HALF-YEAR REPORT · 2026

Emerald Capital Sub-Fund I

Sub-Fund I of Emerald Capital Fund, a closed-ended private equity and venture capital fund (FCRF) focused on investing in renewable energy and energy transition projects, targeting long-term value creation through solar, onshore wind, battery storage and distributed energy infrastructure opportunities.

€5.10M CAPITAL RAISED	16 INVESTORS
€4.40M CAPITAL DEPLOYED	5.79% NAV / CAP. SUBSCRIBED

As of 30 June 2026, Emerald Capital Sub-Fund I had €5.10 million of fully paid-in capital from 16 investors, having made one investment, which was written down to zero during the period following the step-in by senior lenders on 11 June 2026. NAV stood at €295.48k.



Illustrative

FUND & SUB-FUND I FACTS

Fund Name	**Emerald Capital Fund FCRF**
Sub-Fund Name	**Emerald Capital Sub-Fund I**
Registration Number	**2051**
Auditor	**BDO**
Regulator	**CMVM**
Custodian Bank	**Bison Bank**
Fund Start of Activity	**11/10/2024**
Fund Maturity Date	**11/10/2031**
Investment Period	**5 years**
Divestment Period	**2 years**
1st Investment Date	**January 2025**
Subscription Period	**21 Months**
End of Subscription	**11/07/2026**
Fund Period	**7 years**
Nº Participants	**16**
Subscribed Capital	**€5.10M**
Paid-in Capital	**€5.10M**
NAV	**€295.48K**
Deployed / Paid-in	**86.27%**
Committed / Paid-in	**86.27%**
# Investments	**1**
ISIN #	**CLASS A - PTSFQCIM0009** **CLASS B - PTSFQDIM0008** **CLASS C - PTSFQEIM0007**

RISK INDICATOR (SRI)

1	2	3	4	5	**6**	7

Lower Risk — Higher Risk

6 of 7 — second-highest risk class, per each share class' KID. No capital protection; you could lose some or all of your investment.

This information is complementary to the Management Regulation of the Fund, which shall always prevail and is available at STAG Fund Management's headquarters. For any additional information, please contact us at (+351) 210 506 320 from Monday to Friday from 9am to 6pm or investor.relations@stagfundmanagement.com . Emerald Capital Fund, FCRF, including Sub-Fund I, is managed by STAG Fund Management - SCR, S.A., registered with Comissão do Mercado de Valores Mobiliários ("CMVM").

SECTION 01

2026 Half-Year

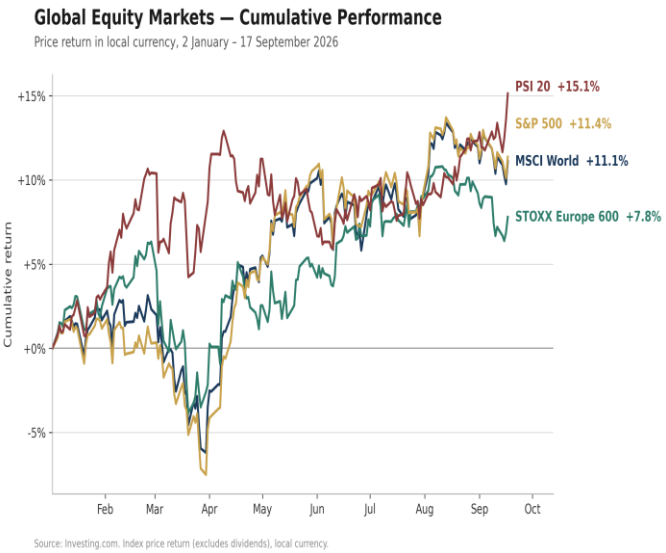
Sub-Fund I strategy, market conditions and the energy backdrop

SUB-FUND I STRATEGY

Emerald Capital Sub-Fund I focuses on investing in high-growth companies operating across the renewable energy and energy transition sectors. Through a flexible approach, including equity, debt and hybrid instruments, the Sub-Fund seeks to generate long-term capital appreciation by supporting the development, construction and operation of renewable energy assets. The strategy targets opportunities in solar photovoltaic, onshore wind, battery storage and distributed energy platforms, with a particular focus on late-stage development projects approaching Ready-to-Build ("RtB") status. Sub-Fund I aims to create sustainable value for investors while supporting the expansion of critical renewable energy infrastructure across Portugal and selected European markets. At this point in time, the Sub-Fund, through a combination of debt and equity instruments, is invested in a large-scale phased renewable energy infrastructure development promoted by WElink, the Fund Advisor, comprising one of the largest operating solar plants in Portugal, its expansion, and the development of wind and battery projects part of the same overall structure.

MARKET & ECONOMIC BACKDROP

H1 2026 was dominated by the Middle East conflict that erupted in late February, disrupting Strait of Hormuz shipments and pushing Brent above USD 100/barrel, reigniting global inflation. The IMF's April forecast put real global growth at 3.1% for 2026, with the Eurozone lagging at 1.1%. In its July edition, the IMF published revised 2026 real GDP growth forecasts for the Globe and Eurozone of 3.0% and 0.9%. The After eight rate cuts between June 2024 and June 2025 and a year on hold, the ECB raised rates in June and September (deposit rate to 2.5%), lifting 12-month EURIBOR to 3.029%. The Federal Reserve's FOMC has also returned to rate hikes in its September meeting (3.75% - 4.00%). Equity markets held up well regardless: the S&P 500 and STOXX Europe 600 returned 11.4% and 7.8% respectively, supported by continued AI-related investment. Portugal's PSI 20 outperformed, returning around 15.1%. Domestically, real GDP growth remains above the EU average, at around 1.9% for 2026 (IMF WEO April). Furthermore**, in September, Fitch upgraded the Portuguese sovereign rating to A+, matching S&P. As a result, two major ratings agencies now see Portugal's credit as comparable to that of France.**



RENEWABLE ENERGY INFRASTRUCTURE MARKET

74.4%
Renewables' Share of Portuguese Electricity Generation (Jan-Aug 2026)

37 TWh
FY2025 Portugal Total Renewable Energy Production

68%
FY2025 Portugal Total Consumption Met by Renewable Energy Production

6.9 GW
Portugal's Energy Storage Installed Capacity Target for 2030.

The Portuguese renewable energy infrastructure market remained resilient through 2026, with growth continuing to be supported by the country's structural push toward decarbonization. Between January and August 2026, renewables accounted for 74.4% of mainland electricity generation, placing Portugal fourth in Europe behind Norway, Denmark and Austria. Last year, renewable electricity production totaled 37 TWh, with wind and hydropower together accounting for approximately 73% of total renewable generation. Hydropower remains the largest renewable source, supported by extensive reservoir and pumped storage infrastructure, while wind power is the second main pillar, solar photovoltaic is the fastest-growing technology, with installed capacity exceeding 6.8 GW by early 2026. The growth of solar is, however, weighing on prices. Standalone solar plants increasingly capture prices below the market average. On 29 June, the Government put its National Energy Storage Strategy out to public consultation, together with draft rules for two storage auctions: 750 MVA for standalone batteries and 300 MVA for storage co-located with renewable plants. Against this backdrop, batteries are gaining strategic importance in the national energy landscape, particularly as the market increasingly moves towards hybridization. In hybrid projects, battery storage can help mitigate the impact of price curves on the revenues of standalone solar and, increasingly, wind assets, supporting greater revenue optimization and system flexibility.

Sources: APREN, REN, OMIE, DGEG, Government of Portugal

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SECTION 02

Portfolio & Sub-Fund I Update

As of 30 June 2026

Overview

During H1 2026, Sub-Fund I made no new investments. Sub-Fund I invested at the level of SOLARA4 – Energia e Inovação, S.A. ("**SOLARA4**"), the holding company of the Alcoutim renewable platform promoted by WElink, the *Fund Advisor*. This structure was chosen to give exposure to all phases of the platform rather than to a single project. The investment was approved in accordance with the Management Company's investment decision procedures, following a review of external due diligence on the SOLARA4 group and of a valuation study prepared by an external adviser at the request of the issuer.

The investment comprises one non-voting preference share and bonds with outstanding principal of €4,646,314, which includes €246,314 of capitalized interest on the €4,400,000 invested. In 2025 and the first half of 2026, however, the platform was affected on several fronts at once:

- the operating solar plant (Phase 1) generated less than forecast, amid falling Iberian electricity prices, technical issues and fires;
- the licensing of the expansion phases, notably the wind project, suffered significant delays, so none of these phases has yet started construction.

In June 2026, following a default under the Phase 1 senior debt, the senior lenders placed WElink Energy Portugal 2 (UK) Ltd into administration. This is an intermediate holding company within the SOLARA4 group that owns the Phase 1 project company. According to WElink, the delay in licensing the wind project prevented a planned restructuring of the Phase 1 debt together with the new phases, which contributed to the default.

Valuation

As of 30 June 2026, Sub-Fund I's investments in SOLARA4 are valued at zero. The bonds are issued at holding level, so they rank behind the creditors of the Phase 1 perimeter. These include the senior lenders and the disputed claim of the former EPC contractor. In addition, key information remains outstanding, including the audited 2025 accounts of SOLARA4, the terms of any refinancing and the outcome of the wind licensing. The Management Company has therefore adopted a conservative approach. It valued the investment on the assumption of a sale of the Phase 1 asset by the administrator, under which no residual value is attributable to the bonds. This is an unrealized valuation adjustment: Sub-Fund I retains its bonds and share in SOLARA4 and all its contractual rights. Under the bond terms, interest accrued during the first 36 months is capitalized and payable at maturity, so no payment has yet fallen due. Interest of €205,522 accrued in H1 2026, and capitalized under the bond terms, has not been recognized in NAV. No event of default has been declared by Sub-Fund I.

The valuation may recover if:

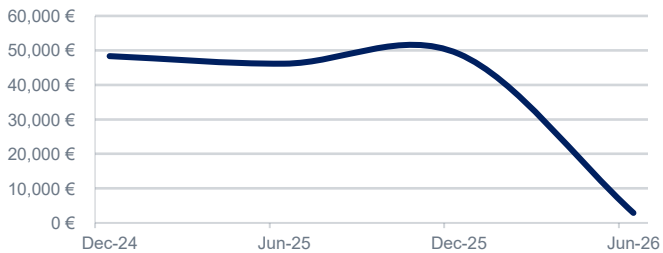
- the Phase 1 debt is refinanced, avoiding a sale;
- the Phase 1 asset is sold for more than the claims ranking ahead of the bonds; or
- the expansion phases held outside the administration (Phases 3, 4 and 5) reach key permitting and financing milestones.

The valuation will be reassessed on 31 December 2026.

Contractual Protections

At the level of the issuer, Sub-Fund I's bonds rank ahead of the sponsor's own shareholder loans. The bond terms include events of default, information undertakings and acceleration rights. The investment documentation also provides for: a put option over the bonds and share with a minimum return; a sponsor commitment to fund Sub-Fund I's operating costs up to a set limit; minimum-return protections in the event of a sale of the holding company. Their value depends on the financial capacity of the issuer and the sponsor, so no value has been attributed to them in the valuation.

PARTICIPATION UNIT VALUE



€2,896.91 as of 30 June 2026 (Class A / Class B) - no distributions have been made to date.

PORTFOLIO COMPOSITION (GAV)



Cash €308,124 – 100% of GAV (excl. interest accrued)

Bonds €0 – 0% of GAV (excl. interest accrued)

Preference Share €0 – 0% of GAV (excl. interest accrued)

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SECTION 02

Portfolio & Sub-Fund I Update (Cont.)

PORTFOLIO COMPANY

SOLARA4 ENERGIA E INOVAÇÃO S.A.

SOLARA4 is developing a phased hybrid renewable energy platform in Martim Longo, Alcoutim (Algarve). Only Phase 1 is operational. According to WElink, all phases will use the grid connection and substation of the existing plant, and Phases 1–4 hold Project of National Interest (PIN) status.

SOLARA4 holds the phases through separate branches:

- Phases 1, 1R and 2 are held through WElink Energy Portugal 2 (UK) Ltd, which is in administration;
- Phases 3, 4 and 5 are held through separate holding companies that are not part of the administration**.**

Phase 1: 219 MWp solar PV; operating since December 2021
Phase 1R: Re-equipment of Phase 1; ongoing
Phase 2: c. 50 MWp solar PV over-equipment; in development (within the administration perimeter)
Phase 3: 175 MW onshore wind; environmental assessment pending (revised project submitted January 2026)
Phase 4: 100 MW / 400 MWh battery storage (BESS); production license obtained; RtB targeted Q4 2026
Phase 5: 99 MW onshore wind; early-stage development

Phase 1 – Operations: H1 2026 was challenging for the existing solar plant. Weaker standalone solar pricing, lower-than-forecast generation, technical issues and fires reduced revenues and cash flow. The market continues to move away from standalone solar towards hybrid projects.

Phase 1 – Financing and Administration: According to WElink, under the Phase 1 senior facility (Investec and Kommunalkredit) and a subordination agreement, the former EPC contractor (CTIEC) may not initiate legal action, including arbitration, until the senior debt is fully repaid. WElink states that the contractor breached this agreement. On 11 June 2026, the senior lenders appointed BDO LLP (unrelated to the Fund's auditor) as administrator of WElink Energy Portugal 2 (UK) Ltd. The Management Company has not had access to the underlying finance documents.

Since period end: the administrator's report, published in August 2026, attributes Phase 1's difficulties to lower-than-forecast generation, technical failures, fires and falling wholesale prices; the stated aim of the administration is to restore the plant's performance and subsequently seek a buyer; according to public reports, the senior lenders' exposure is approximately €64 million and the former EPC contractor is pursuing an arbitration claim of approximately €143 million, which is disputed; WElink expects the arbitration to take around three years. WElink is working with a new capital provider on a refinancing. The Management Company has not been provided with the terms of any such refinancing.

Expansion Phases: According to WElink, the BESS (Phase 4) has obtained its production license, the final municipal license is expected shortly, and RtB is targeted for Q4 2026. Once built and integrated with the solar plant, WElink expects the BESS to more than double platform revenues. The wind project (Phase 3) received unfavorable opinions in its initial environmental assessment, related to protected bird species. A revised project with additional mitigation measures was submitted in January 2026, and a decision is pending. According to WElink, the project is being followed by AICEP and the Ministry under this year's overriding public interest legislation.

Of further note is that the project's licensing has been the subject of public debate. The Ministry of Environment and Energy has stated that the project's difficulties cannot be attributed to a single licensing process, and that the public interest regime does not dispense with environmental assessment. Construction of the expansion phases depends on obtaining the remaining permits and on significant additional financing.

> **Barry O'Neil – WElink CEO**
>
> *"2026 has seen a near "perfect storm" of challenges – market pricing, technical issues and litigation – adversely impacting valuation. However, the earlier decision and strategy to expand and hybridize the solar plant (the key asset underpinning Emerald Capital Sub-Fund I) remains fully correct and intact. The upside of storage more than redresses current shortfall, in solar and wind, and will more than double the site production capacity; again, although permitting delays are frustrating, we are almost there on the BESS project, and we remain confident on wind within the next 6 months. The combination of these two expansion phases together with the existing solar plant can fully restore valuation and enable returns to funders (and can additionally address any litigation settlement if needed in due course). We will remain intensely focused and resilient to deliver this opportunity. "*

SECTION 03

Sub-Fund I Financials

Sub-Fund I Financial Overview as of 30 June 2026 (€)

5,100,000	295,485	308,124	5.79%
SUBSCRIBED CAPITAL	NET ASSET VALUE	CASH & BANK DEPOSITS	NAV / SUBSCRIBED CAPITAL

SUB-FUND I BALANCE SHEET	30-Jun-26	31-Dec-25
Other Financial Investments	0	4,648,266
Total Non-Current Assets	**0**	**4,648,266**
Deferrals	151	151
Other Receivables	175	207
Cash and Cash Equivalents	308,124	370,911
Total Current Assets	**308,450**	**371,270**
Total Assets	**308,450**	**5,019,536**
Subscribed Capital	5,100,000	5,100,000
Retained Earnings	(101,945)	(41,508)
Net Income for the Period	(4,702,570)	(60,438)
Total Equity	**295,485**	**4,998,055**
Suppliers	4,305	2,153
Other Current Liabilities	8,660	19,329
Total Current Liabilities	**12,965**	**21,481**
Total Liabilities	**12,965**	**21,481**
Total Liabilities and Equity	**308,450**	**5,019,536**

Net Asset Value (NAV)	**295,485**	**4,998,055**
Net Asset Value (NAV) / Capital Subscribed	**5.79%**	**98.00%**

2026 INVESTOR CHECK-IN

Help us serve you better — 3 minutes, including a quick Golden Visa status update, satisfaction and overall thoughts.

Take the Survey →

INVESTOR PRIVATE AREA

View every fund report and statement online, in one place.

A Webinar will be held at 12:00 (Lisbon time) on October 9th 2026.

Visit the Private Area →

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