TFI EU Property Income Fund

Audited Financial Statements
for the year ended 31 December 2025

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Registered Office	TFI EU Property Income Fund C / o Maples Corporate Services Limited P.O. Box 309, Ugland House South Church Street, George Town Grand Cayman KYI-1104 Cayman Islands
Investment manager	The First Investor P.Q.S.C.
Board of directors	Haithem Al Katerji Majdi Abdulla Mahmoud Jadallah
Independent Auditor	RSM Cayman Ltd. Zephyr House, 122 Mary Street, George Town PO Box 10311, Grand Cayman KY1-1003 Cayman Islands
Legal advisors	Maples Corporate Services Limited P.O. Box 309, Ugland House South Church Street, George Town Grand Cayman KYI-1104 Cayman Islands
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Independent Auditor's Report

To the Board of Directors
TFI EU Property Income Fund

Opinion

We have audited the financial statements of TFI EU Property Income Fund (the Fund), which comprise the statement of financial position as at 31 December 2025, and the statements of comprehensive income, changes in net assets attributable to holders of participating shares 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 present fairly, in all material respects, the financial position of the Fund as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

This report is made solely for the Board of Directors, as a body. Our audit work has been undertaken so that we might state to the Board of Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Board of Directors as a body, for our audit work, for this report, or for the opinions we have formed.

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 Fund in accordance with the Cayman Islands Institute of Professional Accountants' *Code of Ethics for Professional Accountants* (CIIPA Code) and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (IESBA Code), both the ethical requirements that are relevant to our audit of the financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with both the CIIPA Code and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's 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 auditor's 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's

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 auditor's 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 fair presentation.

We communicate with those charged with governance 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.

RSM Cayman Ltd.

Grand Cayman, Cayman Islands
24 June 2026

TFI EU Property Income Fund
Statement of financial position as at 31 December 2025 (in EUR)

	Note	2025	2024
Assets			
Bank balances	4	1,353,472	71,723
Financial assets at amortised cost	5	11,528,463	13,433,745
Total assets		**12,881,935**	**13,505,468**
Liabilities and equity			
Liabilities			
Distribution payable	7	1,320,125	-
Accrued expenses		46,652	48,141
		1,366,777	**48,141**
Equity			
Share capital	6	38,638	38,638
Share premium	6	29,610,887	31,542,737
Accumulated losses		(18,134,367)	(18,124,048)
		11,515,158	**13,457,327**
Total liabilities and equity		**12,881,935**	**13,505,468**

These financial statements were approved for issue by the Board of Directors on 24 June 2026 and signed on its behalf by:

Haithem Al Katerji
Director

Majdi Abdulla Mahmoud Jadallah
Director

Notes on pages 10 to 22 form an integral part of these financial statements.
The report of the independent auditor is set out on pages 3 to 5.

TFI EU Property Income Fund

Statement of comprehensive income for the year ended 31 December 2025 (in EUR)

	Note	2025	2024
Income			
Profit on financial assets at amortised cost		21,107	129,746
		21,107	**129,746**
Expenses			
Reversal of expected credit losses	5.2.1	-	225,277
Professional and legal fees		(30,963)	(43,238)
Bank charges		(463)	(595)
		(31,426)	**181,444**
(Decrease) / Increase in net assets attributable to holders of participating shares		**(10,319)**	**311,190**

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TFI EU Property Income Fund

Statement of changes in net assets attributable to holders of participating shares
for the year ended 31 December 2025 (in EUR)

	Share capital	Share premium	Accumulated losses	Total
As at 1 January 2024	**38,638**	**31,542,737**	**(18,435,238)**	**13,146,137**
Increase in net assets attributable to holders of participating shares	-	-	311,190	311,190
As at 31 December 2024	**38,638**	**31,542,737**	**(18,124,048)**	**13,457,327**
Decrease in net assets attributable to holders of participating shares	-	-	(10,319)	(10,319)
Distribution	-	(1,931,850)	-	(1,931,850)
As at 31 December 2025	**38,638**	**29,610,887**	**(18,134,367)**	**11,515,158**

TFI EU Property Income Fund

Statement of cash flows for the year ended 31 December 2025 (in EUR)

	2025	2024
Cash flows from operating activities:		
(Decrease) / Increase in net assets attributable to holders of participating shares	(10,319)	311,190
Adjustments:		
Profit on financial assets at amortised cost	(21,107)	(129,746)
Reversal of expected credit losses	-	(225,277)
Repayment of financial asset at amortised cost	1,904,952	202,382
Profits received	21,437	155,446
Changes in operating assets and liabilities		
Accrued expenses	(1,489)	(1,689)
Net cash generated from operating activities	**1,893,474**	**312,306**
Cash flows from financing activities:		
Distribution paid	(611,725)	-
Dividend paid	-	(330,000)
Net cash used in financing activities	**(611,725)**	**(330,000)**
Net increase / (decrease) in cash and cash equivalents	**1,281,749**	**(17,694)**
Cash and cash equivalents at the beginning of the year	71,723	89,417
Cash and cash equivalents at the end of year	**1,353,472**	**71,723**

1. Legal Status and activities

TFI EU Property Income Fund (the Fund), is an Exempted Company incorporated with Limited Liability in the Cayman Islands on 17 August 2016. The Fund was registered with the Cayman Islands Monetary Authority as a private fund under the Private Funds Act (as revised) on 6 August 2020. The Fund's registered office is at Maples Corporate Services Limited, P.O. Box No.309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.

The Fund has been established to indirectly invest in income producing real estate assets in European cities in Germany, France, Austria, Spain and Italy through Islamic Shariah compliant investment structure.

The Fund's initial term was three (3) years from the Final Closing Date i.e. 30 September 2017, with two one-year extensions at the discretion of the Fund's Board of Directors but subject to exit risk considerations as set out in the Information Memorandum. On 11 September 2017, the Board of directors had passed a resolution to extend the Final Closing date to 31 December 2018 and hence the term of the Fund was also extended by another three years from the same date.

On 9 December 2021, the Directors resolved to extend the term of the Fund for another year up to 31 December 2022 by exercising the first one-year extension option as permitted by the Information Memorandum.

On 5 December 2023, the Directors proposed and resolved that the Investment Term be further extended so that it will run beyond 31 December 2023 to the date the Fund is put into voluntary liquidation. As at the date the financial statements were authorised for issue, the Fund had not been placed into voluntary liquidation.

The financial statements of the Fund for the year ended 31 December 2025 were authorised for issue by the Board of Directors on 24 June 2026.

2. Material Accounting Policy Information

The material accounting policies adopted in the preparation of the Fund's financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1. Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards (IFRS) as issued by the International Accounting Standard Board (IASB). The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

2.1.1. Standards, amendments and interpretations that are effective for the Fund's accounting periods beginning on or after 1 January 2025

The Fund has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period. There was no material impact to the financial statements as a results of the adoption of these standards.

2.1.2. Standards, amendments and interpretations issued but not yet effective nor early adopted

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures)	Effective for annual periods beginning on or after 1 January 2026
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures) clarify that financial assets and financial liabilities are recognised and derecognised at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognise certain financial liabilities settled via electronic payment systems earlier than the settlement date. They also provide guidelines to assess contractual cash flow characteristics of financial assets, which apply to all contingent cash flows, including those arising from environmental, social, and governance (ESG)-linked features. Additionally, these amendments introduce new disclosure requirements and update others.	
IFRS 18 – Presentation and Disclosure in Financial Statements	Effective for annual reporting periods beginning on or after 1 January 2027
IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories - operating, investing and financing - and present subtotals for operating profit or loss and profit or loss before financing and income taxes. Further, operating expenses are presented directly on the face of the income statement - classified either by nature (e.g. employee compensation), by function (e.g. cost of sales) or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature. IFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures (MPMs) and eliminates classification options for interest and dividends in the statement of cash flows.	

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The Directors of the Fund have evaluated the potential impact of the abovementioned new standards and amendments and assessed that there is no material impact expected on the financial statements.

2.2. Foreign currency translations

a) Functional and presentation currency

The Fund's investments, transactions, contributions received and distributions paid to shareholders are denominated in Euro (EUR). The performance of the Fund is measured and reported to the investors in EUR. Accordingly, the Management considers EUR as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in EUR, which is also the Fund's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

2.3. Financial assets at amortised cost

a) Classification
A financial asset is measured at amortised cost if it meets both of the following conditions:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash outflows that are solely payments of principal and profit (SPPP) on the principal amount outstanding.

Murabaha financing
Murabaha financing is an Islamic Shariah compliant investment structure constituted by the Fund whereby a contract sale is executed between the Fund and its client for the sale of designated assets at a price which includes a profit margin agreed by both parties. As a financing technique, it involves the purchase of designated assets or commodities by the Fund as requested by the counterparty and subsequently sold to the counterparty at a price that includes an agreed profit margin. Repayment, usually in instalments is specified in the contract. This is a contract where the price is marked up in exchange for allowing the buyer to pay over time.

Receivables under Murabaha agreements are non-derivative financial assets with fixed payments that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale but to receive contractual cash flows and hence carried at amortised cost using Effective Profit Rate (EPR).

Income from Murabaha receivables is recognised on an amortised cost basis using the Effective Profit Rate (EPR) method and when the income is both contractually determinable and quantifiable at the commencement of the transaction.

b) Initial recognition

The Fund 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.

c) Amortised cost and effective profit method

The effective profit method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating and recognising profit revenue or profit expense in profit or loss over the relevant period. In general, effective profit rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective profit rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective profit rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective profit method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

d) Expected credit loss ("ECL") on financial assets at amortised cost

The Fund recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Fund's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition. The three stages under IFRS 9 are as follows:

- Stage 1 - Financial instruments that have not had a significant increase in credit risk ("SICR") since initial recognition, or that have "low credit risk" at the reporting date, are classified in Stage 1. 12-month ECLs are recorded to measure the expected losses that result from default events that are possible within 12 months after the reporting date;

- Stage 2 - Financial instruments that have experienced a SICR since initial recognition are classified in Stage 2. Lifetime ECLs are recorded to measure the expected losses that result from all possible default events over the expected life of the financial instrument; and

- Stage 3 - Financial instruments that demonstrate objective evidence of impairment, and which are considered to be in default or credit-impaired, are classified in Stage 3, also requiring the measurement of lifetime ECLs.

For other financial assets at amortised cost, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime of ECL. ECL is the difference between all contractual cash flows that are due to the Fund in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective profit rate. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. ECL are measured in a manner that they reflect unbiased and profitability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as provision for expected credit losses in the statement of comprehensive income.

Write-off policy

The Fund writes off financial asset, when there is no reasonable expectation of recovering it in full or part. Factors that are considered before writing off a receivable include the exhaustion of recovery efforts and the insolvency of the counterparty.

e) Derecognition

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

- The rights to receive cash flows from the asset have expired; or

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

When the Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Fund continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

2.4. Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Fund or the counterparty.

2.5. Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise bank balances. For the purposes of the statement of cash flows, cash and cash equivalents consist of bank balances.

2.6. Management shares and participating shares

Management shares and participating shares represent the portion of authorised capital as defined in the Fund's Information Memorandum .

Management Shares carry the sole right to vote at general meetings. However, they do not entitle the holder to participate in the Fund's profits and losses. Upon winding up of the Fund, the holder of the Management shares is entitled to receive its paid-in capital per Management share. Management shares are classified as financial liabilities and recorded under accounts payable upon payment of their par value.

Participating shares are non-voting shares and entitle the holder to participate in dividends legally available for distribution. These shares may not be sold, transferred, assigned, exchanged, pledged, encumbered or disposed of without the prior written consent of the Directors, and may be redeemable on a restricted basis subject to the sole discretion of the Directors and to sufficient liquidity available in the Fund. Upon winding up of the Fund, after the payment of the par value on the Management shares, the assets available for distribution are to be distributed to the holders of the Participating shares pari passu in proportion to the Net Asset Value of Participating Shares held, subject to a deduction for any money due and owing on such shares.

Provided that the option to redeem the participating share lies solely with the Fund management without any contractual obligation, these shares are presented as equity in the statement of financial position.

2.7. Dividend distribution

The Fund pays quarterly cash distributions to Investors based on achieving the target yield. Dividends are recognised as liabilities in the period in which their distribution is approved by the Board of Directors. Dividend payables represent dividends declared but remaining unpaid as at the year end.

2.8. Accrued expenses

Accrued expenses are obligations to pay for services that have been acquired in the ordinary course of business from service providers. Accrued expenses are recognised initially at fair value and subsequently measured at amortised cost using the effective profit method.

2.9. Taxation

The Fund is domiciled in the Cayman Islands. Under the current laws of Cayman Islands, there are no income, estate, corporation, capital gains or other taxes payable by the Fund.

3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. In the process of applying the Fund's accounting policies, management has made the following judgments that have the most significant effect on the amounts recognised in the financial statements.

3.1. Classification of financial assets

On acquisition of a financial asset, the Fund decides whether it should be classified as "at fair value through profit or loss", "at fair value through other comprehensive income" or "at amortised cost". IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the Fund's business model for managing the assets of the instrument's contractual cash flow characteristics. The Fund follows the guidance of IFRS 9 on classifying its financial assets.

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The business model reflects how the Fund manages the assets in order to generate cash flows. That is, whether the Fund's objective is solely to collect the contractual cash flows from the asset or is to collect both the contractual cash flows and cash flows arising from the sales of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'held from trading' business model and measured at FVTPL.

3.2. Allowance for expected credit losses

The measurement of the ECL for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions, credit behavior (e.g. the likelihood of customers defaulting and the resulting losses), estimation of the amount and timing of the future cash flows and collateral values. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

4. Bank balances

	Note	2025	2024
Bank balances	4.1	1,353,472	71,723
		1,353,472	**71,723**

4.1. The call account deposit represents an interest free demand deposit with Dukhan Bank QPSC (the Investment manger's parent) which has no fixed maturity and can be withdrawn at any time. As at 31 December 2025 and 2024, the call account deposit is denominated in EUR and is not subject to any restrictions on use.

5. Financial assets at amortised cost

	Note	2025	2024
Mudharaba deposit	5.1	901,128	901,458
Murabaha receivables	5.2	10,627,335	12,532,287
		11,528,463	**13,433,745**

5.1. Mudharaba deposit

The Mudharaba deposits are placed with Dukhan Bank QPSC and earn profit at 2.07% per annum (2024: 2.6%). Dukhan Bank's short term issuer default rating is F1 as per Fitch. Hence, the Fund is not exposed to significant expected credit loss on these deposits.

5.2. Murabaha receivables

	Note	2025	2024
Murabaha receivables		31,377,051	33,282,003
Less: Provision for expected credit losses	5.2.1	(20,749,716)	(20,749,716)
		10,627,335	**12,532,287**

The breakdown of Murabaha receivables by property is as follows:

	2025	2024
Stuttgart	5,750,450	5,750,450
Delizy (Pantin)	698,165	698,165
Neu Isenberg	1,586,656	1,586,656
Kösching	2,592,064	2,592,065
Hannover	-	1,904,951
	10,627,335	**12,532,287**

The Fund has entered into two Master Murabaha financing contracts with TFI Invest SCS and TFI Europe SCS (common limited partnerships registered with Trade and Companies Register of Luxembourg) on 27 April 2017 and 31 December 2018 respectively at cost plus an agreed profit mark-up.

The Murabaha financing is secured through a share pledge on the shares of partners of TFI Invest SCS and TFI Europe SCS, viz. Hoche Partners Securization Management SARL and TFI General Partners SARL, private limited liability companies incorporated in Luxembourg.

Under the Master Murabaha financing contract with TFI Invest SCS, four Murabaha offer and acceptance agreements were executed in respect of real estate investments in Stuttgart, Neu-Isenburg, Kösching (Germany) and Delizy (Pantin, France). Under the Master Murabaha financing contract with TFI Europe SCS, one Murabaha offer and acceptance agreement was executed in respect of real estate investments in Hannover, Germany. The terms of the Murabaha offer and acceptance agreements are summarised as follows:

	Stuttgart	Delizy (Pantin)	Neu Isenberg	Kösching	Hannover
Principal	9,063,500	6,000,000	8,900,500	5,721,900	8,155,488
Profit	2,988,187	1,977,083	3,762,125	2,615,977	2,181,450
Number of quarterly repayment installments	21	21	20	20	20
Maturity date	3 May 2022	18 September 2022	31 December 2022	31 December 2022	31 December 2023

On 6 May 2025, the Fund signed amendment notices with TFI Invest SCS and TFI Europe SCS. Further, on 16 December 2025, the Fund signed additional amendment notices with TFI Invest SCS and TFI Europe SCS. These amendments resulted in the extension of the contracts' maturity dates from 31 December 2024 to 31 December 2025, and subsequently to 31 December 2026. The revised terms have been disclosed as below:

	Stuttgart	Delizy (Pantin)	Neu Isenberg	Kösching	Hannover
Principal	9,063,500	6,000,000	8,900,500	5,721,900	8,155,488
Profit	3,594,221	2,485,167	3,482,525	420,451	2,181,450
Number of quarterly repayment installments	40	38	36	36	32
Maturity date	31 December 2026	31 December 2026	31 December 2026	31 December 2026	31 December 2026

During the year, the Hannover asset was sold, and the Fund received EUR 1.905 million from the sale proceed. The outstanding balance of the underlying Murabaha arrangement is EUR 4,947,018 which is fully covered by ECL provision as at 31 December 2025.

As at 31 December 2025 and 2024, Murabaha receivables are classified as Stage 3 (credit-impaired) under IFRS 9 due to delays in profit collections, principal repayment restructuring, and extended maturity schedules. Accordingly, lifetime expected credit losses are recognised for these instruments.

The calculation of the provision is based on unaudited net asset values of the underlying companies, which reflects the proportionate value of the underlying assets as of December 31, 2025, as provided by the asset and property manager. As expected credit losses require a forward-looking approach, the use of the latest available net asset value was considered appropriate in determining this estimate.

5.2.1. Provision for expected credit losses

	2025	2024
Opening balance	20,749,716	23,273,816
Reversal of provision during the year	-	(225,277)
Written off during the year	-	(2,298,823)
	20,749,716	**20,749,716**

6. Share capital

The Fund's authorised share capital is EUR 500,000 consisting of 10,000 voting shares (the "Management shares") of par value of EUR 0.1 each and 490,000 non-voting participating shares (the "Participating shares") of par value of USD 0.1 each.

6.1. Management shares

The 10,000 Management shares has been issued to the Fund's investment manager, The First Investor P.Q.S.C. ("Investment Manager") Management shares confer on the holder the right to receive notice of, and to attend and vote at any general meeting of the Fund. However, they do not entitle the holder to participate in the Funds' profits and losses. Upon winding up of the Fund, the holder of the Management shares is entitled to receive its paid-in capital of EUR 0.1 per Management share. Management shares are classified as financial liabilities and recorded under accounts payable. The management shares are not paid as at the reporting date.

6.2. Participating shares

	2025		2024	
	Number of shares	Amount	Number of shares	Amount
Authorised shares of EUR 0.1 each	490,000	49,000	490,000	49,000
Number of shares issued and fully paid up	386,376	38,638	386,376	38,638
	386,376	**38,638**	**386,376**	**38,638**
Net assets attributable to holders of participating shares		11,515,158		13,457,327
Net assets value per share (in EUR)		**29.803**		**34.829**

Participating shares are non-voting participating shares held by the investors of the Fund. The holder of a participating share does not have the right to receive notice of, attend at or vote as a member at any general meeting of the Fund.

Participating shares confer upon the holders the right in a winding up to participate in the surplus assets of the Fund and also right to receive dividends subject to restrictions set out in the Information memorandum of the Fund.

During the years ended 31 December 2025 and 31 December 2024, there were no issuance and redemption of participating shares.

7. Distribution

In 2025, distributions amounting to EUR 1,931,850 were resolved to be paid to the participating shareholders of the Fund (2024: Nil). The Board of Directors authorised this distribution from the share premium account in accordance with the provisions of the Companies Act and the Fund's Articles of Association. Out of the total distributions declared, an amount of EUR 1,320,125 remained payable as at 31 December 2025 (2024: nil).

8. Related party balances and transactions

The Fund considers the Investment manager, members of Board, investee companies, and members of their immediate families, as well as entities under common control, to be related parties to the Fund.

8.1. The balances with related parties are as follows:

	Investment manager's parent	Other related parties	Total
31 December 2025			
Bank balances	1,353,472	-	1,353,472
Financial assets at amortised cost	901,128	10,627,335	11,528,463

	Investment manager's parent	Other related parties	Total
31 December 2024			
Bank balances	71,723	-	71,723
Financial assets at amortised cost	901,458	12,532,287	13,433,745

Subscription in Fund's shares

The Investment Manager has subscribed for management shares amounting to EUR 1,000 (10,000 shares at EUR 0.1 par value) in the Fund at the reporting date (2024: EUR 1,000). This balance remained unpaid as at 31 December 2025 and 2024.

8.2. The following are the details of transactions with related parties during the year:

	Investment manager's parent	Other related parties	Total
2025			
Profit on financial assets at amortised cost	21,107	-	21,107
2024			
Profit on financial assets at amortised cost	25,025	104,721	129,746
Reversal of expected credit losses	-	225,277	225,277

8.3. Management fee

In consideration of services provided by the Investment Manager and Inovalis, the Asset Manager, the Fund is liable to pay management fees calculated at 0.75% per annum of the Net Purchase Price of each property. The management fee is shared between the Investment Manager and Inovalis, with the allocation mutually agreed for each transaction. Management fees are payable in arrears in quarterly instalments. For tax optimisation purposes, management fees may be paid directly by the relevant property companies or other entities within the Fund's investment structure to the Asset Manager. There was no accrual of management fees as at the reporting date (2024: nil), as management fees for the year were paid directly by the property companies.

8.4. Structuring fee

The Fund is liable to pay structuring fees to the Investment Manager in consideration for services provided in relation to the structuring and acquisition of investments. Structuring fees are calculated at 1% of the subscription amount payable upon the acquisition of properties. The Investment Manager may at its discretion charge additional structuring fees during the holding period of the property but not exceed 3% of the subscription amount. During the years 2025 and 2024, no structuring fee was charged by the Investment Manager.

8.5. Performance fee

The Investment Manager is entitled to a performance fee payable upon the final liquidation of the Fund, calculated as up to 20% of excess profits above a 10% IRR to Shareholders. During the year, the Fund's returns did not meet the performance conditions. Accordingly, no performance fee has been accrued in the financial statements, as the entitlement remains contingent upon future performance.

9. Financial Risk Management

9.1. Financial instruments by category

Assets and liabilities per the statement of financial position	Class	2025	2024
Assets			
Financial assets at amortised	Financial assets at amortised cost	11,528,463	13,433,745
Bank balances	Financial assets at amortised cost	1,353,472	71,723
		12,881,935	13,505,468
Liabilities			
Distribution payable	Financial liabilities at amortised cost	1,320,125	-
Accrued expenses	Financial liabilities at amortised cost	46,652	48,141
		1,366,777	48,141

9.2. Financial Risk factors

In the normal course of business, the Fund uses primary financial instruments such as bank balance, financial assets at amortised cost and accrued expenses, and as a result, is exposed to the risks indicated below:

9.2.1. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks; foreign currency risk, price risk and profit rate risk.

(a) Foreign currency risk

Foreign currency risk is the risk that the value of the financial instrument will fluctuate due to changes in the foreign exchange rate. The Fund's exposure to foreign currency risk primarily arises from operating expenses denominated in US Dollars and Qatari Riyals. Management is of the opinion that the Fund's exposure to foreign currency risk is not significant.

(b) Price risk

Price risk is the risk that the Fund may incur financial losses due to adverse movements in the market price of investments. At present, the Fund has no exposure to such risk.

(c) Profit rate risk

Profit rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market profit rates. The Fund's financial assets at amortised cost are not linked to market profit rates, hence the Fund is not subject to profit rate risk.

9.2.2. Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Fund. All financial assets are subject to credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The carrying amounts as reported in the statement of financial position:

	Maximum exposure	
	2025	**2024**
Bank balances	1,353,472	71,723
Financial assets at amortised cost	11,528,463	13,433,745
	12,881,935	**13,505,468**

The Fund has adopted a lifetime expected loss allowance in estimating expected credit losses to financial assets at amortised cost by assessing whether the fair value of the underlying real estate investment will adequately cover the repayment of the financial asset after meeting their liabilities under other senior financing arrangements. No provision for ECL were recognised as of 31 December 2025 (2024: reversal of provision for ECL of EUR 225,277). Bank balances and Mudharaba deposit are held with an F1 rated financial institution as rated by Fitch.

9.2.3. Concentration risk

Concentration risk is the risk of potential loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavorable direction. As at 31 December 2025, the Fund's financial assets at amortised cost includes Murabaha receivable amounting to EUR 10,627,335 (2024: EUR 12,532,287), which will not be diversified among other asset classes. Accordingly, the Fund's portfolio may be subject to more rapid change in value than would be the case if Fund was required to maintain a wide diversification.

9.2.4. Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The cash flows, funding requirements and liquidity of the Fund are monitored by the Management. The objective of this centralised system is to optimise the efficiency and effectiveness of the management of the Fund's capital resources.

The Fund's liabilities are not fully covered by cash and cash equivalents as of 31 December 2025 and 31 December 2024.

The amounts in the table are the contractual undiscounted cash flows expected for balances with a maturity of less than 12 months and more than 12 months as the effect of discounting is not considered significant.

	2025		2024	
	Less than 12 months	**Remaining contractual maturities**	**Less than 12 months**	**Remaining contractual maturities**
Distribution payable	1,320,125	**1,320,125**	-	-
Accrued expenses	46,652	**46,652**	48,141	**48,141**
	1,366,777	**1,366,777**	**48,141**	**48,141**

9.3. Capital risk management

The Fund's objective when managing the capital is to safeguard the ability to continue as a going concern in order to provide returns for investors and to maintain a strong capital base to support the development of the investment activities of the Fund. In order to maintain or balance its overall capital structure, the Fund may adjust the amount of dividends to be paid to Shareholders or adjust the return of capital to Shareholders.

10. Contingent assets and liabilities

There are no contingent assets and liabilities that require disclosure in the financial statements (2024: nil).

11. Subsequent events

On 10th June 2026, Europe Hannover S.a.r.l. (Property Owner and fully owned subsidiary of TFI Europe SCS) has asserted a claim against the fund manager (Inovalis SA) and the property manager (Advenis Germany GmbH) of Hannover property, alleging that they failed to properly execute the 2022 lease amendment leading to a diminution in property value of EUR 5.91 million, based on an expert valuation. At this stage, the outcome of the matter remains uncertain and management is unable to reliably estimate the potential financial impact, if any,

Except of the above matter, the Fund has not identified any other subsequent events after the date of the statement of financial position through the date these financial statements were authorised to be issued that would require disclosure or adjustment in these financial statements.