



KMC Properties AS / Storm Real Estate ASA

Company Presentation

November 2020

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KMC PROPERTIES

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THE PROPERTIES AND TENANTS

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SUMMARY AND OUTLOOK

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INTRODUCTION TO KMC PROPERTIES

KMC Properties in brief

Introduction

- A real estate company focusing on owning industrial and logistic properties
- Portfolio of 39 industrial properties in the Nordics and the Netherlands
- All properties have long term lease agreements with solid counterparties, strategically located in proximity to key customers of the tenants
- The largest tenant is the listed packaging and insulation company BEWi ASA, where the Bekken family is a majority owner
- The second largest tenant is Insula AS, a leading Nordic seafood company wholly owned by Kverva Industrier AS, which is owned by the Witzøe family
- Properties covering ~330,000 sqm

Operating Income
NOK
~193m

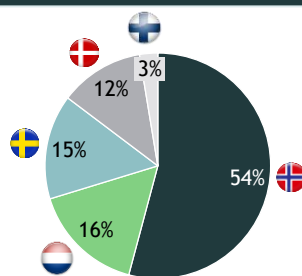
Portfolio Value: NOK
2,987m¹

WAULT (years):
~11.8

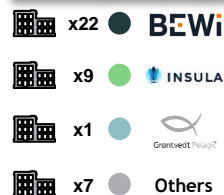
Gross LTV
~62%¹ /
~58%²

Property locations

Operating income by country




The properties are strategically located in immediate proximity to the tenant's key customers or important fishing grounds



Notes: 1) Valuation from Cushman & Wakefield, not including the Gasfield property valued at USD 21m, and not including estimated opening cash balance; 2) Gross LTV for the Group including Gasfield, but not net of cash

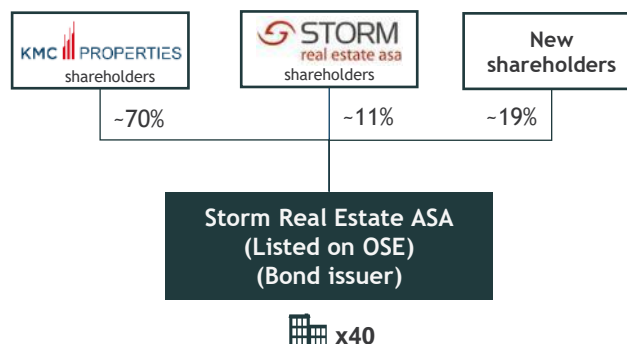
STORM REAL ESTATE TO ACQUIRE KMC PROPERTIES AND FORM A PUBLICLY LISTED INDUSTRIAL REAL ESTATE SPECIALIST

Summary of the acquisition and contemplated private placement

KMC PROPERTIES			STORM real estate asa			
Major owners ³	Selected investments	Book equity	Listing	Market Cap.	Asset	Main owners
EBE Eiendom AS 51%						
Bekken Invest AS	BEWI	NOK ~1.1bn ²			15k sqm. office building in Moscow	Abra Norge AS 32.8%
Abra Norge AS	ABO IMPULSE STORM Response Growth	NOK ~300m	 Since 2010	NOK ~60m	Valued at USD 21m	Morten E. Astrup 31.2%
KVERVA 47%	SHIMAR INSULA PELAGIA aquiline STEINERVIK	NOK ~13.5bn ¹				

- Storm to acquire KMC through a reverse takeover
- EGM and closing of the acquisition is scheduled for mid-December
- NOK 300 million fully guaranteed equity private placement at NOK 7 per share
- Loan in Storm with face value of NOK ~188 million to be converted to equity⁴
- NOK 1,850 million senior secured bond loan to be obtained prior to closing

Indicative pro forma shareholder composition

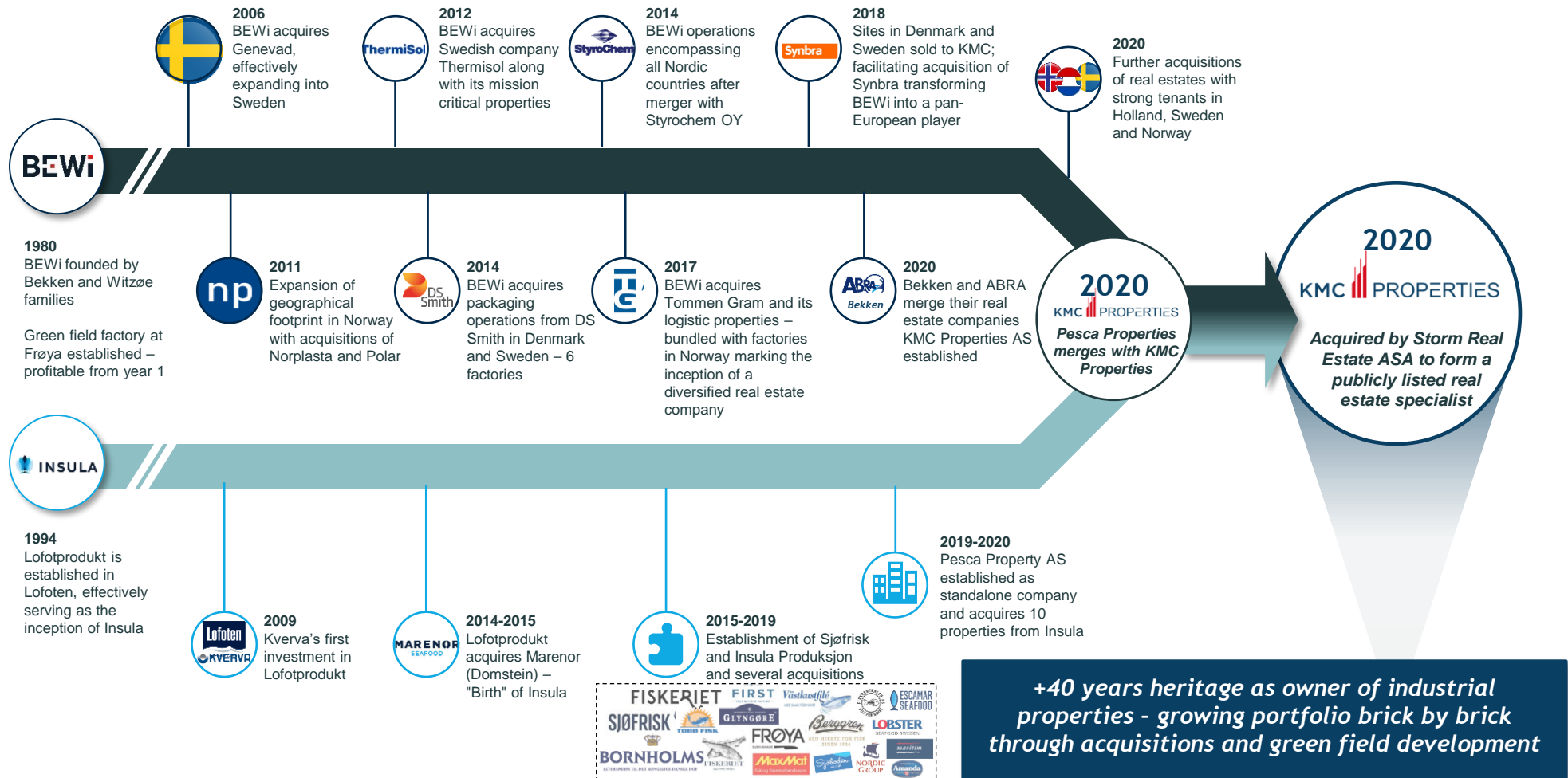


Transaction rationale

- KMC Properties has consolidated three Trondheim-based industrial real estate companies with a long operating history into KMC Properties and built an organisation to prepare the company for further growth
- Storm Real Estate is currently a single asset company and has for some time evaluated potential partnerships in order to use the listed platform and strong industrial knowledge in the company to grow the company and create value for the shareholders
- The combined entity will have a strong platform to execute on a pipeline of attractive growth opportunities, including a listed and liquid share as a valuable currency for future growth

- ✓ **OSE-listed platform**
- ✓ **Access to capital at attractive terms**
- ✓ **Strong owners with industrial expertise**
- ✓ **Capitalised for further growth**
- ✓ **Ambition to become market leader within industrial real estate**

40 YEARS HERITAGE IN INDUSTRIAL PROPERTIES



STRATEGY TO FURTHER GROW THE MARKET POSITION AS THE PREFERRED PARTNER FOR INDUSTRIAL CLIENTS

Pillars of value creation

	Description	Pipeline & KPI's	
Investments in current portfolio and contract extensions	<ul style="list-style-type: none"> Several ongoing projects, and high activity expected for the foreseeable future to accommodate activity growth and continuous operational improvements among KMC's key clients Value creation for KMC in the form of additional rent and contract extensions (typical for larger upgrades) KMC maintains a close relationship with its clients to identify and actively engage in such business development activities 	~NOK 50-60m Capex in pipeline	~7-8% Expected ROI ¹
Greenfield development projects	<ul style="list-style-type: none"> Investments in new facilities for both new and existing clients Further reap from unexploited potential utilizing available land areas for development in collaboration with tenants - focusing on business critical facilities Acquire and develop land on the basis of long-term contract commitments 	~NOK 120m Capex in pipeline	~50% Land utilization
Acquisitions	<ul style="list-style-type: none"> Acquisitions of business critical properties with substantial relocation costs Pre-defined and satisfactory yield levels, facilitating value creation through portfolio premiums and bundling of property management Secure diversification across industries and property types Flexibility in transaction structure translating to both sale-lease back and transactions with other third parties 	~7-15 year Rental agreements	Business critical industry properties

Notes: 1) Upgrade or expansion capex added to rental payments from tenant as a whole, either through investments lease (annuity) or a new lease agreement

SUSTAINABILITY IS AN IMPORTANT VALUE FOR THE COMPANY

Storm Real Estate and KMC Properties works to integrate sustainability and environmental concerns in an effort to reduce its buildings' environmental impact, specifically by focusing on reducing energy consumption. The company is working with how it manages its own operations to minimize negative impact in all three pillars of ESG; Environmental, Social and Governance

Environmental

- Actively working with tenants to reduce energy consumption, waste and pollution
- Prepare annual sustainability reports in cooperation with tenants
- Sustainability is one criteria for contract renewals and property acquisitions
- Refurbishment and construction shall follow provided guidelines to ensure climate protection and energy efficiency
- EDD (Environmental Due Diligence) reports are prepared in connection with acquisitions

Social and Governance

- Code of Conduct promote good business ethics, zero tolerance for corruption and money laundering and guidelines for equality and diversity
- All transactions with related parties (primarily the owners of the largest tenants) are carried out on arm's length terms and at fair market values
- Actively working to offer a healthy environment for the employees of the tenants



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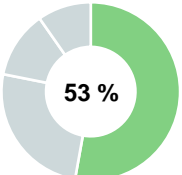
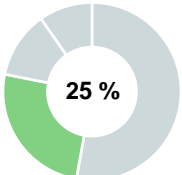
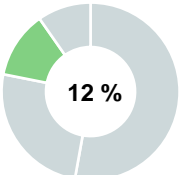
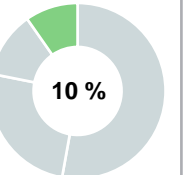
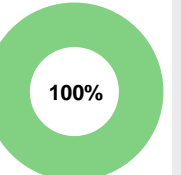
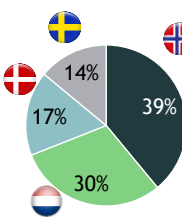
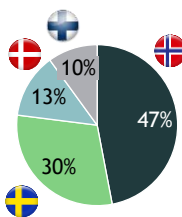


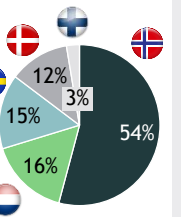
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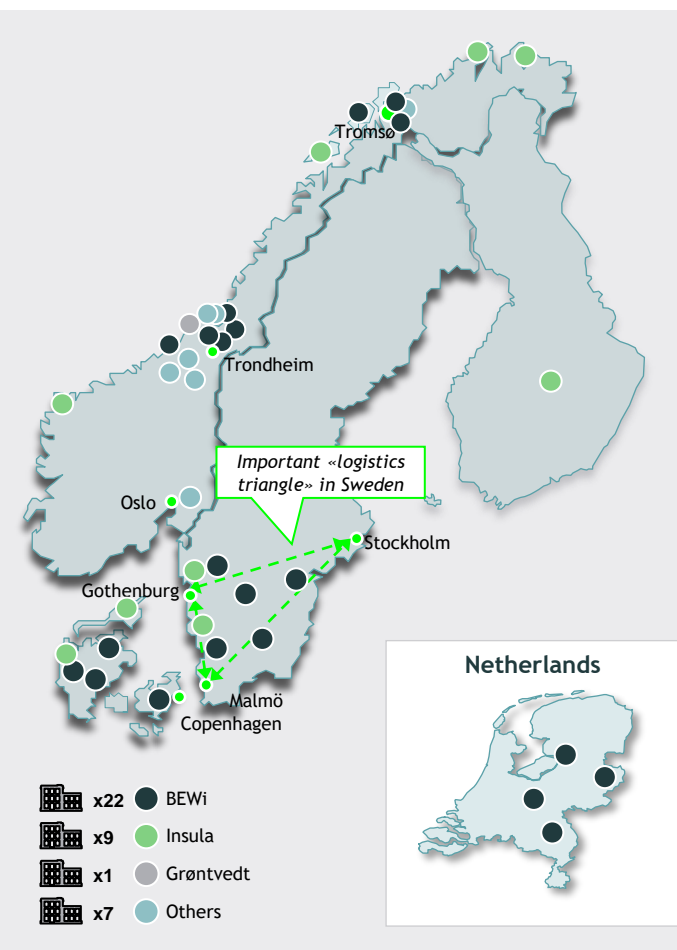
APPENDIX

ATTRACTIVE PROPERTY PORTFOLIO WITH LONG TERM LEASES STRATEGICALLY LOCATED TO FIT THE TENANTS

Overview of the portfolio and tenants

	BEWi	INSULA	 Grøntvedt Pelagič	Other tenants¹	Total
# of properties	22	9	1	7	39
Share of operating income					
Operating income by country					
WAULT	11.3 years	11.9 years	15.1 years	9.7 years	11.8 years

Geographical location



BEWi ASA IS THE LARGEST TENANT AND REPRESENTS ~53% OF OPERATING INCOME

Introduction to BEWi ASA

- Founded in 1980 by the Bekken family, who since inception has developed the company into becoming one of the leading packaging and insulation providers in Europe
- BEWi is strategically integrated throughout the value chain, with revenue diversified across 3 operating segments, whereof ~1/3 is from upstream and 2/3 from downstream
- 39 production facilities¹ located across Norway, Denmark, Sweden, Finland, the Netherlands and Portugal, in addition to 8 recycling sites
- The company has two 4-year bonds listed at Nasdaq Stockholm - a EUR 75m bond and a EUR 65m bond, issued in 2018 and 2019 respectively
- Listed on Euronext Growth in August 2020, in a transaction where the Bekken and Kverva retained ~70% ownership, applied for listing at Oslo Børs in November 2020



~1,400
FTEs across
8 countries



SEK ~4.5bn
2019
Revenue¹



SEK 549m
2019 Adj.
EBITDA





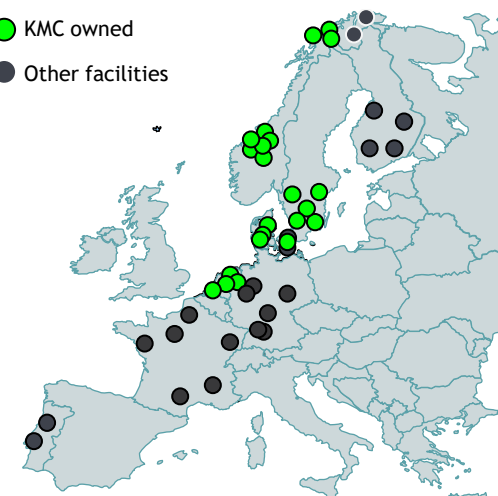
2.4x
NIBD/
Adj. EBITDA²



NOK ~3.1bn
Market value of
shares

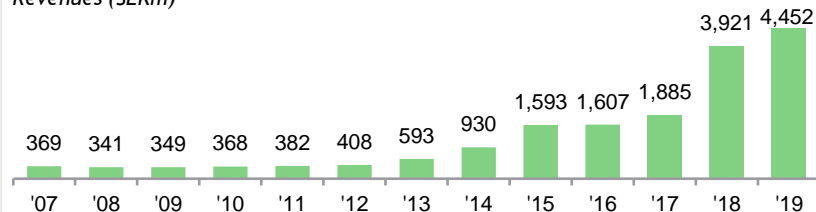
Extensive production and logistics platform

 x22 KMC owned
 x17 Other facilities

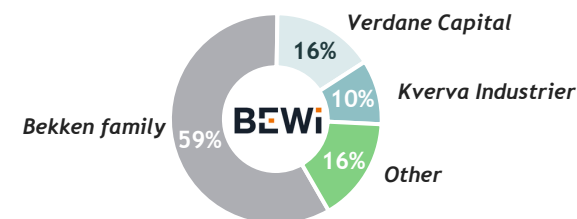


Strong organic growth coupled with strategic acquisitions¹

Revenues (SEKm)



Committed owners with industrial heritage



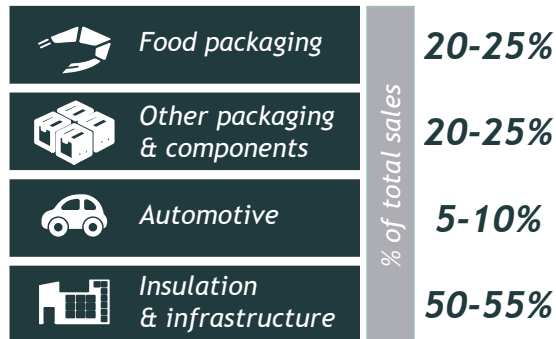
Notes: 1) Including factory under construction in Senja; 2) In 2020 BEWi acquired BEWi Drift Holding AS ("BDH") which had a revenue of SEK 911m and EBITDA of SEK 87m, which is not included in these figures; 3) NIBD/LTM EBITDA Q320 excluding IFRS16 and including acquired companies

A LEADING PROVIDER OF PACKAGING AND INSULATION SOLUTIONS IN EUROPE

Diversified customer base

Multiple end-markets

UPSTREAM & DOWNSTREAM COMBINED



Broad geographic exposure

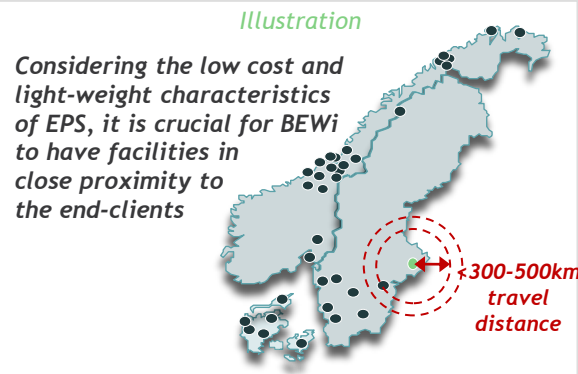


Long-standing relationships

Long-standing customer relationships



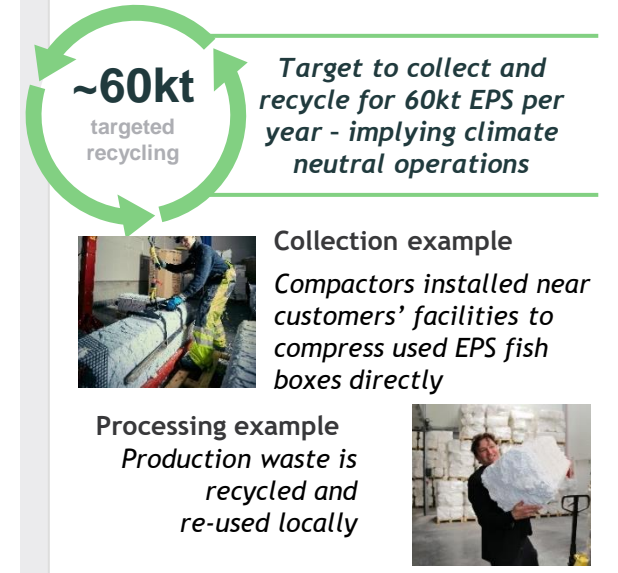
Close proximity to customers



Game-changing ESG focus

Closing the loop for EPS

- BEWi is the first producer of 100% recycled EPS and has invested more than SEK 100m in recycling initiatives
- BEWi Circular is leading the change in the industry by recycling EPS waste from own production facilities, customers and nearby communities



CASE STUDY I: BEWi AT FRØYA

Strategically located at Frøya in close proximity to leading salmon farmers

Comments

Salmar facility, Frøya

BEWi Plant, Frøya



The BEWi plant is strategically located in Hammarvika, with very short distance to the key customers Salmar, MOWI and Lerøy



The BEWi property at Frøya is strategically located in close proximity to Salmar, MOWI and Lerøy's fish slaughtering and processing facilities, which are key clients



BEWi produces EPS fish boxes, a key input factor to the production lines of salmon, as it ensures the freshness and quality of the fish



There are no other nearby production facilities for EPS fish boxes, and given the light weight and cost per box, it is not economically feasible to transport the boxes for longer distances, representing a barrier to entry for competitors

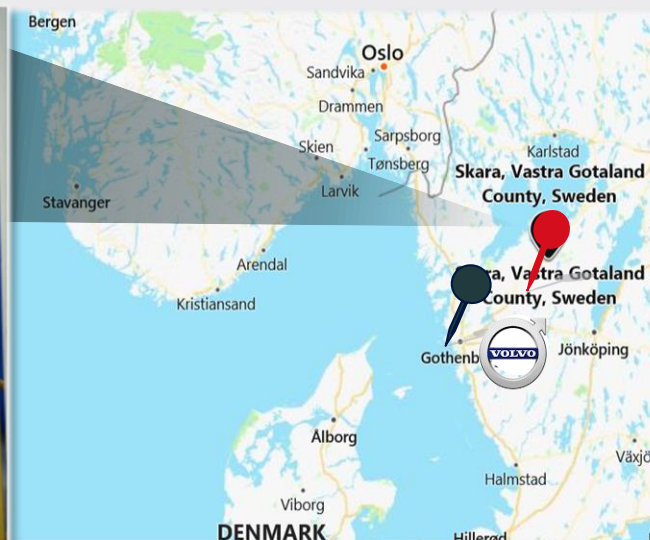
CASE STUDY II: BEWi AT SKARA

The BEWi plant is the only Swedish supplier of EPP car parts

Comments

Located close to Volvo's production facility

BEWi facility at Skara



✓ The BEWi production at Skara is located close to Volvo's production facility

✓ The Volvo car factory is one of the company's largest (~450,000 sqm) and most important factories, and produces around 1,250 cars/day

✓ Volvo is currently making a multi-billion investment in a new paint shop at the factory

✓ BEWi is the only producer of moulded EPP in Sweden, which is used in all Volvo cars for roof, floor, seat structures and much more, and deliveries from BEWi is a key component in Volvo's production chain

✓ KMC has ~7 years remaining contract with BEWi at Skara and is in dialogue with BEWi to expand the property in exchange for an extension of the contract by ~8 years

THE SECOND LARGEST TENANT INSULA IS A NORDIC MARKET LEADER IN PROCESSING AND SALE OF SEAFOOD PRODUCTS

A leading Nordic seafood company

Introduction to Insula

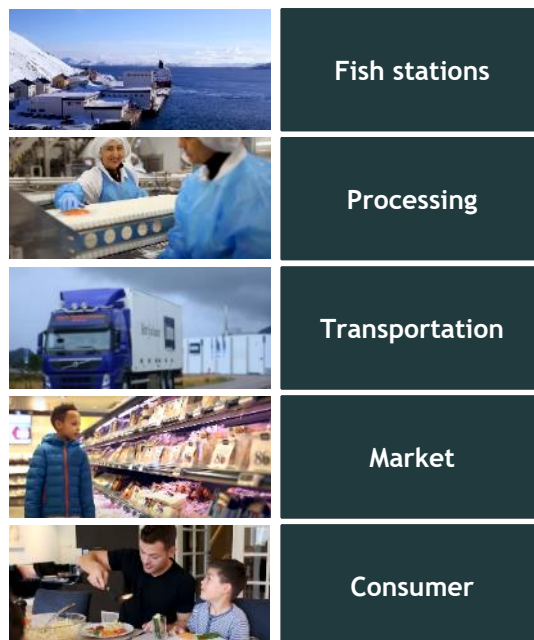
- Nordic seafood group focused on product development, value-added processing and sales of fish- and seafood products to the retail and HoReCa¹ markets
- Comprises 20 subsidiaries with in total approximately 1,100 employees in Norway, Sweden, Denmark, Finland and Iceland and is owned by Kverva (95.8% ownership)
- Strategy to consolidate steadfast and traditional companies into one proficient supplier to the Nordic market

Key brands & companies



Vertically integrated

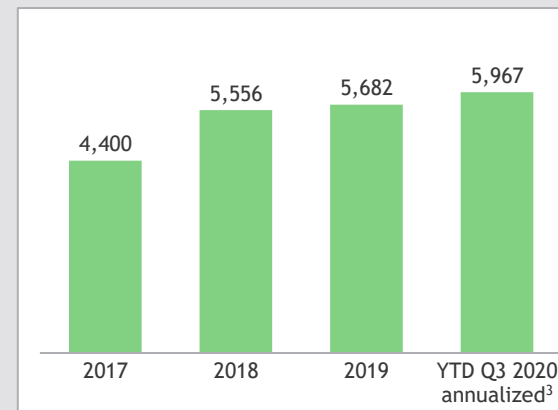
Insula's value chain



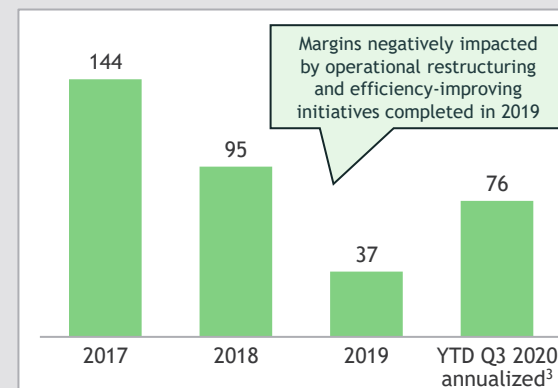
Focus on sustainability throughout the value chain from sourcing from sustainable fisheries, use of renewable input factors, re-use of non-renewable resources and production of goods with the lowest possible environmental impact

Solid financials²

Revenue (NOKm)

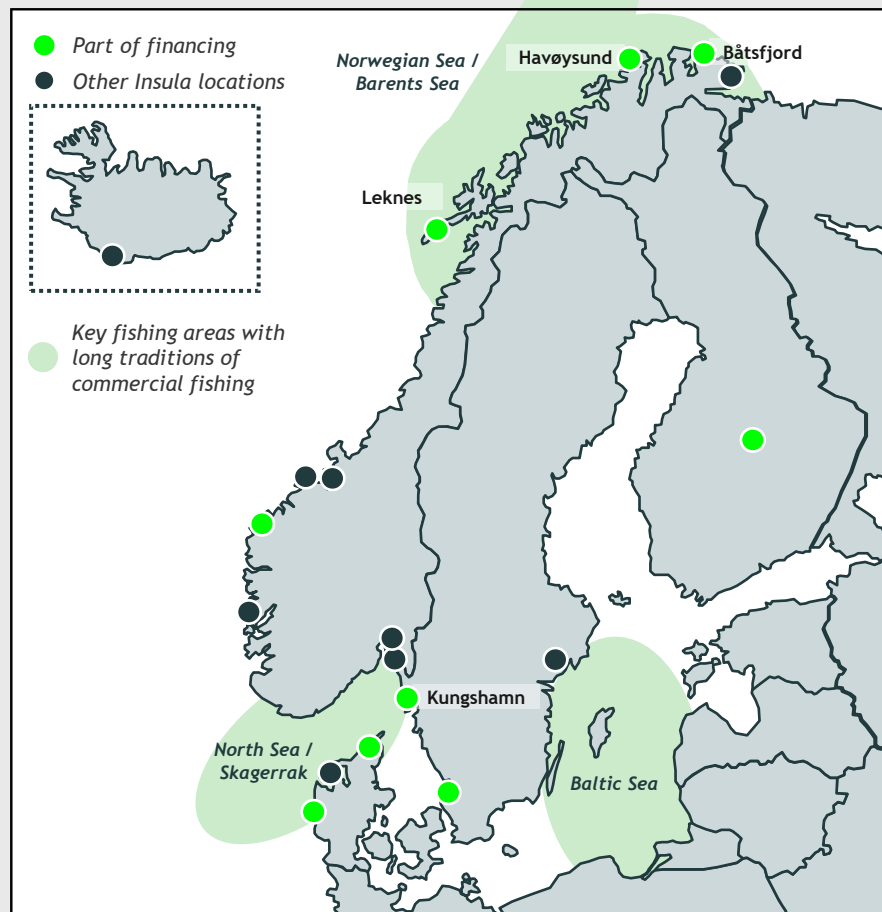


EBITDA (NOKm)



INSULA'S PROPERTIES ARE LOCATED IN CLOSE PROXIMITY TO KEY FISHING AREAS, PRODUCERS AND LOGISTIC HUBS

Overview of locations¹



Commentary

- Strategically located fish stations and processing facilities along the Norwegian coast as well as in key locations in Sweden, Denmark and Finland
- The properties represent critical infrastructure for the fishing industry and Insula's value chain
- High importance of proximity to fishing grounds to secure stable access to raw material and enable processing quickly after the fish is taken ashore



Strategically located properties - critical for tenants



Båtsfjord

Strategically located in the area in Norway with the most stable, year-round supply of fresh fish from the coastal fleet in the Barents sea. Well positioned to capitalize on migration of commercial fish stocks due to rising sea temperatures.



Havøysund

Optimal location for access to large quantities of cod during the winter season with fishing season lasting from January to May. Attractive fishing harbors with well established service offering and a long tradition of industrial whitefish production.



Kungshamn

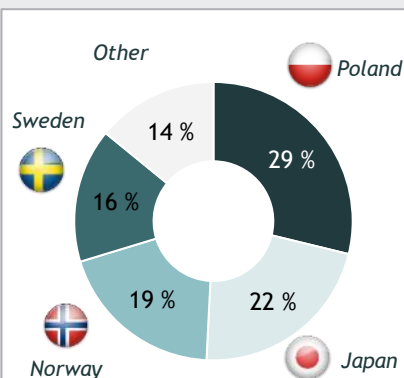
Located in the area in the Nordic region with the highest concentration of industrial food processing relating to seafood and within the important «logistics triangle» in Sweden. Other players active in the area include Abba Seafood (Orkla), Lerøy and Feldt Fisk.

OTHER TENANTS WITH STRONG MARKET POSITIONS PROVIDING FURTHER DIVERSIFICATION

Grøntvedt

- Grøntvedt is represented by two companies; Grøntvedt Pelagic AS and Grøntvedt Nutri
- Together the companies serve as a leading platform within industrial processing of pelagic fish, and the world's largest producer of marinated herring
- KMC has a 15 year bare-house agreement with Grøntvedt with options to extend for 10 further years at unchanged terms
- 2019 revenues of NOK 542m, with an average growth of 17.4% annually since 2014 excl. Grøntvedt Nutri¹
- Grøntvedt has been headquartered at Ørlandet since 1999, approximately 50 minutes outside of Trondheim by boat. The location is strategic given the rich resources of pelagic fish in the North Sea

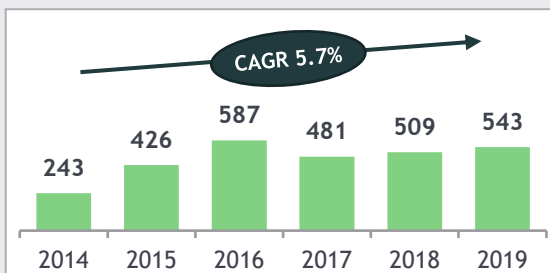
2019 revenue by country



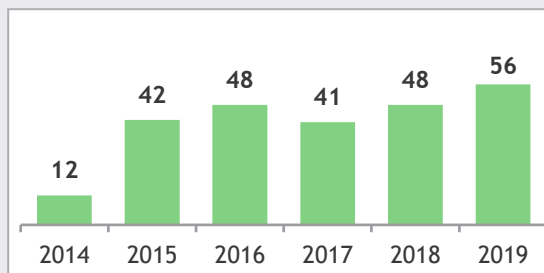
Selected key customers



Revenue (NOKm)¹



EBITDA (NOKm)¹



Other tenants

Abra Kulelagersenteret

- Has Scandinavia's largest selection of ball & roller bearings, needle bearings, seals and bearing accessories with over 27,000 parts
- Fully owned by Abra Norge AS
- 2019 revenue of NOK ~38m and EBITDA of NOK ~7m

Response Nordic

- Importer and seller of e-bikes, bikes and bike related clothing, accessories and parts
- In the process of merging with Response Nordic (distributor of i.e. GoPro, Nitro, Armada)
- 2019 revenue of NOK ~602m and EBITDA of NOK ~34m²

Fiizk

- Leading supplier of technical tarpaulins, tarpaulin products and closed cage solutions to the aquaculture industry
- Largest owners include Abra Norge AS (~33%)
- 2019 revenue of NOK ~144m and EBITDA of NOK ~12m

Ventistål

- Leading supplier of ventilation, roofs and facades incl. technical insulation solutions for the marine and offshore market
- Subsidiary of Brødrene Dahl AS (part of Saint-Gobain)
- 2019 revenue of NOK 1,213m and EBITDA of NOK 89m

Delprodukt

- Leading provider of mechanical services to land-based industry, maritime, as well as the energy and offshore industries
- Majority owned by the Bekken family, and a part of BEWi Energy
- 2019 revenue of NOK ~70m and EBITDA of NOK ~2m

PROPERTY PORTFOLIO WITH LEASE CONTRACT EXTENSION RISK VIRTUALLY ELIMINATED

Portfolio WAULT of ~12 years and regular extension of contracts

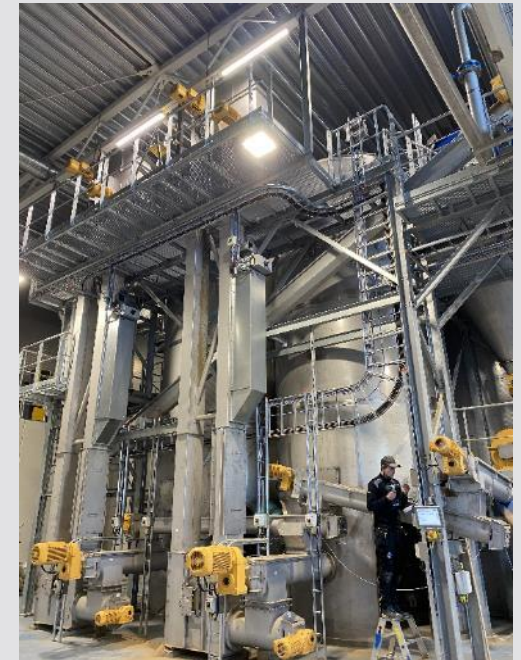
- Significant downside protection from a portfolio WAULT of ~12 years
- Actively working to extend contracts before expiry by offering tenants upgrades/expansion in exchange for contract extension
- During 2021 and 2022 KMC Properties' pipeline of opportunities includes to upgrade/expand a minimum of 6 of the existing properties in Norway, Sweden and Denmark (expected ROI of 7-8% in addition to longer contract term)

Right of First Refusal (ROFR) with BEWi

- KMC Properties has an exclusive Right of First Refusal (ROFR) with the largest tenant BEWi, to offer extension of the contracts at or before expiry, at market terms
- This provides high visibility for KMC Properties and eliminates the risk this tenant will relocate to a nearby property upon contract expiry

Substantial relocation costs for tenants

- The largest tenants have made significant investments in machinery, wall/roof piping and advanced production lines, which is regularly replaced and maintained
- BEWi estimates the cost of relocation of a property to NOK 25-50m, which represents 30-40% of the average property portfolio value
 - As an example, for the Senja facility, BEWi expects to invest NOK 80m in machinery, equipment and infrastructure, and the investment in piping for steam, vacuum and air alone is estimated to NOK 14m
- For Insula, moving facilities is assumed too costly, as higher rental costs would have a materially adverse impact on margins, in addition to the costs of operational downtime and supply chain disruption
- The tenant's production lines are sensitive, and stream-lined production is a key success factor, thus relocation will involve significant risk



MAJORITY OF CONTRACTS ARE BARE HOUSE AND 100% CPI ADJUSTED

Key contract characteristics

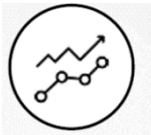
Bare house contracts

- Majority of contracts are bare house contracts whereby maintenance, insurance and property tax is covered by the tenant
- Tenants are responsible for maintenance on all properties
- Certain contracts where KMC covers either insurance or property tax or both



100% CPI adjustment

- All contracts except two are 100% CPI adjusted - remaining two have 80% (NOK 2m annual rent) and no adjustment (NOK 10m)
- Certain contracts with BEWi have a CPI adjustment floor at 1.5%



Options

- 10-year extension options on all properties leased to Insula and Grøntvedt Pelagic
- Certain contracts have put and/or call options at the end of the lease tenor, including call options on all Insula properties subject to extension option having been exercised



Parent guarantees

- Parent guarantee on all leases with subsidiaries of Insula
- Leases with Fiizk guaranteed by Fiizk Holding AS
- 12-month lease guarantee from Grøntvedt Invest AS on the Grøntvedt property
- 12-month lease guarantee on two of the BEWi properties in Denmark



THE GASFIELD PROPERTY REPRESENTS AN ATTRACTIVE UPSIDE

Introduction to the Gasfield property

Description

- The Gasfield property is a modern class B+ office building centrally located in South West Moscow with a total area of 15,000 square meters.
- The building comprises offices, parking places, a restaurant and a fitness centre.
- Storm's inhouse team has managed the building since 2008.



History & main events

2007

The Gasfield property is acquired one year after its construction

2009

Gazprom comes in as the anchor tenant with 80% of Gasfield, & Grifon House in St Petersburg is acquired

2009-2016

Significant cash flows from Russia, NOK 279m is paid as dividends and share buy backs

2014-2017

Financial crisis in Russia. Oil price crash and sanctions have significant impact on the property market and the local currency

2015

Storm Real Estate sold the Grifon House building, estimated IRR of 8.3%

2017

Gazprom moved out of Gasfield and several other buildings, leading to a very high vacancy in the area

2018-2020

Local area attracting new tenants, Gasfield above 90% occupancy from spring 2019. Standstill agreement with lender (Swedbank)¹

2020

Agreement with Swedbank on USD 9M reduction in debt. Option valid until 30 June 2022². Covid-19 pandemic

Key investment highlights

93% occupancy rate across 75 rental contracts

Value as at 30 June 2020 NOK 209M vs NOK 493M in 2014

Value is based on 14% discount rate and 10% capitalization rate

Priced significantly below replacement cost

Attractive location in SW Moscow

100% equity financed (subject to the transaction)

Same local management since 2009



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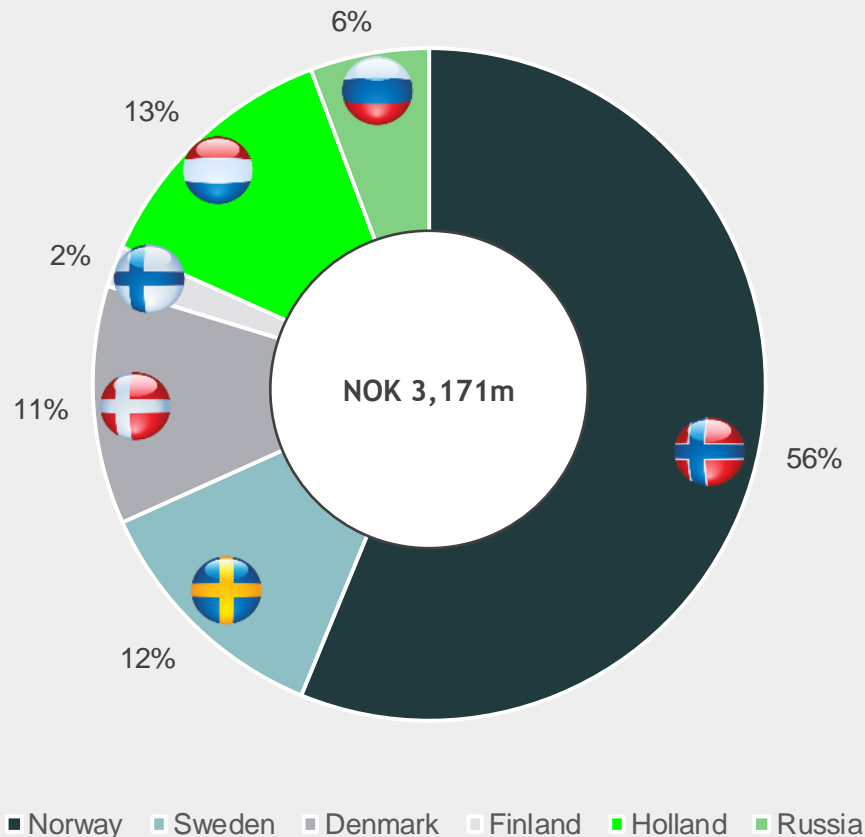
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EXTERNAL PROPERTY VALUATION BY CUSHMAN & WAKEFIELD

Total appraisal value and split per country



Commentary

- The external property valuation is largely in line with the transaction value applied in the acquisition of KMC Properties by Storm Real Estate
- Property Group aggregated market value of properties of NOK 2,987m
- Property Group gross loan to value of ~62% and Group gross loan to value ~58%
- Gasfield property valued at USD 21m according to the latest valuation report from Cushman & Wakefield translating to ~NOK 184m at current exchange ratios
- Exclusive Right of First Refusal (ROFR) with BEWi, to offer extension of the contracts at or before expiry, at market terms, is not specifically accounted for in the external property valuation

PROFORMA BALANCE SHEET

Proforma balance sheet¹

NOKm	Proforma Q3 2020, IFRS (unaudited)	Proforma post refinancing and PP, IFRS (unaudited)
Investment property ²	3,171	3,171
Tax loss carry forward	7	7
Other fixed assets	0	0
Total non-current assets	3,179	3,179
Trade and other receivables	38	38
Cash	87	117
Total current assets	125	155
TOTAL ASSETS	3,303	3,333
Share capital	160	572
Share premium	431	431
Retained earnings	288	288
TOTAL EQUITY	878	1,291
Deferred tax	113	113
Bank debt	1,426	0
Shareholder loans	426	0
Bond issue	0	1,850
Other non-current liabilities	59	0
Total non-current liabilities	2,024	1,963
Trade and other liabilities	401	80
Total current liabilities	401	80
TOTAL LIABILITIES	2,425	2,042
TOTAL EQUITY AND LIABILITIES	3,303	3,333

Comments

Proforma post refinancing and PP, IFRS balance sheet reflecting post private placement, loan conversion and debt refinancing transactions

Run-rate assumptions:

- **Investment property**
 - Based on external valuation from Cushman & Wakefield
- **Cash**
 - Fluctuation reflecting both deduction due to NOK 20m dividend payment offset by the increased cash balance from private placement and bond issue
- **Equity**
 - Reflecting share capital increase post NOK 300m private placement and loan conversion
- **Conversion of Swedbank loan**
 - Loan in Storm with face value of NOK 188m² to be converted to equity
- **Shareholder loans**
 - Part of debt refinancing
- **Other bank debt**
 - Part of debt refinancing
- **Bond issue**
 - Contemplated NOK 1,850m bond issue assumed for debt refinancing

PROFORMA PROFIT & LOSS STATEMENT AND KEY METRICS

Proforma Profit & loss statement¹

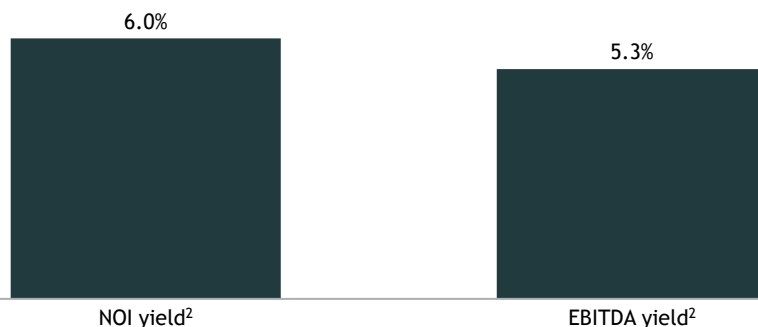
NOKm	2020 YTD Q3 (unaudited)	Est. 12 months ended Q3 2020 ² (unaudited)
Gross rental income (GRI)	163.8	218.4
OPEX	-13.9	-18.6
Net Operating Income (NOI)	149.9	199.8
SG&A	-17.7	-23.6
EBITDA	132.1	176.2
<i>Operating margin</i>	<i>91.5%</i>	<i>91.5%</i>
<i>EBITDA margin</i>	<i>80.6%</i>	<i>80.6%</i>

Comments

- 2020 YTD Q3 figures consolidated proforma for KMC and Storm Real Estate
- 36 of the 40 properties have long term rental agreements, where the majority are bare house and 100% CPI adjusted
- Completion of the Senja Property is expected mid-2021, and will have a 15 years contract with BEWi, which will have a positive contribution to the Groups earnings
- The contract on the Kongsvinger property expired in September 2020, and the company is in dialogue with potential new tenants
- The land plot at Hitra is currently not developed

Key metrics

Est. 12 months ended Q3 2020 yields



Proforma post transaction EV build-up

Year	YTD Q3-2020
Share price (NOK)	7.00
NOSH (million shares)	232.2
Market cap (NOKm)	1,625
NIBD (NOKm)	1,733
Enterprise value (NOKm)	3,358

- Number of shares (NOSH) post-transactions, including equity issue and loan conversion impact
- NIBD post-transactions based on bond-issue of NOK 1,850m and NOK 117m cash position

Notes: 1) All proforma financials are unaudited and pending approval from auditors; 2) 2020YTD Q3 figures illustrative annualized to 12 months, e.g. (GRI / 9 months) x 12 months; 2) NOI and EBITDA relative to Enterprise Value



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STRATEGY TO FURTHER GROW THE MARKET POSITION AS THE PREFERRED PARTNER FOR INDUSTRIAL CLIENTS



Investments in expansion projects for existing clients



Investments in new facilities for new and existing clients



Property acquisitions both in collaboration with current and new tenants, as well as other third-parties



ATTRACTIVE INVESTMENT OPPORTUNITIES THROUGH EXISTING TENANTS WITH LOW RISK AND HEALTHY RETURNS



CONTRACT RENEWAL AND INVESTMENTS IN CURRENT PROPERTY PORTFOLIO

Description

Value creation through contract renewal and development projects

- Existing rental agreements to be renewed well in advance of expiry
- Utilize larger upgrade and expansion projects in exchange for contract extension

Several ongoing projects and high activity expected

- Offering tailor made solutions suitable for tenants
- Developing and investing into property development in close collaboration with tenants
- Current capex pipeline of ~NOK 50-60m and high frequency of incoming requests from current tenants

~NOK 50-60m
Capex in pipeline

~7-8%
Expected ROI¹

Investments to be covered by tenants through extensions or investment rent throughout the rental period

Selected examples and pipeline opportunities

Østerled 4, Holbæk



Expansion of storage facility

BEWi

~DKK 8m

2021-22

Havnegata 20B, Stjørdal



Expansion of production and storage facility

BEWi

~NOK 25-30m

2021-22

LEVERAGE INDUSTRIAL PROPERTY EXPERTISE TO EXECUTE ON IDENTIFIED GREENFIELD DEVELOPMENT OPPORTUNITIES



GREENFIELD DEVELOPMENT PROJECTS

Investments in new facilities for new and existing clients

- Unexploited potential from available land area
- Collaboration with existing tenants to further develop business critical facilities and reap from increased land utilization

Acquire and develop new land

- Acquire and develop land in collaboration with new and existing tenants
- Aiming for business critical facilities and long-term contracts

~NOK 120m
Capex in pipeline

~50%
Land utilization

Selected examples and pipeline opportunities

Klubben Næringsområde, Senja



- Fully automatic fish box production facility directly connected to Salmar's fish slaughtering and processing facility
- Construction started in August 2020 with expected completion in July 2021

~NOK 100m
Investments

Annual rent
7.5%
of investments

15+15 years
Bare-house agreement

100%
KPI adjusted (1.5% min)

VALUE ACCRETIVE M&A STRATEGY



Acquisitions

Description

Invest to grow with existing and new tenants

- Acquire new properties with 7 - 15 years rental agreements, targeting longer than 10 years
- Maintain core strategy of business critical properties with substantial relocation costs
- Close collaboration with tenants to facilitate efficient growth for both parties

Long-term value through diversification

- Actively analysing the market seeking attractive acquisitions
- Enhance risk diversification further across industries and property types through attracting new counterparts

Flexibility in transaction structure

- Flexibility to acquire properties through both sale leaseback structures, as well as directly from other third parties with firm tenant contracts
- Acquire properties at satisfying yield-levels, and reap from yield contractions due to portfolio premiums and bundling to optimize property management

SUMMARY

I

A leading owner of logistic and production properties

- +40 years heritage as owner of production and logistic properties
- Diversified portfolio of 39¹ properties with market value of NOK 2,987m across the Nordics and Netherlands

II

Portfolio let to solid tenants on long term bare house contracts

- Portfolio WAULT of ~12 years and close to 100% occupancy rate
- Very solid tenants - BEWi and Insula has a combined revenue and EBITDA of NOK +10bn and NOK 650m respectively and low financial leverage

III

Low residual risk as properties are business critical and KMC has a 'right of first refusal' upon contract expiry

- The properties are business critical and the location represents key competitive advantages for the tenants
- 'Right of first refusal' with BEWi (representing ~53% of operating income) to renew contracts at market terms upon expiry
- Relocation of production facilities, equipment and infrastructure costs NOK 25-50m

IV

Supportive and committed owners

- To raise NOK 300m in new equity and be listed on Oslo Børs
- Strong support from existing owners with industrial heritage - The Bekken family, Thoresen family and Kverva will be majority owners in the listed entity

V

Robust financial profile

- Moderate gross loan to value of ~62% in the Property Group and ~58% for the Group
- Strong interest coverage with est. 12 months ended Q3 2020 operating income of NOK ~200m and EBITDA of ~176m
- Pipeline of accretive organic and inorganic growth opportunities



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MANAGEMENT AND BORD OF DIRECTORS WITH SIGNIFICANT EXPERIENCE WITH IN REAL ESTATE AND INDUSTRIAL DEVELOPMENT

Key management team for the combined entity

Liv Malvik - Chief Executive Officer



- Previous experience as CEO of Heimdal Eiendomsmegling AS (2018-2020), Grilstad Marina AS (2011-2018) and Inter Revisjon Norge AS (2008-2011) in addition to 7+ years experience from management positions in Sparebank1 SMN (2001-2008) and from Fokus Bank AS (1990-2000)
- MSc in Business Administration from the Norwegian School of Economics



Frode Kristiansen - Chief Financial Officer



- Experience as partner in BDO and head of sustainability advisory in BDO Norge (2017-2020), CFO of Prora Eiendom AS (2015-2017), accountant and manager for EY (2002-2008, 2009-2015) and from Pareto Securities (2008-2009)
- MSc in Business Administration from the Norwegian School of Economics



Audun Aasen - Chief Operating Officer



- +15 years experience from construction and real estate sector
- Previous property manager and real estate developer (2014-2019). University Degree as real estate appraiser and technical construction controller. work experience (2011-2014). Carpentry Masters Degree and construction work experience (2005-2011)



Comments

Administration





















- In addition to the key management team, Kristoffer Holmen (currently CEO in Storm Real Estate) will be part of the administration of the combined entity
- The company will also retain 2 employees from Pesca to assist with day-to-day operation
- The local Storm team in Moscow will be retained to handle commercial and operational management of the property
- The company will also sign an agreement with a third party to assist with management of the properties

Board of Directors (BoD)

- Following completion of the transaction, the company will call for an EGM to make changes to the Board of Directors of Storm Real Estate ASA
- The largest shareholders EBE Eiendom AS, Kverva Industrier AS and Surfside Holding AS will nominate one member each
- In addition the shareholders intend to nominate 1-2 additional independent members

OVERVIEW OF THE PROPERTIES (1/2)

Property overview





















#	Country	County	Address	Tenant (parent)	Type	Construction year	Lettable area (sqm)	Contract end	CPI adj.	Parent guarantee	Options		Cost coverage		
											Extension	Put/call ³	Maintenance	Property tax	Insurance
1		Wichjen	Nieuweweg 235	BEWi	●	1970-2007	31,949	Dec-35	100 %		✓	✓	Tenant	Tenant	Tenant
2		Someren	Kanalstraat 107	BEWi	●	1970-2017	25,950	Dec-35	100 %		✓	✓	Tenant	Tenant	Tenant
3		Gleijberg	Tvilhovej 8	BEWi	●	1970-2007	16,931	Sep-35	100 %	✓	✓		Tenant	Tenant	Tenant
4		Varberg	Traktorvägen	INSULA	●	1955-2016	15,850	Apr-29	100 %	✓		✓	Tenant	Tenant	Tenant
5		Stjørdal	Havnegata 24	BEWi	●	1971	14,200	Jun-28	0 %			✓	Tenant	Tenant	Landlord
6		Laholm	Halmstadsvägen 32	BEWi	●	1929	13,800	Apr-28	100 %		✓		Tenant	Tenant	Tenant
7		Oldenzaal	Textielstraat 30	BEWi	●	1970-2007	13,199	Dec-35	100 %		✓		Tenant	Tenant	Tenant
8		Hitra	Industriparken Jøsnøya	BEWi	●	n.a.	13,000	Dec-21	100 %		✓		Tenant	Landlord	Landlord
9		Leknes	Havet 45	INSULA	●	2010, 2020	12,356	Apr-34	100 %	✓		✓	Tenant	Tenant	Tenant
10		Frederikshavn	Constantiavej 31 ¹	INSULA	●	1946-2020	11,708	Apr-34	100 %	✓		✓	Tenant	Tenant	Tenant
11		Moscow	Gasfield office building	75 contracts	●	2006	11,011	Gasfield office building not part of the Property Group							
12		Uthaug	Havneveien 1	Grøntvedt ²	●	1990-2020	11,000	Nov-35	100 %	✓	✓	✓	Tenant	Tenant	Tenant
13		Kronoberg	Kanalvägen 6	BEWi	●	n.a.	9,043	Dec-29	100 %		✓		Tenant	Tenant	Tenant
14		Zwartsluis	De Kalkovens 10	BEWi	●	1980-2001	8,662	Dec-35	100 %		✓		Tenant	Tenant	Tenant
15		Maribo	Kidnakken 13	BEWi	●	1970-2007	8,396	Sep-35	100 %	✓	✓		Tenant	Tenant	Tenant
16		Frøya	Hammarvikringen 64	BEWi	●	2012	8,012	Dec-30	100 %		✓	✓	Tenant	Landlord	Landlord
17		Balsfjord	Industrivegen 15	BEWi	●	2009	8,012	Dec-30	100 %				Tenant	Landlord	Landlord
18		Stjørdal	Havnegata 20B	BEWi	●	n.a.	7,248	Jul-32	100 %		✓		Tenant	Tenant	Tenant
19		Kungshamn	Guleskär 56	INSULA	●	1995, 2004	7,166	Apr-34	100 %	✓		✓	Tenant	Tenant	Tenant
20		Vårgårda	Åleden 13	BEWi	●	1976	6,805	Apr-28	100 %		✓		Tenant	Tenant	Tenant

● Combined ● Logistics ● Production ● Office

Notes: 1) Also includes Århusgade 24; 2) Tenants are Grøntvedt Pelagic AS and Grøntvedt Nutri AS; 3) Call options on Insula properties are subject to the extension option having been exercised

OVERVIEW OF THE PROPERTIES (2/2)

Property overview

#	Country	County	Address	Tenant (parent)	Type	Construction year	Lettable area (sqm)	Contract end	CPI adj.	Parent guarantee	Options		Cost coverage		
											Extension	Put/call ³	Maintenance	Property tax	Insurance
21		Norrköping	Ramshallsvegen 2 ¹	BEWi	●	1973-76	6,700	Jun-32	100 %		✓		Tenant	Tenant	Tenant
22		Havøysund	Strandgata 105	INSULA	●	1940-2006	6,680	Apr-34	100 %	✓		✓	Tenant	Tenant	Tenant
23		Skara	Bjørkelundsgatan 14	BEWi	●	n.a.	6,500	Sep-35	100 %				Tenant	Tenant	Tenant
24		Tørring	Torvegade 41	BEWi	●	n.a.	5,739	Apr-28	100 %		✓		Tenant	Tenant	Tenant
25		Trondheim	Østre Rosten 102B	Abra Norge	●	2006	5,700	Dec-29	100 %		✓		Tenant	Tenant	Landlord
26		Hobro	Havrevænget 1	BEWi	●	n.a.	5,070	Apr-28	100 %		✓		Tenant	Tenant	Tenant
27		Kuopio	Mastotie 7	INSULA	●	1991-2010	5,051	Apr-29	100 %	✓		✓	Tenant	Tenant	Tenant
28		Levanger	Halsanveien 3-11	BEWi	●	1965/1989	4,570	Dec-21	100 %		✓		Tenant	Landlord	Landlord
29		Gjerdsvika	Gjerdsvikvegen 208	INSULA	●	1981-1996	4,450	Apr-29	100 %	✓		✓	Tenant	Tenant	Tenant
30		Båtsfjord	Strandvegen 4	INSULA	●	1985-2020	4,333	Apr-34	100 %	✓		✓	Tenant	Tenant	Tenant
31		Holbæk	Østerled 30	BEWi	●	n.a.	4,150	Apr-28	100 %		✓		Tenant	Tenant	Tenant
32		Kongsvinger	Stømnervogen 1	To be announced ²	●	1990-2017	3,741	Sept-20							
33		Melhus	Hofstadvegen 15	BEWi Energy	●	2008	3,125	Dec-29	100 %		✓		Tenant	Tenant	Tenant
34		Trondheim	Torgardsveien 11	BEWi	●	2012	3,075	Dec-27	100 %				Tenant	Landlord	Landlord
35		Hvide Sande	Tungevej 2-4	INSULA	●	1984-2020	2,807	Apr-34	100 %	✓		✓	Tenant	Tenant	Tenant
36		Bjugn	Valsnesveien 259	Fik	●	2016/2017	2,800	Dec-29	100 %	✓	✓		Tenant	Tenant	Landlord
37		Trondheim	Østre Rosten 102	Abra Norge	●	2004	2,475	Dec-29	100 %		✓		Tenant	Tenant	Landlord
38		Lundamo	Lyngenvegen 5	Fik	●	1975	2,200	Dec-29	100 %	✓	✓		Tenant	Tenant	Landlord
39		Tromsø	Skattørvegen 78	BRODRENE DAHL	●	1999	1,877	Jul-30	80 %		✓		Tenant	Tenant	Tenant
40		Senja	Klubben Næringsomr.	BEWi	●	2021	Greenfield development project - please see page 35 for details								

● Combined ● Logistics ● Production

Notes: 1) Also includes Remmaren 1; 2) Contract with Insula expired in September 2020; 3) Call options on Insula properties are subject to the extension option having been exercised

