



1<sup>st</sup> Half 2020

FINANCIAL RESULTS PRESENTATION

27 August 2020

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## KEY TAKE AWAYS

1. The company has entered into an agreement with Swedbank AB and Aconcagua Management Ltd which requires the company to perform a fair value adjustment of the debt to Swedbank AB (reduction of USD 9.1 million (financial income)).
2. NAV per share at NOK 11.1 (however, see note 3 and 4 in the H1 2020 report)
3. Total Comprehensive Income of USD 5.3 million in H1 2020
4. Gasfield occupancy at 97% (26 August 2020)
5. Currently no significant financial effects from the Covid-19 pandemic (however, see note 12 in the interim report)

## OPERATIONS / FINANCE

1. Gross rental income excl. VAT per month from the Gasfield building, according to signed contracts as at 30 June 2020, was RUB 15.1m (occupancy at 96%)
2. As at 30 June 2020 it is likely that the company is able to fulfil its debt obligations
3. The value of the building has decreased to USD 21.4m as at 30 June 2020, mostly due to currency translation (USD 24.8m as at 31 December 2019). The value of the land lease agreement is stable at USD 0.1 million

## P&amp;L – MAJOR ITEMS

mill. USD	H1 2020	H1 2019	12M 2019
<b>Total Comprehensive Income</b>	<b>+5.3</b>	<b>+1.5</b>	<b>+2.1</b>
<u>Summary of major items:</u>			
NOI from investment properties	+0.7	+0.7	+1.6
Value change investment properties	-3.4	+2.3	+3.5
Other operating expenses	-0.4	-0.6	-1.1
Borrowing costs	-0.7	-0.8	-1.4
Currency gains/ losses	-0.0	-0.1	+0.0
Fair value adjustment bank loan	+9.1	0.0	0.0
Taxes	+0.0	-0.1	-0.3

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## BALANCE SHEET – MAJOR ITEMS

(US\$ '000)	30/06/20 <sup>(1)</sup>	31/12/19	30/06/20 <sup>(1)</sup>	31/12/19
Investment property	\$21,526	\$24,891	Bank loans	\$11,500
<b>Total non-current assets</b>	<b>\$21,526</b>	<b>\$24,891</b>	Deferred tax	\$331
			Other liabilities	\$1,146
Cash	\$761	\$742	<b>Total liabilities</b>	<b>\$12,978</b>
Other current assets	\$701	\$861		
<b>Total current assets</b>	<b>\$1,461</b>	<b>\$1,603</b>	<b>Equity</b>	<b>\$10,015</b>
<b>Total assets</b>	<b>\$22,992</b>	<b>\$26,497</b>	<b>Total equity and liabilities</b>	<b>\$22,992</b>
			<i>Equity ratio</i>	43.6%
				17.8%

(1) Unaudited.

## STORM REAL ESTATE SHARE PRICE PERFORMANCE SINCE LISTING

- 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.



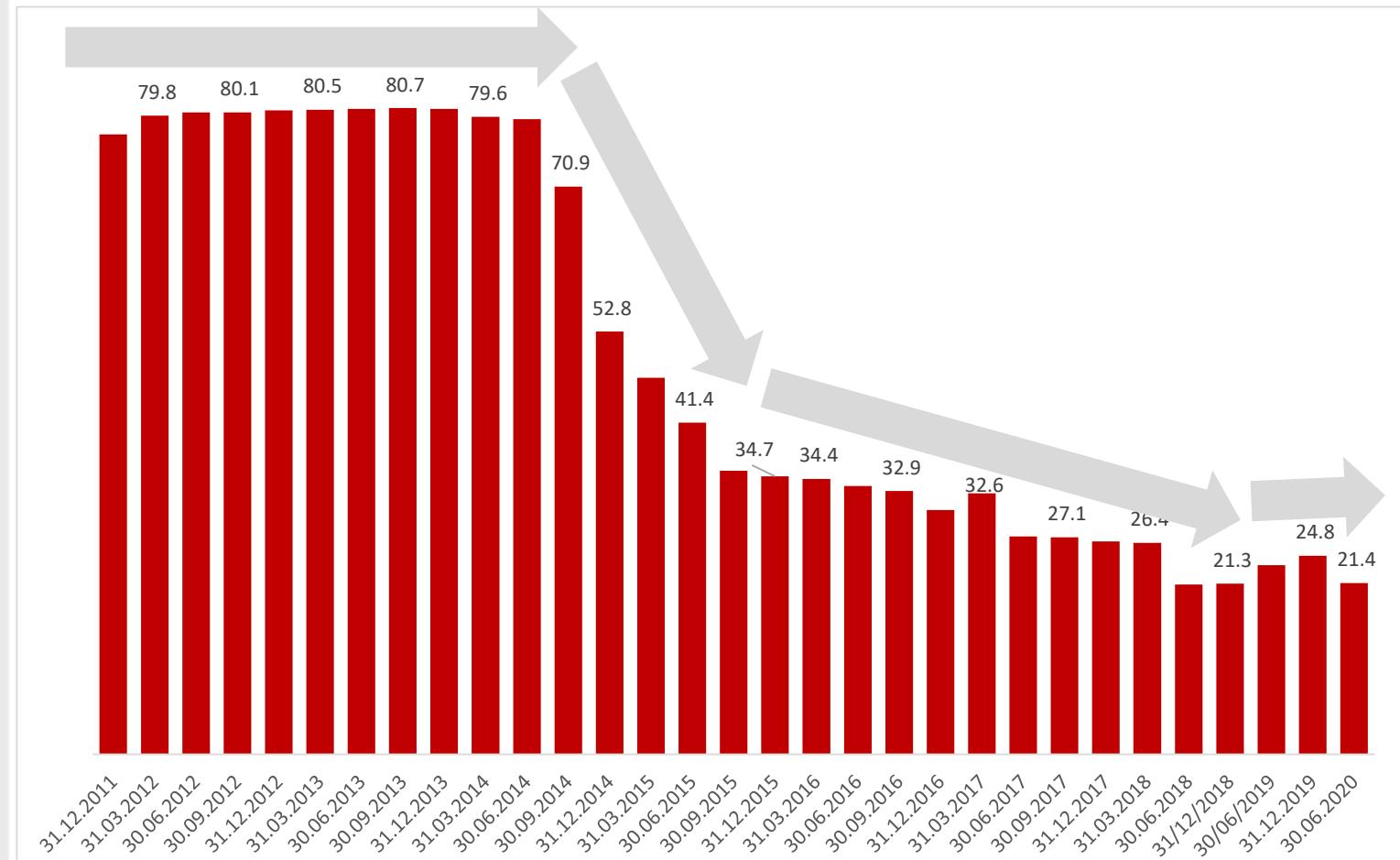
Source: Oslo Stock Exchange, Bloomberg

(1) SRE and OSEBX adjusted for dividends. As at 25 August 2020.

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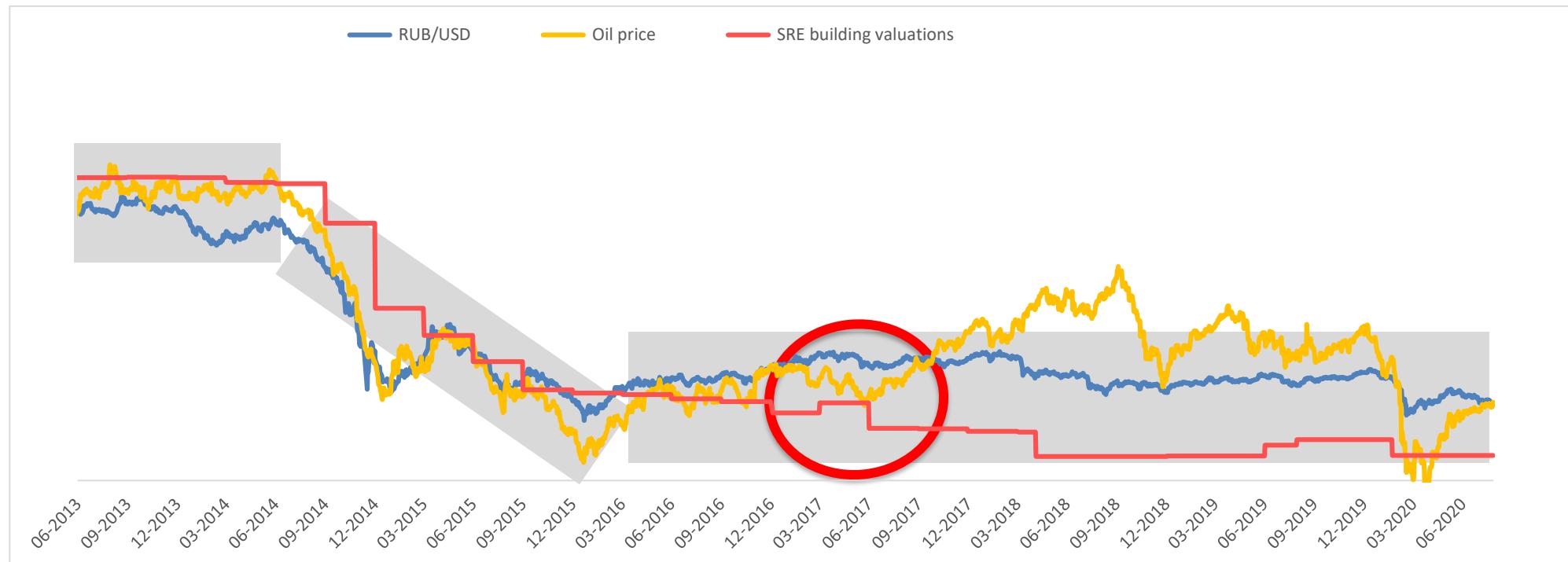
## DEVELOPMENT OF GASFIELD VALUATION 2012-2020

- Gasfield building valued at USD 80.7 million at peak (2013).
- Current valuation USD 21.4 million.
- Decline in valuation of USD 59.3 million (-73% from peak).



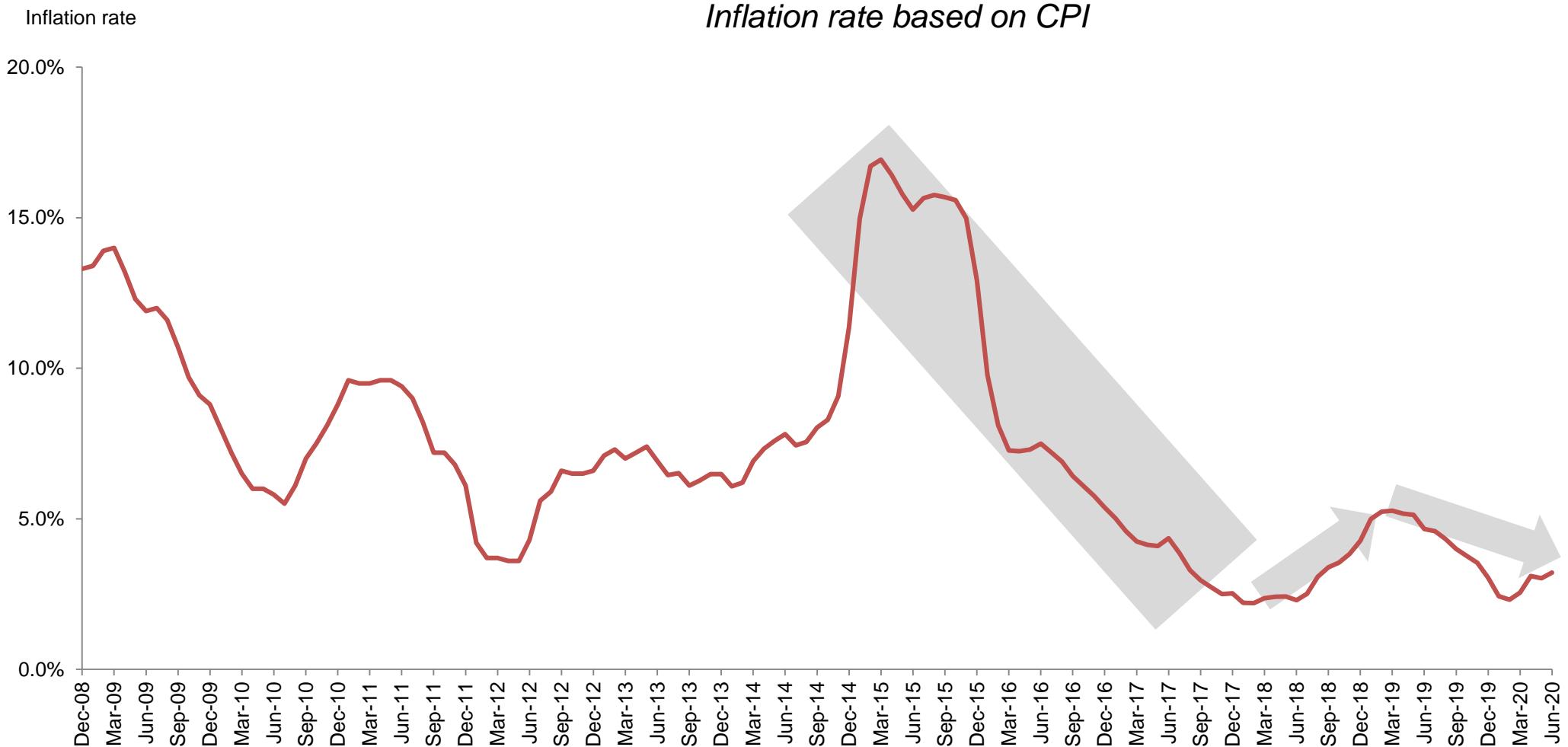
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## OIL PRICE vs PROPERTY VALUES vs RUBLE



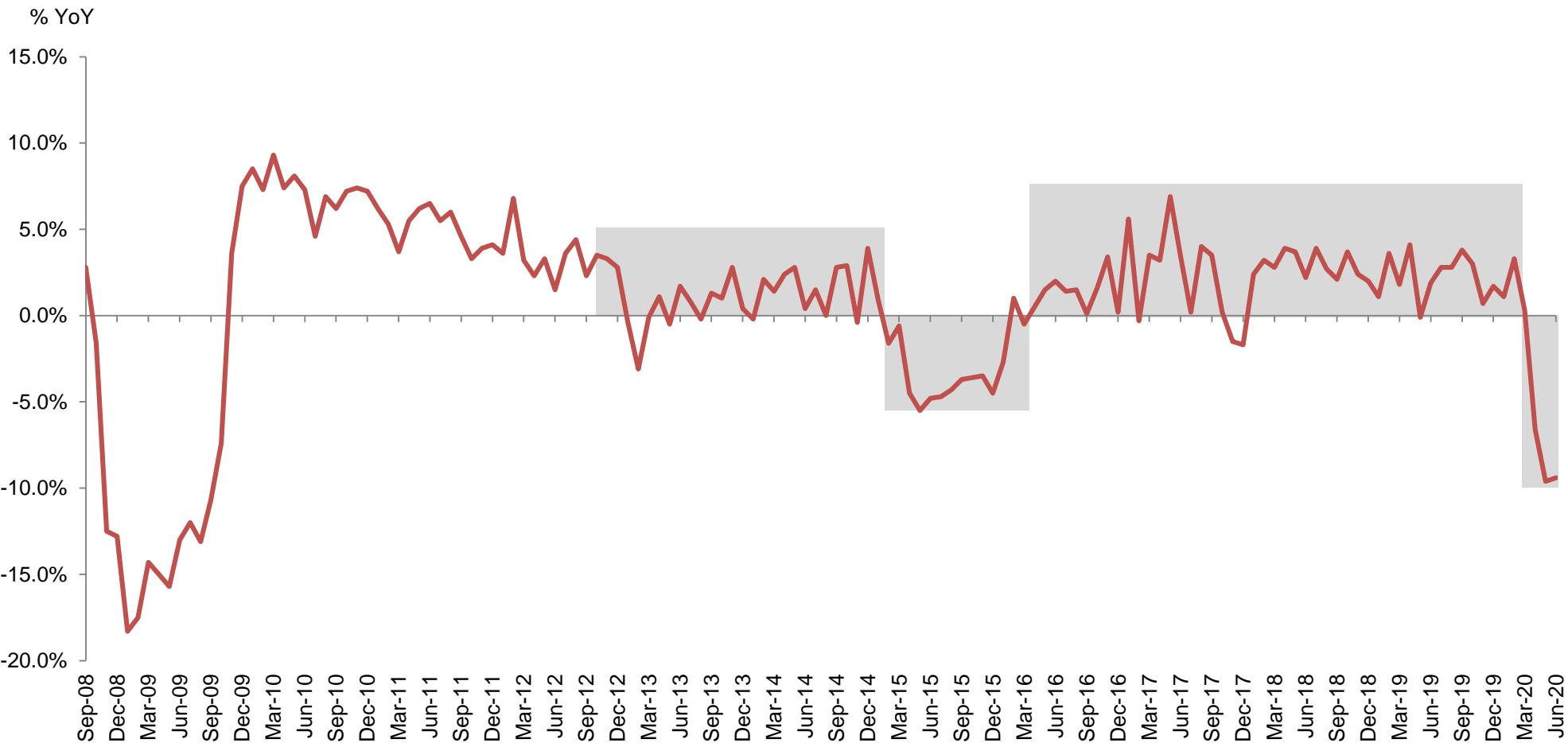
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## RUSSIA – INFLATION



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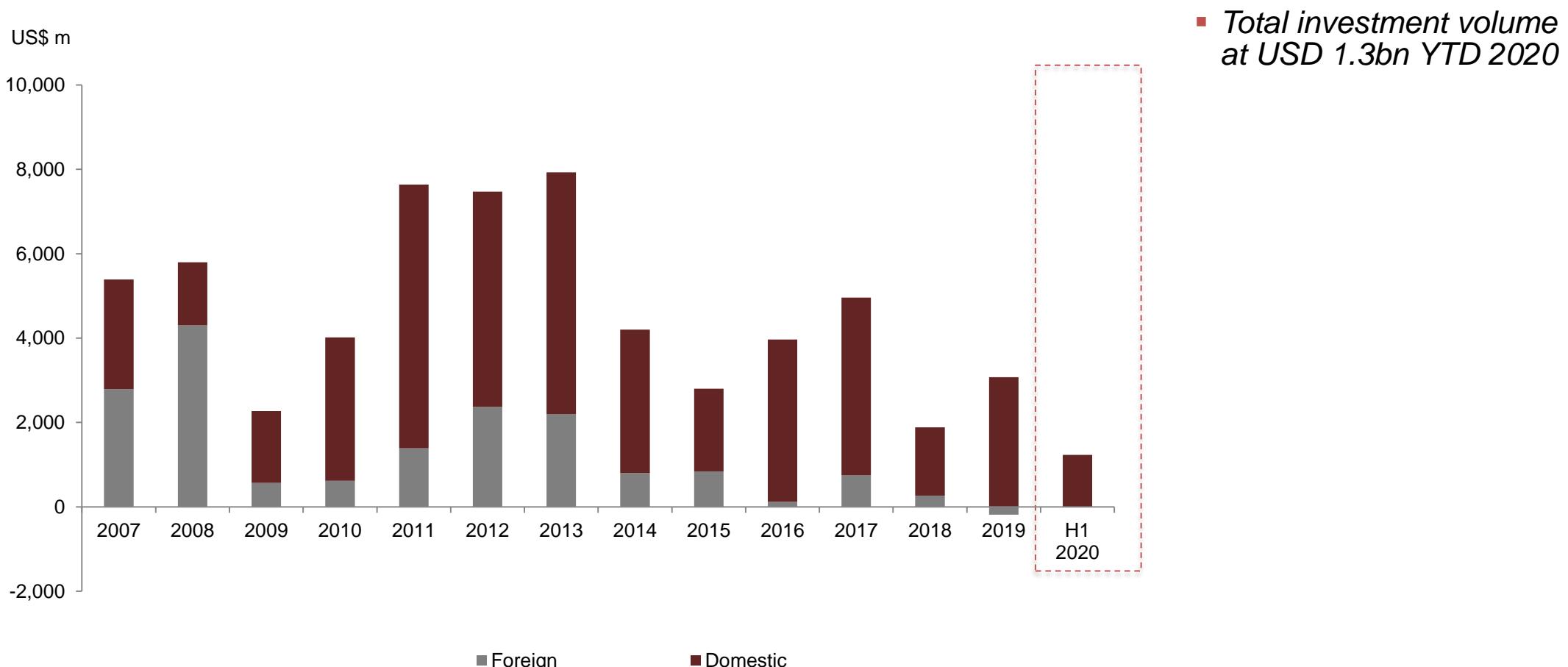
## RUSSIA – INDUSTRIAL PRODUCTION



*Economic activity (as measured by industrial production)*

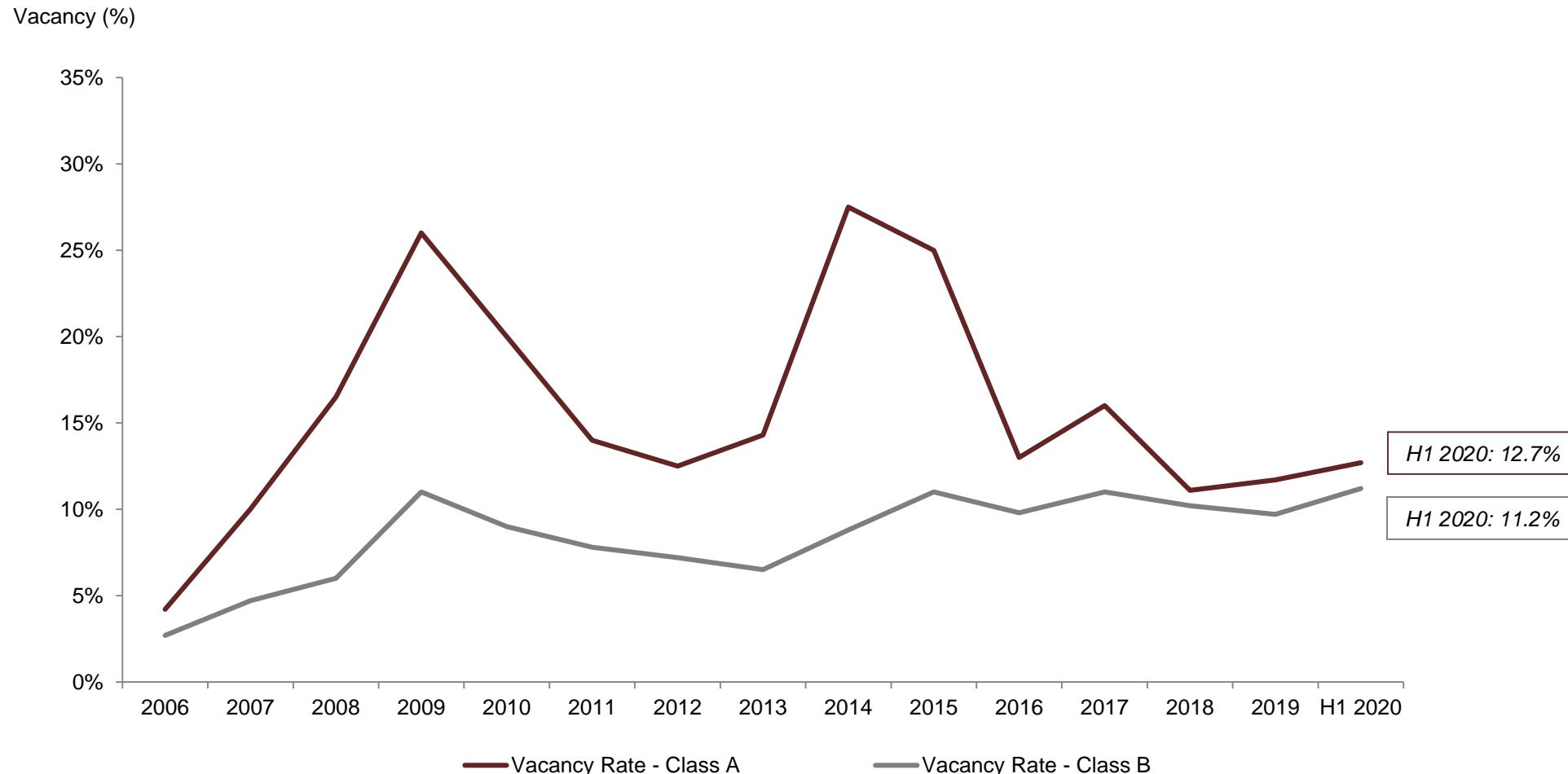
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## RUSSIA – INVESTMENT VOLUME BY SOURCE OF CAPITAL



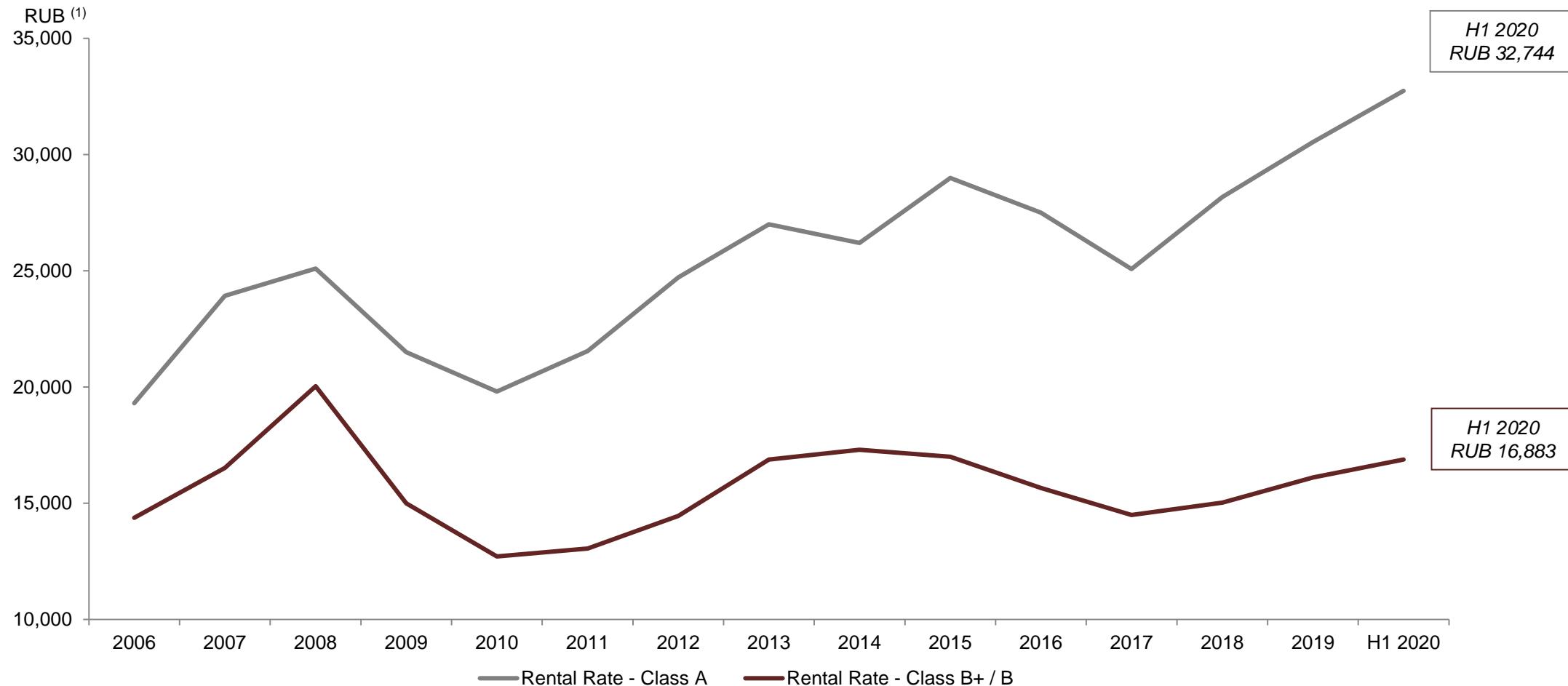
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## MOSCOW OFFICE MARKET – VACANCY RATE



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

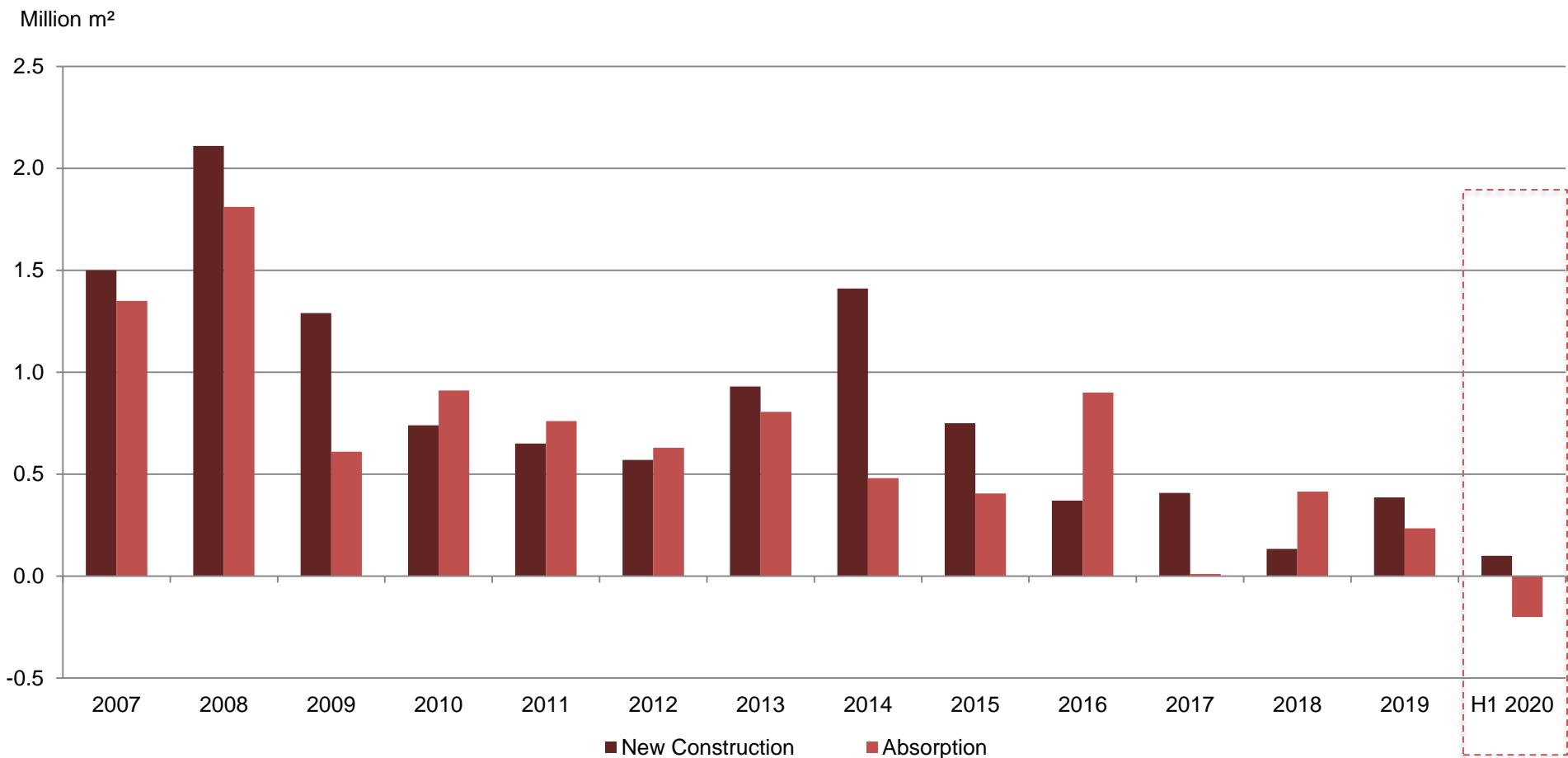


*Rent level in RUB terms slightly up in class B*

Source: Cushman & Wakefield

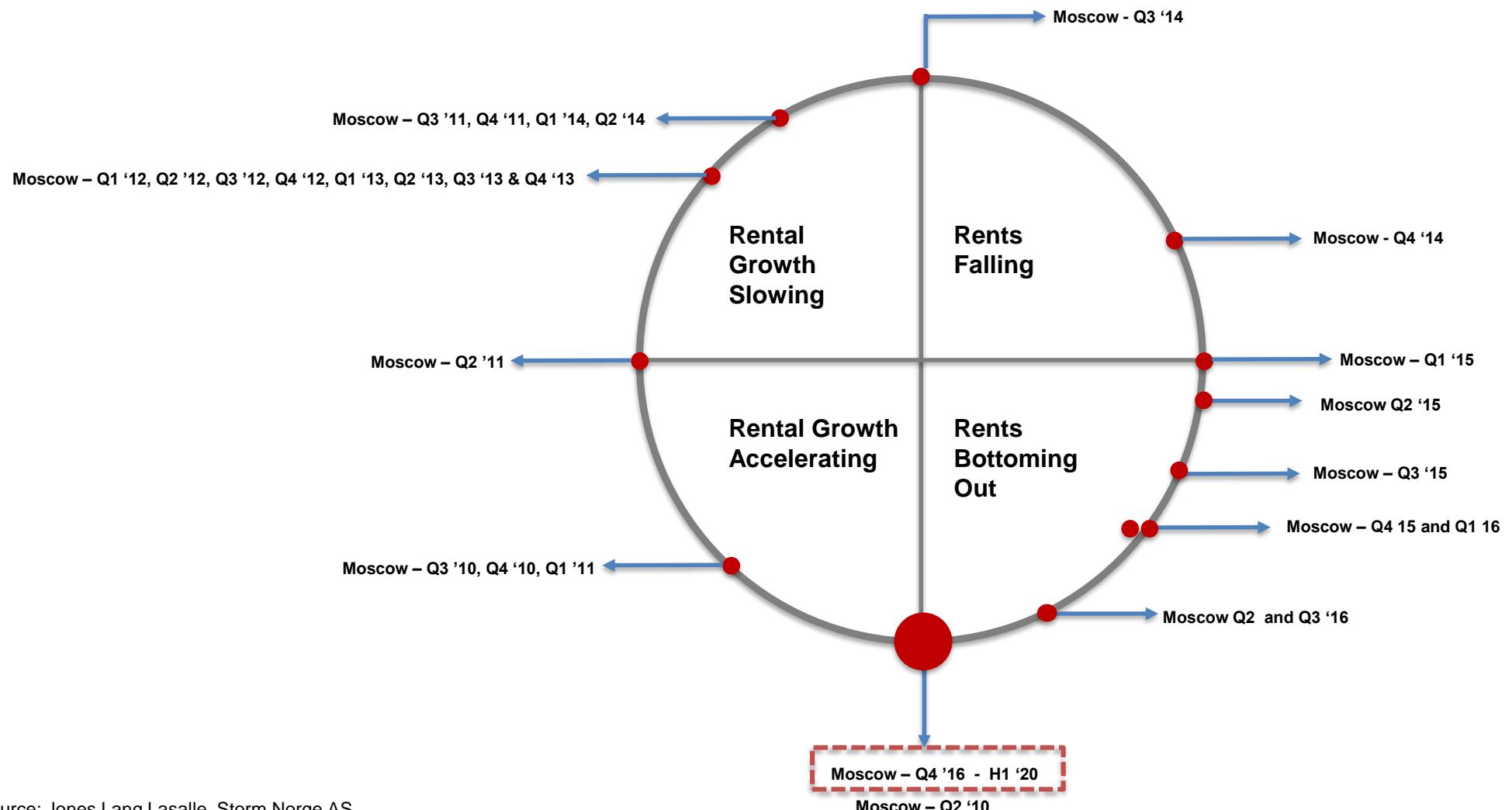
(1) Average rental rates is a weighted average rental rate of asking rents of deals closed within the period, RUB / m<sup>2</sup> / annum/ triple net (net of op.ex and VAT)

## MOSCOW OFFICE MARKET – NEW CONSTRUCTION AND ABSORPTION



*Low construction, still negative absorption.*

## EUROPEAN OFFICE CLOCK 2010 –2020



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## APPENDIX

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## GASFIELD BUILDING

Gasfield Building



**Class**

B+

**Gross Area**

c. 15,200 m<sup>2</sup>

**Net lettable area**

c. 11,011 m<sup>2</sup>

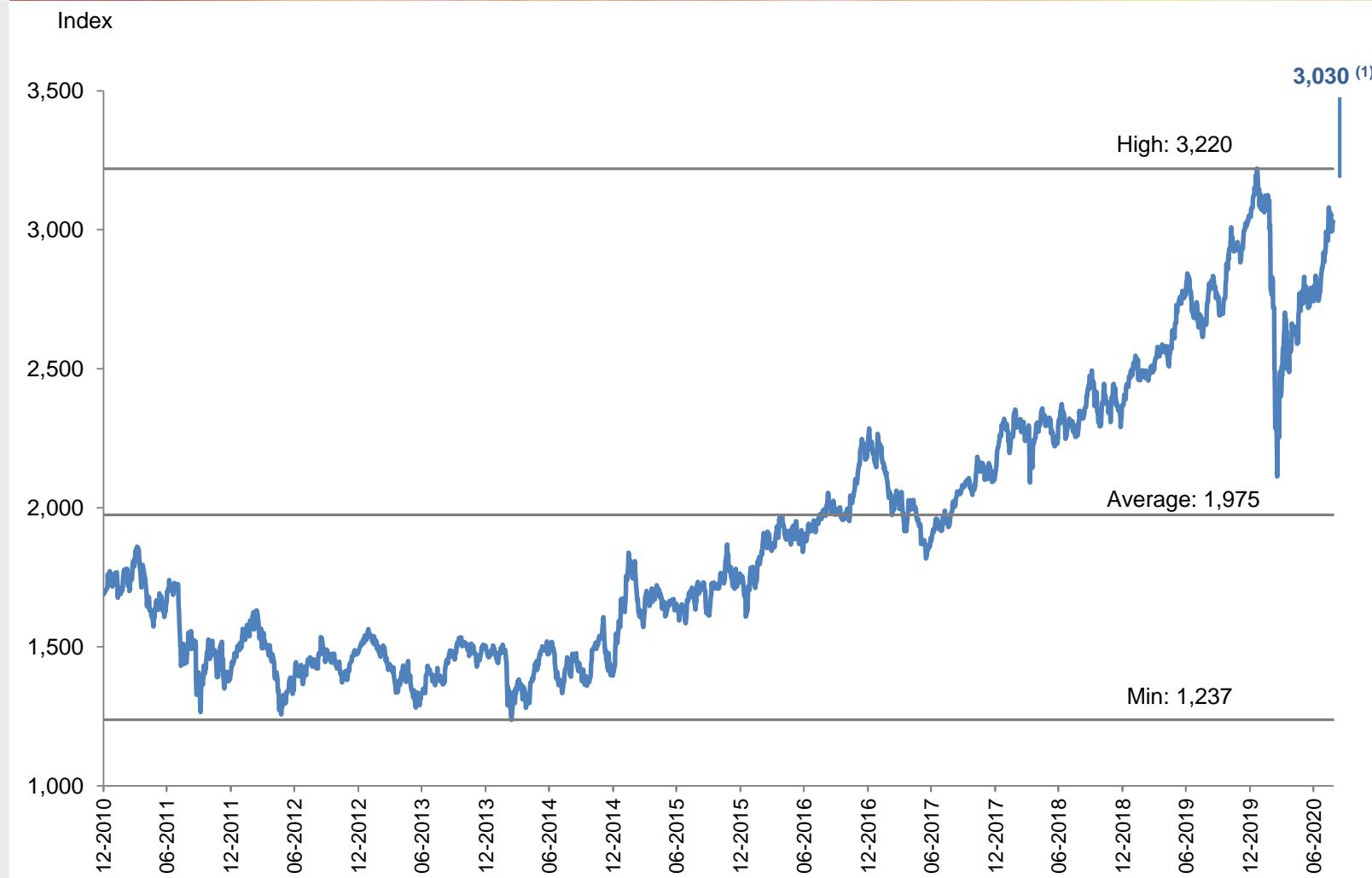
**Occupancy Rate**

c. 97%

## 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
- +12.4% in 2019
- -0.0% YTD 2020



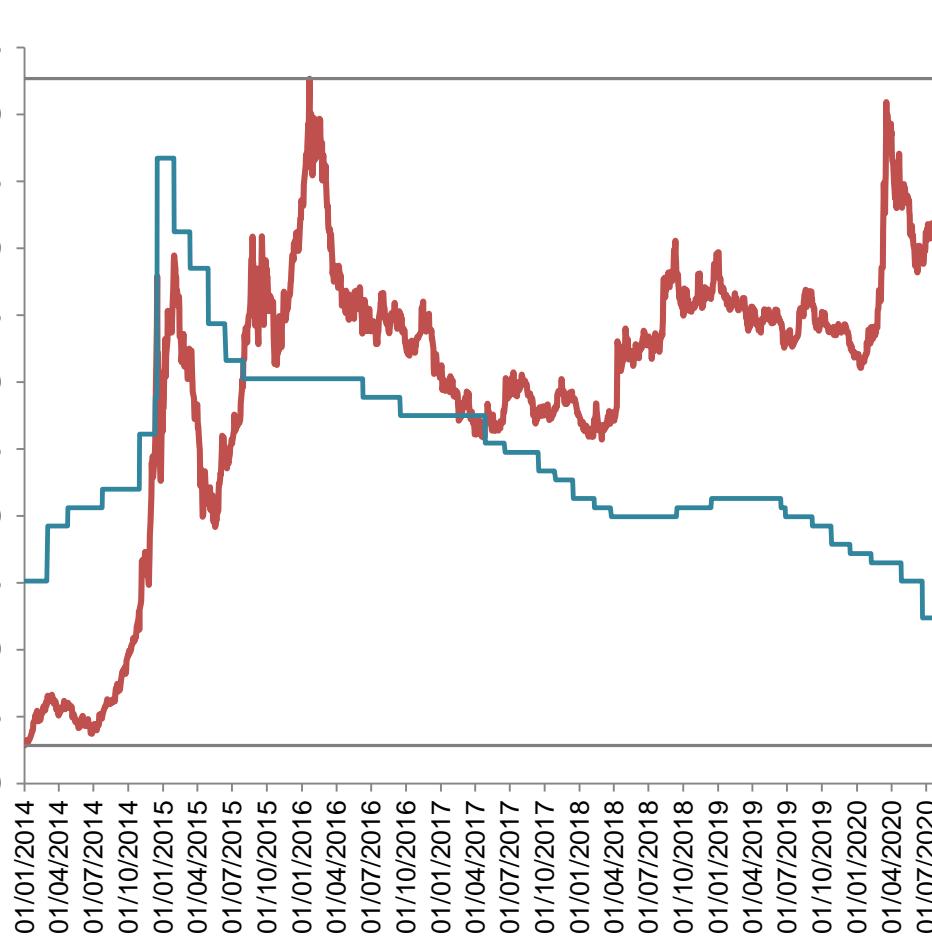
Source: Bloomberg, Moscow Exchange

(1) As at 25 August 2020. The MOEX Index is denominated in rubles, the RTS Index is denominated in dollar. Previous name MICEX index.

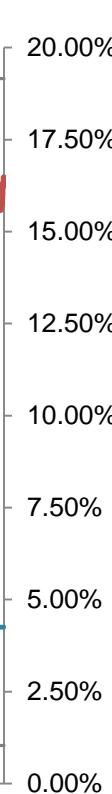
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## RUSSIA – US\$/RUB AND NOK/RUB EXCHANGE RATE MOVEMENTS AND CBR KEY RATE

US\$/RUB Exchange Rate



CBR Key Rate



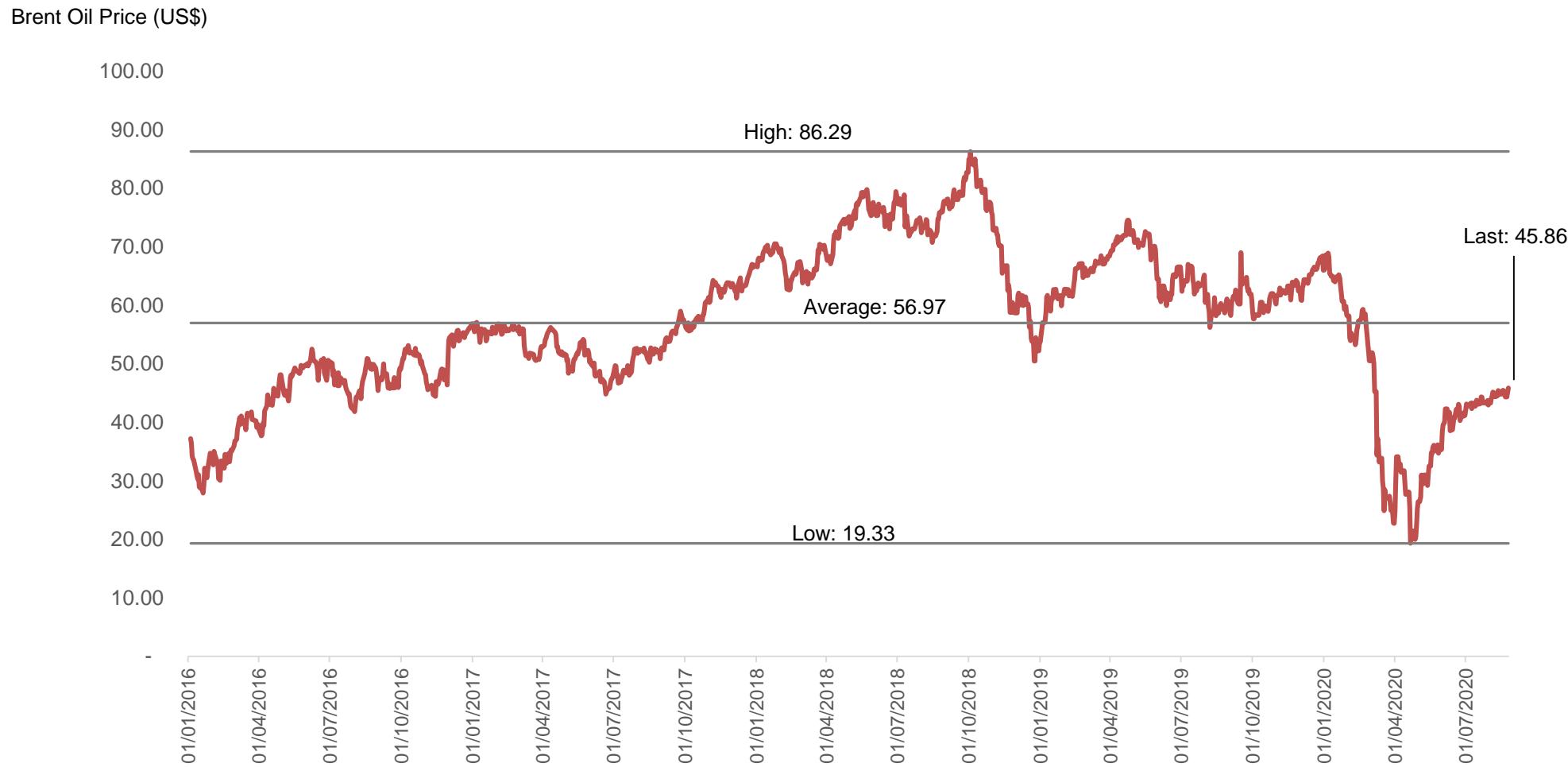
NOK/RUB Exchange Rate



CBR Key Rate

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## BRENT OIL PRICE



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