KMC Properties

– The preferred partner for logistics and industrial properties

Company presentation

30 June 2022

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Agenda

KMC PROPERTIES

+40 years heritage in development of 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 KMC; facilitating acquisition of Synbra transforming BEWi into a pan-European

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
Pesca Properties merges with KMC Properties

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

Growing portfolio brick by brick through acquisitions and greenfield developments

KMC Properties at a glance

Key KPIs
As per Q1-2022

46
Properties

377k
GLA (sqm)

NOK 255m
NOI

NOK 4,028m
GAV

10.1
WAULT

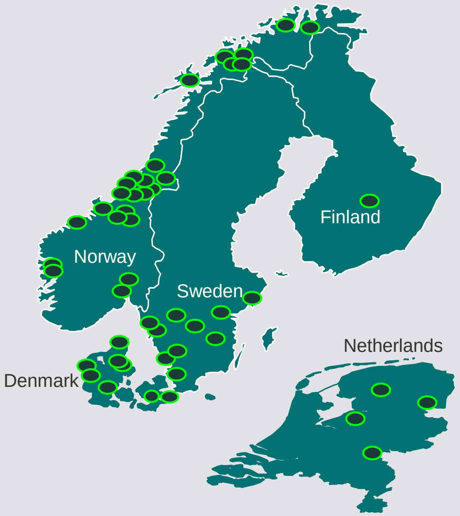
6.6%
Gross yield

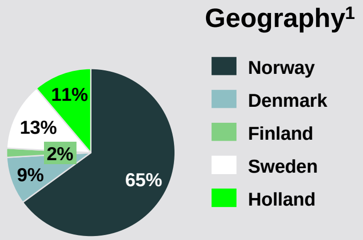
51.3%
LTV

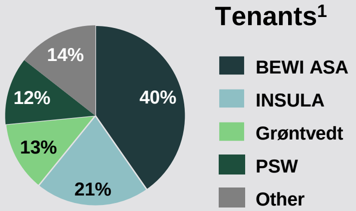
Company description

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

Property portfolio footprint

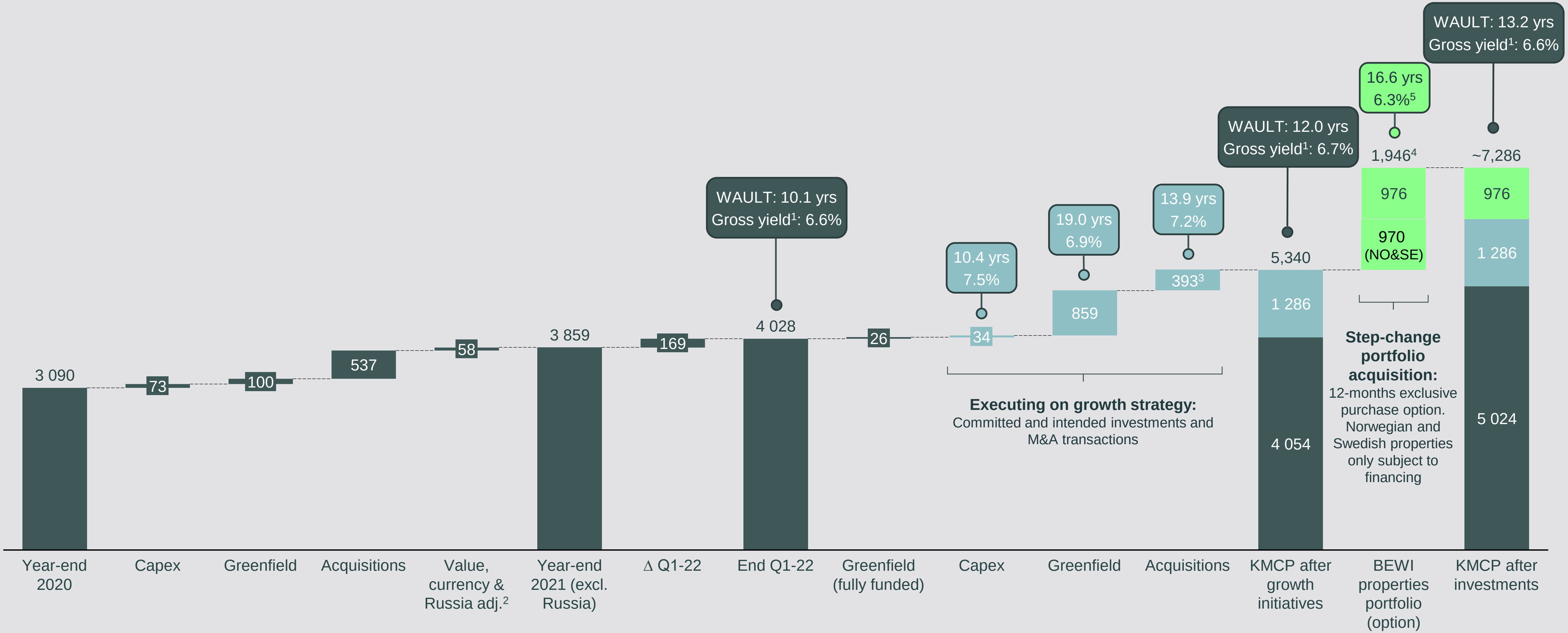






Source: Company information
Note: 1) Pie charts are based on NOI for 2022e

Now executing on multiple value accretive growth opportunities



Establishing KMC Properties as a larger growth platform set to unlock accelerated value creation

Note: 1) Gross yield calculation based on run-rate GRI excl. Russia; 2) Value and currency adj. represents a NOK 201m positive effect, while Russia excl. represents a NOK 143m negative effect; 3) Valuations for Danish properties impacted by exchange rate fluctuations. Value in graph based on NOK/DKK exchange rate as of 31 March 2022; 4) BEWI property portfolio valuation impacted by exchange rate fluctuations. Value in graph based on exchange rates (NOK/EUR, NOK/SEK, NOK/DKK) as of 31 March 2022; 5) Gross yield to improve in 2023 as acquisition price is fixed, while rental income is KPI adjusted (a 2.5% KPI adjustment results in c.6.5% yield)

Strong transaction rationales

Delivering on accretive growth strategy

Opportunity	# initiatives	Investment	Gross yield
Capex	6	NOK 34m	7.5%
Greenfield	2	NOK 859m	6.9%
Acquisitions	3	NOK 393m	7.2%
Combined	11	NOK 1,286m	7.0%

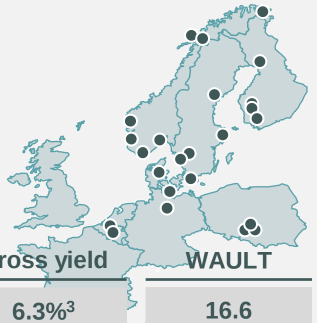
- Solid tenants with strong financial profiles positioned within established Norwegian sectors
- Triple-net lease agreements with an attractive combined WAULT of 17.0 years
- Assets with mission critical status in strategic locations resulting in high probability of extensions
- Substantial tenant infrastructure investments in properties creating further stickiness by increasing relocation costs
- Attractive yield-on-cost capex projects supporting yields and enhancing tenant stickiness

Acting on attractive portfolio opportunity

BEWI property portfolio

x24[2] Industrial properties[1]

- 7 properties
- 4 properties
- 4 properties
- 3 properties
- 2 properties
- 2 properties
- 1 properties



Investment	Gross yield	WAULT
NOK 1,946m	6.3%[3]	16.6

- Attractive portfolio acquisition opportunity sourced from key tenant with an attractive yield
- 12 months exclusivity period to properties from SPA signing date. Flexibility to acquire property portfolio in parts (Norwegian and Swedish properties only subject to financing)
- Acquisition in line with current strategy allowing for following existing tenants into new locations
- Continued focus on properties in sectors KMC Properties knows well: Food and aquaculture facilities, light industry – infrastructure for the lessees
- Significant yield uplift potential from potential additional capex initiatives

KMC PROPERTIES — Solidifying KMC Properties' position to accelerate value creation going forward

Gross yield 6.6%	Portfolio value NOK ~7.3bn
EBITDA yield ~5.9%	WAULT ~13.2 years

- ✓ Strengthened market position as #1 consolidator in Norway and a preferred partner for industrial companies
- ✓ Enables share-based settlement for accelerated growth
- ✓ Economies of scale and EBITDA accretion
- ✓ Unlocking financial synergies and strengthening KMC Properties' credit quality and access to debt capital
- ✓ Steady cash-flow coupled with sound balance sheet and size enables cheaper financing
- ✓ Enables exploring new funding sources in the Nordic capital markets

Note: 1) BEWI property portfolio acquisition from BEWI ASA includes 19 properties currently owned by Jackon (BEWI ASA to assume ownership subject to result of competition clearance process), three Polish properties (ownership assumed in IzoBlok acquisition), one Belgian property (ownership assumed in Kemisol acquisition), and one Norwegian property rented by BEWi Norge in Båtsfjord 2) In addition to 24 properties, the transaction involves 1 land plot in Fredrikstad; 3) Gross yield to improve in 2023 as acquisition price is fixed, while rental income is KPI adjusted (a 2.5% KPI adjustment results in c.6.5% yield)

High level financing overview

High level financing description

New Projects / Growth Pipeline	• The Company currently has a growth pipeline comprising a number of available investment opportunities: • **Capex**: The Company currently has several income generating capex projects amounting to approx. NOK 34 million (the "Capex”). • **Greenfield Projects**: The Company currently has 2 greenfield projects, a packaging hub for BEWI ASA at Hitra, Norway, in addition to a salmon slaughterhouse for Slakteriet AS, amounting to approx. NOK 859 million (the “Greenfield Projects”). However, the near-term portion (next 6 months) greenfield investments amount to approx. NOK 120 million. • **Acquisitions**: The Company has entered into LOI’s to acquire 2 industrial properties in Denmark, in addition to being in advanced discussions regarding the acquisition of a third industrial property in Norway (for the latter acquisition, a share-based settlement is currently considered as the base case). Combined, the properties have an est. gross asset value of approx. NOK 393 million (the “Acquisitions”). • **BEWI Portfolio**: The Company has obtained a right to acquire a portfolio of 24 assets in addition to one land plot from BEWI ASA with an est. gross asset value of approx. NOK 2 billion (the “BEWI Portfolio”). The source of the BEWI Portfolio is partly Jackon Holding AS, which BEWI ASA is in the process of acquiring, pending only the final approval from relevant competition authorities in Norway, Sweden, Finland and Germany. The Company’s acquisition of the BEWI Portfolio is therefore also subject to BEWI ASA’s acquisition of Jackon Holding AS. The Company is under the agreement with BEWI ASA obligated to acquire the Norwegian and Swedish assets in the BEWI Portfolio (valued to approx. NOK 970 million), but has during a period of 12 months from the date of the agreement the flexibility to choose not to acquire some or all of the remaining assets in the BEWI Portfolio. The Company may accordingly acquire such remaining assets later in the 12 months-period than the acquisition of the Norwegian and Swedish assets.
Financing	• The Company has entered into an underwriting agreement in connection with a contemplated private placement of new shares in the amount of NOK 350 million (the "Private Placement"). The net proceeds from the Private Placement will be used to fund the near-term portion of the Company’s tangible pipeline of growth opportunities described under New Projects / Growth Pipeline above. • The Company is in the process of obtaining, or have already obtained, several other sources of financing. These include, but are not limited to: (i) Increased bank debt on existing properties (ii) New bank facilities relating to properties to be acquired (iii) New bank facility relating to the BEWI Portfolio: The Company has received an indicative term sheet subject to credit approval from DNB Bank ASA for 1st lien 55% LTV bank financing on the properties in Norway and Sweden (iv) Available amount under a revolving credit facility of NOK 200 million (v) Cash on balance sheet and cash flows from operations • With these financing components combined with net proceeds from the Private Placement, the Company will be able to finance the projects the Company select to execute in the near-term described under New Projects / Growth Pipeline above.

Agenda

1 Transactions in brief

2 Attractive investment opportunities

3 New platform set for accelerated value creation

4 Appendix

Introduction to investment opportunities

Delivering on accretive growth strategy

	Opportunity	Tenant	Investment	Gross yield	WAULT	Timing
Capex	Various	n.a.	NOK 34m	7.5%	11 years	H2-2022
Greenfield	Salmon processing	Slakteriet	NOK 682m	6.8%	20 years	Q4-22/H1-24
	Packaging hub	BEWI	NOK 177m	7.5%	15 years	H2-22/H1-23
Acquisitions	*Undisclosed industrial property*		NOK 191m[1]	6.5%	18 years	Q2/Q3-22
	Rogalandsvej 3	INWIDO	NOK 94m	7.9%	10 years	Q2/Q3-22
	Fabriksvej 3 og 4	INWIDO	NOK 109m	7.9%	10 years	Q2/Q3-22

Greenfield

- Complimentary expansion and diversification
- Combined rental income of NOK c.59m
- Triple-net lease agreements

Acquisitions

- Complimentary expansion in robust sectors adding to tenant diversification
- Combined rental income of NOK c.28m
- Triple-net lease agreements

Acting on attractive portfolio opportunity

BEWI property portfolio

- Total investment size of NOK 1,946m (NOK 970m for Norwegian and Swedish properties)
- Subject to competition clearance process in BEWI's acquisition of Jackon
  12 month exclusivity period from signing – flexibility to acquire the portfolio in parts. Acquisition of Norwegian and Swedish properties only subject to financing
- Gross yield of 6.3%[2]
- 24 industrial properties across 7 countries
- In line with strategy to grow with tenants
- Rental income of NOK c.121m
- Triple-net lease agreement
- WAULT of 16.6 years

Note: 1) The acquisition is likely settled in shares in KMC Properties; 2) Gross yield to improve in 2023 as acquisition price is fixed, while rental income is KPI adjusted (a 2.5% KPI adjustment results in c.6.5% yield)

Investment opportunities enabling a step-change for KMC Properties

	Current KMCP	Greenfield fully funded[1]	Accretive growth strategy: Capex	Accretive growth strategy: Greenfield	Accretive growth strategy: Acquisitions	KMCP after growth initiatives	BEWI properties portfolio	KMCP after investments
Properties (#)	46	1	-	2	3	52	24[2]	76
GLA (sqm)	377k	5k	-	22k	53k	457k	245k	701k
GRI (NOKm)	259	6	3	59	28	356	122	478
NOI (NOKm)	255	6	3	58	28	349	119	469
EBITDA (NOKm)	221	6	3	58	28	315	116	432
Property value (NOKm)	4,028	26	34	859	393[4]	5,340	1,946[3]	7,286
WAULT (yrs)	10.1	15.0	10.4	19.0	13.9	12.0	16.6	13.2
Gross yield (%)	6.6%	7.5%	7.5%	6.9%	7.2%	6.7%	6.3%[4]	6.6%

New investments to improve overall portfolio – maintained gross yield and enhanced WAULT

Source: Company information, Note: WAULT contribution weighted based on annual GRI contribution
Note: 1) Related to Oppdal Spekemat – full-year effect of financial metrics – property value of NOK 26m reflects remaining capex. Total fair value equals NOK 85m. 2) In addition to 24 properties, the transaction involves 1 land plot in Fredrikstad. 3) Currency rates per 31 March 2022. The purchase price for the BEWI portfolio and the Danish properties are settled in local currency on closing, i.e. value changes caused by changes to foreign exchange rates up until closing will occur; 4) Gross yield to improve in 2023 as acquisition price is fixed, while rental income is KPI adjusted (a 2.5% KPI adjustment results in c.6.5% yield)

KMC PROPERTIES

Capex: Actively using new investments to increase yield and WAULT

Current capex program

- Committed pipeline of six capex initiatives for H2-2022 with a total investment size of NOK 34m
- Expansion and furnishing of offices and production areas, upgrades of HVAC systems, fire protection measures and exterior upgrades such as replacement of roofing and facades
- Capex initiatives encompasses all key industrial segments as well as all key tenants

Attractive benefits from continuous capex programs

Increase property yield

Case example

- Hofstadveien 15 AS, Tenant Delprodukt AS enters an addendum of NOK 11.5m 8.5% yield rent on cost, for extensions, upgrades and adaptations of the property

Increase contract lease term (increase WAULT)

Case example

- Tenant Delprodukt AS also enters an extension of the main contract from 9 to 15 years in order to be able to depreciate the investment over a longer period of time

KMC PROPERTIES

Greenfield: Attractive projects for new and existing clients

Salmon processing facility

Opportunity in brief

- New slaughter and filet facility for Slakteriet AS in Florø
- Facility located on attractive property close to existing infrastructure
- State-of-the-art processing machinery and equipment within robotisation and automation solutions

Project status

- Total construction cost at NOK 682m
- Slakteriet AS to invest NOK +550m in machinery and equipment for the facility
- Construction commenced. KMC Properties to formally acquire the property in Q4-22
- Estimated completion in 2023/2024

Contract details

- Triple-net barehouse lease agreement
- 20 years lease period + 4x5 years option

Packaging hub

Opportunity in brief

- New state-of-the-art packaging facility for BEWI on Hitra. Fishboxes in EPS being the primary product
- Modern facility with a particular focus on utilizing recycled packaging material for continuous reuse
- Facility located on an attractive property close to a number of large fish farming sites
- Project also includes a fully automatic fish box storage facility, integrated in MOWI's new fish slaughter right next to BEWI's E-HUB

Project status

- Total construction cost at NOK 177m
- Tenant to invest NOK +100m in machinery and equipment for the facility (combined investment for First phase and External Storage)
- Construction to commence in early H2-2022
- Final lease agreement signed and property acquired
- Estimated completion in early H2-2023

Contract details

- Triple-net barehouse lease agreement
- 15 years lease period + 2x5 years option

Greenfield: A key component in KMC Properties' growth strategy

In focus: Building a salmon processing facility for Slakteriet AS

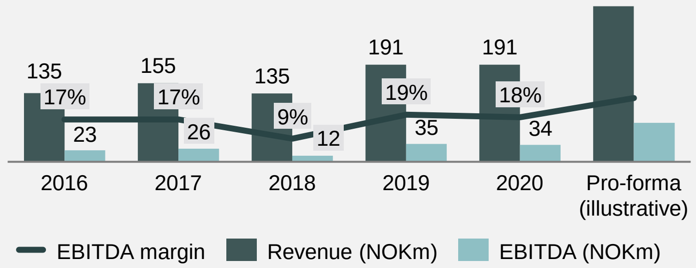
Executing on growth strategy

- **High quality asset** — ✓ State-of-the-art property strategically located in Florø
- **End-market diversification** — ✓ Complimentary expansion within the aquaculture industry
- **Tenant diversification** — ✓ Adding a new and solid tenant with a long successful track record
- **Well-known industry** — ✓ Improving presence across the aquaculture value chain
- **Continuous buy-and-build** — ✓ Another milestone transaction with significant value contribution

Solid and attractive tenant

- Slakteriet AS is a modern salmon processing company which has built strong relationship with Norwegian salmon farmers and exporters over its 20 years of operations, and has two processing facilities in Florø and Brekke with combined processing volume of c. 40k tonnes/year
- The new facility will have initial capacity of 40k tonnes/year but will be adapted for easy future additional expansion of up to 30k tonnes/year
- The new facility will have state-of-the technology and offer significant economies of scale
- The new facility will be able to process fish filets for the majority of volumes which is a higher margin operation compared to existing slaughtering and gutting lines, and will therefore boost margins further

Financial figures (Slakteriet Holding AS)



Attractive key metrics

Rental income: **NOK c. 46m**

BTA: **15.3k**

Occupancy rate: **100%**

- 20 years WAULT
- Triple-net barehouse lease agreement
- Extension option 4x5 years
- 100% CPI adjustment

Acquisitions: Delivering on growth strategy by acquiring three single assets with accretive project economics

Undisclosed industrial property

The tenant delivers a wide range of products and services to the horeca market, concept customers and the grocery industry.

- Tenant: [●] *(not disclosed)*
- Est. property value: NOK 191m[1]
- GRI: NOK 12.4m
- Gross yield: 6.5%
- WAULT: 18 years
- Status and expected closing: Advanced discussions, closing Q2/Q3-22

- KMC is in advanced discussions of acquiring an industrial property in Norway
- Solid project economics; increases overall portfolio WAULT
- Thematically good fit with KMC's sector focus (protein and food production)
- Transaction sources through KMC's extensive industrial network – testament to deal sourcing capabilities

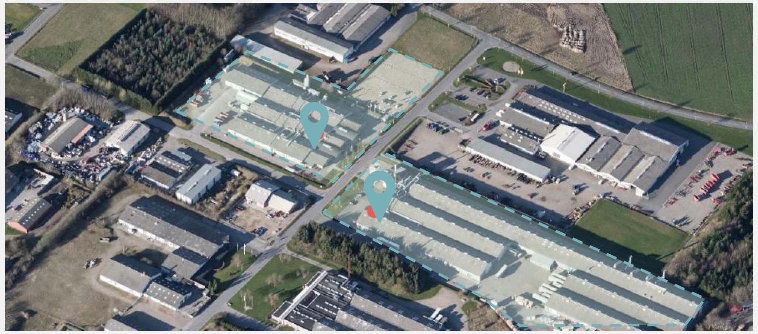
INWIDO – Rogalandsvej 3

The property is leased to KPK Døre and Vinduer A/S which is a part of the Swedish Inwido group – Europe's largest window manufacturer.

- Tenant: INWIDO
- Est. property value: NOK 94m
- GRI: NOK 7.3m
- Gross yield: 7.9%
- WAULT: 10 years
- Status and expected closing: Signed LOI, closing Q2/Q3-22

- Contributes to tenant and portfolio diversification
- Strong and solvent tenant with positive development and track record
- Tenant with exposure in one of KMC's core sector focus (building materials)
- Attractive yield vs lease duration

INWIDO – Fabriksvej 3 and 4



The property is leased to Outline Vinduer A/S which is a part of the Swedish Inwido group – Europe's largest window manufacturer.

- Tenant: INWIDO
- Est. property value: NOK 109m
- GRI: NOK 8.5m
- Gross yield: 7.9%
- WAULT: 10 years
- Status and expected closing: Signed LOI, closing Q2/Q3-22

- Contributes to tenant and portfolio diversification
- Strong and solvent tenant with positive development and track record
- Tenant with exposure in one of KMC's core sector focus (building materials)
- Attractive yield vs lease duration

In line with communicated growth strategy acquiring properties with solid and accretive project economics

Note: 1) The acquisition is likely settled in shares in KMC Properties

BEWI property portfolio: Step-change acquisition for KMC Properties

Sound strategic rationale

High-quality asset	✓ High-quality property portfolio of 24 industrial facilities (and one land plot) strategically located
End-market diversification	✓ Significant geographical diversification – adding new countries to the portfolio (Germany, Belgium and Poland)
Growing with tenants	✓ Following BEWI into new locations solidifying industrial knowledge and extending property type experience
Well-known industry	✓ Expansion within KMC Properties core sector focus of light industrial properties
Continuous buy-and-build	✓ Another milestone transaction with significant value contribution – Flexibility to acquire portfolio in parts (e.g. acquire Norwegian and Swedish properties first)

Key metrics (for total portfolio)

Rental income: **NOK c.122m**

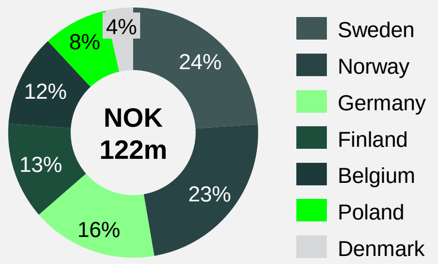
BTA: **245k**

Occupancy rate: **100%**

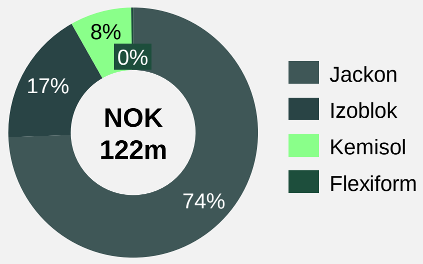
Lease agreement:

- 16.6 years WAULT
- Triple net (tenant responsible for all costs related to the property)
- Option 2x5 years
- Rent settled in local currency
- 100% CPI adjustment
- Properties is let ”as-is”

Rental income per country



Rental income per tenant



Agenda

New platform set for accelerated value creation

Key KPIs

76
Properties

701k
GLA (sqm)

NOK 469m
Run rate NOI

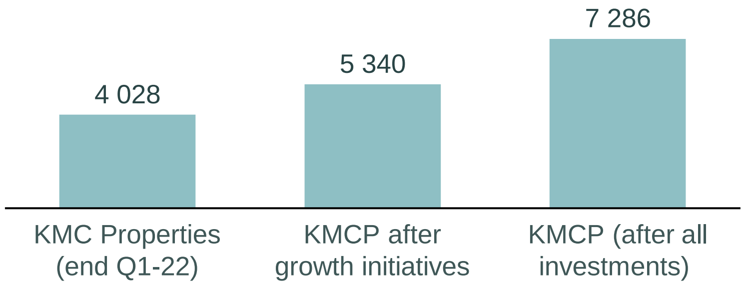
NOK 7,286m
GAV

13.2 yrs
WAULT

6.6%
Gross yield

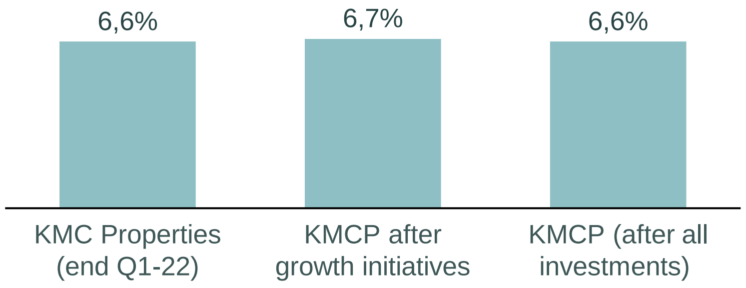
Significantly larger base to grow from

Gross asset value development (NOKm)



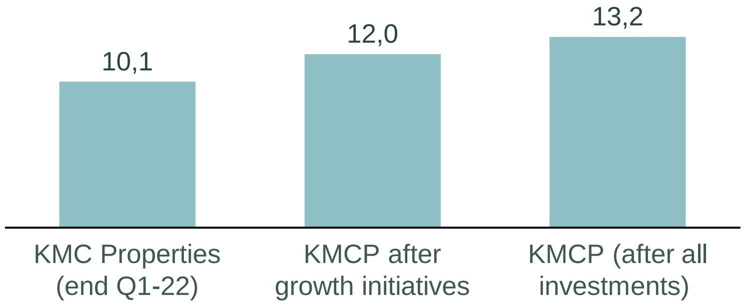
Maintaining portfolio gross yield

Gross yield development (%)



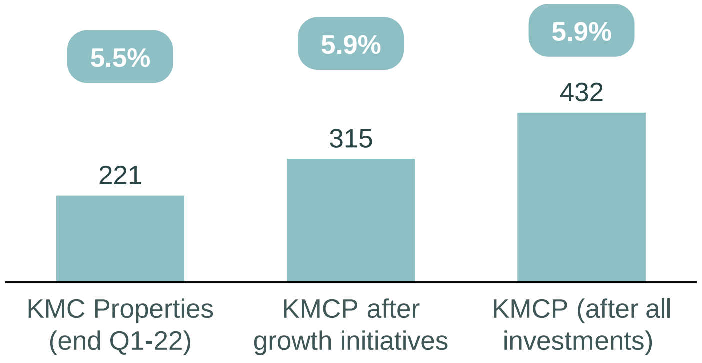
Improving WAULT

WAULT development (years)



Substantial EBITDA uplift

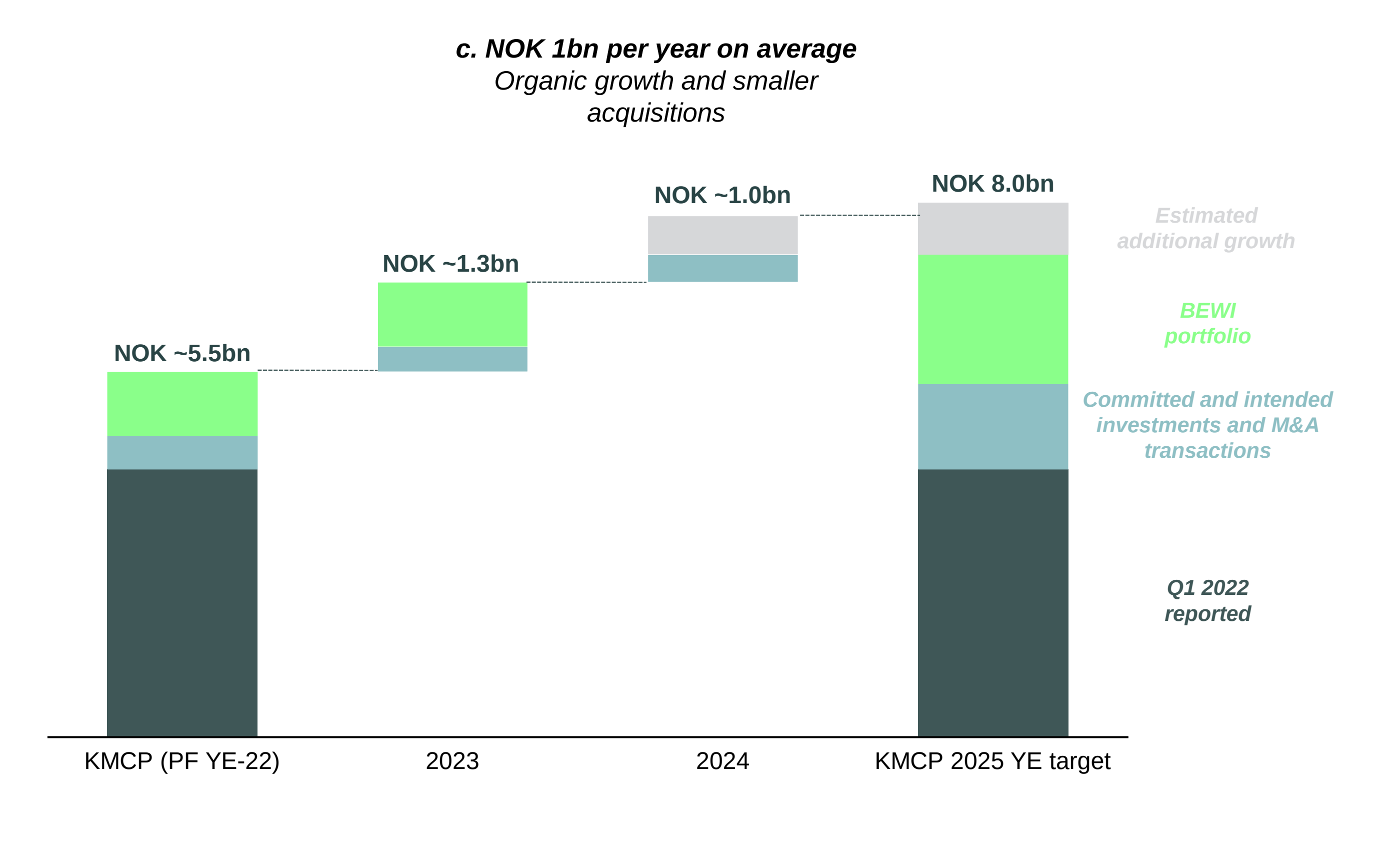
EBITDA and EBITDA yield development (NOKm, %)



 Source: Company information

Revisiting the growth plan

Ahead of schedule on ambitious growth plan



Key considerations

- Existing growth criteria remains
- KMCP will continue to target around NOK 1bn per year on average of growth from organic initiatives including greenfield developments and smaller acquisitions
- KMCP will also consider acquiring larger portfolios going forward if selected investment criteria's are met. Timing for these acquisitions are however harder to predict

Financing optimisation

- KMCP will work long-term towards achieving an investment grade rating from a reputable credit rating agency
- KMCP will work long-term to put in place a sound financial structure combining bank and capital markets instruments to achieve optimal group LTV, maturity profile and borrowing cost

New platform set for continued growth and value creation

New growth opportunities set to strengthen KMCP equity story

1. Strategic locations for the tenants with proximity to key clients or business critical resources or in established industry clusters.
2. Solid client base of successful companies with long track records operating in attractive industries
3. Long-term triple net contracts with low contract extension risk
4. #1 consolidator in Norwegian industrial real estate
5. ESG in focus throughout KMC's operations
6. Accelerated growth plan and pathway to investment grade rating

Agenda

KMC PROPERTIES

KMC recognize the importance of embedding ESG in several aspects of our operations

Environmental

Measures for 2022:

- Develop an environmental policy
- Develop a carbon emission reduction strategy
- Develop an environmental risk assessment plan for existing properties
- Further develop acquisition procedures to include environmental issues

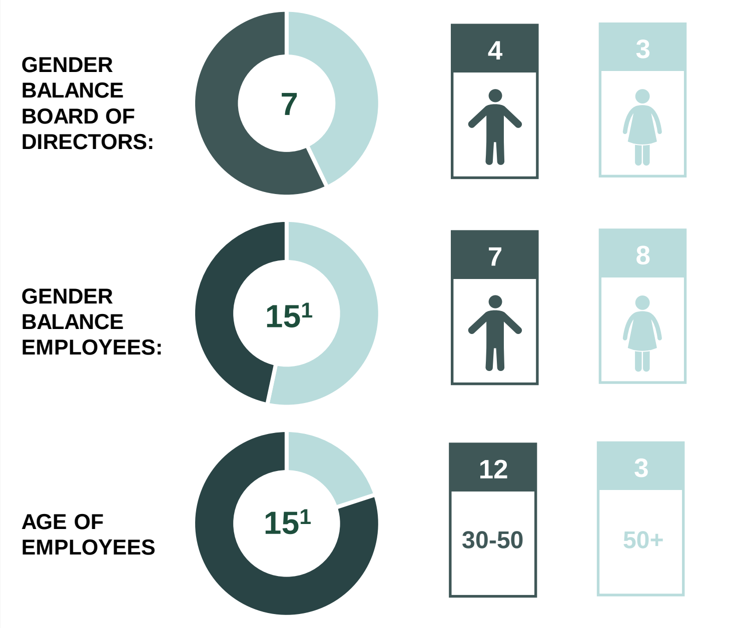
KMC Properties has initiated three projects that will enhance the company's governance of ESG issues:

1. Materiality assessment
2. Climate accounting
3. Sustainability report

Social

Measures for 2022:

- Develop a human rights policy including statements on indigenous peoples' rights, gender equality and working conditions
- Develop social screening criteria for tenants
- Establish contact with identified indigenous groups
- Set gender diversity targets



Governance

Measures for 2022:

- Develop an ESG strategy
- Develop a code of conduct
- Digitalize ESG data collection
- Establish a whistle-blower channel
- Enhance stakeholder engagement on ESG issues
- Assess climate-related risks according to the TCFD framework
- Prepare for the Norwegian Transparency Act
- Prepare for reporting alignment with the EU taxonomy in 2022

Managing KMC Properties' impacts on the environment and society is a central pillar in the company's efforts to build a sustainable business

1) # of FTE's

BEWI property portfolio: Solid and attractive tenant

BEWI in brief

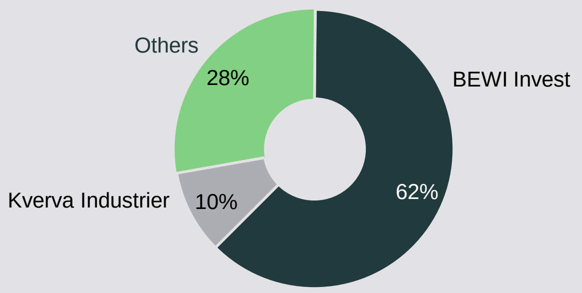
- Founded in 1980 by the Bekken family. Has since inception developed the company into becoming a large European packaging and insulation player
- Strategically integrated throughout the value chain with ~1/3 of revenue is from upstream and 2/3 of revenue from downstream
- ~70 production and recycling facilities located across Norway, Denmark, Sweden, Finland, the Netherlands, Belgium, Portugal, Poland, UK, and Germany. In addition, the group has minority interests in 13 facilities in Germany, France and the Czech Republic
- Listed on Oslo Børs with Bekken and Kverva as largest shareholders
- BEWI is the sole owner or majority owner of the tenants throughout the BEWI property portfolio; Jackon (100%)[1], Izoblok (64%) and Kemisol (100%)

EUR 748m
Revenue (2021)

EUR 109m
EBITDA (2021, adj.)

2,097
Employees (2021)

Committed owners with industrial heritage



Jackon

- Founded in 1956 and is a leading manufacturer of insulation and building systems, as well as special products and packaging in Europe
- The company has 22 facilities across 6 countries, in addition to sales departments in most Western European countries
- BEWI announced an acquisition of Jackon in fall 2021. Estimated completion first in Q2/Q3 2022 (subject to competition clearance)

EUR 398m
Revenue (2021)

925
Employees (2021)

Izoblok

- The leading European provider of advanced plastics processing and polypropylene (EPP) components to the automotive and logistics industry
- BEWI acquired 54% (66% voting rights) in Q3 2021, and launched a tender offer to acquire the remaining shares. Under the tender offer, BEWI, received acceptance corresponding to 73.21% of the voting rights in Izoblok.

EUR 36m
Revenue (2021)

>500
Employees (2021)

Kemisol

- One of the largest producers of expanded polystyrene (EPS) insulation products in Belgium, offering a wide range of insulation products
- Distribute other insulation products such as IKO Enertherm, Ursa Foam, Styrisol and Knauf glass wool
- BEWI completed the acquisition of Kemisol in Q4 2021

EUR 34m
Revenue (2021)

~90
Employees (2021)

1) Pending completion of the Jackon acquisition

All processes are progressing according to plan

Asset	Milestones	Status	Comments
Slakteriet (greenfield)	Tenant agreement	Ongoing	In process of finalizing the tenant agreement – expected signing in June 2022
	Plot acquisition	Ongoing	Ongoing discussions – Plot acquisition expected to be completed in November/December 2022
	Permits	Ongoing	Statsforvalter, Fiskeridirektoratet, Mattilsynet and Kystverket – expected completion in H1 2023
	Construction	Ongoing	Preparation of plot and early construction work started in H1-2022 – expected completion H1-2024
Packaging Hub (greenfield)	Tenant agreement	OK	Final lease agreement in place
	Plot acquisition	OK	Completed acquisition
	Construction	Ongoing	Expected to commence construction in Q2-22 with an estimated completion in Q3-23
Acquisitions	▪ Undisclosed industrial property opportunity: Pending bid acceptance. Bid subject to financing. Acquisition likely settled in shares in KMC Properties ▪ Rogalandsvej 3 opportunity: Received bid acceptance – signed LOI. Bid subject to financing ▪ Fabriksvej 3 and 4 opportunity: Received bid acceptance – signed LOI. Bid subject to financing		
BEWI property portfolio	Due diligence	Ongoing	Due diligence commenced based on selected information from portfolio
	Financing	Ongoing	Indicative term sheets for the Nordic part of the portfolio in place; ongoing process with international bank and exploration of alternative financing sources
	SPA	OK	SPA agreement signed, but sale opportunity depends on pending competition authority approval process
	Exclusivity	OK	Subject to due diligence, the Company is under the agreement with BEWI ASA obligated to acquire the Norwegian and Swedish assets in the BEWI Portfolio (valued to approx. NOK 970 million), but has during a period of 12 months from the date of the agreement the flexibility to choose not to acquire some or all of the remaining assets in the BEWI Portfolio.

Overview of the properties (I/IV)

											Options		Cost coverage		
#	Country	Address	County	Tenant	Type	Construction year	Lettable area (sqm)	Contract end	CPI adj.	Parent guarantee	Extension	Put / call[3]	Maintenance	Property tax	Insurance
1	Norway	Lyngenvegen 5	Lundamo	Fiizk Covers AS	Production	1975	2 200	Dec-29	100 %	✓	✓		Tenant	Tenant	Landlord
2	Norway	Østre Rosten 102	Trondheim	Abra K. AS[1)]	Logistics	2004	2 475	Dec-29	100 %		✓		Tenant	Tenant	Landlord
3	Norway	Østre Rosten 102 b	Trondheim	Kastor Invest AS	Logistics	2006	5 700	Dec-29	100 %		✓		Tenant	Tenant	Landlord
4	Norway	Valsnesveien 259	Bjugn	Botngaard AS	Production	2016, 2017	2 800	Dec-29	100 %	✓	✓		Tenant	Tenant	Landlord
5	Norway	Halsanveien 3-11	Levanger	Bewi ASA	Industrial	1965, 1989	4 570	Dec-21	100 %		✓		Tenant	Landlord	Landlord
6	Norway	Hammarvikringen 64	Frøya	Bewi ASA	Combined	2012	8 012	Dec-30	100 %		✓	✓	Tenant	Landlord	Landlord
7	Norway	Havnegata 24	Stjørdal	Bewi ASA	Logistics	1971	14 200	Jun-28	0 %			✓	Tenant	Tenant	Landlord
8	Norway	Havnegata 16 (prev. 20B)	Stjørdal	Bewi ASA	Production/logistics	1989	7 248	Jul-32	100 %		✓		Tenant	Tenant	Tenant
9	Norway	Industrivegen 15	Balsfjord	Bewi ASA	Industrial	2009	8 012	Dec-30	100 %				Tenant	Landlord	Landlord
10	Norway	Skattørvegen 78	Tromsø	Venistål AS	Production/logistics	1999	1 877	Jul-30	80 %		✓		Tenant	Tenant	Tenant
11	Norway	Torgardsveien 11	Trondheim	Bewi ASA	Combined	2012	3 075	Dec-27	100 %				Tenant	Landlord	Landlord
12	Norway	Hofstadvegen 15	Melhus	AS Delprodukt	Production	2008	3 125	Dec-29	100 %		✓		Tenant	Tenant	Tenant
13	Sweden	Åleden 13	Vårgårda	Bewi ASA	Production	1976	6 805	Apr-28	100 %		✓		Tenant	Tenant	Tenant
14	Sweden	Halmstadsvägen 32	Laholm	Bewi ASA	Production	1929	13 800	Apr-28	100 %		✓		Tenant	Tenant	Tenant
15	Sweden	Kanalvägen 6	Kronoberg	Bewi ASA	Industrial	n.a.	9 043	Dec-29	100 %		✓		Tenant	Tenant	Tenant
16	Sweden	Bjørkelundsgatan 14	Skara	Bewi ASA	Production/logistics	n.a.	6 500	Dec-35	100 %				Tenant	Tenant	Tenant
17	Sweden	Ramshallsvegen 2[2]	Norrkøping	Bewi ASA	Production/logistics	1973, 1974, 1976	6 700	Jun-32	100 %		✓		Tenant	Tenant	Tenant
18	Denmark	Havrevænget 1	Hobro	Bewi ASA	Production	n.a.	5 070	Apr-28	100 %		✓		Tenant	Tenant	Tenant
19	Denmark	Østerled 30	Holbæk	Bewi ASA	Production	n.a.	4 150	Apr-28	100 %		✓		Tenant	Tenant	Tenant
20	Denmark	Torvegade 41	Tørring	Bewi ASA	Production	n.a.	5 739	Apr-28	100 %		✓		Tenant	Tenant	Tenant
21	Denmark	Tvilhovej 8	Glejberg	Bewi ASA	Combined	1970 – 2007	16 931	Sep-35	100 %	✓	✓		Tenant	Tenant	Tenant
22	Denmark	Kidnakken 13	Maribo	Bewi ASA	Production/logistics	1970 – 2007	8 396	Sep-35	100 %	✓	✓		Tenant	Tenant	Tenant
23	Norway	Strandvegen 4	Båtsfjord	Insula AS	Combined	1985, 2004, 2020	4 333	Apr-34	100 %	✓		✓	Tenant	Tenant	Tenant

Note: 1) Abra Kulelagersenteret AS; 2) Also includes Remmaren; 3) Call options on Insula properties are subject to the extension option having been exercised

Overview of the properties (II/IV)

											Options		Cost coverage		
#	Country	Address	County	Tenant	Type	Construction year	Lettable area (sqm)	Contract end	CPI adj.	Parent guarantee	Extension	Put / call[3]	Maintenance	Property tax	Insurance
24	Norway	Strandgata 105	Havøysund	Insula AS	Combined	1940, 1983, 2006	6 680	Apr-34	100 %	✓		✓	Tenant	Tenant	Tenant
25	Norway	Havet 45	Leknes	Insula AS	Combined	2010, 2020	11 800	Apr-34	100 %	✓		✓	Tenant	Tenant	Tenant
26	Norway	Gjerdsvikvegen 208	Gjerdsvika	Insula AS	Combined	1981, 1992, 1996	4 450	Apr-29	100 %	✓		✓	Tenant	Tenant	Tenant
27	Norway	Stømnervegen 1	Kongsvinger	Insula AS	Combined	1990, 2010, 2017	3 741	Nov-20	100 %	✓	✓	✓	Tenant	Tenant	Tenant
28	Sweden	Traktorvägen 1	Varberg	Insula AS	Combined	1955, 2007, 2016	15 850	Apr-29	100 %	✓		✓	Tenant	Tenant	Tenant
29	Sweden	Guleskär 56	Kungshamn	Insula AS	Combined	1995, 2004	7 166	Apr-34	100 %	✓		✓	Tenant	Tenant	Tenant
30	Denmark	Constantiavej 31 + Å 24[1]	Frederikshavn	Insula AS	Combined	1946 – 2020	11 708	Apr-34	100 %	✓		✓	Tenant	Tenant	Tenant
31	Denmark	Tungevej 2-4	Hvide Sande	Insula AS	Combined	1984, 2001, 2014, 2020	2 807	Apr-34	100 %	✓		✓	Tenant	Tenant	Tenant
32	Finland	Mastotie 7	Kuopio	Insula AS	Combined	1991, 2000-2010	5 051	Apr-29	100 %	✓		✓	Tenant	Tenant	Tenant
33	Norway	Havneveien 1	Uthaug	Grøntvedt Nutri AS	Combined	1990-2020	11 000	Oct-35	100 %	✓	✓	✓	Tenant	Tenant	Tenant
34	Norway	Fagernessletta 10	Narvik	Kuraas AS	Production	1998, 2001, 2003	6 090	Sep-28	100 %	✓	✓		Tenant	Owner	Tenant
35	Norway	Kampenveien 5	Fredrikstad	Be-Form AS	Production	1970, 2009	4 168	Dec-33	100 %	✓	✓		Tenant	Tenant	Tenant
36	Norway	Bleivassvegen 7	Ågotnes	PSW Group AS	Industrial	1974 – 2020	5 781	Jul-30	100%	✓	✓		Owner	Owner	Owner
37	Holland	Nieuweweg 235	Wichjen	Bewi ASA	Combined	1970 – 2007	31 949	Dec-32	100 %		✓	✓	Tenant	Tenant	Tenant
38	Holland	Textielstraat 30	Oldenzaal	Bewi ASA	Combined	1970 – 2007	13 199	Dec-32	100 %		✓		Tenant	Tenant	Tenant
39	Holland	Kanalstraat 107	Someren	Bewi ASA	Combined	1970 – 2017	25 950	Dec-32	100 %		✓	✓	Tenant	Tenant	Tenant
40	Holland	De Kalkovens 10	Zwartsluis	Bewi ASA	Combined	1980 – 2001	8 662	Dec-32	100 %		✓		Tenant	Tenant	Tenant
41	Norway	Klubben	Senja	Bewi ASA	Combined	2021	3 650	Jul-36	100 %	✓			Tenant	Tenant	Tenant
42	Denmark	Skelvej 1	Thorsø	Bewi ASA	Combined	1962 – 2020	5 858	Mar-33	100 %	✓	✓		Tenant	Tenant	Tenant
43	Norway	Holamyra 24	Malmefjorden	P. Temperature[2]	Production	1970 - 2019	2 919	Dec-37		✓	✓		Tenant	Tenant	Tenant
44	Norway	Storemyra 200	Mongstad	PSW Group AS	Assembly / storage	2019	10 734	Oct-31	100 %	✓	✓		Tenant	Tenant	Tenant
45	Sweden	Ängholmsvägen 14	Rönnäng	Klädesholmen	Production	2005, 2009, 2015	11 670	Feb-37	100 %	✓	✓	✓	Tenant	Tenant	Tenant

Note: 1) Århusgade 24; 2) Perfect Temperature Group AS; 3) Call options on Insula properties are subject to the extension option having been exercised

Overview of the properties (III/IV) – New opportunities

											Options		Cost coverage		
#	Country	Address	County	Tenant	Type	Construction year	Lettable area (sqm)	Contract end	CPI adj.	Parent guarantee	Extension	Put / call	Maintenance	Property tax	Insurance
46	Norway	Sørkilen 3 + Østkilen 14	Fredrikstad	Bewi ASA	Combined	1980-2020	14 800	Jul-39	100 %	✓	✓		Tenant	Tenant	Tenant
47	Norway	Krosnesveien 6	Fredrikstad	Bewi ASA	Combined		7 400	Jul-39	100 %	✓	✓		Tenant	Tenant	Tenant
48	Norway	Østkilen 1 + SF 2A[1]	Fredrikstad	Bewi ASA	Combined		1 570	Jul-39	100 %	✓	✓		Tenant	Tenant	Tenant
49	Norway	Liaveien 22	Fredrikstad	Bewi ASA	Combined		2 200	Jul-27	100 %	✓	✓		Tenant	Tenant	Tenant
50	Norway	Linneflaten 6	Kristiansand	Bewi ASA	Combined	1970 - 2010	8 809	Jul-39	100 %	✓	✓		Tenant	Tenant	Tenant
51	Norway	Kvernamoveien 12	Gjesdal	Bewi ASA	Combined		1 600	Jul-39	100 %	✓	✓		Tenant	Tenant	Tenant
52	Norway	Anna Eriksens vei 20	Øksnes	Bewi ASA	Combined	1975 - 2009	1 745	Jul-39	100 %	✓	✓		Tenant	Tenant	Tenant
53	Sweden	Järnvägsgatan 39	Skurup	Bewi ASA	Combined		12 600	Jul-39	100 %	✓	✓		Tenant	Tenant	Tenant
54	Sweden	Ritarslingan 8 og 10	Täby	Bewi ASA	Combined	1920 - 2001	6 625	Jul-27	100 %	✓	✓		Tenant	Tenant	Tenant
55	Sweden	Hamnviksvägen	Kramfors	Bewi ASA	Combined	1890 - 2016	10 584	Jul-39	100 %	✓	✓		Tenant	Tenant	Tenant
56	Sweden	Diabasvägen 9	Skövde	Bewi ASA	Combined		21 124	Jul-39	100 %	✓	✓		Tenant	Tenant	Tenant
57	Denmark	Lundagervej 20	Hedensted	Bewi ASA	Combined	1991 - 2001	8 259	Jul-39	100 %	✓	✓		Tenant	Tenant	Tenant
58	Finland	Toravantie 18	Sastamala	Bewi ASA	Combined	1964 - 2021	15 985	Jul-39	100 %	✓	✓		Tenant	Tenant	Tenant
59	Finland	Totontie 8	Muurola	Bewi ASA	Combined	1983	1 200	Jul-39	100 %	✓	✓		Tenant	Tenant	Tenant
60	Finland	Muurlantie 438	Muurla	Bewi ASA	Combined	2009 - 2012	4 482	Jul-39	100 %	✓	✓		Tenant	Tenant	Tenant
61	Finland	Pajakatu 6	Sastamala	Bewi ASA	Combined	1964 - 2021	5 275	Jul-39	100 %	✓	✓		Tenant	Tenant	Tenant
62	Germany	Ritzlebener Str. 1	Mechau	Bewi ASA	Combined	1993 - 2007	30 245	Jul-39	100 %	✓	✓		Tenant	Tenant	Tenant
63	Germany	Herrenhöfer Landstr. 6	Ohrdruf	Izoblok	Combined	1997 - 2004	24 904	Jul-39	100 %	✓	✓		Tenant	Tenant	Tenant
64	Belgium	Industrielaan 39	Olen	Bewi ASA	Combined	1995	9 000	Jul-39	100 %	✓	✓		Tenant	Tenant	Tenant
65	Belgium	Hulshoutsesteenweg 33	Heist-Berg[3]	Bewi ASA	Combined	1961 - 2021	32 965	Jul-39	100 %	✓	✓		Tenant	Tenant	Tenant
66	Poland	4 Olszewskiego Street[2]	Chorzów	Izoblok	Combined	1965 – 2021	5 238	Jul-39	100 %	✓	✓		Tenant	Tenant	Tenant
67	Poland	11 Kluczborska Street	Chorzów	Izoblok	Combined	1987 – 2019	8 652	Jul-39	100 %	✓	✓		Tenant	Tenant	Tenant
68	Poland	15 Narutowicza Street	Chorzów	Izoblok	Combined	2007 - 2013	6 343	Jul-39	100 %	✓	✓		Tenant	Tenant	Tenant

Note: 1) Søndre Fageråsvei 2A; 2) Also includes 15 Legnicka Street; 3) Heist-op-den-Berg

Overview of the properties (IV/IV) – New opportunities

											Options		Cost coverage		
#	Country	Address	County	Tenant	Type	Construction year	Lettable area (sqm)	Contract end	CPI adj.	Parent guarantee	Extension	Put / call	Maintenance	Property tax	Insurance
69	Norway	Fjord Base Florø	Florø	Slakteriet	Production	2023	15 300	Jul-43	100 %		✓		Tenant	Tenant	Tenant
70	Norway	Industriparken Jøsnøya	Hitra	Bewi ASA	Production	2023	6 400	Jul-38	100 %		✓		Tenant	Tenant	Tenant
71	Norway	Søndre Industrivegen 50	Oppdal	Oppdal spekemat	Production	2022	5 400	Jul-37	100 %		✓		Tenant	Tenant	Tenant
72	Norway	Undisclosed property	n.a.	n.a.	Production	2016	10 000	Jul-39	100 %		✓		Tenant	Tenant	Tenant
73	Denmark	Rogalandsvej 3	Nykøbing	Inwido AB	Combined	1985 - 2005	21 393	Jul-32	100 %	✓			Tenant	Tenant	Tenant
74	Denmark	Fabriksvej 3 + 4	Farsø	Inwido AB	Combined	1995 - 2010	21 968	Jul-32	100 %	✓			Tenant	Tenant	Tenant
75	Norway	Fagervikveien 2A	Båtsfjord	BEWI ASA	Combination		2 810	Jul-39	100 %	✓	✓		Tenant	Tenant	Tenant

KMC PROPERTIES

Risk factors

1) RISK FACTORS

An investment in the Company, thus the Shares, involves inherent risk. Investors should carefully consider the risk factors and all information contained in this Presentation, including the Financial Information and related notes. The risks and uncertainties described herein are the material known risks and uncertainties faced by the Group as of the date hereof, and represents those risk factors that the Company believes to represent the most material risks for investors when making their investment decision in the Shares. An investment in the Company is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment. 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 Shares, resulting in loss of all or part of an investment in the Shares.

1.1) Risks related to the Group and its operations

1.1.1) Risks related to development of property values

The Group is exposed to the economic cycle and macroeconomic fluctuations, as changes in the general global economic situation, such as the level of inflation and the rate of economic growth, could materially affect the value of the Group's properties. In particular, an economic downturn may decrease the market value of some or all of the Group's properties. In addition, any changes in the segment of the real property industry in which the Group operates, including, among other things, reduction in the demand for industrial properties, reduced availability and increased cost of financing for industrial properties and slowdown in the market for the sale and purchase of industrial properties, could have a negative effect on the value of the Group's properties. Any significant reduction in property value would have a material negative impact on the Group's earnings and financial position.

1.1.2) The Group derives a significant amount of revenue from its two largest tenants

The largest tenant of the Group is the Oslo Stock Exchange listed packing- and insulation company BEWI ASA, leasing 23 properties and accounting for approx. 32.7% of the Company's operating income as of 31 March 2022. The Nordic seafood group Insula AS is the second largest tenant, leasing ten properties and accounting for approx. 19.1% of the Company's operating income for the same period. Subject to the successful acquisition of the BEWI Portfolio, the largest tenant will continue to be companies within the BEWI Group. Furthermore, given the relative dependency the Group has on BEWI ASA and Insula, it is therefore also vulnerable towards significant downturns in the fishing industry and other connected industries where these tenants operate in. Consequently, if the Group loses either of the top two tenants of the Group or the industries in which these top tenants operate in experiences a significant downturn, this will affect its revenue and cash flow, and could have a material adverse effect on the Group's business, financial condition and results of operations.

1.1.3) Risks related to the construction and development projects

The Group is currently involved in several construction projects and is therefore subject to development risks in its business of developing industrial properties. The Group's portfolio of project properties represents a significant percentage of the market value of the Group’s total property portfolio. The Group is exposed to the risk that the completion of a development or construction project may be delayed and/or that the construction costs will exceed the cost budget. Over the recent years, construction costs have increased materially. The ability to carry out a profitable construction project is dependent upon a number of factors, such as the Group's ability to retain and recruit employees with the necessary competence and hire contractors for the project's implementation on terms acceptable to the Group. The profitability of the project can also be affected by i.e. insufficient planning, analysis and cost control, change of taxes, currency rates, material cost and charges. Should the Group not be able to successfully develop these projects, this could have a negative impact on the Group's operations, financial position, and earnings

Risk factors

1.1.4) The Group could be unable to let a property following the expiry or termination of a tenancy

As of 31 March 2022, the average remaining fixed lease term under the lease agreements for the Group's properties was 10.1 years. When including the properties from the Acquisitions and the BEWI Portfolio, the average remaining lease term of the contracts as per 31 March 2022 was 13.2 years. In the event the Group is unable to let its properties on satisfactory terms or at all upon expiry or termination of lease agreements, the Group will suffer a rental shortfall, and may also be obliged to cover any common/joint costs allocated to the vacant areas until the property is re let. Expenditures related to a property, such as renovation and maintenance costs, are generally not reduced in proportion to any decline in rental income from that property. The Group's properties are generally leased to one specific local industrial enterprise. Should the local industrial enterprise shut down production or move, the Group may encounter difficulties re letting the property at the existing rent levels and significant investments may be needed to for the property to be suited for a new tenant. Consequently, should the Group be unable to re let its properties upon the expiry or termination of lease agreements, this could have a material adverse effect on the Group's financial condition, results of operations and cash flows.

Furthermore, as most of the Group's contracts are long-term, there can be no assurance that the financial position of the Group's customers will not materially change during the contracting period. The number of major customers of the Group is limited and the portion of the Group's income they represent is significant, thus making the Group most vulnerable to adverse changes in its customers' ability to meet their financial obligations. Failure by tenants of the Group to meet their obligations could also result in significant loss of rental income for the Group and could lead to a decrease in the value of the Group's properties which in turn would negatively affect the Group's financial condition.

1.1.5) Risks related to defects and pollution

The Group is exposed to the risk of hidden defects and pollution with respect to its current properties and with respect to properties which it may develop and/or acquire in the future. 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.

Environmental issues related to the Group's land and buildings could entail additional costs and/or liability for the Group that could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows. In the course of its business, the Group acquires land for development of industrial property projects and environmental risks related to ground contamination are an inherent part of such business. On a general basis, any known ground contamination or any ground contamination that may be discovered in the future related to the Group's properties involves the risk of incurring clean-up costs. In particular, the Group is obligated to clean up ground contamination found on properties that it plans to develop, where this ground contamination is considered an environmental risk.

If hidden defects or pollution is detected, buildings owned by the Group may be un-lettable 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 is also subject to a wide variety of environmental regulations in respect of water use, air, emissions, use of recycled materials, energy sources, storage, handling, treatment and transportation, and the extent of such regulations is expected to increase significantly once the Sustainable Finance Taxonomy (Regulation (EU) 2020/852 is implemented in Norway. Compliance with these rules and regulations is an important aspect of the Group's ability to continue its operations.

Further, the Group is subject to risks relating to pollution in the existing properties and associated buildings, including the potential of asbestos, polychlorinated biphenyl (PCB) and glycol from cooling units (which is particularly prominent in the properties conducting industrial production operations). There is a risk that the Group will incur costs related to changes to, or stricter enforcement of, applicable regulations, or claims brought by third parties or governmental agencies. In addition, there is a risk that businesses that the Group has acquired, prior to such acquisition, have not always complied with all applicable environmental regulations or that the operational sites are polluted. Claims against the Group's properties will normally be passed on to the tenant in accordance with the triple-net barehouse lease agreement, however should the tenant not be able to pay (e.g. due to bankruptcy) the Group may be liable. Each such risk could result in significant costs for the Group, including sanitation costs and legal expenses, and thus adversely affect the Group's operating expenses. These or other environmental issues related to land and buildings could entail additional costs and/or liability for the Group that could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

1) Weighted average unexpired lease term measured as the remaining contractual rent amounts of the current lease contracts of the investment properties of the Group, including areas that have been re-let and signed new contracts, adjusted for termination rights and excluding any renewal options, divided by Contractual rent, including renewed and signed new contracts.

Risk factors

1.1.6) The Group is exposed to maintenance, technical condition and operation risks

While all but two of the Group's lease agreements are triple-net barehouse agreements, the Group may experience unexpected capital expenditure requirements related to its properties. Further, the Group is responsible for insurance under ten of the triple-net barehouse agreements and for property taxes under seven of the triple-net barehouse agreements. There is a general risk that costs for maintenance and replacements, upgrading, etc., for which the Group is responsible may be greater than expected. Operating in the real estate industry also entails the possibility of technical risks. Technical risks refer to the risks associated with the technical operation of properties, such as the risk of design errors, other hidden defects or deficiencies and damage (caused, for example, by fire or another force of nature, or by tenants). The scope of the landlord's obligations will depend on the term of each lease agreement and the technical state and condition of the lease object. Further, after expiry or termination of the respective lease agreements, the premises may have to be renovated or adapted in order to attract new tenants. Should unexpected costs occur, this will have a negative impact on the net earnings and financial position of the Group.

1.1.7) Due to the potentially illiquid nature of the industrial properties in which the Group has invested, the Group could be unable to sell any portion of its total portfolio on favourable terms or could be unable to sell at all

The industrial property market in which the Group invests and operates may have lower liquidity than investment markets for other types of assets. To the extent the Group wished to engage in divestment activities, its general ability to sell parts of its property portfolio would depend on the state of investment markets and on market liquidity. In particular, these risks could arise from weakness in or even the lack of an established market for a property, changes in the financial condition or prospects of prospective purchasers, changes in national or international economic conditions and changes in laws, regulations or fiscal policies of jurisdictions in which the Group's properties are located. If the Group were required to liquidate any part of its property portfolio for any reason, there is no assurance that the Group would be able to sell any portion of its property portfolio on favourable terms or at all, which could have a material and adverse effect on Group's business, financial condition, results of operations and cash flows.

1.1.8) The Group's insurance coverage could be insufficient for potential liabilities or other losses

The Group currently maintains insurance coverage of types and amounts that it believes to be customary in the industry, including property insurance for all properties in the Group's property portfolio, specific project insurance for each ongoing project as well as liability insurances covering the Group's operations. The property insurance is normally covered by the tenant as part of the tenant's obligations under the triple-net lease agreements. The Group's insurance policies could be inadequate to compensate for losses associated with damage to its properties or other assets, including loss of rent. In particular, certain types of risk (such as risks of war or terrorist acts, 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 compensated fully or at all.

Additionally, there is 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.

1.1.9) Inaccuracies in calculations of fair value of property could negatively affect the Group

The Group's investment properties are measured at their fair value by the independent external valuer Cushman & Wakefield Debenham Tie Leung Limited ("**Cushman & Wakefield**") quarterly. The valuations are based on the individual property's assumed future cash flows, and property values are arrived at by discounting cash flows with an individual risk-adjusted required rate of return. Cushman & Wakefield has performed its valuations on the basis of the information it has received from the Group, including lease contracts, estimated development costs and expected lettable area, estimated future market rents, yields, inflation and other relevant parameters, and has not undertaken any technical inspection of the properties nor made any assessment of legal concerns related to the properties. Because of the uncertainty surrounding the input Cushman & Wakefield has received, in particular with respect to expected market rents, discount rates and inflation, estimates of sellable or lettable areas and estimated development costs for projects still in development, there can be no assurance that the fair values assigned to the Group's properties accurately reflect the proceeds that the Group will be able to generate from any sale of such properties in the future. 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.

Risk factors

1.1.10) The Group has a limited operating history following the Transaction

KMC Properties (formerly Storm Real Estate ASA) was established in 2007 and in 2020, KMC Properties and KMC AS combined the two companies resulting in the transformation of the Company from a single asset company to a diversified industrial real estate company, owning 40 properties in 6 countries. On 30 June 2022, the Group entered into an acquisition agreement contemplating the acquisitions of the BEWI Portfolio and jointly the "Transactions"). Consequently, the Group will have a limited operating history following the Transactions. The Group's lack of operating history as a combined group makes it difficult to assess the historical performance and outlook for future revenues and other operating results. Prospective investors may only evaluate the Company's historical financial information for the year ended 31 December 2021 (with comparable figures for 2020) and the period ended 31 March 2022 (with comparable figures for 2021), prior to the Transactions, in addition to the pro forma financial Information. The financial information included in this Presentation does not necessarily reflect the actual results of operations, financial position and cash flows that the Group may have had if it had been a combined group during the periods presented. Similarly, the historical financial information may not be indicative of the Group's future results of operations and future financial position.

1.1.11) The Transactions involves an inherent risk related to M&A activity, including without limitation integration risk, and no guarantees can be made that the integration of the properties pertaining to the Transactions into the existing operations of the Group will result in expected synergy realisations

The Transactions includes up to 24 properties and one land plot composed of a total 244,415 sqm gross area (BTA) of buildings and 999,714 sqm BTA of land, with a gross yield of 6.31%. Although certain due diligence investigations of the properties in the Transactions have been carried out, there is a risk that these investigations have not uncovered all material risks related to the properties, nor that the representations, warranties and/or indemnity provisions of the transaction documents will protect the buyer in the Transaction, i.e. a wholly owned subsidiary of KMC Properties ASA (the "Buyer"), in full against any losses incurred as a result of defects or other shortcomings related to the properties.

Pursuant to the SPA, the Buyer is obligated to acquire the Norwegian and Swedish properties comprised by the agreement valued to approximately NOK 970 million, including 12 properties and one land plot composed of a total 91,867 sqm BTA of buildings and 355,104 sqm BTA of land, with a gross yield of 6.31%. Further, the Buyer has an exclusive right to acquire the remaining part of the portfolio, including properties in Germany, Belgium, Poland, Finland, and Denmark, within twelve months from the date of the agreement (i.e. 30 Jun 2022). The Buyer intends to utilize the exclusive right. If post-signing and pre-closing due diligence investigations of the specific properties in the Transaction uncover material risks which the Buyer and the Company are not willing to acquire, or the Group does not obtain financing for the properties implying that certain properties will not be acquired, then the Buyer shall pay the additional option fee to BEWI.

In addition to any risks inherent to the properties acquired in the Transactions, acquisitions of this size involve financial, managerial and operational risks. The acquisition of the properties in the Transactions requires use of significant resources by the Company, including involvement from its Management and other key employees, with respect to integrating the operations of the properties into the existing operations of the Group. When announcing the Transactions on 30 June 2022, the Company communicated to the market and its shareholders that the properties acquired will have long-term rental contracts with tenants and facilities the Group knows well, enabling the Group to leverage on its existing organisation's competencies and capacities to deliver solid margins going forward. Challenges in the integration work may outweigh any positive synergy potentials in the short or medium term, and no guarantees can be made that the Group actually will achieve the solid margins going forward, nor the sales volumes, increase in margins or other profitability measures used to justify the investment. If the properties in the Transactions are not successfully integrated into the existing operations of the Group within the expected time frame (or at all), the combined Group's results of operations and financial position could be negatively affected going forward and not materialise as expected when the deal was announced.

Risk factors

1.1.12) Risk related to the office building in Moscow

The Group owns an office building in Moscow, whose value has been impacted by the sanctions imposed on Russia due to the ongoing invasion of Ukraine. The Group has booked an impairment on the property in the first quarter of 2022. The building was booked at NOK 142.6 million as per 31 December 2021, corresponding to 3.6 per cent of the Group's total portfolio value, while the net operating income from the property amounted to NOK 9.1 million in 2021.

The board has decided that the investment in Russia is to be presented as an asset held for sale and as a discontinued operations in accordance with IFRS 5 as of 31 March 2022. The Group is in the process of divesting the property while focusing on operating in compliance with all relevant laws and regulations and take care of the company's six employees in Russia until the sale is completed. Since Russia's invasion of Ukraine which started at the end of February 2022, the Group has, with assistance from Baker McKenzie in Russia, performed a sanction control on its current tenants in Russia without any significant findings. In addition, the Group is monitoring the ever-changing regulatory requirements with assistance from legal and financial consultants in Norway and Russia. Should the Group breach any laws and regulations in connection with the sale of the Russian property, this could have a negative impact on the Group's operations, financial position, and earnings.

1.2) Risks related to financing and market risk

1.2.1) Failure to comply with covenants in financing agreements may have a material adverse effect on the Group

If the Company breaches covenants under the loan agreement for the senior secured callable bonds of NOK 1,850 million issued by the Company, this loan may be subject to an immediate re-payment obligation. There can be no assurances that the Group will be able to meet its obligations under current or future financing arrangements. Any breach of existing or future debt covenants and undertakings with a subsequent claim for repayment in full or in a part of the outstanding debt will have a material adverse effect on the Groups financial position, operations and future prospects

1.2.2) The Group's degree of leverage and ability to incur additional indebtedness could have a material and adverse effect on the Group's ability to obtain additional financing or make it more vulnerable in the event of a downturn in the business or the economy generally

The Group primarily finances its operations through equity, own cash flow and interest-bearing debt, mainly consisting of senior secured callable bonds of NOK 1,850 million issued by the Company, and a revolving credit facility with DNB Bank ASA of NOK 200 million (the "**RCF**"). In addition the Company has raised bank loans totalling NOK 500 million. As of 31 March 2022, the Group had net nominal interest-bearing debt of NOK 2,350 million and an equity ratio of 42.0%. In connection with the Transactions and other capex projects, the Company is in the process of entering into additional financing arrangements.

The Group's financing arrangements contain certain covenants and general undertakings, which are customary in financing of this type, which impose restrictions on the Group's operations, and impose financial restrictions on the Group. Even though these limitations are subject to carve-outs and limitations, some of the covenants applicable to the Group, such as for example incurrence test covenants, could limit the Group's ability to finance future operations and capital needs and its ability to pursue investments and acquisitions in accordance with its current strategy that may be in the Company's and/or the Group's interest. In particular, the Group is subject to certain financial covenants, restrictions on its ability to pay dividends or other distributions. Consequently, there is a risk that the Group's financing arrangements may limit the Group's business and distributions to its shareholders.

Risk factors

1.2.3) The Group is exposed to currency risk

The Group is exposed to foreign currency exchange rate fluctuations. The Group operates internationally, and a significant part of its business and its properties are situated in other countries with other currencies than NOK, which is the Group's functional currency, with rental income from the Group's properties being received in DKK, SEK, EUR and RUB (in addition to NOK). Consequently, fluctuations in DKK, SEK, EUR and RUB against NOK could adversely affect the financial results of the Group. This risk may also materialise when the Group acquires properties in other countries and the acquisition cost is in a foreign currency. The risk is partly hedged using currency rate swaps. The current currency rate swaps are presented in the latest quarterly financial reporting.

1.2.4) Interest rate fluctuations could materially and adversely affect the Group's business, financial condition, results of operations and cash flows

The Group is exposed to interest rate risk primarily in relation to its long-term borrowings issued at floating interest rates and has adopted a hedging strategy in relation to such exposure. The Group evaluates the share of interest rate hedging based on an assessment of the Group’s total interest rate risk and the Group’s strategy to manage interest rate risk in order to achieve a balance between the desired interest rate expense and interest rate risk.

The Group’s interest rate risk is managed through the requirements for fixed interest rates for at least 50% of the debt portfolio, an average duration in the range of two to five years and diversification of the maturity structure for fixed interest rates. The average interest rate maturity of the total loan portfolio (including derivatives) was 2.7 years as of 31 March 2022. A decrease in market interest rates would have resulted in a decrease in total profit (after tax) in relation to interest-bearing debt. Such interest rate fluctuations could have a material and adverse effect on the Group’s business, financial condition, results of operations and cash flows.

The occurrence of any of these factors could have a material and adverse effect on the Group’s business, financial condition, results of operations and cash flows.

1.2.5) The Company is dependent on cash flows from subsidiaries

The Company's main assets consist of shares in underlying (operating) subsidiaries which hold properties that contribute to a positive cash flow from operations. The ability to bear the costs for e.g. interest-bearing debt are dependent of payments and dividends from subsidiaries, as this represents the Company's and the Group's cash flow. The transfer of funds from subsidiaries may be limited or prevented by both legal and contractual requirements applicable to the Group, including, but not limited to, any limitations with respect to dividend payments set out in shareholders’ agreements entered into by a Group company, legal requirements regarding available funds for dividend payments and thin-capitalisation rules. Should any such limitations with respect to the possibility of transferring funds from subsidiaries occur, or should such subsidiaries for any other reason not generate sufficient liquidity to the Company, this may adversely affect the Company's liquidity and results.

1.3) Risks related to laws, regulations and litigation

1.3.1) The Group could be subject to litigation and disputes, including disputes with tax authorities that could have a material adverse effect on the Group's business, financial condition, results of operation and cash flow

There is a risk that the Group may become involved in disputes, legal proceedings, investigations, litigation or arbitration brought by customers or other counterparties, regulatory authorities or governments. As an example, in 2021, the Russian Group Company Martex LLC won three legal disputes in court, whereof two of the disputes were against former tenants to retrieve receivables. The last court case was a dispute with the real estate register in Moscow, to correct an error in the register. The he 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.

Risk factors

1.3.2) Changes in, or completion of, planning regulations and existing exemption practices by authorities could significantly affect the Group's operations and financial position and changes in infrastructure could materially impact the Group's operations

Changes in, or completion, of existing planning regulations by relevant authorities may affect the operations of the Group's property, including the interest of potential tenants in future rental of premises or interest of future purchasers of the property. 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 Group's properties.

Furthermore, changes in laws and regulations regarding tax and other duties/charges, including, but not limited to, VAT and the stamp duty on transfer of properties, could involve new and changed parameters applicable to the Group and taxation of/charges for the Group at higher levels than as of the date hereof. For example, the municipalities of Norway could impose new or increased property value taxes. Changes in tax and charges laws and regulations could, among other things, reduce the profitability of investing in property, the demand for the Group’s properties and hence the profitability of the Group. Further, tax implications of transactions and dispositions of the Group are to some extent based on judgment of applicable laws and regulations pertaining to taxes and duties/charges. There is no assurance that the tax authorities and courts would assess the applicability of taxes and charges to the Group in the same way that the Group has assessed such applicability to itself. An occurrence of one or more of the above-mentioned factors could have a material and adverse effect on the Group’s business, financial condition, results of operations and cash flows.

1.3.3) Operations in politically unstable regions and legal systems all over the world may cause business interruptions, reputational damage and compliance risks

The Group owns properties in various jurisdictions across Europe, in addition to the property held in Russia which is presented as an asset held for sale and as a discontinued operations in accordance with IFRS 5 as of 31 March 2022,, which entails a risk of business interruptions that may result from political circumstances or inadequacies in the legal systems and law enforcement mechanisms in certain countries in which the Group own properties. Acknowledging the particular risks related to Russia, certain countries and international bodies also impose laws and regulations with extra territorial application (such as sanctions and bribery and corruption legislation), which may further increase the risk of business interruptions and reputational damage resulting from the Group's cross-border activities. In a worst-case scenario, the Group's ability to operate within certain countries, including entities and individuals linked to such countries, may be severely restricted. Although the Group monitors its own operations and the global political situation closely, and has adopted a strict anti-bribery and anti-corruption policy, the political circumstances or inadequacies of the legal systems and law enforcement mechanisms in certain countries in which the Group operates may have a material negative impact on the Group's reputation, revenue, cash flows and financial condition. However, all of the Group's existing properties outside of Norway (excluding the Russian property) are leased to Company's within the BEWI Group or the Insula Group (both of which have Norwegian majority owners), except for one property in Sweden which is leased to Klädesholmen SF AB.

1.3.4) The Group is subject to tax in several jurisdictions

The Group's operations are subject to laws and regulations in several jurisdictions, including laws and regulations regarding tax. Due to the Group owning properties in several jurisdictions, the risk of non-compliance with any applicable legislation, including with respect to taxation, is increased. For example, the taxation system in the Russian Federation, a jurisdiction in which the Group owns a property in, is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities. Taxes are, in the Russian Federation, subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges, and the tax authorities of a higher level may also perform a repeat audit of tax years closed by audits performed by tax authorities of lower levels. There can be no assurance that the Group's understanding of applicable tax legislation in the jurisdictions in which it operates is correct. If applicable tax legislation change or relevant authorities do not agree with the Group's interpretation of prevailing tax legislation, this could have material negative impact on the Group's financial position.

Risk factors

1.4 Risks related to the Shares

1.4.1) Major shareholders could exercise significant influence

BEWI Invest AS (directly owning 45.87% of the Shares in the Company as of the date of this Presentation) will after settling the share transactions with Kverva Industries AS and HAAS AS as announced by BEWI Invest AS on 1 April 2022, directly and indirectly control 49.36% of the issued Shares of the Company. Hence, BEWI Invest AS will have significant influence of matters subject to approval by the shareholders in the Company, including continued significant influence over the Company's management and business. These matters also include election of the board of directors of the Company ("**Board of Directors**"), mergers or sales of assets and issuance of additional shares or other equity related securities, which may dilute the economic and voting rights of the existing shareholders. The interests of BEWI Invest AS may not be aligned with and may differ significantly from or may compete with the Company's interests or those of the other shareholders. It is possible that BEWI Invest AS could exercise their respective influence over the Company in a manner that does not promote the interests of the other shareholders. For example, there could also be a conflict between the interests of BEWI Invest AS and the interests of the Company or its other shareholders with respect to dividends or other fundamental corporate matters. Such conflicts could have a material adverse effect on the Company's business and prospects.

The concentration of ownership on a few larger shareholders could furthermore delay, postpone or prevent a change of control in the Company, and impact mergers, consolidations, acquisitions or other forms of combinations, as well as distributions of profit, which may or may not be desired by other investors, or could, as an alternative result in larger share sales should any of them want to significantly reduce their exposure in the Company's share. Any future sales of substantial numbers of Shares could affect the market price and make it more difficult for shareholders to sell their Shares at a time and price that they deem appropriate.


KMC PROPERTIES