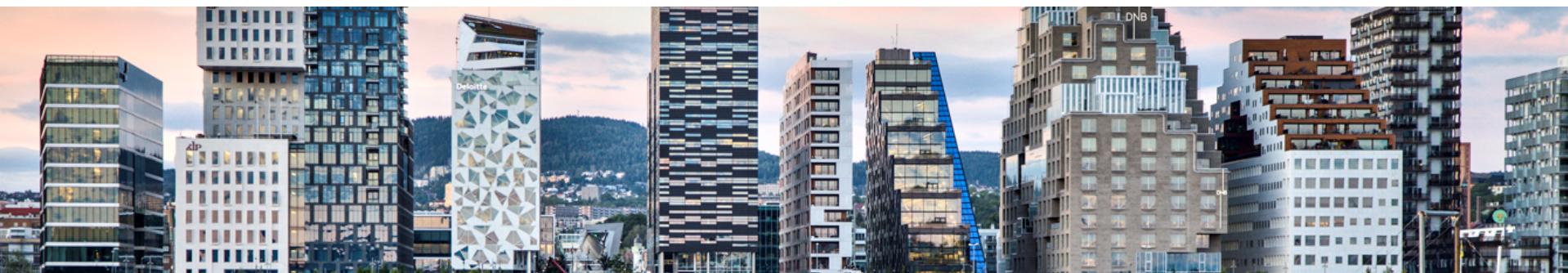


DNB REIM



INVESTOR REPORT Q4 - 2024



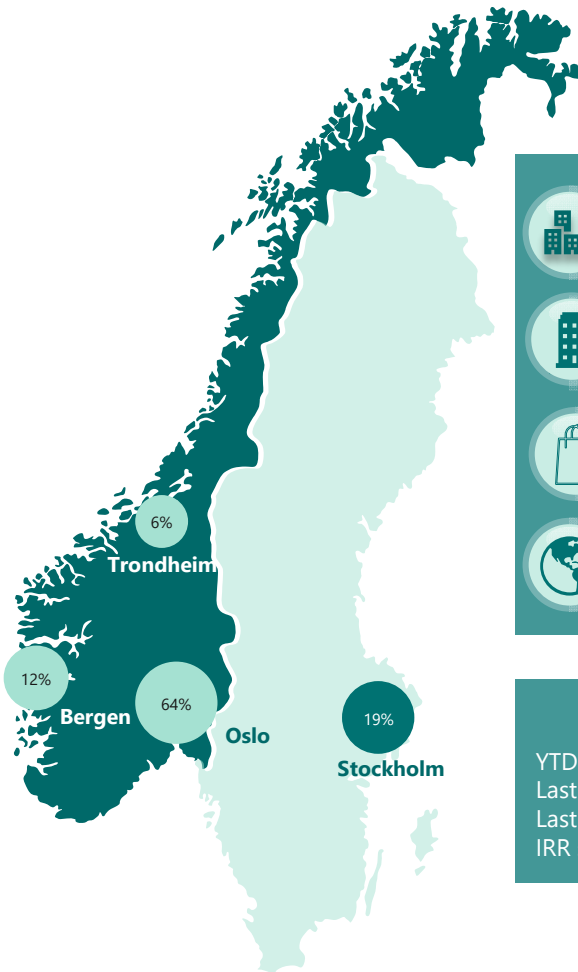
DNB SCANDINAVIAN PROPERTY FUND
MARKETING MATERIAL

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DNB SCANDINAVIAN PROPERTY FUND



Office 68%
Mandate: 35 – 80 %



Hotel/other 21 %
Mandate: 0 – 25 %



Retail 12 %
Mandate: 0 – 40%



Norway 81 %, Sweden 19 %
Mandate: 0 – 40 % in Sweden

Historical returns

YTD 2024	6.0 %
Last 3 years (p.a.)*	-0.6 %
Last 5 years (p.a.)**	2.4 %
IRR since inception in 2007	4.8 %

Portfolio

	Q4-24	Q4-23
Number of properties	12	12
Market value properties (mNOK)	9,698	9,423
Net Asset Value (MNOK)	10,001	9,708
Total leased area (sqm)	195,877	195,852
Annual rental income (mNOK)***	553	529
WAULT (years)****	4.8	5.4
Economic vacancy	2.7 %	2.8 %
Value-weighted yield	5.4 %	5.4 %

Sustainability

SFDR-classification	Article 8
GRESB	★★★★★
BREEAM-certification	Ongoing

(*) Annualized 01.01.22 – 31.12.24

(**) Annualized 01.01.20 – 31.12.24

(***) Contract rent (excl. turnover rent)

(****) Value-weighted average

Historical returns are not a guarantee of future returns

1. SUMMARY

We are leaving behind a year of stabilisation in the required rate of return. In the current quarter, however, we see signs that yields are starting to move downwards. We also see that expectations of more interest rate cuts and more stability have stimulated increased activity in the transaction market.

The Norwegian economy has had low growth throughout the year, with GDP growth for mainland Norway of 0.6 per cent. On the one hand, we see rising consumption and increased petroleum investment, but on the other hand, we have seen that weaker business and housing investment has contributed to dampening overall activity. Public demand has been a stabilising factor in the economy, with increased investment in defence and energy projects helping to lift activity.

The sharp rise in prices in recent years has slowed through 2024. Lower energy prices and reduced service price inflation are contributing to the gradual decline. As a result, the policy rate has been stable at 4.5 per cent throughout the year, and Norges Bank is now signaling more rate cuts through 2025. For a more detailed overview of the market, see Chapter 5.

DNB Scandinavian Property Fund delivered a total return on value-adjusted equity of 1.8 percent in the fourth quarter and 6 percent for the year, and the fund now has a market capitalization of NOK 10 billion. The real estate portfolio delivered a dividend yield of 1.3 percent and a total return of 2.1 percent in the quarter.

As a manager, DNB Næringseiendom focuses on sustainable management and development of its property portfolios. The property management activities are certified in accordance with ISO 14001 and Det Norske Veritas conducts an annual audit of various areas. The real estate portfolio is BREEAM certified, and the fund has participated in GRESB (Global Real Estate Benchmark) since 2013. The fund has achieved good results and has been ranked as a "Green Star" with 5 stars in recent years. This year, with a score of 92 out of 100, the fund is back as no. 1 within its peer group, read chapter 4 for further information.

1. SUMMARY

The fund has a solid office portfolio with a central location and low vacancy. The segment accounts for 68 per cent of the portfolio and delivers a return of 5.8 per cent in 2024. Low construction activity in the central areas of Oslo and stable demand for office space continue to result in market rents at a stable and good level.

The fund's two hotel properties can point to a high occupancy rate and good room prices. Hotel C in Stockholm has had a strong value development and delivers a total return of 14.3 per cent in 2024. The hotel/other segment has a total return of 11.1 percent.

For the fund's shopping centres, we see positive growth in both visitor numbers and turnover. Lillestrøm Torv has delivered an increase in gross sales of 5 per cent so far this year (at the end of November/December). Øyrane Torg has had a growth in gross turnover of 4 per cent. The shopping centres deliver a direct yield of 6.6 per cent and a total return of 1 per cent after a fall in values as a result of an adjustment in the required rate of return as well as a planned maintenance project at Lillestrøm Torv.

The Fund's properties are well managed and have low vacancy rates. The properties deliver a stable and good ongoing cash flow with annual CPI adjustment. We expect positive rental price growth in the coming years and an attractive value development for prime office property.



Barcode 115, Oslo

2. MARKET VALUES AND RETURN – 2024

DNB Scandinavian Property Fund had a total return of 1.8 per cent in the fourth quarter and 6.0 per cent for 2024. The fund's total return is calculated based on the change in net asset value (NAV), adjusted for changes in paid-in capital and dividends paid. The difference between the fund's total return and the portfolio's property return is mainly due to the fund company's income, costs valuation of receivable after the sale of Sandslihaugen 30 AS and changes in share discount, please see figure 2.2

The Fund's NAV at the end of the fourth quarter was NOK 10 001 million. The NAV calculation considers the properties' market value, latent and deferred tax and net other assets, please see tab 2.1 for main elements as at 31.12.24.

Tab 2.1 Main elements NAV (NOK million)

Property values	9,698
Latent and deferred tax	-330
Net other assets*	633
Total	10,001

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

Historical returns are no guarantee of future returns

Fig. 2.1 Return analysis Q4 2024

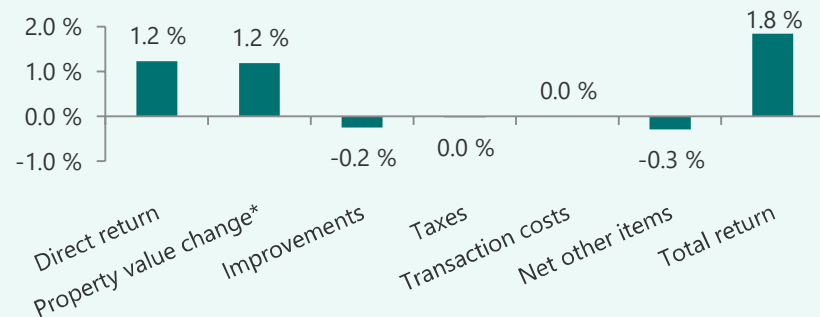
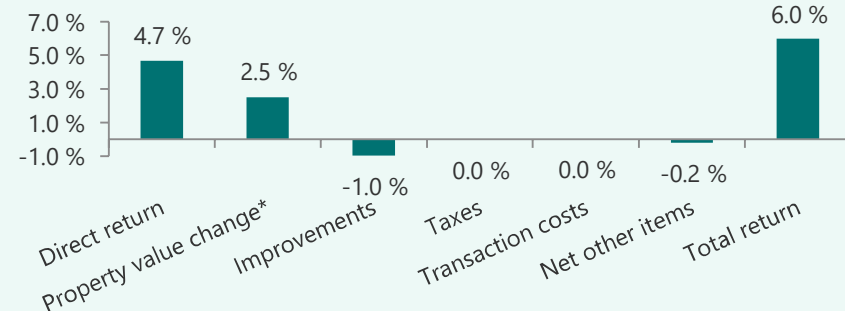


Fig. 2.2 Return analysis 2024



* Value change properties before improvements

2. MARKET VALUES AND RETURN – SINCE INCEPTION

The development in the annual return on NAV as well as the property portfolio's direct return is set out in figure 2.4. The annualised return in the last 3 years* has been -0.6 per cent and in the last 5 years** 2.4 per cent.

The IRR since the fund was established is 4.8 per cent. During the lifetime of the fund a total of NOK 3 272.5 million has been paid in dividends from the fund company.

(*) Annualized return 01.01.22-31.12.24

(**) Annualized return 5 years: 01.01.20-31.12.24

Tab. 2.2 Breakdown of paid-in capital and NAV (NOK million)

	Paid-in capital DNB SPF DA	% share of NAV	NAV
DNB Eiendomsinvest KS	2,303.6	28.0%	2,796.9
DNB Eiendomsinvest 2 AS	300.4	2.8%	283.0
DNB Scandinavian PropFund 4 KS	1,126.3	13.7%	1,373.2
DNB Scandinavian PropFund 5 KS	1,198.4	13.0%	1,295.8
DNB Scandinavian PropFund IS	882.7	9.1%	908.1
DNB Scandinavian PropFund AS	1,562.0	15.4%	1,536.8
DNB Propco International 1 AS	865,0	9.6%	957.0
DNB Propco International 2 AS	752,1	8.5%	850.4
Total	8,990.5	100%	10,001.1

Fig. 2.3 Development in paid-in capital and NAV (NOK million)

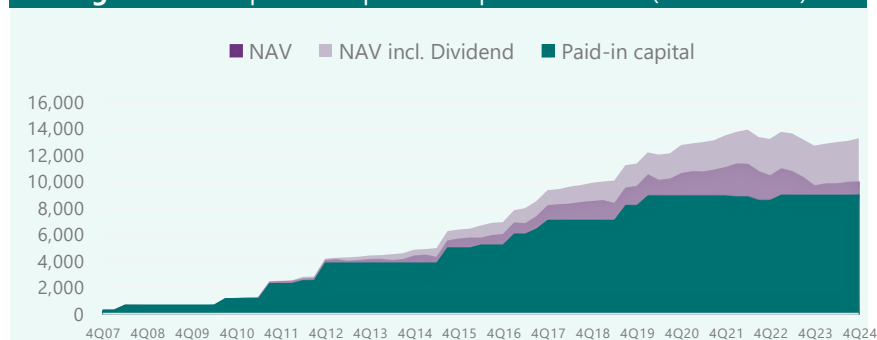
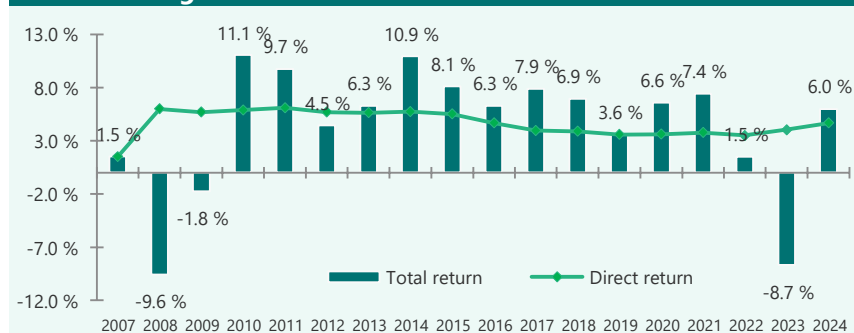


Fig. 2.4 Annual return on NAV and direct return



2. MARKET VALUES AND RETURN – HISTORICAL

Fig. 2.5 Quarterly development NAV and direct return



Historical returns are no guarantee of future returns

3. THE PROPERTY PORTFOLIO

*A centrally located portfolio
with solid tenants and low vacancy*



3. PROPERTY PORTFOLIO - OFFICE* (2 OF 5)

Portfolio data – Office

Location	Oslo Trondheim Bergen Stockholm
Available space	Of which 44% in Oslo CBD 103,734 sqm
Avg remaining lease term	3.7 years
Economic vacancy	3.4%
Property value	NOK 6,798 million



HAGABLUE, SOLNA, STOCKHOLM

Type of building: Office
Year built: 2002
Purchase date: 30.01.2018
Area: appr. 10,200 sqm
BREEAM In Use: Very Good



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



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**



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



AKERSELVA ATRIUM, CHR.KG 16, OSLO

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



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



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

*Parking area is not included in the data

**Recertification is in progress

All buildings are considered as 100 per cent office when calculating the portfolio data, except for economic vacancy

3. PROPERTY PORTFOLIO - OTHER* ((3 OF 5))

Portfolio data – Hotel/Community building

Location hotel	Oslo Stockholm
Location community building	Bergen
Available space	26,722 sqm
Avg remaining lease term	9.8 years
Economic vacancy	0.0%
Property value	NOK 1,920 million

Portfolio data – Retail**

Location	Lillestrøm Bergen
Available space	45,974 sqm
Avg remaining lease term	3.8 years
Economic vacancy	2.5%
Property value	NOK 981 million



SANDSLIHAUGEN 36, BERGEN

Type of building: Community building
Built year: 1986
Purchase date: 30.09.2011
Area: appr. 6,000 sqm
BREEAM In Use: Very Good**



ST.OLAVSGT 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



HOTEL C

Type of building: Hotel
Built year: 1978
Purchase date: 10.01.2023
Area: appr. 14,200 sqm
BEEAM In Use: Good



ØYRANE TORG, INDRE ARNA, BERGEN

Type of building: Retail
Built year: 1994
Purchase date: 01.09.2017
Area: appr. 18,000 sqm
BREEAM In Use: Good



LILLESTRØM TORV, UTENFOR OSLO

Type of building: Retail
Built year: 1985/1997
Purchase date: 23.01.2017
Area: appr. 37,700 sqm
BREEAM In Use: Good**

*Parking area is not included in the data

**Recertification is in progress

Retail buildings are considered as 100 per cent retail when calculating the portfolio data, except for economic vacancy

3. THE PROPERTY PORTFOLIO – PORTFOLIO STRUCTURE (4 OF 5)

The fund's goal is to have a diversified portfolio of good quality properties, based on active management through purchases, sales, development, leasing and operation. The property portfolio is still in a build-up phase with a goal to reach NOK 12.5 billion. When it reaches this size, it will satisfy the fund's portfolio structure limits.

The fund's strategy is to invest in commercial property in Norway and Sweden. The main part of the portfolio will be in the largest cities in both countries. Investments in Sweden may over time amount to up to 40 per cent of the fund – currently the figure is 19 per cent.

Tab. 3.1.1 Area breakdown and economic vacancy

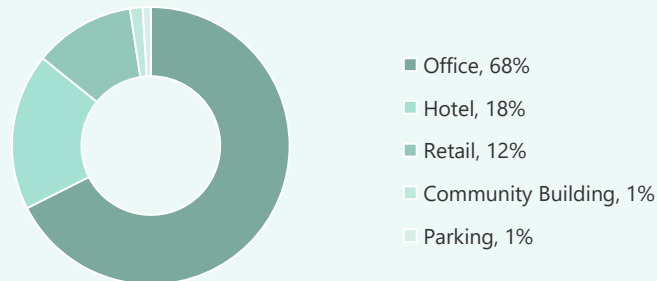
	Let area	Available area	Economic vacancy	Total area
Retail	43,788	1,375	2.5%	45,163
Office	96,633	4,837	3.4%	101,470
Hotel	20,729	0	0.0%	20,729
Community building	5,993	0	0.0%	5,993
Parking	17,729	233	2.0%	17,961
Other	4,092	468	16.2%	4,560
Total	188,964	6,913	2.7%	195,877

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

Fig. 3.1.1 Market values by city*



Fig. 3.1.2 Market values by segment*



3. THE PROPERTY PORTFOLIO – TENANTS (5 OF 5)

The portfolio has a good and robust tenant mix within a broad spectrum of sectors, see further figure 3.2.1. The tenant mix is characterised by large, solid lessees such as DNB, Strawberry, the Health Directorate, the Health Service National Complaints Agency, Bergen Municipality, Oslo Municipality, the Discrimination Ombudsman in Sweden, and others.

Fig. 3.2.1 Tenant breakdown by sector on income*

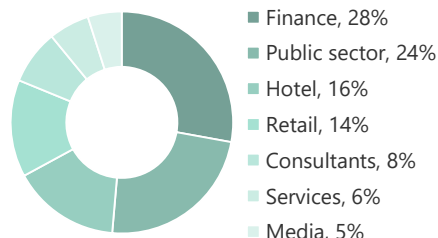
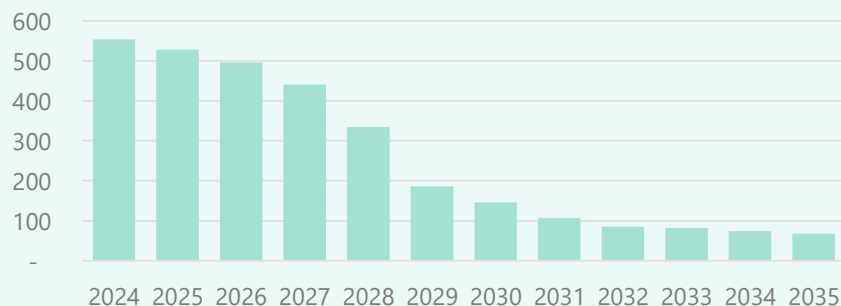


Fig. 3.2.2 Annual rental income existing leases (NOK million)



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

Tab. 3.2.1 Average remaining lease term

Property	Acquired	City	Country	Area sqm	Avg. remaining lease term
Akerselva Atrium AS	01.10.10	Oslo	Norway	17,273	4.4
Barcode 115 AS	20.12.12	Oslo	Norway	12,616	3.0
Barcode 123 AS	01.07.15	Oslo	Norway	17,862	3.9
Krinkelkroken 1 AS	13.01.20	Bergen	Norway	9,945	6.0
Lillestrøm Torv AS	23.01.17	Oslo	Norway	37,737	2.9
Sandslihaugen 36 AS	01.10.11	Bergen	Norway	5,993	3.6
Sirkeltomten II AS	01.09.11	Trondheim	Norway	21,212	1.7
St. Olavs gate 26 AS	01.07.16	Oslo	Norway	6,586	6.5
Vitaminveien 4 AS	01.07.19	Oslo	Norway	24,292	3.8
Øyrane Torg AS	01.09.17	Bergen	Sweden	18,044	5.3
Pennfaktaren 10	10.01.23	Stockholm	Sweden	14,143	12.6
HagaBlue AB	30.01.18	Stockholm	Sweden	10,173	2.6
Total				195,877	4.8

The average remaining lease term is 3.9 years for the properties in Norway and 9.6 years for the properties in Sweden. The average value-weighted remaining lease term for the entire portfolio is 4.8 years.

4. SOCIAL RESPONSIBILITY AND SUSTAINABILITY (1 OF 2)

ISO 14001

For several years, DNB Næringseiendom has chosen to ISO-certify its property management activities. We do this for several reasons, but an important part is to get a third party to control and evaluate the work we do. The input we receive provides opportunities for improvement and makes us even better in, among other things, sustainability work.

In this year's audit, the focus was: QUALITY OF ENVIRONMENTAL DATA – from energy meter to reporting. Det Norske Veritas (DNV) carried out the audit over 2 days at the end of October. DNV conducts meetings with everyone relevant in the organization, from leaders to management, and they participate in inspections of several of the properties in both Oslo and Bergen. DNV gets a thorough introduction to how the systems are handled – from waste stations, emergency power and data quality.

DNV noted a number of positive indications in addition to some suggestions for improvement, as well as one deviation in category 2. We are very pleased with the total score of 4. This means that we as a manager have good internal control routines, environmental management systems and, not least, a good management focus.



GRESB

The results from this year's benchmark were published on 10. October 2024. DNB Scandinavian Property Fund once again scores very well, receiving five stars and a score of 92 out of 100. This makes the fund No. 1 within its peer group in Northern Europe.

Investors have received information about detailed results, and for those who are particularly interested, you can read more here: [GRESB 2024](#)

It will be challenging to manage to keep the high score in the years to come. There are stricter requirements and many of the measures that are initiated are costly. Nevertheless, we have set clear and ambitious goals towards 2030.



4. SOCIAL RESPONSIBILITY AND SUSTAINABILITY (2 OF 2)

SUSTAINABLE GOALS 2030

Climate and environmental targets for the real estate portfolio

- Reduce greenhouse gas emissions by 35 per cent
- Reduce energy consumption by 25 per cent
- Reduce water consumption by 5 per cent
- Reduce waste by 5 per cent
- Achieve an average sorting rate of waste to 70 per cent in operation and 90 per cent in projects. In order to achieve these overarching goals, with the reference year 2019, goals and measures have been set for both operations and projects of the existing property portfolio, as well as goals and measures for investments.

In order to achieve the goals above, it is crucial to focus on energy-efficient buildings and the use of renewable energy. The fund's properties are BREEAM certified. This gives us a third-party assessment of the properties and at the same time useful information that is used in the daily management.

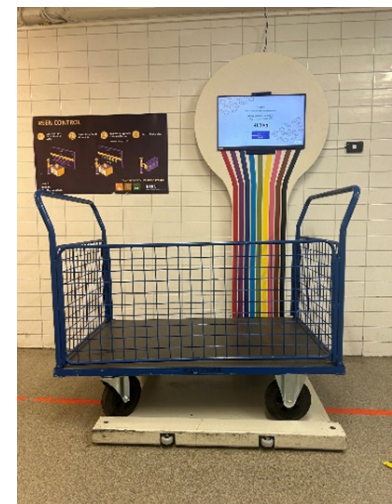
Examples of measures in the portfolio

Within the property portfolio, waste scales are now being established at the shopping centres and some of the largest commercial buildings. This means that the tenant pays for actual delivered waste – which we expect will provide increased focus and a reduction in the amount of waste.

In the autumn of 2024, we established a new medical centre at Øyrane Torg for Øyrane Medical Office. The project was carried out with a clear focus on reuse, resource saving and environmental considerations. In another project, we had a well-functioning ventilation system that could not be used. The ventilation system from Sundt was still in good technical condition and was large enough to be able to serve the entire Øyrane Torg and relieve the existing ventilation system. By reusing existing equipment from Sundt, we have reduced the need for new materials and resources, which also led to significant cost savings.

This measure has led to:

- * Reduced environmental impact
- * Cost saving
- * Circular economy



5. MARKET UPDATE (1 OF 4)

Macroeconomic Highlights – Soft Landing

The Norwegian economy has experienced low, stable growth throughout 2024, with an expected GDP growth for mainland Norway of 0.6 per cent. This result is driven by conflicting factors: rising consumption and petroleum investments have contributed positively, while weak corporate and residential investments have dampened overall activity. Public sector demand has been a stabilizing factor in the economy, with increased investments in defense and energy projects helping to lift activity levels. The sharp price growth of recent years has eased through 2024, and the Consumer Price Index (CPI) is expected to rise by 3.2 per cent in 2024. Lower energy prices and reduced service price inflation are contributing to the gradual decline. As a result, the key policy rate has remained stable at 4.5 per cent throughout the year. Norges Bank has signaled gradual rate cuts through 2025.

Transaction Market – Improved Interest Rate Outlook and Stabilization Stimulate Increased Activity

The Norwegian transaction market has picked up following a year of very low activity. According to DNB Næringsmegling, the total transaction volume in Norway as of December 3, 2024, has reached NOK 70 billion, distributed across 165 transactions. The 2024 transaction market has been characterized by a high volume of large transactions. A full 65 per cent of transactions exceeded NOK 1 billion (10-year average: 45 per cent). Some of these major transactions were executed due to companies' needs to rebalance and reduce their debt ratios.

The market has seen increased interest in properties with strong locations and low risk, often referred to as 'safe havens.' Investors have been selective, which has dampened demand for properties in secondary locations. This trend confirms both the liquidity and attractiveness of 'prime' properties, despite an uncertain macroeconomic climate.

Prime yield has been assessed by most analysts at 4.75 per cent throughout 2024. This indicates that investors have weathered a period of higher interest costs and market volatility. Several transactions have been conducted that both confirm and challenge the prime yield level on the downside. If this trend continues, it is conceivable that yield requirements may be adjusted downward in 2025.



5. MARKET UPDATE (2 OF 4)

Office – Rental Prices Have Stabilized, but Vacancy Remains Low

In Oslo, rental prices have risen significantly in recent years. The prime office areas have experienced real growth, even during periods of high CPI. This has been driven by a strong labor market and a moderate supply of new office buildings. Throughout 2024, this growth has slowed but stabilized. As of Q3, vacancy rates for central properties in Oslo are approximately 4.9 per cent, with prime rents reaching up to NOK 6,000–6,300 per square meter. In the coming years, several new office projects are scheduled for completion; however, the supply is likely to remain within the market's absorption capacity. At the same time, the labor market is expected to adopt a more cautious stance moving forward. Combined, these factors will likely contribute to more moderate rental growth and a slight increase in vacancy rates.

In Bergen, significant office space has been introduced recently, with additional projects nearing completion. Compared to Oslo, this has resulted in more moderate rental growth. Nonetheless, rents for the most attractive office spaces have been pushed higher, ranging between NOK 3,200–3,500 per square meter.

The office market in Trondheim is dominated by technology companies and public sector tenants. Recently, office vacancy rates have increased slightly, and rental growth has slowed. Looking ahead, a relatively large supply of new office space is expected, likely exceeding the market's short-term absorption capacity. Coupled with expectations of weaker employment growth, this will probably result in a moderate increase in vacancy rates.

Retail – Strong Performance Despite Rising Costs

At the start of 2024, there was significant uncertainty regarding consumer purchasing power due to rising prices, higher interest rates, and a more uncertain economic outlook. Consequently, expectations pointed toward modest growth in the retail segment. However, as 2024 draws to a close, the year has proven to be far better than anticipated. Consumers' resilience to higher prices has been surprising, and the shopping center segment nationwide has recorded sales growth above CPI. This trend is also reflected in the fund's two shopping centers, which have shown positive growth. Wage growth in 2024, along with expectations of further wage increases in 2025, offers hope for a gradual strengthening of consumer purchasing power, which in turn could provide a boost to the retail sector.

5. MARKET UPDATE (3 OF 4)

Hotel – Weak NOK and Rising Room Rates

A weak Norwegian krone and increased tourism have driven hotel prices higher. The first half of 2024 was the strongest ever recorded in Norwegian hotel history, with record-high prices and increased revenue per available room (RevPAR), which exceeded NOK 1,000 for the first time. RevPAR rose by more than 15 per cent compared to the same period in 2023, when it was approximately NOK 870. The growing influx of international tourists, driven by a weak Norwegian krone, combined with a strong domestic travel trend following the COVID-19 pandemic, has contributed to record levels for the hotel industry in 2024. The share of overnight stays by international visitors increased to 34 per cent in Q3 2024, up 5 percentage points from 2023, with the largest contributors being Germany, Sweden, and the United States. At the same time, Norwegians continue to represent the majority, accounting for 66 per cent of overnight stays.

Sweden – Low Productivity and Rate Cuts

Swedish inflation has declined significantly through 2024, and the Riksbank initiated interest rate cuts as early as Q3. As of November, price growth remained low, and further rate cuts are expected in December, bringing the total rate reduction from 4 per cent to 2.5 per cent. Swedish GDP has disappointed throughout the year, contracting in Q3 for the second consecutive quarter. As a result of lower financing costs, among other factors, the commercial real estate market has shown signs of improvement during 2024. Central locations, and particularly prime properties in Stockholm, have proven most attractive. Outside the most central areas, liquidity remains weaker compared to previous years.



5. MARKET UPDATE (4 OF 4)

Our Assessments

We consider larger office properties with central locations near public transport hubs as strong investment opportunities. Flexible multi-tenant buildings offering a broad range of services and amenities, ideally in clusters, are deemed attractive. We view energy-efficient office properties, particularly those with environmental certifications, as especially attractive, and we believe their appeal will continue to grow. There is a clear trend toward increased focus on sustainable investments among real estate investors, particularly European investors. The value of “green” buildings is rising in step with heightened focus on ESG and the “green transition.” We believe that elevated energy prices will eventually lead tenants to accept higher rental costs for energy-efficient spaces. We anticipate that the office market, particularly in central Oslo, will remain robust going forward. While rental growth will likely be more moderate compared to recent years, we still expect moderate growth to ensure stable and solid value appreciation for prime office properties in all major Norwegian cities.

Travel activity and inbound tourism have been strong, driven by the weak Norwegian krone. We believe it will be crucial for hotels to maintain current pricing levels moving forward. Hotels with central locations that can compete in both the tourist and business markets are expected to perform well over time. Weaker purchasing power created uncertainty for the retail sector at the beginning of 2024. However, we have not yet observed a decline in retail sales. Assuming a soft landing and increased consumer optimism, we believe the retail segment will experience sales growth.

The commercial real estate market in 2022 and 2023 was partly characterized by poor liquidity, driven by rising interest rates and yield requirements rather than a decline in demand for space. Now that the market has found a new equilibrium, transaction activity has returned. In our view, this demonstrates that the market remains functional, and that commercial real estate continues to be an attractive asset class.

The fund's properties have low economic vacancy and strong positions in segments with high demand. In the office market, prime areas such as Bjørvika and Vika have seen rental growth of up to 7 per cent, driven by low new-build activity and increasing demand for energy-efficient premises. High-traffic locations, such as Lillestrøm Torv and Øyrane Torg, have achieved sales growth above CPI, while the hotel market has recorded a RevPAR increase of 10 per cent in Oslo. With an attractive portfolio of modern, centrally located properties, including Barcode in Oslo, Krinkelkroken in Bergen, and Sirkeltomten in Trondheim, we expect stable growth in rental income and property values going forward.

6. RISK MANAGEMENT (1 OF 2)

The risk profile of the fund is moderate, and the fund is classified as a "Core" fund according to INREV's definitions.

Investing in property companies is associated with the risk that investors may incur losses, and historical returns are not a guarantee of future returns. The risk of loss or poorer return than expected will depend on a number of factors, such as developments in the macroeconomy, changes in operating parameters, counterparty risk, etc.

DNB REIM has established procedures and systems for identifying, measuring and managing relevant risks to which the fund is exposed. In order to meet the requirements for an independent risk management function that is separate from the manager's operational activities, the risk manager in DNB REIM reports directly to the CEO and to the board of DNB REIM.

Identified risks

Set out below is an overview of significant risks when investing in DNB Scandinavian Property Fund. The overview is not exhaustive.

Macro-economy: The property market is affected by developments in the macro-economy and the general economic situation. A market review is prepared half-yearly which forms the basis for recommendations for the investment plan for the fund. The investment plan is revised annually and is presented to the board of DNB Scandinavian Property Fund DA for approval. In this connection recommendations are given, among other things, with respect to the purchase and sale of property.

Portfolio risk: In the framework for the fund - "Framework for portfolio structure and investment plan" - limits are specified for the construction of the property portfolio. This framework sets out the overall investment strategy for the fund.

In order to secure an optimal portfolio composition, the fund is dependent, among other things, on good access to investment properties. If the market develops in such a way that the manager and the board of the fund company do not find that projects are sufficiently good, it may take longer to invest the subscribed capital than expected (normally 3–6 months).

This could affect the opportunity to optimize the portfolio structure and thus the annual return.

Currency risk: In accordance with the "Framework for portfolio structure and investment plan" the fund has a mandate to make investments in Norway and Sweden. A separate currency strategy has been established for the fund and, in accordance with this, investments outside Norway are currency-hedged, and the degree of hedging as far as practically possible should be 100 per cent.

Counterparty risk: When entering into contracts efforts are made to cover the counterparty risk through quality assurance of agreements and through requirements on guarantees, including rent guarantees. When letting premises, as a general rule, a rent guarantee corresponding to 6 months' rent is required. In the case of purchases of real estate, a due diligence process is normally carried out with assistance from recognized external advisers and negotiation of contracts takes place with support from an external law firm.

Political and regulatory changes: A change in operating parameters may lead to new and changed conditions for investors, including a reduction in the profitability of the fund, and a reduced basis for distributions etc.

6. RISK MANAGEMENT (2 OF 2)

Liquidity risk: “Guidelines for liquidity management” and an associated “Liquidity policy” have been established. DNB Scandinavian Property Fund DA and its feeders are at all times to hold adequate and sufficient liquidity. The liquidity holding is to take account of liquidity requirements as a result of the fund’s ongoing ordinary activities, as well as a sufficient liquidity buffer.

Valuation and value changes: Guidelines for independent valuations, together with the fund’s valuation policy, are to ensure that correct and independent valuations are made of assets under management belonging to the fund. The value of the properties is determined on the basis of an average of 2 external valuations by independent parties, which are obtained quarterly. The value of properties depends on a number of factors, including occupancy rate, rental price and changes in yield in the market. According to the provisions of the PRIIPS document, property is considered to have a high risk of change in value.

Rent adjustment/ change in the CPI: Normally the rent under ongoing leases is adjusted annually by the change in the CPI. When investing in property-owning companies (SPVs) the financial calculations and expected return that are used will be based on the manager’s inflation forecasts. If the annual change in CPI is lower than the manager’s forecasts, it will weaken liquidity and could involve a lower current return for investors than that expected. Correspondingly liquidity will be strengthened, and investors will receive a higher current return if the annual change in CPI is higher than the manager’s forecasts.

Organizational issues relating to the Manager: A condition for a satisfactory return includes the fund company’s board and manager carrying out their functions in a proper way, which among other things is conditional on sufficient expertise and capacity.

Since several units in the DNB group are involved in the fund, on the ownership side and as manager, conflicts of interest may arise. Conflicts of interest may, for example, arise between DNB Life and the fund on purchases and sales, as well as the letting of property. This is handled through special decision-making mechanisms and through the internal guidelines within the group and for DNB REIM. In addition, separate guidelines have been prepared for the fund, included as an attachment to the company agreement for the fund company.

Sustainability risk: Sustainability risk can be linked to events that are a consequence of climate change, such as damage to buildings as a result of extreme weather, which can lead to losses and costs which in turn can affect the return on investment. Furthermore, there is a risk that buildings that are not considered sustainable may result in lower or lost rental income. Sustainability risk can also include social factors (e.g., inequality, inclusion, working conditions, changes in customer behavior, etc.) or compliance failures by the company.

Assessment and measurement of risk

An assessment of defined risks is carried out on a regular basis, based on the fund’s risk policy. Some of the risks are quantifiable and this is the case, for example, for requirements as to the portfolio structure and currency risk. In addition, a simulation is made of the valuation model (stress test) quarterly, in order to demonstrate changes in property values in the event, for example, of a change in yield requirements, increased costs and reduced rental income. In the case of proposed regulatory changes within the tax area, tax forecasts are prepared to assess how this will affect the return to the fund.

7. DEVELOPMENT IN UNIT VALUES

The development in value for an individual investor in DNB Scandinavian Property Fund DA will depend on the issue in which it participated. The table below shows the development in value by unit after payment of dividends.

	31.12.15	31.12.16	31.12.17	31.12.18	31.12.19	31.12.20	31.12.21	31.12.22	31.12.23	31.03.24	30.06.24	30.09.24	31.12.24
DNB Scandinavian PropFund 4 KS	110.96	113.31	120.87	125.18	125.59	128.79	134.62	132.23	118.38	120.03	120.09	121.38	121.88
DNB Scandinavian PropFund 5 KS	104.03	105.81	107.54	111.38	111.75	114.37	119.35	117.45	105.18	106.64	106.69	107.83	108.27
DNB Scandinavian PropFund HM AS		101.70	107.11	113.11	116.48	123.73	131.88	130.86	120.52	121.85	123.00	124.21	125.96
DNB Scandinavian PropFund IS*		102.66	107.61	111.16	111.53	113.74	118.63	116.69	104.49	105.94	106.03	107.17	107.65
DNB Scandinavian PropFund AS					97.02	106.62	121.45	115.12	190.18**	192.39	194.92	196.24	199.90
DNB SIF FCP Unleveraged	114 816.51	115 304.06	118 893.12	120 802.73	119 796.59	121 677.39	126 089.59	123 579.84	110 987.99	112 237.03	112 481.40	113 544.56	
DNB SIF FCP Leveraged	121 951.10	124 875.58	131 245.16	133 925.11	133 266.38	136 742.60	143 430.47	140 204.34	121 618.14	123 070.32	123 673.62	124 860.89	

* DNB Scandinavian PropFund HM AS, acting for DNB Scandinavian PropFund IS

** Unit value change due to capital increase.

8. GENERAL INFORMATION (1 OF 2)

Type of fund	Property fund, ungeared, open
Risk profile	Core (INREV)
SFDR classification	Article 8
Geography	Norway and Sweden. Minimum 60% Norway.
Segment	Offices (min 35%/max 80%), Retail (max 40%), Other/Hotels (max 25%)
Development/projects	Max 5%
Return target NAV	5-7% per annum
Target for distributions	3-5% per annum
Portfolio target	NOK 12.5 bn.
Valuation	Quarterly. Minimum 2 external valuers
Exposure to individual lessees	No restrictions
Reporting frequency	Quarterly
Accounting standard	NGAAP
Minimum investment	NOK amount equivalent to Euro 5 million
Currency	NOK. Investments in SEK are hedged
Liquidity buffer	No restrictions. Ongoing assessment
Transferability of units/shares	Freely transferable, but requires the approval of the board of the relevant feeder company
Fees	Management fee: 0.5 per cent of market value of property portfolio (0.2 per cent is charged to the Fund, 0.2 per cent to the properties and 0.1 per cent on feeder level). Operating fee: 2 per cent of the property portfolio's rental income Transaction fee: 1.0 per cent on purchases and 0.5 per cent on sales
Redemption fee	1.5 per cent accrues to the Fund
Redemption	Redemption permitted annually. Minimum amount NOK 5 million. Redemption earliest 18 months after investment. The board may deny the redemption request if this is considered to cause significant damage or disadvantage for other participants. Redemption is automatic if a redemption request is submitted for the third time.
Liquidation	The Fund can be liquidated if a minimum of 2/3 of the units vote in favour at a company meeting



8. GENERAL INFORMATION (2 OF 2)

Head office

DNB Scandinavian Property Fund DA
Solheimsgaten 7c
5058 Bergen, Norway

Manager of alternative investment fund (AIFM)

DNB REIM
Solheimsgaten 7c
5058 Bergen, Norway

Responsible portfolio manager: Gro K. Boge
Responsible risk manager: Katrine G. Tvedt

Portfolio manager, Norway

DNB REIM
Solheimsgaten 7c
5058 Bergen, Norway

DNB REIM, management

- Gro K. Boge, CEO
- Katrine G. Tvedt, Director, Compliance and Risk Management
- Ole Chr. Knudsen, Director, Investor relations & Portfolio management
- Erlend K. Simonsen, Director, Sustainability & Digitalization
- Lars Kristiansen, Director Property Management
- Tor Arild Bolstad, Director, Finance & Business Support

Fund team, DNB REIM

- Cesilie Felde, Fund Manager
- Bettina Birkeland, Investor relations
- Ole Asphjell, Investor relations
- Rune Sivertsen, CFO

Auditor

Ernst & Young
Thormøhlens gate 53D
5006 Bergen, Norway

Custodian

DNB Markets
Dronning Eufemias gate 30
0191 Oslo, Norway

Valuers

Akershus Eiendom AS
Haakon VII's gate 5
Postboks 1739, Vika
0121 Oslo, Norway

Cushman & Wakefield Realkapital
Kronprinsesse Märthas plass 1
0125 Oslo, Norway

Savills Sweden AB
Regeringsgatan 48
111 56 Stockholm, Sweden

Cushman & Wakefield
Regjeringsgatan 59
111 39 Stockholm, Sweden

The Board of DNB Scandinavian Property Fund DA

- Torkild Sindre Varran, Chairman
- Cathrin Jensen, Board member, Investment Manager, DNB
- Frode Aleksander Skogvoll Veiby, Board member, CIO, Fellesordningen for AFP
- Benedicte Hammersland, Board member, Legal director, Bergen kommunale pensjonskasse
- Catriona Allen, Board member, Fund Manager, LaSalle
- Bjarne Brynning, Board member, Head of Real Investments, Formue

The Board of DNB REIM (AIFM)

- Anette Hjertø, Chairman, CEO, DNB Livsforsikring AS
- Mona Ingebrigtsen, Board member, Sea to Sky
- Jan Terje Aasgaard, Board member, Section Head, DNB Asset Management
- Anders Skjævestad, Board member, Division Director, DNB WM
- Janicke Folgerø, Board member, Controller, DNB REIM
- Thomas Blomberg Langli, Board member, Investment Manager, DNB REIM



DISCLAIMER

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 Næringseiendom 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.

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