

CLOSED-END INVESTMENT UNDERTAKING FOR INFORMED INVESTORS CAPITALICA EUROPEAN OFFICE FUND UAB

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2026
prepared in accordance with International Financial Reporting Standards
as adopted by the European Union,
presented together with the Interim Consolidated Management Report

CONTENT

Consolidated statement of financial position	3-4
Consolidated statement of profit or loss and other comprehensive income	5
Consolidated statement of changes in equity	6
Consolidated statement of cash flows	7-8
Notes to the consolidated financial statements	9-27
Consolidated management report	28-29

Consolidated statement of financial position

	Notes	As at 30 June 2026	As at 31 December 2025
ASSETS			
Non-current assets			
Investment property	3	31,760	20,810
Right-of-use assets		18	19
Other non-current financial assets	4	68	150
Total non-current assets		31,846	20,979
Current assets			
Receivables from contracts with customers		42	29
Taxes receivable		53	24
Prepayments	6	999	117
Other receivables		83	6
Cash and cash equivalents		2,857	2,259
Total current assets		4,034	2,435
Total assets		35,880	23,414

(continued on the next page)

Consolidated statement of financial position (continued)

	Notes	As at 30 June 2026	As at 31 December 2025
EQUITY AND LIABILITIES			
Equity			
Capital	7	9,920	9,718
Share premium		2,613	2,529
Legal reserve	8	60	60
Retained earnings		2,865	1,428
Total equity		15,458	13,735
Non-current payables and liabilities			
Non-current loans	9	8,394	5,899
Bonds issued	10	8,000	-
Lease liabilities		19	19
Deferred tax liabilities	17	876	876
Non-current contract liabilities		193	193
Other non-current liabilities	12	211	-
Total non-current payables and liabilities		17,693	6,987
Current payables and liabilities			
Current portion of non-current loans	9	180	180
Bonds issued	10	247	-
Trade payables	13	2,244	2,448
Other current liabilities		58	64
Total current payables and liabilities		2,729	2,692
Total equity and liabilities		35,880	23,414

The accompanying notes are an integral part of these financial statements.

Director of Management Company CAPITALICA ASSET MANAGEMENT UAB	Andrius Barštys	15 September 2026
Head of Accounting of UAB SBA Competence and Service Center	Milda Kiaušinytė	15 September 2026

Consolidated statement of comprehensive income

	Notes	As at 30 June 2026	As at 30 June 2025
Sales revenue	14	521	465
Cost of sales	15	(174)	(131)
Gross profit		347	334
Operating expenses	16	(477)	(236)
Gain on investments property at fair value	3	1,926	446
Operating profit		1,796	544
Finance income			
Interest received		6	3
Other finance income		40	-
Finance costs			
Interest		(276)	(112)
Other finance costs		(129)	-
Profit before tax		1,437	435
Income tax		-	(15)
Net profit (loss)		1,437	420
Other comprehensive income			
Other comprehensive income		-	-
Total comprehensive income after tax		1,437	420

The accompanying notes are an integral part of these financial statements.

Director of Management Company
CAPITALICA ASSET MANAGEMENT
UAB

Andrius Barštys

15 September 2026

Head of Accounting of UAB SBA
Competence and Service Center

Milda Kiaušinytė

15 September 2026

Consolidated statement of changes in equity

	Capital	Share premium	Legal reserve	Retained earnings	Equity Total
Balance as at 1 January 2025	4,851	682	35	1,000	6,568
Net profit	-	-	-	420	420
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	420	420
Formation of issued capital	2,562	881	-	-	3,443
Transfer to reserves	-	-	25	(25)	-
Balance as at 30 June 2025	7,413	1,563	60	1,395	10,431
Net profit	-	-	-	33	33
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	33	33
Formation of issued capital	2,305	966	-	-	3,271
Balance as at 31 December 2025	9,718	2,529	60	1,428	13,735
Net profit	-	-	-	1,437	1,437
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	1,437	1,437
Formation of issued capital	202	84	-	-	286
Transfer to reserves	-	-	-	-	-
Balance as at 30 June 2026	9,920	2,613	60	2,865	15,458

The accompanying notes are an integral part of these financial statements.

Director of Management Company
CAPITALICA ASSET MANAGEMENT
UAB

Andrius Barštys

15 September 2026

Head of Accounting of UAB SBA
Competence and Service Center

Milda Kiaušinytė

15 September 2026

Consolidated statement of cash flows

	Notes	As at 30 June 2026	As at 30 June 2025
Operating activities			
Net profit (loss)		1,437	420
Adjustments to non-cash items and financing and investing activities:			
Income tax expense	17	-	15
Interest expense	19	276	112
Change in accrued expenses		214	(37)
Change in fair value	3	(1,926)	(446)
Elimination of financing activity results		83	(3)
		84	61
Changes in working capital:			
(Increase) in trade and other receivables		(45)	(67)
(Increase) in prepayments		(963)	(45)
(Decrease) in trade payables		(2,224)	(2,064)
Increase in contract and other current liabilities		13	1,043
Decrease in security deposits for tax loans		82	-
Net cash flows from operating activities		(3,053)	(1,072)
Investing activities			
(Acquisition) of non-current assets	3	(6,920)	(423)
Interest received		6	3
Net cash flows used in investing activities		(6,914)	(420)
Financing activities			
Shares issued		285	3,444
Loans received	19	2,577	-
(Repayment) of loans	19	(90)	(78)
Bonds placed	19	8,000	-
Lease (payments)		-	-
Interest (paid)	19	(207)	(112)
Net cash flow from/used in financing activities		10,565	3,254
Net increase in cash flows		598	1,762
Cash and cash equivalents at the beginning of the period		2,259	195
Cash and cash equivalents at end of period		2,857	1,957

(continued on the next page)

Consolidated statement of cash flows (continued)

		As at 30 June 2026	2025 June 30
Additional information on cash flows:			
Non-cash investing activities:			
Acquisition of non-current assets not paid for in cash	3	2,013	7

The accompanying notes are an integral part of these financial statements.

Director of Management Company CAPITALICA ASSET MANAGEMENT UAB	Andrius Barštys		15 September 2026
Head of Accounting of UAB SBA Competence and Service Center	Milda Kiaušinytė		15 September 2026

Notes to the consolidated financial statements

1 General information

The closed-end investment undertaking for informed investors CAPITALICA EUROPEAN OFFICE FUND UAB (hereinafter – the Company) is a limited liability company registered in the Republic of Lithuania on 13 February 2023. Its registered office address is Upės st. 21-1, Vilnius.

The main activity of the Company is collective investment of informed investor assets in the real estate market in order to spread risks and earn profit for the Company's shareholders. By Decision of the Bank of Lithuania No V 2023/(1.160.E-9004)-441-129 of 18 July 2023, to the Company was granted an authorisation to operate as an investment undertaking under the Republic of Lithuania Law on Collective Investment Undertakings for Informed Investors. Before the issue of the licence, the Company operated as a private limited liability company and its shareholders had all the rights and obligations determined by the Law on Companies of the Republic of Lithuania.

The goal of the Company is to ensure a long-term growth of return to the shareholders by investing in the real estate market of the Baltic states (the Republic of Lithuania, the Republic of Latvia and the Republic of Estonia) and the Central European countries of the European Union (the Republic of Poland, the Czech Republic, the Republic of Bulgaria, the Republic of Romania), focusing on investing in real estate intended for administrative purposes. The Company invests in real estate objects which are in their early stages of development i.e. under construction, as well as in already completed real estate objects.

The Company is able to operate not longer than seven years from the day on which the Bank of Lithuania issued the licence to operate as an investment undertaking. This term can be extended for additional two years.

The Company is managed by CAPITALICA ASSET MANAGEMENT UAB (hereinafter the "Management Company"), registered on 4 May 2016, company code 304234719, registered office address Upės st. 21-1, Vilnius. On 17 August 2016, license No 03-118 was issued to the Management Company by the Bank of Lithuania, enabling it to manage collective investment undertakings intended for informed investors operating under the Republic of Lithuania Law on Collective Investment Undertakings for Informed Investors.

As at 30 June 2026 and 2025, the shareholders of the Company were as follows:

Shareholder	Ownership interest as at 30 June 2026, %	Ownership interest as at 30 June 2025, %
Multi Asset Selection Fund	14.86	19.88
TABA Invest, UAB	10.08	13.49
Minority shareholders	75.06	66.63
Total:	100.00	100.00

As at 30 June 2026 and 2025, the issued capital amounted to EUR 9,919,530 and EUR 7,413,998, respectively, and was divided into 9,919,530 and 7,413,998 units, respectively, of ordinary registered shares with the nominal value of EUR 1 each. All the shares were fully paid.

The Investment Undertaking's securities accounts are managed by Artea Bankas AB, company code 112025254, registered address Tilžės st. 149, Šiauliai. Artea Bankas AB also provides depository services for the investment company.

Group structure

As at 30 June 2026 and 2025, the Group of Closed-End Investment Undertaking Intended For Informed Investors CAPITALICA EUROPEAN OFFICE FUND UAB consisted of the Company and the following directly controlled subsidiaries (hereinafter "the Group"):

Company	Country	Group's ownership interest (%) as at 30 June 2026	Group's ownership interest (%) as at 30 June 2025	Main activities
Savanorių 18 UAB	Lithuania	100	100	Lease of real estate
VERDE DEVELOPMENT SIA	Latvia	100	100	Real estate development and lease

1 General information (continued)

As at 30 June 2026, Savanorių 18 UAB and VERDE DEVELOPMENT SIA had one and two employees, respectively. As at 30 June 2025, these companies had one employee each.

2 Summary of accounting policies

2.1. Basis for preparing financial statements

These financial statements of the Group for the first six months of 2026 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (hereinafter the "EU"). The Company's separate financial statements were prepared in accordance with Lithuanian Financial Reporting Standards (LFRS).

The Group has prepared these financial statements according to IFRS which are applicable to the periods starting from or after 1 January 2026.

Application of new and/or changed IFRS and interpretations issued by International Accounting Standards Board (IASB)

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Group as at 1 January 2026:

Amendments to IAS 21 Lack of Exchangeability (issued on August 2023, effective from 1 January 2025, early application is possible):

Lack of Exchangeability amends IAS 21 The Effects of Changes in Foreign Exchange Rates to require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. These amendments did not have any impact on the Group's financial statements.

The amendments shall be applied retrospectively; prior periods need not be restated to reflect the application of the amendments

These amendments did not have a significant impact on the Group's financial statements.

Annual Improvements Volume 11 (issued on 18 July 2024 effective from 1 January 2026, earlier application is permitted)

These amendments include clarifications, simplifications, corrections and changes aimed at improving the consistency of several IFRS Accounting Standards. The amendments contained in the Annual Improvements relate to:

- **IFRS 1 First-time Adoption of International Financial Reporting Standards** - Hedge Accounting by a First-time Adopter
- **IFRS 7 Financial Instruments: Disclosures:**
 - Gain or loss on derecognition
 - Disclosure of differences between the fair value and the transaction price
 - Disclosures on credit risk
- **IFRS 9 Financial Instruments:**
 - Derecognition of lease liabilities
 - Transaction price
- **IFRS 10 Consolidated Financial Statements** - Determination of a 'de facto agent'
- **IAS 7 Statement of Cash Flows** - Cost Method.

These amendments are mandatory for financial years beginning on or after 1 January 2026; earlier application is permitted.

These amendments did not have a significant impact on the Group's financial statements.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 effective from 1 January 2026; earlier application is permitted)

Clarifying the classification of financial assets with environmental, social and corporate governance (ESG) and similar features—ESG-linked features in loans could affect whether the loans are measured at amortised cost or fair value. Stakeholders asked how to determine how such loans should be measured based on the characteristics of the contractual cash flows. To resolve any potential diversity in practice, the amendments clarify how the contractual cash flows on such loans should be assessed.

Settlement of liabilities through electronic payment systems—stakeholders highlighted challenges in applying the derecognition requirements in IFRS 9 to the settlement of a financial asset or a financial liability via electronic cash transfers. The amendments clarify the date on which a financial asset or financial liability is derecognised. The IASB also decided to develop an accounting policy option to allow a company

2 Summary of accounting policies (continued)

2.1. Basis for preparing financial statements (continued)

to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

With these amendments, the IASB has also introduced additional disclosure requirements to enhance transparency for investors regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features, for example features tied to ESG-linked targets.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Earlier application of either all the amendments at the same time or only the amendments to the classification of financial assets is permitted.

An entity is required to apply the amendments retrospectively. An entity is not required to restate prior periods to reflect the application of the amendments, but may do so if, and only if, it is possible to do so without the use of hindsight.

These amendments did not have a significant impact on the Group's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024 effective from 1 January 2027)

IFRS 18 introduces new requirements on presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

The Group has not yet evaluated the impact of the implementation of this standard.

IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024 effective from 1 January 2027)

IFRS 19 creates a reduced set of disclosures that certain in-scope entities can elect to apply instead of the disclosure requirements set out in other IFRS Accounting Standards. However, what IFRS 19 does not do is change any of the recognition, measurement or presentation requirements set out in other IFRS Accounting Standards.

The objective of the Standard is to alleviate the reporting burden for eligible subsidiaries without public accountability. It achieves this by working alongside other IFRS Accounting Standards, with eligible subsidiaries applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards, except for the disclosure requirements, replaced by the reduced set of disclosures specified in IFRS 19.

The Group has not yet evaluated the impact of the implementation of this standard.

The Group plans to adopt the above-mentioned standards and interpretations on their effective date provided they are endorsed by the EU.

2.2. Presentation currency

The amounts in these financial statements are presented in the national currency of the Republic of Lithuania, euro. The amounts in financial statements are rounded to thousand EUR if it is not otherwise stated and may not reconcile in notes due to rounding up. Such rounding bias is immaterial in these financial statements.

2.3. Basis of consolidation

The consolidated financial statements of the Group include the Company and its subsidiaries. Financial statements of subsidiaries are prepared for the same reporting year, using consistent accounting policies.

Control is obtained when the Group is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group controls an investee if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure or rights to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

2 Summary of accounting policies (continued)

2.3. Principles of consolidation (continued)

Subsidiaries are consolidated from the date from which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. All intercompany transactions, balances and unrealised gains and losses on transactions among the Group companies are eliminated. Savanorių 18 UAB has been included in consolidation since 26 April 2023, and the result for 2023 reported in the consolidated statement of profit or loss and other comprehensive income covers eight months. SIA VERDE DEVELOPMENT has been included in consolidation since 1 December 2023, and the result for 2023 reported in the consolidated statement of profit or loss and other comprehensive income covers one month.

2.4. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. In the first six months of 2026, EUR 91 thousand was capitalised. In 2025, no borrowing costs were capitalised.

2.5. Investment property

Investment property at initial recognition is accounted for at acquisition cost including transaction costs. Subsequent to initial recognition, the investment property is measured at fair value.

The market value of the Group's investment property is derived from reports prepared by independent property appraisers having appropriate recognised professional qualifications and necessary experience in valuation of property at certain location and of certain category, or the value is estimated on the basis of discounted future cash flows or market price of similar assets. Lease income earned is recognised in sales revenue. Gains and losses arising from changes in the fair values of investment property are recognised in the statement of comprehensive income as a separate line item.

Maintenance expenses of investment property are recognised in the statement of comprehensive income during the financial period in which they are incurred. Costs are capitalised only when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the property can be reliably measured.

2.6. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, at fair value through other comprehensive income (OCI), and at fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables and contract assets that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15.

For financial asset would be attributed and valued at amortised cost or at fair value through other comprehensive income, cash flows coming from financial asset should be only solely payments of principal and interest (SPPI) from main unfulfilled amount. This assessment is known as the SPPI test and is performed for each financial instrument.

The Group's business model for managing financial assets refers to how the Group manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

A regular way purchases or sales of financial assets are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

After initial recognition, the Group measures a financial asset at:

- (a) At amortised cost (debt instruments).

2 Summary of accounting policies (continued)

2.6. Financial instruments (continued)

Financial asset at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- (i) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- (ii) Contractual terms and conditions of financial asset allow for obtaining cash flows, on certain dates, which are solely the payments of the principal or the interest on the outstanding principal.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method, less impairment losses. Gains and losses are recognised in the statement of comprehensive income when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade, other current and non-current receivables, receivables and loans granted.

Impairment of financial assets

Following IFRS 9, in common case scenario, the Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

(a) Estimation of the impairment of trade receivables

For the purpose of the estimation of doubtful amounts receivable, the Group has established a matrix of expected loss rates based on historical credit loss analysis and adjusted to reflect future factors specific to borrowers and the economic environment (macroeconomic market indicators, employment rate, consumer price index, etc.).

Credit loss amount of trade receivables is accounted for through profit (loss) using a contrary account of doubtful receivables. A financial asset is derecognised when there is no reasonable expectation to recover contractual cash flows.

The Group considers a financial asset in default when contractual payments are 90 days past due or when indications exist that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Impairment losses on loans granted and trade receivables are recognised in profit or loss through the contrary account of doubtful receivables. A financial asset is derecognised when there is no reasonable expectation to recover contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans received and payables. All financial liabilities are recognised initially at fair value and, in the case of loans received and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans repaid including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

2 Summary of accounting policies (continued)

2.6. Financial instruments (continued)

Loans received and other payables

After initial recognition, loans and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as financial costs in the statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is an enforceable right to settle the amounts recognised and is intended to be settled net, i.e. to realize the assets and fulfil their obligations at the same time.

2.7. Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but have assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; and
- the Group has transferred their rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group transfers the rights to cash flows but neither transfers the related risk nor the control of the asset, the asset is recognised to the extent that the Group is still related to. The relation to the asset which was transferred is accounted as a guarantee at the lower of accounted value of the asset and the highest of the forecast amount that the Group may have to pay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability. The difference between the respective balances is recognised in the statement of comprehensive income.

2.8. Cash and cash equivalents

Cash includes cash in the bank accounts. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, with original maturities of 3 months or less and that are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in current bank accounts and deposits in bank with original term equal to or less than 3 months.

2.9. Leases

A. Group as a lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2 Summary of accounting policies (continued)

2.10. Provisions

Provisions are recognised only when the Company has a legal obligation or irrevocable commitment as a result of past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the most accurate recent assessments. When the impact of time value of money is significant, the amount of provision represents the present value of costs expected to be incurred for the settlement of the liability. Where discounting is used, the increase in the provisions due to the passage of time is recognised as interest expenses.

2.11. Income tax

The Group companies are taxed individually, irrespective of the total Group results. Income tax charge is based on profit for the year and considers deferred taxation. Income tax is accounted for in the statement of comprehensive income.

The charge for taxation included in these financial statements is based on the calculation made by the management in accordance with tax legislation of the Republic of Lithuania and foreign countries where subsidiaries of the Group operate. In 2025, the standard rate of income tax at a rate of 16% was applicable to companies of the Republic of Lithuania (from 2026, the applicable income tax rate will be 17%). The company operating in Latvia is subject to 0% income tax rate, unless the profit is distributed in the form of dividends, then 20% income tax rate applies. In accordance with the requirements of Article 12 of the Law on Income Tax of the Republic of Lithuania, all income of the Company are treated as non-taxable income, and all the expenses incurred as non-deductible expenses, therefore the Company does not pay income tax.

Tax losses in Lithuania can be carried forward for indefinite period, except for the losses incurred as a result of disposal of securities and/or derivatives. Such carrying forward is disrupted if the entity changes its activities due to which these losses incurred except when the entity does not continue its activities due to reasons which do not depend on the entity itself. The losses from disposal of securities and/or derivative financial instruments can be carried forward for five consecutive years and can only be used to reduce the taxable income earned from the transactions of the same nature. As from 1 January 2014, tax losses available for carry forward can be used to reduce taxable income of the current tax year by maximum 70%. In Latvia, the procedure for loss carry forward does not apply as from 2018.

Deferred taxes are calculated using the liability method. Deferred tax is recognised, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are measured at a tax rate which will (as expected) be applied for the period during which the assets will be realised and the liability covered, based on the tax rates which were adopted or essentially adopted on the date of the statement of financial position.

Deferred tax assets are recognised in the statement of financial position to the extent that the management expects it to be realised in the near future, based on the taxable profit forecasts. If it is likely that part of the deferred tax is not going to be realised, this part of the deferred tax asset is not recognised in the financial statements.

In accordance with the amended Latvian Income Tax Act of 1 January 2018, income tax is not levied on companies' profits but on dividends distributed. The tax rate in 2024 was 20/80 of the amount distributed as the net dividend (20/80 in 2023). The Company has undistributed profit in Latvia accrued after 1 January 2018, which would be taxed upon distribution. In accordance with paragraph 39 of IAS 12, the Company shall recognise a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, branches and associates except the cases when recognition exception applies. The Company has determined that the recognition exception in paragraph 39 of IAS 12 does apply to it because it is not probable that the temporary difference will reverse in the foreseeable future, i.e. no distribution of undistributed profits in Latvia are planned in the foreseeable future.

2.12. Sales revenue

The Group is engaged in lease and development of investment property.

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably. Sales revenue is recognised net of VAT and discounts.

Revenue from services is recognised when the services are rendered and when the control of services is transferred to the customer at the amount that the Group expects to receive as consideration for services, yet, such transactions are rear and insignificant.

Operating lease income from investment property are recognised in income on a straight-line basis over the lease term.

The Group earns major part of revenue from acting as lessor under lease agreements which do not transfer substantially all of the risks and rewards incidental to ownership of an investment property. All rental agreements are long-term and for the majority of lessees

2 Summary of accounting policies (continued)

2.12. Sales revenue (continued)

the rent is indexed on January 1 of each year based on the Harmonised Indices of Consumer Prices (HICP) or the Consumer Price Index (CPI).

In relation to the Group's business model besides what is discussed in this note, management has not made any other important accounting judgements, valuations or assumptions related to recognition of revenue from contracts with customers, except as disclosed in Note 2.16.

2.13. Foreign currencies

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from such transactions and from the translation of balances of assets and liabilities denominated in foreign currencies at the reporting date are recognised in the statement of comprehensive income. These balances are translated using the closing rate.

2.14. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.15. Impairment of assets

Financial assets

Financial assets are reviewed for impairment at each balance sheet date.

For financial assets carried at amortised cost, whenever it is probable that the Group will not collect all amounts due according to the contractual terms of loans or receivables, an impairment or bad debt loss is recognised in the statement of comprehensive income. The reversal of impairment loss previously recognised is recorded when the decrease in impairment loss can be justified by an event occurring after impairment recognition. Such reversal is recorded in the statement of comprehensive income. However, the increased carrying amount is only recognised to the extent it does not exceed the amortised cost that would have been had the impairment not been recognised.

Other assets

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of comprehensive income. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased significantly. The reversal is accounted for in the same caption of the statement of comprehensive income as the impairment loss.

2 Summary of accounting policies (continued)

2.16. Use of estimates in preparation of financial statements

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and costs and contingencies. The significant areas of estimation used in the preparation of these financial statements are discussed below:

Leases

Determination of the lease term

As a lessor, the Group enters into lease agreements that contain options to terminate or to extend the lease. These options are generally exercisable after an initial period of 4 to 6 years. At commencement date, the Group (supported by the advice of the independent valuation expert) determines whether the lessee is reasonably certain to extend the lease term or not to terminate the lease. To make this analysis, the Group takes into account any difference between the contract terms and the market terms, any significant investments made by the lessee in the property, costs relating to the termination of the lease and the importance of the underlying asset to the lessee's operations. In many cases, the Group does not identify sufficient evidence to meet the required level of certainty.

Property lease classification – the Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of this property and accounts for the contracts as operating leases.

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determination of performance obligations

In relation to the services provided to tenants of investment property (such as cleaning, security, landscaping) as part of the lease agreements into which the Group enters as a lessor, the Group has determined that the promise is the overall property management service and that the service performed each day is distinct and substantially the same.

Although the individual activities that comprise the performance obligation vary significantly throughout the day and from day to day, the nature of the overall promise to provide management service is the same from day to day. Therefore, the Group has concluded that the services to tenants represent a series of daily services that are individually satisfied over time, using a time-elapsed measure of progress, because tenants simultaneously receive and consume the benefits provided by the Group.

Principal versus agent considerations – services to tenants

The Group arranges for certain services provided to tenants of investment property included in the contract the Group enters into as a lessor, to be provided by third parties (e.g. property maintenance services, repair works). The Group has determined that it controls the services before they are transferred to tenants, because it has the ability to direct the use of these services and obtain the benefits from them. In making this determination, the Group has considered that it is primarily responsible for fulfilling the promise to provide these specified services because it directly deals with tenants' complaints and it is primarily responsible for the quality or suitability of the services. In addition, the Group has discretion in establishing the price that it charges to the tenants for the specified services.

Therefore, the Group has concluded that it is the principal in these contracts. In addition, the Group has concluded that it transfers control of these services over time, as services are rendered by the third-party service providers, because this is when tenants receive and, at the same time, consume the benefits from these services.

Investment company and Consolidation

The management of the Group has assessed its activities to meet the definition of an investment company in the context of IFRS 10, and considers that CAPITALICA EUROPEAN OFFICE FUND UAB does not meet the definition of an investment company as it has the characteristics of a real estate company rather than a pure investment company. Although investors in the Company expect both capital appreciation and operating profit from their capital investment, the Company also carries a significant amount of development risk in its investments, which is specific to a typical real estate company. An investment firm should also make direct investments in companies that are measured at fair value in accordance with IFRS 10. For the parent company of CAPITALICA EUROPEAN OFFICE FUND fair value measurement

2 Summary of accounting policies (continued)

2.16. Use of estimates in preparation of financial statements

is indirect - the fair value is the value of assets held in subsidiaries, resulting in the fair value of the subsidiary not necessarily being the ultimate market value of the subsidiary.

The Group also estimates its financial performance on the basis of rental income, profit margins, volume of assets and other financial indicators of the real estate business, which cannot be measured solely by the fair value of the subsidiary.

Other significant areas of estimation used in the preparation of the accompanying financial statements relate to determination of the fair value of investment property (Notes 2.14 and 3), assessment of application of going concern basis (Note 2.17), assessment of off-balance sheet liabilities and contingencies (Note 18). Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effect of any changes in estimates will be recorded in the financial statements, when determinable.

2.17. Going concern

As at 30 June 2026, the Group's current assets exceeded current liabilities by EUR 1,305 thousand. The Company's management plans to continue earning profit and believes that the Company will earn sufficient income and cash flows in order to carry out its activities and cover its liabilities, therefore these financial statements were prepared based on the assumption of going concern.

Notes to the financial statements

3 Investment property

	Land	Buildings	Investment property under construction	Total
Cost:				
Balance as at 1 January 2025	4,574	9,550	-	14,124
Additions	-	-	6,024	6,024
Reclassification	(1,095)		1,095	-
Gain arising from changes in fair value	462	200	-	662
Balance as at 31 December 2025	3,941	9,750	7,119	20,810
Additions	-	-	9,024	9,024
Gain arising from changes in fair value	1,926	-	-	1,926
Balance as at 30 June 2026	5,867	9,750	16,143	31,760
Net book value as at 30 June 2026	5,867	9,750	16,143	31,760
Net book value as at 31 December 2025	3,941	9,750	7,119	20,810
Net book value as at 1 January 2025	4,574	9,550	-	14,124

During the first six months of 2026, the Group's income from lease of investment property (Note 14) amounted to EUR 332 thousand (during the first six months of 2025: EUR 324 thousand).

Considering market and property conditions in H1 2026, no significant changes were identified that may have a material impact on the property value, therefore a new investment property valuation was not conducted as at 30 June 2026, as permitted by the Company's rules. The fair value of the property remained unchanged as at 30 June 2026 and was equal to the market value of EUR 9,750 thousand identified by an independent appraiser Newsec Valuations UAB as at 31 December 2025 (Level 3 in fair value hierarchy).

The fair value of investment property (office complex VERDE C and D under construction located at Hanzas iela 14F, Riga, Latvia) estimated by independent appraiser Colliers International Advisors SIA as at 30 June 2026 amounted to EUR 22,010 thousand (Level 3 in fair value hierarchy) (as at 31 December 2025, EUR 11,060 thousand (Level 3 in fair value hierarchy)). The increase in value resulted mainly from the progress in construction: a significant portion of the construction work was completed during H1 2026, the costs of which were capitalized. As at the valuation date, the majority of the structural framework was installed for building C, and the foundation work had been completed for Building D, both in the complex of Verde.

The valuation as at 30 June 2026, the same as at 31 December 2025, was made using discounted future cash flows method, which evaluates the income generated from the future lease agreements. The 0% annual growth of lease income due to indexation was expected in 2026, and 2% in 2027 and subsequent years (as at 31 December 2025, 2% in the second year and subsequent years). A 3.5% overall rate was applied as a reserve for not received income due to potential vacancy and bad debts. As at 30 June 2026, the capitalisation rate used in valuation was 6.5% and the discount rate was 9.5% (as at 31 December 2025, 6.5% and 9.2%, respectively). The increase in the discount rate was driven by the rise in market interest rates over the past six months.

3 Investment property (continued)

As described in Note 9, the business centre Savanorių 18 (owned by Savanorių 18 UAB) and land lease rights are pledged to banks as collateral for loans. The entire property held by VERDE DEVELOPMENT SIA, i.e. a land plot located at Hanzas iela 14I, 14F and Kluča iela 6, Riga, Latvia, as well as a construction project, is pledged as collateral.

4 Other non-current financial assets

As at 30 June 2026, in accordance with the loan agreement between VERDE DEVELOPMENT SIA and Rietumu banka AS, the Group company had EUR 68 thousand (as at 31 December 2025, EUR 150 thousand) reserved for a write-off of the fee payable until the loan repayment date (Note 9). Upon exhaustion of the reserved funds, they must be renewed.

5 Cash and cash equivalents

As at 30 June 2026 and 31 December 2025, the Group's cash and cash equivalents comprised cash at banks.

As explained in Note 9, the bank accounts of the companies, having credit agreements with banks, are pledged to banks as collateral for loans. As at 30 June 2026 and 31 December 2025, the Group did not have any restricted cash.

6 Prepayments

As at 30 June 2026 and 31 December 2025, the prepayments comprised prepayments of VERDE DEVELOPMENT SIA to contractors for construction in progress.

7 Capital

As at 30 June 2026 and 31 December 2025, all 9,920 thousand and 9,718 thousand units of shares, respectively, with the nominal value of EUR 1 each, were ordinary shares. As at 30 June 2026 and 31 December 2025, all shares were fully paid. During the first six months of 2026, the Company's issued capital was increased by EUR 202 thousand (2025: EUR 4,867 thousand) through additional shareholders' contributions.

8 Reserves

Legal reserve

The legal reserve is mandatory under the legislation of the Republic of Lithuania. Annual transfers of not less than 5% of net profit are required until the reserve reaches 10% of the issued capital. As at 30 June 2026 and 31 December 2025, not all the Group companies complied with this requirement. In 2025, EUR 25 thousand were transferred to the legal reserve.

9 Borrowings

	As at 30 June 2026	As at 31 December 2025
Non-current loans:		
Bank loans	8,646	6,159
Current portion of non-current loans	(180)	(180)
Effective interest rate	(72)	(80)
	<u>8,394</u>	<u>5,899</u>

All loans of the Group are denominated in euros. On 31 December 2025, VERDE DEVELOPMENT SIA paid a credit administration fee of EUR 80 thousand which is attributed to the loan obtained as is considered as an integral part of the effective interest rate of a financial instrument. As at 30 June 2026, the balance of the amortised administration fee was EUR 72 thousand.

All loans of the Group are with variable interest rate which depends on EURIBOR. In 2026 and 2025, the period of repricing of variable interest rate of majority of the loans was every three months.

9 Loans (continued)

Weighted average interest rates of borrowings outstanding at the year-end were as follows:

	As at 30 June 2026	As at 31 December 2025
Non-current loans	5.21	4.52
Current loans	-	-

The repayment schedule of non-current borrowings is as follows:

	As at 30 June 2026	As at 31 December 2025
Within one year	180	180
After one but no later than five years	8,466	5,979
	<u>8,646</u>	<u>6,159</u>

On 31 March 2023, Savanorių 18 UAB signed a loan agreement with SEB Bankas AB for the grant of financing of EUR 5 million. The loan is subject to an interest rate of 2.25% + 3-month Euribor. The final term of the loan repayment is 31 March 2028.

On 19 September 2025, under the existing agreement, Savanorių 18 UAB signed an amendment to the credit agreement granting an additional loan of EUR 850 thousand. The loan is subject to an interest rate of 2.35% + 3-month Euribor. The final term of the loan repayment remains the same.

On 20 November 2025, VERDE DEVELOPMENT SIA and Rietumu Banka AS entered into the loan agreement in the amount of EUR 19 million. The loan is granted to finance the construction of business centre and disbursed in instalments by 31 March 2028. The loan is subject to an interest rate of 4% + 3-month Euribor. The loan is due on 19 November 2030. As at 30 June 2026, VERDE DEVELOPMENT SIA had already utilised the loan in the amount of EUR 3,386 thousand (as at 31 December 2025, EUR 809 thousand).

As at 30 June 2026, the Group's outstanding undrawn credit limit was EUR 16 million. As at 31 December 2025, the balance of the Group's undrawn credit limits was EUR 18 million.

To secure repayment of loans, the Group has pledged to banks 100% of shares in the subsidiaries Savanorių 18 UAB, SIA VERDE DEVELOPMENT SIA, investment property (Note 3), and claim to cash at banks (Note 5). Also, the right to lease land from the state of the Group company Savanorių 18 UAB, and the land plot of SIA VERDE DEVELOPMENT SIA are pledged to banks as collateral.

Compliance with covenants

According to the loan agreements, during all loan period the Group has to comply with financial debts to EBITDA ratio (earnings before taxes, interest expense, depreciation, amortisation and non-operating expenses), debt service coverage ratio and debt to total assets ratio, calculated based on the separate financial statements of the Group companies. As at 30 June 2026 and 31 December 2025, these covenants were met.

As at 30 June 2026 and 31 December 2025, the Group companies were in compliance with the covenant requiring to execute certain volume of cash transactions through the bank accounts.

10 Bonds issued

On 30 January 2026, a bond distribution agreement was concluded between the company of the Group and Arte Bankas AB (company code 112025254, registered address Tilžės st. 149, Šiauliai), on the basis of which 8,000 units of bonds with the nominal value of EUR 1,000 each were issued. The bonds' maturity is 12 August 2028, bonds earn 8% annual interest paid every six months.

	As at 30 June 2026	As at 31 December 2025
Non-current bonds:		
Bonds	8,247	-
Current portion of non-current bonds	(247)	-
	<u>8,000</u>	<u>-</u>

10 Issue of bonds (continued)

Performance of contract liabilities

The Company is committed to maintain borrowings below 70% of the Company's total assets. As at 30 June 2026, the Company complied with this requirement.

During the first six months in 2026, the Company did not grant loans to third parties, did not provide guarantee or warranty for the fulfilment of the obligations of third parties, nor did it provide assurance for the fulfilment of the obligations of third parties by pledging or mortgaging the Company's assets, except for securing the fulfilment of obligations of legal entities controlled by the Company.

11 Contract liabilities

	As at 30 June 2026	As at 31 December 2025
Non-current contract liabilities	193	193
	<u>193</u>	<u>193</u>

Contract liabilities comprise security deposits received from tenants under signed rent agreements, which are classified as non-current and current liabilities. If the remaining term of the rent agreement is less than one year, such liabilities are classified as current; if longer, they are classified as non-current.

12 Other non-current liabilities

A success fee is paid to CAPITALICA ASSET MANAGEMENT, the management company, if the annual return of the Company's investments exceeds 7%. In such case, 15% of the amount by which the minimum Company's investment return exceeds the minimum threshold is paid as a fee. The success fee is paid after the life of the Company comes to the end or 50% of accrued success fee can be paid in advance. Since a EUR 60 thousand advance success fee was paid in 2025, the Company's success fee receivable totalled EUR 6 thousand as at 31 December 2025. As at 31 December 2025, the estimated success fee amounted to EUR 54 thousand, therefore, on 22 January 2026, the Management Company partially repaid the advance success fee.

	As at 30 June 2026	As at 31 December 2025
Accrued success fee	211	-
	<u>211</u>	<u>-</u>

The table below shows changes in the success fee:

	As at 1 January 2026	Estimated	Prepaid	Advance success fee repaid	2026 June 30
Success fee	(6)	184	-	33	211
Total	(6)	184	-	33	211

	As at 1 January 2025	Estimated	Prepaid	Advance success fee repaid	As at 31 December 2025
Success fee	119	(66)	(59)	-	(6)
Total	119	(66)	(59)	-	(6)

13 Trade payables

Conditions for trade payables are the following: for current trade payables, interest is not applicable and they are usually settled within a period of 30 days. Non-current loans to suppliers, paid following an agreed schedule, are accounted as non-current payables.

14 Sales revenue

	From 1 January to 30 June 2026	From 1 January to 30 June 2025
Lease income	332	324
Income from resale of utility services	173	127
Income from parking services	15	14
Other sales revenue	1	-
	<u>521</u>	<u>465</u>

15 Cost of sales

	From 1 January to 30 June 2026	From 1 January to 30 June 2025
Utilities	92	76
Tax expenses	39	23
Assets operating expenses	29	21
Stationery, office equipment and other administrative expenses	14	11
	<u>174</u>	<u>131</u>

16 Operating expenses

	From 1 January to 30 June 2026	From 1 January to 30 June 2025
Success fee	184	19
Management fee	104	68
Wages and salaries, and social security	43	16
Advertising and communication services	42	50
Consultation services	40	8
Financial accounting and HR services	18	15
Services from other companies	14	11
Repair of premises	9	10
Services of financial institutions	9	6
Land tax expenses	7	14
Audit services	7	19
	<u>477</u>	<u>236</u>

17 Income tax

	From 1 January to 30 June 2026	From 1 January to 30 June 2025
Income tax expenses comprised as follows:		
Current income tax expenses	-	-
Deferred tax expenses	-	15
Income tax expenses charged to statement of comprehensive income	-	15

17 Income tax (continued)

	2026 June 30	As at 31 December 2025
Deferred tax asset		
Tax losses	-	-
Lease liabilities	3	3
Deferred tax asset before valuation allowance	3	3
Less: valuation allowance	-	-
Deferred tax asset, net	3	3
Deferred tax liability		
Revaluation of investment property at fair value	(876)	(876)
Right-of-use assets	(3)	(3)
Deferred tax liability	(879)	(879)
Deferred income tax, net	(876)	(876)

Deferred income tax assets and liability, related to the entities of the Group operating in Lithuania, were accounted at a 17% rate as at 30 June 2026 and 31 December 2025.

The income tax amount from continued operations can be reconciled to income tax expenses, calculated by applying the statutory income tax rate to the Group's profit before income tax as follows:

	From 1 January to 30 June 2026	From 1 January to 30 June 2025
Income tax expenses computed at 17% and 16% rates, respectively	244	67
Permanent differences	1	(16)
Change due to change in an income tax rate (Note 2.11)	(14)	(4)
Effect of lower tax rates in other countries (Latvia) (Note 2.11)	(231)	(32)
Income tax expenses charged to statement of comprehensive income	-	15

18 Off-balance sheet liabilities and contingencies

Operating lease liabilities – Group as a lessor

The Group has leased premises (investment property) under non-cancellable operating lease agreements. As at 30 June 2026, the remaining lease period under effective agreements was 2.5 years (as at 31 December 2025, 3 years). Lease payments receivable are either variable depending on the lease term or are revised annually depending on the consumer price index change.

Future minimal lease payments receivable according to the signed lease contracts are as follows:

	As at 30 June 2026	As at 31 December 2025
Within one year	694	694
From one to five years	539	886
After five years	-	-
	1,233	1,580

19 Financial assets and liabilities and risk management

When performing its activities, the Group is exposed to various risks. The risk management is carried out by the Board.

19 Financial assets and liabilities and risk management (continued)

The main financial risk management procedures applied in the Group's activity were as follows:

Interest rate risk

The Group's loans consist of loans received with a variable interest rate, which is linked to EURIBOR and creates interest rate risk (Note 9). The Group did not have any financial instruments with the purpose to manage interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates, with all other variables held constant, of the Group's profit before tax. Except for the current year's profit, there is no impact on the equity of the Group.

	Increase/decrease in basis points	Impact on profit before tax
As at 30 June 2026		
(EUR)	+50	(43)
(EUR)	-10	9
As at 31 December 2025		
(EUR)	+50	(31)
(EUR)	-10	6

Foreign exchange risk

The Group's operations and transactions are denominated in euros, therefore the Group is not exposed to foreign exchange risk.

Liquidity risk

The Group's policy is to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of committed credit facilities to meet its obligations at a given date in accordance with its strategic plans. The Group's liquidity (current assets / current liabilities) and quick ratios ((current assets – inventory) / current liabilities) as at 30 June 2026 were 1.48 and 1.48 (0.90 and 0.90 as at 31 December 2025, respectively) (Note 2.17).

The table below summarizes the maturity profile of the Group's financial liabilities as at 30 June 2026 and 31 December 2025 based on contractual undiscounted payments:

	On demand	Less than 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	Total
Lease liabilities	-	-	1	9	111	121
Interest bearing loans	-	-	317	9,674	-	9,991
Non-current bonds issued	-	320	320	8,960	-	9,600
Trade payables	-	2,244	-	-	-	2,244
Other current payables	-	18	12	-	-	30
Balance as at 30 June 2026	-	2,582	650	18,643	111	21,986

19 Financial assets and liabilities and risk management (continued)

	On demand	Less than 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	Total
Lease liabilities	-	-	2	8	112	122
Interest bearing loans	-	87	450	6,543	-	7,080
Non-current bonds issued	-	-	-	-	-	-
Trade payables	-	2,463	-	-	-	2,463
Other current payables	-	28	17	-	-	45
Balance as at 31 December 2025	-	2,578	469	6,551	112	9,710

It is not expected that the cash flows presented in the term analysis can appear early or that their amounts can differ significantly.

Changes in financial liabilities

	As at 1 January 2026	Received	Interest charged	Payments	As at 30 June 2026
Borrowings	6,159	2,577	206	(296)	8,646
Bonds issued	-	8,000	247	-	8,247
Leases	19	-	1	(1)	19
Total	6,178	10,577	454	(297)	16,912

	As at 1 January 2025	Received	Interest charged	Payments	As at 31 December 2025
Borrowings	4,657	1,659	212	(369)	6,159
Bonds issued	-	-	-	-	-
Leases	19	-	1	(1)	19
Total	4,676	1,659	213	(370)	6,178

Fair value of financial assets and liabilities

The Group's principal financial instruments not carried at fair value are trade and other receivables, trade and other payables, non-current and current borrowings.

The following methods and assumptions are used to estimate the fair value of each class of financial assets and liabilities:

- The carrying amount of current trade and other receivables, current payables and current borrowings (granted/received at arm's length transactions) approximates fair value (estimated based on Level 3 of fair value hierarchy).
- The fair value of non-current borrowings is based on the quoted market price for the same or similar issues or on the current rates available for borrowings with the same maturity profile. The carrying amount of non-current borrowings as at 30 June 2026 and 31 December 2025 approximates their fair value, because they are already measured at a floating rate in line with market conditions.

20 Capital management

"Capital" in the meaning of IAS 1 comprises the equity presented in the financial statements.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made to the objectives, policies or processes of capital management as at 30 June 2026 and 31 December 2025.

20 Capital management (continued)

The Company is obliged to keep its equity at not less than 50% of its share capital, as imposed by the Law on Companies of the Republic of Lithuania. As at 30 June 2026 and 31 December 2025, all the Group companies operating in Lithuania complied with the aforementioned requirement for equity.

The Group monitors capital using debt to equity ratio. The capital consists of ordinary shares, reserves, and retained earnings (loss). The management of the Group has not set a specific target for debt to equity ratio. The actual figures provided below are assessed by the management as rather good performance indicators:

	As at 30 June 2026	As at 31 December 2025
Non-current liabilities	17,693	6,987
Current liabilities	2,729	2,692
Total liabilities	20,422	9,679
Equity	15,458	13,735
Liabilities to equity ratio	1.32	0.70

21 Related party transactions

The parties are considered related when one party has the possibility to control the other or have significant influence over the other party in making financial and operating decisions. The related parties of the Group are as follows:

- CAPITALICA ASSET MANAGEMENT UAB (Management Company);
- Other SBA Group companies.

Related party transactions during the first six months of 2026 and 2025, and balances as at 30 June 2026 and 2025:

2026	Purchases	Sales	Receivables	Payables
CAPITALICA ASSET MANAGEMENT UAB	288*	-	-	229**
Other SBA Group companies	8,305	-	803	2,016
	8,593	-	803	2,245

* The management fee payable to the Management Company was recorded in the income statement at amount of EUR 104 thousand. The success fee accrued during the year was recorded in the statement of profit (loss) at amount of EUR 184 thousand.

** The accrued success fee payable to the Management Company was accounted for as liability at amount of EUR 211 thousand.

2025	Purchases	Sales	Receivables	Payables
CAPITALICA ASSET MANAGEMENT UAB	87*	-	-	92**
Other SBA Group companies	43	-	-	11
	130	-	-	103

* The management fee payable to the Management Company was recorded in the income statement at amount of EUR 68 thousand. The success fee accrued during the year was recorded in the statement of profit (loss) at amount of EUR 19 thousand.

** The accrued success fee payable to the Management Company was accounted for as liability at amount of EUR 79 thousand.

There are no guarantees or pledges given or received in respect of the related party payables and receivables. Related party receivables and payables are expected to be settled in cash or set-off against payables / receivables to / from a respective related party.

Remuneration and other payments to the management personnel

The Group's management is considered to be directors, members of the Board of all subsidiaries.

During the first six months of 2026, the Group's management remuneration totalled EUR 22 thousand (during the first six months of 2025: EUR 16 thousand).

21 Related party transactions (continued)

During the first six months of 2026 and 2025, the management of the Group did not receive any loans, guarantees, no other significant payments made or accrued, no property transfers were made.

22 Events after the reporting period

On 20 August 2026, VERDE DEVELOPMENT SIA and Rietumu Banka AS entered into the loan agreement in the amount of EUR 31 million. The loan is granted to finance the construction of stage D of business centre VERDE.

There were no significant events in the Group after the reporting date.

INTERIM CONSOLIDATED MANAGEMENT REPORT FOR THE 6-MONTHS PERIOD ENDED 30 JUNE 2026 OF Closed-End Investment Undertaking Intended For Informed Investors CAPITALICA EUROPEAN OFFICE FUND UAB

GENERAL INFORMATION

Closed-end investment undertaking intended for informed investors CAPITALICA EUROPEAN OFFICE FUND UAB (hereinafter – the Company) was incorporated on 13 February 2023. The Company's issued capital as at 30 June 2026 amounted to EUR 9,919,530, divided into 9,919,530 units of ordinary registered shares with nominal value of EUR 1 each, where 14.86% of the shares were held by Multi Asset Selection Fund, and 10.08% by TABA Invest UAB. The remaining shares are controlled by minority shareholders, each holding less than 10% of all shares.

The main activity of the Company is collective investment of informed investor assets in the real estate market in order to spread risks and earn profit for the Company's shareholders. On 18 July 2023, the Bank of Lithuania issued a licence to the Company to operate as an investment company. Before the issue of the licence, the Company operated as a private limited liability company.

The Company is managed by CAPITALICA ASSET MANAGEMENT UAB (hereinafter the "Management Company"), which, on 17 August 2016, gained a permit to act as a management company of collective investment subjects for informed investors, issued by the Bank of Lithuania.

In carrying out the Company's investment activities, the Management Company takes into account environmental actions, including climate change. To this end, the Management Company has approved and regularly updates its Sustainability Risk Assessment Policy, implementing it through the relevant reporting and communication to investors and the supervisory authority. In its activities, the Management Company also adheres to the highest standard of ethical conduct, and, in carrying out investment activities, it takes into account the implementation of topics related to personnel, human rights, and anti-corruption and anti-bribery. To this end, the Management Company is subject to the policies developed by the main shareholder (SBA Grupė UAB), which have to be observed by all employees of the Management Company. The Management Company has an internal code of values in place that is regularly communicated by the management. The Management Company has also approved the Policy for Avoiding Conflicts of Interest, which it implements in the course of its activities.

As at 30 June 2026, the Company had control over the following subsidiaries: Savanorių 18 UAB and SIA VERDE DEVELOPMENT.

The Group's management conducts a regular oversight of the activities of the companies under its control to ensure the accuracy of the Group's consolidated financial statements and to reduce the related risks.

For more information about the principles for preparing consolidated financial statements, see Note 2.3 to the consolidated financial statements.

Review of the Group's during six months of 2026

The Group's consolidated sales during six months of 2026 amounted to EUR 521 thousand, consolidated gross profit was EUR 347 thousand. Having assessed the operating expenses and loss from investment activities, consolidated profit before tax amounted to EUR 1,437 thousand.

During the first six months of 2026, the Group earned EUR 1,437 thousand in a net profit.

As at 30 June 2026, the Group's consolidated assets amounted to EUR 35,880 thousand.

As at 30 June 2026, the Group companies had one and two employees.

Description of main risks

In its activities, the Group is exposed to various risks. The Management company's Board is responsible for managing the Group's risks and assessing the adverse effect on its objectives and performance. The identification and management of specific risks is assigned to the relevant functions within the Group. Given the external and internal environment, the risk level is assessed when adopting both strategic and operational decisions. Risk management forms an integral part of the Group's operational processes, therefore potential risks are under permanent monitoring and evaluation.

Financial risk management is carried out by the Board. For more information on financial risk management see the Group's Notes to the Financial Statements, Note 19.

Environmental risk. The environmental risk is relatively low: office-based operations without using hazardous substances and with minimum waste generation. However, the Company is committed to reduce environmental impact by saving energy, choosing environmental goods and promoting public transport at work. The data centres managed by the Company designed to ensure high energy efficiency standards, the Company continuously invests in technologies for reducing energy consumption and heat release. To reduce pollution, we are constantly renewing our vehicle fleet with greener cars. The Group is nearly paper-free in almost every area, and has switched to digital process and document management. The Group's declared values highlight the environmental aspect, and its social campaigns are related to environmental issues, e.g. tree planting, dune cleaning.

Corruption risk. The Group complies with international legal norms governing human rights and labour relations, and the highest anti-corruption and environmental standards. SBA Group and its companies are guided by the SBA Group Code of Corporate Culture, which establishes standards and norms for transparent work, business ethics and anti-corruption behaviour for all employees (avoidance of conflict of interests, neutrality in political processes, and prohibition of gifts or services if they are intended to unfairly confer an advantage or a bias on the decisions made). Across all countries where the SBA Group companies operate, we base our business on statutory and regulatory requirements, including but not limited to anti-corruption legislation. Acting in the business interests of the companies part of the SBA Group, we shall not offer bribes or make any other unlawful payments to the representatives of public authorities, including facilitation payments (low value informal payments). Both internal and external reporting channels (pasitikejimolinija@sba.lt) are also in place and available to employees and/or business partners of SBA Group companies to report potentially corrupt practices.

The Company and the Group companies neither acquired nor sold any shares of the Company during the first six months of 2026. The Company and the Group did not hold its own shares as at 30 June 2026.

As at 30 June 2026, the Company and the Group had no branches or representative offices.

Significant events after the end of the financial year.

There were no significant events after the reporting period, except for those disclosed in Note 22 to the financial statements.

The Group did not perform any research and development activities.

Plans and forecasts of operations of the Group.

The Company will continue its activity and pursue increase in long-term return for the investors. The increase of the Company's issued capital and investments in acquisition of new objects will be pursued throughout 2026.

Other managing positions of the Company's manager and members of the Board

Mr. Andrius Barštys, a chair of the Board and a director of the Management Company (holds the position of the director since 1 May 2025), also serves as a chair of the Board at Hanza 14 SIA, company code 40203157541, address Miera iela 93-27, Ryga, and a chair of the Investment Committee at Koinvesticinis Fondas KŪB, company code 304537659, address Konstitucijos ave. 7, Vilnius. He also holds managerial positions in the following companies: Fox Holdings UAB, company code 303016870, address Šaulio st. 97, Bajorų village. Vilnius city municipality, PC Luizė UAB, company code 302761548, address Šiaurės ave. 15-1, Klaipėda, Žaliakalnio parkas UAB, company code 304287223, address K. Donelaičio st. 62-1, Kaunas, Verslo Centras 135 UAB, company code 301733282, address: Žalgirio st. 135, Vilnius, Hanza 14 LT UAB, company code 305966736, address Jogailos st. 9, Vilnius, and at Savanorių 18 UAB, company code 304118472, address Upės st. 21-1, Vilnius. He also a member of the Board at VERDE DEVELOPMENT SIA, company code 40203395348, address 25C Rīgas iela, Valmiera.

The member of the Board Jolanta Grašienė is also the member of the Boards of SBA Urban UAB, company code 302675889, address Upės g. 21-1, Vilnius, UAB SBA Modular, company code 305283904, address Upės st. 23, Vilnius, SBA Grupė UAB, company code 132206739, address Upės st. 21-1, Vilnius, SBA Home UAB, company code 242131620, address Joniškės st. 21, Klaipėda, SBA Home US, Inc, company code 33-1886150, address 251 Little Falls Drive, Wilmington. The main position of Jolanta Grašienė is the vice president of SBA Grupė UAB, company code 132206739, address Upės st. 21-1, Vilnius.

F

The member of the Board Adam Saulius Vaina is also the member of the Board of SBA Grupė UAB, company code 132206739, address Upės st. 21-1, Vilnius, SBA Home UAB, company code 242131620, address Joniškės st. 21, Klaipėda, SBA Home US, Inc, company code 33-1886150, address 251 Little Falls Drive, Wilmington, and GAUMINA UAB, company code 224497630, address Gedimino ave. 27 Vilnius, Mobilios Aplikacijos UAB, company code 303105746, address Gedimino ave. 27, Vilnius, Mediapark Grupė UAB, company code 304050320, address Gedimino ave. 27, Vilnius, ME Investicija UAB, company code 302489393, address Račių st. 1, Vilnius, Civitta International OU, company code 12241708, address Ria tn 24a, Tartu. Adam Saulius Vaina is also a partner of CIVITTA UAB, company code 302477747, address Gedimino ave. 27, Vilnius, he is also the head of State Enterprise Civitta foundation, company code 303363287, address Gedimino ave. 27, Vilnius, Kavija UAB, company code 303091773, address Gedimino ave. 27, Vilnius, Mediapark Grupė UAB, company code 304050320, address Gedimino ave. 27, Vilnius, Entra holdings UAB, company code 302790286, address Gedimino ave. 27, Vilnius.

The member of the Board Nerijus Aukščiūnas is also a director at SBA Properties UAB, company code 306990245, address Upės st. 21-1, Vilnius; as well as the member of the Supervisory Council at Kauno Baldai AB, company code 133513698, address Drobės st. 68, Kaunas and Klaipėdos Baldai AB, company code 140656052, address Joniškės st. 21, Klaipėda.

Director of management company CAPITALICA ASSET MANAGEMENT UAB

Andrius Barštys

15 September 2026