

KMC Properties ASA

Company presentation

23 August 2022





The preferred partner for logistics and industrial properties

Today's presenter



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CFO

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└ KMC Properties at a glance



KMC Properties at a glance

Key KPIs

As per Q2-2022



46

Properties



377k

GLA (sqm)



NOK 264m

Run-rate NOI



NOK 4,129m

GAV



10.0

WAULT



6.6%

Gross yield



50.3%

LTV

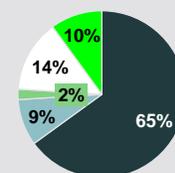
Company description

- Portfolio of 46 properties focused on industrial and logistics with long-term leases, solid tenants and strategic locations critical for tenant operations
- Ambitious strategy to grow the portfolio, both through capex initiatives and greenfield opportunities as well as through attractive M&A opportunities
- Geographical footprint in Northern Europe with headquarter in Trondheim
- Listed on Oslo Børs main list since 2020

Property portfolio footprint

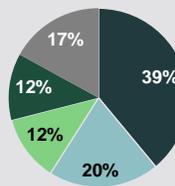


Geography¹



- Norway
- Denmark
- Finland
- Sweden
- Holland

Tenants¹



- BEWI ASA
- INSULA
- Grøntvedt
- PSW
- Other



Solid customer base of market leading companies with long track records and exposure to an attractive industry

Company overview

% of net operating income¹



- Listed at the Oslo Børs, majority-owned by the Bekken family, the founder of the company in 1980
- Annual revenues of EUR ~750 million, with solid EBITDA margins
- Leading European provider of packaging, components, and insulation solutions
- Proven buy-and-build strategy with more than 30 M&A transactions executed and integrated since 2014
- Frontrunner in innovation and sustainability



- Nordic seafood group built through 20 acquisitions since foundation in 2015
- Vertically integrated from fish stations through processing and transportation to strong consumer brands
- Majority-owned by Kverva (95.8%), with 1,100 employees across the Nordics
- Margins negatively impacted by operational restructuring and efficiency-improving initiatives completed in 2019



- One of the world's leading pelagic companies specializing in herring products customized to customer preferences
- Strategically located close to rich fishing grounds of the Northeast Atlantic with a long heritage dating back to 1830
- The business is certified by MSC and Grøntvedt aims to utilize 100% of its raw materials



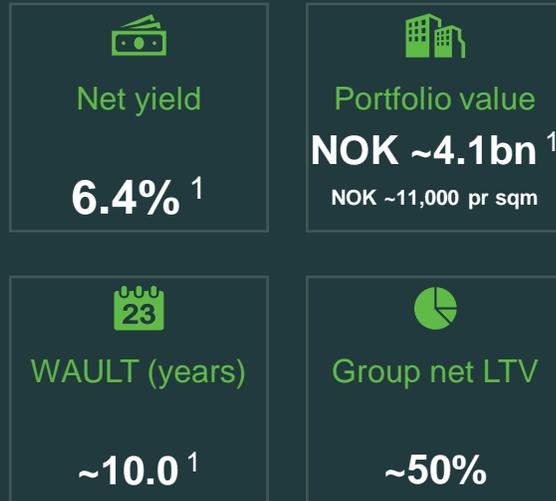
- PSW Group is a provider of products, systems and services to the oil & energy industry
- The group was established in 2007 and is currently owned by the private equity firm Herkules Capital
- The tenant, PSW Technology is one of a total of four business areas

Key customers / brands



KMC Properties at a glance

We are KMC Properties



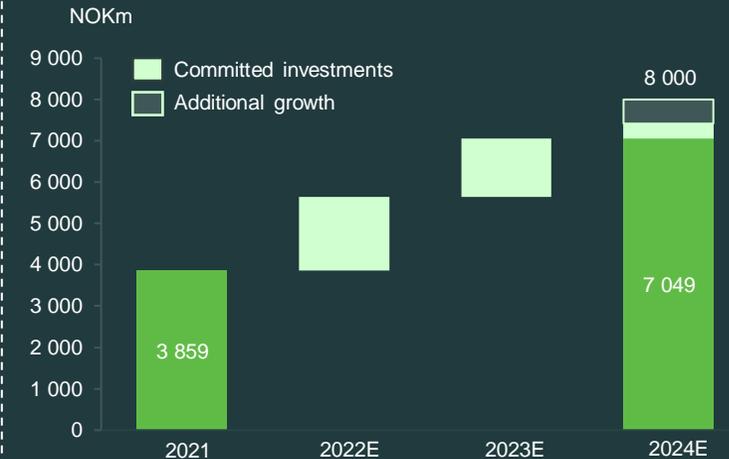
- Real estate company focused on owning high yielding industrial and logistics properties
- Portfolio of 46 assets, primarily in the Nordics, constitution approx. ~377,000 sqm on 30 June 2022
- Long-term lease agreements with solid counterparties
- 95% of rental income is 100% CPI adjusted, 1% of rental income is 80% CPI adjusted, and 4% of rental income has no CPI adjustment
- Low operational expenses due to mainly triple net bare-house lease contracts

... we deliver accretive growth²



- Completed and committed investments in current portfolio (capex) of NOK ~48 million in 2022, at yield-on-cost of ~7.5%
- Completed and committed investments in greenfield projects of NOK ~180 million in 2022, at yield on cost of ~7.1%
- Completed acquisitions of NOK ~190 million in H1 2022 with gross yield of ~7.6%
- Contemplated acquisitions of NOK ~1,365 million in H2 2022, with weighted average gross yield of ~6.6%, of which the BEWI transaction amounts to NOK 970 million in 2022²

...and have strong growth ambitions²



- Strategic target of NOK 8bn by year end 2024, one year ahead of previous growth plan
- Committed and completed investments in 2022 at NOK ~1,783 million year to date
- For 2023 and 2024, committed pipeline amount to NOK ~1,410 million and NOK ~360 million respectively
- Continued focus on assets we know well: foodstuff facilities, light industry – infrastructure for our lessees

1) Does not include the company's office building in Moscow which is held for sale (valued at NOK 135.8 million as of 30 June 2022)

2) Current company estimates, based on current transaction pipeline and market visibility and outlook. No assurances can however be given that any such acquisitions will be concluded, or at what terms. Further information will be provided in due course, as and when relevant or appropriate.

New platform set for accelerated value creation

Key KPIs



76

Properties



701k

GLA (sqm)



NOK 476m

Run rate NOI



NOK 7,434m

GAV



13.0 yrs

WAULT

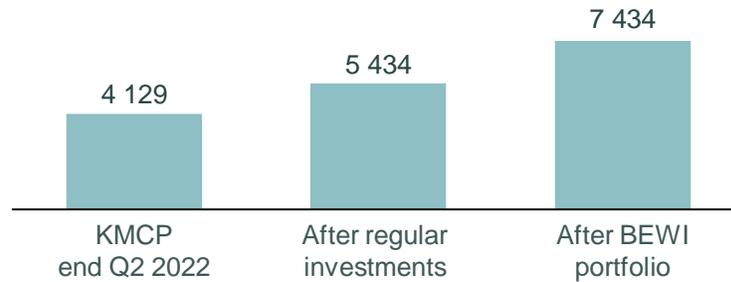


6.6%

Gross yield

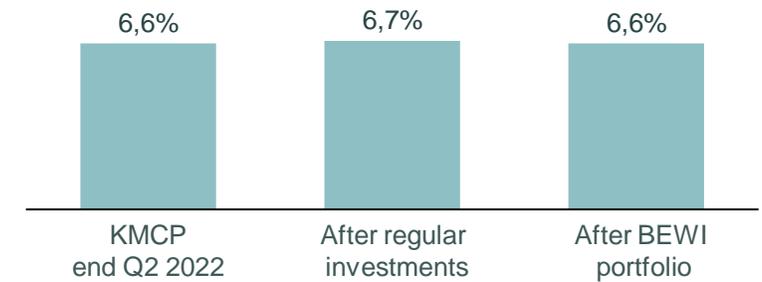
Significantly larger base to grow from

Gross asset value development (NOKm)



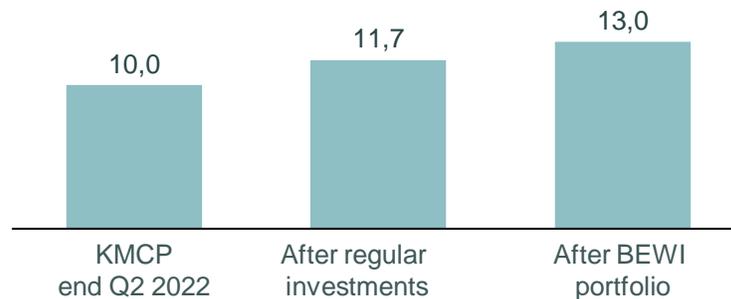
Maintaining portfolio gross yield

Gross yield development (%)



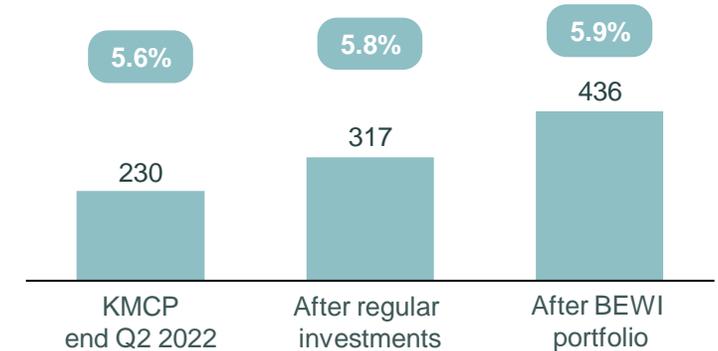
Improving WAULT

WAULT development (years)



Substantial EBITDA uplift

EBITDA and EBITDA yield development (NOKm, %)



Current financing

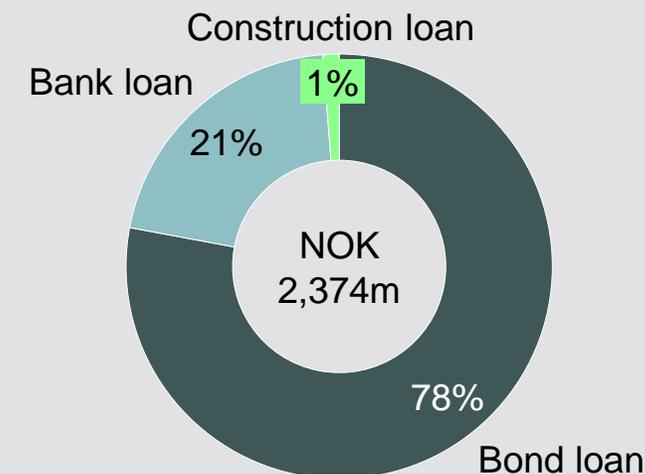


Current financing mix heavily tilted towards bond financing

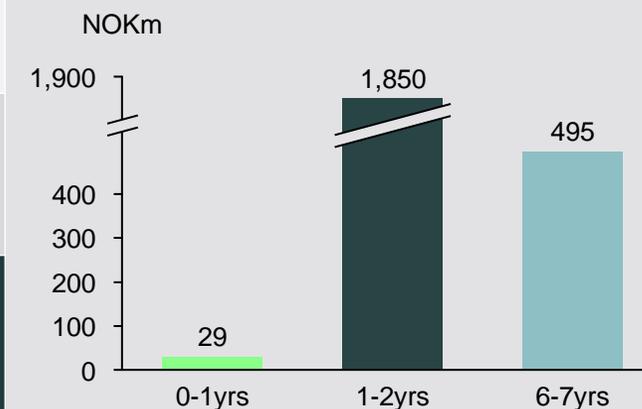
Capitalization table

Source of financing	NOKm	Weighted avg current interest ¹	Weighted avg interest margin
Bond loan	1,850	5.93%	4.25%
Bank loan	495	4.17%	2.49%
Construction loan	29	4.68%	3.00%
Revolving credit facility	0	3.93%	2.25%
Total	2,374	5.55%	3.87%

Sources of funds



Maturity profile

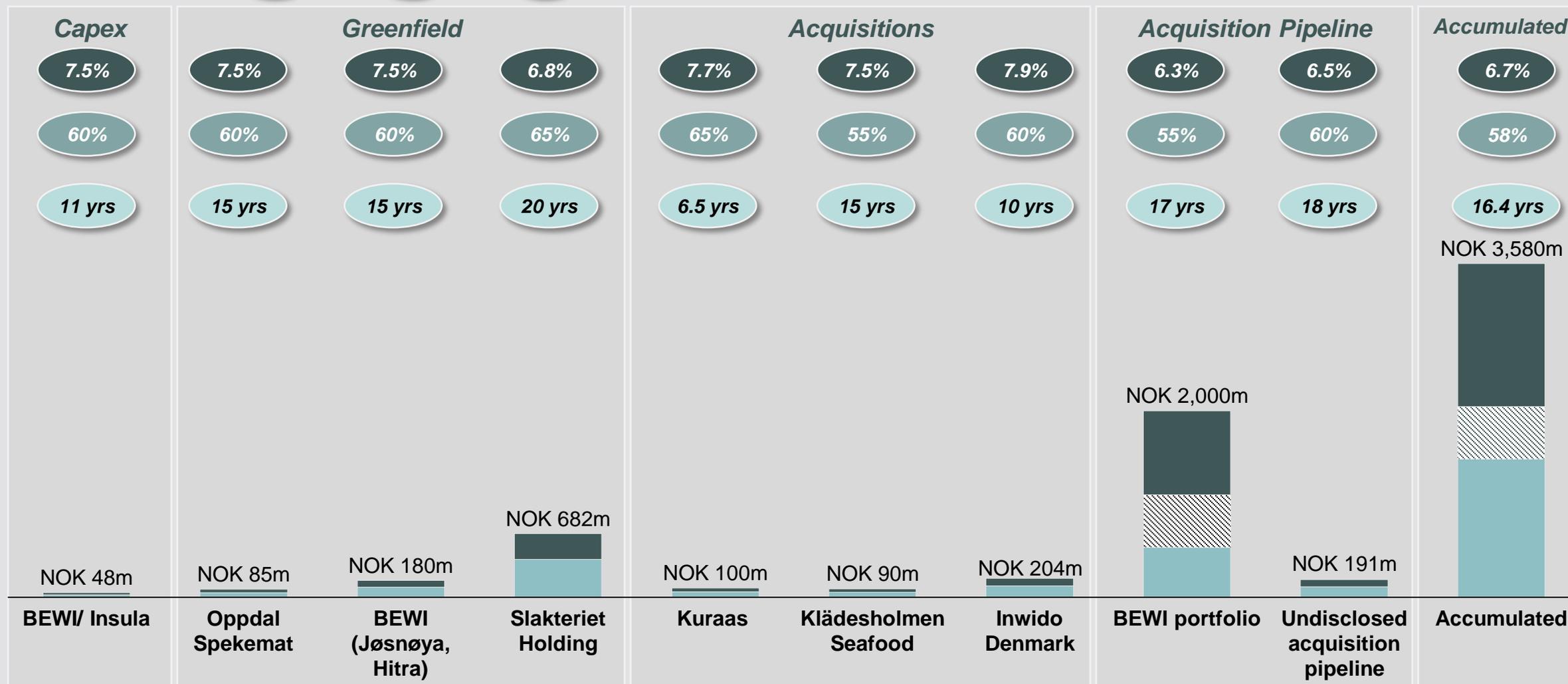


Financing pipeline



Current pipeline solely financed by bank

Yield
 LTV
 WAULT
 Asset value
 Undisclosed financing
 Bank financing



Financing going forward



Bond market significantly more volatile – hence bank financing represent desired predictability going forward

KMC01 trading vs bank margins



Future considerations:

- Predictability
- LTV vs Interest margin
- Amortization vs Bullet
- Secured vs Unsecured
- Minimum loan amount
- Covenants
- Transactions costs
- Track record
- Other financing sources

Who will fill the financing vacuum?

Thank you

