

**MFO Funds**

**FINANCIAL STATEMENTS**

For the year ended 31 December 2025

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**For the year ended 31 December 2025**

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**MFO Funds****OFFICERS AND PROFESSIONAL ADVISORS**

|                                    |  |
|------------------------------------|--|
| Management Company                 | MFO Asset Management Ltd   |
| Depository                         | Eurobank Limited   |
| Independent Auditors               | KPMG Limited   |
| External Manager and Administrator | MFO Asset Management Ltd<br>Acropoleos 66,<br>Acropolis Tower, 1st floor<br>2012 Nicosia, Cyprus |
| Legal Advisors                     | Karides & Karides LLC  |
| Broker                             | Eurobank Limited   |
| Registered Office                  | Acropoleos 66,<br>2012 Strovolos,<br>Nicosia, Cyprus   |
| Registration number                | UCITS14/78   |

## MFO Funds

### FUND BACKGROUND

#### Authorisation and registration

MFO Funds (the ‘Fund’) was granted UCITS license No. UCITS 14/78 by the Cyprus Securities and Exchange Commission (hereinafter the Commission) on 17th September 2018. The Fund’s management and administration is performed by MFO Asset Management Ltd, a limited liability company by shares, incorporated under the Companies Law, Cap.113 with registration number HE358598, licensed by the CySEC on 4 December 2017, as an Alternative Investment Fund Manager with operating license number AIFM19/56/2013.

MFO Funds is an Undertaking of Collective Investments in Transferable Securities (UCITS) operating as an Umbrella Scheme which currently consists of the following investment compartments (Sub-Funds):

- MFO Balanced Fund (UCITS14\_1)
- MFO Clean Energy Fund (UCITS14\_2)

#### Several compartments

Each Sub-Fund is a separate asset pool whose assets belong jointly and indivisibly to the unitholders and are held on deposit with the Depository and are a collective portfolio, managed by the Management Company in the interests of the unitholders. The unitholders have rights deriving solely from the assets in the Sub-Funds’ asset pool, units that have been acquired, and each Sub-Fund is responsible for the liabilities arising from its own establishment, operation, or dissolution.

The Fund has no legal personality, and the unitholders are represented in and out of court by the Management Company, in respect of legal relations arising from management and their rights in the assets. Investment objective, strategy and policy

#### **MFO Balanced Fund:**

The Sub-Fund’s investment strategy can be characterized as conservative with a medium to long term investment horizon. The Sub-Fund will invest in highly liquid assets for the medium to long term with emphasis on fixed income securities. The Sub-Fund’s investment strategy will mainly be implemented through investments in other collective investment schemes (fund of funds), at least 50% of invested assets, without ruling out direct investments.

#### **MFO Clean Energy Fund:**

The Sub-Fund will invest in highly liquid assets for the medium to long term with emphasis on clean energy securities. Economic and market risks will be closely monitored. The Sub-Fund’s investment strategy will mainly be implemented through direct investments with emphasis on single stocks. Attention will be given to organizations that adhere to environmental, social and governance principles.

The Sub-Fund falls within the scope of Article 8 of the SFDR by promoting a combination of environmental and social characteristics, provided that the companies in which the investments are made follow good governance practices. Information about the environmental or social characteristics is available in the Annex of the Financial Statements.

**MFO Funds**FUND BACKGROUND (continued)Investment limits

Each Sub-Fund shall limit investments in transferable securities or money market instruments from a single issuer to 10% of assets, and the total of holdings exceeding 5% per issuer shall not exceed 40% of assets, except for deposits with prudentially supervised institutions.

This 10% limit may increase to 35% for securities guaranteed by a member state, local authority, third country, or public international body, and to 25% for covered bonds issued by supervised credit institutions, with total exposure per issuer above 5% capped at 80%.

These instruments are excluded from the 40% limit. Deposits with a single body may not exceed 20%, and combined investments and deposits in one body must not exceed 20% of assets.

Counterparty risk in OTC derivatives is limited to 10% for credit institutions and 5% for others. Limits under the first three rules are not cumulative; total exposure to one body cannot exceed 35%. Companies within the same consolidated group are treated as one body, with cumulative group exposure capped at 20%. Sub-Funds investing in UCITS or other collective undertakings may hold up to 20% in a single fund and 30% in non-UCITS, and assets of underlying funds are not counted toward other limits.

Further details on the investment limits are set out in Section 2.4 of the Fund's prospectus.



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Chartered Accountants  
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**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**MFO Funds**

**Report on the audit of the financial statements**

***Opinion***

We have audited the financial statements of MFO Funds (the "Fund") which comprises of investment compartments MFO Funds - MFO Balanced Fund and MFO Funds - MFO Clean Energy Fund which are presented on pages 7 to 34 and comprise the statement of financial position as at 31 December 2025, and the statements of comprehensive income, net assets attributable to unitholders and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113 (the "Companies Law, Cap.113")..

***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Code of Ethics (including International Independence Standards) for Professional Accountants of the International Ethics Standards Board for Accountants' ("IESBA Code") together with the ethical requirements in Cyprus that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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***Other information***

The Board of Directors is responsible for the other information. The other information comprises the fund background.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as required by the Companies Law, Cap 113.

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

***Responsibilities of the Board of Directors for the financial statements***

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Fund's financial reporting process.

***Auditors' responsibilities for the audit of the financial statements***

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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

***Other Matter***

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of Law L.53(I)/2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.



Petros M. Mavrommatis, FCCA  
Certified Public Accountant and Registered Auditor  
for and on behalf of

KPMG Limited  
Certified Public Accountants and Registered Auditors  
14 Esperidon Street  
1087 Nicosia  
Cyprus

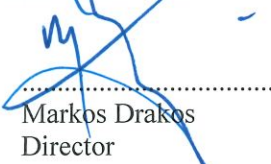
26 March 2026

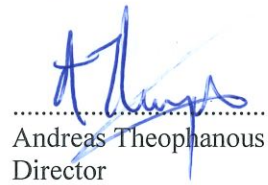
## MFO Funds

STATEMENT OF FINANCIAL POSITIONAs at 31 December 2025

|   | Note | Total<br>2025<br>€ | MFO<br>Balanced<br>Fund<br>2025<br>€ | MFO<br>Clean<br>Energy<br>Fund<br>2025<br>€ | MFO<br>Balanced<br>Fund<br>2024<br>€ |
|---|------|--------------------|--------------------------------------|---|--------------------------------------|
| <b>Assets</b>   |      |                    |                                      |   |                                      |
| Cash and cash equivalents   | 9    | 426.331            | 22.012                               | 404.319                                     | 125.525                              |
| Financial assets at fair value through profit or loss                       | 8    | 7.129.675          | 5.816.694                            | 1.312.981                                   | 5.858.732                            |
| Other receivables   |      | <u>281</u>         | <u>-</u>                             | <u>281</u>                                  | <u>-</u>                             |
| <b>Total assets</b>   |      | <u>7.556.287</u>   | <u>5.838.706</u>                     | <u>1.717.581</u>                            | <u>5.984.257</u>                     |
| <b>Liabilities</b>  |      |                    |                                      |   |                                      |
| Other payables  | 11   | <u>17.515</u>      | <u>13.125</u>                        | <u>4.390</u>                                | <u>13.196</u>                        |
| <b>Total liabilities (excluding net assets attributable to unitholders)</b> |      | <u>17.515</u>      | <u>13.125</u>                        | <u>4.390</u>                                | <u>13.196</u>                        |
| <b>Net assets attributable to unitholders</b>                               | 10   | <u>7.538.772</u>   | <u>5.825.581</u>                     | <u>1.713.191</u>                            | <u>5.971.061</u>                     |

On 26 March 2026 the Management Company of MFO Funds approved and authorised these financial statements for issue.

  
 .....  
 Markos Drakos  
 Director

  
 .....  
 Andreas Theophanous  
 Director

The notes on pages 11 to 34 are an integral part of these financial statements.

## MFO Funds

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

|   | Total                 | MFO<br>Balanced<br>Fund | MFO<br>Clean<br>Energy<br>Fund | MFO<br>Balanced<br>Fund |
|---|-----------------------|-------------------------|--------------------------------|-------------------------|
|   | 2025                  | 2025                    | 2025                           | 2024                    |
| Note  | €                     | €                       | €                              | €                       |
| Interest income   | 6.800                 | 6.800                   | -                              | 7.902                   |
| Net gain/(loss) on trading in financial instruments                           | 9.161                 | 9.161                   | -                              | (607)                   |
| Net fair value gains on financial assets at fair value through profit or loss | 147.506               | 120.453                 | 27.053                         | 217.270                 |
| Dividend Income   | 387                   | -                       | 387                            | -                       |
| Net exchange (loss)/ profit   | <u>(2.241)</u>        | <u>(753)</u>            | <u>(1.488)</u>                 | <u>2.634</u>            |
| <b>Total revenue</b>  | <b><u>161.613</u></b> | <b><u>135.661</u></b>   | <b><u>25.952</u></b>           | <b><u>227.199</u></b>   |
| Management fees   | 43.111                | 41.261                  | 1.850                          | 40.052                  |
| Depositary / custody fees   | 6.750                 | 5.400                   | 1.350                          | 5.400                   |
| Other expenses  | 7                     | 16.551                  | 9.273                          | 7.278                   |
| Transaction costs   | <u>2.293</u>          | <u>10</u>               | <u>2.283</u>                   | <u>1.323</u>            |
| <b>Total operating expenses</b>   | <b><u>68.705</u></b>  | <b><u>55.944</u></b>    | <b><u>12.761</u></b>           | <b><u>50.045</u></b>    |
| <b>Increase in net assets attributable to unitholders before tax</b>          | <b>92.908</b>         | <b>79.717</b>           | <b>13.191</b>                  | <b>177.154</b>          |
| Tax   | <u>-</u>              | <u>-</u>                | <u>-</u>                       | <u>(132)</u>            |
| <b>Increase in net assets attributable to unitholders</b>                     | <b><u>92.908</u></b>  | <b><u>79.717</u></b>    | <b><u>13.191</u></b>           | <b><u>177.022</u></b>   |

The notes on pages 11 to 34 are an integral part of these financial statements.

### MFO Funds

#### STATEMENT OF NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 31 December 2025

|   |      | Total            | MFO<br>Balanced<br>Fund<br>2025 | MFO Clean<br>Energy<br>Fund<br>2025 | MFO<br>Balanced<br>Fund<br>2024 |
|---|------|------------------|---------------------------------|-------------------------------------|---------------------------------|
|   | Note | €                | €                               | €                                   | €                               |
| <b>Balance at 1 January</b>                               | 10   | 5.971.061        | 5.971.061                       | -                                   | 5.224.039                       |
| Increase in net assets attributable to unitholders        |      | <u>92.908</u>    | <u>79.717</u>                   | <u>13.191</u>                       | <u>177.022</u>                  |
| <b>Total</b>  |      | <b>6.063.969</b> | <b>6.050.778</b>                | <b>13.191</b>                       | <b>5.401.061</b>                |
| Contributions and redemptions by unitholders:             |      |                  |                                 |                                     |                                 |
| Contributions by unit holders                             |      | 1.700.000        | -                               | 1.700.000                           | 570.000                         |
| Redemptions by unit holders                               |      | <u>(225.197)</u> | <u>(225.197)</u>                | -                                   | -                               |
| <b>Total contributions and redemptions by unitholders</b> |      | <b>1.474.803</b> | <b>(225.197)</b>                | <b>1.700.000</b>                    | <b>570.000</b>                  |
| <b>Balance at 31 December</b>                             | 10   | <b>7.538.772</b> | <b>5.825.581</b>                | <b>1.713.191</b>                    | <b>5.971.061</b>                |

The notes on pages 11 to 34 are an integral part of these financial statements.

**MFO Funds**

**STATEMENT OF CASH FLOWS**

**For the year ended 31 December 2025**

|  | Total              | MFO<br>Balanced<br>Fund | MFO Clean<br>Energy<br>Fund | MFO<br>Balanced<br>Fund |
|--|--------------------|-------------------------|-----------------------------|-------------------------|
| Note   | 2025<br>€          | 2025<br>€               | 2025<br>€                   | 2024<br>€               |
| <b>Cash flows from operating activities</b>                                  |                    |                         |                             |                         |
| Profit for the year  | 92.908             | 79.717                  | 13.191                      | 177.022                 |
| Adjustments for:   |                    |                         |                             |                         |
| Fair value gains on financial assets at fair value through profit or loss    | (147.506)          | (120.453)               | (27.053)                    | (217.270)               |
| Interest income  | (6.800)            | (6.800)                 | -                           | (7.902)                 |
| Income tax expense   | <u>-</u>           | <u>-</u>                | <u>-</u>                    | <u>132</u>              |
| <b>Cash used in operations before working capital changes</b>                | (61.398)           | (47.536)                | (13.862)                    | (48.018)                |
| (Increase)/decrease in financial assets at fair value through profit or loss | (1.124.935)        | 160.993                 | (1.285.928)                 | (668.967)               |
| (Increase) in other receivables  | (281)              | -                       | (281)                       | -                       |
| Increase /(decrease) in other payables                                       | <u>4.319</u>       | <u>(71)</u>             | <u>4.390</u>                | <u>27</u>               |
| <b>Cash (used in)/generated from operations</b>                              | <u>(1.182.295)</u> | <u>113.386</u>          | <u>(1.295.681)</u>          | <u>(716.958)</u>        |
| Interest received  | 8.298              | 8.298                   | -                           | 7.898                   |
| Tax paid   | <u>-</u>           | <u>-</u>                | <u>-</u>                    | <u>(132)</u>            |
| <b>Net cash (used in)/generated from operating activities</b>                | <u>(1.173.997)</u> | <u>121.684</u>          | <u>(1.295.681)</u>          | <u>(709.192)</u>        |
| <b>Cash flows from financing activities</b>                                  |                    |                         |                             |                         |
| Proceeds from contribution by unitholders                                    | 1.700.000          | -                       | 1.700.000                   | 570.000                 |
| Redemption of units by unitholders   | <u>(225.197)</u>   | <u>(225.197)</u>        | <u>-</u>                    | <u>-</u>                |
| <b>Net cash generated in financing activities</b>                            | <u>1.474.803</u>   | <u>(225.197)</u>        | <u>1.700.000</u>            | <u>570.000</u>          |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                  | 300.806            | (103.513)               | 404.319                     | (139.192)               |
| Cash and cash equivalents at beginning of the year                           | <u>125.525</u>     | <u>125.525</u>          | <u>-</u>                    | <u>264.717</u>          |
| <b>Cash and cash equivalents at end of the year</b>                          | 9 <u>426.331</u>   | <u>22.012</u>           | <u>404.319</u>              | <u>125.525</u>          |

The notes on pages 11 to 34 are an integral part of these financial statements.

**MFO Funds****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

**1. Reporting entity**

MFO Funds was granted UCITS license No. UCITS 14/78 by the Cyprus Securities and Exchange Commission (hereinafter the Commission) on 17th September 2018.

MFO Funds is an Undertaking of Collective Investments in Transferable Securities (UCITS) operating as an Umbrella Scheme which currently consists of the following investment compartments (Sub-Funds):

- MFO Balanced Fund (UCITS14\_1)
- MFO Clean Energy Fund (UCITS14\_2)

**MFO Balanced Fund**

The Sub-Fund's investment strategy can be characterized as conservative with a medium to long term investment horizon. The Sub-Fund will invest in highly liquid assets for the medium to long term with emphasis on fixed income securities. The Sub-Fund's investment strategy will mainly be implemented through investments in other collective investment schemes (fund of funds), at least 50% of invested assets, without ruling out direct investments.

**MFO Clean Energy Fund**

The Sub-Fund will invest in highly liquid assets for the medium to long term with emphasis on clean energy securities. Economic and market risks will be closely monitored. The Sub-Fund's investment strategy will mainly be implemented through direct investments with emphasis on single stocks. Attention will be given to organizations that adhere to environmental, social and governance principles.

The Sub-Fund falls within the scope of Article 8 of the SFDR by promoting a combination of environmental and social characteristics, provided that the companies in which the investments are made follow good governance practices. Information about the environmental or social characteristics is available in the Annex of the Financial Statements.

The Fund's management and administration is performed by MFO Asset Management Ltd.

**2. Basis of accounting****2.1 Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") and the provisions of the Open-Ended Undertakings for Collective Investment (UCI) Law of 2012, L.78(I)/2012, as amended from time to time ("UCI Law").

**2.2 Basis of measurement**

The financial statements have been prepared under the historical cost convention, investments, which are measured at their fair value.

**MFO Funds****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

**3. Functional and presentation currency**

The financial statements are presented in Euro (€) which is the functional currency of the Fund.

**4. Adoption of new and revised IFRSs and interpretations by the European Union (EU)**

During the current year the Fund adopted all the changes to International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2025. This adoption did not have a material effect on the accounting policies of the Fund.

At the date of approval of these financial statements, Standards, Revised Standards and Interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these financial reporting standards in future periods will not have a significant effect on the financial statements of the Fund.

**MFO Funds****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

**5. Use of estimates and judgements**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are deemed to be reasonable based on knowledge available at that time. Actual results may deviate from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively - that is, in the period during which the estimate is revised, if the estimate affects only that period, or in the period of the revision and future periods, if the revision affects the present as well as future periods.

**5.1 Measurement of fair values**

A number of the Fund's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Management Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements and which is segregated from portfolio management.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRSs, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Fund uses observable market data as far as possible.

The fair value of financial instruments traded in active markets, such as publicly traded trading is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Fund is the current bid price. The appropriate quoted market price for financial liabilities is the current ask price.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**MFO Funds****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

**5. Use of estimates and judgements (continued)****5.1 Measurement of fair values (continued)**

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Fund recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in notes:

- Note 14 - Financial instruments

**6. Significant accounting policies**

The following accounting policies have been applied consistently for all the years presented in these financial statements.

**6.1 Revenue Recognition**

Net realised/unrealised gain from financial assets at fair value through profit or loss includes all realized and unrealised fair value changes and foreign exchange differences, where applicable.

Interest income from cash and cash equivalents is recognised on a time-proportionate basis using the effective interest method.

**6.2 Dividend income**

Dividend income is recognised in the statement of comprehensive income when the right to receive income is established. For quoted securities this is usually the ex-dividend date. For unquoted equity securities this is usually the date when the owners have approved the payment of a dividend. Dividend income from equity securities this is usually the date when the owners have approved the payment of a dividend. Dividend income from equity securities designated at fair value through profit and loss is recognised in the statement of profit and loss and other comprehensive income as dividend income.

**MFO Funds****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

**6. Significant accounting policies****6.3 Foreign currency translation****(i) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss and presented within finance costs.

**6.4 Tax**

Tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date. Current tax includes any adjustments to tax payable in respect of previous periods.

**6.5 Financial instruments*****6.5.1 Recognition and initial measurement***

Financial assets and financial liabilities at FVTPL are recognised on the trade date, which is the date when the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

***6.5.2 Classification and subsequent measurement***

On initial recognition, the Fund classifies financial assets as measured at amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Fund changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

**MFO Funds****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

**6.5 Financial instruments (continued)****6.5.2 Classification and subsequent measurement (continued)**

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets.

**Financial assets - Business model assessment**

The Fund makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Fund's continuing recognition of the assets.

## MFO Funds

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 6.5 Financial instruments (continued)

##### 6.5.2 Classification and subsequent measurement (continued)

The Fund has determined that it has two business models.

- Held-to-collect business model: this includes cash and cash equivalents. These financial assets are held to collect contractual cashflow.
- Other business model: this includes debt securities and equity investments. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

#### **Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Sub-Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Sub-Fund considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Sub-Fund's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

## MFO Funds

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 6.5 Financial instruments (continued)

##### 6.5.2 Classification and subsequent measurement (continued)

###### Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Sub-Fund were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

###### Financial assets - Subsequent measurement and gains and losses:

|                                    |  |
|------------------------------------|--|
| Financial assets at FVTPL          | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.   |
| Financial assets at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. |

##### 6.5.2.1 Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities at amortised cost:

- This includes other payables.

###### Amortised cost measurement:

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

**MFO Funds****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

**6.6.3 Impairment**

– *Financial instruments and contract assets*

The Fund recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- contract assets.

The Fund measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Fund assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Fund considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Fund in full, without recourse by the Fund to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Fund is exposed to credit risk.

**MFO Funds****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

**6.5 Financial instruments (continued)**

- *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Fund expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

- *Credit-impaired financial assets*

At each reporting date, the Fund assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

- *Presentation of allowance for ECL in the statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

**MFO Funds****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

**6.6 Derecognition of financial assets and liabilities****Financial assets**

The Fund derecognises a financial asset (or, where applicable a part of a financial asset or part of a Fund of similar financial assets) when:

- the contractual rights to receive cash flows from the asset have expired;
- the Fund retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Fund transfers the rights to receive the contractual 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.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Any interest in such derecognised financial assets that is created or retained by the Fund is recognised as a separate asset or liability.

**Financial liabilities**

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Fund also derecognises a financial liability when it is replaced by another from the same lender on substantially different terms, or when the terms of the liability are substantially modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

## MFO Funds

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 6.7 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when, and only when, the Fund has a currently enforceable legal right to offset the recognised amounts and it intends to settle them on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

#### 6.8 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and time deposits. Bank overdrafts that are repayable on demand and form an integral part of the Sub-Fund's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

#### 6.9 Provisions

Provisions are recognised when the Sub-Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Sub-Fund expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

### 7. Other Expenses

| <b>MFO Funds - MFO Balanced Fund</b>     | 2025         | 2024         |
|--|--------------|--------------|
|  | €            | €            |
| Independent auditors' remuneration       | 1.190        | 1.190        |
| Annual licensing fees                    | 1.800        | 1.800        |
| Other expenses                           | <u>6.283</u> | <u>280</u>   |
|  | <u>9.273</u> | <u>3.270</u> |
| <br>                                     |              |              |
| <b>MFO FUNDS - MFO Clean Energy Fund</b> | 2025         | 2024         |
|  | €            | €            |
| Independent auditors' remuneration       | 1.190        | -            |
| Annual licensing fees                    | 209          | -            |
| Other expenses                           | <u>5.879</u> | <u>-</u>     |
|  | <u>7.278</u> | <u>-</u>     |

## MFO Funds

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 8. Financial assets at fair value through profit or loss

| <b>MFO Funds - MFO Balanced Fund</b>         | 2025             | 2024             |
|--|------------------|------------------|
|  | €                | €                |
| Balance at the beginning of year             | 5.858.732        | 4.972.491        |
| Additions                                    | 752.986          | 804.953          |
| Disposals                                    | (913.980)        | (135.986)        |
| Change in fair value                         | 120.453          | 217.270          |
| Accrued interest change                      | <u>(1.497)</u>   | <u>4</u>         |
| Balance at the end of year                   | <u>5.816.694</u> | <u>5.858.732</u> |
| <br><b>MFO Funds - MFO Clean Energy Fund</b> | <br>2025         | <br>2024         |
|  | €                | €                |
| Balance at the beginning of year             | -                | -                |
| Additions                                    | 1.285.928        | -                |
| Change in fair value                         | <u>27.053</u>    | <u>-</u>         |
| Balance at the end of year                   | <u>1.312.981</u> | <u>-</u>         |

The financial assets at fair value through profit or loss are marketable securities and are valued at market value at the close of business on 31 December.

In the statement of cash flows, financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital. In the statement of profit or loss and other comprehensive income, changes in fair values of financial assets at fair value through profit or loss are recorded in revenue.

The exposure of the Fund to market risk in relation to financial assets is reported in note 14 to the financial statements.

#### 9. Cash and cash equivalents

| <b>MFO Funds - MFO Balanced Fund</b>         | 2025           | 2024           |
|--|----------------|----------------|
|  | €              | €              |
| Cash at bank                                 | <u>22.012</u>  | <u>125.525</u> |
|  | <u>22.012</u>  | <u>125.525</u> |
| <br><b>MFO Funds - MFO Clean Energy Fund</b> | <br>2025       | <br>2024       |
|  | €              | €              |
| Cash at bank                                 | <u>404.319</u> | <u>-</u>       |
|  | <u>404.319</u> | <u>-</u>       |

**MFO Funds****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 December 2025****10. Net assets attributable to unitholders****Units**

Each Sub-Fund's units are classified into Class A and Class B units.

The Minimum Initial Subscription and Minimum Additional Subscription required for Class A units is €200.000

The Minimum Initial Subscription and Minimum Additional Subscription required for Class B units is €5.000.

**The Sub-Fund's issued units and NAV per unit are as follows:**

| <b>MFO Funds - MFO Balanced Fund</b>          | <b>2025</b>       | <b>2024</b>       |
|---|-------------------|-------------------|
| Class A units                                 | 59.153,630        | 61.453,630        |
| Net asset value per unit                      | €98,4822          | €97,1637          |
| Net asset attributable to Class A unitholders | <b>€5.825.581</b> | <b>€5.971.061</b> |
| Class B units                                 | -                 | -                 |
| Net asset value per unit                      | -                 | -                 |
| Net asset attributable to Class B unitholders | -                 | -                 |
| <b>MFO Funds - MFO Clean Energy Fund</b>      | <b>2025</b>       | <b>2024</b>       |
| Class A units                                 | 16.845,09         | -                 |
| Net asset value per unit                      | €101,7027         | -                 |
| Net asset attributable to Class A unitholders | <b>€1.713.191</b> | -                 |
| Class B units                                 | -                 | -                 |
| Net asset value per unit                      | -                 | -                 |
| Net asset attributable to Class B unitholders | -                 | -                 |

**MFO Funds**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

**11. Other payables**

| MFO Funds - <b>MFO Balanced Fund</b> | 2025          | 2024          |
|--------------------------------------|---------------|---------------|
|                                      | €             | €             |
| Other payables                       | <u>13.125</u> | <u>13.196</u> |
|                                      | <u>13.125</u> | <u>13.196</u> |

Other creditors include management fee accruals payable to MFO Asset Management Ltd amounting to €10.452 (2024: €10.523), audit fee accruals amounting to €1.190 (2024: €1.190) safekeeping accruals amounting to €1.350 (2024: €1.350) and corporation tax accruals amounting to €132 (2024: €132).

| MFO Funds - <b>MFO Clean Energy Fund</b> | 2025         | 2024     |
|--|--------------|----------|
|  | €            | €        |
| Other payables                           | <u>4.390</u> | <u>-</u> |
|  | <u>4.390</u> | <u>-</u> |

Other creditors include management fee accruals payable to MFO Asset Management Ltd amounting to €1.850, audit fee accruals amounting to €1.190 and safekeeping accruals amounting to €1.350.

## MFO Funds

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 12. Related party transactions

The transactions and balances with related parties are as follows:

##### 12.1 Management Company

The Fund appointed MFO Asset Management Ltd, a UCITS management company incorporated in Cyprus, to implement the investment strategy as specified in the prospectus. As per the prospectus, the management fee is per annum on the average net asset value of each Sub-Fund at the end of each month. The management fee includes fees to enable the Management Company to perform its tasks and functions, or to provide services, irrespective of whether those functions are carried out by the Management Company itself or have been outsourced to third parties. The MFO Balanced Fund pays the Management Company a management fee of 0.70% per annum on Class A units and 0.95% per annum on Class B units, whereas, the MFO Clean Energy Fund pays the Management Company a management fee of 1.00% per annum on Class A units and 1.50% per annum on Class B units calculated on the Fund's average net asset value. The management fees incurred during the year ended 31 December 2025 amounted to €41.261 (2024: €40.052) for MFO Balanced Fund and €1.850 for MFO Clean Energy Fund. Included in other payables at 31 December 2025 were management fees payable of €10.452 (2024: €10.523) for MFO Balanced Fund and €1.850 for MFO Clean Energy Fund.

##### Management Company's Remuneration policy

The following table depicts the total remuneration paid by the Management Company to its staff and beneficiaries for the financial year ending 31 December 2025.

|  | Number of beneficiaries | Total remuneration | Fixed remuneration | Variable remuneration |
|--|-------------------------|--------------------|--------------------|-----------------------|
|  |                         | €                  | €                  | €                     |
| Total remuneration paid by the Management Company  | 26                      | 819.136            | 797.386            | 21.750                |
| Remuneration paid to employees who have a material impact on the risk profile of the Fund. |                         |                    |                    |                       |
| Senior Management, risk takers and other identified staff                                  | 7                       | 465.301            | 447.301            | 18.000                |

The attached remuneration table of the Management Company applies to all categories of staff, including senior management, risk takers, control functions and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and those risk takers, whose professional activities have a material impact on the risk profiles of the managed UCITS/AIFs to all employees.

The Board of Directors of the Management Company has adopted the remuneration policy in order to comply with the regulatory and legislative framework. The remuneration components are:

**MFO Funds****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

**12. Related party transactions (continued)**

- fixed remuneration (including fixed supplements);
- performance-based remuneration (variable salary);
- provident fund contributions;
- other benefits.

The fixed remuneration is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and local market conditions. The performance-based remuneration motivates and rewards high performers who significantly contribute to sustainable results, perform according to set expectations for the individual in question, strengthen longterm customer relations, and generate income and value to the company. The Board of the Management Company has determined a maximum percentage of performance-based remuneration relative to the fixed remuneration. The maximum limit on variable remuneration remains at 50 per cent of fixed salary inclusive of provident fund contributions. The limit will be reduced if required by applicable legislation.

**13. Other key contracts****Depository**

The Fund has appointed the Depository to provide depository services pursuant to a depository agreement dated 7 November 2018. Under the terms of the agreement the Fund pays the depository 0,08% custody commission per annum on the average net value of the Sub-Fund's assets held by the Depository during the relevant fiscal year for average net assets of €10.000.000 or less and 0,07% per annum on the average net value of the Sub-Fund's assets if the average assets are more than €10.000.000.

**14. Financial instruments - fair values and risk management****Financial risk factors**

The Fund is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

The Management Company has the overall responsibility for the establishment and oversight of the Fund's risk management framework.

## MFO Funds

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

**14. Financial instruments - fair values and risk management (continued)**

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the Fund's activities.

**A. Accounting classifications and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

**MFO Balanced Fund**

|   | Carrying amount         |   |                  | Fair Value       |                  |                  |
|---|-------------------------|---|------------------|------------------|------------------|------------------|
|   | Mandatorily<br>at FVTPL | Financial<br>assets at<br>amortised<br>cost | Total            | Level 1          | Level 2          | Total            |
| <b>31 December 2025</b>                                 | €                       | €   | €                | €                | €                | €                |
| <b>Assets measured at fair value</b>                    |                         |   |                  |                  |                  |                  |
| Sovereign debt securities                               | 3,971,553               | -   | 3,971,553        | 2,419,922        | 1,551,631        | 3,971,553        |
| Corporate debt securities                               | 541,701                 | -   | 541,701          | 205,511          | 336,190          | 541,701          |
| Money market  | 496,577                 | -   | 496,577          | 496,577          | -                | 496,577          |
| Equity securities                                       | <u>806,863</u>          | -   | <u>806,863</u>   | <u>806,863</u>   | -                | <u>806,863</u>   |
| <b>Total</b>  | <u>5,816,694</u>        | -   | <u>5,816,694</u> | <u>3,928,873</u> | <u>1,887,821</u> | <u>5,816,694</u> |
| <b>Financial assets not measured at fair value</b>      |                         |   |                  |                  |                  |                  |
| Cash and cash equivalents                               | -                       | 22,012                                      | 22,012           | -                | -                | -                |
| <b>Total</b>  | -                       | <u>22,012</u>                               | <u>22,012</u>    | -                | -                | -                |
| <b>Financial liabilities not measured at fair value</b> |                         |   |                  |                  |                  |                  |
| Other payables  | -                       | 13,124                                      | 13,124           | -                | -                | -                |
| <b>Total</b>  | -                       | <u>13,124</u>                               | <u>13,124</u>    | -                | -                | -                |

## MFO Funds

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 14. Financial instruments - fair values and risk management (continued)

## MFO Balanced Fund (continued)

|   | Carrying amount         |   | Total            | Fair Value       |                  |
|---|-------------------------|---|------------------|------------------|------------------|
|   | Mandatorily at<br>FVTPL | Financial<br>assets at<br>amortised<br>cost |                  | Level 1          | Total            |
| 31 December 2024  | €                       | €   | €                | €                | €                |
| <b>Assets measured at fair value</b>                        |                         |   |                  |                  |                  |
| Sovereign debt securities                                   | 3.607.604               | -   | 3.607.604        | 3.607.604        | 3.607.604        |
| Corporate debt securities                                   | 760.342                 | -   | 760.342          | 760.342          | 760.342          |
| Money market  | 683.539                 | -   | 683.539          | 683.539          | 683.539          |
| Equity securities   | <u>807.247</u>          | <u>-</u>                                    | <u>807.247</u>   | <u>807.247</u>   | <u>807.247</u>   |
| <b>Total</b>  | <u>5.858.732</u>        | <u>-</u>                                    | <u>5.858.732</u> | <u>5.858.732</u> | <u>5.858.732</u> |
| <b>Financial assets measured not measured at fair value</b> |                         |   |                  |                  |                  |
| Cash and cash equivalents                                   | <u>-</u>                | <u>125.525</u>                              | <u>125.525</u>   | <u>-</u>         | <u>-</u>         |
| <b>Total</b>  | <u>-</u>                | <u>125.525</u>                              | <u>125.525</u>   | <u>-</u>         | <u>-</u>         |
| <b>Financial liabilities not measured at fair value</b>     |                         |   |                  |                  |                  |
| Other payables  | <u>-</u>                | <u>13.063</u>                               | <u>13.063</u>    | <u>-</u>         | <u>-</u>         |
| <b>Total</b>  | <u>-</u>                | <u>13.063</u>                               | <u>13.063</u>    | <u>-</u>         | <u>-</u>         |

## MFO Funds

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 14. Financial instruments - fair values and risk management (continued)

## MFO Clean Energy Fund

|   | Carrying Amount         |   |                  | Fair Value       |                  |
|---|-------------------------|---|------------------|------------------|------------------|
|   | Mandatorily<br>at FVTPL | Financial<br>assets at<br>amortised<br>cost | Total            | Level 1          | Total            |
| 31 December 2025  | €                       | €   | €                | €                | €                |
| <b>Assets measured at fair value</b>                    |                         |   |                  |                  |                  |
| Equity securities                                       | 1.312.981               | -   | 1.312.981        | 1.312.981        | 1.312.981        |
| Other receivable  | 281                     | -   | 281              | 281              | 281              |
| <b>Total</b>  | <u>1.313.262</u>        | <u>-</u>                                    | <u>1.313.262</u> | <u>1.313.262</u> | <u>1.313.262</u> |
| <b>Financial assets not measured at fair value</b>      |                         |   |                  |                  |                  |
| Cash and cash equivalents                               | -                       | 404.319                                     | 404.319          | -                | -                |
| <b>Total</b>  | <u>-</u>                | <u>404.319</u>                              | <u>404.319</u>   | <u>-</u>         | <u>-</u>         |
| <b>Financial liabilities not measured at fair value</b> |                         |   |                  |                  |                  |
| Other payables  | -                       | 4.390                                       | 4.390            | -                | -                |
| <b>Total</b>  | <u>-</u>                | <u>4.390</u>                                | <u>4.390</u>     | <u>-</u>         | <u>-</u>         |

## B. Financial risk management

The Fund has exposure to the following risks arising from financial instruments:

- credit risk (see note B (i));
- liquidity risk (see note B (ii));
- market risk (see note B (iii)) ; and
- operational risk (see note B(iv)).

## MFO Funds

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 14. Financial instruments - fair values and risk management (continued)

## B. Financial risk management (continued)

## (i) Credit risk

Credit risk arises when a failure by counter-parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

| MFO Funds - MFO Balanced Fund | 2025<br>€     | 2024<br>€      |
|-------------------------------|---------------|----------------|
| Cash at bank                  | <u>22.012</u> | <u>125.525</u> |
|                               | <u>22.012</u> | <u>125.525</u> |

## Debt securities

The maximum exposure to credit risk for debt securities classified as FVTPL at the reporting date by geographic region was as follows

|                    | Carrying Amount  |                  |
|--------------------|------------------|------------------|
|                    | 2025<br>€        | 2024<br>€        |
| Eurozone countries | <u>5.009.831</u> | <u>4.365.091</u> |
|                    | <u>5.009.831</u> | <u>4.365.091</u> |

As at 31 December, the Sub-Fund invested in corporate debt securities with the following credit quality.

|                                   | Carrying Amount  |                  |
|-----------------------------------|------------------|------------------|
|                                   | 2025<br>€        | 2024<br>€        |
| AA                                | 3.118.110        | 2.556.662        |
| A                                 | 1.224.442        | 1.375.477        |
| BBB                               | 667.279          | 297.305          |
| BB                                | -                | 138.503          |
|                                   | <u>5.009.831</u> | <u>4.367.947</u> |
| MFO Funds - MFO Clean energy fund | 2025<br>€        | 2024<br>€        |
| Cash at bank                      | <u>404.319</u>   | -                |
|                                   | <u>404.319</u>   | -                |

## MFO Funds

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 14. Financial instruments - fair values and risk management (continued)

## B. Financial risk management (continued)

## (i) Credit risk (continued)

## Cash and cash equivalents

The cash and cash equivalents are held with bank, which is unrated, based on Moody's ratings.

## (ii) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability but can also increase the risk of losses. The Fund has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following are the contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

## MFO Funds - MFO Balanced Fund

| 31 December 2025                          | Carrying amounts<br>€ | Contractual cash flows<br>€ | 3 months or less<br>€ |
|---|-----------------------|-----------------------------|-----------------------|
| <b>Non-derivative financial liability</b> |                       |                             |                       |
| Other payables                            | 13.124                | 13.124                      | 13.124                |
| Net assets attributable to unitholders    | <u>5.825.581</u>      | <u>5.825.581</u>            | <u>5.825.581</u>      |
|   | <u>5.838.705</u>      | <u>5.838.705</u>            | <u>5.838.705</u>      |
| <br>                                      |                       |                             |                       |
| 31 December 2024                          | Carrying amounts<br>€ | Contractual cash flows<br>€ | 3 months or less<br>€ |
| <b>Non-derivative financial liability</b> |                       |                             |                       |
| Other payables                            | 13.195                | 13.195                      | 13.195                |
| Net assets attributable to unitholders    | <u>5.971.062</u>      | <u>5.971.062</u>            | <u>5.971.062</u>      |
|   | <u>5.984.257</u>      | <u>5.984.257</u>            | <u>5.984.257</u>      |

**MFO Funds**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

**14. Financial instruments - fair values and risk management (continued)**

**(ii) Liquidity risk** (continued)

**MFO Funds - MFO Clean Energy Fund**

| 31 December 2025        | Carrying<br>amounts<br>€ | Contractual<br>cash flows<br>€ | 3 months or<br>less<br>€ |
|-------------------------|--------------------------|--------------------------------|--------------------------|
| Other payables          | 4.390                    | 13.124                         | 13.124                   |
| Payables to unitholders | <u>1.713.191</u>         | <u>1.713.191</u>               | <u>1.713.191</u>         |
|                         | <u>1.717.581</u>         | <u>1.717.581</u>               | <u>1.717.581</u>         |

**(iii) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Fund's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**Sensitivity analysis**

**MFO Funds - MFO Balanced Fund**

An increase in equity prices by 5% at 31 December 2025 would have increased net assets attributable to unitholders by €290.767 (2024: €292.794) and profit or loss by €290.767 (2024: €292.794). For a decrease of 5% there would be an equal and opposite impact.

**MFO Funds - MFO Clean Energy**

An increase in equity prices by 5% at 31 December 2025 would have increased net assets attributable to unitholders by €65.649 (2024: €Nil) and profit or loss by €65.649 (2024: € Nil). For a decrease of 5% there would be an equal and opposite impact.

***Currency risk***

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Fund invests in securities and other investments that are denominated in currencies other than the Euro. Accordingly, the value of the Fund's assets may be affected favorably or unfavorably by fluctuations in currency rates and therefore the Fund is subject to foreign exchange risks. The Fund undertakes certain transactions denominated in foreign currencies and hence is exposed to the effects of exchange rate fluctuations. The Fund's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

**(iv) Operational risk**

Operational risk is the risk that derives from the deficiencies relating to the Fund's information technology and control systems as well as the risk of human error and natural disasters. The Fund's systems are evaluated, maintained and upgraded continuously.

**MFO Funds****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

**15. Events after the reporting period**

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements For the year ended 31 December 2025.

On 26 March 2026 the Board of Directors of MFO Funds approved and authorised these financial statements for issue.

# ANNEX

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: MFO Clean Energy Fund

Legal entity identifier: 254900UNHS5AFGCOT675

## Environmental and/or social characteristics

Did this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents sustainable investments]*

Yes

It made **sustainable investments with an environmental objective: \_\_\_%**

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective: \_\_\_%**

No

It **promoted Environmental/Social (E/S) characteristics and** while it did not have as its objective a sustainable investment, it had a proportion of \_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**

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

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



**To what extent were the environmental and/or social characteristics promoted by this financial product met?** The environmental characteristics promoted by the financial product were met to the extent of 81.20% of the asset allocation, as these investments contributed to strengthening renewable energy supply chains or supporting the shift from fossil fuels to cleaner energy generation.

The environmental characteristics promoted by the financial product were met to the extent of 81.20% of the asset allocation, as these investments contributed to strengthening renewable energy supply chains or supporting the shift from fossil fuels to cleaner energy generation.

- **How did the sustainability indicators perform?** The majority of the companies the Fund invests in have very high scores environmental, social and governance indicators. All indicators are high relative to companies not using ESG scores.

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

● **...and compared to previous periods? N/A**

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?** Not applicable. The sub-Fund does not commit to holding Sustainable Investments.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?** Not applicable. The sub-Fund does not commit to holding Sustainable Investments.

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

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

Not applicable. The sub-Fund does not commit to holding Sustainable Investments.

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

*[Include a statement for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]*

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

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

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



## How did this financial product consider principal adverse impacts on

**sustainability factors?** The Sub-Fund considers principal adverse impacts (PAIs) on sustainability factors only in part by:

1. Excluding issuers who:
  - a. are involved with nuclear weapons from countries that are not signatories to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and other controversial weapons;
  - b. derive more than 20% of their revenue from activities detrimental to society or the environment, such as thermal coal extraction and power generation, unconventional oil and gas exploration and production, conventional oil and gas production, nuclear power generation, conventional weapons and small arms, military contracting weapons and weapon- related products and services, tobacco production, adult entertainment production, gambling operations, genetically modified organisms development/growth, pesticides product/retail;
  - c. severely violate the UN Global Compact principles on human rights, labour standards, environmental protection, and anti-corruption.

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: **[complete]**



## What were the top investments of this financial product?

| NAME                            | Sector                 | % ASSETS | COUNTRY     |
|---------------------------------|------------------------|----------|-------------|
| SIEMENS ENERGY AG (ENR GY)      | Industrials            | 4.7%     | GERMANY     |
| ENEL SPA                        | Utilities              | 4.7%     | ITALY       |
| VEOLIA ENVIRONMENT SA           | Utilities              | 4.7%     | FRANCE      |
| AIR LIQUIDE SA                  | Materials              | 4.7%     | FRANCE      |
| CAPGEMINI SE                    | Information Technology | 4.8%     | FRANCE      |
| VESTAS WIND SYSTEMS A/S         | Energy                 | 4.8%     | DENMARK     |
| SPIE SA                         | Industrials            | 4.9%     | FRANCE      |
| RWE AKTIENGESELLSCHAFT (RWE GY) | Utilities              | 5.1%     | GERMANY     |
| ENGIE SA                        | Utilities              | 5.3%     | FRANCE      |
| IBERDOLA SA                     | Utilities              | 5.4%     | SPAIN       |
| ASM INTERNATIONAL               | Information Technology | 5.9%     | NETHERLANDS |

**Asset allocation** describes the share of investments in specific assets.

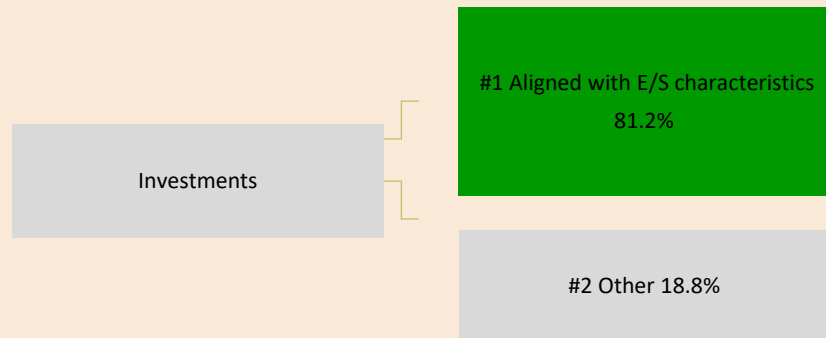
## What was the proportion of sustainability-related investments?

N/A



- **What was the asset allocation?**

[Include only relevant boxes, remove irrelevant ones for the financial product]



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

[include the note below where the financial product made sustainable investments]

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

[include note only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

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

- **In which economic sectors were the investments made?** Utilities, Industrials, Semi conductors



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?** Not Applicable. The Sub-Fund does not commit to making investments in transitional and enabling activities

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?**

Yes: [specify below, and details in the graphs of the box]

In fossil gas  In nuclear energy

No

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[include note for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

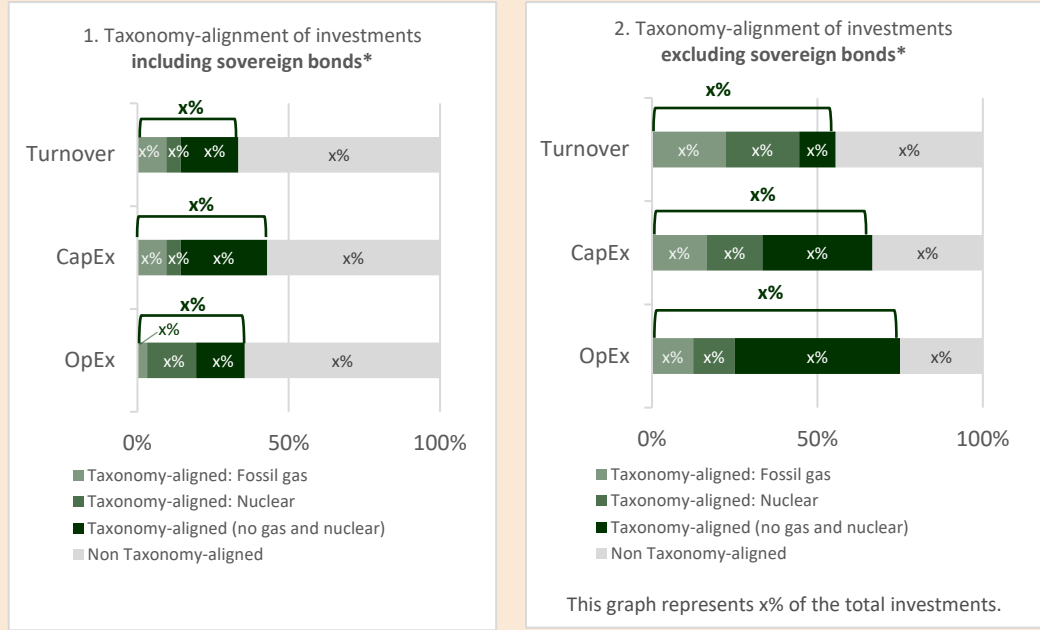
[include note for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities]



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

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

[Include information on Taxonomy aligned fossil gas and nuclear energy and the explanatory text in the left hand margin on the previous page only if the financial product invested in fossil gas and/or nuclear energy Taxonomy-aligned economic activities during the reference period]



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

- **What was the share of investments made in transitional and enabling activities?** N/A
- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?** N/A



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



**What was the share of socially sustainable investments?** Not Applicable. The Sub-Fund does not commit to holding Sustainable Investments.



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

The Sub Fund’s “#2 Other” investments include money market funds, bank deposits and cash held in current accounts with a bank accessible at any time. These are used for investment and efficient portfolio management purposes. This can also include companies that are part of the clean energy supply chain but do not pass the risk limits. There are no minimum environmental or social safeguards associated with these investments.



**What actions have been taken to meet the environmental and/or social characteristics during the reference period?** Indicators (Bloomberg and S&P) used to ensure high scores on ESG characteristics.



**How did this financial product perform compared to the reference benchmark?**

No specific ESG-related index has been designated for this Sub-Fund.

- **How does the reference benchmark differ from a broad market index?**  
N/A
- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**  
N/A
- **How did this financial product perform compared with the reference benchmark?**  
N/A
- **How did this financial product perform compared with the broad market index?**  
N/A

*[include note for financial products where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product]*

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.