



Interim report
2022
First quarter



Comments from the CEO

Following a strong 2021 for KMC Properties, where we laid a solid foundation for further growth for our company, we have continued to pursue attractive opportunities in 2022.

For the first quarter of 2022, we recorded a rental income of NOK 62.7 million, up from NOK 61.7 million from the previous quarter primarily driven by additional income generated from new investments, CPI adjustments and re-classification of rental income from our office building in Moscow.

During the quarter, we announced acquisitions of a meat processing facility near Narvik in Northern Norway for NOK 100 million, and a herring production facility in Sweden for SEK 94 million. Both acquisitions are in line with our strategy to invest in industrial properties with long lease agreements.

Ever since we established KMC Properties through the combination with Storm Real Estate, we have had an intention to divest the property in Russia. Following our decision to discontinue our operations in Russia, the property was this quarter re-classified as held for sale.

At the end of the first quarter, our investment properties were valued at NOK 4 028 million, up from NOK 4 001 million at the end of 2021. While our investments in additional properties and upgrades of existing portfolio increased the value by NOK 210.4 million, the value was reduced by NOK 142.6 million from the mentioned re-classification of the Russian property, as well as translation adjustments of NOK 38.4 million.

A few weeks ago, we published our annual report for 2021, including our first sustainability report with reference to the Global Reporting Initiative (GRI). We have initiated several activities to improve our performance on our most material environmental, social and governance issues, and we believe these will contribute to our long-term value creation for our stakeholders. One exciting project in this sense, is an ongoing pilot project at a property in Fredrikstad. Here we will be testing the use of solar panels and battery containers to increase the use of renewable energy and to optimise energy capacity. We look forward to gaining valuable experience from the project and hopefully install solar panels and battery solutions on relevant properties going forward.

Our development projects continued to show good progress this quarter. This includes the packaging hub for BEWI at Jøsnøya, Hitra, where the pre-project phase is still ongoing, the production facility for Oppdal Spekemat at Oppdal, where we expect completion in the third quarter this year, and the development of the salmon slaughterhouse facility for Slakteriet.

Going forward, we are excited about the attractive opportunities in our pipeline. We are very well positioned to deliver on our ambitious strategic target of a NOK 8 billion real estate portfolio by the end of 2025.

Trondheim, 18 May 2022

Liv Malvik
Chief executive officer
KMC Properties ASA

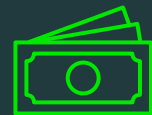
Highlights

Highlights for the first quarter of 2022

- Income of NOK 62.7 million for the first quarter of 2022
- Net income from property management of NOK 22.9 million
- Acquisition of meat processing facility near Narvik in Northern Norway for NOK 100 million
- Acquisition of herring production facility in Sweden from Klädesholmen Seafood for SEK 94 million
- Progress to new conditional agreement with Slakteriet for development of NOK 682 million salmon slaughterhouse facility
- Invested NOK ~22.2 million in development of existing properties
- Following initiation of a sales process, the office building in Moscow has been re-classified as held for sale and written down by NOK 53.1 million

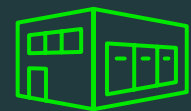
Subsequent events

- Conditional agreement for acquisition of two properties in Denmark for DKK ~151 million



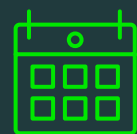
Net yield

6.4%



Portfolio value

~ 4.0bn



Wault (years)

~ 10.1



Group net LTV

~ 51.3%

Key figures

The investment in Russia is presented as a discontinued operation and the associated assets and liabilities presented as held for sale in accordance with IFRS 5 as of 31 March 2022. Comparative figures, including key figures, are changed accordingly.

| <i>Amounts in NOK million except percentage</i> | Q1 2022 | Q1 2021 | 2021 |
|---|--------------------|-------------|-------------|
| Rental income | 62.7 | 48.2 | 205.0 |
| Change period-on-period | 30% | - | - |
| Net operating income (NOI) | 61.7 | 46.0 | 202.4 |
| Change period-on-period | 34% | - | - |
| Net income from property management ¹⁾ | 22.9 | 2.1 | 56.3 |
| Change period-on-period | 996% | - | - |
| Profit before tax continued operations | 83.3 | 74.0 | 379.8 |
| Change period-on-period | 13% | - | - |
| Profit from discontinued operation | (51.7) | 2.5 | 1.9 |
| Change period-on-period | (2 194%) | - | - |
| Profit after tax | 12.1 | 60.6 | 304.8 |
| Change period-on-period | (80%) | - | - |
| Group property portfolio value | 4 028 | 3 094 | 4 002 |
| Net nominal interest bearing debt ¹⁾ | 2 066 | 1 745 | 2 012 |
| Group net loan to value ¹⁾ | 51.3% | 56.4% | 50.3% |
| Net asset value adjusted ²⁾ | 2 003 | 1 297 | 1 968 |
| Number of shares | 284 643 649 | 241 746 544 | 281 871 544 |
| Number of properties ²⁾ | 46 | 39 | 44 |
| Property net yield | 6.4% | 6.2% | 6.4% |
| WAULT (years) | 10.1 | 10.5 | 10.4 |
| Occupancy rate | 100.0% | 98.7% | 98.8% |
| <i>All amounts in NOK per share except percentage</i> | Q1 2022 | Q1 2021 | 2021 |
| Net income from property management per share | 0.08 | 0.01 | 0.20 |
| Change period-on-period | 831% | - | - |
| Profit after tax per share | 0.04 | 0.25 | 1.08 |
| Change period-on-period | (83%) | - | - |
| Net asset value adjusted per share | 7.04 | 5.37 | 6.98 |
| Change period-on-period | 31% | - | - |
| Share price end of period | 10.62 | 6.81 | 10.70 |
| Change period-on-period | 56% | - | - |
| Share price ³⁾ / NAV | 1.5 | 1.3 | 1.5 |
| Change period-on-period | 19% | - | - |

1) See section concerning "Alternative performance measures" for calculation of the key figure.

2) Does not include property in Moscow.

3) Intraday volume-weighted average price (VWAP).

| <i>Amounts in NOK million</i> | <i>Annual run rate ¹⁾</i> |
|--|--------------------------------------|
| Gross rental income | 258.9 |
| Property related expenses | (4.1) |
| Net operating income | 254.8 |
| SG&A expenses ²⁾ | (33.6) |
| EBITDA | 221.2 |
| Realised financial expenses ³⁾ | (111.3) |
| Net income from property management | 109.9 |

1) Based on final agreements as of period end.

2) Does not include transaction costs and variable remuneration to employees.

3) Based on 3 months Nibor and current swap agreements at period end. Does not include interest expenses on revolving credit facility.

Financial review

KMC Properties has, since the company was established through a transformative transaction with Storm Real Estate in December 2020, owned an office building in Moscow, Russia. As of 31 March 2022, the company had decided to sell the office building and discontinue its operations in Russia completely. Hence, the accounting figures for the operations in Russia and its assets and liabilities, for the current and previous periods, are presented separately in the financial results and in the financial position.

Financial results

Rental income

| <i>Amounts in NOK million</i> | Q1 2022 |
|-------------------------------------|-------------|
| Rental income previous period | 55.1 |
| KPI adjustment | 1.9 |
| Income from new investments | 5.3 |
| Change in vacancy | 0.7 |
| Agio/disagio | (0.3) |
| Other | - |
| Rental income current period | 62.7 |

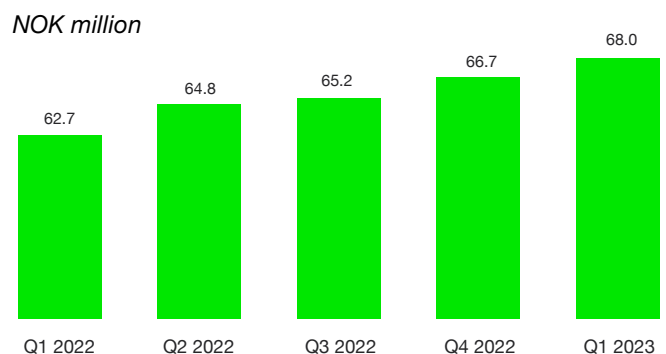
Rental income for the first quarter of 2022 amounted to NOK 62.7 million, up from NOK 48.2 million for the comparable period of 2021. The change of approximately NOK 7.6 million from the contractual rental income in the previous period is specified in the table above.

Due to the decision to sell the office building in Moscow, the rental income from Russia (NOK 4.5 million for the first quarter 2022 and NOK 6.6 million for the fourth quarter of 2021) is presented under "Profit from discontinued operation".

KMC Properties has invested NOK 45.7 million in upgrades on its property at Leknes and is currently in the final phase of deciding the rental increase related to the completed capex project together with its tenant. Until the rental increase is set, KMC Properties is invoicing its tenant approximately NOK 0.65 million per quarter. The income is accounted as a financial income.

Contractual rental income development

Based on final agreements as of 23 February 2022:



Net operating income

Since most of the group's lease agreements are triple net bare house agreements, direct property costs are low. Hence net operating income amounted to NOK 61.7 million for the quarter, up from NOK 45.9 million for the corresponding quarter last year. The increase is related to income from new investments.

Employee benefit and salary expenses amounted to NOK 6.7 million for the first quarter of 2022, up from NOK 2.3 million for the first quarter of 2021. The company has strengthened its organisation significantly during 2021 and 2022.

Other operating expenses were NOK 6.6 million for the first quarter, compared to NOK 21.9 million for the same quarter last year. Transaction costs, mainly legal and other advisory fees related to investment and financing activities, amounted to NOK 2.6 million for the quarter.

| <i>Amounts in NOK million</i> | Q1 2022 | Q1 2021 | 2021 |
|---------------------------------|--------------------|------------|------|
| Administrative costs | 4.0 | 4.4 | 10.2 |
| Transaction costs | 2.6 | 17.5 | 33.3 |
| Other operating expenses | 6.6 | 21.9 | 43.5 |

Total operating profit before fair value adjustments amounted to NOK 48.3 million for the first quarter of 2022, compared to NOK 21.8 million for the same period last year.

Net financials

| <i>Amounts in NOK million</i> | Q1 2022 | Q1 2021 | 2021 |
|---------------------------------------|--------------------|------------|--------|
| Realised financial income | 0.8 | - | 6.9 |
| Interest expenses ¹ | (26.2) | (19.7) | (89.0) |
| Net realised financials | (25.5) | (19.7) | (82.1) |
| Change in value financial instruments | 91.0 | 41.7 | 59.4 |
| Other unrealised financials | (27.7) | (34.9) | (53.2) |
| Net financials | 37.8 | (12.9) | (75.9) |

1) Does not include amortisation of capitalised borrowing cost.

Net realised financials came in at a negative NOK 25.5 million, compared to a negative NOK 19.7 million for the first quarter last year. The increase relates to higher interest interest-bearing debt and higher interest rates.

NOK 0.65 million of the financial income in the first quarter of 2022 was interest income on the investment in the property at Leknes, see comment under "Rental income" above.

Net income from property management (see definition under "Alternative Performance Measures") came in at NOK 22.9 million for the quarter, up from NOK 2.1 million for the same quarter of 2021.

Tax expense was NOK 19.5 million this quarter, of which NOK 0.2 million is tax payable and the remaining NOK 19.3 million is change in deferred tax. For the first quarter last year, the tax expense was NOK 15.9 million.

Net profit after tax was NOK 12.1 million for the first quarter of 2022, compared to NOK 60.6 million for the first quarter of 2021. The low net profit after tax is heavily affected by the loss of NOK 51.7 million from discontinued operations in Russia, see note 7 in the financial statements for more details.

Total comprehensive income came in at a loss of NOK 13.5 million this quarter, compared to a profit of NOK 0.1 million for the first quarter last year.

Financial position and cash flow

Property portfolio

| <i>Amounts in NOK million</i> | Q1 2022 |
|--|---------|
| Opening balance investment properties | 4 001.6 |
| Re-classified as held for sale ¹ | (142.6) |
| Purchase of investment properties | 188.2 |
| Upgrades of investment properties | 22.2 |
| Fair value adjustments in period | (2.9) |
| Translation adjustment | (38.4) |
| Value at period end | 4 028.1 |

1) Presented separately in the financial position (31 March 2022: NOK 75.4 million, see note 7 for more details).

The portfolio is valued by Cushman & Wakefield quarterly. For the first quarter of 2022, the total change in value for the company's investment properties amounted to NOK 26.5 million.

As explained above, a sale of the company's office building in Moscow, Russia, was initiated in the quarter. The property was therefore re-classified from investment property to assets held for sale in the quarter, resulting in a reduction of

the value of investment properties of NOK 142.6 million. As of 31 March 2022, the property in Moscow was valued at NOK 75.4 million by Cushman & Wakefield in Russia, see note 7 for more details).

Expansion projects, investments in new facilities, and acquisitions amounted to a total of NOK 210.4 million. In addition, fair value adjustments contributed to a negative NOK 2.9 million, while translation adjustments contributed to a negative NOK 38.4 million.

Other assets consist primarily of interest rate and currency rate swap agreements of NOK 159.2 million, trade receivables of NOK 3.9 million, prepaid expenses, VAT receivables, tax receivables, and other current receivables of NOK 7.9 million, assets held for sale at 83.7 million as well as NOK 124.4 million in cash.

Total non-current liabilities amounted to NOK 2 511.3 million at the end of the quarter, up from NOK 2 436.3 million at the end of 2021. The liabilities consist mainly of net interest-bearing debt of NOK 2 339.6 million, see table below,

deferred tax liabilities of NOK 150.1 million, and land lease liabilities of NOK 19.5 million.

Total current liabilities amounted to NOK 48.2 million on 31 March 2022, down from NOK 60.9 million at the end of 2021, consisting mainly of trade payables of NOK 18.4 million, taxes of NOK 3.1 million and other current liabilities of NOK 20.0 million.

Total equity was NOK 1 852.0 million on 31 March 2022, representing an equity ratio of 42.0 per cent, compared to NOK 1 836.0 million at the end of 2021, equalling an equity ratio of 42.4 per cent.

Consolidated cash flow

Operating activities generated a cash inflow of NOK 61.0 million for the first quarter of 2022, compared to NOK 1.1 million for the corresponding quarter last year.

Investment activities generated a cash outflow of NOK 209.6 million for the first quarter this year, up from NOK 49.9 million for the comparable period of 2021, due to investments in expansion projects, investments in new facilities, and acquisitions of new properties.

Financing activities led to a cash inflow of NOK 65.4 million for the first quarter due to increase in interest bearing debt and equity issues. For the first quarter last year, the company had a cash inflow of NOK 15.4 million from financing activities.

Interest-bearing debt at period end:

| | NOK million | Weighted average interest current period | Weighted average interest terms ¹⁾ | Weighted average amortisation plan bank loans (years) | Weighted average years to final maturity | In compliance with covenants? |
|---------------------------|----------------|--|--|---|---|--|
| Bond loan | 1 850 | 5.43% | 3 months NIBOR +4.25% | None | 1.7 | Yes |
| Bank loan | 500 | 3.67% | 3 months NIBOR +2.5% | 22.9 | 6.5 | Yes |
| Revolving credit facility | - | 3.43% | 3 months NIBOR +2.25% | N/A | N/A | Yes |
| Total | 2 350 | 5.06% | N/A | | 2.7 | Yes |

1) 3 months Nibor is set to 1.18%.

Operational review

KMC Properties ASA is a real estate company focused on owning industrial- and logistics properties. The company owns a diversified portfolio in the Nordics and the Netherlands. The properties have long-term lease agreements with solid counterparties, strategically located for the tenants.

Before 28 December 2020, the company's legal and commercial name was Storm Real Estate ASA (Storm). An agreement was completed on 20 December 2020, combining Storm and KMC Properties AS, and transforming the company (Storm) from a single asset company to a strong real estate group.

History and important events in the development of the group

| 2020 | EVENT |
|--------------|---|
| 20 December | Completion of the agreement to combine Storm Real Estate ASA (later KMC Properties ASA) and KMC Properties AS into one entity |
| 30 December | Storm Real Estate ASA changed its name to KMC Properties ASA and its municipality from Oslo to Trondheim |
| 2021 | EVENT |
| 19 January | End of offer period in the mandatory offer, see item above |
| 19 February | Completion of subsequent offering related to the NOK 300 million private placement |
| 3 March | Letter of intent with BEWI for development of packaging hub at Hitra |
| 13 April | Acquisition of industrial property in Denmark |
| 27 May | Acquisition of industrial property outside Molde in Norway |
| 27 May | Appointment of Kristoffer Holmen as CFO |
| 2 July | Agreement with Oppdal Spekemat for construction of new production facility |
| 8 July | Long-term lease agreement with BEWI for new packaging hub at Jøsnøya, Hitra |
| 12 July | Acquisition of industrial property with long-term lease at Mongstad for NOK 285 million |
| 23 August | Letter of Intent with Slakteriet Holding AS to build NOK 620 million salmon slaughterhouse facility |
| 16 September | Private placement of NOK 300 million successfully completed |
| 28 October | Subsequent offering completed |
| 25 November | Acquisition of modern industrial property at Ågotnes for NOK 128 million |
| 15 December | Acquisition of industrial property in Fredrikstad in Norway for NOK 52 million |
| 2022 | EVENT |
| 21 January | Acquisition of herring production facility in Sweden from Klädesholmen Seafood for SEK 94 million |
| 2 February | Acquisition of meat processing facility near Narvik for NOK 100 million |
| 9 February | Entering of process agreement for construction of NOK 620 salmon slaughterhouse facility with Slakteriet, following LOI on 23 August 2021 |
| 19 May | Announced conditional agreement for acquisition of two production properties in Denmark for DKK ~151 million |

Important events in the first quarter of 2022

Acquisitions

Acquisition of herring production facility in Sweden for SEK 94 million

On 21 January 2022, KMC Properties announced the acquisition of a herring production and cold storage facility in Rönäng, in the Swedish country of Västra Götaland, from Klädesholmen Seafood AB for approximately SEK 93.6 million (approximately NOK 90 million).

The property included a triple-net bare house agreement with Klädesholmen Seafood with an initial lease term of 15 years and a yield-on-cost estimated at 7.5 per cent.

Klädesholmen Seafood, owned by Grøntvedt which is KMC Properties' fourth largest tenant, is a modern herring production company.

NOK 30 million of the consideration was settled by issuance of new shares in KMC Properties to the seller at a subscription

price equal to the volume weighted average share price for trades in the company's shares on the Oslo Stock Exchange the last 30 days prior to the date of completion of the transaction – NOK 10.8221 per share. The remainder, approximately NOK 64 million was settled in cash.

Acquisition of meat processing facility near Narvik in Northern Norway for NOK 100 million

On 2 February 2022, KMC Properties announced its acquisition of a modern meat processing facility, strategically located at Fagernes near Narvik in Norway, from Kubera AS for a consideration of approximately NOK 100 million.

The property is composed of 10 303 m² BTA of land and 6 093 m² BTA of building that was erected in 1998 and substantially upgraded in 2001 and 2003. The meat processing facility is strategically located south of Narvik city center, near the E6 motorway, the railway and port terminal.

The property came with a bare house agreement with the tenant, Kuraas AS, which is on a 6.5-year lease with the option to extend. The total consideration for the property was approximately NOK 100 million, with a yield of 7.8 per cent based on the rent for 2022.

Kuraas is a Norwegian producer and seller of meats, headquartered in Narvik. The company has approximately 110 employees and reported NOK 212 million in revenues in 2020.

The acquisition was completed on 10 February 2022 and was financed through a combination of bank loan and equity.

Progress to new conditional agreement with Slakteriet for development of salmon slaughterhouse facility

On 9 February 2022, with reference to stock exchange announcement of 23 August 2021, regarding the company's LOI with Slakteriet Holding AS to build a new salmon slaughterhouse facility at Florø, KMC Properties announced the signing of a process agreement, confirming the initial plans for expected completion during the first half of 2024.

Through the process agreement the parties have agreed upon a triple-net bare house agreement which shall be entered into if and when the parties reach a final decision to complete the project. The lease agreement shall have an initial lease term of 20 years, with the option of a 4x5-year extension.

Following the LOI in August 2021, a legal and technical due diligence have been successfully performed.

Established in 1989, Slakteriet is one of Norway's biggest fish slaughter companies, with major facilities in Florø and Brekke. The company has been growing steadily and has a solid financial position, posting NOK 191 million in revenues and NOK 34 million in EBITDA in 2020.

The project is progressing according to plan. The estimated investment has been updated from NOK 620 million to NOK 682 million, still with a yield-on-cost of 6.75 per cent.

Ongoing development projects

Conditional long-term lease agreement with BEWI for new packaging hub at Jøsnøya

On 3 March 2021, KMC Properties entered a letter of intent (LOI) with BEWI ASA for development of a new packaging facility on Jøsnøya, Hitra, on the west coast of Central Norway, and on 8 July, the company announced that it had entered a conditional long-term lease agreement for the property with BEWI and entered an agreement for the pre-project phase.

The new facility will be built and owned by KMC Properties and handed over to BEWI pursuant to a final lease agreement with an initial term of 15 years, with an option for BEWI to extend the lease term two times by five year each.

The pre-project phase is still ongoing and progressing well. The development is expected to take approximately 12 months, with completion in the second half of 2023.

Agreement with Oppdal Spekemat for construction of a new production facility

On 2 July 2021, KMC Properties entered an agreement with Oppdal Spekemat AS for construction of a new production facility at Oppdal, in Trøndelag county in central Norway.

The agreement stipulates that KMC Properties acquires a plot from Oppdal Spekemat and finances and builds the new production facility. When completed, the facility will be leased to Oppdal Spekemat on a triple-net bare-house agreement, with an initial lease term of 15 years, with the option of an extension. The initial lease term is irrevocable.

The construction cost is estimated to be approximately NOK 80 million, and the yield-on-cost is set on 7.5 per cent.

The development project is progressing according to plan, with expected completion in the third quarter of 2022.

Impacts from Russia's invasion of Ukraine

Since KMC Properties was established through the combination with Storm Real Estate, the company has had an intention to divest the property in Russia, as it does not fit the company's investment strategy.

Early in the first quarter of 2022, prior to Russia's invasion of Ukraine, the property was re-classified as held for sale, as explained above. The re-classification also included a write-down of the property value by NOK 67.2 million in the first quarter.

Sanctions imposed on Russia following the invasion, has significantly increased the risks related to KMC Properties' operations in Russia. Since the invasion, the company has, with assistance from Baker McKenzie in Russia, performed a sanction control on its current tenants in Russia without any significant findings. In addition, KMC Properties is monitoring the changing regulatory requirements with assistance from legal and financial consultants in Norway and Russia.

On 31 March 2022, the property in Russia was valued at NOK 75.4 million.

Share information

KMC Properties ASA is listed on the Oslo Børs (Oslo Stock Exchange) under the symbol KMCP.

The company has a total of 284 643 649 issued and outstanding shares as of 18 May 2022.

For a continuously updated overview of the company's largest shareholders, see the Investor section at the company's homepage: www.kmcp.no

During the first quarter of 2022, the KMC Properties' share was traded between NOK 9.12 and NOK 11.10 per share, with a closing price of NOK 10.70 on 31 March 2022.

General meeting

KMC Properties will hold its annual general meeting on 1 June 2022. The notice calling the meeting was distributed to the shareholders and published at the company's website and the Oslo Børs news site on 11 May 2022.

Subsequent events

Entered a conditional agreement for acquisition of properties in Denmark for DKK 151 million

On the morning of 19 May 2022, KMC Properties announced that it had received acceptance of a conditional offer for the acquisition of two industrial properties in Denmark for approximately DKK 151.1 million.

The properties are composed of a total 85 866 sqm BTA of land and 43 361 sqm BTA of buildings, with further development potential.

The properties come with a triple-net bare house agreement with the two tenants, KpK Døre og Vindue A/S and Outline Vinduer A/S, with an initial lease of 10 years and an option to extend. Total consideration for the two properties is approximately DKK 151.1 million, with a gross yield of 7.85 per cent.

The tenants are part of the listed company Inwido, a leading European provider of customised solutions for windows and doors, with net sales of SEK 7.7 billion in 2021.

The transaction is subject to customary closing conditions and is expected to be completed in the third quarter of 2022.

Outlook

Going into 2022, KMC Properties has continued to deliver on its growth strategy, announcing three acquisitions year-to-date, and with a solid pipeline of transformative opportunities firming up.

The company will stay true to its investment strategy, focusing on properties and property portfolios in Northern Europe within foodstuff facilities and light industry, in collaboration with current and new tenants, as well as third parties. In parallel, KMC Properties will step up its sustainability efforts, focusing on increasing the energy efficiency at its properties.

Year to date, KMC Properties has completed and committed investments in current portfolio (capex) of NOK 60 million and

in greenfield projects of NOK 137 million, both at yield on cost of approximately 7.5 per cent. The company has completed acquisitions of approximately NOK 190 million, with gross yield of 7.7 per cent. In addition, KMC Properties is actively pursuing specific acquisitions valued at approximately NOK 395 million with weighted average gross yield of 7.2 per cent, which includes the recently announced conditional agreement with for acquisition of two industrial properties in Denmark.

KMC Properties remains well positioned to reach its growth target of increasing the gross asset value (GAV) by NOK 1 billion per year, reaching NOK 8 billion in GAV by the end of 2025.

Trondheim, Norway, 18 May 2022
The board of directors and CEO – KMC Properties ASA

Anders Dyrseth
Chair

Morten Eivindsson Astrup
Director

Nini Høegh Nergaard
Director

Anna Musiej Aanensen
Director

Stig Wærnes
Director

Marianne Bekken
Director

Thorbjørn Fjærtøft Pedersen
Director

Liv Malvik
Chief executive officer

Consolidated statement of comprehensive income

| <i>Amounts in NOK thousand</i> | <i>Note</i> | Q1 2022 unaudited | Q1 2021 unaudited | 2021 audited |
|--|-------------|-----------------------------|----------------------|-----------------|
| Rental income | 5 | 62 698 | 48 244 | 204 976 |
| Total income | | 62 698 | 48 244 | 204 976 |
| Property related expenses | 5 | 1 026 | 2 270 | 2 545 |
| Salary expenses | | 6 735 | 2 325 | 20 567 |
| Other operating expenses | | 6 598 | 21 861 | 43 477 |
| Total operating expenses | | 14 359 | 26 456 | 66 589 |
| Operating profit (loss) before fair value adjustments | | 48 338 | 21 788 | 138 388 |
| Change in fair value adjustments on investment property | 3 | (2 911) | 65 073 | 317 331 |
| Total operating profit (loss) | | 45 427 | 86 861 | 455 719 |
| Fair value change of financial instruments | 6 | 93 705 | 41 723 | 63 812 |
| Net currency exchange differences | | (25 945) | (38 305) | (47 027) |
| Financial income | | 780 | 56 | 6 553 |
| Financial expenses | 4 | 30 713 | 16 343 | 99 243 |
| Net financial income (expense) | | 37 828 | (12 869) | (75 905) |
| Earnings before tax (EBT) | | 83 255 | 73 992 | 379 814 |
| Tax expense | | 19 467 | 15 853 | 76 880 |
| Profit from continuing operations | | 63 788 | 58 139 | 302 934 |
| Profit from discontinued operation | 7 | (51 702) | 2 469 | 1 914 |
| Profit for the period | | 12 086 | 60 608 | 304 847 |
| Other Comprehensive Income: | | | | |
| Items that may be reclassified to profit or loss: | | | | |
| Other comprehensive income (translation reserves) | | (25 546) | (60 703) | (23 818) |
| Tax on comprehensive income | | - | - | - |
| Other comprehensive income for the period, net of tax | | (25 546) | (60 703) | (23 818) |
| Total comprehensive income for the period | | (13 460) | (95) | 281 029 |
| Profit attributable to: | | | | |
| Equity holders of the company | | 12 086 | 60 608 | 304 847 |
| Non-controlling interest | | - | - | - |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the company | | (13 460) | (95) | 281 029 |
| Non-controlling interest | | - | - | - |

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

Consolidated statement of financial position

| <i>Amounts in NOK thousand</i> | <i>Note</i> | 31.03.2022 unaudited | 31.12.2021 audited |
|---|-------------|--------------------------------|-----------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Investment Properties | 3 | 4 028 134 | 4 001 593 |
| Financial derivatives | 6 | 159 224 | 67 721 |
| Other long-term assets | 6 | 4 817 | 5 042 |
| Total non-current assets | | 4 192 175 | 4 074 355 |
| Current assets | | | |
| Trade receivables | 6 | 3 846 | 24 458 |
| Other receivables, prepaid expenses, and tax | 6 | 7 935 | 26 869 |
| Cash and cash equivalents | 6 | 124 356 | 207 512 |
| Assets held for sale | 7 | 83 703 | - |
| Total current assets | | 219 841 | 258 839 |
| Total assets | | 4 412 016 | 4 333 194 |
| Equity | | | |
| Share capital | | 56 929 | 56 374 |
| Share premium | | 1 225 469 | 1 196 023 |
| Sum paid-in equity | | 1 282 398 | 1 252 398 |
| Retained earnings and translation reserves | | | |
| Translation reserves | | (59 423) | (33 877) |
| Retained earnings | | 629 566 | 617 479 |
| Sum retained earnings and translation reserves | | 570 143 | 583 601 |
| Total equity | | 1 852 541 | 1 835 999 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Deferred Tax Liabilities | | 150 075 | 132 002 |
| Interest bearing debt | 4, 6 | 2 339 577 | 2 275 035 |
| Other Long-term Liabilities | 6 | 21 617 | 29 279 |
| Total non-current liabilities | | 2 511 270 | 2 436 317 |
| Current liabilities | | | |
| Trade Payables | 6 | 18 383 | 23 608 |
| Current tax liabilities | 6 | 3 143 | 2 906 |
| Other Current liabilities | 6 | 20 008 | 34 364 |
| Liabilities held for sale | 7 | 6 671 | - |
| Total current liabilities | | 48 206 | 60 878 |
| Total liabilities | | 2 559 475 | 2 497 195 |
| Total equity and liabilities | | 4 412 016 | 4 333 194 |

Trondheim, Norway, 18 May 2022
The board of directors and CEO – KMC Properties ASA

Anders Dyrseth
Chair

Morten Eivindsson Astrup
Director

Nini Høegh Nergaard
Director

Anna Musiej Aanensen
Director

Stig Wærnes
Director

Marianne Bekken
Director

Thorbjørn Fjærtøft Pedersen
Director

Liv Malvik
Chief executive officer

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

Consolidated statement of changes in equity

| <i>Amounts in NOK thousand</i> | Share capital | Share premium | Translation reserves | Retained earnings | Total equity |
|---|---------------|------------------|----------------------|-------------------|---------------------|
| Total equity at 31 December 2020 | 48 153 | 892 397 | (10 059) | 312 631 | 1 243 122 |
| Issue of Shares | 8 221 | 318 173 | - | - | 326 394 |
| Transaction cost issue of shares | - | (14 547) | - | - | (14 547) |
| Profit /(loss) for the period | - | - | - | 304 847 | 304 847 |
| Other comprehensive income (translation reserves) | - | - | (23 818) | - | (23 818) |
| Total equity at 31 December 2021 | 56 374 | 1 196 023 | (33 877) | 617 478 | 1 836 000 |
| Issue of Shares | 554 | 29 446 | - | - | 30 000 |
| Profit /(loss) for the period | - | - | - | 12 086 | 12 086 |
| Other comprehensive income (translation reserves) | - | - | (25 546) | - | (25 546) |
| Total equity at 31 March 2022 | 56 929 | 1 225 469 | (59 423) | 629 566 | 1 852 541 |

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

Consolidated statement of cash flows

| <i>Amounts in NOK thousand</i> | <i>Note</i> | Q1 2022 | Q1 2021 | 2021 |
|---|-------------|------------------|----------|-----------|
| Cash flows from operating activities | | | | |
| Earnings before tax | | 83 255 | 74 105 | 379 814 |
| Depreciation of tangible assets | | - | - | 308 |
| Fair value adjustment of investment properties | 3 | 2 911 | (65 073) | (317 331) |
| Financial items | | (37 828) | 12 871 | 75 905 |
| Change in working capital: | | | | |
| - change in trade and other receivables | | 39 546 | 6 203 | 20 001 |
| - change in trade and other payables, excl. corporate tax | | (26 925) | (25 823) | (78 689) |
| Taxes paid | | - | (1 144) | (2 326) |
| Net cash flow from operating activities | | 60 959 | 1 139 | 77 682 |
| Purchase of investment properties | | (188 213) | - | (520 082) |
| Capital expenditure on investment properties | | (22 202) | (49 861) | (140 064) |
| Interest received | | 780 | - | - |
| Net cash flow from investment activities | | (209 635) | (49 861) | (660 146) |
| Cash flows from financing activities | | | | |
| Capital increase from issue of shares | | 30 000 | 6 594 | 326 394 |
| Proceeds interest bearing debt | 4 | 65 000 | 27 500 | 439 480 |
| Repayment interest bearing debt | 4 | (1 958) | - | (2 790) |
| Change in other long-term debt | | (1 412) | 3 161 | 2 636 |
| Transaction fees paid and other financial costs | | - | - | (14 547) |
| Interest paid | | (26 239) | (21 820) | (86 504) |
| Net cash flow from financing activities | | 65 392 | 15 435 | 664 669 |
| Effects of exchange-rate changes on cash and cash equivalents | | 129 | (360) | 191 |
| Net change in cash and cash equivalents | | (83 155) | (33 647) | 82 396 |
| Cash and cash equivalents at beginning of period | | 207 512 | 125 116 | 125 116 |
| Cash and cash equivalents at end of period | | 124 357 | 91 469 | 207 512 |

Selected notes to the interim financial statements

Note 01 Company information

The KMC Properties ASA Real Estate Group conducts business in Europe. The group's business idea is primarily to acquire and manage commercial industry and logistics properties. The property portfolio is mainly comprising industrial and logistics properties, in addition to a smaller proportion office property. The holding company, KMC Properties ASA, is a public limited liability company with headquarter in Trondheim, Norway.

The company's shares are listed on the Oslo Stock Exchange under the ticker "KMCP".

For more information, including company related risks, please see the annual report for 2021.

Note 02 Basis of preparation and accounting principles

The results for the period have been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting principles that have been used in the preparation of the interim financial statements are in conformity with the principles used in preparation of the annual financial statements for 2021.

The financial reporting covers KMC Properties ASA and subsidiaries. The interim financial statements have not been audited.

In Q1 2022 the group decided to exit the Russian market and initiated an active program to locate a buyer for its Russian subsidiary owning the company's office building in Moscow. The investment in Russia is consequently presented as a discontinued operation and the associated assets and liabilities presented as held for sale in accordance with IFRS 5 as of 31 March 2022. Comparative figures are changed accordingly.

The financial reporting covers KMC Properties ASA and subsidiaries. The interim financial statements have not been audited.

Note 03 Investment properties

The valuation of the properties at 31 March 2022 has been performed by an independent expert valuer, Cushman & Wakefield.

| <i>Amounts in NOK million</i> | Q1 2022 | Q1 2021 | 2021 |
|-----------------------------------|----------------|---------|-------|
| Opening balance | 4 002 | 3 090 | 3 090 |
| Classified as held for sale | (143) | - | - |
| Purchase of investment properties | 188 | - | 520 |
| Upgrades of investment properties | 22 | - | 140 |
| Fair value adjustments in period | (3) | 65 | 310 |
| Translation adjustment | (38) | (61) | (58) |
| Value at period end | 4 028 | 3 094 | 4 002 |

The sensitivity of the fair-value assessment of investment properties depends to a considerable extent on assumptions related to yield, interest rates, market rents and operating costs for the properties. The table below presents examples of how changes related to each of these variables influenced property values, at

31 March 2022, assuming all other variables remained constant (amounts in NOK million). However, there are interrelationships between these variables, and it is expected that a change in one variable may influence one or more of the other variables.

| Variables | Change of variables | Value change (+) | Value change (-) |
|-----------------------|--|------------------|------------------|
| Exit yield | +/- 0.25 per cent points | (54) | 59 |
| Discount rate | +/- 0.25 per cent points | (91) | 90 |
| Operating costs | +/- 10 per cent | (10) | 10 |
| Market rent | +/- 10 per cent | 183 | (183) |
| Average rental growth | +/- 0.5 percentages points next 10 years | 136 | (133) |

The calculations have been performed by Cushman & Wakefield in connection the valuations at 31 March 2022.

Note 04 Interest bearing debt

Bond loan:

| <i>Amounts in NOK million</i> | Q1 2022 | 2021 |
|--|----------------|-------|
| Opening balance | 1 850 | 1 850 |
| Net change in debt | - | - |
| Interest-bearing debt at period end | 1 850 | 1 850 |
| Capitalised borrowing cost | (10) | (12) |
| Carrying amount interest-bearing debt* | 1 840 | 1 838 |
| Fair value of interest bearing debt, excess value/(reduced value) for the group in relation to book value* | 14 | 43 |

* The fair value presented above is the excess value given by Nordic Bond Pricing AS.

Bank loans:

| <i>Amounts in NOK million</i> | Q1 2022 | 2021 |
|--|----------------|------|
| Opening balance | 437 | - |
| Net change in debt | 63 | 437 |
| Interest-bearing debt at period end | 500 | 437 |
| Capitalised borrowing cost | - | - |
| Carrying amount interest-bearing debt at period end | 500 | 437 |
| Additional bank loan obtained before report date | - | - |
| Bank loan at report date | 500 | 437 |

Revolving credit facility:

| <i>Amounts in NOK million</i> | Q1 2022 | 2021 |
|--|----------------|------|
| Opening balance | - | - |
| Net change in debt | - | - |
| Interest-bearing debt as at period end | - | - |
| Capitalised borrowing cost | - | - |
| Carrying amount interest-bearing debt | - | - |

Interest-bearing debt at period end:

| | NOK million | Weighted average current interest | Weighted average interest terms | Weighted average amortisation plan bank loans (years) | Weighted average years to final maturity | In compliance with covenants? |
|---------------------------|--------------|-----------------------------------|---------------------------------|---|--|-------------------------------|
| Bond loan | 1 850 | 5.43% | 3 months NIBOR + 4.25% | None | 1.7 | Yes |
| Bank loan | 500 | 3.67% | 3 months NIBOR + 2.5% | 2.9 | 6.5 | Yes |
| Revolving credit facility | - | 3.43% | 3 months NIBOR + 2.25% | N/A | N/A | Yes |
| Total | 2 350 | 5.06% | N/A | - | 2.7 | Yes |

1) 3 months Nibor is set to 1.18%.

Security bond loan:

| <i>Amounts in NOK million</i> | Q1 2022 | 2021 |
|---|----------------|---------|
| Pledged property portfolio | 3 029.1 | 2 943.3 |
| Disposal Account | 40.7 | - |
| Opening balance security ¹⁾ | 3 069.8 | 2 943.3 |
| Investments in pledged property portfolio | 1.0 | 110.9 |
| Sale of assets in pledged property portfolio | - | (133.3) |
| Inflow Disposal Account | - | 133.3 |
| Outflow Disposal Account | - | (92.6) |
| Fair value and translation adjustments pledged property portfolio ²⁾ | (33.7) | 78.9 |
| Value security end of period | 3 037.1 | 3 069.8 |

1) The bond is secured by, in addition to mortgages over the properties, share charges over the shares of the guarantors, pledges over bank accounts, Norwegian floating charges over trade receivables, and certain other floating charges / enterprise mortgages in Finland, Denmark and Sweden

2) In accordance with valuation from Cushman & Wakefield at 31 March 2022

The bond terms governing the bond issue, require that all funds received from sale of pledged properties shall be paid into a bank account blocked and pledged in favour of the bond holders (the "Disposal Account"). Funds from the Disposal Account may be used to finance development of properties in the bond security package. Hence, in accordance with the bond terms, KMC Properties ASA sold Havnegata 16 AS from KMC Properties AS to KMC Properties II Norway AS for NOK 133.3 million, on 2 July

2021. The purchase was done using standard terms, and the price was based on Cushman and Wakefield's valuation of the property at 15 June 2021. The acquisition was partly financed through a bank loan of NOK 86 million. The purchase price was paid to the Disposal Account. Since then, Nordic Trustee has released NOK 92.6 million from the Disposal Account to finance the investments in the pledged property portfolio.

Note 05 Tenancy agreements

The group mainly enters into long-term lease agreements with solid counterparties, strategically located for the tenants. Most lease contracts are "triple-net barehouse lease agreements". Lease payments of the contracts include CPI increases.

Net operating income (NOI) from properties:

| <i>Amounts in NOK million</i> | Q1 2022 | Q1 2021 | 2021 |
|-------------------------------|----------------|---------|-------|
| Rental Income Norway | 40.9 | 27.4 | 121.7 |
| Rental Income Sweden | 7.8 | 7.0 | 28.2 |
| Rental Income Denmark | 6.1 | 5.9 | 23.7 |
| Rental Income Holland | 6.7 | 6.8 | 26.8 |
| Rental Income Finland | 1.2 | 1.1 | 4.6 |
| Total rental income | 62.7 | 48.2 | 205.0 |
| Property related costs | (1.0) | (2.3) | (2.5) |
| NOI from properties | 61.7 | 45.9 | 202.4 |

Summary of significant contracts

There were no significant investments or acquisitions with related parties in Q1 2022, but a substantial part of rental income is from rental contracts with related parties.

| <i>Amounts in NOK million</i> | Q1 2022 | Q1 2021 | 2021 |
|-------------------------------|----------------|---------|-------|
| BEWI & subsidiaries | 20.5 | 25.6 | 93.9 |
| Insula & subsidiaries | 13.5 | 12.0 | 47.5 |
| Grøntvedt & subsidiaries | 6.1 | 6.4 | 24.0 |
| PSW Technology | 7.8 | - | 10.8 |
| Other | 14.7 | 4.1 | 28.8 |
| Total | 62.7 | 48.2 | 205.0 |

Note 06 Financial instruments

The carrying amount of financial instruments in the group's balance sheet is considered to provide a reasonable expression of their fair value, with the exception of interest-bearing debt. The

fair value of interest-bearing debt is described in note 5. A specification of the group's financial instruments is presented below.

| <i>Amounts in NOK million</i> | Amortised cost 31.03.2022 | Fair value through profit or loss 31.03.2022 | Total 31.03.2022 | 31.12.2021 |
|--|---------------------------------|--|-----------------------------|------------------|
| Financial assets | | | | |
| Cash and cash equivalents | 124.4 | - | 124.4 | 207.5 |
| Land plot lease agreements (financial asset) | - | - | - | - |
| Currency and interest swaps (long-term) | - | 159.2 | 159.2 | 67.7 |
| Trade receivables (non-interest bearing) | 3.8 | - | 3.8 | 24.5 |
| Other receivables | 12.7 | - | 12.7 | 14.2 |
| Total financial assets | 140.9 | 159.2 | 300.1 | 314.0 |
| Financial liabilities | | | | |
| Interest-bearing loans and borrowings | 2 339.6 | - | 2 339.6 | 2 275.0 |
| Land plot lease agreements (financial liability) | 19.1 | - | 19.1 | 19.5 |
| Other financial liabilities | 0.5 | - | 0.5 | 9.4 |
| Trade payables (non-interest bearing) | 18.4 | - | 18.4 | 23.6 |
| Other current liabilities (non-interest bearing) | 23.2 | - | 23.2 | 38.0 |
| Total financial liabilities | 2 400.7 | - | 2 400.7 | 2 365.5 |
| Net financial assets and liabilities | (2 259.8) | 159.2 | (2 100.6) | (2 051.5) |

Interest bearing loans

| <i>Amounts in NOK thousand</i> | 31.03.2022 | 31.12.2021 |
|---------------------------------------|----------------|----------------|
| Bond | 1 850.0 | 1 850.0 |
| Bank loan | 499.7 | 436.7 |
| RCF (short-term) | - | - |
| Total interest-bearing loans | 2349.7 | 2 286.9 |
| Hedged amount (fixed interest) | 1 275.0 | 1 240.0 |
| Hedge ratio | 54% | 54% |

Swap agreements at period end

| Swap agreement | Currency amount (million) | Start date | Maturity date | Fixed currency rate | Fixed interest |
|---------------------|------------------------------|------------|---------------|---------------------|-----------------------|
| Interest & currency | NOK 335 | 23.12.2020 | 11.12.2023 | EUR/NOK = 10.630 | EURIBOR = -0.51% |
| Interest & currency | NOK 240 | 23.12.2020 | 11.12.2023 | SEK/NOK = 1.050 | STIBOR = 0.017% |
| Interest & currency | NOK 165 | 23.12.2020 | 11.12.2023 | DKK/NOK = 1.428 | DANISH IBOR = -0.505% |
| Interest | NOK 500 | 13.07.2021 | 31.12.2030 | Not applicable | NIBOR = 1.5175% |
| Interest | EUR 32 | 11.12.2023 | 13.12.2027 | Not applicable | EURIBOR = -0.03% |
| Interest | SEK 120 | 11.12.2023 | 13.12.2027 | Not applicable | STIBOR = 0.686% |
| Interest | DKK 120 | 11.12.2023 | 13.12.2027 | Not applicable | DANISH IBOR = 0.215% |
| Interest | NOK 35 | 10.02.2022 | 10.02.2027 | Not applicable | NIBOR = 2.305% |

The table below shows an analysis of fair values of financial instruments in the Statement of Financial Position at 31.03.2022, grouped by level in the fair value hierarchy:

- **Level 1** - Quoted prices in active markets that the entity can access at the measurement date.
- **Level 2** - Use of a model with inputs other than level 1 that are directly or indirectly observable market data.
- **Level 3** - Use of a model with inputs that are not based on observable market data.

Financial assets measured at fair value:

| <i>Amounts in NOK million</i> | Level 1 | Level 2 | Level 3 | Sum |
|-------------------------------|---------|---------|---------|--------------|
| Currency and interest swaps | - | 159.2 | - | 159.2 |

Note 07 Discontinued operation

In Q1 2022 the group decided to exit the Russian market and initiated an active program to locate a buyer for its Russian subsidiary owning the company's office building in Moscow. The investment in Russia is consequently presented as a discontinued

operations and the associated assets and liabilities presented as held for sale in accordance with IFRS 5 as of 31 March 2022. Sanctions imposed on our operation in Russia may lead to further impairment of our assets in Russia.

Discontinued operation

| <i>Amounts in NOK thousand</i> | Q1 2022 | Q1 2021 | 2021 |
|--|-----------------|---------|---------|
| Total income | 4 512 | 4 869 | 21 169 |
| Total operating expenses | 2 962 | 2 370 | 11 714 |
| Operating profit (loss) before fair value adjustments | 1 550 | 2 499 | 9 455 |
| Change in fair value adjustments on investment property | (53 127) | - | (7 184) |
| Total operating profit (loss) | (51 577) | 2 499 | 2 271 |
| Net financial income (expense) | 35 | (2) | 186 |
| Earnings before tax (EBT) | (51 542) | 2 497 | 2 457 |
| Tax expense | 160 | 28 | 543 |
| Profit from discontinued operation | (51 702) | 2 469 | 1 914 |
| Cash flow from operating activities | 2 179 | 2 237 | 7 983 |
| Cash flow from investing activities | (122) | 18 | 227 |
| Cash flow from financing activities | (514) | (1 144) | (8 756) |
| Net change in cash and cash equivalents | 1 543 | 1 111 | (546) |

Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation at 31 March 2022:

Assets classified as held for sale

| <i>Amounts in NOK thousand</i> | 31.03.2022 |
|---|---------------|
| Investment property | 75 363 |
| Other long-term assets | 28 |
| Trade receivables | 2 226 |
| Other receivables, prepaid expenses, and tax | 2 798 |
| Cash and cash equivalents | 3 288 |
| Total assets of disposal group held for sale | 83 703 |

Liabilities directly associated with assets classified as held for sale

| <i>Amounts in NOK thousand</i> | 31.03.2022 |
|--|--------------|
| Other long-term liabilities | 512 |
| Trade payables | 51 |
| Other current liabilities | 6 108 |
| Total liabilities of disposal group held for sale | 6 671 |

Alternative Performance Measures

KMC Properties ASA's financial information is prepared in accordance with the international financial reporting standards (IFRS). In addition, the company reports alternative performance measures (APMs) that are regularly reviewed by management to enhance the understanding of the Company's performance as a supplement, but not as a substitute, to the financial statements prepared in accordance with IFRS. Financial APMs are intended to

enhance comparability of the results and cash flows from period to period. The financial APMs reported by KMC Properties ASA are the APMs that, in management's view, provide relevant supplemental information of the Company's financial position and performance. Operational measures such as, but not limited to, occupancy and WAULT are not defined as financial APMs according to ESMA's guidelines.

Net Asset Value adjusted (NAV adjusted)

| <i>Amounts in NOK million</i> | 31.03.2022 | 31.12.2021 |
|-------------------------------|-------------------|------------|
| Total equity | 1 853 | 1 836 |
| Deferred tax liabilities | 150 | 132 |
| Net asset value (NAV) | 2 003 | 1 968 |

Debt ratio – group net LTV

| <i>Amounts in NOK million</i> | 31.03.2022 | 31.12.2021 |
|---|-------------------|------------|
| Interest Bearing Debt (Bond, nominal value) | 1 850 | 1 850 |
| Bank loan | 500 | 437 |
| Loans from Credit Institutions (RCF) | - | - |
| Cash and cash equivalents | (124) | (208) |
| Mark-to-market hedge adjustment | (159) | (67) |
| Net Interest-Bearing Debt | 2 066 | 2 012 |
| Investment Property (Market Value) | 4 028 | 4 002 |
| Group Net LTV | 51.3% | 50.3% |

Net income from property management

| <i>Amounts in NOK million</i> | Q1 2022 | Q1 2021 | 2021 |
|---|----------------|----------------|-------------|
| Operating profit (loss) before fair value adjustments | 48.3 | 21.8 | 138.4 |
| Net realised financials | (25.5) | (19.7) | (82.1) |
| Net income from property management | 22.9 | 2.1 | 56.3 |

Definitions

| | |
|--|--|
| Bonds, or the Bond Issue | NOK 1 850 million senior secured bond with 3 years tenor issued on 11 December 2020 |
| Cushman & Wakefield | Cushman & Wakefield Realkapital, Kronprinsesse Märthas plass 1, 0125 Oslo, Norway, |
| Gross Rental Income (GRI) | Equals Total Income |
| Independent valuer | Cushman & Wakefield |
| Loan-to-Value (LTV) | Total net nominal value of interest-bearing debt divided by the total market value of the property portfolio. |
| Market value of portfolio | The market value of all properties owned by the parent company and subsidiaries. |
| Net Asset Value, adjusted (NAV) | NAV from an ordinary long-term operational perspective of the business. Based on total equity in the balance sheet, adjustments are made for the carrying amount of deferred tax |
| NOK | The Norwegian Krone, the official currency of Norway |
| Occupancy rate (%) | Leased Lettable area (sqm) / Total Lettable area (sqm) |
| OPEX | Operating expense, measured by total operating expenses – salary expenses |
| SG&A | Selling, General & Administrative Expenses, calculated as Salary expenses |
| Property related expenses | Property-related expenses include administrative costs related to the management of the properties as well as operating and maintenance costs. |
| SWAP | A swap is an agreement between two parties to exchange sequences of cash flows for a set period of time |
| WAULT | 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. |



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