DNB REIM

DNB SCANDINAVIAN PROPERTY FUND

INVESTOR REPORT 4.TH QUARTER 2025

MARKETING MATERIAL

DNB Scandinavian Property Fund

CONTENT

Barcode 115, Oslo.

DNB Scandinavian Property Fund

SUMMARY FROM THE FUND MANAGER

DNB Scandinavian Property Fund delivered a total return of 6.8 percent in 2025. The portfolio maintains a low vacancy rate and generates a stable direct yield. All segments have shown positive value development, and lease agreements for 2026 are CPI-adjusted by 3.1 percent in Norway and 0.9 percent in Sweden.

The fund has a robust office portfolio comprising modern, full-service buildings in prime locations characterized by high demand and limited supply – market fundamentals that support strong rental growth and expected value appreciation in the years ahead.

The hotel portfolio comprises two centrally located hotels in Oslo and Stockholm, both reporting record-high revenues, benefiting from strong tailwinds in the Nordic hotel market. We are pleased to have a solid exposure to both the budget and leisure/business segment.

The fund's two shopping centers benefit from strong local presence and delivers consistent revenues. Bergen Municipality's plan to establish a district library in or near Øyrane Torg shopping center is expected to drive increased footfall and enhance the center's attractiveness.

In 2025, we placed strong emphasis on value-creating property management and strategic commercial initiatives. The fund's largest tenant, DNB, extended one of its two leases by 13 years. We are proud that the fund achieved an "all-time high" score in this year's GRESB survey with 94 out of 100 points. A strong ESG profile is essential for attracting high-quality tenants.

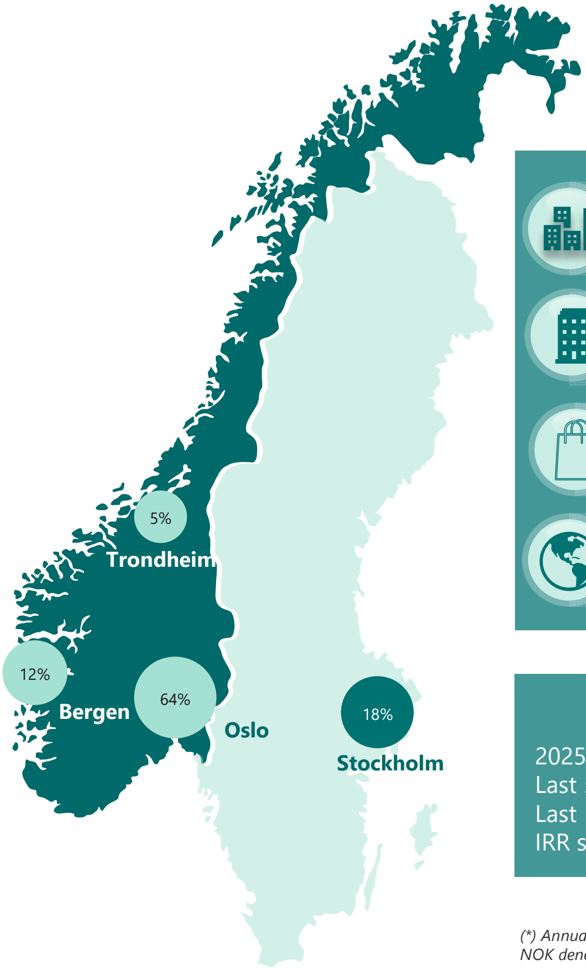
DNB Real Estate Broker's observes a strengthening transaction market supported by good access to capital. While investors remain selective, there is strong willingness to pay for prime assets. Life insurance companies and equity investors have been particularly active in acquiring high-quality, centrally located office properties and rental housing.

Economic growth, persistent inflation, and low unemployment are expected to drive a higher interest rate trajectory, with Norge's Bank signaling one rate cut in 2026. Rising interest rates and increased costs continues to challenge the construction sector, resulting in limited new supply and upward pressure on rents in prime locations. A soft landing is expected in the rental market, with continued cost-driven rent growth in 2026.

There is an increasing investor sentiment in the hotel and retail segments. The hotel market have shown strong performance, driven by higher room rates and occupancies. Retail is supported by expected rate cuts and real wage growth. A full market commentary is available on page 14.

We conclude the year with a webcast featuring Birgitte H. Ellingsen, Head of Research at Akershus Eiendom. As one of the fund's two quarterly valuers, Akershus Eiendom joins us to provide a review of the property market across all segments.

We would like to thank investors for investor meetings throughout 2025. We continue to create value for our investors and look forward to new meetings in 2026!



DNB SCANDINAVIAN PROPERTY FUND

A centrally located portfolio with solid tenants and low vacancy

Office 68 %
Mandate: 35 – 80 %

Hotel/other 20 %
Mandate: 0 – 25 %

Retail 12 %
Mandate: 0 – 40%

Norway 82 %, Sweden 18 %
Mandate: 0 – 40 % in Sweden

Portfolio	**Q4-25**	**Q4-24**
Number of properties	12	12
Market value properties (NOK million)	10,038	9,698
Net Asset Value (NOK million)	10,320	10,001
Total leased area (sqm)	195,845	195,877
Annual rental income (NOK million)	566	553
WAULT (years)	5.8	4.8
Economic vacancy	4.8 %	2.7 %
Value-weighted yield	5.2 %	5.4 %
Total return YTD (NAV)	6.8 %	6.0 %

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 %

Sustainability

SFDR-classification	Article 8
GRESB	5/5 stars
BREEAM-certification	Ongoing

Tenant rating

92% of the fund's tenants have a credit rating between AAA and A, or are public-sector tenants

(*) 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

Return Analysis 2025

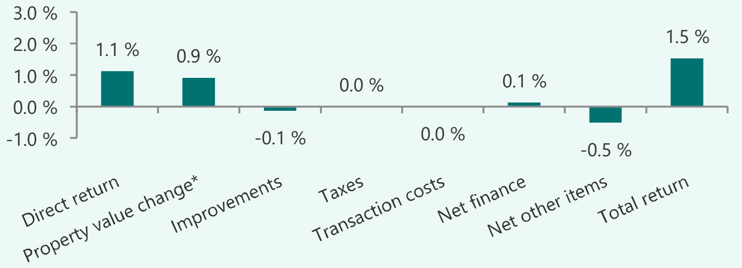
The fund delivered a total return of 1.5 per cent in Q4 and 6.8 per cent in 2025. Total return is calculated based on changes in net asset value (NAV), adjusted for changes in paid-in capital and distributed dividends.

The portfolio's property return was 2.0 per cent for the fourth quarter and 7.1 per cent in 2025. All segments have contributed positively to performance this year.

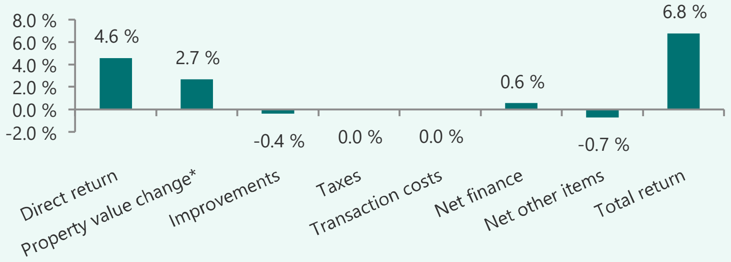
Economic vacancy in the portfolio remains low, and the average remaining lease term was 5.8 years as of 31st December 2025. Rental income is the portfolio's key value driver, and the manager is actively working on leasing vacant space and renegotiating existing agreements to enhance the fund's return.

Property return	Office	Hotel/ other	Retail	Total
Direct Return	4.4 %	4.4 %	6.9 %	4.7 %
Value change	2.2 %	3.5 %	2.2 %	2.4 %
Total Return	**6.6 %**	**7.9 %**	**9.1 %**	**7.1 %**

Total return Q4 2025



Total return 2025

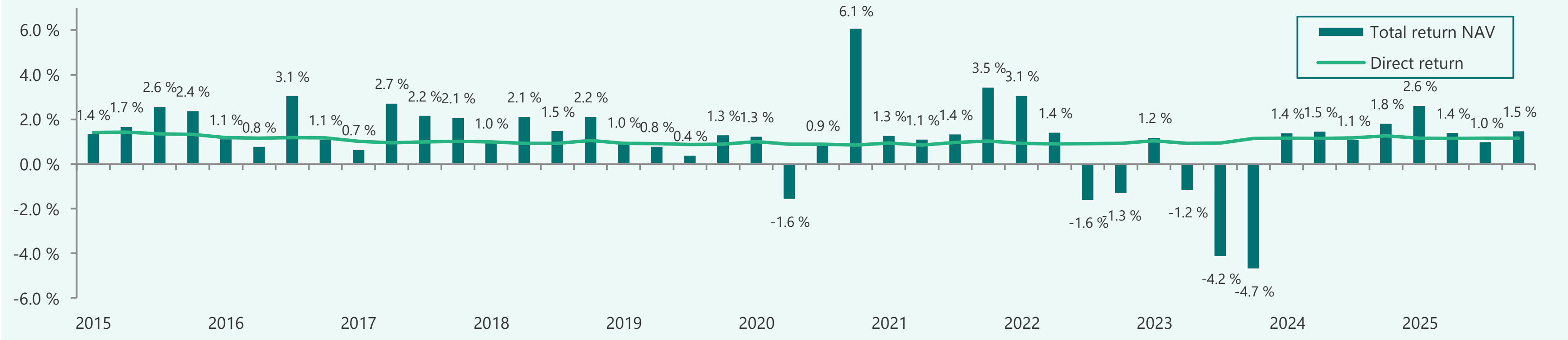


** Value change properties before improvements*

DNB Scandinavian Property Fund

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
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 %
+ 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 %
= 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 %**

2. VALUES AND RETURN

The fund's NAV at the end of Q4 was NOK 10,320 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.

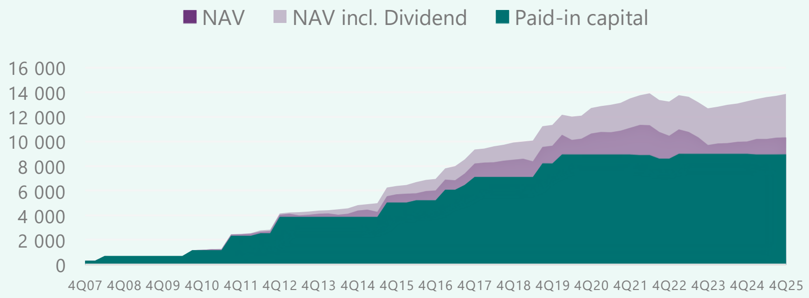
Since inception, the fund has distributed NOK 3,552.5 million in dividends from the fund company.

Main elements NAV (NOK million)

Property values	10,038
Latent and deferred tax	-353
Net other assets*	635
Total	**10,320**

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

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



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

	Paid-in capital DNB SPF IS	Share of NAV	NAV
Direct ownership	3,170.2	35,2 %	3,636.6
DNB Eiendomsinvest KS	2,330.7	27,8 %	2,873.7
DNB Eiendomsinvest 2 AS	348.8	3,4 %	346.2
DNB Scandinavian PropFund AS	1,546.4	15,3 %	1,581.0
DNB Propco International 1 AS	787.0	8,8 %	904.7
DNB Propco International 2 AS	744.6	8,5 %	874.8
DNB Scandinavian Property Fund HM AS	89.3	1,0 %	103.2
Totalt	**9,016.9**	**100 %**	**10,320.1**

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 3 October 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.

	31.12.17	31.12.18	31.12.19	31.12.20	31.12.21	31.12.22	31.12.23	31.12.24	31.03.25	30.06.25	30.09.25	31.12.25
DNB Scandinavian Property Fund IS											102.04*	102.20
DNB Scandinavian Property Fund HM AS											3.43*	3.47
DNB Scandinavian PropFund HM AS	107.11	113.11	116.48	123.73	131.88	130.86	120.52	125.96	128.53	121.40	120.54	122.24
DNB Scandinavian PropFund AS			97.02	106.62	121.45	115.12	190.18**	199.90	206.31	208.85	210.19	213.26
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	117 020.72	117 267.22	118 205.55	
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	129 668.56	130 324.55	131 286.62	

**Rate as at the time of merger (03.10.25).*
*** Change in unit value because of capital increase*

DNB Scandinavian Property Fund

3. PROPERTY PORTFOLIO

Portfolio data – Office

Location	Oslo | Trondheim | Bergen | Stockholm Of which 46% in Oslo CBD
Available space	103,775 sqm
Avg remaining lease term	5.5 years
Economic vacancy	4.8%
Property value	NOK 6,986 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**
EPC: Class B/D

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 B

BARCODE 123, DRONNING 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 A

BARCODE 115, DRONNING 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 D

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
EPC: Class C

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 C/D

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 E (EU-standard)

**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

DNB Scandinavian Property Fund

3. PROPERTY PORTFOLIO

Porfolio data – Hotel/Community building

Location hotel	Oslo | Stockholm
Location community building	Bergen
Available space	26,722 sqm
Avg remaining lease term	8.9 years
Economic vacancy	0.0%
Property value	NOK 2,039 million

Portfolio data – Retail**

Location	Lillestrøm | Bergen
Available space	45,975 sqm
Avg remaining lease term	3.7 years
Economic vacancy	9.6%
Property value	NOK 1,013 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**
EPC: Class D

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
EPC: Class B

HOTEL C
Type of building; Hotel
Built year: 1978
Purchase date: 10.01.2023
Area: appr. 14,200 sqm
BEEAM In Use: Good
EPC: Class E (EU-standard)

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
EPC: Class C/D

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

**Parking area is not included in the data*
***Recertification is in progress*

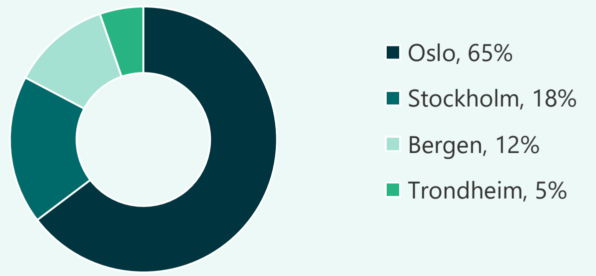
Retail buildings are considered as 100 per cent retail when calculating the portfolio data, except for economic vacancy

3. PROPERTY PORTFOLIO – PORTFOLIO STRUCTURE

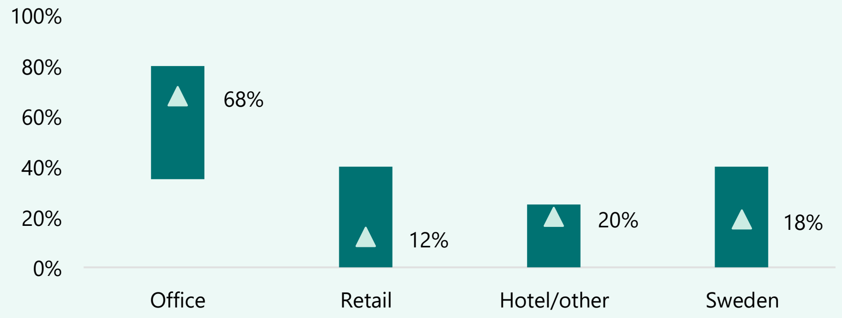
The fund's objective is to have a diversified portfolio of high-quality properties based on active management through purchase and sale, development, leasing and operations. The property portfolio is still in a build-up phase towards a target size of NOK 12.5 billion. When this size is reached, the portfolio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

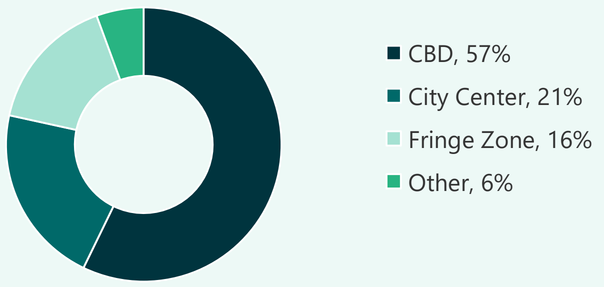
Market values by city*



Allocation vs. mandate



Market values by "urban areas"

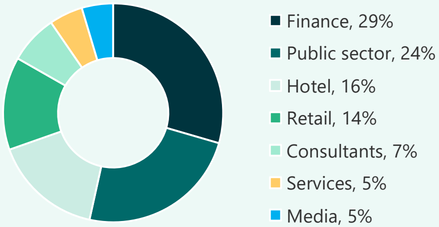


** Rounding may cause the total to differ from 100 per cent.*

3. PROPERTY PORTFOLIO - TENANTS

Tenant breakdown (by income)

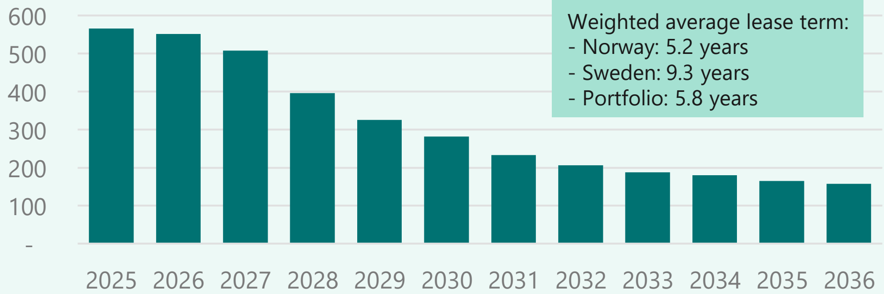
The portfolio has a good and robust tenant distribution within a wide range of industries. The tenant composition is characterised by large, solid tenants such as DNB, Strawberry, the Norwegian Directorate of Health, the National Complaints Body for the Health Service, the City of Bergen, the City of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



Area distribution and economic vacancy (sqm)

	Let area	Available area	Economic vacancy	Total area
Retail	40,406	4,617	9.6 %	45,022
Office	95,102	6,549	4.8 %	101,651
Hotel	20,729	0	0.0 %	20,729
Community building	5,993	0	0.0 %	5,993
Parking	17,474	414	2.9 %	17,888
Other	4,056	506	14.6 %	4,562
Total	**183,760**	**12,085**	**4.8 %**	**195,845**

Expiration profile on existing leases



Weighted average lease term:
- Norway: 5.2 years
- Sweden: 9.3 years
- Portfolio: 5.8 years

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	3.9
Barcode 115 AS	20.12.12	Oslo	Norway	12,616	2.0
Barcode 123 AS	01.07.15	Oslo	Norway	17,862	11.5
Krinkelkroken 1 AS	13.01.20	Bergen	Norway	9,913	5.0
Lillestrøm Torv AS	23.01.17	Oslo	Norway	37,738	2.8
Sandslihaugen 36 AS	01.10.11	Bergen	Norway	5,993	2.6
Sirkeltomten II AS	01.09.11	Trondheim	Norway	21,212	5.6
St. Olavs gate 26 AS	01.07.16	Oslo	Norway	6,586	5.5
Vitaminveien 4 AS	01.07.19	Oslo	Norway	24,293	2.9
Øyrane Torg AS	01.09.17	Bergen	Norway	18,044	5.2
Pennfäktaren 10	10.01.23	Stockholm	Sweden	14,143	11.6
HagaBlue AB	30.01.18	Stockholm	Sweden	10,173	4.2
Total				**195,845**	**5.8**

4. MARKET COMMENT

Norwegian Economy

Mainland Norway's economy (excl. oil & gas) picked up during the first half of 2025. Although momentum eased slightly in the third quarter, the overall trend remains positive following a period of flat development in 2023 and early 2024. Unemployment has stabilized after rising earlier in the year, driven by increased labor market participation.

Lower inflation the past couple of years allowed for two interest rate cuts of 0.25 percentage points in June and September. Nevertheless, the interest rate gap compared to our trading partners remains positive, as all central banks have cut rates several times in recent years.

Over the past six months, core inflation has hovered around 3 percent, which is higher than the central bank's target of 2 percent. Combined with the positive development in the Norwegian economy and continued low unemployment, interest rates are expected to remain at a higher level going forward than previously estimated. Norges Bank signals that it expects one rate cut in 2026.

Lower interest rate and expected real wage growth strengthen household purchasing power, which is expected to stimulate private consumption and drive stronger development in the Norwegian economy going forward. Unemployment remains low, but growth in private sector employment has been weak since late 2023. Stronger economic growth will support an otherwise flat rental market.

Office Market

The office market in the four largest cities is characterized by moderate vacancy despite weak employment growth in the private sector. Limited new construction, caused by high building costs, has helped keep vacancy rates down. Current cost levels and market rents make profitability challenging for projects outside the most central urban areas, resulting in few new developments being initiated.

Rehabilitation activity has increased in Oslo, but this does not alleviate the shortage of large vacant office spaces, particularly in the city center. Vacancy remains moderate to low in CBD and central areas, while fringe zones have higher vacancy rates—also seen in several other major cities.

Private sector employment is a key driver of office demand. Following the post-pandemic recovery, employment growth has remained well below trend. This applies to all four major cities except Bergen, but especially Oslo, which has seen near-zero growth—albeit after a significant correction immediately following the pandemic.

Office rents moved sideways in 2024. In 2025, the top segment has seen the strongest growth, with some examples of record-high rents for spaces with exceptional quality and prime micro-locations. Areas with standard quality have not experienced the same growth, increasing roughly in line with general price inflation. This cost-driven trend is expected to continue into 2026.

In the longer term, real rent growth is expected as the economy strengthens, and companies resume hiring after a prolonged period of stagnation. A record-high lease expiration volume in 2027 will drive increased activity following a period of many renegotiations.

Thomas Ramcilovic
Director of Research
DNB Næringsmegling

Sweden

Both yield levels and office rents in Stockholm CBD moved sideways throughout 2025. Tenants continue to show strong demand for high-quality space in the most central areas. Several market participants now report lower vacancy in Stockholm's city center, although vacancy has increased somewhat in the fringe zones.

Consensus still points to a prime yield of around 4 percent in Stockholm. With a Swedish policy rate of 1.75 percent, this implies a much larger yield gap in Sweden than in Norway, where the policy rate is currently 4 percent.

On the hotel side, there is a clear positive trend in Sweden, with a strong summer showing growth in both overnight stays and occupancy. It is evident that the weak Swedish krona is stimulating demand from both international and Nordic travelers.

4. MARKET COMMENT

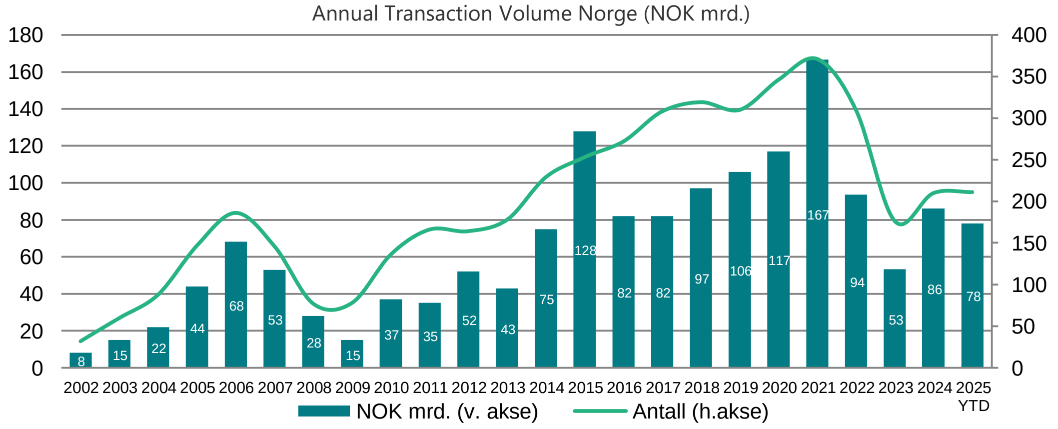
Transaction Market

The transaction market of 2025 shows signs of improvement, while investors remain highly selective in their purchases. Investors seek security in both location and property type, with most focusing on central properties in and around the four largest cities.

We see an improvement in the financing market, with increased access to the bond market and stronger competition among banks. Our latest investor survey also indicates optimism among investors: 8 out of 10 expect to be net buyers over the next 12 months—a historically high level.

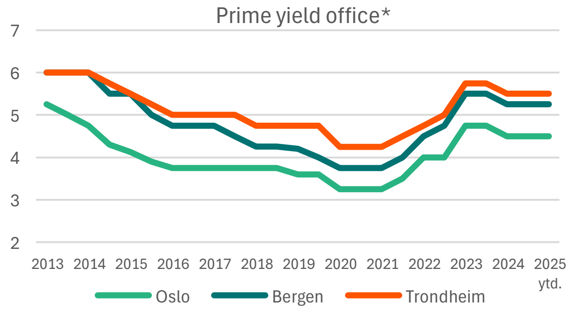
Liquidity in the transaction market has gradually improved. As of mid-December, we have recorded 215 transactions with a total value of NOK 78 billion. While the volume is roughly in line with the same period in 2024, the number of completed transactions has increased by as much as 20 percent. We observe several interesting trends in the 2025 market:

- Equity buyers and life insurance companies have doubled their market share, now accounting for 13 percent of all purchases. They have been particularly active in offices and rental housing.
- The number of office transactions has fallen significantly. Activity is highest in Greater Oslo, while there are very few transactions outside the four largest cities.
- High share of residential transactions. We have recorded transactions worth more than NOK 18 billion, mainly rental housing in Greater Oslo.



This year's transactions illustrate strong willingness to pay for the right assets. We believe that several transactions across segments support our yield estimates.

DNB Næringsmegling has not made changes to the prime office yield since the previous report.



4. MARKET COMMENT

Hotel market

Investor interest in the hotel market is significant, and the segment has seen a strong boost in recent years.

Per November 2025, the average room rate has increased by 5.3 percent to NOK 1,445, while occupancy has risen to 64.2 percent (up from 62.6 percent). Eleven of the thirteen Norwegian cities we monitor have managed to increase both occupancy and rates compared to the same period last year.

It is worth noting, however, that November alone was somewhat weaker than the same month last year. Nearly all cities recorded slightly lower occupancy than in November last year. Nationally, occupancy fell to 61.2 percent (from 63.3 percent), while rates were only 1 percent higher than November 2024.

We still see significant local differences. Oslo, Bergen, and Tromsø have by far the highest rates in the country and are also on track to achieve the highest occupancy.

Transaction activity confirms the increased interest. Over the past two years, transactions have totaled more than NOK 9 billion, of which NOK 4 billion relates to the current year.

Retail/Shopping centers

The latest investor survey from DNB Næringsmegling shows increased interest in retail properties. Several believe the segment will see a boost in the coming years. At the same time, investors remain highly selective. Many are more optimistic about shopping centers, while interest in local centers, big-box retail, and grocery properties remains strong.

Several key figures indicate that large parts of the retail segment have performed relatively well this year. Data from Virke shows that retail sales have grown by 6.9% compared to the same period last year. Shopping centers have seen sales growth of 3.4% in the same period, slightly above general price inflation in the market.

DNB Carnegie predicts that private consumption will get a boost both in 2025 and in 2026, driven by solid wage growth and the effects of initial interest rate cuts.

In the transaction market, we have recorded retail-related transactions totaling just over NOK 9 billion, which is in line with last year. We see a notable increase in the shopping center segment, with 12 transactions totaling nearly NOK 5 billion as of mid-December 2025. Transactions in 2025 confirm strong willingness to pay for attractive retail properties.

Summary

We see signs of increased liquidity in the market, and investors have become somewhat more optimistic about acquisitions, although they remain highly selective.
For example, there have been few transactions in the office segment, and most have taken place in Oslo. Outside the largest cities, there have been hardly any major transactions. At the same time, demand for central office properties in Oslo remains strong. Several transactions over the past year have both supported and partly challenged our prime yield estimate of 4.5 percent.

The office rental market has experienced a soft landing with moderate vacancy and flat rents. Over the past year, top rents have increased the most, and we have recorded some new record levels. We expect the trend of cost-driven rent growth to continue into 2026.

The hotel segment has seen strong growth in Norway in recent years, with positive developments in both room rates and occupancy. High transaction activity reinforces investor interest.

In the retail segment, performance has been solid in 2025. Investors remain selective, but interest in the segment is increasing.

5. SUSTAINABILITY

Social sustainability in practice

DNB Scandinavian Property Fund owns Chr. Kroghs gate 16. The property is in a highly central area undergoing significant development, but one that faces challenges related to living conditions, childhood environment, and crime. DNB REIM is an active member of the Grønland-Vaterland Partnership, an association working to improve the area and strengthen the local community. Learn more about the association on its website: Grønland-Vaterlandcooperation

Concrete Contributions from DNB REIM:

- ✓ Connecting our tenants with local youth, for example by offering work experience placements for lower secondary school students
- ✓ Possible establishment of a corporate sand volleyball league in the nearby park, where local businesses and young people can meet
- ✓ The goal is to give young people contacts, inspiration, and confidence in the future

Strong Environmental Management

In 2025, Det Norske Veritas carried out a recertification according to the ISO 14001 standard for environmental management. The audit placed particular emphasis on:

- Continuous improvement of environmental efforts
- Closing previous non-conformities
- Strengthening routines for environmental objectives and follow-up

Results and Impact:

- ✓ DNB REIM achieved a score of 4 out of 5
- ✓ The environmental management system operates effectively
- ✓ Sustainability is well integrated throughout the value chain
- ✓ Risk assessments and environmental improvements deliver results

This gives investors confidence that the manager complies with recognized standards and maintains strong control over environmental risk. Solid environmental management is important for both the fund's returns and its reputation going forward.

6. 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 Næringseiendom.

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.

6. 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 DA 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.

7. GENERAL INFORMATION

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

7. GENERAL INFORMATION

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Responsible risk manager: Katrine G. Tvedt

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DNB REIM, MANAGEMENT
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- Anders Aagenæs. Special Advisor/Lawyer
- 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
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BOARD DNB SCANDINAVIAN PROPERTY FUND DA
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- Preben Stray, Board member, DNB Asset Management
- Frode Aleksander Skogvoll Veiby, Board member, CIO, Fellesordningen for AFP
- Benedicte Hammersland, Board member, Const. CEO, Bergen kommunale pensjonskasse
- Catriona Allen, Board member, Fund Manager, LaSalle
- Bjarne Brynning, Board member, Head of Real Investments, Formue

BOARD 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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