



2<sup>nd</sup> Half 2018

# FINANCIAL RESULTS PRESENTATION

8 February 2019

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## KEY TAKE AWAYS

1. Total Comprehensive Income of USD -1.6 million in H2 2018
2. NAV per share at NOK 0.26
3. Gasfield occupancy at 86%
4. Despite higher occupancy in the Gasfield building, the group is loss-making given the current financing situation, and there is significant uncertainty related to the going concern assumption

## OPERATIONS / FINANCE

1. Gross rental income excl. VAT per month from the Gasfield building, according to signed contracts as at 31 December 2018, was RUB 12.9m
2. The company has entered a short-term agreement with the bank that expires 30 March 2019. The aim is to reach a long-term financing solution for the Group within that period of time.
3. The value of the building is stable, USD 21.3m as at 31 December 2018 (USD 21.2m as at 30 June 2018).

## P&L – MAJOR ITEMS

mill. USD	H2 2018	H2 2017	12M 2017
Total Comprehensive Income	-1.6	-1.9	-4.2
<u>Summary of major items:</u>			
NOI from investment properties	+0.2	-0.3	1.8
Value change investment properties	+0.0	-0.6	-4.5
Other operating costs	-0.6	-0.5	-1.0
Borrowing costs	-0.9	-0.9	-1.9
Currency gains/ losses	-0.1	-0.0	-0.0
Contract- and interest derivatives	+0.4	+0.4	0.6
Taxes	-0.6	0.0	0.5

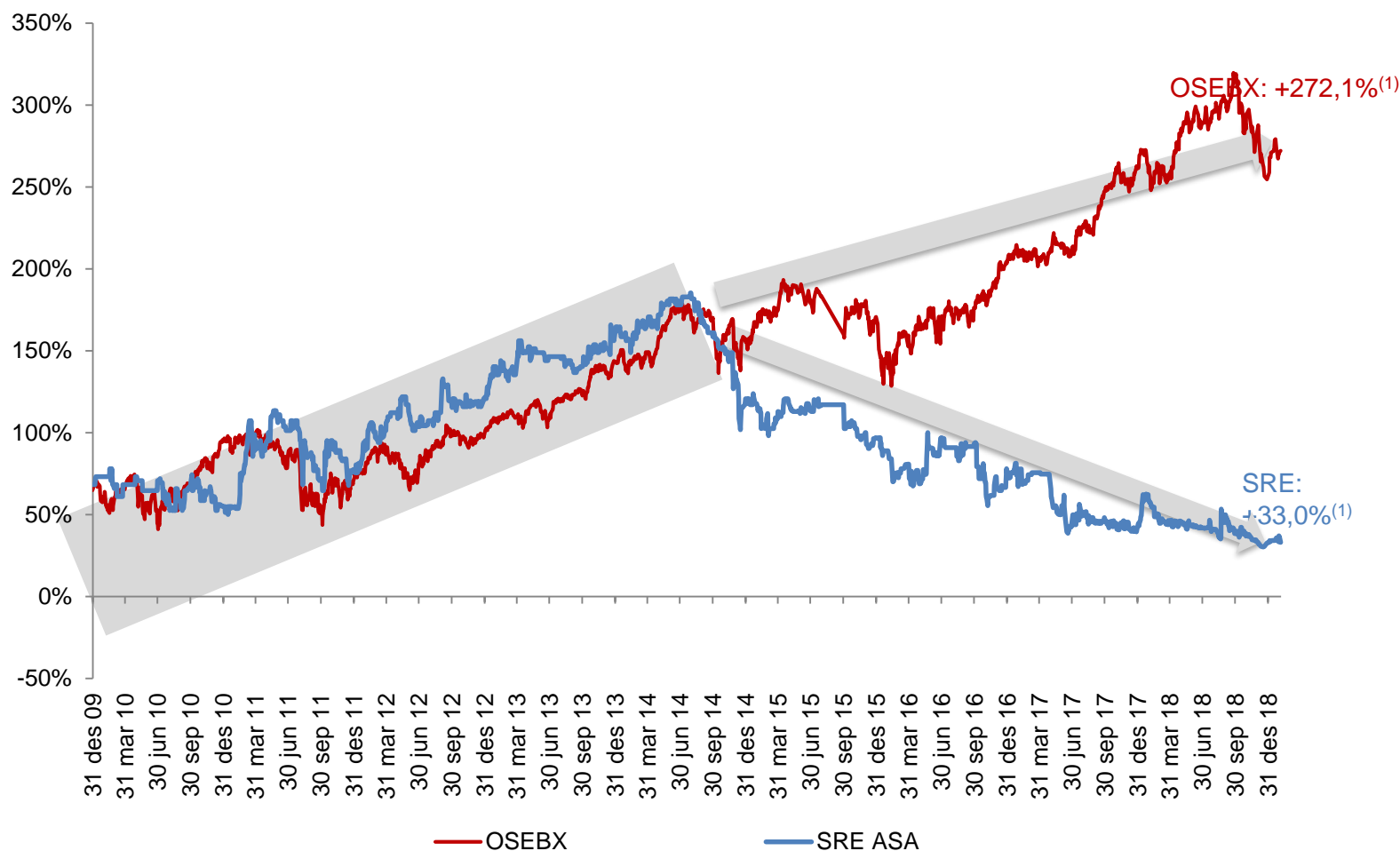
## BALANCE SHEET – MAJOR ITEMS

(US\$ '000)	31/12/18 <sup>(1)</sup>	31/12/17		31/12/18 <sup>(1)</sup>	31/12/17
Investment property	\$21,419	\$26,760	Bank loans	\$18,678	\$18,136
<b>Total non-current assets</b>	<b>\$26,590</b>	<b>\$26,770</b>	Deferred tax	\$112	\$284
			Other liabilities	\$849	\$1,505
Cash	\$500	\$2,247	<b>Total liabilities</b>	<b>\$19,639</b>	<b>\$19,640</b>
<b>Total current assets</b>	<b>\$852</b>	<b>\$2,865</b>	<b>Equity</b>	<b>\$2,637</b>	<b>\$9,994</b>
<b>Total assets</b>	<b>\$22,277</b>	<b>\$29,634</b>	<b>Total equity and liabilities</b>	<b>\$22,277</b>	<b>\$29,634</b>
			<i>Equity ratio</i>	<i>11.8%</i>	<i>33.7%</i>

(1) Unaudited.

## STORM REAL ESTATE SHARE PRICE PERFORMANCE

- The Storm Real Estate share was listed on Oslo main exchange on 6 July 2010.
- Before listing, the Storm share was traded OTC.
- Share prices are adjusted for dividends and changes in number of issued shares.

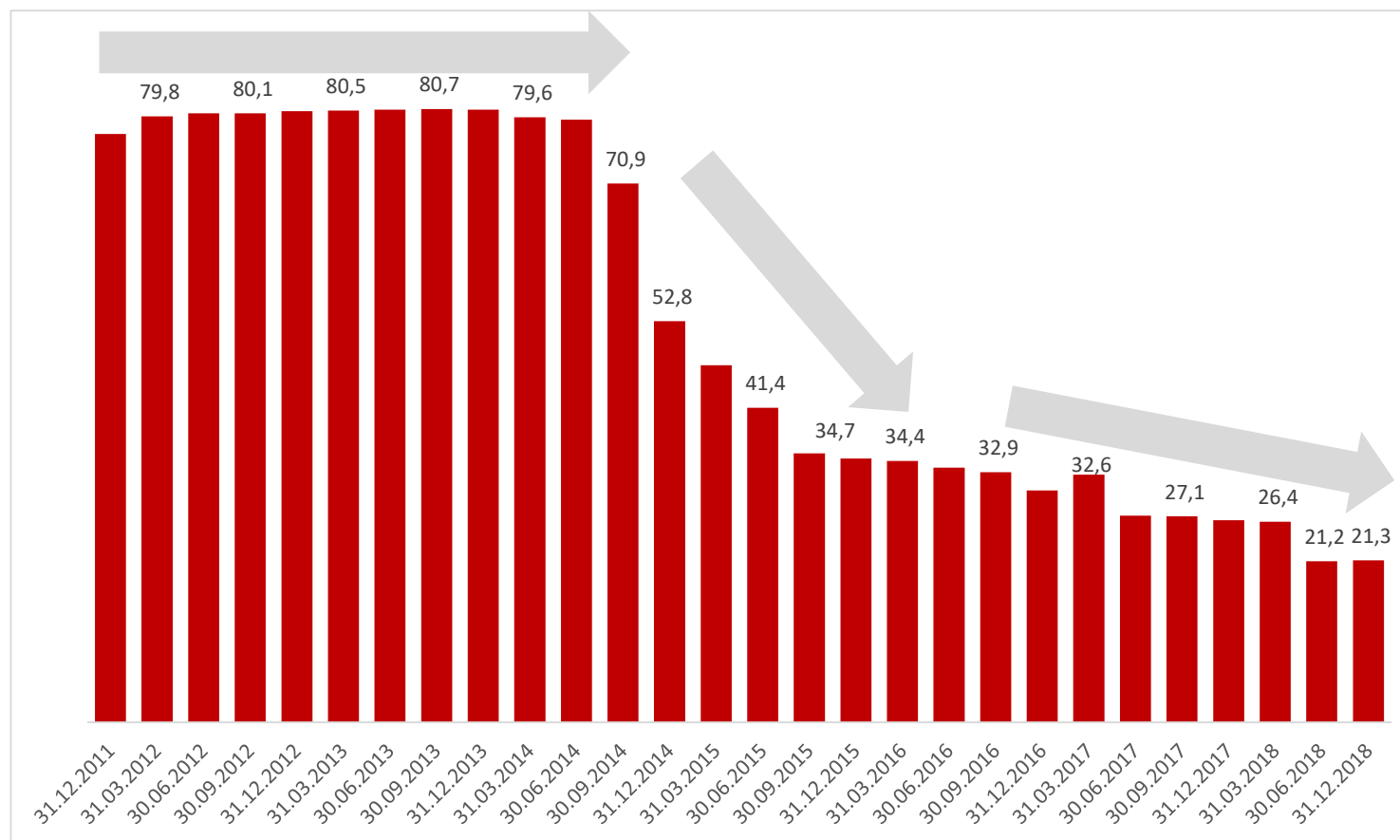


Source: Oslo Stock Exchange, Bloomberg

(1) SRE and OSEBX adjusted for dividends. As per 5 February 2019.

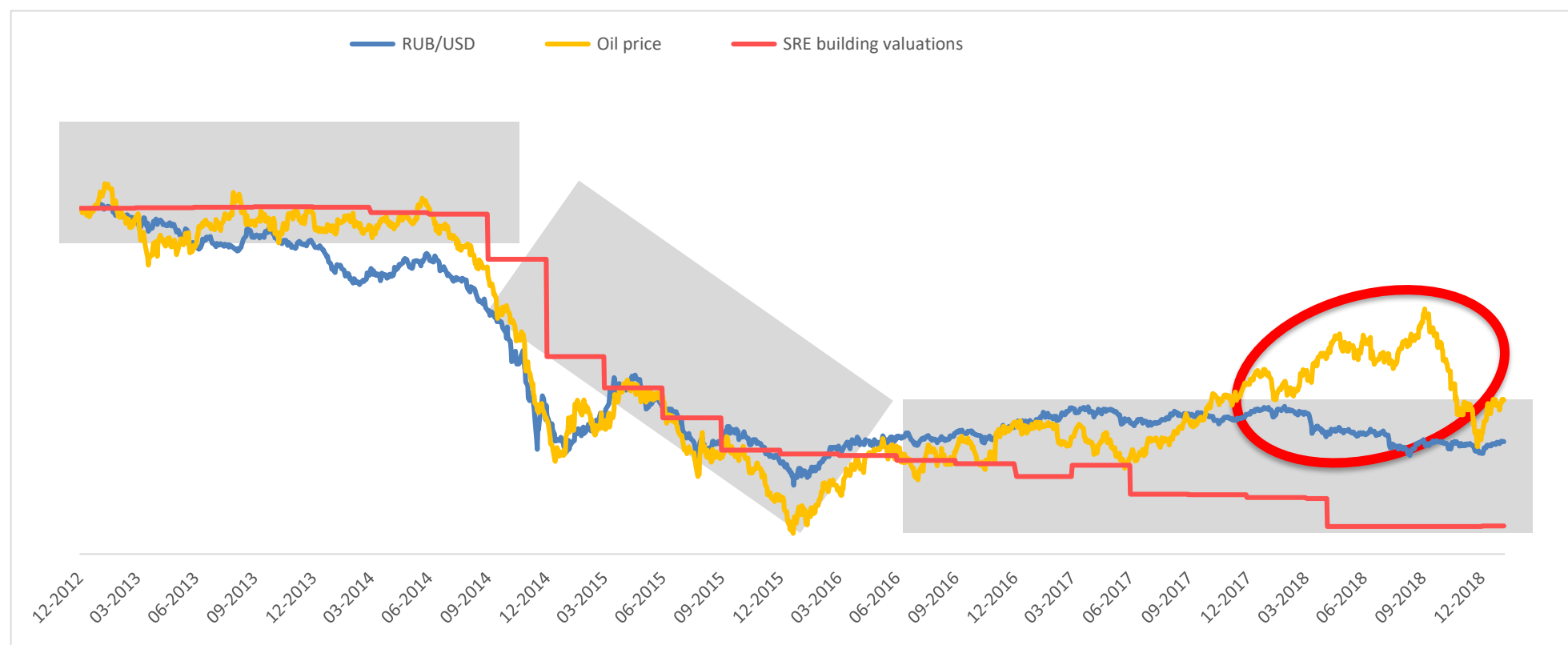
## DEVELOPMENT OF GASFIELD VALUATION 2012-2018

- Gasfield building valued at USD 80.7 million at peak (2013).
- Current valuation USD 21.3 million.
- Decline in valuation of USD 59.4 million (-74% from peak).





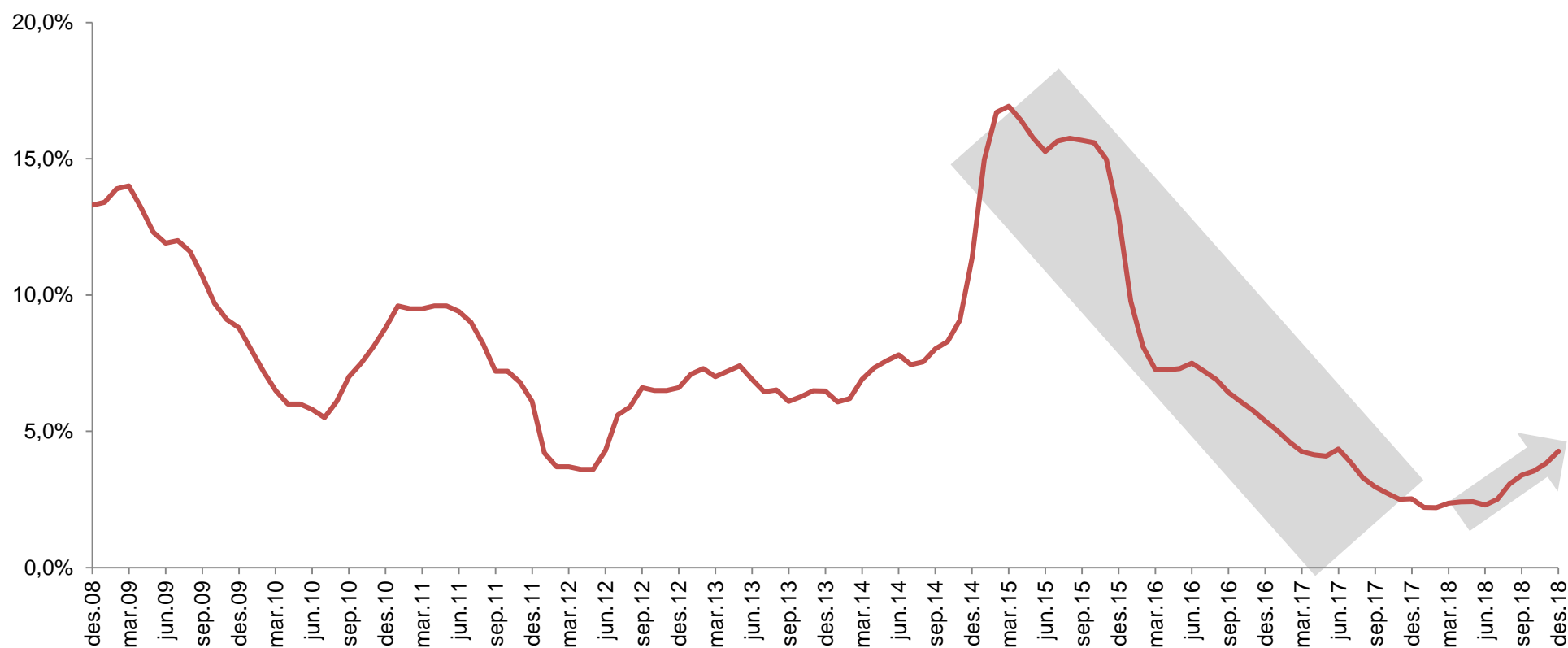
## OIL PRICE vs PROPERTY VALUES vs RUBLE



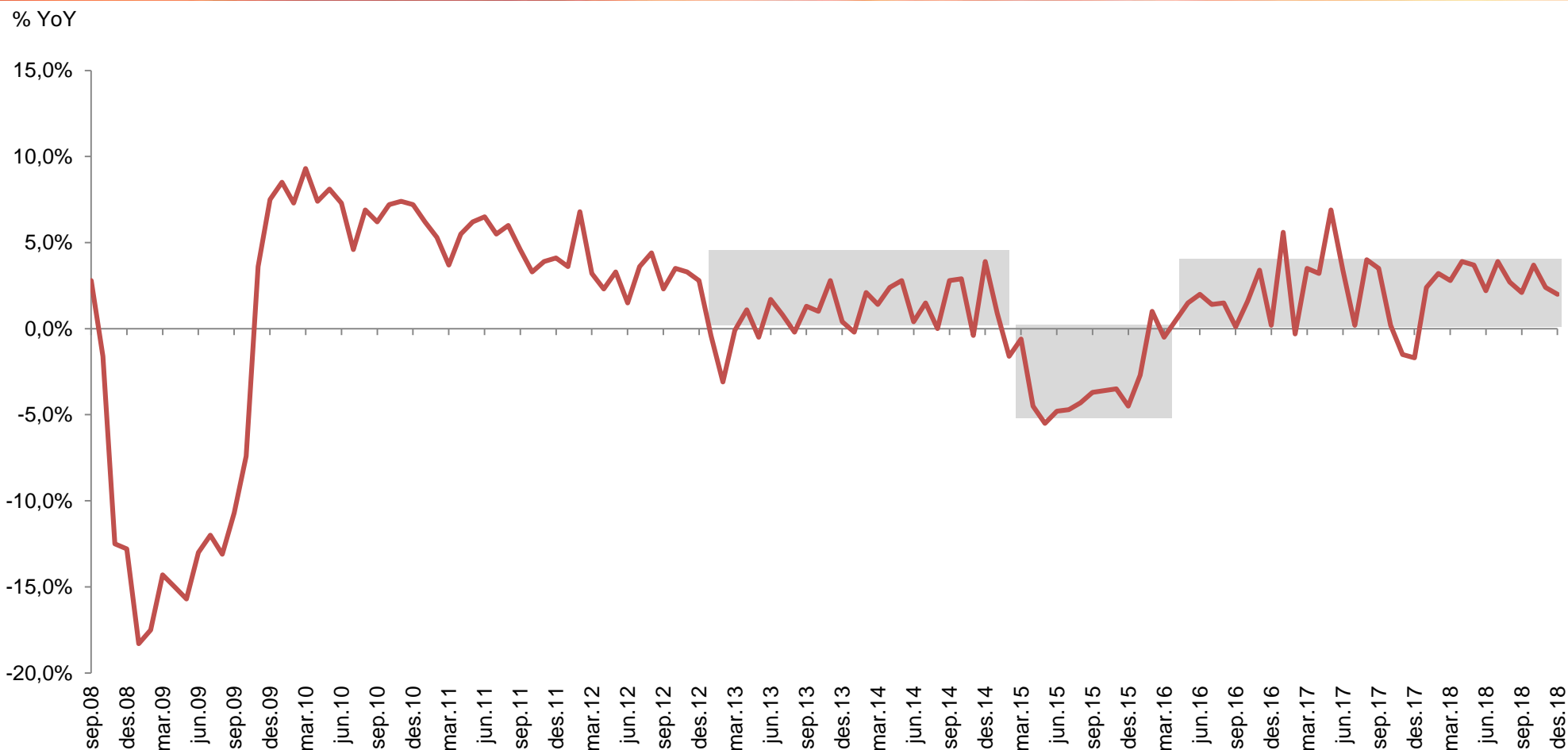
## RUSSIA – INFLATION

Inflation rate

*Inflation rate based on CPI*



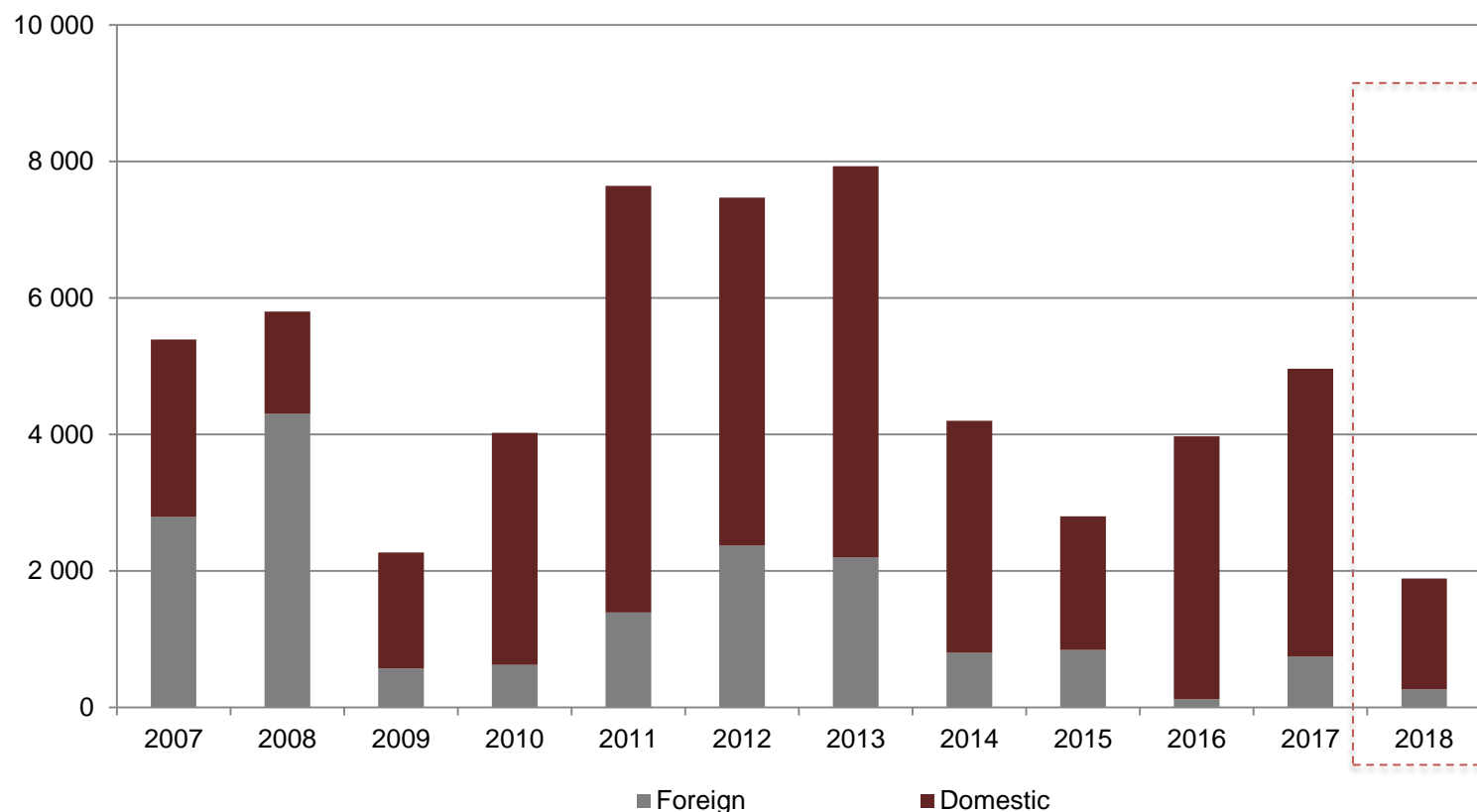
## RUSSIA – INDUSTRIAL PRODUCTION



*Economic activity (as measured by industrial production)*

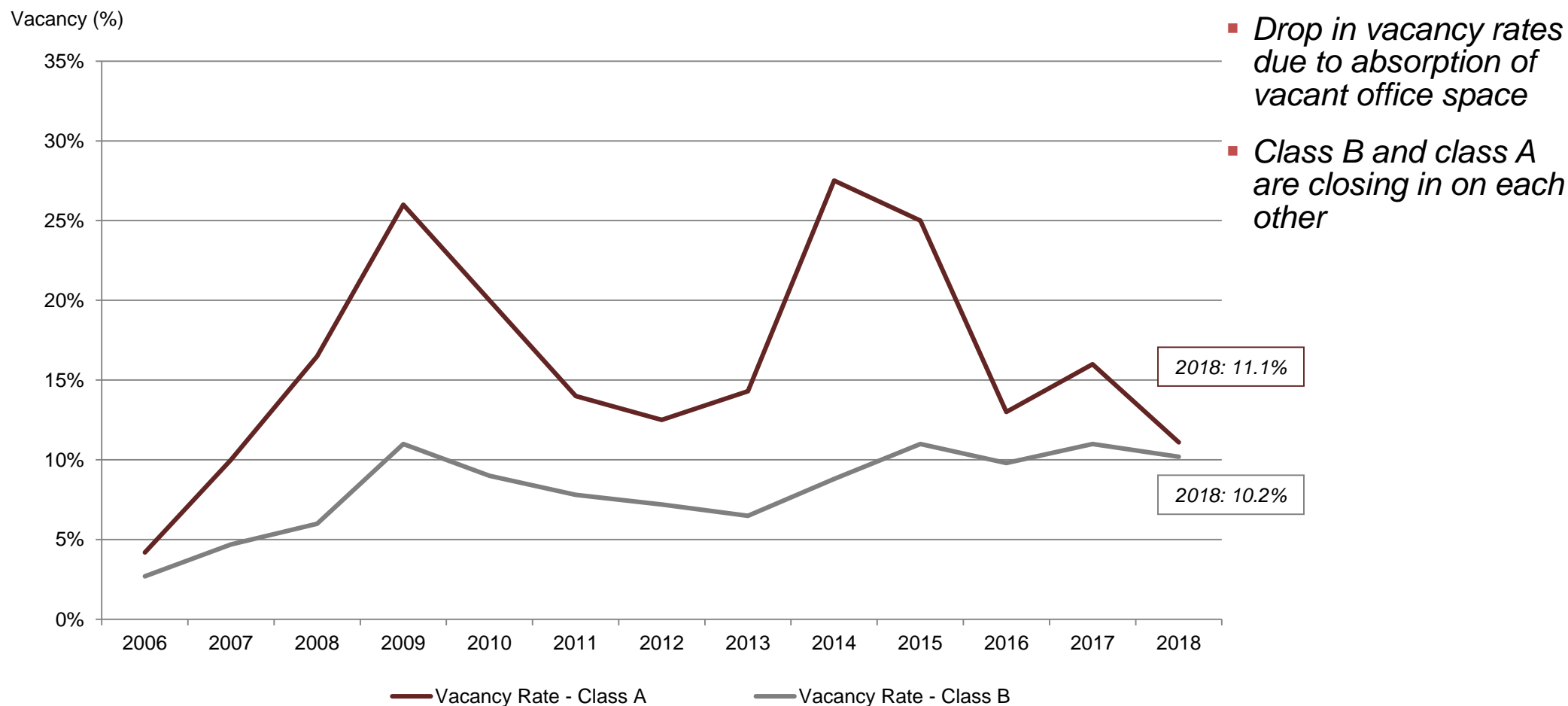
## RUSSIA – INVESTMENT VOLUME BY SOURCE OF CAPITAL

US\$ m



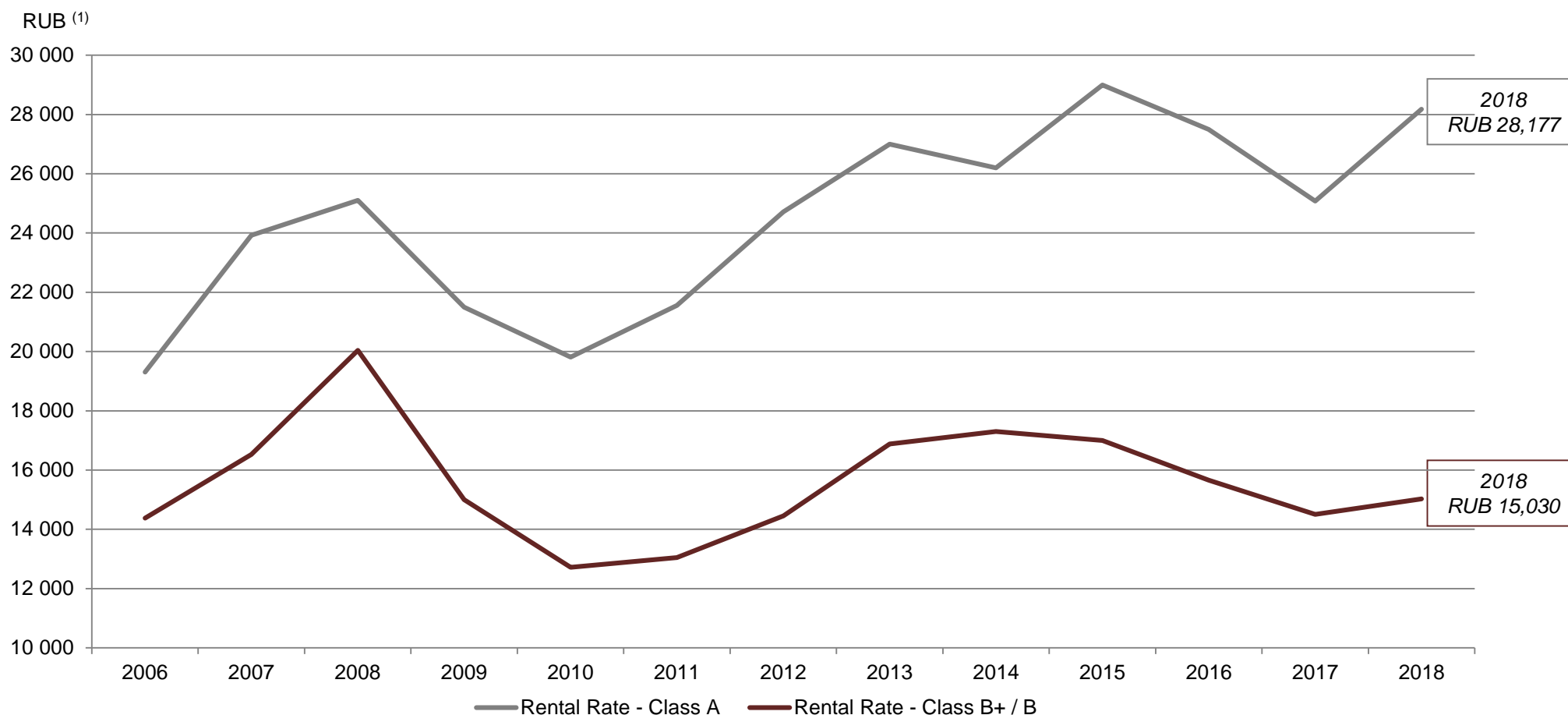
- *Investment volume low at USD 1.9bn in 2018, 14% foreign investments*
- *For reference the investment volume in USD was 5.0bn in 2017 and 4.0bn in 2016.*
- *For comparison, foreign capital constituted 15% of total investment volume in 2017, and 6% in 2016.*

## MOSCOW OFFICE MARKET – VACANCY RATE



*Vacancy rate (Classes A and B) decreased by 1.8 percentage points since end of 2017*

## MOSCOW OFFICE MARKET - AVERAGE RENTAL RATES IN RUB <sup>(1)</sup>

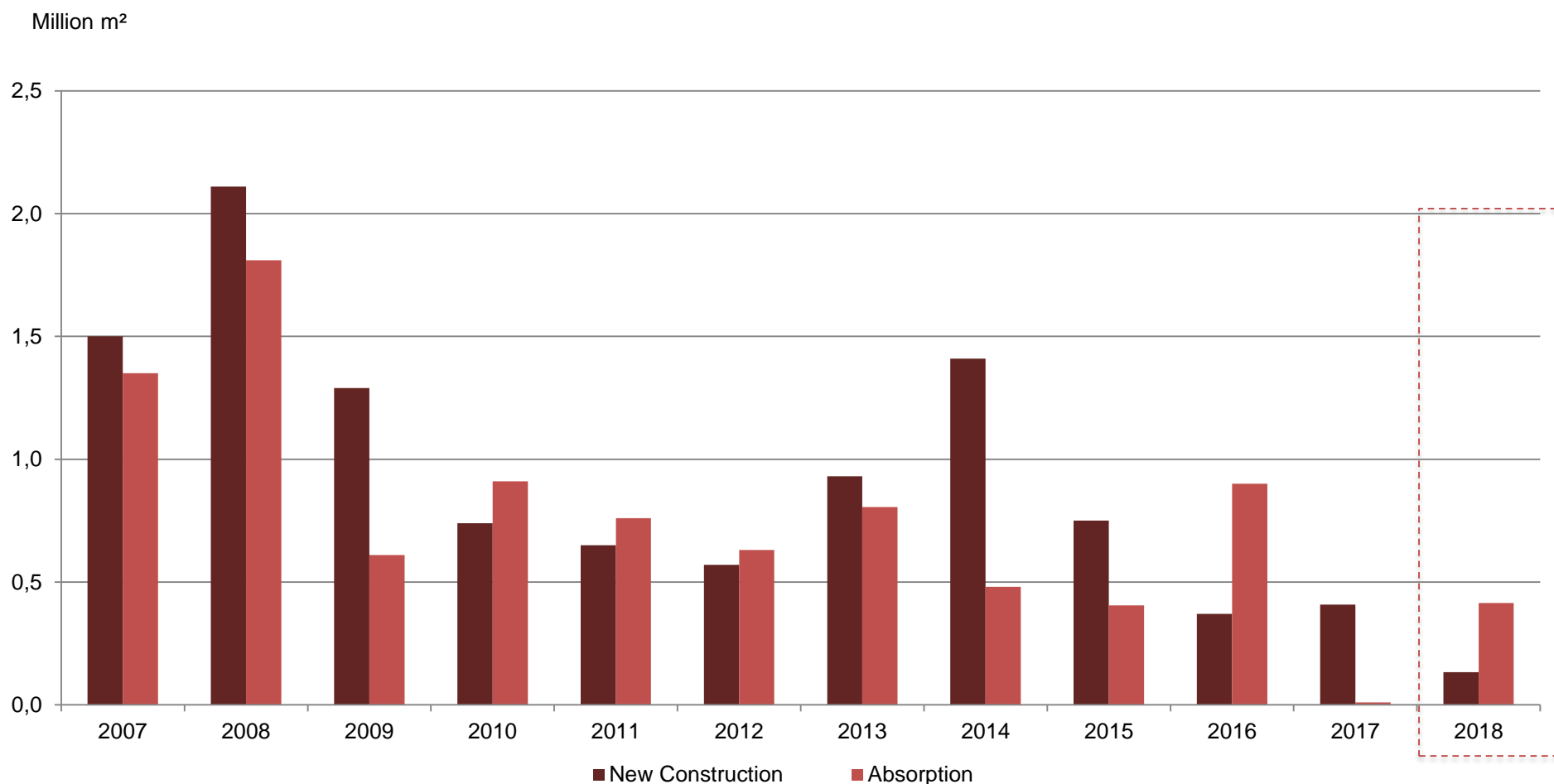


*Rent level in RUB terms slightly up on last year*

Source: Cushman & Wakefield

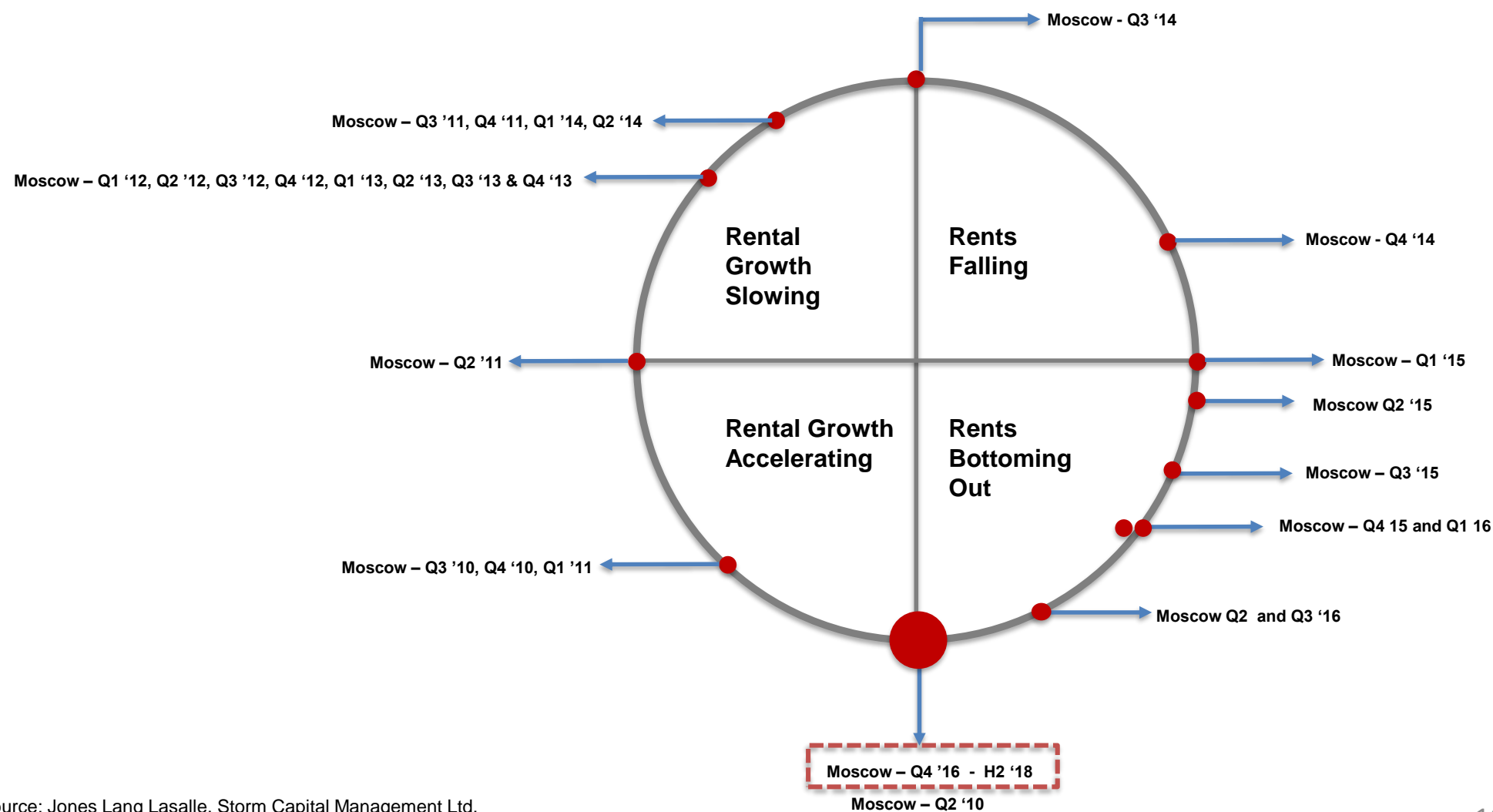
(1) Average rental rates is a weighted average rental rate of asking rents of deals closed within the period, RUB / m<sup>2</sup>/ annum/ triple net (net of op.ex and VAT)

## MOSCOW OFFICE MARKET – NEW CONSTRUCTION AND ABSORPTION



*Little new construction, and positive absorption.*

## EUROPEAN OFFICE CLOCK 2010 –2018





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## APPENDIX

## GASFIELD BUILDING

Gasfield Building



<b>Class</b>	B+
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<b>Gross Area</b>	c. 15,200 m <sup>2</sup>
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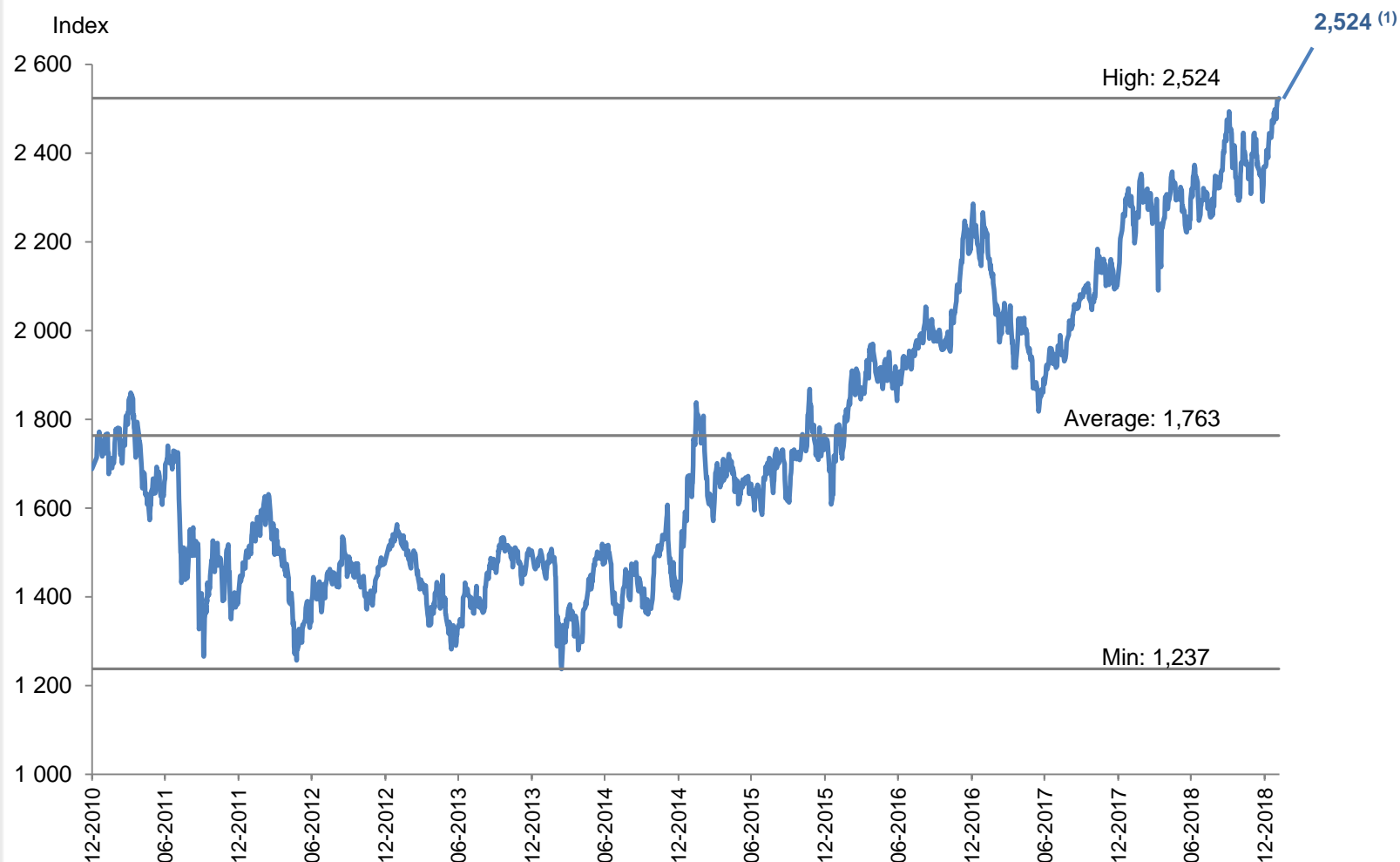
<b>Net lettable area</b>	c. 11,100 m <sup>2</sup>
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<b>Occupancy Rate</b>	c. 86%
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## PERFORMANCE OF THE RUSSIAN MOEX INDEX

Annual change in the MOEX index:

- +26,1% in 2015
- +26,8% in 2016
- -5,5% in 2017
- +12.3% in 2018
- The Index is currently (4 February 2019) at an all time high



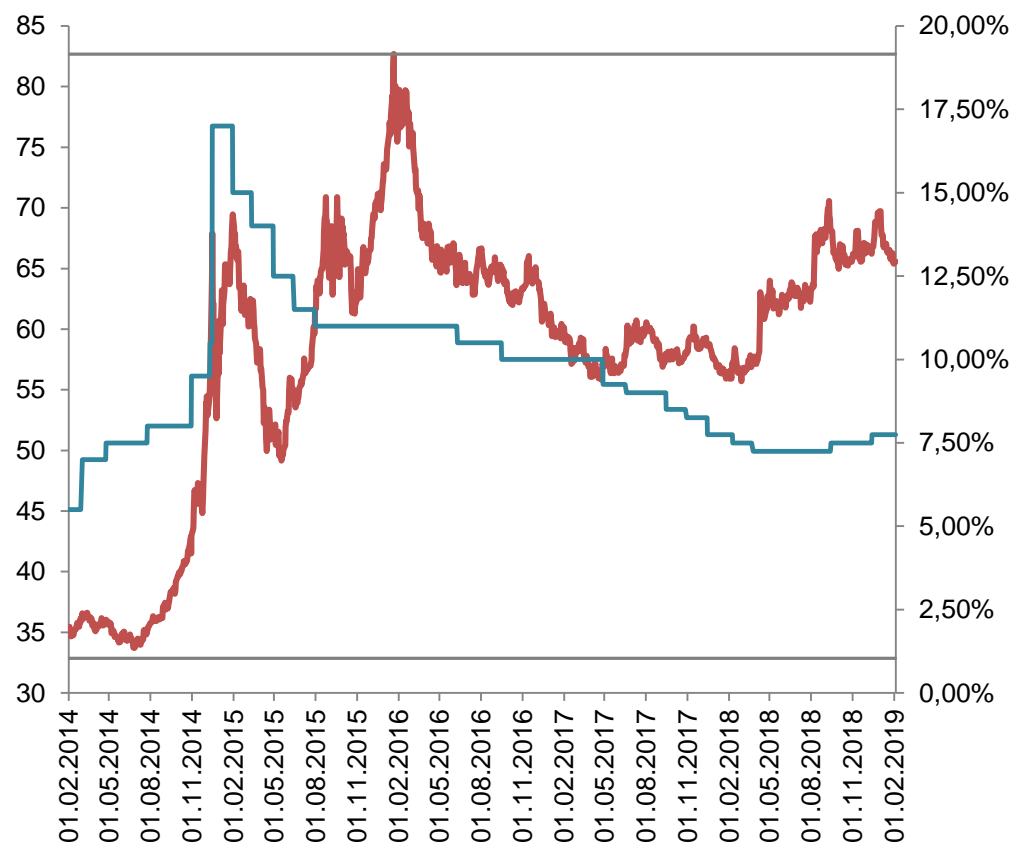
Source: Bloomberg, Moscow Exchange

(1) As per 4 February 2019. The MOEX Index is denominated in rubles, the RTS Index is denominated in dollar. Previous name MICEX index.

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

US\$/RUB Exchange Rate

CBR Key Rate



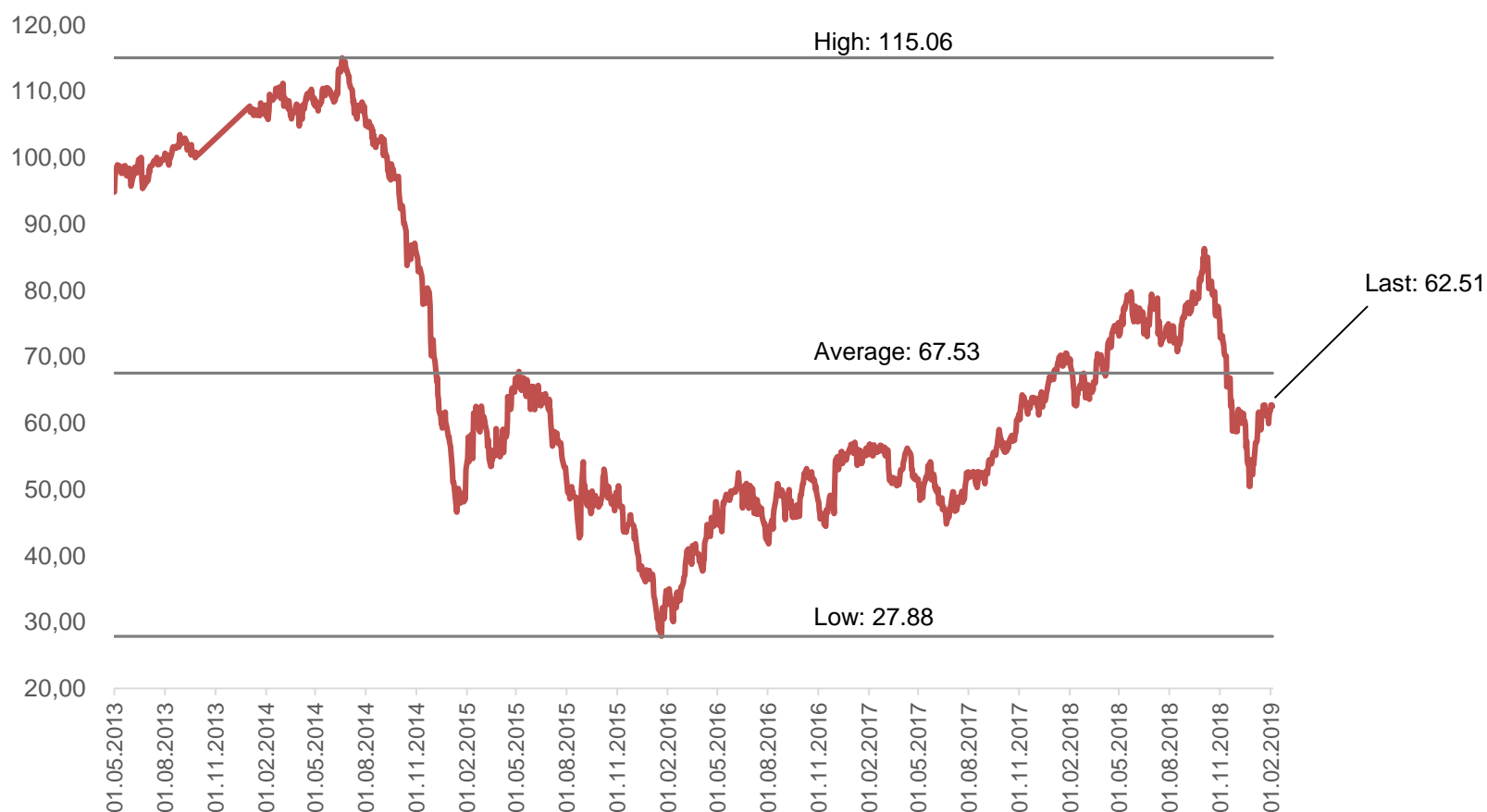
NOK/RUB Exchange Rate

CBR Key Rate



## BRENT OIL PRICE

Brent Oil Price (US\$)



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