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Content

Executive summary	3
Sustainability strategy	4
Key Focus Areas	4
Regulatory Framework and Reporting	4
Responsible Business Conduct	5
Fund Certification	5
GRESB Reporting	6
ESG Overview 2025	6
Key Initiatives in 2025	7
Transition Risk Identification & Impact Assessment	8
Regulatory and legal risks	8
Technological Risks.....	9
Action Plan.....	10
Dashboard showing energy efficiency progress (transition plan)	11
Energy Dashboard	11
Year-to-date performance	12
Water and waste production and recycling rate	13
Market Risk	14
Reputational Risks	14
Risk Report	15
Physical Risk identification and impact assessment	16
Diversity, Equality, and Inclusion (DEI)/ Human capital	16
Community	17
About Fokus Nordic	1
Contact	1

Executive summary

Fokus Norway Balanced Property Fund AS has an established and integrated sustainability strategy embedded across the investment, asset management, and risk management processes.

The Fund is classified as an SFDR Article 8 product and is working to align its operations with the UN Sustainable Development Goals and the EU Taxonomy, ensuring that environmental and social considerations are integral to portfolio decision-making and long-term value creation.

Throughout 2025, the Fund continued to strengthen its ESG performance through structured governance, data-driven monitoring, and targeted capital investments.

Sustainability efforts are supported by comprehensive ESG policies, regular reporting, and clear accountability mechanisms at both fund and asset level. All properties are connected to electronic energy monitoring systems, enabling continuous tracking of energy consumption, emissions, waste, and water usage, with progress reported quarterly to investors through a dedicated ESG dashboard.

The portfolio demonstrates strong operational sustainability credentials. As of year-end 2025, approximately 90% of assets by gross asset value are certified under BREEAM In-Use.

The Fund achieved a GRESB score of 92, corresponding to five Green Stars, reflecting consistently high performance across both management and operational dimensions.

Concrete measures implemented during the year—particularly energy efficiency upgrades—have contributed to lower emissions intensity and improved asset quality, while renewable energy production reached approximately 404,000 kWh.

The Fund has established clear decarbonisation pathways aligned with a net-zero objective by 2050 and an interim target of a 50% emissions reduction by 2030. Identified technical measures represent a structured transition plan supported by defined capital expenditure, expected energy savings, and financial predictability.

Climate-related transition and physical risks are systematically identified, assessed, and managed through climate risk analyses, quarterly risk reporting, and long-term maintenance and investment planning.

Governance, social responsibility, and stakeholder engagement remain core components of the sustainability framework. The Fund applies high standards for responsible business conduct across employees, suppliers, and partners, supported by supplier monitoring systems and a dedicated code of conduct.

Diversity, equality, employee wellbeing, tenant satisfaction, and community contributions are actively addressed, reinforcing the Fund's long-term resilience and license to operate.

Overall, the Fund demonstrates that disciplined sustainability integration enhances portfolio resilience, mitigates regulatory and market risks, and supports stable long-term returns—confirming that sustainability and financial performance are mutually reinforcing.

Sustainability strategy

The fund has an overarching sustainability strategy that is anchored in the manager's Investment Approach & Process, along with a corresponding ESG policy at the fund level. This policy consists of several key and focus areas that collectively provide concrete frameworks for the fund and the management of the underlying properties.

These policies are aligned with the UN Sustainable Development Goals and the EU Taxonomy Regulation. By committing to these frameworks, the Fund aims to safeguard, maintain and enhance natural, social and economic capital over the long term.

At the same time, the strategy contributes to mitigating financial, reputational, legal, operational and sustainability-related risks.

Key Focus Areas

The Fund's sustainability framework is structured around six core focus areas:

- Climate impact, emissions and access to clean, renewable energy
- Resource efficiency
- Clean and safe water supply
- Biodiversity
- Health, wellbeing and community impact
- Social safeguards

In addition, the fund has committed to a sustainability plan to achieve certain goals based on a materiality analysis conducted by the fund management, approved by the investment committee.

By anchoring and implementing specific goals, the fund aims to influence decision-making across all parts of the value chain in line with the

UN Sustainable Development Goals and the EU Taxonomy Regulation.

The fund has pledged to the UN goal of net-zero emissions/ be carbon neutral by 2050, with an interim target of reducing emissions by 50% by 2030.

Regulatory Framework and Reporting

The EU Sustainable Finance Disclosure Regulation (SFDR) entered into force in Norway on 1 January 2023. In response, the Manager has established the necessary documentation, processes and governance structures to ensure compliance, including ongoing monitoring and reporting.

The fund is classified as an Article 8 fund under SFDR.

In parallel with technical screenings of the property portfolio, the fund documentation has been updated with Annex II, outlining the fund's environmental goals and the measures to be used to achieve these goals (pre-contractual).

Mandatory disclosures are available at the Managers website.

Furthermore, the fund has initiated a review of CSRD requirements to assess the implications for potential future reporting.

The business reports in accordance with the new Transparency Act, which came into force on July 1, 2022. The work on due diligence assessments and reporting according to the Transparency Act is a dynamic process, and the report for the previous year will be published annually by the deadline set for June 30th.

The statement and assessments will be published on the following website:

<https://fokusnordic.com/media/>

Responsible Business Conduct

The Fund is committed to ensuring responsible operations and promoting good practices among its business partners.

The Manager sets high standards for corporate conduct, including:

- Compliance with all applicable laws and regulations
- Protection of human rights
- Provision of a safe working environment
- Minimisation of environmental impact

These principles apply equally to employees, suppliers and subcontractors. The Fund expects all stakeholders to adhere to applicable legal and ethical standards in the jurisdictions in which they operate.

The manager uses the systems Smartbank and Ignite to monitor suppliers and subcontractors.

Fund Certification

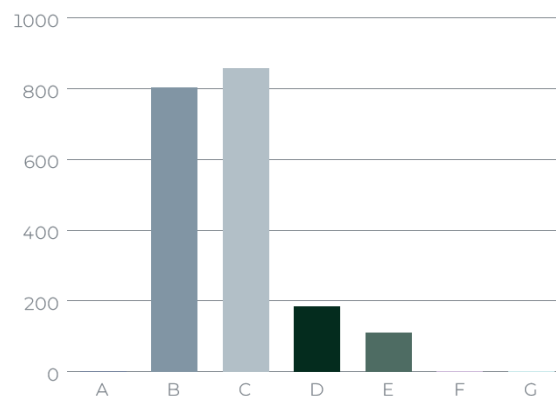
BREEAM In Use is a certification scheme that assesses the quality of the management of properties in regular operation.

The goal is to use the certification as a tool to actively improve each property in terms of sustainability, with the aim of achieving a better score upon re-certification, which takes place every three years.

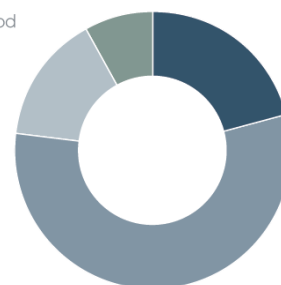
When renovating or constructing new buildings, the manager's environmental standards and the potential for BREEAM certification are considered during the planning and design phases, including the possibilities for reuse.

Measures identified are reflected in the budget for the upcoming period. For the reporting year of 2025 10 of the 11 assets in the portfolio have been certified, 90 % coverage. All certification data is collected and monitored in our ESG dashboard, where improvements are identified, analyzed and prioritized.

Energimerker i porteføljen pr. GAV (mNOK)



- 21 % Breeam in use Very good
- 56 % Breeam in use Good
- 15 % Breeam in use Pass
- 8 % Breeam Nor Pass



GRESB Reporting

The fund reports annually to the Global Real Estate Assessment Benchmark (GRESB), which is considered the most established benchmark for overall sustainability efforts in real estate. Results within "Management" and "Performance" are submitted once a year for evaluation. For the reporting year of 2024 (reported in 2025), the Fund received a score of 92. This qualifies as GRESB 5 green stars. Reports are available upon request, by receiving investor access to the portal.



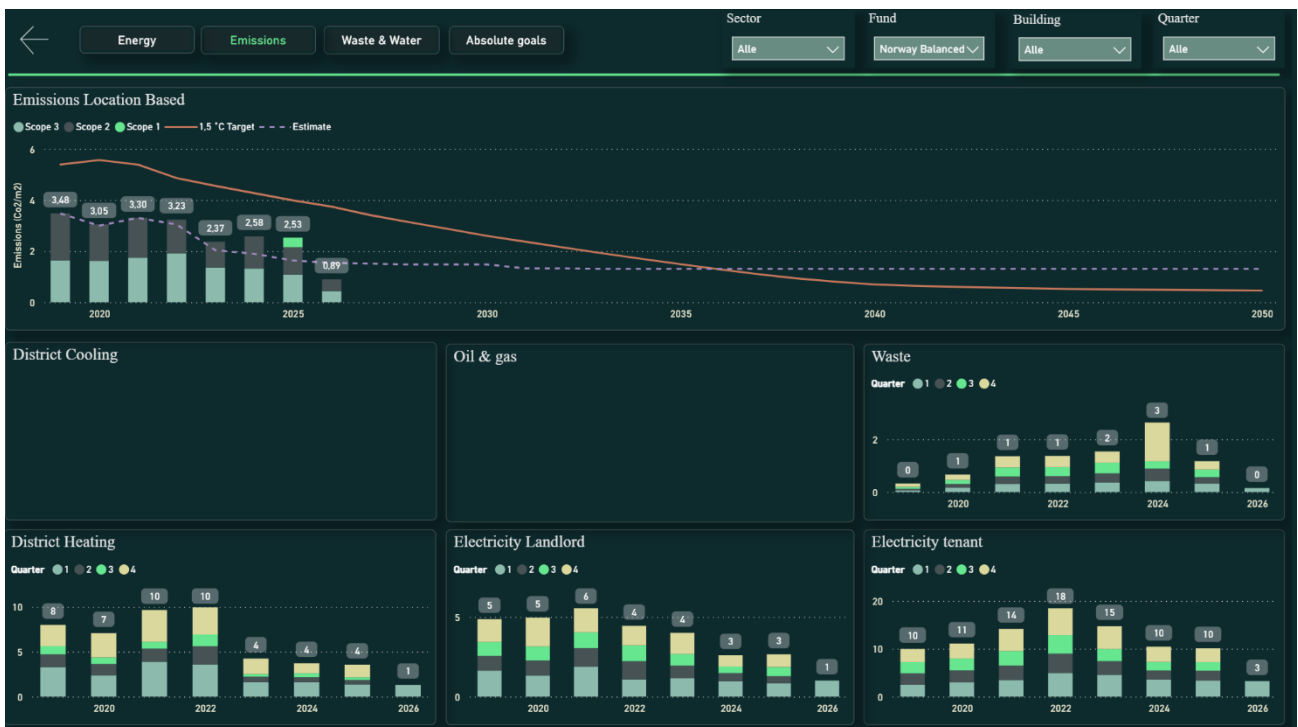
ESG Overview 2025

All of the company's properties are connected to an electronic energy tracking system, and the properties are actively monitored with regard to energy consumption and greenhouse gas emissions.

Energy consumption is monitored constantly and based on our UN goal of being net-zero/carbon neutral by 2050, with an interim target of reducing emissions by 50% by 2030, the fund monitors progress over time, with identified vision of what measures that need to be implemented by what year in order to reach our goal.

To better visualize goal achievement on key sustainability parameters, the manager has established extensive ESG reporting as a mandatory part of the quarterly reporting to investors, using an "ESG dashboard" that is updated quarterly.

This allows investors to track progress in the important dynamic work within the ESG field. The dashboard identifies and calculates the costs related to measures necessary to achieve the goal of being climate-neutral by 2050. This provides financial predictability.



Key Initiatives in 2025

During 2025, the manager/fund management focused on the following processes and initiatives:

- Implementation of SFDR and the EU Taxonomy Regulation, as mentioned above.
- Updating Annex II in accordance with SFDR, with clear goals and strategies which are reported on in Annex IV.
- Technical screening analyses have been produced for all properties – Climate Risk and Vulnerability Assessment.
- The fund has set a target that all properties will have an energy rating of C or better by 2030.
- During 2025, investments were made in energy efficiency measures at long term hold asset, Munkedamsveien 59 B, resulting in the EPC improving from E to C.
- A separate ESG due diligence process is required for the purchase of new properties. No investments will be made in properties with an energy rating of D or worse unless measures are identified, designed, and implemented to elevate the property to a C (or better) within 1 year of the acquisition date.
- BREEAM In Use certification of properties: All properties should be certified with the exception of newly acquired properties and project properties. As of the end of 2025, 90% of the portfolio (measured by GAV) was BREEAM In Use certified. The only property left to certify is Fred Olsens gate 5 (newly acquired). This property will be certified in 2026.
- GRESB Reporting: The score in 2025 was 92% (latest known score). This strong result is due to improvement measures on the properties that have reduced the portfolio's overall CO2 footprint. The increase in score shows that a structured approach to sustainability delivers good results. The result for the fund corresponds to 5 out of 5 possible stars in GRESB's evaluation.
- Renewable energy: Approx. 404,000 kWh of renewable energy was produced in 2025.

- An employee survey is conducted every three years, with the latest one in 2025.
- A tenant satisfaction survey (LTI) was conducted with focus on sustainability.
- An analysis tool and reporting template for biodiversity were developed.
- Throughout 2025, the fund has continuously collected environmental data electronically that impacts the portfolio's CO2 footprint, including energy consumption, waste, and water usage. There has been a focus on optimizing operations based on the collected data. Performance targets for 2025 can be seen in the graphs below.
- All properties are energy-rated in accordance with public requirements (EPC).
- As part of becoming Fokus Nordic, all policies will be revised, and a new Supplier Code of Conduct will be introduced.
- The Fund has reported in line with EU legislation, SFDR and Taxonomy. Please see Annex IV, Risk Report and the CSR Report (Group and Fund level) which all complement each other.

During the years from 2019 (baseline year) to 2025, the fund has continuously collected environmental data electronically that impacts the portfolio's carbon footprint, including energy consumption, waste, and water usage. There has been a focus on optimizing operations based on the collected data. The performance targets for 2025 can be seen in the graphs below.

All properties are energy-rated according to public requirements. The fund has implemented a goal for all properties to have an energy rating (EPC) of C or better by 2030. The manager is a member of the Green Building Alliance. The manager is certified as an Eco-Lighthouse (Miljøfyrtårn).



Transition Risk Identification & Impact Assessment

The entity has established a structured process for identifying and prioritizing transition risks, focusing on the four key areas outlined in the GRESB standard: policy and legal, technology, market, and reputation.

Please also see the funds Risk Report for Q4 2025 where additional risks are described and addressed.

Regulatory and legal risks

Regulatory and legal risks are assessed in relation to emerging regulations such as carbon pricing mechanisms, emissions taxes, and energy performance requirements. The entity monitors these developments closely to ensure compliance and to mitigate potential legal liabilities through the quarterly risk reporting. Identifying new policies involves monitoring regulatory changes, engaging stakeholders, and evaluating internal operations to uncover gaps or inefficiencies.

Regularly assessing industry trends, emerging risks, and external factors (e.g., societal concerns or technological advancements) helps pinpoint areas needing new policies. Benchmarking against industry peers and consulting subject matter experts can also provide insights into where policies are needed to ensure compliance, competitiveness, and alignment with evolving expectations.

The fund is impacted by policy and legal risks primarily through increased operating costs arising from evolving regulations and compliance requirements. As environmental and social regulations become more stringent, the fund faces higher costs related to meeting new legal standards. For example, the implementation of stricter carbon emissions regulations may require the fund to invest in energy-efficient technologies, upgrade buildings to meet sustainability standards, or purchase carbon credits.

For the reporting year 2025, the fund has through its quarterly reporting experienced higher costs related to the time spent on expanded reporting obligations in accordance with new European legislation, including SFDR, among others. As a result, the fund has sought to

increase collaboration with other stakeholders to reduce costs and gain additional knowledge.

Furthermore, the fund experience increased costs related to purchasing carbon credits for green energy in order to meet the goals outlined in its sustainability strategy. All costs are identified and monitored in the Fund ESG dashboard, see below.

Furthermore, changes in tax policies or the introduction of new environmental taxes can result in increased operational expenses. Compliance with these regulations may require ongoing investments in legal and consultancy services to ensure the fund remains in full compliance, as well as expenses related to potential penalties for non-compliance.

These rising operating costs are crucial considerations in the fund's financial planning, as they directly impact profitability and may require adjustments to investment strategies to account for the increased financial burden.

As a result, the fund must be proactive in assessing the potential legal and policy changes that could influence its cost structure and long-term financial sustainability. For the reporting year of 2025, no extra costs related to this topic have been detected.

Technological Risks

Technological risks are evaluated through ongoing analysis of innovations that may render existing systems or assets obsolete, with particular attention to energy efficiency improvements and smart building technologies.

There is a growing expectation that buildings will meet high technical standards for energy performance, indoor climate control, and digital connectivity.

Failure to keep pace with technological advancements could lead to increased operational costs, reduced asset value, and challenges in attracting or retaining tenants who prioritize sustainability and comfort. For example, older HVAC systems or lighting solutions may not meet future emissions or efficiency requirements and could incur additional retrofit costs or penalties under tightening legislation.

To address these risks, the entity includes technical assessments as part of its Climate Change and Vulnerability Assessments and annual asset-level action planning. Identified technical upgrades—such as implementing energy management systems, electrifying heating solutions, or improving insulation—are incorporated into a 5-year maintenance and investment plan.

The fund is impacted by technology primarily through capital investments required for technological development and the costs associated with adopting and deploying new practices and processes. As part of its commitment to sustainability and staying competitive, the fund may need to invest in the development and integration of advanced technologies, such as energy-efficient building systems, renewable energy solutions, and digital tools for monitoring and managing environmental impacts.

These capital investments can be substantial, as upgrading existing infrastructure or implementing new technological systems requires both financial resources and time.

In addition to the upfront capital costs, the fund also faces operational expenses related to the adoption and deployment of new practices and processes. This includes the costs of training staff, retooling operations, or integrating new technologies into existing workflows. For instance, deploying new energy-efficient systems or incorporating smart building technologies may

require modifications to the fund's properties, which can be expensive and time-consuming.

Similarly, adopting sustainable practices, such as waste reduction, water conservation, or green certifications, often entails changes in processes and procedures that incur ongoing costs for compliance, monitoring, and reporting.

While these technological investments may result in higher initial costs, they are essential for meeting sustainability goals, enhancing operational efficiency, and maintaining compliance with increasingly stringent environmental regulations. Over time, these investments may provide long-term cost savings, such as lower energy consumption or reduced environmental penalties, but the short-term impact on the fund's capital expenditure and operational budget remains significant.

Therefore, the fund must carefully assess the financial implications of adopting new technologies and practices to ensure these investments align with its overall financial strategy and sustainability objectives. These planned measures are tracked using the Power BI dashboard, which highlights both current performance and future technical needs over a 5–10 year horizon, see below.

During 2025 we experienced higher costs related to the transition to lower emissions technology and the substitution of existing products and services with lower emissions options. The investment required for upgrading infrastructure, adopting cleaner technologies, and ensuring that operations align with sustainability goals has led to increased initial costs.

Additionally, replacing traditional products and services with more eco-friendly alternatives often involves higher upfront expenses, as these options can be more expensive to produce or procure. However, these investments are crucial for meeting long-term environmental targets and ensuring alignment with regulatory requirements.

Action Plan

The sustainability assessment covers a portfolio of 11 buildings and identifies a range of technical measures to improve energy efficiency and operational performance. The portfolio currently records an energy intensity of 137 kWh/m², with identified potential energy savings of 14.85 kWh/m².

Planned initiatives primarily focus on ventilation upgrades, heat recovery solutions, and targeted technical improvements across selected properties. In addition, four properties are equipped with bicycle parking and electric vehicle charging infrastructure, supporting more sustainable mobility for tenants and visitors.

The identified measures represent a total estimated investment of approximately NOK 21.6 million, with expected annual energy savings of around 1.0 GWh. The initiatives demonstrate varying levels of cost efficiency, measured as investment per saved kWh, and contribute to measurable reductions in energy consumption at building level.

Overall, the identified actions form a structured pathway to reduced energy use, lower emissions, and improved long-term asset performance in line with the portfolio's sustainability objectives.



Sustainability Profile (Norway Balanced)

Property	Planned action	Estimated investment (kr)	Investment (kr/kWh)	Energy savings (kWh)	Energy savings (kWh/m ²)
Brestetra 15	sette inn VP isteden for kjølemaskin og varme går til ventilasjon	kr 3 000 000	kr 12,00	250 000	18,00
Deltveien 5	Nye vannpumper, borehull 252Diverse tiltak, beskrivelse på forespørsel fra Teknisk, kjølevar til system 36 Diverse tiltak, beskrivelse på forespørsel fra Teknisk, ombygging aerotemper, sluser, pumper og radiatorer, vannbehandling, ny automatikk og toppsystem, nye ventilasjonsanlegg.	kr 15 000 000	kr 34,26	437 795	51,00
Mankeløvsveien 59B	Tiltakspakke 1 helsestevardring	kr 2 053 800	kr 14,18	144 824	72,00
Mankeløvsveien 59B	Tiltakspakke 2 helsestevardring	kr 619 300	kr 33,14	18 690	9,00
Osloveien 88	Diverse tiltak, beskrivelse på forespørsel fra Teknisk	kr 902 000	kr 6,89	131 000	40,00
Totalt		kr 21 575 100			

Dashboard showing energy efficiency progress (transition plan)

Energy Dashboard

The energy dashboard illustrates total energy consumption for the full building portfolio, with historical data and a forward-looking projection aligned with a 1.5°C decarbonisation pathway. Energy use shows a declining trend from 2020 onwards, supported by gradual improvements across multiple energy sources.

The portfolio's energy mix consists primarily of district heating, electricity (landlord and tenant), and limited district cooling, with oil and gas usage materially reduced over time.

On-site renewable generation through photovoltaic (PV) systems has been introduced and increased in recent years, contributing to lower net electricity demand. Overall, the observed and projected reduction in energy consumption indicates steady progress toward long-term climate objectives, supported by both efficiency measures and increased use of renewable energy sources.



Akersgata 15, Oslo



Year-to-date performance

Year-to-date performance highlights continued progress across key environmental impact areas. The portfolio has produced approximately 404,000 kWh of renewable energy and procured over 1.53 GWh of renewable electricity, of which a portion has been exported to the grid.

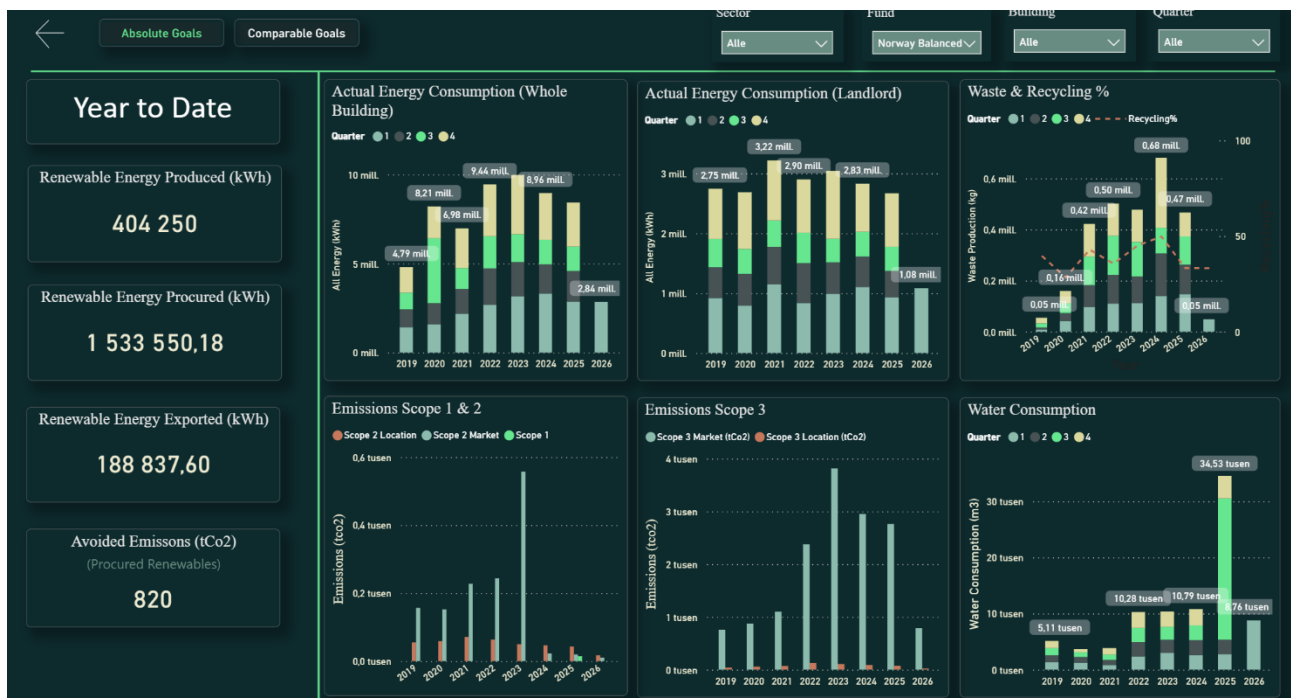
As a result, approximately 820 tonnes of CO₂ emissions have been avoided through the use of procured renewable energy.

Actual energy consumption for both whole buildings and landlord-controlled areas shows a generally stable to declining trend over time, reflecting ongoing efficiency initiatives. While year-to-year variations occur, the overall trajectory supports gradual reduction in energy demand.

Scope 1 and 2 emissions have decreased as direct fossil fuel use is phased down and electricity supply shifts toward renewable sources. Scope 3 emissions remain higher and more variable, reflecting their dependence on broader value-chain factors beyond direct operational control.

Waste management performance shows improving recycling rates, while water consumption has increased in recent years, indicating a potential focus area for further efficiency measures and monitoring.

Collectively, these indicators demonstrate measurable progress toward reduced environmental impact while highlighting priority areas for continued improvement in line with the portfolio's long-term ESG objectives.



Water and waste production and recycling rate

The waste and water dashboard provides an overview of the portfolio's resource efficiency and waste handling performance over time. Waste production intensity shows year-to-year variation, with a noticeable increase in 2024, followed by a reduction in subsequent periods.

This pattern indicates short-term volatility, likely influenced by operational or project-related activities, while longer-term levels remain within a controllable range.

The recycling rate demonstrates a stable and gradually improving trend, supported by steady performance across recent years. The forward-looking target trajectory indicates further improvements over time, reflecting continued focus on waste sorting, recycling practices, and tenant engagement initiatives.

Water consumption has increased in recent years, peaking around 2025, before showing signs of moderation.

While consumption remains above the long-term target path, the data highlights water use as a priority area for efficiency measures, monitoring, and operational optimisation going forward.

Overall, the waste and water indicators show progress in recycling performance, while highlighting waste intensity fluctuations and water consumption as key focus areas for continued improvement in line with the portfolio's environmental objectives.



Market Risk

Market risk is a critical focus in the entity's transition risk assessment, such as abrupt and unexpected shifts in energy costs, changes in consumer preferences, and evolving investor expectations can significantly impact the financial performance of real estate assets.

The entity acknowledges that there is an increasing market preference for sustainable and energy-efficient buildings, driven by both regulatory pressures and stakeholder demands. Assets that do not meet evolving ESG standards may experience reduced tenant demand, longer vacancy periods, and diminished rental income potential.

Moreover, the shift in consumer preferences towards more sustainable options and the growing integration of ESG metrics in investment decisions can affect capital allocation, asset liquidity, and long-term profitability. The entity also faces challenges from fluctuating energy prices and reduced demand for certain goods and services as consumers prioritize sustainability.

To manage these market risks, the entity conducts scenario analyses and market trend assessments to understand how different climate and policy pathways might impact demand for its properties. The insights gained from this work guide the prioritization of sustainability investments and upgrades, ensuring the long-term competitiveness and resilience of its real estate assets.

During 2025, the Fund experienced an increase in ESG-related questions from its valuers. This indicates higher awareness related to ESG specific topics and may affect the value of the properties. Higher energy prices also affected owners' costs and impacted the property values.

Reputational Risks

Reputational risks are carefully monitored through a combination of active stakeholder engagement and comprehensive Environmental, Social, and Governance (ESG) reporting. By maintaining open and transparent communication with investors, tenants, regulatory bodies, and the broader community, organizations can address concerns proactively and demonstrate accountability. ESG reporting serves as a structured mechanism for disclosing performance metrics and sustainability efforts, reinforcing a commitment to responsible practices. Failure to perform adequately in these

areas, or a perceived lack of transparency, can lead to erosion of stakeholder trust, which in turn may result in reduced investor confidence, tenant dissatisfaction, and negative media attention. Such reputational damage can ultimately diminish the attractiveness and perceived value of a property, thereby adversely affecting long-term financial performance and market competitiveness.

The transition risk identification process is a critical first step in risk management of the fund, aiming to uncover potential events or conditions that could negatively impact one or more of the above-described risks. It begins by establishing the context—defining the internal and external environment, objectives, and relevant stakeholders.

Engaging with these stakeholders is essential, as their insights help identify a broad range of risks across operational, financial, environmental, reputational, legal, and strategic areas. A variety of tools and techniques are used to support this process, including brainstorming sessions, interviews, checklists, historical data analysis, SWOT or PESTLE analyses, and risk workshops.

All identified risks are then documented in a risk register, which typically includes a description of each risk, its potential impact, affected areas, and any preliminary assessment of its likelihood. The register is reviewed and validated regularly to ensure it remains accurate and up to date, especially as new risks emerge, or organizational circumstances change.

This structured approach ensures that risks are recognized early and form the basis for effective assessment and mitigation. Please also see the funds Risk Report for Q4 2025 where additional risks are described and addressed.



Fred Olsens gate 5, Oslo

Risk Report

In addition to the risks mentioned above, the fund prepares a Risk Report that is updated quarterly.

In this report, which is prepared by the Risk and Compliance department, a wide range of other relevant risks are continuously assessed.

The most relevant include (not exhaustive):

- Geographical exposure
- Sector exposure
- Largest tenant risk
- Liquidity risk
- Credit risk
- Increase in maintenance cost/ Capex cost/ OPEX/ Interest levels
- Decline in gross income
- Loan to Value
- Transition Risk
- Governance & Fund Structure risk
- Legal & tax risk

Risk Management Systems in Fokus Fund Management Norway AS

Risk Management function
Fokus Fund Management Norway AS ("FFMN") is committed to building and continuously improving a sound and effective system of internal control and a risk management framework that is embedded within its operations; this is the first line of defense. The Risk Management function has been delegated to Fokus Nordic Fund Management DK AS ("FNFM"). The companies are collectively referred to as Fokus Nordic.

The Risk Management function, as the second line of defense, exists to support management in the identification and mitigation of risks and provides independent monitoring of the business. The Risk Management function has the overall responsibility for risk management for all AIFs under FFMN's management. The team is headed by Fokus Nordic's Head of Risk and Compliance, who reports to the Chief Executive Officer and the Board of Directors. The Risk Management function achieves its objectives through embedding the risk management framework throughout the organization.

FFMN's governance structure is supported by three committees that bring together subject matter experts from different functions to assist the Board of Directors and the AIFs to fulfil their roles and responsibilities. The Risk Management function is represented on the Risk Committee (RC), the Investment Committee (IC), and the Valuation Committee (VC).

Fokus Nordics's risk management systems
Fokus Nordic manages alternative investment funds (AIFs), which invest in real estate properties. Derivatives are only used for hedging purposes and to the extent permitted by AIF.

Fokus Nordics's risk management systems are comprised of:

- Fokus Nordic's permanent and independent Risk Management function
- Fokus Nordic's risk management policy and underlying procedures; and
- arrangements, processes, and techniques related to risk measurement and management employed by Fokus Nordic.

The risk management systems allow the Risk Management function to identify, assess and understand the inherent risks of the AIF and FFMN, to understand potential changes in the risk profile of the fund and to focus and adapt their level of analysis to the most significant risks.

The operational risk and control self-assessment (RCSA)

To monitor asset liquidity risk, FFMN amongst other methods specific to the underlying assets, to measure the level of liquidity. It also uses the approach to reference the asset holdings of the AIF against market conditions. The IC is responsible for the review and monitoring of asset pricing, in addition to the approval of pricing methodology and for the execution of the AIF. FFMN implemented a Valuation Policy which details the specific methods used for pricing assets. If deemed necessary or mandated by the Fund documentation, FFMN may also request independent valuations on the value of each of the individual assets of the portfolio. On the trading side, counterparty risk, beyond this, investor behavior are the main drivers of liquidity within an open ended fund. The internal AIF user contains certain key provisions, which are able to react in situations where liquidity might become a concern. The absence of these liquidity mitigation provisions (limits and tools) are monitored by the IC. In addition, the Risk Management function, on a regular basis, performs periodic analysis in respect of the individual concentration and operational behavior of the counterparty. The Risk Management function performs periodic analysis of debt ratios to assess the current and potential counterparty behavior under certain stressful conditions. Any concerns are raised to the relevant Committee and Board, if material.

Credit and counterparty risk Credit and counterparty risk arising from each and every asset held in the risk assets, counterparty risk is assessed as part of the lease risk.

Legal risk All key contracts that an agreement is entered by the AIFs are reviewed by the internal team and, where required by external legal counsel. If these contracts refer to litigation arrangements, where applicable, there is an ongoing memorandum detailing information flows between the parties. Frequency of review and briefings, clear attribution of rights and responsibilities of each party and when applicable, the key performance indicators to measure performance. Any litigation issues are also handled by the Internal Legal team, which would provide updates to the Risk Management function on any existing litigation, details of the litigation and the reason of any impact to the AIFs.

Tax risk The Internal Finance team is supported by external tax consultants to deliver on the accounting, transactions, and tax reporting.

Operational risk The operational risk and control self-assessment (RCSA) assesses that the operating risk levels and their contribution to the overall risk profile are accurately measured based on sound and reliable data and that the risk measurement arrangements, processes, and techniques are adequately documented. The RCSA, measurement, monitoring and reporting of operational risk within FFMN are achieved through:

Breach and incident handling Log, in which any operational failures, compliance breaches, limit breaches, and reporting compliance failures are recorded. The records include professional liability damage. The process involves the detection and mitigation of breaches and incidents, aims to ensure that they are reported.

Compliance issue log The compliance issue log is a detailed log of the issues for identifying, prioritizing, resolving, escalating, and reporting compliance findings and other organizational weaknesses impacting FFMN and the AIFs from an internal risk regulatory perspective. Issues.

Risk and Control Self Assessment (RCSA) The RCSA process is an annual review and reporting exercise aimed at identifying and managing risks. The RCSA provides a systematic and holistic means of identifying risk and control gaps that could impact business or process objectives which are agreed by Senior Management to complete.

Measuring risk Where appropriate, FFMN applies the following measurement to each AIF:

- leverage and debt related measures across the breadth of leasing in AIF's expected performance by allowing the AIF to gain greater insight into underlying investment opportunities (gains and losses). The higher the leverage, the greater the risk (potential loss); the measurement also aims, designed to capture limitations on the capacity of managing the AIF's assets due to restrictions on banking covenants which can arise with their and the risk of not being able to finance debt on maturity. Other secondary risks measured relate to whether the cost of getting to suit high and whether the duration of the leasing is appropriate.
- **Stress test and scenario analysis** Captures how much the net asset portfolio will gain or lose if certain market conditions occur.
- **Concentration:** by grouping the portfolio through various qualitative criteria (sector, issue, asset etc.) to identify where concentration risks exist.
- **Asset net income leakage:** Captures revenue risk arising from various characteristics of types of assets or changes

Asset-liability liquidity The AIFs are reviewed by the internal team and, where required by external legal counsel. If these contracts refer to litigation arrangements, where applicable, there is an ongoing memorandum detailing information flows between the parties. Frequency of review and briefings, clear attribution of rights and responsibilities of each party and when applicable, the key performance indicators to measure performance. Any litigation issues are also handled by the Internal Legal team, which would provide updates to the Risk Management function on any existing litigation, details of the litigation and the reason of any impact to the AIFs.

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Physical Risk identification and impact assessment

Physical climate risks—such as extreme weather events, flooding, heatwaves, and rising sea levels—are integrated into our overall risk management framework to protect asset value and ensure portfolio resilience.

These risks are treated as a core component of our fund risk approach and are considered alongside financial, operational, reputational and regulatory risks during both investment and asset management processes.

We systematically identify and assess physical risks through geospatial mapping, climate risk modelling, and third-party hazard data at both the asset and portfolio level.

During due diligence, we evaluate location-specific exposures and historical vulnerability to acute events (e.g. storms, flooding) and chronic stressors (e.g. temperature rise, water scarcity).

These insights inform acquisition decisions, insurance coverage, business continuity planning, and capital improvement strategies.

At the portfolio management level, physical risk assessments are regularly updated and integrated into property risk registers, influencing asset planning, maintenance schedules, and ESG reporting. Risk findings are reported to senior management and incorporated into internal controls, ensuring physical climate risks are monitored, escalated, and addressed within the broader governance and risk oversight structure.

Each year, the fund updates its comprehensive property-level analysis to identify any new risks. If a risk is identified, it is addressed through the property's technical management and followed up in the quarterly deviation meetings. Such events may impact the fund both financially and reputationally.

Therefore, it is essential to maintain a structured and professional approach to property operations to ensure that potential risks are identified early. In 2025, no physical risks requiring extraordinary measures with financial impact on the fund have been identified.

Diversity, Equality, and Inclusion (DEI)/ Human capital

The fund's board consists of one woman (33.3%) and two men (66.6%). The fund has a female CEO. The board members have an average tenure of 7.2 years, with the longest-serving member having been on the board for 9 years (a woman).

- Board members under 30 years: 0%
- Board members between 30 and 50 years: 66.6%
- Board members over 50 years: 33.3%

The fund strives for a diversified composition of board members in terms of gender, age, experience, and expertise. All board members receive the same remuneration, regardless of gender or age. The chairman receives a somewhat higher fee than the other board members due to the greater workload. The fees are determined/ overlooked by the General meeting.

The manager's organization consists of 16 women and 15 men as of December 31, 2024 (52% women, 48% men), with an average age of 46.42 years, distributed as follows:

The manager's organization consists of 13 women and 14 men as of December 31, 2025 (48% women, 52% men), with an average age of 48.16 years, distributed as follows:

- Employees under 30 years: 9.68%
- Employees between 30 and 50 years: 41.94%
- Employees over 50 years: 48.39%

The organization only employs full-time staff (no hired personnel on an hourly or monthly basis). The organization monitors and ensures that all employees, regardless of gender, earn the same when qualifications and functions are equal.

Equal pay is a principle confirmed in the current policies and is monitored by the HR department in collaboration with the company's safety representative.

These metrics can also be found in our annual Fokus Nordic CSR report.

[Sustainability – Fokus Nordic](#)

Community

In addition to the general sustainability goals and the fund-specific environmental objectives outlined in Annex II (SFDR) and other fund documentation, the manager also plays an important role in contributing to social sustainability goals. The manager is responsible for ensuring that the organization takes its social responsibility seriously.

Throughout 2025, the manager has provided financial support to the Norwegian Trekking Association (DNT) (NOK 200,000). By supporting this organization, the aim is to help ensure that everyone in society has access to enjoyable outdoor experiences and hiking opportunities.

Furthermore, the organization also supports the Hospital Clowns (Sykehusklovnene), whose mission is to bring joy to children suffering from serious illnesses.

All employees are granted two paid volunteer days each calendar year. If these days have not been used by December, everyone is encouraged to support the Salvation Army's Christmas initiatives (such as fundraising or kettle duty).

Providing employees with this opportunity fosters increased motivation and engagement, which benefits both the organization and the individuals being helped.



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About Fokus Nordic

Fokus Nordic is one of the leading real estate managers in the Nordics, providing professional advisory services within investment, asset and fund management to both Nordic and international investors. We manage approximately 9 billion EUR in assets across Core, Core-Plus and Value-add strategies, supported by more than 160 specialists across Denmark, Finland, Norway and Sweden.

With extensive real estate expertise, local market presence and scale, we deliver end-to-end solutions that optimise investment processes and maximise long-term value for our clients.

We integrate sustainability into our core activities, and we adhere to the six principles for responsible investments as a signatory of the United Nations Principles for Responsible Investment.

For further information please visit fokusnordic.com

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