

H1

Storm Real Estate ASA
Interim report
January – June 2020



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

	Unaudited H1 2020	Unaudited H1 2019
Total Comprehensive Income	+5.3	+1,5

Summary of the largest major items:

NOI from investment property	+0.7	+0.7
Value change investment property	-3.4	+2.3
Other operational expenses	-0.4	-0.6
Borrowing costs	-0.7	-0.8
Currency gain / loss	-0.0	-0.1
Fair value adjustment bank loan (see note 3)	+9.1	0.0
Taxes	+0.0	-0.1

Return ratios

	Return on Equity ⁽¹⁾	Total Shareholder Return ⁽²⁾
Last 1 year	+142.8%	-6.5%
Last 3 years (annualised)	-5.5%	-21.4%
Last 5 years (annualised)	-18.6%	-28.8%

⁽¹⁾ Return on Equity = Total Comprehensive Income (IFRS) for the period / (brought forward equity (IFRS) as at start of the period + other changes in equity than Total Comprehensive income (IFRS) for 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.

*The formula used to calculate the return on equity stated above was altered on 30 June 2019. The former formula (Return on Equity = Total Comprehensive Income (IFRS) for the period / brought forward equity (IFRS) for start of the period, annualised) did not consider other changes in equity than Total Comprehensive income in the period. To show the return on other changes in equity as well, we have included it in the new formula, see note (1) above.

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.

Financial information

(all following numbers are in USD)

Summary

- During the period the Covid-19 pandemic has had a severe human and financial impact on both the Norwegian and Russian society. The pandemic's effects on the Group's future financial results is discussed in note 12.
- The current occupancy rate in the Gasfield building, the Group's only income source, is 97%, divided on 75 lease agreements. The building has upheld a high occupancy rate since late 2018 and during the Covid-19 pandemic, showing its attractiveness in the Moscow office rental market.
- The rental income in RUB is stable compared to the same period in 2019. Discounts given to the tenants due to the pandemic has been offset against increased rental rates and higher average occupancy in H1 2020.
- As described in the annual report for 2019, Storm Real Estate ASA has over several years negotiated with its main creditor, Swedbank AB, to refinance its current bank debt. During this period the company and the bank has entered into several standstill agreements, waving covenants and amortisation, to give the parties time to negotiate a final solution. On 27 May 2020 Storm Real Estate ASA, Swedbank AB and Aconcagua Management Ltd (wholly owned by Morten E. Astrup) entered into a new agreement, please see the public announcement on newsweb.no (<https://newsweb.oslobors.no/message/506635>). The new agreement extends the standstill period until 30 June 2022. During the standstill period, Storm Real Estate ASA and (provided equal treatment of shareholders is ensured) Aconcagua Management Ltd will have a right to repay and/or purchase the entirety of the outstanding debt for an amount equal to the sum of the USD equivalent of RUB 558 million (at the exchange rate at time of transaction, however not higher than USD:RUB 65) and USD 2.9 million. As at 30 June 2020 the original debt was USD 20,562,189. The continued standstill remains subject to certain conditions, please see note 4 below.

Income statement

- The Group had a total comprehensive income in H1 2020 of +5.3 million, compared to +1.5 million in H1 2019.
- The change in carrying value of the investment property Gasfield effected the total comprehensive income by -3.4 million in H1 2020 (H1 2019: +2.3 million).
- Revenues from the investment property Gasfield were +1.2 million in H1 2020 (H1 2019: +1.4 million).
- Borrowing costs were 0.7 million in the period (H1 2019: 0.8 million).
- In accordance with IFRS 9 the Group performed a fair value adjustment of the bank loan, due to the agreement mentioned above, which effected the total comprehensive income by + 9.1 million, please see note 4 for more information.

Balance sheet

- The investment property Gasfield is recorded at 21.5 million. The building's valuation, in accordance with valuation obtained from an independent valuer, is 21.4 million. In addition, values of land leases are recognised with 0.1 million. **In the board's view this value is conditional upon a long-term perspective. In the event of a sale of the building within a short period of time, the board believes the sale price will be significantly lower than the value presented in the balance sheet.**
- The fair value adjustment of the bank loan, see note 4, reduced the value of the bank loan in the balance sheet from 20.6 million to 11.5 million, hence the financial income of 9.1 million.
- On the closing date, the Group had a cash balance of 0.8 million.
- The Group's equity ratio is 43.6% as at 30 June 2020.
- The loan-to-value of the Gasfield bank loan is currently 53.4%.
- The working capital ratio (excl. prepaid tax) is currently at 1.22.
- The Company's NAV per share in NOK is NOK 11.1 as at 30 June 2020 (considering the fair value adjustment of the loan and the reverse share split of 10:1 which came into effect on 10 July 2019).

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 rubles 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	H1 2020	H1 2019
Over income statement	-0.3	+0.1
Translation difference over Other Comprehensive Income	-3.1	+2.2
Sum value adjustments properties	-3.4	+2.3

The agreement with Swedbank AB and Aconcagua Management Ltd has made it likely that the Group will be able to refinance its current bank debt and continue its operations. However, the Board of Directors emphasis that the refinancing is not yet completed and that the Covid-19 pandemic has created uncertainty related to the future value of the investment property. **If the refinancing of the Group is unsuccessful, it is likely that the building will be sold within a short time frame before 30 June 2022.**

For further business risks than described above, please refer to the company's annual report for 2019.

Oslo, 27 August 2020,

The Board of Directors,
Storm Real Estate ASA

The company's investment areas

Real Estate in Russia (Gasfield, Moscow)

Macro snapshot

- Experts predict a slow recovery for the Russian economy after the Covid-19 pandemic.
- Expected GDP growth in 2020 is -6.2%
- Unemployment is at 6.2%.
- The Central Bank has reduced the key rate to 4.75%. The key rate is down 5.75 percentage points in 4 years (*The Central Bank of Russian Federation, 21.08.2020*).
- Investment in Russia is still low.

Real Estate Market

- Demand: Take-up (lease and sale deals) was at 0.8 million sq. m in Moscow in H1 2020, same as 2019. Even though there was low new construction (0.1 million sq. m), there was a negative absorption of -0.2 million sq. m in H1 2020.
- Vacancy: Vacancy rate for class B was at 11.2% in H1 2020 (10.5% in H1 2019)
- Rental rates: Average rental rate for class B was RUB 16,883 /sq./m/year in 2019 (RUB 15,945 in H1 2019). The rental rate increase from H1 2019 is mainly due to a few major deals in the Moscow market. The future development of the rental rates is highly uncertain due to the Covid-19 pandemic and the impact it will have.
- Experts believe that the pandemic will cause a higher demand for flexible workspace and a higher demand for office space outside the city centre.

Sources market information Russia as at 30 June 2020: Cushman & Wakefield, Trading Economics, Ministry of Economic Development, Oxford Economics

Consolidated Statement of Comprehensive Income

All numbers in 000 USD	Note	Unaudited H1 2020	Unaudited H1 2019	Audited Full year 2019
Rental income	3	1,203	1,359	2,903
Total Income		1,203	1,359	2,903
Property related Expenses	3	-553	-673	-1,265
Personnel Expenses		-137	-162	-310
Other Operational Expenses	9	-265	-402	-792
Total Operational Expenses		-954	-1,237	-2,367
Operating Profit (Loss) Before Fair Value Adjustments		249	122	536
Fair Value Adjustments on Investment Property	3	-276	78	951
Total Operating Profit (Loss)		-27	200	1,487
Finance Revenues	6	9,072	4	11
Finance Expenses	6	-725	-853	-1,521
Currency Exchange Gains (Losses)	6	-20	17	43
Net Financial Gains (Losses)		8,328	-832	-1,466
Earnings before Tax (EBT)		8,300	-632	21
Income Tax Expenses	8	17	-76	-335
Profit (loss), attributable to owners of parent		8,317	-708	-314
Profit (loss), attributable to non-controlling interests		0	0	0
Other Comprehensive Income:				
<i>Items that are reclassified from Equity to income statement in subsequent periods:</i>				
Translation differences	3	-3,021	2,196	2,395
Sum other income and expenses after tax		-3,021	2,196	2,395
Comprehensive income, attributable to owners of parent		5,296	1,488	2,081
Comprehensive income, attributable to non-controlling interests		0	0	0
Earnings per share (EPS), attributable to owners of parent				
Weighted average number of shares (after share split in July 2019)		8,834,563	88,345,623	8,834,563
Basic and Diluted earnings per share (USD)		0.94	-0.01	-0.04
Basic and Diluted Total Comprehensive Income per share (USD)		0.60	0.02	0.24

Consolidated Statement of Financial Position

All numbers in 000 USD	Note	Unaudited 30.06.2020	Audited 31.12.2019
Fixed Assets			
Investment Property	3	21,526	24,891
PP&E		5	3
Sum Fixed Assets		21,531	24,894
Current assets			
Pre-paid income tax		395	256
Other Current Receivables	11	305	486
Cash and Cash Equivalents	5	761	861
Total Current Assets		1,461	1,603
Total Assets		22,992	26,497
Paid-in Equity			
Share Capital	7	405	405
Share Premium		25,206	25,206
Other Paid-in Equity		56,600	56,600
Total Paid-in Equity		82,211	82,211
Other equity			
Other equity		-72,196	-77,492
Total other equity		-72,196	-77,492
Total Equity		10,015	4,719
Non-current liabilities			
Loans from Credit Institutions	4	11,500	0
Deferred Tax Liabilities	8	331	422
Financial Derivative Liabilities	5	0	0
Other Long-term Liabilities	5	275	259
Total non-current liabilities		12,106	681
Current liabilities			
Trade Payables		56	50
Loans from Credit Institutions	4	0	19,917
Other Current liabilities	10	815	1,131
Total Current liabilities		871	21,097
Total Liabilities		12,978	21,778
Total Equity and Liabilities		22,992	26,497

Consolidated Statement of Cash Flow

All numbers in 000 USD	6M 2020	6M 2019
Cash Flow from Operational Activities		
Earnings before Tax	8,300	-632
<i>Adjusted for:</i>		
Depreciations	0	1
Value Adjustments on Investment Property	276	-78
Financial Income	-9,072	-4
Financial Expenses	725	853
Net Currency Gains	98	-65
Cash Flow Before Changes in Working Capital	326	74
<i>Changes in Working Capital:</i>		
Trade Receivables and Other Receivables	41	-61
Trade Payables and Other Payables	-309	321
Paid Taxes	-11	-41
Net Cash Flow From Operating Activities	47	293
Cash Flow From Investment Activities		
Outflows from Investments in fixed assets	-3	0
Inflows from sale of fixed assets	0	-1
Interest Received	10	4
Net Cash Flow From Investment Activities	7	3
Cash Flow From Financing Activities		
Share issue, payments/costs	0	0
Changes in Other Long-term Liabilities	16	0
Interest Paid	-68	-172
Net Cash flow From Financing Activities	-52	-172
Net Change in Cash and Cash Equivalents	2	123
Carried Forward Cash and Cash Equivalents	861	500
FX movements on opening balance	-103	9
Cash and Cash Equivalents on Closing Date	761	633
Of which restricted Cash and Cash Equivalents	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 2019	405	25,206	56,600	-3,368	-76,205	2,638
Profit (Loss) for the Period				-314		-314
Other Comprehensive Income					2,395	2,395
Sum	0	0	0	-314	2,395	2,081
31 December 2019	405	25,206	56,600	-3,682	-73,810	4,719

	Paid-in Equity			Other Equity		Total Equity
	Share Capital	Share Premium	Other Paid-in Equity	Retained Earnings	Translation Differences on Foreign Operations	
1 January 2020	405	25,206	56,600	-3,682	-73,810	4,719
Profit (Loss) for the Period				8,317		8,317
Other Comprehensive Income					-3,021	-3,021
Sum	0	0	0	8,317	-3,021	5,296
30 June 2020	405	25,206	56,600	4,635	-76,832	10,015

On 27 June 2019 the Annual General Meeting adopted a reverse share split reducing the number of shares from 88 345 623 to 8 834 563. The reverse share split came into effect on 10 July 2019. The reverse share split was done in order to be compliant with the requirements of the Continuing obligations of stock exchanged listed companies, stating that the company must implement measures if the value of its shares has been lower than NOK 1 for a six-month period. The reverse share split did not affect the value of each shareholder's position.

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.

2. Basis of Preparation and Accounting principles

Basis of Preparation

The interim financial statements for the period ending 30 June 2020 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 2019. The interim financial statements are unaudited. The interim financial statement was approved by the Board of Directors on 27 August 2020.

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 2019.

All notes are in '000 USD, except where otherwise indicated.

Going concern

The interim reporting is prepared under the assumption of going concern. Previously, there has been significant uncertainty related to this assumption, but this uncertainty has been materially reduced due to the agreement described in note 4.



3. Investment property

	30.06.2020	31.12.2019
Value of the Gasfield building as valued by an independent valuer:		
As at 1 January	24,757	21,300
Value Adjustment Investment *	-3,347	3,457
Value per Closing	21,410	24,757
Other assets recognised as part of Investment Property:		
As at 1 January	134	119
Changes in carrying value of land plot lease agreements **	-17	14
Changes in embedded derivatives contract ***	0	0
Value per Closing	116	134
Carrying value 01.01	24,891	21,419
Carrying value per Closing date	21,526	24,891

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

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 presented in the statement of comprehensive income.

The two effects are presented separately below :

	H1 2020	H1 2019	Full year 2019
Change in RUB over Income Statement	-276	78	951
Translation Differences over Comprehensive Income	-3,089	2,234	2,520
Net Change in Fair Value	-3,365	2,312	3,471

NOI from Properties	H1 2020	H1 2019	Full year 2019
Rental Income	1,203	1,359	2,903
Direct Property Related Expenses	-553	-673	-1,265
NOI from Properties	650	686	1,638

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

Variables used by independent Valuar:	30.06.2020	31.12.2019
Discount Rate	14.00%	14.00%
Capitalization rate (Yield)	10.00%	10.00%
Market rates, RUB/sq.m (net of VAT and op.ex), main office areas	16,000	16,000

The investment property is valued according to Level 3 of the fair value analysis (see note 5).

3. Investment property (continued)

Sensitivity analysis at 30 June 2019, million RUB (by Cushman & Wakefield):

The sensitivity analysis below shows the effect of changing discount rate, capitalization rate and income level on the value of the building (presented in RUB since income and expenses are in RUB):

Market rates, RUB/sq.m (net of VAT and op.ex), main office areas: <u>RUB 16,000</u>		Dicount rate				
		12.0 %	13.0 %	14.0 %	15.0 %	16.0 %
Capitalization rate (Yield)	8.0 %	1,905.7	1,835.1	1,767.9	1,704.0	1,643.2
	9.0 %	1,756.8	1,692.6	1,631.6	1,573.5	1,518.2
	10.0 %	1,637.6	1,578.6	1,522.5	1,469.1	1,418.3
	11.0 %	1,540.1	1,485.4	1,433.3	1,383.7	1,336.5
	12.0 %	1,458.9	1,407.7	1,358.9	1,312.5	1,268.3

Market rates, RUB/sq.m (net of VAT and op.ex), main office areas: <u>RUB 14,000</u>		Dicount rate				
		12.0 %	13.0 %	14.0 %	15.0 %	16.0 %
Capitalization rate (Yield)	8.0 %	1,724.5	1,661.0	1,600.7	1,543.2	1,488.5
	9.0 %	1,590.9	1,533.2	1,478.3	1,426.1	1,376.4
	10.0 %	1,484.0	1,431.0	1,380.5	1,332.5	1,286.7
	11.0 %	1,396.6	1,347.3	1,300.4	1,255.8	1,213.3
	12.0 %	1,323.7	1,277.6	1,233.7	1,192.0	1,152.2

4. Bank loan

30.06.2020 31.12.2019

Interest-bearing loans and borrowings :

Carrying amount	20,562	19,917
Fair value adjustment	-9,062	0
Fair value	11,500	19,917

Fair value adjustment of bank loan (in accordance with IFRS 9):

As described in the annual report of 2019, Storm Real Estate ASA has over several years negotiated with its main creditor, Swedbank AB, to refinance its current bank debt. During this period the company and the bank has entered into several standstill agreements, waving covenants and amortisation, to give the parties time to negotiate a final solution. On 27 May 2020 Storm Real Estate ASA, Swedbank AB and Aconcagua Management Ltd (wholly owned by Morten E. Astrup) entered into a new agreement, please see the public announcement on [newsweb.no](https://newsweb.oslobors.no/message/506635) (<https://newsweb.oslobors.no/message/506635>). The new agreement extends the standstill period until 30 June 2022. During the standstill period, Storm Real Estate ASA and (provided equal treatment of shareholders is ensured) Aconcagua Management Ltd will have a right to repay and/or purchase the entirety of the outstanding debt for an amount equal to the sum of the USD equivalent of RUB 558 million (at the exchange rate at time of transaction, however not higher than USD:RUB 65) and USD 2.9 million ("the Option"). As at 30 June 2020 the original debt was USD 20,562,189. The continued standstill remains subject to certain conditions, see below.

Other amended terms include:

- Postponement of the maturity date to 30 June 2022
- No amortisation up to and including 30 June 2022
- Waiving of covenants up to and including 30 June 2022
- Termination of all interest rate swap agreements
- Storm Real Estate ASA shall each quarter starting 30 June 2020 use all the group's available cash to pay interest on the Loan.
- Storm Real Estate ASA shall procure that Storm Norge AS shall be the asset manager and that the yearly asset management fee shall not exceed NOK 2m.
- Aconcagua Management Ltd shall procure that Morten Astrup directly or indirectly owns and controls at least 20% of the shares and votes in Storm Real Estate ASA.

Due to the amended terms, the bank loan is classified as non-current loans from credit institutions in the Consolidated Statement of Financial Position.

According to IFRS 9, the amended terms requires the company to perform an assessment of what kind of modification this is. If the present value of the expected new cash flows under the new terms are more than 10% different from the present value of the remaining cash flows of the original liability, the company must perform a fair value adjustment of the debt. By using the expected future cash flow under the new terms (including the use of the Option), discounted using an alternative interest rate of 5.95%, the new present value is equal to approximately USD 11.5m. The change in value from face value to fair value (USD 9.1m) is recognised as a financial income in the Consolidated Statement of Comprehensive Income. However, this does not change the fact that the face value of the loan is still USD 20,562,189.

The effect of the above is an increase in equity of approximately USD 9.1m. The company would like to emphasise that the value of the equity is also affected by changes in the value of the investment property, which has been volatile for several years. Please see the sensitivity analysis by Cushman & Wakefield in note 3, which shows the effect of changing discount rate, capitalization rate and income level on the valuation of the building. A weakening of the real estate market in Moscow, due to for instance the Covid-19 pandemic, could cause an increase in the discount rate and the capitalisation rate, and a decrease of the income level.

Swedbank AB has over time expressed its wish to exit the engagement as soon as possible, hence the agreement with the bank is affected by Swedbank's fire sale value of the building, which both parties believe is below the lowest value in the sensitivity analysis in note 3.

5. Financial Assets and Liabilities

Financial Assets and Liabilities	30.06.2020	31.12.2019
Cash and Cash Equivalents	761	861
Land plot lease agreements (financial asset)	116	134
Other financial assets	305	486
Bank Loan (see note 4)	-11,500	19,917
Land plot lease agreements (financial liability)	-116	-134
Other financial liabilities	-1,030	-1,306
Net Financial Assets and Liabilities	-11,464	-19,883

Cash and cash equivalents include restricted cash of 238 (2019: 238).

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. Storm Real Estate ASA terminated all interest swap agreements in 2018.

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 assets measured at fair value	Level 1	Level 2	Level 3	Sum
Land plot lease agreements (financial asset)	116			116
Sum financial assets measured at fair value	116	0	0	116

Financial liabilities measured at fair value	Level 1	Level 2	Level 3	Sum
Land plot lease agreements (financial liability)	116			116
Bank Loan (see note 4)		11,500		11,500
Sum financial liabilities measured at fair value	116	11,500	0	11,616

6. Finance income and costs

Finance revenues and costs:

	H1 2020	H1 2019	Full year 2019
Currency			
Net Currency Gain (Loss)	-20	17	43
Finance Revenues			
Interest Revenue	10	3	11
Fair Value Adjustment, bank loan	9,062	-	-
Dividend income, Financial Investments	-	-	-
Other Financial Revenues	-	0	0
Sum	9,072	4	11
Finance Costs			
Interest Costs	-707	-806	-1,405
Other Finance expenses	-17	-46	-116
Sum	-725	-853	-1,521
Net Finance Gains (Losses)	8,328	-832	-1,466

7. Shareholder information

The 20 largest shareholders as at 30.06.2020

The list is as per the shareholders registered in VPS as 30.06.2020:

The reduction in number of shares since last reporting is due to a reversed share split 10:1 in July 2019.

Shareholder	Type *	Country	Shares	%
SURFSIDE HOLDING AS		Norw ay	2,468,059	27.94%
JPMorgan Chase Bank N.A. London	Nominee	UK	2,219,057	25.12%
SIX SIS AG	Nominee	Norw ay	759,496	8.60%
BANAN II AS		Norw ay	289,529	3.28%
PACTUM AS		Norw ay	279,150	3.16%
AUBERT VEKST AS		Norw ay	249,591	2.83%
ØSTLANDSKE PENSJONISTBOLIGER AS		Norw ay	154,569	1.75%
MOTOR TRADE EIENDOM OG FINANS AS		Norw ay	86,682	0.98%
Svenska Handelsbanken AB	Nominee	Norw ay	72,235	0.82%
LANGBERG		Norw ay	70,000	0.79%
TDL AS		Norw ay	47,625	0.54%
FINANSFORBUNDET		Norw ay	41,665	0.47%
Theodorsen		Norw ay	40,951	0.46%
FLAGE INTERIØR AS		Norw ay	40,000	0.45%
BLAKSTAD MASKIN AS		Norw ay	33,817	0.38%
SANDØY		Norw ay	32,901	0.37%
ALBION HOLDING AS		Norw ay	31,554	0.36%
LKG EIENDOM AS		Norw ay	30,392	0.34%
EILERTSEN		Norw ay	30,392	0.34%
VENÅSEN		Norw ay	30,000	0.34%
SUM 20 LARGEST			7,007,665	79.32%
OTHER SHAREHOLDERS			1,826,898	20.68%
SUM			8,834,563	100.00%

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

Shares controlled by board members:		Shares	%
Morten E. Astrup	via Surfside Holding AS	2,468,059	27.9 %
Kim Mikkelsen	via Strategic Investments A/S	2,218,556	25.1 %
Stein Aukner	via Banan II AS and Aukner Holding AS	304,593	3.4 %
Sum		4,991,208	56.50 %

8. Tax Expenses

Tax Expense for period	H1 2020	H1 2019	Full year 2019
Current Tax	-25	11	50
Change in deferred Tax	8	65	285
Total Tax Expense for period	-17	76	335

9. Transactions with Related Parties

	H1 2020	H1 2019	Full year 2019
Storm Capital Management Ltd.	0	175	259
Storm Norge AS*	150		83
Surfside Holding AS**	11	18	36
Sum	161	193	379

*Storm Norge AS replaced Storm Capital Management Ltd as asset manager from 1 October 2019.

Storm Norge AS is wholly owned by Morten E. Astrup (the largest shareholder in Storm Real Estate ASA).

**Surfside Holding AS is wholly owned by Morten E. Astrup. The company has provided some accounting services from 2019 until 1 May 2020. From 1 May 2020 Storm Norge AS is the sole provider of accounting services to Storm Real Estate ASA.

10. Other current liabilities

	30.06.2020	31.12.2019
Taxes and duties due	190	284
Advance rents paid by tenants	255	430
Other	370	417
Sum	815	1,131

11. Other Current Receivables

	30.06.2020	31.12.2019
Trade receivables	215	100
Inventory	1	2
Other Current receivables	89	384
Sum	305	486

12. Impact of the Covid-19 pandemic

During the period the Covid-19 pandemic has had a severe human and financial impact on both the Norwegian and Russian society. The effects on the office market in Moscow is still uncertain. The experts discuss the potential permanent effects, such as more remote work (for instance employees working from home and digital workplaces), the revival of the suburban areas (citizens moving out of the city centre), less open space, more flexible workspace and higher demand for shared workspaces. How this will affect future rental rates and the occupancy in the Gasfield building is highly uncertain. There are effects with both positive and negative impact on the business. Currently, the occupancy is still high, and discounts given to tenants have been modest. Management in Russia has a major focus on the wellbeing of its employees and its tenants, and has implemented the measures recommended by the government to reduce the risk of spreading the virus in the building.

