

*On the behalf of "Atlas"
Closed-end Real Estate Alternative Investment Fund
Reserved to Professional Investors*

Milan, 1st January 2024

Article 10 – Website Disclosure Atlas Fund

a) Summary

The alternative investment fund called "Atlas" (the "**Fund**"), managed by Kryalos (the "**Management Company**"), promotes E/S Characteristics pursuant to art. 8 of Regulation 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("**SFDR**"), but does not have a sustainable investment as its objective. Therefore, in accordance with Article 10(1) SFDR, this disclosure sets forth certain information related to the Fund and characteristics thereof.

The Fund's Management Company identifies and implements initiatives to improve the E/S Characteristics of the properties in which the Fund's assets are invested which are aimed at enhancing sustainability features of the real estate investments and consisting of (i) achievement of green building certifications (GBCs), (ii) non-exposure to fossil fuels through real estate assets, (iii) monitoring and optimization of energy efficiency and consumption and resource consumption, (iv) ensuring sustainable operation of the assets and promoting engagement with tenants.

The investment of the Fund is focused on real estates for offices located in northern and central Italy, already built or to be restored, reconverted, restructured, renovated, completed and/or enhanced. Overall, the Fund is targeting 100% of all its real estate investments to align with the promotion of E/S Characteristics.

To ensure that E/S Characteristics are met across the asset and during the duration of the Fund, the characteristics are monitored on an ongoing basis using quantitative and qualitative methodologies selected internally by the Management Company and including certain Principal Adverse Impacts (PAIs). The specific methodologies used to measure the attainment of the characteristics are specified in section g) of this document.

Data used to measure the achievement of E/S Characteristics is collected both during the investment selection phase and during the ordinary and extraordinary ongoing management of the assets, either directly or through appointed entities, and it is stored in internal digital system.

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The limitations of the methodologies used arise in particular from the complex data availability and possible inaccuracies of the technological tools for collecting such data currently on the market in addition to insufficiently established standards for monitoring E/S characteristics.

The Management Company integrates ESG criteria in the different phases of the Fund investment process. In particular, the Management Company, before the acquisition of each asset, performs due diligence screenings to exclude potential investments that are not consistent with the ESG criteria identified by the Management Company and to identify those possible investments that, on the contrary, stand out for positive ESG value generated.

The Management Company carries out a number of engagement initiatives towards its stakeholders and, in particular, to raise the awareness among tenants towards ESG issues.

b) No sustainable investment objective

The Fund promotes environmental or social characteristics but does not have a sustainable investment objective.

c) Environmental or social characteristics of the financial product

The Atlas Fund (the Fund) promotes Environmental and Social Characteristics (E/S Characteristics) pursuant to art. 8 of SFDR.

In particular, the Fund's Management Company identifies and implements initiatives to improve the E/S Characteristics of the properties in which the Fund's assets are invested which are aimed at enhancing sustainability features of the real estate investments and consisting of (i) achievement of green building certifications (GBCs), (ii) non-exposure to fossil fuels through real estate assets, (iii) monitoring and optimization of energy efficiency and consumption and resource consumption, (iv) ensuring sustainable operation of the assets and promoting engagement with tenants.

d) Investment strategy

The investment of the Fund is focused on real estates for offices located in northern and central Italy, already built or to be restored, reconverted, restructured, renovated, completed and/or enhanced. In particular, the 100% of the properties in which the Fund is invested shall be object of specific restoration, reconversion, restructuring, renovation, completion and/or enhancement interventions aimed at achieving or improving "green certifications" concerning the E/S Characteristics of the properties. The Fund currently includes one asset located in Milan, Italy. This is a major renovation office project.

For the purposes of the management of the Fund, the Management Company integrates ESG criteria in the different phases of the Fund investment process. In particular, the Management Company performs:

- A. Pre-due diligence screening to exclude potential investments that are not consistent with the ESG criteria identified by the Management Company and to identify possible investments that stand out (actually or potentially) for positive ESG value generated. In this regard, it is outlined that no investment shall be made in real estate assets: (i) intended for activities prohibited by the biodiversity conservation legislation; (ii) used for the extraction, storage, transportation or production of fossil fuels; (iii) leased (exclusively or predominantly) to tenants engaged in manufacturing or marketing activities or whose activities are related to firearms, armaments, military-type supplies or ammunition, pornography and prostitution. Additional assets can be excluded from time to time by the Management Company also as a result of specific needs that investors can have to this effect;
- B. ESG assessment (in addition to the other due diligence activities) in order to identify the alignment with (i) the E/S characteristics of the asset being potentially invested; (ii) possible areas for improvement of the asset with reference to E/S characteristics. In addition to the ESG assessment, specific ESG due diligence activities may be also carried out on a case by case basis;
- C. Asset management activities including the use of appropriate ESG clauses in agreements with third parties; managing, monitoring and reporting of ESG performances of the properties and considering any ESG features of the asset in the related divestment phase.

The Fund does not typically invest in companies, although the Fund Management Rules allow for this possibility. Should the Fund invest in companies, the Management Company assesses the good governance practices of these investee companies (in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance). Should these companies serve solely as investment vehicles, the evaluation of E/S Characteristics will be conducted with reference to the assets owned by such companies.

e) Proportion of investments

Overall, the Fund is targeting 100% of all its real estate investments to align with the E/S Characteristics. The following categories are excluded from the population of investments subject to the calculation of the portion of the Fund's investments aligned with the E/S Characteristics: cash and other residual investments permitted by the fund management rules including derivatives and collateral received under derivatives.

In particular, the Fund can make, on an ancillary and residual basis, investments in one or more of the categories of assets indicated by the provisions of Article 4 of Ministerial Decree no. 30/2015, including in derivative financial instruments exclusively for the purpose of hedging interest rate risk and inflation risk,

which are not intended for the pursue of the environmental and social characteristics promoted by the Fund.

f) Monitoring of environmental or social characteristics

To ensure that E/S Characteristics are met across the asset and during the duration of the Fund, the characteristics are monitored on an ongoing basis using quantitative and qualitative methodologies selected internally by the Management Company and including certain Principal Adverse Impacts (PAIs). In relation to the achievement of green building certifications, the Management Company relies on the most widely used and internationally recognized "green building" standards and certification schemes developed by independent third parties.

The E/S Characteristics are implemented and monitored during two stages applicable to the investment:

- Phase I. Refurbishment/construction phase of the investment
- Phase II. Operation/asset management phase of the investment

The Management Company puts in place data collection and monitoring processes to verify indicators associated with each E/S Characteristic.

g) Methodologies for environmental or social characteristics

The specific methodologies used to measure the attainment of the characteristics are:

- A. Achievement of green building certifications - The most widely used and internationally recognized "green building" standards and certification schemes developed by independent third parties are used (such as LEED, WELL, BREEAM, WiredScore protocols).
- B. Exposure to fossil fuels through real estate assets - The Management Company calculates and discloses the Principal Adverse Impact ("PAI") (mandatory) indicator for real estate concerning the exposure to fossil fuels through real estate assets, both during the refurbishment/construction phase of the investment and during the operation/asset management phase of the investment.
- C. Monitoring and optimization of energy efficiency and consumption and resource consumption – For these purposes, the Management Company:
 - a. both during the refurbishment/construction phase of the investment and during the operation/asset management phase of the investment, monitors and discloses the PAI (mandatory) indicator for real estate concerning the exposure to energy-inefficient real estate assets.
 - b. Only during the refurbishment/construction phase of the investment, calculates and discloses the PAI (optional) indicator for real estate concerning the resource consumption (raw materials consumption for new construction and major renovations). This indicator will be monitored and considered in view of minimizing the consumption of raw materials.

- c. Only during the operation/asset management phase of the investment, calculates and discloses the PAI (optional) indicator for real estate concerning the energy consumption (energy consumption intensity). This indicator will be considered by the Management Company in view of optimizing the energy consumption intensity.

D. Sustainable operation and promoting engagement with tenants - During the operation/asset management phase of the investment, the Management Company measures the alignment with this E/S Characteristic on the basis of the following indicators:

- a. actual implementation of BOS (Building Operating System) throughout the asset to electronically control equipment's operation and obtain actual consumption data;
- b. organization of at least 1 meeting per year with tenants to enhance tenant engagement regarding the asset's operation and any areas for its improvement;
- c. annual monitoring and logging of the percentage of lease agreements with green clauses in respect to the total number of the lease agreements in force, with the aim of increasing the number of green clauses;
- d. annual calculation and monitoring of percentage of energy consumption data available (including tenants' areas), and targeting 90% coverage.

h) Data sources and processing

Data used to measure the achievement of E/S Characteristics is collected both during the investment selection phase and during the ordinary and extraordinary ongoing management of the assets, either directly or through appointed entities, utilizing internal systems and/or external providers.

Data used to assess the E/S Characteristics promoted by the Fund is collected and stored in internal digital systems, and the Management Company conducts an overall review, where possible, to monitor their quality. However, given the nature and complexity of the data collection being processed, data estimates may also be used.

i) Limitations to methodologies and data

Limitations of the methodologies described above arise in particular from the complex data availability and possible inaccuracies of the technological tools for collecting such data currently on the market in addition to insufficiently established standards for monitoring environmental characteristics. However, the methodologies used follow the best market practices currently available, including through the use of estimates and external consultants/providers, and the Management Company does not currently expect these limitations to affect compliance with the E/S characteristics promoted by the Fund.

j) Due diligence

The Management Company integrates ESG criteria in the different phases of the Fund investment process. In particular, the Management Company, before the acquisition of each asset, performs due diligence screenings to exclude potential investments that are not consistent with the ESG criteria identified by the Management Company (so called “negative screening”) and to identify those possible investments that, on the contrary, stand out (actually or potentially) for positive ESG value generated. Furthermore, in addition to the other due diligence activities provided by the internal policies and procedures, the Management Company performs an ESG assessment on each potential investment, in order to identify the alignment with the E/S characteristics of the asset being potentially invested and possible areas for improvement of the asset with reference to E/S characteristics. In addition to the ESG assessment, specific ESG due diligence activities may be carried out, on a case-by-case basis according to the actual characteristics of the asset under examination.

Furthermore, during the asset management phase the Management Company manages, monitors and reports ESG performances of the properties.

Please see Section d) for further details.

k) Engagement policies

The Management Company carries out a number of engagement initiatives towards its stakeholders and, in particular, to raise awareness among tenants toward ESG issues. In fact, the engagement policies are the core part of one of the E/S Characteristics of the Fund, namely the Sustainable Operations and Engagement with Tenants.

Please see Section g) for further details.

l) Designated reference benchmark

Not applicable