

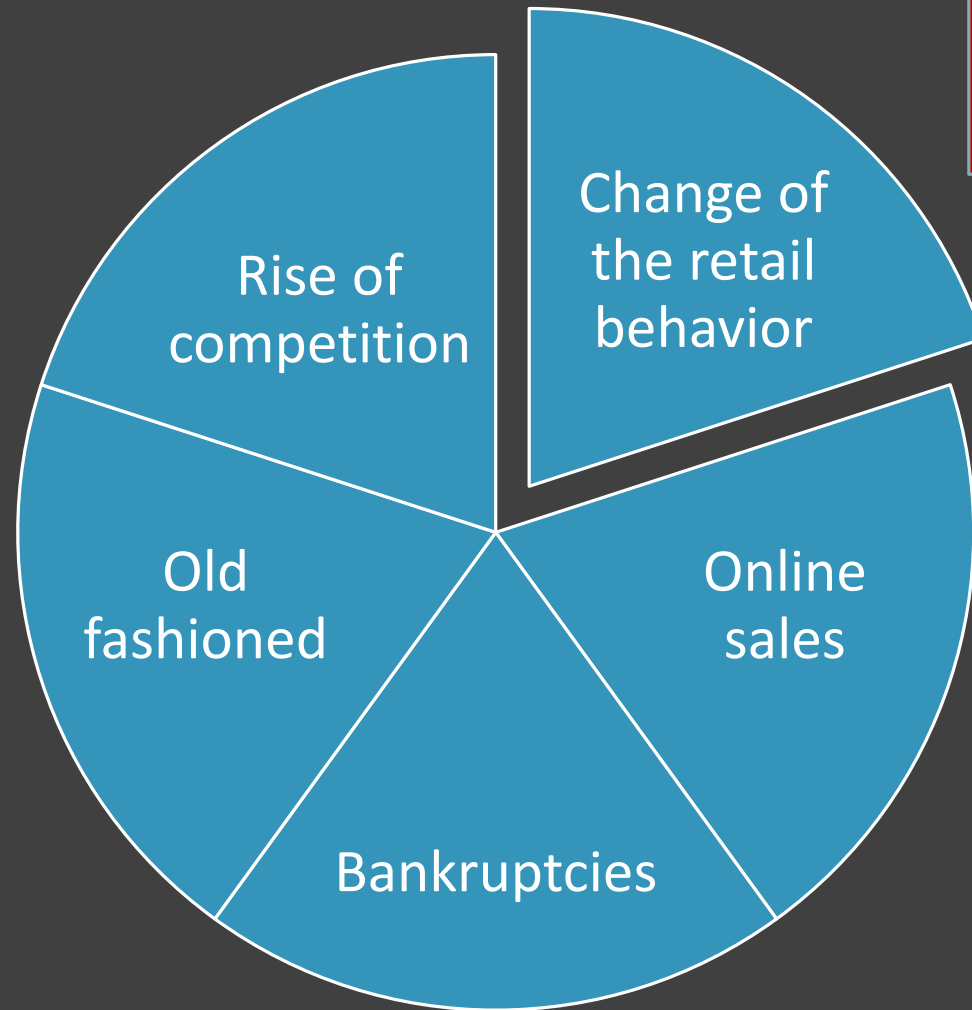
Reacting to the trends to secure our future

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PRESENTING TO: CHARLEBOIS FAMILY

**OUR MAIN
CHALLENGES**



Imagine this future for our family...

Reshaping
according to
trends

Building the
business for
our future
generations

MY PROPOSITION

Reconceptualising the classic mall into a business experience center

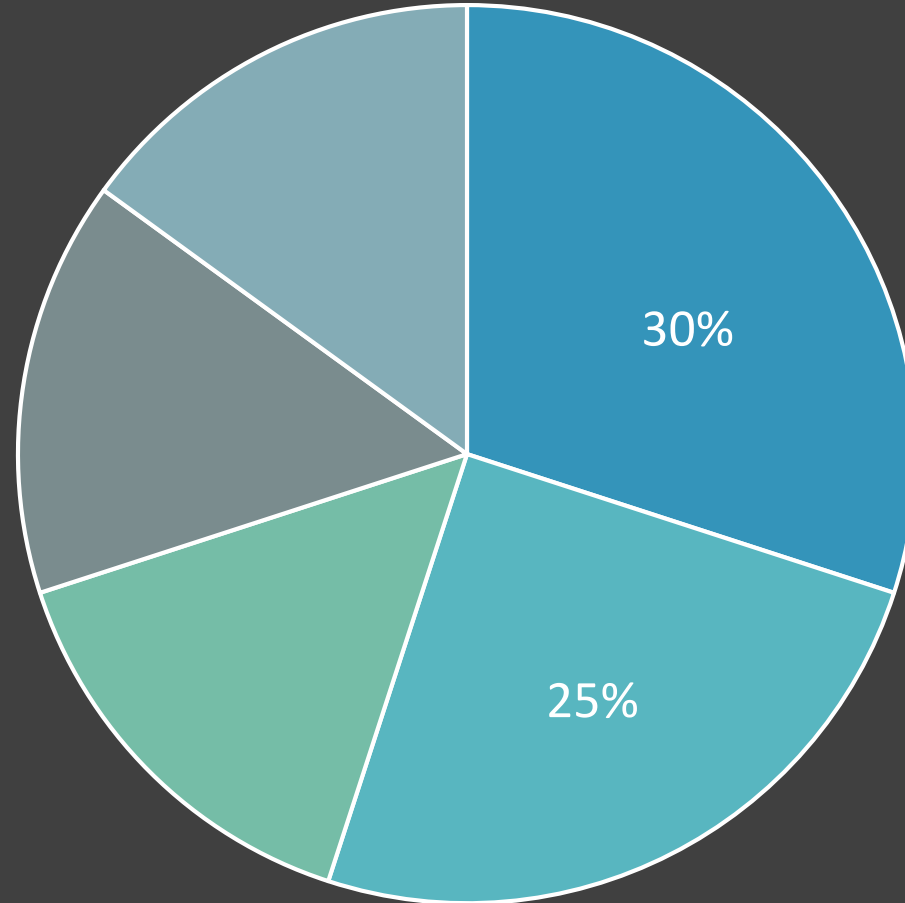
- Attracting businesses as lessors
- Co-working spaces and offices
- Cafés and restaurants

Today's agenda



Situation – We are in this together

Shares of the company



■ Father ■ Me ■ Brother ■ Sister ■ Sister in law

Analysis – Analysis of opportunity



Analysis – The different locations differ

| | Portland, Main | Hartford, Connecticut |
|-----------------------------|--|---|
| Population surrounding area | 550 000 | 1 215 000 |
| Retail sqm | 11 600 | 39 480 |
| Office sqm | 1 860 | |
| Big Parking | Yes | Yes |
| Anchor tenants | No | Yes |
| Debt | No mortgage | Substantial mortgage |
| Other remarks | <ul style="list-style-type: none"> • Close to small local businesses • Increased retail competition • Lower middle class area • Close to airport | <ul style="list-style-type: none"> • Close to offices • Upper middle class area • Close to train commute |

Analysis – Online sales increasing taking the value out of retail space

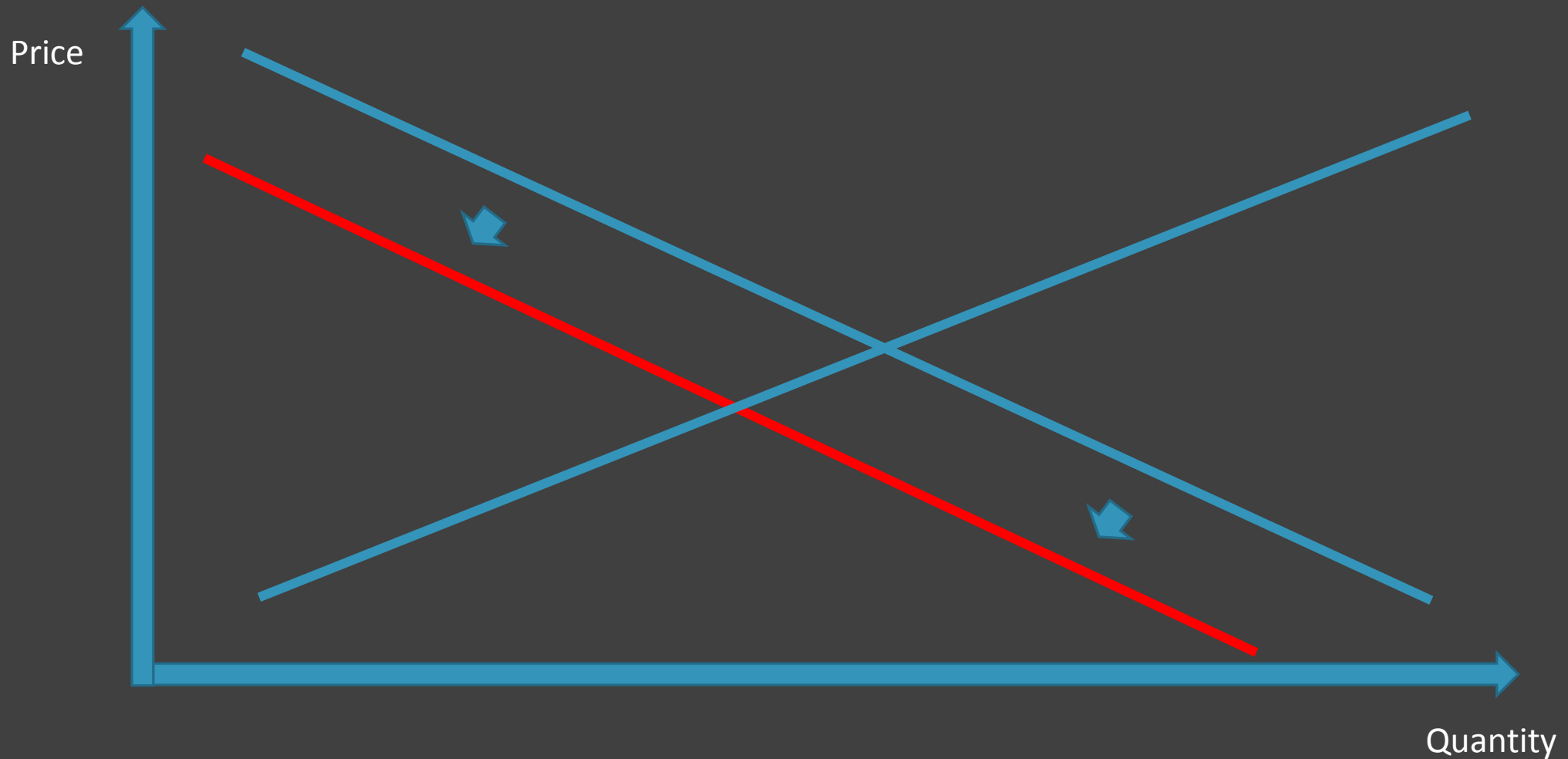
Online sales



Value of retail space



Analysis – Decreased demand for retail space hurts revenue



Situation

Analysis

Recommendation

Implementation

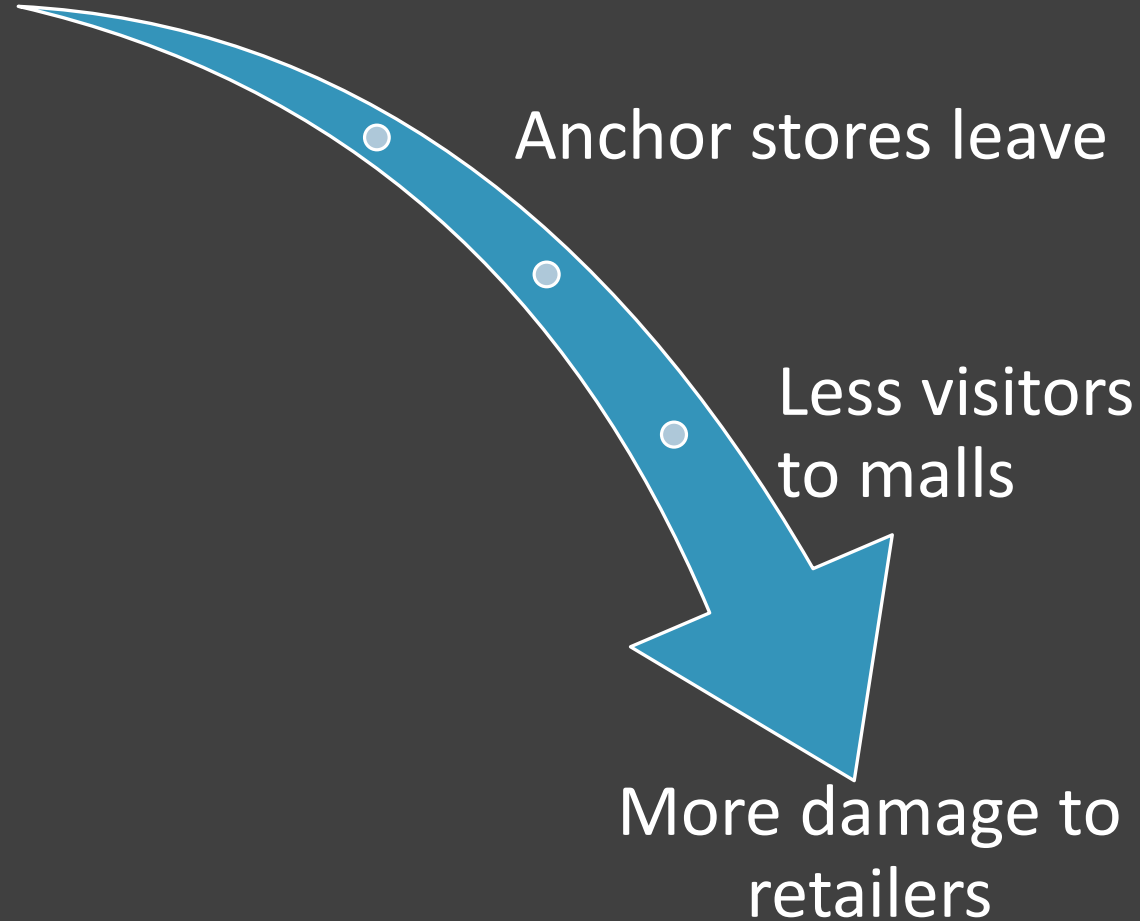
Financials

Risks

Conclusion

Analysis – Anchor stores leaving fuels the negative trend even further

Online sales
hurt retailers



Analysis – Office space is the most stable income for retail

Who needs space?

Retail

Downward

Entertainment

Fluctuating

Office

Stable

Recommendation

**YOUR MAIN
CHALLENGE**

How should you respond to the change in retail
behaviour?

Recommendation

1

Prepare to divest
the business

2

Renovate the
locations for
renewal

3

Reconceptualising
the classic mall into
a business
experience center

Recommendation

| | Sell both properties | Renovate | Reconceptualising |
|-----------------------|----------------------|----------|-------------------|
| Long term wealth | 2 | 1 | 3 |
| Profitability | 1 | 2 | 3 |
| Alignment with trends | 3 | 1 | 2 |
| Feasibility | 1 | 2 | 3 |
| | SUM: 7 | SUM: 4 | SUM: 11 |

THE PROPOSITION

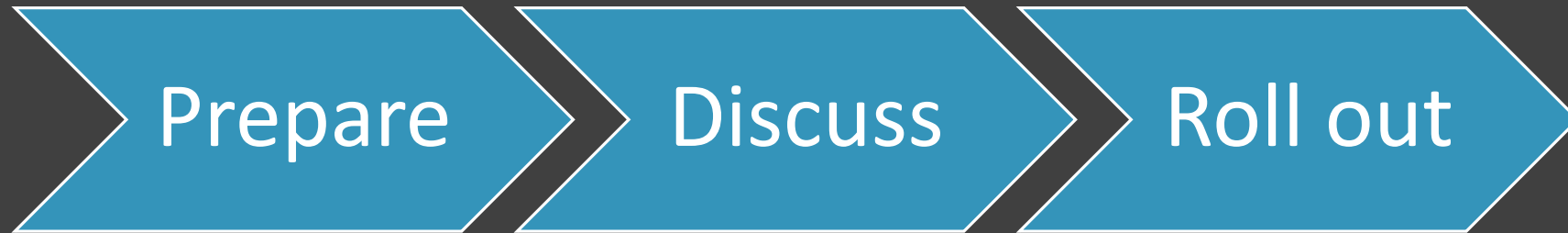
Reconceptualising the classic mall into a business experience center

Graphical image of the reconceptualised mall



Seizing trends and local development through function areas

Implementation – Prepare for reconceptualising



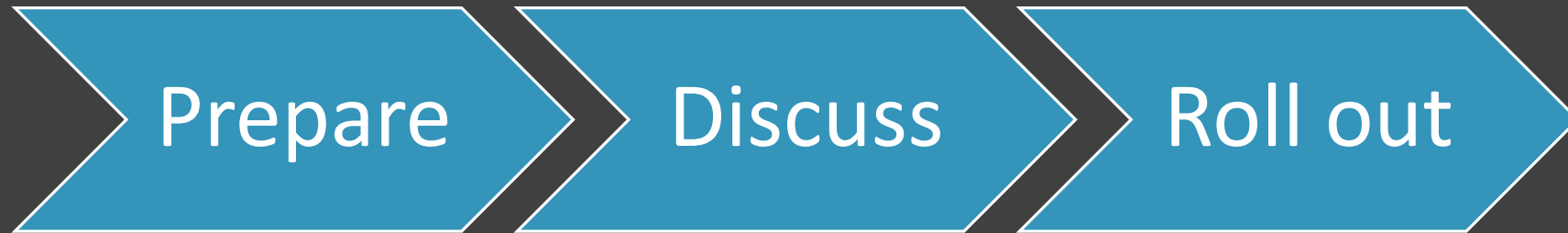
- Hire real estate consultant
- Acquire legal permissions
- Creating financial plan

Implementation – Communicating the concept to involve stakeholders



- Negotiate relocation of retail locations
- Communicate the value of the changes
- Attracting suitable lesser
- Redefine family roles

Implementation – Remodel the malls



- Remodel the mall
- Implement paid parking for non-customers
- Market the new concept to b2b customers

Implementation – Reconceptualising a success by 2020

| | 2017 | 2018 | 2019 | 2020 |
|--------------------------|------|------|------|------|
| Hire consultant | | | | |
| Legal permissions | | | | |
| Financial plan | | | | |
| Negotiate relocation | | | | |
| Internal communication | | | | |
| Attracting lessors | | | | |
| Redefine family roles | | | | |
| Remodel mall Portland | | | | |
| Market concept | | | | |
| Remodel mall Connecticut | | | | |

Situation

Analysis

Recommendation

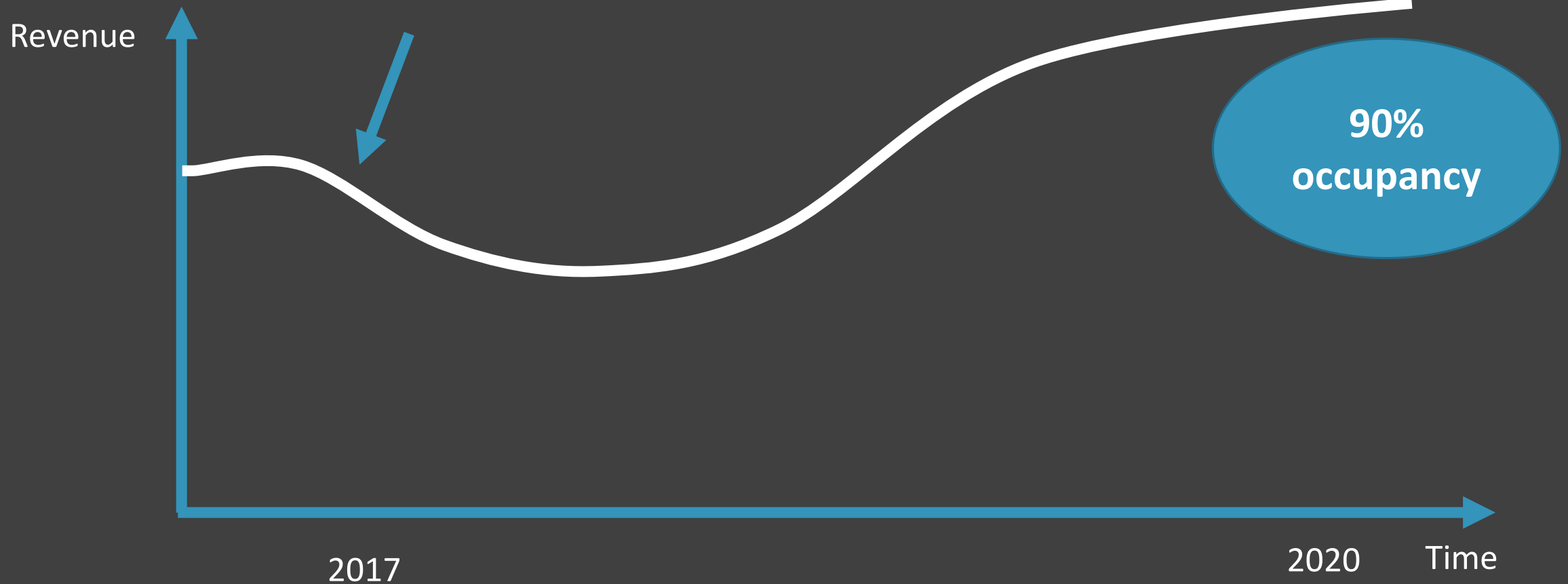
Implementation

Financials

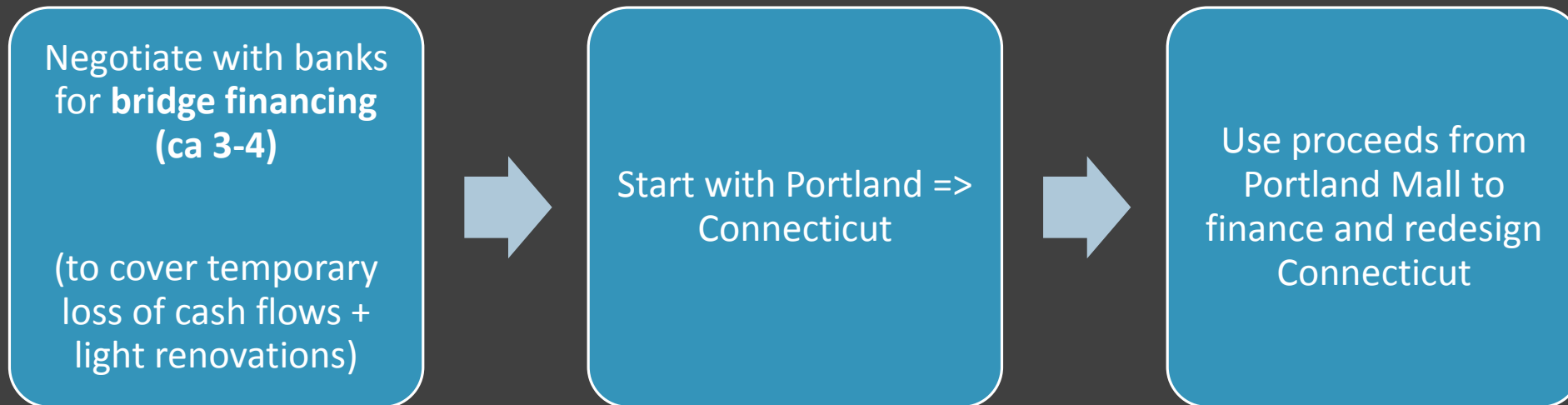
Risks

Conclusion

Financials – Temporary loss of revenues due to remodelling the malls



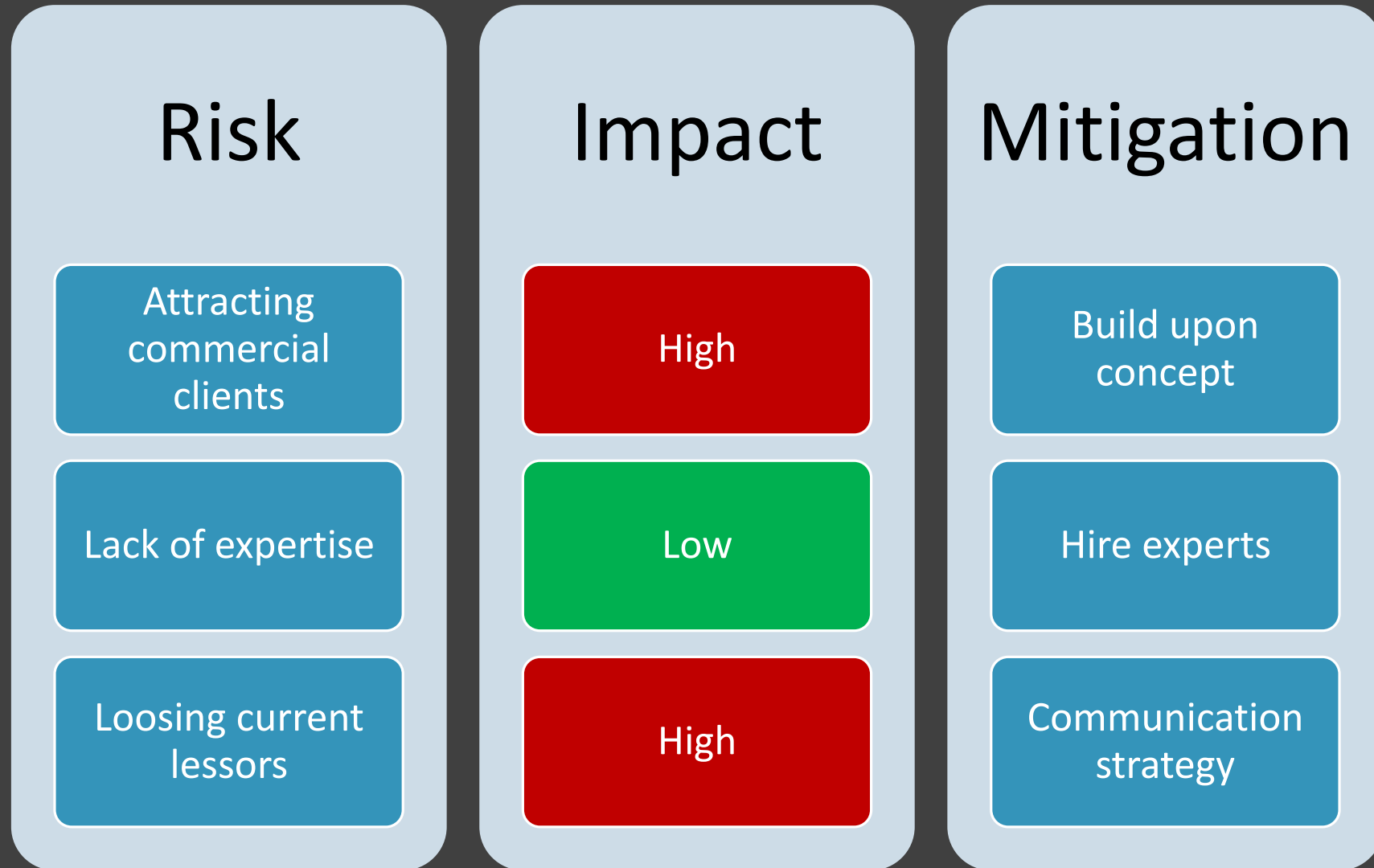
How to finance the projects?



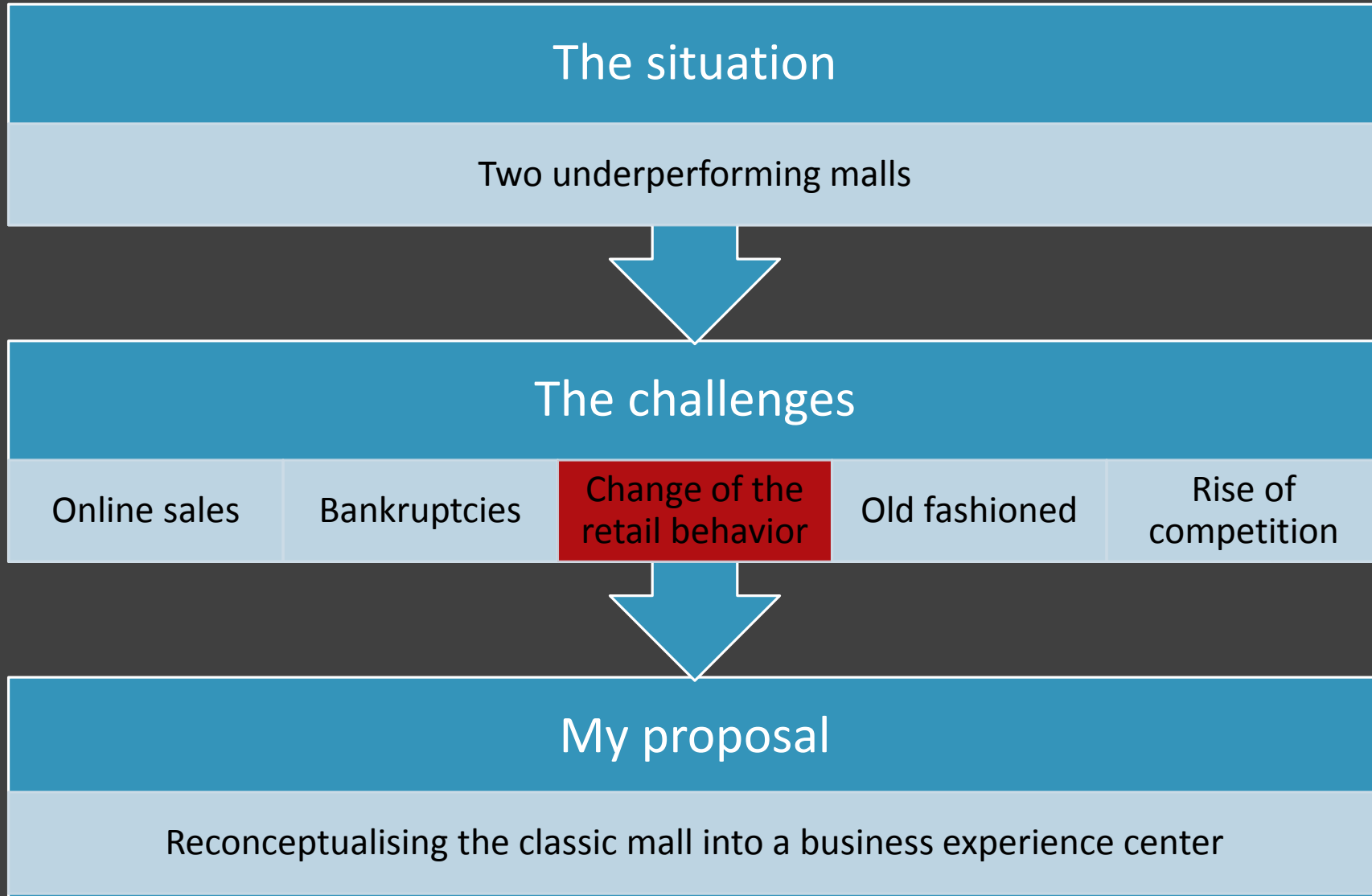
Sources of financing

| Portland | Connecticut |
|-------------|------------------------------|
| Bridge loan | Share of Portland cash flows |
| | Monetizing parking |
| | (Bridge loan) |
| | |

Risks – There are risks with various impacts but they can all be mitigated



Conclusion



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