



PARK STREET
nordicom

STRATEGY PRESENTATION

JANUARY 2021

2020, its impact

2020 has been testing one for the company, key impacts and learnings:

- Diverse portfolio of the company, and the blessing of the portfolio being concentrated in Denmark, which has managed the 2020 crisis better than most other countries helped us tide through the year strongly. The performance of Hotel revenue has been negatively impacted, while we maintained low delinquencies across other sectors.
- Systems and Technology driven operations which allow for managing operations remotely, dynamic access to operating and financial data is Core Infrastructure for property management and no longer a nice to have. Our efforts of the past years in developing such systems allowed for seamless operations.
- While we planned for several vacancies to be leased out, the decisions have been slow. The outlook for increasing revenues in 2021 is better part in view of the preceding discussions.
- The company has done preparatory work for select projects, the execution will be contingent to optimal financing and execution partners, which have been slow to achieve in 2020.
- The company has further strengthened its balance sheet with reduction of short term debt from the proceeds of sale of assets.
- There has been significant clean up of the pending operating expenses settlements, reduction of the financial expenses from debt paydown and general tightening of costs which has compensated to a large degree the impact of reduced revenues.
- **The estimated EBVAT for 2020 is DKK 80m which is marginally higher than previously published estimates.**

Estimates 2020

PROFIT AND LOSS	<i>Actuals</i>			<i>Estimates - not audited</i>
Amounts in DKK 1000s	2017	2018	2019	2020
Rental Income	167,657	175,444	179,454	165,111
Operating Expenses	-35,551	-29,291	-40,702	-36,449
Gross Profit	132,106	146,153	138,752	128,662
Other Non Operating Expenses, Depreciation	-32,807	-28,731	-26,423	-23,606
Total Operating Profit (EBIT)	99,299	117,422	112,329	105,056
Financial Expenses	-73,397	-33,409	-29,105	-25,006
Earning Before Value Adjustments and Tax (EBVAT)	25,902	84,013	83,224	80,050

BALANCE SHEET	<i>Actuals</i>			<i>Estimates - not audited</i>
Amounts in DKK 1000s	2017	2018	2019	2020
Property Portfolio	2,439,230	2,492,115	2,679,858	2,570,251
Cash and short-term Deposits (Liquidity)	19,953	54,310	61,606	23,319
Other Assets	29,599	34,273	31,380	48,940
Total Assets	2,488,782	2,580,698	2,772,844	2,642,510
Equity	554,947	810,652	931,133	1,037,145
Bank Debt	565,978	398,500	376,711	255,259
Mortgage Debt	1,217,293	1,192,416	1,256,653	1,149,753
Other Liabilities	150,564	179,130	208,347	200,353
Total Equity and Liabilities	2,488,782	2,580,698	2,772,844	2,642,510
Equity Ratio	22.3%	31.4%	33.6%	39%

Highlights 2020

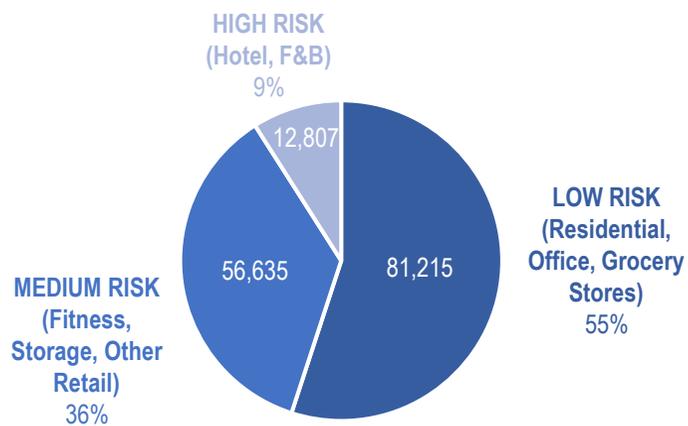
- Debt Reduction by 228M DKK: of which 78M correspond to sale of assets
- Stronger balance sheet with 39% of Equity Ratio, well above our long-term target of 35%
- Estimated EBVAT of DKK 80m is inline with previous years, despite the challenges of 2020 in view of tighter operations and cost control
- Limited closings on new leases, delays in project financing – however the background work should support closings in 2021

Rental income and delinquencies

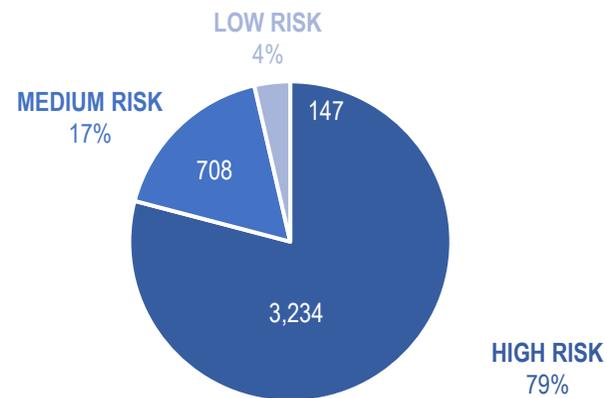
Insights into 2020

- Diversified rental income across over 300 tenants with 90% deemed to be low or medium risk.
- Delinquencies in 2020 of 4 million with mainly focus in hotels and restaurants.

Total yearly rent and contribution charge split into risk categories (Thousand/DKK)



Delinquencies accumulated by December 2020 split into risk categories (Thousand/DKK)



% Delinquencies / Rent: 2.0%

2021, Target best.. Prepare for extended challenges

2021 is year for us targeting significant steps, yet preparing for extended COVID-19 related impacts:

- Improve the Rental Income with closing new leases for vacancies, targeting DKK 17m of new leases
- Fully transition the operating systems away from legacy, implement steps towards reducing long term operating overheads by 40%
- Focus on optimising debt financing by refinancing of select assets, replacement of bank debt by mortgage debt
- Initiate Pulse N project with optimal financing and execution partners
- Control costs and run operations assuming a downside scenario, which assumes : extended Covid restrictions similar to 2020, increased delinquencies in high risk sectors, reduced take up of new leases.

Budget and targets

For the period 2021-2022

PROFIT AND LOSS	<i>Estimates - not audited</i>			
Amounts in DKK 1000s	2020	2021 (Base Scenario)	2021 (Downside Scenario)	Target 2022
Rental Income	165,111	165,365	152,827	182,365
Operating Expenses	-36,449	-40,539	-44,652	-40,539
Gross Profit	128,662	124,825	108,175	141,825
Other Non Operating Expenses, Depreciation	-23,606	-19,980	-20,563	-19,980
Total Operating Profit (EBIT)	105,056	104,845	87,611	121,845
Financial Expenses	-25,006	-19,039	-19,039	-19,039
Earning Before Value Adjustments and Tax (EBVAT)	80,050	85,806	68,573	102,806

BALANCE SHEET	<i>Estimates - not audited</i>		
Amounts in DKK 1000s	2020	2021	Target (12-24 months)
Property Portfolio	2,570,251	2,570,251	2,909,251
Cash and short-term Deposits (Liquidity)	23,319	55,709	450,039
Other Assets	48,940	48,940	48,940
Total Assets	2,642,510	2,674,900	3,408,229
Equity	1,037,145	1,122,951	1,564,758
Bank Debt	255,259	234,736	0
Mortgage Debt	1,149,753	1,116,860	1,643,118
Other Liabilities	200,353	200,353	200,353
Total Equity and Liabilities	2,642,510	2,674,900	3,408,229
Equity Ratio	39%	42%	46%

Budget and targets

For the period 2021-2022

Assumptions on Budget

- Rental Income: Income from new leases of DKK 17M in the base case scenario and DKK 10M in the downside scenario
- Future vacancies: Assumption of 20% of tenants in Retail – Consumer goods and F&B in the downside scenario
- Delinquencies: Assumption of 50% of unpaid rents by end of 2020 in the base case scenario and 100% on the downside scenario
- Contingent budget of 1 million in downside scenario for unforeseen Repair and Maintenance costs (depreciation)

Assumptions on Targets (12 to 24 months outlook)

- Pulse N and Pulse O rental is included for 2021 and 2022
- Pulse N and Pulse O revaluation included for target balance sheet
- Refinancing implemented for 9 assets

Focus of 2021...

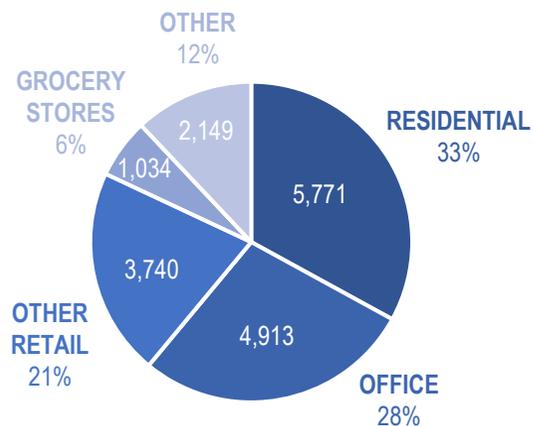
- Vacancy Reduction
- Operation Focus: Cost Reduction
- Overhead Optimization
- Debt And Financial Optimization
- Selective Projects

Vacancy reduction

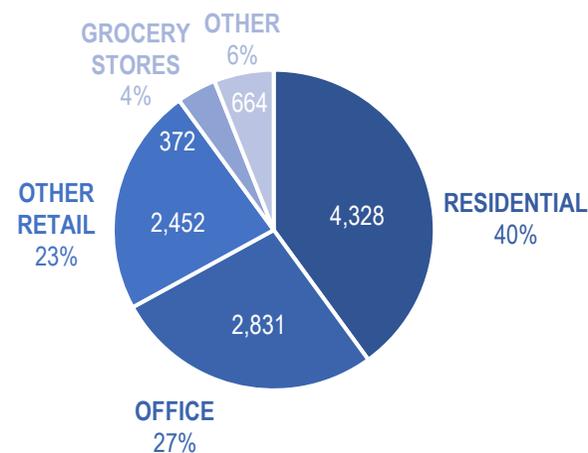
Expectations for 2021

- Targeted Increase in Rent Revenue from Leasing:
 1. Base Scenario: 17M DKK Increase in Leasing Revenue
 2. Low Scenario: 10M DKK Increase in Leasing Revenue
- Key Drivers and Sectors: Residential DKK 5.5M and Offices DKK 5M.
- LOIs for 5M DKK of new leases have already been signed.
- DKK 5M of residential is expected from Pulse O by Q2 2021.

Vacancy Income 2021 Split Into Risk
Categories (Thousand/DKK) –
Base Case Scenario



Vacancy Income 2021 Split Into Risk
Categories (Thousand/DKK) –
Low Case Scenario



Operation focus: cost reduction

Expectations for 2021

Cost optimization in assets with high vacancy:

1. Direct PSN responsible property expenses: 1.5M DKK:
 - 5 properties targeted for DKK 1.5M reduction
2. Operating expenses for properties:
 - 6 assets targeted for DKK 5M reduction. These 6 assets have concentrated vacancies and DKK 3M to DKK 3.5M savings are expected to accrue to PSN, with remaining reducing the costs for Tenants.
3. Optimize Services to Tenant Requirements with Focus on Cost Improvement.
4. Negotiate Leases with Cost Leakages for Better Solutions to Tenant and PSN.

Overhead optimisation

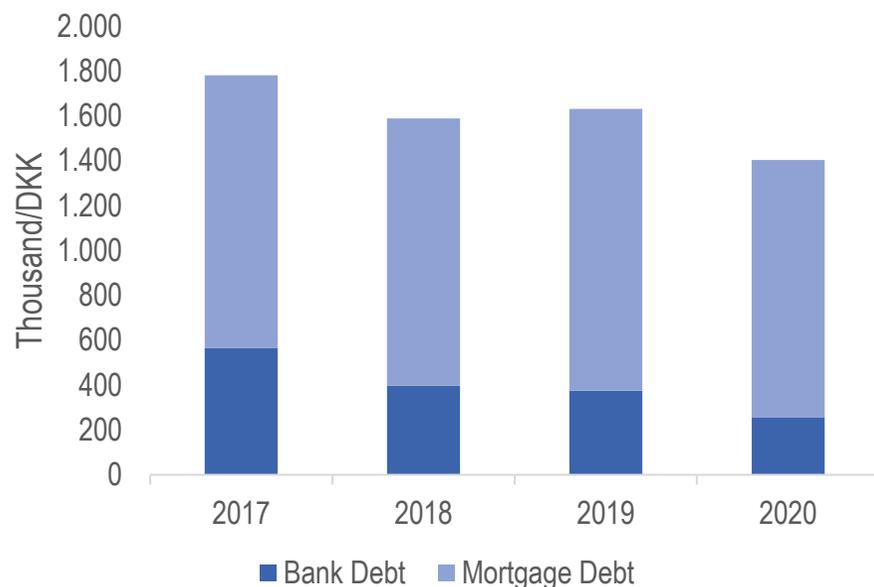
Expectations for 2021

1. Systems and Operations to be structured for a long-term target of 40% Cost Reduction.
 1. Legacy systems are expected to be fully transitioned out by end of Q1
 2. Systems and technology specific costs to be reduced in view of transition
 3. Explore alternative setup for operations to reduce long-term costs
2. Overall Overheads to be reduced by 20% by mid 2021.

Debt and financing optimization

Focus for 2021 and 2022

1. Overall debt reduction of DKK 378M since 2017



2. Focus on Refinancing: Increase focus on refinancing existing assets maintaining a Loan to Value of 60% to 70% on a Portfolio level with long term Mortgage financing and paydown of existing bank debt:

- Obtain Mortgage financing for 4 assets with no existing debt: DKK 200 Million.
- Refinance 4 assets with existing low mortgage financing to raise additional capital of DKK 225 Million.
- Pulse Project to obtain long-term refinancing post completion: over DKK 100 Million of additional cash flows.

Selective projects

Pulse is our youth housing concept, which we are in the process of implementing in 3 of our buildings.

Significant expected synergies of having common design and operating practices.



Pulse N

COPENHAGEN NV

Conversion of a 7-storey office property into a retail ground floor and youth housing with Pulse concept. With a sustainable approach to the project, maintaining the building's exterior, and refurbishing the interior into 144 youth apartments and 13 larger family apartments. The building permit is in advanced stage of the process and construction is expected initiated in 2021 subject to financing and building permission.

Pulse O

COPENHAGEN Ø

The centrally located property in Tåsingegade, Østerbro with mixed residential, student hotel and retail usage, is in process to go through a modernization in order to adapt them to the Pulse concept. There will be a mix of more than 200 units including large and small youth housing and apartments. It is expected to that over 100 rooms will be launched in the new Pulse concept by April 2021.

Pulse T

TÅSTRUP

Revitalization and development of Tåstrup Station Center. Conversion of three office floors into 228 modern youth housing located between the educational institutions in Roskilde and Copenhagen. Subject to finalizing building permits and obtaining financing, the project is expected to be initiated in late 2021 or 2022.

Pulse N

COPENHAGEN NV



Pulse 0

COPENHAGEN Ø

Pulse 0

COPENHAGEN Ø

PULSE 0 (POST COMPLETION)

Rental Income	Units / Beds	Rent per month	Area	Annual rent (DKK per sqm p.a.)	Annual Rent p.a. (DKK)
Apartments	5	15.000	852	1.056	900.000
<i>Student Housing</i>					
New Rooms	133	5.700	4.391	2.072	9.097.200
Existing Rooms	72	5.837	1.441	3.500	5.043.105
Commercial			1.358	1.677	2.277.366
Storage			541	100	54.100
Parking & Others	37	1.200	1.949	152	532.800
Total Rental Income			10.532	1.700	17.904.571

CURRENT

Rental Income	Units / Beds	Rent per month	Area	Annual rent (DKK per sqm p.a.)	Annual Rent p.a. (DKK)
Residential (Apartments)	5	14.450	550	1.576	867.000
<i>Student Housing</i>					
Existing Rooms	205	3.965	7.792	1.252	9.752.719
Commercial			1.350	1.677	2.263.950
Storage			611	0	0
Parking & Others			1.949	152	296.248
Total Rental Income	210		12.252	1.076	13.179.917

Pulse N

COPENHAGEN NV

PULSE N (POST COMPLETION)

Rental Income	Units / Beds	Rent per month	Area	Annual rent (DKK per sqm p.a.)	Annual Rent p.a. (DKK)
Residential (Single Room)	144	6.500	4.811	2.335	11.232.000
Residential (Apartment)	59	6.000	1.845	2.302	4.248.000
Commercial			1.588	1.400	2.223.200
Storage			749	100	74.900
Parking & Others			1.229	300	368.700
Total			10.222	1.775	18.146.800

Pulse N is currently vacant

Wish you a successful 2021