

Q2

Storm Real Estate ASA
Interim report
January – June 2017



Storm Real Estate ASA's business strategy is to acquire and manage real estate. The strategy includes equities and high yield investments.

Highlights

All numbers in mill. USD

| | 6M 2017 | 6M 2016 |
|----------------------------|---------|---------|
| Total Comprehensive Income | -2,3 | -4.9 |

Summary of the largest major items:

| | | |
|--|------|------|
| NOI from investment property | +2,1 | +2.5 |
| Value change investment property | -3,3 | -1.2 |
| Value change real estate shares | n/a | -3.0 |
| Other operating expenses | -0,5 | -1.6 |
| Return on funds and other liquid investments | n/a | 0.0 |
| Borrowing costs | -1,0 | -1.1 |
| Currency gain / loss | -0.0 | +0.4 |
| Value change on contract- and interest derivatives | +0,2 | -0.9 |
| Taxes | +0,5 | +0.6 |

Return ratios

| | Return on Equity ⁽¹⁾ | Total Shareholder Return ⁽²⁾ |
|---------------------------|---------------------------------|---|
| Last year (1 year) | -25.3% | -62.6% |
| Last 3 years (annualised) | -41.4% | -38.5% |
| Last 5 years (annualised) | -20.0% | -16.4% |

⁽¹⁾ Return on Equity = Total Comprehensive Income (IFRS) for the period / brought forward equity (IFRS) for start of the period, annualised.

⁽²⁾ Total Shareholder Return = Movement in share price, dividend adjusted, annualised using XIRR formula.

Calculated using historical share prices as adjusted by Oslo Stock Exchange post rights offering in June 2017.

These return ratios are Alternative Performance Measures, and are presented in accordance with ESMA's "Guidelines on Alternative Performance Measures" from 2015. These are reliably measured and the company considers these relevant, because different stakeholders might consider different NAV per share in NOK and Total Shareholder Return relevant alternative performance measures.

Semi annual report

(all following numbers are in USD)

Summary

- The company completed a rights offering for 28 million NOK in June. The net proceeds after costs was USD 3.2 million. This met the bank's minimum requirement of a payment of USD 3.0 million from shareholders. The bank loan now has no amortisations, and major covenants are waived, until Q4 2018.
- As previously reported, the anchor tenant vacated the Gasfield building on 31 May 2017. The tenants accounted for approx. 80% of the lettable area.
- At the date of this report the building is 30% let following re-letting of 710 sq.m. The company is actively seeking new tenants for re-letting the vacant area.
- Due to the rental situation and the current market situation, the future liquidity situation of the company is uncertain.

Income statement

- The group had a total comprehensive income in Q2 of -5.0 million, compared with -2.3 million for Q2 2016. For the first six months, the total comprehensive income was -2.3 million compared with -4.9 million for the same period in 2016.
- The carrying value of the investment property Gasfield was reduced by 5.4 million in Q2 2017, according to valuations by independent appraiser, Cushman & Wakefield. The valuer has applied a longer expected vacancy than in prior periods.
- Revenues from the investment property in Russia were 0.8 million in Q2. This compares with 1.6 million for the same period last year. For the half year, the revenues were 2.6 million (2016: 3.0 million).
- Borrowing costs were 0.5 million in the quarter (2016: 0.5 million), including interest rate swaps. For the half year, borrowing costs were 1.0 million (2016: 1.1 million).

Accounting for value change on investment property:

In accordance with international accounting standards (IFRS) the movement in value of investment property are split over two separate posts, explained by the following: Our Russian subsidiary which owns the building uses Russian roubles as functional currency. According to IFRS, only the part of the fair value adjustment which can be attributed to RUB is presented over the Income Statement. The effect of currency exchange movements between RUB and USD is presented as Other Comprehensive Income and is included in term Total Comprehensive Income. We see Total Comprehensive Income as the most relevant profit measure for the group. In every quarter we present an explanatory statement of the fair value adjustment:

| Change in value, million USD | 6M 2017 | 6M 2016 |
|--|---------|---------|
| Over income statement | -4.1 | -0.2 |
| Translation difference over Other Comprehensive Income | +0.3 | -1.0 |
| Sum value adjustments properties | -3.8 | -1.2 |

Balance sheet

- The investment property Gasfield is recorded at 27.4 million. The building's valuation in accordance with valuation obtained from an independent valuer is 27.2 million. In addition, values of contract derivatives and land leases are recognised with 0.2 million.
- On the closing date, the group had a cash balance of 2.4 million. Gross proceeds from the rights offering were received after the closing date of 3.3 million, and the remaining amount of the agreed 3.0 million payable to the bank was 1.8 million. Adjusting for these transactions post the closing date the disposable cash balance was 3.9 million.
- The group's equity ratio is 35.4% as at 30 June 2017.
- The loan-to-value of the Gasfield bank loan is currently 66.7%, after repayment of the remaining 1.8 million of the proceeds to the bank on 15 July.
- The Company's NAV per share in NOK is NOK 1.13 per 30 June 2017 (calculated using new number of shares).

The company's risk is considered very high. The situation in Russia is demanding. High vacancy in the market combined with the company's own vacancy situation could lead to a shortfall on future cash flow. Given the current 70% vacancy in the building, the group is currently loss-making. Future cash flow and ability to meet future liabilities within maturity dates is dependent on sourcing new tenants.

For further business risks than described above, please refer to the company's annual report for 2016.

Oslo, 10 August 2017,

The Board of Directors, Storm Real Estate ASA

The Company's Investment areas

Real Estate in Russia (Gasfield, Moscow)

Macro snapshot

- Following the recession in 2014-2016 the recovery of the Russian economy is modest. Market commentators expect a growth rate of 1.3% in 2017.
- Inflation rate is at 4.1% at the end of Q2 2017, the lowest inflation rate since June 2012
- Coinciding with a fall in oil prices in Q2, the Russian currency also depreciated in Q2 2017. In Q1 it was the opposite, the rouble appreciated following higher oil prices.
- Unemployment is down from 5.3% at the year end to 5.1% at the end of Q2 2017.

Real Estate Market

- 1.3 billion EUR was invested in commercial properties in H1 2017. For comparison, the invested volume for 2016 was 3.9 billion EUR. The top 5 deals account for 50% of the total investment structure.
- Prime yields remain unchanged at 10.5% for offices.
- Foreign investments have showed signs of returning to the Russian market. In 2016 foreign investors accounted only for 6% of the market. In H1 2017 their share was 18%.
- In H1 2017 the take-up of offices was 947,000 sq.m across 1,590 new deals.
- New supply continues to be low. Only 21,000 sq.m. new construction was delivered to the market in H1 2017. No office space was delivered in Q2, reported to be the first time in history no new buildings have been delivered in one quarter. Moreover, many planned deliveries are reported as being postponed for up to 3 years.
- At the end of Q2 2017 the overall average vacancy rate was 14.3%. The vacancy in class B buildings is approx. 13.2%. For class A buildings the vacancy is approx. 18.2%.
- Registered rent levels have been stable since last year.

Sources market information Russia: Cushman & Wakefield, Trading Economics, Ministry of Economic Development, Oxford Economics

Consolidated Statement of Comprehensive Income

| All numbers in 000 USD | Note | Unaudited Q2 2017 | Unaudited Q2 2016 | Unaudited 6M 2017 | Unaudited 6M 2016 | Audited 2016 |
|---|------|----------------------|----------------------|----------------------|----------------------|-----------------|
| Continuing operations: | | | | | | |
| Rental income | 3 | 818 | 1,570 | 2,640 | 3,008 | 6,197 |
| Total Income | | 818 | 1,570 | 2,640 | 3,008 | 6,197 |
| Property related Expenses | 3 | -282 | -240 | -546 | -526 | -1,169 |
| Personnel Expenses | | -57 | -77 | -121 | -271 | -435 |
| Other Operational Expenses | | -209 | -881 | -379 | -1,296 | -1,607 |
| Total Operational Expenses | | -548 | -1,198 | -1,046 | -2,093 | -3,212 |
| Operating Profit (Loss) Before Fair Value Adjustments | | 270 | 372 | 1,594 | 915 | 2,985 |
| Fair Value Adjustments on Investment Property | 3 | -3,940 | 200 | -4,146 | -196 | -10,394 |
| Total Operating Profit (Loss) | | -3,670 | 572 | -2,552 | 719 | -7,409 |
| Finance Revenues | 5 | 47 | 45 | 104 | 106 | 573 |
| Finance Expenses | 5 | -626 | -733 | -1,056 | -1,970 | -2,146 |
| Currency Exchange Gains (Losses) | 5 | -19 | -188 | -9 | -331 | -69 |
| Net Financial Gains (Losses) | | -598 | -876 | -960 | -2,195 | -1,643 |
| Earnings before Tax (EBT) continuing operations | | -4,268 | -304 | -3,512 | -1,476 | -9,051 |
| Income Tax Expenses | 7 | -739 | -537 | -524 | -647 | -1,160 |
| Profit (Loss) for the Period from continuing operations | | -3,529 | 233 | -2,988 | -829 | -7,891 |
| Discontinued operations: | | | | | | |
| Profit (Loss) from discontinued operations | | 0 | -1,332 | 0 | -2,268 | -2,268 |
| Profit (loss), attributable to owners of parent | | -3,529 | -1,099 | -2,988 | -3,097 | -10,160 |
| Profit (loss), attributable to non-controlling interests | | 0 | 0 | 0 | 0 | 0 |
| Other Comprehensive Income: | | | | | | |
| <i>Items that are reclassified from Equity to earnings in subsequent periods:</i> | | | | | | |
| Translation differences, continuing operations | | -1,511 | -1,153 | 726 | -1,766 | 5,352 |
| Sum other income and expenses after tax, continuing | | -1,511 | -1,153 | 726 | -1,766 | 5,352 |
| Sum other income and expenses after tax, discontinued | | 0 | 0 | 0 | 0 | 0 |
| Sum other income and expenses after tax | | -1,511 | -1,153 | 726 | -1,766 | 5,352 |
| Comprehensive income, attributable to owners of parent | | -5,040 | -2,252 | -2,262 | -4,863 | -4,807 |
| Comprehensive income, attributable to non-controlling | | 0 | 0 | 0 | 0 | 0 |
| Earnings per share (EPS), attributable to owners of parent | | | | | | |
| Weighted average number of shares * | | 20,653,315 | 88,345,623 | 19,505,844 | 88,345,623 | 18,345,623 |
| Basic and Diluted earnings per share (USD) | | -0.17 | -0.01 | -0.15 | -0.04 | -0.55 |
| Basic and Diluted earnings per share (USD) continuing operations | | -0.17 | 0.00 | -0.15 | -0.01 | -0.43 |
| Basic and Diluted Total Comprehensive Income per share (USD) | | -0.24 | -0.12 | -0.12 | -0.27 | -0.26 |

* Prior years periods are recalculated using the updated no of shares.

Consolidated Statement of Financial Position

| All numbers in 000 USD | Note | Unaudited 30.06.2017 | Audited 31.12.2016 |
|--------------------------------------|------|-------------------------|-----------------------|
| Fixed Assets | | | |
| Investment Property | 3 | 27,391 | 31,215 |
| PP&E | | 15 | 18 |
| Sum Fixed Assets | | 27,406 | 31,233 |
| Current assets | | | |
| Other Receivables | 10 | 3,751 | 473 |
| Cash and Cash Equivalents | 4 | 2,370 | 4,371 |
| Total Current Assets | | 6,121 | 4,844 |
| Total Assets | | 33,527 | 36,078 |
| Paid-in Equity | | | |
| Share Capital | | 4,575 | 1,236 |
| Share Premium | | 21,036 | 21,036 |
| Other Paid-in Equity | | 56,605 | 56,763 |
| Total Paid-in Equity | | 82,216 | 79,035 |
| Other equity | | | |
| Other equity | | -70,331 | -68,069 |
| Total other equity | | -70,331 | -68,069 |
| Total Equity | | 11,885 | 10,966 |
| Non-current liabilities | | | |
| Loans From Credit Institutions | 4 | 18,084 | 18,716 |
| Deferred Tax Liabilities | | 72 | 864 |
| Financial Derivative Liabilities | 4 | 967 | 562 |
| Other Long-term Liabilities | | 205 | 213 |
| Total non-current liabilities | | 19,328 | 20,355 |
| Current liabilities | | | |
| Trade Payables | | 11 | 84 |
| Financial Derivative Liabilities | | 0 | 973 |
| Loans from Credit Institutions | 4 | 1,817 | 2,366 |
| Other Short-term Payables | 9 | 487 | 1,334 |
| Total Current liabilities | | 2,315 | 4,756 |
| Total Liabilities | | 21,642 | 25,111 |
| Total Equity and Liabilities | | 33,527 | 36,078 |

Consolidated Statement of Cash Flow

| All numbers in 000 USD | Unaudited 6M 2017 | Unaudited 6M 2016 | Audited 2016 |
|--|----------------------|----------------------|-----------------|
| Cash Flow from Operational Activities | | | |
| Earnings before Tax, continuing operations | -3,512 | -1,476 | -9,051 |
| Earnings before Tax, discontinued operations | 0 | -2,268 | -2,268 |
| Earnings before Tax | -3,512 | -3,744 | -11,320 |
| <i>Adjusted for:</i> | | | |
| Depreciations | 3 | 3 | 6 |
| Value Adjustments on Investment Property | 4,146 | 196 | 10,394 |
| Financial Income | -65 | 2,844 | 2,774 |
| Financial Expenses | 1,016 | 1,994 | 1,774 |
| Net Currency Gains | -2 | -748 | -958 |
| Cash Flow Before Changes in Working Capital | 1,586 | 546 | 2,670 |
| <i>Changes in Working Capital:</i> | | | |
| Trade Receivables and Other Receivables | -110 | 103 | -86 |
| Trade Payables and Other Payables | -932 | 541 | -49 |
| Paid Taxes | -294 | -586 | -1,154 |
| Net Cash Flow From Operating Activities | 250 | 604 | 1,381 |
| Cash Flow From Investment Activities | | | |
| Inflows from Investments in Financial Securities | 0 | 13,992 | 15,225 |
| Interest Received | 55 | 85 | 151 |
| Net Cash Flow From Investment Activities | 55 | 14,077 | 15,376 |
| Cash Flow From Financing Activities | | | |
| Share issue, payments/costs | -158 | 0 | 0 |
| Repayments of Loans | -1,183 | -2,455 | -3,637 |
| Dividends Paid | 0 | -8,420 | -8,420 |
| Interest Paid | -1,041 | -1,125 | -2,113 |
| Net Cash flow From Financing Activities | -2,381 | -11,999 | -14,170 |
| Net Change in Cash and Cash Equivalents | -2,077 | 2,682 | 2,587 |
| Carried Forward Cash and Cash Equivalents | 4,371 | 1,703 | 1,703 |
| FX movements on opening balance | 76 | 97 | 82 |
| Cash and Cash Equivalents on Closing Date | 2,370 | 4,481 | 4,371 |
| Of which restricted Cash and Cash Equivalents | 238 | 238 | 238 |

Consolidated Statement of Changes in Equity

| All numbers in 000 USD | Paid-in Equity | | | Other Equity | | Total Equity |
|------------------------------|----------------|---------------|----------------------|-------------------|---|---------------|
| | Share Capital | Share Premium | Other Paid-in Equity | Retained Earnings | Translation Differences on Foreign Operations | |
| 1 January 2016 | 1,236 | 21,036 | 56,763 | 21,605 | -78,641 | 22,000 |
| Profit (Loss) for the Period | | | | -3,097 | | -3,097 |
| Other Comprehensive Income | | | | | -1,766 | -1,766 |
| Total Comprehensive Income | 0 | 0 | 0 | -11,517 | -1,766 | -13,283 |
| Dividends | | | | -8,420 | | -8,420 |
| Sum other capital changes | 0 | 0 | 0 | -8,420 | 0 | -8,420 |
| 30 June 2016 | 1,236 | 21,036 | 56,763 | 10,088 | -80,407 | 8,717 |

| | Paid-in Equity | | | Other Equity | | Total Equity |
|------------------------------|----------------|---------------|----------------------|-------------------|---|---------------|
| | Share Capital | Share Premium | Other Paid-in Equity | Retained Earnings | Translation Differences on Foreign Operations | |
| 1 January 2017 | 1,236 | 21,036 | 56,763 | 5,220 | -73,288 | 10,966 |
| Profit (Loss) for the Period | | | | -2,988 | | -2,988 |
| Other Comprehensive Income | | | | | 726 | -2,988 |
| Sum | 0 | 0 | 0 | -2,988 | 726 | -2,262 |
| Share issue * | 3,339 | | -158 | | | 3,181 |
| Sum other capital changes | 3,339 | 0 | -158 | 0 | 0 | 3,181 |
| 30 June 2017 | 4,575 | 21,036 | 56,605 | 2,232 | -72,563 | 11,885 |

* The shares from the share issue had been allocated but not issued, paid in or registered as at 30 June 2017.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENT

(Unaudited)

1. Company Information

Storm Real Estate ASA is a public limited liability company domiciled in Norway. The company is listed on Oslo Stock Exchange. The principal activity of the company is investment in yielding properties in Russia and the EEA, including investments in equities and bonds.

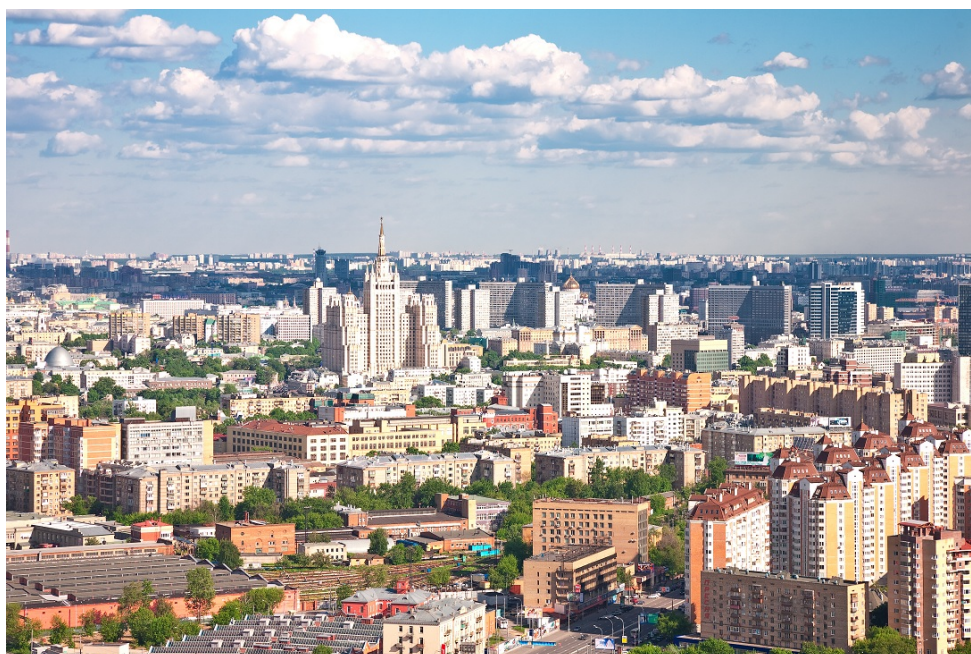
2. Basis of Preparation and Accounting Policies

Basis of Preparation

The interim financial statements for the period ending 30 June 2017 are prepared in accordance with IAS 34. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statement of 2016. The interim financial statements are unaudited. The interim financial statement was approved by the Board of Directors on 10 August 2017.

Accounting principles

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for 2016. All notes are in '000 USD, except where otherwise indicated.



3. Investment property

| | 30.06.2017 | 31.12.2016 |
|--|---------------|---------------|
| Value as valued by an independent valuer: | | |
| As at 1 January | 30,500 | 34,700 |
| Value Adjustment Investment * | -3,300 | -4,200 |
| Value per Closing | 27,200 | 30,500 |
| Other assets recognised as part of Investment Property: | | |
| As at 1 January | 715 | 4,250 |
| Changes in carrying value of land plot lease agreements ** | 4 | 32 |
| Changes in embedded derivatives contract *** | -529 | -3,567 |
| Value per Closing | 191 | 715 |
| Carrying value 01.01 | 31,215 | 38,950 |
| Carrying value per Closing date | 27,391 | 31,215 |

* The functional currency of the Russian subsidiaries including the buildings in Russian Rouble

The fair value changes has two elements:

- Changes in the local functional currency (RUB) are presented in the income statement
- Translation differences in the Group presentation currency (USD) are not allowed in the income statement, and are presented in the statement of comprehensive income.

The two effects are presented separately below:

| | 6M 2017 | 6M 2016 |
|---|---------|---------|
| Change in RUB over Income Statement | -4,146 | -196 |
| Translation Differences over Comprehensive Income | 322 | -1,004 |
| Net Change in Fair Value | -3,824 | -1,200 |

| NOI from Properties | 6M 2017 | 6M 2016 |
|----------------------------------|----------------|----------------|
| Rental Income | 2,640 | 3,008 |
| Direct Property Related Expenses | -546 | -526 |
| NOI from Properties | 2,094 | 2,482 |

** The Company has capitalised land plot lease agreements in accordance with IAS 40 *Investment Property* and IAS 17 Leases.

*** In 2015 The Company signed an agreement on a lease reduction with the anchor tenant in Moscow.

Reduction is in practice done by agreeing a ceiling on exchange rate USD/RUB = 45. This arrangement was in accordance with IFRS be treated as a financial derivative. This derivative is related to the investment property.

The company has recognised a financial liability when USD/RUB at the reporting date was unfavourable.

A recognition of this currency derivative has no effect on the net asset value, when the size of the asset and liability are equal (see liability in note 4).

| Variables for Independent Valuations | 30.06.2017 | 31.12.2016 |
|--|-------------------|-------------------|
| Discount Rate | 12.50% | 12.50% |
| Yield (cap. rate) | 11.50% | 11.50% |
| Market rates, RUB/sq.m (net of VAT and op.ex), main office areas | 18,000 | 18,000 |

The investment property is valued according to Level 3 of the fair value analysis (see note 4).

4. Financial Assets and Liabilities

| Investments in financial securities: | 30.06.2017 | 31.12.2016 |
|---|-------------------|-------------------|
| Value as at 1 January | 0 | 17,291 |
| Additions | 0 | 0 |
| Disposals | 0 | -15,214 |
| Change in Fair Value | 0 | -2,949 |
| Change in Currency * | 0 | 871 |
| Value at closing date | 0 | 0 |

* Investments in other currencies than USD was largely hedged against USD on the reported balance dates.

| Other Financial Assets and Liabilities | 30.06.2017 | 31.12.2016 |
|---|-------------------|-------------------|
| Cash and Cash Equivalents | 2,370 | 4,371 |
| Interest Rate Swaps | -967 | -1,006 |
| Bank Loan | -19,901 | -21,081 |
| Embedded derivatives *) | 0 | -529 |
| Land plot lease agreements | -191 | -186 |
| Net Financial Assets and Liabilities | -18,689 | -18,432 |

*) see note 3 *Investment Property* for a description of the recognised liability of embedded derivatives.

Bank loan

The company's lender has in its credit committee on 31/03/2017 granted amended terms to the company's loan agreement.

The amended terms include

- postponement of the maturity date 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.

The covenants from Q4 2018 include an Interest Service Ratio on Russia level of 1.1x, and quarterly amortisations at USD 0.3 million. LTV and equity ratio covenants remain at 70% and 20%, respectively.

These amendments were subject to that the company obtains new capital of at least USD 3 million, to be paid to the bank as an extraordinary amortisation within 15/07/2017, and also subject to documentation.

A Rights Offering was conducted in Q2 2017. The Rights Offering was fully subscribed and the company has after the closing date paid the bank in accordance with the above plan.

4. Financial Assets and Liabilities (continues)

Fair value hierarchy

The table below shows an analysis of fair values of financial instruments in the Statement of Financial Position, grouped by level in the fair value hierarchy.

Level 1 - Quoted prices in active markets that the entity can access at the measurement date.

Level 2 – Use of a model with inputs other than level 1 that are directly or indirectly observable market data.

Level 3 - Use of a model with inputs that are not based on observable market data.

| Financial liabilities measured at fair value | Level 1 | Level 2 | Level 3 | Sum |
|---|---------------|----------|----------|---------------|
| Interest rate swaps | -967 | | | -967 |
| Embedded derivatives on leases | 0 | | | 0 |
| Land plot lease agreements | -191 | | | -191 |
| Sum financial liabilities measured at fair value | -1,157 | 0 | 0 | -1,157 |

Comparison per class

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the financial statements.

| | Carrying amount | | Fair value | |
|--|-----------------|---------------|---------------|---------------|
| | 30.06.2017 | 31.12.2016 | 30.06.2017 | 31.12.2016 |
| Financial assets | | | | |
| Accounts receivable | 16 | 3 | 16 | 3 |
| Other receivables | 3,731 | 470 | 3,731 | 470 |
| Cash and cash equivalents | 2,370 | 4,371 | 2,370 | 4,371 |
| Sum | 6,117 | 4,844 | 6,117 | 4,844 |
| Financial liabilities | | | | |
| Interest-bearing loans and borrowings | 19,901 | 21,081 | 19,960 | 21,143 |
| Trade liabilities | 11 | 84 | 11 | 84 |
| Derivative financial liabilities at fair value | 0 | 529 | 0 | 529 |
| Interest rate swaps and FX forward contracts | 967 | 1,006 | 967 | 1,006 |
| Land plot lease agreements | 191 | 186 | 191 | 186 |
| Other current liabilities | 295 | 1,147 | 284 | 1,147 |
| Sum | 21,364 | 24,034 | 21,413 | 24,096 |

5. Finance income and costs

Finance income and costs from continuing operations:

| | 6M 2017 | 6M 2016 |
|---|---------|---------|
| Currency | | |
| Currency Gain | 10 | 0 |
| Currency Loss | -19 | -332 |
| Net Currency Gain (Loss) | -9 | -332 |
| Finance Revenues | | |
| Interest Revenue | 57 | 98 |
| Fair Value Adjustment, Derivatives | 40 | 0 |
| Other Financial Revenues | 8 | -4 |
| Sum | 104 | 94 |
| Finance Costs | | |
| Interest Costs | -1,047 | -1,064 |
| Fair Value Adjustment, Derivatives | 0 | -860 |
| Other Finance Gains (Loss) | -8 | -57 |
| Sum | -1,056 | -1,982 |
| Net Finance Gains (Losses) continued operations | -960 | -2,219 |
| Finance income and costs from discontinued operations: | | |
| Net Currency Gain (Loss) | 0 | 706 |
| Fair Value Adjustment, Financial Investments | 0 | -2,951 |
| Net Finance Gains (Losses) discontinued operations | 0 | -2,245 |

6. Shareholder information

The 20 largest shareholders as at 30.06.2017

The list is as per the shareholders registered in VPS as 30.06.2017

Any broker trades before the closing date reported after the closing date is not reflected in this list.

Shares allocated in the Rights Offering were allocated after the closing date.

The company's web site www.stormrealestate.no shows an updated top 20 list.

| Shareholder | Type * | Country | Shares | % |
|----------------------------------|--------|------------|-------------------|----------------|
| ACONCAGUA MANAGEMENT LTD | | LUXEMBOURG | 3,928,855 | 21.42% |
| SKANDINAVISKA ENSKILDA BANKEN AB | NOM | SWEDEN | 3,648,614 | 19.89% |
| J.P. MORGAN BANK LUXEMBOURG S.A. | NOM | UK | 1,068,723 | 5.83% |
| PACTUM AS | | NORWAY | 579,675 | 3.16% |
| BANAN II AS | | NORWAY | 476,338 | 2.60% |
| FINANSFORBUNDET | | NORWAY | 416,650 | 2.27% |
| J.P. MORGAN BANK LUXEMBOURG S.A. | NOM | UK | 300,000 | 1.64% |
| PEDER VEIBY | | NORWAY | 274,828 | 1.50% |
| TDL AS | | NORWAY | 182,250 | 0.99% |
| THORE HYGGEN | | NORWAY | 181,250 | 0.99% |
| MOTOR-TRADE EIENDOM OG FINANS AS | | NORWAY | 180,000 | 0.98% |
| ØRN NORDEN AS | | NORWAY | 178,060 | 0.97% |
| INGRID MARGARETH LANGBERG | | NORWAY | 173,750 | 0.95% |
| ALBION HOLDING AS | | NORWAY | 155,250 | 0.85% |
| SVENSKA HANDELSBANKEN SA | NOM | NORWAY | 150,000 | 0.82% |
| SAMSØ AS | | NORWAY | 142,188 | 0.78% |
| INVESTERINGSHUSET DA | | NORWAY | 100,020 | 0.55% |
| NORDNET BANK AB | NOM | SWEDEN | 69,432 | 0.38% |
| KIKUT EIENDOM AS | | NORWAY | 68,750 | 0.37% |
| NINVEST A/S | | NORWAY | 67,500 | 0.37% |
| SUM 20 LARGEST | | | 12,342,133 | 67.28% |
| OTHER SHAREHOLDERS | | | 6,003,490 | 32.72% |
| SUM | | | 18,345,623 | 100.00% |

* NOM = Nominee Accounts; foreign institutions holding shares on behalf of clients.

Shares controlled by board members

| | | | |
|------------------|--|------------------|---------------|
| Morten E. Astrup | via Aconcagua Management Ltd and Ørn Norden AS | 4,106,915 | 22.4 % |
| Kim Mikkelsen | via Strategic Investments A/S | 3,648,614 | 19.9 % |
| Stein Aukner | via Banan AS and Aukner Holding AS | 501,338 | 2.7 % |
| Sum | | 8,256,867 | 45.0 % |

7. Tax Expenses

| Tax Expense for period | 6M 2017 | 6M 2016 |
|-------------------------------------|----------------|----------------|
| Current Tax | 348 | 450 |
| Deferred Tax | -872 | -1,097 |
| Total Tax Expense for Period | -524 | -647 |

8. Transactions with Related Parties

| | 6M 2017 | 6M 2016 |
|-------------------------------|----------------|----------------|
| Storm Capital Management Ltd. | 207 | 264 |
| Sum | 207 | 264 |

9. Other current liabilities

| | 30.06.2017 | 31.12.2016 |
|-------------------------------|-------------------|-------------------|
| Taxes and duties due | 57 | 314 |
| Advance rents paid by tenants | 119 | 840 |
| Other | 310 | 180 |
| Sum | 486 | 1,334 |

10. Other Current Receivables

| | 30.06.2017 | 31.12.2016 |
|---|-------------------|-------------------|
| Receiveable gross proceeds from rights offering | 3,339 | 0 |
| Taxes and Duties receivable | 217 | 218 |
| Other Current receivables | 195 | 256 |
| Sum | 3,751 | 473 |

Statement from the Board and general manager

We confirm that the financial statement for the period 1 January to 30 June 2017 to the best of our knowledge, is prepared in accordance with *IAS 34 Interim Report* and that the accounts give a true and fair view of the Group's and Company's assets, liabilities, financial position and result of operations.

The Interim report gives, to the best of our knowledge, a fair overview of important events during the accounting period and their impact on the financial statements and a summary of significant transactions with related parties.

We confirm that, to the best of our knowledge, the interim report includes a fair review of the information mentioned in the Securities Trading Act section §5-6, fourth paragraph.

Oslo, 10 August 2017

The Board and general manager in Storm Real Estate ASA,

Stein Aukner
Chairman

Morten E. Astrup
Board member

Nini H. Nergaard
Board member

Kim Mikkelsen
Board member

Anna M Aanensen
Board member

Einar Pedersen
General Manager

