KMC Properties ASA

Contemplated NOK 900 million bond issue

Investor presentation | June 2023

KMC PROPERTIES

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Summary of risk factors

The following sets out a summary of key risks facing the Issuer. Please see pages 54-57 for a full description of the risk factors.

Risks related to the operational activities

- Risks related to the tenants and the rental market in which the Group operates.
- Risks related to insurance coverage.
- Risks related to hidden defects and the condition of the properties.
- Risks related to the Group's growth strategy.
- Risks related to potential acquisitions of Belgian, German and Polish properties.

Risks related to laws, regulations and compliance

- Risks related to tax law in the various jurisdictions where the Group operates.
- Risks related to litigation and disputes.
- Risks related to planning regulations and legislation.

Risks related to financial matters

- Risks related to additional funding requirements.
- Risks related to failure to comply with covenants in financing arrangements.
- Currency risk.
- Credit risk.
- Risks related to the valuation of the Group's property portfolio.

Risks related to the Bonds

- Risks related to the admission to trading.
- Risks related to early redemptions and put options.
- Interest rate risk.
- Risks related to the collateral.
- Risks related to general and specific limitations in respect of the collateral.

Glossary and acronyms

Term	Meaning
CAPEX	Capital expenditures
CPI	Consumer Price Index
EBITA	Earnings Before Interest, Taxes and Amortization
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EBITDA-yield	EBITDA / Gross Asset Value
ECB	European Central Bank
EPP	Expanded Polypropylene
EPRA	European Public Real Estate Association *(reporting guidelines)*
EPS	Expanded Polystyrene
GAV	Gross Asset Value
GDP	Gross Domestic Product
GHG	Global Greenhouse Gas
GRI	Gross Rental income
GW	Gigawatt

Term	Meaning
HVAC	Heating, ventilation and air conditioning
LTV	Loan to Value
NOI	Net Operating Income
NOI-yield	Net Operating Income / Gross Asset Value
n/m	Not meaningful
OSE	Oslo Stock Exchange
PWh	Petawatt Hour
Sqm	Square meters
TCB	Total Cost Base
VAT	Value Added Tax
WAULT	Weighted Average Unexpired Lease Term
XPS	Extruded Polystyrene Insulation
YE	Year End
YOC	Yield On Cost

KMC PROPERTIES

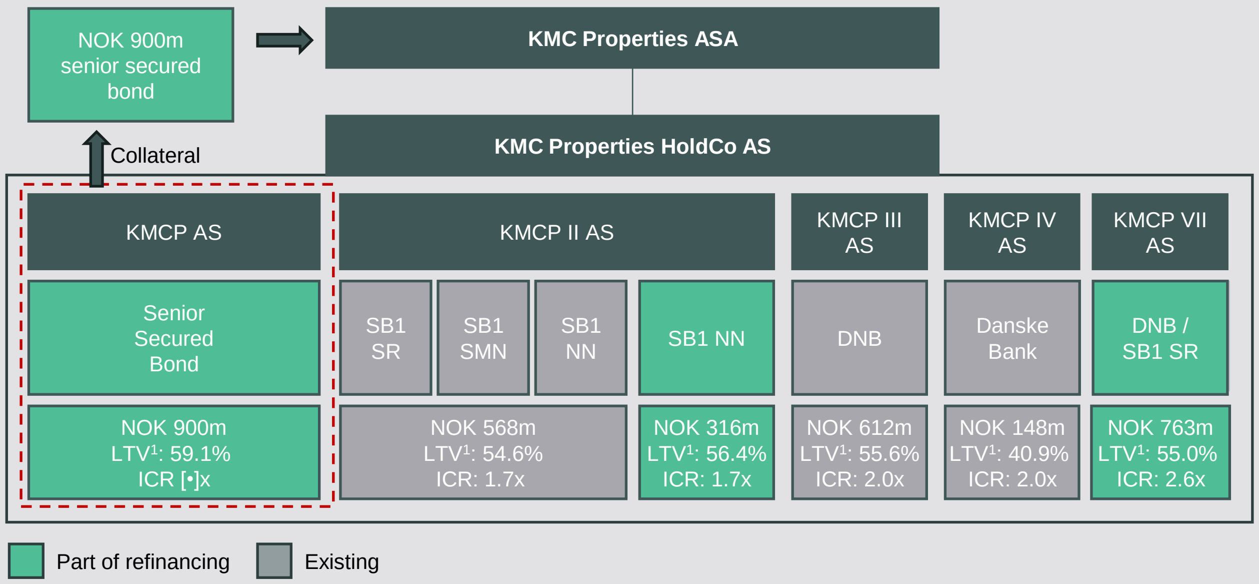
Transaction summary

Transaction description

- KMC Properties ASA (the "Issuer" or the "Company") is an Oslo Børs listed real estate company focusing on industrial and logistic properties
- The Company is in the process of refinancing their NOK 1,850 million senior secured bond issue with maturity on 11 December 2023
- As of 23 June 2023, the Company has received a total of NOK 1,080 million in committed financing from banks and is now contemplating a 3-year NOK 900 million senior secured bond issue to enable a full refinancing of the outstanding bond issue
- The bond issue will be secured inter alia of first priority pledge in the shares of KMCP AS and the property-owning subsidiaries, property mortgages in four Finnish, four Dutch and 10 Danish properties, and pledge in bank accounts, intercompany loans and receivables
- The bond collateral are valued (Q1'23) to NOK 1,524 million, which entails an initial LTV of ~59%

Sources (NOKm)		Uses (NOKm)	
Secured bank loan (committed)	316	Repayment existing bond	1,850
Secured bank loan (committed)	765	Repayment RCF	200
Shareholder loan	75	General corporate purposes (call premium of NOK 19m)	19
Senior secured bond issue	900		
Cash from balance sheet	14		
Sum	**2,069**	**Sum**	**2,069**

Legal structure and financial sources post refinancing



Post transaction key credit metrics

59%
Gross LTV for the senior secured bond

9.3x
Net debt/ EBITDA[2]

56%
Group EPRA net LTV based on NOK 3,376m of net debt and GAV of NOK 5,993m

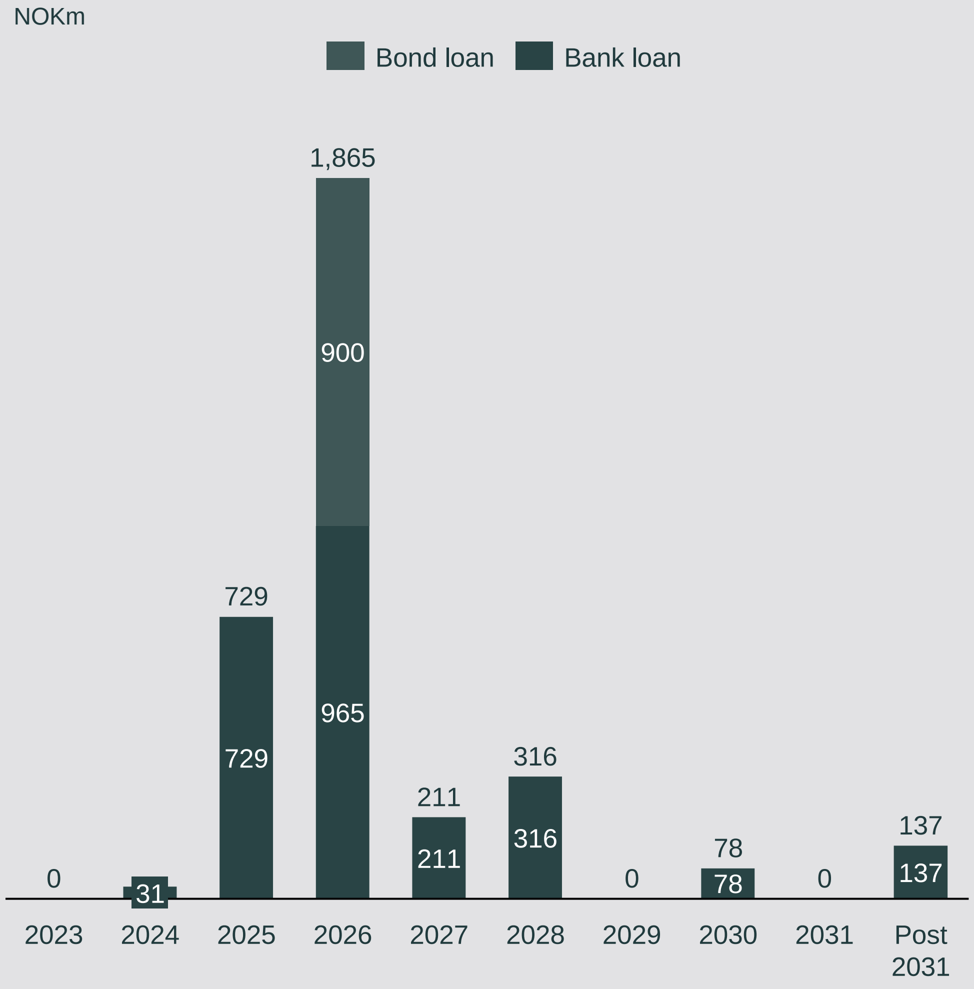
Note: For FX-conversions, the following rates have been applied: EURNOK = 11.3940, DKKNOK = 1.5297 and SEKNOK = 1.0101 (based on Q1 2023 reporting)
[1] Gross LTV on silo level; [2] Net debt based on reported Q1 2023 figure adjusted for refinancing, EBITDA based on annualised Q1 2023 reported run-rate figure of NOK 364m

Debt overview and amortisation profile post refinancing

Debt overview

	Type	Creditor	NOKm	Margin	IBOR	Years to maturity
New facilities (refinancing)	New secured bank loan	SB1 NN	316	2.50%	3M NIBOR	5.1
	New secured bank loan	DNB / SB1 SR	765	2.80%	3M NIBOR/STIBOR	3.0
	New shareholder loan	Consortium of shareholders	75	4.25%	3M NIBOR	n.a.
	New secured bond	n/m	900	[•][1]	3M NIBOR	3.0
Existing facilities (rolled)	Existing secured bank loan	DNB	612	2.97%	3M / 6M NIBOR	2.3
	Existing secured bank loan	Danske Bank	148	1.95%	3M NIBOR	2.2
	Existing secured bank loan	SB1 (SR, SMN & NN)	568	2.52%	3M NIBOR	5.8
	Construction loan	n/a	57	2.83%	3M NIBOR	9.1
	Total/weighted avg		**3,441**	[•][1]		**3.5**

Debt maturity profile



Note: For FX-conversions, the following rates have been applied: EURNOK = 11.3940, DKKNOK = 1.5297 and SEKNOK = 1.0101 (based on Q1 2023 reporting)
[1] Subject to terms in the new bond issue

KMC PROPERTIES

Key bond terms

Issuer:	KMC Properties ASA
Initial Issue Amount:	NOK 900 million
Maximum Issue Amount:	NOK 1,500 million
Status:	Senior Secured
Guarantors:	KMC Properties AS, the Original Guarantors and any Property Group Company being or becoming owners of additional properties
Security:	Inter alia 1st priority share pledge in Guarantors, 1st priority assignment in certain intercompany loans to Property Group Companies, 1st priority mortgages, certain pledges/charges over operational assets/receivables and assignment of insurances. Security limited to the Property Group
Use of Proceeds:	The Initial Issue Amount shall be applied towards (i) repayment of parts of Existing Debt and (ii) for general corporate purposes of the Property Group. The proceeds from any Tap Issue shall be applied towards financing in part of the BEWI Acquisition
Tap Issue:	The Issuer may, provided that (i) the Incurrence Test is met, (ii) no Event of Default is continuing and (iii) the Conditions Precedent – Tap Issues are fulfilled, on one or more occasions issue Additional Bonds for an amount up to the Maximum Issue Amount.
Coupon:	3 months NIBOR + [•] p.a., quarterly interest payments
Issue Price:	100% of par
Tenor:	3 years
Amortisation:	No amortization (100% repayment at final maturity)
Call Options:	Make Whole 1.5-years, thereafter callable @ 100% of par + ½ / ⅓ / ⅙ of the Margin after 18/24/30 months. Callable @ 100% after 33 months until the Maturity Date
Financial Covenants:	• The Issuer shall ensure that the Group maintains a Net-LTV < 75% • The Issuer shall ensure that the Property Group maintains an LTV < 75% • The Issuer shall ensure to maintain an Interest Cover Ratio (ICR) ≥ 1.5x • The Issuer shall ensure that the Group maintains minimum liquidity of an amount equal to the Net Interest Costs for the next 3 months
General Undertakings (Issuer):	Inter alia restrictions and undertakings on distributions, related party transactions and intercompany loans
Special Undertakings: (Property Group)	Inter alia: • Restrictions on mergers/de-mergers, with carve-out for the Permitted Reorganisation • Restrictions on disposals of assets, with carve-out subject to reinvestment or repayment of the bonds at the prevailing call price • Restrictions on financial support, with carve-out for financial support between companies within the Property Group and intra-group loans between Group Companies • Restrictions on financial indebtedness other than Permitted Financial Indebtedness • Negative pledge
Permitted Financial Indebtedness: (Property Group)	Restrictions on Financial indebtedness in the Property Group, with carve-outs for inter alia: • Tap issues of the bond, subject to incurrence test • Super Senior (with respect to Security) non-speculative hedging in the ordinary course of business • Intra-group liabilities between Group Companies • General basket of NOK 20m
Permitted Distributions:	Maximum 50% of the Issuer's Net Cash Earnings, subject to Incurrence Test
Incurrence Test:	For tap issues, LTV for BEWI Acquisition ≤ 60%, LTV for Issuer and Property Group < 65% For Distributions: Net-LTV for the Group <65%, Liquidity higher than 1.5x the minimum liquidity covenant (pro-forma as if relevant Distribution had already been made)
Change of Control:	Put option at 101% of par in an event where any person or group of persons other than Bewi Invest AS obtain decisive influence over the Issuer, or if the Issuer is delisted
Listing:	Oslo Børs 9 months from settlement otherwise coupon step up of 2.0%
Trustee/Governing law:	Nordic Trustee / Norwegian law
Joint Lead Managers:	DNB Markets, Pareto Securities and SpareBank 1 Markets

Note: For FX-conversions, the following rates have been applied: EURNOK = 11.3940, DKKNOK = 1.5297 and SEKNOK = 1.0101 (based on Q1 2023 reporting)

Key credit highlights

1 Well positioned industrial real estate partner

- 40 years of heritage as owner and operator of industrial properties
- Long-term industrial approach to real estate ownership, with emphasis on tenant collaboration and environmentally and socially sustainable properties to maximise value creation and reduce downside risk
- Positioning itself as one of the preferred real estate partners for industrial and logistics companies in Northern Europe
- Sought after partner for greenfield developments due to its one-stop shop capabilities, and a deep industrial understanding providing attractive off-market growth opportunities

2 Solid tenants with exposure towards attractive industries

- Tenants with on average ~35 years of operating track record, combined revenues of NOK ~37.5bn, and average head count of ~750 people
- 52% of net operating income exposed towards tenants within packaging, components and insulation which are experiencing tailwinds from fresh food demand, urbanisation, energy efficiency and e-commerce
- 26% of net operating income exposed towards aquaculture tenants, the most sustainable farmed animal industry whose demand is supported by global megatrends such as reduced meat consumption, increased protein demand and environmental awareness
- 8% of net operating income exposed towards energy tenants providing critical products and services to the energy and offshore sector, in particular the renewables sector in Norway which is positioning itself for upcoming investments in offshore wind

3 Pledged assets are of strategic importance with low tenant renewal risk

- The properties are business critical for the tenants and strategically located in proximity to key clients, close to natural resources or in industrial clusters, often in a combination of two or all three of these factors
- Current valuations imply square meter prices significantly below new-build cost, coupled with meaningful tenant capex in specific production equipment, and low rental cost of total cost base, make tenant relationships very sticky and reduces renewal risk at contract expiry
- The pledged assets are suited for alternative use, which further mitigate residual value risk in addition to their business-critical function for current tenants

4 De-risked return profile through purpose made lease agreements and hedging instruments

- Majority of properties are on 10-year or longer lease agreements (WAULT of 11.1 years), with close to 100% occupancy rate
- Triple net bare house terms for almost all contracts meaning the tenant covers insurance, property tax and maintenance capex themselves
- The triple net bare house format enables the organization to remain lean and cost efficient, and makes additions to the portfolio highly accretive on NOI and EBITDA-basis
- 99% of contracts have 100% CPI adjustments, and the remaining 1% has 80% CPI adjustments
- Close collaboration with tenants on capex initiatives with YOC of +8% is an efficient mechanism for KMCP to adjust rent levels beyond inflation in line with market price
- Dedicated interest rate hedging strategy with a current hedge ratio of 37%, largely in place until 2027, reducing the effective interest rate by more than 1 percentage point
- Earmarked EURIBOR interest rate swaps for the bond silo in place until year end 2027 securing a fixed rate swap on 80% of the loan volume at EURIBOR -0.03%

5 Management with track record of strong financial performance and accretive growth

- The management team has done a solid job since listing, delivering on its growth targets and improving key metrics
- 2025 growth target of NOK 6bn was reached already in Q1 2023 and was revised up to NOK 8bn by YE 2024
- Despite the rapid growth, LTV has remained at around ~55%, WAULT has been lifted from 10.7 to 11.1 years, the net yield has gone from 6.3% to 6.9% and EBITDA margin is up from 83% to 88%
- Positive yield gap of almost 1% with net interest cost of 5.97% in Q1 2023 versus NOI-yield of 6.9%
- Successful exit of Russia after a long and challenging sales process which led to a sales price in line with book value
- Strong pipeline of accretive growth opportunities and attracts large proprietary deal flow of which only a select few are executed on

Note: For FX-conversions, the following rates have been applied: EURNOK = 11.3940, DKKNOK = 1.5297 and SEKNOK = 1.0101 (based on Q1 2023 reporting)

Foundation built on 40 years of heritage in industrial properties

BEWI

1980
BEWI founded by Bekken and Witzøe families

Green field factory at Frøya established – profitable from year 1

2006
BEWI acquires Genevad, effectively expanding into Sweden

2011
Expansion of geographical footprint in Norway with acquisitions of Norplasta and Polar

2012
BEWI acquires Swedish company Thermisol along with its mission critical properties

2014
BEWI acquires packaging operations from DS Smith in Denmark and Sweden – 6 factories

2014
BEWI operations encompassing all Nordic countries after merger with Styrochem Oy

2017
BEWI acquires Tommen Gram and its logistic properties – bundled with factories in Norway marking the inception of a diversified real estate company

2018
Sites in Denmark and Sweden sold to KMCP; facilitating acquisition of Synbra transforming BEWI into a pan-European player

2020
Bekken and ABRA merge their real estate companies; KMC Properties AS established

2020
Further acquisitions of real estates with strong tenants in Holland, Sweden and Norway

INSULA

1994
Lofotprodukt is established in Lofoten, effectively serving as the inception of Insula

2009
Kverva's first investment in Lofotprodukt

2014-2015
Lofotprodukt acquires Marenor (Domstein) – "Birth" of Insula

2015-2019
Establishment of Sjøfrisk and Insula Produksjon and several acquisitions

2017-2020
Pesca Property AS established as standalone company and acquires 10 properties from Insula

2020
KMC PROPERTIES ASA
Pesca Properties merges with KMC Properties

2020
Acquisition of Storm Real Estate ASA to form a publicly listed real estate specialist

2021
Acquired four new properties in Denmark and Norway with a transaction value north of NOK 400 million

2021
Successful NOK 300m private placement and initiation of several development projects

2022
Transformative acquisition of NOK 2.0 billion real estate portfolio from BEWI

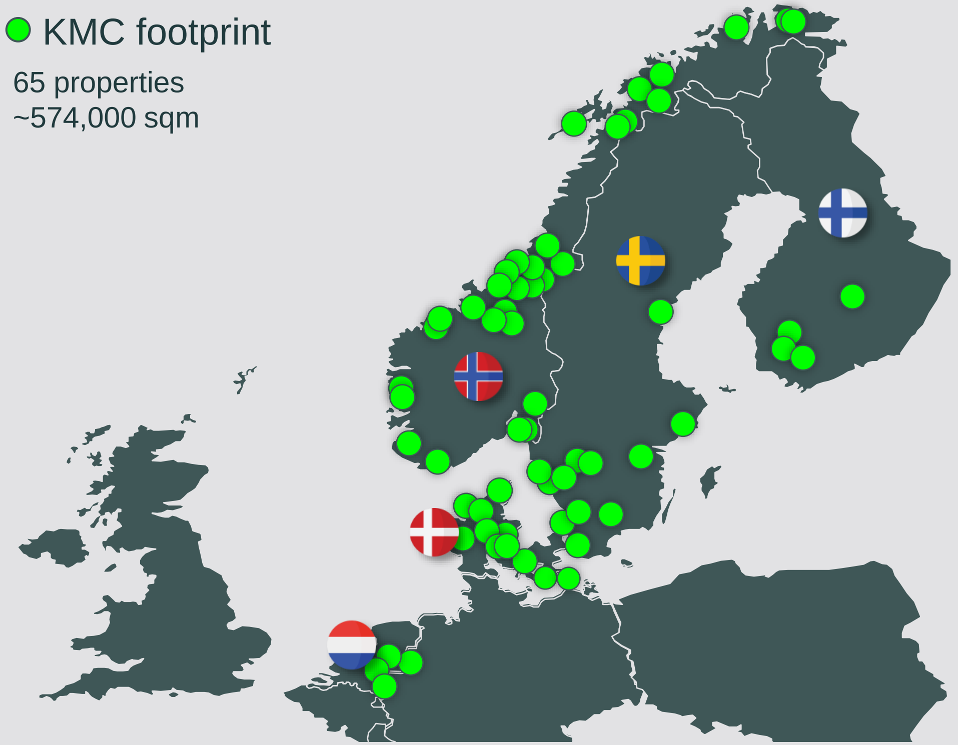
2022
Successful private placement of NOK 300m, completion of 5 larger acquisitions and initiation of several development projects

As of June 2023
Acquired 4 properties from BEWI (NOK 350m transaction value), and is currently working on refinancing its NOK 1,850m bond loan

KMC Properties at a glance today

KMC footprint

65 properties
~574,000 sqm



Country	# assets	Sqm (000')	GAV (NOKbn)	GRI (NOKk)	Net yield	WAULT
🇳🇴	34	217	~3.5	222,641	6.3%	11.4
🇩🇰	11	118	~0.8	56,207	7.1%	11.3
🇫🇮	4	31	~0.3	23,506	8.0%	14.3
🇸🇪	12	127	~0.9	74,948	8.3%	11.3
🇳🇱	4	80	~0.5	35,303	7.3%	9.8
Total	**65**	**574**	**6.0**	**412,604**	**6.9%**	**11.1**

Strategic focus

Industrial and logistics properties with solid tenants in attractive industries on long-term leases, located strategically and serving a critical function for its tenant operations

Growth opportunities selected based on strict investment criteria

Geographical focus on Northern Europe

High ESG ambition with committed targets by 2026

Q1 2023 key metrics

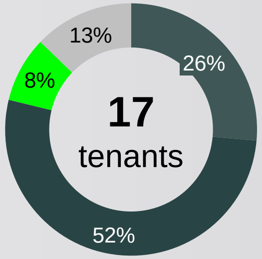
GAV[1]	Value/sqm	Net yield[1]	WAULT[1]	EPRA net LTV
6.0bn NOK	10.4k NOK	6.9%	11.1 yrs	56%

Note: For FX-conversions, the following rates have been applied: EURNOK = 11.3940, DKKNOK = 1.5297 and SEKNOK = 1.0101 (based on Q1 2023 reporting)
[1] KMC Property ASA portfolio is valued by third party Cushman & Wakefield quarterly

Attractive risk-reward – lower risk than implied by the yield

6.9%
Net yield

Solid tenants in attractive industries



- Aquaculture
- Packaging, Components and Insulation
- Energy
- Other

Kastor Invest

Business critical assets with sticky features

Locations with purpose…
I) … close to key customers, and/or,
II) … close to natural resources, and/or,
II) … in an industrial cluster

Low sensitivity to rental cost
Rental cost as percentage of total cost base for the tenants, makes up a very small share, typically around 2-3%

Specific infrastructure capex
Tenants invest meaningful amount of capex into specific production and infrastructure equipment

Downside protection from high residual value

Value vs new-build cost
Low valuation NOK 10,400/sqm across the portfolio, significantly below replacement value

Rent level versus market rent
Rent levels typically below market rent due to the long duration of the contracts

Alternative use
Unique locations or locations in industrial clusters, provide good alternative use cases

Contractual frameworks in place to reduce risk

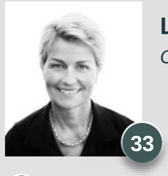
Hedging strategy
37% hedge ratio currently reducing the effective interest rate by at least 1%

Triple net contracts
Tenants responsible for almost all property related cost (insurance, tax and maintenance)

CPI
99% of contract 100% CPI adjusted
1% of contracts 80% CPI adjusted

WAULT
Weighted average unexpired lease term of 11.1 years for the combined portfolio

Lean organization with strong industrial real estate competence



Liv Malvik
Chief Executive Officer

Kristoffer Holmen
Chief Financial Officer

Audun Aasen
Chief Operating Officer

Ove R. Henriksen
Chief Accounting Officer

Kristoffer Formo
Head of M&A

Pål Aglen
Chairman of the Board

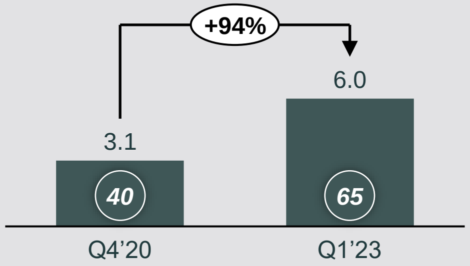
x *Years of relevant experience*

Note: For FX-conversions, the following rates have been applied: EURNOK = 11.3940, DKKNOK = 1.5297 and SEKNOK = 1.0101 (based on Q1 2023 reporting)

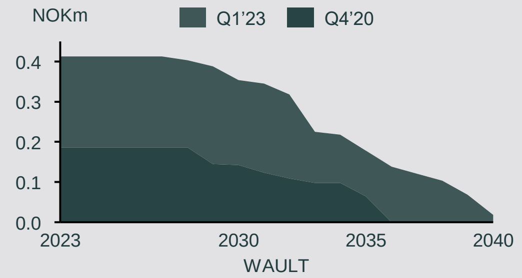
Considerable transformation and growth since Q4 2020

Development in key metrics from Q4’20 to Q1’23

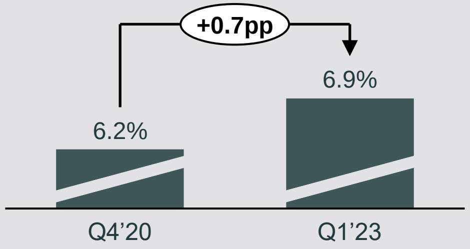
GAV (NOKbn) and # of assets



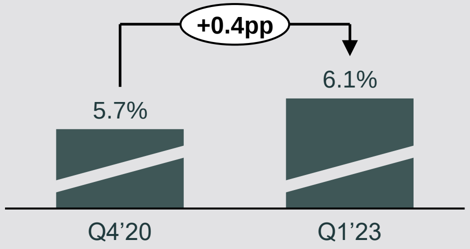
Annualised GRI and WAULT



NOI yield (%)



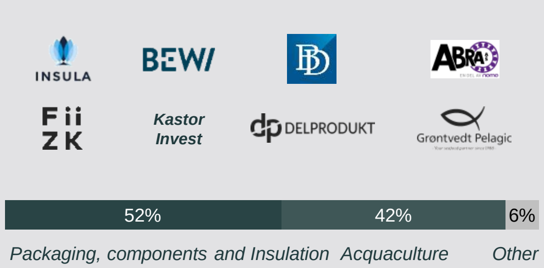
EBITDA yield (%)



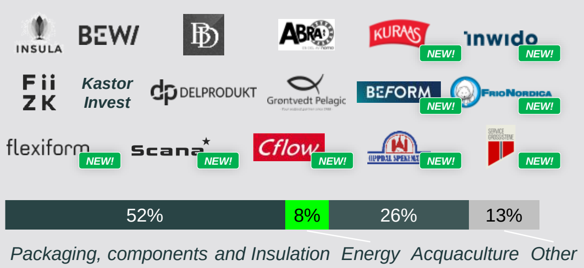
- Extension of WAULT by 0.4 years over a 2-year time period
- More than NOK 1.5bn of growth in asset value from non-BEWI tenants
- Accretive growth on both NOI and EBITDA basis illustrating the economies of scale upside in the platform

Development in tenant exposure Q4’20 to Q1’23

8 tenants as of Q4’20

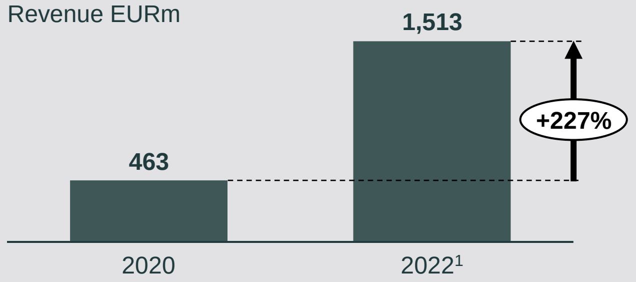


17 tenants as of Q1’23



Diversification and growth in largest tenant BEWI

- BEWI has completed more than 15 acquisitions and moved into 3 new countries since 2020
- Jackon represented a transformative transaction doubling the number of industry verticals BEWI is operating in
- BEWI has become a significantly larger company and seen its market value increase from NOK 3.4bn in August 2020 to peak at NOK 12.4bn in May 2022



- Number of tenants increased from 8 to 17, and several new industry and sub-industry categories have been introduced
- BEWI exposure reduced from 53% to 50% of net operating income despite the large BEWI transaction following the Jackon acquisition
- BEWI as a tenant has become more attractive due to increase in size and better diversification from newly added industry verticals and geographies

Note: For FX-conversions, the following rates have been applied: EURNOK = 11.3940, DKKNOK = 1.5297 and SEKNOK = 1.0101 (based on Q1 2023 reporting)
[1] 2022 pro forma revenue for BEWI, reflecting all M&A-activity for BEWI in 2022 and not only the Jackon-transaction
Source: BEWI Annual report 2022 and Q1 2023 report

Solid tenants and attractive industry exposure

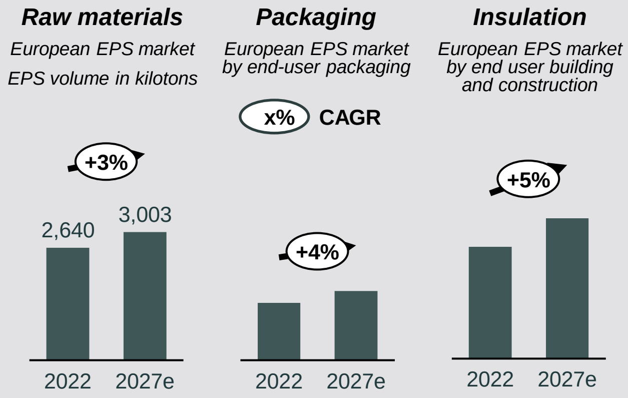
Overview of tenants as of Q1 2023

BEWI	Insulation, Packaging & Components	Founded in 1980	50%
INSULA	Aquaculture	Founded in 2015	15%
Scana	Energy	Founded in 1987	8%
Grøntvedt Pelagic	Aquaculture	Legacy from 1830	8%
inwido	Other[1] (Window manufacturer)	Founded in 2004	5%
KURAAS	Other[1]	Founded in 1997	2%
Kastor Invest	Other[1]	Founded in 2003	2%
Oppdal Spekemat AS	Other[1]	Founded in 2009	2%
	Other[1]	Founded in 1962	1%
DELPRODUKT	Insulation, Packaging & Components	Founded in 1966	1%
Cflow	Aquaculture	Founded in 2002	1%
Fii ZK	Aquaculture	Founded in 2009	1%
BEFORM	Insulation, Packaging & Components	Founded in 1995	1%
	Aquaculture	Founded in 2012	1%
ABRA	Other[1] (Ball bearing specialist)	Founded in 1962	1%
	Other[1] (Ventilation and heating)	Founded in 1987	1%
flexiform	Other[1]	Founded in 1995	1%

x% Share of net operating income for KMC Properties · *x% Share of total NOI per subsector*

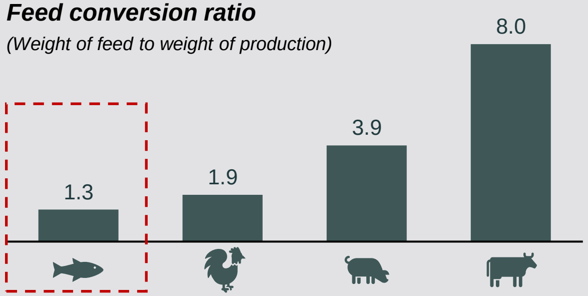
Packaging, components and insulation (52%)

- Demand for EPS (expanded polystyrene) across product types underpinned by multiple global trends
- **Urbanization** driving new construction and demand for insulation, with strong tailwinds from stricter regulations and greener building techniques
- **Digitalization** as a backbone for growing e-commerce market and hence protective packaging
- **Sustainability** driving overall growth



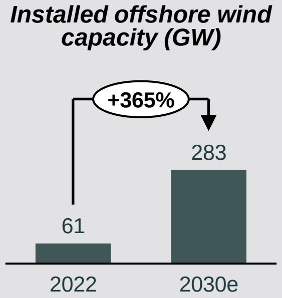
Aquaculture (26%)

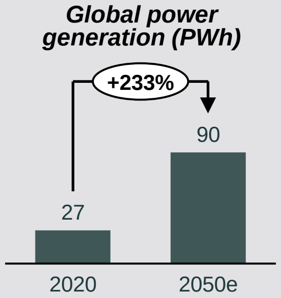
- Protein demand is increasing
- Seafood is the most sustainable farmed animal protein
- Seafood represents a healthy source of protein
- 3 out of 4 consumers want to increase their fish consumption[2]
- Seafood has the most efficient feed conversion ratio



Energy (8%)

- Recovering offshore market with increased demand from the need of energy security
- Electrification of European shores and offshore decarbonization to continue drive demand for energy services
- Investments into offshore wind accelerated by the ongoing energy crisis, global climate goals and government subsidies





[1] Other = Window and Door Manufacturing, Food Production, Consumer Goods, Wholesaler Consumer Goods, Wholesaler Industrial Equipment and Furniture and Interior Architecture; [2] Study of 25,000 respondents in up to 25 markets (the largest seafood consumer study in the world)
Source: BEWI Annual report 2022; Public domain; Company filings from Proff.no; FAOSTAT; Mowi's Salmon Farming Industry Handbook 2021; Kantar TNS/ Kantar Worldpanel; Seafood Norway: Europe Expanded Polystyrene (EPS) Market (2023) – Mordor Intelligence; IRENA - World Energy Transitions Outlook 2023; Rystad Energy (June 2023)

Top tenant: BEWI - integrated and diversified business model

Introduction to BEWI and operating segments

50%

- BEWI has an integrated business model, meaning that the group manages the entire value chain, from production of raw materials and end products, to collection and recycling of used products
- Materials used by BEWI in its downstream production have unique properties, making them suitable for a range of different applications across end markets
- 67 production facilities across Europe, in addition to 13 jointly owned facilities

RAW

Production of raw materials, including white and grey expanded polystyrene (EPS), general purpose polystyrene (GPPS), and BioFoam (organic materials)

Insulation & Construction

Manufacturing of an extensive range of solutions for insulation and infrastructure, as well as systems for the building and construction industry

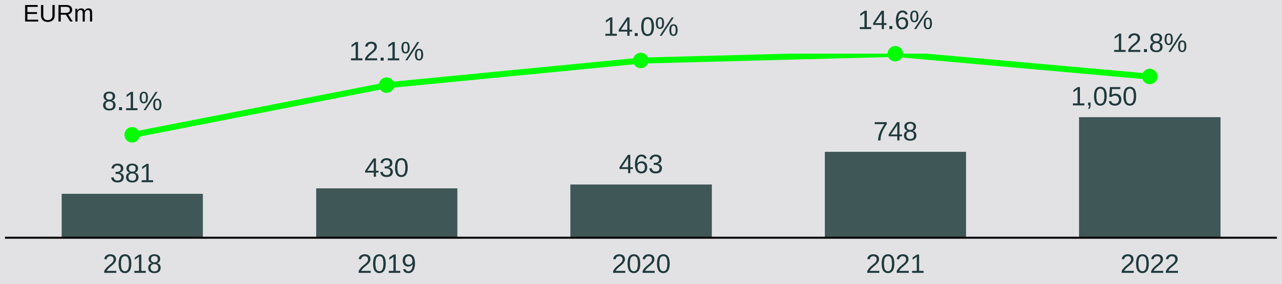
Packaging & Components

Manufacturing of solutions for many industrial sectors, including fresh foods, fragile goods, as well as technical and automotive components

Circular

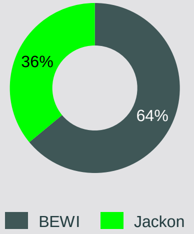
Collection and recycling of used material, including initiatives to raise knowledge and awareness about recycling, and waste management

EBITDA and EBITDA margin development

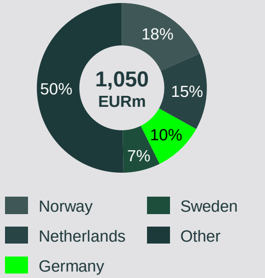


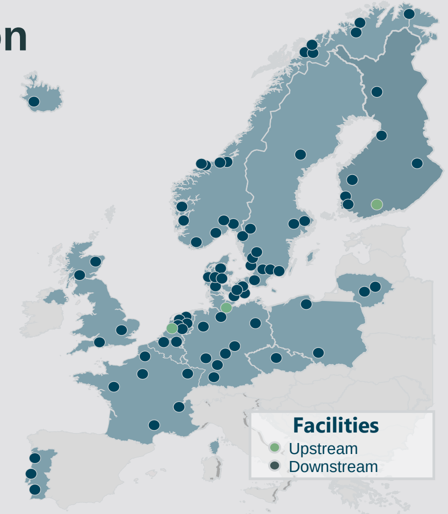
BEWI portfolio diversification

BEWI and Jackon revenue split[1]



BEWI 2022 revenue by geography





	Insulation & Construction	Packaging & Components	Industry & Automotive
Portfolio companies	Kemisol, Synprodo, Stramit, Jackon	IB, Izoblok, Besto	Ertecee
End customers	Kesko, BM Byggmakker, Stark Group	Mowi, Lerøy, Nortura, Salmar, Tine	Volkswagen, BMW, Lamborghini, Audi, Bentley, Hyundai, Porsche, Volvo

Source: BEWI Annual Report 2022
[1] Based on reported pro-forma LTM Q3'21 numbers related to the announced Jackon-acquisition (BEWI Investor Presentation 2021)

x% % share of total net operating income

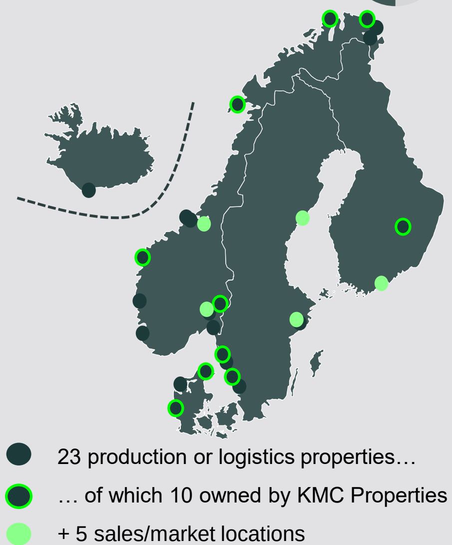
x% % share of BEWI 2022 revenues

Tenant 2 and 3: Insula and Scana

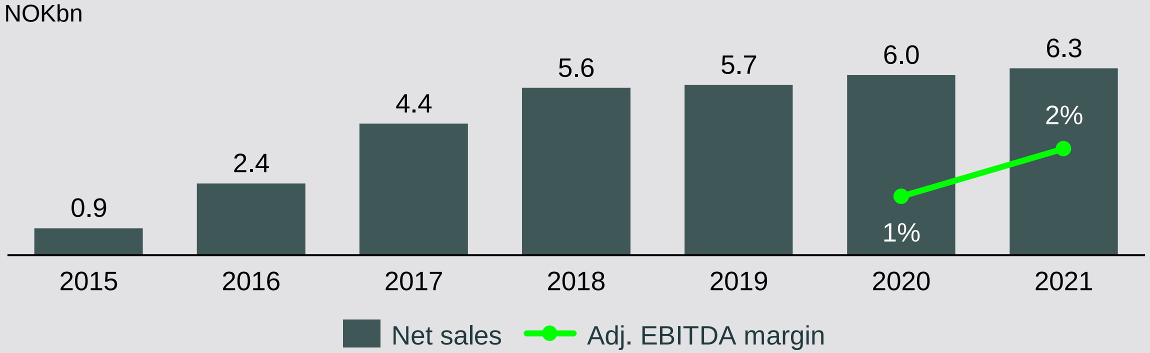
INSULA Introduction to INSULA

15%

- Producer and supplier of sustainable seafood products for groceries and institutional household in the Nordic region
- Portfolio includes both fresh, frozen and canned seafood products
- Four commercial business areas: Insula Norway, Insula Sweden, Insula Denmark and Insula Finland
- A result of 20 acquisitions over the past five years
- 97% owned by Kverva AS (Witzøe family)



Revenue and EBITDA development



Scana Introduction to Scana

8%

Scana is a listed industrial owner company in the ocean industries creating value through active ownership in market-leading portfolio companies. Scana's vision is to accelerate de-carbonisation of the maritime and offshore sector by being a driving force in electrification and emission reducing solutions

Offshore

Throughout the entire lifetime of offshore assets, provide products, services and life-time extension to critical equipment within several segments of the offshore industries

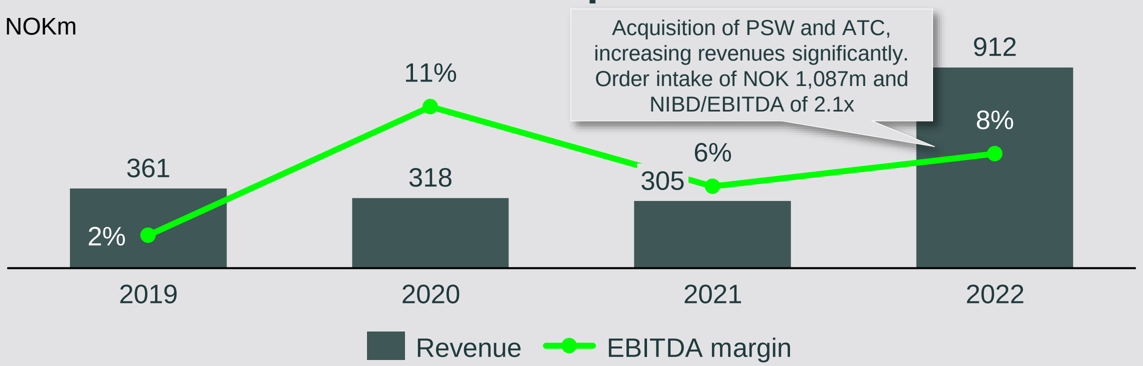
Energy

Provide products which power the ocean industry with sustainable energy solutions – complete solutions within electrification and renewable energy to offshore, marine and shore-based activities

Maritime

Supply sophisticated and dependable valve remote control systems and mooring solutions to vessels, rigs, and floating structures serving the shipping, oil and gas, aquaculture, and energy industries

Revenue and EBITDA development



 Source: INSULA annual report and public information; Scana annual report 2022

x% % share of total net operating income

KMC PROPERTIES

Tenant 4 and 5: Grøntvedt and Inwido

Introduction to Grøntvedt

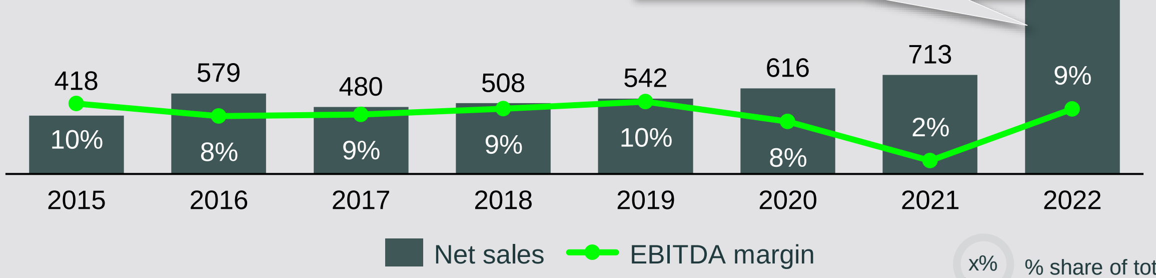
8%

Grøntvedt Pelagic is one of the world's leading pelagic companies specializing in herring products customized to customer preferences. The company dates back to 1830 and has a strategic location close to the rich fishing grounds of the Northeast Atlantic. The business is certified by MSC and we aim to utilize 100% of all raw materials

Revenue and EBITDA development

NOKm

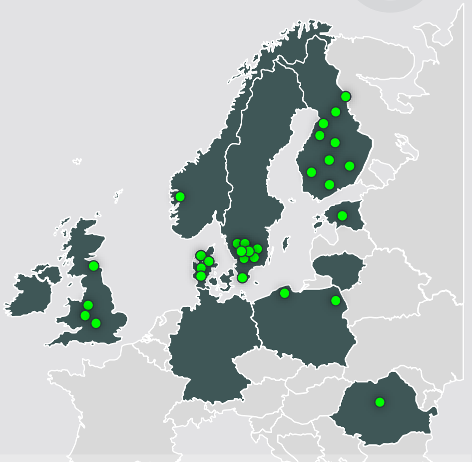
2022 financials for Grøntvedt Group, while the period 2015-2021 only reflects Grøntvedt Pelagic AS[1]



Introduction to Inwido

5%

- Leading window group in Europe with presence in 11 countries and approximately 4,400 employees as of Q1'23
- Inwido consists of 32 business units, with operations in Denmark, Estonia, Finland, Germany, Ireland, Lithuania, Norway, Poland, Romania, Sweden and the UK
- Clear market leader in the Nordic region with strong presence in the UK & Ireland
- Inwido maintains production facilities and distribution centers at the marked locations

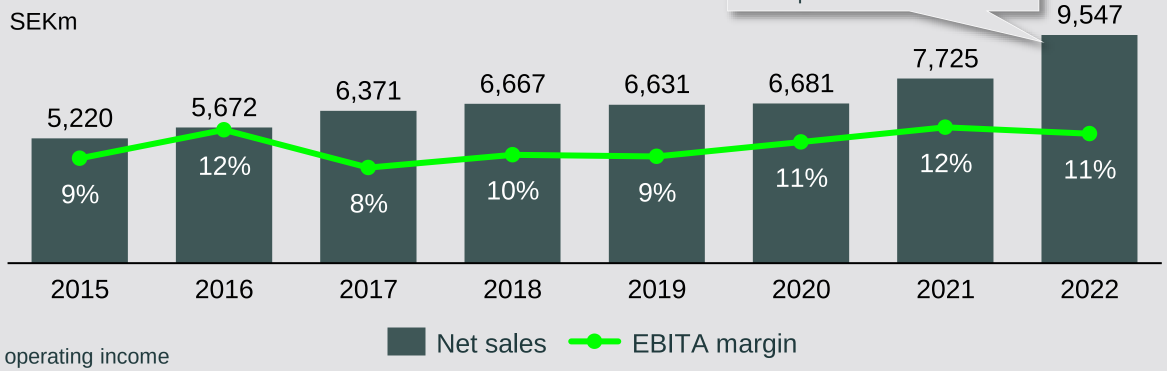


+15 others

Revenue and EBITA development

SEKm

Net debt / operating EBITDA multiple of 0.6x as of YE22[2]



x% % share of total net operating income

[1] During June and July 2021, Grøntvedt Invest AS initiated a process to reorganize its group structure in connection with a planned bond offering on the Oslo Stock Exchange; [2] Including IFRS16 effects. Similar metric excluding IFRS16 effects is 0.2x
Source: Grøntvedt Pelagic annual report and public information; Grøntvedt Group annual report 2022; Inwido annual report 2022

Dedicated ESG strategy built on top of four pillars

ESG strategy in brief

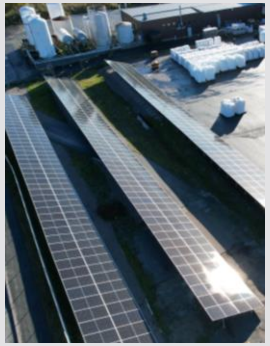
Environmental targets for 2026 set out in 2022

- 100% of portfolio properties assessed for physical climate risk
- Updated acquisition strategy with climate-related risks and opportunities for the main sectors that KMC Properties' tenants operate in
- Developed absolute and/or intensity-based GHG-reduction targets
- 100% of tenants communicated their climate accounting (minimum scope 1 and 2)
- 25% of portfolio produced renewable energy

Ongoing environmental initiatives

Solar PV installations

- Current total production of 400,000+ kWh/yr from installations at Mongstad, Ågotnes and Klädesholmen
- Recently completed a pilot project at a property in Fredikstad with 528,000 kWh/yr of solar PV mounted on roof, wall and ground installations
- Mapping potential for large scale roll-out, reducing consumption of grid sourced electricity and energy costs



ESS Battery installations

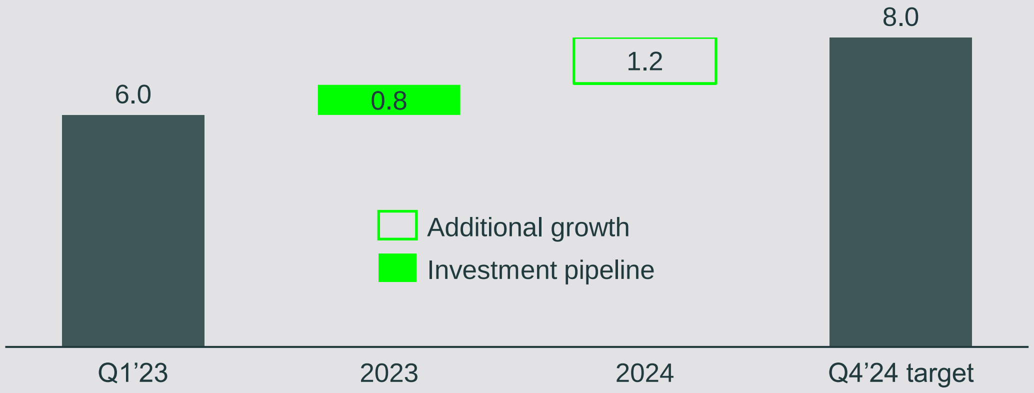
- Battery installations to create sustainable stabilization of the power grid as well as contribution to intraday capacity equalization
- Completed pilot project at property in Klädesholmen (Sweden) and Fredrikstad (Norway) to install 1MWh+ and 0.2MWh+ battery capacity to examine the sustainability and economy in both markets before large scale roll-out

Energy labelling

- Currently mapping the energy classification of the entire portfolio
- Identifying measures to improve the buildings' performance and classification character in accordance with the new EU requirements

Visibility of value accretive growth going forward

Growth ambition



Clearly set growth criteria

- Acquisitions in collaboration with current and new tenants
- Greenfield development of new facilities for new and existing clients
- Contract extensions and investments in current portfolio (CAPEX)
- Capital optimization

Concrete initiatives with attractive metrics

Type	Tenant	Completion (estimated)	Value (NOKm)	Remaining investments	Gross Yield	WAULT	Country
CAPEX	BEWI (Thorsø)	Q2 2024	39	39	8.5 %	15.0	NO
CAPEX	Sentrallageret (Kuraas)	Q2 2023	10	10	7.9 %	15.0	NO
Greenfield	BEWI (Jøsnøya, Hitra)[1]	H2 2023	200	112	7.5 %	15.0	NO
Greenfield	Slakteriet Holding[1]	H1 2025	682	682	6.8 %	20.0	NO
Acquisitions	BEWI portfolio	Q3 2023	2,000	650	7.2 %	16.6	DE, BE, PL

Growth with limited impact on current cost base will be accretive to EBITDA yield and generate synergies across the wider portfolio

Note: For FX-conversions, the following rates have been applied: EURNOK = 11.3940, DKKNOK = 1.5297 and SEKNOK = 1.0101 (based on Q1 2023 reporting)
[1] Yield levels adjusted for inflation from the moment the contracts are signed

Potential tap issue – option to acquire 7 BEWI assets

Item	Germany	Belgium	Poland	Total
Properties	2	2	3	**7**
Contract lease (NOKm)	21	15	11	**47**
WAULT yrs.	17.0	17.0	17.0	**17.0**
Building size (sqm)	55,149	41,965	20,233	**117,347**
CPI	100%	100%	100%	**100%**
Lease (NOK) / sqm	381	357	544	**401**
Triple net	✓	✓	✓	✓
Tenant	**BEWI**	**BEWI**	**BEWI**	*n/a*
Tenant 1	*Jackon*	*Jackon*	*Izoblok*	*n/a*
Tenant 2	*Izoblok*	*Kemisol*	*n/a*	*n/a*
Address property 1	Ritzlebener Str. 1, Mechau	Industrielaan 39, Olen BE	4 Olszewskiego Str./15 Legnicka Str., Chorzów PL	*n/a*
Address property 2	Herrenhöfer Landstr. 6, Ohrdruf	Hulshoutsesteenweg 33, Hest-op-den-Berg	11 Kluczborska Str., Chorzów PL	*n/a*
Address property 3	*n/a*	*n/a*	15 Narutowicza Str., Chorzów PL	*n/a*

- **In accordance with the term sheet, the bond issue can be tapped, subject to an incurrence test, to finance the acquisition of 7 BEWI assets, a remaining option following the BEWI transaction in H2 2022**
- **This acquisition will tick all investment criteria and is in line with the low-risk geographical expansion strategy of following existing tenants into new markets**
- **The acquisition is attractive at a yield of 7.2% and WAULT of 17 years, and marks KMCPs entry into three new geographical markets making it an even more diversified Northern European industrial and logistics player**

Overview

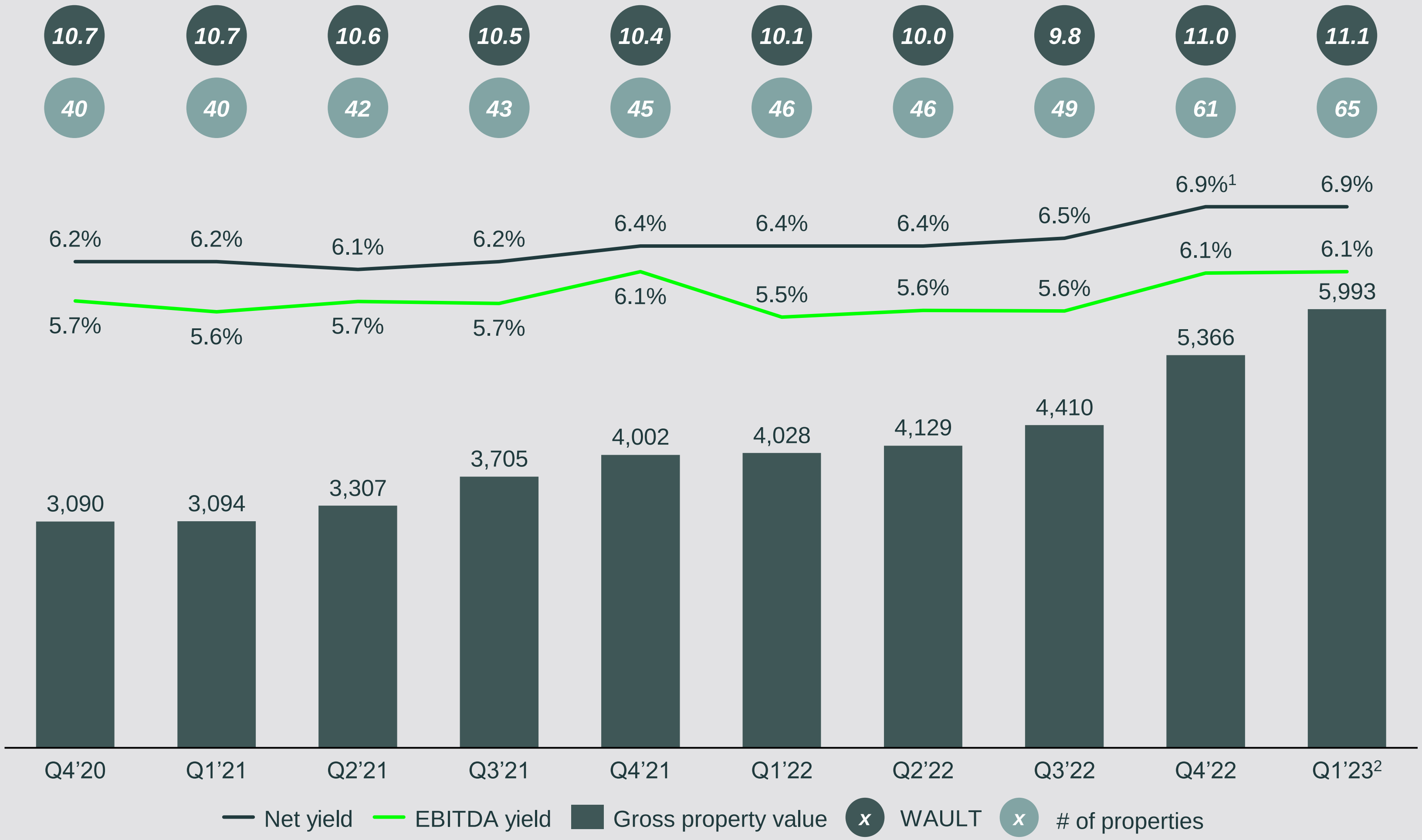
Note: For FX-conversions, the following rates have been applied: EURNOK = 11.3940, DKKNOK = 1.5297 and SEKNOK = 1.0101 (based on Q1 2023 reporting)

KMC PROPERTIES

Strong development since listing on OSE (I/II)

Gross value, net yield and EBITDA yield development

NOKm



Comments

- Strong financial and operational development since listing on OSE
- Near doubling of gross asset value from NOK 3.1bn to NOK 6.0bn through strategic acquisitions, increasing the number of properties in the portfolio from 40 to 65
- Net yield expansion from 6.2% to 6.9%, while EBITDA yield has increased from 5.7% to 6.1%
- Low increase in property related expenses as the company grows, due to triple net bare house contracts
- Recent admin expense increase due to additional costs from new hires in order to rig the organisation to handle new growth target of NOK 8bn in GAV by YE 2024
- Continuous process to extend and renew contracts has increased WAULT from 10.7 years to 11.1 years

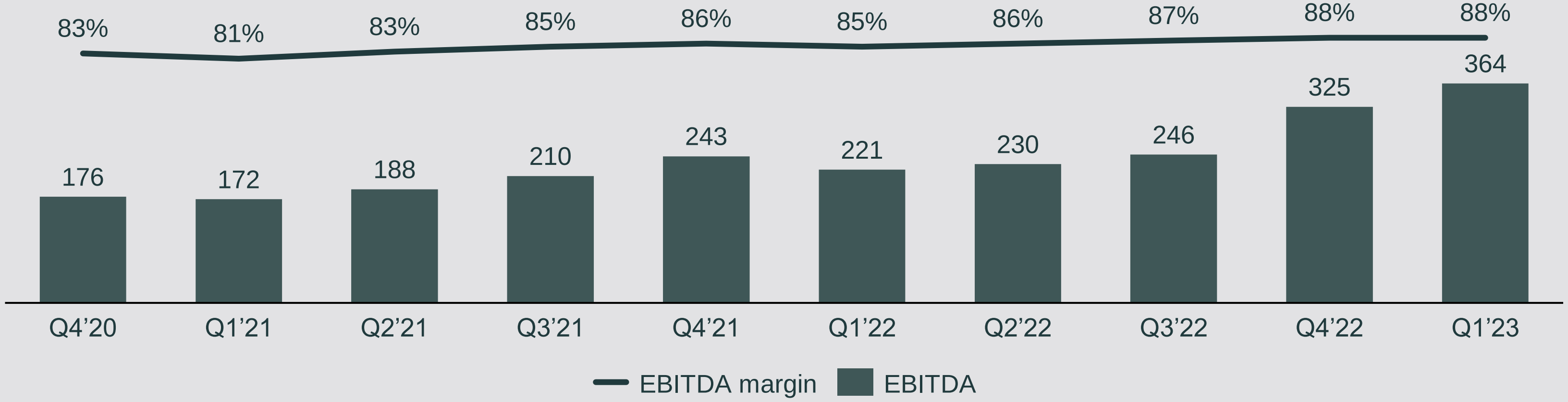
[1] ERPA Net Initial Yield; [2] Based on completed agreements as of period end

KMC PROPERTIES

Strong development since listing on OSE (II/II)

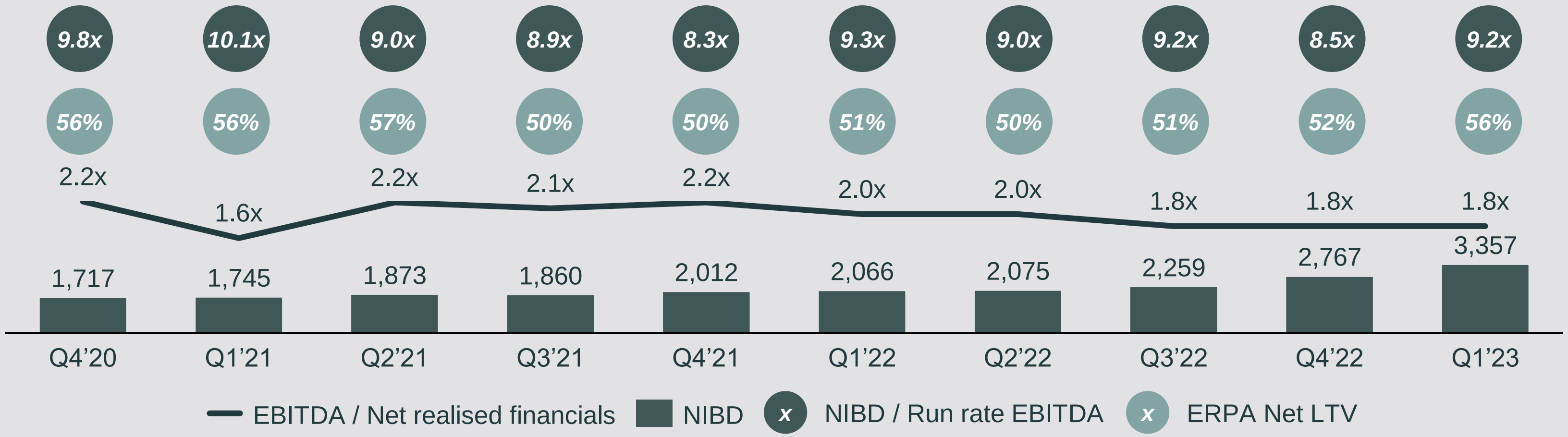
Run rate[1] EBITDA and EBITDA margin development

NOKm



NIBD EPRA net LTV, NIBD / Run rate EBITDA and ICR development

NOKm



Comments

- EBITDA margin expansion from 81% to 88% expected to increase even further as admin costs are in place to support the upcoming growth
- This will further improve the company's ability to service its debt commitments

[1] Based on completed agreements as of period end

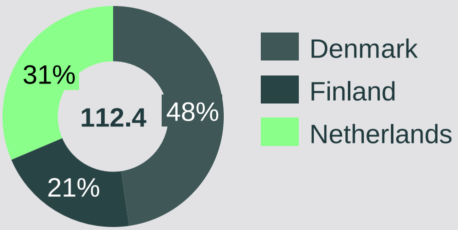
KMC PROPERTIES

Diversified portfolio of bond collateral with sticky tenants

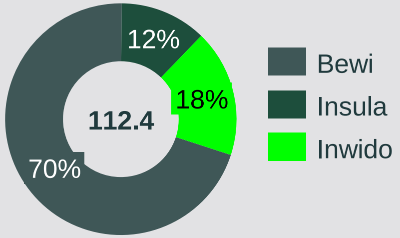
Country	Assets	Sqm	WAULT (yrs.)	CPI (%)	Tenants	Triple net	Value (NOKm)	GRI (NOKk)	Net yield (%)	Value/ sqm	Debt/ sqm[1]	Rent/ sqm	Rent % TCB[2]
	4 (1-4)	30,793	14.3	100%	BEWI and Insula	✓	295	23,506	7.9%	9,583	5,654	763	2.5%
	4 (5-8)	79,760	9.8	100%	BEWI	✓	478	35,303	7.3%	5,995	3,537	443	3.4%
	10 (9-18)	111,761	11.3	100%	BEWI, Insula and Inwido	✓	751	53,610	7.1%	6,716	3,963	480	3.0%
Total	**18**	**222,314**	**11.4**	**100%**	**-**	✓	**1,524**	**112,419**	**7.3%**	**6,855**	**4,044**	**506**	**3.0%**

1. The properties are business critical for the tenants and strategically located in proximity to key clients, close to natural resources or in industrial clusters, often in a combination of two of these factor
2. The tenants of these properties represent the largest and most solid tenants in the whole KMC Properties portfolio
3. There has been invested meaningful capex in specific production equipment in most of these sites by the tenants, and the tenants have relatively low rental cost compared to their total cost base, which make these tenant relationships extra sticky and reduces renewal risk at contract expiry
4. Many of the assets are particularly suited for alternative use, which further mitigate residual value risk
5. Current valuations imply square meter prices significantly below new-build cost and represent a very attractive collateral for bond holders
6. The bond collateral portfolio represents to BEWI a key part of their operations with solid profitability and market leading positions. The locations are chosen by BEWI in order to be close to key customers and effectively reduces transportation cost which is critical for profitability

Share of rent per country (NOKm, %)



Share of rent per tenant (NOKm, %)



Note: For FX-conversions, the following rates have been applied: EURNOK = 11.3940, DKKNOK = 1.5297 and SEKNOK = 1.0101 (based on Q1 2023 reporting)
[1] Assuming an LTV of 59%; [2] TCB = Total Cost Base. Total line represents the weighted average based on rent per property

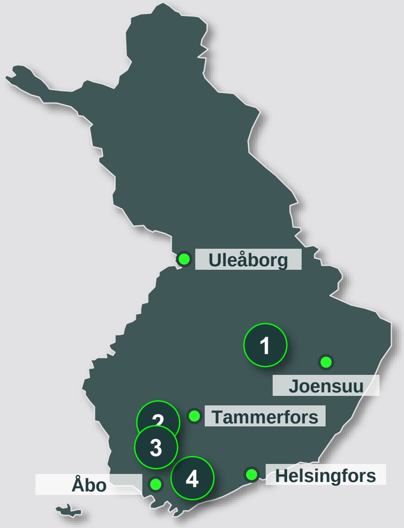
Bond collateral Finland

#	Address	Sqm	WAULT (yrs.)	CPI (%)	Tenant (Guarantor)	Triple net	GRI (NOKk)	Rent/ sqm	Rent % TCB[1]
1	Mastotie 7, Kuopio, FIN	5,051	6.0	100 %	Escamar (Insula *Full term + 3 months*)	✓	5,800	1,148	0.7%
2	Toravantie 18, Sastamala, FIN	15,985	17.0	100 %	BEWI (TopCo Finland *24 months*)	✓	10,631	665	3.1%
3	Pajakatu 6, Sastamala, FIN	5,275	17.0	100 %	BEWI (TopCo Finland *24 months*)	✓	3,757	712	3.1%
4	Muurlantie 438, Salo, FIN	4,482	17.0	100 %	BEWI (TopCo Finland *24 months*)	✓	3,318	740	3.1%
		30,793	**14.3**	**100 %**		✓	**23,506**	**763**	**2.5%**

Other portfolio KPIs	
Value (NOKm)	Net yield (%)
295	**7.9**
Value/sqm (NOK)	Debt/sqm[2] (NOK)
9,583	**5,654**

Commentary

- Diversification across production output and tenant type. Escamar Seafood focuses on fish products for the consumer markets, while Jackon focuses on insulation and packaging solutions
- Strategically and centrally located for delivery of products to the most populous southern part of Finland, including some of Finland's largest and most recognizable warehouses within its segments
- Proximity to nearby transportation systems such as highways E18 and E63, railroads and local airports
- Attractive assets with large halls, good roof heights and many modern delivery/off-take gates located in industry clusters indicating low re-letting risk at expiry if leases are not renewed
- The tenants have over a long period of time adapted to existing and new markets with product development in flexible rental objects. The buildings are customized in parallel to the tenant's needs with a flexible standard, suitable for further development to fulfil the existing and new tenants' needs
- Insula and BEWI have long experience and good in-house competence in management and production, delivering on their targets and continuously working on improving production utilization



Note: For FX-conversions, the following rates have been applied: EURNOK = 11.3940, DKKNOK = 1.5297 and SEKNOK = 1.0101 (based on Q1 2023 reporting)
[1] TCB = Total Cost Base. Total line represents the weighted average based on rent per property; [2] Assuming an LTV of 59%

Bond collateral Netherlands

#	Address[1]	Sqm	WAULT (yrs.)	CPI (%)	Tenant (Guarantor)	Triple net	GRI (NOKk)	Rent/ sqm	Rent % TCB[1]
5	Nieuweweg 235, Wichjen, NL	31,949	9.8	100 %	BEWI (Synbra *Full term*)	✓	14,580	456	3.3%
6	Textielstraat 30, Oldenzaal, NL	13,199	9.8	100 %	BEWI (Synbra *Full term*)	✓	5,154	391	1.8%
7	Kanalstraat 107, Someren, NL	25,950	9.8	100 %	BEWI (Synbra *Full term*)	✓	12,109	467	3.6%
8	De Kalkovens 10, Zwartsluis, NL	8,662	9.8	100 %	BEWI (Synbra *Full term*)	✓	3,460	399	5.4%
		79,760	**9.8**	**100 %**		✓	**35,303**	**443**	**3.4%**

Other portfolio KPIs

Value (NOKm)	Net yield (%)
478	**7.3**

Value/sqm (NOK)	Debt/sqm[2] (NOK)
5,995	**3,537**

Commentary

- Differentiated product lines on the facilities, with both EPS and EPP production
- Strategically and centrally located for delivery of products to the surrounding area's end-customers
- Close to the highway network, in particular the A2, A5, A50 and A18
- BEWI is experiencing strong demand for HVAC-products with producers not being able to meet the demand for those products. They observe increasing market size and that the products are becoming more expensive
- BEWI has over a long period of time adapted to existing and new markets with product development in flexible rental objects. The buildings are customized in parallel to the tenant's needs with a flexible standard, suitable for further development to fulfil the existing and new tenants' needs
- The Netherlands constitutes one of the most profitable divisions in the BEWI group, producing large volumes of technically complicated, highly profitable products for its special customers in Benelux and Europe

Note: For a full list of all real estate sections please refer to term sheet; For FX-conversions, the following rates have been applied: EURNOK = 11.3940, DKKNOK = 1.5297 and SEKNOK = 1.0101 (based on Q1 2023 reporting)
[1] Refer to term sheet for list of all property units; [2] TCB = Total Cost Base. Total line represents the weighted average based on rent per property; [3] Assuming an LTV of 59%

KMC PROPERTIES

Bond collateral Denmark

#	Address	Sqm	WAULT (yrs.)	CPI (%)	Tenant (Guarantor)	Triple net	GRI (NOKk)	Rent/ sqm	Rent % TCB[1]
9	Tungevej 2-4, Hvide Sande DK	2,807	11.1	100 %	Insula (Insula *full term + 3m)*	✓	1,440	513	1.6%
10	Constantiavej 31 and Århusgade 24	12,106	11.1	100 %	Insula (Insula *full term + 3m)*	✓	6,357	525	1.6%
11	Havrevænget 1, 9500 Hobro, DK	5,070	15.0	100 %	BEWI	✓	3,489	688	5.8%
12	Østerled 30, 4300 Holbæk, DK	9,469	15.0	100 %	BEWI	✓	4,361	461	6.6%
13	Torvegade 41, 7160 Tørring, DK	5,739	5.0	100 %	BEWI	✓	2,616	456	6.1%
14	Tvilhovej 8, 6752 Tvilhov, DK	16,931	12.4	100 %	BEWI	✓	7,256	429	5.2%
15	Kidnakken 13, 4930 Maribo, DK	8,396	12.4	100 %	BEWI	✓	2,785	332	1.6%
16	Fabriksvej 3 and 4, 9640 Farsø, DK	21,891	9.3	100 %	Inwido (Inwido Denmark *full term*)	✓	10,733	490	1.2%
17	Rogalandsvej 3, 7900 Nykøbing, DK	21,393	9.3	100 %	Inwido (Inwido Denmark *full term*)	✓	9,254	433	1.5%
18	Lundagervej 20, Hedensted, DK	7,959	15.0	100 %	BEWI (TopCo Denmark *24 months*)	✓	5,320	668	2.2%
		111,761	**11.3**	**100 %**		✓	**53,610**	**480**	**3.0%**

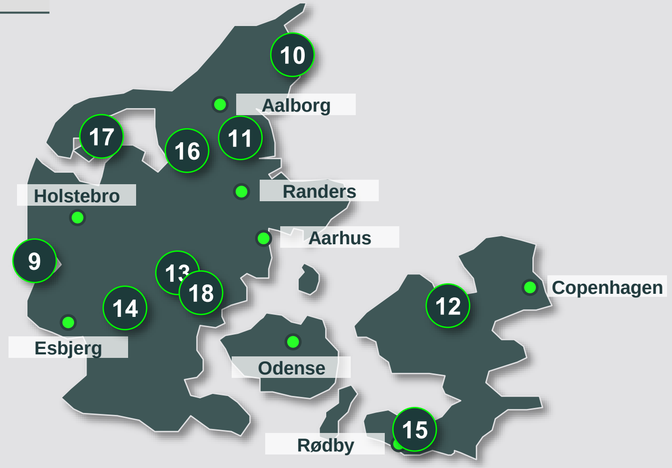
Other portfolio KPIs

Value (NOKm)	Net yield (%)
751	**7.1**

Value/sqm (NOK)	Debt/sqm[2] (NOK)
6,716	**3,963**

Commentary

- Diversification across various production segments including EPS, EPP and XPS production, insulation boards and windows & doors, segments currently experiencing strong demand growth
- Multiple properties strategically and centrally located at several of Denmark's key landmarks, near Aalborg and the Triangle Region and close to the Danish highway network, in particular E20, E45 and E47
- The Insula properties are located on the shores with direct access to supply of raw materials from fishing vessels
- 8 out 10 of the assets have development potential beyond current building and provide tenants with attractive expansion opportunities in collaboration with KMCP



Note: For FX-conversions, the following rates have been applied: EURNOK = 11.3940, DKKNOK = 1.5297 and SEKNOK = 1.0101 (based on Q1 2023 reporting)
[1] TCB = Total Cost Base. Total line represents the weighted average based on rent per property; [2] Assuming an LTV of 59%

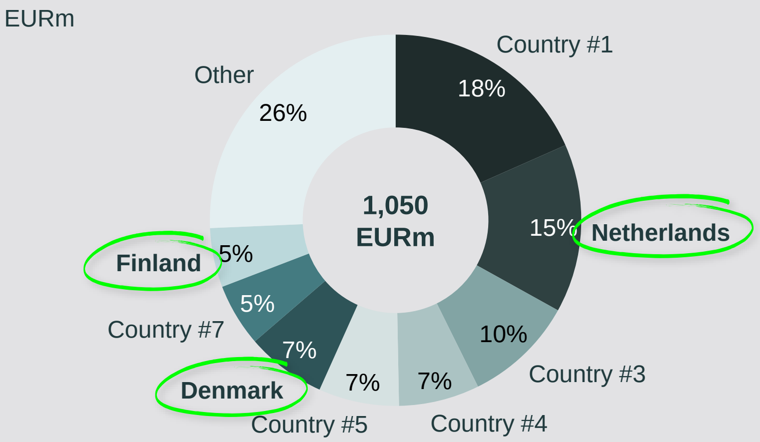
Solid downside protection from attractive residual value

Note: For FX-conversions, the following rates have been applied: EURNOK = 11.3940, DKKNOK = 1.5297 and SEKNOK = 1.0101 (based on Q1 2023 reporting)
[1] Conservative estimate from local KMC Properties asset management teams based on 2022 turn-key contract pricing, excluding cost of land, foundation works and infrastructure cost; [2] Debt coverage/sqm indicates the net rent level at which the value is equal to the debt at current KMC Properties yield levels; [3] Based on LTV of 59%
Source: Cushman and Wakefield; CBRE; Catella

KMC PROPERTIES

BEWI has mission critical operations at KMC's properties

BEWI's geographical exposure (2022)



Leading EPS provider

C	Insulation (market share / market position)		P&C (market share / market position)	
	25-30%	2	60-65%	1
	40-45%	1	40-45%	1
	15-20%	3	~10%	3
Other	*Strong market positions in remaining markets*			

Country specific comments

Denmark accounts for ~7% of total revenues and is a strong contributor within two of BEWI's core operational segment, having secured a strong market position within insulation and P&C

- Amongst other segments, the company produces packing solutions for the health sector where there are strict requirements in terms of packaging quality – making the company deliver consistent and high-quality products
- The health sector offers counter cyclical exposure, adding additional security and predictability for the demand

The Netherlands is the second largest contributor to BEWI's revenue, delivering net sales of EUR 154m (2022)

- Market leader within insulation and P&C
- These are low value-high volume products which are favored by local production
- The locations are selected to be close to customers in order to drive down transportation cost and boost margins
- A high degree of R&D and tailored products ensure long contracts with end customers

- Finland constitutes ~5% of BEWI's net sales, with ~50% of demand from internal sales, adding off-take security for their production
- BEWI currently has 6 production facilities in Finland and ~170 employees as of YE 2022
- Core production includes EPS, a material currently experiencing strong demand

High barriers to entry and importance of local presence

High CAPEX-requirements

- The EPS industry requires significant investments into factories, machines and tools
  - EUR 50m in CAPEX to open a new factory
- Once in place, assets have a long lifetime and limited reinvestments are required

Benefits of local presence

- Low value-high volume characteristics of EPS leads to high transportation costs and an advantage of being the local provider
- First mover advantage as it is challenging to set up a new facility near competitors once they have a relationship with the clients

Benefits of scale

- A large customer base is required for EPS production to achieve sufficient scale
- For BEWI, this leads to low customer concentration (<5% revenue per unique customer), reducing operational risk
- Scale is also important for recycling to be profitable

Strong customer relationships

- Contracts and frameworks are often long-term
- Providers conduct joint R&D with customers
- Providers invest in customer specific product molds
- Average customer relationship length for BEWI spanning from +10 to +20 yrs

Source: BEWI Annual Report 2022

KMC PROPERTIES

Finland: Logistics and industrial market overview

Macro indicators for Finland

6.8% ***inflation in May 2023***

3.5% ***interest rate as of June 2023 (ECB)***

6.8% ***unemployment rate forecasted for 2024***

1.4% ***forecasted GDP growth for 2024***

AA+ / Aa1 ***credit rating (S&P / Moody's)***

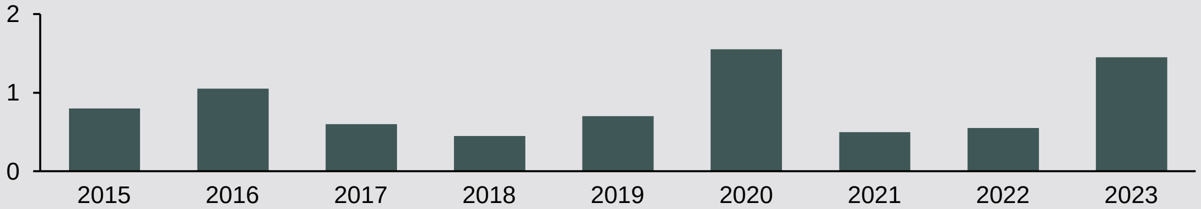
0.2% ***population growth increase from 2021 to 2022***

Logistics and industrial industry trends and developments

- High occupancy and increasing rent levels across light industrial, warehouse, and logistics premises
- Population growth in cities increase demand for urban services reliant on logistics and warehouse buildings
- High transportation costs are putting further pressure on prices for the best locations close to the cities
- Cushman & Wakefield reported prime logistics yield of 4.9% with prime logistics and warehouse rents of up to EUR 140/sqm in certain areas
- The Greater Helsinki areas continues as a hot spot for both investors and occupier activity with total vacancy of around 4% and close to 0% vacancy for modern +10,000 sqm logistics assets
    - However, shortage of land and lack of new zoning drives new development projects and construction activity into other regional areas such as Tuusula, Kerava and Nurmijärvi

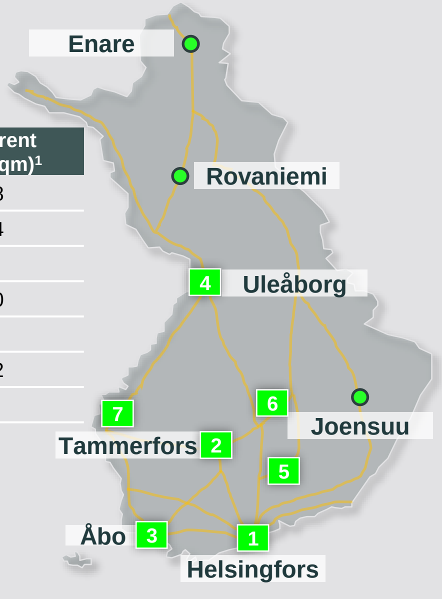
Investment volume for industrial and logistics properties

EURbn



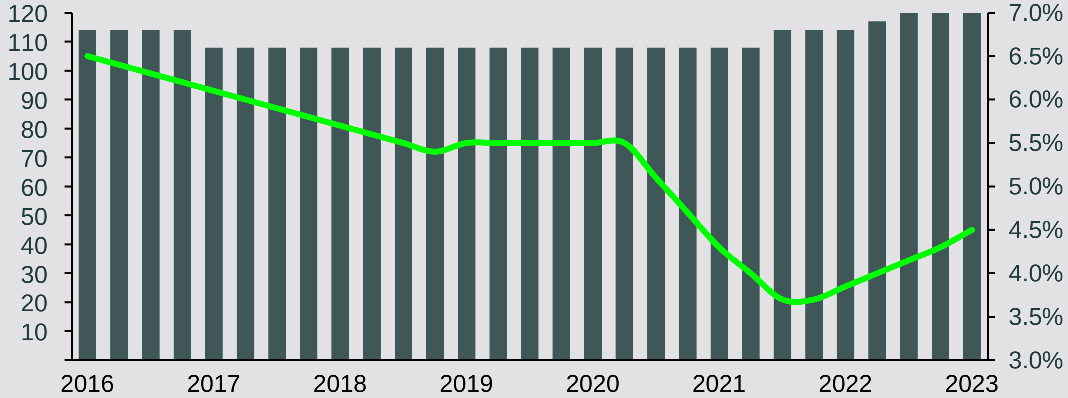
Market levels by region

	Q4 2022	Stock Sqm	Vacancy (%)	Prime yield (%)	Prime rent (EUR/sqm)[1]
1	Helsinki	8,020'	2.9	4.90	138
2	Tampere	2,140'	1.3	6.25	114
3	Turku	2,260'	1.9	6.25	96
4	Oulu	1,500'	1.9	7.50	120
5	Lathi	1,970'	2.0	7.50	84
6	Jyväskylä	1,240'	1.9	7.75	102
7	Vaasa	870'	2.0	8.00	84



Prime yield and prime rent

EUR per sqm[1]



[1] Annualized based on monthly prime rent estimates from Cushman & Wakefield
Source: Cushman & Wakefield Marketbeat Q1 2023; CBRE; Catella Market Indicator Finland Spring 2023; European Commission (June 2023); European Central Bank (June 2023)

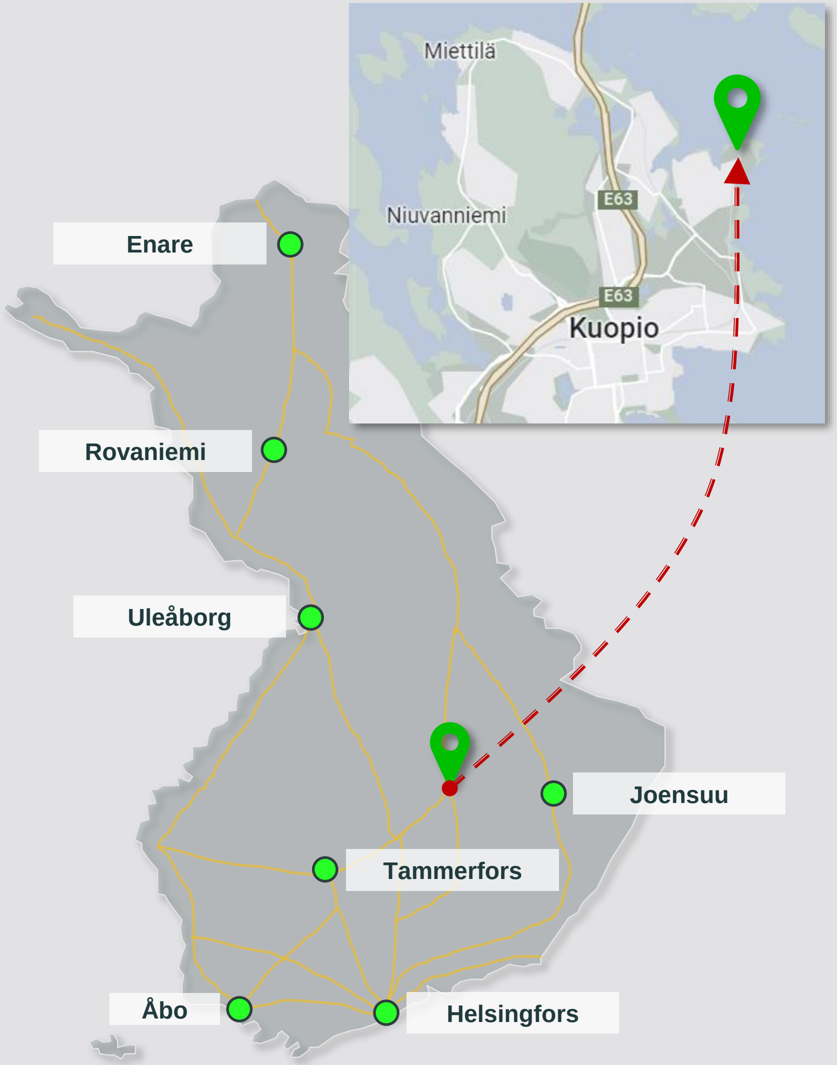
1 Mastotie 7, Kuopio FI

Property highlights

Size building	5,051 sqm
Size land	23,093 sqm
WAULT	6.0 years
GRI	NOK 5.8m
Extension	10 years
CPI adjusted	100%
Contract	Triple net lease
Guarantee	Parent, Insula AS (full term + 3 months)
Construction / Major renovation	1991 / 2000 / 2010
# loading doors	6
# parking spaces	40
Clear heights	5-7 m
Yard depths	16-26 m

Tenant profile & location benefits

- Escamar Seafood Oy, part of Insula Group
- Developing, production, marketing and sales of fresh and processed fish products for retail trade and catering
- This is an efficient fish processing factory, where over 20 million meals are produced annually for the retail and catering market
- Strategic location, part of industry cluster outside Kuopio with proximity to the Baltic port Helsingfors
- Plot with development potential beyond current building



Property close to natural resources

Property close to key customers

Property in an industrial cluster

Note: For FX-conversions, the following rates have been applied: EURNOK = 11.3940, DKKNOK = 1.5297 and SEKNOK = 1.0101 (based on Q1 2023 reporting)

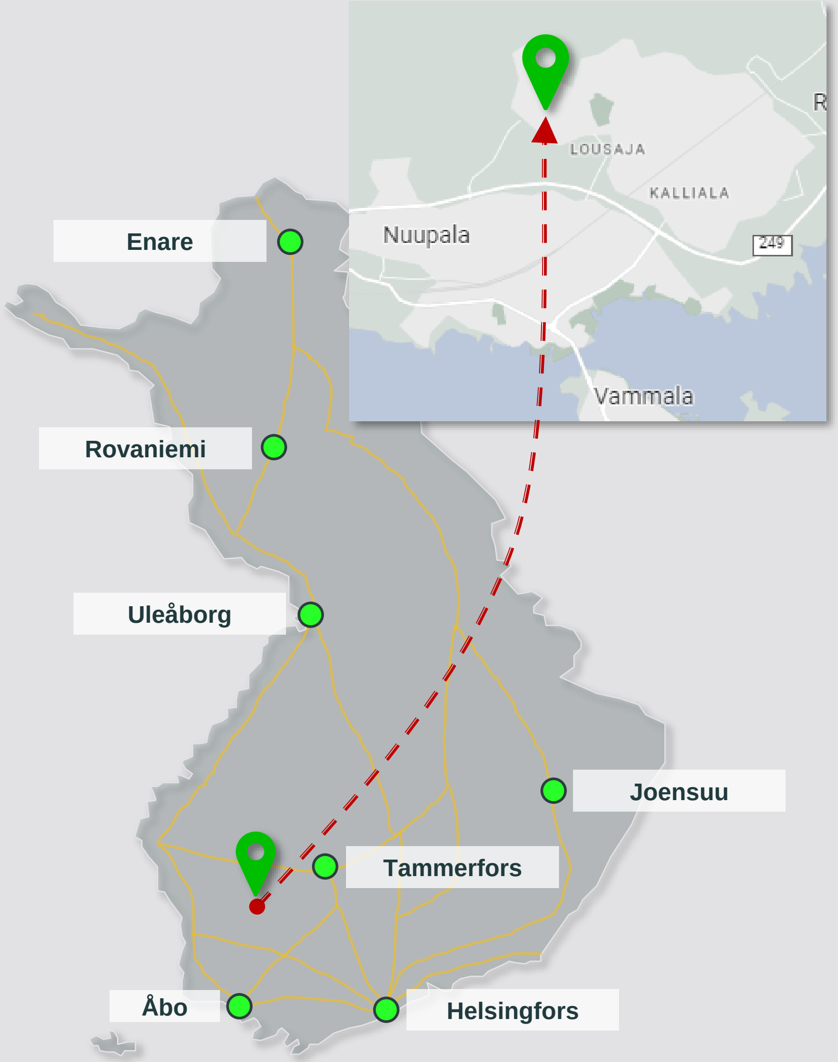
2 Torvantie 18, Sastamala FI

Property highlights

Size building	15,985 sqm
Size land	55,624 sqm
WAULT	17.0 years
GRI	NOK 10.6m
Extension	2 x 5 years
CPI adjusted	100%
Contract	Triple net lease
Guarantee	TopCo Finland (24 months + VAT)
Construction / Major renovation	1964 / 2021
# loading doors	12
# parking spaces	30
Clear heights	5-8 m
Yard depths	16-26 m

Tenant profile & location benefits

- Jackon Finland Oy, part of BEWI Group
- Large-scale production of insulation products for the national Finnish and partly Swedish construction industry
- EPS Sandwich panel factory for the production of complete roof and wall systems produced to fit the customer's requirements and descriptions (mainly for Scandinavia)
- Part of the industrial area, close to center of Sastamala
- Strategic location optimized for the distribution of goods



Note: For FX-conversions, the following rates have been applied: EURNOK = 11.3940, DKKNOK = 1.5297 and SEKNOK = 1.0101 (based on Q1 2023 reporting)

Property close to natural resources | Property close to key customers | Property in an industrial cluster

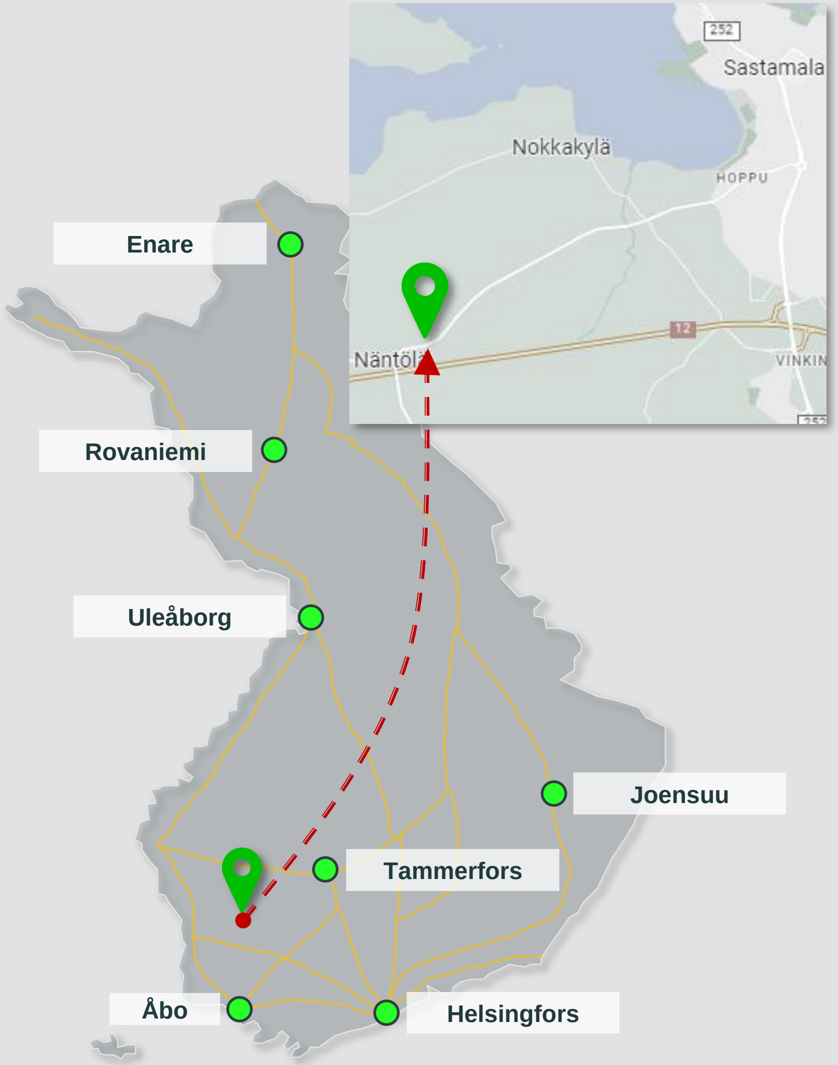
3 Pajakatu 6, Sastamala FI

Property highlights

Size building	5,275 sqm
Size land	30,946 sqm
WAULT	17.0 years
GRI	NOK 3.8m
Extension	2 x 5 years
CPI adjusted	100%
Contract	Triple net lease
Guarantee	TopCo Finland (24 months + VAT)
Construction / Major renovation	2009 / 2012
# loading doors	6
# parking spaces	20
Clear heights	6-8 m
Yard depths	16-26 m

Tenant profile & location benefits

- Jackon Finland Oy, part of BEWI Group
- Technical packaging products for the National Finnish market and fish box production for regional fish farmers
- Large scale production of technical parquette underlayers, mainly for the Asian and European Market
- Part of the industrial area, close to center of Sastamala
- Strategic location optimized for the distribution of goods



Note: For FX-conversions, the following rates have been applied: EURNOK = 11.3940, DKKNOK = 1.5297 and SEKNOK = 1.0101 (based on Q1 2023 reporting)

Property close to natural resources Property close to key customers Property in an industrial cluster

KMC PROPERTIES

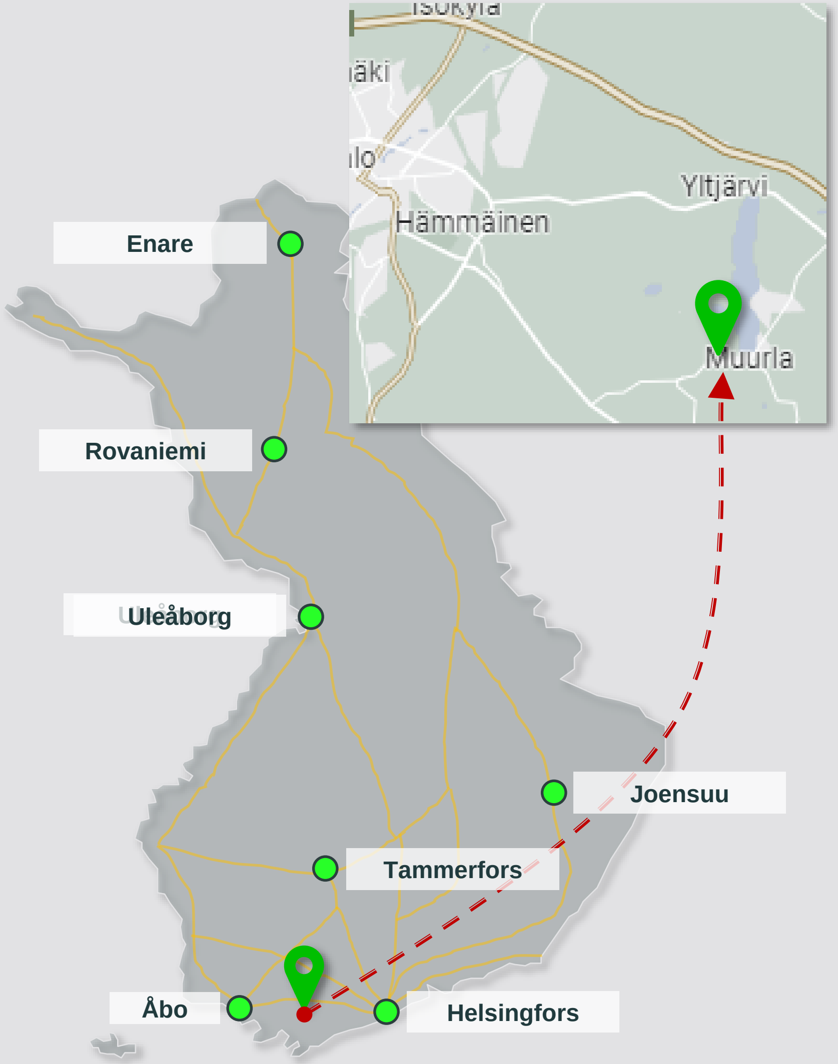
4 Muurlantie 438, Muurla FI

Property highlights

Size building	4,482 sqm
Size land	18,178 sqm
WAULT	17.0 years
GRI	NOK 3.3m
Extension	2 x 5 years
CPI adjusted	100%
Contract	Triple net lease
Guarantee	TopCo Finland (24 months + VAT)
Construction / Major renovation	1964 / 2021
# loading doors	4
# parking spaces	20
Clear heights	6-8 m
Yard depths	16-26 m

Tenant profile & location benefits

- Jackon Finland Oy, part of BEWI Group
- Flexible production of complex technical components and packaging materials of EPS and EPP products with ~25 different machines
- Production for the national Finnish and Swedish market
- In proximity to the E18 motorway and close to the city Salo
- Strategic location optimized for distribution of goods



Note: For FX-conversions, the following rates have been applied: EURNOK = 11.3940, DKKNOK = 1.5297 and SEKNOK = 1.0101 (based on Q1 2023 reporting)

Property close to natural resources
Property close to key customers
Property in an industrial cluster

KMC PROPERTIES

Netherlands: Logistics and industrial market overview

Macro indicators for the Netherlands

***6.1%* inflation in May 2023**

***3.5%* interest rate as of June 2023 (ECB)**

***3.8%* unemployment rate forecasted for 2023**

***1.8%* forecasted GDP growth for 2023**

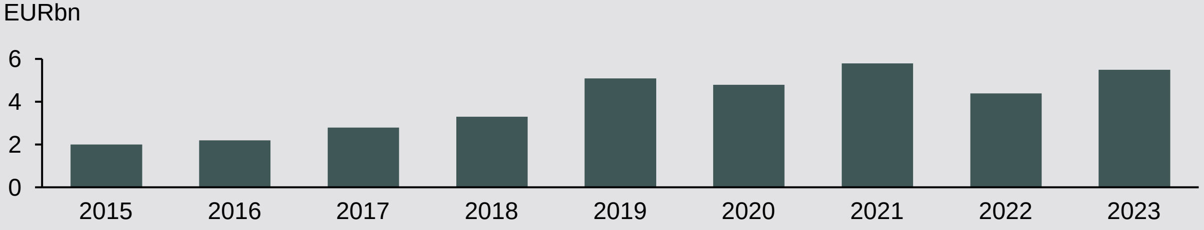
***AAA / Aaa* credit rating (S&P / Moody's)**

***0.1%* population growth increase from 2021 to 2022**

Logistics and industrial industry trends and developments

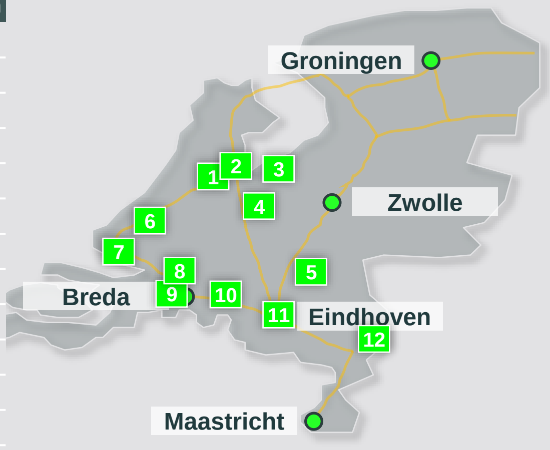
- The industrial and logistics market are seeing 1.4% vacancy rate and EUR +100/sqm prime rent in Q1 2023
- Logistics prime yield is at an all time low of 3.4% according to Colliers International
- Structural COVID-19-driven changes are pushing up demand for e-commerce distribution centers
- Greenfield developments for new logistic hubs are experiencing significant opposition form the public, and the government is putting in place restrictive policies
- There is very limited release of industrial land and there are restrictions on electricity grid connections
- New-build cost for warehouses have reached NOK 14.0k/sqm, and NOK 37.6k/sqm for modern manufacturing facilities
- Brownfield re-developments remain as the primary source of supply
- The transaction market is liquid and the expected volume for 2023 is EUR 5.5 billion

Investment volume for industrial and logistics properties

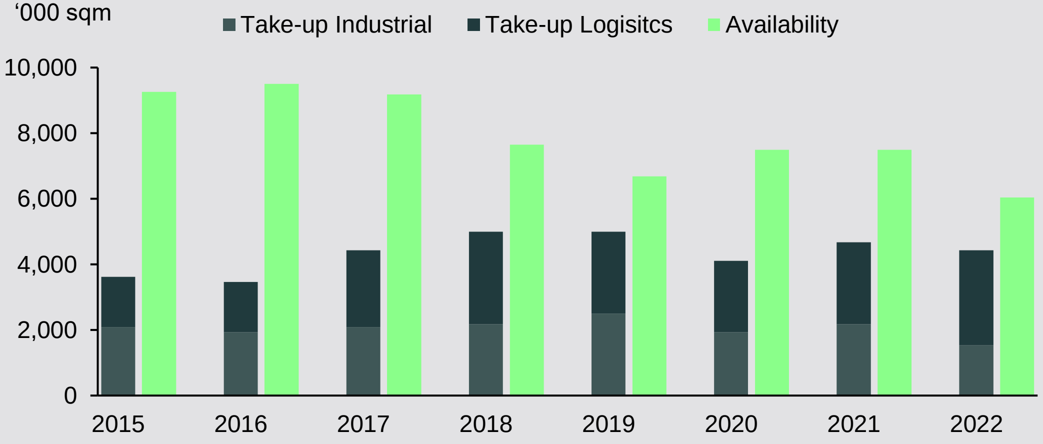


Rent levels by region

	Area	Annual EUR/sqm
1	Schiphol Airport	85 – 95
2	Amsterdam	65 – 115
3	Alemere	55 – 75
4	Utrecht	70 – 85
5	Arnhem / Nijmegen	55 – 65
6	Bleiswijk / Waddinxveen	52 – 68
7	Rotterdam	60 – 90
8	Moerdijk	50 – 65
9	Roosendaal / Bergen op Zoom	50 – 60
10	Tilburg / Waalwijk	60 – 70
11	Eindhoven	65 – 75
12	Venlo / Venray	50 – 60



Dutch occupier market



Source: Cushman & Wakefield Marketbeat Q4 2022; CBRE; Catella Market Indicator; European Commission (June 2023); European Central Bank (June 2023)

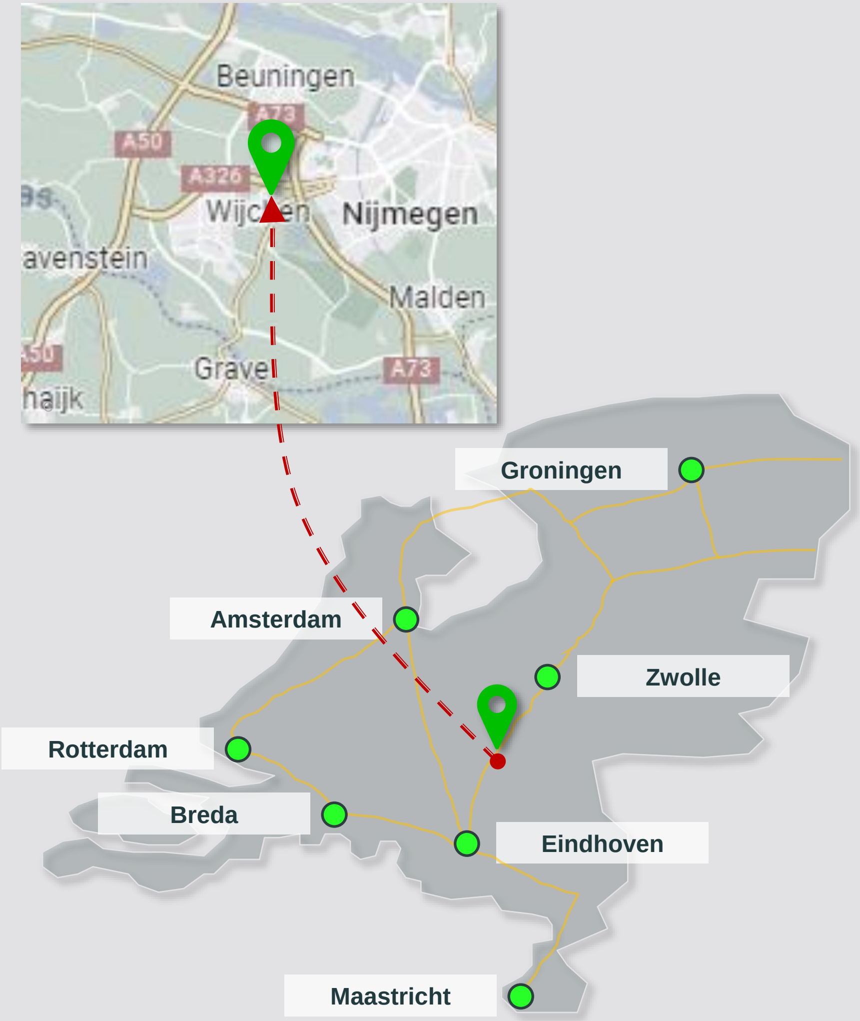
5 Nieuweweg 235, Wijchen NL

Property highlights

Size building	31,949 sqm
Size land	72,421 sqm
WAULT	9.8 years
GRI	NOK 14.6m
Extension	5 + 5 years
CPI adjusted	100%
Contract	Triple net lease
Guarantee	Parent, Synbra B.V (full term)
Construction / Major renovation	1970 / 2007
# loading doors	9
# parking spaces	40
Clear heights	6-8 m
Yard depths	16-26 m

Tenant profile & location benefits

- Synprodo, part of BEWI Group
- Two-part automated production of high-volume insulation products for the construction industry, customized technical packaging and other special products such as the pharmaceutical and botanical industry. Delivers nationally and in Benelux
- Strategic location, part of industry cluster between Rotterdam and Düsseldorf
- Plot with development potential beyond current building



Property close to natural resources

Property close to key customers

Property in an industrial cluster

Note: For FX-conversions, the following rates have been applied: EURNOK = 11.3940, DKKNOK = 1.5297 and SEKNOK = 1.0101 (based on Q1 2023 reporting)

6 Textielstraat 30, Oldenzaal NL

Property highlights

Size building	13,199 sqm
Size land	50,874 sqm
WAULT	9.8 years
GRI	NOK 5.2m
Extension	5 + 5 years
CPI adjusted	100%
Contract	Triple net lease
Guarantee	Parent, Synbra B.V (full term)
Construction / Major renovation	1970 / 2007
# loading doors	7
# parking spaces	25
Clear heights	8-9 m
Yard depths	16-26 m

Tenant profile & location benefits

- Ertecee/IsoBouw, part of BEWI Group
- Strategic location, part of industry cluster between Amsterdam and Osnabrück, close to road to Germany
- Large-scale automated production of insulation systems for the new build and renovation market, distributed nationally and in Benelux
- Full-scale production of a revolutionary technology within non-flammable EPS material for the European market
- Plot with development potential beyond current building

Note: For FX-conversions, the following rates have been applied: EURNOK = 11.3940, DKKNOK = 1.5297 and SEKNOK = 1.0101 (based on Q1 2023 reporting)

Property close to natural resources

Property close to key customers

Property in an industrial cluster

KMC PROPERTIES

7 Kanaalstraat 107, Someren NL

Property highlights

Size building	25,950 sqm
Size land	43,643 sqm
WAULT	9.8 years
GRI	NOK 12.1m
Extension	5 + 5 years
CPI adjusted	100%
Contract	Triple net lease
Guarantee	Parent, Synbra B.V (full term)
Construction / Major renovation	1970 / 2017
# loading doors	7
# parking spaces	25
Clear heights	5-6 m
Yard depths	16-26 m

Tenant profile & location benefits

- IsoBouw, part of BEWI Group
- Strategic location, part of industry cluster between Antwerpen and Düsseldorf, close to A2 road to Belgium
- Roof system manufacturer with fully automated production of EPS insulated and load-bearing sandwich roof systems for private and commercial buildings nationally and in Benelux
- Plot with development potential beyond current building

Note: For FX-conversions, the following rates have been applied: EURNOK = 11.3940, DKKNOK = 1.5297 and SEKNOK = 1.0101 (based on Q1 2023 reporting)

Property close to natural resources

Property close to key customers

Property in an industrial cluster

KMC PROPERTIES

8 De Kalkovens 10, Zwartsluis NL

Property highlights

Size building	8,662 sqm
Size land	12,201 sqm
WAULT	9.8 years
GRI	NOK 3.5m
Extension	5 + 5 years
CPI adjusted	100%
Contract	Triple net lease
Guarantee	Parent, Synbra B.V (full term)
Construction / Major renovation	1980 / 2001
# loading doors	5
# parking spaces	35
Clear heights	5-6 m
Yard depths	16-23 m

Tenant profile & location benefits

- Besto/Synprodo, part of BEWI Group
- Strategic location, part of industry cluster outside Amsterdam with proximity to key market
- Production of complex products within strongly growing markets where EPP technology replaces traditional methods
- Segments such as HVAC and automotive components, transport of instruments, electronics and other high-precision products
- Plot with development potential beyond current building

Note: For FX-conversions, the following rates have been applied: EURNOK = 11.3940, DKKNOK = 1.5297 and SEKNOK = 1.0101 (based on Q1 2023 reporting)

Property close to natural resources
Property close to key customers
Property in an industrial cluster

KMC PROPERTIES

Denmark: Logistics and industrial market overview

Macro indicators for Denmark

2.9% ***inflation in May 2023***

3.1% ***interest rate as of June 2023***

5.0% ***unemployment rate forecasted for 2023***

0.3% ***forecasted GDP growth for 2023***

AAA / Aaa ***credit rating (S&P / Moody's)***

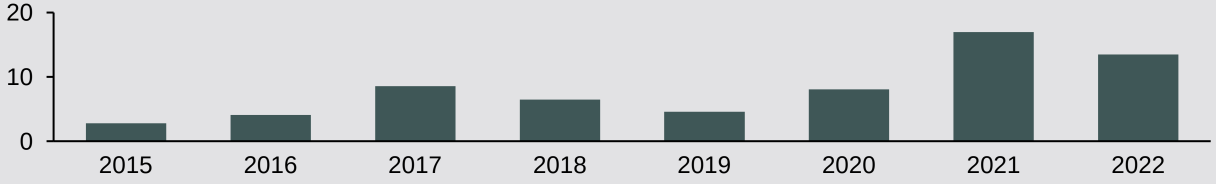
0.5% ***population growth increase from 2021 to 2022***

Logistics and industrial industry trends and developments

- Denmark is a strong logistics hub with efficient access to Continental Europe, which has been – and still is – characterised by having the lowest rent level and the highest yield level
- The industrial and logistics segment is seeing record low vacancies at 1.6% in Q4 2022
- Rising cost of capital and increased construction cost will impede the ability to bring new properties to the market and is likely to result in rental growth with prime rent currently at DKK 650/sqm
- Expected that occupier demand will remain sturdy as demand for e-commerce is increasing
- The strong tenant demand for modern logistics properties has more or less eliminate reletting risk
- It is expected that we will see the strongest rental growth in the Greater Copenhagen area and in the areas around Aarhus due shortage of building land and zoning regulation

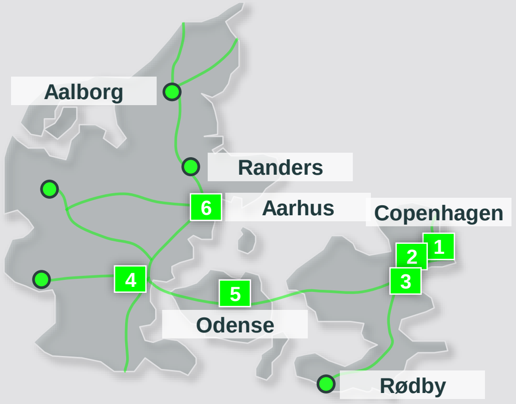
Investment volume for industrial and logistics properties

DKKbn



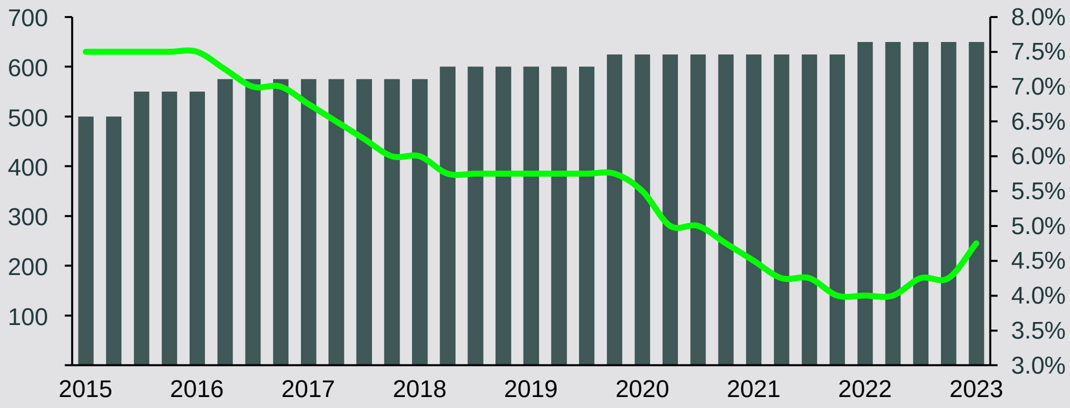
Rent levels by region

	Area	Base rent (DKK/sqm)	Yield level (%)
1	Copenhagen	650	4.25 - 5.00
2	Taastrup Area	650	4.25 - 5.00
3	Køge and Greve	650	4.25 - 5.00
4	The Triangle Region	525	4.50 - 5.25
5	Odense Area	425	5.25 - 6.25
6	Aarhus Area	550	4.75 - 5.25



Prime yield and prime rent

DKK per sqm[1]



Source: Cushman & Wakefield Marketbeat Q4 2022; CBRE; Catella Market Indicator; European Commission (June 2023); Danmarks Nationalbank (June 2023)

KMC PROPERTIES

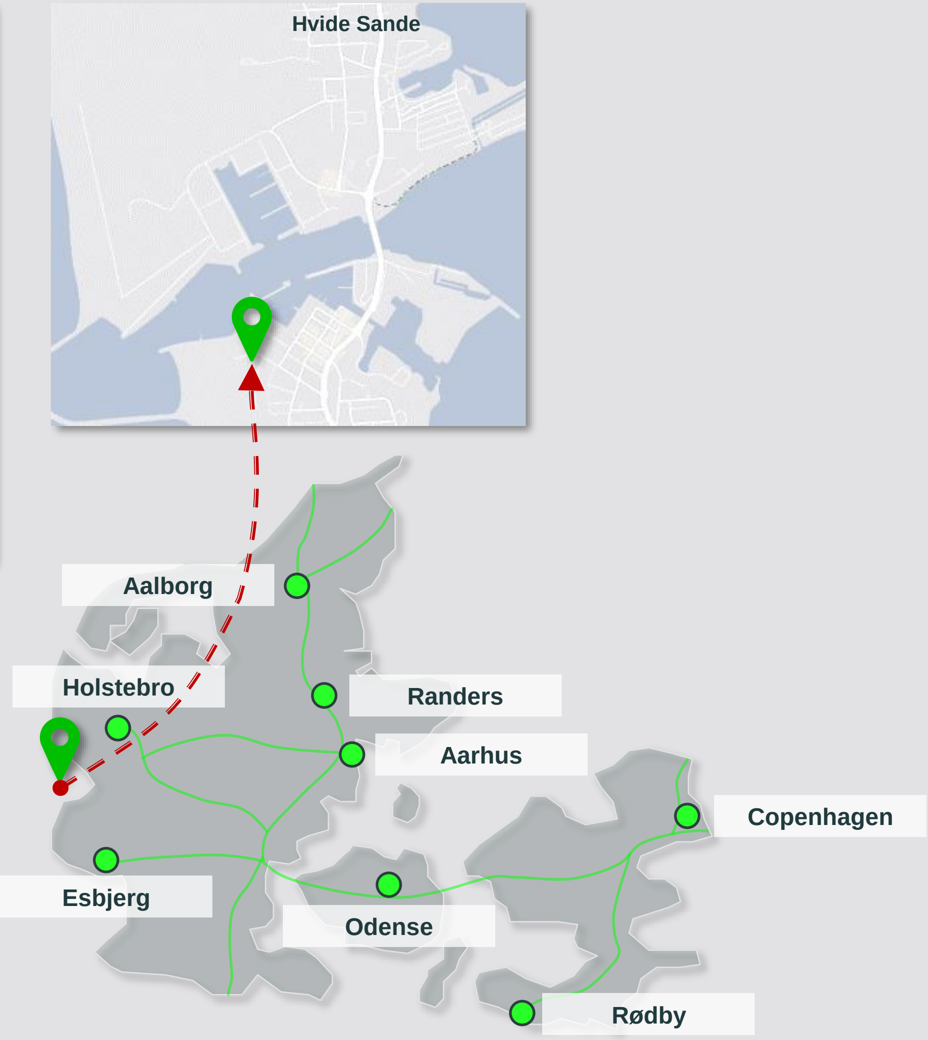
9 Tungevej 2-4, Hvide Sande

Property highlights

Size building	2,807 sqm
Size land	6,224 sqm
WAULT	11.1 years
GRI	NOK 1.4m
Extension	10 years
CPI adjusted	100%
Contract	Triple net lease
Guarantee	Parent, Insula AS (full term + 3 months)
Construction / Major renovation	1984 / 2001 / 2014 / 2020
# loading doors	5
# parking spaces	30
Clear heights	4-5 m
Yard depths	16-26 m

Tenant profile & location benefits

- Insula Hvide Sande A/S, part of Insula Group, with core activity being filleting of fresh fish for packaging into maps, seals, and freezer packs, as well as nitrogen freezing of loins, fillets, and tails
- The company specializes in nitrogen freezing, which preserves the quality and texture of the fish after thawing
- Factory close to Hvide Sande with significant production expansion in 2018 (new production lines)
- Plot with development potential beyond current building



Note: For FX-conversions, the following rates have been applied: EURNOK = 11.3940, DKKNOK = 1.5297 and SEKNOK = 1.0101 (based on Q1 2023 reporting)

Property close to natural resources

Property close to key customers

Property in an industrial cluster

KMC PROPERTIES

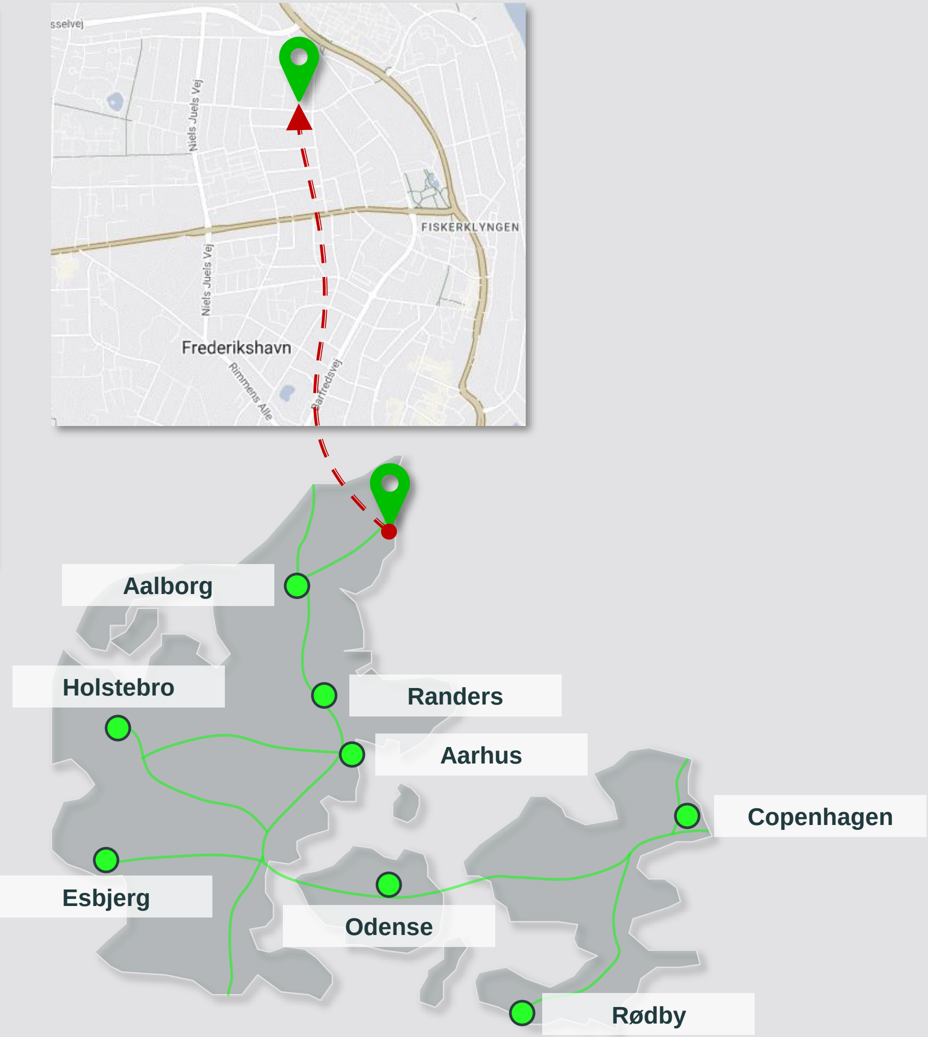
10 Constantiavej 31 and Århusgade 24

Property highlights

Size building	12,106 sqm
Size land	42,573 sqm
WAULT	11.1 years
GRI	NOK 6.4m
Extension	10 years
CPI adjusted	100%
Contract	Triple net lease
Guarantee	Parent, Insula AS (full term + 3 months)
Construction / Major renovation	1946 / 1990 / 2014 / 2020
# loading doors	3
# parking spaces	30
Clear heights	4-6 m
Yard depths	15-20 m

Tenant profile & location benefits

- Amanda Seafood A/S, part of Insula Group, producer of canned fish-products to consumer market with focus on taste, high quality and sustainability
- Strategic located in established residential and business area, close to E45, port of Fredrikshavn and railway station
- Production year around, delivering good margins
- New ventilation system which uses excess heat from the cooling units to heat the storage areas
- Plot with development potential beyond current building



Note: For FX-conversions, the following rates have been applied: EURNOK = 11.3940, DKKNOK = 1.5297 and SEKNOK = 1.0101 (based on Q1 2023 reporting)

Property close to natural resources

Property close to key customers

Property in an industrial cluster

KMC PROPERTIES

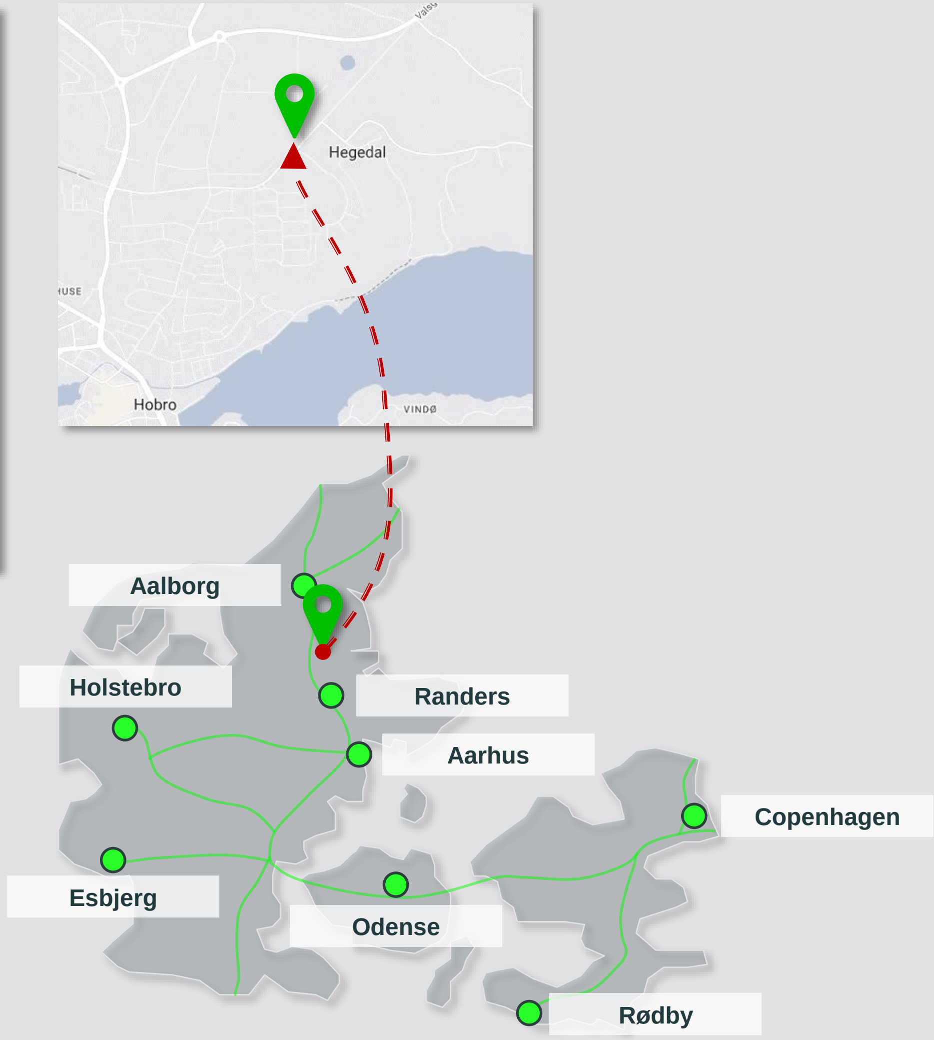
11 Havrevænget 1, 9500 Hobro

Property highlights

Size building	5,070 sqm
Size land	15,378 sqm
WAULT	15.0 years
GRI	NOK 3.5m
Extension	3 years
CPI adjusted	100%
Contract	Triple net lease
Guarantee	-
Construction / Major renovation	1983
# loading doors	5
# parking spaces	20
Clear heights	5 m
Yard depths	16-26 m

Tenant profile & location benefits

- BEWI Flamingo A/S, part of BEWI Group, is a specialist in customer-specific packaging solutions and components in EPS
- Production of pallets, storage- and transport boxes for the building and food industry. Company focusing on sustainable production and environmental impact
- Key logistic placement, close to E45 between Aalborg and Aarhus
- Plot with development potential beyond current building



Note: For FX-conversions, the following rates have been applied: EURNOK = 11.3940, DKKNOK = 1.5297 and SEKNOK = 1.0101 (based on Q1 2023 reporting)

Property close to natural resources | Property close to key customers | Property in an industrial cluster

KMC PROPERTIES

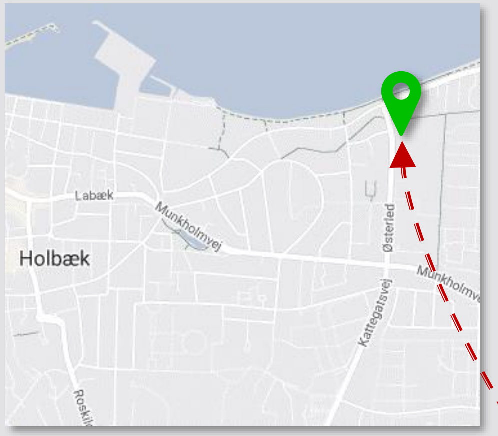
12 Østerled 30, 4300 Holbæk

Property highlights

Size building	9,469 sqm
Size land	41,503 sqm
WAULT	15.0 years
GRI	NOK 4.4m
Extension	3 years
CPI adjusted	100%
Contract	Triple net lease
Guarantee	-
Construction / Major renovation	1938 / 2009
# loading doors	10
# parking spaces	30
Clear heights	4-5 m
Yard depths	15-20 m

Tenant profile & location benefits

- BEWI Flamingo A/S, part of BEWI Group, specialist in customer-specific packaging solutions and components in EPS (pallets and fish boxes)
- Production within strongly growing markets where EPP technology replaces traditional methods. Segments such as HVAC, transport of instruments, electronics and other high- precision products
- Central location, close to port and Copenhagen city, with development potential beyond current building



Property close to natural resources

Property close to key customers

Property in an industrial cluster

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KMC PROPERTIES

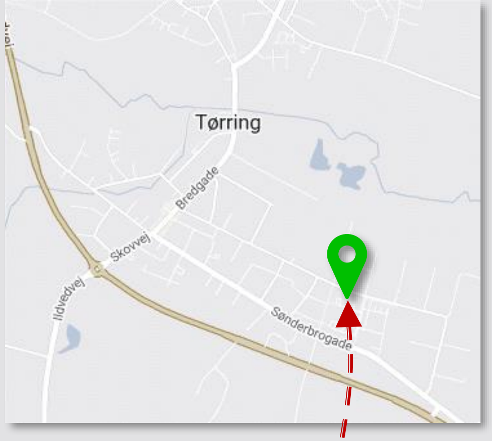
13 Torvegade 41, 7160 Tørring

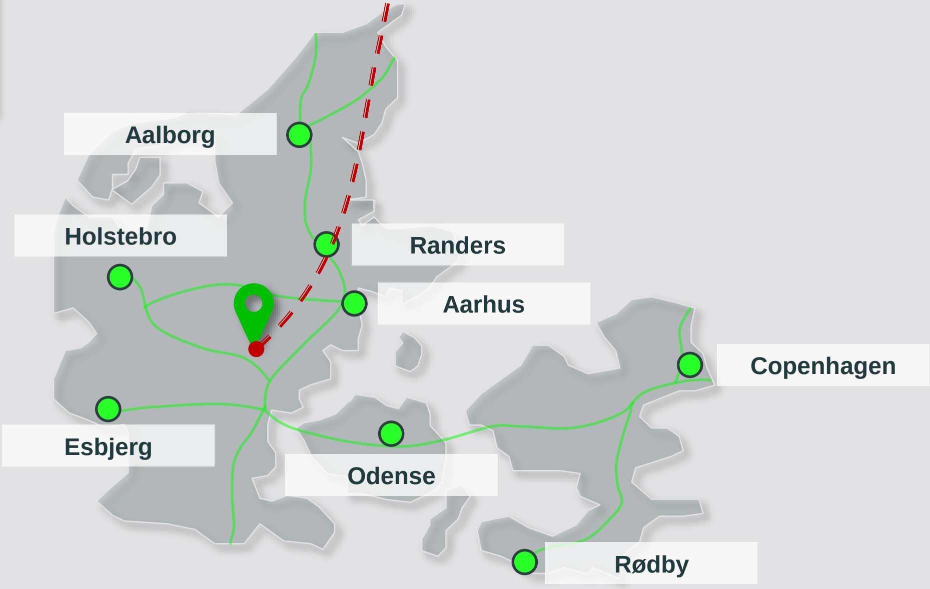
Property highlights

Size building	5,739 sqm
Size land	9,572 sqm
WAULT	5.0 years
GRI	NOK 2.6m
Extension	3 years
CPI adjusted	100%
Contract	Triple net lease
Guarantee	-
Construction / Major renovation	1976
# loading doors	4
# parking spaces	30
Clear heights	4-6 m
Yard depths	16-26 m

Tenant profile & location benefits

- BEWI Denmark A/S and the brand BEWI Flamingo produce and distribute technical components for several industries, where the technology is replacing traditional methods
- BEWI is a specialist in customer-specific packaging solutions and components in EPS, focusing on sustainable production and its environmental footprint
- Key logistic placement in the Triangle Region close to E45 and is part of established industry cluster





Note: For FX-conversions, the following rates have been applied: EURNOK = 11.3940, DKKNOK = 1.5297 and SEKNOK = 1.0101 (based on Q1 2023 reporting)

Property close to natural resources

Property close to key customers

Property in an industrial cluster

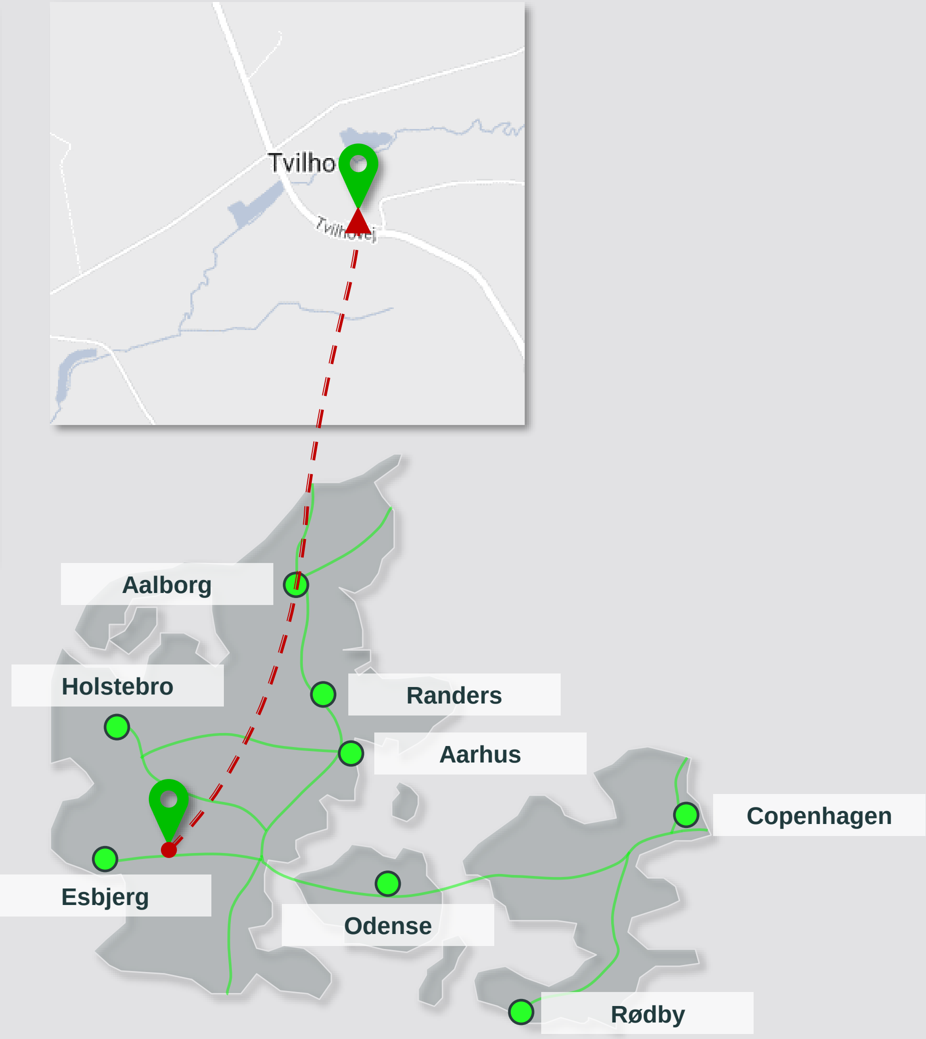
14 Tvilhovej 8, 6752 Tvilhov

Property highlights

Size building	16,931 sqm
Size land	84,825 sqm
WAULT	12.4 years
GRI	NOK 7.3m
Extension	3 years
CPI adjusted	100%
Contract	Triple net lease
Guarantee	-
Construction / Major renovation	1970 / 2007
# loading doors	8
# parking spaces	75
Clear heights	5 m
Yard depths	15-20 m

Tenant profile & location benefits

- Styropack, part of BEWI Group, focusing on EPS fish box production, technical components for HVAC industry and related professional markets
- Complex products within strongly growing markets where new technology replaces traditional methods in segments such as HVAC, transport of instruments, electronics and other high- precision products
- Plot close to E20 with development potential beyond current building which will be able to address the tenant's increasing demand for storage area



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Property close to natural resources

Property close to key customers

Property in an industrial cluster

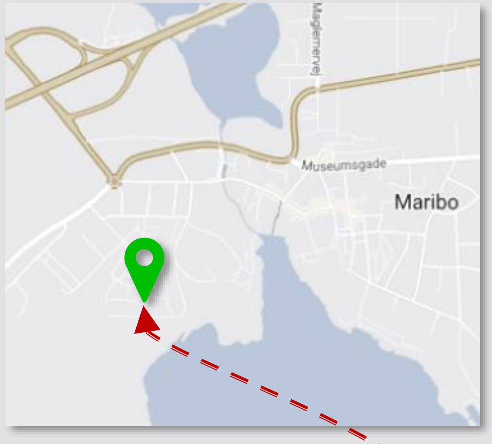
15 Kidnakken 13, 4930 Maribo

Property highlights

Size building	8,396 sqm
Size land	56,000 sqm
WAULT	12.4 years
GRI	NOK 2.8m
Extension	3 years
CPI adjusted	100%
Contract	Triple net lease
Guarantee	-
Construction / Major renovation	1970 / 2007 / 2023
# loading doors	6
# parking spaces	30
Clear heights	6 m
Yard depths	16-26 m

Tenant profile & location benefits

- Styrolit, part of BEWI Group, focusing on production of insulation boards
- Large production facility for EPS and the new technology graphite super-EPS production for building industry
- Strategic location and part of established industry cluster with development potential beyond current building
- New roofing to be put in place in 2023
- Location south in Denmark, near E47, close to the German border



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Property close to natural resources

Property close to key customers

Property in an industrial cluster

KMC PROPERTIES

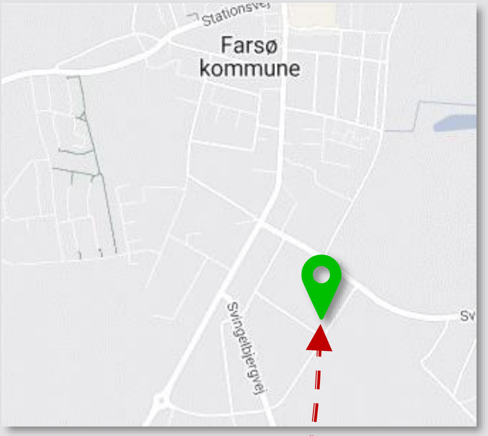
16 Fabriksvej 3 and 4, 9640 Farsø

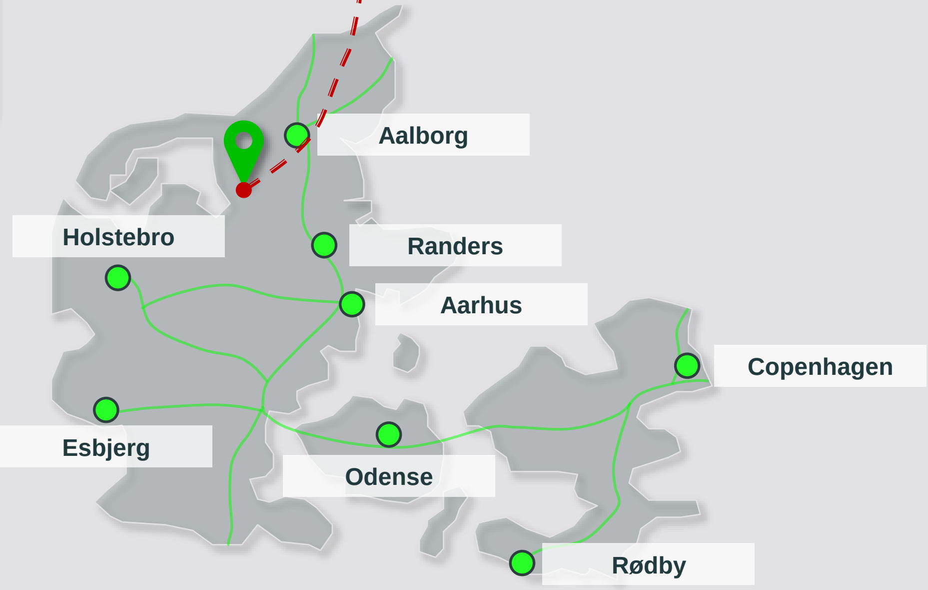
Property highlights

Size building	21,891 sqm
Size land	46,357 sqm
WAULT	9.3 years
GRI	NOK 10.7m
Extension	4 years
CPI adjusted	100%
Contract	Triple net lease
Guarantee	Parent, Inwido (full term)
Construction / Major renovation	1995 / 2010
# loading doors	20
# parking spaces	50
Clear heights	4-5 m
Yard depths	16-70 m

Tenant profile & location benefits

- Outline Vinduer A/S, part of Inwido Group, is one of Denmark's leading producers of energy-optimized windows and doors in wood and wood/aluminum
- The company distributes products via local timber stores throughout Denmark, Ireland and England for residential and professional markets
- 230 workers producing 650 windows per day, with inhouse automatic/robotic paint shop
- Strategic location and part of established industry cluster with development potential beyond current building





Property close to natural resources

Property close to key customers

Property in an industrial cluster

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KMC PROPERTIES

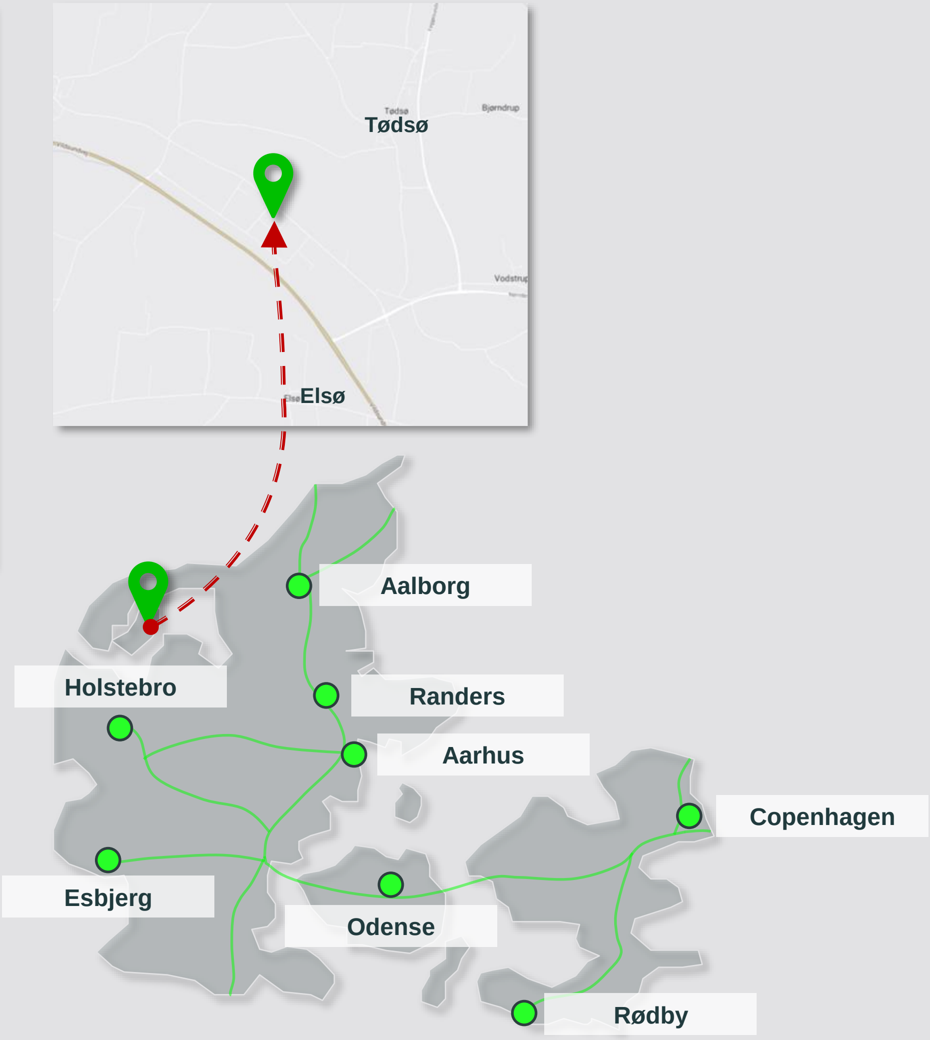
17 Rogalandsvej 3, 7900 Nykøbing Mors

Property highlights

Size building	21,393 sqm
Size land	35,509 sqm
WAULT	9.3 years
GRI	NOK 9.3m
Extension	4 years
CPI adjusted	100%
Contract	Triple net lease
Guarantee	Parent, Inwido (full term)
Construction / Major renovation	1985 / 2005
# loading doors	6
# parking spaces	75
Clear heights	4-5 m
Yard depths	15-20 m

Tenant profile & location benefits

- KPK Døre og Vinduer A/S, part of Inwido Group, is one of Denmark's leading producers of windows and doors
- The company delivers windows to contractors and carpenters in Denmark to both the residential and professional segments with 230 workers at the factory
- Heating from bio burner with production wood-waste
- Strategic location and part of established industry cluster with development potential beyond current building
- Close to port of Nykøbing



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Property close to natural resources | Property close to key customers | Property in an industrial cluster

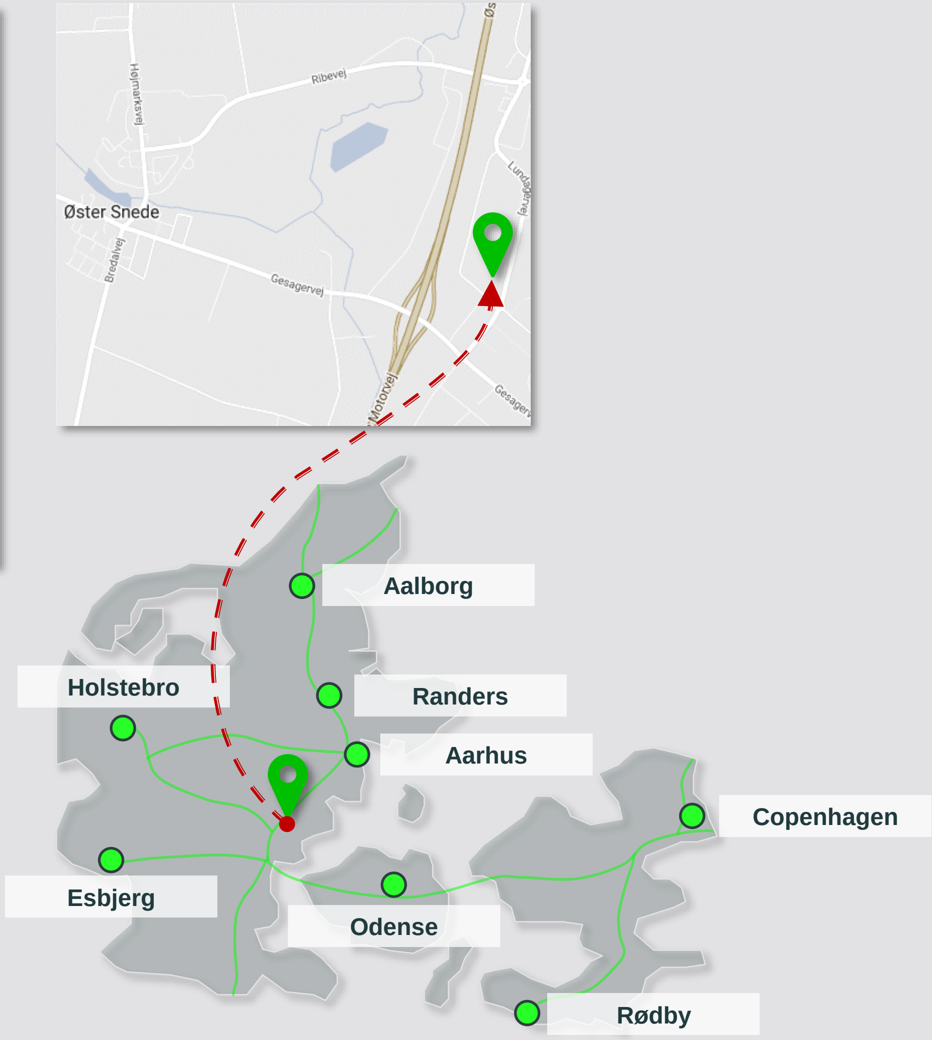
18 Lundagervej 20, Hedensted

Property highlights

Size building	7,959 sqm
Size land	33,722 sqm
WAULT	15.0 years
GRI	NOK 5.3m
Extension	5 + 5 years
CPI adjusted	100%
Contract	Triple net lease
Guarantee	TopCo Denmark (24 months + VAT)
Construction / Major renovation	1995 / 1999 / 2006 / 2016
# loading doors	8
# parking spaces	30
Clear heights	6-8 m
Yard depths	16-26 m

Tenant profile & location benefits

- Jackon Danmark A/S, part of BEWI Group, is one of the leading manufacturers of XPS solutions offering construction and industrial users the
- Focus on sustainable production and environmental focus
- Strategic location close to E45 optimized for distribution of goods
- Located within a larger industrial commercial real estate area



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Property close to natural resources

Property close to key customers

Property in an industrial cluster

KMC PROPERTIES

KMC PROPERTIES

Risk factors (I/IV)

An investment in the Bonds involves inherent risks. These risks include, but are not limited to, risks attributable to KMC Properties ASA (the "Issuer") and KMC Properties AS and its subsidiaries (excluding any Excluded Subsidiaries (as defined in the term sheet relating to the Bonds) (together with the Issuer, the "Group"). An investor should carefully consider all information set out below before making an investment decision. An investment in the Bonds is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss of the entire investment. The risks and uncertainties described in this section are the material known risks and uncertainties faced by the Group as of the date hereof and represent those risk factors that the Group believes to represent the most material risks for investors when making their investment decision in respect of the Bonds.

The risk factors included below are presented in a limited number of categories, where each risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative affect for the Issuer and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Bonds, resulting in loss of all or part of an investment in the Bonds.

Risks related to the operational activities

Risks related to the tenants and the rental market in which the Group operates

The failure by tenants of the Group to meet their obligations, or the termination of lease agreements by tenants, could result in significant loss of rental income, increase in bad debts and decrease in the value of the Group's properties. Any significant reduction in property value would have a negative impact on the Group's future earnings and financial position.

The demand for office, industrial and logistics space is influenced by several factors. Negative changes in the general economic situation, including business and private spending, may adversely affect the demand for office/logistics space and consequently have a negative impact on the Group's future earnings and financial position. The Group offers triple net leases, which makes the credit risk in respect of the tenants higher, and it may be harder to find suitable tenants. In the event the Group is unable to let its property, the Group will suffer a rental shortfall, and may be obliged to cover the common costs for the vacant areas until the property is re-let. There is no assurance that renewals or replacements will be on terms that are as favourable to the Group as before or that the new tenants will be as creditworthy as the previous tenants. Expenditures related to the property, such as renovation and maintenance costs, are generally not reduced in proportion to any decline in rental income from that property. Any vacancies or decline in rental income from a property, without a corresponding decline in the related costs or the ability of the Group to pass on or recoup such costs, could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

Risks related to insurance coverage

The Group's insurance policies, which currently comprise (inter alia) property damage insurance, business interruption insurance and third-party liability insurance, could be inadequate to compensate for losses associated with damage to the Group's property assets or other assets, including loss of rent. As the Group offers triple net leases, the Group does not directly manage all the insurances.

In particular, certain types of risk (such as risks of war or terrorist acts, political risks and certain natural disasters or weather catastrophes such as flooding) could be, or could become in the future, uninsurable or not economically insurable. The Group could incur significant losses or damage to its assets or business for which it may not be fully compensated or at all. The Group could be liable to repair damage caused by uninsured risks. The Group could also remain liable for any debt or other financial obligation related to a damaged building. There can be no assurance that material losses in excess of insurance coverage limits or losses not insured at all will not occur in the future. Any uninsured losses or losses in excess of insured coverage limits could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

Risks related to hidden defects and the condition of the properties

The Group is exposed to the risk of hidden defects and pollution of the properties. Such hidden defects and/or pollution may render further development of the relevant property/ground, and excavation, more expensive (due to required soil surveys or otherwise) and any refurbishment may be subject to approval from the authorities. If hidden defects or pollution is detected, buildings owned by the Group may be unlettable which, together with possible substantial costs related to refurbishment, may have an adverse effect on the Group's net earnings and financial position.

The Group may experience unexpected capital investment requirements related to its properties. There is a general risk that costs for maintenance and replacements, upgrading, etc., for which the Group is responsible may be greater than assumed. The scope of the landlord's obligations will depend on the technical state and condition of the lease object. Further, after expiry of the respective lease agreements, the premises may have to be renovated or adapted in order to attract new tenants. Should unexpected costs occur, it will have a negative impact on the net earnings and financial position of the Group.

Risk factors (II/IV)

Risks related to the Group's growth strategy

General

The Group has a strategy for growth and considers itself to be well positioned to pursue further growth opportunities as and when such opportunities should arise. With a dual focus on growth and profitability, the Group intends to reinvest its growth in revenues to seize these opportunities, but however also intends to distribute dividends. Organic growth may not, however, be sufficient to achieve the desired growth objectives. The board of directors will continuously evaluate if further investments are needed to enable the Group to grow at a faster pace and capture more of the available growth opportunities. However, there can be no assurance that the Group will actually be successful in achieving and realising its development and commercialisation plans, and the expected growth. Further, the Group's business, results of operations and financial position and the development and commercialisation of its new solutions and products will depend, in part, on its ability to manage future growth effectively.

Acquisitions

In order to further develop the Group may acquire (or merge with) other businesses, products and/or technologies. Currently the Group is considering acquisitions in Belgium, Germany and Poland. There can be no assurances that the Group is able to acquire suitable acquisitions on favorable terms, or be able to integrate such acquisitions successfully with respect to used time, resources, attention from management and/or disrupt the ordinary business functions, and any failure may adversely affect the Group's operations, financial performance, reputation and/or future prospects.

Development

As part of the Group's growth strategy, it expects to carry out profitable developments of existing properties. The success of such development is dependent upon a number of factors, such as the Group's ability to retain and recruit employees with the necessary competence, obtain necessary permits and decisions from authorities and hire contractors for the project's implementation on terms acceptable to the Group. Whether the development of properties will be economically profitable, can also, among other things, be affected by whether the projects to a sufficient extent correspond to the marked demand, a general change in the demand or price of property, insufficient planning, analysis and cost control, change of taxes and charges and other factors which may result in delays or increased or unexpected costs in the project.

Furthermore, there is always a risk that the Group does not obtain necessary decisions from authorities or permits for changed usage of the relevant property, or that a change in permits, plans, regulations or laws, may result in delays, increased expenditures or non-completion of the project.

Should any of the above risks materialise, it could have a negative impact on the Issuer's operations, financial position, and earnings.

Risks related to potential acquisitions of Belgian, German and Polish properties

The Group plans to enter into agreements to acquire certain properties in Belgium, Germany and Poland. At the date of this Presentation, these transactions have not yet been closed, and the properties have hence not been transferred to the Group. There is a risk that the transactions will not close, and that the properties will not be transferred to the Group. In such case, this may negatively impact the future profitability of the Group.

<u>Risks related to laws, regulations and compliance</u>

Risks related to tax law in the various jurisdictions where the Group operates

Changes in laws and rules regarding tax and duties may involve new and changed parameters for the Issuer's investors and the Group. This may involve a reduction in the profitability of investing in property and the profit after tax for the Group. Tax implications of transactions and dispositions of the Group are to some extent based on interpretation of applicable tax law and regulations. Even if the Group is of the opinion that it has assessed tax law in good faith, it could not be ruled out that the authorities are of a different opinion. Any changes in tax laws or challenges made by tax authorities to the Group's tax assessment could have material negative impact on the Group's financial position.

Risks related to litigation and disputes

Certain elements of tax laws may from time to time be subject to interpretation. Such interpretation may also change over time, and could lead to disputes with tax authorities. This represents a potential additional tax exposure (resulting both from historic and current tax treatment). To the extent that the board of directors is aware of such disputable tax issued, the board will to the extent possible take steps to mitigate such risks. Currently no disputes are considered material, however should any such material disputes arise this could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

Risk factors (III/IV)

The Group may from time to time be subject to legal claims from tenants, tax authorities and other third parties. The Group cannot predict with certainty the outcome or effect of any such claim or other legal or arbitration proceedings. The ultimate outcome of any legal or arbitration proceeding and the potential costs associated with prosecuting or defending such legal or arbitration proceedings, including the diversion of the management's attention to these matters, could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

Risks related to planning regulations and legislation

Changes in existing planning regulations or legislation to which the Group is subject by relevant authorities and lawmakers in the various jurisdictions where the Group operates may affect the operations of the Group, including the interest of potential tenants in future rental of premises or interest of future purchasers of the properties. New laws may be introduced which may be retrospective and affect environmental planning, land use and development regulations. Furthermore, existing planning regulations may limit the possibility to further develop the properties. Consequently, planning regulations may lead to increased costs and reduced earnings for the Group and have a material adverse effect on the Group's financial position.

Risks related to financial matters

Risks related to additional funding requirements

The Issuer's cash flow may not be sufficient to fund its operations and further growth, and from time to time the Issuer may require additional financing in order to carry out such activities, including but not limited to, acquisitions, maintenance and development. Additional capital could be needed to finance the Group's future operations and development. There is a risk that additional capital cannot be obtained, or can only be obtained at unfavourable terms and conditions. Any failure to obtain additional financing on favourable terms could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

Risks related to failure to comply with covenants in financing arrangements

If the Group breaches covenants under its loan agreements, the Issuer's debt or a portion of its debt may be subject to an immediate re-payment obligation. There can be no assurances that the Group will be able to meet its obligation, and there can be no assurances that the Group will be able to obtain alternative financing at favourable conditions or at all. Any breach of existing covenants and undertakings with a subsequent claim for repayment in full or in a part of the outstanding debt will thus have a material adverse effect on the Groups financial position, operations and future success.

Currency risk

The Group is exposed to foreign exchange risk arising from various currencies, primarily with respect to NOK, DKK, SEK and EUR. Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the Group's functional currency.

Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to tenants and other customers of the Group, including outstanding receivables and committed transactions. Despite measures taken by the Group, credit risks may materialise and if so may have a negative impact on the Group's earnings and financial position.

Risks related to the valuation of the Group's property portfolio

Because of the uncertainty surrounding inputs, in particular expected market rents, discount rates and inflation, estimates of sellable or lettable areas and estimated development costs for projects still in development, there is no assurance that the fair values assigned to the Group's properties in the Group's existing or future published annual or interim financial information accurately reflect the proceeds that the Group can generate from the sale of the valued properties. Moreover, valuation methods that are currently generally accepted and that have been used for the purpose of developing the fair value of the Group's properties could subsequently be determined to have been unsuitable. Revised valuation techniques, erroneous valuations in connection with acquisition of property portfolios and other unforeseeable events could result in the Group being unable to achieve its projected yields and could have significant adverse effects on the Group's business, financial condition, results of operations and cash flows.

In addition, the fair value of the properties is impacted by a number of external factors, including interest rates, rental market for the properties, credit margins, the financial institution's lending conditions (including covenants, requirements for equity in transactions and availability of funds) and conditions in the investor market (including investors required return on capital and balance in the transaction market for properties). Changes in fair value are recorded quarterly in the income statement and are based on third party valuations. Consequently, any adjustment to the value of the Group's property portfolio based on changes in fair value could negatively affect the Group's financial condition, results of operations and equity. This could in turn, among other things, have an impact on the Group's ability to satisfy the financial covenants under its loan agreements.

Risk factors (IV/IV)

Risks related to the Bonds

Risks related to the admission to trading

The Issuer has undertaken to ensure that the Bonds are admitted to trading on a regulated market within certain stipulated time periods, as defined in the terms and conditions of the Bonds. There is a risk that the Bonds will not be admitted to trading.

Even if the Bonds are admitted to trading on a regulated market, the Bonds may not always be actively traded. In general, financial instruments with a high nominal value, such as the Bonds, are not traded as frequently as financial instruments with a lower nominal value. Given the high nominal value of the Bonds there is a risk that there will not be a liquid market for trading in the Bonds. This may result in bondholders being unable to sell their Bonds when they wish to do so or at a price which allows them to make profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may have a negative impact on the market value of the Bonds.

Risks related to early redemptions and put options

The terms and conditions set out in the bond terms will provide that the Bonds shall be subject to optional redemption by the Issuer (a call option) at their outstanding principal amount, plus accrued and unpaid interest to the date of redemption, plus in some events a premium calculated in accordance with the bond terms. This feature is likely to limit the market value of the Bonds. During any period when the Issuer may elect to redeem the Bonds, the market value of the Bonds generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. The Issuer may be expected to redeem the Bonds when its cost of borrowing is lower than the interest rate on the Bonds. There is a risk that the market value of the Bonds at such time is higher than the early redemption amount so that it may not be possible for bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate.

The terms and conditions set out in the bond terms will provide that the Bonds shall be subject to prepayment at the option of each bondholder (put options) upon a change of control event or a de-listing event under the bond terms. There is, however, a risk that the Issuer will not have sufficient funds at the time of such prepayment to make the required payments of the Bonds.

Interest rate risk

The Bonds' value depends on several factors, one of the most significant over time being the level of market interest rates. The Bonds will bear a floating interest rate which is the aggregate of a reference rate plus a margin (per annum). The reference rate is 3 months NIBOR. Hence, the interest rate is to a certain extent adjusted for changes in market interest rates. There is a risk that an increase in the market interest rates will adversely affect the value of the Bonds. The market interest rates are to a high degree affected by the state of the Norwegian and the international economy and are outside the Group's control.

Risks related to the collateral

Although the Bonds are secured obligations of the Issuer, there can be no assurance that the value of the assets securing the Bonds and the Issuer's other assets will be sufficient to cover all the outstanding Bonds together with accrued interests and expenses in case of a default and/or if the Issuer goes into liquidation. The value of the collateral greatly depends on the development in the real estate market, which may be affected by changes in the local economy or the world economy and are outside the Group's control.

Risks related to general and specific limitations in respect of the collateral

The Transaction Security and guarantees will be subject to both general and specific limitations. The guarantors are incorporated in several jurisdictions, where, inter alia, legal restrictions may exist on the right for companies to grant security and guarantees related to acquisition of shares in the company (and/or other companies within the group) as well as requirements to receive sufficient corporate benefit as consideration of the granting of security and guarantees for the outstanding obligations under the finance documents. The terms and conditions of the Bonds will contain several agreed security principles pursuant to which the members of the Group will not be required to grant security and/or guarantees under such and certain other circumstances or such security and/or guarantees will be granted subject to a limitation language.

The security principles includes a provision stating that no security and/or guarantees will be effective if and to an extent such security and/or guarantee is contrary to mandatory provision under the relevant local law. The actual scope of security and/or guarantee granted by a subsidiary of the Issuer could therefore be substantially limited and, in fact, it is possible that due to the application of mandatory local law relating to e.g. the corporate benefit requirement, as applied to the provision of security and/or guarantee, no liabilities or obligations would under the local law be held to be effectively secured and/or guaranteed which would have an adverse effect on the bondholders' security position.

Further, certain security will be granted and/or perfected after the release of the bond proceeds from escrow account or perfected only upon the occurrence of a certain trigger event. There are also certain security assets over which security is provided initially on a second ranking basis until the release of the first ranking security by the bond trustee of the existing bonds following the release of the bond proceeds from the escrow account. Such post-release granting and delayed perfection of security may result in hardening periods for the relevant security and, additionally, there is a risk that the Issuer will not, for several reasons, be able to have all the relevant security granted and perfected within the timelines set in the Bond Terms.

KMC PROPERTIES