

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: IAD INVESTMENTS FUND - IAD INVESTMENT REAL ESTATE FUND (IAD IRF) SUB-FUND (The Fund)

Legal entity identifier: 222100I3N6XODRU1KA05

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents sustainable investments]*

☒ ☐ ☐ **Yes**

☐ It made **sustainable investments with an environmental objective:** ____%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective:** ____%

☒ ☐ ☒ **No**

☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promoted E/S characteristics, but **did not make any sustainable investments**



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The financial product, IAD INVESTMENT REAL ESTATE FUND (IAD IRF) promoted environmental and social characteristics through the following initiatives:

- Improving data collection, monitoring, and evaluation of various data incl. energy and water consumption.
- Calculating the GHG Emissions attributable to metered Consumed Energy of the buildings.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- Ensuring that properties in the real estate portfolio meet sustainability certifications such as BREEAM, LEED, or equivalent higher standards.
- Achieving improved BREEAM scores on two real estate assets.
- Strengthening community engagement by organizing several events.
- Maintaining zero exposure to activities incompatible with the Fund's investment strategy criteria, such as tobacco, controversial weapons, gambling, coal and pesticide manufacturing, and single-use plastic production, involvement in human rights abuse, environmental degradation or illegal business.
- Maintaining zero exposure to investments in companies involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises.
- Developing the basis for the Fund's ESG strategy as a foundation for further sustainability advancements.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

● *How did the sustainability indicators perform?*

- **The energy and water consumption for each building in the Fund's portfolio**

2024						
Country	Asset	Building Electricity Consumption from electric grid (kWh)	Building Gas Consumption (kWli)	Building District Heating Consumption (kWh) Hot water	Total Building Energy Consumption (kWh)	Water Consumption (m3)
Slovakia	Twin City B	1,636,000.00	1,283,553.92	0.00	2,919,553.92	12,180.00
Slovakia	Twin City C	2,032,090.00	1,288,840.93	0.00	3,320,930.93	9,741.00
Slovakia	City Business Center I.	1,339,384.97	0.00	1,796,116.00	3,135,500.97	8,066.00
Slovakia	City Business Center II.	659,617.64	1,146,880.62	0.00	1,806,498.26	6,004.00
Czechia	Aupark Hradec Králové	5,619,861.00	351,384.69	1,935,083.00	7,906,328.69	14,133.00
Total		11,286,953.61	4,070,660.16	3,731,199.00	19,088,812.77	50,124.00

...and compared to previous periods?

2023 vs. 2024					
Reporting period	Building Electricity Consumption from electric grid (kWh)	Building Gas Consumption (kWh)	Building District Heating Consumption (kWh) Hot water	Total Buildings Energy Consumption (kWh)	Water Consumption (m3)
2024	11,286,953.61	4,070,660.16	3,731,199.00	19,088,812.77	50,124.00
2023	11,788,595.96	4,162,700.00	3,920,500.00	19,871,795.96	48,122.00
% vs 2023	-4.26%	-2.21%	-4.83%	-3.94%	4.16%

In 2024, there was a decrease in energy consumption compared to 2023. Conversely, water consumption showed a slight increase during the same period.

It is important to note that the 2023 data differs slightly from the figures reported the previous year in this report. This discrepancy arises from a change in ownership of the General

Partner of the Fund in mid-2024, which also triggered management change in the investee companies. In fact data collection methodologies applied by previous managers are not known, making it difficult to verify the historical approach and complicates proper variation analysis of energy and water consumption over time. For both 2023 and 2024, the data presented here is derived directly from invoices. Potential reasons for variations in energy and water consumption include fluctuations in tenant occupancy or even a milder and shorter winter compared to the previous year.

Looking ahead, better insights into energy consumption trends is anticipated as 2024 marks the first year with more consistent data tracking. Furthermore, 2024 serves as our baseline year for future monitoring and improvements in resource consumption.

- **The Energy & Water Intensity**

The Fund is currently developing a unified methodology to report on this indicator across all its assets.

- **GHG Emissions attributable to metered Consumed Energy for the buildings (tCO₂e)**

Assets	GHG emissions from fuels and fugitive emissions (tCO ₂ e)	GHG Emissions from purchased electricity (tCO ₂ e) (Market-based method)	Total GHG Emissions from consumed energy (tCO ₂ e)
Twin City B	322.50	201.29	523.79
Twin City C	261.17	250.03	511.20
City Business Center I-II	263.56	466.95	730.51
Aupark Hradec Králové	150.00	4,087.05	4,237.05
Total	997.23	5,005.32	6,002.55

....and compared to previous periods?

Reporting Period	GHG emissions from fuels and fugitive emissions (tCO ₂ e)	GHG Emissions from purchased electricity (tCO ₂ e) (Market-based method)	Total GHG Emissions from consumed energy (tCO ₂ e)
2024	997.23	5,005.32	6,002.55
2023	1,188.23	5,916.77	7,105.00
% vs 2023	-16.07%	-15.40%	-15.52%

The table shows a year-on-year decrease in greenhouse gas emissions from consumed energy of 1,102.45 tCO₂e representing almost a 16% reduction, driven by decreased energy consumption across all assets in 2024.

- **Carbon Footprint of investee companies per €M**

The carbon footprint of the investment portfolio in 2024 was approximately 21.88 tCO₂e per million EUR. Only the investee companies that hold real estate assets were considered. Only the GHG Emissions attributable to metered Consumed Energy for the buildings were considered at the moment.

- **GHG Intensity of investee companies per €M revenue**

Approximately 204.8 tCO₂e was produced per 1 million € of revenue in 2024. Only the investee companies that hold real estate assets were considered. Only the GHG Emissions attributable to metered Consumed Energy for the buildings were considered at the moment.

- **Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprise (%)**

In 2024 the Fund had 0% share of investments in companies involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprise.

- ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

Not applicable since the Fund does not have a sustainable investment objective.

- ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable since the Fund does not have a sustainable investment objective.

— *How were the indicators for adverse impacts on sustainability factors taken into account?*

Not applicable.

— *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



How did this financial product consider principal adverse impacts on sustainability factors?

Not applicable since the Fund does not consider principal adverse impacts.



What were the top investments of this financial product?

Largest investments	Sector	Assets (%)	Country
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<i>Aupark HK</i>	<i>Commercial real</i>	<i>26%</i>	<i>Czech Republic</i>
<i>Twin City B</i>	<i>Commercial real</i>	<i>23%</i>	<i>Slovak Republic</i>
<i>Twin City C</i>	<i>Commercial real</i>	<i>22%</i>	<i>Slovak Republic</i>
<i>CBC II</i>	<i>Commercial real</i>	<i>19%</i>	<i>Slovak Republic</i>
<i>CBC I</i>	<i>Commercial real</i>	<i>10%</i>	<i>Slovak Republic</i>

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 2024



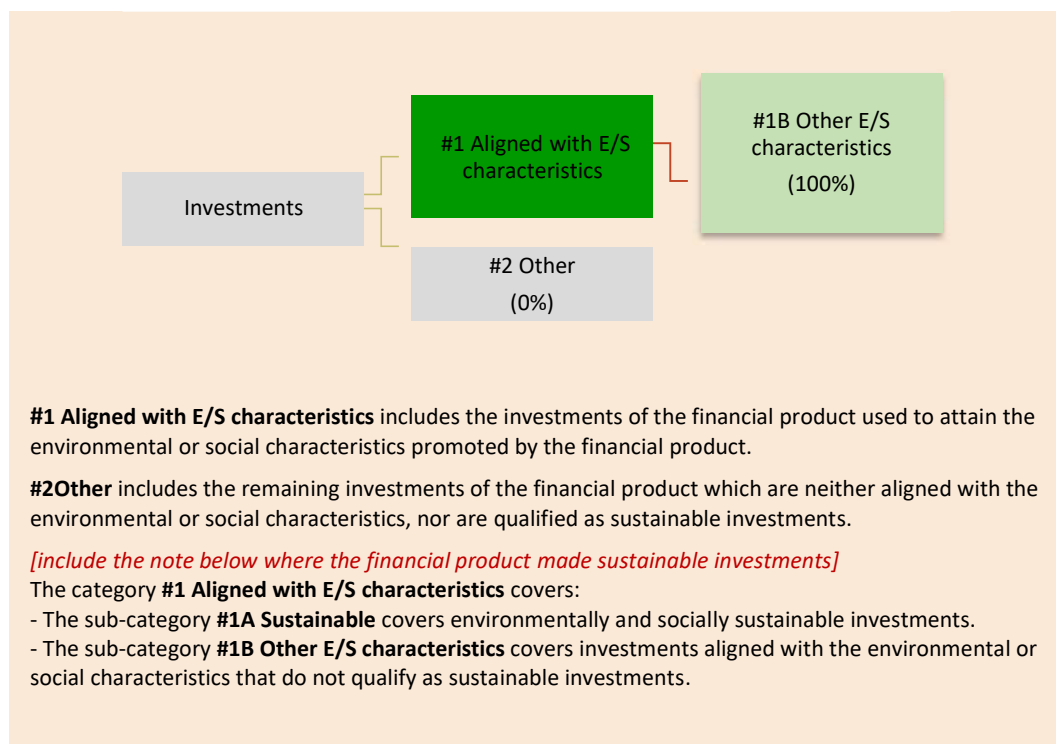
What was the proportion of sustainability-related investments?

The long-term methodology for assessing the proportion of sustainability-related investments is being established, and is therefore currently 0%, although the Fund expects to fulfill the objective of holding at least 75% of properties in its investments in real estate portfolio with sustainability certification.

What was the asset allocation?

In 2024, 100% of the Fund investments were made in real estate assets with sustainability certification BREEAM, therefore, most of the assets were allocated in #1B, Other E/S characteristics.

Asset allocation describes the share of investments in specific assets.



[include note only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● In which economic sectors were the investments made?

Real estate, subsector commercial real estate (offices, shopping center).



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The methodology and boundaries for assessing the proportion of investments with an environmental objective aligned with the EU Taxonomy are being established and are therefore currently not applicable.

● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

- ☐ Yes: *[specify below, and details in the graphs of the box]*
- ☐ In fossil gas ☐ In nuclear energy
- ☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[include note for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852

Taxonomy-aligned activities are expressed as a share of:

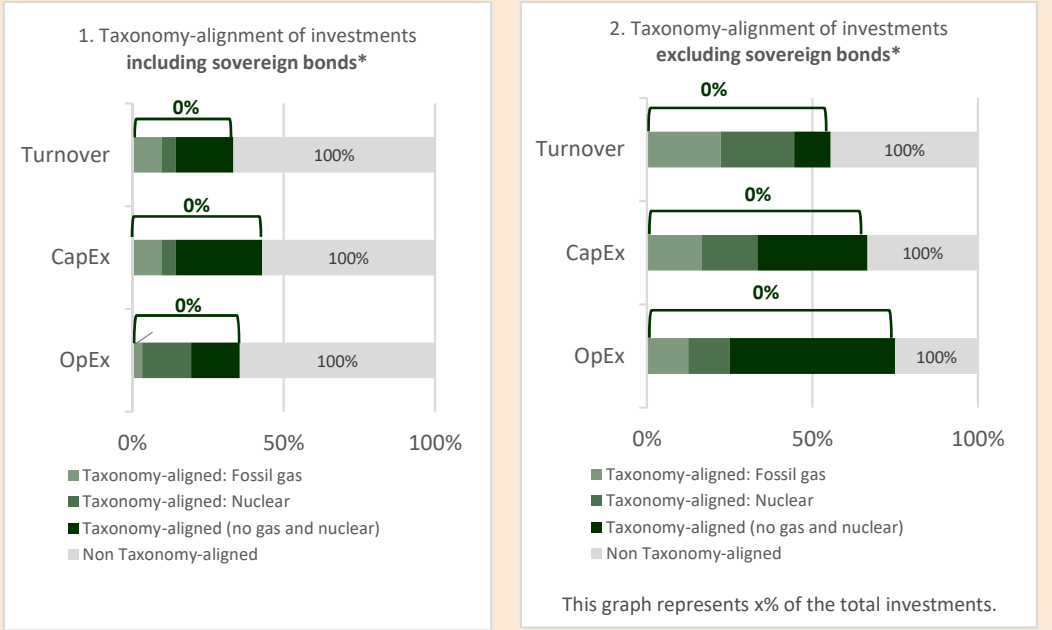
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

[include note for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities]

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

[Include information on Taxonomy aligned fossil gas and nuclear energy and the explanatory text in the left hand margin on the previous page only if the financial product invested in fossil gas and/or nuclear energy Taxonomy-aligned economic activities during the reference period]



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What was the share of investments made in transitional and enabling activities?**

The Fund has no minimum proportion of investment in transitional or enabling activities.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods**

Not applicable.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Not applicable.



What was the share of socially sustainable investments?

The Fund does not have sustainable investments with a social objective.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

In 2024, 100% of the Fund investments were made in real estate assets with E/S characteristics.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

In mid-2024, the General Partner of the Fund underwent a change in ownership, which also resulted into management change in the Investee Companies in the Fund. One of the most significant actions taken as a result of the aforementioned transition was a comprehensive audit of all documentation and data related to sustainability. This established a baseline for data collection and monitoring, enabling the Fund to make more informed decisions in the future.

All properties in the real estate portfolio meet BREEAM certification standards, with ratings ranging from "Very Good" to "Excellent." Two assets have successfully improved their BREEAM certification scores. CBC I in Asset Performance advanced from "Very Good" to "Excellent," while CBC II improved its score within the "Very Good" range. All assets remain committed to further enhancing their management and operations.

Another important milestone was the development and review of Fund's ESG strategy. This strategy outlines key priorities, enabling more focused resource allocation and providing a clearer roadmap for sustainability goals.

The Fund maintained its zero exposure to industries such as controversial weapons, tobacco, gambling, coal and pesticide manufacturing, and single-use plastic production.

It also did not make any investments in companies involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises.

Finally, through several community-focused events, the Fund successfully strengthened its engagement with stakeholders surrounding its real estate projects.



How did this financial product perform compared to the reference benchmark?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by this financial product.

- **How does the reference benchmark differ from a broad market index?**
Not applicable.
- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
Not applicable.
- **How did this financial product perform compared with the reference benchmark?**
Not applicable.

[include note for financial products where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product]

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How did this financial product perform compared with the broad market index?***

Not applicable.