

REAL ESTATE INVESTMENT MANAGEMENT



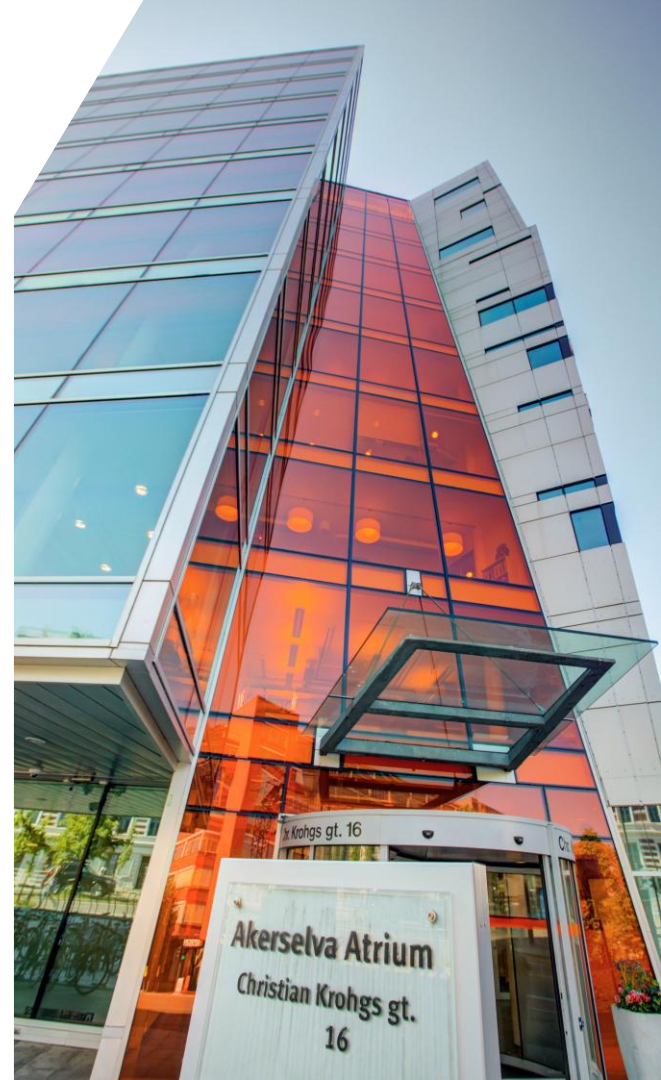
## DNB SCANDINAVIAN PROPERTY FUND INVESTOR REPORT 3.<sup>RD</sup> QUARTER 2026



MARKETING MATERIAL

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## SUMMARY



Cesilie Felde  
Fund Manager

*«The result underscores the quality of the asset management and property portfolio, as well as our long-term focus on sustainability, energy efficiency and value creation.»*

DNB Scandinavian Property Fund delivered a total return of 1.2% in the third quarter of 2026. The property portfolio continued to generate stable cash flows, with an income return of 1.2% for the quarter. At the same time, higher market yield requirements weighed on property values, resulting in a marginal valuation decline of 0.1% during the quarter. Year-to-date, the Fund has delivered a total return of 3.8%.

Economic vacancy has declined during the year and stood at 4.6% at the end of the quarter. The Manager continues to actively pursue lease renegotiations and the letting of vacant office and retail space. While the leasing market remains somewhat challenging, with higher vacancy levels, the Fund benefits from owning modern assets in attractive locations. This is further supported by the Fund's largest tenant who exercised an option to extend its lease for a further ten years, taking the lease term to 2037.

Two portfolio adjustments have been completed year-to-date, with additional processes currently underway. Once completed, the strategic reallocation of the portfolio will be largely concluded, resulting in a more focused portfolio of high-quality properties in attractive locations. This provides a strong foundation for further growth within the Fund's core strategy.

DNB SPF has participated in the annual Global Real Estate Sustainability Benchmark (GRESB) since 2013 and once again delivered strong results, achieving a score of 94.7 out of 100 in 2026, up from 94 points in 2025. The Fund maintained its five-star rating and is ranked second in its peer group in Northern Europe.



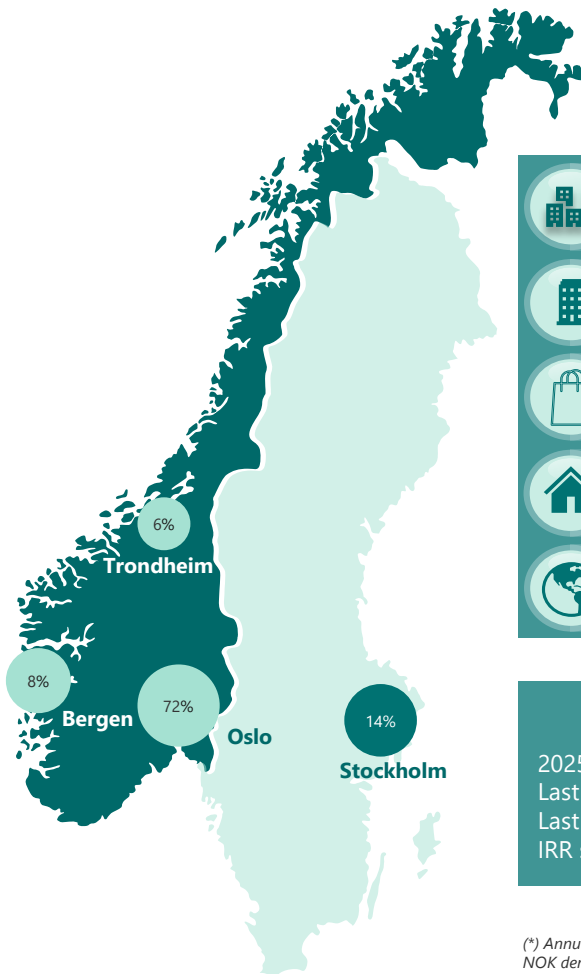
In addition, the Fund achieved a full score for the Management component. The result underscores the quality of the asset management and property portfolio, as well as our long-term focus on sustainability, energy efficiency and value creation.

The real estate market continues to be characterized by a challenging interest rate environment and somewhat elevated uncertainty. Nevertheless, market activity remains healthy and underlying fundamentals continue to be solid. We are seeing an increasingly differentiated market across sectors and geographies, where asset quality, location and resilient cash flows are becoming increasingly important. Following several years of repricing, combined with continued rental growth for attractive properties and inflation-linked rental income, we believe the market is presenting compelling opportunities for long-term real estate investors. The Fund's portfolio is well positioned to generate attractive risk-adjusted returns for investors over time.

As of 1 September, DNB REIM formally became part of UNION Gruppen. The integration is well underway, combining the capabilities of DNB REIM and UNION to create a leading specialist real estate platforms in the Nordics. For DNB Scandinavian Property Fund, this provides access to broader expertise and an even stronger platform for future value creation. Endre Folge, CEO of DNB REIM, shares his perspectives on the real estate market and the path ahead on page 13 of the report.

# DNB SCANDINAVIAN PROPERTY FUND

*A centrally located portfolio with solid tenants, low vacancy and stable returns*



|  |                                                             |
|--|-------------------------------------------------------------|
|  | <b>Office 68%</b><br>Mandate: 35 – 80%                      |
|  | <b>Hotel 20%</b><br>Mandate: 0 – 40%                        |
|  | <b>Retail 10%</b><br>Mandate: 0 – 40%                       |
|  | <b>Other 1%</b><br>Mandate: 0 – 25%                         |
|  | <b>Norway 86%, Sweden 14%</b><br>Mandate: 0 – 40% in Sweden |

| Historical returns          |      |
|-----------------------------|------|
| 2025                        | 6.8% |
| Last 5 years (p.a.)*        | 2.4% |
| Last 10 years (p.a.)**      | 4.3% |
| IRR since inception in 2007 | 4.9% |

| Portfolio                             | Q3-26   | Q3-25   |
|---------------------------------------|---------|---------|
| Number of properties                  | 10      | 12      |
| Market value properties (NOK million) | 9,210   | 9,952   |
| Net Asset Value (NOK million)         | 9,958   | 10,304  |
| Total leased area (sqm)               | 167,629 | 195,878 |
| Annual rental income (NOK million)    | 502     | 557     |
| WAULT (years)                         | 6.5     | 5.9     |
| Economic vacancy                      | 4.6%    | 3.7%    |
| Value-weighted yield                  | 5.1%    | 5.3%    |
| Total return YTD (NAV)                | 3.8%    | 5.2%    |

| Sustainability      |                                                      |
|---------------------|------------------------------------------------------|
| <b>GRESB-score:</b> | 94.7/100 points<br>5/5 stars<br>#2 in its peer group |
| <b>BREEAM:</b>      | All properties are or will be certified              |
| <b>SFDR:</b>        | Art. 8                                               |

(\*) Annualized 01.01.21 – 31.12.25, (\*\*) Annualized 01.01.16 – 31.12.25. Past performance does not predict future returns. Returns based on NOK denomination. For investors that are non-NOK denominated returns may increase or decrease because of currency fluctuations. Capex and costs at Luxembourg feeder-lever not included.

## 2. VALUES AND RETURN



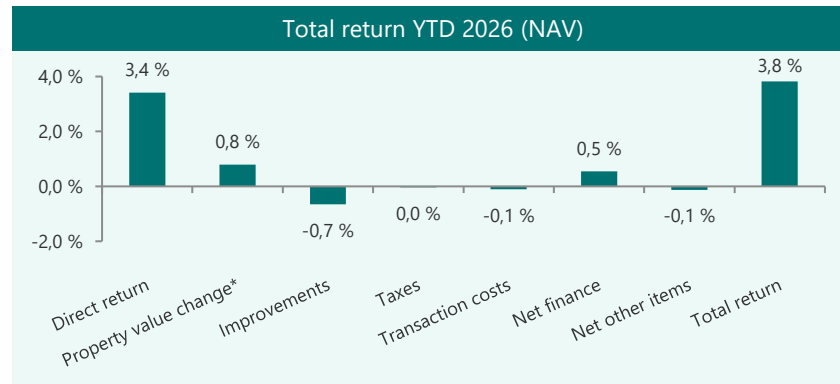
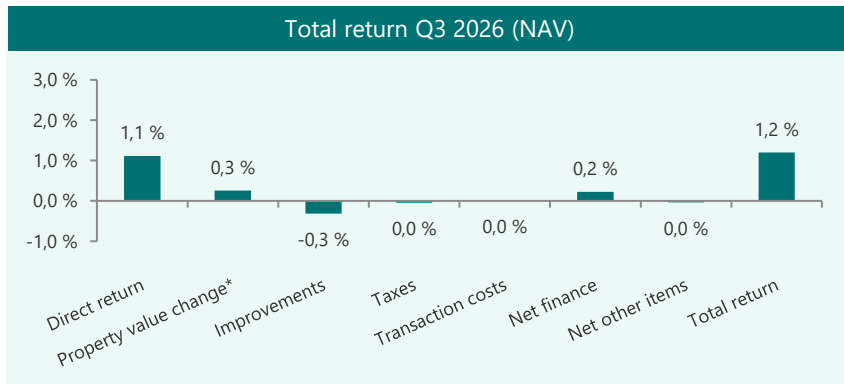
### Total return:

The fund delivered a total return of 1.2 percent in the third quarter and 3.8 percent year-to-date. Total return is calculated based on changes in net asset value (NAV), adjusted for changes in paid-in capital and distributed dividends.

### Property return:

Property returns are the returns generated directly from the properties. All segments have contributed positively to the fund's return year-to-date, with a direct return of 3.6 percent. Higher yields have put negative pressure on property values, while the Fund's value-creating measures have contributed to stable value growth.

| Property return<br>YTD 2026  | Office      | Hotel       | Retail      | Other       | Portfolio   |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| Direct Return                | 3.5%        | 3.2%        | 5.8%        | 6.0%        | 3.6%        |
| Value change                 | 0.2%        | 0.0%        | 0.7%        | -5.8%       | 0.1%        |
| <b>Total property return</b> | <b>3.7%</b> | <b>3.2%</b> | <b>6.5%</b> | <b>0.2%</b> | <b>3.7%</b> |



\*Value change properties before improvements

## 2. VALUES AND RETURN



Quarterly performance NAV and direct return



| Historical return NAV | 2007  | 2008    | 2009   | 2010   | 2011  | 2012   | 2013  | 2014   | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022   | 2023    | 2024  | 2025  | YTD 2026 |
|-----------------------|-------|---------|--------|--------|-------|--------|-------|--------|-------|-------|-------|-------|-------|-------|-------|--------|---------|-------|-------|----------|
| Direct return         | 1.5 % | 6.0 %   | 5.7 %  | 5.9 %  | 6.1 % | 5.7 %  | 5.6 % | 5.7 %  | 5.5 % | 4.7 % | 4.0 % | 3.9 % | 3.6 % | 3.6 % | 3.8 % | 3.5 %  | 4.1 %   | 4.7 % | 4.6 % | 3.4 %    |
| + Value change/ other | 0.0 % | -15.6 % | -7.4 % | 5.2 %  | 3.6 % | -1.2 % | 0.6 % | 5.2 %  | 2.6 % | 1.6 % | 3.9 % | 3.1 % | 0.0 % | 3.0 % | 3.6 % | -2.0 % | -12.7 % | 1.3 % | 2.2 % | 0.4 %    |
| = Total return        | 1.5 % | -9.6 %  | -1.8 % | 11.1 % | 9.7 % | 4.5 %  | 6.3 % | 10.9 % | 8.1 % | 6.3 % | 7.9 % | 6.9 % | 3.6 % | 6.6 % | 7.4 % | 1.5 %  | -8.7 %  | 6.0 % | 6.8 % | 3.8 %    |

## 2. VALUES AND RETURN

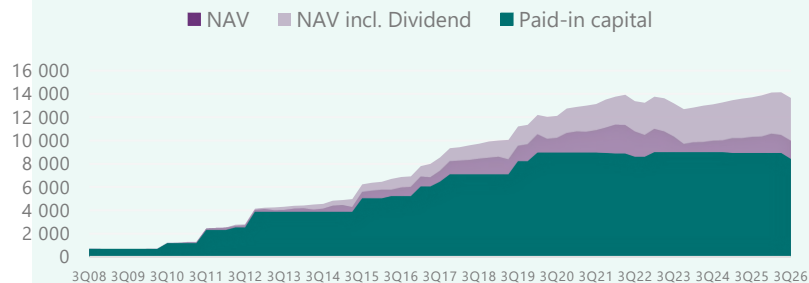


The fund's NAV at the end of Q3 was NOK 9,958 million. The NAV-calculation considers the market value of the properties, latent and deferred tax as well as net other assets, see table for calculation.

Since inception, the fund has distributed NOK 3,692.7 million in dividends from the fund company.

As at 30<sup>th</sup> Sept 2026, DNB Livsforsikring holds an ownership interest of 43.2 percent in DNB Scandinavian Property Fund.

Development in paid-in capital and NAV (NOK million)



Main elements NAV (NOK million)

|                         |              |
|-------------------------|--------------|
| Property values         | 9,210        |
| Latent and deferred tax | -323         |
| Net other assets*       | 1,071        |
| <b>Total</b>            | <b>9,958</b> |

\* Includes long-term receivable due from buyer of Sandslihaugen 30 AS

Distribution of paid-in capital and NAV (NOK million)

|                                      | Paid-in capital<br>DNB SPF IS | Share of<br>NAV | NAV            |
|--------------------------------------|-------------------------------|-----------------|----------------|
| Direct ownership                     | 5,647.8                       | 69.41 %         | 6,911.8        |
| DNB Scandinavian PropFund AS         | 1,546.4                       | 16.28 %         | 1,620.8        |
| DNB Propco International 1 AS        | 787.0                         | 9.31 %          | 927.5          |
| DNB Propco International 2 AS        | 330.7                         | 4.00 %          | 398.3          |
| DNB Scandinavian Property Fund HM AS | 84.0                          | 1.00 %          | 99.6           |
| <b>Total</b>                         | <b>8,396.0</b>                | <b>100 %</b>    | <b>9,958.0</b> |

## 2. VALUES AND RETURN



### CALCULATED VALUES PER UNIT

Values for the fund units are calculated based on the quarter's estimated net asset value (NAV). These values do not necessarily reflect a price at which the units can be traded in a limited secondary market.

The return for the individual investor in DNB Scandinavian Property Fund depends, among other things, on developments in the fund's total values and the timing of the investor's investment in the fund. The table below shows the development in the calculated value per unit after dividends paid.

On October 3<sup>rd</sup> 2025, the feeder companies DNB Scandinavian PropFund 4 KS, DNB Scandinavian PropFund 5 KS and DNB Scandinavian PropFund IS merged with Masterfund DNB Scandinavian Property Fund IS. The merger means that investors who had previously invested in the Feeder companies are now directly invested in Masterfund. The merger does not affect the fund's or investors' values.

| CALCULATED VALUES PER UNIT           | 31.12.17   | 31.12.18   | 31.12.19   | 31.12.20   | 31.12.21   | 31.12.22   | 31.12.23   | 31.12.24   | 31.12.25   | 31.03.26   | 30.06.26   | 30.09.26 |
|--------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|----------|
| DNB Scandinavian Property Fund IS    |            |            |            |            |            |            |            |            | 102,20     | 104.63     | 103.47     | 104.78   |
| DNB Scandinavian Property Fund HM AS |            |            |            |            |            |            |            |            | 3.47       | 3.55       | 3.55       | 3.58     |
| DNB Scandinavian PropFund HM AS      | 107.11     | 113.11     | 116.48     | 123.73     | 131.88     | 130.86     | 120.52     | 125.96     | 122.24     | 125.24     | 125.12     |          |
| DNB Scandinavian PropFund AS         |            |            | 97.02      | 106.62     | 121.45     | 115.12     | 190.18**   | 199.90     | 213.26     | 219.23     | 218.01     | 44.05**  |
| DNB SIF FCP Unleveraged              | 118 893.12 | 120 802.73 | 119 796.59 | 121 677.39 | 126 089.59 | 123 579.84 | 110 987.99 | 114 206.86 | 118 772.81 | 121 364.44 | 120 307.86 |          |
| DNB SIF FCP Leveraged                | 131 245.16 | 133 925.11 | 133 266.38 | 136 742.60 | 143 430.47 | 140 204.34 | 121 618.14 | 126 084.16 | 132 610.47 | 135 692.84 | 134 520.21 |          |

\*\* Change in unit value because of capital increase

# 3. PROPERTY PORTFOLIO



## SEGMENTS

Office · Hotel · Retail · Community building

## LOCATION

Oslo · Trondheim · Bergen · Stockholm

## LEASABLE AREA

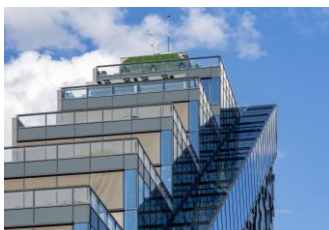
167,629 sqm

## WAULT

6.5 Years

## ECONOMIC VACANCY

4.6%



### BARCODE 115, DRØNNING E.28, OSLO

Type of building: Office  
Year built: 2012  
Purchase date: 20.12.2012  
Area: Appr. 12,600 sqm  
BREEAM In Use: Very Good  
EPC: Class B/D



### BARCODE 123, DRØNNING E. 32, OSLO

Type of building: Office  
Year built: 2012  
Purchase date: 01.07.2015  
Area: appr. 17,900 sqm  
BREEAM In Use: Very Good  
EPC: Class B



### AKERSELVA ATRIUM, CHR. KG 16, OSLO

Type of building: Office  
Built year: 2008/2009  
Purchase date: 01.10.2010  
Area: appr. 17,300 sqm  
BREEAM In Use: Very Good  
EPC: Class D



### VITAMINVEIEN 4, NYDALEN, OSLO

Type of building: Office/retail  
Built year: 2018/2019  
Purchase date: 01.07.2019  
Area: appr. 24,300 sqm  
BREEAM NOR: Excellent  
EPC: Class A



### KRINKELKROKEN 1, BERGEN

Type of building: Office/retail  
Year built: 2000/2017  
Purchase date: 13.01.2020  
Area: appr. 10,000 sqm  
BREEAM In Use: Very Good  
EPC: Class C



### SIRKELTOMTEN (PORTALEN) TR. HEIM

Type of building: Office/retail  
Year built: 2010  
Purchase date: 01.09.2011  
Area: appr. 21,200 sqm  
BREEAM In Use: Very Good\*\*  
EPC: Class C/D



### SANDSLIAUGEN 36, BERGEN

Type of building: Community building  
Built year: 1986  
Purchase date: 30.09.2011  
Area: appr. 6,000 sqm  
BREEAM In Use: Excellent  
EPC: Class D



### ST. OLAVS SGT 26, SMARTHOTEL, OSLO

Type of building: Hotel  
Built year: 2015  
Purchase date: 01.07.2016  
Area: appr. 6,600 sqm/257 rooms  
BREEAM In Use: Good  
EPC: Class B



### HOTEL C

Type of building: Hotel  
Built year: 1978  
Purchase date: 10.01.2023  
Area: appr. 14,200 sqm / 367 rooms  
BREEAM In Use: Good  
EPC: Class E (EU-standard)



### LILLESTRØM TORV

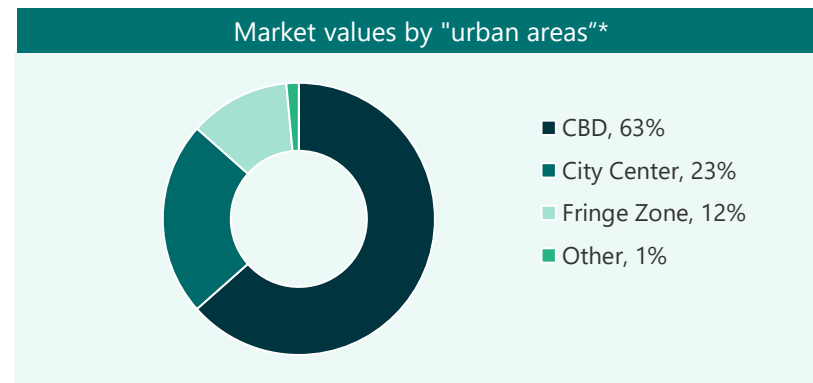
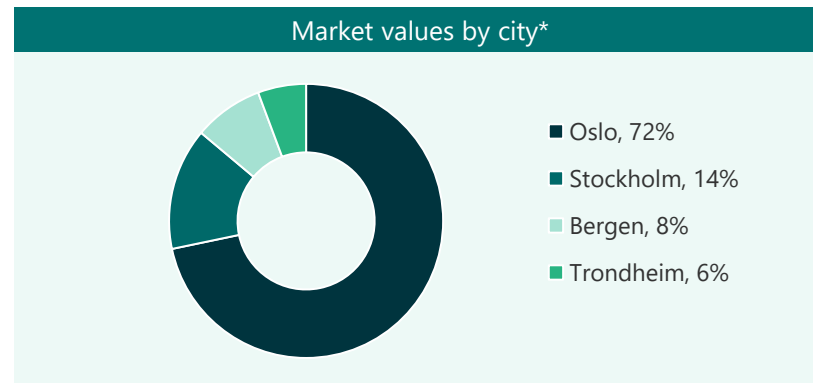
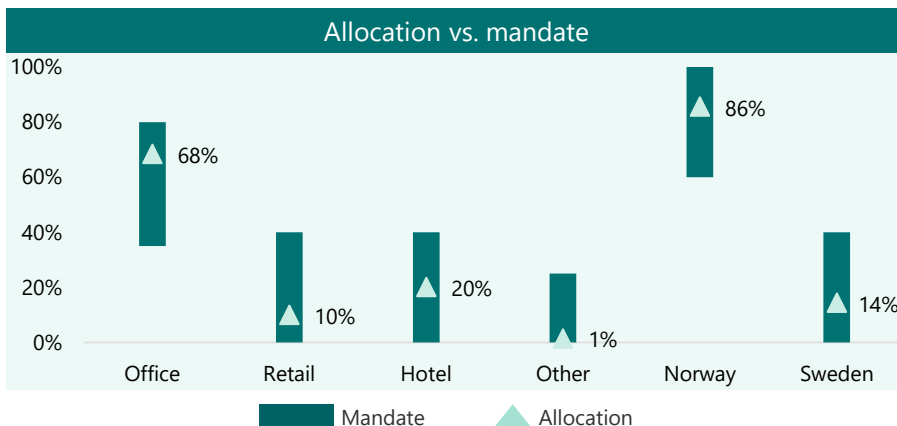
Type of building: Retail  
Built year: 1985/1997  
Purchase date: 23.01.2017  
Area: appr. 37,700 sqm  
BREEAM In Use: Good/Very Good  
EPC: Class C/D/E

### 3. PROPERTY PORTFOLIO – PORTFOLIO STRUCTURE

The fund's objective is to have a diversified portfolio of high-quality properties based on active management through purchase and sale, development, leasing and operations. The property portfolio is still in a build-up phase towards a target size of NOK 12.5 billion. When this size is reached, the portfolio must satisfy the Fund's limits for portfolio structure.

The fund's strategy is to invest in commercial real estate in Norway and Sweden, and the majority will be in the largest cities in both countries.

The fund can invest across a broad range of segments. "Other" may include segments such as logistics and social infrastructure (e.g., schools, healthcare facilities).

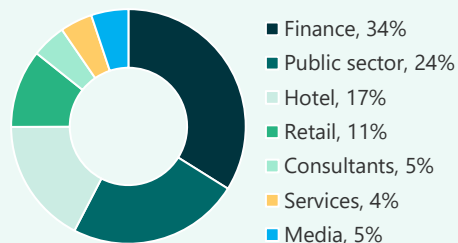


\* Rounding may cause the total to differ from 100 per cent.

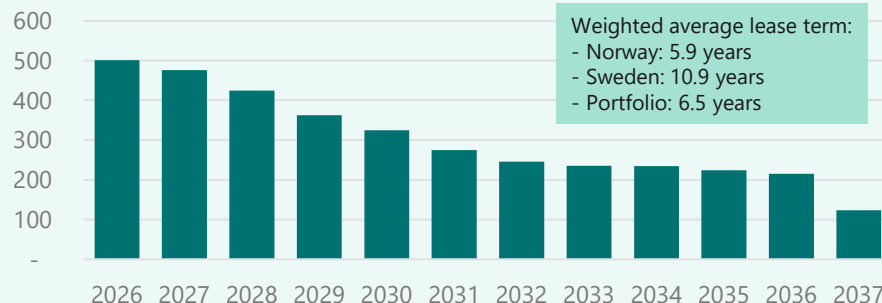
### 3. PROPERTY PORTFOLIO - TENANTS

Tenant breakdown (by income)

The portfolio has a good and robust tenant distribution within a wide range of industries. The tenant composition is characterised by large, solid tenants such as DNB Financial Group, Strawberry, the Norwegian Directorate of Health, the National Complaints Body for the Health Service, the Municipality of Bergen, the Municipality of Oslo and others.



Expiration profile on existing leases



Area distribution and economic vacancy (sqm)

|                    | Let area       | Available area | Economic vacancy | Total area     |
|--------------------|----------------|----------------|------------------|----------------|
| Retail             | 28,797         | 3,964          | 12.3 %           | 32,761         |
| Office             | 83,573         | 4,371          | 4.4 %            | 87,944         |
| Hotel              | 20,729         | 0              | 0.0 %            | 20,729         |
| Community building | 5,993          | 0              | 0.0 %            | 5,993          |
| Parking            | 17,474         | 414            | 3.7 %            | 17,888         |
| Other              | 1,998          | 316            | 13.4 %           | 2,313          |
| <b>Total</b>       | <b>158,564</b> | <b>9,064</b>   | <b>4.6 %</b>     | <b>167,629</b> |

Remaining lease period per building

| Property             | Acquired | City      | Country | Area sqm       | Avg. remaining lease term |
|----------------------|----------|-----------|---------|----------------|---------------------------|
| Akerselva Atrium AS  | 01.10.10 | Oslo      | Norway  | 17,273         | 3.4                       |
| Barcode 115 AS       | 20.12.12 | Oslo      | Norway  | 12,616         | 10.5                      |
| Barcode 123 AS       | 01.07.15 | Oslo      | Norway  | 17,862         | 10.8                      |
| Krinkelkroken 1 AS   | 13.01.20 | Bergen    | Norway  | 9,913          | 5.0                       |
| Lillestrøm Torv AS   | 23.01.17 | Oslo      | Norway  | 37,738         | 2.5                       |
| Sandslihaugen 36 AS  | 01.10.11 | Bergen    | Norway  | 5,993          | 1.8                       |
| Sirkeltomten II AS   | 01.09.11 | Trondheim | Norway  | 21,212         | 5.3                       |
| St. Olavs gate 26 AS | 01.07.16 | Oslo      | Norway  | 6,586          | 4.8                       |
| Vitaminveien 4 AS    | 01.07.19 | Oslo      | Norway  | 24,293         | 2.1                       |
| Pennfaktaren 10      | 10.01.23 | Stockholm | Sweden  | 14,143         | 10.9                      |
| <b>Total</b>         |          |           |         | <b>167,629</b> | <b>6.5</b>                |

## 4. GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK

### GRESB 2026 Result

**94,7** / 100



**GRESB 5-star rating**

**No. 2** Among peer group  
in Northern-Europe

#### GRESB score development:



### Consistently strong GRESB performance

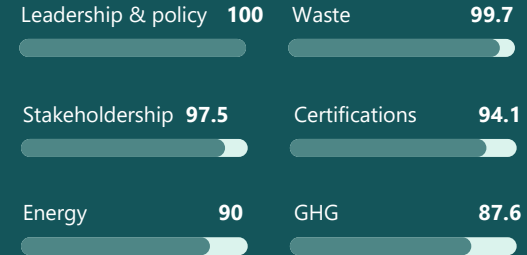
DNB Scandinavian Property Fund achieves 5 out of 5 stars and 94.7 out of 100 points in GRESB 2026 – an increase from 94 points in 2025. The result is well above both the GRESB average of 80.5 and the average in the fund's peer group of 87.8. This confirms the fund's strong position among comparable real estate portfolios and the value of systematic, long-term sustainability work.

### Full score on "Management" – strong "Performance"

The fund achieved a full score on Management with 30 out of 30 points and 64.7 out of 70 points on Performance. This year's results show particularly high goal attainment in areas such as governance, reporting, risk management, stakeholder dialogue and follow-up of tenants and local communities. At the same time, the work on energy, greenhouse gas emissions, water and waste provides a clear basis for further improvements. The results give investors confidence that sustainability is integrated into both property operations and portfolio development.



### Selected results:



## 5. CEO'S PERSPECTIVE: ENDRE FOLGE (1/2)



**On 1 September, DNB REIM (DNBNE) became a wholly owned subsidiary of UNION Gruppen. At the same time, DNB Liv becomes a 30 per cent owner and the parties establish a strategic partnership in fund management, real estate investments and commercial property management. CEO of UNION Gruppen, Endre Folge, shares his perspectives on the transaction and what it means for DNB Scandinavian Property Fund.**

### **Stronger together – with Nordic growth ambitions**

The transaction is based on a shared belief that the two environments can create more together than separately. UNION and DNBNE have complementary expertise in fund management, real estate investments, transactions, analysis, capital raising and active management. Scale and breadth of expertise are becoming increasingly important in asset management. The combination provides a stronger basis for developing investment products, managing capital and making attractive investments over time. Together, we are building a new position as one of the leading specialized real estate platforms in the Nordic region.

Over the years, the real estate industry has become more professionalized, and competition for capital and attractive investment opportunities is increasing. There are increasing demands on both expertise, capacity and ability to implement.

With a background in alpine skiing and large financial transactions, I am used to environments where good results require clear goals, strong professional environments and good team play. We now look forward to bringing together the best from both organizations and building an even stronger team.

### **Business as usual**

For the investors in DNB Scandinavian Property Fund, it is important to emphasise that the transaction does not entail any changes to the investment strategy or mandate. DNBNE will retain its own licence and continue operations as normal – business as usual.

Going forward, we will spend plenty of time getting to know each other. In the short term, the priority is to ensure good integration, while at the same time continuing the active management and development of the Fund's portfolio as before. The ambition is that over time, investors will benefit from a broader professional environment, greater capacity and access to more relevant resources.

Investors will gradually see a new visual profile in reports, presentations and other communications. The Q3 report continues the current reporting template, while communication from Q4 onwards will be in a new profile.

### **Market perspectives**

The market has been through several challenging years, but sentiment improved last year as interest rates began to decline. In 2026, however, Norges Bank reversed course and raised its policy rate to 4.5%. Inflation has remained elevated for longer than expected, supported by strong wage growth and higher energy prices in the wake of the war in the Middle East.

Against a backdrop of higher interest rates, we are now seeing yields gradually move upwards. Transaction activity has nevertheless remained resilient, with approximately NOK 55 billion of transactions completed year-to-date. We expect full-year transaction volumes to reach a level broadly in line with last year, at approximately NOK 90 billion. Activity remains relatively strong across logistics, retail, residential and residential development.

In the office segment, a significant pricing gap remains between buyers and sellers. Office assets continue to trade at the lowest yields, making the segment particularly sensitive to higher interest rates.

In Sweden, interest rates are significantly lower, while the yield differential relative to Norway is considerably narrower than the difference in interest rates. This results in a more attractive spread over financing costs compared with Norway. Swedish inflation, however, remains low, resulting in weaker indexation of rental contracts.

The leasing market presents a more nuanced picture. Office vacancy in Oslo has increased to above 8%, while rental growth has moderated.



**Endre Folge**  
CEO Union Gruppen &  
Union DNB NE

*«Konkurransen skjerpes og kravene til oss øker. Da handler det om å samle de beste menneskene, bygge sterke fagmiljøer og skape resultater sammen»*

## 5. CEO'S PERSPECTIVE: ENDRE FOLGE (2/2)



At the same time, a significant share of current vacancy relates to older, smaller and less modern buildings. This represents a clear divide in the market and supports rental levels for higher-quality properties over the longer term. Even with somewhat elevated vacancy, it is not straightforward for larger tenants to secure high-quality premises in the city's most attractive locations. With inflation of around 3%, rental income also benefits from solid annual indexation.

Leasing markets in other segments appear more resilient, although Norwegian consumers may face some near-term headwinds. With yields having increased significantly since 2022 and solid CPI-linked cash flows, we believe the underlying fundamentals of real estate investment remain attractive.

### UNION – creating value from real estate

Since our inception in 1984, we have established ourselves as one of Norway's leading companies in commercial real estate and residential development. Through this period, we have evolved from being a pure commercial broker to becoming a complete real estate house within asset management, commercial brokerage, and analysis. Our goal is to be the preferred real estate partner for investors, property owners, tenants, and partners.

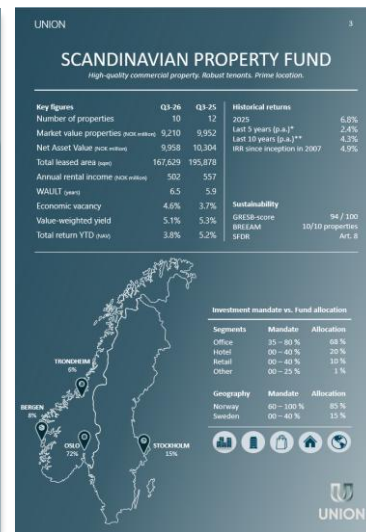
The UNION Group consists of three pillars: UNION Asset Management, UNION Commercial Brokerage, and UNION Analysis.

In UNION Asset Management, we manage a portfolio of funds for professional investors within commercial real estate, residential development, and credit. We take holistic responsibility for all areas in our fund mandates, including acquisition, operations, commercial and technical management, development, and sales.

In UNION Commercial Brokerage, we offer advisory services for leasing and sales of commercial real estate as well as strategic advice within the segments of office, retail, logistics/warehouse, development projects, plots, and hotels.

Our Analysis department is among the country's leading professional environments within commercial real estate. We prepare forecasts and reports for the Norwegian real estate market, and with solid competence, we transform data into insights.

## New visual identity from Q4 2026:



## 5. RISK MANAGEMENT



### RISK CLASSIFICATION

The risk profile of the fund is moderate, and the fund is classified as a "Core" fund according to INREV's definitions. Development projects may constitute up to 5 per cent of the portfolio, but overall, the risk profile shall correspond to the Core category.

Investing in companies in real estate is associated with the risk that the investor may incur losses, and historical returns are not a guarantee of future returns. The risk of loss or lower-than-expected returns will depend on a number of factors, as outlined below.

DNB REIM has established procedures and systems for identifying, measuring and managing relevant risks to which the Fund is exposed. Regular assessments are conducted of specifically defined risks, based on the Fund's risk policy. Some of the risks are quantifiable, such as requirements for portfolio structure and currency risk.

To meet the requirement for an independent risk management function separate from the manager's operational activities, the risk officer at DNB REIM reports directly to the CEO and the board of directors of DNB REIMdom.

### IDENTIFIED RISKS

Below is an overview of the key risks associated with investing in DNB Scandinavian Property Fund. This overview is not exhaustive.

**MACROECONOMIST/CYCLICAL DEVELOPMENT:** The real estate market is influenced by developments in the macroeconomy and the overall business cycle. Historically, this has resulted in the real estate market exhibiting cyclical behavior, with rental prices and property values tending to rise during periods of economic growth and weaken or decline during economic downturns. Vacancy levels in the property portfolio are likewise typically affected by the economic cycle.

**PORTFOLIO RISK:** The fund is intended to maintain a diversified portfolio of unleveraged real estate in the largest cities in Norway and Sweden, aiming to achieve the highest possible risk-adjusted return over time. To ensure optimal portfolio composition, the fund depends, among other things, on good access to investment opportunities. If market conditions develop in such a way that the manager is unable to identify sufficiently attractive investments, it may take longer than expected to deploy committed capital. This could affect the ability to optimize the portfolio structure and, consequently, the annual return.

**CHANGE IN REGULATORY FRAMEWORK:** Changes in political and regulatory conditions may result in new or altered terms for investors, the fund, and its underlying investments, potentially reducing the fund's profitability and its ability to make distributions. The fund structure may also be affected by changes in the regulatory environment in the countries in which it is invested at any given time.

**CURRENCY RISK:** The fund is mandated to invest in Norway and Sweden. For investments in Sweden, rental income and expenses will be denominated in the local currency. In addition to standard real estate risk, exchange rate fluctuations at the time of property acquisition or sale will affect returns. A dedicated currency strategy has been established for the fund, under which investments outside Norway are to be hedged, with a target hedge ratio of 100 per cent to the extent practically possible.

**COUNTERPARTY RISK:** There is a risk of payment default during lease periods due to tenant breaches, bankruptcies, or other issues. When entering into agreements, counterparty risk is addressed through due diligence of contracts and counterparties, as well as requirements for guarantees, including rental guarantees. As a general rule, a rental guarantee equivalent to six months' rent is required when leasing premises. When acquiring real estate, due diligence is conducted—typically with assistance from reputable external parties—and an external law firm supports the contract negotiations.

## 5. RISK MANAGEMENT

**LIQUIDITY RISK:** An investment in the fund is a long-term commitment and entails liquidity risk for the investor due to limited redemption rights. These limited redemption rights differ from investments in mutual funds and listed equities, where daily redemption is typically available. Investors are advised to familiarize themselves with the applicable redemption rules.

“Liquidity Management Guidelines” and an associated “Liquidity Policy” have been established. DNB Scandinavian Property Fund HM AS and its feeder funds must at all times maintain a prudent and sufficient liquidity reserve. This reserve must account for the liquidity needs arising from the fund’s ongoing operations, as well as an adequate liquidity buffer.

**VALUATION AND VALUE FLUCTUATIONS:** Guidelines for independent valuation, together with the fund’s valuation policy, are designed to ensure accurate and independent valuation of the fund’s assets. The market value of the properties is determined quarterly, based on the average of valuations provided by two independent external appraisers. Property values depend on several factors, including occupancy rates, rental levels, and changes in market yield requirements. According to the PRIIPs documentation requirements, real estate is considered to carry a high risk of value fluctuation.

**RENT ADJUSTMENT/CHANGE IN THE CPI:** Rent under ongoing lease agreements is typically adjusted annually in line with changes in the Consumer Price Index (CPI). For investments in property-owning companies, financial projections and expected returns are based on the manager’s inflation forecasts. If the annual CPI change is lower than forecasted, this may weaken liquidity and result in lower ongoing returns for investors than expected. Conversely, if the CPI change exceeds forecasts, liquidity will improve and investors may receive higher ongoing returns.

**RELETTING AND SALE OF PROPERTIES:** Upon expiry of existing lease agreements, tenancies may terminate or be renegotiated at lower rental levels, which could weaken the income base and thus the profitability of the investments. In such cases, there is often a need for upgrades or tenant-specific adaptations, which may result in extraordinary costs for the owner. Developments in property values, market liquidity, rental levels, and vacancy rates may vary across different geographic areas. The attractiveness of a property is partly determined by its location.

**CONFLICTS OF INTEREST:** Achieving satisfactory returns depends, among other things, on the fund company’s board and the manager performing their duties effectively, which requires sufficient competence and capacity. Since several entities within the DNB Group are involved in the fund—as owners, tenants, and managers—conflicts of interest may arise. These are addressed through specific decision-making mechanisms and internal guidelines within the group and DNB REIM.

**SUSTAINABILITY RISK:** Sustainability risk is primarily related to climate-related events resulting from climate change (physical risk) or risks arising from the transition to a low-emission society and society’s response to climate risk (transition risk), which may lead to unexpected losses and impact the fund’s investments and financial returns. Social factors and non-compliance may also constitute sustainability risks. In accordance with the SFDR, the fund is classified as an Article 8 fund. Sustainability-related characteristics related to climate and the environment, social conditions, and corporate governance are integrated into the fund’s management.

### **RISK ASSESSMENT AND MEASUREMENT:**

Regular assessments are conducted of specifically defined risks, based on the fund’s risk policy. Some risks are quantifiable, such as requirements related to portfolio structure and currency risk. In addition, semi-annual simulations/stress tests are performed to illustrate changes in property values under scenarios such as altered yield requirements, increased costs, and reduced rental income. In the event of proposed regulatory changes in the tax domain, tax forecasts are prepared to assess how such changes may affect the fund’s returns.

## 6. GENERAL INFORMATION



### KEY TERMS

#### Property value

The properties are valued on a quarterly basis by two external appraisers, and the average of their valuations is used in the calculation of NAV. For properties acquired during the quarter, cost price is applied until the next valuation.

#### Deferred and latent tax

Estimated tax liability calculated based on the difference between market values and tax values of the property portfolio.

#### Net asset value

Calculated equity where property values, deferred and latent tax, net balance sheet items, and accrued arrangement costs are considered.

#### Total return

The fund's return measured as the percentage change in NAV, including dividend distributions. The return consists of income return and value development in the portfolio.

#### Direct return

Current rental income net of owner's costs and management fees, relative to the value of the property portfolio.

#### Property return

Return generated directly from the property portfolio, comprising net rental income (yield) and net value changes of the properties.

#### Yield requirement

The required rate of return for real estate is the rate of return required by a market participant to invest in a property. The required rate of return is used to discount future cash flows when determining market value.

#### Internal rate of return (IRR)

The discount rate that results in a net present value of zero for the fund's cash flows. IRR represents the fund's annualised return and considers the timing of cash inflows and outflows.

#### Cumulated distributions

Total capital returned and dividend distributions since the fund's inception in 2007.

#### Subscription costs

Upon subscription, a subscription and arrangement fee is charged, as well as a transaction fee for acquisitions. In addition, a share of the original establishment costs of the feeder fund will be incurred.

#### Economic vacancy

Vacant space measured as a share of the estimated market rent assuming full occupancy.

#### WAULT

The average remaining duration of the lease contracts in the portfolio, weighted by annual rental income. Indicates how long existing rental income is contractually secured.

## 6. GENERAL INFORMATION



### FUND STRUCTURE, MANDATE, TERMS AND FEES

#### Structure and objectives

##### TYPE OF FUND

Real estate fund, open ended

##### RISK PROFILE

Core (INREV-standard), moderate/low risk

##### SFDR-CLASSIFICATION

Article 8

##### TARGET RETURN ON NAV

5–7 % annually

##### TARGET DISTRIBUTIONS

3–5 % annually

##### TARGET SIZE

NOK 12,5 bn

##### REPORTING STANDARD

NGAAP

#### Investment mandate

##### GEOGRAPHY

Norway (min. 60 %) and Sweden (max. 40 %)

##### SEGMENT — OFFICE

Min. 35 %, max. 80 %

##### SEGMENT — RETAIL

Max. 40 %

##### SEGMENT — HOTEL

Max. 40 %

##### SEGMENT — OTHER

Max. 25 %

##### DEVELOPMENT

Max. 5 %

##### CURRENCY

NOK. Investments in SEK is hedged

#### Investor terms

##### MINIMUM INVESTMENT

NOK 5 mill.

##### REDEMPTION

Annual redemption, available no earlier than 18 months after payment of committed capital. Minimum NOK 5 mill.

##### REDEMPTION FEE

1.5% accrues to the fund

##### TRANSFERABILITY OF UNITS/SHARES

Freely transferable, but requires approval by the board

##### SECONDARY TRADING OF UNITS

Sales list; no guarantee of execution

##### LIQUIDATION

Requires a two-thirds majority at the shareholders' meeting

#### Fees and reporting

##### ANNUAL MANAGEMENT FEE

Approx. 0.6 percent of market value

##### TRANSACTION FEES

1.0 per cent on purchases and 0.5 per cent on sales

##### SUBSCRIPTION COSTS

Up to 0.25% of committed capital upon subscription

##### VALUATIONS

Quarterly – minimum two appraisers

##### REPORTING FREQUENCY

Quarterly

## 6. GENERAL INFORMATION

### ADMINISTRATION, AIFM MANAGEMENT AND AIFM BOARD

#### Head office

DNB Scandinavian Property Fund  
Bolette Brygge 1, Oslo, Norway

#### Manager - AIFM

DNB REIM  
Bolette Brygge 1, Oslo, Norway  
Responsible portfolio manager: Endre Folge  
Responsible risk manager: Katrine G. Tvedt

#### Portfolio manager, Norway

DNB REIM  
Bolette Brygge 1, Oslo, Norway

#### Depository

DNB Markets  
Dronning Eufemias gate 30  
0191 Oslo, Norway

#### Auditor

Ernst & Young  
Thormøhlens gate 53D  
5006 Bergen, Norway

#### DNB REIM – Management team

**Endre Folge**, CEO DNB REIM  
**Anders Aagenæs**, Special Advisor/Lawyer  
**Katrine G. Tvedt**, Director, Compliance and Risk Management  
**Ole Chr. Knudsen**, Director, IR & Portfolio management  
**Erlend K. Simonsen**, Director, Sustainability & Digitalization  
**Lars Kristiansen**, Director, Sustainability & Digitalization  
**Tor Arild Bolstad**, Director, Finance & Business Support

#### Fund team

**Cesilie Felde**, Fund manager – [cesilie.felde@dnb.no](mailto:cesilie.felde@dnb.no)  
**Thomas B. Langli**, CIO – [thomas.blomberg.langli@dnb.no](mailto:thomas.blomberg.langli@dnb.no)  
**Ola Asphjell**, Investor Relations – [ola.asphjell@dnb.no](mailto:ola.asphjell@dnb.no)  
**Rune Markhus Sivertsen**, CFO – [rune.sivertsen@dnb.no](mailto:rune.sivertsen@dnb.no)

#### VALUERS

**Akershus Eiendom** (Norway)  
**Cushman & Wakefield Realkapital** (Norway)  
**Savills** (Sweden)  
**Cushman & Wakefield** (Sweden)

#### Styret i DNB REIMndom AS (AIFM)

**Øystein Arnulf Landvik**, Chariman of the Board, UNION Gruppen  
**Bjørn Henningsen**, UNION Gruppen  
**Mona Ingebrigtsen**, Sea at Sky  
**Linn Økland**, DNBNE AS  
**Thomas Blomberg Langli**, DNBNE AS

#### Board DNB Scandinavian Property Fund

**Christine K. Hatlebrekke**, DNB Liv  
**Preben Stray**, DNB Asset Management  
**Frode A. S. Veiby**, Fellesordningen for AFP  
**Benedicte Hammersland**, Bergen Kommunale Pensjonskasse  
**Catriona Louise Allen**, LaSalle  
**Susanne Bringsli**, Formue

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*This investor report has been prepared for use by our clients and potential clients in connection with DNB Scandinavian Property Fund (the Fund).*

*Anyone considering investing in the fund can access the fund's legal documents, including the fund's Offering Document by contacting DNB REIMndom AS (DNB REIM). The report has been prepared for marketing purposes and any investment decision should therefore not be made solely on the basis of the information in the report. The content is based on sources that DNB REIM perceives as reliable at the time the report was prepared, but which have not been independently verified. Therefore, no warranty is given as to the accuracy or completeness of the information. The content of the report may be changed retrospectively without further notice. The report must be seen in the context of what is said orally and what is stated in the fund's legal documents.*

*The report should not be construed as an offer or recommendation to buy. Investing in and trading in financial products is associated with the risk of loss, and developments in the value of the Fund can be both positive and negative. Historical developments in value and returns cannot be used as reliable indicators of future developments and returns. Investing in the Fund is associated with the risk that the investor loses part or all of the invested capital. DNB REIM does not provide any guarantees for the result or return, and all trades in the fund are made at the investor's own discretion and risk.*

*If the investor is uncertain about the risks associated with a potential investment in real estate in general or in the Fund in particular, or whether such an investment is suitable for him/the company, the investor should clarify this with his or her adviser before making the investment decision.*

*DNB REIM accepts no liability for either the investor's direct or indirect losses caused by a lack of understanding of and/or use of this report.*

DNB