



1st quarter 2017

FINANCIAL RESULTS PRESENTATION

11 May 2017

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KEY TAKE AWAYS

1. Total Comprehensive Income of USD 2.8 million in Q1.

2. NAV per share at NOK 6.42.

3. Gasfield valuation at 32.6 million USD

OPERATIONS / FINANCE

1. The anchor tenant Gazprom Tsentrremont gave notice to vacate the building in October 2016, and will vacate by 1 June 2017. Storm is actively in the market for re-letting the space becoming vacant from 1 June 2017.
2. Agreement reached with bank which includes:
 - extension of the maturity date of the bank loan from September 2018 to June 2019
 - no amortisation up to and including Q3 2018
 - waiving of covenants up to and including Q3 2018,
 - adjusted covenants for the period Q4 2018 to maturity, adapted to the changed market conditions in Russia.→ This gives the company improved cash reserves and better opportunity through the cycle.
3. The agreement with the bank is subject to a capital injection of USD 3 million. The Board has proposed a capital increase to the Annual General Meeting.

STORM CAPITAL MANAGEMENT

P&L – MAJOR ITEMS

mill. USD	Q1 2017	Q1 2016	12M 2016
Total Comprehensive Income	+2.8	-2.6	-4.8
<u>Summary of major items:</u>			
NOI from investment properties	+1,6	+1.2	5.0
Value change investment properties	+2,1	-0.3	-4.2
Value change shares in real estate companies	n/a	-1.5	-3.0
Other operating costs	-0,2	-0.6	-2.0
Funds and liquid investments	+0,0	0.0	0.0
Borrowing costs	-0,5	-0.6	-2.1
Currency gains/ losses	+0,0	+0.4	0.6
Contract- and interest derivatives	+0,1	-0.7	0.4
Taxes	-0,2	-0.1	1.2

STORM CAPITAL MANAGEMENT

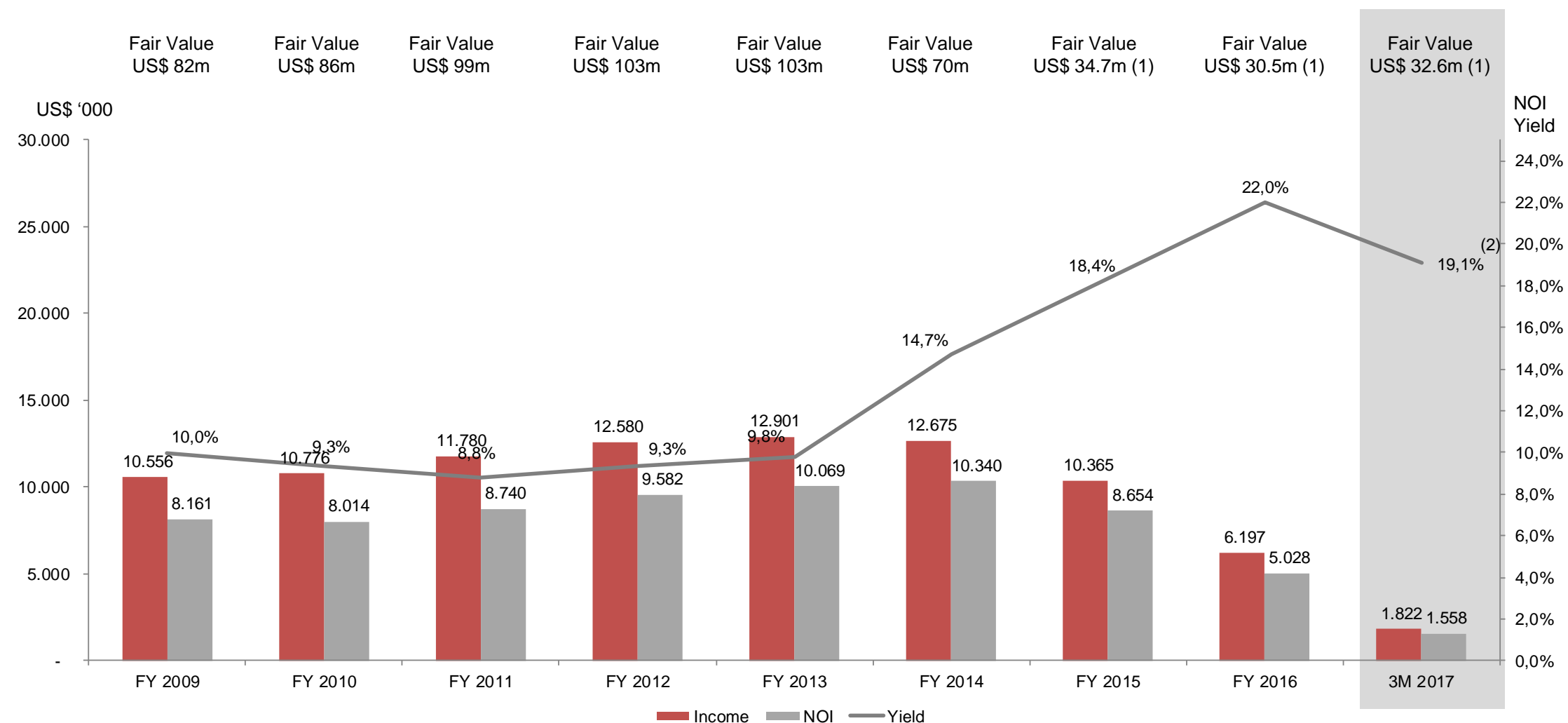
BALANCE SHEET – MAJOR ITEMS

(US\$ '000)	31/03/17 ⁽¹⁾	31/12/16		31/03/17 ⁽¹⁾	31/12/16
Investment property	\$33,075	\$31,215	Bank loans	\$20,492	\$21,081
Total non-current assets	\$33,093	\$31,233	Deferred tax	\$886	\$ 864
Cash	\$4,418	\$4,371	Other liabilities	\$2,871	\$3,166
Total current assets	\$4,900	\$4,844	Total liabilities	\$24,249	\$25,111
Total assets	\$37,994	\$36,078	Equity	\$13,744	\$10,966
			Total equity and liabilities	\$37,994	\$36,078
			<i>Equity ratio</i>	36,2%	

(1) Unaudited.

STORM CAPITAL MANAGEMENT

DEVELOPMENT OF ASSET VALUE 2009 – 2017

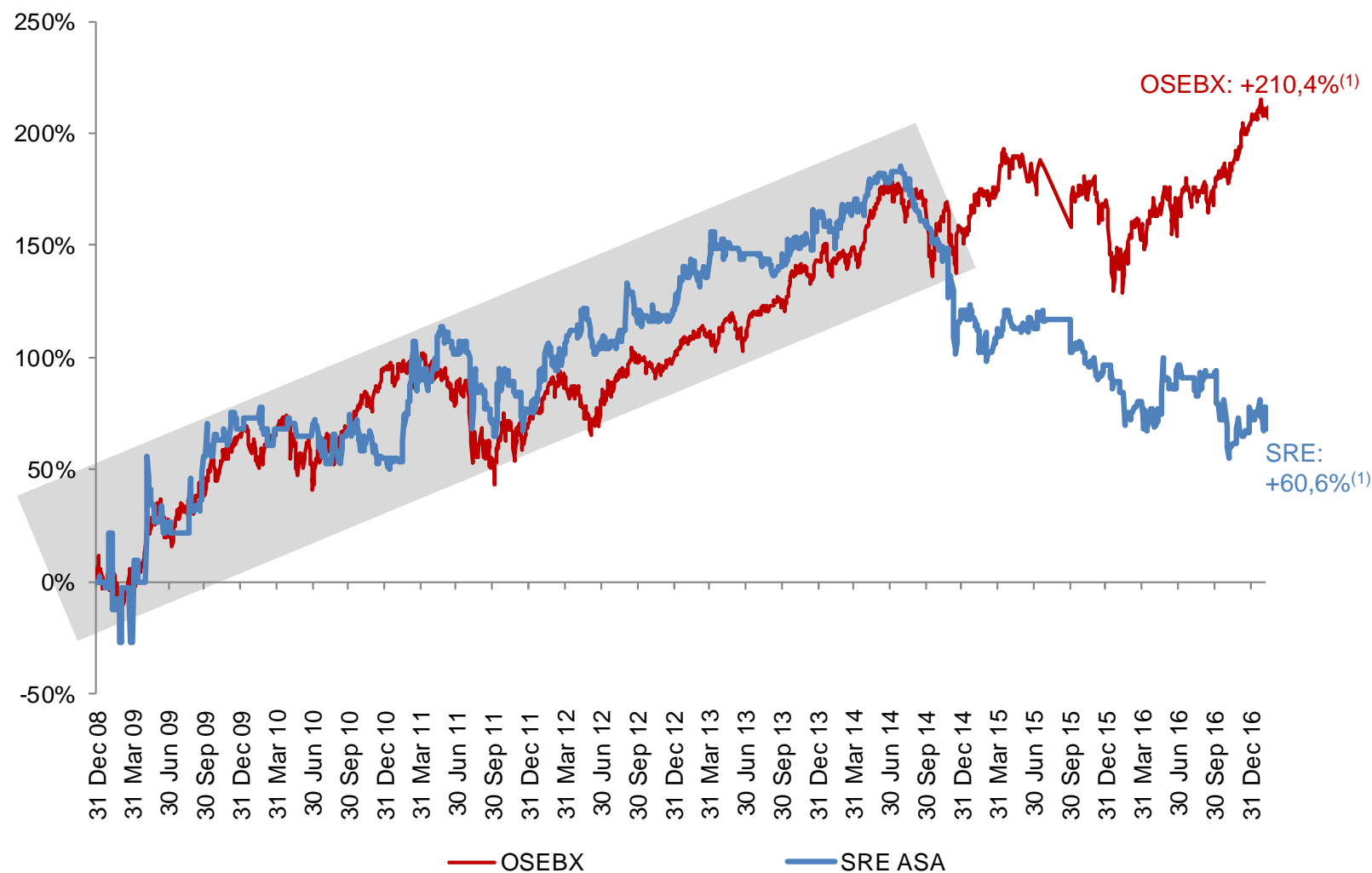


(1) Grifon sold. Value of Gasfield building as per valuation from independent valuer.

(2) Implied yield = NOI / asset value at closing date. 2015 yield is calculated on the 2015 NOI / Asset value at year end of the remaining asset (Gasfield)

STORM REAL ESTATE SHARE PRICE PERFORMANCE

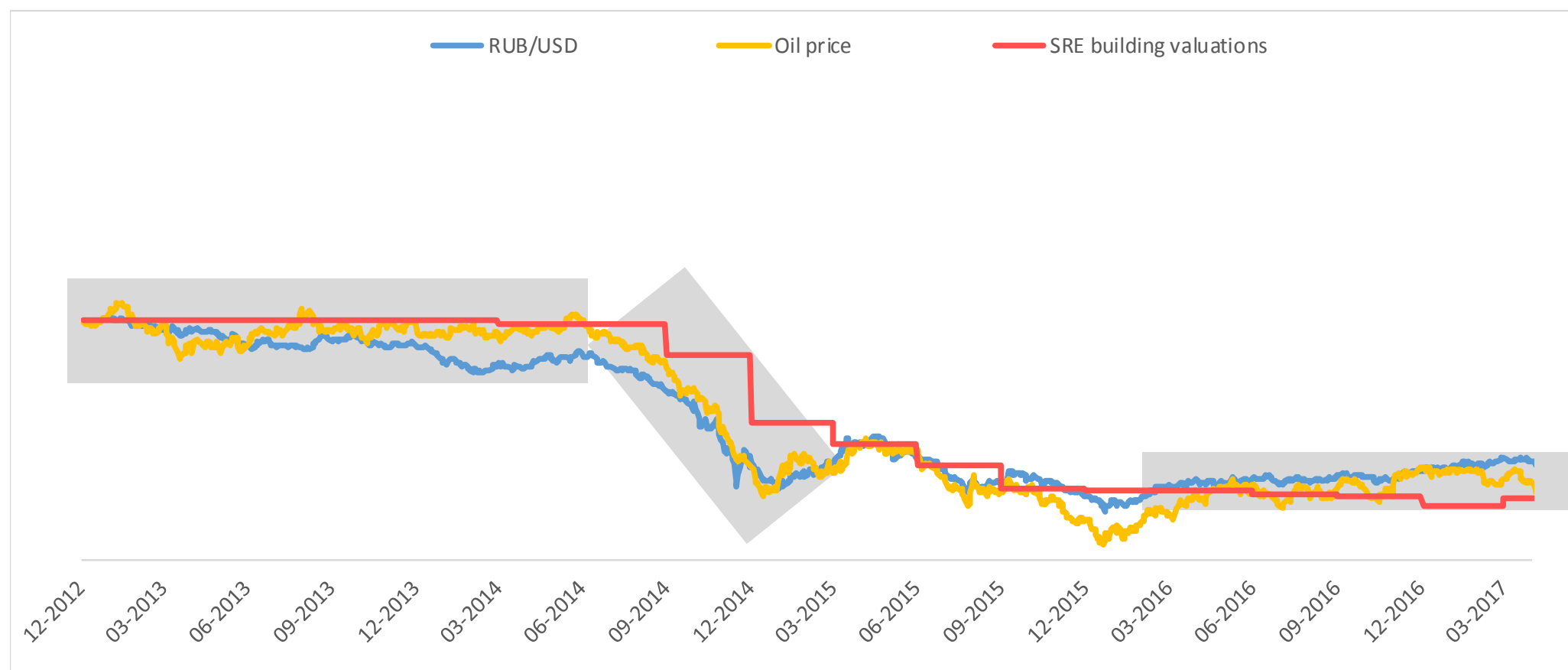
The Storm Real Estate share was listed on Oslo main exchange on 6 July 2010



Source: Oslo Stock Exchange, Bloomberg

(1) SRE and OSEBX adjusted for dividends. As per 4 May 2017.

OIL PRICE vs PROPERTY VALUES vs ROUBLE

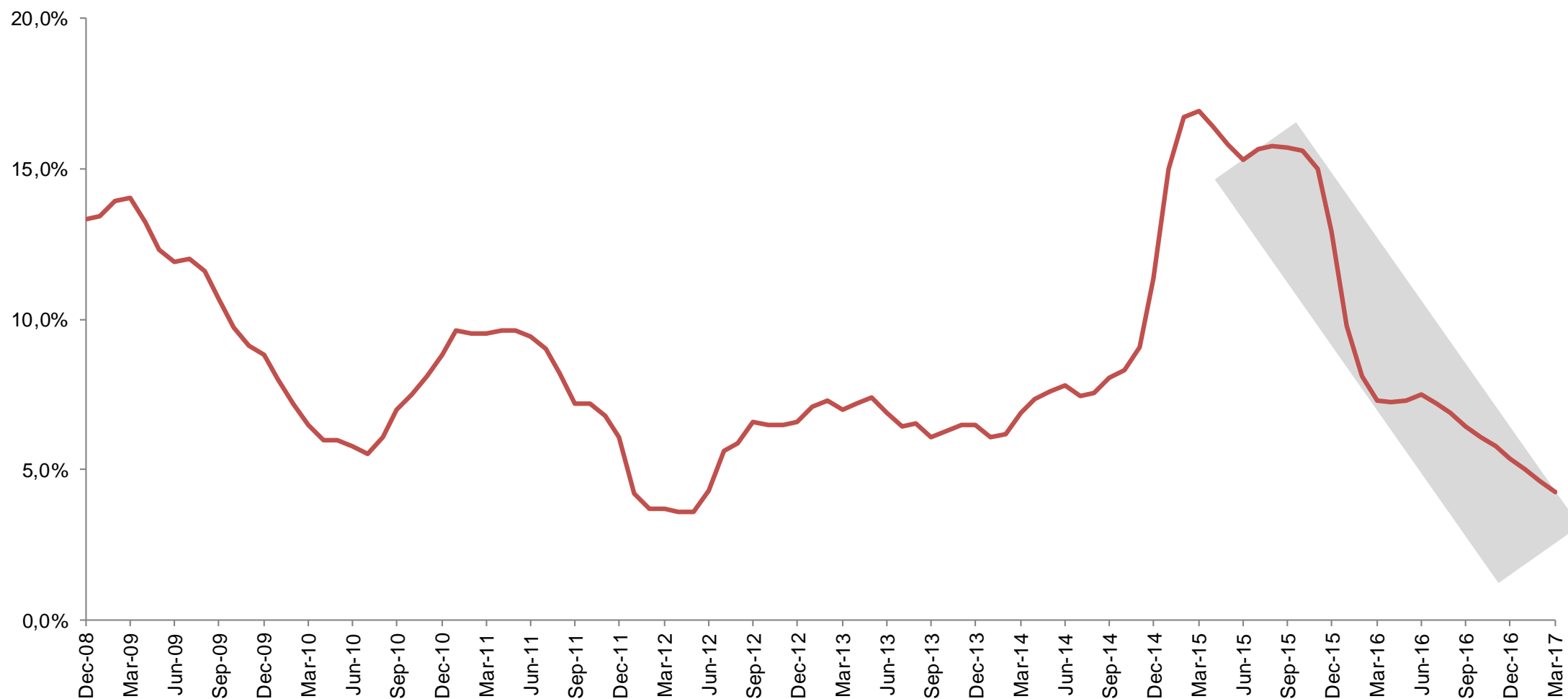


STORM CAPITAL MANAGEMENT

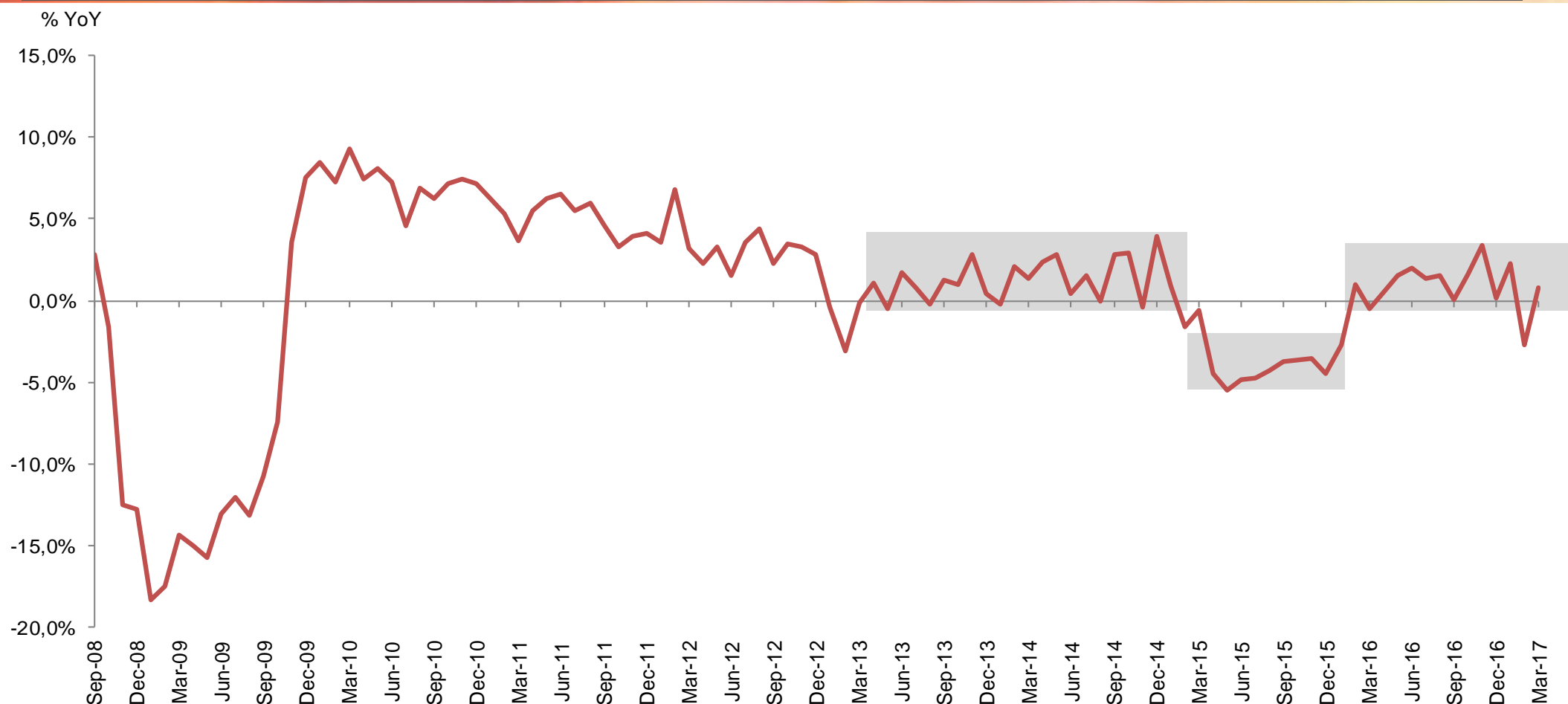
RUSSIA – INFLATION

Inflation rate

Inflation rate based on CPI

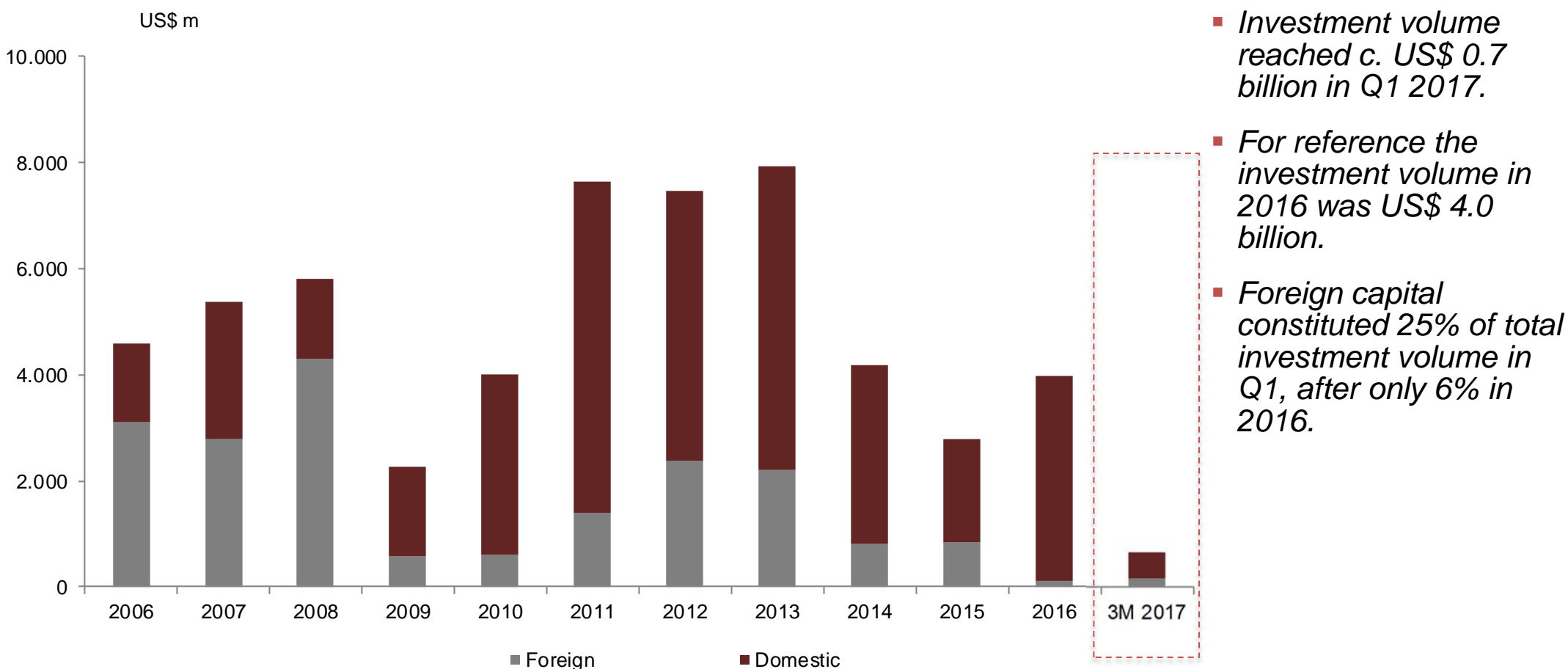


RUSSIA – INDUSTRIAL PRODUCTION



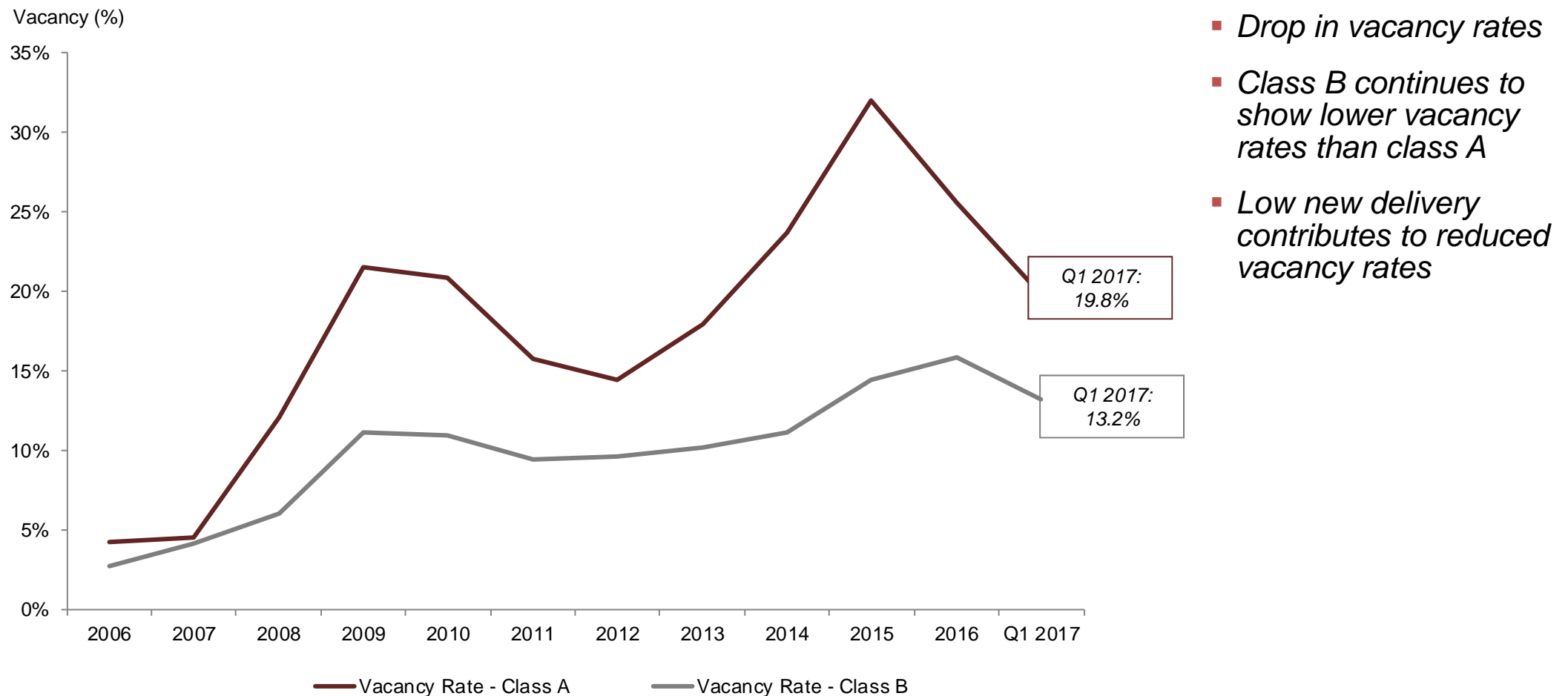
Economic activity (as measured by industrial production) showing a positive trend

RUSSIA – INVESTMENT VOLUME BY SOURCE OF CAPITAL



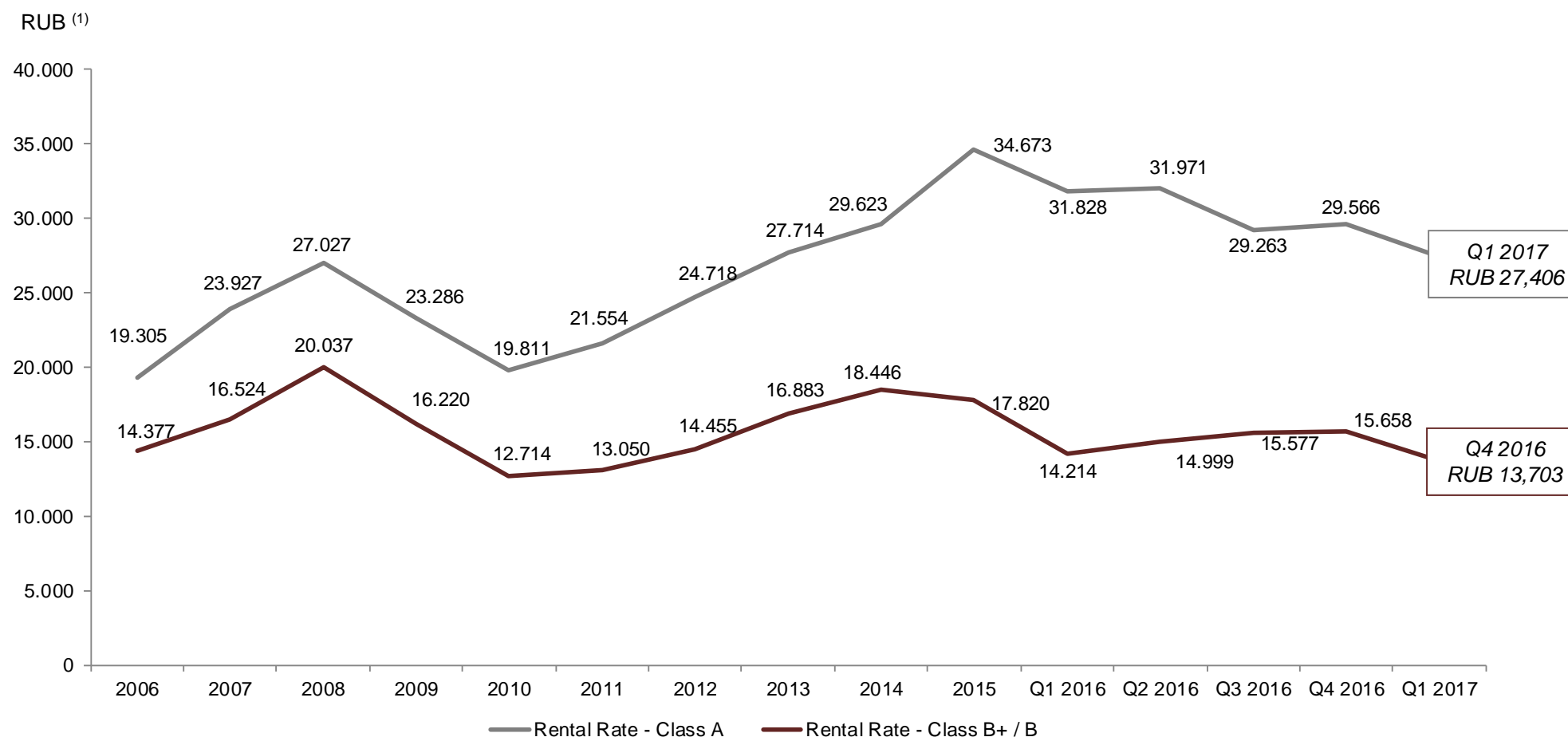
Foreign capital returning

MOSCOW OFFICE MARKET – VACANCY RATE



Vacancy rates falling on low supply

MOSCOW OFFICE MARKET - AVERAGE RENTAL RATES IN RUB ⁽¹⁾

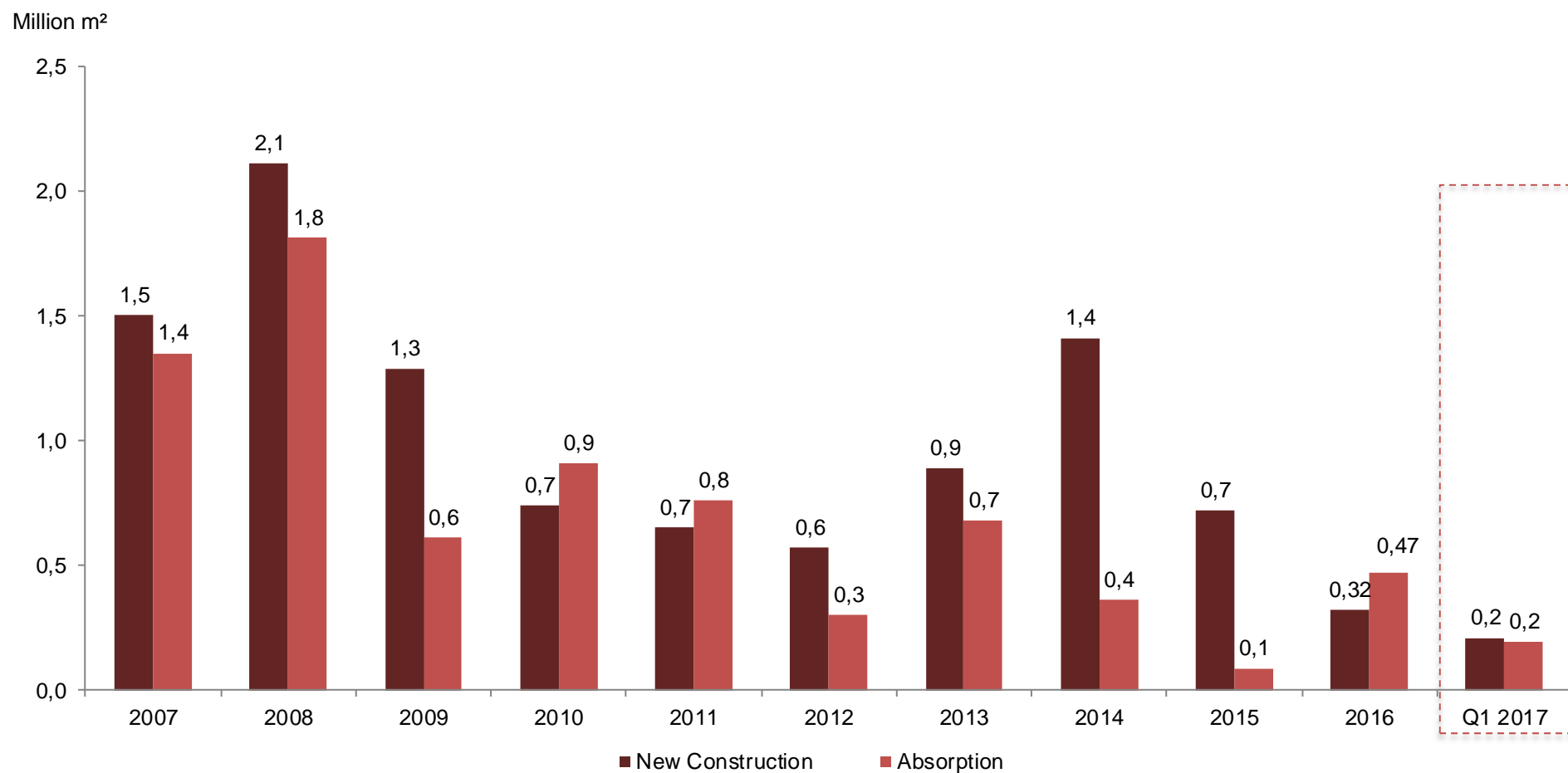


Relative stability in RUB rents

Source: Cushman & Wakefield

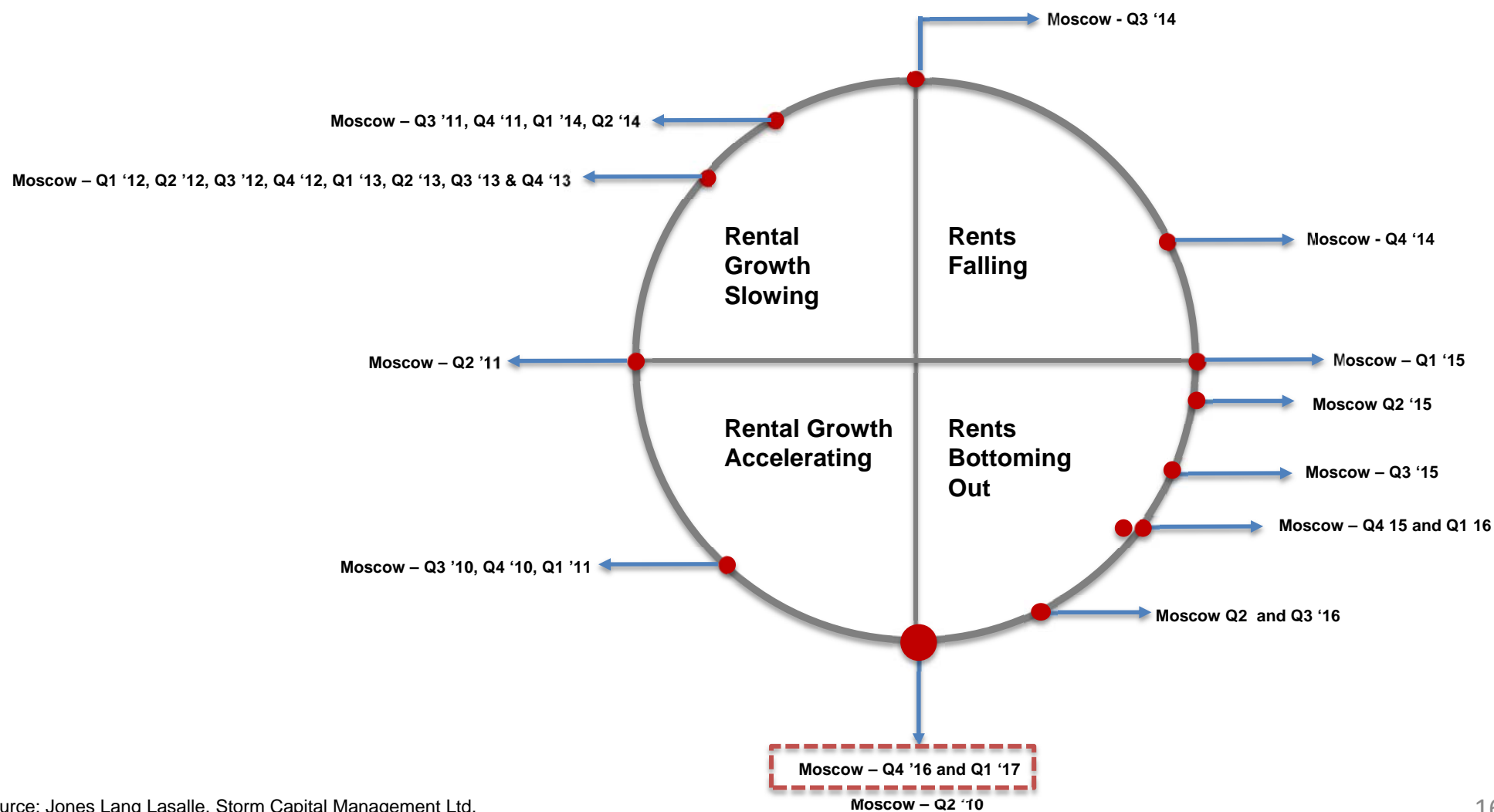
(1) Average rental rates is a weighted average rental rate of asking rents of deals closed within the period, RUB / m²/ annum/ triple net (net of op.ex and VAT)

MOSCOW OFFICE MARKET – NEW CONSTRUCTION AND ABSORPTION



New construction at low levels

EUROPEAN OFFICE CLOCK 2010 –2017



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STORM CAPITAL MANAGEMENT

APPENDIX

GASFIELD BUILDING

Gasfield Building



Class	B
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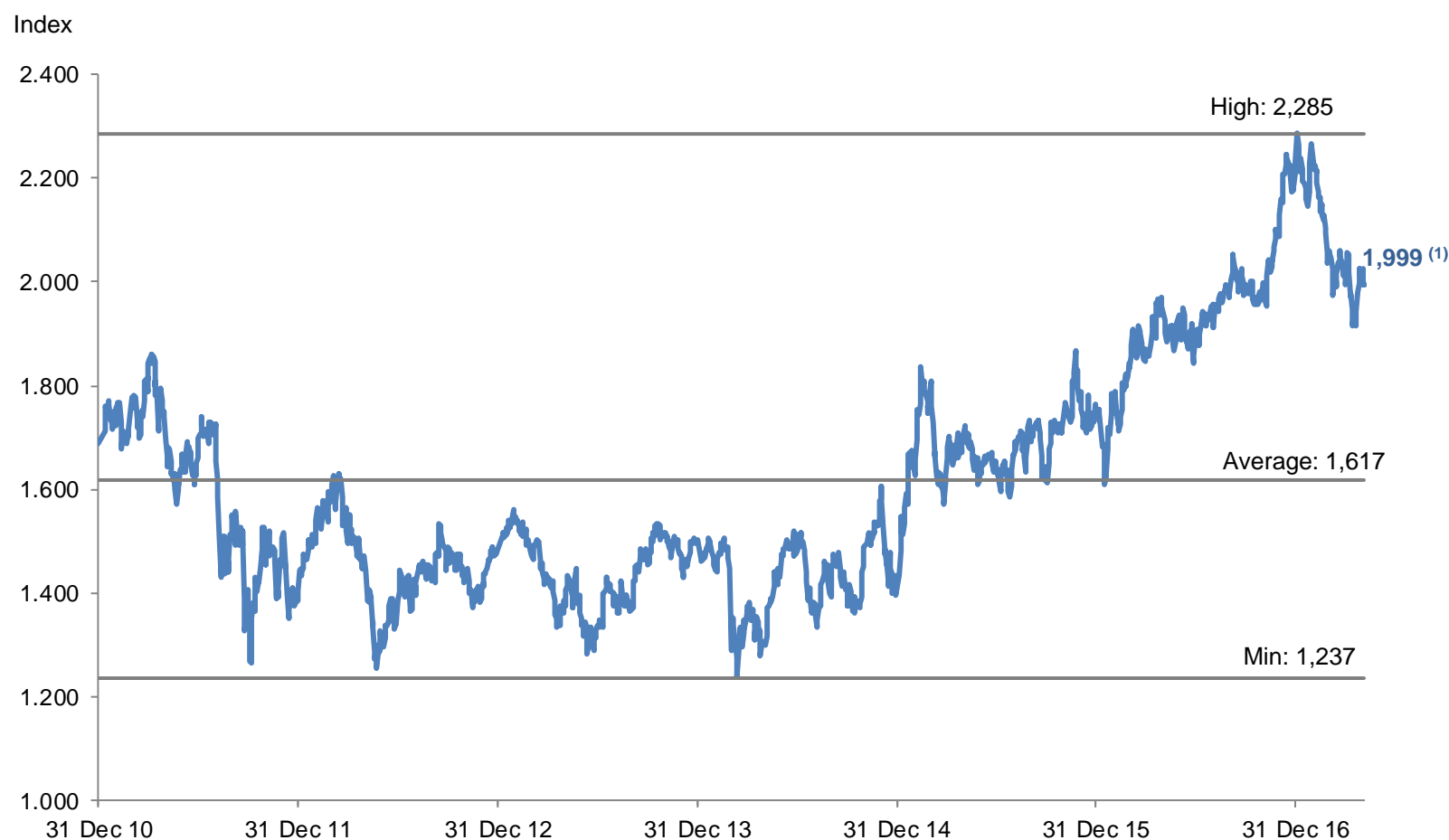
Gross Area	c. 15,200 m ²
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Occupancy Rate	c. 98%
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Major Tenant	<i>Gazprom Tsentrremont</i>
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PERFORMANCE OF THE RUSSIAN MICEX INDEX

- The MICEX index was up 26,1% in 2015 and 26,8% in 2016
- The Index reached an all time high in January 2017



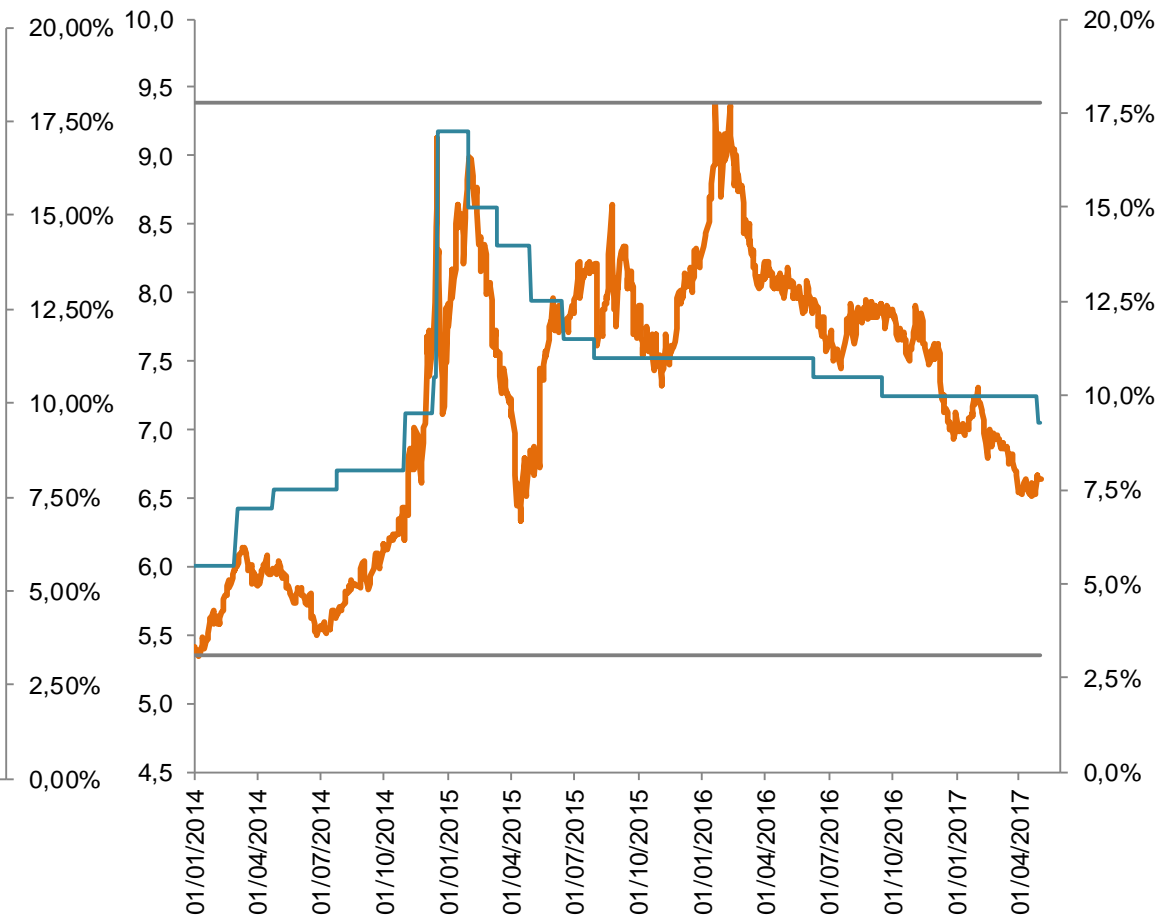
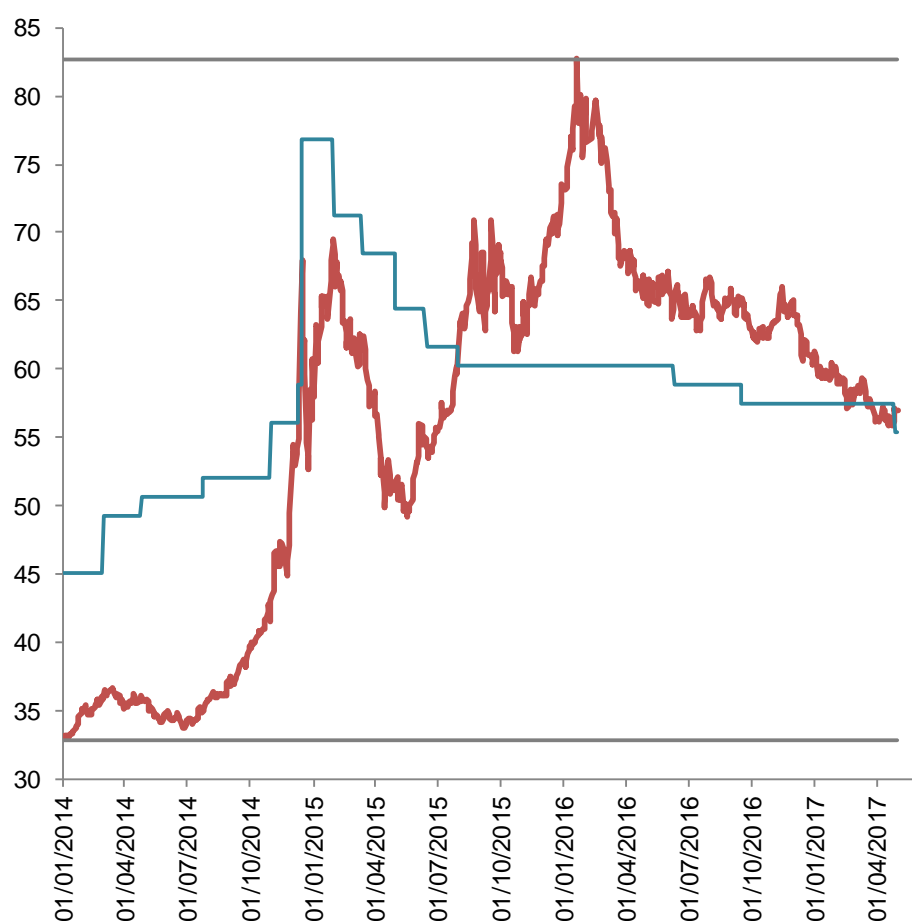
RUSSIA – US\$/RUB AND NOK/RUB EXCHANGE RATE MOVEMENTS AND CBR KEY RATE

US\$/RUB Exchange Rate

CBR Key Rate

NOK/RUB Exchange Rate

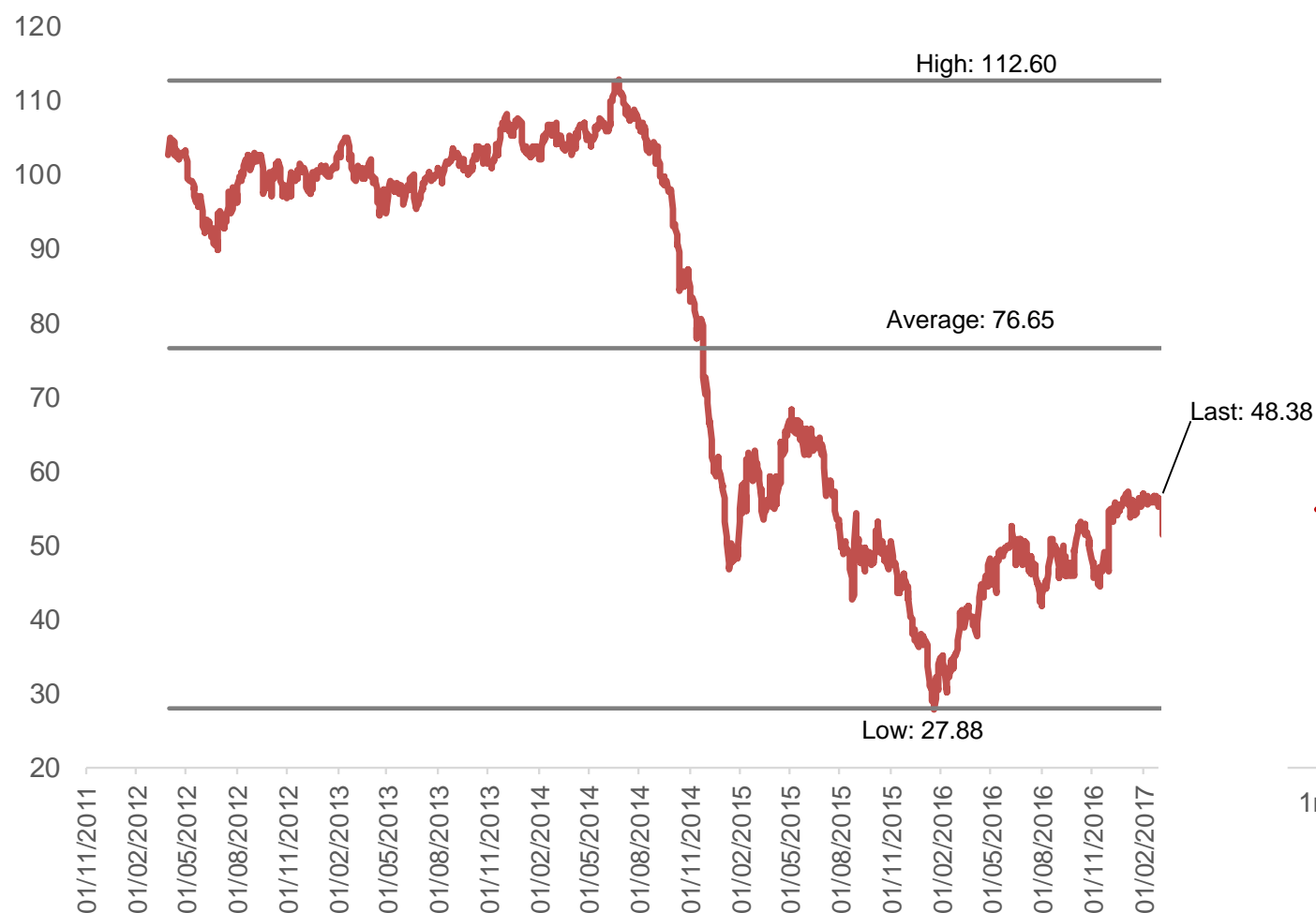
CBR Key Rate



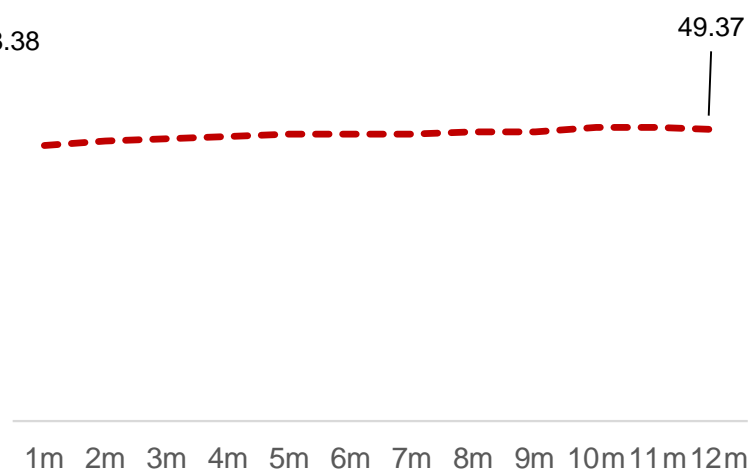
STORM CAPITAL MANAGEMENT

BRENT OIL PRICE AND OIL PRICE FUTURES

Brent Oil Price (US\$)



Brent Oil Price Futures (US\$)



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