to increase by one or two new sites during the second half of 2026.

Over the long term, we believe that major electricity-intensive investments in Finland will increasingly participate in securing their own electricity supply and supporting the power system flexibility through solutions such as renewable power generation and energy storage. Such a development would strengthen the reliability of the electricity system, support competitive electricity prices, and create favorable conditions for new energy-intensive investments.

The data center projects associated with the energy parks being developed by the fund, and their related value creation potential, have not yet been taken into account in the fund's valuation.

Fund Performance

The fund's performance during the first half of 2026 was influenced by several concurrent factors. In the development of the wind power projects, the most significant value creation drivers were the successful progress of development activities, particularly the completion of environmental baseline studies and Environmental Impact Assessment (EIA) processes for the first projects.

During the reporting period, long-term electricity price forecasts were revised modestly downward. At the same time, operational cost forecasts were adjusted slightly upward to reflect the general increase in cost levels and growing maintenance requirements. Overall, the impact of these changes on the fund's value remained limited.

As the development projects progressed, two wind turbines were removed from the project portfolio during the first half of the year in order to safeguard environmental and biodiversity values.

The single most significant factor negatively affecting the fund's valuation was the independent valuer's updated assessment of the assumed values of development projects at the so-called Ready-to-Build (RtB) stage. The assumed RtB values used in the valuation of development projects are based in part on comparable market transactions. Over the past year, individual transactions have been completed and valuation levels observed that were lower than the assumptions previously used in the fund's valuations. This had a negative impact on the valuation of the fund's development portfolio and represented the most significant individual factor affecting valuation during the reporting period.

It is important to note, however, that individual comparable transactions are not always fully comparable in quality to the fund's projects. Transaction targets may differ in terms of wind conditions, grid connections, permitting status, location, technical characteristics, or the overall risk profile of the projects.

Market transactions constitute a key component of an independent valuation and have therefore been reflected in the fund's valuation negatively. The value levels observed in comparable transactions have been affected by increased wind turbine prices, driven by factors such as the cost of raw materials including iron, steel, carbon fiber, and copper, as well as higher logistics costs resulting from increased fuel prices. Forecasts currently indicate that wind turbine procurement costs are expected to begin declining from this year onward.

During the reporting period, the fund continued to execute its activities in a determined and systematic manner, both operationally and strategically. The advancement of development projects, the completion of assets currently under construction, and the continued development of energy park concepts provide a strong foundation for the fund's long-term value creation and growth in cash flows.

Strategy and Operating Model

The objective of the UB Renewable Energy Fund is to build a diversified, high-quality portfolio of renewable energy production assets and infrastructure, while establishing itself as a significant renewable energy producer in Finland and selected European markets over the long term.

The fund develops projects on its own initiative, from the earliest planning stages through to operational production. These activities are complemented by investments in fully permitted projects, assets under construction, and operational renewable energy facilities. Through in-house project development, the value created during the development phase accrues to the benefit of the fund's investors and constitutes a key component of the fund's long-term return potential.

Investments are primarily focused on onshore wind power, solar power, energy storage, and the supporting electricity infrastructure. The fund aims to build integrated and complementary asset portfolios in which energy production, energy storage, electricity transmission, and electricity consumption form a cost-efficient and integrated energy system.

An increasingly important element of the fund's strategy is the energy park concept, in which major electricity consumers, such as data centers, are planned alongside renewable energy generation facilities. This approach enables, for example, accelerated development timelines for data centers, more efficient utilization of grid capacity, reduced exposure to electricity price volatility, and the creation of new revenue streams from both energy production and infrastructure assets.

The fund manages project development risks by phasing investments, optimizing project portfolios, and continuously evaluating alternative technical solutions. As projects progress and reach key development milestones, such as environmental impact assessments, zoning processes, and permitting advancements, their value increases incrementally. This value creation is also reflected in the fund's valuation.

Operating Environment

The long-term market outlook for renewable energy in Finland has remained strong. Growth in electricity demand continues to be supported by the electrification of transportation, industry, and heating. However, over the past year, the most significant drivers of demand growth have been investments in data centers and the electrification of district heating systems.

Investment decisions relating to the electrification of district heating systems have been made for nearly 3,000 MW of capacity, and a similar amount has been announced for new data center projects. If realized, these investments would increase Finland's electricity consumption by more than 20% compared to current levels by 2030. This is no longer a question of individual projects but rather a structural transformation of the Finnish electricity market.

At the same time, investment decisions concerning new electricity generation capacity have remained well below the level required to meet the projected growth in consumption. This supports the long-term view that the market will require substantial new investments in renewable power generation, energy storage, and solutions that enhance the flexibility of the power system.

The market outlook is further supported by Fingrid's long-term forecasts, which are based on existing and planned grid connection agreements. Fingrid estimates that Finland's annual electricity consumption will increase from the current level of approximately 85 terawatt-hours (TWh) to 103-123 terawatt-hours by 2030. This forecast reflects exceptionally strong structural growth driven primarily by new electricity-intensive investments.

At the European level, renewable energy investments continue to be supported by green transition objectives, efforts to strengthen energy security, and the ambition to reduce dependence on fossil fuels. Geopolitical uncertainty has further highlighted the strategic importance of domestic, carbon-free electricity generation across Europe.

In Finland, wind power has become one of the most important forms of electricity generation. Fingrid estimates that wind power capacity will multiply over the coming decade. As weather-dependent generation increases, the need for flexibility within the power system will also grow, further strengthening the role of energy storage.

Battery energy storage systems enable participation in reserve and balancing power markets while supporting grid stability in rapidly changing generation and consumption conditions. At the same time, they improve the profitability of renewable energy production by reducing exposure to low or negative electricity prices.

Finland’s participation in the European PICASSO balancing market expands the geographic scope of reserve trading and supports the long-term development of reserve markets. The fund believes that this development will further strengthen the business potential of battery energy storage systems in the coming years.

According to the fund's view, growing electricity demand, the increasing need for energy storage, and integrated solutions such as energy parks together create an exceptionally attractive long-term investment environment for renewable energy. The fund’s strategy has been designed specifically to benefit from this structural transformation.

Staffan Söderholm & Tapio Nuotio

Portfolio Managers

FUND RETURN

	1-6/2026	Since Inception	1–12/2025	1–12/2024
R-Series Growth	-1,41%	56.69%	4.36%	6.72%
A-Series Growth	-1.24%	58.01%	4.64%	7.04%
A-Series Distribution	-1.24%	58.01%	4.64%	7.04%
I-Series Growth	-1.12%	58.96%	4.85%	7.27%

COMPOSITION OF RETURN 1-6/2026

Net Cash Flow	0.0%
Cash	0.0%
Fixed-Income Investments	0.2%
Change in Value	1.6%
Fund Fees	-3.0%
Total, on average	-1.2%

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) 1.7.2026	85.5 MEUR
Net Asset Value (NAV) 1.7.2026	85.5 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 30.6.2026	
R-Series Growth	156.6922
A-Series Growth	158.0104
A-Series Distribution	148.7912
I-Series Growth	158.9580
ISIN-codes	
R-Series Growth	FI4000556949
A-Series Growth	FI4000556956
A-Series Distribution	FI4000556964
I-Series Growth	FI4000556972

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