

Industrielaan 39, Olen Belgium

The preferred real estate partner for logistics and industrial companies

KMC Properties ASA
Q4 2023 results presentation | 22 February 2023



A strong platform for continued growth

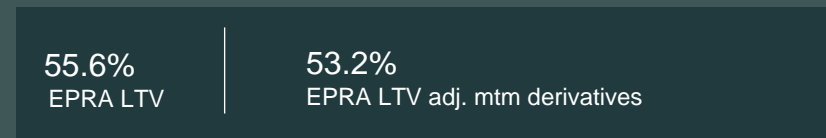
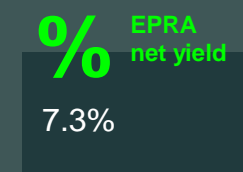
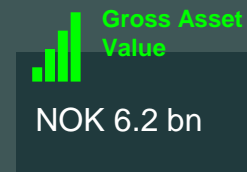
Q4 2023

- Completed NOK 209m acquisition of two of the seven properties in the last part of the large transaction with BEWI ASA
- Raised new equity of NOK 275m from new strategic investor, Nordika
- Completed sale of low-WAULT Swedish property at book value
- Successful listing of NOK 900m bonds at Euronext Oslo Børs

Full-year 2023

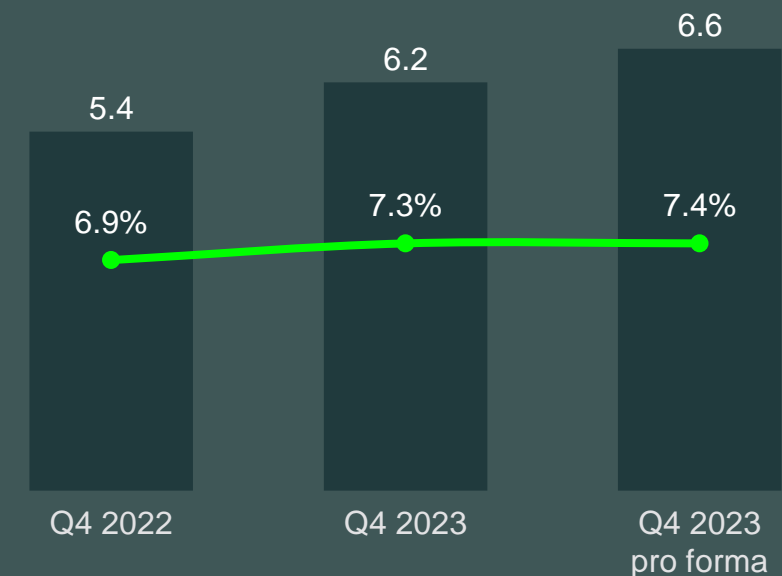
- Secured NOK 2 080m debt refinancing at improved terms, and entered interest rate swaps securing 47% of floating interest at attractive terms
- Completed WAULT and Yield accretive transactions and agreements:
 - NOK 672m of completed acquisitions
 - NOK 101m of property sale
 - NOK 205m development and upgrade projects
 - NOK 431m acquisition agreements to be completed in H1 2024 (included pro-forma figure)

Key figures



Year over year development

NOK billion GAV, % Net yield

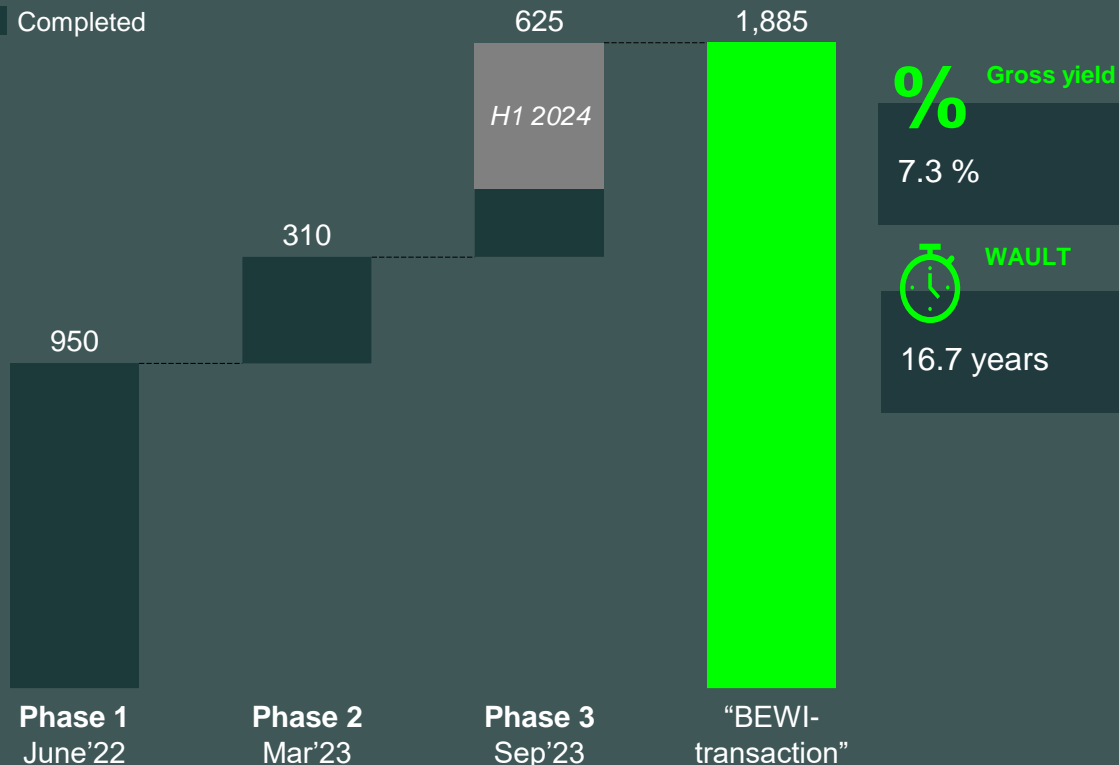


Accretive transaction with BEWI to be completed first half 2024

NOK 2 billion property transaction with BEWI ASA

NOK million

■ H1 2024
■ Completed



Three phase transaction:

1. NOK 2bn agreement with BEWI ASA following competitive process, bid range 5.9% - 6.7% yield. Initial acquisition of NOK 950 million in 2022 (6.3% acquisition gross yield)
2. Acquired Danish and Finish assets for NOK 310 million at renegotiated yield of 7.7% plus WAULT extensions valued NOK 46 million in March 2023
3. Acquired remaining assets in agreement in Germany, Belgium, Poland for NOK 625m at renegotiated yield of 8.75%


Two of seven properties in phase three acquired in 2023, with remaining properties to be acquired in the first half 2024

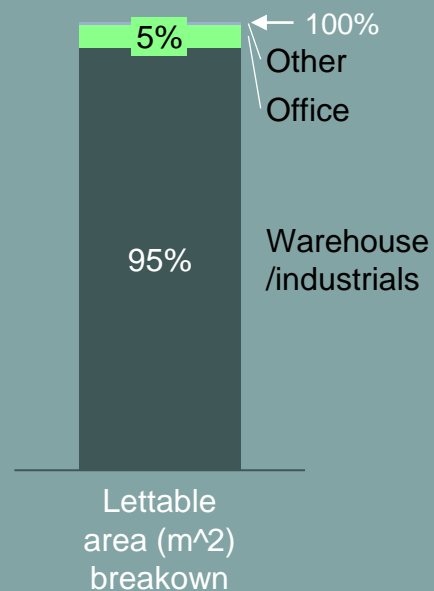
Portfolio breakdown post BEWI-transaction

	Flexible units	Industry critical	Tenant critical	Total portfolio
# of units	50	13	8	71
% of GAV	69%	22%	9%	100%
Gross yield	7.4%	7.7%	8.4%	7.6%
# in industrial clusters	43	9	4	56

Example assets



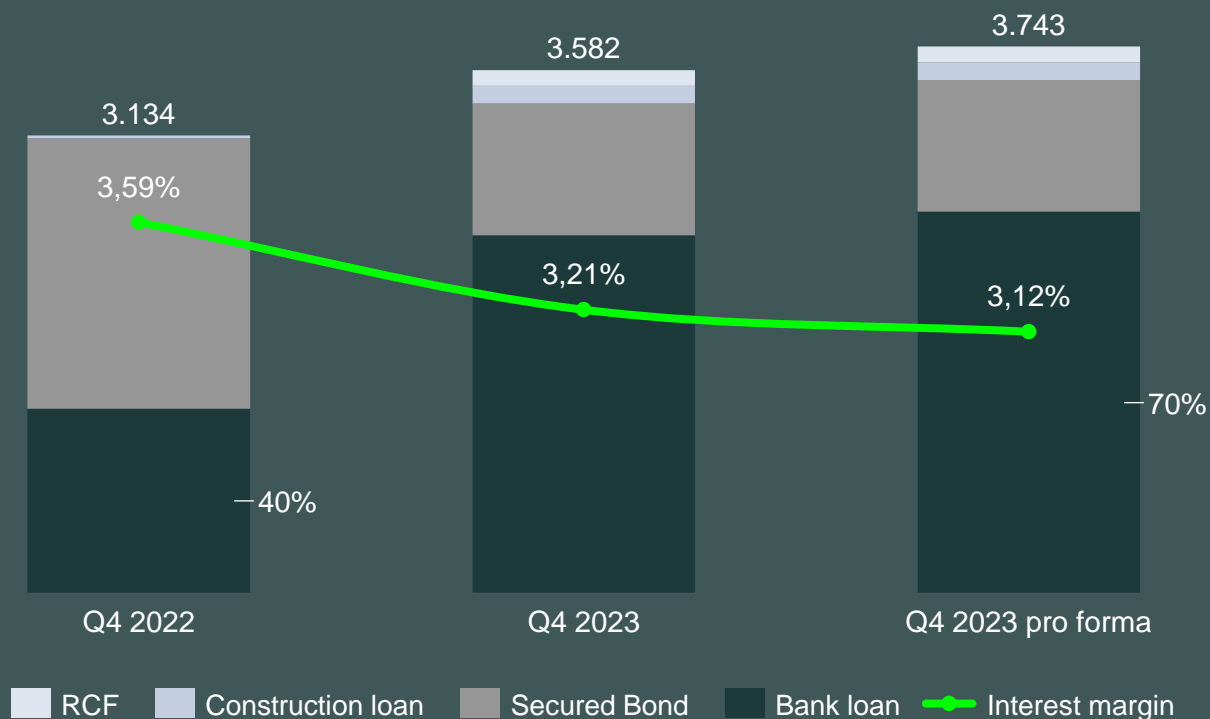
 % of total portfolio



Major refinancing transforming KMC Properties' capital structure

Debt structure and interest margin improvement

NOK million, % interest margin



Improving lending relationships

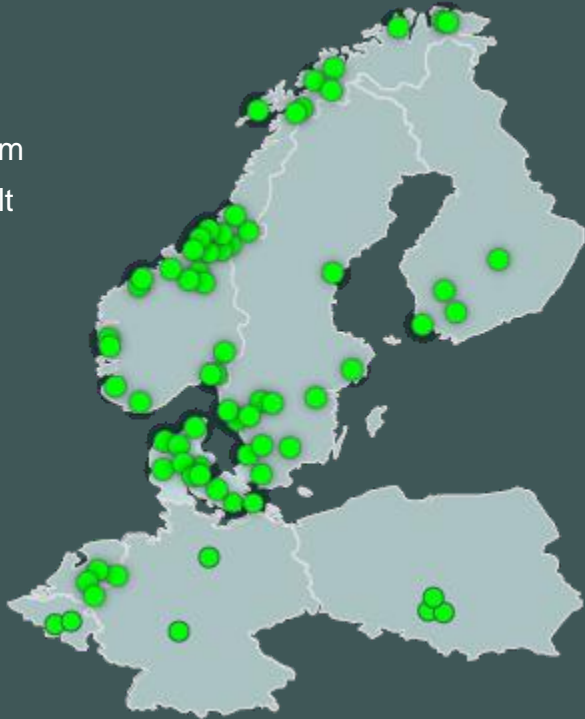
KMC Properties ASA							
KMCP AS	KMCP II AS			KMCP III AS	KMCP IV AS	KMCP VI AS	KMCP VII AS
Senior Secured Bond	SB1 SR	SB1 SMN	SB1 NN	DNB	Danske Bank	Nordea	DNB/SR
						New lender thru transaction in Q4 2023	

- Refinancing of NOK 1,850 million senior secured bond and fully drawn RCF completed in July
- The final five properties of the BEWI-transaction to be financed by approx. DKK 107 million of new bank debt at 1.08% interest margin
- Overall interest-margin further reduced to 3.12% from 3.21% at Q4 2023
- Post transaction bank loans to represent ~70% of overall long-term company debt
- Equity financing from new strategic investor Nordika in phase three of BEWI-transaction

Strengthened and diversified Northern European foothold

Pro-forma Q4 2023

17 tenants
71 properties
680,000 sqm
11.8 yrs wault

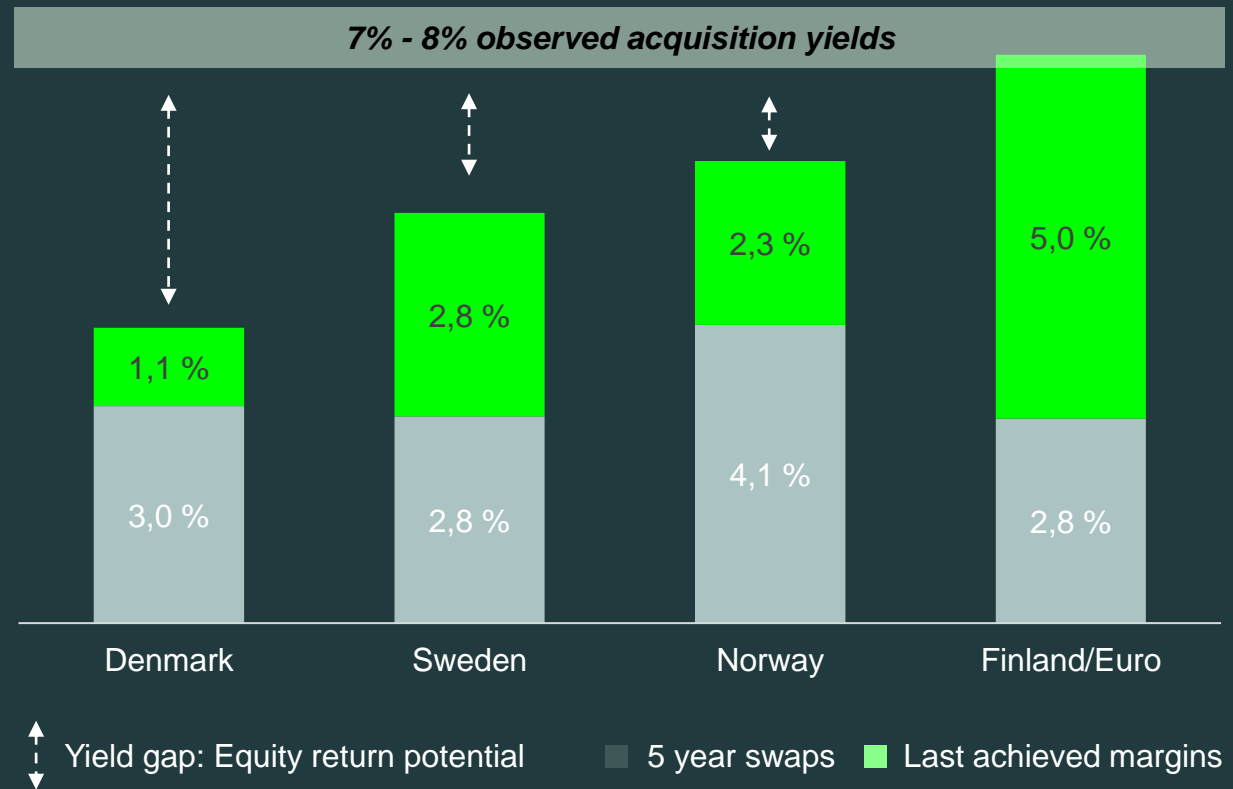


Broadened access to capital

New strategic investor
Wider range of banks

Attractive opportunities in changing market conditions

Debt structure with attractive terms compared to observed acquisition yields





Financial review

Demonstrating strong operational leverage

Profit and loss¹

NOK million

	Q4 2023	Q4 2022	2023	2022
Rental income	107	80	409	273
Property expenses	-2	-1	-5	-3
Net operating income	105	79	404	270
Administration expenses	-18	-17	-51	-45
Transaction expenses	-2	-3	-4	-7
EBITDA²	85	59	349	218
Net realised financials	-50	-42	-200	-122
Net income from property management	35	17	149	96
Net unrealised financials	-6	-15	-18	23
Change in value of financial instruments	-47	1	-65	111
Changes in value of investment properties ³	45	18	-117	41
Profit before tax	27	22	-52	282
Profit from continued operations	6	30	-78	163
ICR	1.7x	1.8x	1.7x	1.8x

1) Excluding discontinued operations

2) See Alternative Performance Measure (APM) description in KMC Properties financial report

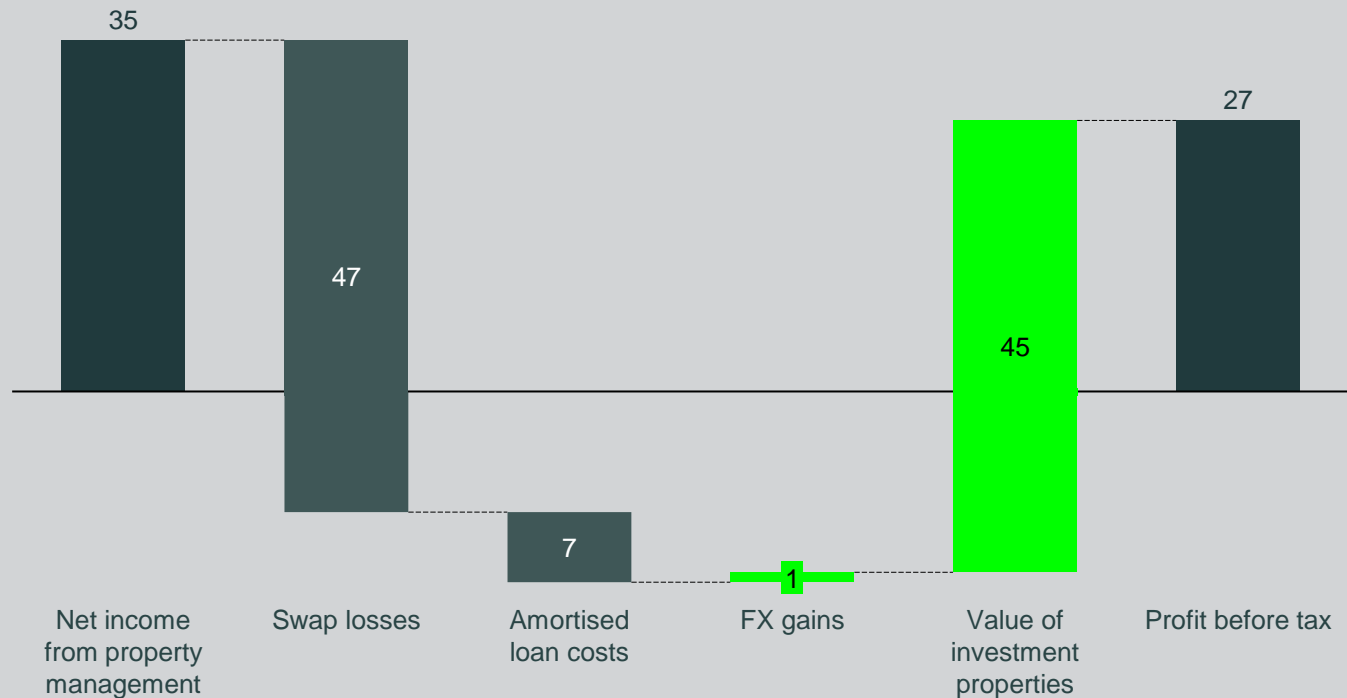
3) The valuation of the properties on 31 December 2023 has been performed by the independent expert valuers

- 34% rental income increase Q4'23 vs Q4'22
 - Weighted average CPI adjustment of 7.5% on 1 January 2023
- Property expenses slightly up quarter on quarter
- Administration expenses in line with guidance
- 44% EBITDA increase Q4'23 vs Q4'22 showcasing KMCP's strong operational leverage
- Net income from property management more than doubled year-on-year despite rising financing costs

Significant non-cash items impacting profits in the quarter

Q4 2023 non-cash impact break down

NOK million



- Losses from interest and currency swaps NOK 47 million in the quarter
- Amortised debt issue costs and bond discount negative with NOK 7 million
- Unrealised foreign exchange gains NOK 1 million
- Property value adjustments positive NOK 45 million
 - Negative 2.2% (NOK 117m) value reduction for the year
- Profit before tax negative NOK 27 million

Financial and operational visibility improving

Annualized run-rate¹

NOK million, 12 months forward

	Q4'23 pro forma	Q4'23	Q3'23	Q2'23	Q1'23	Q4'22
Rental income	498	460	421	424	412	371
Property expenses	-5	-5	-5	-5	-5	-5
Net operating income	493	455	416	419	407	366
Administration expenses ²	-46	-46	-44	-44	-44	-41
EBITDA	447	409	372	375	364	325
Net realised financials ³	-231	-224	-218	-210	-205	-181
Net income from property management	216	185	154	165	159	144

1) Based on completed agreements at period end.

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

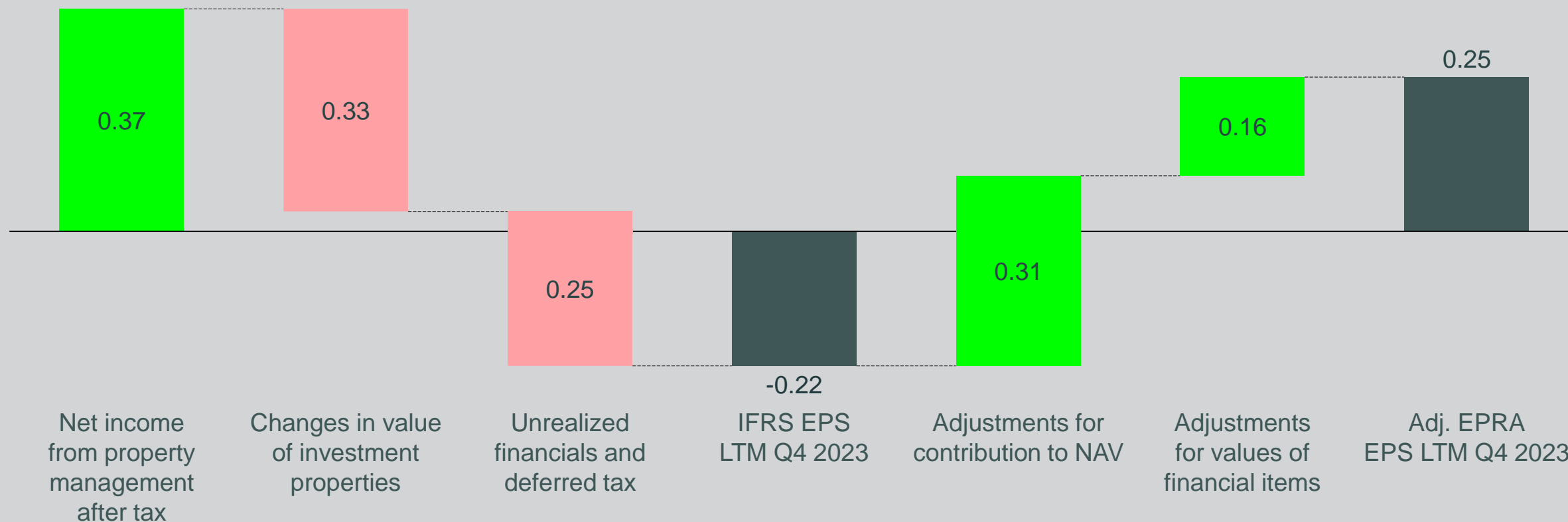
3) Based on interest rates and swap agreements at period end. Does not include amortisation of capitalised borrowing cost.

- Increase in rental income run rate from Q3'23 due BEWI property acquisitions
- Property related expenses flat due to triple net bare house contract structure
- Slight increase in administrative expenses
- Financing cost increase driven by increase in interest-bearing debt but stable floating interests
- Interest margin reduced to 3.21% post refinancing in July 2023 and further down to 3.12% post BEWI transaction

Earnings driven by income from property management

Earnings per share (EPS) last twelve months

NOK per share



Financial terms

Debt terms

	30 Sept 2023				31 Dec 2023				Q4'23Pf
	Volume	Margin	Floating	All-in	Volume	Margin	Floating	All-in	All-in
Bond loan	900	5.00%	4.73%	9.73%	900	5.00 %	4.72%	9.72%	9.72%
Bank loan	2 386	2.67%	4.48%	7.15%	2 453	2.58%	4.57%	7.15%	6.97%
Construction loan	119	2.75%	7.48%	7.48%	121	2.75%	4.72%	7.47%	7.47%
Revolving Credit Facility	-	-	-	-	108	3.25%	4.72%	7.97%	7.97%
Shareholder loan	100	4.25%	4.73%	8.98%	-	-	-	-	-
Total	3 505	3.32%	4.56%	7.86%	3 582	3.21%	4.62%	7.83%	7.67%
Swap agreements				-1.64%				-1.54 %	-1.48%
Total including swap agreements				6.24%				6.29 %	6.20%
Net yield				7.0%				7.3%	7.4%
Yield GAP				0.76%				1.01%	1.20%

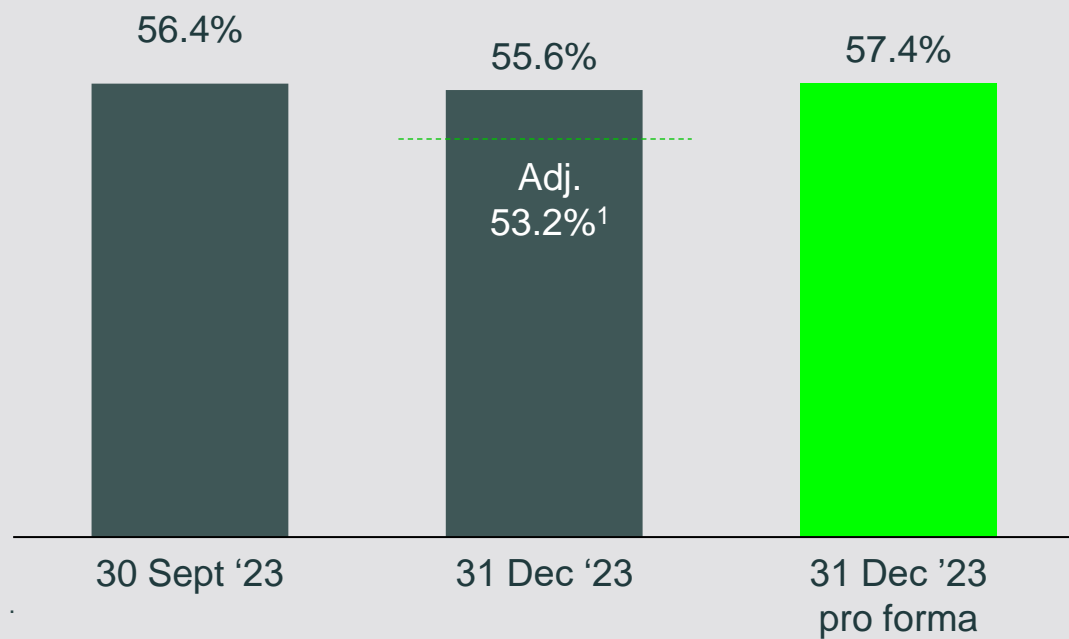
- Shareholder loan taken out with RCF at 100bps lower margin
- Drawdown of DKK 86m (of total 193m) Nordea facility with margin 1.08% and fixed reference rate of 3.04%
- Construction loan refinanced in January at 2.25% margin plus 3m NIBOR
- Hedge ratio per 31 December of 45%. Pro forma hedge ratio of 48%

New derivatives Q4

- New SEK 100 5-yr fixed STIBOR 2.4%
- New SEK 75 5-yr fixed STIBOR 2.4%
- New NOK 135 5-yr fixed 3.53%, and replaced NOK 35m (2027)
- Split and converted DKK 120 (2027) into DKK 75 and NOK 70

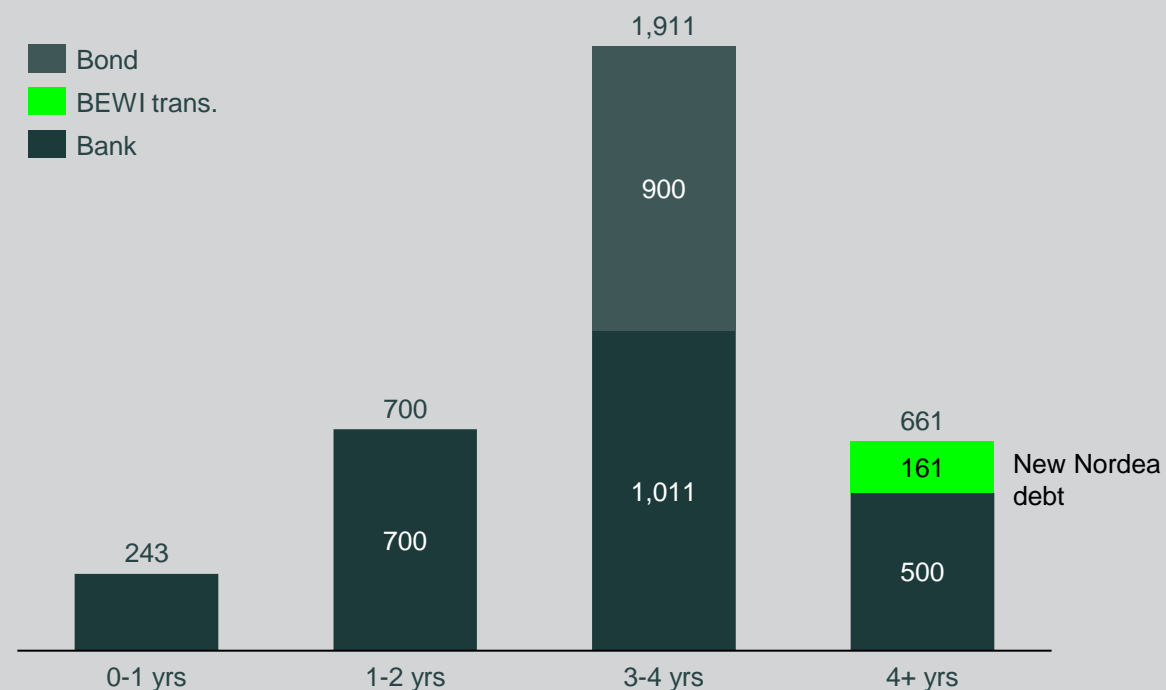
Maintaining a conservative leverage ratio

LTV per quarter end and post BEWI transaction



Debt maturity profile (NOKm)

31 December 2023 Proforma

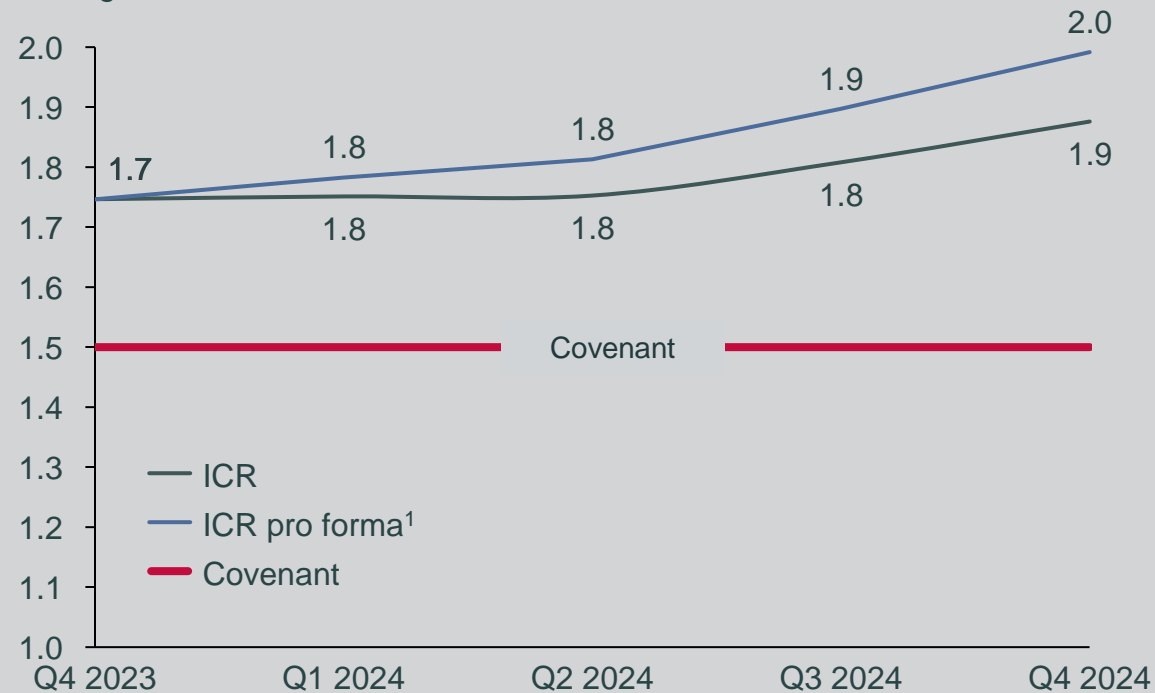


13 1) Adjusted for market value (mtm) of derivatives

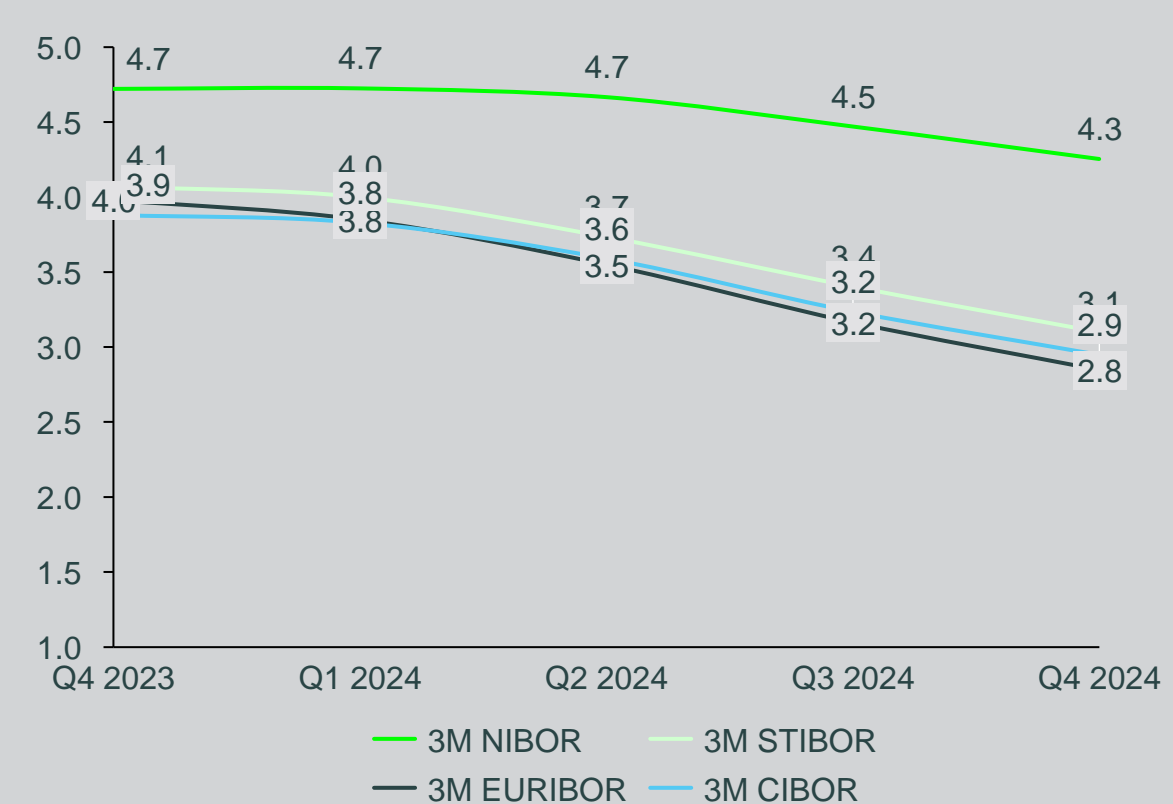
Comfortable headroom to ICR covenants

ICR forecast

Rolling 12m ICR



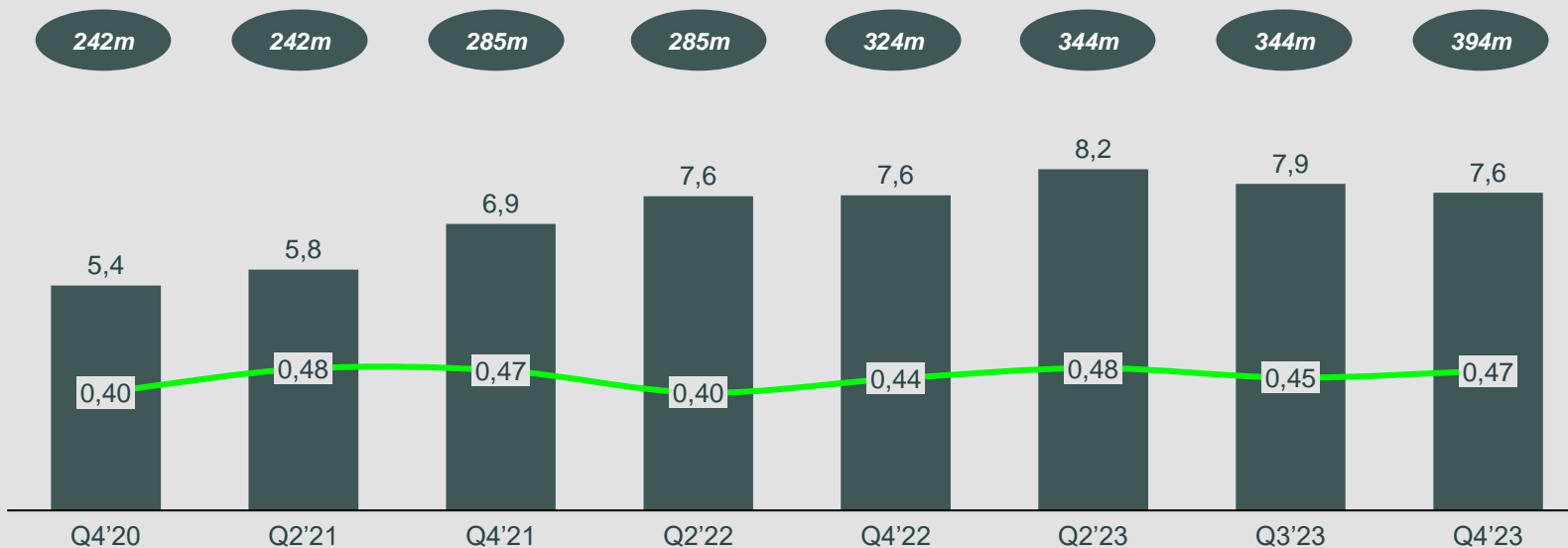
3M IBOR %²



Per share development since listing

NAV¹ per share / Run rate earnings² per share

— Earnings per share ■ NAV/sh x Shares outstanding at period end



- Shares outstanding increased the last twelve months from 324m to 394m per Q4 2023
- Earnings per share up from 0.44 NOK/sh in Q4 2022 to 0.47 NOK/sh in Q4 2023
- NAV per share today 7.6 NOK/sh flat vs one year ago
- Reference rates up from 3.3% to 4.7% the last year
- All in interest up 100 bps since last year and 200 bps since Q4 2020



└ Outlook



Resilient strategy - high operational leverage

Strategic focus areas

Acquisitions



CAPEX



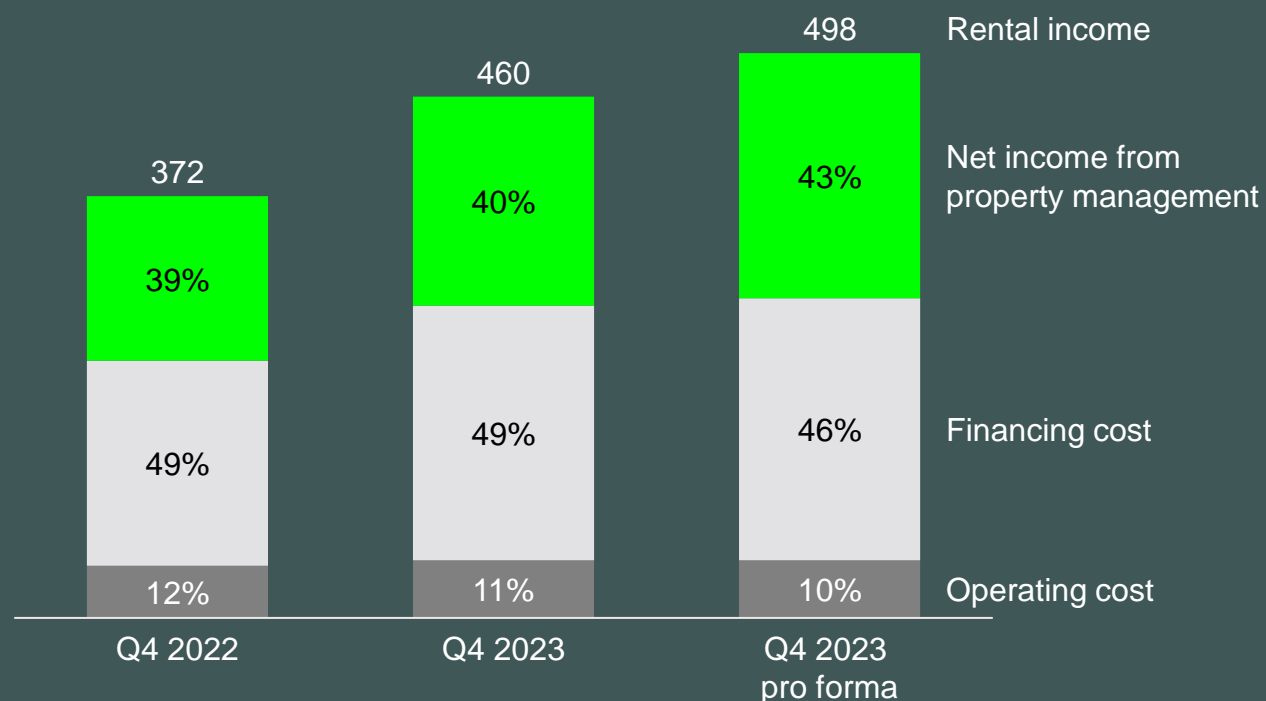
Capital optimization



Greenfield

Demonstrated operational leverage

NOK million

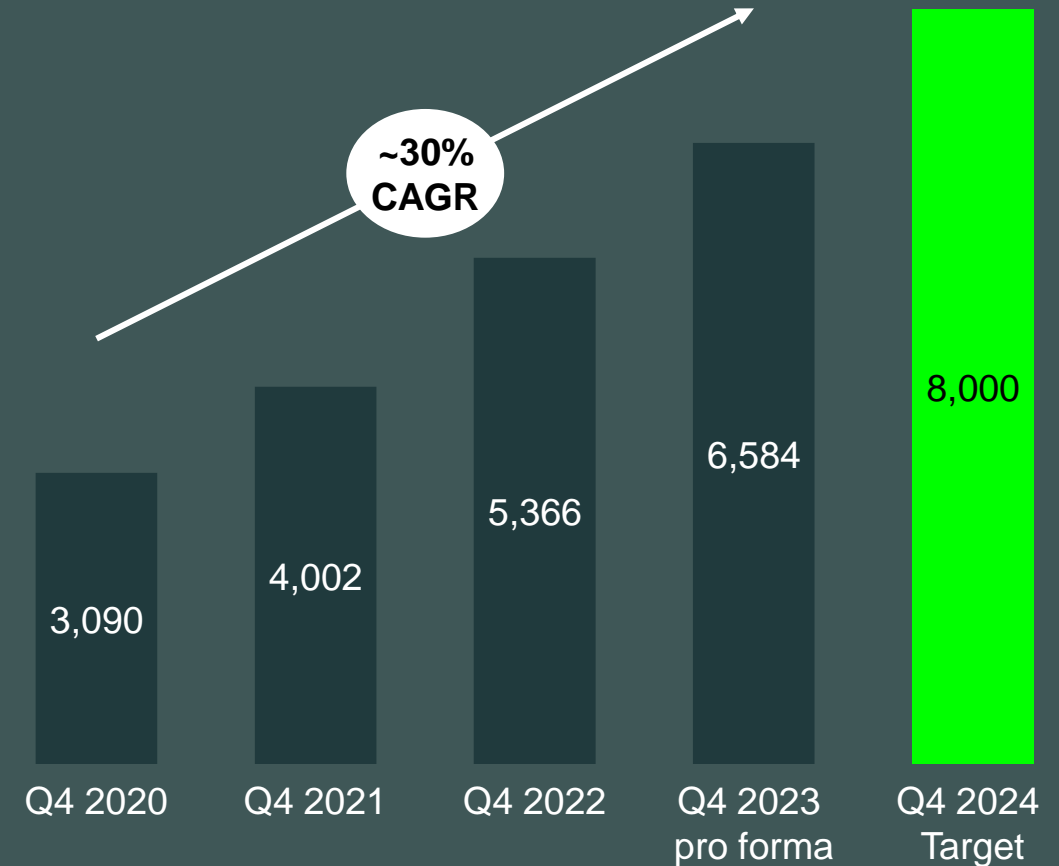


On track to deliver NOK 8bn 2024 target

A strong platform for continued growth

- Lean organization with modest increases in operational costs
- Robust property portfolio with strong tenants, and CPI-adjusted contracts
- Reduced interest margins through debt refinancing and financing of BEWI-transaction
- Wider access to long-term equity and debt financing
- Closely monitoring attractive acquisition opportunities

Gross asset value development and target
NOK million





Q&A



KMC PROPERTIES