KMC PROPERTIES ASA

(A public limited liability company incorporated under the laws of Norway)

Listing of 231,930,748 New Shares on Oslo Stock Exchange

Subsequent Offering and listing on the Oslo Stock Exchange of up to 4,285,714 Offer Shares at a Subscription Price of NOK 7.00 per Offer Share, with Subscription Rights for Eligible Shareholders

Subscription Period for the Subsequent Offering: From 09:00 hours (CET) on 11 February 2021 to 16:30 hours (CET) on 18 February 2021.

This prospectus (the "**Prospectus**") has been prepared by KMC Properties ASA ("**KMC Properties**" or the "**Company**") (formerly Storm Real Estate ASA), a public limited liability company incorporated under the laws of Norway (together with its consolidated subsidiaries, the "**Group**") in connection with (i) the listing on the Oslo Stock Exchange of 231,930,748 new shares in the Company, each with a nominal value of NOK 0.20, (the "**New Shares**") of which (a) 153,678,158 were issued in connection with the Transaction (as defined below), (b) 42,857,142 were issued in connection with the Private Placement (as defined below), (c) 26,824,020 were issued in connection with the Conversion of the Swedbank Loan (as defined below) and (d) 8 571 428 were issued in connection with the Dutch Transaction (as defined below) and (ii) a subsequent offering (the "**Subsequent Offering**") and listing of the Oslo Stock Exchange of up to 4,285,714 new shares in the Company, each with a nominal value of NOK 0.20 (the "**Offer Shares**") to be offered at a subscription price of NOK 7.00 per Offer Share (the "**Subscription Price**"). The shareholders of the Company as of close of trading 11 December 2020 (and being registered as such in the Norwegian Central Securities Depository (the "**VPS**") on 15 December 2020 (the "**Record Date**")), and who were not allocated shares in the Private Placement and who are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action (the "**Eligible Shareholders**"), will be granted non-transferable subscription rights (the "**Subscription Rights**") that, subject to applicable law, provide preferential rights to subscribe for and be allocated Offer Shares at the Subscription Price.Each Eligible Shareholder will be granted 2 Subscription Rights for every existing share registered as held by such Eligible Shareholder as of the Record Date. Each Subscription Right will give the right to subscribe for, and be allocated, one Offer Share rounded down to the nearest whole share, subject to applicable securities laws. Over-subscription and subscription without Subscription Righs will be permitted. The subscription period will commence on 11 February 2021 and expire at 16:30 hours, Central European Time ("**CET**"), on 18 February 2021 (the "**Subscription Period**"). **Subscription Rights that are not used to subscribe for Offer Shares before the expiry of the Subscription Period will have no value and will lapse without compensation to the holder.**The Company's existing shares are, and the New Shares and Offer Shares will be, listed on the Oslo Stock Exchange under the ticker code "KMCP". Except where the context requires otherwise, references in this Prospectus to "Shares" will be deemed to include the existing shares in the Company, the New Shares and the Offer Shares. All of the existing shares and the New Shares and the Offer Shares will be, registered in the VPS in book-entry form. The New Shares have been placed on a separate ISIN pending publication of this Prospectus, and will be listed and admitted to trading on the Oslo Stock Exchange following the later of (i) expiry of the offer period under the Mandatory Offer and (ii) publication of this Prospectus. All of the Shares rank pari passu with one another and each carry one vote.**Investing in the Company's Shares, including the Offer Shares, involves a high degree of risk. Prospective investors should read the entire document and, in particular, consider Section 2 "Risk Factors" when considering an investment in the Company. The Subscription Rights and the Offer Shares are being offered only in those jurisdictions in which, and only to those persons to whom, offers and sales of the Offer Shares (pursuant to the exercise of Subscription Rights) may lawfully be made and, for jurisdictions other than Norway, would not require any filing, registration or similar action.** The Shares have not been, and will not be, registered under United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or with any securities regulatory authority of any state or other jurisdiction in the United States of America ("**U.S.**" or "**United States**"), and are being offered and sold: (i) in the United States only to Qualified Institutional Buyers ("**QIBs**") in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S. Prospective purchasers are hereby notified that sellers of Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. See Section 19 "Selling and Transfer Restrictions". The due date for the payment of the Offer Shares is expected to be on or about 22 February 2021. Delivery of the Offer Shares is expected to take place on or about 26 February 2021 through the facilities of the VPS. Trading in the Offer Shares on the Oslo Stock Exchange is expected to commence on or about 26 February 2021, under the ticker code "KMCP".

Managers

ABG Sundal Collier ASA | **DNB Markets**

The date of this Prospectus is 10 February 2021

IMPORTANT INFORMATION

This Prospectus has been prepared by the Company in connection with the (i) Subsequent Offering and (ii) the listing of the New Shares and the Offer Shares on the Oslo Stock Exchange.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Prospectus has been prepared solely in the English language. This Prospectus has been approved by the Financial Supervisory Authority of Norway (*Nw.: Finanstilsynet*) (the "**Norwegian FSA**"), as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

For definitions of certain other terms used throughout this Prospectus, see Section 21 "Definitions and Glossary".

The Company has engaged ABG Sundal Collier ASA ("**ABGSC**"), and DNB Markets, a part of DNB Bank ASA ("**DNB Markets**") as managers (the "**Managers**").

The information contained herein is current as at the date hereof and is subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment of the New Shares and the Offer Shares and which arises or is noted between the time when the Prospectus is approved by the Norwegian FSA and the listing of the New Shares on the Oslo Stock Exchange, will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus, nor the sale of any Offer Share, shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make any representation concerning the Group or in connection with the Subsequent Offering other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or the Managers or by any of the affiliates, representatives, advisors or selling agents of any of the foregoing.

The distribution of this Prospectus and the Subsequent Offering of the Offer Shares in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. Neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about, and to observe, any such restrictions. In addition, the New Shares and the Offer Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 19 "Selling and Transfer Restrictions".

This Prospectus and the terms and conditions of the Subsequent Offering as set out in this Prospectus and any sale and purchase of the Offer Shares shall be governed by, and construed in accordance with, Norwegian law. The courts of Norway, with Oslo District Court as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Subsequent Offering or this Prospectus. In making an investment decision, prospective investors must rely on their own examination, analysis of, and enquiry into, the Group and the terms of the Subsequent Offering, including the merits and risks involved. None of the Company or the Managers, or any of their respective representatives or advisers, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares. All Sections of the Prospectus should be read in context with the information included in Section 4 "General Information".

NOTICE TO INVESTORS IN THE UNITED STATES

The New Shares and the Offer Shares have not been recommended by any United States federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not passed upon the merits of the Subsequent Offering or confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense under the laws of the United States.

The New Shares and the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered, sold, pledged or otherwise transferred within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws.

Accordingly, the Offer Shares are being offered and sold: (i) in the United States only to QIBs in reliance upon Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in offshore transactions in compliance with Regulation S. For certain restrictions on the sale and transfer of the New Shares, see Section 19 "Selling and Transfer Restrictions".

Prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the New Shares, and are hereby notified that sellers of Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act. See Section 19 "Selling and Transfer Restrictions".

In the United States, this Prospectus is being furnished on a confidential basis solely for the purposes of enabling a prospective investor to consider purchasing the particular securities described in this Prospectus. The information contained in this Prospectus has been provided by the Company and other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by the Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised, and any disclosure of its contents, without prior written consent of the Company, is prohibited. Any reproduction or distribution of this Prospectus in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited. This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase New Shares or subscribe for or otherwise acquire any Shares.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom (the "**UK**") or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as the "**Relevant Persons**"). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

NOTICE TO INVESTORS IN THE EEA

In any member state of the European Economic Area (the "**EEA**"), other than Norway or Sweden (each, a "**Relevant Member State**"), this communication is only addressed to and is only directed at persons who are "qualified investors" within the meaning of Article 2(e) of the EU Prospectus Regulation. The Prospectus has been prepared on the basis that all offers of Offer Shares outside Norway will be made pursuant to an exemption under the EU Prospectus Regulation from the requirement to produce a prospectus for offer of shares. Accordingly, any person making or intending to make any offer of Offer Shares which is the subject of the Subsequent Offering contemplated in this Prospectus within any Relevant Member State should only do so in circumstances in which no obligation arises for the Company or any of the Managers to publish a prospectus or a supplement to a prospectus under the EU Prospectus Regulation for such offer. Neither the Company nor the Managers have authorised, nor do they authorise, the making of any offer of Shares through any financial intermediary, other than offers made by Managers which constitute the final placement of Offer Shares contemplated in this Prospectus.

Each person in a Relevant Member State other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway or Sweden, who receives any communication in respect of, or who acquires any New Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Managers and the Company that:

a) it is a "qualified investor" within the meaning of Article 2(e) of the EU Prospectus Regulation; and

b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in the EU Prospectus Regulation, (i) such Offer Shares acquired by it in the Subsequent Offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where such Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Subsequent Offering and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares.

See Section 19 "Selling and Transfer Restrictions" for certain other notices to investors.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Offer Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the "**Positive Target Market**"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Appropriate Channels for Distribution**"). Distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile (the "**Negative Target Market**" and, together with the Positive Target Market, the "**Target Market Assessment**").

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Subsequent Offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares and determining appropriate distribution channels.

ENFORCEMENT OF CIVIL LIABILITIES

KMC Properties is a public limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions. The members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the members of the senior management of the Company (the "**Management**") are not residents of the United States. Virtually all of the Company's assets and the assets of the Board Members and members of Management are located outside the United States. As a result, it may be impossible or difficult for investors in the United States to effect service of process upon the Company, the Board Members and members of Management in the United States or to enforce against the Company or those persons judgments obtained in U.S. courts, whether predicated upon civil liability provisions of the federal securities laws or other laws of the United States.

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or the Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway.

DATA PROTECTION

As data controllers, each of the Managers processes personal data to deliver the products and services that are agreed between the parties and for other purposes, such as to comply with laws and other regulations, including the General Data Protection Regulation (EU) 2016/679 (the "**GDPR**") and the Norwegian Data Protection Act of 15 June 2018 No. 38. The personal data will be processed as long as necessary for the purposes, and will subsequently be deleted unless there is a statutory duty to keep it. For detailed information on each Manager's processing of personal data, please review such Manager's privacy policy, which is available on its website or by contacting the relevant Manager. The privacy policy contains information about the rights in connection with the processing of personal data, such as the access to information, rectification, data portability, etc. If the applicant is a corporate customer, such customer shall forward the relevant Manager's privacy policy to the individuals whose personal data it discloses to the Managers.

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1 SUMMARY

INTRODUCTION

Warning……………………………...	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. An investment in the New Shares and the Offer Shares involves inherent risk and the investor could lose all or part of its invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
Securities…………………………….	The Company has one class of shares in issue. The shares are registered in book-entry form with the VPS and have ISIN NO NO0010360175. The New Shares have been placed on separate ISIN NO 0010915317 pending publication of this Prospectus, but will be moved to the Company's ordinary ISIN and admitted to trading on Oslo Stock Exchange at the later of (i) expiry of the offer period under the Mandatory Offer and (ii) publication of this Prospectus.
Issuer………………………………...	The Company's registration number in the Norwegian Register of Business Enterprises is 990 727 007 and its Legal Entity Identifier (LEI) code is 5967007LIEEXZX8NJK8. The Company's registered address is at Dyre Halses gate 1 A, N-7042 Trondheim, Norway, it's telephone number is +47 480 03 175 and its e-mail is post@kmcp.com. The Company's website can be found at www.kmcp.no.
Competent authority. ..………………	The Financial Supervisory Authority of Norway, with registration number 840 747 972 and registered address at Revierstredet 3, N-0151 Oslo, Norway, and telephone number +47 22 93 98 00 has reviewed and, on 10 February 2021, approved this Prospectus.

KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

Corporate information……………….	The Company is a public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company was incorporated in Norway on 2 January 2007 as a private limited liability company and transformed to a public limited liability company following the extraordinary general meeting held on 12 May 2010. Its registration number in the Norwegian Register of Business Enterprises is 990 727 007 and its Legal Entity Identifier (LEI) code is 5967007LIEEXZX8NJK85.
Principal activities…………………...	The Company is a real estate company of which activities includes trading, investing in real estate and securities, as well as other activities in connection therewith, including participation in other companies with similar activities through equity, loans or by issuing guarantees.

The Company's investment strategy is acquisition, sales and operations of yielding real estate and/or real estate instruments. This strategy aims to provide a secure income with gearing potential to increase return on equity, invest in properties with solid and diverse tenants and does not involve any development risk.

Major shareholders………………….. Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. The following table sets forth shareholders owning 5% or more of the shares in the Company as of 5 February 2021.

#	Shareholder	Number of shares	Percent
1	EBE Eiendom AS	99,974,273	41.52
2	Kverva Industrier AS	82,716,209	34.36
3	Surfside Holding AS	11,958,333	4.97
4	Aconcagua Management Ltd	10,833,649	4.50

Key managing directors…………….. The Company's executive Management consists of three individuals. The names of the members of the Management and their respective positions are presented in the below table.

Name	Current position within the Group
Liv Malvik	Chief Excecutive Officer (CEO)
Frode Kristiansen	Chief Financial Officer (CFO)
Audun Aasen	Chief Operating Officer (COO)

Statutory auditor……………………. The Company's auditor is Pricewaterhousecoopers AS, with registration number 987 009 713 and registered address Dronning Eufemias gate 71, N-0194 Oslo, Norway.

What is the key financial information regarding the issuer?

Included in this Prospectus is the audited consolidated financial statement for the Company as of and for the year ended 31 December 2019, unaudited consolidated interim financial statements as of and for the nine months period ended 30 September 2020 (with comparative figures for the full year ended 31 December 2019), as well as unaudited consolidated interim financial statements as of and for the six months period ended 30 June 2020 (with comparative figures for the same period in the previous year), together the "**Financial Information**".

It should be noted that the Company has changed its name to KMC Properties ASA (previously named Storm Real Estate ASA). In addition, the Financial Information of the Company does not include the effects of the Combination, as further described in the Prospectus. The Company has produced pro forma financial information, which is included in this Prospectus. It should be noted that the Transaction (part of the Combination) is treated as a reverse acquisition, where KMC Properties AS is the acquirer for accounting purposes and KMC Properties ASA (previously named Storm Real Estate ASA) is the acquiree for accounting purposes. Also, KMC Properties AS was incorporated on 20 January 2020 and has not published audited financial statements as of the date of this Prospectus. The tables below sets out key financial information gathered from the Company's audited consolidated financial statements as of and for the year ended 31 December 2019 and unaudited consolidated interim financial statements as of and for the six month period ended 30 June 2020 ((with comparative figures for the same period in the previous year)) and as of and for the nine month period ended 30 September 2020 (with comparative figures for the full year ended 31 December 2019).

Key Financials Consolidated Statement of Comprehensive Income	**Six months ended 30 June 2020 Unaudited[(a)]**	**Six months ended 30 June 2020 Unaudited[(a)]**	**Nine months ended 30 September 2020 Unaudited[(b)]**	**Year ended 31 December 2019 Unaudited[(b)]**	**Year ended 31 December 2019 Audited[(c)]**

	(USD thousands)	(USD thousands)	(NOK thousands)	(NOK thousands)	(USD thousands)
Total income	1,359	1,203	17,112	25,557	2,903
Total operating profit (loss)	200	-27	1,689	13,152	1,487
Profit (loss)	-708	8,317	62,714	-4,435	-314

(a) Extracted from the Company's unaudited consolidated interim financial statements as of and for the six month period ended 30 June 2020.

(b) Extracted from the Company's unaudited consolidated interim financial statements as of and for the nine month period ended 30 September 2020. The Company decided to change its presentation currency from USD to NOK and as such, has represented the comparative information for the year ended 31 December 2019 reflecting this matter. For further information, see note 2 to the Interim Financial Statements included in the Prospectus.

(c) Extracted from the Company's audited consolidated financial statements as of and for the year ended 31 December 2019.

Key Financials Consolidated Statement of Financial Position	**As at 30 June 2020 Unaudited[(a)]**	**As at 30 September 2020 Unaudited[(b)]**	**As at 31 December 2019 Unaudited[(b)]**	**As at 31 December 2019 Audited[(c)]**
	(USD thousands)	(NOK thousands)	(NOK thousands)	(USD thousands)
Total assets	22,992	198,170	232,653	26,497
Total equity	10,015	72,643	41,428	4,719
Total liabilities	12,978	125,527	191,224	21,778

(a) Extracted from the Company's unaudited consolidated interim financial statements as of and for the six month period ended 30 June 2020.

(b) Extracted from the Company's unaudited consolidated interim financial statements as of and for the nine month period ended 30 September 2020. The Company decided to change its presentation currency from USD to NOK and as such, has represented the comparative information for the year ended 31 December 2019 reflecting this matter. For further information, see note 2 to the Interim Financial Statements included in the Prospectus.

(c) Extracted from the Company's audited consolidated financial statements as of and for the year ended 31 December 2019.

Key Financials Consolidated Statement of Cash Flows	**Six months ended 30 June 2020 Unaudited[(a)]**	**Six months ended 30 June 2020 Unaudited[(a)]**	**Nine months ended 30 September 2020 Unaudited[(b)]**	**Year ended 31 December 2019 Unaudited[(b)]**	**Year ended 31 December 2019 Audited[(c)]**
	(USD thousands)	(USD thousands)	(NOK thousands)	(NOK thousands)	(USD thousands)
Net cash flows from operating activities	293	47	2,543	5,245	479
Net cash flows from investment actitivites	3	7	101	-136	-16
Net cash flows from financing activities	-172	-52	-1,166	-1,630	-192

(a) Extracted from the Company's unaudited consolidated interim financial statements as of and for the six month period ended 30 June 2020.

(b) Extracted from the Company's unaudited consolidated interim financial statements as of and for the nine month period ended 30 September 2020. The Company decided to change its presentation currency from USD to NOK and as such, has represented the comparative information for the year ended 31 December 2019 reflecting this matter. For further information, see note 2 to the Interim Financial Statements included in the Prospectus.

(c) Extracted from the Company's audited consolidated financial statements as of and for the year ended 31 December 2019.

The Unaudited Pro Forma Condensed Financial Information

The Unaduited Pro Forma Condensed Financial Information included in this Prospectus illustrates how the financial results of the Company might have been as a result of the Combination occurring at an earlier point in time. Furthermore, the Company has performed an assessment of the Combination and has determined that, with reference to relevant accounting considerations, this transaction will constitute a reverse acquisition under IFRS. As such, in accordance with IFRS 3 *Business Combinations*, KMC Properties AS will comprise the acquirer for accounting purposes and KMC Properties ASA (previously named Storm Real Estate ASA) will comprise the acquiree for accounting purposes.
Future annual reports of KMC Properties ASA will be prepared under IFRS and as if KMC Properties AS (the accounting acquirer) had acquired the Company (the accounting acquiree) upon the date of the Combination. Comparative financial information will also be retrospectively adjusted to reflect the continuation of the accounting acquirer's financial statements. The tables below sets out key financial information for the Unaduited Pro Forma Condensed Financial Information for the periods presented herein.

(NOK thousand)	

	Nine months period ended 30 September 2020 Pro forma
Total income	**114,860**
Total Operating Profit (Loss)	**500,953**
Profit (Loss) after tax	**300,262**

(NOK thousand)	30 September 2020 Pro forma
Total assets	**3,290,248**
Total equity	**1,281,363**
Total liabilities	**2,008,885**

What are the key risks that are specific to the issuer?

Material risk factors………………..

- If the Group is unable to successfully develop the Senja Property, this could negatively affect the Group's operations, financial position, and earnings.
- The Group will experience losses should it be unable to let properties following the expiry or termination of lease agreements.
- The Covid-19 pandemic could negatively affect the Group's revenue and operations going forward.
- Changes in the general global economic situation could negatively affect the value of the Group's assets.
- Hidden defects and pollution with respect to the Group's current or future properties could negatively impact the Group's net earnings and financial position.
- Unexpected capital investment requirements in relation to the Group's properties, e.g. related to maintenance, replacements or upgrades, could negatively impact the net earnings and financial position of the Group.
- The Group is dependent on external construction companies, and may suffer losses or additional costs if such third parties encounter difficulties.
- Changes in the tax legislation of the jurisdictions in which the Group operates, or in the interpretation thereof, could negatively affect the Group' financial position.
- The Group (Martex LLC) is involved in a number of legal proceedings, three of which are considered to be material, and the Group could also be involved in further disputes in the future.
- Changes in planning regulations could negatively affect the Group's operations and financial position.
- Failure to comply with covenants under the Group's financing agreements could trigger claims for immediate repayment.
- Inaccuracies in calculations of fair value of the Group's properties could negatively affect the Group's financial condition and results of operations.
- The Group may fail to integrate the operations of KMC Properties ASA (pre-transaction entity) and KMC Properties AS successfully and on a timely basis.

KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

Type, class and ISIN…………………

All of the New Shares are and the Offer Shares will upon issuance be ordinary shares in the Company created under the Norwegian Public Limited Companies Act. The Shares are registered in book-entry form with the VPS. The New Shares have been placed on separate ISIN NO

	0010915317 pending publication of this Prospectus, but will be moved to the Company's ordinary ISIN NO0010360175 and admitted to trading on Oslo Stock Exchange at the later of (i) expiry of the offer period under the Mandatory Offer and (ii) publication of this Prospectus. The Offer Shares will be issued on the Company's ordinary ISIN.
Currency, par value and number of securities………................................	The New Shares and the Offer Shares will be traded in NOK on the Oslo Stock Exchange. As the date of this Prospectus, the Company's share capital is NOK 48,153,062.2 divided between 240,765,311 Shares, each with a nominal value of NOK 0.20.
Rights attached to the securities…….	The Company has one class of shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all shares in that class provide equal rights in the Company, including the rights to dividends. Each of the Shares carries one vote.
Transfer restrictions…………………	The New Shares are and the Offer Shares will be freely transferable. The Articles of Association do not provide for any restrictions on the transfer of shares, or a right of first refusal for the shares. Share transfers are not subject to approval by the Board of Directors.
Dividend and dividend policy………..	The Company is focusing on pursuing growth through both organic and in-organic initiatives, and anticipates to pay dividends according to a dividend pay-out ratio in the 30-50% range of the Company's net income in the coming years.

Where will the securities be traded?

The New Shares will be admitted to trading the Oslo Stock Exchange without application at the later of (i) expiry of the offer period under the Mandatory Offer and (ii) publication of this Prospectus. Subject to completion of the Subsequent Offering, the Company currently expects commencement of trading in the Offer Shares on the Oslo Stock Exchange on or around 26 February 2021. The Company has not applied for admission to trading of the Shares on any other stock exchange, regulated market or multilateral trading facility (MTF).

What are the key risks that are specific to the securities?

Material risk factors…………………	• EBE Eiendom AS and Kverva Industrier AS could, as major shareholders, exercise significant influence over the Company, and the goals and interests of these shareholders may not always be aligned with those of the Company and/or other shareholders.

KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

Under which conditions and timetable can I invest in this security?

Terms and conditions of the Subsequent Offering………………....	The Subsequent Offering consists of of an offer by the Company to issue up to 4,285,714 Offer Shares, each with a nominal value of NOK 0.20, at an Offer Price of NOK 7.00 per Offer Share, being equal to the subscription price in the Private Placement.
Timetable in the Subsequent Offering……………………………....	The indicative key dates in the Subsequent Offering are set out below.

Last day of trading in the Shares including Subscription Rights	11 December 2020
First day of trading in the Shares excluding Subscription Rights	14 December 2020
Record Date	15 December 2020
Subscription Period commences	11 February 2021 at 09:00 hours (CET)
Subscription Period ends	18 February 2021 at 16:30 hours (CET)
Allocation of Offer Shares	19 February 2021
Distribution of allocation letters	19 February 2021
Publication of the results of the Subsequent Offering	19 February 2021
Payment Date	22 February 2021
Registration	25 February 2021
Delivery of the Offer Shares	26 February 2021
Listing and commencement of trading in the Offer Shares on the Oslo Stock Exchange	26 February 2021

Admission to trading………………... The Company expects that the New Shares will commence trading on the Oslo Stock Exchange on or about 26 February 2021. Subject to completion of the Subsequent Offering, the Company currently expects commencement of trading in the Offer Shares on the Oslo Stock Exchange on or around 26 February 2021. The New Shares and the Offer Shares are expected to trade under the ticker code "KMCP".

Distribution plan……………………. Allocation of the Offer Shares will take place on or about 19 February 2021 in accordance with the following criteria:

- Allocation of Offer Shares to subscribers will be made in accordance with granted and acquired Subscription Rights validly exercised during the Subscription Period. Each Subscription Right will give the right to subscribe for and be allocated one Offer Share in the Subsequent Offering.
- Any shares not allocated pursuant to the first two allocation criteria, will be allocated to Subscribers having subscribed without Subscription rights, on a pro rata basis based on the number of Offer Shares applied for each such Subscriber. To the extent that pro rata allocation is not possible, the Company will determine the allocation by the drawing of lots.
- If not all Subscription Rights are validly exercised during the Subscription Period, subscribers having exercised their Subscription Rights and who have over-subscribed, will be allocated additional Offer Shares on a pro rata basis based on the number of Subscription Rights exercised by each such subscriber. To the extent that pro rata allocation is not possible, the Company will determine the allocation by the drawing of lots.
- No fractional Offer Shares will be allocated. The Company reserves the right to reject or reduce any subscription for Offer Shares not covered by Subscription Rights.

Dilution……………………………... The issuance of New Shares in the Transaction and Offer Shares in the Subsequent Offering may result in a maximum number of Shares in the Company of 236,216,462, which will correspond to a dilution for the existing shareholders of approximately 96.4%. This is based on the assumption that the Company issues the maximum number of Offer Shares in the Subsequent Offering. The net asset value per Share as of 31 December 2019 was NOK 6.05.

Total expenses of the issue/offer ……... The Company's total costs and expenses of the Subsequent Offering are estimated to amount to approximately NOK 1.2 million. These costs and expenses consists of commissions and expenses to the Managers,

	fees and expenses of legal and other advisors, and other transaction costs. No expenses or taxes will be charged by the Company or the Managers to the applicants in the Subsequent Offering.

Who is the offeror and/or the person asking for admission to trading?

The Company is the offeror of New Shares issued in connection with the Transaction and the Offer Shares offered in the Subsequent Offering.

Why is this prospectus being produced?

Reasons for the offer admission to trading ………………………………	The Company believes that the results of the Transaction will include the following benefits: (i) access to capital at attractive terms, (ii) strong owners with industrial expertise (iii) better capitalised for further growth, and increased strategic flexibility, by enabling the Company to continue performing potential growth investments and aquistions of yielding real estate and/or real estate instruments, (iv) increased opportunity to become a market leader within industrial real estate, (v) increased ability to further optimalize the Company's sales and operations of yielding real estate and/or real estate instruments and (vi) a liquid market for the New Shares and the Offer Shares. The purpose of the Subsequent Offering is to enable the shareholders of the Company to participate in the offering of new shares at the Offer Price and to mitigate the dilutive effect of the Transaction.
Use of proceeds……………................	The Company estimates gross proceeds from the Subsequent Offering of up to NOK 30 million. The net proceeds from the Subsequent Offering are expected to be approximately NOK 28.8 million, assuming that all the Offer Shares are issued. This estimate is based on the estimated total transaction costs of approximately NOK 1.2 million related to the Subsequent Offering, and all other directly attributable costs to be paid by the Company in this relation. The net proceeds from the Subsequent Offering is primarily intended to strengthen the Company's revenue growth capabilities in line with the Company's strategy. The use and allocation of the net proceeds from the Subsequent Offering will be considered by the Company on a continuing basis.
Conflicts of interest …….....................	During the last five years preceding the date of this Prospectus, none of the Board Members and members of the Management has, or had, as applicable: (a) any convictions in relation to indictable offences or convictions in relation to fraudulent offences; (b) received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or (c) been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, director or senior manager of a company. There are currently no other actual or potential conflicts of interest between the Company and the private interests or other duties of any of the Board Members and members of the Management, including any family relationships between such persons.

2 RISK FACTORS

An investment in the Company and the Shares involves inherent risk. Investors should carefully consider the risk factors and all information contained in this Prospectus, including the financial statements and related notes. The risks and uncertainties described in this Section 2 "Risk factors" are the material known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

The risk factors included in this Section 2 "Risk factors" are presented in a limited number of categories, where each risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative affect for the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in loss of all or part of an investment in the Shares, including the Offer Shares.

2.1 Risks related to operations

2.1.1 Risks related to the Senja Property

The Group is currently involved in a development project relating to the construction of a fully automatic fish box production facility at Klubben Næringsområde in Senja, Norway (the "Senja Property"). The ability to carry out a profitable development of the Senja Property is dependent upon a number of factors, such as the Group's ability to retain and recruit employees with the necessary competence and hire contractors for the project's implementation on terms acceptable to the Group. The profitability of the project can also be affected by i.a. insufficient planning, analysis and cost control, change of taxes and charges. Furthermore, there is a risk that the Group may not obtain necessary permits and decisions from authorities or permits for changed usage of the Senja Property, or that a change in permits, plans, regulations or laws, may result in delays, increased expenditures or non-completion of the project. Should the Group not be able to successfully develop the Senja Property, this could have a negative impact on the Group's operations, financial position, and earnings.

2.1.2 The Group could be unable to let a property following the expiry or termination of a tenancy

The Group owns a number of properties, as set out in section 9.4 ("The property portfolio of the Group") below. The average remaining lease term of the lease contracts for the properties is approximately 11.5 years. In the event the Group is unable to let its properties upon expiry of lease agreements or in the event that lease agreements are terminated, the Group will suffer a rental shortfall, and may also be obliged to cover the common costs for the vacant areas until the property is re-let. Expenditures related to a property, such as renovation and maintenance costs, are generally not reduced in proportion to any decline in rental income from that property. Consequently, should the Group be unable to re-let its properties upon the expiry or termination of lease agreements, this could have a material adverse effect on the Group's financial condition, results of operations and cash flows.

Further, the failure by tenants of the Group to meet their obligations could also result in significant loss of rental income for the Group, and could lead to a decrease in the value of the Group's properties which in turn would negatively affect the Group's financial condition.

2.1.3 The effects of the Covid-19 situation could negatively affect the Group

The outbreak of the coronavirus SARS-CoV-2 ("**Covid-19**"), which was recognised as a pandemic by the World Health Organization in March 2020, has had, and continues to have an adverse negative impact on the global economy, including the markets in which the Group and its tenants operate within. The extraordinary health measures and restrictions on local and global basis imposed by authorities across the world, have, and are expected to continue to have, a severe impact on companies and markets globally and locally. This may result in a prolonged reduction in the level of activity in the Norwegian and global economy. The Covid-19 pandemic could negatively affect the financial strength of the Group's tenants, which in turn could lead to tenants not being able to meet their obligations towards the Group. Such failure by tenants of the Group to meet their obligations would have a negative impact on the Group's future earnings and financial position.

2.1.4 Risks related to development of property values

The Group is exposed to the economic cycle and macroeconomic fluctuations, as changes in the general global economic situation, such as the level of inflation and the rate of economic growth, could materially affect the value of the Group's assets, including the value of the property portfolio of the Group. In particular, an economic downturn may decrease the market value of some or all of the Group's investment properties. In addition, any changes in the commercial property industry in which the Group operates could have a negative effect on the property value, including, among other things:

- Reduction in the demand for commercial properties;
- Reduced availability and increased cost of financing for commercial properties; and
- Slowdown in the market for the sale of commercial properties.

Any significant reduction in property value would have a negative impact on the Group's future earnings and financial position.

2.1.5 Risks related to defects and pollution

The Group is exposed to the risk of hidden defects and pollution with respect to its current properties and with respect to properties which it may develop and/or acquire in the future. Such hidden defects and/or pollution may render further development of the relevant property/ground, and excavation, more expensive (due to required soil surveys or otherwise) and any refurbishment may be subject to approval from the authorities. If hidden defects or pollution is detected, buildings owned by the Group may be un-lettable which, together with possible substantial costs related to refurbishment, may have an adverse effect on the Group's net earnings and financial position.

2.1.6 The Group is exposed to maintenance, technical condition and operating risks

The Group may experience unexpected capital investment requirements related to its properties. There is a general risk that costs for maintenance and replacements, upgrading, etc., for which the Group is responsible may be greater than assumed. The scope of the landlord's obligations will depend on the technical state and condition of the lease object. Further, after expiry of the respective lease agreements, the premises may have to be renovated or adapted in order to attract new tenants. Should unexpected costs occur, this will have a negative impact on the net earnings and financial position of the Group.

2.1.7 The Group is dependent on the services of external construction companies

The Group depends on external construction companies and service providers in connection with the development and construction of new projects. The Group may suffer losses and may be exposed to additional costs on projects if a contractor should experience financial or other difficulties. The Group may further, through its contractors, encounter difficulties with respect to engineering, equipment or deliveries of material, schedule changes, delays in designs, weather-related delays and other problems associated with projects and the use of contractors and such problems may impact the Group's ability to complete a project in accordance with the original schedule, or at all, which in turn could negatively affect the Group's financial position, earnings and prospects.

2.2 Risks related to laws, regulations and compliance

2.2.1 The Group could be subject to litigation and disputes, including disputes with tax authorities that could have a material adverse effect on the Group's business, financial condition, results of operation and cash flow

The Group may from time to time be subject to legal claims from tenants, tax authorities and other third parties. As of the date of this Prospectus, the Group (Martex LLC) is involved in a number of disputes, three of which are considered to be material (see further description in Section 9.8 ("Legal proceedings")). The Group cannot predict with certainty the outcome or effect of any such claim or other legal or arbitration proceedings. The ultimate outcome of any legal or arbitration proceeding and the potential costs associated with prosecuting or defending such legal or arbitration proceedings, including the diversion of the management's attention to these matters, could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

2.2.2 Changes in planning regulations may affect the Group's operations and financial position

Changes in, or completion, of existing planning regulations by relevant authorities may affect the operations of the Group's property, including the interest of potential tenants in future rental of premises or interest of future purchasers of the property. New laws may be introduced which may be retrospective and affect environmental planning, land use and development regulations. Furthermore, existing planning regulations may limit the possibility to further develop the Group's properties. Any of the foregoing risks could, if they materialise, lead to increased costs and reduced earnings for the Group and have a material adverse effect on the Group's financial position.

2.2.3 The Group is subject to tax in several jurisdictions

The Group's operations are subject to laws and regulations in several jurisdictions, including laws and regulations regarding tax. Due to the Group operating in several jurisdictions, the risk of non-compliance with any applicable legislation, including with respect to taxation, is increased. For example, the taxation system in the Russian Federation, a jurisdiction in which the Group operates, is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities. Taxes are, in the Russian Federation, subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges, and the tax authorities of a higher level may also perform a repeat audit of tax years closed by audits performed by tax authorities of lower levels. There can be no assurance that the Group's understanding of applicable tax legislation in the jurisdictions in which it operates is correct. If applicable tax legislation change or relevant authorities do not agree with the Group's interpretation of prevailing tax legislation, this could have material negative impact on the Group's financial position.

2.3 Financial risk

2.3.1 Failure to comply with covenants in financing arrangements may have a material adverse effect on the Group.

If the Company breaches covenants under the loan agreement for the senior secured callable bonds of NOK 1,850 million issued by the Company (the "**Bond Issue**" or the "**Bonds**"), this loan may be subject to an immediate re-payment obligation. There can be no assurances that the Group will be able to meet its obligations under current or future financing arrangements. Any breach of existing or future debt covenants and undertakings with a subsequent claim for repayment in full or in a part of the outstanding debt will have a material adverse effect on the Groups financial position, operations and future prospects.

2.3.2 The Group is exposed to currency risk

The Group is exposed to foreign currency exchange rate fluctuations. The Group operates internationally, and a significant part of its business is conducted in countries with other currencies than NOK, which is the Group's functional currency, with rental income from the Group's properties being received in DKK, SEK, EUR and RUB (in addition to NOK). Consequently, fluctuations in DKK, SEK, EUR and RUB against NOK could adversely affect the financial results of the Group.

2.4 Risks related to the valuation of the Groups property portfolio

2.4.1 Inaccuracies in calculations of fair value of property could negatively affect the Group

The Group's investment properties are measured at their fair value by the independent external valuer Cushman & Wakefield Debenham Tie Leung Limited ("**Cushman & Wakefield**"). The valuations are based on the individual property's assumed future cash flows, and property values are arrived at by discounting cash flows with an individual risk-adjusted required rate of return. Cushman & Wakefield has performed its valuations on the basis of the information it has received from the Group, including lease contracts, estimated development costs and expected lettable area, estimated future market rents, yields, inflation and other relevant parameters, and has not undertaken any technical inspection of the properties nor made any assessment of legal concerns related to the properties. Because of the uncertainty surrounding the input Cushman & Wakefield has received, in particular with respect to expected market rents, discount rates and inflation, estimates of sellable or lettable areas and estimated development costs for projects still in development, there can be no assurance that the fair values assigned to the Group's properties accurately reflect the proceeds that the Group will be able to generate from any sale of such properties in the future. Moreover, valuation methods that are currently generally accepted and that have been used for the purpose of developing the fair value of the Group's properties could subsequently be determined to have been unsuitable. Revised valuation techniques, erroneous valuations in connection with acquisition of property portfolios and other unforeseeable events could result in the Group being unable to achieve its projected yields and could have significant adverse effects on the Group's business, financial condition, results of operations and cash flows.

2.5 Risks related to the Shares

2.5.1 Major shareholders could exercise significant influence

At the date of this Prospectus, EBE Eiendom AS and Kverva Industrier AS own approximately 41.6% and 34.4% of the issued share capital of the Company, respectively. As major shareholders of the Company, EBE Eiendom AS and Kverva Industrier AS could significantly influence the outcome of matters submitted for vote in the general meetings. The commercial goals and interests of EBE Eiendom AS and Kverva Industrier AS as shareholders and the commercial goals and interest of the Company and/or the other shareholders, may not always be aligned.

2.6 Risks relating to the Transaction and the Combination

2.6.1 The failure to integrate the operations of KMC Properties ASA (pre-transaction entity) and KMC Properties AS successfully and on a timely basis could reduce the profitability of the Company and adversely affect its share price

The Company expects certain benefits to arise from the Transaction, such as new growth opportunities, improved performance, efficiencies, synergies and cost savings. Achievement of these benefits will depend in part on whether the operations and the personnel of KMC Properties ASA (pre-transaction entity) and KMC Properties AS can be integrated in an efficient and timely manner. The challenges involved in this integration include the following:

- retaining key employees;
- redeploying resources in different areas of operations to improve efficiency;
- minimizing the diversion of management attention from ongoing business concerns; and
- addressing possible differences in the business cultures, processes, controls, procedures and systems of KMC Properties ASA (pre-transaction entity) and KMC Properties AS.

Even if the Company is able to successfully combine the operations of KMC Properties ASA (pre-transaction entity) and KMC Properties AS, it may not be possible to realize the full benefits that the Company currently expects to result from the Transaction, or to realize these benefits within the time frame that is currently expected. The benefits of the Transaction may be offset by operating losses relating to changes in market conditions, risks and uncertainties relating to the Group's prospects, an increase in operating or other costs, unanticipated difficulties and costs related to the integration, the impact of competition and other risk factors relating to the industry.

2.6.2 The Unaudited Pro Forma Condensed Financial Information may differ from actual results

This Prospectus includes Unaudited Pro Forma Condensed Financial Information, as further described in section 12 below. Although the Unaudited Pro Forma Condensed Financial Information is based on estimates and assumptions believed to be reasonable, there is a risk that actual results can materially differ from those presented herein. There is a greater degree of uncertainty associated with pro forma figures than with actual reported results. The Unaudited Pro Forma Condensed Financial Information has been prepared for illustrative purposes only and, because of its nature, it addresses a hypothetical situation and therefore does not purport to present the results of operations of the Group as if the Combination had occurred on the dates presented, or the financial condition of the Group as of the date being presented, nor should it be used as the basis of projections of the results of operations for the Group for any future period or the financial condition of the Group for any date in the future.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the Subsequent Offering described herein and the listing of the New Shares and the Offer Shares on the Oslo Stock Exchange as described herein.

The Board of Directors of KMC Properties ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that, after having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

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10 February, 2021

The board of Directors of KMC Properties ASA

Anders Dyrseth *Chairman*	**Morten E. Astrup** *Board Member*	**Nini Høegh Nergaard** *Board Member*
Anna Musiej Aanensen *Board Member*		**Stig Wærnes** *Board Member*
Marianne Bekken *Board Member*		**Børge Klungerbo** *Board Member*

4 GENERAL INFORMATION

4.1 Other important investor information

This Prospectus has been drawn up as a simplified prospectus for secondary offerings in accordance with Article 14 of Regulation (EU) 2017/1129.

This Prospectus has been approved by the Norwegian FSA, as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The Company has furnished the information in this Prospectus. The Managers make no representation or warranty, express or implied, as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Prospectus is, or shall be relied upon, as a promise or representation in this respect, whether as to the past or the future. The Managers disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise, which they might otherwise be found to have in respect of this Prospectus or any such statement.

The Managers are acting exclusively for the Company and no one else in connection with the Subsequent Offering. They will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Subsequent Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for giving advice in relation to the Subsequent Offering or any transaction or arrangement referred to herein.

The information contained herein is current as of the date hereof and subject to change, completion and amendment without notice. In accordance with Article 23 of the Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment of the New Shares and the Offer Shares and which arises or is noted between the time when the Prospectus is approved by the Norwegian FSA and the listing of the New Shares and the Offer Shares on the Oslo Stock Exchange, will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus shall under any circumstance imply that there has not been any change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

No person is authorized to give information or to make any representation concerning the Group or in connection with the Subsequent Offering other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorized by the Company or the Managers or by any of the affiliates, representatives, advisers or selling agents of any of the foregoing.

Neither the Company or the Managers, or any of their respective affiliates, representatives, advisers or selling agents, is making any representation, express or implied, to any offeree or purchaser of the New Shares and the Offer Shares regarding the legality of an investment in the New Shares and the Offer Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

Investing in the Offer Shares involves a high degree of risk. See Section 2 "Risk factors".

4.2 Regulatory disclosures

Mandatory notification of trade		
Date	**Title**	**Description**
28.08.2020	Mandatory notification of trade and disclosure of large shareholding	Strategic Investments A/S, where Kim Mikkelsen is majority shareholder and primary insider, has on 28 August 2020 sold 2,145,504 shares in KMC Properties at an average price of NOK 7.00 per share.

		Kim Mikkelsen is also Board Member and primary insider of KMC Properties. Total holding after this transaction is 107,308 shares (1.21% of the total amount of shares). Strategic Investments A/S thereby passed the flagging threshold of 25%.
28.08.2020	Mandatory notification of trade	Surfside Holding AS (wholly owned by Morten E. Astrup) has on 28 August 2020 bought 287,600 shares at an average price of NOK 6.25 per share. After these transactions Morten E. Astrup and entities controlled by him owns a total of 2,755,659 shares in KMC Properties (31.19% of the company). Morten E. Astrup is a Board Member and primary insider of KMC Properties.
17.11.2020	Disclosure of large shareholding	Kastor Invest AS has sold 2,610,000 shares in KMC Properties. Following completion of the Transaction, Kastor Invest AS owns 290,000 shares in the company, representing 3.28 % of the total number of shares and votes in the company.
17.11.2020	Disclosure of large shareholding	Kverva Industrier AS has purchased 870,000 shares in KMC Properties. Following the completion of the Transaction, Kverva Industrier AS owns 870,000 shares in the company, representing 9.85 % of the total number of shares and votes in the company.
26.11.2020	Disclosure of large shareholding	Bekken Invest AS has sold 1 740 000 shares in KMC Properties. Following completion of the transaction, Bekken Invest AS owns 0 shares in the Company, representing 0 % of the total number of shares and votes in the Company.
26.11.2020	Disclosure of large shareholding	EBE Eiendom AS has purchased 1 740 000 shares in KMC Properties. Following the completion of the transaction, EBE Eiendom AS owns 1 740 000 shares in the Company, representing 19.69 % of the total number of shares and votes in the Company.
15.12.2020	Mandatory notification of trade	Aukner Holding AS, where Stein Aukner is a large shareholder, has on 15 Desember 2020 sold 15,064 shares in KMC Properties at an average price of NOK 11.00 per share. Stein Aukner is the

		Chairman of KMC Properties and thus a primary insider. Total holding after this transaction is 0 shares (0.0% of the total amount of shares).

Additional disclosed information		
Date	**Title**	**Description**
24.06.2020	Annual general meeting held	All proposals set out in the notice to the general meeting and the Board's proposal for new auditor were approved. Hence, KMC Properties's new auditor is PricewaterhouseCoopers AS.
27.11.2020	Successful placement of senior secured NOK bonds	KMC Properties has successfully completed the placement of a NOK 1,850 million senior secured bond with 3 years tenor. The bond issue received solid interest from high quality institutional investors. An application will be made for the bond to be listed on Oslo Børs.
14.12.2020	Completion of the NOK 300 million private placement at NOK 7 per share	Reference is made to the stock exchange announcement published by KMC Properties on 17 November 2020, where the Company announced that it had entered into a transformative agreement to form a combined entity with KMC AS (the "Transaction"). Reference is further made to the stock exchange announcement of 8 December 2020 regarding launch of a NOK 300 million fully underwritten private placement in connection with the Transaction (the "Private Placement"). Following completion of the placement, the Board of KMC Properties (the "Board") has on a conditional basis allocated a total of 42,857,142 new shares to a combination of new investors, existing shareholders and the underwriters. The shares have been allocated at the fixed offer price of NOK 7 per share, raising gross proceeds of approximately NOK 300 million. Completion of the Private Placement remais subject to certain conditions. Subject to approval by the EGM and market conditions, the Company expects to undertake a subsequent repair offering of shares (which may be comprised of new and/or existing shares in the Company) in the amount of

		NOK 30 million at the same offer price as in the Private Placement (the "Subsequent Offering").	
14.12.2020	Key information relating to the repair issue to be carried out by KMC Properties	Date on which the terms and conditions of the repair issue were announced: 14 December 2020 Last day including right: 11 December 2020 Ex-date: 14 December 2020 Record date: 15 December 2020 Date of approval: 18 December 2020 Maximum number of new shares: 4,285,714 Subscription price: NOK 7 per share	
20.12.2020	Completion of agreement to form a combined entity with KMC Properties AS	KMC Properties has completed the agreement to acquire 100% of the issued and outstanding shares in KMC Properties AS, as announced on 17 November 2020 (the "Transaction"). As part of completion of the Transaction, the Company has today issued in total 180,502,178 new shares at a subscription price of NOK 7 per share. Of these, 153,678,158 shares have been issued to the sellers in the Transaction as full settlement of the purchase price thereof, and 26,824,020 shares have been issued to certain existing shareholders as settlement through conversion of the Company's outstanding debt in accordance with the refinancing agreement dated 27 May 2020. With this, the conditions for completion of the NOK 300 million private placement announced on 14 December 2020 (the "Private Placement") have also been fulfilled.	
19.01.2021	Last day of acceptances under the mandatory offer	Reference is made to the mandatory offer (the "Mandatory Offer") dated 21 December 2020 made by EBE Eiendom AS and Kverva Industrier AS (jointly the "Offerors") to acquire all issued and outstanding shares in KMC Properties. In total, the Offerors had at the time of expiry of the Mandatory	19.01.2021

		Offer, received acceptances for a total of 149,369 shares and votes in KMC, corresponding to 0.062 per cent of the share capital and voting rights in KMC. As a result of the Mandatory Offer and additional share purchases agreed today, EBE Eiendom AS will acquire 4,493,929 shares and Kverva Industrier AS will acquire 1,363,329 shares in the Company, all at NOK 7 per share. This includes a sale by Surfside Holding AS, a company wholly owned by Morten E. Astrup, of 2,857,142 shares in the Company, of which 1,564,016 shares are acquired by EBE Eiendom AS and 1,293,126 shares are acquired by Kverva Industrier AS. Following completion of the Mandatory Offer and these transactions, EBE Eiendom AS will hold 100,038,320 shares in the Company corresponding to 41.55 per cent of the share capital and voting rights, Kverva Industrier AS will hold 82,716,209 shares in the Company corresponding to 34.36 per cent of the share capital and voting rights, and Morten E. Astrup will, through Surfside Holding AS and Aconcagua Management Ltd, hold 22,727,935 shares in the Company corresponding to 9.44 per cent of the share capital and voting rights.

Financial information		
Date	**Title**	**Description**
28.02.2020	KMC Properties – Interim Report H2 2019	KMC Properties publishes Interim Report H2 2019, stating total Comprehensive Income of USD 0.6 million in the second half of 2019, and NAV per share at NOK 4.7 as at 31 December 2019 (The reversed share split came into effect on 10 July 2019). The rental income has had a positive development during 2019 but is still too low to cover the Group's financial obligations. Hence, the Group is dependent on a refinancing in order to avoid bankruptcy.
30.04.2020	KMC Properties – Annual Report 2019	KMC Properties publishes Annual Report 2019

27.08.2020	KMC Properties – Interim Report H1 2020	KMC Properties publishes Interim Report H1 2020. Total Comprehensive Income of USD 5.3 million in the first half of 2020, and NAV per share at NOK 11.1 as at 30 June 2020 (The reversed share split came into effect on 10 July 2019).
28.09.2020	Interim Report H1 2020, including statement in accordance with the Securities Trading Act section § 5-6, second paragraph.	Reference is made to the public announcement on 27 August 2020, where the company published its interim report for the first half of 2020. The interim report did not contain the statement required by the Securities Trading Act section § 5-6, second paragraph. Hence, the company published a new interim report for H1 2020, including the statement on page 17. There are no other changes in the report.

4.3 Presentation of financial and other information

4.3.1 Financial information

The financial information contained in this Prospectus is related to the Company, being KMC Properties (previously named Strom Real Estate ASA). The financial information has been derived from the Company's audited consolidated financial statements as of and for the year ended 31 December 2019 (the "**Annual Financial Statements**"), the Company's unaudited consolidated interim financial statements as of and for the six months ended 30 June 2020 (the "**Q2 Interim Financial Statements**") and as of and for the nine months ended 30 September 2020 (the "**Q3 Interim Financial Statements**").

Those financial statements do not reflect the effect of the Combination (See section 6.6 "The Combination's significance for the earnings, assets and liabilities of the Group"). Pro forma financial information has been included in this Prospectus to illustrate how the financial results of the Company might have been as a result of the Combination occurring at an earlier point in time. See also Section 12 "Unaudited Pro Forma Condensed Financial Information".

It should be noted that the Transaction (part of the Combination) is treated as a reverse acquisition, where KMC AS is the acquirer for accounting purposes and KMC Properties (previously named Storm Real Estate ASA) is the acquiree for accounting purposes. Also, KMC AS was incorporated on 20 January 2020 and has not published audited financial statements as of the date of this Prospectus.

The Annual Financial Statements have been prepared in accordance with International Financial reporting Standrads as issued by the International Accounting Standards Board ("**IASB**") and adopted by the European Union in accordance with the Norwegian Accounting Act (together "**IFRS**"). The Annual Financial Statements have been audited by Ernst & Young AS as set forth in their report included therein.

Ernst & Young AS issued an unqualified audit opinion with a clarification over material uncertainty related to going concern. This clarification was due to the Company being dependent on reaching a final agreement with its external lender, which in turn was dependant on reaching satisfactory financial terms from another bank, in order to fulfil its its current debt obligations. Had the Company been unable to reach this agreement, liquidation building valuations would have been below carrying values and the Company's ability to continue as a going concern materially uncertain.

The Q2 Interim Financial Statements have been prepared in accordance with IAS 34.

It should be noted that the Q3 Interim Financial Statements as of and for the nine months ended 30 September 2020 are prepared in accordance with the same principles for recognition and measurement as the Annual Financial Statements, but it is not prepared in accordance with the IAS 34 Interim Financial Reporting as not including all the information and disclosures as required by that standard. As such, those interim financial statements should be read in conjunction with the Annual Financial Statements.

Further, the Company has changed its presentation currency from USD to NOK from the publication of its unaudited consolidated interim financial statements as of and for the nine months ended 30 September 2020 and as such, has represented the comparative information for the year ended 31 December 2019 reflecting this change. For further information, see note 2 to those financial statements.

The Annual Financial Statements, the Q2 Interim Financial Statements and the Q3 Interim Financial Statements are together referred to as the "**Financial Information**". The Financial Information is included in this Prospectus, see Section 11 "Selected financial and other information".

The Financial Information is rounded to the nearest thousands.

4.3.2 Valuation report and other third party information

Included in this prospectus is a valuation report on the Group's properties prepared by Cushman & Wakefield Debenham Tie Leung Limited, with registration number 997 013 263 and registrered address 125 Old Brad Street, London Ec2n 1ar, Great Britain. The Company confirms that where information has been sourced by a third party, including information from Cushman & Wakefield, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

4.4 Cautionary note regarding forward-looking statements

This Prospectus includes "forward-looking" statements that reflects the Company's current views with respect to future events and financial and operational performance; including but not limited to, statements relating to the risks specific to the Company's business, future earnings, the ability to distribute dividends, the solution to contractual disagreements with counterparties, the implementation of strategic initiatives as well as other statements relating to the Company's future business development and economic performance.

These forward-looking statements can be identified by the use of forward-looking terminology; including the terms "assumes", "projects", "forecasts", "anticipates", "believes", "estimate", "expects", "seeks to", "may", "might", "plan", "will", "would", "can", "could", "should" or, in each case, their negative or other variations or comparable terminology.

Forward-looking statements appear in a number of places throughout this Prospectus; Sections 4, 5, 7, 8, 9, 11, 12, 13 and 14 and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, goals, objectives, financial condition and results of operations, liquidity, outlook and prospects, growth, strategies, impact of regulatory initiatives, capital resources and capital expenditure and dividend targets, and the industry trends and developments in the markets in which the Group operates.

By their nature, forward-looking statements involve and are subject to known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Group, or, as the case may be, the industry, to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. Should one or more of these risks and uncertainties materialize, or should any underlying assumption prove to be incorrect, the Company's business, actual financial condition, cash flows or results of operations could differ materially from that described herein as anticipated, believed, estimated or expected.

The information contained in this Prospectus, including the information set out under Section 2 "Risk Factors", identifies additional factors that could affect the Company's financial position, operating results, liquidity and performance. Prospective investors in the New Shares are urged to read all sections of this Prospectus and, in particular, Section 2 "Risk Factors" for a more complete discussion of the factors that could affect the Company's future performance and the industry in which the Company operates when considering an investment in the Shares.

These forward-looking statements speak only as of the date of this Prospectus. Except as required according to the Prospectus Regulation, the Company undertakes no obligation to publicly update or revise any forward looking statements, whether as result of new information, future events or otherwise, other than as required by law or regulation. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the behalf of the Company are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

5 REASONS FOR THE SUBSEQUENT OFFERING

On 17 November 2020, KMC Properties announced that it had entered into an agreement to acquire 100% of the issued and outstanding shares of KMC AS for an agreed consideration of NOK 1,075,747,106 to be settled in full in the form of a seller's credit, and subsequently converted to 153,678,158 shares in the Company at a conversion price of NOK 7 per share (the "**Transaction**"). In connection with the Transaction, and as further described in Section 6 ("The Combination"), the Company also completed the Private Placement (as defined below), the Conversion of the Swedbank Loan (as defined below), and the Dutch Transaction (as defined below), resulting in a total of 231,930,748 New Shares.

On 18 December 2020 the Transaction was approved by the extraordinary general meeting of KMC Properties. The Transaction was completed through the issuance of the conversion shares to the sellers in the Transaction on 20 December 2020.

KMC AS has during 2020 consolidated three Trondheim-based industrial real estate businesses with a long operating history into KMC AS and built an organisation to prepare the company for further growth.

KMC Properties (formerly Storm Real Estate ASA) was prior to the completion of the Transaction a single asset company and had for some time evaluated potential partnerships in order to use the listed platform and strong industrial knowledge in the company to grow the company and create value for the shareholders. The combined entity has a strong platform to execute on a pipeline of attractive growth opportunities, including a listed and liquid share as a valuable currency for capital-light growth.

The Company therefore belives that the Transaction will result in the following benefits to the Company:

- Access to capital at attractive terms
- Strong owners with industrial expertise
- Better capitalised for further growth, and increased strategic flexibility, by enabling the Company to continue performing potential growth investments and aquistions of yielding real estate and/or real estate instruments.
- Increased opportunity to become a market leader within industrial real estate
- Increased ability to further optimalize the Company's sales and operations of yielding real estate and/or real estate instruments.
- A liquid market for the New Shares and the Offer Shares.

The purpose of the Subsequent Offering is to enable the shareholders of the Company to participate in the offering of new shares at the Offer Price and to mitigate the dilutive effect of the Transaction.

The Company estimates gross proceeds from the Subsequent Offering of up to NOK 30 million. The net proceeds from the Subsequent Offering is expected to amount to up to NOK 28.8 million, based on the estimated total transaction costs of approximately NOK 1.2 million related to the Subsequent Offering, and all other directly attributable costs to be paid by the Company in this relation.

The net proceeds from the Subsequent Offering is primarily intended to strengthen the Company's revenue growth capabilities, in line with the Company's strategy described in Section 9.6 "Growth Strategy of the Group", in addition to general corporate purposes. The use and allocation of the net proceeds from the Subsequent Offering will be considered by the Company on a continuing basis. See Section 18 "The Terms of the Subsequent Offering" for more information on the Subsequent Offering.

6 THE COMBINATION

6.1 The Transaction

On 20 December 2020 the Company completed the acquisition of all of the issued and outstanding shares in KMC Properties AS (registration number 924 527 714 and registered address at Hammarvikringen 64, N-7263 Hamarvik, Norway) ("**KMC AS**") (the Transaction). The purchase price for the shares, being NOK 1,075,747,106, was determined on the basis of negotiations and supported by an external valuation performed by Cushman and Wakefield, and settled in full by the issuance of a seller's credit (the "**Seller's Credit**"). This Seller's Credit was subsequently converted to 153,678,158 new shares in the Company (the "**KMC Consideration Shares**").

As a part of the Transaction, the Group entered into an agreement with Synbra B.V (a subsidiary of KMC AS) to aquire the 4 subsidiaries of Holland Industrial Properties B.V, Wijchen Investment properties B.V., Oldenzaa1 Investment properties B.V., Someren Investment properties B.V., and Zwartsluis Investment properties B.V. (together the "**Dutch Companies**") (the "**Dutch Transaction**"). As partial settlement of this acquisition, the seller, Synbra B.V., issued a seller's credit of NOK 59,999,996, which in connection with the completion of the acquisition on 23 December 2020, was transferred to the Company, and subsequently converted to share capital through issuance of 8,571,428 new shares in the Company to Synbra B.V. at a subscription price of NOK 7 per share. Furthermore, the Group aqcuired Grøntvedt Næringsbygg AS (registration number 979 959 567 and registered address at Havnevegen, N-7142 Uthaug, Norway) ("**Grøntvedt**"), for a total consideration of NOK 220 million, which was settled in cash at the closing of the acquisition, on 23 December 2020, with the net proceeds from the Bond Issue.

Prior to the Transaction, KMC AS acquired all of the shares of Pesca Property AS (registration number 924 527 714, and registered address at Hammarvikringen 64, N-7263 Hamarvik, Norway) ("**Pesca Property**") with subsidiaries (the "**Pesca Transaction**"). The purchase price for the shares, being NOK 419,439,784 (constituting the full settlement towards all the sellers in the Pesca Transaction), was determined on the bases of external valuations of the shares in Pesca Property, and negotiations between the parties in the Pesca Transaction, and whereby NOK 244,494,122.4266 was settled in the form of issuance of consideration shares in KMC AS, NOK 142,721,949 was settled by a cash payment, and the remaining amount by way of a shareholder loan between Kverva Industrier AS (registration number 960 329 856 and registered address at Kverva, N-7266 Kverva, Norway) ("**Kverva Industrier**") and KMC AS.

6.2 The Private Placement

In connection with the Transaction, the Company implemented a NOK 300.0 million private placement of 42,857,142 new shares, directed towards certain shareholders of the Company and new investors, at an offer price of NOK 7.00 per share (the "**Private Placement**"). The Private Placement was resolved by the Board of the Company on 22 December 2020, pursuant to a board authorization for issuance of new shares, granted by the extraordinary general meeting held on 18 December 2020.

The purpose of the Private Placement was to strengthen liquidity in the Company's shares, and along with the Bond Issue the use of proceeds will be to refinance existing bank debt and part of shareholder loans in KMC AS purchase of new properties in line with the Company's strategy and, as well as general corporate purposes.

6.3 The Conversion of the Swedbank Loan

Furthermore, Aconcagua Management Ltd (a company wholly owned by Morten E. Astrup) and certain other shareholders of the Company, as a part of the Transaction, acquired the Company's outstanding debt towards Swedbank AB in accordance with the refinancing agreement dated 27 May 2020 and conditions set by the Board. Following the purchanse, the outstanding debt was thereafter converted to 26,824,020 new shares in the Company at the same price as in the Private Placement and the Transaction (the "**Conversion of the Swedbank Loan**").

6.4 The Bond Issue

In connection with the Transaction, the Company has issued senior secured callable bonds of NOK 1,850 million (the Bond Issue or the Bonds) through a private placement. The proceeds from the Bond Issue shall be used to refinance shareholder loans, existing bank debt and for general corporate purposes including acquisitions of the combined company. Following completion of the Transaction and the Private Placement, the funds from the Bond Issue were released from escrow on 23 December 2020.

The Company intends to apply for listing of the Bonds on the Oslo Stock Exchange.

As part of the Bond Issue, KMC Properties, certain other group companies and the property owning subsidiaries of the Company in Norway, Sweden, Denmark, Finland and the Netherlands have granted guarantees and security over the shares in each of the property ownings companies, bank accounts, properties, intercompany receivables, floating charges over trade receivables, and property insurances to secure the Bonds.

6.5 The Mandatory Offer

The Transaction triggered a mandatory offer obligation for each of EBE Eiendom AS (registration number 923 475 451 and registered business address at Hammarvikringen 64, N-7263 Hamarvik, Norway) ("**EBE**)" and Kverva Industrier, pursuant to chapter 6 of the Norwegian Securities Trading Act. Following completion of the Transaction, each of EBE and Kverva Industrier made a mandatory offer to acquire all issued shares in KMC Properties not already owned by EBE and Kverva Industrier, at an offer price of NOK 7 per share (the "**Mandatory Offer**"). The shares issued in the Private Placement were excluded from being tenderes in the Mandatory Offer, as these shares were not issued at the time when the Mandatory Offer was made. The offer period under the Mandatory Offer expired on 19 January 2020. Following expiry of the offer period, valid tenders in the Mandatory Offer had been received for 149,369 shares in the Mandatory Offer, resulting in an obligation for each of EBE and Kverva Industrier to acquire the tendered Shares pursuant to the pre-determined allocation set out in the joint bidding agreement entered into by EBE and Kverva Industrier on 18 December 2020.

6.6 The Combination's significance for the earnings, assets and liabilities for the Group

The Transaction, the Pesca Transaction, the Private Placement, the Dutch Transaction, the acquisition of Grøntvedt, the Conversion of the Swedbank Loan and the Bond Issue (collectively the "**Combination**") are expected to have a significant impact on the Group's earnings, assets and liabilities, as further described in Section 12 "Unaudited Pro Forma Condensed Financial Information".

On a pro forma basis, total income would have increased from NOK 17.1 million for the Group for the nine months ended 30 September 2020 (as reported in the Company's unaudited consolidated interim financial statements for the nine months ended 30 September 2020) to NOK 114.9 million on a pro forma basis. As of 30 September 2020, the Group's total assets were NOK 198.2 million, total equity was NOK 72.6 million and total liabilities were NOK 125.5 million, which on a pro forma basis would have increased to NOK 3,290.2 million, NOK 1,281.3 million and NOK 2,008.9 million, respectively.

For a further description of the pro forma figures and the basis for such figures, see Section 12 "Unaudited Pro Forma Condensed Financial Information".

7 DIVIDENDS AND DIVIDEND POLICY

7.1 Dividend policy

The Company's dividend policy is based on the principle of fair distribution of profit among all its shareholders pro rata their respective holdings of shares, taking into account a rational correlation of the amount paid in dividends and the funds needed to carry out the strategic plans of the Company's development. Dividend rights arise on the date they are approved by the general meeting. There are no restrictions involved for non-resident holders.

The Company is focusing on pursuing growth through both organic and in-organic initiatives, and anticipates to pay dividends according to a dividend pay-out ratio in the 30-50% range of the Company's net income in the coming years.

7.2 Dividend history

The Company has not distributed any dividends during the last financial year.

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will comply with the legal restrictions set out in the Norwegian Public Limited Liabilities Companies Act of 13 June 1997 no. 45 (the "**Norwegian Public Limited Liability Companies Act**") (see Section 7.3 "Legal constraints on the distribution of dividends") and take into account the Company's capital requirements, including capital expenditure requirements, the Company's financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Liability Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

The proposal to pay a dividend in any year is, in addition to the legal restrictions set out in Section 7.3 "Legal constraints on the distribution of dividends", further subject to any restrictions in the Company's borrowing arrangements or other contractual arrangements in place at the time.

Further, the tax legislation of an investor's Member State and of the Company's country of incorporation (Norway) may have an impact on the income received from the Shares, see Section 16 "Taxation".

7.3 Legal constraints on the distribution on dividends

Dividends may be paid in cash, or in some instances as dividends in kind. The Norwegian Public Limited Liability Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Limited Liability Companies Act provides that the Company may distribute dividends to the extent that the Company's net assets following the distribution are sufficient to cover (i) the Company's share capital, (ii) the Company's reserve for valuation variances and (iii) the Company's reserve for unrealised gains. Any receivables of the Company which are secured through a pledge over the Company's Shares and the aggregate amount of credit and security which, pursuant to Sections 8-7 through to 8-10 of the Norwegian Public Limited Liability Companies Act fall within the limits of distributable equity are to be deducted from the distributable amount;

- the calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the previous financial year, provided, however, that the registered share capital as at the date of the resolution to distribute dividends shall be applied. Following approval of the annual accounts for the last financial year, the General Meeting may also authorise the Board of Directors to declare dividends on the basis of the Company's annual accounts.

- dividends may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date no older than six months before the date of the General Meeting's resolution; and

- dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound in light of the risk and scope of the Company's business.

Pursuant to the Norwegian Public Limited Companies Act, the time when an entitlement to dividend arises depends on what was resolved by the general meeting of shareholders when it resolved to issue new shares in the company. A subscriber of new shares in a Norwegian public limited company will normally be entitled to dividends from the time when the relevant share capital increase is registered with the Norwegian Register of Business Enterprises. The Norwegian Public Limited Liability Companies Act does not provide any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 16 "Taxation".

8 INDUSTRY AND MARKET OVERVIEW

8.1 Market overview

The Group is as a real estate company which conducts business primarily within the Nordics. The Group's business idea is to primarily acquire and manage commercial industry properties. The property portfolio is mainly comprising industrial and logistics properties, in addition to a smaller proportion office properties. The property portfolio is described in further detail below under section 9.4 "The property portfolio of the Group".

The market for industrial real estate is invariably linked to the performance of the tenants' industries. Of the two largest tenants (representing 78% of the operating income), one provides packaging, components and insulation solutions to various European customers, and one provides product development, value-added processing and sales of fish- and seafood products. Consequently, the Group is diversified, both in terms of end-market market exposure as well as geographic exposure.

8.2 Key drivers and trends

The Group's activites are influenced by numerous macroeconomic factors as well as industry-specific factors. The following is an outline of the key drivers and trends affecting the markets in which the Group operates in.

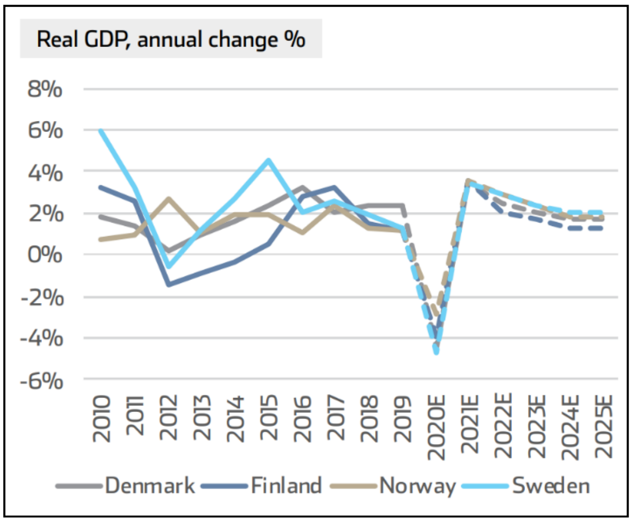
As the Group conducts business primarily within the Nordics, the focus will be on the key drivers and trends within these geographies.

8.2.1 Economic growth across key geographies

Globally, and in the Group's key markets, GDP growth has historically moved in a stable and positive direction since 2010[1]. GDP has reverted back to normal long-term average growth levels in all of the Group's key markets, and projections, as indicated by the European Commission, support increasing levels of economic activity towards 2025.

However, due to the adverse effects from the prevailing Covid-19 pandemic, real GDP growth is estimated to decline across all of the Group's key markets in 2020. While the Group is exposed to markets across the Nordics, Netherlands and Russia, the majority of its properties are located in the Nordics. Thus, further macroeconomic factors will be focused on the Nordic countries.

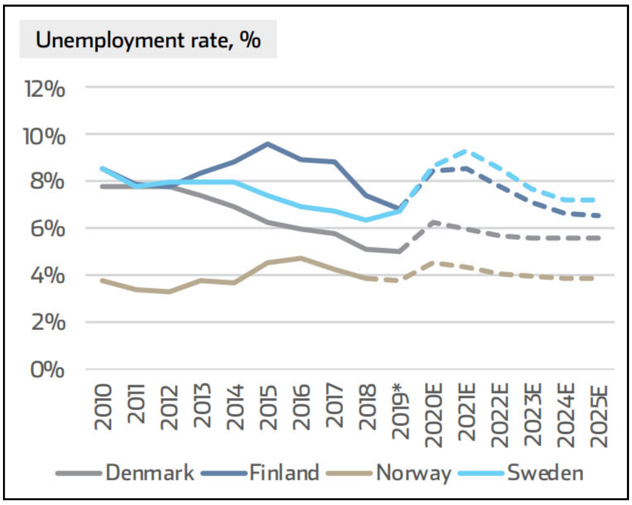
8.2.2 GDP



"IMF expects real GDP to decline in all Nordic countries in 2020, with the largest fall projected in Sweden. In 2021, GDP growth is expected to peak at around 3.5 % in all Nordic countries, before gradually declining to 1.3-2.0 % at the end of the projected period in 2024-2025.

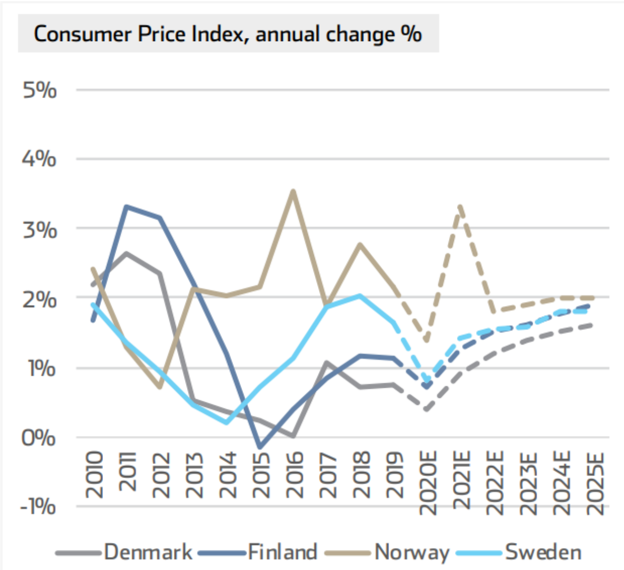
Compared to IMF's projections in April, when economic activity in all four countries was projected to decline between 6.0-6.8 % in 2020, the updated projections show a slightly more optimistic, or less pessimistic, view of the expected depth of the economic downturn."

8.2.3 Unemployment



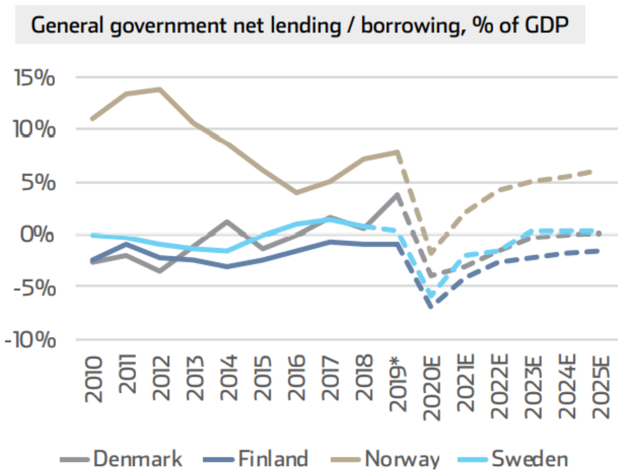
"Expected unemployment rates largely differ across the Nordics, especially this year. IMF expects unemployment to be lowest in Norway, at 4.5 %, and highest in Sweden at 8.7 %. From 2021 and onwards, unemployment rates are expected to decline in all four countries."

8.2.4 Inflation



"IMF expects higher inflation in Norway than in the other countries in the coming years, with inflation in Norway estimated at 1.4 % and inflation in the other countries estimated at between 0.4-0.8 %. This is most likely due to significantly higher imported inflation resulting from the weakening of the Norwegian krone in 2020, among other factors. From 2022 and onwards, IMF expects inflation in Norway to stabilise around the Norwegian central bank's inflation target of 2 %. Inflation in the other three countries is expected to dip in 2020, before gradually increasing to 1.5–2.0 % at the end of the projection period.

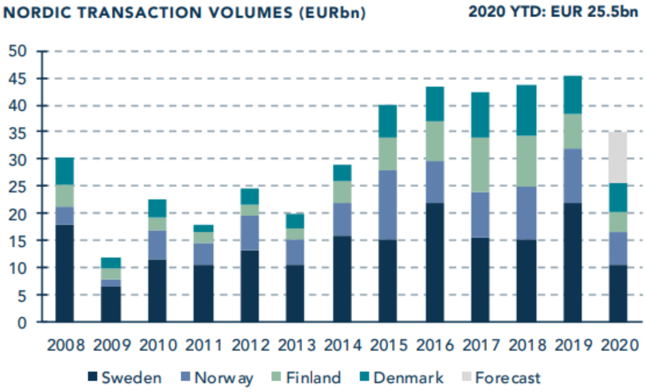
8.2.5 Government net lending / borrowing, % of GDP



"All the Nordic countries are expected to be net borrowers in 2020, albeit to a varying extent. General government net borrowing in Norway is expected to be 1.8 % of GDP, while the corresponding figures are 4.0 % in Denmark, 6.8 % in Finland, and 5.9 % in Sweden. In the following years, all four countries are expected to decrease their net borrowing and Sweden, Denmark and Norway will gradually move from net borrowers to net lenders from 2021 to 2025".

Source: IMF World Economic Outlook, October 2020; Malling & Co Winter 2020/2021 Market report

8.2.6 Nordic transaction volumes (EURbn)



"All the Nordic countries are expected to be net borrowers in 2020, albeit to a varying extent. General government net borrowing in Norway is expected to be 1.8 % of GDP, while the corresponding figures are 4.0 % in Denmark, 6.8 % in Finland, and 5.9 % in Sweden. In the following years, all four countries are expected to decrease their net borrowing and Sweden, Denmark and Norway will gradually move from net borrowers to net lenders from 2021 to 2025"

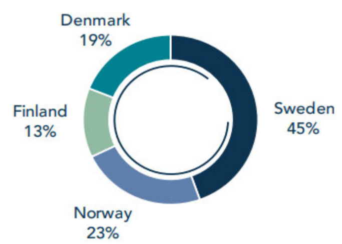
8.2.7 Top 10 Nordic transactions (LTM)

TOP 10 NORDIC TRANSACTIONS (LAST 12M)

#	Date	Buyer	Seller	Property/portfolio	Country	Price (est.)
1	Dec-19	SBB i Norden	Shareholders	Hemfosa	SE, NO, FI	SEK 39.8bn[1]
2	Aug-20	Svenska Nyttobostäder	Several	Residential portfolio	SE	SEK 11.8bn[2]
3	Jun-20	NPRO, Fredensborg, Union	Veidekke	Veidekke Eiendom	NO, SE	NOK 8.75bn[3]
4	Oct-20	Norwegian Property	Telenor	Telenor HQ	NO	NOK 5.45bn
5	Jan-20	Varma, Shinhan, NH Investment	OP Group	OP Group's HQ	FI	EUR 0.5bn
6	Jun-20	Nyfosa	SBB i Norden	Portfolio of 38 properties	SE	SEK 4.9bn
7	Feb-20	Antilooppi	Sponda	Office portfolio	FI	EUR ~0.5bn
8	Dec-19	Nyfosa	Randviken	Mixed portfolio	SE	SEK 4.2bn
9	Jul-20	SBB i Norden	Læringsverkstedet	Preschool portfolio	NO	NOK 4.3bn
10	Mar-20	Stadsrum	Atrium Ljungberg	Farsta Centrum	SE	SEK 4.0bn

[1]Underlying property value of entire company as per interim report Q3 2019. [2]Signed agreement to acquire properties to a value of SEK 11.8bn (21% of the properties are completed today). [3]Enterprise value

NORDIC TRANSACTION VOLUME BY COUNTRY (LAST 12M)



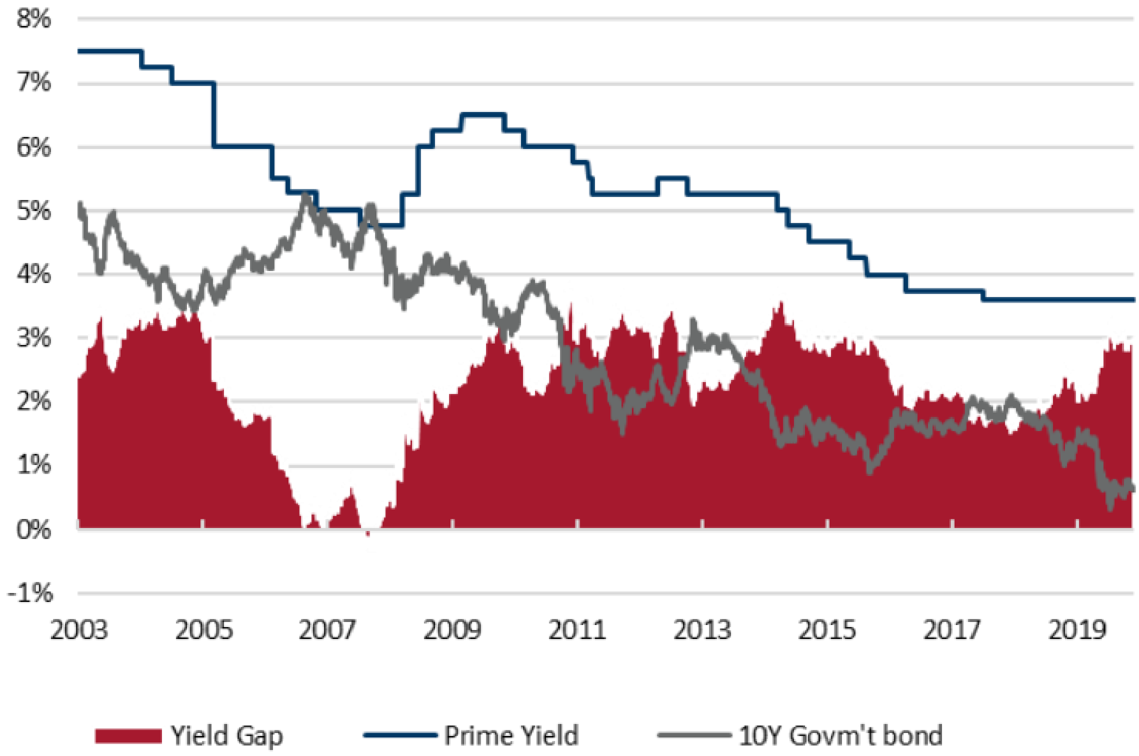
- Nordic transaction volume of EUR 38.3bn in last 12M
- 4 out of the 10 largest Nordic deals last 12M are cross-border

Source: Pangea Research, Mrec, Lokalebasen.dk. Based on transactions above EUR 5m

8.2.8 The Commercial Real Estate market in Norway

The prolonged outlook for low interest rates has contributed to pressure down the yield of properties in Norway. Prime yield has experienced new levels in both office and logistics examplied by the sale of Tjuvholem Allw 1-5 and C-log. The recorded prime yield for commercial real estate as of Q3 2020 is at 3.6% according to Cushman & Wakefield. Thus the yield gap above 10-year government bonds represented 2.99% at the end of September 2020. A prime yield location is chategorized by a newbuilt standard, prominent location highly accessible through one of the main highways and a strong tenant with a 10+ years lease agreement.

See below for a graphical overview of the yield gap between prime yield and 10 year government bonds.



Source: Cushman & Wakefield Realkapital, Nordea og Norges Bank

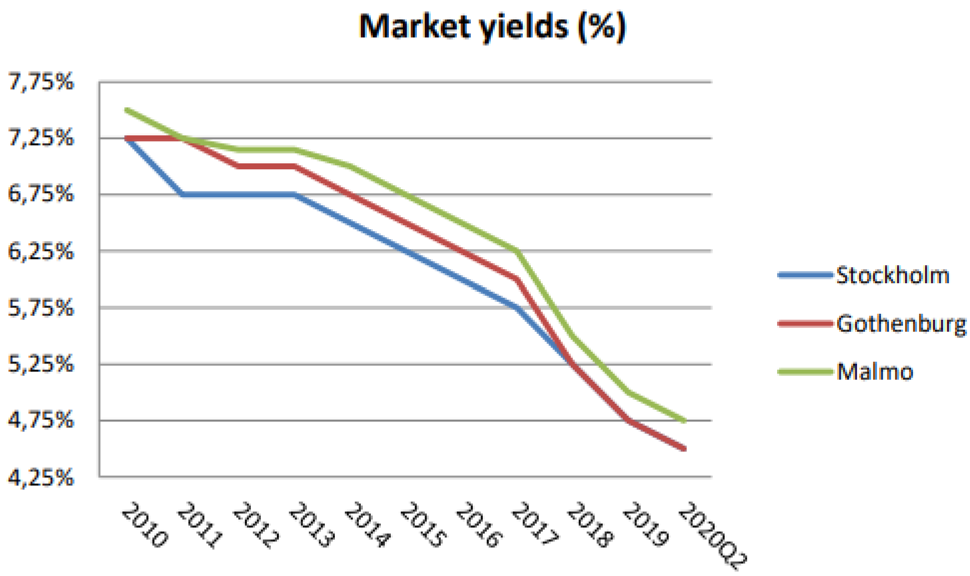
The logistics sector has experienced a very positive market development in Norway over the past few years. The yield of logistics space has decreased more than office and social infrastructure over the last few years, while rents and interest from investors has increased. Since 2015 the prime yield of logistics has dropped from approximately 6% to 4.5%. Prime rent has been more stable in the same period. However, this year there have been evidences that support an increase from NOK 1250 to 1350 per squaremeter. Those contracts mostly consists of of shorter type of leases. As an increasing amout of logistics development projects are completed, the rent levels could thus be expected to even out. The vacancy levels are currently low in the Greater Oslo region at an approximate interval of 2-7%.

Logistics properties are popular due to normally long leases, limited ownership cost, few tenants and ease to maintan. Nevertheless, there have been indications that number of tenants and lease period is of lesser importance, as long as the property is located at prime locations. This is supported by limited land for development in prime locations, especially close to Oslo. Thus, the reletting risk is considered to be low. Another supporting factor is the the expected growth of e-commerce, which result in high demand for last mile logistics to ensure delivery of goods quickly and safely.

8.2.9 The commercial real estate market in Sweden

By international comparisons, the Swedish infrastructure is of relative high standard. Efficient connections are available by air, sea and rail. Highways reaches the most areas without congestion that is often experienced in continental Europe, enabling just-in-time deliveries from locations hours away from manufacturing plants. The Swedish regions that have seen most logistics activity in recent years are the three largest cities like Malmö, Gothenburg and Stockholm. There is currently a trend towards larger logistics premises in Sweden.

Since there is an adequate supply of available land in many locations in Sweden, there is not a great imbalance between supply and demand. One would thus not expect a very strong increase in logistics rent. The Swedish rental market for logistics properties is and has been, relatively stable and rents are currently stretching between SEK 350-1200 per squaremeter and annum, depending on location and specification. Prime rents for logistics space within Stockholm is often signed in the interval SEK 600-950 per squaremeter and annum.

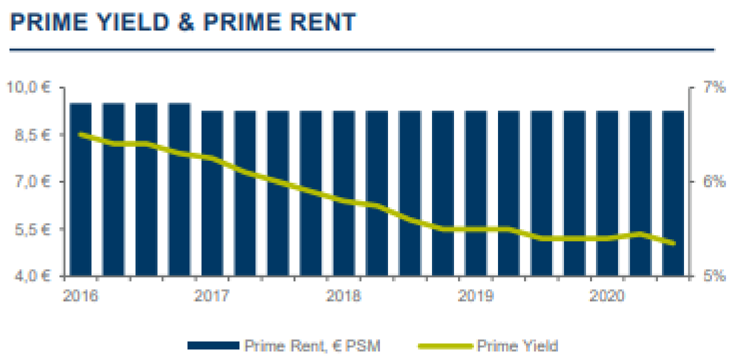


Source: Cushman & Wakefield

Prime logistics yield have declined substantially over the last four years due to the interest from strong investors. For prime buildings with with solid and long leases, yields are currently in the range of 4.25%-5% in the best locations.

8.2.10 The commercial real estate market in Finland

No immediate impact on the industrial occupier market was recorded in H1. Export driven business saw some difficulties due to the pandemic. On the other hand, e-commerce saw a healthy boost during Q2 and Q3, which will increase the demand for selected logistics premises. By the end of Q3 2020, approximately 10,000 squaremeters of new logistics premises have been completed in the Helsinki Metropolitan Area. The effects from the pandemic could potentially be challenging for Finish exports and industrial sector in the coming years. However, the occupier demand is expected to improve in selected logistics segments going forward as the consumers have been forced to get accustomed to e-commerce even for grocery shopping.

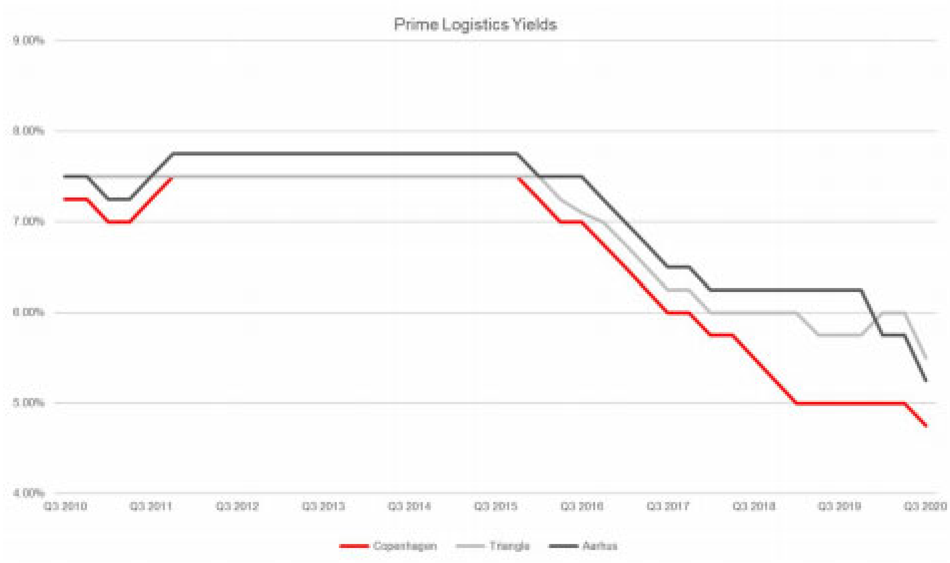


Source: Cushman & Wakefield

8.2.11 The commercial real estate market in Denmark

During the last 3-5 years, the market has developed significantly higher activity, declining yields and rising rents for prime warehouse and logistics facilities. In the Copenhagen area, the prime market rent for modern logistics properties with long-term leases is in the level of DKK 550-675 per squaremeter . In the Copenhagen area the prime yield is currently in the range of 4.75%, while it ranges from 5-5.5% in the triangle region and Aarhus.

While other segments within commercial real estate have decreased in transaction volume in 2020 compared to prior years, the logistics segment is the only segment to outperform the level seen in 2019 – and most likely the volume observed in 2018 as well.



Source: Cushman & Wakefield

8.2.12 The commercial real estate market in Netherlands

The past two years have been exceptionally strong for the logistics real estate market. Despite tge COVID-19 outbreak, the foundations for logistics real estate in Netherlands remain positive. The total transaction volume for logistics the first 9 months of 2020 amounted to EUR 11.1 billion, approximately 24% below the level of the same period last year. High-quality logistics space is scarce in Netherlands, and inverstors are thus willing to pay up for the the right objects. High demand for logistics properties pressure down prime yields, which s currently at 4-4.25%. In the first nine months, the demand for high-quality logistics space has remained the same or has grown. Thus yields around 4% is still realized.

8.2.13 Summary of prime yields

Prime logistic	Sweden	Norway	Finland	Denmark	Netherlands
Yield (%)	4.2 5- 4.5	4.5 - 4.75	4.5 - 4.75	4.75 - 5	4 - 4.25

Source: Cushman & Wakefield

Nordic Interest rates

	Oct 2020	2020 forecast	2021 forecast
Interest rate (10Y swap)	0.3%	n/a	n/a
Inflation (CPI)	0.4%	0.6%	1.2%
Exchange rate (EUR/SEK)	10.40	10.00	9.75
Unemployment (%)	8.3%	9.0%	9.6%

Interest rate (10Y swap)	1.0%	n/a	n/a
Inflation (CPI)	1.6%	1.3%	2.3%
Exchange rate (EUR/NOK)	11.09	10.35	9.90
Unemployment (%)	5.3%	5.4%	4.5%

Interest rate (10Y swap)	-0.3%	n/a	n/a
Inflation (CPI)	0.2%	0.1%	1.5%
Exchange rate (EUR/USD)	1.16	1.20	1.25
Unemployment (%)	8.4%	8.6%	8.2%

Interest rate (10Y swap)	0.0%	n/a	n/a
Inflation (CPI)	0.6%	0.4%	0.9%
Exchange rate (EUR/DKK)	7.45	7.45	7.45
Unemployment (%)	4.8%	9.0%	7.0%

Source: SEB, Sep 2020; Pangea Research October 2020

9 BUSINESS OF THE GROUP

9.1 Introduction to KMC Properties

The Company is a public limited liability company incorporated and operating under the laws of Norway. The Company was incorporated on 2 January 2007, with business registration number 990 727 007. The Company's registered address is at Dyre Halses gate 1 A, N-7042 Trondheim, Norway. Telephone number: +47 480 03 175.

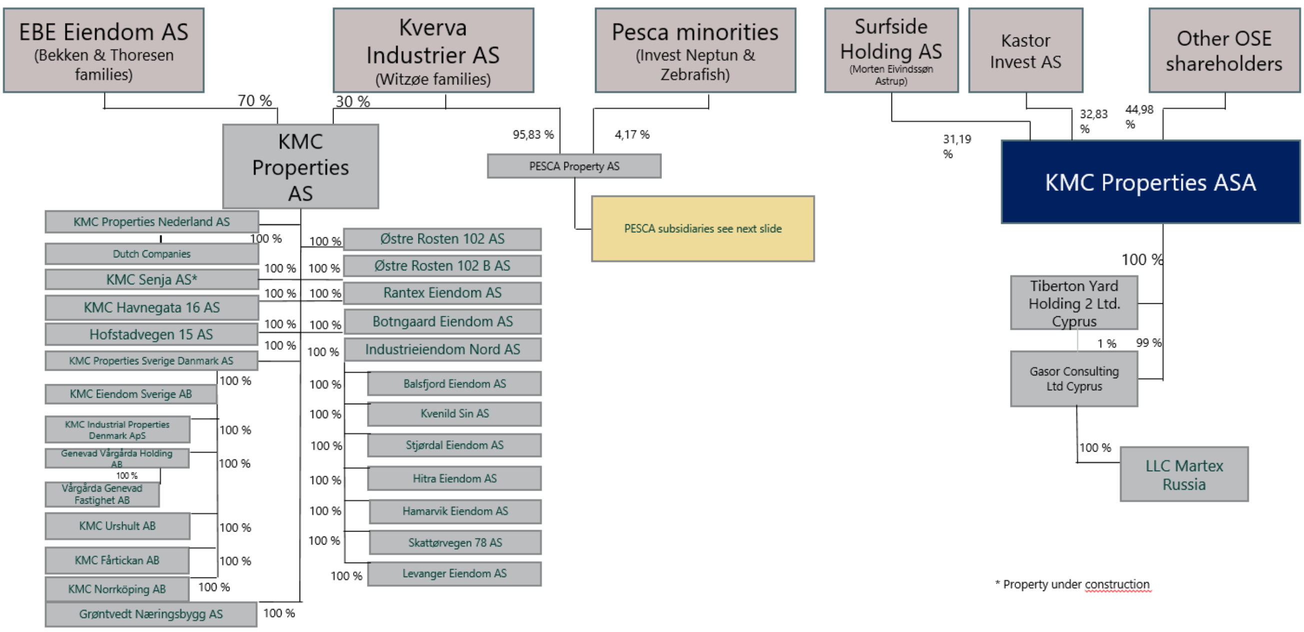
The Company's legal name is KMC Properties ASA, which is identical to its commercial name. Previous to 28 December 2020, the Company's legal and commercial name was Storm Real Estate ASA.

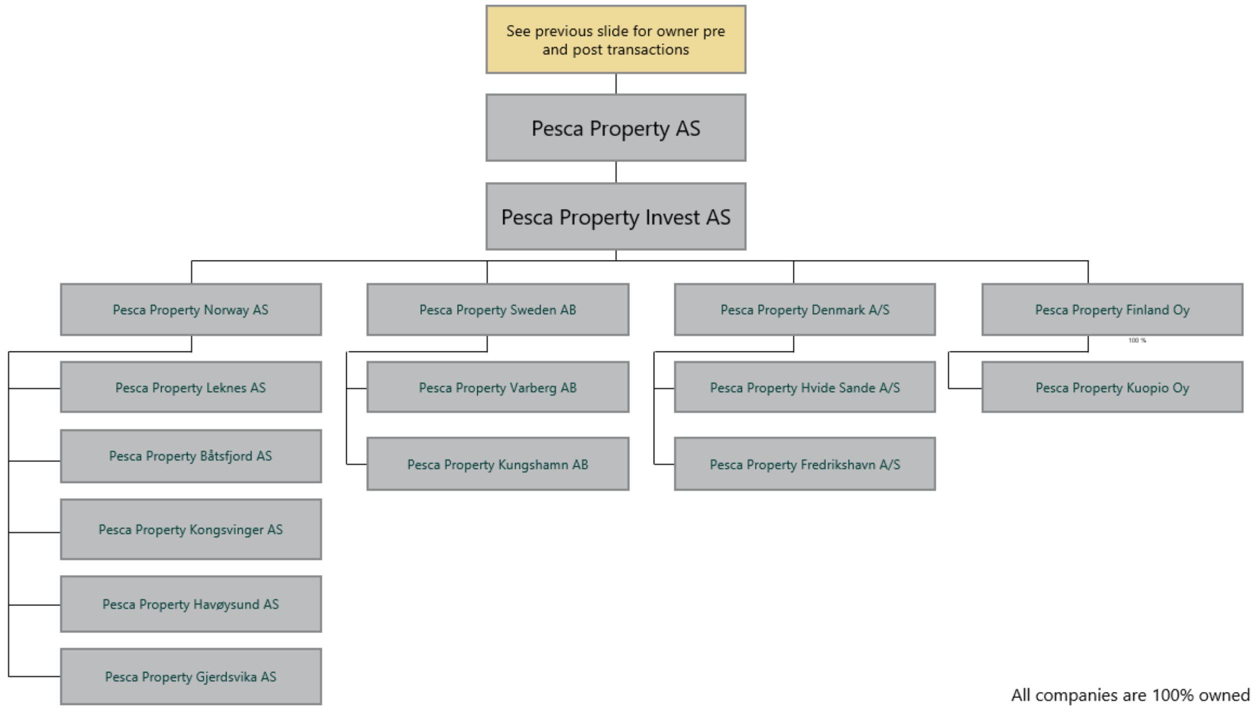
9.2 The Group's organzational structure

As further described in Section 6.1 (the "Transaction"), the Company as a part of the Transaction acquired the shares in KMC AS , and thus changing the structure of the Group.

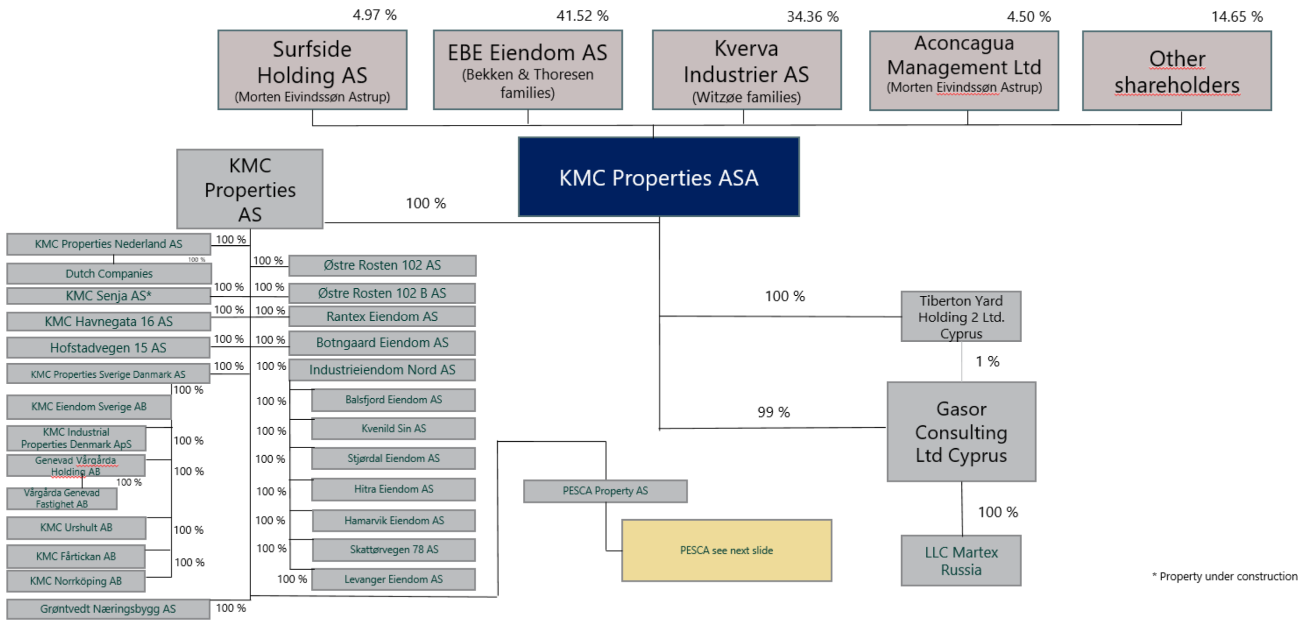
Included below is the Group structure prior to completion of the Transaction, and after completion of the Transaction, the latter being the Group's organizational structure as of the date of this Prospectus:

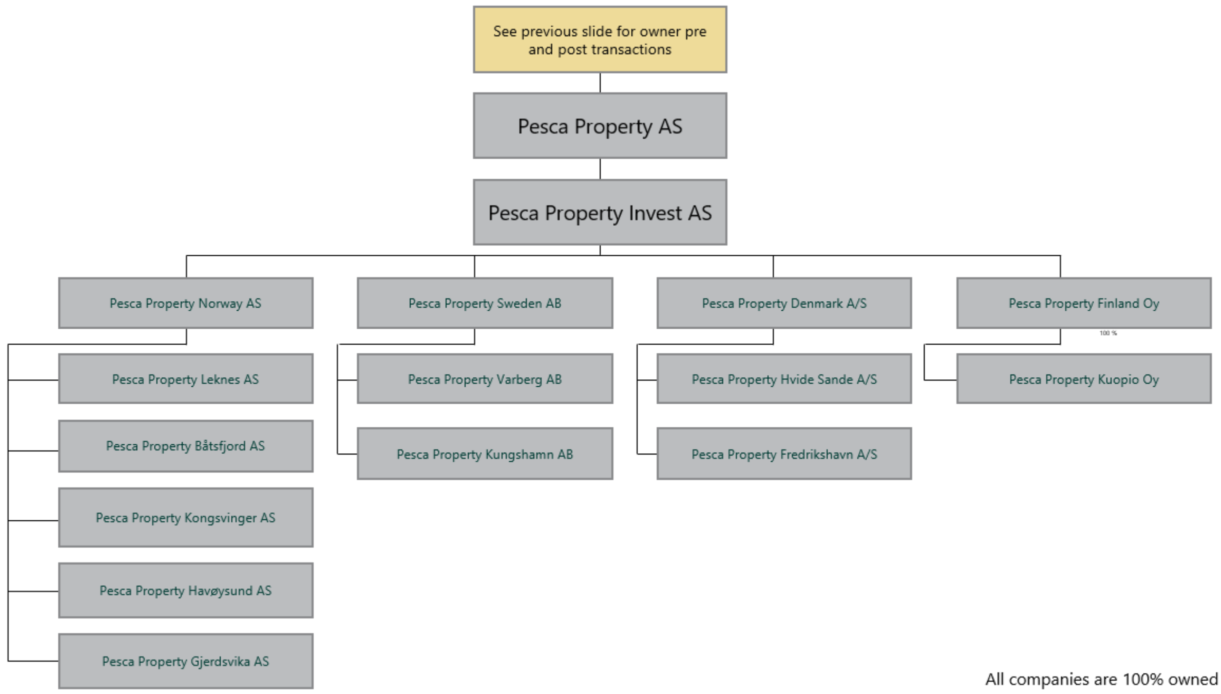
Pre-Transaction





Post-Transaction (as of the date of this Prospectus)





KMC Eiendom Sverige AB, Genevad Vårgårda Holding AB, Vårgårda Genevad Fastighet AB, KMC Urshult AB, KMC Fårtickan AB, KMC Norrköping AB, Pesca Property Sweden AB, Pesca Property Varberg AB and Pesca Property Kungshamn AB are incorporated in Sweden. KMC Industrial Properties Denmark ApS, Pesca Property Denmark A/S, Pesca Property Hvide Sande A/S and Pesca Property Fredrikshavn A/S are incorporated in Denmark. Pesca Property Finland Oy and Pesca Property Kuopio Oy are incorporated in Finland. The remaining subsidiaries of KMC AS are all incorporated in Norway.

9.3 Business overview

9.3.1 History and important events in the development of the Group

KMC Properties (formerly Storm Real Estate ASA) was established in 2007 and has had multiple investments across several countries in the past, including direct ownership of real estate as well as indirect exposure through shares in other real estate companies. Before the Transaction with KMC AS, the Company was a single asset company, owning only an office building in Moscow, Russia (the Gasfield building). The Gasfield building is a class B building with a gross area of 15,000 square meters and a net lettable area of 11,000 square meters. It is located outside the city centre of Moscow, in the area between the Third Ring Road and the Moscow Automobile Ring Road. A team established in Moscow manages the local operations. Storm Norge AS has been engaged as asset manager, and has been responsible of all matters on group level. On 22 December 2020, following the Transaction with KMC AS, the management of KMC AS became the management of KMC Properties as well.

KMC AS was prior to the Transaction a privately owned real estate company established in January 2020. At this time, the company was owned 20 % by Kverva Industrier, and 80 % by EBE Eiendom.

In November 2020, KMC Properties and KMC AS entered into a transformative agreement, with the aim to combine the two companies (the Transaction). As further described in Section 6.1 (the "Transaction"), the Transaction was performed by KMC Properties acquiring all issued and outstanding shares in KMC AS, and settling the purchase price by issuing a sellers credit which was subsequently converted into new shares in KMC Properties. Consequently, the Transaction combined the two entities KMC Properties and KMC AS, and thus transforming the Company from a single asset company to a strong and diversified industrial real estate company, owning 40 properties in 6 countries. Following the completion of the transactions described herein, KMC Properties has a registrered share capital of NOK 48,153,062.2 divided between 240,765,311 Shares, each with a nominal value of NOK 0.20.

KMC AS purchased 20 properties in May 2020, 2 properties in June 2020, 2 properties in June/July, and 2 properties in August 2020. As a part of the Pesca Transaction, 10 more properties were aquired by KMC AS (including subsidiaries). KMC AS purchased the Grøntvedt and the Dutch Companies in December 2020. All of these acquisitions resulted in a total of 39 industrial properties in the Nordics and in the Netherlands. The table below provides an overview of key events in the history of KMC AS:

Year	Event
1980	BEWi Produkter AS is founded by Bekken and Witzøe families. Green field factory at Frøya established.
2006	BEWi Produkter AS establishes Genevad Holding AB, and acquires Genevad Celleplast AB, effectively expanding into Sweden
2011	BEWi Produkter AS aquires Norplasta AS, and expands its geographical footprint in Norway.
2012	Genevad Holding AB aquires the Swedish company Thermisol AB
2014	New Topco Bewi Group AB acquires DS Smith in Denmark and Sweden – 6 factories
2014	BEWi Group AB (a sister company of Bewi Produkter AS) encompassing all Nordic countries after merger with Styrochem OY
2017	BEWi Holding AS (owning 100 % of the shares in BEWi Produkter AS) acquires Tommen Gram AS and its logistic properties – bundled with factories in Norway marking the inception of a diversified real estate company
2018	Sites in Denmark and Sweden sold to KMC Properties Sverige Danmark AS; facilitating acquisition of Synbra transforming BEWi into a pan-European player
2020	Bekken (Bekken Invest AS and Bewi Holding AS) and ABRA merge their real estate businesses and KMC AS was established
2020	Further acquisitions of real estates with strong tenants in Sweden (June), Holland (December) and Norway
2020	KMC AS acquires all the issued shares in Pesca Property AS
2020	All of the shares in KMC AS was acquired by KMC Properties (the Transaction)

9.3.2 Strategy and objectives

The Group's investment strategy is acquisition, sales and operations of yielding real estate and/or real estate instruments. This strategy aims to provide a secure income with gearing potential to increase return on equity, invest in properties with solid and diverse tenants and does not involve any development risk.

The investment strategy is charachterized by investments in properties with strategic locations with proximity to key clients in established industry clusters, which are business critical for the tenants. In addition, the Group is focused on having a solid client base of market leading companies with long heritage and impressive track records, as well as entering into long-term triple net contracts with contract extension risk virtually elmininated. The Group furthermore has a strong pipeline of accretive organic and inorganic growth opportunities and supportive and commited owners, with strong operational and financial track record.

9.3.3 Principal activities

The Group's operations are related to the activities performed in line with the Group's strategy. The Group endeavours to have an open communication with its shareholders as well as having clear objectives and strategies.

The Group owns 40 properties in Europe. For further description of these properties, see Section 9.4 ("The property portfolio of the Group"). The Group's operations consist of investment activities and activities related to the management of the properties owned by the Company and its subsidiaries.

The Gasfield office building in Russia is managed through the Company's own organisation in Russia, and the local management seeks to maintain a close relationship with its tenants. The other properties owned by the Group is managed by KMC Properties.

In addition to investment and management activities, the Group performs investments in current properties, including projects involving upgrade and expansion, often in exchange for contract extension. The Group also to some extent perform development projects, including investments in new facilities in collabortation with new and exisiting tenants, as well as acquisitions and development of new land in collaboration with new and existing tenants.

The majority of the Group's lease contracts are bare house contracts, whereby maintenance, insurance and property tax is covered by the tenant. All contracts except two are 100% CPI adjusted. The remaining two have 80% and no adjustment. All of the properties leased to Insula AS and Grøntvedt Pelagic AS/Grøntvedt Nutri AS includes 10 years extension options. Certain contracts have put and/or call options at the end of the lease tenor. Properties leased to subsidiaries of Insula and the Fiizk-properties include a parent guarantee. The properties owned by Grøntvedt as well as certain other propterties have bank guarantees for shorter periods of the contract tenor. Several of the Group's properties have custom-made inventory to meet the needs of the present tenants. Upon termination of the lease contracts, the inventory of these properties can however be adapted, and the properties can consequently be utilised for other purposes.

Based on currency rates as of 30 September 2020, KMC AS has an annualized income (OI) in 2020 of ~193 mill NOK and a portfolio value of 2.987 mill NOK, which represents an average net initial yield of 6.27%, an average exit yield of 6.36%, and an average rental price of 9 006 NOK per square meter. Across KMC AS' portfolio, the average duration of rental contracts is 11.6 years.

9.4 The property portfolio of the Group

9.4.1 The current property portfolio

The Group owns 40 properties in Europe, divided on three main portfolios, 1) the 29 properties owned indirectly by the Company's subsidiary KMC AS, 2) the 10 properties indirectly owned by Pesca Property, a subsidiary to KMC AS, and 3) the one property owned by the Group in Russia.

The portfolios consist of ~345 180 gross square meters rentable area. The properties owned indirectly by KMC AS and Pesca Property are industrial and logistic properties on long-term lease agreements located in Scandinavia and the Netherlands. The property in Russia comprises offices, parking places, a restaurant and a fitness centre. In Russia there is a local team which manages the local operation.

Address	Landlord	Tenant	Registration number	Ultiate owner tenant	Cadastral reference (gnr/bnr)	Property area (sqm)	Lettable area (sqm)	Type	Total yrs/Unexpired yrs	Options/other
Lyngenvegen 5, 7232 Lundamo	Rantex Eiendom AS	Botngaard Rantex AS	990624100	Kastor Invest AS	208/162	4 949	2 200	Production	10,0/9.3	Tenant can extend lease by 2 periods á 5 years. Landlord must be notified 12 months before end of lease .
Østre Rosten 102, Tiller	Østre Rosten 102 AS	Abra Kulelager AS	967517763	Kastor Invest AS	323/2169	7 036	2 475	Logistics	10,0/9.3	Tenant can extend lease by 5 years after initial contract termination. Landlord must be notified 12 months before end of lease .
Østre Rosten 102 b, Tiller	Østre Rosten 102 b AS	Invest42 AS	920219969	Kastor Invest AS	323/2269	7 868	5 700	Logistics	10,0/9.3	Tenant can extend lease by 5 years after initial contract termination. Landlord must be notified 12 months before end of lease .

Valsnesveien 259, 7165 Oksvoll	Botngaard Eiendom AS	Botngaard AS	994668420	Kastor Invest AS	3/191	8 798	2 800	Production	10,0/9.3	Tenant can extend lease by 2 periods á 5 years. Landlord must be notified 12 months before end of lease .
Halsanveien 3-11, Levanger	Tommen Gram Eiendom Levanger AS	Tommen Gram Folie AS	977051371	Bewi ASA	315/97,98,303	8 485	4 570	Industrial	4,0/1.3	Tenant can extend lease by 5 years after initial contract termination. Landlord must be notified 12 months before end of lease .
Hammarvikringen 64, Frøya	Hammarvik Eiendom AS	Bewi Synbra Norway AS	928878090	Bewi ASA	9/24,46,75,166,195	24 366	8 012	Combined	13,0/10.3	Option to extend lease for 12 months after end of contract period. Lease extended if landlord not notified. The agreement includes a call option for purchasing the property for 90 mNOK at the end of the lease contract in 2030.
Havnegata 24, Stjørdal	Stjørdal Eiendom AS	Garanti Bekken Invest AS	823791712	Bewi ASA	83/75,92	30 559	14 200	Logistics	9.2/7.8	10m guaranteed gross rent every year guaranteed by bewi til 311222, then 6,5 mill until 300628
Havnegata 20B, Stjørdal	Havnegata 20B AS	Bewi Norplasta AS	986289186	Bewi ASA	83/113	17 692	7 248	Production/logistics	12.0/11.8	Tenant can extend lease by 3 years after initial contract termination.
Industriparken Jøsnøya, Hitra	Hitra Eiendom AS	Bewi Box AS	995813068	Bewi ASA	123/21	13 000	13 000	Logistics	Standing agreement	3 months notice period (both parties)
Industriveien 15, Balsfjord	Balsfjord Eiendom AS	Bewi Synbra Norway AS	914774144	Bewi ASA	29/256,257	11 620	8 012	Industrial	13.0/10.3	Tenant can extend lease by 3 years after initial contract termination,

										subject to 12 months notice.
Skattørvegen 78, Tromsø	Skattørvegen 78 AS	Ventistål AS	876859122	Brødrene Dahl AS	125/599	5 715	1 877	Production/logistics	10.2/9.8	Tenant can extend lease by 1 period á 3 years.
Torgardsveien 11, Torgård, Trondheim	Kvenild Sin AS	Tommen Gram AS	912038084	Bewi ASA	311/15	12 900	3 075	Combined	10.0/7.3	N/A
Hofstadvegen 15, 7224 Melhus	Hofstadvegen 15 AS	Delprodukt AS	918164820	Bewi ASA	87/46	17 500	3 125	Prudction	10.0/9.3	Notice of termination shall be given 9 months prior. Otherwise lease extended w 60 months
Åleden 13, 44735 Vårgårda, Sverige	Vårgårda Genevad Fastighet AB	Bewi Insulation AS	556541-7788	Bewi ASA	Svavaren 7	15 378	6 805	Production	10/7.5	Notice of termination shall be given 9 months prior. Otherwise lease extended w 36 months
Halmstadsvägen 32, 31291 Laholm, Sverige	Genevad Vårgårda Holding AB	Bewi Insulation AS	556541-7788	Bewi ASA	Elestorp 7:532 og 7:27	24 933	13 800	Production	10/7.5	Notice of termination shall be given 9 months prior. Otherwise lease extended w 36 months
Kanalvägen 6, 360 16 Urshult, Sverige	KMC Urshult AB	Bewi Packaging AB	556961-3309	Bewi ASA	Urshult1:112	N/A	9 043	Industrial	10/9.3	Extended with 3 years if not notified 12 months before termination date
Bjørkelundsgatan 14, 53237 Skara, Sverige	KMC Fårtickan AB (Skara)	Bewi Automotive AB	559102-5332	Bewi ASA	Rårtickan 1	N/A	6 500	Production/logistics	14.9/14.9	New contract under negotiation, 15 years
Ramshallsvegen 2, NoRemmaren 1, Norrkøping, Sverige	KMC Norrkøping AB	Bewi Insulation AS	559165-7258	Bewi ASA	Remmaren 1	47282	6 700	Production/logistics	12/11.7	Extended with 3 years if not notified 9 months before termination date
Havrevænget 1, 9500 Hobro, Danmark	KMC Industrial Properties	Bewi Flamingo A/S	31867304	Bewi ASA	0003ag	N/A	5 070	Production	10/7.5	Notice of termination shall be given 9 months prior. Otherwise lease

	Denmark ApS									extended w 36 months
Østerled 30, 4300 Holbæk, Danmark	KMC Industrial Properties Denmark ApS	Bewi Flamingo A/S	31867304	Bewi ASA	0045bx	N/A	4 150	Production	10/7.5	Notice of termination shall be given 9 months prior. Otherwise lease extended w 36 months
Torvegade 41, 7160 Tørring, Danmark	KMC Industrial Properties Denmark ApS	Bewi Flamingo A/S	31867304	Bewi ASA	0008bh	N/A	5 739	Production	10/7.5	Notice of termination shall be given 9 months prior. Otherwise lease extended w 36 months
Tvilhovej 8, 6752 Tvilhov	KMC Industrial Properties Denmark ApS	Styropack	31867304	Bewi ASA	0003k	84 825	16 931	Combined	15/14.9	Extended with 3 years if not notified 12 months before termination date
Kidnakken 13, 4930 Maribo	KMC Industrial Properties Denmark ApS	Styrolit	31867304	Bewi ASA	0020i	56 000	8 396	Production/logistics	15/14.9	Extended with 3 years if not notified 12 months before termination date
Klubben Næringspark Senja	KMC Senja AS	Bewi Synbra	914774144	Bewi ASA	63/24	Under construction	Under construction	Under construction	Under construction	Under construction
Strandvegen 4, Båtsfjord	Pesca Property Båtsfjord AS	AS Båtsfjordbruket	923013059	Insula	2/3	16 590	4 333	Combined	14.8/13.5	The Lessee is entitled to extend the Lease Period for one period of 10 years, subject to notice. If the Lease Period is extended for one period of 10 years, Kverva Industrier AS has the right to acquire the Property/Company at the end of the extended Lease Period.
Strandgata 105, 9690 Havøysund	Pesca Property Havøysund AS	Tobø Fisk AS	923013342	Insula	10/61, 10/64, 10/164	9 843	6 680	Combined	14.8/13.5	The Lessee is entitled to extend the Lease Period for one period of 10 years, subject

										to notice. If the Lease Period is extended for one period of 10 years, Kverva Industrier AS has the right to acquire the Property/Company at the end of the extended Lease Period.
Havet 45, Leknes, Vestvågøy	Pesca Property Leknes AS	Insula Produksjon AS	919829524	Insula	17/156, 17/182, 17/183, 17/184	45 011	12 356	Combined	14.9/13.5	The Lessee is entitled to extend the Lease Period for one period of 10 years, subject to notice. If the Lease Period is extended for one period of 10 years, Kverva Industrier AS has the right to acquire the Property/Company at the end of the extended Lease Period.
Gjerdsvikvegen 208	Pesca Property Gjerdsvika AS	Maritim Food AS	821354382	Insula	8/12, 8/22, 8/31, 9/25, 9/26, 9/36	5 770	4 450	Combined	9.6/8.5	The Lessee is entitled to extend the Lease Period for one period of 10 years, subject to notice. If the Lease Period is extended for one period of 10 years, Kverva Industrier AS has the right to acquire the Property/Company at the end of the extended Lease Period.
Stømnervegen 1, 2212 Kongsvinger	Pesca Property Kongsvinger AS	Insula Produksjon AS	929146042	Insula	33/45	13 705	3 741	Combined	1.4/0.2	The Lessee is entitled to extend the Lease Period for one period of 10 years, subject to notice. If the Lease Period is extended for one period of 10 years, Kverva

										Industrier AS has the right to acquire the Property/Company at the end of the extended Lease Period.
Traktorvägen 1, Varberg	Pesca Property Varberg AB	Marenor AB	556470-0242	Insula	Getakarr 2:40	28 104	15 850	Combined	19.3/18.5	The Lessee is entitled to extend the Lease Period for one period of 10 years, subject to notice. If the Lease Period is extended for one period of 10 years, Kverva Industrier AS has the right to acquire the Property/Company at the end of the extended Lease Period.
Guleskär 56, 66 Kungshamn	Pesca Property Kungshamn AB	Marenor AB	559197-4596	Insula	Gravarne 3:41	15 238	7 166	Combined	14.3/13.5	The Lessee is entitled to extend the Lease Period for one period of 10 years, subject to notice. If the Lease Period is extended for one period of 10 years, Kverva Industrier AS has the right to acquire the Property/Company at the end of the extended Lease Period.
Constantiavej 31 and Århusgade 24	Pesca Property Frederikshavn A/S	Amanda Seafood A/S	CVR-nr: 40992685	Insula	23p, 23ef, Frederikshavn Jorder	42 573	11 708	Combined	14.3/13.5	The Lessee is entitled to extend the Lease Period for one period of 10 years, subject to notice. If the Lease Period is extended for one period of 10 years, Kverva Industrier AS has the right to acquire the Property/Company at the end of

										the extended Lease Period.
Tungevej 2-4, 6960 Hvide Sande	Pesca Property Hvide Sande A/S	Insula Hvide Sande A/S	CVR-nr: 40981632	Insula	11nø, Søgård Hovedgårder, Holmsland Klit	6 224	2 807	Combined	14.3/13.5	The Lessee is entitled to extend the Lease Period for one period of 10 years, subject to notice. If the Lease Period is extended for one period of 10 years, Kverva Industrier AS has the right to acquire the Property/Company at the end of the extended Lease Period.
Mastotie 7, Kuopio	Pesca Property Kuopio Oy	Escamar Seafood OY	YTJ: 2863190-4	Insula	297-23-15-24	23 093	5 051	Combined	9.9/8.5	The Lessee is entitled to extend the Lease Period for one period of 10 years, subject to notice. If the Lease Period is extended for one period of 10 years, Kverva Industrier AS has the right to acquire the Property/Company at the end of the extended Lease Period.
Havneveien 1, Uthaug	Grøntvedt Næringsbygg AS	Grøntvedt Pelagic AS/ Grøntvedt Nutri AS	948208997	Grøntvedt Invest AS/Kastor Invest AS	174/167/ 282,327,328,331,355,356,273	27 251	11 000	Combined	15/15.1	Tenant can extend lease by 10 years after initial contract termination, subject to 24 months notice. If the tenant wishes to remain in the property, they may. exercise a call option of 170 mNOK. If the tenant does not extend the lease, the owner may exercise a put option of 150 mNOK.

Nieuweweg 235, Wichjen	KMC Properties Netherland AS	Synbrodo	18115693	Bewi ASA	B/2000,2001,2142,2408,2444, 2447,2550,3095,3094,1164	72 421	31 949	Combined	Supposes 15/15	Supposes 5 + 5 yrs, under negotiation.
Textielstraat 30, Oldenzaal	KMC Properties Netherland AS	Ertesee/Isobouw	6010160	Bewi ASA	E/1304,1416,1417, 1757,1882	50 874	13 199	Combined	Supposes 15/15	Supposes 5 + 5 yrs, under negotiation.
Kanalstraat 107, Someren	KMC Properties Netherland AS	Isobouw	17046081	Bewi ASA	H/2293,916 M/118,1120	43 643	25 950	Combined	Supposes 15/15	Supposes 5 + 5 yrs, under negotiation.
De Kalkovens 10, Zwartsluis	KMC Properties Netherland AS	Besto/Synbrodo	10012456	Bewi ASA	D/2950,3026,3027, 3163,3918,2676	12 201	8 662	Combined	Supposes 15/15	Supposes 5 + 5 yrs, under negotiation.
Obrucheva str 23, korpus 3, Moscow	LLC Martex	Several	PSRN 1047766720630	N/A	77:06:0003015:3245	15 179.4	11 011	Non-residential	75 different lease contracts, with durations of approx.. 11 months	N/A

The property portfolio has the following key charachteristics:

Modern property portfolio

- Modern portfolio with several of the properties constructed after 2000 and several upgrades conducted on older properties in recent years
- The majority of properties are constructed in low-maintenance materials steel and/or concrete

"Light" production with low "wear and tear"

- The production that takes place on the properties is "simple" and clean, with limited pollution to the ground or other parts of the nearby environment
- Insula and Grøntvedt Pelagic AS/Grøntvedt Nutri AS produces food products for human consumption and follows strict hygiene requirements
- Production at BEWi properties is primarily heating and moulding of raw expanded polystyrene (EPS) into finished products through a clean production process, which follows stringent European health and safety requirements

Flexible properties with limited degree of customization – tenants bears the cost/risk of moving

- Limited degree of customization for tenants – tenants bears the cost in case of moving equipment as well as the risk for supply chain interruptions.

- The properties are flexible with high ceilings and include modern storage facilities such as motorized shelf systems and lifts where relevant

9.4.2 The Senja Property

The Group is currently involved in a development project relating to the construction of a fully automatic fish box production facility at Klubben Næringsområde in Senja (the "**Senja Property**"). The facility is located next to Salmar ASA's new fish slaughtery InnovaNor. The tenant Bewi ASA has a long term contract with Salmar delivering fish box directly to the production in Senja.

The construction of the building was initiated in August 2020, and is according to the progress plan estimated to be ready for factory furnishing in the end of March/beginning or April 2021, and to be completed in July 2021. The Company has entered into an agreement with the tenant Bewi ASA for the construction of the building, which includes a provision stating that the parties shall enter into a bare-house agreement for a period of 15 years including an option for 15 more years, and to BTA Yield 7.5 % of the total investment cost.

The rent of this factory is expected to end at approximately NOK 7 million on a yearly basis.

9.4.3 The largest tenants of the Group

The three largest tenants of the Group are Bewi ASA, Insula AS and Grøntvedt Pelagic AS/Grøntvedt Nutri AS.

Bewi ASA was founded in 1980 by the Bekken family, who since inception has developed the company into becoming one of the leading packaging, components and insulation providers in Europe. The company is a frontrunner in innovation and sustainability. BEWi ASA is strategically integrated throughout the value chain, with revenue diversified across 3 operating segments, whereof ~1/3 is from upstream and 2/3 from downstream. The company has ~40 production facilities located across Norway, Denmark, Sweden, Finland, the Netherlands and Portugal, in addition to 8 recycling sites. The company has two 4-year bonds listed at Nasdaq Stockholm – a EUR 75m bond and a EUR 65m bond, issued in 2018 and 2019 respectively. The company was listed on Euronext Growth in August 2020, in a transaction where the Bekken and Kverva retained ~70% ownership, and listed at Oslo Børs in December 2020. The Bekken family was prior to the transaction a 50% owner in EBE Eiendom AS. EBE Eiendom wasprior to the Transaction a 70% owner in KMC AS.

Insula AS is a Nordic seafood group focused on product development, value-added processing and sales of fish- and seafood products to the retail and HoReCa markets. The company comprises 20 subsidiaries with in total approximately 1,100 employees in Norway, Sweden, Denmark, Finland and Iceland and is owned by Kverva Industrier (95.8% ownership).The company has a strategy to consolidate steadfast and traditional companies into one proficient supplier to the Nordic market. Expected revenue for 2020 is 5 967 mill NOK an expected EBITDA is 76 mill NOK. Kverva Industrier was prior to the Transaction a 30% owner of KMC AS.

Grøntvedt Pelagic AS and Grøntvedt Nutri AS together serve as a leading platform within industrial processing of pelagic fish, and the world's largest producer of marinated herring. 'Grøntvedt Pelagic AS had 2019 revenues of NOK 542m, with an average growth of 17.4% annually since 2014 excl. Grøntvedt Nutri AS. Grøntvedt Pelagic AS has roots as long back as to the 1830-ies, and it is now the sixth generation Grøntvedt (the name of the family owning the company) who runs the company. The company has been headquartered at Ørlandet since 1999, approximately 50 minutes outside of Trondheim by boat. The location is strategic given the rich resources of pelagic fish in the North Sea. Grøntvedt Pelagic AS exports more than 80% of its production. Poland, Japan and Sweden are important export markets. The companies are connected with many well-known labels in their respective market areas.

9.5 Valuation of properties of the Group

The property valuation used for the purpose of this Prospectus has been approved for release by Cushman & Wakefield, who is defined as an independent expert. The report is prepared on request by the Company and is included in Appendix F to this Prospectus.

Cushman & Wakefield is one of the leading companies operating within the field of commercial real estate and advisory in Norway. The company has been elected as Northen Europe's best valutation company by Euromoney 15 years in a row. Cushman & Wakefield performs approximately 2,200 valuations annualy, within all segments of real estate, including office properties, merchandice properties, hotel properties, logistics properties, depelovement properties and plots. The company has a special focus towards advisory in relation to transactions.

Cushman & Wakefield is independent from the Group and holds no material interests in the Company.

9.6 Growth strategy of the Group

The Group's ambiton is to further develop its position as the most attractive real estate partner for the Group's existing and new tenants.

The Group's growth strategy consists of the following main elements:

Investments in current portfolio and contract extensions

- Several ongoing projects, and high activity expected for the foreseeable future to accommodate activity growth and continuous operational improvements among the Group's key clients

- Value creation for the Group in the form of additional rent and contract extensions (typical for larger upgrades)

- The Group maintains a close relationship with its clients to identify and actively engage in such business development activities

Greenfield development projects

- Investments in new facilities for new and existing clients

- Further reap from unexploited potential utilizing available land areas for development in collaboration with tenants, focusing on business critical properties for the Group's tenants

- Acquire and develop land on the basis of long-term contract commitments

Acquisitions

- Acquisitions of ‘built to suit' properties with substantial relocation costs

- Pre-defined and satisfactory yield levels, facilitating for value creation through portfolio premiums and bundling of property management

- Secure diversification across industries and property types

- Flexibility in transaction structure translating to both sale-lease back and transactions with other third parties

9.7 Significant changes of the Group

As further described in Section 6.1 of this Prospectus (the "Transaction"), the Company in December 2020 completed the Transaction, and thus combinding the two companies KMC Properties and KMC AS. The Transaction transformed the Company from a single asset company to a strong and diversified industrial real estate company, owning 40 properties in 6 countries.

In addition, the Covid-19 pandemic has had, and continues to have an adverse negative impact on the global economy, including the markets in which the Group's tenants operate within. The Group's tenants are in general diversified and operate within different segments. The Group's tenants have consequently experience lower income in some segments, but on the other hand accived better income in other segments. The tenants have consequently, in terms of totale income, not to this date been negatively effected by the Covid-19 pandemic. This may however change, and the failure by tenants of the Group to meet their obligations would have a negative impact on the Group's future earnings and financial position.

Other than the above mentioned changes due to the completion of the the Transaction as well as the possible changes due to the Covid-19 pandemic, the Group has not experienced any changes or trends that are significant to the business of the Group between 31 December 2019 and the date of this Prospectus.

9.8 Legal procedings of the Group

Martec LLC

Martex LLC is involved in a number of court disputes, only three of which are material. There are two tenants of the premises in the Building that have entered into lease agreements with Martex LLC and consequently refused to take over the premises and honour their leases ("**Disputing Tenants**"), namely: (i) AS RUS Media JSC, the publisher of Forbes' Russian edition, which was to lease premises of approximately 800 sq. m, and (ii) Jalou Media Group LLC, the publisher of L'Officiel Hommes and L'Officiel Voyage magazines, which was to lease premises of approximately 400 sq. m premises.

According to Martex LLC, as a result of the Disputing Tenants' walking away from the leases Martex LLC suffered damages in the total amount of about RUB 15,000,000 (approximately USD 194,805). Martex LLC sued the Disputing Tenants, and its claims were satisfied at first. However, the Russian Supreme Court and the Moscow Arbitrazh (Commercial) Court of Cassation Appeals subsequently overturned the lower courts' decisions in these cases and ruled that Martex LLC's claims were qualified incorrectly – Martex LLC had no right to claim both damages and security deposits under the lease agreements in question.

Under the new review of the case against AS RUS Media JSC, the Moscow Arbitrazh (Commercial) Court on 16 December 2020 granted Martex LLC's claim of approximately RUB 13,400,000 in full. The dedline for appealing the decision has not yet expired. The court decision in the case against Jalou Media Group LLC is still pending as the Moscow Arbitrazh (Commercial) Court has not yet resolved the dispute. Martex LLC expects the court decision to be taken at the beginning of 2021. According to the Martex LLC the Disputing Tenants' debts are not reflected in the accounting documents of Martex LLC.

There are also a registration issue on the Gasfield building in Moscow. In 2019 Martex LLC sought removal of the erroneous registration records from the property register, but the courts did not satisfy Martex LLC' claims on formal grounds. In April 2020 Martex LLC filed a new claim with the same purpose. The Moscow Arbitrazh (Commercial) Court) ruled in favour of Martex LLC. The deadline for the appeal has not yet expired.

9.9 Material contracts of the Group

The Company has entered into several standstill agreements with Swedbank AB throuout 2019 and 2020, each new agreement replacing the last. The last standstill agreement was entered into on 27 May 2020. The agreement extended the previous agreed standstill period to 30 June 2022. During this standstill period, the Company and (provided equal treatment of shareholders was ensured) Aconcagua Management Ltd were given 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. On 18 December 2020, a consortium led by Aconcagua Management Ltd acquired the debt from Swedbank AB, and subsequently converted the debt to equity in KMC Properties.

Except for the Transaction, and the standstill agreement (as amended), neither the Group nor any member of the Group has entered into any material contracts outside the ordinary course of business for the two year period prior to the date of this Prospectus. Furthermore, the Group has not entered into any contract outside the ordinary course of business which contains any provision under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of the Prospectus other than those entered into in the ordinary course of business for the two years preceding the publication of this Prospectus.

10 CAPITALISATION AND INDEBTNESS

10.1 Introduction

The information presented below should be read in conjunction with the other parts of this Prospectus, in particular Section 11 "Selected financial and other information" and Section 12 "Unaudited Pro Forma Condensed Financial Information" as well as the Annual Financial Statements and the Q3 Interim Financial Statements and related notes, included in Appendix B and Appendix C, respectively.

This Section 10 "Capitalisation and indebtedness" provides information about the Group's unaudited consolidated capitalisation and net financial indebtedness on an actual basis as at 30 September 2020 and, in the "As adjusted as at the date of the Prospectus" column, the Group''s unaudited consolidated capitalisation and net financial indebtedness as of the date of the Prospectus on an adjusted basis to show the estimated effects of the following transactions as if they had happened on 30 September 2020:

- The effects of the Pesca Transaction, the Conversion of the Swedbank Loan, the Transaction, accounted for as a reverse takeover with KMC AS as the accounting acquirer, the repayment of the loans from credit institutions and shareholder loans in KMCS and Pesca, the acuisition of Grøntvedt, the Dutch Transaction, the Bond Issue and the Private Placement (together the "**Combination**"), as described in Section 6 ("The Combination") which are expected to be completed upon the listing of the New Shares and the Offer Shares, as if those had happened 30 September 2020.

As a result of the transactions above the Company's share capital will be NOK 48,153,062 consisting of 240,765,311 shares, each with a nominal value of NOK 0.20.

Other than as set forth above, there has been no material change to the Group's capitalisation and net financial indebtedness since 30 September 2020.

10.2 Capitalisation

The following table sets forth information about the Group's capitalisation as at the date of the Prospectus:

In NOK thousands	As at 30 September 2020 [(a)]	Adjustments for the Combination [(b)]	As adjusted as at the date of the Prospectus
Total current debt:			
Guaranteed			
Secured	112,625[1]	(112,625)	
Unguaranteed and unsecured	8,087[2]	53,305	61,392
Total current debt:	**120,712**	**(59,320)**	**61,392**
Total non-current debt:			
Guaranteed			
Secured		1,826,230	1,826,230[4]
Unguaranteed and unsecured	4,815[3]	116,448	121,263
Total non-current debt:	**4,815**	**1,942,678**	**1,947,493**
Total indebtedness	**125,527**	**1,883,358**	**2,008,885**
Shareholders' equity			
Share capital	1,767	46,386	48,153
Other equity	498,890[5]	1,556,429	2,055,319

In NOK thousands	As at 30 September 2020 (a)	Adjustments for the Combination (b)	As adjusted as at the date of the Prospectus
Other reserves	(428,014)	(394,095)	(822,109)
Total shareholders' equity	**72,643**	**1,208,720**	**1,281,363**
Total capitalization	**198,170**	**3,092,078**	**3,290,248**

(a) The data set forth in this column are derived from the Q3 Interim Financial Statements.

(b) The data set forth in this column reflects the effects of the Combination as if those transactions happened on 30 September 2020. The adjustments for the Combination reflects the Conversion of the Swedbank Loan, the Transaction accounted for as a reverse takeover with KMC Properties AS as the accounting acquirer, the repayment of the loans from credit institutions and shareholder loans in KMCS and Pesca, the actual capital increase related to the Dutch Transaction, the actual proceeds from the Bond Issue, and the actual proceeds from the Private Placement, please see Section 12 "Unaudited pro forma condensed statement of financial position as of 30 September 2020" for further information about the adjustments.

1. Current secured debt consists of bank loan with a book value of NOK 112.6 million where the Group has pledged investment property as security;
2. Unguaranteed and unsecured current debt consists of Other current liabilities of NOK 8.1 million and trade payables of NOK 18 thousand;
3. Unguaranteed and unsecured non-current debt consist of Deferred tax liabilities of NOK 2,845 thousand and Other non-current liabilities of NOK 1,970 thousand;
4. Non-current secured debt comprise of the senior secured callable bonds of NOK 1,850 million, where the Group has pledged investment properties, cash and property insurances as security;
5. Other equity comprise share premium and other paid-in equity.

10.3 Net financial indebtedness

The following table set forth information about the Group's net financial indebtedness as at the date of the Prospectus:

In NOK thousands	As at 30 September 2020 (a)	Adjustments for the Combination (b)	As adjusted as at the date of the Prospectus
(A) Cash	8,495	71,360[1]	79,855
(B) Cash Equivalents			
(C) Trading securities			
(D) Liquidity (A)+(B)+(C)	**8,495**	**71,360**	**79,855**
(E) Current financial receivables			
(F) Current bank debt	112,625	(112,625)[2]	-
(G) Current portion of non-current debt			
(H) Other current financial debt			
(I) Current financial debt (F)+(G)+(H)	**112,625**	**(112,625)**	**-**
(J) Net current financial indebtedness (I)-(E)-(D)	**104,130**	**(183,985)**	**(79,855)**

In NOK thousands	As at 30 September 2020 [(a)]	Adjustments for the Combination [(b)]	As adjusted as at the date of the Prospectus
(K) Non-current bank loans			
(L) Bonds issued		1,826,230[3]	1,826,230
(M) Other non-current loans			
(N) Non-current indebtedness (K)+(L)+(M)	**-**	**1,826,230**	**1,826,230**
(O) Net financial indebtedness (J)+(N)	**104,130**	**1,642,245**	**1,746,375**

(a) The data set forth in this column are derived from the Q3 Interim Financial Statements.

(b) The data set forth in this column reflects the effects of the Combination as if those transactions happened on 30 September 2020 and are extracted from Section 12 "Unaudited Pro Forma Condensed Financial Information". The adjustments for the Combination reflects the Conversion of the Swedbank Loan, the Transaction accounted for as a reverse takeover with KMC Properties AS as the accounting acquirer, the repayment of the loans from credit institutions and shareholder loans in KMCS and Pesca, the actual capital increase related to the Dutch Transaction, the actual proceeds from the Bond Issue, and the actual proceeds from the Private Placement, please see Section 12 "Unaudited pro forma condensed statement of financial position as of 30 September 2020" for further information about the adjustments.

1. The increase in cash and cash equivalents comprise of: (i) acquired cash through the Transaction totaling NOK 78.1 million, the cash outflow related to the refinancing of debt through the Bond Issue of NOK 91.5 million, the net proceeds from the Private Placement and repayment of the shareholder loan to Kverva of NOK 104.5 million, and payment of transaction expenses related to the Transaction, the Pesca Transaction the acquisition of Grøndtvedt and the Dutch Transaction totaling NOK 19.7 million;
2. The Conversion of the Swedbank Loan to equity by issuance of 26,824,020 shares at the Offer Price and with a nominal value of NOK 0.2 per share; and
3. The Bond Issue of the senior secured callable bonds of NOK 1,850 million, where the Group has pledged investment properties, cash and property insurance as security.

10.4 Liquidity and capital resources

The Group's objective when managing its capital is to safeguard its ability to continue as a going concern in order to provide returns to shareholders and other benefits for its various stakeholders.

The Group's principal sources of liquidity are cash generated from its operating activities and proceeds from its borrowing facilities comprising of senior secured bonds with a nominal amount of NOK 1,850.0 million (the Bonds) and a super senior RCF of NOK 200.0 million (the RCF) (see Section 10.7 "Financing and borrowing"). The Group's ability to generate cash from its operations and future financing requirements will depend on a number of factors, many of which are not foreseeable (See Section 2 "Risk Factors").

The Group's liquidity requirements consist mainly of funding the Group's growth strategy, including acquisitions and development of new and existing investment properties (see also Section 11.2.1 "Investments" regarding the development project of Senja and expected funding) servicing the Group's debt, and funding the Group's working capital requirements. The Group's outstanding interest bearing liabilities consists of the Bonds with a nominal value of NOK 1,850.0 million.

The Group has cash and cash equivalents of NOK 79.9 million as of the date of the Prospectus, on an adjusted basis. Additionally the Group has undrawn credit facilities on the RCF of NOK 200.0 million. Further, the Group's interest bearing debt consists of the Bonds with a book value of NOK 1,826 million, the Group's total capitalisation on an adjusted basis is NOK 3,290.0 million, and an equity ratio of 38.9% on an adjusted basis as of the date of the prospectus (see section 10.2 "Capitalisation" and section 10.3 "Net financial indebtedness"). Further, and on a pro forma basis for the nine months ended 30 September 2020 the Group's Operating profit before fair value adjustments is NOK 86.7 million, which the Company deems as an approximation of operating cash flow from operations, before changes in working capital. (see section 12 "Unaudited Pro Forma Condensed Financial Information").

The Group's outstanding Bonds with quarterly interest payments mature on 11 December 2023. For further information related to the Bonds, see Section 10.7 "Financing and borroing". Estimated interest expenses on a pro forma basis related to the Bonds were NOK 66.1 million for the nine month period ended 30 September 2020 (see Section 12.5.1 "Unaudited pro forma condensed statement of profit or loss for the nine-month period ended 30 September 2020"). The annualised interest expenses on a pro forma basis is approximately NOK 88.1 million.

10.5 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

10.6 Contingent and indirect indebtedness

As of 30 September 2020 the Company had a contingent obligation to Storm Norge AS on NOK 1,000,000 and a contingent obligation to Aconcagua Management Ltd on NOK 1,625,000. The obligation is related to retained asset management fee (50%) which will be paid subject to a succeccfull refinancing of the Company.

As included in the Company's interim report as of 30 September 2020, the Company had an outstanding debt towards Swedbank AB on NOK 112,624,778 (converted from USD). The size of the debt was conditional upon the completion of the agreement with Swedbank AS of 27 May 2020. Should the conditions set out in the agreement not be fulfilled, the book-entity value of the debt will be equal to the value as of 30 September 2020, which was NOK 197,733,153 (converted from USD). This debt is as the date of this Prospectus sold, as further described in Section 6.3 ("The Conversion of the Swedbank Loan").

Other than the above, and as of 30 September 2020 and as of the date of the Prospectus, the Group did not have any contingent or indirect indebtedness at such date.

10.7 Financing and borrowings

10.7.1 The RCF

The Company is in the process of establishing a revolving credit facility with DNB Bank ASA of NOK 200.000.000 with an ultimate maturity date of 3 years following signing of the loan agreement (the "**RCF**"). The term sheet for the RCF is signed, but the loan agreement has at the time of this Prospectus not been signed. The RCF includes covenants requiring that the Company's loan-to-value ratio (LTV) must be <75 %, that the interest-cover-ratio (calculated by dividing a company's earnings before interest and taxes (EBIT) by the company's interest expenses for the same period) must be a minimum of 1.5, and that the Company has a minimum liquidity equivalent to 6 months of interest payments.

10.7.2 The Bonds

As further described in Section 6.4 ("The Bond Issue"), and on 27 November 2020, the Company completed the placement of the NOK 1,850 million senior secured Bonds with 3 years tenor. The Bonds have the following main charachteristics:

i. Redemption of bonds: in accordance with the bond terms regulating the Bond Issue (the "**Bond Terms**") dated 10 December 2020 clause 10.1, the outstanding Bonds will mature in full for on 11 December 2023.

ii. Interest rate: each outstanding Bond will accrue interest equal to the aggregate of NIBOR plus a margin of 4.25 per cent per annum. Interest shall be paid quarterly.

iii. Financial convenants: The Company shall ensure that the Group complies with the following covenants:
   a) The Company shall ensure that the Group maintains an Interest Cover Ratio (as defined in the Bond Terms) of not less than 1.5x;
   b) The Company shall ensure that the Group maintains a Net Loan-to-Value Ratio (as defined in the Bond Terms) below 75 per cent; and
   c) The Company shall ensure that the Group maintains minimum Liquidity (as defined in the Bond Terms) of an amount equal to the Net Interest Costs (as defined in the Bond Terms) for the next 6 months.

11 SELECTED FINANCIAL AND OTHER INFORMATION

11.1 KMC Properties

11.1.1 Introduction and basis for preparation

The Annual Financial Statements for the year ended 31 December 2019 have been audited by Ernst & Young AS, as set fourth in their auditor's reports included herein together with the Annual Financial Statments. For further details, see also Section 4.3.1 Financial Information.

11.1.2 Summary of accounting policies and principles

For information regarding accounting policies and the use of estimates and judgments, see the accounting principles section of the audited financial statements as of and for the year ended 31 December 2019, attached to this Prospectus as Appendix B.

11.1.3 Investments

As further described in Section 6 ("The Combination") the Company in December 2020 completed the Transaction, the Private Placement, the Conversion of the Swedbank Loan, and the Bond Issue.

11.1.4 Related party transactions

For information on related party transactions completed as of 30.09.2020, please refer to the Annual Financial Statements (note 13) and the Q3 Interim Financial Statements (note 9).

On 27 May 2020, the Company, Swedbank AB, and Aconcagua Management Ltd (a company wholly owned by Morten E. Astrup), entered into a standstill agreement whereby, amoung others, Aconcagua Management Ltd was entitled the right to purchase the Company's outstanding debt towards Swedbank AB. As further described in Section 6.3 ("The Conversion of the Swedbank Loan"), this loan was acquired by Aconcagua Management Ltd (a company wholly owned by Morten E. Astrup) and certain other shareholders of the Company and converted into 26,824,020 Shares in the Company.

11.1.5 Trend information

A growing demand for industrial and logistic real estate is prominent in Europe, driven by the increase in online retail sales rather than in-store. Statista Research Department expects that the stedy growth in e-commerce sales in the Nordic countries, which have taken place the last fifteen years or more, will continue (link: https://www.statista.com/topics/6875/industrial-and-logistic-real-estate-in-the-nordics/).

Investments in the industrial and logistic real estate industry have generally been at a higher level during the last few years.

Further, all Nordic capitals saw decreasing prime yields in 2019. Yield is calculated by dividing the rental income with the property value, and is often used in valuation of properties. Prime yield refers to the yield for properties with prime location and strong tenants with long lease contracts. In Sweden, where the highest investments among the Nordic countries were made, its capital Stockholm had the second lowest prime yields for large warehouses among the Nordic capitals that year. The Danish capital Copenhagen had the highest prime yield in 2019. The lowest was found in Oslo. With the lowest prime yields, Oslo was also the Nordic city with the highest rental price of large warehouses in a prime location as of the third quarter of 2019. However, the prime rental price for warehouses, and logistics and distribution space in the capital dropped slightly in 2020. Helsinki had the second highest prime rental price among the Nordic capitals, followed by Copenhagen and Stockholm.

The Group is not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year.

11.1.6 Long-tem objectives

The Company has ambition to be a market leading, attractive industrial real estate partner for excisting and new tenants. The Company's geographical catchment area is mainly in the Nordic region.

The Company's portfolio shall be let to solid tenants on long term bare house contracts. The Company's properties shall be business critical for the tenants.

11.1.7 Significant changes

As further described in Section 6 ("The Combination") the Company in December 2020 completed the Transaction, the Private Placement, the Conversion of the Swedbank Loan, and the Bond Issue.

Other than the above-mentioned transactions, there has been no significant changes in the financial position or performance of the Group since the end of the last financial period.

11.2 Additional information relating to KMC AS

11.2.1 Investments

The table below sets out KMC AS (including its subsidiaries) material investments and acquisitions since the establishment of KMC AS in 2020:

Date	Target/Property	Purchase price
26.05.2020	KMC Fårtickan AB	SEK 26,039,000 (approximately NOK 26.9 million)
27.05.2020	KMC Properties Sverige Danmark AS including subsidiaries	NOK 79,817,233
27.05.2020	Hoftsadvegen 15 AS	NOK 12,970,767
	Industrieiendom Nord AS including subsidiaries	NOK 66,844,177
27.05.2020	Botngård Eiendom AS	NOK 4,670,339
27.05.2020	Rantex Eiendom AS	NOK 9,415,722
27.05.2020	Østre Rosten 102b AS	NOK 98,479,132
27.05.2020	Østre Rosten 102 AS	NOK 46,321,498
02.06.2020	Havnegata 20B AS	NOK 106,748,792
25.06.2020	KMC Norrkøping AB	SEK 31,528,286 (approximately NOK 32.8 million)
28.08.2020	KMC Industrial Properies Denmark ApS aquired Maribo property	EUR 2,840,000 (approximately NOK 29.7 million)
28.08.2020	KMC Industrial Properies Denmark ApS acquired Tvilho property	EUR 7,400,000 (approximately NOK 77.5 million)
23.12.2020	Pesca Property AS	NOK 419,439,784
23.12.2020	Grøntvedt Næringsbygg AS	NOK 220 million
23.12.2020	Wijchen Investment properties B.V., Oldenzaa Investment properties B.V., Someren Investment properties B.V., and Zwartsluis Investment properties B.V.	EUR 34.980.000 (approximately NOK 367 million)

As a part of the acquisitions listed above, KMC AS acquired the properties owned by the respective companies. The properties owned by these companies are included in the table set out in Section 9.4.1 ("The current property portfolio"). For further information of the properties acquired as part of the investments listed above, see Section 9.4.1 ("The current property portfolio").

The group is currently involved in a development project relating to the construction of a fully automatic fish box production facility at Klubben Næringsområde in Senja as described in Section 9.4.2 ("The Senja Property"). Construction started in August 2020 with expected completion in July 2021 with a total estimated capital expenditure of approximately NOK 100 million. The remaining investments will be financed through cash flow from operations, cash and cash equivalents and possibly drawdowns of the RCF.

Of other capital expenditures in pipeline, commitments have been made to invest SEK 7.0 million through a development project at Ramshällsvägen 2, 602 38 Norrköping, Sweden, a property in Sweden. This investment is anticipated to be covered by the tenant through investment rent throughout the rental period.

Kidnakken 13, 4930 Maribo, a property in Denmark, was in August 2020 mapped as possible polluted due to among other things earlier sugar industry activites back to 1897. The property can be used as before, but special rules apply if the company want to move land, carry out construction work or change the use of the area. Potential investments and costs related to the handling of these rules is anticipated to be covered by the tenant.

11.2.2 Related party transactions

On 27 May 2020, KMC AS acquired all of the shares of (i) Industrieiendom Nord AS (reg.no. 918 308 911) from Bewi Holding AS, (ii) KMC Properties Sverige Danmark AS (reg.no. 920 060 595) from Bekken Invest AS (50%) and Kverva Industrier (50%), (iii) Hofstadvegen 15 AS (reg. no. 923 366 822) from Bekken Invest AS, (iv) Botngaard Eiendom AS (reg.no. 924 296 356) from Kastor Invest AS, (v) Rantex Eiendom AS (reg.no. 918 036 709) from Kastor Invest AS, and (vi) Østre Rosten 102 AS (reg. no. 918 036 709) and Østre Rosten 102 B AS (reg. no. 989 434 519) from Abra Midt-Norge AS (100 % owned by Kastor Invest AS).

On this date, KMC AS was 100% owned by EBE, which at this date was owned 50 % by Bekken Invest AS, and 50 % by Kastor Invest AS. Bewi Holding AS was 100 % owned by Bekken Invest AS. The purchase prices for all of these companies aquired by KMC AS were based on valuations by external valuators. In addition, the board of directors made statements accordning to the Norwegian private limited companies act section 3-8, including statements that there was reasonable coherence between the assets to be aquiered and the considerations to be paid, which were approved by the company's auditor.

The percentage to which the transactions form part of the turnover of KMC AS amout to the following: (i) Industrieiendom Nord AS (17.6%), (ii) KMC Properties Sverige Danmark AS (14%), (iii) Hofstadvegen 15 AS (1.7%), iv) Botngaard Eiendom AS (1.3%), (v) Rantex Eiendom AS (0.6), vi) Østre Rosten 102 AS (1.5%), and (vii) Østre Rosten 102 B (3.4%).

On 23 December 2020, KMC Properties purchased 4 properties in the Netherland from Synbra BV, a company owned by Bewi ASA for a sum of EUR 33 million (approximately NOK 347,618,700). The valuation of the properties was performed by Cushman & Wakefield in October 2020, which valuated the properties to a total value of EUR 34,9 (the purchase price was however redused due to a change in the term for the lease contracts from 15 to 12 years), which constitutes approximately 11 % of the total real estate property portfolio of KMC Properties (post-Transaction). The rental income related to the these properties is approximately EUR 2.63 million (approximately NOK 27,704.157) on a yearly basis, which consititutes approximately 14 % of the total rental income of KMC Properties (post-Transaction).

On 23 December 2020, KMC Properties AS purchased Pesca Property from Kverva Industrier, Invest Neptun AS and Zebrafish AS. The valuation of the properties was performed by Cushman & Wakefield, which valuated the properties to a total value of approximately NOK 735 million, which constitutes 33 % of the total real estate property portfolio of KMC Properties (post-Transaction). The rental income related to the these properties is approximately NOK 52 million on a yearly basis in total, which consititues approximately 26 % of the total rental income of the KMC Properties (post-Transaction).

11.2.3 Significant changes

As further described in this Prospectus Section 6.1 ("The Transaction"), KMC AS acquired all the issued shares in Pesca Property AS, and KMC Properties thereafter acquired all the issued shares in KMC AS.

Other than the above-mentioned, there has been no significant changes in the financial position or performance of KMC AS since the end of the last financial period.

12 UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION

12.1 General information

12.1.1 The Transaction

On 17 November 2020 the Company (KMC Properties ASA, formerly named Strom Real Estate ASA) entered into an agreement with Kverva Industrier AS, EBE Eiendom AS, Invest Neptun AS, Zebrafish AS and Aconcagua Management Ltd., whereby the Company acquired all of the shares in KMC Properties AS (or "**KMC AS**" and, including subsidiaries "**KMCS**") for a consideration of NOK 1,076 million (the "**Transaction**"), and with transaction costs of approximately NOK 18.3 million.

The Transaction constitutes a reverse acquisition under IFRS where KMC Properties AS is deemed accounting acquirer and KMC Properties ASA the accounting acquiree. See further details in Section 12.3.3 below.

For details regarding the settlement of the Transaction, see Section 12.1.4 "The Financing of the Transaction and the acquisitions performed by KMCS" below.

12.1.2 The Private Placement, the Conversion of the Swedbank Loan, the Bond issue

Further, and in connection with the Transaction, the Company i) performed a Private Placement of 42,857,142 new shares with gross proceeds of NOK 300.0 million, ii) converted the USD 20.6 million Swedbank Loan together with unpaid accrued interest into 26,824,020 shares, and iii) issued Bonds with a notional amount of NOK 1.85 billion with floating coupon rate and three years to maturity and the Private Placement. The Private Placement and the Conversion of the Swedbank Loan were completed at the Offer Price of NOK 7 per share.

Issuance costs for the Bond issue and the Private Placement were NOK 23.8 million and NOK 20.7 million, respectively.

12.1.3 Acquisitions performed by KMCS

The Pesca Transaction

In addition, and concurrently with the Transaction, KMC AS acquired 100% of the shares in Pesca Property for a consideration of NOK 419.4 million (the "**Pesca Transaction**"). The Pesca Transaction was closed on 23 December 2020. Transaction costs related to the Pesca Transaction were approximately NOK 0.9 million.

The Pipeline Companies

Further, and prior to the Transaction, KMCS entered into agreements to acquire Grøntvedt and the Dutch Companies (together, the "**Pipeline Companies**"). The total consideration for the Pipeline Companies was approximately NOK 378.3 million, whereas Grøntvedt's shares were acquired for a total consideration of approximately NOK 12 million (and pricing the property to NOK 220 million in the transaction) and the Dutch Companies were acquired for a total consideration of approximately NOK 366.3 million. The acquisition of the Pipeline Companies closed on 23 December 2020. Transaction costs related to the acquisition of the Pipeline Companies were approximately NOK 0.5 million.

For details regarding the settlement of those acquisitions, see Section 12.1.4 "The Financing of the Transaction and the acquisitions performed by KMCS" below.

12.1.4 Financing of the Transaction and the acquisitions performed by KMCS

The Transaction (NOK 1,076 million) was settled through issuance of 153,678,158 KMC Properties Consideration Shares at the Offer price of NOK 7 per share.

The Pesca Transaction (NOK 419.4 million) was settled by way of a seller's credit where NOK 244.5 million was converted into consideration shares in KMC AS, NOK 174.8 million was repaid with the net proceeds from the Private Placement, and where the remaining amount of NOK 142.7 thousand was settled in cash.

The acquisition of Grøndtvedt (NOK 12 million, and pricing the property to NOK 220 million in the transaction) was settled by way of a seller's credit that was subsequently settled in cash with the net proceeds from the Bond Issue.

The acquisition of the Dutch Companies (NOK 366.3 million) was settled by way of a seller's credit where NOK 60.0 million was converted through issuance of 8,571,428 shares in KMC Properties at the Offer Price of NOK 7 per share to the seller and the remaining amount of NOK 306.3 million was settled in cash with the net proceeds from the Bond Issue.

The estimated transaction costs related to the Transaction, the Pesca Transaction and the acquisition of the Pipeline Companies, in total NOK 19.7 million are settled in cash.

In addition, and in connection with the Transaction and the acquisitions performed by KMCS, historical interest bearing debt in KMCS (shareholder loans and loans from credit institutions), Pesca (loans from credit institutions) and the Pipeline Companies, as well as a committed dividend of NOK 20 million to previous owners of Pesca were settled in cash with NOK 1,599.3 million.

12.1.5 The Combination

The transactions above are together defined as the "Combination". The consummation of the Combination occurred on or about the closing date for the Transaction, 20 December 2020 (the "**Closing Date**"). For further details, please refer to Section 6 ("The Combination").

12.1.6 Background information for KMCS and Pesca

(i) KMCS

KMC AS was incorporated on 20 January 2020 and did not have operational activities until 26 May 2020. Between 26 May 2020 and 30 September 2020, KMC AS acquired several subsidiaries which in turn owned properties. After 30 September 2020, KMC AS entered into agreements to acquire Grøntvedt and the Dutch Companies. In addition, and concurrently with the Transaction, KMCS performed the Pesca Transaction, as explained above. Neither KMC AS nor KMCS has published audited financial statements.

(ii) Pesca

Pesca Property was incorporated on 13 October 2017 and owns 10 properties through its subsidiaries. Pesca has not in the past published audited consolidated financial statements as Pesca was included in a group structure where Kverva AS was the ultimate parent company and produced audited consolidated financial statements.

12.2 Cautionary note regarding the Unaudited Pro Forma Condensed Financial Information

The Unaudited Pro Forma Condensed Financial Information has been prepared solely for illustrative purposes to show how the Combination might have affected the Group's consolidated statement of profit or loss for the nine months period ended 30 September 2020, had the Combination occurred on 1 January 2020, and the consolidated statement of financial position as of 30 September 2020, had the Combination occurred on 30 September 2020.

The Unaudited Pro Forma Condensed Financial Information is based on certain management assumptions and adjustments made to illustrate what the financial results of the Group might have been, had the Company completed the Combination at an earlier point in time. For further information, see also Section 12.3 "Basis of preparation and accounting policies".

Although the Unaudited Pro Forma Condensed Financial Information is based on estimates and assumptions based on current circumstances believed to be reasonable, actual results could materially differ from those presented herein. Because of its nature, the Unaudited Pro Forma Condensed Financial Information addresses an hypothetical situation, and therefore, does not represent the Group's actual financial position or results if the Combination had in fact occurred on those dates, and is not representative of the results of operations for any future periods. It should be noted that greater uncertainty is attached to the Unaudited Pro Forma Condensed Financial Information than actual historical financial information. Investors are cautioned against placing undue reliance on this Unaudited Pro Forma Condensed Financial Information.

The unaudited Pro forma adjustments are based on information currently available (see also Section 12.3 "Basis of preparation and accounting policies"). The assumptions and estimates underlying the Pro forma adjustments applied to the historical financial information are described in the notes to the Unaudited Pro Forma Condensed Financial Information. Neither these adjustments nor the resulting Pro forma financial information have been audited in accordance with Norwegian or United States generally accepted auditing standards. In evaluating the Unaudited Pro Forma Condensed Financial Information, each reader should carefully consider the historical financial statements of the Company, and the notes thereto and the notes to the Unaudited Pro Forma Condensed Financial Information as well as other information included elsewhere in this Prospectus.

It should be noted that the Unaudited Pro Forma Condensed Financial Information was not prepared in connection with an offering registered with the U.S. Securities and Exchange Commission ("**SEC**") under the U.S. Securities Act and consequently is not compliant with the SEC's rules on presentation of pro forma financial information (SEC Regulation S-X) and had the securities been registered under the U.S. Securities Act of 1933, this Unaudited Pro Forma Condensed Financial Information, including the report by the auditor, would have been amended and / or removed from the Prospectus. As such, an U.S. investor should not place reliance on the Unaudited Pro Forma Condensed Financial Information included in this Prospectus.

12.3 Basis of preparation and accounting policies

12.3.1 General information

The Unaudited Pro Forma Condensed Financial Information has been prepared solely for illustrative purposes to show how the Combination might have affected the Group's consolidated statement of profit or loss for the nine months period ended 30 September 2020, had the Combination occurred on 1 January 2020 and the consolidated statement of financial position as of 30 September 2020, had the Combination occurred on 30 September 2020.

The IFRS accounting policies adopted in the preparation of the Unaudited Pro Forma Condensed Financial Information are consistent with those followed in the preparation of the Company's audited consolidated financial statements as of and for the year ended 31 December 2019. Further, the acquisitions reflected in the Unaudited Pro Forma Condensed Financial Information are all investment property related and IAS 40 *Investment Property* has therefore been applied. See also below for further discussion regarding accounting treatment.

The Unaudited Pro Forma Condensed Financial Information does not include all information required for financial statements under IFRS and should be read in conjunction with the historical information of the Company and other information included elsewhere in this Prospectus.

The Unaudited Pro Forma Condensed Financial Information has been prepared under the assumption of going concern.

The pro forma adjustments related to the unaudited pro forma condensed statement of profit or loss have all continuing impact, unless otherwise stated.

12.3.2 Source of information

The unaudited pro forma condensed statement of profit or loss for the nine months ended 30 September 2020 and the unaudited pro forma condensed statement of financial position as of 30 September 2020 have been compiled based on the following sources:

(iii) The Company

The historical financial information for the Company is the unaudited consolidated interim financial statements as of and for the nine months ended 30 September 2020, attached in Appendix C;.

(iv) KMCS

The historical financial information for KMCS has been extracted from the consolidated management accounts of KMCS as of and for the period ended 30 September 2020, which are based on recognition, consolidation and measurement requirements in accordance with Norwegian Generally Accepted Accounting Principles ("**NGAAP**"). For an overview of KMC AS group structure, see Section 9.2 "The Group's organizational structure".

(v) Pipeline Companies

The historical financial information for the Pipeline Companies has been extracted from the management accounts of those entities for the period ended 30 September 2020, which are based on recognition and measurement requirements in accordance with NGAAP. It should be noted that no historical profit and loss information were available for the Pipeline Companies, and thus not included in the basis for pro forma for profit and loss, and no historical balance sheet information was available for the Dutch Companies and thus not included in the basis for pro forma for financial position.

(vi) Pesca

The historical financial information of Pesca Property and subsidiaries has been extracted from the consolidated management accounts of Pesca Property as of and for the period ended 30 September 2020, which are based on recognition, consolidation and measurement requirements in accordance with NGAAP.

12.3.3 Accounting treatment of the Transaction, the Pesca Transaction and the acquisition of the Pipeline Companies for the purpose of the pro forma financial information

The accounting treatment for an acquisition depends on whether it is defined as a business combination or an asset acquisition. An asset acquisition is an acquisition that does not meet the definition of a business. A 'business' is defined under IFRS 3 *Business Combinations* as an "integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as return in the form of dividends or interest) or generating other income from ordinary activities".

All acquisitions of KMC properties pre-transaction and in the transaction are assessed by management in relation to guidance and examples in IFRS 3 *Business Combinations*. The Pesca and Pipeline acquisitions, as well as the entities acquired by KMC AS prior to 30 September 2020 have been assessed by management as asset acquisitions and therefore outside of the scope of IFRS 3 *Business Combinations*, while the Transaction is a business combination within scope of IFRS 3 *Business Combinations* and accounted for as a reverse acquisition.

Those transactions are all acquisitions of investment properties and therefore within the scope of IAS 40 *Investment Properties.* According to IAS 40 *Investment Property* an acquired investment property shall be measured initially at its cost and subsequently at fair value.

In the situation where the acquisition is an asset acquisition, no goodwill is recognised as it is outside the scope of IFRS 3 *Business Combinations*, nor is any deferred tax liability recognised initially as the acquisition affects neither accounting profit nor taxable profit (IAS 12.15(b)). If the acquisition is within the scope of IFRS 3 *Business Combinations*, then the deferred tax liability is recognized at the time of initial recognition, as well as any related goodwill.

KMC AS acquisitions prior to 30 September 2020 (Asset acquisitions)

Prior to 30 September 2020 KMC have acquired both single properties and groups of properties, which are accounted for as asset acquisitions. These asset acquisitions are therefore out of scope for IFRS 3 *Business Combinations* and recognition is in accordance with IAS 40 *Investment Properties.*

Since those acquisitions were completed prior to 30 September 2020, no pro forma adjustment related to financial position has been performed. The pro forma adjustment on profit and loss related to fair value adjustment illustrates the elimination of the difference between the implicit fair value of the properties acquired and their acquisition costs at the date of acquisition as this effect is not allowed to be recognised in profit or loss by IAS 40 *Investment Property*.

Pesca Transaction (Asset acquisition)

In the transaction KMC AS is paying a portfolio premium which exceeds the total of the property by property valuations. The portfolio premium cannot be recognised in the balance sheet at the acquisition date as this is an asset acquisition outside of the scope of IFRS 3 *Business Combinations* (no goodwill recognition allowed). This results in a recognized pro forma loss of approximately NOK 80 million which is the difference between the amount paid for Pesca Transaction and the total fair value of the property by property valuations.

Acquisition of the Pipeline Companies (Asset acquisition)

In connection with the acquisition of the Dutch Companies, the implicit fair value of the properties acquired equals their acquisition costs with no resulting gain or loss at acquisition date, and no recognition of deferred tax liabilities in accordance with IAS 12 *Income taxes* paragraph 15(b). Subsequent changes in fair value are recognised in profit or loss, as well as related deferred taxes.

The accounting for the acquisition of Grøndtvedt is similar to the acquisition of the Dutch Companies. The implicit fair value of the property acquired equals its acquisition cost, hence no gains or losses are recognized related to this transaction. Subsequent changes in fair value are recognised in profit or loss, as well as related deferred taxes.

The Transaction (reverse acquisition)

Management has performed an evaluation of the acquisition of KMC AS and has determined that this transaction will constitute a reverse acquisition in accordance with IFRS 3 *Business Combinations,* and where KMC AS will comprise the acquirer for accounting purposes (the "**Accounting acquirer**") and KMC Properties ASA will comprise the acquiree for accounting purposes (the "**Accounting acquiree**"), and resulting in the continuation of the Accounting acquirer (where the assets and liabilities of the Accounting acquirer are stated at their pre-combination carrying amounts while the assets and liabilities of the Accounting acquiree are stated in accordance with IFRS 3 *Business Combinations*) and except for its capital structure where the share capital is representing the share capital of the Accounting acquiree and other reserves are representing those of the Accounting acquirer.

The purchase price for the shares in KMC Properties ASA compared to its booked equity gives a bargain purchase gain of approximately NOK 10 million for the accounting acquirer KMC AS. Management has deemed this gain to be in close correlation with the Pesca Transaction (as they occur simultaneously), and therefore presented this gain together with the Pesca Transaction loss of NOK 80 million as explained above, resulting in a net loss of NOK 70 million in the pro forma financial information.

NGAAP to IFRS adjustments

The financial statements of the entities forming the KMC and Pesca group have historically been accounted for according to NGAAP. For the purpose of the preparation of the pro-forma financial information, management has performed certain adjustments from NGAAP to IFRS, as explained below.

The main differences identified by management are related to investment properties (measured at fair value in accordance with IAS 40 *Investment Properties* in accordance with IFRS), while in accordance with NGAAP, properties are measured at historical cost less depreciation and any impairments after initial recognition. All historical goodwill recognized under NGAAP is related to the investment properties (IAS 40) and has therefore been eliminated. In addition and in accordance with IAS 12 *Income Taxes* paragraph 15(b), no tax is recognised for negative fair value adjustments.

The IFRS adjustments for balance sheet purposes reflect the appraisal and recognition of investment properties to their fair value. The profit and loss IFRS adjustments reflect the elimination of historical depreciation and amortization, and for properties acquired in the period presented (related to KMCS only) also reflect the changes in fair value of those investments properties acquired in the period.

Beside the adjustments discussed above, no other material differences between NGAAP and IFRS have been identified by management for the purpose of the preparation of the pro forma financial information.

12.4 Independent practitioner's assurance report on the compilation of unaudited pro forma financial information included in a prospectus

With respect to the Unaudited Pro Forma Condensed Financial Information included in this Prospectus, PricewaterhouseCoopers AS ("**PwC**") applied assurance procedures in accordance with ISAE 3420 "*Assurance Engagement to Report Compilation of Pro Forma Financial Information Included in a Prospectus*" in order to express an opinion as to whether the Unaudited Pro Forma Condensed Financial Information has been properly compiled on the basis stated, and that such basis is consistent with the accounting policies of the Company.

PwC has issued an independent assurance report of the Unaudited Pro Forma Condensed Financial Information included as Appendix D to this Prospectus.

12.5 Unaudited pro forma condensed financial information

12.5.1 Unaudited pro forma condensed statement of profit or loss for the nine-month period ended 30 September 2020

The table below sets out the unaudited pro forma condensed statement of profit or loss for the nine months period ended 30 September 2020, as if the Combination had occurred on 1 January 2020.

(NOK thousands)	Basis for Pro forma				Pro forma adjustments		Pro forma for the Group
	KMC Properties **IFRS**	KMCS **N-GAAP**	Pesca **N-GAAP**	IFRS adjustments	A	B	
Total income	**17,112**	**29,146**	**46,085**	**(3,884)**	**26,402**		**114,860**
Depreciation and amortization		**12,171**	**14,924**	**(27,095)**			
Other Operational expenses	**12,850**	**5,690**	**7,890**	**(3,884)**	**5,528**		**28,074**
Fair value adjustment to investment property - gain / (loss)	**(2,573)**			**326,797**	**89,943**		**414,167**
Total Operating Profit (Loss)	**1,689**	**11,284**	**23,271**	**353,892**	**110,818**		**500,953**
Net financial Gains (losses)	**60,980**	**(8,788)**	**(10,304)**		**(25,960)**	**(97,312)**	**(81,384)**
Earnings before Tax	**62,669**	**2,497**	**12,967**	**353,892**	**84,857**	**(97,312)**	**419,569**
Income tax (income) expense	**(44)**	**1,078**	**2,853**	**80,010**	**38,478**	**(3,067)**	**119,307**
Profit (Loss) after tax	**62,713**	**1,419**	**10,114**	**273,882**	**46,379**	**(94,245)**	**300,262**

IFRS adjustments for the purpose of the Pro forma condensed statement of profit or loss for the nine-month period ended 30 September 2020

IFRS adjustments specified by source

(NOK thousands)	IFRS adjustments		
	KMCS	**Pesca**	**Total IFRS adjustments**
Total income (iv)		**(3,884)**	**(3,884)**
Depreciation and amortisation (i)	**(12,171)**	**(14,924)**	**(27,095)**
Other operational expenses in total (iv)		**(3,884)**	**(3,884)**
Fair value adjustments on Investment Properties (ii)	**326,797**		**326,797**
Income tax (income) expense (iii)	**76,727**	**3,283**	**80,010**

The IFRS adjustments represent the following items, as explained and as summarized in the table above:

i) Elimination of depreciation and amortization related to investment properties (in accordance with NGAAP, investment properties are measured at historical cost less depreciation and any impairments after initial recognition) with NOK 12.1 million for KMCS and NOK 14.9 million for Pesca.

ii) Recognition of fair value adjustments on investment properties through profit or loss in accordance with IAS 40. The adjustment represents the net fair value adjustments for the investment properties acquired by KMC AS through its subsidiaries in the period from 1 January to 30 September 2020, with NOK 326.8 million (which comprises a negative fair value adjustment of NOK 9.8 million) .

iii) Accompanying tax effect related to the adjustments above, based on a tax rate of 22% (except for the negative fair value adjustment of NOK 9.8 million for which no deferred tax is recognised in accordance with IAS 12 *Income taxes* para 15 (b)), representing NOK 76.7 million for KMCS and NOK 3.3 million for Pesca.

iv) In addition, a reclassification of Total income and related Other operational expenses in total (presented gross in local GAAP) has been performed to net presentation, in accordance with IFRS, for Pesca with NOK 3.9 million.

Pro forma adjustments for the purpose of the Pro forma condensed statement of profit or loss for the nine-month period ended 30 September 2020

(NOK thousands)	**Pro forma adjustments - A**				**Total Pro forma adjustment A**
	(i)	**(ii)**	**(iii)**	**(iv)**	
Total income	**26,402**				**26,402**
Other Operational expenses	**5,528**				**5,528**
Fair value adjustment to investment property - gain / (loss)	**(26,483)**	**(70,303)**	**186,729**		**89,943**
Net financial Gains (losses)	**(6,220)**			**(19,740)**	**(25,960)**
Income tax (income) expense	**(2,602)**		**41,080**		**38,478**
Profit (Loss) after tax	**(9,227)**	**(70,303)**	**145,648**	**(19,740)**	**46,379**

Pro forma adjustments A

This adjustment is comprised of the following items, as explained and as illustrated and summarized in the table above:

(i) To reflect full year rental income, total income has been adjusted with NOK 26,4 million as if the properties had been owned from January 1 with corresponding other operational expenses of NOK 5,5 million and net financial losses of NOK 6,2 million. Further, the Fair value adjustment to investment properties a loss of NOK 26.5 million illustrates the elimination of the difference between the implicit fair value of the properties acquired and their acquisition costs at the date of acquisition (see also discussion in Section 12.3.3 below "KMC AS acquisitions prior to 30 September 2020"). For pro forma purposes, a tax rate of 22% has been applied, leading to a pro forma adjustment of NOK 2.6 million;

(ii) To reflect the net effect of the portfolio premium of approximately NOK 80 million (See Section 12.3.3 below "The Pesca Transaction") and the bargain purchase of approximately NOK 10 million (See Section 12.3.3 below "The Transaction"), totalling NOK 70.3 million and where no tax is recognized as deemed not taxable in accordance with IAS 12, for pro forma purposes;

(iii) To reflect the fair value adjustment gain of NOK 186.7 million as a result of the changes in fair value of the properties in the Pipeline Companies in accordance with IAS 40 *Investment Property.* For pro forma purposes, a tax rate of 22% has been applied, leading to a corresponding pro forma adjustment of NOK 41.1 million.;

(iv) To reflect the estimated transaction costs related to the Pesca Transaction, the Transaction and the Pipeline Companies, totaling NOK 19.7 million (assumed not being tax deductible). This adjustment will not have a continuing impact.

(NOK thousands)	**Pro forma adjustments B**		**Total Pro Forma adjustment B**
	(i)	**(ii)**	
Net financial income / (expense)	**(56,526)**	**(40,787)**	**(97,312)**
Income tax (income) expense	**5,906**	**(8,973)**	**(3,067)**
Profit (Loss) after tax	**(62,431)**	**(31,814)**	**(94,245)**

Pro forma adjustment B

This adjustment is comprised of the following items, as explained and as illustrated and summarized in the table above:

(i) Represents the elimination of historical net financial expenses with NOK 56.5 million (including interest expenses) and related historical income tax with NOK 5.9 million in KMC Properties related to the Swedbank Loan, following the Conversion of the Swedbank Loan. This adjustment does not have a continuing impact; and

(ii) Represent the effect on Net financial gains (losses) with NOK 40.8 million and corresponding adjustment on income tax with NOK 9.0 million following the refinancing of the loans from credit institutions and shareholder loans in KMCS and Pesca with the proceeds of the Bond Issue by the Company, and includes:

a. Elimination of historical interest expenses related to the outstanding loans from credit institutions and shareholder loans in KMCS and Pesca totaling NOK 25.3 million. This adjustment will not have a continuing impact; and
b. The addition of estimated interest expenses of NOK 66.1 million from the Bonds (assuming issued at 1 January 2020, and based on the NIBOR in the period, a margin of 4.25 percent and related estimated capitalized transaction costs of NOK 23.8 million).
c. Income tax adjustment of NOK 9.0 million related to the adjustments explained above, and assuming a tax rate of 22% for pro forma purposes

12.5.2 Unaudited pro forma condensed statement of financial position as of 30 September 2020

The table below sets out the unaudited pro forma condensed statement of financial position as at 30 September 2020, as if the Combination had occurred on 30 September 2020.

(NOK thousands)	**Basis for Pro Forma**					**Pro Forma Adjustments**		
	KMC Properties	KMCS	Pipeline Companies	Pesca	IFRS adjustments	A	B	**Pro Forma for the Group**
	IFRS	**N-GAAP**	**N-GAAP**	**N-GAAP**				
Goodwill		100,774			(100,774)			
Other intangible assets				2,776	(1,890)			886
Investment properties	184,146	1,144,296	220,000	495,082	574,695	553,085		3,171,304
PP&E	42							42
Other non-current assets in total		52	128					180
Cash and cash equivalents	8,495	60,576	3,802	13,689			(6,707)	79,855
Other current assets in total	5,487	21,589	5,296	5,608				37,981
Total assets	198,170	1,327,287	229,227	517,155	472,031	553,085	(6,707)	3,290,248
Share capital	1,767	1,000		2,137		(2,137)	45,386	48,153
Other equity	498,890	87,123					1,469,306	2,055,319
Other reserves	(428,014)	110,138	11,962	62,646	537,458	(278,287)	(838,013)	(822,109)
Total equity	72,643	198,262	11,962	64,783	537,458	(280,424)	676,679	1,281,363
Deferred tax liability	2,845	138,216	5,993	1,890	(65,427)	35,776		119,293
Non-current loans from credit institutions		709,034	131,581	412,993	(1,253,608)			
Other non-current liabilities	1,970		57,430		(57,430)		1,826,230	1,828,200
Shareholder loan		255,534					(255,534)	
Current loans from credit institutions	112,625				1,311,038	797,732	(2,221,395)	
Other current liabilities in total	8,087	26,241	22,261	37,489			(32,687)	61,392
Total liabilities	125,527	1,129,025	217,265	452,372	(65,427)	833,508	(683,386)	2,008,885
Total equity and liabilities	198,170	1,327,287	229,227	517,155	472,031	553,085	(6,707)	3,290,248

(NOK thousands)	**IFRS adjustments**			
	(i)	**(ii)**	**(iii)**	**Total IFRS adjustments**
Goodwill	(100,774)			(100,774)
Other intangible assets			(1,890)	(1,890)
Investment properties	301,141		273,553	574,695
Other reserves	263,904		273,553	537,458
Deferred tax	(63,537)		(1,890)	(65,427)
Non-current loans from credit institutions	(709,034	(131,581)	(412,993)	(1,253,608)
Other non-current liabilities		(57,430)		(57,430)
Current loans from credit institutions	709,034	189,011	412,993	1,311,038

IFRS adjustments for the purpose of the Pro forma condensed balance sheet as of 30 September 2020

i) KMC'S adjustments

The goodwill of NOK 100,7 million in the NGAAP financials is related to investment properties and eliminated as an IFRS adjustment (in conjunction to reflect IAS 40 values)

Investment properties are adjusted with NOK 301.1 million to reflect the appraisal of investment properties according to IAS 40.

The adjustment of deferred tax reflects the reversal of deferred tax liabilities of NOK 137 million related to investment properties in the NGAAP financials (due to IAS 12 exemption rule) and the deferred tax liabilities arising from the fair value adjustment of investment properties of NOK 74 million (base amount NOK 326 million se IFRS adjustment profit & loss table section ii)

In addition, management has performed a reclassification from Non-current loans from credit institutions with NOK 709.0 million to Current loans from credit institutions as it is being refinanced in connection with the Combination.

ii) Pipeline Companies adjustments (related to Grøndtvedt only, as no historical financial information for the Dutch Companies is available. See also section 12.3.2 below "Pipeline Companies").

Represents the reclassification from Non-current loans from credit institutions with NOK 131.6 million and Other non-current liabilities with NOK 57.4 million (NGAAP) to Current loans from credit institutions with NOK 189.0 million (in connection with the Grøndtvedt transaction) as those are being refinanced in connection with the Combination.

iii) Pesca adjustments

Represents the appraisal of investment properties to their corresponding fair value in accordance with IAS 40 with NOK 273.6 million. The tax adjustment of NOK 1.9 million represents the maximum tax effect on changes in fair value of investment properties, in accordance with IAS 12 *Income Taxes* paragraph 15 (b). The effect on other reserves with NOK 273.6 million represents the counter effect of the adjustments explained above. In addition, management has performed a reclassification from Non-current loans from credit institutions with NOK 413.0 million to Current loans from credit institutions as it is being refinanced in connection with the Combination.

Pro forma adjustments for the purpose of the Pro forma condensed balance sheet as of 30 September 2020

(NOK thousands)	**Pro forma adjustments A**		**Total Pro Forma adjustment A**
	(i)	**(ii)**	
Investment property	**553,085**		**553,085**
Share capital		**(2,137)**	**(2,137)**
Other paid-in equity			
Other reserves	**139,016**	**(417,303)**	**(278,287)**
Deferred tax liability	**35,776**		**35,776**
Current loans from credit institutions	**378,292**	**419,440**	**797,732**

Pro Forma adjustment A

This adjustment is comprised of the following items, as explained and as illustrated and summarized in the table above:

(i) Represents the acquisition of the Pipeline Companies (comprised of Grøndtvedt and the Dutch Companies) totaling NOK 378.3 million increasing Current loans from Credit institutions with a corresponding amount which represents the issuance of Seller's Credit (subsequently settled as explained in section 12.1.4). The increase in investment properties with NOK 553.1 million includes an adjustment of NOK 366.3 million (representing the properties acquired in the Dutch Companies for which no historical financial information was available, see also Section 12.3.2 below "Pipeline Companies"), and the remaining amount of NOK 186.7 million represent the changes in fair value following the revaluation of the properties in Grøndtvedt and the Dutch Companies, in accordance with IAS 40. The increase in deferred tax liabilities with NOK 35.8 million represents the tax adjustment to reflect the fair value revaluation of the investment properties acquired, in accordance with IAS 12 Income taxes. The adjustment on Other reserves with NOK 139 million represents the counter effect of the adjustments explained above and where NOK 12 million relates to the elimination of the historical equity in Grøndtvedt (forming part of the Pipeline Companies and where no historical financial information for the Dutch Companies was available. See also Section 12,3.2 below "Pipeline Companies");

(ii) Represents the Pesca Transaction where the increase in Current loans from credit institutions of NOK 419.4 million represents the issuance of Seller's Credit (subsequently settled as explained in Section 12.1.4), with corresponding reduction in equity where NOK 2.1 million relates to the elimination of Pesca's historical share capital and the remaining NOK 417.3 million reducing Other reserves.

(NOK thousands)	Pro forma adjustments within equity			
	Nr. of shares	(i)	(ii)	(iii)
Explanation:				
Consideration shares Transaction	153,678,158	30,736	1,045,011	
Conversion of the Swedbank Loan	26,824,020	5,365	182,403	
Private placement	42,857,142	8,571	291,429	
Consideration shares Dutch Transaction	8,571,428	1,714	58,286	
Elimination Share capital KMC AS		(1,000)		
Total Pro forma adjustment B Share Capital		45,386		
Transaction costs Private Placement			(20,700)	
Reorganization within equity, allocated to Other reserves – Reverse take over			(87,123)	
Total Pro forma adjustment B Other paid-in equity			1,469,306	
Transaction costs Transaction, Pesca Transaction and Pipeline Companies				(19,740)
Conversion of the Swedbank Loan, residual amount				(75,143)
Consideration shares issued in KMC AS in connection with Pesca Transaction				244,494
Reorganization within equity – Reverse take -over related to:				
Consideration shares Transaction				(1,075,747)
Allocated from Other paid-in-equity				87,123
Total Pro forma adjustment B Other reserves				(838,013)

Pro forma adjustment B

This adjustment is comprised of the following items, as explained and as illustrated and summarized in the table above:

Pro forma adjustments within equity (see also Sections 12.1.1 to 12.1.4)

(i) The adjustment of NOK 45.4 million on Share capital corresponds to the issuance of a total of 231,930,748 KMC Properties Consideration Shares with par value 0.2 per share in connection with the Transaction (accounted as a reverse acquisition), the Swedbank Loan conversion, the Private Placement and the consideration shares to the Dutch Companies, as well as the elimination of the historical share capital in KMC AS with NOK 1 million. The elimination of the historical share capital in KMC AS represents the accounting effect of the Transaction, treated as a reverse acquisition where the share capital represents the share capital of the legal acquirer (KMC Properties).

(ii) The adjustment of NOK 1,469.3 million on Other paid-in equity represents (a) the issuance of the 231,930,748 KMC Properties Consideration Shares (as per above) representing the share premium effect with NOK 6.8 per share (corresponding to the Offer price of NOK 7 per share, less par value of NOK 0.2 per share), totaling NOK 1,577.1 million; and (b) the transaction costs related to the Private Placement with NOK 20.7 million; and (c) the effect of the reverse acquisition where NOK 87.1 million are allocated to Other reserves.

(iii) The adjustment of NOK 838.0 million on Other reserves represents (a) the transaction costs for the Transaction, the Pesca Transaction and the acquisition of the Pipeline Companies with NOK 19.7 million; and (b) the residual amount following the conversion of the Swedbank Loan with NOK 75.1 million representing the difference between the 26,824,020 KMC Properties Consideration shares with Offer price of NOK 7 per share with NOK 187.7 million representing the converted amount, and the historical booked value of the Swedbank Loan (NOK 112.6 million); and (c) the consideration shares issued in KMC AS as partial settlement for the Pesca Transaction with NOK 244.5 million; and (d) the effect of the reverse acquisition where NOK 87.1 million are related to the allocation from Other paid-in equity, and NOK 1,075.7 million representing the 153,678,158 KMC Properties Consideration Shares with Offer Price NOK 7 per share, related to the Transaction.

(NOK thousands)	**Pro forma adjustments- assets and liabilities**					
	Cash and cash equivalents	**Non-current loans from credit institutions**	**Other long-term liabilities**	**Shareholder loans**	**Current loans from credit institutions**	**Other current liabilities in total**
Explanations:						
Proceeds from Bond Issue, net of transaction costs (i)	1,826,230		1,826,230			
Proceeds from Private Placement, net of transaction costs (ii)	279,300					
Subtotal 1 (i) and (ii)	**2,105,530**		**1,826,230**			
Repayment interest bearing debt	(1,579,259)			(255,534)	(1,311,038)	(12,687)
Dividend payment in Pesca to previous owners	(20,000)					(20,000)
Subtotal 2 (iii)	**(1,599,259)**			**(255,534)**	**(1,311,038)**	**(32,687)**
Repayment Seller's Credit Pesca Transaction	(174,946)				(174,946)	
Repayment Seller's Credit Grøndtvedt	(11.992)				(11.992)	
Repayment Seller's Credit Dutch Companies	(306,300)				(306,300)	
Subtotal 3 (iv)	**(493,238)**				**(493,238)**	
Seller's Credit Dutch Companies converted into KMC Properties shares					(60,000)	
Seller's Credit Pesca Transaction converted into KMC AS shares					(244,494)	
Subtotal 4 (v)					**(304,494)**	
Transaction costs related to the Transaction, the Pesca Transaction and the acquisition of the Pipeline Companies	(19,740)					
Conversion of the Swedbank Loan					(112,625)	
Subtotal 5 (vi)	**(19,740)**				**(112,625)**	
Total Pro forma adjustments	**(6,707)**		**1,826,230**	**(255,534)**	**(2,221,395)**	**(32,687)**

Pro forma adjustments within assets and liabilities (see also Sections 12.1.1 to 12.1.4)

The pro forma adjustment of NOK 6.7 million in cash and cash equivalents, NOK 1,826.2 million in Other long-term liabilities, NOK 255.5 million in Shareholder Loan, NOK 2,221.4 million in Current loans from credit institutions and NOK 32.7 million in Other current liabilities in total relates to the following items as explained and summarized in the table below.

(i) Represents the increase in cash and cash equivalents with NOK 1,82 billion with corresponding amount as Other long-term liabilities in connection with the Bond issue with notional amount NOK 1.85 billion and corresponding issuance costs of NOK 23.8 million; and

(ii) Represents the increase in cash and cash equivalents with NOK 279.3 million in connection with the Private Placement of NOK 300.0 million and corresponding transaction costs of NOK 20.7 million; and

(iii) Represents the repayment of all historical interest bearing debt in KMCS, Pesca and Grøndvedt, including committed dividend payment to previous Pesca's shareholders, leading to a decrease in cash and cash equivalents with NOK 1.599.3 million, and decrease in shareholder loans with NOK 255.5 million, decrease in Current loans from credit institutions with NOK 1,311.0 million and decrease in Other current liabilities with NOK 32.7 million; and

(iv) Represents the partial settlement of Seller's Credit in cash in connection with the Pesca Transaction and the acquisition of the Pipeline Companies, totaling NOK 493.2 million (where NOK 174.9 million relates to the Pesca Transaction, NOK 12 million relates to the acquisition of Grøndtvedt and NOK 306.3 million relates to the acquisition of the Dutch Companies) reducing cash and cash equivalent with corresponding amount as a reduction in Current loans from credit institutions; and

(v) Represents the remaining amounts of the Seller's Credit related to the Pesca Transaction and the acquisition of the Dutch Companies, that were not settled in cash and which were converted in to KMC AS shares (NOK 244.5 million) and KMC Properties shares (NOK 60 million), respectively, reducing Current loans from credit institutions with NOK 304.5 million in total ; and

(vi) Represents the cash settlement of transaction costs related to the Transaction, the Pipeline Companies and the Pesca Transaction totaling NOK 19.7 million as well as the conversion of the Swedbank loan to equity, reducing Current loans from credit institutions with NOK 112.6 million.

13 BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

13.1 Introduction

The General Meeting is the highest authority of the Company. All shareholders of the Company are entitled to attend and vote at General Meetings of the Company and to table draft resolutions for items to be included on the agenda for a General Meeting.

The overall management of the Group is vested in the Board of Directors and the Group's Management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Group's business, ensuring proper organization, preparing plans and budgets for its activities, ensuring that the Group's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Management is responsible for the day-to-day management of the Group's operations in accordance with Norwegian law and instructions prepared by the Board of Directors. Among other responsibilities, the CEO is responsible for keeping the Group's accounts in accordance with prevailing Norwegian legislation and regulations and for managing the Group's assets in a responsible manner. In addition, the CEO must, pursuant to Norwegian law, brief the Board of Directors about the Group's activities, financial position and operating results at least once per month.

13.2 The Board of Directors

13.2.1 Overview of the Board of Directors

The Articles of Association provide that the Board of Directors shall consist of a minimum of 3 Board Members elected by the Company's shareholders. The names, positions, current term of office and business addresses of the Board Members as at the date of this Prospectus are set out in the table below.

Name	Position	Served since	Term expires
Anders Dyrseth	Chairman	2020	2022
Morten Eivindssøn Astrup	Board Member	2008	2022
Nini Høegh Nergaard	Board Member	2010	2022
Anna Musiej Aanensen	Board Member	2017	2022
Stig Wærnes	Board Member	2020	2022
Marianne Bekken	Board Member	2020	2022
Børge Klungerbo	Board Member	2020	2022

13.2.2 Brief biographies of the Board Members

Set out below are brief biographies of the Board Members. The biographies include each Board Member's relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a Board Member is or has been a member of the administrative management or supervisory bodies or partner in the previous five years.

The Company's business address serves as the business addresses for the members of the Board of Directors.

Name	Current directorships/partnerships/management positions	Directorships/partnerships/management positions previous 5 years
Anders Dyrseth	Stiftelsen Norsk Radio- og Fjernsynsmuseum (chairman) Andyrs AS (chairman) Casulo AS (chairman) Billedkunstneren Håkon Blekens Stiftelse (chairman) Anton og Aaslaug Areskaus Stiftelse (chairman) Rosenborggården AS (board member) Sparebank 1 Kapitalforvaltning AS (board member)	Odin Regnskap AS (chairman) Systembygg AS (chairman)

	Arntzen de Besche Advokatfirma AS (partner and attorney)	
Morten Eivindssøn Astrup	Svalbard Adventures AS (chairman) Svalbard Pub AS (chairman) Svalbard Snøscooter Utleie AS (chairman) Spitsbergen Eiendom AS (chairman) Aconcagua Management Ltd (Bermuda) (chairman) SurfSide Holding AS (chairman) S56 Bolig 2 AS (chairman) Storm Capital Partners Ltd (UK) (chairman) Storm Fund II – Storm Bond Fund (Luxembourg) (chairman) Gasor Consulting Ltd (Cyprus) (board member) Tiberton Yard Holding 2 Ltd (Cyprus) Polarbygg Spitsbergen AS (board member) Ørn Norden AS (board member) Storm Capital Management AS (board member)	Storm Capital Management Ltd (UK) (chairman) Neptune Properties AS (chairman/board member) TK Development AS (Denmark) (board member)
Nini Høegh Nergaard	Dønski Toppidrett AS (chairman)	Servoinvest (chairman) OPAK AS, Oslo (chairman) Dønski Toppidrett AS (manager)
Anna Musiej Aanensen	Startuplab AS (CFO Interim) VA Finance AS (CEO) Vesseladmin AS (head of finance)	COFACE (Business Development Manager) Eksportkreditt Norge AS (Senior VP – Lending Ocean Industries, Head of Oil & Gas)
Stig Wærnes	Bewi ASA (board member) Bewi Synbra AB (board member) EBE Eiendom AS (chairman) KMC AS (chairman) Overaae Holding AS (chairman) Overaae AS (chairman) Overaae Birger A/S (chairman) Matpartner AS (chairman) Måsøval Eiendom AS (board member) Delprodukt AS (board member) Nardo Bil Gruppen AS (board member) Frøya Investment AS (chairman) Bekken Invest AS (board member) Sw Invest AS (chairman) Snewær AS (board member) Bewi Holding AS (CEO)	BDO AS (deputy chairman)
Marianne Bekken	Extra 127 AS (chairman) Marbek Invest AS (chairman and manager) Bewi Drift Holding AS (board member) KMC Properties AS (board member) Dual Air AS (board member) Bekken Invest AS (board member) KMC Family AS (board member) EBE Eieindom AS (board member) Bekken Investment AS (business developer)	KMC Properties Sverige Danmark AS (chairman) Selmer Holding AS (sales and market) BEWiSynbra Norway AS (manager and head of sales)
Børge Klungerbo	Pesca AS (chairman) Kverva Management AS (analyst)	Norwegian Sovereign Wealth Fund (NBIM) (equity analyst)

Anders Dyrseth (Chairman)

Mr. Dyrseth is an attorney and partner at Arntzen de Besche. He has wide experience from work within real estate law, including M&A work in transactions related to real estate companies and organizations. Mr. Dyrseth has worked extensively within legal areas such as servitude, tenancy relations, building law etc. He also has broad experience with issues pertaining to real estate contracting and development processes. Mr. Dyrseth also acts as legal advisor for a number of companies within the aquaculture industry. He also serves as a member of the board for a number of companies, foundations and organizations. Mr. Dyrseth holds a qualifying law degree (cand.jur) from the University of Oslo.

Morten Eivindssøn Astrup (Board Member)

Mr Astrup is the owner of Surfside Holding AS, a major shareholder in KMC Properties, and Storm Norge AS (previous manager of KMC Properties ASA), and has 20 years of asset management experience. He is a specialist within alternative investments, private equity and real estate. He has held board positions in several international companies and been an advisor to both private and institutional investors in Europe. Mr Astrup holds a master's degree in Business and Economics from BI Norwegian Business School/City University London. He is a Norwegian citizen and resides in Switzerland.

Nini Høegh Nergaard (Board Member)

Ms Nergaard is currently a board member of KMC Properties. Between 1998 and 2005 she was employed as a financial analyst at Handelsbanken Capital Markets, Oslo. Ms Nergaard has a law degree from Oslo University, where she studied between 1992 and 1998. She is a Norwegian citizen and resides in Snarøya, Norway.

Mrs. Nergaard is considered an independent member of the Board of Directors.

Anna Musiej Aanensen (Board Member)

Anna Musiej Aanensen is partner and head of Finance at Vesseladmin AS, a Norwegian technology company focusing on ocean mobility. She is also interim CFO of Startuplab AS, a Norwegian incubator, accelerator and investor for start-ups, and CEO of VA Finance AS, which is regulated by the Financial Supervisory Authority of Norway. From 2017 till 2019 she worked at Coface, a global credit insurance company, heading its activities in Norway. From 2010 till 2017 she worked for Export Credit Norway being responsible for financing the projects within oil & gas industries. Between 1998 and 2010 she worked for Handelsbanken where she kept various positions. Mrs Aanensen has a Master of Science from Warsaw School of Economics and Executive MBA in Maritime Offshore from Norwegian Business School in Oslo. She is a Norwegian citizen.

Mrs. Aanensen is considered an independent member of the Board of Directors.

Stig Wærnes (Board Member)

Mr Wærnes is CEO in Bekken Invest, indirectly a major shareholder through EBE. Prior to his current position he was the regional manager partner and deputy chairman in BDO AS. He has as a long experience from auditing, advisory, whereas his areas of expertise is auditing and accounting, finance, business consultancy, M&A and strategy. Mr Wærnes has an extensive experience with clients in different sectors, such as manufacturing, seafood, construction development and retail. He also serves as a member of the board for a number of companies, including BEWi ASA, which is a material business contact. Mr Wærnes holds a degree in auditing and accounting from NTNU (business school) and has also completed various courses in the field of auditing, accounting, leadership development.

Marianne Bekken (Board Member)

Marianne Bekken is a co-owner of Bekken Invest, and takes part in strategic decisions in the family company. Marianne Bekken has actively worked in the organization since 2013, as former CEO of KMC AS and BEWI Insulation Norway. Marianne Bekken holds a Bachelor Degree in Bussiness and Marketing at BI University.

Børge Klungerbo (Board Member)

Børge Klungerbo is an Investment Analyst at Kverva where he is responsible for public equity investments. Prior to joining Kverva in 2018, Mr. Klungerbo worked for the Norwegian Sovereign Wealth Fund (NBIM) in London. Mr. Klungerbo has participated in executive management courses at Harvard and is a CFA Charterholder. He holds an MBA from London Business School, a Masters in Finance from Washington University in St. Louis and a Bachelor in Finance from Texas A&M University - Commerce.

13.3 Management

The names of the members of the Management as at the date of this Prospectus, and their respective positions, are presented in the table below. The Company's business address serves as the business addresses for the members of the Management.

Name	Current directorships/partnerships/management positions	Directorships/partnerships/management positions previous 5 years
Liv Malvik	KMC AS (CEO) Trondhjems Handelsstands (chairman) Understøttelseskasse (chairman) Skattørvegen 78 AS (chairman) Østre Rosten 102 B AS (chairman) Østre Rosten 102 AS (chairman) Kvenild Sin AS (chairman) Hamarvik Eiendom AS (chairman) Levanger Eiendom AS (chairman) Balsfjord Eiendom AS (chairman) Hitra Eiendom AS (chairman) Hem Ansatte AS (chairman) Heimdal Eiendomsmegling Invest AS (board member) Rantex Eiendom AS (chairman) Industrieiendom Nord AS (chairman) Stjørdal Eiendom AS (chairman) Kmc Properties Sverige Danmark AS Hofstadvegen 15 AS (board member) Botngaard Eiendom AS (chairman) KMC Havnegata 16 AS (chairman) KMC Senja AS (board member) KMC Properties Nederland AS (chairman) Bewi ASA (chairman nomination committee) Nidarosdomens Jentekor (chairman) THK-Stiftelsen (chairman) GroNett NiT (member professional counsil)	Heimdal Eiendomsmegling AS (CEO) Grilstad Marina AS (CEO) Trondhjems Stipendiefond (deputy chairman) Næringsforeningen I Trondheimsregionen (deputy chairman) DeBank ASA (board member)
Frode Kristiansen	KMC AS (CFO) BDO AS (Partner)	Prora Eiendom AS (CFO)
Audun Aasen	KMC AS (COO) Hofstadvegen 15AS (chairman) KMC Senja AS (chairman) KMC Properties Sverige, Danmark AS (board member) Tripla Invest AS (chairman) ÆSH AS (chairman) Vangshaug Panorama Veilag SA (board member) KMC Urshult AB (chairman) KMC Fårtickan AB (chairman) KMC Norrkøping AB (chairman)	Hybelutleie AS (partner and member of management) Bra Bo AS (partner and member of management) Bra Bo AS (board member)

Liv Malvik (CEO)

Liv Malvik has previous experience as CEO of Heimdal Eiendomsmegling AS (2018-2020), Grilstad Marina AS (2011-2018) and Inter Revisjon Norge AS (2008-2011) in addition to experience from Sparebank1 SMN (2001-2008) and Fokus Bank AS (1990-2000).

Malvik has an MSc in Business Administration from the Norwegian School of Economics.

Frode Kristiansen (CFO)

Frode Kristiansen has experience as partner in BDO AS and head of sustainability advisory in BDO Norge (2017-2020), CFO of Prora Eiendom AS (after the financial restruction of the company, 2015-2017), auditor and manager for Ernst & Young AS (2002-2008, 2009-2015) and from Pareto Securities (2008-2009).
Kristiansen has an MSc in Business Administration from the Norwegian School of Economics.

Audun Aasen (COO)

Audun Aasen has 15 years+ experience from construction and real estate sector.

Aasen was previously a property manager and real estate developer (2014-2019). Aasen has a University Degree as real estate appraiser and technical construction controller, and work experience (2011-2014). Aasen furthermore has a Carpentry Masters Degree and has performed construction work (2005-2011). Aasen has more than 12 years experience from the real estate sector.

13.4 Remuneration and benefits

For the period from 28 June 2019 to and including 24 June 2020, each of the members of the Board of Directors of KMC Properties, but excluding Morten E. Astrup and Kim Mikkelsen, received a remuneration of NOK 125,000. The Chairman of the Board received NOK 250,000 for the same time period.

For the period from 24 June 2020 up to the annual general meeting in 2021, each of the members of the Board of Directors of KMC Properties, but excluding Morten E. Astrup, will receive NOK 125,000, and the Chairman of the Board of Directors NOK 250,000, paid quarterly pro rata according to respective time served.

Storm Norge AS was engaged as the Company's asset manager, and received in total NOK 1 791 669 as remuneration for the year ended 31 December 2020.

13.5 Conflict of interests etc.

During the last five years preceding the date of this Prospectus, none of the Board Members and members of the Management has, or had, as applicable:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, director or senior manager of a company.

There are currently no other actual or potential conflicts of interest between the Company and the private interests or other duties of any of the Board Members and members of the Management, including any family relationships between such persons.

14 CORPORATE INFORMATION AND DESCRIPTION OF THE SHARE CAPITAL

The following is a summary of certain corporate information and material information relating to the Company's Shares and certain other shareholder matters, including summaries of certain provisions of the Company's Articles of Association and applicable Norwegian law in effect as at the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Company's Articles of Association, included in Appendix A to this Prospectus, and applicable law.

14.1 Company corporate information

The Company's registered name is KMC Properties ASA, which is identical to its commercial name. The Company is a public limited liability company organised and registered under the laws of Norway pursuant to the Norwegian Public Limited Liability Companies Act. The Company's registered office is in the municipality of Trondheim. The Company was incorporated in Norway 2 January 2007 as a private limited liability company and transformed to a public limited liability company following the extraordinary general meeting held on 12 May 2010. The Company was listed on the Oslo Stock Exchange on 6 July 2010. The Company's registration number in the Norwegian Register of Business Enterprises is 990 727 007 and its Legal Entity Identifier ("**LEI**") code is 5967007LIEEXZX8NJK8.

The Shares have been created under the Norwegian Public Limited Liability Companies Act. The Shares are registered in book-entry form with the VPS under ISIN NO0010360175. The Company's register of shareholders in the VPS is administrated by the VPS Registrar.

The Company's registered address is at Dyre Halses gate 1 A, N-7042 Trondheim , Norway, it's telephone number is +47 480 03 175 and its e-mail is post@kmcp.com. The Company's website can be found at www.kmcp.no. The content of www.kmcp.no is not incorporated by reference into, nor otherwise forms part of, this Prospectus.

14.2 Share capital

As at the date of this Prospectus, the Company's share capital is NOK 48,153,062.2 divided between 240,765,311, each with a nominal value of NOK 0.20. All Shares have been created under the Norwegian Public Limited Companies Act, and are validly issued and fully paid.

The Company has only one class of shares, and all shares have equal rights, including the right to dividend and voting rights.

At the Company's general meeting held on 18 December 2020, the Company's Board was granted an authorization to increase the Company's share capital by up to NOK 11,400,000 by issuing up to 57 million new shares, each with a nominal value of NOK 0,2 per share. The authorization is limited to be used in connection with the Private Placement and the Subsequent Offering. This authorization was utilized by the Board to resolve the issuance of the 42,857,142 new shares in the Private Placement on 22 December 2020. At the date of this Prospectus, NOK 2,828,571.60 remains unissued under the authorization. The authorization expires on 31 March 2021.

Furthermore, the general meeting held on 18 December 2020 granted the Company's Board an authorization to increase the Company's share capital by up to NOK 6.0 million, through the issuance of up to 30 million new shares, each with a nominal value of NOK 0.2 per share. The authorization is limited for use in connection with acquisitions and for general corporate purposes. This authorization was utilized by the Board to resolve the issuance of the 8,571,428 new shares in the Dutch Transaction on 28 December 2020. At the date of this Prospectus, NOK 4,285,714.40 remains unissued under the authorization. The authorization expires on the annual general meeting in 2021, but in no event later than 30 June 2021.

At 1 January 2020 the Company had 8,834,563 shares in issue, each with a nominal value of NOK 0,20. At 31 December 2020, the Company had 240,765,311 shares in issue, each with a nominal value of NOK 0,20.

The table below shows the development in the Company's share capital for the period from 1 January 2020 and up to the date of this Prospectus:

Date of registration	Type of change	Change in share capital (NOK)	Subscription Price (NOK)	Nominal value (NOK)	New number of Shares	New share capital (NOK)

21 December 2020	The Transaction	30,735,631.60	7	0.20	162,512,721	32,502,544,20
21 December 2020	The Conversion of the Swedbank Loan	5,364,804	7	0.20	189,336,741	37,867,348.20
22 December 2020	The Private Placement	8,571,428.40	7	0.20	232,193,883	46,438,776.60
28 December 2020	The Dutch Transaction	1,714,285.60	7	0.20	240,765,311	48,153,062.20

Since 1 January 2020, More than 10% of the capital has been paid for with assets other than cash.

14.3 Listing

The Company expects that the New Shares will commence trading on the Oslo Stock Exchange on or about 26 February 2021.

Subject to completion of the Subsequent Offering, the Company currently expects commencement of trading in the Offer Shares on the Oslo Stock Exchange on or around 26 February 2021. The Company has not applied for admission to trading of the New Shares nor the Offer Shares on any other stock exchange, regulated market or multilateral trading facility (MTF).

14.4 Ownership structure

As of 5 February 2021, the Company had 1092 shareholders. An overview of shareholders holding 5% or more of the shares of the Company as of 5 February 2021 is set out below:

#	Shareholders	Number of shares	Percent
1	EBE Eiendom AS	99,974,273	41.52
2	Kverva Industrier AS	82,716,209	34.36
3	Surfside Holding ASAconcagua Management Ltd	11,958,333	4.97
4	Aconcagua Management Ltd	10,833,649	4.50

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act are listed in the table above. Through Surfside Holding AS and Aconcagua Management Ltd Morten E. Astrup holds 22,727,935 shares in the Company corresponding to 9.44 per cent of the share capital and voting rights. See Section 15.8 "Disclosure Obligations" for a description of the disclosure obligations under the Norwegian Securities Trading Act.

As stated in Section 14.2 "Share capital", there are no differences in voting rights between the shareholders. Each of the shares carries one vote.

The Company is not aware of any persons or entities who, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company following the Subsequent Offering. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

No particular measures are initiated to ensure that control is not abused by large shareholders. Minority shareholders are protected from abuse by relevant regulations in inter alia the Norwegian Public Limited Liability Companies Act and the Norwegian Securities Act. See Section 14.7 "The articles of association and certain aspects of Norwegian corporate law" and 15.11 "Compulsory acquisition" for further information.

Other than the Transaction and the Mandatory Offer, the Shares have not been subject to any public takeover bids.

14.5 Other financial instruments

Neither the Company nor any of its subsidiaries has issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any Shares or any shares in subsidiaries of the Company. Further, neither the Company nor any of its subsidiaries has issued subordinated debt or transferable securities other than the Shares and the shares in its subsidiaries which will be held, directly or indirectly, by the Company.

14.6 Shareholder rights

Under Norwegian law, all shares of the same class are entitled to equal rights in a company. The Company's Articles of Association provide for a single class of shares with equal rights. No shareholder is granted different voting rights to another.

14.7 The articles of association and certain aspects of Norwegian law

The Norwegian Public Limited Liability Companies Act applies to the Company. The Articles of Association of the Company are included as Appendix A to this Prospectus.

The Articles of Association contains provisions, inter alia, to the following effect:

In accordance with Section 3 of the Articles of Association, the Company's objectives are trading, investing in real estate and securities relating to this, inter alia participate in other companies involved in similar business activities through equity, loans or submit guarantees.

The board of directors of the company shall consist of minimum 3 members. The chairperson of the board of directors solely, or two members of the board of directors jointly, shall have authority to sign for the company. The board of directors may designate procurators.

According to the Articles of Association section 6, the annual general meeting shall resolve the following issues:

1. Election of the chairperson of the Board of Directors

2. Approval of the annual accounts and annual report including distribution of dividend

3. Election of the members and the chairperson of the nomination committee and amendments of the nomination committee's mandate and charter

4. Such other matters as according to the Norwegian Public Limited Liability Companies Act fall within the duties of the general meeting.

The annual general meeting shall also deal with the statement from the Board of Directors relating to the determination of salary and other benefits to the leading employees according to Section 6-16 a of the Norwegian Public Limited Liability Companies Act.

14.8 Shareholders' agreements

The Company is not aware of any shareholders' agreements between the Company's shareholders.

15 SECURITIES TRADING IN NORWAY

Set out below is a summary of certain aspects of securities trading in Norway. The summary is based on the rules and regulations in force in Norway as at the date of this Prospectus, which may be subject to changes occurring after such date. This summary does not purport to be a comprehensive description of securities trading in Norway. Investors who wish to clarify aspects of securities trading in Norway should consult with and rely upon their own advisors.

15.1 Introduction

Oslo Børs was established in 1819 and is the principal market in which shares, bonds and other financial instruments are traded in Norway through five different marketplaces; Oslo Børs, Euronext Expand, Euronext Growth Oslo, Nordic ABM and Oslo Connect. Oslo Børs ASA is 100% owned by Oslo Børs VPS Holding ASA, which in was 2019 acquired by Euronext N.V., a European stock exchange with registered office in Amsterdam and corporate headquarters at La Défense in Greater Paris which operates markets in Amsterdam, Brussels, London, Lisbon, Dublin, Oslo and Paris. Oslo Børs ASA owns 97% of the shares in Fish Pool ASA. Oslo Børs ASA complies with the European code of conduct commitments on service unbundling and accounting separation. Oslo Børs VPS Holding ASA also owns the Norwegian Central Securities Depository (VPS).

15.2 Market value of shares on the Oslo Stock Exchange

The market value of all shares on the Oslo Stock Exchange, including the New Shares and the Offer Shares following the Listing, may fluctuate significantly, which could cause investors to lose a significant part of their investment. The market value of listed shares could fluctuate significantly in response to a number of factors beyond the respective issuer's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, announcements by the respective issuer or its competitors of new product and service offerings, significant contracts, acquisitions or strategic relationships, publicity about the issuer, its products and services or its competitors, lawsuits against the issuer, unforeseen liabilities, changes in management, changes to the regulatory environment in which the issuer operates or general market conditions.

Furthermore, future issuances of shares or other securities may dilute the holdings of shareholders and could materially affect the price of the shares. Any issuer, including the Company, may in the future decide to offer additional shares or other securities to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes, including for refinancing purposes. There are no assurances that any of the issuers on the Oslo Stock Exchange will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. If a listed company raises additional funds by issuing additional equity securities, the holdings and voting interests of existing shareholders could be diluted, and thereby affect share price.

15.3 Trading and settlement

As of the date of this Prospectus, trading of equities on Oslo Børs is carried out in the electronic trading system Optiq, which is the the electronic trading system of Euronext.

Official regular trading for equities on the Oslo Stock Exchange takes place between 09:00 hours (Oslo time) and 16:20 hours (Oslo time) each trading day, with pre-trade period between 08:15 hours (Oslo time) and 09:00 hours (Oslo time), closing auction from 16:20 hours (Oslo time) to 16:25 hours (Oslo time) and a post-trade period from 16:25 hours (Oslo time) to 17:30 hours (Oslo time). Reporting of after exchange trades can be done until 17:30 hours (Oslo time).

The settlement period for trading on the Oslo Stock Exchange is two trading days (T+2). This means that securities will be settled on the investor's account in VPS two days after the transaction, and that the seller will receive payment after two days.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such marketmaking activities do not as such require notification to the Norwegian FSA or the Oslo Stock Exchange except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

15.4 Information, control and surveillance

Under Norwegian law, the Oslo Stock Exchange is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of the Oslo Stock Exchange monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e. precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. The Oslo Stock Exchange may levy fines on companies violating these requirements.

15.5 The VPS and transfer of shares

The Company's principal share register is operated through the VPS. The VPS is the Norwegian paperless centralized securities register. It is a computerized book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded.

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being the Central Bank of Norway'), authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is prima facie evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the Company's Articles of Association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

15.6 Shareholder register – Norwegian law

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. Beneficial owners of shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote for such shares unless their ownership is re-registered in their names with the VPS prior to any general meeting of shareholders. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners. There is no assurance that beneficial owners of Shares will receive notices of any General Meetings in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners.

15.7 Foreign investment in shares listed in Norway

Foreign investors may trade shares listed on the Oslo Stock Exchange through any broker that is a member of the Oslo Stock Exchange, whether Norwegian or foreign. Foreign investors are, however, to note that the rights of holders of listed shares of companies incorporated in Norway are governed by Norwegian law and by the respective company's articles of association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For instance, under Norwegian law, any action brought by a listed company in respect of wrongful acts committed against such company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it may be difficult to prevail in a claim against such company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions. For more information, see Section 14.7 "The articles of association and certain aspects of Norwegian corporate law".

15.8 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify the Oslo Stock Exchange and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

15.9 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Section 3-2 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

15.10 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and the Oslo Stock Exchange decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered (or provided that the person, entity or consolidated group has not already stated that it will proceed with the making of a mandatory offer).

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Stock Exchange and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by the Oslo Stock Exchange before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered. The settlement must be guaranteed by a financial institution authorised to provide such guarantees in Norway.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, the Oslo Stock Exchange may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, the Oslo Stock Exchange may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered (provided that the person, entity or consolidated group has not already stated that it will proceed with the making of a mandatory offer).

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

15.11 Compulsory acquisition

Pursuant to the Norwegian Public Limited Liability Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorized to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to Section 4-25 of the Norwegian Public Limited Liability Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline.

15.12 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

15.13 Other information

15.13.1 Pre-emptive rights may not be available to all holders of shares

Under Norwegian law, unless otherwise resolved at a General Meeting, existing shareholders have pre-emptive rights to participate based on their existing ownership of Shares in the issuance of any new Shares for cash consideration. Shareholders in the United States, however, may be unable to exercise any such rights to subscribe for new Shares unless a registration statement under the U.S. Securities Act is in effect in respect of such rights and Shares or pursuant to an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act and other applicable securities laws. Shareholders in other jurisdictions outside Norway may be similarly affected if the rights and the new Shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new Shares, their proportional interests in the Company will be reduced.

15.13.2 Norwegian law may limit shareholders' ability to bring an action against the Company

The rights of holders of the Shares are governed by Norwegian law and by the Articles of Association. These rights may differ from the rights of shareholders in other jurisdictions. Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For instance, under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritised over actions brought by shareholders claiming compensation in respect of such acts. In addition, it may be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

16 TAXATION

16.1 Norwegian taxation

Set out below is a summary of certain Norwegian tax matters related to an investment in the Company. The summary regarding Norwegian taxation is based on the laws in force in Norway as at the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes. The statements in the summary only apply to shareholders who are beneficial owners of the Shares.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

The tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdiction in which the shareholders are resident for tax purposes may have an impact on the income received from the Shares.

16.1.1 Taxation of dividends

Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals residing in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable in Norway for such shareholders currently at an effective tax rate of 31.68% (for 2020) to the extent the dividend exceeds a tax-free allowance; i.e. dividends received, less the tax free allowance, shall be multiplied by 1.44 which are then included as ordinary income taxable at a flat rate of 22%, increasing the effective tax rate on dividends received by Norwegian Personal Shareholders to 31.68%.

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk free interest rate based on the effective rate of interest on treasury bills (Nw.: statskasseveksler) with three months maturity plus 0.5 percentage points, after tax. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realization, of the same share (but may not be set off against taxable dividends or capital gains on other shares). Furthermore, excess allowance can be added to the cost price of the share and included in basis for calculating the allowance on the same share the following year.

Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain similar entities) domiciled in Norway for tax purposes ("**Norwegian Corporate Shareholders**"), are effectively taxed at a rate of currently 0.66% (3% of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and ordinary income is subject to tax at a flat rate of currently 22% for 2020).

Non-Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals not residing in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Personal Shareholders residing within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (please see "Taxation of dividends – Norwegian Personal Shareholders" above).

However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation of the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Non-Norwegian Personal Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

Non-Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain other entities) resident outside of Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempt from Norwegian withholding tax provided that the shareholder is the beneficial owner of the shares and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If a Non-Norwegian Corporate Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted. The same will apply to Non-Norwegian Corporate Shareholders who have suffered withholding tax although qualifying for the Norwegian participation exemption.

Nominee registered shares will be subject to withholding tax at a rate of 25% unless the nominee has obtained approval from the Norwegian Tax Directorate for the dividend to be subject to a lower withholding tax rate. To obtain such approval the nominee is required to file an application to the tax authorities including all beneficial owners that are subject to withholding tax at a reduced rate.

All Non-Norwegian Corporate Shareholders must document their entitlement to a reduced withholding tax rate by either (i) presenting an approved withholding tax refund application or (ii) present an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate. Such documentation must be provided to either the nominee or the account operator (VPS).

The withholding obligation in respect of dividends distributed to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Corporate Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

16.1.2 Taxation of capital gains on realisation of shares

Norwegian Personal Shareholders

Sale, redemption or other disposal of shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. The effective tax rate on gain or loss related to shares realized by Norwegian Personal

Shareholders is currently 31.68 % (for 2020); i.e. capital gains (less the tax free allowance) and losses shall be multiplied by 1.44 which are then included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a flat rate of 22% (2020), increasing the effective tax rate on gains/losses realized by Norwegian Personal Shareholders to 31.68%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realization of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 16.1.1 "Taxation of dividends" above for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realization of a share will be annulled. Unused allowance may not be set of against gains form realisation of other shares.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Special rules apply for Norwegian Personal Shareholders that cease to be tax-resident in Norway.

Norwegian Personal Shareholders may hold shares through a Norwegian share saving account (Nw.: aksjesparekonto). Gains derived upon the realization of shares held through a share saving account will be exempt from Norwegian taxation and losses will not be tax deductible. Withdrawal of funds from the share saving account exceeding the Norwegian Personal Shareholder's paid in deposit, will be regarded as taxable income, subject to tax at an effective tax rate of 31.68% (for 2020). Norwegian Personal Shareholders will be entitled to a calculated tax-free allowance provided that such allowance has not already been used to reduce taxable dividend income (please see "Taxation of dividends – Norwegian Personal Shareholders" above). The tax-free allowance is calculated based on the lowest paid in deposit in the account during the income year, plus any unused tax-free allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income, and cannot increase or produce a deductible loss. Any excess allowance may be carried forward and set off against future withdrawals from the account or future dividends received on shares held through the account.

Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realization of shares qualifying for participation exemption, including shares in the Company. Losses upon the realization and costs incurred in connection with the purchase and realization of such shares are not deductible for tax purpose.

Special rules apply for Norwegian Corporate Shareholders that cease to be tax-resident in Norway.

Non-Norwegian Personal Shareholders

Gains from the sale or other disposal of shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the Non-Norwegian Personal Shareholder holds the shares in connection with business activities carried out or managed from Norway.

Non-Norwegian Corporate Shareholders

Capital gains derived by the sale or other realization of shares by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway.

16.1.3 Net wealth tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 0.85% of the value assessed. The value for assessment purposes for listed shares is equal to 75% of the listed value as of 1 January in the year of assessment (i.e. the year following the relevant fiscal year). The value of debt allocated to the listed shares for Norwegian wealth tax purposes is reduced correspondingly.

Norwegian Corporate Shareholders are not subject to net wealth tax.

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders can, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

16.1.4 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

16.1.5 Inheritance tax

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

17 LISTING OF THE NEW SHARES

17.1 Overview of the listing of the New Shares

The listing of the New Shares consists of the listing on the Oslo Stock Exchange of (a) the 153,678,158 new shares issued in connection with the Transaction, (b) the 42,857,142 new shares issued in connection with the Private Placement, (c) the 26,824,020 new shares issued in connection with the Conversion of the Swedbank Loan and (d) the 8 571 428 new shares issued in connection with the Dutch Transaction, in total 231,930,748 New Shares.

The Shares are listed on the Oslo Stock Exchange under ISIN NO0010360175 and ticker code "KMCP".

The New Shares have been placed on separate ISIN NO 0010915317 pending publication of this Prospectus, but will be moved to the Company's ordinary ISIN and admitted to trading on Oslo Stock Exchange at the later of (i) expiry of the offer period under the Mandatory Offer and (ii) publication of this Prospectus.

The Company expects that the New Shares will commence trading on the Oslo Stock Exchange on or about 26 February 2021.

17.2 Resolution relating to the listing of the New Shares

On 18 December 2020, the Company's general meeting resolved to increase the share capital of the Company and to issue the new shares as part of the Transaction:

(i) The Company's share capital is increased by NOK 30,735,631.60 through issuance of 153,678,158 new shares, each with a par value of NOK 0.2.

(ii) The subscription price per share is NOK 7, in aggregate NOK 1,075,747,106.

(iii) The shares shall be subscribed by the holders of the Sellers' Credit (the sellers in the Transaction), divided as follows:

EBE Eiendom AS; 78,375,861 shares

Kverva Industrier AS; 72,800,639 shares

Invest Neptun AS: 1,768,238 shares

Zebrafish AS: 733,420 shares

(iv) The shareholders' preferential right to subscribe for the new shares is waived, cf. the Public Companies Act section 10-5.

(v) Subscription of the shares shall be made on a separate form no later than 28 February 2021.

(vi) Payment for the shares shall be settled through a set-off of the Sellers' Credit under the Transaction (contribution in kind). For a further description of the contribution, see the expert opinion pursuant to the Public Companies Act sections §§ 2-6 cfio-2, attached to this notice. The share contribution is settled at the time of subscription and confirmation that the Sellers' Credit is set-off.

(vii) The new shares givefiill shareholder rights in the Company, including to dividends, from the time of registration of the share capital increase in the Norwegian Register of Business Enterprises.

(viii) The Company's expenses in connection with the share capital increase are estimated to ca. NOK 250,000. Additional expenses have incurred in connection with the Transaction.

(ix) The Company's Articles of Association section 4, first paragraph, is amended to reflect the new share capital.

(x) The resolution in this item 4 is subject to the approval by the general meeting of the proposed resolutions under the other agenda items.

Further, the Company's general meeting made the resolution to the new shares in relation to the Conversion of the Swedbank Loan:

(i) The Company's share capital is increased by NOK 5,364,804 through issuance of 26,824,020 new shares, each with a par value of NOK 0.2.

(ii) The subscription price per share is NOK 7.

(iii) The shares shall be subscribed by Aconcagua Management Ltd and the other holders of the Receivable. The shareholders' preferential right to subscribe for the new shares is waived, cf. the Public Companies Act section 10-5.

(iv) Subscription of the shares shall be made on a separate form no later than 28 February 2021.

(v) Payment for the shares shall be settled through set-off of the Receivable (contribution in kind). For a further description of the contribution, see the expert opinion pursuant to the Public Companies Act sections §§ 2-6 cfio-2, attached to this notice. The share contribution is settled at the time of subscription and confirmation that the Receivable is set-off.

(vi) The new shares give Jull shareholder rights in the Company, including to dividends, from the time of registration of the share capital increase in the Norwegian Register of Business Enterprises.

(vii) The Company's expenses in connection with the share capital increase are estimated to ca. NOK 200,000. Additional expenses have incurred in connection with the Transaction.

(viii) The Company's Articles of Association section 4, first paragraph, is amended to reflect the new share capital.

(ix) This resolution in this item 5 is subject to the approval by the general meeting of the proposed resolutions under the other agenda items.

The resolution to increase the share capital of the Company and to issue the shares in connection with the Private Placement and the Dutch Transaction was made by the Board of Directors pursuant to the authorization granted by the extraordinary genereal meeting held on 18 December 2020:

(i) The Company's share capital is increased up to NOK 11 400 000 through one or more issuance of up to 57,000,000 new shares, each with a par value of NOK 0.2.

(ii) The authorization may only be used for a private placement and subsequent offering in connection with the Transaction.

(iii) The subscription price, subscription deadline and payment terms are set by the Board.

(iv) The shareholders' preferential right to subscribe for the new shares may be waived, cf. the Public Limited Companies Act section 10-5.

(v) The authorization is valid until 31 March 2021.

(vi) The authorization applies to cash share contributions and contributions in kind. The authorization can be used in take-over situations, cf section 6-17 of the Securities Trading Act.

(vii) The Board resolves the necessary changes to the articles in accordance with any share capital increases made pursuant to the authorization.

(viii) The resolution in this item 6 is subject to the approval by the general meeting of the proposed resolutions under the other agenda items and completion of the share capital increases under items 4 and 5.

17.3 The rights conferred by the New Shares

The New Shares are ordinary Shares in the Company each having a nominal value of NOK 0.20.

The New Shares rank pari passu in all respects with the existing Shares and carries full shareholder rights in the Company. The New Shares are eligible for any dividends that the Company may declare. All Shares, including the New Shares, has voting rights and other rights and obligations which are standard under the Norwegian Public Limited Companies Act, and are governed by Norwegian law. See Section 14 "Corporate information and description of the share capital" for a more detailed description of the Shares.

17.4 Interest of natural and legal persons involved in the listing of the New Shares

As a part of the Transaction described in Section 6.1 ("The Transaction"), the Company issued part of the New Shares to EBE Eiendom, Kverva Industrier, Invest Neptun AS and Zebrafish AS, who, as shareholders of the Company, also have an interest in the Company.

Furthermore, the Company issued part of the New Shares in relation to the Private Placement described in Section 6.2 ("The Private Placement") to Surfside Holding AS, Banan II AS, EBE Eiendom AS, and Kverva Industrier, who, as shareholders of the Company, also have an interest in the Company.

The Company also issued part of the New Shares to Kastor Invest, EBE Eiendom, Kverva Industrier, Aconcagua Management Ltd, and certain other shareholders of the Company as part of the Conversion of the Swedbank Loan, and as further described in Section 6.3 ("The Conversion of the Swedbank Loan").

The Managers or their affiliates have provided from time to time, and may provide in the future, financial advisory, investment and commercial banking services, as well as financing, to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Managers have received a management fee in connection with the Private Placement. The total fees in relation to the Private Placement was approximately 2.85 million, and the net proceeds was therefore approximately 297.15 million. In addition, the Managers have received a fee of NOK 3.5 million in connection with the Bond Issue. The fee in relation to the Private Placement was based on the amount of gross proceeds received from investors, and, as such, the Managers have an interest in the Transaction and in the Private Placement.

18 THE TERMS OF THE SUBSEQUENT OFFERING

18.1 Overview of the Subsequent Offering

The Subsequent Offering consists of an offer by the Company to issue up to 4,285,714 Offer Shares, each with a nominal value of NOK 0.20, at an Offer Price of NOK 7.00 per Offer Share, being equal to the subscription price in the Private Placement. Subject to all Offer Shares being issued, the Subsequent Offering will result in approximately NOK 30 million in gross proceeds.

The purpose of the Subsequent Offering is to enable the Eligible Shareholders to subscribe for Shares in the Company at the same price as in the Private Placement, thus limiting dilution of their shareholding. Eligible Shareholders who are beneficiaries of the Subsequent Offering, are shareholders of the Company as of close of trading 11 December 2020 (as registered in the VPS on the Record Date) and who are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action who were not allocated shares in the Private Placement.

Eligible Shareholders will be granted non-transferable Subscription Rights that, subject to applicable laws, provide a preferential right to subscribe for, and be allocated, Offer Shares in the Subsequent Offering. Over-subscription and subscription without Subscription Rights will be permitted.

Subscription Rights and Offer Shares will not be issued or sold in certain jurisdiction or to residents of certain jurisdictions. For further information see Section 19 "Selling and transfer restrictions".

18.2 Use of proceeds

The net proceeds from the Subsequent Offering are expected to be approximately NOK 28.8 million, assuming that all the Offer Shares are issued. The net proceeds from the Subsequent Offering is primarily intended to strengthen the Company's revenue growth capabilities, in line with the Company's strategy as well as for corporate purposes. The use and allocation of the net proceeds from the Subsequent Offering will be considered by the Company on a continuing basis.

18.3 Resolution relating to the Subsequent Offering and the issue of the Offer Shares

On 18 December 2020, the Company's general meeting granted an authorisation to the Board of Directors to issue the Offer Shares and to increase the share capital of the Company in connection with the Subsequent Offering (translated from Norwegian):

(i) The Company’s share capital is increased up to NOK 11 400 000 through one or more issuance of up to 57,000,000 new shares, each with a par value of NOK 0.2.

(ii) The authorization may only be used for a private placement and subsequent offering in connection with the Transaction.

(iii) The subscription price, subscription deadline and payment terms are set by the Board.

(iv) The shareholders’ preferential right to subscribe for the new shares may be waived, cf. the Public Limited Companies Act section 10-5.

(v) The authorization is valid until 31 March 2021.

(vi) The authorization applies to cash share contributions and contributions in kind. The authorization can be used in take-over situations, cf section 6-17 of the Securities Trading Act.

(vii) The Board resolves the necessary changes to the articles in accordance with any share capital increases made pursuant to the authorization.

(viii) The resolution in this item 6 is subject to the approval by the general meeting of the proposed resolutions under the other agenda items and completion of the share capital increases under items 4 and 5.

Pursuant to the authorisation from the Company's general meeting, and following the expiry of the Subscription Period, the Board of Directors will resolve to increase the share capital of the Company and to issue the Offer Shares to the persons who have been allocated Offer Shares in the Subsequent Offering.

18.4 Timetable for the Subsequent Offering

The timetable below provide certain indicative key dates for the Subsequent Offering (subject to change):

Last day of trading in the Shares including Subscription Rights	11 December 2020
First day of trading in the Shares excluding Subscription Rights	14 December 2020
Record Date	15 December 2020
Subscrition Period commences	11 February 2021 at 09:00 hours (CET)
Subscrition Period ends	18 February 2021 at 16:30 hours (CET)
Allocation of Offer Shares	19 February 2021
Distribution of allocation letters	19 February 2021
Publication of the results of the Subsequent Offering	19 February 2021
Payment Date	22 February 2021
Registration	**25 February 2021**
Delivery of the Offer Shares	**26 February 2021**
Listing and commencement of trading in the Offer Shares on the Oslo Stock Exchange	**26 February 2021**

18.5 Subscription Price

The Subscription Price in the Subsequent Offering is NOK 7.00 per Offer Share, being the same as the subscription price in the Private Placement. No expenses or taxes are charged to the subscribers in the Subsequent Offering by the Company or the Managers.

18.6 Subscription Period

The Subscription Period will commence on 09:00 hours (CET) on 11 February 2021 and end on 18 February 2021 at 16:30 hours (CET). The Subscription Period may not be revoked, extended or shortened prior to the end of the Subscription Period.

18.7 Eligible Shareholders

Shareholders of the Company as of close of trading 11 December 2020, as registered in the Company's shareholder register in the VPS on 15 December 2020 (the Record Date), and who were not allocated shares in the Private Placement, will be granted non-transferable Subscription Rights that, subject to applicable law, provide preferential rights to subscribe for, and be allocated, Offer Shares in the Subsequent Offering at the Subscription Price.

Provided that the delivery of traded Shares was made with ordinary T+2 settlement in the VPS, Shares that were acquired on or before 11 December 2020 will give the right to receive Subscription Rights, whereas Shares that were acquired from and including 14 December 2020 will not give the right to receive Subscription Rights.

18.8 Subscription Rights

Eligible Shareholders will be granted non-transferable Subscription Rights giving a preferential right to subscribe for, and be allocated, Offer Shares in the Subsequent Offering. Each Eligible Shareholder will, subject to applicable securities laws, be granted 2 Subscription Rights for each existing Share registered as held by such Eligible Shareholder on the Record Date, rounded down to the nearest whole Subscription Right. Each Subscription Right will, subject to applicable securities laws, give the right to subscribe for and be allocated one Offer Share in the Subsequent Offering.

The Subscription Rights will be credited to and registered on each Eligible Shareholder's VPS account on or about 11 February 2021. The Subscription Rights will be distributed free of charge to Eligible Shareholders. The Subscription Rights are non-transferable and will accordingly not be listed on any regulated market place.

The Subscription Rights may be used to subscribe for Offer Shares in the Subsequent Offering before the expiry of the Subscription Period on 18 February 2021 at 16:30 hours (CET).

Subscription Rights that are not exercised before 16:30 hours (CET) on 18 February 2021 will have no value and will lapse without compensation to the holder. Holders of Subscription Rights should note that subscriptions for Offer Shares must be made in accordance with the procedures set out in this Prospectus and that the Subscription Rights does not in itself constitute a subscription of Offer Shares. The Subscription Rights are non-transferable.

Subscription Rights of Eligible Shareholders resident in jurisdictions where the Prospectus may not be distributed and/or with legislation that, according to the Company's assessment, prohibits or otherwise restricts subscription for Offer Shares (the "**Ineligible Shareholders**") will initially be credited to such Ineligible Shareholders' VPS accounts. Such credit specifically does not constitute an offer to Ineligible Shareholders to subscribe for Offer Shares. The Company will instruct the Managers to, as far as possible, withdraw the Subscription Rights from such Ineligible Shareholders' VPS accounts with no compensation to the holder.

18.9 Subscription procedures

Subscriptions for Offer Shares must be made by submitting a correctly completed subscription form, attached hereto as Appendix G (the "**Subscription Form**") to the Managers during the Subscription Period, or may, for subscribers who are residents of Norway with a Norwegian personal identification number, be made online as further described below.

Eligible Shareholders will receive Subscription Forms that include information about the number of Subscription Rights allocated to the Eligible Shareholder and certain other matters relating to the shareholding.

Correctly completed Subscription Forms must be received by the Managers no later than 16:30 hours (CET) on 18 February 2021 at the following postal or email addresses:

ABG Sundal Collier ASA	DNB Markets, as part of DNB Bank ASA
Munkedamsveien 45E	Dronning Eufemias gate 30
P.O. Box 1444 Vika	N-0021 Oslo
N-0115 Oslo	Norway
Norway	
Tel: +47 22 01 60 00	Tel: +47 23 26 80 20
E-mail: subscription@abgsc.no	E-mail: retail@dnb.no

Subscribers who are residents of Norway with a Norwegian personal identification number may also subscribe for Offer Shares through the VPS online subscription system (or by following the link on www.abgsc.no or http://www.dnb.no/emisjoner which will redirect the subscriber to the VPS online subscription system). All online subscribers must verify that they are Norwegian residents by entering their national identity number (*Nw.: personnummer*). In addition, the VPS online subscription system is only available for individual persons and is not available for legal entities; legal entities must thus submit a Subscription Form in order to subscribe for Offer Shares. Subscriptions made through the VPS online subscription system must be duly registered before the expiry of the Subscription Period.

None of the Company or the Managers may be held responsible for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by the Managers. Subscription Forms received after the end of the Subscription Period and/or incomplete or incorrect Subscription Forms and any subscription that may be unlawful may be disregarded at the sole discretion of the Company and/or the Managers without notice to the subscriber.

Subscriptions are binding and irrevocable, and cannot be withdrawn, cancelled or modified by the subscriber after having been received by the Managers, or in the case of subscriptions through the VPS online subscription system, upon registration of the subscription. The subscriber is responsible for the correctness of the information filled into the Subscription Form. By signing and submitting a Subscription Form, or by subscribing via VPS online subscription system, the subscribers confirm and warrant that they have read this Prospectus and are eligible to subscribe for Offer Shares under the terms set forth herein.

There is no minimum subscription amount for which subscriptions in the Subsequent Offering must be made. Oversubscription (i.e., subscription for more Offer Shares than the number of Subscription Rights held by the subscriber entitles the subscriber to be allocated) and subscription without Subscription Rights will be permitted.

Multiple subscriptions (i.e., subscriptions on more than one Subscription Form) are allowed. Please note, however, that two separate Subscription Forms submitted by the same subscriber with the same number of Offer Shares subscribed for on both Subscription Forms will only be counted once unless otherwise explicitly stated in one of the Subscription Forms. In the case of multiple subscriptions through the VPS online subscription system or subscriptions made both on a Subscription Form and through the VPS online subscription system, all subscriptions will be counted.

18.10 Mandatory Anti-Money Laundering Procedures

The Subsequent Offering is subject to the Norwegian Money Laundering Act of 1 June 2018 No. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 No. 1324 (collectively, the "**Anti-Money Laundering Legislation**").

Subscribers who are not registered as existing customers of one of the Managers must verify their identity to the Manager in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers who have designated an existing Norwegian bank account and an existing VPS account on the Subscription Form are exempted, unless verification of identity is requested by the Manager. Subscribers who have not completed the required verification of identity prior to the expiry of the Subscription Period will not be allocated Offer Shares.

Furthermore, participation in the Subsequent Offering is conditional upon the subscriber holding a VPS account. The VPS account number must be stated in the Subscription Form. VPS accounts can be established with authorised VPS registrars, who can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian FSA. Establishment of a VPS account requires verification of identification to the VPS registrar in accordance with the Anti-Money Laundering Legislation.

18.11 Financial intermediaries

General

All persons or entities holding Shares or Subscription Rights through financial intermediaries (i.e. brokers, custodians and nominees) should read this Section 18.11 "Financial intermediaries". All questions concerning the timeliness, validity and form of instructions to a financial intermediary in relation to the exercise of Subscription Rights should be determined by the financial intermediary in accordance with its usual customer relations procedure or as it otherwise notifies each beneficial shareholder.

The Company is not liable for any action or failure to act by a financial intermediary through which Shares are held.

Subscription Rights

If an Eligible Shareholder holds Shares registered through a financial intermediary on the Record Date, the financial intermediary will customarily give the Eligible Shareholder details of the aggregate number of Subscription Rights to which it will be entitled. The relevant financial intermediary will customarily supply each Eligible Shareholder with this information in accordance with its usual customer relations procedures. Eligible Shareholders holding Shares through a financial intermediary should contact the financial intermediary if they have received no information with respect to the Subsequent Offering.

Subject to applicable law, Eligible Shareholders holding Shares through a financial intermediary may instruct the financial intermediary to sell some or all of their Subscription Rights, or to purchase additional Subscription Rights on their behalf. See Section 19 "Selling and transfer restrictions" for a description of certain restrictions and prohibitions applicable to the sale and purchase of Subscription Rights in certain jurisdictions outside Norway.

Eligible Shareholders who hold their Shares through a financial intermediary and who are Ineligible Shareholders will not be entitled to exercise their Subscription Rights but may, subject to applicable law, instruct their financial intermediary to sell their Subscription Rights transferred to the financial intermediary. Neither the Company nor the Managers will sell any Subscription Rights registered in the name of financial intermediaries.

Subscription Period

The time by which notification of exercise instructions for subscription of Offer Shares must validly be given to a financial intermediary may be earlier than the expiry of the Subscription Period. Such deadlines will depend on the financial intermediary. Eligible Shareholders who hold their Shares through a financial intermediary should contact their financial intermediary if they are in any doubt with respect to deadlines.

Subscription

Any Eligible Shareholder who is not an Ineligible Shareholder and who holds its Subscription Rights through a financial intermediary and wishes to exercise its Subscription Rights, should instruct its financial intermediary in accordance with the instructions received from such financial intermediary. The financial intermediary will be responsible for collecting exercise instructions from the Eligible Shareholders and for informing one of the Managers of their exercise instructions.

A person or entity who has acquired Subscription Rights that are held through a financial intermediary should contact the relevant financial intermediary for instructions on how to exercise the Subscription Rights.

See Section 19 "Selling and transfer restrictions" below for a description of certain restrictions and prohibitions applicable to the exercise of Subscription Rights in certain jurisdictions.

Method of Payment

Any Eligible Shareholder who holds its Subscription Rights through a financial intermediary should pay the Subscription Price for the Offer Shares that are allocated to it in accordance with the instructions received from the financial intermediary. The financial intermediary must pay the Subscription Price in accordance with the instructions in the Prospectus. Payment by the financial intermediary for the Offer Shares must be made to one of the Managers no later than the Payment Date. Accordingly, financial intermediaries may require payment to be provided to them prior to the Payment Date.

18.12 Allocation of Offer Shares

Allocation of the Offer Shares will take place on or about 19 February 2021 in accordance with the following criteria:

(a) Allocation of Offer Shares to subscribers will be made in accordance with granted and acquired Subscription Rights which have been validly exercised during the Subscription Period. Each Subscription Right will give the right to subscribe for and be allocated one Offer Share in the Subsequent Offering.

(b) If not all Subscription Rights are validly exercised during the Subscription Period, subscribers having exercised their Subscription Rights and who have over-subscribed, will be allocated additional Offer Shares on a pro rata basis based on the number of Subscription Rights exercised by each such subscriber. To the extent that pro rata allocation is not possible, the Company will determine the allocation by the drawing of lots.

(c) Any shares not allocated pursuant to the first two allocation criteria, will be allocated to Subscribers having subscribed without Subscription rights, on a pro rata basis based on the number of Offer Shares applied for each such Subscriber. To the extent that pro rata allocation is not possible, the Company will determine the allocation by the drawing of lots.

(d) No fractional Offer Shares will be allocated. The Company reserves the right to reject or reduce any subscription for Offer Shares not covered by Subscription Rights.

Allocation of fewer Offer Shares than subscribed for by a subscriber will not impact on the subscriber's obligation to pay for the number of Offer Shares allocated.

The result of the Subsequent Offering is expected to be published on or about 19 February 2021 in the form of a stock exchange notification from the Company through the Oslo Stock Exchange information system and at the Company's website (www.kmcp.no). Notifications of allocated Offer Shares and the corresponding subscription amount to be paid by each subscriber are expected to be distributed in a letter from VPS on or about 19 February 2021.

18.13 Payment for the Offer Shares

Payment due date

The payment for Offer Shares allocated to a subscriber falls due on 22 February 2021 (the "**Payment Date**"). Payment must be made in accordance with the requirements set out below in this Section.

Subscribers who have a Norwegian bank account

Subscribers who have a Norwegian bank account must, and will by signing the Subscription Form, provide the Managers with a one-time irrevocable authorisation to debit a specified bank account with a Norwegian bank for the amount payable for the Offer Shares which are allocated to the subscriber.

The specified bank account is expected to be debited on or after the Payment Date. The Managers are only authorised to debit such account once, but reserve the right to make up to three debit attempts, and the authorisation will be valid for up to seven working days after the Payment Date.

The subscriber furthermore authorises the Managers to obtain confirmation from the subscriber's bank that the subscriber has the right to dispose over the specified account and that there are sufficient funds in the account to cover the payment.

If there are insufficient funds in a subscriber's bank account or if it for other reasons is impossible to debit such bank account when a debit attempt is made pursuant to the authorisation from the subscriber, the subscriber's obligation to pay for the Offer Shares will be deemed overdue.

Payment by direct debiting is a service that banks in Norway provide in cooperation. In the relationship between the subscriber and the subscriber's bank, the standard terms and conditions for "Payment by Direct Debiting – Securities Trading", which are set out on page 2 of the Subscription Form, will apply, provided, however, that subscribers who subscribe for an amount exceeding NOK 5 million by signing the Subscription Form provide the Managers with a onetime irrevocable authorisation to manually debit the specified bank account for the entire subscription amount.

Subscribers who do not have a Norwegian bank account

Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date.

Prior to any such payment being made, the subscriber must contact the Managers for further details and instructions.

Overdue payments

Overdue payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 No. 100, currently 8.00% per annum as of the date of this Prospectus. If a subscriber fails to comply with the terms of payment, the Offer Shares will, subject to the restrictions in the Norwegian Public Limited Companies Act, not be delivered to such subscriber. The Managers, on behalf of the Company, reserve the right, at the risk and cost of the subscriber to, at any time, cancel the subscription and to reallocate or otherwise dispose of allocated Offer Shares for which payment is overdue, or, if payment has not been received by the third day after the Payment Date, without further notice sell, assume ownership to or otherwise dispose of the allocated Offer Shares on such terms and in such manner as the Managers may decide in accordance with Norwegian law. The subscriber will remain liable for payment of the subscription amount, together with any interest, costs, charges and expenses accrued and the Managers, on behalf of the Company, may enforce payment for any such amount outstanding in accordance with Norwegian law.

18.14 Delivery of the Offer Shares

Subject to timely payment by the subscribers, the Company expects that the share capital increase pertaining to the Subsequent Offering will be registered with the Norwegian Register of Business Enterprises on or about 25 February 2021 and that the Offer Shares will be delivered to the VPS accounts of the subscribers to whom they are allocated on or about the next day. The final deadline for registration of the share capital increase pertaining to the Subsequent Offering with the Norwegian Register of Business Enterprises, and hence for the subsequent delivery of the Offer Shares, is, pursuant to the Norwegian Public Limited Companies Act, three months from the expiry of the Subscription Period, i.e. on 18 May 2021.

18.15 Listing of the Offer Shares

The Shares are listed on the Oslo Stock Exchange under ISIN NO0010360175 and ticker code "KMCP".

The Offer Shares will be listed on the Oslo Stock Exchange as soon as the share capital increase pertaining to the Subsequent Offering has been registered with the Norwegian Register of Business Enterprises and the Offer Shares have been registered in the VPS. The listing is expected to take place on or about 26 February 2021. The Company's registrar in the VPS is Nordea Bank.

The Offer Shares may not be transferred or traded before they are fully paid and said registrations in the Norwegian Register of Business Enterprises and the VPS have taken place.

18.16 The rights conferred by the Offer Shares

The Offer Shares to be issued in the Subsequent Offering will be ordinary Shares in the Company each having a nominal value of NOK 0.20. The Offer Shares will be issued electronically in registered form in accordance with the Norwegian Public Limited Companies Act.

The Offer Shares will rank pari passu in all respects with the existing Shares and will carry full shareholder rights in the Company from the time of registration of the share capital increase pertaining to the Subsequent Offering with the Norwegian Register of Business Enterprises. The Offer Shares will be eligible for any dividends that the Company may declare after such registration. All Shares, including the Offer Shares, will have voting rights and other rights and obligations which are standard under the Norwegian Public Limited Companies Act, and are governed by Norwegian law. See Section 14 "Corporate information and description of the share capital" for a more detailed description of the Shares.

18.17 LEI number

Legal Entity Identifier ("**LEI**") is a mandatory number for all companies investing in the financial market from January 2018. A LEI is a 20-character identifier that identifies distinct legal entities that engage in financial transactions. The Global Legal Identifier Foundation ("**GLEIF**") is not directly issuing LEIs, but instead it delegates this responsibility to Local Operating Units ("**LOUs**").

Norwegian companies can apply for a LEI number through the website https://no.nordlei.org/. The application can be submitted through an online form and signed electronically withBankID. It normally takes one to two working days to process the application.

Non-Norwegian companies can find a complete list of LOUs on the website https://www.gleif.org/en/about-lei/getan-lei-find-lei-issuing-organizations.

18.18 VPS registration

The Subscription Rights will be registered in the VPS under ISIN NO 0010930415. The Offer Shares will be registered in the VPS with the same ISIN as the existing Shares, i.e. ISIN NO0010360175.

The Company's registrar with the VPS is Nordea Bank Abp, filial i Norge, Essendrops gate 7, 0368 Oslo, postboks 1166, Sentrum, 0107 Oslo (the "**VPS Registrar**").

18.19 Dilution

The issuance of New Shares in the Transaction and Offer Shares in the Subsequent Offering may result in a maximum number of Shares in the Company of 236,216,462, which will correspond to a dilution for the existing shareholders of approximately 96.4%. This is based on the assumption that the Company issues the maximum number of Offer Shares in the Subsequent Offering.

The net asset value per share as of 31 December 2019 was NOK 6.05, and the Offer Price per Offer Share is NOK 7.

18.20 Net proceeds and expenses related to the Subsequent Offering

The Company will bear the fees and expenses related to the Subsequent Offering, which are estimated to amount to approximately NOK 1.2 million, assuming that all the Offer Shares are issued. This estimate is based on the estimated total transaction costs of approximately NOK 1.2 million related to the Subsequent Offering, and all other directly attributable costs to be paid by the Company in this relation. No expenses or taxes will be charged by the Company or the Managers to the subscribers in the Subsequent Offering.

Hence, the total net proceeds from the Subsequent Offering are estimated to be approximately NOK 28.8 million, assuming that all the Offer Shares are issued. For a description of the use of such proceeds, see Section 18.2 "Use of proceeds".

18.21 Interest of natural and legal persons involved in the Subsequent Offering

The Managers or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers, their employees and any affiliate may currently own Shares in the Company. Further, in connection with the Subsequent Offering, the Managers, their employees and any affiliate acting as an investor for its own account may receive Subscription Rights (if they are Eligible Shareholders) and may exercise its right to take up such Subscription Rights and acquire Offer Shares, and, in that capacity, may retain, purchase or sell Offer Shares or Subscription Rights and any other securities of the Company or other investments for its own account and may offer or sell such securities (or other investments) otherwise than in connection with the Subsequent Offering. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Further, the Managers have received a commission in connection with the Private Placement and the Bond Issue, and will receive a further commission in the Subsequent Offering, and, as such, have an interest in the Subsequent Offering, see Section 18.20 "Net proceeds and expenses related to the Subsequent Offering".

Beyond the above mentioned, the Company is not known with any interest, including conflicting ones, of natural and legal persons involved in the Subsequent Offering.

18.22 Participation of major existing shareholders and members of the Company's management, supervisory and administrative bodies in the Subsequent Offering

The Company is not aware of whether any major shareholders of the Company or members of the Company's management, supervisory or administrative bodies intend to subscribe for Offer Shares in the Subsequent Offering, or whether any person intends to subscribe for more than 5% of the Subsequent Offering.

18.23 Publication of information relating to the Subsequent Offering

In addition to press releases which will be posted on the Company's website (www.kmcp.no), the Company will use the Oslo Stock Exchange's information system to publish information relating to the Subsequent Offering.

18.24 Governing law and jurisdiction

This Prospectus, the Subscription Form and the terms and conditions of the Subsequent Offering shall be governed by, and construed in accordance with, and the Offer Shares will be issued pursuant to, Norwegian law. Any dispute arising out of, or in connection with, the Subscription Forms or the Subsequent Offering shall be subject to the exclusive jurisdiction of the courts of Norway, with Oslo District Court as legal venue.

19 SELLING AND TRANSFER RESTRICTIONS

19.1 General

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares offered hereby.

Other than in Norway, the Company is not taking any action to permit a public offering of the Shares in any jurisdiction. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Norway, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

19.2 Selling restrictions

19.2.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A or pursuant to another available exemption from the registration requirements of the U.S. Securities Act; or (ii) to certain persons in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, each Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any of the Offer Shares as part of its allocation at any time other than to QIBs in the United States in accordance with Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act or outside of the United States in compliance with Rule 903 of Regulation S. Transfer of the Offer Shares will be restricted and each purchaser of the Offer Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 19.3.1 "United States".

Any offer or sale in the United States will be made solely by affiliates of the Managers who are broker-dealers registered under the U.S. Exchange Act. In addition, until 40 days after the commencement of the Subsequent Offering, an offer or sale of Offer Shares within the United States by a dealer, whether or not participating in the Subsequent Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from the registration requirements of the U.S. Securities Act and in connection with any applicable state securities laws.

19.2.2 United Kingdom

Each Manager has represented, warranted and agreed that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**") received by it in connection with the issue or sale of any Offer Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and

- it has complied and will comply with all applicable provisions of the FSMA with respect to everything done by it in relation to the Offer Shares in, from or otherwise involving the United Kingdom.

19.2.3 European Economic Area

In relation to each Relevant Member State, no Offer Shares have been offered or will be offered to the public in that Relevant Member State, pursuant to the Subsequent Offering, except that Offer Shares may be offered to the public in that Relevant Member State at any time in reliance on the following exemptions under the EU Prospectus Regulation:

- to legal entities which are "qualified investors" as defined in the EU Prospectus Directive;
- to fewer than 100, or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Directive) as permitted under the EU Prospectus Directive, subject to obtaining the prior consent of the Managers for any such offer; or
- in any other circumstances falling under the scope of Article 3(2) of the EU Prospectus Directive;

provided that no such offer of Offer Shares shall result in a requirement for the Company or any Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Directive or supplementary prospectus pursuant to Article 16 of the EU Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Securities to be offered so as to enable an investor to decide to purchase any Offer Shares, as the same may be varied in that Member State by any measure implementing the EU Prospectus Directive in that Member State the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

This EEA selling restriction is in addition to any other selling restrictions set out in this Prospectus.

19.2.4 Other jurisdictions

The Offer Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Japan, Australia or any other jurisdiction in which it would not be permissible to offer the Offer Shares.

In jurisdictions outside the United States and the EEA where the Subsequent Offering would be permissible, the Offer Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

19.3 Transfer restrictions

19.3.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each purchaser of the Offer Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and are subject to significant restrictions on transfer.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares to any person in the United States.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

- The purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Prospectus.

- The Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.

- The Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions.

- The purchaser acknowledges that these representations are required in connection with the securities laws of the United States and that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Offer Shares within the United States pursuant to Rule 144A or another available exemption under the Securities Act will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and are subject to significant restrictions to transfer.

- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it may be made in reliance on Rule 144A and (iii) is acquiring such Offer Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Offer Shares, as the case may be.

- The purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.

- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, as the case may be, such Shares may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

- The Offer Shares are "restricted securities" within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares, as the case may be.

- The Company shall not recognise any offer, sale pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.

- The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

19.3.2 European Economic Area

Each person in a Relevant Member State (other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway) who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with each Manager and the Company that:

a) it is a qualified investor within the meaning of Articles 2(e) of the EU Prospectus Regulation; and

b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purpose of this representation, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Subsequent Offering and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares.

20 ADDITIONAL INFORMATION

20.1 Independent auditor

The Company's independent auditor since 17 July 2020 is PricewaterhouseCoopers AS ("**PwC**"), with registration number 987 009 713 and registered address Dronning Eufemias gate 71, N-0194 Oslo, Norway. Pricewaterhousecoopers AS is member of The Norwegian Institute of Public Accountants (*Nw.: Den Norske Revisorforening*).

PwC has not audited, reviewed or produced any report on any information provided in this Prospectus, except for the "Independent practitioner's assurance report on the compilation of pro forma financial information included in a prospectus", which is attached to this Prospectus as Appendix D.

The Annual Financial Statements for the year ended 31 December 2019 have been audited by Ernst & Young AS, with registration number 976 389 387 and registered address Dronning Eufemias gate 6, Oslo Atrium, NO-0154 Oslo, Norway. Ernst & Young AS is member of The Norwegian Institute of Public Accountants (Nw.: Den Norske Revisorforening) and their auditor's report is included together with the Annual Financial Statements as incorporated thereto, which is attached to this Prospectus as Appendix B. Ernst & Young AS has not audited, reviewed or produced any report on any other information provided in this Prospectus.

20.2 Advisors

ABG Sundal Collier (address: Munkedamsveien 45, N-0250 Oslo, Norway) and DNB Markets (Dronning Eufemias gate 30, N-0191 Oslo, Norway) are acting as Managers.

Advokatfirmaet Schjødt AS (Ruseløkkveien 14, N-0201 Oslo, Norway) acts as legal advisor to the Company, and Arntzen de Besche Advokatfirma AS (Bygdøy allé 2, N-0257 Oslo, Norway) acts as legal advisor to KMC AS.

20.3 Documents on display

For a period of 12 months from the date of this Prospectus, copies of the documents listed below will be available at the Company's offices at Dyre Halses gate 1 A, N-7042 Trondheim, Norway, (telephone number: +47 480 03 175) and at the Company's website www.kmcp.no:

(a) the Articles of Association of the Company;

(b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the Prospectus;

(c) the audited consolidated financial statements as of and for the year ended 31 December 2019;

(d) the unaudited consolidated interim financial statements as of and for the six moth period ended 30 June 2020; and

(e) the unaudited consolidated interim financial statements as of and for the nine months ended 30 September 2020 .

21 DEFINITONS AND GLOSSARY

When used in this Prospectus, the following terms shall have the meanings set out below, unless the context otherwise requires. Words importing the plural shall be construed to include the singular and vice versa.

ABGSC	ABG Sundal Collier ASA
Annual Financial Statements	The Company's audited consolidated financial statements as of and for the year ended 31 December 2019
Articles or Articles of Association	The articles of association of KMC Properties, as amended and restated from time to time
Anti-Money Laundering Legislation	The Norwegian Money Laundering Act of 6 March 2009 no. 11 and the Norwegian Money Laundering Regulations
Appropriate Channels for Distribution	Shares eligible for distribution through all distribution channels as are permitted by MiFID II
Bonds or the Bond Issue	The Company's placement of a NOK 1,850 million senior secured bond with 3 years tenor made on 27 November 2020
Bond Terms	The terms which regulate the Bond Issue, dated 10 December 2020
Board Members or Board of Directors	The board of directors of the Company
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Closing Date	The closing date for the Transaction, i.e. on 20 Desember 2020
Combination	The Transaction, the Pesca Transaction, the Private Placement, the Dutch Transaction, the acquisition of Grøntvedt, the Conversion of the Swedbank Loan and the Bond Issue, collectively
Company	KMC Properties
Covid-19	The outbreak of the coronavirus SARS-CoV-2
Cushman & Wakefield	Cushman & Wakefield Debenham Tie Leung Limited, registration number 997 013 263 and registrered address 125 Old Brad Street, London Ec2n 1ar, Great Britain
Director	Elected or appointed member of the board who jointly oversee the activities of a company or organisation
DKK	The Danish Krone, the official currency of the Kingdom of Denmark.
DNB Markets	DNB Markets, part of DNB Bank ASA
Disputing Tenants	AS RUS Media JSC and Jalou Media Group LLC, collectivly
Dutch Companies	Wijchen Investment properties B.V., Oldenzaa Investment properties B.V., Someren Investment properties B.V., and Zwartsluis Investment properties B.V.
Dutch Transaction	The Company's acquisition of the Dutch Companies from Synbra B.V.

EBE	EBE Eiendom AS, a Norwegian private limited liability company with registration number 923 475 451 and registered business address at Hammarvikringen 64, N-7263 Hamarvik, Norway
EEA	European Economic Area
Eligible Shareholders	The shareholders of the Company as of the Record Date, and who were not allocated shares in the Private Placement and who are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action.
EU	European Union
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act
EUR	The Euro, the official currency of the European Union.
Financial Information	The Annual Financial Statements together with the Interim Financial Statements
FSMA	Financial Services and Markets Act 200
GDPR	The General Data Protection Regulation (EU) 2016/679
Group	KMC Properties together with its consolidated subsidiaries
Grøndtvedt	Grøntvedt Næringsbygg AS, registration number 979 959 567 and registered address at Havnevegen, N-7142 Uthaug, Norway.
IAS 34	International Accounting Standard 34 "Interim Financial Reporting", as adopted by the EU
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards as adopted by EU
ISIN	Securities number in the Norwegian Registry of Securities (VPS)
Managers	ABGSC and DNB Markets, collectively, acting as managers in the Subsequent Offering
KMC Consideration Shares	The shares issued by conversion of the Sellers' Credit to shares in the Company as part of the Transaction
KMC AS	KMC Properties AS, a Norwegian private limited liability company with registration number 924 527 714, and registered address at Hammarvikringen 64, N-7263 Hamarvik, Norway
KMC Properties	The Company, being KMC Properties ASA (former Storm Real Estate ASA), a public limited liability company incorporated under the laws of Norway, with registration number 990 727 007, registered address is at Dyre Halses gate 1 A, 7042 Trondheim, Norway, telephone number +47 480 03 175 and its e-mail is post@kmcp.com
KMCS	KMC AS, together with the company's consolidated subsidiaries

Kverva Industrier	Kverva Industrier AS, a Norwegian private limited liability company with registration number 960 329 856 and registered business address at Kverva, N-7266 Kverva, Norway
LEI	Legal Entity Identifier
Management	The members of the senior management of the Company
Mandatory Offer	The mandatory offer by EBE and Kverva Industirer to acquire all outstanding shares in the Company not already owned by EBE and Kverva Industrier.
MiFID II	EU Directive 2014/65/EU on markets in financial instruments, as amended
MiFID II Product Governance Requirements	MiFID II, Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II, and local implementing measures
Negative Target Market	Investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile
New Shares	The new shares issued in connection with the Transaction which are to be listed on the Oslo Stock Exchange
NOK	The Norwegian Krone, the official currency of Norway
Non-Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain other entities) resident outside of Norway for tax purposes
Non-Norwegian Personal Shareholders	Shareholders who are individuals not residing in Norway for tax purposes
Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain similar entities) domiciled in Norway for tax purposes
Norwegian Personal Shareholders	Shareholders who are individuals residingt in Norway for tax purposes
Norwegian Money Laundering Act	Norwegian Money Laundering Act of 1 June 2018 no. 23
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended
Norwegian FSA	The Financial Supervisory Authority of Norway *(Nw: Finanstilsynet)*
Offer Price	NOK 7 per Share
Offer Shares	The offer shares to be issued in connection with the Subsequent Offering and listed on the Oslo Stock Exchange
Order	The UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005
Oslo Stock Exchange	Oslo Stock Exchange, owned and operated by Oslo Børs VPS Holding ASA
Payment Date	22 February 2021, being the due date for payment for the Offer Shares
Pesca Property	Pesca Property AS, registration number 924 527 714 and registered address at Hammarvikringen 64, N-7263 Hamarvik, Norway
Pesca Transaction	KMC AS' acquisition of all the shares of Pesca Property with subsidiaries resulting in the total of KMC Properties AS including 38 properties

Pipeline Companies	Grøntvedt and the Dutch Companies, collectively
Positive Target Market	Shares compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II
Prospectus	This Prospectus prepared in connection with the listing of the New Shares, the Subsequent Offering and the listing of the Offer Shares issued in connection with the Subsequent Offering on the Oslo Stock Exchange
PwC	PricewaterhouseCoopers AS, registration number 987 009 713 and registered address Dronning Eufemias gate 71, N-0194 Oslo, Norway
QIBs	Qualified Institutional buyers, as defined in Rule 144A under the U.S. Securities Act
Q2 Interim Financial Statements	The Company's unaudited consolidated interim financial statements as of and for the six month period ended 30 June 2020 with comparatives for the same period in the previous year
Q3 Interim Financial Statements	The Company's unaudited consolidated interim financial statements as of and for the nine months period ended 30 September 2020, with comparatives for the year ended 31 December 2019
Record Date	15 December 2020
Relevant Persons	Persons how are outside the UK, or investment professionals falling within Article 19(5) of the Order or high net worth companies, and other persons to whom the Prospectus may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order
Related Party Transactions	As set out in the Standards adopted in accordance with the Regulation (EC) No 1606/2002 of the European Parliament and of the Council (2)
Relevant Member State	Member states of the EEA, other than Norway and Sweeden
Restricted Securities	Restricted Securities as defined under rule 144(a)(3) of the Securities Act
RUB	The Russian Ruble, the official currency of Russia
Subsequent Offering	The subsequent offering of up to 4,285,714 Offer Shares at the Offer Price to Eligible Shareholders.
SEK	The Swedish Krona, the official currency of Sweden
Seller's Credit	The Company's loan to the sellers in connection with the payment of the purchase price for the shares aquiered by the Company in the Transaction
Senja Property	A development project relating to the construction of a fully automatic fish box production facility at Klubben Næringsområde in Senja
Shareholders	Person or legal entity registered in the VPS as holder of a Share
Shares	The existing shares in the Company, the New Shares and the Offer Shares
Storm Capital Management	Storm Capital Management Ltd.
Subscribers	Persons subscribing for Offer Shares in the Subsequent Offering
Subscription Form	The form upon which subscription for Offer Shares must be made

Subscription Price	NOK 7 per Offer Share
Subscription Period	Commences at 09:00 hours CET (Oslo time, the European Central Time) on 11 February 2021 and close at 16:30 hours CET on 18 February 2021, unless extended by the Company pursuant to the terms set out in this Prospectus
Subscription Rights	The non-tranfserable subscription rights granted to Eligible Shareholders
Target Market Assessment	The Positive Target Market together with the Negative Target Market
Transaction	The Company's acquisition of all of the issued and outstanding shares in KMC AS (business registration number 924 527 714)
UK	United Kingdom
Unaudited Pro Forma Condensed Financial Information	The Group's consolidated statement of profit or loss for the nine months period ended 30 September 2020, had the Combinations occurred on 1 January 2020, the consolidated statement of financial position as of 30 September 2020, had the Combination occurred on 30 September 2020.
U.S or United States	The United States of America
USD	The United States Dollar, the official currency of the United States of America
U.S. Securities Act	The U.S. Securities Act of 1933, as amended
VAT	Value added tax. A tax on the estimated market value added to a product or material at each stage of its manufacture or distribution, ultimately passed on to the consumer
VPS account	An account held with the VPS Register to register ownership of securities
VPS/VPS Register	The Norwegian Central Securities Depository

APPENDIX A

ARTICLES OF ASSOCIATION OF KMC PROPERTIES ASA

ARTICLES OF ASSOCIATION

FOR

KMC PROPERTIES ASA

(reg.no. 990 727 007)

Last amended on 23 December 2020

(office translation from Norwegian)

§ 1

The company's name is KMC Properties ASA.

§ 2

The company's registered office is in the municipality of Trondheim.

§ 3

The company's business shall comprise of trading, investment in real estate property and security instruments and other business operations in this relation, including participation in other companies with corresponding business through equity, loan or issuance of guarantees.

§ 4

The company's share capital is NOK 48,153,062.20, divided between 240,765,311 shares, each with a par value of NOK 0.2. The company's shares shall be registered with the Norwegian Central Securities Depository. The company's shares are freely transferable.

§ 5

The board of directors of the company shall consist of minimum 3 members. The chairperson of the board of directors alone, or two members of the board of directors jointly, shall have authority to sign on behalf of the company. The board of directors may designate procurators.

§ 6

The general meeting shall resolve:

1. The appointment of the chairman of the board of directors.
2. The approval of the annual accounts and annual report, including the distribution of dividends.
3. The appointment of the members and the chairman of the nomination committee.
4. Other matters that the general meeting is required by law to resolve.

The general meeting shall also resolve the board of director's declaration for remuneration of the executive management team in accordance with the Norwegian Public Limited Liabilities Act paragraph 6-16a. A consultative vote over the board of directors' guidelines of the remuneration of the executive management shall be carried out. The general meeting shall approve any guidelines on remuneration as set out in the Norwegian Public Limited Liabilities Act paragraph 6-16a, first section, third sentence, no. 3.

The notice for the general meeting shall be sent to the shareholders no later than 21 days prior to the date of the general meeting. The general meeting may, with a majority vote as for amendments to the articles of association, and with effect for the next annual general meeting, decide that the notice for extraordinary general meetings shall be sent to the shareholders no later than two weeks prior to the extraordinary general meeting is held.

§ 7

The nomination committee shall consist of three members. The members shall be elected for a period of two years, unless the general meeting decides a shorter period.

The nomination committee shall prepare proposals to the general meeting in relation to the following:

The appointment of the members of the board of directors and the chairman of the board of directors.
The appointment of the members of the nomination committee and the chairman of the nomination committee.
The remuneration of the board of directors and the nomination committee.
Any changes in the mandate of the nomination committee or in the articles of association.

The Norwegian Public Limited Liabilities Act paragraphs 6-7 and 6-8 shall apply correspondingly for the members of the nomination committee.

§ 8

When documents pertaining to matters which shall be handled at a general meeting have been made available for the shareholders on the company's website, the documents are not required to be sent to the shareholders. A shareholder may nonetheless demand to be sent documents that shall be dealt with at the general meeting.

§ 9

Each share carries one vote in the general meeting. A shareholder with its shares registered with a custodian in accordance with the Norwegian Public Limited Liabilities Act paragraph 4-10, is entitled to vote coherent with the number of shares registered with the custodian, if the shareholder no later than two days prior to the general meeting presents the company with name, address and a confirmation from the custodian stating that the shareholder is the beneficial owner of the custodian registered shares, provided however that the board of directors does not refuse approval of such beneficial ownership.

Shareholders who intend to attend a general meeting of the company shall give the company written notice of such intention within a time limit given in the notice of the general meeting, which cannot expire earlier than two days before the general meeting.

§ 10

The chairman of the board of directors shall chair the general meeting, unless the board of directors have appointed another chair.

APPENDIX B

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

STORM
real estate asa

Annual report 2019

Annual report 2019

Storm Real Estate ASA

Contents

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    7.2. Storm Real Estate ASA
8. Statement by the Board of Directors and General Manager
9. Auditor's report

Summary 2019

(all figures in USD)

The rental income had a positive development during 2019, due to full occupancy in the Gasfield building and increased rental rates. All contracts are now RUB based. Income is still too low to cover the Group's financial obligations. The ongoing refinancing process between the company, its main creditor Swedbank and relevant stakeholders has progressed during the year.

On 27 June 2019 the company entered into a conditional agreement with Swedbank and Aconcagua Management Ltd. The agreement outlines a long-term financial solution where the company will seek to refinance a share of the current debt to Swedbank in another bank. The remaining part of the debt will then be sold to Aconcagua Management Ltd at an agreed price. Aconcagua Management Ltd is the largest shareholder in Storm Real Estate ASA and is owned by Morten E. Astrup. The intention is for the acquired debt subsequently to be converted into equity. The Board has secured measures to provide equal treatment for all shareholders in this connection.

The agreement is conditional upon achieving satisfactory terms on the financing from the other bank. Since it entered into the agreement, the company has been working with a local Russian bank on refinancing a share of the current debt. This process has had a slow progression, hence there have been many extensions of the conditional agreement with Swedbank. Currently, the agreement expires at the latest on 10 June 2020.

According to market experts, estimated future growth in rental rates in the Moscow region was estimated at approximately 5% before the corona crisis. The effects of the crisis are still uncertain. A new financial crisis in Russia will likely have a severe negative effect on the Group's rental income.

During 2019 the occupancy has increased from 86% since the beginning of the year, to 99% as at 31 December. The tenant base consists of 79 lease agreements, making it much less dependent on individual tenants.

The Group made a profit of USD 2.1 million in 2019, predominately due to a USD +1.0 million increase in valuation of the Gasfield building over the income statement, USD +2.4 million in translation differences and high occupancy in the building.

The carrying value of the building in the balance sheet, obtained from an independent valuer, does not reflect the liquidation value at yearend. According to the applicable IFRS rules, a liquidation value can only be presented once management intend to liquidate the entity or has no realistic alternative but to do so, which is not the case at the moment.

Key figures from investment properties

USD million	2012	2013	2014	2015	2016	2017	2018	2019
Rental income	**12.6**	**12.9**	**12.7**	**10.4**	**6.2**	**3.0**	**1.6**	**2.9**
Net operating income from properties	**9.6**	**10.1**	**10.3**	**8.7**	**5.0**	**1.8**	**0.2**	**1.6**
Net operating income %	**76%**	**78%**	**82%**	**83%**	**81%**	**60%**	**16%**	**56%**
Valuation of investment property	**102.7**	**103.1**	**70.3**	**34.7**	**30.5**	**26.8**	**21.4**	**24.9**

Return on equity *(numbers in USD)*	2015	2016	2017	2018	2019	Last 5 years[1]
Total comprehensive income	16,8	-4,8	-4,2	-7,3	2,1	-31,0
Adjusted equity, beginning of period	38,8	15,8	14,1	10,0	2,6	38,8
Return on equity	-43,3%	-30,5%	-29,4%	-73,4%	78,9%	-80,0%

*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. **

**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 above.*

Total shareholder return *(numbers in NOK)*	2015	2016	2017	2018	2019	Last 5 years[2]
Share price 01.01	38,15	32,04	15,26	6,70	4,52	38,15
Dividend date	-	27/05/16	-	-	-	*multiple*
Dividends (adjusted)	-	11,60	-	-	-	11,60
Share price 31.12	32,20	15,26	6,70	4,52	3,40	3,40
Total shareholder return	-15,6%	-20,9%	-56,1%	-32,5%	-24,8%	-29,3%

Return ratios

	Return on equity[1]	Total shareholder return[2]
Last 1 year	-78,9%	-24,8%
Last 3 years (annualized)	-30,6%	-39,4%
Last 5 years (annualized)	-33,3%	-29,3%

*(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 ratioes 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.

This is Storm Real Estate

Storm Real Estate ASA is an investment company focusing on real estate. Its strategy comprises ownership and management of commercial property in Russia.

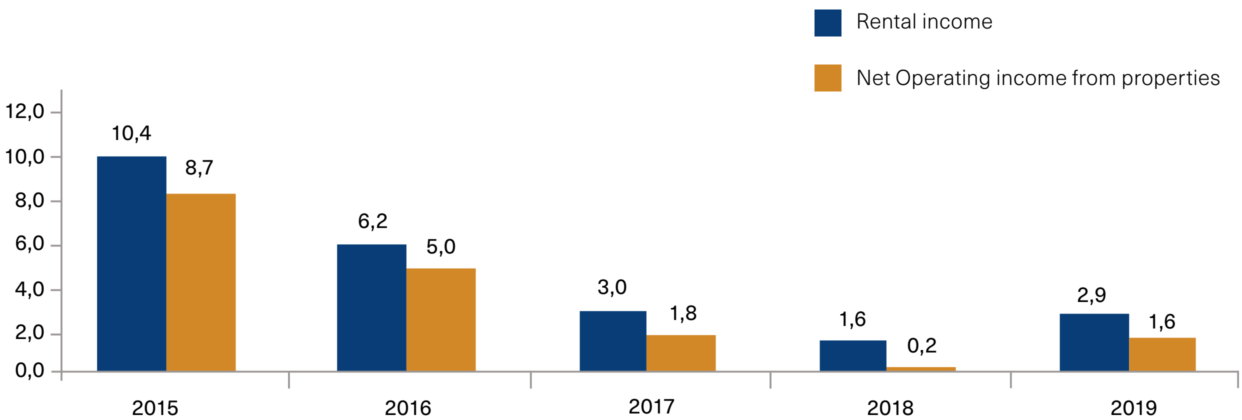
Storm Real Estate ASA was established in 2007.

The company has in the past had multiple investments across several countries, including direct ownership of real estate as well as indirect exposure via stakes in other real estate companies.

Following the earlier sale of Grifon House and shares in TK Development A/S, the company's remaining investment property is the Gasfield building in Moscow. The Gasfield property is a class B+ building located in the area between the Third Ring Road and the Moscow Automobile Ring Road (MKAD), close to the Gazprom headquarters in Moscow. The building includes offices, a restaurant, fitness center and parking spaces. It has a gross area of 15,000 square meters and a net lettable area of 11,000 square meters.

A team established locally in Moscow manages the local operations. Their work includes sourcing new tenants, credit control, property management, accounting and other administrative functions in Russia. The team ensures that the buildings are run efficiently and effectively, maintaining a high standard of customer service for the tenants.

From November 2008 until the end of September 2019, Storm Capital Management Ltd has managed the Company under an asset management agreement. From 1 October 2019 Storm Norge took over as asset manager, due to Storm Capital Management Ltd moving its business to Norway.



Market commentary

Macro snapshot

- Macro forecasts shows minor changes in the Russian economy despite the announcement of massive infrastructure investments and national projects, from the authorities.
- Unemployment is at 4.53%.
- The Central Bank has reduced the key rate to 6.25%. The key rate is down 4.75 percentage points in 4 years (The Central Bank of Russian Federation, 14.02.2020).
- Inflation outlook is 3.8% for 2019 and 3.0% for 2020 (before the corona crisis).
- There was a net outflow of EUR 168m of foreign investments in 2019.

Real Estate Market

- Demand: Take-up (lease and sale deals) was at 2.0 million sq. m in Moscow in 2019, same as 2018. Still, there was a positive absorption of 234 000 sq. m in 2019, due to low construction activity. The absorption is expected to continue to be positive in the coming years (before the corona crisis).
- Vacancy: Vacancy rate for class B was at 9.7% in 2019 (10.2% in 2018)
- Rental rates: Average rental rate for class B was RUB 16 113 in 2019 (RUB 15 030 in 2018). Expected growth is 4-6% per year.

Sources market information Russia as at 31 December 2019: Cushman & Wakefield, Trading Economics, Ministry of Economic Development, Oxford Economics.

Share and shareholder information

Storm Real Estate ASA seeks to maintain an open and inclusive shareholder information policy. Providing timely information on any matters that may affect the company's share price should help the share price better reflect the Company's underlying value.

The share

Storm Real Estate ASA was listed on the Oslo Stock Exchange on 6 July 2010. Ticker: STORM. The shares are registered in the Norwegian Central Securities Depository, registration number (ISIN) NO0010360175. The registrar for the share is Nordea.

At 31 December 2019 Storm Real Estate ASA had 8,834,563 issued shares.

Each share has a nominal value of NOK 0.20. The Company had no treasury shares as at 31 December 2018 or 31 December 2019.

Reverse share split in 2019

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.

Shareholder structure

At 31 December 2019 Storm Real Estate ASA had 678 shareholders. The 20 largest shareholders held 81.9% of the shares. The Company's Board Members controlled 56.75% (2018: 56.75%) of the shares in the Company at the end of 2019. Morten E. Astrup is in total the largest shareholder in Storm Real Estate.

	31.12.2018		31.12.2019	
	Shares	**%**	**Shares**	**%**
Norwegian	**33,272,477**	**37,7%**	**3,225,108**	**36.5%**
Foreign	**55,073,146**	**62,3%**	**5,609,455**	**63.5%**
Total	**88,345,623**	**100.0%**	**8,834,563**	**100.0%**

Table: domestic and foreign shareholders

Equal treatment of shareholders

There is only one share class, and each share entitles the holder to one vote. Storm Real Estate ASA is committed to the principle of equal treatment of all shareholders. The Company's Articles of Association contain no provisions on voting rights differentiation, no restrictions on the number of votes that can be cast, and no other restrictions on shareholder rights.

Related-party transactions

There have been no material transactions between Storm Real Estate ASA and shareholders, members of the Board of Directors, members of management or close relatives of any such parties, other than those disclosed in the financial statements.

Annual general meeting

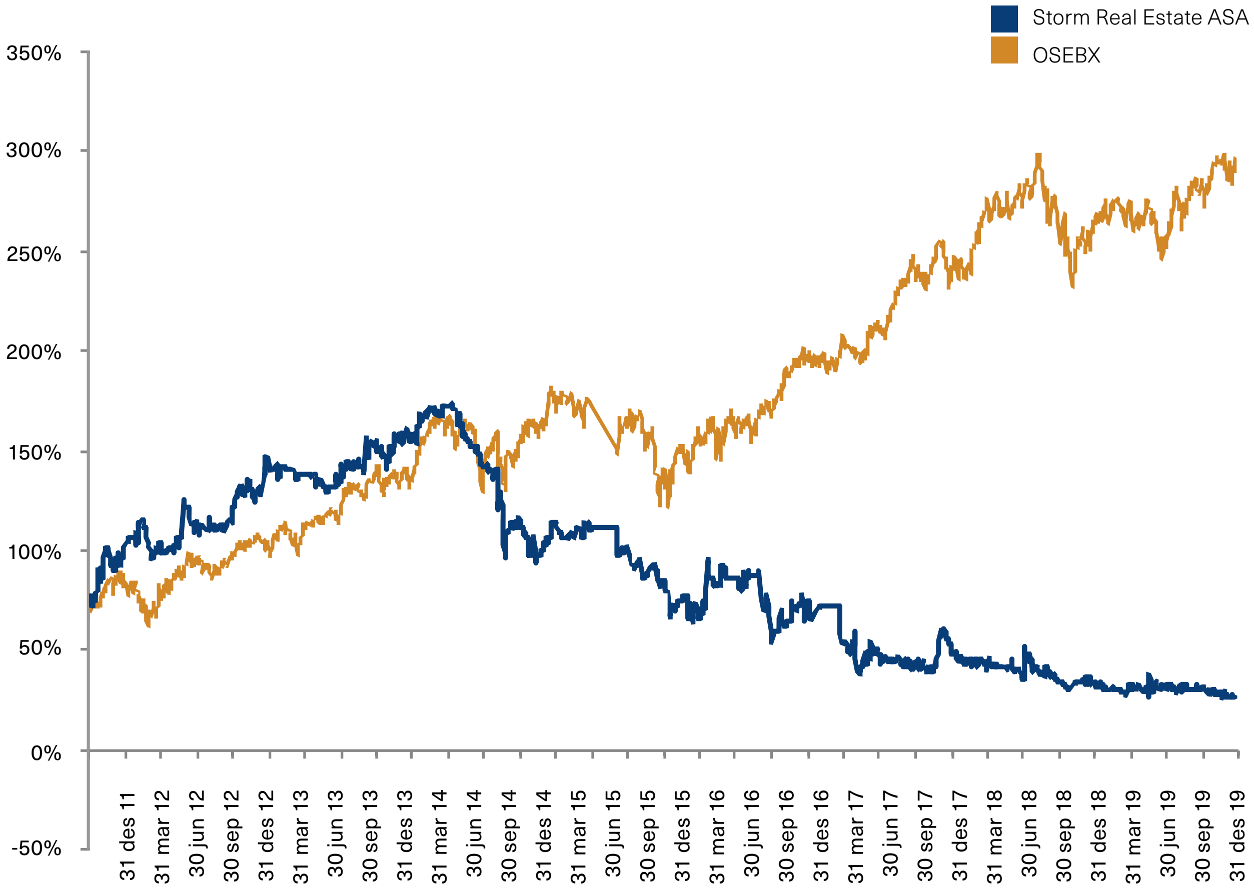
The annual general meeting is the Company's supreme authority. The meeting will be held in June this year. The Board determines the agenda for the annual general meeting and works to ensure that it becomes a forum for the shareholders. Notice of the meeting is sent out no later than 21 days in advance and will also be available on the Company's website and through the Oslo Stock Exchange notification service. Shareholders who would like to receive such information by email can register with the company's Investor Relations contact. Shareholders who are unable to attend may vote by proxy. The Company has prepared proxy forms which enable shareholders to vote on individual issues.

Investor relations

Management works continuously to ensure an open and active dialogue with investors and other participants in the financial market. There are semi-annual presentations. Updated information can be found on the Company's website: www.stormrealestate.no The Investor Relations contact at Storm Real Estate ASA is Kristoffer Holmen (kristoffer@stormcapital.no).

Current board authorizations

There are no current board authorizations.



Corporate governance

CORPORATE GOVERNANCE

Good corporate governance is key to aligning the interests of shareholders, management, employees and other stakeholders. Storm Real Estate is committed to achieving high standards of corporate governance and long-term shareholder value creation.

The Norwegian Code of Practice for Corporate Governance is intended to support listed companies by clarifying the division of roles between shareholders, the Board of Directors and management more comprehensively than is required by the current legislation. Storm Real Estate operates in accordance with the Norwegian Code of Practice for Corporate Governance. The Code is a collection of "comply or explain" guidelines, and Storm Real Estate's governance structure is in accordance with the guidelines. The following sections detail the key aspects of Storm Real Estate's corporate governance policy.

BUSINESS

The scope of business is trading and investing in real estate and securities relating to this, inter alia by participating in other companies involved in similar business activities through equity, loans or providing guarantees, as defined in the Company's Articles of Association. Storm Real Estate ASA is listed on the Oslo Stock Exchange.
Ticker: STORM.

SHARE CAPITAL AND DIVIDENDS

Share capital

The Company aims to maintain a sound financial structure, reflecting the nature of its business. As at 31 December 2019 equity was USD 4.7 million and the equity ratio was 17.8%. This follows several years of negative developments in Russia. During 2018 the Company was no longer able to fulfill its debt obligations, hence, it entered into negotiations with relevant stakeholders in order to refinance the Group. These negotiations continued throughout 2019. The aim is to reach sustainable financing of the Group's operations.

Dividends

Storm Real Estate has a long-term objective to pay dividends. When considering dividends, the Board emphasizes the company's dividend capacity, the requirements for a sound level of equity and sufficient financial resources. The Board considers buy-backs of shares to supplement dividends as a way of returning value to the shareholders. Given the current income and financing situation, the Company is not able to either pay dividends to its shareholders or buy back shares.

EQUAL TREATMENT OF SHAREHOLDERS AND RELATED-PARTY TRANSACTIONS

Storm Real Estate's objective is that all shareholders are treated equally. The Company has one class of shares, and all shares have equal voting and dividend rights. All of Storm Real Estate's shareholders have equal rights in the event of share capital increases.

The Board and management shall treat all shareholders equally with regard to price-relevant information. Storm Real Estate is listed on the Oslo Stock Exchange and is thus obliged to comply with the disclosure requirements in Norwegian securities legislation. The company discloses all price relevant information to the market through Oslo Stock Exchange's news site www.newsweb.no and on Storm Real Estate's website www.stormrealestate.no.

Related-party transactions shall be carried out according to the arm's length principle and always in compliance with the Norwegian Public Limited Liability Companies Act.

FREELY NEGOTIABLE SHARES

The shares of Storm Real Estate are freely negotiable.

ANNUAL GENERAL MEETING

The annual general meeting is open to all shareholders and all shares have equal voting rights. There are no ownership restrictions. The notice of the annual general meeting shall be sent out to the shareholders no later than 21 days prior to the date of the meeting. The provision requiring companies to send such documents by post does not apply if the documents concerning matters to be dealt with at the general meeting have been made available on the Company's website. A shareholder may still ask to receive documents concerning matters to be dealt with at the general meeting by post. All shareholders can participate in person or by proxy.

NOMINATION COMMITTEE

The nomination committee submits its recommendations on the composition of the Board and remuneration of board members to the annual general meeting. The board members are directly elected by the annual general meeting. The nomination committee is elected for a period of two years. The current committee members consists of Christopher W. Ihlen and Nini Nergaard.

BOARD OF DIRECTORS

Storm Real Estate's Board of Directors consists of five members. The Company seeks a balanced composition of the Board, taking into account the expertise, experience and background relevant to the Company's operations. The majority of the members of the Board of Directors are independent members.

A presentation of the members of the Board of Directors follows below:

Stein Aukner

Chairperson
(born 1949)

Mr Aukner is currently on the board of several Norwegian companies, including, Agra Holding and Bama Gruppen. He has previously held senior management positions at a number of Norwegian companies. Mr Aukner has an MBA from Copenhagen Business School and is also an Authorised Financial Analyst – the Norwegian equivalent of AFA. He is a Norwegian citizen and resides in Oslo, Norway. Mr Aukner is an independent member of the Board of Directors.

Morten E. Astrup

Deputy Chairperson
(born 1975)

Mr Astrup is the owner of Aconcagua Management Ltd (largest shareholder in Storm Real Estate) and Storm Norge AS (asset manager of Storm Real Estate), and has 20 years of asset management experience. He is a specialist within alternative investments, private equity and real estate. He has held board positions in several international companies and been an advisor to both private and institutional investors in Europe. Mr Astrup holds a master's degree in Business and Economics from BI Norwegian Business School/City University London. He is a Norwegian citizen and resides in Switzerland.

Nini Høegh Nergaard

board member
(born 1972)

Ms Nergaard is currently chairperson of the board of Dønski Toppidrett AS, in addition to her work as a director of Storm Real Estate ASA. Between 1998 and 2005 she was employed as a financial analyst at Handelsbanken Capital Markets, Oslo. Ms Nergaard has a law degree from Oslo University, where she studied between 1992 and 1998. She is a Norwegian citizen and resides in Snarøya, Norway. Ms Nergaard is an independent member of the Board of Directors.

Kim Mikkelsen

board member
(born 1968)

Kim Mikkelsen is an investor and member of the board of several financial and internet companies. He invests in small and medium-sized enterprises via his companies Strategic Capital, Strategic Investments and Strategic Venture Capital. Through Strategic Capital he was a majority shareholder and CIO of Nordic Asset Management, a Danish management company that he started in 2003 and that grew to manage funds of GBP 400 million before being acquired in 2009 by PFA Pension, Denmark's second-largest pension fund. Mr Mikkelsen has held several management positions in investment banks in London and Copenhagen. He is a Danish citizen and is an alternate member of the Board of Directors.

Anna Musiej Aanensen

board member
(born 1970)

Anna Musiej Aanensen is partner and head of Finance at Vesseladmin AS, a Norwegian technology company focusing on ocean mobility. From 2017 till 2019 she worked at Coface, a global credit insurance company, heading its activities in Norway. From 2010 till 2017 she worked for Export Credit Norway being responsible for financing the projects within oil & gas industries. Between 1998 and 2010 she worked for Handelsbanken where she kept various positions. Mrs Aanensen has a Master of Science from Warsaw School of Economics and Executive MBA in Maritime Offshore from Norwegian Business School in Oslo. She is a Norwegian citizen and independent board member.

THE WORK OF THE BOARD OF DIRECTORS

Storm Real Estate attaches importance to independence and neutrality in all relations between the Board, management and owners in general. The principles of independence, neutrality and standard business practice also apply in dealings with other stakeholder groups such as customers, suppliers, banks and other business connections.

The relationship between the Board of Directors, the Company and the operational management is regulated by the asset management agreement in force between Storm Real Estate and Storm Norge AS. Storm Norge took over as asset manager on 1 October 2019, after Storm Capital Management Ltd, the former asset manager, moved its business to Norway. The current agreement is adopted to the financial difficulties the Group is experiencing, and will be renegotiated once the Group is refinanced.

The Board is responsible for

- setting the strategic direction of Storm Real Estate and monitoring management's performance within that framework
- ensuring there are adequate resources available to achieve the objectives
- approving and monitoring financial reporting and asset management
- approving and monitoring progress on business objectives
- ensuring that any necessary statutory licenses are in place and that measures are taken to ensure compliance with the law
- ensuring that the Company has adequate risk management procedures in place
- ensuring that the Company has appropriate corporate governance structures in place, including standards of ethical behavior and a culture of corporate and social responsibility
- ensuring that the Board is and remains appropriately skilled to meet the changing needs of the Company

The Board had 13 meetings in 2019.

Audit committee

Due to the limited scope of the Company's business and also its financial constraints, the Board does not have a separate audit committee. The board members currently perform the responsibilities previously assumed by the audit committee.

Remuneration and governance committee

Due to the limited scope of the Company's business and also its financial constraints, the Board does not have a remuneration and governance committee. The board members currently perform the responsibilities previously assumed by the remuneration and governance committee.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board ensures that the Company has good internal control procedures and appropriate systems for risk management adapted to the Company's operations. The Company has drawn up an authority matrix which is included in the steering documents. The CEO is responsible for financial reporting. Control measures have been established in connection with the presentation of the semi-annual and annual financial statements. The board of directors undertake a preparatory review of the semi-annual and annual financial statements.

REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration of the Board of Directors is determined annually by the Ordinary General Meeting. At the company's ordinary general meeting in 2019, the remuneration for the year since the previous ordinary general meeting was set at NOK 250,000 for the Chairperson and NOK 125,000 for Board members. Large shareholders Morten E. Astrup and Kim Mikkelsen do not charge a board fee for their duties as board members.

REMUNERATION TO STORM CAPITAL MANAGEMENT LTD. AND STORM NORGE AS

Storm Capital Management Ltd and Storm Norge AS receives an asset management fee of NOK 250,000 per month (NOK 3 million per annum). However, given the current financial situation, only half of the fee is payable each month. The remaining unpaid fee accumulates as an unsecured debt to Storm Norge AS. This amount includes salaries, travel expenses and offices outside Russia. Transactions with Storm Norge AS are described in more detail in the notes to the financial statements.

INVESTOR RELATIONS

The Board is committed to reporting financial results and other relevant information openly and in accordance with the requirement for equal treatment of all shareholders and participants in the securities market. It is the Company's aim to ensure that the market is in possession of correct, clear and timely information about the Company's operations at all times. This is essential for the efficient pricing of the share and for the market's confidence in the Company. The Company also aims to ensure that its operations are monitored by securities analysts. The Company maintains an open investor relations policy. Key company information made public is published in both Norwegian and English, in order to make information available to both domestic and international investors.

TAKEOVERS

There are no barriers to takeovers in Storm Real Estate's Articles of Association.

AUDITOR

The Group's auditor is Ernst & Young AS. The auditor participates in the board meeting at which the financial statements are approved, and meetings when needed. The auditor meets with the board once a year without management being present. The auditor's fees are reported each year to the annual general meeting.

Board of Directors' report

The rental income had a positive development during 2019, due to full occupancy in the Gasfield building and increased rental rates. All contracts are now RUB based. Income is still too low to cover the Group's financial obligations. The ongoing refinancing process between the company, its main creditor Swedbank and relevant stakeholders has progressed during the year.

On 27 June 2019 the company entered into a conditional agreement with Swedbank and Aconcagua Management Ltd. The agreement outlines a long-term financial solution where the company will seek to refinance a share of the current debt to Swedbank in another bank. The remaining part of the debt will then be sold to Aconcagua Management Ltd at an agreed price. Aconcagua Management Ltd is the largest shareholder in Storm Real Estate ASA and is owned by Morten E. Astrup. The intention is for the acquired debt subsequently to be converted into equity. The Board has secured measures to provide equal treatment of all shareholders in this connection.

The agreement is conditional upon achieving satisfactory terms on the financing from the other bank. Since it entered into the agreement, the company has been working with a local Russian bank on refinancing a share of the current debt. This process has had a slow progression, hence there have been many extensions of the conditional agreement with Swedbank. Currently, the agreement expires at the latest on 10 June 2020.

Without a final agreement with Swedbank the Board expect that the Gasfield building will be put up for sale on the open market and sold for an amount less than the current debt, leaving no value to the shareholders. If the bank instructs the company to put the building up for sale, the Board will evaluate whether it is in the shareholder's best interest that SRE manages the sale process, or whether it should be left to Swedbank to do it.

The carrying value of the building in the balance sheet, obtained from an independent valuer, does not reflect the anticipated liquidation value. According to the applicable IFRS rules, a liquidation value can only be presented once management intend to liquidate the company, which is not the case at the moment.

The office market in the area surrounding the Gasfield building have been dominated by Gazprom companies, and consequently the area was hit hard by Gazprom's strategic decision to move several of its businesses to St. Petersburg in 2017. The effect was reduced rental rates in the area. Nevertheless, the area is now building up a new identity and is attracting more and more small and medium size companies, making it more diversified. A new metro station under construction, close to the Gasfield building, is also likely to increase the demand in the years to come.

Since its financial crisis in 2014, Russia has had a slow recovery, especially due to international sanctions. If the corona virus, currently affecting the whole world including Russia, triggers another financial crisis, it is likely that the following recovery will also be slow.

The Gasfield building's ability to adapt to rapid changes and its diversified tenant base, suggests that the building is better prepared than many of its competitors for what that might come. However, a new financial crisis in Russia will likely have a severe negative effect on the Group's rental income. Please also refer to Note 5 of the consolidated financial statement.

Given that the company secures a refinancing and continues its operations the Board will focus on preparing the Gasfield building for an orderly market sale when the timing is right.

During 2019 the Board has initiated actions to adapt the Group's costs to the current situation. A key issue for the future is to eliminate costs related to the listing on Oslo Stock Exchange.

Consolidated financial statements

The consolidated statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The accounting policies have been consistently applied in all Group entities in all periods. All figures stated in the report are in USD unless specified otherwise.

Commentary on profits and losses

Close to full occupancy the whole year has improved rental income substantially, but the Group is still not able to cover its financial obligations. Hence, the necessity to refinance the Group in order to adapt the debt to the current income level. Further, the complexity of our legal structure and overall cost level for the operation of one single property is considered unsustainable. Significant changes must be implemented to bring down the cost level.

Total comprehensive income for 2019 was USD 2.1 million (2018: USD -7.3 million), mostly due to fair value adjustments on the investment property (USD 1.0 million) and translation differences (USD 2.4 million).

Net operating income from investment properties in Russia was USD 1.6 million (2018: USD 0.2 million).

The value of the investment property has increased by USD 3.5 million from USD 21.4 million to USD 24.9 million. (2018: decrease in value of USD 5.4 million). The value increase given by the appraisers is mostly related to strengthening of the rouble (translation differences of app. USD 2.5 million), but the fair value of the building in RUB has also increased by USD 1.0 million, suggesting a positive change in the Gasfield building's income potential. As previously noted, the fair value does not reflect an expected obtainable prize in a forced sale under current market conditions.

Borrowing costs were USD 1.4 million in 2019 (2018: USD 1.8 million). In accordance with the standstill agreement with Swedbank, the company terminated all interest rate swap agreements in 2018.

Income taxes for the period are USD 0.3 million
(2018: USD -0.1 million).

Summary of the balance sheet

The value of investment property totalled USD 24.9 million (2018: USD 21.4 million). Bank deposits totalled USD 0.9 million (2018: USD 0.5 million).

The Group is financed by a loan from Swedbank totalling USD 19.9 million (2018: USD 18.7 million). The change in value is due to accumulation of unpaid interest.

The Company was not in breach of covenants of the bank loan as at 31 December 2019, due to the agreed waivers.

Cash flow statement

The Group had a cash flow before changes in working capital of USD 0.4 million (2018: USD -0.9 million).

Investment activities resulted in a net cash flow of USD -0.0 million
(2018: USD +0.1 million).

Financing activities resulted in a net cash flow of USD -0.2 million due to interest payments (2018: USD -1.3 million).

Financial statements for Storm Real Estate ASA

The parent company profit for the year was USD 2.5 million compared to a loss of USD 7.8 million in 2018. The change in profit is mostly due to the value increase of the shares in the company's subsidiaries, which again is due to the value increase of the Gasfield building.

The Parent Company's main source of income is dividends from investments in subsidiaries. In 2019 this income was USD 0.0 million (2018: USD 0.0 million).

The parent company made a reversal of impairment loss (profit) of USD 3.7 million on its investments in subsidiaries (2018: impairment of USD 8.0 million), mainly due to the value increase of the Gasfield Building.

Future outlook

The future of the company is dependent on concluding agreement with Swedbank in respect of the refinancing of the Group. Without such agreement it is highly unlikely that company will manage to raise sufficient capital to maintain operations.

Return target

The Group's operations are considered associated with higher risk than traditional real estate companies. Given the current high level of uncertainty the Board consider setting a return target to be inapplicable.

Financial risk and risk management

The current unresolved situation with respect to long term financing of the operations represents a major risk.

Certain other risk factors may also adversely affect Storm Real Estate, the major risks being related to the operations of the company and market risk. If one or more of these risks or uncertainties are crystallised, the Company's business, operating profit and financial strength could be materially and adversely affected. In addition, the Company is exposed to interest rate, credit and currency risk. For more information about the Group's risks please see note 4 Financial risk management to the Group's financial statements.

Staff, and Health, Safety and the Environment (HSE)

The parent company has no personnel and the subsidiaries have five employees in Russia, of which three are women. There have been no work-related accidents in 2019. There is no material negative environmental impact related to the Company's operations. The Group recorded 35 days of sickness absence in 2019.

Social responsibility reporting

In accordance with the reporting requirements in section 3-3 of the Norwegian Accounting Act the Group presents a report on its work related to social responsibility.

Storm Real Estate has operations in Russia, where corruption is a greater challenge than in Norway. The Company is aware of this and has introduced procedures and routines to its daily operations to reduce the risk of corruption. The Company is conscious of its role in society related to combating corruption, operates with a high level of transparency and openness. The Board is not aware of any cases of corruption related to the Group's operation and will continue to focus closely on this in the future.

The Company also focuses on employee rights and social conditions, and the Board is not aware of any challenges related to employee rights or social conditions in the workplace. The Company has no specific guidelines related to human rights.

Assumption of going concern

Pursuant to section 3-3a of the Norwegian Accounting Act, the Board confirms that the annual report for 2019 has been prepared under the assumption of a going concern, on the basis that management neither intend nor is forced to liquidate the company. However, a liquidation can be forced by the bank within a short period of time, if the company does not reach an agreement with the bank concerning the long-term financing of the Group. Thus, there is significant uncertainty related to the going concern assumption. See also note 5 to the Group's financial statements.

Given a sustainable agreement with the bank and a successful cost cutting program, the Board believe the Group will be able to raise capital to provide a long enough time horizon to see improved market conditions, making the Group once again profitable.

Distribution of annual result

The Board recommends the following distribution of the parent company's result for the year:
- Transferred to equity USD 2,1 million.

Oslo, 30 April 2020

The Board of Directors and Interim General Manager of Storm Real Estate ASA

Stein Aukner **Chairperson**	**Morten E. Astrup** **Board member**	**Nini E.H. Nergaard** **Board member**
Kim Mikkelsen **Board member**	**Anna Musiej Aanensen** **Board member**	**Kristoffer Holmen** **Interim General Manager**

Consolidated Statement of Comprehensive Income

Storm Real Estate Group

All numbers in 000 USD	Note	2019	2018
Rental income	6,9	2 903	1 581
Total Income		2 903	1 581
Property related Expenses	6	-1 265	-1 335
Personnel Expenses	16	-310	-282
Other Operational Expenses	15	-792	-969
Total Operational Expenses		-2 367	-2 586
Operating Profit (Loss) Before Fair Value Adjustments		536	-1 005
Fair Value Adjustments on Investment Property	6	951	-904
Total Operating Profit (Loss)		1 487	-1 909
Finance Revenues	14	11	605
Finance Expenses	14	-1 521	-1 802
Currency Exchange Gains (Losses)	14	43	-62
Net Financial Gains (Losses)		-1 466	-1 259
Earnings before Tax (EBT)		21	-3 168
Income Tax Expenses	18,19	-335	-122
Profit (loss), attributable to owners of parent		-314	-3 046
Profit (loss), attributable to non-controlling interests		0	0
Other Comprehensive Income:			
Items that are reclassified from Equity to income statement in subsequent periods:			
Translation differences	12,23	2 395	-4 287
Sum other income and expenses after tax		2 395	-4 287
Comprehensive income, attributable to owners of parent		2 081	-7 334
Comprehensive income, attributable to non-controlling interests		0	0
Earnings per share (EPS), attributable to owners of parent			
Weighted average number of shares		8 834 563	88 345 623
Basic and Diluted earnings per share (USD)		-0,04	-0,03
Basic and Diluted Total Comprehensive Income per share (USD)		0,24	-0,08

Consolidated Statement of Financial Position

Storm Real Estate Group

All numbers in 000 USD	Note	31.12.19	31.12.18
Fixed Assets			
Investment Property	6	24 891	21 419
PP&E	8	3	5
Sum Fixed Assets		24 894	21 424
Current assets			
Pre-paid income tax	18	256	208
Other Receivables	13	486	144
Cash and Cash Equivalents	11	861	500
Total Current Assets		1 603	852
Total Assets		26 497	22 277
Paid-in Equity			
Share Capital	20,22	405	405
Share Premium		25 206	25 206
Other Paid-in Equity		56 600	56 599
Total Paid-in Equity		82 211	82 210
Other equity			
Other equity		-77 492	-79 573
Total other equity		-77 492	-79 573
Total Equity		4 719	2 637

All numbers in 000 USD	Note	31.12.19	31.12.18
Non-current liabilities			
Deferred Tax Liabilities	19	422	112
Other Long-term Liabilities	10	259	266
Total non-current liabilities		**681**	**378**
Current liabilities			
Trade Payables	11	50	53
Loans from Credit Institutions	12	19 917	18 678
Other Current liabilities	17	1 131	529
Total Current liabilities		**21 097**	**19 261**
Total Liabilities		**21 778**	**19 639**
Total Equity and Liabilities		**26 497**	**22 277**

Oslo, 30 April 2020

The Board of Directors and Interim General Manager of Storm Real Estate ASA

Stein Aukner
Chairperson

Morten E. Astrup
Board member

Nini E.H. Nergaard
Board member

Kim Mikkelsen
Board member

Anna Musiej Aanensen
Board member

Kristoffer Holmen
Interim General Manager

Consolidated Statement of Cash Flows

Storm Real Estate Group

All numbers in 000 USD

Cash Flow from Operational Activites	2019	2018
Earnings before Tax	21	-3 168
Adjusted for:		
Depreciations	2	3
Value Adjustments on Investment Property	-951	904
Financial Income	-12	-77
Financial Expenses	1 521	1 273
Net Currency Gains	-164	130
Cash Flow Before Changes in Working Capital	418	-935
Changes in Working Capital:		
Trade Receivables and Other Receivables	-390	283
Trade Payables and Other Payables	598	184
Paid Taxes	-147	-40
Net Cash Flow From Operating Activities	479	-508
Cash Flow From Investment Activities		
Outflows from Investments in fixed assets	-27	0
Inflows from sale of fixed assets	0	2
Interest Received	11	118
Net Cash Flow From Investment Activities	-16	120
Cash Flow From Financing Activities		
Share issue, payments/costs	0	-6
Repayments of Loans	-7	0
Interest Paid	-185	-1 267
Net Cash flow From Financing Activities	-192	-1 273
Net Change in Cash and Cash Equivalents	271	-1 661
Carried Forward Cash and Cash Equivalents	500	2 247
FX movements on opening balance	90	-86
Cash and Cash Equivalents on Closing Date	861	500
Of which restricted Cash and Cash Equivalents	238	238

Consolidated Statement of Changes in Equity

Storm Real Estate Group

All numbers in 000 USD	Paid-in Equity			Other Equity		
	Share Capital	Share Premium	Other Paid-in Equity	Retained Earnings	Translation Differences on Foreign Operations	Total Equity
31 December 2017	4 575	21 036	56 606	-304	-71 918	9 995
IFRS 9 Application				-18		-18
1 January 2018	4 575	21 036	56 606	-322	-71 918	9 977
Reduction of share capital	-4 170	4 170				0
Issue cost (2017)			-6			-6
Profit (Loss) for the Period				-3 046		-3 046
Other Comprehensive Income					-4 287	-4 287
Sum	-4 170	4 170	-6	-3 046	-4 287	-7 339
31 December 2018	405	25 206	56 600	-3 368	-76 205	2 638

	Paid-in Equity			Other Equity		
	Share Capital	Share Premium	Other Paid-in Equity	Retained Earnings	Translation Differences on Foreign Operations	Total Equity
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

Notes Storm Real Estate Group

1. General information

Storm Real Estate ASA (hereafter “Storm Real Estate”, the “Company” or the “Group” together with its subsidiaries) is a property investment company that invests in real estate in Russia.

The Company was established on 2 January 2007 and is a public limited liability company. The Company is incorporated and domiciled in Oslo with its registered office at Dronning Mauds gate 3, 0250 Oslo, Norway. Its current business is owning and operating an office building in Moscow - The Gasfield building.

The Company is listed on the Oslo Stock Exchange, ticker STORM.

The consolidated financial statements were approved for issue by the Board of Directors on 30 April 2020. The final financial statements is expected to be put forward for approval by the general meeting in June 2020.

Going concern is disclosed in note 5.2

2. Basis of preparation

2.1 General

The consolidated financial statements of Storm Real Estate ASA have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union in accordance with the Norwegian Accounting Act. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies.

The consolidated financial statements have been prepared on a historical cost basis, except for investment property which is stated at fair value. Preparation of financial statements in conformity with IFRS requires the use of accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 5. The consolidated financial statements are presented in USD and all values are rounded to the nearest thousand (USD 000), unless otherwise indicated.

2.2 Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Group

The accounting policies used in the consolidated financial statements are consistent with the previous year’s statements. New and amended IFRS standards with effect from 1.1.2019 have had just a small effect on the Group’s annual report. Future amendments to standards and interpretations that can be relevant to the Company are described below.

IFRS 16 Leases

IFRS 16 Leases replaces the existing IFRS standard for leases, IAS 17 Leases. IFRS 16 lays down principles for recognising, measuring, presenting and disclosing leases for both parties in a lease, i.e. the customer (lessee) and provider (lessor). The new standard requires that the lessee recognise assets and liabilities for most leases, which is a significant change from the current principle. For the lessor IFRS 16 essentially continues the existing principles in IAS 17. In line with this, a lessor shall continue to classify their leases as operating leases or finance leases, and account for these two types of leases differently. Lessees are required to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. Currently, the land plot lease agreement in Russia is the only significant lease contract. This has been accounted for as investment property using the fair value model in IAS 40, and initial recognition was stated at fair value, hence the adoption of IFRS 16 did not have an effect on the accounting. The Group has no other material lease agreements. The Group elected to adopt IFRS 16 using the modified retrospective method.

(b) Standards, amendments to and interpretations of existing standards

The Group has not chosen early adoption of any new or amended IFRSs or IFRIC interpretations.
The Group's policy is to implement the relevant amendments on the effective date where the amendments are relevant to the Group.

(c) Standards implemented in 2020

From 1.1.2020 the Group will not implement standards that will have a significant impact on the the financial statements.

2.3 Basis of consolidation and business combinations

Subsidiaries are all companies which the Group has control over. Control exists when the Group is exposed to, or has rights to, variable returns as a result of involvement with the company, and the Group is able to impact returns through its power over the company. Control is normally achieved when the Group owns – directly or indirectly – more than 50% of the voting shares in the company. The effect of any existing voting rights resulting from exercisable options is included in the assessment of control. The Group also assesses whether control exists where fewer than 50% of the voting rights are held, but the Group is nevertheless in a position to control the relevant activities.

Such companies are included in the consolidated financial statements from the date on which the Group obtains control over the company. In the same way, the company is deconsolidated when control over the company ceases.

The purchase method is applied to business combinations. The consideration transferred is measured at the fair value of assets transferred, liabilities incurred, and equity instruments issued. The consideration also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Costs related to business combinations are expensed as incurred. Identifiable assets and liabilities are recognised at fair value at the acquisition date. Non-controlling interests in the acquiree are measured on a case-by-case basis either at fair value or at their share of the acquiree's net assets.

In the case of a step acquisition, equity interests from previous acquisitions are remeasured at the control date to fair value through profit and loss. Any contingent consideration is recognised at fair value at the acquisition date. In accordance with IFRS 9, subsequent changes to the fair value of the contingent consideration are recognised in the income statement or as a change to other comprehensive income if the contingent consideration is classified as an asset or liability. Contingent considerations classified as equity are not remeasured, and subsequent settlement is entered against equity.

Intra-company transactions, balances, and unrealized gains and losses on transactions between Group companies are eliminated. The financial statements of subsidiaries are restated where necessary to achieve consistency with the Group's accounting policies.

2.4 Functional currency and presentation currency

The Group's presentation currency is USD since Storm Real Estate's (the parent company) functional currency is USD. Each entity in the Group determines its own functional currency, and items included in the income statement of each entity are measured using that functional currency. The functional currency is the currency within the primary economic environment in which the entity operates.

Transactions in foreign currencies are initially recorded in the functional currency at the rate on the transaction date. Monetary items denominated in foreign currencies are translated using the functional currency spot rates of exchange on the reporting date. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the rate on the reporting date. All currency translation differences are recognised in the income statement.

The assets and liabilities of foreign entities are translated into the presentation currency at the rate on the reporting date, and related income statement items are translated at average exchange rates per quarter. Currency translation differences arising on the translation are recognised as other comprehensive income. In the consolidated financial statements, currency translation differences linked to net investments in foreign operations are included in other comprehensive income until disposal of the net investment, at which point they are recognised in the income statement.

2.5 Segment information

Currently, the Company operates in only one segment – Russian real estate.

3. Summary of significant accounting policies

3.1 Investment property

Investment property comprises completed property held to generate rental income or for capital appreciation or both. Property held under a lease is classified as investment property when the definition of an investment property is met. Investment property is recognised initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment property is carried at fair value. Gains or losses arising from changes in fair value are included in the income statement in the year in which they arise.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the withdrawal or disposal of investment property are recognised in the income statement in the year of disposal. Gains or losses on the disposal of investment property are determined as the difference between net selling price and the carrying amount of the asset at the time of sale.

3.2 Property, plant and equipment

Property, plant and equipment that is not directly attributed to the investment property is classified as non-current assets and measured at acquisition cost less depreciation and impairment losses. Acquisition cost includes expenditure that is directly attributable to the acquisition of the items.

Costs incurred after the asset has been taken into use are included in the asset's carrying amount or recognised as a separate asset, as appropriate, when it is probable that future economic benefits associated with the acquisition will flow to the Group and the cost can be measured reliably. The carrying amount of the replaced part is written down to zero. All other repairs and maintenance are charged to the income statement in the period in which they are incurred.

3.3 Leases

(a) Where a Group company is the lessee

These lease agreements are recognised in the balance sheet in accordance with IFRS 16.

(b) Where a Group company is the lessor
Properties leased under operating leases are included in investment property in the Company's statement of financial position. Rental income is recognised over the term of the lease on a straight-line basis.

At the start of a lease agreement tenants pay a security deposit. This is treated as an advance payment from the tenants. The tenants then continue to pay in advance for the term of their lease, such that the level of the security deposit is maintained.

3.4 Financial assets

All figures in the financial statements are presented according to the new IFRS 9.

3.4.1 Classification, recognition and measurement

Financial assets within the scope of IFRS 9 are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial
asset not at fair value through profit or loss, transaction costs. As the Group's rent receivables do not contain a significant financing component or for which the Group has applied the practical expedient, they are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income (OCI), it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

As at 31 December 2019 the only relevant category is financial assets at amortised cost.

The Group measures financial assets at amortised cost if both of the following conditions are met:

1. The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
2. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Since the Group's financial assets (trade (rent) and other receivables, cash and short-term deposits) meet these conditions, they are subsequently measured at amortised cost.

3.4.2 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

1. The rights to receive cash flows from the asset have expired, or
2. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

3.4.3 Derecognition according to IFRS 9

For trade receivables the Group applies a simplified approach in calculating expected credit losses (ECLs). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

3.5 Financial liabilities

All figures in the financial statements are presented according to the new IFRS 9.

3.5.1 Classification, recognition and measurement

Financial liabilities are classified at initial recognition, and subsequently measured at amortized cost, with some exemptions.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

3.5.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.6 3.6 Trade (rent) receivables

Rent receivables are recognised at their original invoiced value except where the time value of money is material, in which case rent receivables are recognised at fair value and subsequently measured at amortised cost. Refer to accounting policies on financial assets in note 3.4.

3.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held with banks.

3.8 Share capital and treasury shares

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Own equity instruments which are bought back (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in other equity/ other contributed equity. Voting rights related to treasury shares are cancelled and no provision is made for payment of dividends on treasury shares.

3.9 Related-party transactions

A person or a company (or other legal entities) is considered as a related party if he, she or it, directly or indirectly, has the possibility to exercise control or influence over another party in connection with financial and operational decisions. Parties are also considered related if they are under control or significant influence. Transactions with related parties are based on the arm's length principle.

Loans to certain subsidiaries are considered as part of the Group's net investment. Exchange rate changes related to monetary items (receivables and liabilities) which are a part of the Company's net investment in foreign entities are treated as currency translation differences, and thus entered against equity.

3.10 Taxes payable and deferred tax

The tax expense for the period comprises taxes payable and change in deferred tax. However, deferred tax is not recorded if it arises on initial recognition of an asset or liability in a transaction, other than a business combination, that affects neither accounting nor taxable profit or loss on the transaction date.

Deferred tax assets are recognised only to the extent that it is probable that there will be future taxable income against which the temporary differences can be utilized. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related tax asset is realized, or the deferred tax liability is settled. The provision for deferred tax is based on the expected manner of realization or settlement of the carrying amounts of assets and liabilities.

Tax effects on other comprehensive income are separated and presented via other comprehensive income. These include exchange differences on net investments in foreign entities.

3.11 Revenue recognition

The Group earns revenue from acting as a lessor in operating leases which do not transfer substantially all of the risks and rewards incidental to ownership of an investment property. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

These lease agreements include certain services offered to tenants (i.e., customers) including common area maintenance services (such as cleaning, security, landscaping and snow removal of common areas), as well as other support services (e.g., reception services, catering and other event related services). The consideration charged to tenants for these services includes fees charged based on a percentage of the rental income and reimbursement of certain expenses incurred. These services are specified in the lease agreements and separately invoiced. The Group has determined that these services constitute distinct non-lease components (transferred separately from the right to use the underlying asset) and are within the scope of IFRS 15. The Group allocates the consideration in the contract to the separate lease and revenue (non-lease) components on a relative stand-alone selling price basis.

In respect of the revenue component, these services represent a series of daily services that are individually satisfied over time because the tenants simultaneously receive and consume the benefits provided by the Group. The Group applies the time elapsed method to measure progress.

The consideration charged to tenants for these services is based on a percentage of the rental income. The variable consideration only relates to the non-lease component and is allocated to each distinct period of service (i.e., each day) as it meets the variable consideration allocation exception criteria. The Group arranges for third parties to provide certain of these services to its tenants. The Group concluded that it acts as a principal in relation to these services as it controls the specified services before transferring them to the customer. Therefore, the Group records revenue on a gross basis.

3.12 Interest income

Interest income is recognised in income as it is earned using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, which is the estimated future cash flow discounted at the original effective interest rate of the instrument. Interest income on impaired loans is recognised using the effective interest rate.

3.13 Classification of assets and liabilities

The Group presents assets and liabilities in the statement of financial position based on current/ non-current classification. An asset is current when it is expected to be realised or intended to sold or consumed in the normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when it is expected to be settled in the normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

3.14 Earnings per share

Earnings per share is calculated by dividing profit by the weighted average number of outstanding shares in the Group during the reporting period. Treasury shares are not included in the calculation.

4. Financial risk management

The Group's activities expose it to a variety of financial risks: market, credit and liquidity risk. The Group's overall risk management focuses on the unpredictability of markets and seeks to identify and, if possible, minimise the potential adverse effects on the Group's financial performance. The Group has attempted to maintain a policy of having solid tenants, even in difficult financial times.

Management identifies and evaluates financial risk, and has policies covering specific areas such as credit risk, currency risk, use of derivative financial instruments and investment of excess liquidity.

4.1 Market risk

Investments in Russia are deemed to have high market risk. The climate in the financial market and especially the price of real estate, demand for premises and general rental levels in Russia represents risk, as it will affect the Company's rental income. The Company aims to reduce some of this risk by continuing to require deposits from tenants, typically equivalent to 2-3 months' rent. The situation has also changed, from having one anchor tenant in the past to currently having several smaller tenants.

(I) Currency risk
Storm Real Estate is a Norwegian group with its main focus on rental properties in Russia. This exposes the Group to currency risk arising from various currency exposures, primarily with respect to NOK, USD and RUB. Currency risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The rental lease contracts are exposed to the risks of changes in RUB/USD exchange rates. Up to around 2014-2015 rental agreements were in US dollar. Following the recession and geo-political situation with sanctions against Russia, there has been a "de-dollarization" of the Russian real estate market and currently all lease agreements are denominated in Russian roubles. As such the building is a Russian rouble asset, and the bank loan is in US Dollar. A hedge between RUB and USD has been considered, however hedging the Russian rouble comes at a significant cost, and the Company has to date not considered it sufficiently attractive.

A sensitivity analysis of the stated factors for the Group's presentation currency and the Parent Company's functional currency (USD) is shown below. If the value of the USD changes relative to other currencies, this will have the following effects on the consolidated financial statements:

USD 000	Effect attributable to net income	Effect attributable to equity (other comprehensive income)	Net effect on the Company's equity
1% appreciation in USD	+169	-415	-246
1% depreciation in USD	-169	+415	+246
10% appreciation in USD	+1,688	-4,147	-2,460
10% depreciation in USD	-1,688	+4,147	+2,460
20% appreciation in USD	+3,375	-8,294	-4,919
20% depreciation in USD	-3,375	+8,294	+4,919

The effect is deemed to be linear, so that a 5% change is five times larger than a change of 1%. A reasonable range for exchange rates in a normal situation would be 0-20%. Exchange rate fluctuations related to the Russian Ruble have also been higher.

(II) Price risk
The Group is exposed to risk concerning property prices and property rental, and the Group has geographically concentrated its activity in Russia. The Group has further indirect exposure to price risk as a result of developments in the financial markets, since these affect the tenants' ability to pay.

Sensitivity analysis for price risk:

	Effect attributable to profit for 2019
1% rent increase	+30
1% rent decrease	-30

The effect is deemed to be linear, so that a 5% change is five times larger than a change of 1%.
Price changes can also affect the valuation of the buildings.

The carrying value of the building in the balance sheet, obtained from an independent valuer, reflects the value given a long-term perspective, it does not reflect the liquidation value at yearend. According to the applicable IFRS rules, a liquidation value can only be presented once there is a concrete decision to liquidate the entity, which is not the case at the moment.

(III) Interest rate risk on cash flows and fair value
The Company has financed properties with bank loans consisting of a principal amount of USD 18.1 million and accumulated interests of USD 1.8 million. To reduce the interest rate risk, the Company has earlier entered into interest rate swaps agreements. These agreements were terminated in 2018 according to agreements with Swedbank AB. Hence, there are no interest rate swap agreements effecting the financial accounts for the time being. The table below illustrates the net effect of a change in interest rates of one percentage point.

USD 000	Effect on interest paid (loans)
1% increase in interest rate	-183

The group operations across multiple jurisdictions with corresponding tax risks. Transactions and financing arrangements between related parties have inherent risks related to treatment in local tax jurisdictions with regards to, inter alia, compliance with transfer pricing regulations, corporate tax deductibility, value added tax etc.

4.2 Credit risk

Credit risk arises on cash and cash equivalents and deposits with banks and financial institutions, as well as outstanding receivables and liabilities. For banks and financial institutions, the Group aims to use parties with a good credit rating. All new contracts with tenants require a deposit and the rent is partly invoiced in advance. If rent is not paid on time, the Company immediately begins the search for a new tenant.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset.

4.3 Liquidity risk

The Group has over time aimed to keep liquidity sufficient to meet its foreseeable obligations as well as securing a reasonable capacity to meet unforeseen obligations. Management continuously monitors forecasts of the Group's liquidity reserves.

The company's liquidity risk is very high. As a result of periods with high vacancy in the Gasfield building, low rental rates and a weak rouble, the Group's cash deposit and income have decreased dramatically, leaving the Group unable to fulfil its debt obligations. Hence, since September 2018 the Group and its main creditor, Swedbank AB, have agreed on several standstill agreements waving covenants, amortization and interest payments. Storm Real Estate is negotiating with the bank, relevant stakeholders and external parties in order to refinance the Group. The current standstill agreement with Swedbank expires on 10 June 2020. The market will be updated on any changes at once.

The company is working on various solutions to address the liquidity constraints; including cost reductions.

The table below analyses the Group's financial liabilities (borrowing), broken down by maturity (all figures in USD 000). Since the company has only a short-term standstill agreement with its main creditor, and it is not able to fulfil its debt obligations if this agreement expires without a successful refinancing of the Group, most liabilities are classified as short-term, see note 12. Hence, the maturity is sat to less than one year for most of the items.

As at 31 December 2019	0-1 years	1-5 years	5+ years	Total
Repayments of interest-bearing debt *	18,143	0	0	18,143
Accumulated interests	1,774	0	0	1,774
Advance payments from tenants	430	0	0	430
Land plot lease agreements	0	0	134	134
Other financial liabilities	875	0	0	875
Total	21,222	0	134	21,356

As at 31 December 2018	0-1 years	1-5 years	5+ years	Total
Repayments of interest-bearing debt *	18,143	0	0	18,143
Accumulated interests	535	0	0	535
Advance payments from tenants	225	0	0	225
Land plot lease agreements	0	0	119	119
Other financial liabilities	505	0	0	505
Total	19,408	0	119	19,527

** Nominal (actual) value, not amortised cost (accounting value).*

Due to the company's liquidity situation, below are the interest-bearing debt broken down into 6-month periods in 2019:

Financial year 2019	Beginning of year	0-6 m	6-12 m	End of the year
Principal amount	18,143	0	0	18,143
Unpaid interest on loans	535	640	599	1,774
Total	18,678	639	599	19,917

Going concern is disclosed in note 5.2

4.4 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an appropriate capital structure. In order to maintain or adjust the capital structure, the Group may adjust the level of the dividend paid to shareholders, issue new shares or sell assets to reduce debt. The Group's capital comprises capital invested through investments in investment property, as well as cash and cash equivalents.

As a result of the dramatic decrease in income compared to the Group's income peak in 2013, the group is loss-making given the current financing, and is reliant on a positive outcome from the negotiation between the company, the bank and other relevant stakeholders in order to survive. Due to this, there is a significant uncertainty related to the going concern assumption.

Going concern is disclosed in note 5.2

4.5 Tax risk

The Russian tax, currency and customs legislation is subject to varying interpretations, and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by the relevant regional and federal authorities.

Recent events within Russia suggest that the tax authorities are taking a more assertive position in its interpretation of the legislation and assessments and, as a result, it is possible that transactions and activities that have not been challenged in the past may be challenged. As such, additional taxes, penalties and interest may be assessed.

Separately, new deoffshorization rules, which came into force starting 1 January 2015, may have influence on tax effecting the Group and should be mentioned. In accordance with these rules the Russian tax authorities have the right to challenge application of the double tax treaty benefits (beneficial ownership concept). These amendments as well as the concept of taxation of capital gains from indirect sale of property-rich companies, may impact the Group.

5. Critical accounting estimates and assumptions

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable in the present circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the final outcome. The estimates and assumptions that represent a significant risk of material adjustments to the carrying amounts of assets and liabilities within the next financial year are addressed below.

The Board confirms that the annual report for 2019 has been prepared under the assumption of going concern, on the basis that management neither inted nor is forced to liquidate the company. However, a liquidation can be forced by the bank within a short period of time, if the Group is unable to refinance its current debt. Thus, there is significant uncertainty related to the going concern assumption.

5.1 Use of accounting estimates and judgment

Fair value of investment property (estimate)
Investment property is recognised at fair value. A separate valuation is carried out by an independent expert in which the property is assessed using updated macro assumptions (market-based rent rates, discount rates, inflation expectations, economic growth, etc.) The Company bases the fair value of investment property on external valuations by independent appraisers. There are multiple methods for assessing the fair value of investment property. In 2018 The Group used the discounted cash flow method (income method), which is the present value of estimated future cash flows, using known contractual parameters, as well as expectations for market development (market approach).However, in 2019 the valuer (Cushman & Wakefield) changed the valuation method to a pure income approach due to few sales of comparable buildings in the market. A valuation is only an estimate, the outcome of which depends on the assumptions adopted by the valuer. Such assumptions may account for the potential of a property in a complex market environment in different ways. See note 6 for more information about the investment property.

5.2 Going concern and events after the reporting period

During the year SRE has negotiated with its main creditor Swedbank, to reach a long-term financing solution that will make the Company able to continue its operations.

On 27 June 2019 the company entered into a conditional agreement with Swedbank and Aconcagua Management Ltd. The agreement outlines a long-term financial solution where the company will seek to refinance a share of the current debt to Swedbank in another bank. The remaining part of the debt will then be sold to Aconcagua Management Ltd at an agreed price. Aconcagua Management Ltd is the largest shareholder in Storm Real Estate ASA and is owned by Morten E. Astrup. The intention is for

the acquired debt subsequently to be converted into equity. The Board has secured measures to provide equal treatment for all shareholders in this connection.
The agreement is conditional upon achieving satisfactory terms on the financing from the other bank. Since it entered into the agreement, the company has been working with a local Russian bank on refinancing a share of the current debt. This process has had a slow progression, hence there have been many extensions of the conditional agreement with Swedbank. Currently, the agreement expires at the latest on 10 June 2020.

Without a final agreement with Swedbank the Board expect that the Gasfield building will be put up for sale on the open market and sold for an amount less than the current debt, leaving no value to the shareholders. If the bank instructs the company to put the building up for sale, the Board will evaluate whether it is in the shareholder's best interest that SRE manages the sale process, or whether it should be left to Swedbank to do it.

The carrying value of the building in the balance sheet, obtained from an independent valuer, does not reflect the anticipated liquidation value. According to the applicable IFRS rules, a liquidation value can only be presented once management intend to liquidate the company, which is not the case at the moment.

Since its financial crisis in 2014, Russia has had a slow recovery, especially due to international sanctions. If the corona virus, currently affecting the whole world including Russia, triggers another financial crisis it is likely that the following recovery will also be slow. The Gasfield building's ability to adapt to rapid changes and its diversified tenant base, suggests that the building is better prepared than many of its competitors for what that might come. However, a new financial crisis in Russia will likely have a severe negative effect on the Group's rental income. Currently, the crisis has had little effect on the occupancy and the rental income. However, we are experiencing that some of the tenants are struggling with their rental payment. The liquidity in the Russian subsidiary is considered sufficient to handle these cases at the moment. See also note 9 for more information concerning the rental income.

There is also uncertainty related to how the corona crisis will affect the refinancing process. The company will inform the market immediately if there are any material changes in the process.

The Board confirms that the annual report for 2019 has been prepared under the assumption of a going concern, on the basis that management do not intend to liquidate the company. However, a liquidation can be forced by the bank within a short period of time, if the company does not reach an agreement with the bank concerning the long-term financing of the Group. Thus, there is significant uncertainty related to the going concern assumption.

See also note 4.3 and 4.4 for more information related to going concern.

6. Investment property

000 USD

GROUP

Value as valued by an independent valuer:	2019	2018
As at 1 January	21 300	26 580
Value Adjustment Investment Property *	3 457	-5 280
Value per Closing date	24 757	21 300
Other assets recognised as part of Investment Property:		
As at 1 January	119	180
Changes in carrying value of land plot lease agreements **	14	-61
Value per Closing date	134	119
Carrying value of Investment Property IFRS 01.01	21 419	26 760
Carrying value of Investment Property IFRS 31.12	24 891	21 419

** The functional currency of the Russian subsidiaries including the buildings in Russian Rouble. The fair value changes has two elements:*

GROUP

	2019	2018
Change in RUB over income statement	951	-904
Translation Differences over comprehensive Income	2 520	-4 437
Net movement in fair value	3 471	-5 341

*** The Company has capitalised land plot lease agreements in accordance with IAS 40 Investment Property and IFRS 16 Leases.*

The valuation of investment property as 31 December 2018 and 2019 has been performed by an independent expert valuer, Cushman & Wakefield in Moscow (C&W). The variables used for valuation are both company specific and marked derived. Company specific variables include contractual rental income and expenses. Market derived variables include, inter alia, market rent rates, market discount rates and market capitalisation rates. In 2019 C&W changed the valuation method from 50% market approch and 50% income approch, to a pure income approch due to few sales of comparable buildings in the market.

The carrying value of the building in the balance sheet reflects the value given a long-term perspective, it does not reflect the liquidation value at yearend. According to the applicable IFRS rules, a liquidation value can only be presented once management intend to liquidate the company or has no realistic alternative but to do so, ***which is not the case at the moment.***

Also see note 5 for critical accounting estimates and assumptions.

	Moscow	
Independent valuer's valuation parameters	31.12.2019	31.12.2018
Valuation Gasfield building USD (000')	24 757	21 300
Valuation Gasfield building RUB (000')	1 541 700	1 477 500
Discount rates	14,0 %	14,0 %
Capitalisation rates	10,0 %	10,0 %
Market rates, RUB/sq.m (net of VAT and op.ex), main office areas	16 000	16 000

Sensitivity analysis at 31 December 2019, million RUB:

The sensitivity analysis below shows the effect of changing discount rate, capitalization rate and income level on the market value of the building (million RUB):

Market rates, RUB/sq.m (net of VAT and op.ex), main office areas: 16,000		Disount rate				
		13,0 %	13,5 %	14,0 %	14,5 %	15,0 %
	9,0 %	1 713,4	1 682,3	1 651,9	1 622,3	1 593,4
	9,5 %	1 652,8	1 623,0	1 593,9	1 565,6	1 537,9
Capitalization rate	10,0 %	1 598,3	1 569,7	1 541,7	1 514,5	1 487,9
	10,5 %	1 548,9	1 521,4	1 494,5	1 468,3	1 442,7
	11,0 %	1 504,1	1 477,5	1 451,6	1 426,3	1 401,6

Market rates, RUB/sq.m (net of VAT and op.ex), main office areas: 14,000		Disount rate				
		13,0 %	13,5 %	14,0 %	14,5 %	15,0 %
	9,0 %	1 510,4	1 483,1	1 456,5	1 430,6	1 405,3
	9,5 %	1 457,5	1 431,4	1 405,9	1 381,1	1 356,8
Capitalization rate	10,0 %	1 409,9	1 384,8	1 360,3	1 336,5	1 313,2
	10,5 %	1 366,8	1 342,7	1 319,1	1 296,2	1 273,8
	11,0 %	1 327,6	1 304,4	1 281,7	1 259,5	1 237,9

Summary of significant contracts

As at 31 December 2019 the occupancy rate of the Gasfield building was 99% (2018: 86%) , divided on 78 lease agreements (2018: 69 agreements).

	GROUP	
Specification of tenants representing more than 10% of the group's income in the financial year:	2019	2018
LLC SAKS (income from tentant passed 10% of total income in 2019)	444	147

7. Group companies and investment in subsidiaries

000 USD

Group company	Location	Formed/ Acquired	Ownership
OOO Martex	Russia	2007	100 %
Tiberton Yard Holding 2 Ltd	Cyprus	2008	100 %
Gasor Consulting Ltd	Cyprus	2008	100 %

Storm Real Estate Ltd was dissolved as at 23 October 2018

8. Property, plant & equipment

000 USD

	Computers and telephony	Sum	Computers and telephony	Sum
Historic cost	2019	2019	2018	2018
At 1 January	80	80	97	97
Additions	10	10	0	0
Disposals	0	0	-17	-17
At 31 December	90	90	80	80
Depreciation and impairment				
At 1 January	–75	–75	-87	-87
Depreciations this period	–2	–2	-3	-3
Translation differences of depreciations and write-downs	–10	–10	15	15
At 31 December	–87	–87	-75	-75
Net book value 31 December	3	3	5	5

There are no fixed assets in the parent company. Exchange differences have been included in disposals and depreciations. PP&E are recognised at historic cost. Computers & telephony is computers and telephony equiment, depreciated straight line over the lifespan of the assets (3 years for computers and 7 years for telephone equipment).

9. Tenancy agreements

000 RUB

	31.12.2019	31.12.2018
Monthly income (thousand RUB)	15 575	13 121

	Share of monthly income:	
Time to contractual end date:	31.12.2019	31.12.2018
Less than 1 year	10 280 (66%)	7 217 (55%)
Between 1 and 2 years	935 (6%)	918 (7%)
Between 2 and 3 years	467 (3%)	1 575 (12%)
Between 3 and 4 years	0 (0%)	0 (0%)
Between 4 and 5 years	3 894 (25%)	3 411 (26%)
Over 5 years	0 (0%)	0 (0%)
Sum	15 575 (100%)	13 121 (100%)

10. Other financial assets and liabilities

000 USD
GROUP

Financial lease	31.12.2019	31.12.2018
Land plot leases	–134	-119
Sum derivative liabilities not designated as hedges	–134	-119
Total other financial liabilities	–134	-119

Information concerning land plot lease agreement:

- End date of agreement: 30.07.2051
- Total annual rental payment (thousand RUB): 1,262
- Principal amount (thousand RUB): 8,267
- Annual interest rate: 16%

Interest bearing loans	31.12.2019	31.12.2018
Interest bearing loans	19 917	18 678
Total interest bearing loans	19 917	18 678

Storm Real Estate ASA terminated its interest rate swaps in 2018 according to agreement with the bank. Hence, as at 31 December 2019 the Group no longer had any interest rate swaps.

11. Fair value hierarchy

The below table shows an analysis of fair values of assets and liabilities in the group, grouped by level in the fair value hierarchy, which either are measured at fair value or where information about the fair value is provided.

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.

Assets measured at fair value	Level 1	Level 2	Level 3	Sum
Investment property (*)	0	0	24 891	24 891
Sum	0	0	24 891	24 891

(*) See Note 6 for information regarding fair value of investment properties

Comparison by class

The classification and measurement requirements of IFRS 9 did not have a significant impact for the Group. The Group continued measuring land plot lease at fair value as previously under IAS 39. Receivables are held to collect contractual cash flows and give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Hence, they are classified as Financial assets at amortised cost.

Interest-bearing loans and borrowings, Trade liabilities and Other short-term liabilities are classified and measured as Debt instruments at amortised cost beginning 1 January 2019.

In accordance with IFRS 9	Carrying amount		Fair value	
Financial assets	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Other receivables	512	116	512	116
Cash and cash equivalents	861	500	861	500
Sum	1 373	616	1 373	616

In accordance with IFRS 9	Carrying amount		Fair value	
Financial liabilities	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Interest-bearing loans and borrowings	19 917	18 678	19 917	18 678
Trade liabilities	50	53	50	53
Other financial liabilities	1 256	676	1 256	676
Sum	21 222	19 407	21 222	19 407

In the case of a forced sale of the Gasfield building within a short period of time, the board believe that the bank will not recover the total amount of the debt.

Cash and cash equivalents include restricted cash of 238 (2018: 238).

12. Bank loan

Interest bearing borrowings at amortised cost	Interest	Maturity	31.12.2019	31.12.2018
			000 USD GROUP	
Secured bank loan	LIBOR + margin	June 2020	19 917	18 678
Sum interest bearing borrowings at amortised cost			19 917	18 678

Nominal value

The nominal value of the bank loan as at 31 December 2019 was 19,917 and as at 31 December 2018 was 18,678. No fair value adjustment to the bank debt has been made as the value of the investment property exceeds the loan value.

Security

The investment property Gasfield in Moscow is pledged as security for the bank loan, book value 24,891.

Interest margin

The interest on the loan is calculated based on 3 month USD LIBOR plus the following margins:

For loan to value up to 50%	4,50 %
For loan to value up to 55%	4,75 %
For loan to value up to 60%	5,00 %
For loan to value up to 65%	5,50 %
For loan to value up to 70%	6,00 %
For loan to value over 70%	8,00 %

Since September 2018 the Company has not had the ability to fulfil its loan obligations, hence, it has entered into negotiations with Swedbank AB and other relevant stakeholders with the aim to refinance its interest-bearing debt. During the negotiations, the parties have entered into several standstill agreements in order to have sufficient time to achieve a good outcome for all.

On 27 June 2019 the company entered into a conditional agreement with Swedbank AB and Aconcagua Management Ltd. The agreement outlines a long-term financial solution where the company will seek to refinance a share of the current debt to Swedbank in another bank. The remaining part of the debt will then be sold to Aconcagua Management Ltd at an agreed price. Aconcagua Management Ltd is the largest shareholder in Storm Real Estate ASA and is owned by Morten E. Astrup. The agreement is conditional upon achieving satisfactory terms on the financing from the other bank. Since it entered into the agreement, the company has been working on the refinancing of a share of the current debt with a local Russian bank. This process has had a slow progression, hence there have been many extensions of the conditional agreement. Still, the board find it likely that the ongoing process will lead to a successful refinancing of the Group. According to the latest extension, the agreement will lapse at the latest on 10 June 2020. If the refinancing plan is completed, the Group will have capacity to continue its operations. The board has initiated measures to ensure equal treatment of the shareholders.

The amended terms include:

– postponement of the maturity date to 10 June 2020
– no amortisation up to and including 10 June 2020
– waiving of covenants up to and including 10 June 2020
– termination of all interest rate swap agreements
– payment of interests according to ability

As a result of the amended terms the Company has had the following interest costs and payments in 2019 (000 USD):

Loan period	Interest cost	Interest payment	Accumulated unpaid interests
H1	789	150	639
H2	599	0	599
2019	1 388	150	1 238

13. Other receivables

		000 USD
		GROUP
Other receivables	31.12.2019	31.12.2018
Taxes receivable *	256	69
Other receivables	486	75
Sum other receivables	742	144

See note 11 for more information concerning the value of the trade receivables.
**) The Russian entity has a VAT receivable.*

14. Finance income and costs

		000 USD
Finance income and costs from continuing operations:		GROUP
Finance income	2019	2018
Interest income	11	76
Changes in fair value, financial derivatives over profit and loss	3 700	528
Sum finance income	3 711	605

		GROUP
Finance costs	2019	2018
Interest costs from loans measured at amortised cost	–1 405	–1 802
Other finance costs	–116	0
Sum finance costs	–1 521	–1 802

		GROUP
Foreign exchange gains and losses	2019	2018
Foreign exchange gains	615	97
Foreign exchange losses	–120	–160
Sum foreign exchange gains and losses	496	–62

Net finance gains (losses), continuing operations	2 686	–1 259

Finance income and costs from discontinued operations:	2019	2018
Net Currency Gain (Loss)	0	0
Fair Value Adjustment, Financial Investments	0	0
Net Finance Gains (Losses) discontinued operations	0	0

15. Other operating expenses

000 USD

Other operating expenses	GROUP 2019	2018
Management fees (*)	342	377
Legal, agency and consultancy fees	162	251
Accounting	70	78
Auditors	135	171
Other operating expenses	79	88
Depreciation	2	3
Sum other operating expenses	791	969

(*) see further details about management fees in notes 16 and 21.

Auditor fees *(auditor fees are quoted excl.vat)*	GROUP 2019	2018
Audit fees	135	138
Other services	0	33
Sum auditor expenses	135	171

16. Personnel costs

000 USD

Personnel costs	GROUP 2019	2018
Salaries and bonuses	202	171
Board fees	59	59
Social security taxes	49	50
Sum personnel costs	310	280
Number of employees	5	6
Average number of employees	5	6

There are no pension schemes in the group. There are no employees in the Norwegian parent company, and therefore no obligation for the Norwegian mandatory pension scheme (OTP).

The company does not have employed management, but is managed by Storm Capital Management Ltd on a asset management contract. For this the company has paid a management fee. See note 21 Related Party transactions. Also see note 8 to the parent company's accounts for a list of board fees.

17. Other current liabilities

000 USD

	GROUP 2019	2018
Taxes payable	284	173
Advance rents received	430	225
Other current liabilities	417	132
Sum other current liabilities	1 131	529

18. Income tax

000 USD

		GROUP
Tax recognised over consolidated income statement	2019	2018
Current income tax	50	-6
Movement in deferred tax	285	-116
Sum income tax	335	-122

		GROUP
The tax on the group's profit before tax differs from the theoretical amount as follows:	2019	2018
Profits before tax	21	-8 668
Tax at domestic tax rates applicable to respective countries	-25	-2 123
Tax effects of:		
FX variations between functional currency and tax currency	64	-457
Income not subject to tax	-147	-796
Expenses not deductible for tax purposes	79	2 778
Withholding tax from foreign entities	0	40
Tax losses for current year not recognised	364	436
Sum income tax	335	-122

19. Deferred tax

000 USD

		GROUP
Deferred tax reversal	2019	2018
Deferred tax liabilities reversed in less than 12 months	0	0
Deferred tax liabilities reversed after more than 12 months	422	112
Net deferred tax liability	422	112

		GROUP
Deferred tax expense	2019	2018
Per 1 January	112	284
Charged over income statement in the period	285	-116
Charged over comrehensive income in the period	25	-56
Deferred tax liability as per 31 December	422	112

19. Deferred tax (continued)

000 USD

Movements in deferred tax / deferred tax assets (without netting of assets and liabilities)

Deferred tax assets	C/forward losses	Receivables	Non current assets and liabilities	Other	Sum
31 December 2017	0	0	0	0	0
Change in deferred tax assets	2 289	0	1 419	0	3 709
Change in deferred tax assets not recognised	-2 289	0	-1 419		-3 709
31 December 2018	0	0	0	0	0
Change in deferred tax assets	2 629	0	1 339	0	3 968
Change in deferred tax assets not recognised	-2 629	0	-1 339		-3 968
31 December 2019	0	0	0	0	0
Deferred tax					
31 December 2017	0		-385		-385
Change in deferred tax liabilities	0	0	497	0	497
31 December 2018	0	0	112	0	112
Change in deferred tax liabilities	0	0	310	0	310
31 December 2019	0	0	422	0	422
Net deferred tax assets/liabilities 2018 (recognised)	0	0	-112	0	-112
Net deferred tax assets/liabilities 2019 (recognised)	0	0	-422	0	-422

000 USD

20. Earnings per share

GROUP

Basic and diluted earnings per share	2019	2018
Net profit attributable to ordinary equity holders of parent company (000 USD)	-314	-3 046
Weighted average number of shares	8 834 563	88 345 623
Net profit per share attributable to ordinary equity holders (1 USD)	-0,04	-0,03

GROUP

Basic and diluted Total comprehensive income per share	2019	2018
Total comprehensive income (000 USD)	2 081	-7 334
Weighted number of shares	8 834 563	88 345 623
Total comprehensive income per share (1 USD)	0,24	-0,08

21. Related party transactions

000 USD

The Group has had an asset management agreement with Storm Capital Management Ltd until 30 September 2019. From 1 October 2019 the Group signed a similar agreement with Storm Norge AS due to Storm Capital Managemet Ltd moving its business to Norway. Board member Morten E. Astrup is sole shareholder of Storm Capital Management Ltd and Storm Norge AS.

The agreed fee for the asset management services is NOK 250k per month. In 2018 an error from 2016 was corrected, resulting in an annual fee of app. NOK 3,090k instead of NOK 3,000k.

Due to the liquidity situation in the Group, it has been agreed that only half of the fee is payable each month. The remaining unpaid fee accumulate as an unsecured liability in the balance sheet of Storm Real Estate ASA. As at 31 December the accumulated debt amounted to NOK 2,000,000. Since Storm Capital Management Ltd is to be liquidated, Aconcagua Management Ltd (Wholly owned by Morten E. Astrup) has purchased its receivable towards Storm Real Estate.

From 1 January 2019, Storm Capital Management Ltd and later Storm Norge AS perform all services covered by the asset management agreement in house, including services previously delivered by KPMG Norway. Surfside Holding AS (wholly owned by Morten E. Astrup) has assisted Storm Capital Management Ltd and Storm Norge on certain accounting related tasks, and has invoiced Storm Real Estate directly for these services.

		GROUP
Transactions with related parties	2019	2018
Storm Capital Management Ltd. - asset management fee	259	377
Storm Norge AS - asset management fee	83	0
Surfside Holding AS - accounting services	36	0
Total related party transactions	378	377

22. Shareholder capital and shareholders

Information regarding this is included in the note regarding the parent company. See note 12 to the financial statements of Storm Real Estate ASA.

23. Operating segments and discontinued operations

Currently, the Company operates in only one segment – Russian real estate.

24. Changes in liabilities arising from financing activities

000 USD

Pursuant to amendments to IAS 7, the Group is from 2017 required to disclose changes in liabilities arising from financing activities. Loans from credit institutions are presented as Interest bearing loans and Accrued interest.

	31.12.2018	Cash flows	Other	31.12.2019
Interest bearing loans - non-current	119	0	14	134
Interest bearing loans - current	18 143	0	0	18 143
Accrued interest	535	-150	1 389	1 774
Total liabilities from financing activities	18 797	-150	1 403	20 051

	31.12.2017	Cash flows	Other	31.12.2018
Interest bearing loans - non-current	18 016	0	-17 897	119
Interest bearing loans - current	300	0	17 843	18 143
Accrued interest	51	-51	535	535
Total liabilities from financing activities	18 366	-51	481	18 797

The 'Other' column includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings, including the effect of accrued but not yet paid interest on interest-bearing loans and borrowings, and the effect of non-cash flow amortisation of borrowing costs.


БАНК СОВЕТСКИЙ

Statement of comprehensive income

Storm Real Estate ASA

All numbers in 000 USD	Note	2019	2018
Other income		0	0
Total income		0	0
Personnel expenses	8	-67	-69
Other operating expenses	7	-680	-697
Total operating expenses		-746	-767
Operating profit (loss) before fair value adjustments		-746	-767
Finance revenues	6	4 267	3 577
Finance expenses	6	-1 389	-9 733
Currency exchange gains (losses)	6	457	-843
Net financial gains (losses)		3 336	-6 998
Earnings before tax (EBT)		2 589	-7 765
Income tax expense	10,11	-97	-40
Profit (loss) for the period		2 492	-7 805
Other comprehensive income:			
Translation differences from foreign operations		0	0
Other comprehensive income, net of tax		0	0
Total Comprehensive income for the period		2 492	-7 805

Statement of financial position

Storm Real Estate ASA

per 31 December

All numbers in 000 USD	Note	31.12.19	31.12.18
ASSETS			
Non-current assets			
Investment in subsidiaries	2	20 144	16 444
Loans to subsidiaries	13	4 242	3 795
Total non-current assets		24 386	20 239
Current assets			
Receivables from group companies	13	114	441
Other receivables	5	8	10
Cash and cash equivalents	13	580	401
Total current assets		702	852
TOTAL ASSETS		25 088	21 091
EQUITY AND LIABILITIES			
Paid-in equity			
Ordinary shares	12	405	405
Share premium		25 206	25 206
Other paid-in equity		56 600	56 599
Total paid-in equity		82 211	82 210
Other equity			
Other equity		-77 491	-79 980
Total other equity		-77 491	-79 980
TOTAL EQUITY		4 721	2 229

All numbers in 000 USD	Note	31.12.19	31.12.18
Non-current liabilities			
Loans from group companies	13	39	37
Deferred tax liabilities	11	0	0
Total non-current liabilities		39	37
Current liabilities			
Trade liabilities		22	6
Corporate tax payable	10	0	0
Loans from credit institutions	4	19 917	18 678
Payables to group companies	13	26	26
Other short-term liabilities	9	363	115
Total current liabilities		20 328	18 825
TOTAL LIABILTIES		20 367	18 862
TOTAL EQUITY AND LIABILITIES		25 088	21 091

Oslo, 30 April 2020

The Board of Directors and Interim General Manager of Storm Real Estate ASA

Stein Aukner Chairperson	Morten E. Astrup Board member	Nini E.H. Nergaard Board member
Kim Mikkelsen Board member	Anna Musiej Aanensen Board member	Kristoffer Holmen Interim General Manager

Statement of cash flows

Storm Real Estate ASA

for the period 1 January - 31 December

All numbers in 000 USD	Note	2019	2018
Cash Flow from operational activities			
Earnings before tax		2 589	-7 765
adjusted for			
finance income	6	-4 267	-3 577
finance expenses	6	1 486	9 773
net currency gains		-457	843
Cash Flow before changes in working capital		-649	-726
Change in working capital:			
trade receivables and other receivables		2	81
trade payables and other payables		95	7
Intra-group payables		3	-2 479
paid taxes		-97	-40
Net cash flow from operational activities		-646	-3 157
Net cash flow from investment activities			
Net payments in/out from intra-group loans		975	402
Dividends received		0	2 475
Interest received		6	0
Net cash flow from investment activites		981	2 877
Cash flow from financing activities			
Dividends paid			
Interest paid		-150	-1 232
Net cash flow from financing activities		-150	-1 232
Net change in cash and cash equivalents		185	-1 511
Carried forward cash and cash equivalents		401	1 891
Currency exchange variation on cash and cash equivalents		-6	21
Cash and cash equivalents at end of period		580	401
Including restricted cash and deposits		237	237

Statement of changes in equity

Storm Real Estate ASA

All numbers in 000 USD	Paid-in Equity			Other Equity	
	Share Capital	Share Premium	Other Paid-in Equity	Retained Earnings / losses	Total Equity
1 January 2018	4 575	21 036	56 605	-72 178	10 039
Reduction of share capital	-4 170	4 170			-
Profit (loss) for the period				-7 804	-7 804
Issue cost (2017)			-6		-6
Sum	-4 170	4 170	-6	-7 804	-7 810
31 December 2018	405	25 206	56 600	-79 982	2 229

	Paid-in Equity			Other Equity	
	Share Capital	Share Premium	Other Paid-in Equity	Retained Earnings / losses	Total Equity
1 January 2018	405	25 206	56 600	-79 982	2 229
Profit (loss) for the period				2 492	2 492
Sum	0	0	0	2 492	2 492
31 December 2019	405	25 206	56 600	-77 490	4 721

Notes Storm Real Estate ASA

1. Accounting Principles

Storm Real Estate ASA is a public limited liability company registered in Norway. Its head office is at Haakon VIIS gate 5, Oslo. Storm Real Estate ASA uses a simplified version of IFRS as accounting principle. There are no material effects in comparison with ordinary IFRS principles used in the Group. Also see note 3 to the consolidated accounts for further information on accounting principles.

Subsidiaries and investments in related companies are recognised at cost unless the value is considered to be impaired. A write-down to fair value will be done if the impairment is not considered temporary and impairment is considered required by IFRS. Write-downs will be reversed if the requirement for impairment is no longer present.

2. Investment in subsidiaries

000 USD

SRE ASA investment in subsidiaries	Location	Formed/ acquired	Ownership	Equity 31.12.2019	Book value SRE ASA 2019	Book value SRE ASA 2018
Gasor Consulting Ltd	Cyprus	2015	99 %	112	20 144	16 444
Tiberton Yard Holding 2 Ltd	Cyprus	2015	100 %	-19	0	0
Sum				93	20 144	24 444

Storm Real Estate Ltd has been deemed to be dissolved as from 23 October 2018.

SRE ASA (99%) and Tiberton Yard Holding 2 Ltd (1%) owns the shares in Gasor Consulting Ltd.
Gasor Consulting Ltd owns 100% of the shares in LLC Martex. LLC Martex owns and operates the Gasfield building (the investment property).

The parent company has in 2019 made an reversed impairment provision of MUSD 3.7 on the investment in Gasor Consulting Ltd.due to the increased
value of the underlying investment property.

3. Other financial assets and liabilities

000 USD

Interest bearing loans	31.12.2019	31.12.2018
Interest bearing loans	19 917	18 678
Total interest bearing loans	19 917	18 678

See note 4 below for further information on the interest bearing loans.

See note 4 below for further information on the interest bearing loans.

Interest rate swaps

Storm Real Estate ASA terminated its interest rate swaps in 2018 according to standstill agreement with the bank. Hence, as at 31 December 2019 the Company no longer had any interest rate swaps.

4. Fair value hierarchy

000 USD

The below table shows an analysis of fair values of assets and liabilities in the parent company, grouped by level in the fair value hierarchy, which either are measured at fair value or where information about the fair value is provided.

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 liabilties measured at fair value / where fair value must be presented	Level 1	Level 2	Level 3	Sum
Loans and borrowings	0	19 971	0	19 971
Sum	0	19 917	0	19 917

Loans and borrowings	Interest	Maturity	31.12.2019	31.12.2018
Secured bank loan - principal amount	LIBOR + margin	June 2019	18 143	18 143
Accumulated unpaid interests		June 2019	1 774	535
Sum Loans and borrowings			19 917	18 678

Security:
The investment property Gasfield in Moscow is pledged as security for the bank loan, book value 26,580.

Interest margin:
The interest on the loan is calculated based on 3 month USD LIBOR plus the following margins:

For loan to value up to 50%	4,50 %
For loan to value up to 55%	4,75 %
For loan to value up to 60%	5,00 %
For loan to value up to 65%	5,50 %
For loan to value up to 70%	6,00 %
For loan to value over 70%	8,00 %

Since September 2018 the Company has not had the ability to fulfil its loan obligations, hence, it has entered into negotiations with Swedbank AB and other relevant stakeholders with the aim to refinance its interest-bearing debt.

Please see note 12 to the consolidated accounts for more information concerning this.

5. Trade and other receivables

000 USD

		SRE ASA
Other receivables	31.12.2019	31.12.2018
Taxes receivable	0	0
Other receivables	8	7
Sum other receivables	8	7

6. Finance income and costs

000 USD

		SRE ASA
Finance income	2019	2018
Interest income	6	7
Interest gains from group companies	561	567
Dividends from subsidiaries	0	2 475
Changes in fair value, financial derivatives over profit and loss	3 700	528
Sum finance income	4 267	3 577

Finance costs	2019	2018
Interest costs from loans measured at amortised cost	-1 389	-1 733
Impairment of investment in group companies	0	-8 000
Sum finance costs	-1 389	-9 733

Foreign exchange gains and losses	2019	2018
Foreign exchange gains	614	92
Foreign exchange losses	-157	-935
Sum foreign exchange gains and losses	457	-843

Net finance gains (losses)	3 336	-6 998

7. Other operating expenses

000 USD

Other operating expenses	SRE ASA 2019	2018
Management fees	342	377
Legal, agency and consultancy fees	125	43
Accouting	40	78
Auditors	99	133
Other operating expenses	73	66
Sum other operating expenses	680	697

Auditor fees *(auditor fees are quoted excl. vat)*	SRE ASA 2019	2018
Audit fees	99	100
Other services	0	33
Sum auditor expenses	99	133

8. Personnel costs

000 USD

Personnel costs	SRE ASA 2019	2018
Board fees	59	61
Social security taxes	8	9
Sum personnel costs	67	69

The parent company did not have any employees in 2018 or 2019 and therefore no pension scheme.
The interim general manager, Kristoffer Holmen, is an employee in Storm Norge AS (the asset manager of SRE) and receives his salary from this company. The asset management fee is set to cover these costs.

000 NOK

Board fees (incl fees for board committees) paid out in the year	SRE ASA 2019	2018
Stein Aukner, chairman of the board	250	250
Morten E. Astrup	0	0
Kim Mikkelsen	0	0
Nini H. Nergaard	125	125
Anna Musiej Aanensen	125	125
Christopher W Ihlen (former board member)		
Sum board fees	500	500

Board fees for 2017-2018:

Chairman of the board: 250.000 NOK
Board members: 125.000 NOK

Board fees for 2019-2020 are subject to approval by the Annual General Meeting in June 2020.

9. Other current liabilities

000 USD

	SRE ASA	
	2019	2018
Accrued expenses	228	65
Other current liabilities	135	50
Sum other current liabilities	363	115

10. Income tax

000 USD

	SRE ASA	
Tax recognised over income statement	2019	2018
Current income tax (withholding tax from other jurisdictions)	97	40
Movement in deferred tax	0	0
Sum income tax	97	40

Basis for taxation, parent company	2019	2018
Earnings before tax in functional currency USD	2 492	-7 805
FX variations between functional currency and tax currency	-1 583	9 178
Income and expenses not subject to taxation	-2 266	-4 804
Movement in temporary differences	-298	1 535
Tax losses for current year not recognised	1 654	1 897
Basis for taxation	0	0
Tax payable	0	0

11. Deferred tax

000 USD

			SRE ASA
Temporary differences, parent company	31.12.2019	31.12.2018	Change
Financial liabilties	6 086	6 451	-365
Receivables	0	0	0
Tax losses carried forward	11 952	10 406	1 546
Sum temporary differences	18 038	16 857	1 181
Tax rate	22 %	22 %	
Deferred tax asset (liability)	3 968	3 709	260
Deferred tax asset (liability) not recognised	-3 968	-3 709	-260
Recognised deferred tax asset (liability)	0	0	0

12. Share capital and shareholders

NOK

		SRE ASA
Share capital and nominal value	**31.12.2019**	**31.12.2018**
Shares issued	8 834 563	88 345 623
Nominal amount	0,20	0,02
Share capital	1 766 912	1 766 912

All shares are fully paid. There is only one share class. All shares have equal rights.

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.

12. Share capital and shareholders (continued)

NOK

Shareholder	Type	Country	Shares	%
ACONCAGUA MANAGEMENT LTD		Bermuda	2 388 040	27,03 %
JPMorgan Chase Bank N.A. London	NOM	United Kingdom	2 213 263	25,05 %
SIX SIS AG	NOM	Switzerland	855 496	9,68 %
BANAN II AS		Norway	289 529	3,28 %
PACTUM AS		Norway	279 150	3,16 %
AUBERT VEKST AS		Norway	249 591	2,83 %
ØSTLANDSKE PENSJONISTBOLIGER AS		Norway	154 569	1,75 %
ØRN NORDEN AS		Norway	108 229	1,23 %
HYGGEN		Norway	93 125	1,05 %
SAMSØ AS		Norway	89 169	1,01 %
MOTOR TRADE EIENDOM OG FINANS AS		Norway	86 682	0,98 %
ALBION HOLDING AS		Norway	74 763	0,85 %
Svenska Handelsbanken AB	NOM	Luxembourg	72 235	0,82 %
LANGBERG		Norway	70 000	0,79 %
TDL AS		Norway	47 625	0,54 %
FINANSFORBUNDET		Norway	41 665	0,47 %
BLAKSTAD MASKIN AS		Norway	33 817	0,38 %
LKG EIENDOM AS		Norway	30 392	0,34 %
EILERTSEN		Norway	30 392	0,34 %
BofA Securities Europe SA	NOM	France	29 041	0,33 %
Sum 20 largest shareholders			7 236 773	81,91 %
OTHER SHAREHOLDERS			1 597 790	18,09 %
Sum			8 834 563	100,00 %

** Nominee = Nominee Accounts; foreign institutions holding shares on behalf of clients.*
The shareholder list shows the shareholder register from VPS as at 31 December 2019.
Any trades via brokers before the closing date which is registered after the closing date is not reflected in the shareholder list.

>

Shares controlled by board members		Shares	%
Morten E. Astrup	via Aconcagua Management Ltd and Ørn Norden AS	2 496 269	28,26 %
Kim Mikkelsen	via Strategic Investments A/S	2 212 762	25,05 %
Stein Aukner	via Banan II AS and Aukner Holding AS	304 593	3,45 %
Sum		5 013 624	56,75 %

13. Related party transactions

000 USD

Storm Real Estate has had an asset management agreement with Storm Capital Management Ltd until 30 September 2019. From 1 October 2019 the Company signed a similar agreement with Storm Norge AS due to Storm Capital Managemet Ltd moving its business to Norway. Board member Morten E. Astrup is sole shareholder of Storm Capital Management Ltd and Storm Norge AS.

The agreed fee for the asset management services is NOK 250k per month. In 2018 an error from 2016 was corrected, resulting in an annual fee of app. NOK 3,090k instead of NOK 3,000k.

Due to the liquidity situation in the Company, it has been agreed that only half of the fee is payable each month. The remaining unpaid fee accumulate as an unsecured liability in the balance sheet of Storm Real Estate ASA. As at 31 December the accumulated debt amounted to NOK 2,000,000. Since Storm Capital Management Ltd is to be liquidated, Aconcagua Management Ltd (Wholly owned by Morten E. Astrup) has purchased its receivable towards Storm Real Estate.

During the refinancing period, Surfside Holding AS (wholly owned by Morten E. Astrup) has proved accounting services to Storm Real Estate.

The Company has earlier provided a loan to LLC Martex. The principal amount is RUB 264 187 101 and all interests were paid as at 31 December 2019. The interest rate is 13.5%. SRE will not demand amortization or interest payments unless there is sufficient liquidity in LCC Martex.

		SRE ASA
Transactions with related parties	2019	2018
Storm Capital Management Ltd. - asset management fee	259	377
Storm Norge AS - asset management fee	83	
Surfside Holding AS - accounting services	36	0
Total related party transactions	378	377

>

The parent had the following balances against group companies:		SRE ASA
Current receivables	31.12.2019	31.12.2018
Tiberton Yard Holding 2 Ltd	35	53
LLC Martex	0	386
Gasor Consulting Ltd	80	2
Sum current receivables from related parties	114	440
Non-current receivables	31.12.2019	31.12.2018
Gasor Consulting Ltd	0	0
LLC Martex	4 242	3 795
Sum non-current receivables from related parties	4 242	3 795
Current liabilities	31.12.2019	31.12.2018
Tiberton Yard Holding 2 Ltd	-26	-26
Sum current liabilities towards group companies	-26	-26
Non-current liabilities	31.12.2019	31.12.2018
Gasor Consulting Ltd	-39	-37
Sum current liabilities towards group companies	-39	-37
Net receivables (liabilities) , group companies	4 290	4 172

SRE ASA, Gasor Consulting Ltd and Tiberton Yard Holding 2 Ltd had a cash pool arrangement that was terminated in march 2019.

Statement by the Board of Directors and General Manager

The Board of Directors and the General Manager have today reviewed and approved the Board of Directors' report and the consolidated and separate financial statements for Storm Real Estate ASA and the Group for the 2019 calendar year as at 31 December 2019.

The consolidated financial statements have been prepared in accordance with IFRSs and related interpretations as adopted by the EU and additional disclosure requirements in the Norwegian Accounting Act and generally accepted accounting principles in Norway as at 31 December 2019. The Board of Directors' report for the Group and the Parent Company complies with the requirements in the Norwegian Accounting Act and Norwegian accounting standard no 16, as at 31 December 2019.

To the best of our knowledge:

- the consolidated financial statements and the Parent Company financial statements for 2019 have been prepared in accordance with applicable accounting standards;
- the consolidated and separate annual financial statements give a true and fair view of the assets, liabilities, financial position and loss as at 31 December 2019 for the group and the parent company, however see note 4.3, 4.4 and 5.2 in the consolidated statements;
- the Board of Directors' report provides a true and fair view of:
  - the development, results and position of the Group and the Parent Company
  - the principal risks and uncertainties to which the Group and the Parent Company are subject.

Oslo, 30 April 2020

The Board of Directors and General Manager of Storm Real Estate ASA

Stein Aukner	Morten E. Astrup	Nini H. Nergaard
Chairman	Board member	Board Member
Kim Mikkelsen	Anna Musiej Aanensen	Kristoffer Holmen
Board Member	Board Member	Interim General Manager

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Storm Real Estate ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Storm Real Estate ASA comprising the financial statements of the parent company and the Group. The financial statements of the parent company comprise the statement of financial position as at 31 December 2019, the statement of comprehensive income, statements of cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements comprise the statement of financial position as at 31 December 2019, the statements of comprehensive income, cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion,

- the financial statements are prepared in accordance with the law and regulations
- the financial statements present fairly, in all material respects, the financial position of the parent company as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway
- the consolidated financial statements present fairly, in all material respects the financial position of the Group as at 31 December 2019 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

According to note 5.2 Going concern and events after the reporting period the Company is not able to fulfill its current debt obligations and is dependent on reaching a final agreement with its external lender, which is dependent on the Company reaching satisfactory terms on the financing from another bank. In case of a forced liquidation it is likely that the liquidation value will be below carrying value of the building. This indicates that a material uncertainty exists that casts significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2019. In addition to the matter(s) described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Valuation of investment property (Group) and investment in subsidiaries (parent company)

The Group's investment property, Gasfield in Moscow, is recognized at fair value, amounting to kUSD 24 891 or 94% of the Group's statement of financial position as of 31 December 2019. For the parent company, the book value of investments in subsidiaries was kUSD 20 144. The Group uses an external appraiser to value the property. The valuation of the Groups investment property in Moscow is dependent on a range of estimates such as rental income, vacancy rates, operating expenses, capital expenditures, discount rate and exit yields, currency exchange rates and property tax. The fair value of the investment property is similarly a key input in the impairment valuation of shares in subsidiaries. The valuation of the investment property is a key audit matter due to its magnitude, the uncertainty of the estimates and the complexity of the calculation

We evaluated the professional qualifications and objectivity of the appraiser used by management. We obtained an understanding of the nature of the work performed, which included an evaluation of the objectivity and scope, including the methods and assumptions applied. We discussed the estimates and the movements in the fair value of the investment property with management and the external appraiser. We evaluated assumptions used in the valuation (the discount and terminal capitalization rate, expected occupancy rate and rentals, forecasts of rental income, cadastral values and operating expenses) by comparing them to analysts' expectations, the Company's budget and historical performance. We involved our valuation experts to evaluate the assumptions used in estimating the fair value of investment property. Further, we tested the mathematical accuracy of the valuation model.

We refer to the Company's disclosures included in Note 3 Summary of significant accounting principles (section 3.1) and note 6 Investment Properties in the consolidated financial statements about the valuation model, key assumptions and estimation uncertainty and note 2 in the parent company financial statements.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and General Manager (management) are responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the parent company and International Financial Reporting Standards as adopted by the EU for the financial statements of the Group, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report and on the statements on corporate governance and corporate social responsibility

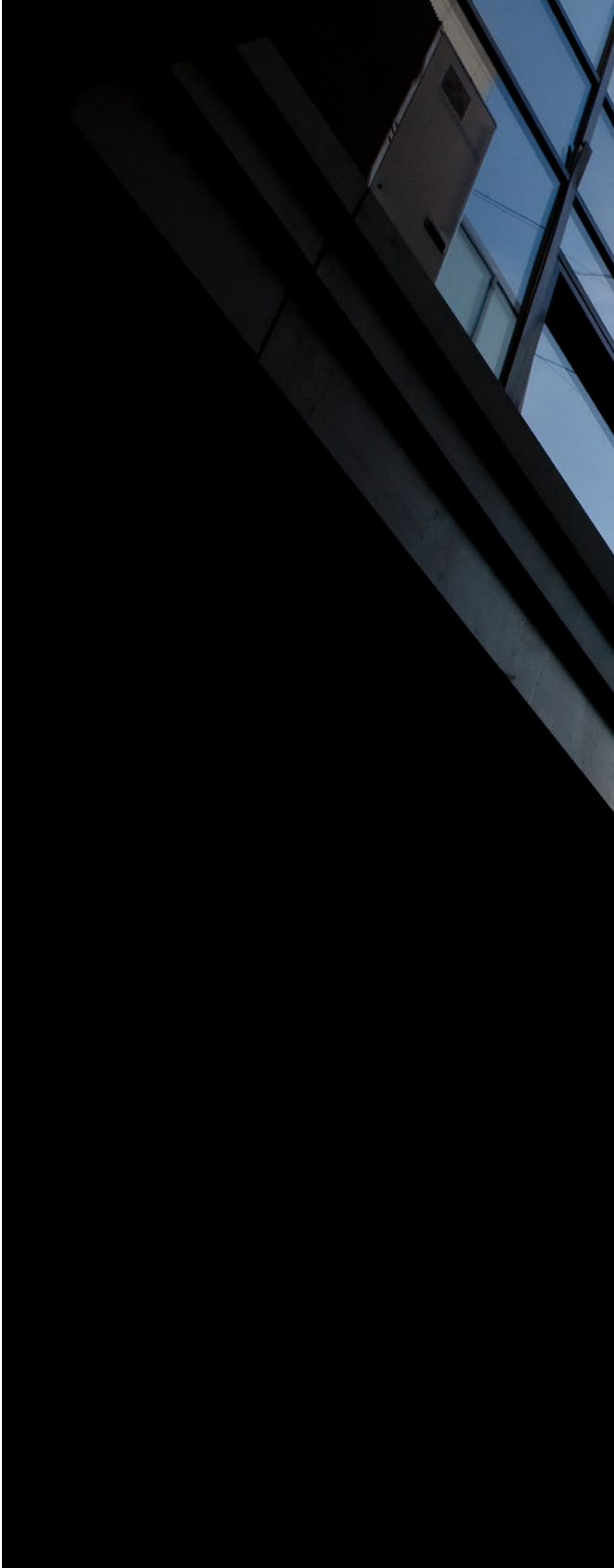
Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on corporate governance and corporate social responsibility concerning the financial statements, the going concern assumption and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 30 April 2020
ERNST & YOUNG AS

Kristin Hagland
State Authorised Public Accountant (Norway)



STORM
real estate asa

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APPENDIX C

Q2 INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTH PERIOD ENDED 30 JUNE 2020

H1

Storm Real Estate ASA
Interim report
January – June 2020

STORM
real estate asa

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:				
Items that are reclassified from Equity to income statement in subsequent periods:				
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 Activites		
Earnings before Tax	8,300	-632
Adjusted for:		
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**
Changes in Working Capital:		
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: Share Capital	Paid-in Equity: Share Premium	Paid-in Equity: Other Paid-in Equity	Other Equity: Retained Earnings	Other Equity: Translation Differences on Foreign Operations	Total Equity
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: Share Capital	Paid-in Equity: Share Premium	Paid-in Equity: Other Paid-in Equity	Other Equity: Retained Earnings	Other Equity: Translation Differences on Foreign Operations	Total Equity
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.

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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 regognised 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 tw o 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 tw o 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 w ith 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 accordin 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: RUB 16,000		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: RUB 14,000		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). 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		Norway	2,468,059	27.94%
JPMorgan Chase Bank N.A. London	Nominee	UK	2,219,057	25.12%
SIX SIS AG	Nominee	Norway	759,496	8.60%
BANAN II AS		Norway	289,529	3.28%
PACTUM AS		Norway	279,150	3.16%
AUBERT VEKST AS		Norway	249,591	2.83%
ØSTLANDSKE PENSJONISTBOLIGER AS		Norway	154,569	1.75%
MOTOR TRADE EIENDOM OG FINANS AS		Norway	86,682	0.98%
Svenska Handelsbanken AB	Nominee	Norway	72,235	0.82%
LANGBERG		Norway	70,000	0.79%
TDL AS		Norway	47,625	0.54%
FINANSFORBUNDET		Norway	41,665	0.47%
Theodorsen		Norway	40,951	0.46%
FLAGE INTERIØR AS		Norway	40,000	0.45%
BLAKSTAD MASKIN AS		Norway	33,817	0.38%
SANDØY		Norway	32,901	0.37%
ALBION HOLDING AS		Norway	31,554	0.36%
LKG EIENDOM AS		Norway	30,392	0.34%
EILERTSEN		Norway	30,392	0.34%
VENÅSEN		Norway	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 w holly ow ned by Morten E. Astrup (the largest shareholder in Storm Real Estate ASA).
**Surfside Holding AS is w holly ow ned 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 liabillities

	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.

Statement from the Board and general manager

We confirm that the financial statement for the period 1 January to 30 June 2020 to the best of our knowledge, is prepared in accordance with *IAS 34 Interim Report* and that the above report 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, 28 September 2020

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 Former board member (Resigned on 22.09.2020)	Anna M Aanensen Board member	Kristoffer Holmen Interim General Manager

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APPENDIX D

Q3 INTERIM FINANCIAL STATEMENTS FOR THE 9 MONTH PERIOD ENDED 30 SEPTEMBER 2020

9M

Storm Real Estate ASA
Interim report
January – September 2020

STORM
real estate asa

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. NOK	**Unaudited 9M 2020**	**Unaudited 2019**
Total Comprehensive Income	+31.2	+19.9

Summary of the largest major items in the P&L:

NOI from investment property	+9.5	+14.4
Value change investment property	-2.6	+8.4
Other operational expenses	-3.4	-6.9
Borrowing costs	-10.3	-12.0
Currency gain / loss	-16.6	-1.6
Fair value adjustment bank loan (see note 3)	+88.3	0.0
Taxes	+0.0	-2.9

Financial information

(all following numbers are in NOK unless otherwise indicated)

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 10.
- The current occupancy rate in the Gasfield building, the Group's only income source, is 97%, divided on 76 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 still 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 2020.
- On 17 November 2020 Storm Real Estate announced the conditional agreement to acquire all the shares in KMC Properties AS. Please see the public announcement on newsweb.no (https://newsweb.oslobors.no/message/518197). KMC Properties AS ("KMC Properties") is a privately owned real estate company that at the time of completion of the Transaction will own 39 industrial properties in 5 countries in the Nordics and in the Netherlands with a combined value of approximately NOK 3 billion. The properties have long lease agreements and solid tenants. KMC Properties is currently owned by EBE Eiendom AS ("EBE") (51%), a company controlled by the Bekken and the Thoresen family, and Kverva Industrier AS ("Kverva") (47%), as well as certain minority shareholders (2%). The combined entity will have a strong platform to execute on a pipeline of attractive growth opportunities. The ambition is to become the preferred partner and market leader within industrial real estate properties for selected industries, as well as a listed and liquid share as a valuable currency for further growth. For further information, please see the public announcements on newsweb.no.
- As part of the transaction mentioned above, the ten largest shareholders in Storm Real Estate will acquire the Company's outstanding debt towards Swedbank AB in accordance with the refinancing agreement dated 27 May 2020 and certain additional conditions set by the board of Storm Real Estate, following which the outstanding debt will be converted to approx. 26.8 million new shares in Storm Real Estate at a conversion price of NOK 7 per share.
- **The Company has changed its presentation currency from USD to NOK, please see note 2.**

Income statement

- The total comprehensive income for the first nine months in 2020 was +31.2 million, compared to 19.9 million in 2019.
- The change in carrying value of the investment property Gasfield effected the total comprehensive income by -2.6 million (2019: +8.4 million).
- Revenues from the investment property Gasfield were +17.1 million (2019: +25.6 million).
- Borrowing costs were 10.3 million in the period (2019: 12.0 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 + 85.1 million (including currency gains/losses), please see note 4 for more information.

Balance sheet

- The investment property Gasfield is recorded at 184.1 million. The building's valuation, in accordance with valuation obtained from an independent valuer, is 183.1 million. In addition, values of land leases are recognised with 1.0 million. In the board's view this value is conditional upon a long-term perspective. The board believe the new agreement concerning KMC Properties AS will prevent a forced sale of the building.
- The fair value adjustment of the bank loan, see note 4, reduced the value of the bank loan in the balance sheet from 197.7 million (USD 20.9m) to 112.6 million (USD 11.8m), hence the financial income of 88.3 million (85.1 million including currency effects).
- On the closing date, the Group had a cash balance of 8.5 million.
- The Group's equity ratio is 36.7% as at 30 Septemeber 2020.
- The loan-to-value of the Gasfield bank loan is currently 61.2%.
- The working capital ratio (excl. prepaid tax) is currently at 1.73.
- The Company's NAV per share is NOK 8.2 as at 30 September 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 NOK 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 NOK	*9M 2020*	*2019*
Over income statement	*-2.6*	*+8.4*
Translation difference over Other Comprehensive Income	*-31.8*	*+24.1*
Sum value adjustments properties	*-34.4*	*+32.5*

The board believe the acquisition of KMC Properties AS will transform the company to a solid industrial real estate company with strong financing. Hence, the interim reporting is prepared under the assumption of going concern

For further business risks than described above, please refer to the company's annual report for 2019 and public announcements from 17 November 2020 and later.

Oslo, 18 December 2020,

The Board of Directors,
Storm Real Estate ASA

The company's investment areas

Real Estate in Russia (Gasfield, Moscow)

Macro snapshot

- Russia is less affected by the Covid-19 pandemic than anticipated, however the experts predict a slow recovery.
- Expected GDP growth in 2020 is -4.7%
- Unemployment is at 5.7%.
- The Central Bank has reduced the key rate to 4.25%. The key rate is down 6.25 percentage points in 4 years (*The Central Bank of Russian Federation, 14.12.2020)*.
- Expected CPI in 2020 is 3.7%.
- Foreign investment in Russia is still low.

Real Estate Market

- Demand: Take-up in Moscow (lease and sale deals) was at 1.1 million sq. m so far in 2020, down 25% compared to the same period in 2019.
- There was a negative absorption of 0.4 million sq. m in the first nine months of 2020.
- Increased focus on class B properties due to the pandemic.
- Vacancy: Vacancy rate for class B was at 11.3% in October 2020 (14.1% for class A).
- Rental rates: Average rental rate for class B is RUB 16,373 /sq./m/year so far in 2020 (RUB 16,113 in 2019). In the short-term (1-2 quarters), rental rates are predicted to be stable. In the mid-term (2-3 years), rental rates are predicted to correlate with the inflation (3-5%).
- 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 September 2020: Cushman & Wakefield, Trading Economics, Ministry of Economic Development, Oxford Economics

Interim Consolidated Statements of Comprehensive Income

All numbers in 000 NOK	Note	Unaudited 9M 2020	Unaudited 2019
Rental income	3	17,112	25,557
Total Income		**17,112**	**25,557**
Property related Expenses	3	-7,601	-11,137
Personnel Expenses		-1,823	-2,710
Other Operational Expenses	8	-3,426	-6,931
Total Operational Expenses		**-12,850**	**-20,777**
Operating Profit (Loss) Before Fair Value Adjustments		**4,262**	**4,780**
Fair Value Adjustments on Investment Property	3	-2,573	8,372
Total Operating Profit (Loss)		**1,689**	**13,152**
Finance Income	6	88,434	101
Finance Expenses	6	-10,885	-13,149
Currency Exchange Gains (Losses)	6	-16,569	-1,589
Net Financial Gains (Losses)		**60,981**	**-14,637**
Earnings before Tax (EBT)		**62,670**	**-1,485**
Income Tax Expenses		44	-2,949
Profit (loss), attributable to owners of parent		**62,714**	**-4,435**
Profit (loss), attributable to non-controlling interests		**-**	**-**
Other Comprehensive Income:			
Items that are reclassified from Equity to income statement in subsequent periods:			
Items that may be recycled to profit or loss	3	-31,500	24,336
Other comprehensive income for the period, net of tax		**-31,500**	**24,336**
Other comprehensive income, attributable to owners of parent		**31,215**	**19,901**
Other comprehensive income, attributable to non-controlling interests		**-**	**-**
Earnings per share (EPS), attributable to owners of parent			
Weighted average number of shares (after share split in July 2019)		8,834,563	8,834,563
Basic and Diluted earnings per share (NOK)		7.10	-0.50
Basic and Diluted Total Comprehensive Income per share (NOK)		3.53	2.25

Interim Consolidated Statements of Financial Position

All numbers in 000 NOK	Note	Unaudited 30.09.2020	Unaudited 31.12.2019
Fixed Assets			
Investment Property	3	184,146	218,550
PP&E		42	26
Sum Fixed Assets		**184,188**	**218,577**
Current assets			
Pre-paid income tax		-	2,244
Other Current Receivables		5,487	4,270
Cash and Cash Equivalents	5	8,495	7,562
Total Current Assets		**13,982**	**14,076**
Total Assets		**198,170**	**232,653**
Paid-in Equity			
Share Capital	7	1,767	1,767
Share Premium		158,587	158,587
Other Paid-in Equity		340,303	340,303
Total Paid-in Equity		**500,657**	**500,657**
Other equity			
Other equity		-428,014	-459,229
Total other equity		**-428,014**	**-459,229**
Total Equity		**72,643**	**41,428**
Non-current liabilities			
Loans from Credit Institutions	4	-	-
Deferred Tax Liabilities		2,845	3,707
Financial Derivative Liabilities	5	-	-
Other Long-term Liabilities	5	1,970	2,274
Total non-current liabilities		**4,815**	**5,981**
Current liabilities			
Trade Payables		18	435
Loans from Credit Institutions	4	112,625	174,875
Other Current liabilities		8,069	9,933
Total Current liabilities		**120,712**	**185,243**
Total Liabilities		**125,527**	**191,224**
Total Equity and Liabilities		**198,170**	**232,653**

Interim Consolidated Statements of Cash Flows

All numbers in 000 NOK	Unaudited 9M 2020	Unaudited 2019
Cash Flow from Operational Activites		
Earnings before Tax	62,670	-1,485
Adjusted for:		
Depreciations	12	18
Value Adjustments on Investment Property	2,573	-8,372
Financial Income	-88,434	-101
Financial Expenses	10,885	13,149
Net Currency Gains	16,756	1,473
Cash Flow Before Changes in Working Capital	**4,461**	**4,681**
Changes in Working Capital:		
Trade Receivables and Other Receivables	1,027	-3,455
Trade Payables and Other Payables	-2,599	4,871
Paid Taxes	-346	-852
Net Cash Flow From Operating Activities	**2,543**	**5,245**
Cash Flow From Investment Activities		
Outflows from Investments in fixed assets	-26	-237
Interest Received	127	101
Net Cash Flow From Investment Activities	**101**	**-136**
Cash Flow From Financing Activities		
Changes in Other Long-term Liabilities	-304	-37
Interest Paid	-862	-1,593
Net Cash flow From Financing Activities	**-1,166**	**-1,630**
Net Change in Cash and Cash Equivalents	**1,478**	**3,478**
Carried Forward Cash and Cash Equivalents	5,303	2,256
FX movements on opening balance	-545	-263
Cash and Cash Equivalents on Closing Date	**6,236**	**5,470**
Restricted Cash and Cash Equivalents not included above	2,259	2,092

Interim Consolidated Statement of Changes in Equity

All numbers in 000 NOK	Paid-in Equity - unaudited			Retained Earnings - unaudited	Other Reserves - unaudited	
	Share Capital	Share Premium	Other Paid-in Equity	Retained Earnings	Translation Differences on Foreign Operations	Total Equity
1 January 2019	**1,767**	**158,587**	**340,303**	**-479,130**	**-**	**21,528**
Profit (Loss) for the Period				-4,435		-4,435
Other Comprehensive Income					24,336	24,336
Sum	-	-	-	-4,435	24,336	19,901
31 December 2019	**1,767**	**158,587**	**340,303**	**-483,564**	**24,336**	**41,428**

	Paid-in Equity - unaudited			Retained Earnings - unaudited	Other Reserves - unaudited	
	Share Capital	Share Premium	Other Paid-in Equity	Retained Earnings	Translation Differences on Foreign Operations	Total Equity
1 January 2020	**1,767**	**158,587**	**340,303**	**-483,564**	**24,336**	**41,428**
Profit (Loss) for the Period				62,714		62,714
Other Comprehensive Income					-31,500	-31,500
Sum	-	-	-	62,714	-31,500	31,215
30 September 2020	**1,767**	**158,587**	**340,303**	**-420,850**	**-7,164**	**72,643**

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 current principal activity of the company is investment in yielding properties in Russia. However, the Company has entered into a transformative agreement to form a combined entity with KMC Properties, please see the public announcement on newsweb.no (https://newsweb.oslobors.no/message/518197).

2. **Basis of Preparation and Accounting principles**

Basis of Preparation

The interim financial statements for the period ending 30 September 2020 are prepared in accordance with the same principles as the Group's annual financial statements, but it is not prepared in accordance with the IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures as required in the annual financial statements, and therefore should be read in conjunction with the Group's annual financial statements for 2019. The interim condensed consolidated financial statements are unaudited. The interim condensed consolidated financial statements were approved by the Board of Directors on 18 December 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.

Previously the Company has presented its figures in USD. On 17 November 2020, the Board decided to change the presentation currency to NOK, due to the transaction concerning KMC Properties AS and the transformation resulting from this. The change was applied fully retrospectively back to 1 January 2019.

All notes are in NOK thousands, unless otherwise is 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 and the agreement concerning the acquisition of KMC Properties AS.

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3. Investment property

The Company has not obained an updated valuation of the Gasfield building as at 30 September 2020, hence the values as at 30 September 2020 are calculated using the values in RUB according the lates valuation report (30 June 2020) and currency rates as at 30 September 2020.

	30.09.2020	31.12.2019
Value of the Gasfield building as valued by an independent valuer:		
As at 1 January	217,374	185,065
Value Adjustment Investment *	-34,227	32,309
Value per Closing	183,147	217,374
Other assets regognised as part of Investment Property:		
As at 1 January	1,177	1,035
Changes in carrying value of land plot lease agreements **	-178	141
Value per Closing	999	1,177
Carrying value 01.01	**218,550**	**186,100**
Carrying value per Closing date	**184,146**	**218,550**

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

The fair value changes has tw o elements:

- Changes in the local functional currency (RUB) are presented in the income statement
- Translation differences in the Group presentation currency (NOK) are presented in the statement of comprehensive income.

The tw o effects are presented separately below :

	9M 2020	Full year 2019
Change in RUB over Income Statement	-2,573	8,372
Translation Differences over Comprehensive Income	-31,831	24,078
Net Change in Fair Value	-34,404	32,450

NOI from Properties	9M 2020	Full year 2019
Rental Income	17,112	25,557
Direct Property Related Expenses	-7,601	-11,137
NOI from Properties	9,511	14,420

** The Company has capitalised land plot lease agreements in accordance w ith IAS 40 *Investment Property* and IFRS 16.

Variables used by independent Valuar:	30.09.2020	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 accordin to Level 3 of the fair value analysis (see note 5).

3. Investment property (continued)

Sensitivity analysis at 30 June 2020, million RUB (by Cushman & Wakefield):

The company

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: RUB 16,000		**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: RUB 14,000		**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

Interest-bearing loans and borrowings :	30.09.2020	31.12.2019
Carrying amount	197,733	174,875
Fair value adjustment (including net cnurrency exchange gains/losses)	-85,108	0
Fair value	112,625	174,875

Interest margin:
The interest on the loan is calculated based on 3 month USD LIBOR plus the following margins:

For loan to value up to 50%	4.50%
For loan to value up to 55%	4.75%
For loan to value up to 60%	5.00%
For loan to value up to 65%	5.50%
For loan to value up to 70%	6.00%
For loan to value over 70%	8.00%

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). 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 September 2020 the original debt was USD 20,854,848. The continued standstill remains subject to certain conditions, see below.

Other amended terms include:
- Postponement of the maturity date to 30 June 2022
- No principal payments required to be paid 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 from its current business 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 agreement concerning KMC Properties AS, the bank loan is classified as 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 11.8m. As a new loan it shall be measured at fair value The change in value from face value to fair value (USD 9.1m/NOK 85.9m) 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 20,854,848 as at 30 September 2020 (translated to NOK 197,733,153 in the balance sheet).

The effect of the above is an increase in equity of approximately USD 9.1m/NOK 85.9m. 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 highly 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 coronavirus pandemic, could cause an increase in the discount rate and the capitalisation rate, and a decrease of the income level.

Swedbank has over time expressed its wish to exit the engagement as soon as possible, hence the fair value of the loan 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	30.09.2020	31.12.2019
Cash and Cash Equivalents	8,495	7,562
Land plot lease agreements (financial asset)	999	1,177
Other financial assets	5,487	4,270
Bank Loan (see note 4)	-112,625	-174,875
Land plot lease agreements (financial liability)	-999	-1,177
Other financial liabilities	-9,059	-11,466
Net Financial Assets and Liabilities	-107,702	-174,508

Cash and cash equivalents include restricted cash of 2,259 (2019: 2,092).

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)			999	999
Sum financial assets measured at fair value			**999**	**999**

Financial liabilities measured at fair value	Level 1	Level 2	Level 3	Sum
Land plot lease agreements (financial liability)			999	999
Bank Loan (see note 4)			112,625	112,625
Sum financial liabilities measured at fair value			**113,624**	**113,624**

6. Finance income and costs

Finance income and costs:

	9M 2020	Full year 2019
Currency		
Net Currency Gain (Loss)	-16,569	-1,589
Finance Revenues		
Interest Revenue	127	101
Fair Value Adjustment, bank loan (excluding net cnurrency exchange gains/losses)	88,307	-
Dividend income, Financial Investments	-	-
Other Financial Revenues	-	-
Sum	88,434	101
Finance Costs		
Interest Costs	-10,275	-11,987
Other Finance expenses	-610	-1,162
Sum	-10,885	-13,149
Net Finance Gains (Losses)	60,981	-14,637

7. Shareholder information

The 20 largest shareholders as at 30.09.2020

The list is as per the shareholders registered in VPS as 30.09.2020:
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	%
ABRA NORGE AS		Norway	2,900,000	32.83%
SURFSIDE HOLDING AS		UK	2,755,659	31.19%
BANAN II AS		Norway	289,529	3.28%
PACTUM AS		Norway	279,150	3.16%
AUBERT VEKST AS		Norway	249,591	2.83%
ØSTLANDSKE PENSJONISTBOLIGER AS		Norway	154,569	1.75%
JPMorgan Chase Bank N.A. London	Nominee	UK	107,808	1.22%
MOTOR TRADE EIENDOM OG FINANS AS		Norway	86,682	0.98%
Svenska Handelsbanken AB	Nominee	Norway	72,235	0.82%
ENGH		Norway	70,000	0.79%
LANGBERG		Norway	70,000	0.79%
TDL AS		Norway	47,625	0.54%
FINANSFORBUNDET		Norway	41,665	0.47%
GUNDERSEN		Switzerland	32,026	0.36%
LKG EIENDOM AS		Norway	30,392	0.34%
EILERTSEN		Norway	30,392	0.34%
VENÅSEN		Norway	30,000	0.34%
NORDNET LIVSFORSIKRING AS		Norway	29,374	0.33%
BRATTETVEIT AS		Norway	27,233	0.31%
DUK INVEST AS		Norway	27,088	0.31%
INGER M KRISTENSEN AS		Norway	27,088	0.31%
SUM 20 LARGEST			**7,358,106**	**83.29%**
OTHER SHAREHOLDERS			1,476,457	16.71%
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	2,755,659	31.2 %
Stein Aukner	via Banan II AS and Aukner Holding AS	294,214	3.3 %
Sum		**3,049,873**	**34.52 %**

8. Transactions with Related Parties (excluding VAT)

	9M 2020	Full year 2019
Storm Capital Management Ltd.	0	2,250
Storm Norge AS*	1,938	750
Surfside Holding AS**	87	260
Sum	2,025	3,260

*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.

9. Operating segments

Currently, the Group operates in only one segment – Russian real estate, however, see note 11.

10. 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.

11. **Events after the balance date**

On 17 November 2020 Storm Real Estate announced the conditional agreement to acquire all the shares in KMC Properties AS. Please see the public announcement on newsweb.no (https://newsweb.oslobors.no/message/518197). KMC Properties AS ("KMC Properties") is a privately owned real estate company that at the time of completion of the Transaction will own 39 industrial properties in 5 countries in the Nordics and in the Netherlands with a combined value of approximately NOK 3 billion. The properties have long lease agreements and solid tenants. KMC Properties is currently owned by EBE Eiendom AS ("EBE") (51%), a company controlled by the Bekken and the Thoresen family, and Kverva Industrier AS ("Kverva") (47%), as well as certain minority shareholders (2%). The combined entity will have a strong platform to execute on a pipeline of attractive growth opportunities. The ambition is to become the preferred partner and market leader within industrial real estate properties for selected industries, as well as a listed and liquid share as a valuable currency for further growth. For further information, please see the public announcements on newsweb.no.

Statement from the Board and general manager

We confirm that the financial statement for the period 1 January to 30 September 2020 to the best of our knowledge, is prepared in accordance with the same principles as the Group's annual financial statements (it is not prepared in accordance with the IAS *34 Interim Financial Reporting)*, and that the above report 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, 18 December 2020

The Board and general manager in Storm Real Estate ASA,

Stein Aukner Chairman	Morten E. Astrup Board member	Nini H. Nergaard Board member
Anna M Aanensen Board member	Kristoffer Holmen Interim General Manager	

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APPENDIX E

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMAITON INCLUDED IN THE PROSPECTUS

To the Board of Directors of KMC Properties ASA
Dronning Mauds gate 3,
0250 Oslo
Norway

Independent practitioner's assurance report on the compilation of pro forma financial information included in a prospectus

We have completed our assurance engagement to report on the compilation of pro forma financial information of KMC Properties ASA (the 'Company') by the directors of KMC Properties ASA (the 'Directors'). The pro forma financial information consists of the 2020 Pro Forma Financial Information as defined below. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are specified in Annex 20 to Commission Delegated Regulation (EU) 2019/980 and described in Section 12 of the Prospectus (the 'applicable criteria').

The 2020 Pro forma Financial Information comprise the pro forma statement of financial position as at 30 September 2020, the pro forma statement of profit or loss for the nine-month period ended 30 September 2020 and related notes as set out in Section 12 of the Prospectus issued by the Company. The 2020 Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Combination on the Company's financial position as at 30 September 2020 and its financial performance for the nine-month period ended 30 September 2020 as if the Combination had taken place at 30 September 2020, 1 January 2020, respectively.

As part of this process, information about the Company's financial position and financial performance has been extracted by the Directors from the Company's condensed interim financial statement as at and for the nine-month period ended 30 September 2020.

Information about the acquired entity's financial position and financial performance has been extracted by the Directors from the management accounts as of and for the nine-month period ended 30 September 2020.

Our Independence and Quality Control
We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Directors' responsibility for the pro forma financial information

The Directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria.

Practitioner's responsibilities

Our responsibility is to express an opinion, as required by section 3 of Annex 20 to the Commission Delegated Regulation (EU) 2019/980, about whether the pro forma financial information has been compiled, in all material respects, by the directors on the basis of the applicable criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance engagements to report on the compilation of pro forma financial information included in a prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the pro forma financial information on the basis of the applicable criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.
The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions as at 30 September 2020 or for the nine-month period ended 30 September 2020would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion

a. the pro forma financial information has been properly compiled on the basis stated; and
b. such basis is consistent with the accounting policies of the company.

This report is issued for the sole purpose of showing how the Combination might have affected the Company's consolidated statement of financial position and the Company's consolidated statement of income for purposes of this Prospectus. Our work has not been carried out in accordance with auditing, assurance or other standards and practices generally accepted in the United States and accordingly should not be used or relied upon as it had been carried out in accordance with those standard practices. Therefore, this report is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than for this Prospectus as described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any other transactions than the Combination.

Oslo, 10 February 2021
PricewaterhouseCoopers AS

Øystein Sandvik
State Authorised Public Accountant (Norway)

Securely signed with Brevio

Revisjonsberetning

Signers:

Name	*Method*	*Date*
Øystein Blåka Sandvik	BANKID_MOBILE	2021-02-08 20:25

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APPENDIX F

VALUATION REPORT

KMC PROPERTIES

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AUTHOR
Arne TW Eriksen, Cushman & Wakefield Realkapital

Portfolio	Key Ratios
Valuation (mNOK)	2 987
Net Initial Yield %	6,27
Average Duration	11,6
Building sqm	331 671
Value per sqm	9 006

1. EXECUTIVE SUMMARY

Cushman & Wakefield Realkapital (CWR) har gjennomført foreliggende porteføljeverdivurdering på oppdrag for KMC Property AS. Totalt består porteføljen av 39 eiendommer med følgende fordeling per land:

Land	Antall Eiendommer
Norge	20
Sverige	7
Danmark	7
Finland	1
Nederland	4

Cushman & Wakefield (CW) er et internasjonalt eiendomsrådgivningsselskap med kontorer i over 70 land. Det er de lokale kontorene som har utført verdivurderingen i sine respektive land. Det er Cushman & Wakefield Realkapital som har utført verdivurderingene av de norske eiendommene og utført koordineringsjobben med Cushman & Wakefield kontorene i de andre landene.

Verdivurderingen av eiendommene er for øvrig basert på informasjon som vi har mottatt av oppdragsgiver samt markedsinformasjon som CW besitter. Eiendommene er ikke blitt befart i forbindelse med denne vurderingen.

I forbindelse med verdsettelsen har vi sett på brutto eiendomsverdier uten fratrekk for eventuelle skattemessige forhold eller andre kostnader. Det forutsettes kontantoppgjør på verdivurderingsdato, og at salget skjer mellom en villig kjøper og en villig selger.

Verdivurderingsdato er satt til 30.09.2020.

Følgelig er også valutakryssene brukt i verdivurderingen basert på verdi per 30.09.2020.

Total verdi av porteføljen i norske kroner basert på valutakurser per 30.09.2020 er vurdert til **2 987 mNOK,** som representerer en **net initial yield på 6,27%** og **9 006 NOK/m2**. Den gjennomsnittlige durasjonen på porteføljen er **11,6 år**.

Se vedlagte oversikt for detaljer og nøkkeltall.

For Cushman & Wakefield Realkapital, avd. Verdivurdering

Arne Eriksen

Arne TW Eriksen, Partner, MRICS

2. SEGMENT SUMMARY

	Value mNOK	Value %	Value NOK/m2	Lease kNOK	Lease NOK/m2	ERV kNOK	ERV NOK/m2	Opex kNOK	Building sqm	Land sqm	Net Yield	Exit yield	Wault
Total value Norway portfolio in NOK	1 753	59 %	14 270	107 874	878	101 593	827	1 538	122 835	258 099	6,07 %	5,35 %	10,9
Total value Denmark portfolio in NOK	374	13 %	6 222	23 696	394	21 278	354	237	60 120	102 108	6,27 %	8,50 %	12,1
Total value Finland portfolio in NOK	64	2 %	12 744	5 173	1 024	4 485	888	56	5 051	23 093	7,95 %	8,00 %	8,6
Total value Sweden portfolio in NOK	385	13 %	5 838	28 603	434	28 214	428	2 305	65 864	110 609	6,84 %	7,43 %	10,4
Total value Holland portfolio in NOK	411	14 %	5 286	31 436	404	31 544	405	5 384	77 801	179 139	6,33 %	6,36 %	15,0
Total Value portfolio in NOK	**2 987,2**	**100 %**	**9 006**	**196 782**	**593**	**187 113**	**564**	**9 519**	**331 671**	**673 048**	**6,27 %**	**6,21 %**	**11,6**

3. PORTFOLIO VALUATION SUMMARY

DKK/NOK	per 30.09.2020	1,49
EURO/NOK	per 30.09.2020	11,10
SEK/NOK	per 30.09.2020	1,05

Asset	Country	Value mNOK	Value NOK/m2	Lease kNOK	Lease NOK/m2	ERV kNOK	ERV NOK/m2	Opex kNOK	Building sqm	Construction year	Land sqm	Net Yield	Exit yield	Wault
Gjerdsvika	Norway	23,5	5 281	1 876	422	1 558	350	67	4 450	1981, 1992, 1996	5 770	7,70 %	7,50 %	8,6
Havøysund	Norway	38,5	5 763	2 484	372	2 505	375	67	6 680	1940, 1983, 2006	9 843	6,28 %	7,25 %	13,6
Havet 45, Leknes	Norway	266,3	21 552	15 717	1 272	15 136	1 225	124	12 356	2010, 2020	45 011	5,86 %	6,50 %	13,6
Båtsfjord	Norway	38,2	8 816	2 616	604	2 058	475	65	4 333	1985,2004,2020	16 590	6,68 %	7,25 %	13,6
Stømnervegen 1 & 3	Norway	28,0	7 485	3 650	976	2 993	800	348	3 741	1990, 2010, 2017	13 705	11,79 %	7,00 %	0,1
Lyngenvegen 5	Norway	17,4	7 909	1 200	545	1 210	550	33	2 200	1 975	4 949	6,71 %	7,50 %	9,3
Østre Rosten 102	Norway	53,6	21 657	3 000	1 212	2 846	1 150	62	2 475	2 004	7 036	5,48 %	5,63 %	9,3
Østre Rosten 102 b	Norway	126,6	22 211	6 610	1 160	6 555	1 150	57	5 700	2 006	7 868	5,18 %	5,38 %	9,3
Valsnesveien 259	Norway	45,8	16 357	2 600	929	2 600	929	73	2 800	2016/2017	8 798	5,52 %	6,00 %	9,3
Halsanveien 3-11	Norway	40,7	8 906	3 350	733	3 350	733	46	4 570	1965/1989	8 485	8,12 %	3,25 %	1,3
Hammarvikringen 64	Norway	135,9	16 962	9 420	1 176	9 420	1 176	80	8 012	2 012	24 366	6,87 %	3,25 %	10,3
Havnegata 24	Norway	137,8	9 704	10 000	704	11 360	800	142	14 200	1 971	n.a.	7,15 %	6,75 %	7,8
Havnegata 20B	Norway	136,1	18 778	7 500	1 035	7 248	1 000	72	7 248	n.a.	17 692	5,46 %	5,75 %	11,8
Industriparken Jøsnøya	Norway	10,4	800	460	35	650	50	33	13 000	n.a.	13 000	4,11 %	5,50 %	0,3
Industrivegen 15	Norway	68,9	8 600	4 480	559	4 807	600	56	8 012	2 009	11 620	6,42 %	7,25 %	10,3
Skattørvegen 78	Norway	32,5	17 315	2 000	1 066	1 877	1 000	19	1 877	1 999	5 715	6,10 %	6,75 %	13,6
Torgardsveien 11, Torgård	Norway	76,8	24 976	4 210	1 369	3 613	1 175	37	3 075	2 012	12 900	5,43 %	5,38 %	7,3
Hofstadvegen 15	Norway	58,1	18 592	3 300	1 056	3 125	1 000	31	3 125	2 008	17 500	5,63 %	5,88 %	9,3
Klubben Næring, Senja	Norway	56,0	14 737	-	-	7 501	1 974	38	3 800	2 021	n.a.	-0,07 %	6,00 %	15,0
Havneveien 1	Norway	361,8	32 358	23 400	2 093	11 181	1 000	89	11 181	1990-2020	27 251	6,44 %	3,25 %	15,1
Total		**1 753**	**14 270**	**107 874**	**878**	**101 593**	**827**	**1 538**	**122 835**		**258 099**	**6,07 %**	**5,35 %**	**10,9**
Total in NOK		**1 753**	**14 270**	**107 874**	**878**	**101 593**	**827**	**1 538**	**122 835**	**0**	**258 099**	**6,07 %**	**5,35 %**	**10,9**

Asset	Country	Value mDKK	Value DKK/m2	Lease kDKK	Lease DKK/m2	ERV kDKK	ERV DKK/m2	Opex kDKK	Building sqm	Construction year	Land sqm	Net Yield	Exit yield	Wault
Tungevej 2-4	Denmark	10,5	3 741	788	281	646	230	8	2 807	1946, 1947, 1978, 1990, 2014, 2020	11 708	7,43 %	8,50 %	14,00
Constantiavej 31 and Århusgade 24	Denmark	55,2	4 715	3 360	287	2 435	208	34	11 708	84, 2001, 2014, 2020	2 807	6,03 %	8,50 %	14,00
Havrevænget 1, 9500 Hobro, Danmark	Denmark	29,7	5 858	2 010	396	1 141	225	20	5 070	n.a.	15 378	6,70 %	8,50 %	8,0
Østerled 30, 4300 Holbæk, Danmark	Denmark	36,9	3 897	2 500	264	3 551	375	25	9 469	n.a.	24 933	6,71 %	8,50 %	8,0
Torvegade 41, 7160 Tørring, Danmark	Denmark	22,2	3 868	1 500	261	1 435	250	15	5 739	n.a.	n.a.	6,69 %	8,50 %	8,0
Tvilhovej 8, 6752 Tvilhov	Denmark	70,1	4 140	4 172	246	3 386	200	42	16 931	1970-2007	n.a.	5,89 %	8,50 %	15,0
Kidnakken 13, 4930 Maribo	Denmark	26,3	3 132	1 565	186	1 679	200	16	8 396	1970-2007	47 282	5,89 %	8,50 %	15,0
Total in DKK		**250,9**	**4 173**	**15 895**	**264**	**14 273**	**237**	**159**	**60 120**		**102 108**	**6,27 %**	**8,50 %**	**12,1**
Total in NOK		**374,0**	**6 222**	**23 696**	**394**	**21 278**	**353,9**	**237**	**60 120**	**-**	**102 108**	**6,27 %**	**8,5 %**	**12,1**

Asset	Country	Value mEUR	Value EUR/m2	Lease kEUR	Lease EUR/m2	ERV kEUR	ERV EUR/m2	Opex kEUR	Building sqm	Construction	Land sqm	Net Yield	Exit yield	Wault
Mastotie 7, Kuopio	Finland	5,8	1148	466	92	404	80	5	5 051	1991, 2000-2010	23 093	7,95 %	8,0 %	8,6
Total in Euro		**5,8**	**1148**	**466**	**92**	**404**	**80**	**5**	**5 051**	**1991, 2000-2010**	**23 093**	**7,95 %**	**8,0 %**	**8,6**
Total in NOK		**64**	**12 744**	**5 173**	**1 021**	**4 485**	**888**	**56**	**5 051**	**1991, 2000-2010**	**23 093**	**7,95 %**	**8,00 %**	**9**

Asset	Country	Value mSEK	Value SEK/m2	Lease kSEK	Lease SEK/m2	ERV kSEK	ERV SEK/m2	Opex kSEK	Building sqm	Construction	Land sqm	Net Yield	Exit yield	Wault
Varberg Getakärr 2:40	Sweden	120,0	7 571	9 076	573	8 084	510	585	15 850	1955, 2007, 2016	15 850	7,08 %	7,25 %	8,6
Sotenäs, Gravarne 3:41	Sweden	81,7	11 401	4 892	683	5 514	770	236	7 166	1995, 2004	7 166	5,70 %	7,00 %	13,6
Åleden 13, 44735 Vårgårda, Sverige	Sweden	26,8	3 938	2 140	314	2 140	314	182	6 805	1976	15378	7,31 %	7,75 %	7,5
Halmstadsvägen 32, 31291 Laholm, Sverige	Sweden	24,0	1 739	2 140	155	2 140	155	340	13 800	1929	24933	7,50 %	8,00 %	7,5
Kanalvägen 6, 360 16 Urshult, Sverige	Sweden	32,4	3 583	2 670	295	2 670	295	232	9 043	n.a.	n.a.	7,52 %	8,00 %	9,3
Bjørkelundsgatan 14, 53237 Skara, Sverige	Sweden	34,0	5 231	2 540	391	2 540	391	211	6 500	n.a.	n.a.	6,85 %	7,50 %	14,9
Ramshallsvegen 2, NoRemmaren 1, Norrkøping, S	Sweden	47,3	7 060	3 780	564	3 780	564	409	6 700	1973/74/76	47 282	7,13 %	7,75 %	11,7
Total SEK		**366,2**	**5 560**	**27 238**	**414**	**26 868**	**408**	**2 195**	**65 864**		**110 609**	**6,84 %**	**7,43 %**	**10,4**
Total in NOK		**384,5**	**5 838**	**28 603**	**434**	**28 214**	**428**	**2 305,0**	**65 864**		**110 609**	**6,84 %**	**7,43 %**	**10,4**
				7,44 %										

Asset	Country	Value mEUR	Value EUR/m2	Lease kEUR	Lease EUR/m2	ERV kEUR	ERV EUR/m2	Opex kEUR	Building sqm	Construction	Land sqm	Net Yield	Exit yield	Wault
Nieuweweg 235, Wichjen	Holland	15,3	452	1 154	36,21	1 177	37	208	31 874	1970-2007	72 421	6,18 %	6,25 %	15,0
Textielstraat 30, Oldenzaal	Holland	5,4	387	468	35,53	428	33	79	13 167	1970-2007	50 874	7,20 %	7,00 %	15,0
Kanalstraat 107, Someren	Holland	12,7	462	920,1	35,46	1 001	39	157	25 950	1970-2017	43 643	6,01 %	6,25 %	15,0
De Kalkovens 10, Zwartsluis	Holland	3,65	499	290	42,58	235	35	41	6810	1980-2001	12 201	6,81 %	6,25 %	15,0
Total in EURO		**37,05**	**476**	**2831,9**	**36,40**	**2 841,55**	**37**	**485**	**77 801**		**179 139**	**6,33 %**	**6,36 %**	**15,00**
Total in NOK		**411,3**	**5 286**	**31 436**	**404**	**31 544**	**405**	**5 384**	**77 801**		**179 139**	**6,33 %**	**6,36 %**	**15,00**

Summary per Country in NOK

Asset	Country	Value mNOK	Value NOK/m2	Lease kNOK	Lease NOK/m2	ERV kNOK	ERV NOK/m2	Opex kNOK	Building sqm	Construction year	Land sqm	Net Yield	Exit yield	Wault
Gjerdsvika	Norway	23,5	5 281	1 876	422	1 558	350	67	4 450	1981, 1992, 1996	5770	7,70 %	7,50 %	8,59
Havøysund	Norway	38,5	5 763	2 484	372	2 505	375	67	6 680	1940, 1983, 2006	9843	6,28 %	7,25 %	13,59
Havet 45, Leknes	Norway	266,3	21 552	15 717	1 272	15 136	1 225	124	12 356	2010, 2020	45011	5,86 %	6,50 %	13,59
Båtsfjord	Norway	38,2	8 816	2 616	604	2 058	475	65	4 333	1985,2004,2020	16590	6,68 %	7,25 %	13,59
Stømnervegen 1 & 3	Norway	28	7 485	3 650	976	2 993	800	348	3 741	1990, 2010, 2017	13705	11,79 %	7,00 %	0,14
Lyngenvegen 5	Norway	17,4	7 909	1 200	545	1 210	550	33	2 200	1975	4949	6,71 %	7,50 %	9,26
Østre Rosten 102	Norway	53,6	21 657	3 000	1 212	2 846	1 150	62	2 475	2004	7036	5,48 %	5,63 %	9,26
Østre Rosten 102 b	Norway	126,6	22 211	6 610	1 160	6 555	1 150	57	5 700	2006	7868	5,18 %	5,38 %	9,26
Valsnesveien 259	Norway	45,8	16 357	2 600	929	2 600	929	73	2 800	2016/2017	8798	5,52 %	6,00 %	9,26
Halsanveien 3-11	Norway	40,7	8 906	3 350	733	3 350	733	46	4 570	1965/1989	8485	8,12 %	3,25 %	1,25
Hammarvikringen 64	Norway	135,9	16 962	9 420	1 176	9 420	1 176	80	8 012	2012	24366	6,87 %	3,25 %	10,26
Havnegata 24	Norway	137,8	9 704	10 000	704	11 360	800	142	14 200	1971	n.a.	7,15 %	6,75 %	7,75
Havnegata 20B	Norway	136,1	18 778	7 500	1 035	7 248	1 000	72	7 248	n.a.	17692	5,46 %	5,75 %	11,76
Industriparken Jøsnøya	Norway	10,4	800	460	35	650	50	33	13 000	n.a.	13000	4,11 %	5,50 %	0,25
Industrivegen 15	Norway	68,9	8 600	4 480	559	4 807	600	56	8 012	2009	11620	6,42 %	7,25 %	10,26
Skattørvegen 78	Norway	32,5	17 315	2 000	1 066	1 877	1 000	19	1 877	1999	5715	6,10 %	6,75 %	13,59
Torgardsveien 11, Torgård	Norway	76,8	24 976	4 210	1 369	3 613	1 175	37	3 075	2012	12900	5,43 %	5,38 %	7,25
Hofstadvegen 15	Norway	58,1	18 592	3 300	1 056	3 125	1 000	31	3 125	2008	17500	5,63 %	5,88 %	9,26
Klubben Næring, Senja	Norway	56	14 737	0	0	7 501	1 974	38	3 800	2021	n.a.	-0,07 %	6,00 %	15,01
Havneveien 1	Norway	361,8	32 358	23 400	2 093	11 181	1 000	89	11 181	1990-2020	27251	6,44 %	3,25 %	15,09
Total Norway		**1 753**	**14 270**	**107 874**	**878**	**101 593**	**827**	**1 538**	**122 835**		**258 099**	**6,07 %**	**5,35 %**	**10,92**
Tungevej 2-4	Denmark	15,65	5 577	1 175	419	962	343	12	2 807	78, 1990, 2014, 2020	11708	7,43 %	8,50 %	14,00
Constantiavej 31 and Århusgade 24	Denmark	82,29	7 029	5 009	428	3 630	310	50	11 708	84, 2001, 2014, 2020	2807	6,03 %	8,50 %	14,00
Havrevænget 1, 9500 Hobro, Danmark	Denmark	44,28	8 733	2 997	591	1 701	335	30	5 070	n.a.	15378	6,70 %	8,50 %	8,00
Østerled 30, 4300 Holbæk, Danmark	Denmark	55,01	5 810	3 727	394	5 294	559	37	9 469	n.a.	24933	6,71 %	8,50 %	8,00
Torvegade 41, 7160 Tørring, Danmark	Denmark	33,10	5 766	2 236	390	2 139	373	22	5 739	n.a.	n.a.	6,69 %	8,50 %	8,00
Tvilhovej 8, 6752 Tvilhov	Denmark	104,51	6 172	6 220	367	5 048	298	62	16 931	1970-2007	n.a.	5,89 %	8,50 %	15,00
Kidnakken 13, 4930 Maribo	Denmark	39,21	4 669	2 332	278	2 503	298	23	8 396	1970-2007	47282	5,89 %	8,50 %	15,00
Total Denmark		**374**	**6 222**	**23 696**	**394**	**21 278**	**354**	**237**	**60 120**		**102 108**	**6,27 %**	**8,50 %**	**12,09**
Mastotie 7, Kuopio	Finland	64,38	12 744	5 173	1 021	4 485	888	56	5 051	1991, 2000-2010	23093	7,95 %	8,00 %	8,59
Total Finland		**64**	**12 747**	**5 173**	**1 024**	**4 485**	**888**	**56**	**5 051**	**1991, 2000-2010**	**23 093**	**7,95 %**	**8,00 %**	**8,59**
Varberg Getakärr 2:40	Sweden	126,01	7 950	9 531	601	8 488	536	614	15 850	1955, 2007, 2016	15850	7,08 %	7,25 %	8,59
Sotenäs, Gravarne 3:41	Sweden	85,79	11 972	5 137	717	5 790	809	248	7 166	1995, 2004	7166	5,70 %	7,00 %	13,59
Åleden 13, 44735 Vårgårda, Sverige	Sweden	28,14	4 135	2 247	330	2 247	330	191	6 805	1976	15378	7,31 %	7,75 %	7,53
Halmstadsvägen 32, 31291 Laholm, Sverige	Sweden	25,20	1 826	2 247	163	2 247	163	357	13 800	1929	24933	7,50 %	8,00 %	7,53
Kanalvägen 6, 360 16 Urshult, Sverige	Sweden	34,02	3 763	2 804	310	2 804	310	244	9 043	n.a.	n.a.	7,52 %	8,00 %	9,26
Bjørkelundsgatan 14, 53237 Skara, Sverige	Sweden	35,70	5 493	2 667	411	2 667	411	222	6 500	n.a.	n.a.	6,85 %	7,50 %	14,93
Ramshallsvegen 2, NoRemmaren 1, Norrkøping,	Sweden	49,67	7 414	3 969	592	3 969	592	429	6 700	1973/74/76	47282	7,13 %	7,75 %	11,68
Total Sweden		**385**	**5 838**	**28 603**	**434**	**28 214**	**428**	**2 305**	**65 864**		**110 609**	**6,84 %**	**7,43 %**	**10,41**
Nieuweweg 235, Wichjen	Holland	169,84	5 018	12 810	402	13 069	411	2 309	31 874	1970-2007	72421	6,18 %	6,25 %	15,00
Textielstraat 30, Oldenzaal	Holland	59,94	4 296	5 193	394	4 756	361	874	13 167	1970-2007	50874	7,20 %	7,00 %	15,00
Kanalstraat 107, Someren	Holland	140,98	5 129	10 214	394	11 109	428	1 742	25 950	1970-2017	43643	6,01 %	6,25 %	15,00
De Kalkovens 10, Zwartsluis	Holland	40,52	5 539	3 219	473	2 610	383	459	6 810	1980-2001	12201	6,81 %	6,25 %	15,00
Total Holland		**411**	**5 286**	**31 436**	**404**	**31 544**	**405**	**5 384**	**77 801**		**179 139**	**6,33 %**	**6,36 %**	**15,00**
Total		**2 987**	**9 006**	**196 782**	**593**	**187 113**	**564**	**9 519**	**331 671**	**0**	**673 048**	**6,27 %**	**6,21 %**	**11,6**

4. APENDIX 1 : METODIKK

Verdsettelsen er basert på enkeltstående verdivurderinger per eiendom. Den totale verdien av porteføljen er summen av verdien av alle eiendommene.

Alle verdsettelsene på tvers av landene er basert på en neddiskontert kontantstrømsmodell (DCF), med unntak av Nederland som har brukt en Market rent capitalisation model. Grunnprinsippet for metodikk er på generell basis lik på tvers av de ulike landene hvor følgende hovedparametere er hensyntatt:

- Avkastningskrav
- Kontraktsleie
- Markedsleie
- Kostnader

Normalt er avkastningskravet bygd opp av et realavkastningskrav pluss forventet inflasjon. Avkastningskravet vurderes for blant annet eiendommens beliggenhet, kontraktstruktur, leietakerrisiko, residualrisiko, type og standard.

Kostnader inkluderer eierkost, leietakertilpasninger, eiers andel av felleskost og investeringer som ikke er inkludert i leietakertilpasningene.

Markedsleien settes basert på CW sin markedsinnsikt som består av kjennskap til eksisterende kontrakter på sammenlignbare eiendommer, nylig inngåtte kontrakter, tilbudsforespørsler etc. Markedsleien som blir brukt i verdsettelsene må sees i sammenheng med estimerte investeringer/leietakertilpasninger.

5. APENDIX 2 : ENKELTSTÅENDE VERDIVURDERINGER

Asset	Country	Value mNOK	Value NOK/m2	Lease kNOK	Lease NOK/m2	ERV kNOK	ERV NOK/m2	Opex kNOK	Building sqm	Construction year	Land sqm	Net Yield	Exit yield	Wault
Gjerdsvika	Norway	23,5	5 281	1 876	422	1 558	350	67	4 450	1981, 1992, 1996	5 770	7,70 %	7,50 %	8,6
Havøysund	Norway	38,5	5 763	2 484	372	2 505	375	67	6 680	1940, 1983, 2006	9 843	6,28 %	7,25 %	13,6
Havet 45, Leknes	Norway	266,3	21 552	15 717	1 272	15 136	1 225	124	12 356	2010, 2020	45 011	5,86 %	6,50 %	13,6
Båtsfjord	Norway	38,2	8 816	2 616	604	2 058	475	65	4 333	1985,2004,2020	16 590	6,68 %	7,25 %	13,6
Stømnervegen 1 & 3	Norway	28,0	7 485	3 650	976	2 993	800	348	3 741	1990, 2010, 2017	13 705	11,79 %	7,00 %	0,1
Lyngenvegen 5	Norway	17,4	7 909	1 200	545	1 210	550	33	2 200	1 975	4 949	6,71 %	7,50 %	9,3
Østre Rosten 102	Norway	53,6	21 657	3 000	1 212	2 846	1 150	62	2 475	2 004	7 036	5,48 %	5,63 %	9,3
Østre Rosten 102 b	Norway	126,6	22 211	6 610	1 160	6 555	1 150	57	5 700	2 006	7 868	5,18 %	5,38 %	9,3
Valsnesveien 259	Norway	45,8	16 357	2 600	929	2 600	929	73	2 800	2016/2017	8 798	5,52 %	6,00 %	9,3
Halsanveien 3-11	Norway	40,7	8 906	3 350	733	3 350	733	46	4 570	1965/1989	8 485	8,12 %	3,25 %	1,3
Hammarvikringen 64	Norway	135,9	16 962	9 420	1 176	9 420	1 176	80	8 012	2 012	24 366	6,87 %	3,25 %	10,3
Havnegata 24	Norway	137,8	9 704	10 000	704	11 360	800	142	14 200	1 971	n.a.	7,15 %	6,75 %	7,8
Havnegata 20B	Norway	136,1	18 778	7 500	1 035	7 248	1 000	72	7 248	n.a.	17 692	5,46 %	5,75 %	11,8
Industriparken Jøsnøya	Norway	10,4	800	460	35	650	50	33	13 000	n.a.	13 000	4,11 %	5,50 %	0,3
Industrivegen 15	Norway	68,9	8 600	4 480	559	4 807	600	56	8 012	2 009	11 620	6,42 %	7,25 %	10,3
Skattørvegen 78	Norway	32,5	17 315	2 000	1 066	1 877	1 000	19	1 877	1 999	5 715	6,10 %	6,75 %	13,6
Torgardsveien 11, Torgård	Norway	76,8	24 976	4 210	1 369	3 613	1 175	37	3 075	2 012	12 900	5,43 %	5,38 %	7,3
Hofstadvegen 15	Norway	58,1	18 592	3 300	1 056	3 125	1 000	31	3 125	2 008	17 500	5,63 %	5,88 %	9,3
Klubben Næring, Senja	Norway	56,0	14 737	-	-	7 501	1 974	38	3 800	2 021	n.a.	-0,07 %	6,00 %	15,0
Havneveien 1	Norway	361,8	32 358	23 400	2 093	11 181	1 000	89	11 181	1990-2020	27 251	6,44 %	3,25 %	15,1
Total		**1 753**	**14 270**	**107 874**	**878**	**101 593**	**827**	**1 538**	**122 835**		**258 099**	**6,07 %**	**5,35 %**	**10,9**
Total in NOK		**1 753**	**14 270**	**107 874**	**878**	**101 593**	**827**	**1 538**	**122 835**	**0**	**258 099**	**6,07 %**	**5,35 %**	**10,9**

Gjerdsvika GNR/BNR : 8/12, 22, 31 - 9/25, 26, 36 Market Value mNOK 23,5

Discount Rates

Tenant A	4,00 %
Tenant B	5,25 %
Tenant C	7,75 %
Blend rate passing rent	**5,25 %**
Future rent	9,50 %
Blend rate cash flow	**7,49 %**
Residual value	9,50 %
Total blend rate (IRR)	**8,20 %**

Yields

Exit yield	7,50 %
Reversionary yield	6,34 %
Initial Yield	7,70 %
Yield fully let	7,70 %
Yield ex build rights etc	7,71 %

Costs

	NOK/m2	kNOK
Maintenance	-	(0)
Administration	15	67
Insurance	-	(0)
Land lease	-	(0)
Property tax	-	(0)
Other costs	-	(0)
OPEX	**15**	**67**
Average cost over life		12,2 %
OPEX % of gross rent		3,6 %
VAT recoverable		100,0 %
Common costs		250
Non-rec @ vacancy		50,0 %

Change Analysis

Previous value	
Disc.rate /yield change	
Change market rent	
Change in costs	
Change inflation	
Other changes	
New value	**23,5**

Sensitivity tests

Parameter	*Event*	*Value*
Market rent	10,0 %	24,6
Disc.rate	0,25 %	23,1
Exit yield	0,25 %	23,3
Inflation yr 1	1,0 %	23,7

Valuation

	mNOK	
NPV passing rent	14,2	-1,0
NPV future rent	5,0	1,8
NPV of costs	-2,2	1,0
Residual value	6,4	0,5
Building rights	-	
Other corr.	-	
Total	**23,5**	

Key Ratios

Value per m2	5 281
Residual value per m2	4 556
Value of vacant space	-
Rent potential	-16,97 %
Implicit value increment	-1,79 %

Valuation Period

From:	30.09.2020
To:	31.12.2036

Comments

Kommentar:

Insula AS guarantees for the rent in the lease period

ERV = 350 NOK/m2

5 770 m2 land (of wich 1 477 m2 is wholly owned)

4 450 m2 of building.

Net Rent Summary

		Area Distribution				Gross Rent - kNOK		Rent - NOK/unit		Costs @ first relet		Cost @ future relets		As-is rent	Duration		Valuation
Category	**Unit**	**Total**	Let	Vacant	Adj.'mt	**Passing**	**Market**	**Passing**	**Market**	**Void days**	**Cost/m2**	**Void days**	**Cost/m2**	**NOK/m2**	**Current**	**Next**	**NOK/m2**
Production/Warehouse	m2	**4 450**	4 450			1 876	1 558	422	350	31	500	183	500	300	8,6	10,0	5 274
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
Total		**4 450**	**4 450**	**-**	**-**	**1 876**	**1 558**	**422**	**350**	**31**	**500**	**183**	**500**	**300**	**8,6**	**10,0**	**5 281**

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Cash Flow - kNOK

Cash Flow - kNOK	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	93	365	365	365	366	365	365	365	366	365	365	365	366	365	365	365	366
CPI	0 %	1,60 %	2,90 %	1,83 %	1,83 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %
CPI index	100 %	101,60 %	104,55 %	106,46 %	108,41 %	110,58 %	112,79 %	115,05 %	117,35 %	119,70 %	122,09 %	124,53 %	127,03 %	129,57 %	132,16 %	134,80 %	137,50 %
Real market rent change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Yield change																	
Income from current leases	477	1 906	1 961	1 997	2 034	2 074	2 116	2 158	2 201	738	-	-	-	-	-	-	-
Income from future leases	-	-	-	-	-	-	-	-	-	1 093	1 902	1 940	1 978	2 018	2 058	2 100	2 142
Gross rent	**477**	**1 906**	**1 961**	**1 997**	**2 034**	**2 074**	**2 116**	**2 158**	**2 201**	**1 831**	**1 902**	**1 940**	**1 978**	**2 018**	**2 058**	**2 100**	**2 142**
Operating costs	(17)	(68)	(70)	(71)	(72)	(74)	(75)	(77)	(78)	(80)	(81)	(83)	(85)	(86)	(88)	(90)	(92)
Reletting costs	-	-	-	-	-	-	-	-	-	(2 663)	-	-	-	-	-	-	-
Share of common costs	-	-	-	-	-	-	-	-	-	(57)	-	-	-	-	-	-	-
CAPEX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residual value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27 876
Net cash flow	**460**	**1 838**	**1 891**	**1 926**	**1 961**	**2 001**	**2 041**	**2 081**	**2 123**	**(968)**	**1 820**	**1 857**	**1 894**	**1 932**	**1 970**	**2 010**	**29 926**

Stømnervegen 1 & 3 GNR/BNR : 33 / 45 Market Value mNOK 28

Discount Rates

Discount Rates	
Tenant A	4,00 %
Tenant B	5,25 %
Tenant C	7,75 %
Blend rate passing rent	**5,25 %**
Future rent	9,00 %
Blend rate cash flow	**9,00 %**
Residual value	9,00 %
Total blend rate (IRR)	**8,70 %**

Yields

Yields	
Exit yield	7,00 %
Reversionary yield	9,45 %
Initial Yield	11,79 %
Yield fully let	11,79 %
Yield ex build rights etc	11,81 %

Costs

Costs	*NOK/m2*	*kNOK*
Maintenance	40	150
Administration	17	64
Insurance	8	30
Land lease	-	(0)
Property tax	8	30
Other costs	20	75
OPEX	**93**	**348**
Average cost over life		41,6 %
OPEX % of gross rent		9,5 %
VAT recoverable		100,0 %
Common costs		250
Non-rec @ vacancy		50,0 %

Change Analysis

Change Analysis	
Previous value	
Disc.rate /yield change	
Change market rent	
Change in costs	
Change inflation	
Other changes	
New value	**28,0**

Sensitivity tests

Parameter	*Event*	*Value*
Market rent	10,0 %	31,9
Disc.rate	0,25 %	27,3
Exit yield	0,25 %	27,6
Inflation yr 1	1,0 %	28,2

Valuation

Valuation	mNOK
NPV passing rent	0,5
NPV future rent	25,6
NPV of costs	-11,2
Residual value	13,0
Building rights	-
Other corr.	-
Total	**28,0**

Key Ratios

Key Ratios	
Value per m2	7 485
Residual value per m2	10 302
Value of vacant space	-
Rent potential	-18,01 %
Implicit value increment	-0,68 %

Valuation Period

Valuation Period	
From:	30.09.2020
To:	31.12.2036

Comments

Kommentar

Kort kontrakt gir risikopåslag

Antar leie rundt 800 NOK/m2 ref utleietilbud i område pt.

Net Rent Summary

		Area Distribution				Gross Rent - kNOK		Rent - NOK/unit		Costs @ first relet		Cost @ future relets		As-is rent	Duration		Valuation
Category	Unit	Total	Let	Vacant	Adj.'mt	Passing	Market	Passing	Market	Void days	Cost/m2	Void days	Cost/m2	NOK/m2	Current	Next	NOK/m2
Production/Warehouse	m2	**3 741**	3 741			3 650	2 993	976	800	365	1 000	183	1 000	657	0,1	7,0	7 475
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
Total		**3 741**	**3 741**	**-**	**-**	**3 650**	**2 993**	**976**	**800**	**365**	**1 000**	**183**	**1 000**	**657**	**0,1**	**7,0**	**7 485**

Cash Flow - kNOK

Cash Flow - kNOK	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	93	365	365	365	366	365	365	365	366	365	365	365	366	365	365	365	366
CPI	0 %	1,60 %	2,90 %	1,83 %	1,83 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %
CPI index	100 %	101,60 %	104,55 %	106,46 %	108,41 %	110,58 %	112,79 %	115,05 %	117,35 %	119,70 %	122,09 %	124,53 %	127,03 %	129,57 %	132,16 %	134,80 %	137,50 %
Real market rent change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Yield change																	
Income from current leases	519	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income from future leases	-	342	3 129	3 186	3 245	3 310	3 376	3 443	3 099	2 213	3 654	3 727	3 802	3 878	3 955	4 034	2 063
Gross rent	**519**	**342**	**3 129**	**3 186**	**3 245**	**3 310**	**3 376**	**3 443**	**3 099**	**2 213**	**3 654**	**3 727**	**3 802**	**3 878**	**3 955**	**4 034**	**2 063**
Operating costs	(88)	(353)	(364)	(370)	(377)	(385)	(392)	(400)	(408)	(416)	(425)	(433)	(442)	(451)	(460)	(469)	(478)
Reletting costs	-	(3 801)	-	-	-	-	-	-	-	(4 478)	-	-	-	-	-	-	(5 144)
Share of common costs	(53)	(422)	-	-	-	-	-	-	(64)	(214)	-	-	-	-	-	-	(321)
CAPEX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residual value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	52 991
Net cash flow	**378**	**(4 235)**	**2 765**	**2 816**	**2 867**	**2 925**	**2 983**	**3 043**	**2 627**	**(2 895)**	**3 229**	**3 294**	**3 360**	**3 427**	**3 495**	**3 565**	**49 111**

Båtsfjord GNR/BNR : 2 / 3 Market Value mNOK 38,2

Discount Rates

Tenant A	4,00 %
Tenant B	5,25 %
Tenant C	7,75 %
Blend rate passing rent	**5,25 %**
Future rent	9,25 %
Blend rate cash flow	**5,89 %**
Residual value	9,25 %
Total blend rate (IRR)	**7,21 %**

Yields

Exit yield	7,25 %
Reversionary yield	5,22 %
Initial Yield	6,68 %
Yield fully let	6,68 %
Yield ex build rights etc	6,68 %

Costs

	NOK/m2	kNOK
Maintenance	-	(0)
Administration	15	65
Insurance	-	(0)
Land lease	-	(0)
Property tax	-	(0)
Other costs	-	(0)
OPEX	**15**	**65**

Average cost over life	8,7 %
OPEX % of gross rent	2,5 %
VAT recoverable	100,0 %
Common costs	250
Non-rec @ vacancy	50,0 %

Change Analysis

Previous value	
Disc.rate /yield change	
Change market rent	
Change in costs	
Change inflation	
Other changes	
New value	**38,2**

Sensitivity tests

Parameter	*Event*	*Value*
Market rent	10,0 %	39,3
Disc.rate	0,25 %	37,5
Exit yield	0,25 %	37,9
Inflation yr 1	1,0 %	38,5

Valuation

	mNOK	
NPV passing rent	29,2	0,4
NPV future rent	2,0	0,5
NPV of costs	-2,1	1,3
Residual value	9,1	0,7
Building rights	-	
Other corr.	-	
Total	**38,2**	

Key Ratios

Value per m2	8 816
Residual value per m2	6 472
Value of vacant space	-
Rent potential	-21,33 %
Implicit value increment	-2,57 %

Valuation Period

From:	30.09.2020
To:	31.12.2036

Comments

Kommentar:

Net Rent Summary

		Area Distribution				Gross Rent - kNOK		Rent - NOK/unit		Costs @ first relet		Cost @ future relets		As-is rent	Duration		Valuation
Category	Unit	Total	Let	Vacant	Adj.'mt	Passing	Market	Passing	Market	Void days	Cost/m2	Void days	Cost/m2	NOK/m2	Current	Next	NOK/m2
Production/logistics	m2	**4 333**	4 333			2 616	2 058	604	475	31	500	183	500	404	13,6	7,0	8 809
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
Total		**4 333**	**4 333**	**-**	**-**	**2 616**	**2 058**	**604**	**475**	**31**	**500**	**183**	**500**	**404**	**13,6**	**7,0**	**8 816**

Cash Flow - kNOK

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
		4321															
	93	365	365	365	366	365	365	365	366	365	365	365	366	365	365	365	366
CPI	0 %	1,60 %	2,90 %	1,83 %	1,83 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %
CPI index	100 %	101,60 %	104,55 %	106,46 %	108,41 %	110,58 %	112,79 %	115,05 %	117,35 %	119,70 %	122,09 %	124,53 %	127,03 %	129,57 %	132,16 %	134,80 %	137,50 %
Real market rent change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Yield change																	
Income from current leases	665	2 658	2 735	2 785	2 837	2 893	2 951	3 010	3 070	3 132	3 194	3 258	3 323	3 390	1 137	-	-
Income from future leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 595	2 774	2 830
Gross rent	**665**	**2 658**	**2 735**	**2 785**	**2 837**	**2 893**	**2 951**	**3 010**	**3 070**	**3 132**	**3 194**	**3 258**	**3 323**	**3 390**	**2 732**	**2 774**	**2 830**
Operating costs	(17)	(66)	(68)	(69)	(70)	(72)	(73)	(75)	(76)	(78)	(79)	(81)	(83)	(84)	(86)	(88)	(89)
Reletting costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2 863)	-	-
Share of common costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(61)	-	-
CAPEX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residual value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38 557
Net cash flow	**648**	**2 592**	**2 667**	**2 716**	**2 766**	**2 821**	**2 878**	**2 935**	**2 994**	**3 054**	**3 115**	**3 177**	**3 241**	**3 306**	**(278)**	**2 687**	**41 297**

Havøysund GNR/BNR : 10/64 - 10/61 - 10/164 Market Value mNOK 38,5

Discount Rates

Tenant A	4,00 %
Tenant B	5,25 %
Tenant C	7,75 %
Blend rate passing rent	**5,25 %**
Future rent	9,25 %
Blend rate cash flow	**6,03 %**
Residual value	9,25 %
Total blend rate (IRR)	**7,51 %**

Yields

Exit yield	7,25 %
Reversionary yield	6,33 %
Initial Yield	6,28 %
Yield fully let	6,28 %
Yield ex build rights etc	6,29 %

Costs

	NOK/m2	*kNOK*
Maintenance	-	(0)
Administration	10	67
Insurance	-	(0)
Land lease	-	(0)
Property tax	-	(0)
Other costs	-	(0)
OPEX	**10**	**67**

Average cost over life	12,1 %
OPEX % of gross rent	2,7 %
VAT recoverable	100,0 %
Common costs	250
Non-rec @ vacancy	50,0 %

Change Analysis

Previous value	
Disc.rate /yield change	
Change market rent	
Change in costs	
Change inflation	
Other changes	
New value	**38,5**

Sensitivity tests

Parameter	*Event*	*Value*
Market rent	10,0 %	39,9
Disc.rate	0,25 %	37,8
Exit yield	0,25 %	38,1
Inflation yr 1	1,0 %	38,8

Valuation

	mNOK
NPV passing rent	27,7
NPV future rent	2,4
NPV of costs	-2,8
Residual value	11,2
Building rights	-
Other corr.	-
Total	**38,5**

Key Ratios

Value per m2	5 763
Residual value per m2	5 135
Value of vacant space	-
Rent potential	0,83 %
Implicit value increment	-1,57 %

Valuation Period

From:	30.09.2020
To:	31.12.2036

Comments

Kommentar:

Net Rent Summary

		Area Distribution				Gross Rent - kNOK		Rent - NOK/unit		Costs @ first relet		Cost @ future relets		As-is rent	Duration		Valuation
Category	**Unit**	**Total**	Let	Vacant	Adj.'mt	**Passing**	**Market**	**Passing**	**Market**	**Void days**	**Cost/m2**	**Void days**	**Cost/m2**	**NOK/m2**	**Current**	**Next**	**NOK/m2**
Production/Warehouse	m2	**6 680**	6 680			2 484	2 505	372	375	31	500	183	500	304	13,6	7,0	5 757
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
Total		**6 680**	**6 680**	**-**	**-**	**2 484**	**2 505**	**372**	**375**	**31**	**500**	**183**	**500**	**304**	**13,6**	**7,0**	**5 763**

Cash Flow - kNOK

		4321															
Cash Flow - kNOK	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
	93	365	365	365	366	365	365	365	366	365	365	365	366	365	365	365	366
CPI	0 %	1,60 %	2,90 %	1,83 %	1,83 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %
CPI index	100 %	101,60 %	104,55 %	106,46 %	108,41 %	110,58 %	112,79 %	115,05 %	117,35 %	119,70 %	122,09 %	124,53 %	127,03 %	129,57 %	132,16 %	134,80 %	137,50 %
Real market rent change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Yield change																	
Income from current leases	631	2 524	2 597	2 645	2 693	2 747	2 802	2 858	2 915	2 974	3 033	3 094	3 156	3 219	1 079	-	-
Income from future leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 941	3 377	3 444
Gross rent	**631**	**2 524**	**2 597**	**2 645**	**2 693**	**2 747**	**2 802**	**2 858**	**2 915**	**2 974**	**3 033**	**3 094**	**3 156**	**3 219**	**3 020**	**3 377**	**3 444**
Operating costs	(17)	(68)	(70)	(71)	(72)	(74)	(75)	(77)	(78)	(80)	(82)	(83)	(85)	(87)	(88)	(90)	(92)
Reletting costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4 414)	-	-
Share of common costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(94)	-	-
CAPEX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residual value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47 165
Net cash flow	**614**	**2 456**	**2 527**	**2 574**	**2 621**	**2 673**	**2 727**	**2 781**	**2 837**	**2 894**	**2 952**	**3 011**	**3 071**	**3 132**	**(1 576)**	**3 287**	**50 518**

Havet 45, Leknes — GNR/BNR : 17/156 - 182,183,184 — Market Value mNOK 266,3

Discount Rates

Tenant A	4,00 %
Tenant B	5,25 %
Tenant C	7,75 %
Blend rate passing rent	**5,25 %**
Future rent	8,50 %
Blend rate cash flow	**5,89 %**
Residual value	8,50 %
Total blend rate (IRR)	**7,14 %**

Costs

	NOK/m2	kNOK
Maintenance	-	(0)
Administration	10	124
Insurance	-	(0)
Land lease	-	(0)
Property tax	-	(0)
Other costs	-	(0)
OPEX	**10**	**124**

Change Analysis

Previous value	
Disc.rate /yield change	
Change market rent	
Change in costs	
Change inflation	
Other changes	
New value	**266,3**

Valuation

	mNOK
NPV passing rent	175,4
NPV future rent	15,9
NPV of costs	-10,9
Residual value	85,9
Building rights	-
Other corr.	-
Total	**266,3**

Valuation Period

From:	30.09.2020
To:	31.12.2036

Comments

Kommentar:

Yields

Exit yield	6,50 %
Reversionary yield	5,64 %
Initial Yield	5,86 %
Yield fully let	5,86 %
Yield ex build rights etc	5,85 %

Average cost over life	7,7 %
OPEX % of gross rent	0,8 %
VAT recoverable	100,0 %
Common costs	250
Non-rec @ vacancy	50,0 %

Sensitivity tests

Parameter	*Event*	*Value*
Market rent	10,0 %	276,5
Disc.rate	0,25 %	260,7
Exit yield	0,25 %	263,1
Inflation yr 1	1,0 %	268,9

Key Ratios

Value per m2	21 552
Residual value per m2	19 066
Value of vacant space	-
Rent potential	-3,70 %
Implicit value increment	-1,32 %

Net Rent Summary

		Area Distribution				Gross Rent - kNOK		Rent - NOK/unit		Costs @ first relet		Cost @ future relets		As-is rent	Duration		Valuation
Category	**Unit**	**Total**	Let	Vacant	Adj.'mt	**Passing**	**Market**	**Passing**	**Market**	**Void days**	**Cost/m2**	**Void days**	**Cost/m2**	**NOK/m2**	**Current**	**Next**	**NOK/m2**
Production	m2	**12 356**	12 356			15 717	15 136	1 272	1 225	31	1 250	183	1 250	1 046	13,6	7,0	21 556
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
Total		**12 356**	**12 356**	**-**	**-**	**15 717**	**15 136**	**1 272**	**1 225**	**31**	**1 250**	**183**	**1 250**	**1 046**	**13,6**	**7,0**	**21 552**

Cash Flow - kNOK

		4321															
Cash Flow - kNOK	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
	93	365	365	365	366	365	365	365	366	365	365	365	366	365	365	365	366
CPI	0 %	1,60 %	2,90 %	1,83 %	1,83 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %
CPI index	100 %	101,60 %	104,55 %	106,46 %	108,41 %	110,58 %	112,79 %	115,05 %	117,35 %	119,70 %	122,09 %	124,53 %	127,03 %	129,57 %	132,16 %	134,80 %	137,50 %
Real market rent change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Yield change																	
Income from current leases	3 994	15 968	16 432	16 733	17 040	17 380	17 728	18 083	18 444	18 813	19 189	19 573	19 965	20 364	6 829	-	-
Income from future leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11 728	20 404	20 812
Gross rent	**3 994**	**15 968**	**16 432**	**16 733**	**17 040**	**17 380**	**17 728**	**18 083**	**18 444**	**18 813**	**19 189**	**19 573**	**19 965**	**20 364**	**18 557**	**20 404**	**20 812**
Operating costs	(31)	(126)	(129)	(132)	(134)	(137)	(139)	(142)	(145)	(148)	(151)	(154)	(157)	(160)	(163)	(167)	(170)
Reletting costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(20 412)	-	-
Share of common costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(173)	-	-
CAPEX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residual value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	323 916
Net cash flow	**3 962**	**15 843**	**16 302**	**16 601**	**16 906**	**17 244**	**17 589**	**17 940**	**18 299**	**18 665**	**19 038**	**19 419**	**19 808**	**20 204**	**(2 191)**	**20 237**	**344 557**

Lyngenvegen 5 GNR/BNR : 208/162 Market Value mNOK 17,4

Discount Rates

Tenant A	4,00 %
Tenant B	5,25 %
Tenant C	7,75 %
Blend rate passing rent	**5,25 %**
Future rent	9,50 %
Blend rate cash flow	**7,45 %**
Residual value	9,50 %
Total blend rate (IRR)	**8,23 %**

Yields

Exit yield	7,50 %
Reversionary yield	6,76 %
Initial Yield	6,71 %
Yield fully let	6,71 %
Yield ex build rights etc	6,71 %

Costs

	NOK/m2	*kNOK*
Maintenance	-	(0)
Administration	15	33
Insurance	-	(0)
Land lease	-	(0)
Property tax	-	(0)
Other costs	-	(0)
OPEX	**15**	**33**

Average cost over life	6,0 %
OPEX % of gross rent	2,8 %
VAT recoverable	100,0 %
Common costs	200
Non-rec @ vacancy	50,0 %

Change Analysis

Previous value	
Disc.rate /yield change	
Change market rent	
Change in costs	
Change inflation	
Other changes	
New value	**17,4**

Sensitivity tests

Parameter	*Event*	*Value*
Market rent	10,0 %	18,2
Disc.rate	0,25 %	17,0
Exit yield	0,25 %	17,2
Inflation yr 1	1,0 %	17,6

Valuation

	mNOK
NPV passing rent	9,7
NPV future rent	3,4
NPV of costs	-0,7
Residual value	5,0
Building rights	-
Other corr.	-
Total	**17,4**

Key Ratios

Value per m2	7 909
Residual value per m2	7 276
Value of vacant space	-
Rent potential	0,83 %
Implicit value increment	-0,79 %

Valuation Period

From:	30.09.2020
To:	31.12.2036

Comments

Kommentar:

1500 m2 produksjonsbygg + 700 rubbhall.
God ankomst fra E6, kun 30 min fra Trondheim.

Oppdragsgiver er usikker på byggeår,men antatt fra 70-80-tallet.

Net Rent Summary

		Area Distribution				Gross Rent - kNOK		Rent - NOK/unit		Costs @ first relet		Cost @ future relets		As-is rent	Duration		Valuation
Category	Unit	Total	Let	Vacant	Adj.'mt	Passing	Market	Passing	Market	Void days	Cost/m2	Void days	Cost/m2	NOK/m2	Current	Next	NOK/m2
Production	m2	**2 200**	2 200			1 200	1 210	545	550	92	250	365	750	514	9,3	7,0	7 910
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
Total		**2 200**	**2 200**	**-**	**-**	**1 200**	**1 210**	**545**	**550**	**92**	**250**	**365**	**750**	**514**	**9,3**	**7,0**	**7 909**

Cash Flow - kNOK

		4321															
Cash Flow - kNOK	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
	93	365	365	365	366	365	365	365	366	365	365	365	366	365	365	365	366
CPI	0 %	1,60 %	2,90 %	1,83 %	1,83 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %
CPI index	100 %	101,60 %	104,55 %	106,46 %	108,41 %	110,58 %	112,79 %	115,05 %	117,35 %	119,70 %	122,09 %	124,53 %	127,03 %	129,57 %	132,16 %	134,80 %	137,50 %
Real market rent change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Yield change																	
Income from current leases	305	1 219	1 255	1 278	1 301	1 327	1 354	1 381	1 408	1 436	-	-	-	-	-	-	-
Income from future leases	-	-	-	-	-	-	-	-	-	-	1 107	1 507	1 537	1 568	1 599	1 631	1 664
Gross rent	**305**	**1 219**	**1 255**	**1 278**	**1 301**	**1 327**	**1 354**	**1 381**	**1 408**	**1 436**	**1 107**	**1 507**	**1 537**	**1 568**	**1 599**	**1 631**	**1 664**
Operating costs	(8)	(34)	(35)	(35)	(36)	(36)	(37)	(38)	(39)	(40)	(40)	(41)	(42)	(43)	(44)	(44)	(45)
Reletting costs	-	-	-	-	-	-	-	-	-	-	(672)	-	-	-	-	-	-
Share of common costs	-	-	-	-	-	-	-	-	-	-	(67)	-	-	-	-	-	-
CAPEX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residual value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22 009
Net cash flow	**297**	**1 186**	**1 220**	**1 242**	**1 265**	**1 291**	**1 316**	**1 343**	**1 369**	**1 397**	**328**	**1 466**	**1 495**	**1 525**	**1 555**	**1 587**	**23 628**

Østre Rosten 102 GNR/BNR : 323/2169 Market Value mNOK 53,6

Discount Rates

Tenant A	4,00 %
Tenant B	5,25 %
Tenant C	7,75 %
Blend rate passing rent	**5,25 %**
Future rent	7,63 %
Blend rate cash flow	**6,53 %**
Residual value	7,63 %
Total blend rate (IRR)	**7,00 %**

Yields

Exit yield	5,63 %
Reversionary yield	5,19 %
Initial Yield	5,48 %
Yield fully let	5,48 %
Yield ex build rights etc	5,48 %

Costs

	NOK/m2	*kNOK*
Maintenance	-	(0)
Administration	25	62
Insurance	-	(0)
Land lease	-	(0)
Property tax	-	(0)
Other costs	-	(0)
OPEX	**25**	**62**

Average cost over life	5,0 %
OPEX % of gross rent	2,1 %
VAT recoverable	100,0 %
Common costs	200
Non-rec @ vacancy	50,0 %

Change Analysis

Previous value	
Disc.rate /yield change	
Change market rent	
Change in costs	
Change inflation	
Other changes	
New value	**53,6**

Sensitivity tests

Parameter	*Event*	*Value*
Market rent	10,0 %	56,7
Disc.rate	0,25 %	52,4
Exit yield	0,25 %	52,7
Inflation yr 1	1,0 %	54,1

Valuation

	mNOK
NPV passing rent	24,3
NPV future rent	9,8
NPV of costs	-1,6
Residual value	21,0
Building rights	-
Other corr.	-
Total	**53,6**

Key Ratios

Value per m2	21 657
Residual value per m2	20 400
Value of vacant space	-
Rent potential	-5,13 %
Implicit value increment	-0,56 %

Valuation Period

From:	30.09.2020
To:	31.12.2036

Comments

Kommentar:

Ca 11 km sør for Trondheim sentrum, som del av større industri/næringsområde.
Tomt på Østre Rosten vei hvor blant annet Tess og Ventistål er utleid. Åpenbart god interesse for bedrifter å etablere seg i området.
Bygget er oppført i 2004 og består av ca 713 m2 kontor, 1512 lager samt 250 m2 messanin.

Net Rent Summary

		Area Distribution				Gross Rent - kNOK		Rent - NOK/unit		Costs @ first relet		Cost @ future relets		As-is rent	Duration		Valuation
Category	**Unit**	**Total**	Let	Vacant	Adj.'mt	**Passing**	**Market**	**Passing**	**Market**	**Void days**	**Cost/m2**	**Void days**	**Cost/m2**	**NOK/m2**	**Current**	**Next**	**NOK/m2**
Logistics	m2	**2 475**	2 475			3 000	2 846	1 212	1 150	92	500	122	1 000	1 100	9,3	10,0	21 656
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
Total		**2 475**	**2 475**	**-**	**-**	**3 000**	**2 846**	**1 212**	**1 150**	**92**	**500**	**122**	**1 000**	**1 100**	**9,3**	**10,0**	**21 657**

Cash Flow - kNOK

		4321															
Cash Flow - kNOK	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
	93	365	365	365	366	365	365	365	366	365	365	365	366	365	365	365	366
CPI	0 %	1,60 %	2,90 %	1,83 %	1,83 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %
CPI index	100 %	101,60 %	104,55 %	106,46 %	108,41 %	110,58 %	112,79 %	115,05 %	117,35 %	119,70 %	122,09 %	124,53 %	127,03 %	129,57 %	132,16 %	134,80 %	137,50 %
Real market rent change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Yield change																	
Income from current leases	762	3 048	3 136	3 194	3 252	3 317	3 384	3 452	3 521	3 591	-	-	-	-	-	-	-
Income from future leases	-	-	-	-	-	-	-	-	-	-	2 604	3 545	3 615	3 688	3 762	3 837	3 913
Gross rent	**762**	**3 048**	**3 136**	**3 194**	**3 252**	**3 317**	**3 384**	**3 452**	**3 521**	**3 591**	**2 604**	**3 545**	**3 615**	**3 688**	**3 762**	**3 837**	**3 913**
Operating costs	(16)	(63)	(65)	(66)	(67)	(68)	(70)	(71)	(73)	(74)	(76)	(77)	(79)	(80)	(82)	(83)	(85)
Reletting costs	-	-	-	-	-	-	-	-	-	-	(1 511)	-	-	-	-	-	-
Share of common costs	-	-	-	-	-	-	-	-	-	-	(76)	-	-	-	-	-	-
CAPEX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residual value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	69 422
Net cash flow	**747**	**2 985**	**3 072**	**3 128**	**3 185**	**3 249**	**3 314**	**3 380**	**3 448**	**3 517**	**942**	**3 468**	**3 537**	**3 608**	**3 680**	**3 753**	**73 250**

Østre Rosten 102 b — GNR/BNR : 323/2269 — Market Value mNOK 126,6

Discount Rates

Tenant A	4,00 %
Tenant B	5,25 %
Tenant C	7,75 %
Blend rate passing rent	**5,25 %**
Future rent	7,38 %
Blend rate cash flow	**6,43 %**
Residual value	7,38 %
Total blend rate (IRR)	**6,85 %**

Yields

Exit yield	5,38 %
Reversionary yield	5,13 %
Initial Yield	5,18 %
Yield fully let	5,18 %
Yield ex build rights etc	5,18 %

Costs

	NOK/m2	*kNOK*
Maintenance	-	(0)
Administration	10	57
Insurance	-	(0)
Land lease	-	(0)
Property tax	-	(0)
Other costs	-	(0)
OPEX	**10**	**57**

Average cost over life	5,2 %
OPEX % of gross rent	0,9 %

VAT recoverable	100,0 %
Common costs	200
Non-rec @ vacancy	50,0 %

Change Analysis

Previous value	
Disc.rate /yield change	
Change market rent	
Change in costs	
Change inflation	
Other changes	
New value	**126,6**

Sensitivity tests

Parameter	*Event*	*Value*
Market rent	10,0 %	134,3
Disc.rate	0,25 %	123,7
Exit yield	0,25 %	124,2
Inflation yr 1	1,0 %	127,9

Valuation

	mNOK
NPV passing rent	53,6
NPV future rent	23,3
NPV of costs	-3,6
Residual value	53,3
Building rights	-
Other corr.	-
Total	**126,6**

Key Ratios

Value per m2	22 211
Residual value per m2	21 633
Value of vacant space	-
Rent potential	-0,84 %
Implicit value increment	-0,43 %

Valuation Period

From:	30.09.2020
To:	31.12.2036

Comments

Kommentar:
- Ca 11 km sør for Trondheim sentrum, som del av større industri/næringsområde.
Tomt på Østre Rosten vei hvor blant annet Tess og Ventistål er utleid. Åpenbart god interesse for bedrifter å etablere seg i området.
-Bygget er oppført i 2006 kontor/lager. Senere påbygd en kontorfløy over 2 etasjer.
-Har god takhøyde.
-Leietaker driver med largring av sykkelutstyr

Net Rent Summary

		Area Distribution				Gross Rent - kNOK		Rent - NOK/unit		Costs @ first relet		Cost @ future relets		As-is rent	Duration		Valuation
Category	Unit	Total	Let	Vacant	Adj.'mt	Passing	Market	Passing	Market	Void days	Cost/m2	Void days	Cost/m2	NOK/m2	Current	Next	NOK/m2
Logistics	m2	**5 700**	5 700			6 610	6 555	1 160	1 150	92	750	122	1 000	1 075	9,3	10,0	22 215
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
Total		**5 700**	**5 700**	**-**	**-**	**6 610**	**6 555**	**1 160**	**1 150**	**92**	**750**	**122**	**1 000**	**1 075**	**9,3**	**10,0**	**22 211**

Cash Flow - kNOK

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
		4321															
	93	365	365	365	366	365	365	365	366	365	365	365	366	365	365	365	366
CPI	0 %	1,60 %	2,90 %	1,83 %	1,83 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %
CPI index	100 %	101,60 %	104,55 %	106,46 %	108,41 %	110,58 %	112,79 %	115,05 %	117,35 %	119,70 %	122,09 %	124,53 %	127,03 %	129,57 %	132,16 %	134,80 %	137,50 %
Real market rent change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Yield change																	
Income from current leases	1 680	6 716	6 911	7 038	7 167	7 310	7 456	7 605	7 757	7 913	-	-	-	-	-	-	-
Income from future leases	-	-	-	-	-	-	-	-	-	-	5 997	8 163	8 327	8 493	8 663	8 836	9 013
Gross rent	**1 680**	**6 716**	**6 911**	**7 038**	**7 167**	**7 310**	**7 456**	**7 605**	**7 757**	**7 913**	**5 997**	**8 163**	**8 327**	**8 493**	**8 663**	**8 836**	**9 013**
Operating costs	(14)	(58)	(60)	(61)	(62)	(63)	(64)	(66)	(67)	(68)	(70)	(71)	(72)	(74)	(75)	(77)	(78)
Reletting costs	-	-	-	-	-	-	-	-	-	-	(5 219)	-	-	-	-	-	-
Share of common costs	-	-	-	-	-	-	-	-	-	-	(174)	-	-	-	-	-	-
CAPEX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residual value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	169 548
Net cash flow	**1 665**	**6 658**	**6 851**	**6 977**	**7 105**	**7 247**	**7 392**	**7 540**	**7 691**	**7 844**	**533**	**8 092**	**8 254**	**8 419**	**8 588**	**8 759**	**178 482**

Valsnesveien 259 — GNR/BNR : 3/191 — Market Value mNOK 45,8

Discount Rates

Tenant A	4,00 %
Tenant B	5,25 %
Tenant C	7,75 %
Blend rate passing rent	**5,25 %**
Future rent	8,00 %
Blend rate cash flow	**6,77 %**
Residual value	8,00 %
Total blend rate (IRR)	**7,27 %**

Yields

Exit yield	6,00 %
Reversionary yield	5,52 %
Initial Yield	5,52 %
Yield fully let	5,52 %
Yield ex build rights etc	5,52 %

Costs

	NOK/m2	kNOK
Maintenance	-	(0)
Administration	26	73
Insurance	-	(0)
Land lease	-	(0)
Property tax	-	(0)
Other costs	-	(0)
OPEX	**26**	**73**
Average cost over life		3,6 %
OPEX % of gross rent		2,8 %
VAT recoverable		100,0 %
Common costs		200
Non-rec @ vacancy		50,0 %

Change Analysis

Previous value	
Disc.rate /yield change	
Change market rent	
Change in costs	
Change inflation	
Other changes	
New value	**45,8**

Sensitivity tests

Parameter	*Event*	*Value*
Market rent	10,0 %	48,4
Disc.rate	0,25 %	44,8
Exit yield	0,25 %	45,1
Inflation yr 1	1,0 %	46,2

Valuation

	mNOK
NPV passing rent	21,1
NPV future rent	8,9
NPV of costs	-1,0
Residual value	16,9
Building rights	-
Other corr.	-
Total	**45,8**

Key Ratios

Value per m2	16 357
Residual value per m2	15 344
Value of vacant space	-
Rent potential	0,00 %
Implicit value increment	-0,45 %

Valuation Period

From:	30.09.2020
To:	31.12.2036

Comments

Kommentar:
Bygg fra 2016/2017 som er tilpasset dagens leietaker.
Opsjon på 5+5 år på like vilkår.
Nabo til Mowi sin fabrikk.

Ser sansynligheten for forlengelse som svært stor.
Sansynligvurdert waulten til lengre enn 9,2 år, som reduserer risikoen og yielden.

Vurderer en NIY på 5,62% til å være fornuftig gitt eiendomens standard.

Net Rent Summary

		Area Distribution				Gross Rent - kNOK		Rent - NOK/unit		Costs @ first relet		Cost @ future relets		As-is rent	Duration		Valuation
Category	**Unit**	**Total**	Let	Vacant	Adj.'mt	**Passing**	**Market**	**Passing**	**Market**	**Void days**	**Cost/m2**	**Void days**	**Cost/m2**	**NOK/m2**	**Current**	**Next**	**NOK/m2**
kontor/produksjon	m2	**2 800**	2 800			2 600	2 600	929	929	31	100	91	500	914	9,3	7,0	16 358
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
Total		**2 800**	**2 800**	**-**	**-**	**2 600**	**2 600**	**929**	**929**	**31**	**100**	**91**	**500**	**914**	**9,3**	**7,0**	**16 357**

Cash Flow - kNOK

		4321															
Cash Flow - kNOK	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
	93	365	365	365	366	365	365	365	366	365	365	365	366	365	365	365	366
CPI	0 %	1,60 %	2,90 %	1,83 %	1,83 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %
CPI index	100 %	101,60 %	104,55 %	106,46 %	108,41 %	110,58 %	112,79 %	115,05 %	117,35 %	119,70 %	122,09 %	124,53 %	127,03 %	129,57 %	132,16 %	134,80 %	137,50 %
Real market rent change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Yield change																	
Income from current leases	661	2 642	2 718	2 768	2 819	2 875	2 933	2 991	3 051	3 112	-	-	-	-	-	-	-
Income from future leases	-	-	-	-	-	-	-	-	-	-	2 905	3 238	3 303	3 369	3 436	3 505	3 575
Gross rent	**661**	**2 642**	**2 718**	**2 768**	**2 819**	**2 875**	**2 933**	**2 991**	**3 051**	**3 112**	**2 905**	**3 238**	**3 303**	**3 369**	**3 436**	**3 505**	**3 575**
Operating costs	(18)	(74)	(76)	(78)	(79)	(81)	(82)	(84)	(85)	(87)	(89)	(91)	(92)	(94)	(96)	(98)	(100)
Reletting costs	-	-	-	-	-	-	-	-	-	-	(342)	-	-	-	-	-	-
Share of common costs	-	-	-	-	-	-	-	-	-	-	(29)	-	-	-	-	-	-
CAPEX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residual value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	59 072
Net cash flow	**642**	**2 568**	**2 642**	**2 691**	**2 740**	**2 795**	**2 851**	**2 908**	**2 966**	**3 025**	**2 445**	**3 147**	**3 210**	**3 274**	**3 340**	**3 407**	**62 547**

Halsanveien 3-11 GNR/BNR : 315/97 -98 og 303 Market Value mNOK 40,7

Discount Rates	
Tenant A	4,00 %
Tenant B	5,25 %
Tenant C	7,75 %
Blend rate passing rent	**5,25 %**
Future rent	5,25 %
Blend rate cash flow	**5,25 %**
Residual value	5,25 %
Total blend rate (IRR)	**4,95 %**
Yields	
Exit yield	3,25 %
Reversionary yield	8,12 %
Initial Yield	8,12 %
Yield fully let	8,12 %
Yield ex build rights etc	8,12 %

Costs	*NOK/m2*	*kNOK*
Maintenance	-	(0)
Administration	10	46
Insurance	-	(0)
Land lease	-	(0)
Property tax	-	(0)
Other costs	-	(0)
OPEX	**10**	**46**
Average cost over life		1,4 %
OPEX % of gross rent		1,4 %
VAT recoverable		100,0 %
Common costs		200
Non-rec @ vacancy		50,0 %

Change Analysis	
Previous value	
Disc.rate /yield change	
Change market rent	
Change in costs	
Change inflation	
Other changes	
New value	**40,7**

Sensitivity tests		
Parameter	*Event*	*Value*
Market rent	10,0 %	44,4
Disc.rate	0,25 %	40,6
Exit yield	0,25 %	38,1
Inflation yr 1	1,0 %	40,7

Valuation	mNOK
NPV passing rent	4,1
NPV future rent	-
NPV of costs	-0,1
Residual value	36,6
Building rights	-
Other corr.	-
Total	**40,7**

Key Ratios	
Value per m2	8 906
Residual value per m2	8 400
Value of vacant space	-
Rent potential	0,00 %
Implicit value increment	-5,69 %

Valuation Period	
From:	30.09.2020
To:	31.12.2021

Comments

Kommentar:

Etter utløpet av dagens leiekontrakt kan det legges til grunn av bygget rives og at det utvikles boliger.
Planforlag er det estimert en utnyttelse på ca 6 500 m2 fordelt på ca 83 leiligheter.

Vi har sett på nybyggprosjektene i Levanger. De ligger mellom 60.00-50.000 NOK per meter.
Vi antar 55 000 NOK og byggekost på 40 000 NOK. 40/60 splitt gir en tomtebelastning på 6 000 NOK/m2 som vi har lagt til grunn i restverdi.

Net Rent Summary

		Area Distribution				Gross Rent - kNOK		Rent - NOK/unit		Costs @ first relet		Cost @ future relets		As-is rent	Duration		Valuation
Category	**Unit**	**Total**	Let	Vacant	Adj.'mt	**Passing**	**Market**	**Passing**	**Market**	**Void days**	**Cost/m2**	**Void days**	**Cost/m2**	**NOK/m2**	**Current**	**Next**	**NOK/m2**
Industrial	m2	**4 570**	4 570			3 350	3 350	733	733	275	500	183	500	633	1,3	5,0	8 900
														-		5,0	-
														-		5,0	-
														-		5,0	-
														-		5,0	-
														-		5,0	-
														-		5,0	-
														-		5,0	-
														-		5,0	-
														-		5,0	-
Total		**4 570**	**4 570**	**-**	**-**	**3 350**	**3 350**	**733**	**733**	**275**	**500**	**183**	**500**	**633**	**1,3**	**5,0**	**8 906**

Cash Flow - kNOK

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
		4321															
	93	365	365	365	366	365	365	365	366	365	365	365	366	365	365	365	366
CPI	0 %	1,60 %	2,90 %	1,83 %	1,83 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %
CPI index	100 %	101,60 %	104,55 %	106,46 %	108,41 %	110,58 %	112,79 %	115,05 %	117,35 %	119,70 %	122,09 %	124,53 %	127,03 %	129,57 %	132,16 %	134,80 %	137,50 %
Real market rent change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Yield change																	
Income from current leases	851	3 404	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income from future leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross rent	**851**	**3 404**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Operating costs	(12)	(46)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reletting costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of common costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CAPEX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residual value	-	39 000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash flow	**840**	**42 357**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Hammarvikringen 64 — GNR/BNR : 9/24 - 46,75,166 og 195 — Market Value mNOK 135,9

Discount Rates

Tenant A	4,00 %
Tenant B	5,25 %
Tenant C	7,75 %
Blend rate passing rent	**5,25 %**
Future rent	5,25 %
Blend rate cash flow	**5,25 %**
Residual value	5,25 %
Total blend rate (IRR)	**5,01 %**

Yields

Exit yield	3,25 %
Reversionary yield	6,87 %
Initial Yield	6,87 %
Yield fully let	6,87 %
Yield ex build rights etc	6,87 %

Costs

	NOK/m2	kNOK
Maintenance	-	(0)
Administration	10	80
Insurance	-	(0)
Land lease	-	(0)
Property tax	-	(0)
Other costs	-	(0)
OPEX	**10**	**80**
Average cost over life		0,9 %
OPEX % of gross rent		0,9 %
VAT recoverable		100,0 %
Common costs		200
Non-rec @ vacancy		50,0 %

Change Analysis

Previous value	
Disc.rate /yield change	-14,5
Change market rent	-20,1
Change in costs	7,8
Change inflation	-0,1
Other changes	-84,8
New value	**135,9**

Sensitivity tests

Parameter	*Event*	*Value*
Market rent	10,0 %	141,2
Disc.rate	0,25 %	133,7
Exit yield	0,25 %	132,1
Inflation yr 1	1,0 %	136,7

Valuation

	mNOK
NPV passing rent	83,4
NPV future rent	-
NPV of costs	-0,7
Residual value	53,2
Building rights	-
Other corr.	-
Total	**135,9**

Key Ratios

Value per m2	16 962
Residual value per m2	9 201
Value of vacant space	-
Rent potential	0,00 %
Implicit value increment	-5,93 %

Valuation Period

From:	30.09.2020
To:	31.12.2030

Comments

Kommentar:
7029 m2 produksjon og lager. Ca 920 m2 kontor.
Kjøpsopsjon på å kjøpe den for 90 mNOK i 2020.
Vi estimerer rabatten i forhold til virkelig verdi er såpass stor at dette kjøpet blir gjennomført.
Således er kontantstrømmen "sikker" hele veien, og neddiskonterer restverdien på 90 mNOK på samme niivå som kjent kontantstrøm på 5,25% nominelt. (3,25 realavkastning)

Effektiv rente (IRR) på 5%, som virker fornuftig ut fra en obligasjonsrente, som dette i praksis er.

Net Rent Summary

Category	Unit	Area Distribution Total	Let	Vacant	Adj.'mt	Gross Rent - kNOK Passing	Market	Rent - NOK/unit Passing	Market	Costs @ first relet Void days	Cost/m2	Cost @ future relets Void days	Cost/m2	As-is rent NOK/m2	Duration Current	Next	Valuation NOK/m2
Combined	m2	8 012	8 012			9 420	9 420	1 176	1 176					1 176	10,3	5,0	16 965
														-		5,0	-
														-		5,0	-
														-		5,0	-
														-		5,0	-
														-		5,0	-
														-		5,0	-
														-		5,0	-
														-		5,0	-
														-		5,0	-
Total		**8 012**	**8 012**	**-**	**-**	**9 420**	**9 420**	**1 176**	**1 176**	**-**	**-**	**-**	**-**	**1 176**	**10,3**	**5,0**	**16 962**

Cash Flow - kNOK

Cash Flow - kNOK	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
		4321															
	93	365	365	365	366	365	365	365	366	365	365	365	366	365	365	365	366
CPI	0 %	1,60 %	2,90 %	1,83 %	1,83 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %
CPI index	100 %	101,60 %	104,55 %	106,46 %	108,41 %	110,58 %	112,79 %	115,05 %	117,35 %	119,70 %	122,09 %	124,53 %	127,03 %	129,57 %	132,16 %	134,80 %	137,50 %
Real market rent change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Yield change																	
Income from current leases	2 394	9 571	9 848	10 029	10 213	10 417	10 625	10 838	11 055	11 276	11 501	-	-	-	-	-	-
Income from future leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross rent	**2 394**	**9 571**	**9 848**	**10 029**	**10 213**	**10 417**	**10 625**	**10 838**	**11 055**	**11 276**	**11 501**	**-**	**-**	**-**	**-**	**-**	**-**
Operating costs	(20)	(81)	(84)	(85)	(87)	(89)	(90)	(92)	(94)	(96)	(98)	-	-	-	-	-	-
Reletting costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of common costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CAPEX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residual value	-	-	-	-	-	-	-	-	-	-	90 000	-	-	-	-	-	-
Net cash flow	**2 373**	**9 489**	**9 765**	**9 944**	**10 126**	**10 328**	**10 535**	**10 746**	**10 961**	**11 180**	**101 403**	**-**	**-**	**-**	**-**	**-**	**-**

Havnegata 24 — GNR/BNR : 83/75 og 92 — Market Value mNOK 137,8

Discount Rates

Tenant A	4,00 %
Tenant B	5,25 %
Tenant C	7,75 %
Blend rate passing rent	**5,25 %**
Future rent	8,75 %
Blend rate cash flow	**7,83 %**
Residual value	8,75 %
Total blend rate (IRR)	**8,22 %**

Yields

Exit yield	6,75 %
Reversionary yield	8,14 %
Initial Yield	7,15 %
Yield fully let	7,15 %
Yield ex build rights etc	7,15 %

Costs

	NOK/m2	*kNOK*
Maintenance	-	(0)
Administration	10	142
Insurance	-	(0)
Land lease	-	(0)
Property tax	-	(0)
Other costs	-	(0)
OPEX	**10**	**142**

Average cost over life	14,2 %
OPEX % of gross rent	1,4 %

VAT recoverable	100,0 %
Common costs	200
Non-rec @ vacancy	50,0 %

Change Analysis

Previous value	
Disc.rate /yield change	
Change market rent	
Change in costs	
Change inflation	
Other changes	
New value	**137,8**

Sensitivity tests

Parameter	*Event*	*Value*
Market rent	10,0 %	147,7
Disc.rate	0,25 %	134,7
Exit yield	0,25 %	135,7
Inflation yr 1	1,0 %	138,7

Valuation

	mNOK
NPV passing rent	49,2
NPV future rent	38,9
NPV of costs	-9,9
Residual value	59,6
Building rights	-
Other corr.	-
Total	**137,8**

Key Ratios

Value per m2	9 704
Residual value per m2	11 938
Value of vacant space	-
Rent potential	13,60 %
Implicit value increment	0,58 %

Valuation Period

From:	30.09.2020
To:	31.12.2036

Comments

Kommentar:

Vi har justert markedsleien etter kontraktsutløp for å kompensere for gjeldende struktur der det ligger en garantileie i bunn som representerer ca 460 NOK/m2 frem fra 2023 til 2028.

Net Rent Summary

		Area Distribution				Gross Rent - kNOK		Rent - NOK/unit		Costs @ first relet		Cost @ future relets		As-is rent	Duration		Valuation
Category	**Unit**	**Total**	Let	Vacant	Adj.'mt	**Passing**	**Market**	**Passing**	**Market**	**Void days**	**Cost/m2**	**Void days**	**Cost/m2**	**NOK/m2**	**Current**	**Next**	**NOK/m2**
Logistics	m2	**14 200**	14 200			10 000	11 360	704	800	275	500	183	500	729	7,8	7,0	10 758
														-	5,5	7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
Total		**14 200**	**14 200**	**-**	**-**	**10 000**	**11 360**	**704**	**800**	**275**	**500**	**183**	**500**	**729**	**7,8**	**7,0**	**9 704**

4321

Cash Flow - kNOK

Cash Flow - kNOK	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	93	365	365	365	366	365	365	365	366	365	365	365	366	365	365	365	366
CPI	0 %	1,60 %	2,90 %	1,83 %	1,83 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %
CPI index	100 %	101,60 %	104,55 %	106,46 %	108,41 %	110,58 %	112,79 %	115,05 %	117,35 %	119,70 %	122,09 %	124,53 %	127,03 %	129,57 %	132,16 %	134,80 %	137,50 %
Real market rent change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Yield change																	
Income from current leases	2 541	10 000	10 000	6 510	6 500	6 500	6 500	6 500	3 232	-	-	-	-	-	-	-	-
Income from future leases	-	-	-	-	-	-	-	-	-	10 226	13 870	14 147	14 430	14 719	15 013	15 313	7 831
Gross rent	**2 541**	**10 000**	**10 000**	**6 510**	**6 500**	**6 500**	**6 500**	**6 500**	**3 232**	**10 226**	**13 870**	**14 147**	**14 430**	**14 719**	**15 013**	**15 313**	**7 831**
Operating costs	(36)	(144)	(148)	(151)	(154)	(157)	(160)	(163)	(167)	(170)	(173)	(177)	(180)	(184)	(188)	(191)	(195)
Reletting costs	-	-	-	-	-	-	-	-	-	(8 499)	-	-	-	-	-	-	(9 762)
Share of common costs	-	-	-	-	-	-	-	-	(838)	(421)	-	-	-	-	-	-	(974)
CAPEX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residual value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	233 079
Net cash flow	**2 505**	**9 856**	**9 852**	**6 358**	**6 346**	**6 343**	**6 340**	**6 337**	**2 228**	**1 136**	**13 696**	**13 970**	**14 250**	**14 535**	**14 825**	**15 122**	**229 979**

Havnegata 20B | GNR/BNR : 83/113 | Market Value mNOK 136,1

Discount Rates	
Tenant A	4,00 %
Tenant B	5,25 %
Tenant C	7,75 %
Blend rate passing rent	**5,25 %**
Future rent	7,75 %
Blend rate cash flow	**6,10 %**
Residual value	7,75 %
Total blend rate (IRR)	**6,91 %**

Yields	
Exit yield	5,75 %
Reversionary yield	5,27 %
Initial Yield	5,46 %
Yield fully let	5,46 %
Yield ex build rights etc	5,46 %

Costs	*NOK/m2*	*kNOK*
Maintenance	-	(0)
Administration	10	72
Insurance	-	(0)
Land lease	-	(0)
Property tax	-	(0)
Other costs	-	(0)
OPEX	**10**	**72**
Average cost over life		6,1 %
OPEX % of gross rent		1,0 %
VAT recoverable		100,0 %
Common costs		200
Non-rec @ vacancy		50,0 %

Change Analysis	
Previous value	
Disc.rate /yield change	
Change market rent	
Change in costs	
Change inflation	
Other changes	
New value	**136,1**

Sensitivity tests		
Parameter	*Event*	*Value*
Market rent	10,0 %	142,7
Disc.rate	0,25 %	133,1
Exit yield	0,25 %	133,9
Inflation yr 1	1,0 %	137,4

Valuation	mNOK
NPV passing rent	74,4
NPV future rent	14,2
NPV of costs	-4,5
Residual value	52,0
Building rights	-
Other corr.	-
Total	**136,1**

Key Ratios	
Value per m2	18 778
Residual value per m2	17 562
Value of vacant space	-
Rent potential	-3,36 %
Implicit value increment	-0,76 %

Valuation Period	
From:	30.09.2020
To:	31.12.2036

Comments

Kommentar:

Eiendommen holder normal/god standard.
Uvisst årstall

6 508 m2 lager/produksjon. Resten kontor.

Lang kontrakt med god motpart.

Net Rent Summary

		Area Distribution				Gross Rent - kNOK		Rent - NOK/unit		Costs @ first relet		Cost @ future relets		As-is rent	Duration		Valuation
Category	**Unit**	**Total**	Let	Vacant	Adj.'mt	**Passing**	**Market**	**Passing**	**Market**	**Void days**	**Cost/m2**	**Void days**	**Cost/m2**	**NOK/m2**	**Current**	**Next**	**NOK/m2**
Production/logistics	m2	**7 248**	7 248			7 500	7 248	1 035	1 000	122	750	122	750	925	11,8	10,0	18 774
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
Total		**7 248**	**7 248**	**-**	**-**	**7 500**	**7 248**	**1 035**	**1 000**	**122**	**750**	**122**	**750**	**925**	**11,8**	**10,0**	**18 778**

		4321															
Cash Flow - kNOK	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	93	365	365	365	366	365	365	365	366	365	365	365	366	365	365	365	366
CPI	0 %	1,60 %	2,90 %	1,83 %	1,83 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %
CPI index	100 %	101,60 %	104,55 %	106,46 %	108,41 %	110,58 %	112,79 %	115,05 %	117,35 %	119,70 %	122,09 %	124,53 %	127,03 %	129,57 %	132,16 %	134,80 %	137,50 %
Real market rent change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Yield change																	
Income from current leases	1 906	7 620	7 841	7 985	8 131	8 294	8 460	8 629	8 801	8 977	9 157	9 340	4 763	-	-	-	-
Income from future leases	-	-	-	-	-	-	-	-	-	-	-	-	1 534	9 391	9 579	9 770	9 966
Gross rent	**1 906**	**7 620**	**7 841**	**7 985**	**8 131**	**8 294**	**8 460**	**8 629**	**8 801**	**8 977**	**9 157**	**9 340**	**6 298**	**9 391**	**9 579**	**9 770**	**9 966**
Operating costs	(18)	(74)	(76)	(77)	(79)	(80)	(82)	(83)	(85)	(87)	(88)	(90)	(92)	(94)	(96)	(98)	(100)
Reletting costs	-	-	-	-	-	-	-	-	-	-	-	-	(6 905)	-	-	-	-
Share of common costs	-	-	-	-	-	-	-	-	-	-	-	-	(307)	-	-	-	-
CAPEX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residual value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	175 016
Net cash flow	**1 887**	**7 546**	**7 765**	**7 908**	**8 053**	**8 214**	**8 378**	**8 545**	**8 716**	**8 891**	**9 068**	**9 250**	**(1 006)**	**9 297**	**9 483**	**9 673**	**184 882**

Industriparken Jøsnøya GNR/BNR : 123/21 Market Value mNOK 10,4

Discount Rates

Tenant A	4,00 %
Tenant B	5,25 %
Tenant C	7,75 %
Blend rate passing rent	**5,25 %**
Future rent	7,50 %
Blend rate cash flow	**7,50 %**
Residual value	7,50 %
Total blend rate (IRR)	**7,30 %**

Yields

Exit yield	5,50 %
Reversionary yield	5,94 %
Initial Yield	4,11 %
Yield fully let	4,11 %
Yield ex build rights etc	4,10 %

Costs

	NOK/m2	kNOK
Maintenance	-	(0)
Administration	3	33
Insurance	-	(0)
Land lease	-	(0)
Property tax	-	(0)
Other costs	-	(0)
OPEX	**3**	**33**
Average cost over life		8,3 %
OPEX % of gross rent		7,1 %
VAT recoverable		100,0 %
Common costs		20
Non-rec @ vacancy		50,0 %

Change Analysis

Previous value	
Disc.rate /yield change	
Change market rent	
Change in costs	
Change inflation	
Other changes	
New value	**10,4**

Sensitivity tests

Parameter	*Event*	*Value*
Market rent	10,0 %	11,5
Disc.rate	0,25 %	10,2
Exit yield	0,25 %	10,2
Inflation yr 1	1,0 %	10,5

Valuation

	mNOK
NPV passing rent	0,1
NPV future rent	6,0
NPV of costs	-0,6
Residual value	4,9
Building rights	-
Other corr.	-
Total	**10,4**

Key Ratios

Value per m2 land (plot)	800
Residual value per m2	881
Value of vacant space	-
Rent potential	41,30 %
Implicit value increment	0,60 %

Valuation Period

From:	30.09.2020
To:	31.12.2036

Comments

Kommentar:

Tomter i Hitra næringspark ble solgt i 2016 for 500-650 NOK/m2.

Verdiøkning grunnet nytt bygg fra Lerøy ferdig oppført

Net Rent Summary

		Area Distribution				Gross Rent - kNOK		Rent - NOK/unit		Costs @ first relet		Cost @ future relets		As-is rent	Duration		Valuation
Category	**Unit**	**Total**	Let	Vacant	Adj.'mt	**Passing**	**Market**	**Passing**	**Market**	**Void days**	**Cost/m2**	**Void days**	**Cost/m2**	**NOK/m2**	**Current**	**Next**	**NOK/m2**
Logistics (plot area)	m2	**13 000**	13 000			460	650	35	50	365	-	183	-	50	0,3	5,0	802
														-		5,0	-
														-		5,0	-
														-		5,0	-
														-		5,0	-
														-		5,0	-
														-		5,0	-
														-		5,0	-
														-		5,0	-
														-		5,0	-
Total		**13 000**	**13 000**	**-**	**-**	**460**	**650**	**35**	**50**	**365**	**-**	**183**	**-**	**50**	**0,3**	**5,0**	**800**

Cash Flow - kNOK

		4321															
Cash Flow - kNOK	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
	93	365	365	365	366	365	365	365	366	365	365	365	366	365	365	365	366
CPI	0 %	1,60 %	2,90 %	1,83 %	1,83 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %
CPI index	100 %	101,60 %	104,55 %	106,46 %	108,41 %	110,58 %	112,79 %	115,05 %	117,35 %	119,70 %	122,09 %	124,53 %	127,03 %	129,57 %	132,16 %	134,80 %	137,50 %
Real market rent change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Yield change																	
Income from current leases	116	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income from future leases	-	1	680	692	705	719	730	377	763	778	794	809	414	842	859	876	894
Gross rent	**116**	**1**	**680**	**692**	**705**	**719**	**730**	**377**	**763**	**778**	**794**	**809**	**414**	**842**	**859**	**876**	**894**
Operating costs	(8)	(33)	(34)	(35)	(35)	(36)	(37)	(37)	(38)	(39)	(40)	(40)	(41)	(42)	(43)	(44)	(45)
Reletting costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of common costs	(0)	(132)	-	-	-	-	(1)	(74)	-	-	-	-	(82)	-	-	-	-
CAPEX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residual value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15 746
Net cash flow	**108**	**(164)**	**646**	**657**	**669**	**683**	**693**	**265**	**725**	**739**	**754**	**769**	**290**	**800**	**816**	**832**	**16 595**

Industrivegen 15 — GNR/BNR : 29/256 og 257 — Market Value mNOK 68,9

Discount Rates

Tenant A	4,00 %
Tenant B	5,25 %
Tenant C	7,75 %
Blend rate passing rent	**5,25 %**
Future rent	9,25 %
Blend rate cash flow	**7,05 %**
Residual value	9,25 %
Total blend rate (IRR)	**8,01 %**

Yields

Exit yield	7,25 %
Reversionary yield	6,90 %
Initial Yield	6,42 %
Yield fully let	6,42 %
Yield ex build rights etc	6,42 %

Costs

	NOK/m2	*kNOK*
Maintenance	-	(0)
Administration	7	56
Insurance	-	(0)
Land lease	-	(0)
Property tax	-	(0)
Other costs	-	(0)
OPEX	**7**	**56**

Average cost over life	7,6 %
OPEX % of gross rent	1,3 %
VAT recoverable	100,0 %
Common costs	200
Non-rec @ vacancy	50,0 %

Change Analysis

Previous value	
Disc.rate /yield change	
Change market rent	
Change in costs	
Change inflation	
Other changes	
New value	**68,9**

Sensitivity tests

Parameter	*Event*	*Value*
Market rent	10,0 %	72,2
Disc.rate	0,25 %	67,4
Exit yield	0,25 %	68,2
Inflation yr 1	1,0 %	69,6

Valuation

	mNOK
NPV passing rent	39,7
NPV future rent	10,7
NPV of costs	-3,3
Residual value	21,8
Building rights	-
Other corr.	-
Total	**68,9**

Key Ratios

Value per m2	8 600
Residual value per m2	8 343
Value of vacant space	-
Rent potential	7,30 %
Implicit value increment	-0,67 %

Valuation Period

From:	30.09.2020
To:	31.12.2036

Comments

Kommentar:

Bygg fra 2009.
1 time fra Tromsø. God adkomst fra E8.
Nærme E6 i tillegg

Net Rent Summary

		Area Distribution				Gross Rent - kNOK		Rent - NOK/unit		Costs @ first relet		Cost @ future relets		As-is rent	Duration		Valuation
Category	**Unit**	**Total**	Let	Vacant	Adj.'mt	**Passing**	**Market**	**Passing**	**Market**	**Void days**	**Cost/m2**	**Void days**	**Cost/m2**	**NOK/m2**	**Current**	**Next**	**NOK/m2**
Industrial	m2	**8 012**	8 012			4 480	4 807	559	600	183	500	122	500	529	10,3	7,0	8 601
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
Total		**8 012**	**8 012**	**-**	**-**	**4 480**	**4 807**	**559**	**600**	**183**	**500**	**122**	**500**	**529**	**10,3**	**7,0**	**8 600**

Cash Flow - kNOK

		4321															
Cash Flow - kNOK	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	93	365	365	365	366	365	365	365	366	365	365	365	366	365	365	365	366
CPI	0 %	1,60 %	2,90 %	1,83 %	1,83 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %
CPI index	100 %	101,60 %	104,55 %	106,46 %	108,41 %	110,58 %	112,79 %	115,05 %	117,35 %	119,70 %	122,09 %	124,53 %	127,03 %	129,57 %	132,16 %	134,80 %	137,50 %
Real market rent change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Yield change																	
Income from current leases	1 138	4 552	4 684	4 770	4 857	4 954	5 053	5 154	5 257	5 363	5 470	-	-	-	-	-	-
Income from future leases	-	-	-	-	-	-	-	-	-	-	-	2 985	6 106	6 228	6 353	6 480	6 610
Gross rent	**1 138**	**4 552**	**4 684**	**4 770**	**4 857**	**4 954**	**5 053**	**5 154**	**5 257**	**5 363**	**5 470**	**2 985**	**6 106**	**6 228**	**6 353**	**6 480**	**6 610**
Operating costs	(14)	(57)	(59)	(60)	(61)	(62)	(63)	(65)	(66)	(67)	(68)	(70)	(71)	(73)	(74)	(76)	(77)
Reletting costs	-	-	-	-	-	-	-	-	-	-	-	(4 989)	-	-	-	-	-
Share of common costs	-	-	-	-	-	-	-	-	-	-	-	(500)	-	-	-	-	-
CAPEX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residual value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	91 907
Net cash flow	**1 124**	**4 495**	**4 625**	**4 710**	**4 796**	**4 892**	**4 990**	**5 090**	**5 192**	**5 295**	**5 401**	**(2 574)**	**6 035**	**6 156**	**6 279**	**6 405**	**98 440**

Skattørvegen 78 — GNR/BNR : 125/599 — Market Value mNOK 32,5

Discount Rates

Tenant A	4,00 %
Tenant B	5,25 %
Tenant C	7,75 %
Blend rate passing rent	**5,25 %**
Future rent	8,75 %
Blend rate cash flow	**5,88 %**
Residual value	8,75 %
Total blend rate (IRR)	**7,20 %**

Yields

Exit yield	6,75 %
Reversionary yield	5,72 %
Initial Yield	6,10 %
Yield fully let	6,10 %
Yield ex build rights etc	6,10 %

Costs

	NOK/m2	kNOK
Maintenance	-	(0)
Administration	10	19
Insurance	-	(0)
Land lease	-	(0)
Property tax	-	(0)
Other costs	-	(0)
OPEX	**10**	**19**
Average cost over life		4,6 %
OPEX % of gross rent		0,9 %
VAT recoverable		100,0 %
Common costs		200
Non-rec @ vacancy		50,0 %

Change Analysis

Previous value	
Disc.rate /yield change	
Change market rent	
Change in costs	
Change inflation	
Other changes	
New value	**32,5**

Sensitivity tests

Parameter	*Event*	*Value*
Market rent	10,0 %	33,7
Disc.rate	0,25 %	31,8
Exit yield	0,25 %	32,1
Inflation yr 1	1,0 %	32,8

Valuation

	mNOK
NPV passing rent	21,8
NPV future rent	1,7
NPV of costs	-0,8
Residual value	9,9
Building rights	-
Other corr.	-
Total	**32,5**

Key Ratios

Value per m2	17 315
Residual value per m2	14 960
Value of vacant space	-
Rent potential	-6,15 %
Implicit value increment	-1,19 %

Valuation Period

From:	30.09.2020
To:	31.12.2036

Comments

Kommentar:

Beliggende på tromsøya

Enkelt lagerbygg med mindre arealer. Nord for eiendommen er det igangsatt utvikling av tomteområder til industriell og maritim virksomhet.

Net Rent Summary

		Area Distribution				Gross Rent - kNOK		Rent - NOK/unit		Costs @ first relet		Cost @ future relets		As-is rent	Duration		Valuation
Category	Unit	Total	Let	Vacant	Adj.'mt	Passing	Market	Passing	Market	Void days	Cost/m2	Void days	Cost/m2	NOK/m2	Current	Next	NOK/m2
Production/logistics	m2	**1 877**	1 877			2 000	1 877	1 066	1 000	122	500	183	500	929	13,6	7,0	17 311
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
														-		7,0	-
Total		**1 877**	**1 877**	**-**	**-**	**2 000**	**1 877**	**1 066**	**1 000**	**122**	**500**	**183**	**500**	**929**	**13,6**	**7,0**	**17 315**

Cash Flow - kNOK

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
		4321															
	93	365	365	365	366	365	365	365	366	365	365	365	366	365	365	365	366
CPI	0 %	1,60 %	2,90 %	1,83 %	1,83 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %
CPI index	100 %	101,60 %	104,55 %	106,46 %	108,41 %	110,58 %	112,79 %	115,05 %	117,35 %	119,70 %	122,09 %	124,53 %	127,03 %	129,57 %	132,16 %	134,80 %	137,50 %
Real market rent change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Yield change																	
Income from current leases	508	2 026	2 073	2 103	2 134	2 168	2 203	2 238	2 274	2 310	2 347	2 385	2 423	2 462	822	-	-
Income from future leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	836	2 530	2 581
Gross rent	**508**	**2 026**	**2 073**	**2 103**	**2 134**	**2 168**	**2 203**	**2 238**	**2 274**	**2 310**	**2 347**	**2 385**	**2 423**	**2 462**	**1 658**	**2 530**	**2 581**
Operating costs	(5)	(19)	(20)	(20)	(20)	(21)	(21)	(22)	(22)	(22)	(23)	(23)	(24)	(24)	(25)	(25)	(26)
Reletting costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1 240)	-	-
Share of common costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(83)	-	-
CAPEX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residual value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38 609
Net cash flow	**503**	**2 007**	**2 053**	**2 083**	**2 113**	**2 147**	**2 181**	**2 216**	**2 252**	**2 288**	**2 324**	**2 361**	**2 399**	**2 437**	**310**	**2 505**	**41 164**

Torgardsveien 11, Torgård GNR/BNR : 311/15 Market Value mNOK 76,8

Discount Rates

Tenant A	4,00 %
Tenant B	5,25 %
Tenant C	7,75 %
Blend rate passing rent	**5,25 %**
Future rent	7,38 %
Blend rate cash flow	**6,67 %**
Residual value	7,38 %
Total blend rate (IRR)	**6,39 %**

Costs

	NOK/m2	kNOK
Maintenance	-	(0)
Administration	12	37
Insurance	-	(0)
Land lease	-	(0)
Property tax	-	(0)
Other costs	-	(0)
OPEX	**12**	**37**

Change Analysis

Previous value	
Disc.rate /yield change	
Change market rent	
Change in costs	
Change inflation	
Other changes	
New value	**76,8**

Valuation

	mNOK
NPV passing rent	27,6
NPV future rent	17,4
NPV of costs	-1,6
Residual value	29,3
Building rights	4,1
Other corr.	-
Total	**76,8**

Valuation Period

From:	30.09.2020
To:	31.12.2036

Comments

Kommentar:
Lager/kontor bygg 15 km utenfor Trondheim

Planer om tilbygg i tilegg til eksisternde eiendomsmasse. Vi har lagt til grunn 2 704 m2 combinert areal til 1 000 NOK/m2 byggbart areal. Dette er lagt til som en building right i modellen.

Torgårdsveien 16 solgt i 2018 til 5,6% i yield på en lengre kontrakt tidlig 2018. Vi har sett en yieldkompresjon siden den gang. Kvadratmeterprisen var 16 000 NOK/m2.

Yields

Exit yield	5,38 %
Reversionary yield	4,66 %
Initial Yield	5,43 %
Yield fully let	5,43 %
Yield ex build rights etc	5,74 %

Average cost over life	3,6 %
OPEX % of gross rent	0,9 %
VAT recoverable	100,0 %
Common costs	200
Non-rec @ vacancy	50,0 %

Sensitivity tests

Parameter	*Event*	*Value*
Market rent	10,0 %	81,5
Disc.rate	0,25 %	75,2
Exit yield	0,25 %	75,5
Inflation yr 1	1,0 %	77,5

Key Ratios

Value per m2	24 976
Residual value per m2	22 070
Value of vacant space	-
Rent potential	-14,18 %
Implicit value increment	-0,94 %

Net Rent Summary

		Area Distribution				Gross Rent - kNOK		Rent - NOK/unit		Costs @ first relet		Cost @ future relets		As-is rent	Duration		Valuation
Category	**Unit**	**Total**	Let	Vacant	Adj.'mt	**Passing**	**Market**	**Passing**	**Market**	**Void days**	**Cost/m2**	**Void days**	**Cost/m2**	**NOK/m2**	**Current**	**Next**	**NOK/m2**
Combined	m2	**3 075**	3 075			4 210	3 613	1 369	1 175	122	500	122	500	1 125	7,3	10,0	23 650
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
Total		**3 075**	**3 075**	**-**	**-**	**4 210**	**3 613**	**1 369**	**1 175**	**122**	**500**	**122**	**500**	**1 125**	**7,3**	**10,0**	**24 976**

Cash Flow - kNOK

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
		4321															
	93	365	365	365	366	365	365	365	366	365	365	365	366	365	365	365	366
CPI	0 %	1,60 %	2,90 %	1,83 %	1,83 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %
CPI index	100 %	101,60 %	104,55 %	106,46 %	108,41 %	110,58 %	112,79 %	115,05 %	117,35 %	119,70 %	122,09 %	124,53 %	127,03 %	129,57 %	132,16 %	134,80 %	137,50 %
Real market rent change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Yield change																	
Income from current leases	1 070	4 277	4 401	4 482	4 564	4 656	4 749	4 844	-	-	-	-	-	-	-	-	-
Income from future leases	-	-	-	-	-	-	-	-	2 827	4 325	4 411	4 500	4 590	4 681	4 775	4 871	4 968
Gross rent	**1 070**	**4 277**	**4 401**	**4 482**	**4 564**	**4 656**	**4 749**	**4 844**	**2 827**	**4 325**	**4 411**	**4 500**	**4 590**	**4 681**	**4 775**	**4 871**	**4 968**
Operating costs	(9)	(37)	(39)	(39)	(40)	(41)	(42)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)
Reletting costs	-	-	-	-	-	-	-	-	(1 804)	-	-	-	-	-	-	-	-
Share of common costs	-	-	-	-	-	-	-	-	(120)	-	-	-	-	-	-	-	-
CAPEX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residual value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	93 312
Net cash flow	**1 060**	**4 240**	**4 363**	**4 443**	**4 524**	**4 615**	**4 707**	**4 801**	**859**	**4 281**	**4 366**	**4 454**	**4 543**	**4 634**	**4 726**	**4 821**	**98 229**

Hofstadvegen 15 — GNR/BNR : 87/46 — Market Value mNOK 58,1

Discount Rates

Tenant A	4,00 %
Tenant B	5,25 %
Tenant C	7,75 %
Blend rate passing rent	**5,25 %**
Future rent	7,88 %
Blend rate cash flow	**6,65 %**
Residual value	7,88 %
Total blend rate (IRR)	**7,16 %**

Yields

Exit yield	5,88 %
Reversionary yield	5,32 %
Initial Yield	5,63 %
Yield fully let	5,63 %
Yield ex build rights etc	5,63 %

Costs

	NOK/m2	*kNOK*
Maintenance	-	(0)
Administration	10	31
Insurance	-	(0)
Land lease	-	(0)
Property tax	-	(0)
Other costs	-	(0)
OPEX	**10**	**31**

Average cost over life	2,1 %
OPEX % of gross rent	0,9 %
VAT recoverable	100,0 %
Common costs	200
Non-rec @ vacancy	50,0 %

Change Analysis

Previous value	
Disc.rate /yield change	
Change market rent	
Change in costs	
Change inflation	
Other changes	
New value	**58,1**

Sensitivity tests

Parameter	*Event*	*Value*
Market rent	10,0 %	61,3
Disc.rate	0,25 %	56,8
Exit yield	0,25 %	57,2
Inflation yr 1	1,0 %	58,6

Valuation

	mNOK
NPV passing rent	26,8
NPV future rent	10,5
NPV of costs	-0,7
Residual value	21,5
Building rights	-
Other corr.	-
Total	**58,1**

Key Ratios

Value per m2	18 592
Residual value per m2	17 188
Value of vacant space	-
Rent potential	-5,30 %
Implicit value increment	-0,56 %

Valuation Period

From:	30.09.2020
To:	31.12.2036

Comments

Kommentar:

Foruresende masser på avgrenset område

Ligger fint på E6 ca 23 min før Trondheim

Net Rent Summary

		Area Distribution				Gross Rent - kNOK		Rent - NOK/unit		Costs @ first relet		Cost @ future relets		As-is rent	Duration		Valuation
Category	**Unit**	**Total**	Let	Vacant	Adj.'mt	**Passing**	**Market**	**Passing**	**Market**	**Void days**	**Cost/m2**	**Void days**	**Cost/m2**	**NOK/m2**	**Current**	**Next**	**NOK/m2**
Production	m2	**3 125**	3 125			3 300	3 125	1 056	1 000	91	150	122	500	979	9,3	7,0	18 582
														-		5,0	-
														-		5,0	-
														-		5,0	-
														-		5,0	-
														-		5,0	-
														-		5,0	-
														-		5,0	-
														-		5,0	-
														-		5,0	-
Total		**3 125**	**3 125**	**-**	**-**	**3 300**	**3 125**	**1 056**	**1 000**	**91**	**150**	**122**	**500**	**979**	**9,3**	**7,0**	**18 592**

4321

Cash Flow - kNOK

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	93	365	365	365	366	365	365	365	366	365	365	365	366	365	365	365	366
CPI	0 %	1,60 %	2,90 %	1,83 %	1,83 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %
CPI index	100 %	101,60 %	104,55 %	106,46 %	108,41 %	110,58 %	112,79 %	115,05 %	117,35 %	119,70 %	122,09 %	124,53 %	127,03 %	129,57 %	132,16 %	134,80 %	137,50 %
Real market rent change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Yield change																	
Income from current leases	839	3 353	3 450	3 513	3 578	3 649	3 722	3 797	3 873	3 950	-	-	-	-	-	-	-
Income from future leases	-	-	-	-	-	-	-	-	-	-	2 864	3 892	3 970	4 049	4 130	4 213	4 297
Gross rent	**839**	**3 353**	**3 450**	**3 513**	**3 578**	**3 649**	**3 722**	**3 797**	**3 873**	**3 950**	**2 864**	**3 892**	**3 970**	**4 049**	**4 130**	**4 213**	**4 297**
Operating costs	(8)	(32)	(33)	(33)	(34)	(35)	(35)	(36)	(37)	(37)	(38)	(39)	(40)	(40)	(41)	(42)	(43)
Reletting costs	-	-	-	-	-	-	-	-	-	-	(572)	-	-	-	-	-	-
Share of common costs	-	-	-	-	-	-	-	-	-	-	(95)	-	-	-	-	-	-
CAPEX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residual value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	73 853
Net cash flow	**831**	**3 321**	**3 417**	**3 480**	**3 544**	**3 615**	**3 687**	**3 761**	**3 836**	**3 913**	**2 159**	**3 853**	**3 930**	**4 008**	**4 089**	**4 170**	**78 107**

Klubben Næring, Senja

Market Value mNOK 56

Discount Rates

Tenant A	4,00 %
Tenant B	5,25 %
Tenant C	7,75 %
Blend rate passing rent	**5,25 %**
Future rent	8,00 %
Blend rate cash flow	**6,64 %**
Residual value	8,00 %
Total blend rate (IRR)	**7,13 %**

Yields

Exit yield	6,00 %
Reversionary yield	13,33 %
Initial Yield	-0,07 %
Yield fully let	-0,07 %
Yield ex build rights etc	-0,07 %

Costs

	NOK/m2	*kNOK*
Maintenance	-	(0)
Administration	10	38
Insurance	-	(0)
Land lease	-	(0)
Property tax	-	(0)
Other costs	-	(0)
OPEX	**10**	**38**

Average cost over life	35,9 %
OPEX % of market rent	0,5 %
VAT recoverable	100,0 %
Common costs	200
Non-rec @ vacancy	50,0 %

Change Analysis

Previous value	
Disc.rate /yield change	
Change market rent	
Change in costs	
Change inflation	
Other changes	
New value	**56,0**

Sensitivity tests

Parameter	*Event*	*Value*
Market rent	10,0 %	61,2
Disc.rate	0,25 %	52,3
Exit yield	0,25 %	55,1
Inflation yr 1	1,0 %	57,3

Valuation

	mNOK
NPV passing rent	88,5
NPV future rent	27,8
NPV of costs	-84,0
Residual value	23,7
Building rights	-
Other corr.	-
Total	**56,0**

Key Ratios

Value per m2	14 737
Residual value per m2	33 388
Value of vacant space	-
Rent potential	#DIV/0!
Implicit value increment	-2,60 %

Valuation Period

From:	30.09.2020
To:	31.12.2049

Comments

Kommentar:

Bygger ny kassefabrikk på Klubben Næingsområde på Senja. Fabrikken blir etablert direkte tilkoblet det nye Slakteriet til SalMar.

Ferdig 2021
Leie 7,5% av investering på 100 mNOK.
Gjenstående CAPEX: 80 mNOK ligger inne i modellen
15 års kontrakt med opsjon på 15 år

Net Rent Summary

		Area Distribution				Gross Rent - kNOK		Rent - NOK/unit		Costs @ first relet		Cost @ future relets		As-is rent	Duration		Valuation
Category	**Unit**	**Total**	Let	Vacant	Adj.'mt	**Passing**	**Market**	**Passing**	**Market**	**Void days**	**Cost/m2**	**Void days**	**Cost/m2**	**NOK/m2**	**Current**	**Next**	**NOK/m2**
Production	m2	**3 800**	3 800				7 501		1 974	92	250	122	3 000	1 949	15,0	10,0	14 737
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
Total		**3 800**	**3 800**	**-**	**-**	**-**	**7 501**	**-**	**1 974**	**92**	**250**	**122**	**3 000**	**1 949**	**15,0**	**10,0**	**14 737**

Cash Flow - kNOK

		4321															
Cash Flow - kNOK	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
	93	365	365	365	366	365	365	365	366	365	365	365	366	365	365	365	366
CPI	0 %	1,60 %	2,90 %	1,83 %	1,83 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %
CPI index	100 %	101,60 %	104,55 %	106,46 %	108,41 %	110,58 %	112,79 %	115,05 %	117,35 %	119,70 %	122,09 %	124,53 %	127,03 %	129,57 %	132,16 %	134,80 %	137,50 %
Real market rent change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Yield change																	
Income from current leases	-	3 820	7 841	7 985	8 131	8 294	8 460	8 629	8 801	8 977	9 157	9 340	9 527	9 717	9 912	10 110	5 128
Income from future leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 607
Gross rent	**-**	**3 820**	**7 841**	**7 985**	**8 131**	**8 294**	**8 460**	**8 629**	**8 801**	**8 977**	**9 157**	**9 340**	**9 527**	**9 717**	**9 912**	**10 110**	**7 735**
Operating costs	(10)	(39)	(40)	(40)	(41)	(42)	(43)	(44)	(45)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)
Reletting costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1 306)
Share of common costs	(97)	(193)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(131)
CAPEX	(40 000)	(40 000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residual value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash flow	**(40 106)**	**(36 411)**	**7 801**	**7 944**	**8 090**	**8 252**	**8 417**	**8 585**	**8 757**	**8 932**	**9 111**	**9 293**	**9 479**	**9 668**	**9 862**	**10 059**	**6 245**

Havneveien 1

GNR/BNR : 174 og 167/282/327/327/331/355/356 og 273

Market Value mNOK 361,8

Discount Rates

Tenant A	4,00 %
Tenant B	5,25 %
Tenant C	7,75 %
Blend rate passing rent	**5,25 %**
Future rent	5,25 %
Blend rate cash flow	**5,19 %**
Residual value	5,25 %
Total blend rate (IRR)	**4,96 %**

Yields

Exit yield	3,25 %
Reversionary yield	3,07 %
Initial Yield	6,44 %
Yield fully let	6,44 %
Yield ex build rights etc	6,44 %

Costs

	NOK/m2	*kNOK*
Maintenance	-	(0)
Administration	8	89
Insurance	-	(0)
Land lease	-	(0)
Property tax	-	(0)
Other costs	-	(0)
OPEX	**8**	**89**
Average cost over life		0,4 %
OPEX % of gross rent		0,4 %
VAT recoverable		100,0 %
Common costs		200
Non-rec @ vacancy		50,0 %

Change Analysis

Previous value	
Disc.rate /yield change	
Change market rent	
Change in costs	
Change inflation	
Other changes	
New value	**361,8**

Sensitivity tests

Parameter	*Event*	*Value*
Market rent	10,0 %	369,7
Disc.rate	0,25 %	354,4
Exit yield	0,25 %	356,2
Inflation yr 1	1,0 %	364,6

Valuation

	mNOK
NPV passing rent	283,9
NPV future rent	1,2
NPV of costs	-1,1
Residual value	77,9
Building rights	-
Other corr.	-
Total	**361,8**

Key Ratios

Value per m2	32 358
Residual value per m2	11 279
Value of vacant space	-
Rent potential	-52,22 %
Implicit value increment	-6,78 %

Valuation Period

From:	30.09.2020
To:	31.12.2035

Comments

Kommentar:

Høy leie grunnet investeringskostnader knyttet til spesialtilpasning.

Hvis leietaker ønsker å bli etter endt leieperiode tror vi det er stor sannsynlighet for at de caller kjøpsopsjonen på 170 mNOK. Nedsiderisikoen er begrenset ved at eier har mulighet til å calle en salgsopsjon på 150 mNOK dersom leietaker ikke forlenger.

Antar bygget har en verdi på 360 mNOK, som gir enn IRR på 5%.

Net Rent Summary

		Area Distribution				Gross Rent - kNOK		Rent - NOK/unit		Costs @ first relet		Cost @ future relets		As-is rent	Duration		Valuation
Category	**Unit**	**Total**	Let	Vacant	Adj.'mt	**Passing**	**Market**	**Passing**	**Market**	**Void days**	**Cost/m2**	**Void days**	**Cost/m2**	**NOK/m2**	**Current**	**Next**	**NOK/m2**
Combined	m2	**11 181**	11 181			23 400	11 181	2 093						1 000	15,1	10,0	32 361
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
														-		10,0	-
Total		**11 181**	**11 181**	**-**	**-**	**23 400**	**11 181**	**2 093**		**-**	**-**	**-**	**-**	**1 000**	**15,1**		**32 358**

Cash Flow - kNOK

	2020	4321 2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	93	365	365	365	366	365	365	365	366	365	365	365	366	365	365	365	366
CPI	0 %	1,60 %	2,90 %	1,83 %	1,83 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	2,00 %
CPI index	100 %	101,60 %	104,55 %	106,46 %	108,41 %	110,58 %	112,79 %	115,05 %	117,35 %	119,70 %	122,09 %	124,53 %	127,03 %	129,57 %	132,16 %	134,80 %	137,50 %
Real market rent change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Yield change																	
Income from current leases	5 946	23 774	24 464	24 912	25 369	25 876	26 394	26 922	27 460	28 010	28 570	29 141	29 724	30 318	30 925	26 272	-
Income from future leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross rent	**5 946**	**23 774**	**24 464**	**24 912**	**25 369**	**25 876**	**26 394**	**26 922**	**27 460**	**28 010**	**28 570**	**29 141**	**29 724**	**30 318**	**30 925**	**26 272**	**-**
Operating costs	(23)	(91)	(94)	(95)	(97)	(99)	(101)	(103)	(105)	(107)	(109)	(111)	(114)	(116)	(118)	(121)	-
Reletting costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of common costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CAPEX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residual value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	170 000	-
Net cash flow	**5 923**	**23 684**	**24 370**	**24 817**	**25 272**	**25 778**	**26 293**	**26 819**	**27 355**	**27 902**	**28 461**	**29 030**	**29 610**	**30 203**	**30 807**	**196 151**	**-**

Asset	Country	Value mDKK	Value DKK/m2	Lease kDKK	Lease DKK/m2	ERV kDKK	ERV DKK/m2	Opex kDKK	Building sqm	Construction year	Land sqm	Net Yield	Exit yield	Wault
Tungevej 2-4	Denmark	10,5	3 741	788	281	646	230	8	2 807	1946, 1947, 1978, 1990, 2014, 2020	11 708	7,43 %	8,50 %	14,00
Constantiavej 31 and Århusgade 24	Denmark	55,2	4 715	3 360	287	2 435	208	34	11 708	84, 2001, 2014, 2020	2 807	6,03 %	8,50 %	14,00
Havrevænget 1, 9500 Hobro, Danmark	Denmark	29,7	5 858	2 010	396	1 141	225	20	5 070	n.a.	15 378	6,70 %	8,50 %	8,0
Østerled 30, 4300 Holbæk, Danmark	Denmark	36,9	3 897	2 500	264	3 551	375	25	9 469	n.a.	24 933	6,71 %	8,50 %	8,0
Torvegade 41, 7160 Tørring, Danmark	Denmark	22,2	3 868	1 500	261	1 435	250	15	5 739	n.a.	n.a.	6,69 %	8,50 %	8,0
Tvilhovej 8, 6752 Tvilhov	Denmark	70,1	4 140	4 172	246	3 386	200	42	16 931	1970-2007	n.a.	5,89 %	8,50 %	15,0
Kidnakken 13, 4930 Maribo	Denmark	26,3	3 132	1 565	186	1 679	200	16	8 396	1970-2007	47 282	5,89 %	8,50 %	15,0
Total in DKK		**250,9**	**4 173**	**15 895**	**264**	**14 273**	**237**	**159**	**60 120**		**102 108**	**6,27 %**	**8,50 %**	**12,1**
Total in NOK		**374,0**	**6 222**	**23 696**	**394**	**21 278**	**353,9**	**237**	**60 120**	-	**102 108**	**6,27 %**	**8,5 %**	**12,1**

Amaliegade 3, 5th floor
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Sagsnummer 20159

CASH FLOW

The property	
Address	Tungevej 2-4, 6960 Hvide Sande, Denmark
Title no.	11nø, Søgård Hovedgårder Holmsland Klit
Office area (sq.m.)	240
Warehouse/production area (sq.m.)	2.567
Total gross lettable area (sq.m.)	2.807

Assumptions	
Valuation date	30-09-2020
Non-termination date	30-04-2034
Years left of non-termination	14
CPI - est.	2,00%
Baserent (DKK/sq.m.) - cf. lease contract with Insula AS	281
Weighted ERV baserent (DKK/sq.m.) - est.	230
Administration (% of net rent) - est.	1,00%
Discount rate	6,50%
Exit yield	8,50%

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(DKK)

Date	30-09-2020	30-09-2021	30-09-2022	30-09-2023	...	30-09-2033	30-04-2034	Terminal
Rent								
Baserent	787.733	803.488	819.557	835.949	...	1.019.017	606.315	1.039.397
ERV baserent								
Total rent	**787.733**	**803.488**	**819.557**	**835.949**	**...**	**1.019.017**	**606.315**	**1.039.397**
Landlord paid OPEX								
Landlord paid, provisions for exterior maintenance	-	-	-	-	...	-	-	-
Insurance	-	-	-	-	...	-	-	-
Administration	7.877	8.035	8.196	8.359	...	10.190	6.063	10.394
Reletting costs, broker	-	-	-	-	...	-	-	-
Refurbisment costs	-	-	-	-	...	-	-	-
Vacancy costs shortfall	-	-	-	-	...	-	-	-
Total landlord paid OPEX	**7.877**	**8.035**	**8.196**	**8.359**	**...**	**10.190**	**6.063**	**10.394**
NOI	**779.856**	**795.453**	**811.362**	**827.589**	**...**	**1.008.826**	**600.252**	**1.029.003**
Terminal value								**12.105.918**
Discount factor	0,94	0,88	0,83	0,78	...	0,41	0,40	0,40
Present value of cash flow	**732.259**	**701.318**	**671.685**	**643.304**	**...**	**417.755**	**239.599**	**2.416.124**

PV of cash flow	8.100.605
PV of terminal period	2.416.124
Total market value (rounded)	**10.500.000**
Total market value pr. sq.m.	**3.741**

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CASH FLOW

The property	
Address	Constantiavej 31 and Århusgade 24, both situated in 9900 Frederikshavn, Denmark
Title no.	23p and 23ef, both of Flade, Frederikshavn Jorder
Office area (sq.m.)	872
Warehouse/production area (sq.m.)	10.836
Total gross lettable area (sq.m.)	11.708

Assumptions	
Valuation date	30-09-2020
Non-termination date	30-04-2034
Years left of non-termination	14
CPI - est.	2,00%
Weighted baserent (DKK/sq.m.) - cf. lease contract with Insula A	287
Weighted ERV baserent (DKK/sq.m.) - est.	208
Administration (% of net rent) - est.	1,00%
Discount rate	6,50%
Exit yield	8,50%

CONFIDENTIAL

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(DKK)

Date	30-09-2020	30-09-2021	30-09-2022	30-09-2023	...	30-09-2033	30-04-2034	Terminal
Rent								
Baserent	3.362.030	3.429.271	3.497.856	3.567.813	...	4.349.144	2.587.741	4.436.127
Total rent	**3.362.030**	**3.429.271**	**3.497.856**	**3.567.813**	...	**4.349.144**	**2.587.741**	**4.436.127**
Landlord paid OPEX								
Landlord paid, provisions for exterior maintenance	-	-	-	-	...	-	-	-
Insurance	-	-	-	-	...	-	-	-
Administration	33.620	34.293	34.979	35.678	...	43.491	25.877	44.361
Reletting costs, broker	-	-	-	-	...	-	-	-
Refurbisment costs	-	-	-	-	...	-	-	-
Vacancy costs shortfall	-	-	-	-	...	-	-	-
Total landlord paid OPEX	**33.620**	**34.293**	**34.979**	**35.678**	...	**43.491**	**25.877**	**44.361**
NOI	**3.328.410**	**3.394.978**	**3.462.877**	**3.532.135**	...	**4.305.653**	**2.561.863**	**4.391.766**
Terminal value								**51.667.834**
Discount factor	0,94	0,88	0,83	0,78	...	0,41	0,40	0,40
Present value of cash flow	**3.125.267**	**2.993.214**	**2.866.740**	**2.745.610**	...	**1.782.972**	**1.022.604**	**20.623.948**

		Constantiavej 31	Århusgade 24
		35%	65%
PV of cash flow	34.573.234	12.100.632	22.472.602
PV of terminal period	20.623.948	7.218.382	13.405.566
Total market value (rounded)	**55.200.000**	**19.319.000**	**35.878.200**
Total market value pr. sq.m.	**4.715**		

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CASH FLOW

The property	
Address	Havrevænget 1, 9500 Hobro
Title no.	3ag Hegedal, Hobro Jorder
Total gross lettable area (sq.m.)	5.070

Assumptions	
Valuation date	30-09-2020
Non-termination date	30-04-2028
Years left of non-termination	8
CPI - est.	2,00%
Weighted baserent (DKK/sq.m.)	396
Weighted ERV baserent (DKK/sq.m.) - est.	225
Administration (% of net rent) - est.	1,00%
Discount rate	6,50%
Exit yield	8,50%

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(DKK)

Date	30-09-2020	30-09-2021	30-09-2022	30-09-2023	30-09-2024	30-09-2025	30-09-2026	30-09-2027	30-04-2028	Terminal
Rent										
Baserent	2.010.000	2.050.200	2.091.204	2.133.028	2.175.689	2.219.202	2.263.586	2.308.858	1.373.771	2.355.035
ERV baserent										
Total rent	**2.010.000**	**2.050.200**	**2.091.204**	**2.133.028**	**2.175.689**	**2.219.202**	**2.263.586**	**2.308.858**	**1.373.771**	**2.355.035**
Landlord paid OPEX										
Landlord paid, provisions for exterior maintenance	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Administration	20.100	20.502	20.912	21.330	21.757	22.192	22.636	23.089	13.738	23.550
Reletting costs, broker	-	-	-	-	-	-	-	-	-	-
Refurbisment costs	-	-	-	-	-	-	-	-	-	-
Vacancy costs shortfall	-	-	-	-	-	-	-	-	-	-
Total landlord paid OPEX	**20.100**	**20.502**	**20.912**	**21.330**	**21.757**	**22.192**	**22.636**	**23.089**	**13.738**	**23.550**
NOI	**1.989.900**	**2.029.698**	**2.070.292**	**2.111.698**	**2.153.932**	**2.197.010**	**2.240.951**	**2.285.770**	**1.360.033**	**2.331.485**
Terminal value										**27.429.235**
Discount factor	0,94	0,88	0,83	0,78	0,73	0,69	0,64	0,60	0,58	0,58
Present value of cash flow	**1.868.451**	**1.789.502**	**1.713.889**	**1.641.471**	**1.572.114**	**1.505.686**	**1.442.066**	**1.381.133**	**792.134**	**15.975.810**

PV of cash flow	13.706.446
PV of terminal period	15.975.810
Total market value (rounded)	**29.700.000**
Total market value pr. sq.m.	**5.858**

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CASH FLOW

The property	
Address	Østerled 30,
Title no.	20i Holbæk
Total gross lettable area (sq.m.)	9.469

Assumptions	
Valuation date	30-09-2020
Non-termination date	30-04-2028
Years left of non-termination	8
CPI - est.	2,00%
Weighted baserent (DKK/sq.m.)	264
Weighted ERV baserent (DKK/sq.m.) - est.	375
Administration (% of net rent) - est.	1,00%
Discount rate	6,50%
Exit yield	8,50%

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(DKK)

Date	30-09-2020	30-09-2021	30-09-2022	30-09-2023	30-09-2024	30-09-2025	30-09-2026	30-09-2027	30-04-2028	Terminal
Rent										
Baserent	2.500.000	2.550.000	2.601.000	2.653.020	2.706.080	2.760.202	2.815.406	2.871.714	1.708.670	2.929.148
ERV baserent										
Total rent	**2.500.000**	**2.550.000**	**2.601.000**	**2.653.020**	**2.706.080**	**2.760.202**	**2.815.406**	**2.871.714**	**1.708.670**	**2.929.148**
Landlord paid OPEX										
Landlord paid, provisions for exterior maintenance	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Administration	25.000	25.500	26.010	26.530	27.061	27.602	28.154	28.717	17.087	29.291
Reletting costs, broker	-	-	-	-	-	-	-	-	-	-
Refurbisment costs	-	-	-	-	-	-	-	-	-	-
Vacancy costs shortfall	-	-	-	-	-	-	-	-	-	-
Total landlord paid OPEX	**25.000**	**25.500**	**26.010**	**26.530**	**27.061**	**27.602**	**28.154**	**28.717**	**17.087**	**29.291**
NOI	**2.475.000**	**2.524.500**	**2.574.990**	**2.626.490**	**2.679.020**	**2.732.600**	**2.787.252**	**2.842.997**	**1.691.583**	**2.899.857**
Terminal value										**34.115.964**
Discount factor	0,94	0,88	0,83	0,78	0,73	0,69	0,64	0,60	0,58	0,58
Present value of cash flow	**2.323.944**	**2.225.749**	**2.131.703**	**2.041.631**	**1.955.365**	**1.872.744**	**1.793.614**	**1.717.827**	**985.241**	**19.870.411**

PV of cash flow	17.047.819
PV of terminal period	19.870.411
Total market value (rounded)	**36.900.000**
Total market value pr. sq.m.	**3.897**

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CASH FLOW

The property	
Address	Torvegade 41, 7160 Tørring
Title no.	8bh Stovgård Hgd., Tørring
Total gross lettable area (sq.m.)	5.739

Assumptions	
Valuation date	30-09-2020
Non-termination date	30-04-2028
Years left of non-termination	8
CPI - est.	2,00%
Weighted baserent (DKK/sq.m.) - cf. Property overview	261
Weighted ERV baserent (DKK/sq.m.) - est.	250
Administration (% of net rent) - est.	1,00%
Discount rate	6,50%
Exit yield	8,50%

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(DKK)

Date	30-09-2020	30-09-2021	30-09-2022	30-09-2023	30-09-2024	30-09-2025	30-09-2026	30-09-2027	30-04-2028	Terminal
Rent										
Baserent	1.500.000	1.530.000	1.560.600	1.591.812	1.623.648	1.656.121	1.689.244	1.723.029	1.025.202	1.757.489
ERV baserent										
Total rent	**1.500.000**	**1.530.000**	**1.560.600**	**1.591.812**	**1.623.648**	**1.656.121**	**1.689.244**	**1.723.029**	**1.025.202**	**1.757.489**
Landlord paid OPEX										
Landlord paid, provisions for exterior maintenance	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Administration	15.000	15.300	15.606	15.918	16.236	16.561	16.892	17.230	10.252	17.575
Reletting costs, broker	-	-	-	-	-	-	-	-	-	-
Refurbisment costs	-	-	-	-	-	-	-	-	-	-
Vacancy costs shortfall	-	-	-	-	-	-	-	-	-	-
Total landlord paid OPEX	**15.000**	**15.300**	**15.606**	**15.918**	**16.236**	**16.561**	**16.892**	**17.230**	**10.252**	**17.575**
NOI	**1.485.000**	**1.514.700**	**1.544.994**	**1.575.894**	**1.607.412**	**1.639.560**	**1.672.351**	**1.705.798**	**1.014.950**	**1.739.914**
Terminal value										**20.469.579**
Discount factor	0,94	0,88	0,83	0,78	0,73	0,69	0,64	0,60	0,58	0,58
Present value of cash flow	**1.394.366**	**1.335.449**	**1.279.022**	**1.224.979**	**1.173.219**	**1.123.646**	**1.076.168**	**1.030.696**	**591.145**	**11.922.247**

PV of cash flow	10.228.691
PV of terminal period	11.922.247
Total market value (rounded)	**22.200.000**
Total market value pr. sq.m.	**3.868**

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CASH FLOW

The property	
Address	Tvilhovej 8,
Title no.	3k Tvilho,
Total gross lettable area (sq.m.)	16.931

Assumptions	
Valuation date	30-09-2020
Non-termination date	30-09-2035
Years left of non-termination	15
CPI - est.	2,00%
Weighted baserent (DKK/sq.m.)	246
Weighted ERV baserent (DKK/sq.m.) - est.	200
Administration (% of net rent) - est.	1,00%
Discount rate	6,50%
Exit yield	8,50%

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Date	30-09-2020	30-09-2021	30-09-2022	30-09-2023	...	30-09-2035	Terminal
Rent							
Baserent	4.172.000	4.255.440	4.340.549	4.427.360	...	5.614.963	5.727.262
ERV baserent							
Total rent	**4.172.000**	**4.255.440**	**4.340.549**	**4.427.360**	**...**	**5.614.963**	**5.727.262**
Landlord paid OPEX							
Landlord paid, provisions for exterior maintenance	-	-	-	-	...	-	-
Insurance	-	-	-	-	...	-	-
Administration	41.720	42.554	43.405	44.274	...	56.150	57.273
Reletting costs, broker	-	-	-	-	...	-	-
Refurbisment costs	-	-	-	-	...	-	-
Vacancy costs shortfall	-	-	-	-	...	-	-
Total landlord paid OPEX	**41.720**	**42.554**	**43.405**	**44.274**	**...**	**56.150**	**57.273**
NOI	**4.130.280**	**4.212.886**	**4.297.143**	**4.383.086**	**...**	**5.558.813**	**5.669.989**
Terminal value							**66.705.757**
Discount factor	0,94	0,88	0,83	0,78	...	0,37	0,37
Present value of cash flow	**3.878.197**	**3.714.330**	**3.557.386**	**3.407.074**	**...**	**2.029.497**	**24.353.960**

PV of cash flow	45.782.075
PV of terminal period	24.353.960
Total market value (rounded)	**70.100.000**
Total market value pr. sq.m.	**4.140**

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CASH FLOW

The property	
Address	Kidnakken 13, 4930 Maribo
Title no.	45bx Maribo Markjorder
Total gross lettable area (sq.m.)	8.396

Assumptions	
Valuation date	30-09-2020
Non-termination date	30-09-2035
Years left of non-termination	15
CPI - est.	2,00%
Weighted baserent (DKK/sq.m.)	186
Weighted ERV baserent (DKK/sq.m.) - est.	200
Administration (% of net rent) - est.	1,00%
Discount rate	6,50%
Exit yield	8,50%

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(DKK)

Date	30-09-2020	30-09-2021	30-09-2022	30-09-2023	…	30-09-2035	Terminal
Rent							
Baserent	1.564.500	1.595.790	1.627.706	1.660.260	…	2.105.611	2.147.723
ERV baserent							
Total rent	**1.564.500**	**1.595.790**	**1.627.706**	**1.660.260**	**…**	**2.105.611**	**2.147.723**
Landlord paid OPEX							
Landlord paid, provisions for exterior maintenance	-	-	-	-	…	-	-
Insurance	-	-	-	-	…	-	-
Administration	15.645	15.958	16.277	16.603	…	21.056	21.477
Reletting costs, broker	-	-	-	-	…	-	-
Refurbisment costs	-	-	-	-	…	-	-
Vacancy costs shortfall	-	-	-	-	…	-	-
Total landlord paid OPEX	**15.645**	**15.958**	**16.277**	**16.603**	**…**	**21.056**	**21.477**
NOI	**1.548.855**	**1.579.832**	**1.611.429**	**1.643.657**	**…**	**2.084.555**	**2.126.246**
Terminal value							**25.014.659**
Discount factor	0,94	0,88	0,83	0,78	…	0,37	0,37
Present value of cash flow	**1.454.324**	**1.392.874**	**1.334.020**	**1.277.653**	**…**	**761.061**	**9.132.735**

PV of cash flow	17.168.278
PV of terminal period	9.132.735
Total market value (rounded)	**26.300.000**
Total market value pr. sq.m.	**3.132**

Asset	Country	Value mEUR	Value EUR/m2	Lease kEUR	Lease EUR/m2	ERV kEUR	ERV EUR/m2	Opex kEUR	Building sqm	Construction	Land sqm	Net Yield	Exit yield	Wault
Mastotie 7, Kuopio	Finland	5,8	1148	466	92	404	80	5	5 051	1991, 2000-2010	23 093	7,95 %	8,0 %	8,6
Total in Euro		**5,8**	**1148**	**466**	**92**	**404**	**80**	**5**	**5 051**	**1991, 2000-2010**	**23 093**	**7,95 %**	**8,0 %**	**8,6**
Total in NOK		**64**	**12 744**	**5 173**	**1 021**	**4 485**	**888**	**56**	**5 051**	**1991, 2000-2010**	**23 093**	**7,95 %**	**8,00 %**	**9**

CUSHMAN & WAKEFIELD

Cash flow analysis

Mastotie 7, Kuopio	Calculation Period	2020-10	Until	2030-12
Pesca	Amount In kEUR			

Year	*EUR/m² year1*	2020	2022	2023	2024	2025	2026	2027	2028	2029	2030	*2031*
Inflation, %		1,4	1,4	1,4	1,4	1,4	1,4	1,4	1,4	1,4	1,4	*1,4*
Rent industrial	*92*	116	479	486	493	499	506	514	521	528	460	*466*
Gross rental income	*92*	116	479	486	493	499	506	514	521	528	460	*466*
Vacancy industrial											-23	*-23*
Total Vacancies											-23	*-23*
Vacancy industrial, %											-5,0%	*-5,0%*
Vacancy average, %		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	-5,0%	*-5,0%*
Administration	*-1*	-1	-5	-5	-5	-5	-5	-6	-6	-6	-6	*-6*
Total Costs	*-1*	-1	-5	-5	-5	-5	-5	-6	-6	-6	-6	*-6*
Net operating income		115	474	480	487	494	501	508	515	522	431	*437*
Cash flow		115	474	480	487	494	501	508	515	522	431	*437*

	Discount Rate, %	Present Value
Cash flow	7,00	3.603
Residual value	9,40	2.174
Sum Present Value		**5.777**

Exit Yield, %	8,00
Residual value	5.460

Key Ratios	
Initial yield year1, %	7,95
Market Value, EUR/m²	1.148
Market Value	**5.800**

Tenant specification

Tenant	Prem.type	Area	Base rent	Passing rent		Tax recovery	Contract period		Estimated Rental Value		Note
		m²	kEUR	kEUR	EUR/m²	kEUR	Start	End	kEUR	EUR/m²	
Escamar Seafood Oy	Industrial	5.051	466	466	92		2019-01	2029-12	404	80	1
Total		5.051		466	92	0			404	80	
Total incl. tax recoveries				466	92				404	80	

1. Tenant has option for 5 + 5 years prolonging.

Asset	Country	Value mSEK	Value SEK/m2	Lease kSEK	Lease SEK/m2	ERV kSEK	ERV SEK/m2	Opex kSEK	Building sqm	Construction	Land sqm	Net Yield	Exit yield	Wault
Varberg Getakärr 2:40	Sweden	120,0	7 571	9 076	573	8 084	510	585	15 850	1955, 2007, 2016	15 850	7,08 %	7,25 %	8,6
Sotenäs, Gravarne 3:41	Sweden	81,7	11 401	4 892	683	5 514	770	236	7 166	1995, 2004	7 166	5,70 %	7,00 %	13,6
Åleden 13, 44735 Vårgårda, Sverige	Sweden	26,8	3 938	2 140	314	2 140	314	182	6 805	1976	15378	7,31 %	7,75 %	7,5
Halmstadsvägen 32, 31291 Laholm, Sverige	Sweden	24,0	1 739	2 140	155	2 140	155	340	13 800	1929	24933	7,50 %	8,00 %	7,5
Kanalvägen 6, 360 16 Urshult, Sverige	Sweden	32,4	3 583	2 670	295	2 670	295	232	9 043	n.a.	n.a.	7,52 %	8,00 %	9,3
Bjørkelundsgatan 14, 53237 Skara, Sverige	Sweden	34,0	5 231	2 540	391	2 540	391	211	6 500	n.a.	n.a.	6,85 %	7,50 %	14,9
Ramshallsvegen 2, NoRemmaren 1, Norrkøping, S	Sweden	47,3	7 060	3 780	564	3 780	564	409	6 700	1973/74/76	47 282	7,13 %	7,75 %	11,7
Total SEK		**366,2**	**5 560**	**27 238**	**414**	**26 868**	**408**	**2 195**	**65 864**		**110 609**	**6,84 %**	**7,43 %**	**10,4**
Total in NOK		**384,5**	**5 838**	**28 603**	**434**	**28 214**	**428**	**2 305,0**	**65 864**		**110 609**	**6,84 %**	**7,43 %**	**10,4**
				7,44 %										

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Appendix 2 - Cash flow analysis

Getakärr 2:40, Varberg
Insula01

Calculation Period 2020-10 Until 2030-12
Amount In SEK'000

Year	*SEK/m² year1*	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	*2031*
Inflation, %		1,0	1,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	*2,0*
Rent storage	*573*	2.269	9.167	9.258	9.444	9.632	9.825	10.022	10.222	10.426	10.635	9.625	*9.817*
Tax recovery	*18*	72	287	287	287	287	313	313	313	313	313	313	*352*
Gross rental income	*591*	2.341	9.454	9.546	9.731	9.920	10.138	10.335	10.535	10.739	10.948	9.938	*10.170*
Vacancy industrial/storage												-770	*-785*
Total Vacancies												-770	*-785*
Vacancy industrial/storage, %												-8,0%	*-8,0%*
Vacancy average, %		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	-7,7%	*-7,7%*
Administration	*-10*	-40	-160	-162	-165	-168	-172	-175	-179	-182	-186	-189	*-193*
Operating cost	*-9*	-34	-137	-139	-142	-144	-147	-150	-153	-156	-159	-685	*-699*
Maintenance		0	0	0	0	0	0	0	0	0	0	-671	*-685*
Property tax industrial	*-18*	-72	-287	-287	-287	-287	-313	-313	-313	-313	-313	-313	*-352*
Total Costs	*-37*	-145	-585	-588	-594	-600	-632	-638	-645	-651	-658	-1.858	*-1.929*
Net operating income		2.195	8.869	8.958	9.137	9.320	9.506	9.696	9.890	10.088	10.290	7.309	*7.456*
Investments											-1.000		
Capital expenditure											-1.000		
Cash flow		2.195	8.869	8.958	9.137	9.320	9.506	9.696	9.890	10.088	9.290	7.309	*7.456*

	Discount Rate, %	Present Value
Cash flow	5,50	73.206
Residual value	9,15	41.918
Sum Present Value		**115.124**

Exit Yield, %	7,25
Residual value	102.837

Key Ratios	
Initial yield year1, %	7,63
Market Value, SEK/m²	7.263
Market Value	**115.124**

Key Ratios	
Initial yield year1, %	7,32
Market Value, SEK/m²	7.571
Gross Market Value	**120.000**

Getakärr 2:40 - Varberg

Appendix 1 - Tenant specification

Tenant	Contract no	Prem.type	Area	Base rent	Base no	Index	Passing rent ex. recov.		Service charges	Misc. recov.	Disc.	Passing rent		Tax recovery	Contract period		Estimated Rental Value		VAT	Note
			m²	SEK'000		%	SEK'000	SEK/m²	SEK'000	SEK'000	SEK'000	SEK'000	SEK/m²	SEK'000	Start	End	SEK'000	SEK/m²	Y/N	
Marenor Varberg	001	Production	6.150	9.076			9.076	573				9.076	573	287	2019-12	2029-12	8.086	510		1
Marenor Varberg		Day care centre	1.150																	
Marenor Varberg		Dry cleaner	4.500																	
Marenor Varberg		Office	1.200																	
Marenor Varberg		Student union	550																	
Marenor Varberg		Warehouse	2.300																	
Total			15.850				9.076	573	0	0	0	9.076	573	287			8.086	510		
Property tax												287					287			
Total incl. tax recoveries												9.363	591				8.374	528		

1. Passing rent consist of actual rents for a 10 years triple-net lease agreement. The tenant has a rental guarantee from Insula AS. Basement contains fridge rooms, workshops, staff facilities, utility rooms etc.

Appendix 2 - Cash flow analysis

Gravarne 3:41, Sotenäs
Insula03

Calculation Period 2020-10 Until 2034-12
Amount In SEK'000

Year	SEK/m² year1	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	*2035*
Inflation, %		1,0	1,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	*2,0*
Rent storage	*683*	1.223	4.940	4.990	5.090	5.191	5.295	5.401	5.509	5.619	5.732	5.846	5.963	6.083	6.204	6.877	*7.295*
Tax recovery	*13*	23	91	91	91	91	99	99	99	99	99	99	111	111	111	111	*111*
Gross rental income	*695*	1.246	5.031	5.081	5.181	5.282	5.394	5.500	5.608	5.718	5.831	5.945	6.075	6.194	6.316	6.989	*7.406*
Vacancy industrial/storage																-286	*-438*
Total Vacancies																-286	*-438*
Vacancy industrial/storage, %																-4,2%	*-6,0%*
Vacancy average, %		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	-4,1%	*-5,9%*
Administration	*-10*	-18	-72	-73	-75	-76	-78	-79	-81	-82	-84	-86	-87	-89	-91	-93	*-95*
Operating cost	*-10*	-18	-72	-73	-75	-76	-78	-79	-81	-82	-84	-86	-87	-89	-91	-312	*-430*
Maintenance		0	0	0	0	0	0	0	0	0	0	0	0	0	0	-281	*-430*
Property tax industrial	*-13*	-23	-91	-91	-91	-91	-99	-99	-99	-99	-99	-99	-111	-111	-111	-111	*-111*
Total Costs	*-33*	-59	-236	-237	-240	-243	-254	-257	-260	-264	-267	-270	-286	-290	-293	-797	*-1.066*
Net operating income		1.187	4.796	4.844	4.940	5.039	5.140	5.243	5.348	5.455	5.564	5.675	5.789	5.904	6.022	5.906	*5.903*
Cash flow		1.187	4.796	4.844	4.940	5.039	5.140	5.243	5.348	5.455	5.564	5.675	5.789	5.904	6.022	5.906	*5.903*

	Discount Rate, %	Present Value
Cash flow	5,50	53.319
Residual value	8,90	25.021
Sum Present Value		**78.340**

Exit Yield, %	7,00
Residual value	84.325

Key Ratios	
Initial yield year1, %	6,06
Market Value, SEK/m²	10.932
Market Value	**78.340**

Key Ratios	
Initial yield year1, %	5,81
Market Value, SEK/m²	11.401
Gross Market Value	**81.700**

Appendix 1 - Tenant specification

Tenant	Contract no	Prem.type	Area	Base rent	Base no	Index	Passing rent ex. recov.		Service charges	Misc. recov.	Disc.	Passing rent		Tax recovery	Contract period		Estimated Rental Value		VAT	Note
			m²	SEK'000		%	SEK'000	SEK/m²	SEK'000	SEK'000	SEK'000	SEK'000	SEK/m²	SEK'000	Start	End	SEK'000	SEK/m²	Y/N	
Marenor AB	001	Production	3.050	2.800			2.800	699				2.800	699	91	2019-12	2034-04	3.176	793	Y	
Marenor AB		Office	955																Y	
Marenor AB	002	Production	930	1.957			1.957	764				1.957	764		2019-12	2034-04	2.204	861	Y	
Marenor AB		Day care centre	1.261																Y	
Marenor AB		Student union	370																Y	
Marenor AB	003	Unheated storages etc	600	135			135	225				135	225		2019-12	2034-04	135	225	Y	1
Total			7.166				4.892	683	0	0	0	4.892	683	91			5.514	770		
Property tax												91					91			
Total incl. tax recoveries												4.982	695				5.605	782		

1. Llentab-building, asphalt flooring. Not insulated.

Appendix 2 - Cash flow analysis

Svarvaren 7, Vårgårda | Calculation Period 2020-10 Until 2030-12
Pesca14 | Amount In SEK'000

Year	SEK/m² year1	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Inflation, %		1,0	1,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0
Rent storage	314	535	2.161	2.183	2.227	2.271	2.317	2.363	2.410	2.458	2.508	2.558	2.609
Tax recovery	7	11	45	45	45	45	49	49	49	49	49	49	55
Gross rental income	321	546	2.206	2.228	2.272	2.316	2.366	2.412	2.459	2.507	2.557	2.607	2.664
Vacancy industrial/storage											-117	-179	-183
Total Vacancies											-117	-179	-183
Vacancy industrial/storage, %											-4,7%	-7,0%	-7,0%
Vacancy average, %		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	-4,6%	-6,9%	-6,9%
Administration	-10	-17	-69	-69	-71	-72	-74	-75	-77	-78	-80	-81	-83
Operating cost	-10	-17	-69	-69	-71	-72	-74	-75	-77	-78	-80	-81	-83
Property tax industrial	-7	-11	-45	-45	-45	-45	-49	-49	-49	-49	-49	-49	-55
Total Costs	-27	-45	-182	-184	-187	-189	-196	-199	-202	-205	-208	-212	-221
Net operating income		501	2.024	2.044	2.085	2.127	2.169	2.213	2.257	2.302	2.231	2.216	2.260
Cash flow		501	2.024	2.044	2.085	2.127	2.169	2.213	2.257	2.302	2.231	2.216	2.260

	Discount Rate, %	Present Value
Cash flow	9,65	14.381
Residual value	9,65	11.345
Sum Present Value		**25.726**

Exit Yield, %	7,75
Residual value	29.166

Key Ratios	
Initial yield year1, %	7,79
Market Value, SEK/m²	3.780
Market Value	**25.726**

Key Ratios	
Initial yield year1, %	7,48
Market Value, SEK/m²	3.938
Gross Market Value	**26.800**

Svarvaren 7 - Vårgårda

Appendix 1 - Tenant specification

Tenant	Contract no	Prem.type	Area	Base rent	Base no	Index	Passing rent ex. recov.		Service charges	Misc. recov.	Disc.	Passing rent		Tax recovery	Contract period		Estimated Rental Value		VAT	Note
			m²	SEK'000		%	SEK'000	SEK/m²	SEK'000	SEK'000	SEK'000	SEK'000	SEK/m²	SEK'000	Start	End	SEK'000	SEK/m²	Y/N	
Bewi Insulation AS	141	Industrial	6.805	2.140			2.140	314				2.140	314	45	2018-04	2028-04	2.140	314		
Total			6.805				2.140	314	0	0	0	2.140	314	45			2.140	314		
Property tax												45					45			
Total incl. tax recoveries												2.185	321				2.185	321		

Appendix 2 - Cash flow analysis

Elestorp 7:532, Laholm
Pesca15

Calculation Period 2020-10 Until 2030-12
Amount In SEK'000

Year	*SEK/m² year1*	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	*2031*
Inflation, %		1,0	1,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	*2,0*
Rent storage	*155*	535	2.161	2.183	2.227	2.271	2.317	2.363	2.410	2.458	2.508	2.558	*2.609*
Tax recovery	*4*	15	61	61	61	61	67	67	67	67	67	67	*75*
Gross rental income	*160*	550	2.223	2.244	2.288	2.333	2.383	2.430	2.477	2.525	2.574	2.625	*2.684*
Vacancy industrial/storage										-115	-176	-179	*-183*
Total Vacancies										-115	-176	-179	*-183*
Vacancy industrial/storage, %										-4,7%	-7,0%	-7,0%	*-7,0%*
Vacancy average, %		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	-4,5%	-6,8%	-6,8%	*-6,8%*
Administration	*-10*	-35	-139	-141	-144	-146	-149	-152	-155	-159	-162	-165	*-168*
Operating cost	*-10*	-35	-139	-141	-144	-146	-149	-152	-155	-159	-162	-165	*-168*
Property tax industrial	*-4*	-15	-61	-61	-61	-61	-67	-67	-67	-67	-67	-67	*-75*
Total Costs	*-24*	-84	-340	-343	-348	-354	-366	-372	-378	-384	-390	-397	*-412*
Net operating income		466	1.883	1.901	1.939	1.978	2.018	2.058	2.099	2.027	2.009	2.049	*2.090*
Cash flow		466	1.883	1.901	1.939	1.978	2.018	2.058	2.099	2.027	2.009	2.049	*2.090*

	Discount Rate, %	Present Value
Cash flow	9,90	13.176
Residual value	9,90	9.926
Sum Present Value		**23.103**

Exit Yield, %	8,00
Residual value	26.123

Key Ratios	
Initial yield year1, %	8,07
Market Value, SEK/m²	1.674
Market Value	**23.103**

Key Ratios	
Initial yield year1, %	7,77
Market Value, SEK/m²	1.739
Market Value	**24.000**

Appendix 1 - Tenant specification

Tenant	Contract no	Prem.type	Area	Base rent	Base no	Index	Passing rent ex. recov.		Service charges	Misc. recov.	Disc.	Passing rent		Tax recovery	Contract period		Estimated Rental Value		VAT	Note
			m²	SEK'000		%	SEK'000	SEK/m²	SEK'000	SEK'000	SEK'000	SEK'000	SEK/m²	SEK'000	Start	End	SEK'000	SEK/m²	Y/N	
Bewi Insulation AS	7:532-1	Industrial	13.800	2.140			2.140	155				2.140	155	61	2018-04	2028-04	2.140	155		
Total			13.800				2.140	155	0	0	0	2.140	155	61			2.140	155		
Property tax												61					61			
Total incl. tax recoveries												2.201	160				2.201	160		

Appendix 2 - Cash flow analysis

Urshult 1:112, Tingsryd		Calculation Period	2020-10	Until	2030-12
Pesca16		Amount In SEK'000			

Year	*SEK/m² year1*	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	*2031*
Inflation, %		1,0	1,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	*2,0*
Rent storage	*295*	668	2.697	2.724	2.778	2.834	2.890	2.948	3.007	3.067	3.129	3.191	*3.255*
Tax recovery	*5*	12	49	49	49	49	54	54	54	54	54	54	*60*
Gross rental income	*301*	680	2.746	2.773	2.827	2.883	2.944	3.002	3.061	3.121	3.182	3.245	*3.315*
Vacancy industrial/storage												-223	*-228*
Total Vacancies												-223	*-228*
Vacancy industrial/storage, %												-7,0%	*-7,0%*
Vacancy average, %		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	-6,9%	*-6,9%*
Administration	*-10*	-23	-91	-92	-94	-96	-98	-100	-102	-104	-106	-108	*-110*
Operating cost	*-10*	-23	-91	-92	-94	-96	-98	-100	-102	-104	-106	-108	*-110*
Property tax industrial	*-5*	-12	-49	-49	-49	-49	-54	-54	-54	-54	-54	-54	*-60*
Total Costs	*-25*	-58	-232	-234	-237	-241	-249	-253	-257	-261	-265	-270	*-281*
Net operating income		622	2.514	2.539	2.590	2.642	2.695	2.748	2.803	2.860	2.917	2.752	*2.807*
Cash flow		622	2.514	2.539	2.590	2.642	2.695	2.748	2.803	2.860	2.917	2.752	*2.807*

	Discount Rate, %	Present Value
Cash flow	9,90	17.753
Residual value	9,90	13.331
Sum Present Value		**31.084**

Exit Yield, %	8,00
Residual value	35.084

Key Ratios	
Initial yield year1, %	8,01
Market Value, SEK/m²	3.437
Market Value	**31.084**

Key Ratios	
Initial yield year1, %	7,68
Market Value, SEK/m²	3.583
Gross Market Value	**32.400**

Appendix 1 - Tenant specification

Tenant	Contract no	Prem.type	Area	Base rent	Base no	Index	Passing rent ex. recov.		Service charges	Misc. recov.	Disc.	Passing rent		Tax recovery	Contract period		Estimated Rental Value		VAT	Note
			m²	SEK'000		%	SEK'000	SEK/m²	SEK'000	SEK'000	SEK'000	SEK'000	SEK/m²	SEK'000	Start	End	SEK'000	SEK/m²	Y/N	
Bewi Packaging AB	1:112-1	Industrial	9.043	2.670			2.670	295				2.670	295	49	2020-01	2029-12	2.670	295		
Total			9.043				2.670	295	0	0	0	2.670	295	49			2.670	295		
Property tax												49					49			
Total incl. tax recoveries												2.719	301				2.719	301		

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Appendix 2 - Cash flow analysis

Fårtickan 1, Skara
Pesca17

Calculation Period 2020-10 Until 2035-12
Amount In SEK'000

Year	*SEK/m² year1*	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	*2036*
Inflation, %		1,0	1,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	*2,0*
Rent storage	*391*	635	2.565	2.591	2.643	2.696	2.750	2.805	2.861	2.918	2.976	3.036	3.097	3.158	3.222	3.286	3.352	*3.419*
Tax recovery	*12*	20	80	80	80	80	87	87	87	87	87	87	98	98	98	98	98	*98*
Gross rental income	*403*	655	2.645	2.671	2.723	2.776	2.837	2.892	2.948	3.005	3.063	3.123	3.194	3.256	3.319	3.384	3.450	*3.517*
Vacancy industrial/storage																	-59	*-239*
Total Vacancies																	-59	*-239*
Vacancy industrial/storage, %																	-1,8%	*-7,0%*
Vacancy average, %		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	-1,7%	*-6,8%*
Administration	*-10*	-16	-66	-66	-68	-69	-70	-72	-73	-75	-76	-78	-79	-81	-82	-84	-86	*-87*
Operating cost	*-10*	-16	-66	-66	-68	-69	-70	-72	-73	-75	-76	-78	-79	-81	-82	-84	-86	*-87*
Property tax industrial	*-12*	-20	-80	-80	-80	-80	-87	-87	-87	-87	-87	-87	-98	-98	-98	-98	-98	*-98*
Total Costs	*-32*	-52	-211	-212	-215	-218	-228	-230	-233	-236	-239	-242	-256	-259	-263	-266	-269	*-273*
Net operating income		603	2.434	2.458	2.508	2.558	2.609	2.661	2.714	2.769	2.824	2.880	2.938	2.997	3.057	3.118	3.122	*3.005*
Cash flow		603	2.434	2.458	2.508	2.558	2.609	2.661	2.714	2.769	2.824	2.880	2.938	2.997	3.057	3.118	3.122	*3.005*

	Discount Rate, %	Present Value
Cash flow	9,40	22.556
Residual value	9,40	10.179
Sum Present Value		**32.735**

Exit Yield, %	7,50
Residual value	40.061

Key Ratios	
Initial yield year1, %	7,36
Market Value, SEK/m²	5.036
Market Value	**32.735**

Key Ratios	
Initial yield year1, %	7,09
Market Value, SEK/m²	5.231
Gross Market Value	**34.000**

Appendix 1 - Tenant specification

Tenant	Contract no	Prem.type	Area	Base rent	Base no	Index	Passing rent ex. recov.		Service charges	Misc. recov.	Disc.	Passing rent		Tax recovery	Contract period		Estimated Rental Value		VAT	Note
			m²	SEK'000		%	SEK'000	SEK/m²	SEK'000	SEK'000	SEK'000	SEK'000	SEK/m²	SEK'000	Start	End	SEK'000	SEK/m²	Y/N	
Bewi Automotive AB	1-1	Industrial	6.500	2.540			2.540	391				2.540	391	80	2020-10	2035-09	2.540	391		
Total			6.500				2.540	391	0	0	0	2.540	391	80			2.540	391		
Property tax												80					80			
Total incl. tax recoveries												2.620	403				2.620	403		

Appendix 2 - Cash flow analysis

Remmaren 2, Norrköping	Calculation Period 2020-10	Until	2032-12
Pesca18	Amount In SEK'000		

Year	SEK/m² year1	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Inflation, %		1,0	1,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0
Rent storage	564	945	3.818	3.856	3.933	4.012	4.092	4.174	4.257	4.342	4.429	4.518	4.608	4.440	4.263
Tax recovery	41	68	274	276	276	276	298	298	298	302	302	302	336	336	336
Gross rental income	605	1.013	4.092	4.132	4.209	4.288	4.390	4.472	4.555	4.644	4.731	4.820	4.944	4.776	4.599
Vacancy industrial/storage														-146	-298
Total Vacancies														-146	-298
Vacancy industrial/storage, %														-3,3%	-7,0%
Vacancy average, %		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	-3,1%	-6,5%
Administration	-10	-17	-68	-68	-70	-71	-73	-74	-75	-77	-79	-80	-82	-83	-85
Operating cost	-10	-17	-68	-68	-70	-71	-73	-74	-75	-77	-79	-80	-82	-83	-85
Property tax commercial	-8	-13	-52	-55	-55	-55	-57	-57	-57	-60	-60	-60	-64	-64	-64
Property tax industrial	-33	-55	-221	-221	-221	-221	-241	-241	-241	-241	-241	-241	-272	-272	-272
Total Costs	-61	-102	-409	-413	-416	-418	-443	-446	-449	-456	-459	-462	-499	-502	-506
Net operating income		912	3.682	3.719	3.794	3.870	3.947	4.026	4.106	4.189	4.272	4.358	4.445	4.127	3.795
Cash flow		912	3.682	3.719	3.794	3.870	3.947	4.026	4.106	4.189	4.272	4.358	4.445	4.127	3.795

	Discount Rate, %	Present Value
Cash flow	9,65	29.509
Residual value	9,65	15.840
Sum Present Value		**45.349**

Exit Yield, %	7,75
Residual value	48.963

Key Ratios	
Initial yield year1, %	8,04
Market Value, SEK/m²	6.769
Market Value	**45.349**

Key Ratios	
Initial yield year1, %	7,71
Market Value, SEK/m²	7.060
Gross Market Value	**47.300**

Appendix 1 - Tenant specification

Tenant	Contract no	Prem.type	Area	Base rent	Base no	Index	Passing rent ex. recov.		Service charges	Misc. recov.	Disc.	Passing rent		Tax recovery	Contract period		Estimated Rental Value		VAT	Note
			m²	SEK'000		%	SEK'000	SEK/m²	SEK'000	SEK'000	SEK'000	SEK'000	SEK/m²	SEK'000	Start	End	SEK'000	SEK/m²	Y/N	
Bewi Insulation AS	2-1	Industrial	6.700	3.780			3.780	564				3.780	564	274	2020-06	2032-06	3.350	500		
Total			6.700				3.780	564	0	0	0	3.780	564	274			3.350	500		
Property tax												274					274			
Total incl. tax recoveries												4.054	605				3.624	541		

Asset	Country	Value mEUR	Value EUR/m2	Lease kEUR	Lease EUR/m2	ERV kEUR	ERV EUR/m2	Opex kEUR	Building sqm	Construction	Land sqm	Net Yield	Exit yield	Wault
Nieuweweg 235, Wichjen	Holland	15,3	452	1 154	36,21	1 177	37	208	31 874	1970-2007	72 421	6,18 %	6,25 %	15,0
Textielstraat 30, Oldenzaal	Holland	5,4	387	468	35,53	428	33	79	13 167	1970-2007	50 874	7,20 %	7,00 %	15,0
Kanalstraat 107, Someren	Holland	12,7	462	920,1	35,46	1 001	39	157	25 950	1970-2017	43 643	6,01 %	6,25 %	15,0
De Kalkovens 10, Zwartsluis	Holland	3,65	499	290	42,58	235	35	41	6810	1980-2001	12 201	6,81 %	6,25 %	15,0
Total in EURO		**37,05**	**476**	**2831,9**	**36,40**	**2 841,55**	**37**	**485**	**77 801**		**179 139**	**6,33 %**	**6,36 %**	**15,00**
Total in NOK		**411,3**	**5 286**	**31 436**	**404**	**31 544**	**405**	**5 384**	**77 801**		**179 139**	**6,33 %**	**6,36 %**	**15,00**

CUSHMAN & WAKEFIELD

DRAFT

version_23-10-2020

Wijchen
Nieuweweg 235

Market rent capitalisation model

KMC

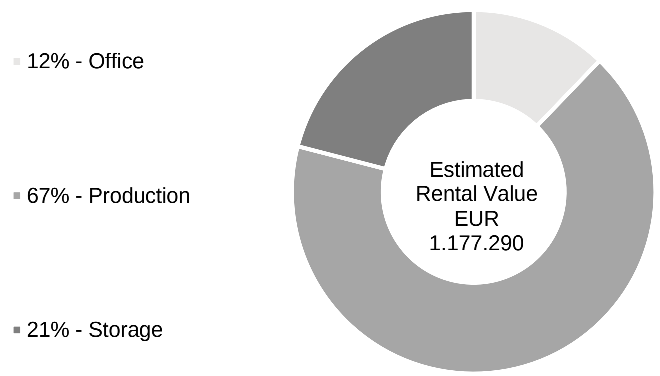
Clientref : / C&W ref : T171535_Desktop valuation / RM_BOG_VAL3.4_01102020

Valuation date : 20-10-2020 / Draft

Rent and maintenance	Office		Production		Storage		Total	Total	Total	Total		Term	Term
#N/A	sq m LFA	ERV EUR p.a.	sq m LFA	ERV EUR p.a.	sq m LFA	ERV EUR p.a.	sq m LFA	ERV EUR p.a.	(T)RI EUR p.a.	maintenance EUR p.a.		to Expiry	to Break
Total	1.793	143.440	22.486	787.010	7.595	246.838	31.874	1.177.288	1.154.000	130.615		15,00	
Leased	1.793	143.440	22.486	787.010	7.595	246.838	31.874	1.177.288	1.154.000	130.615		15,00	
Vacant	-	-	-	-	-	-	-	-		-			
		0%		0%		0%							

Non recoverables	% ERV	EUR p.a.
Total	17,7%	207.981
ins. premium in ‰ (tax 21,0%)	2,1%	25.155
management costs	1,0%	11.773
maintenance costs	11,1%	130.615
property tax	2,2%	25.759
water rates	0,4%	5.095
sewerage rates	0,8%	9.583
specific property tax	0,0%	-
ground rent	0,0%	-

Breakdown Market Rent



Market Rent capitalisation	Gross Yield and Factor ERV	RI	TRI	Total Net ERV
NIY on Net ERV				6,25%
Gross market value	7,59%	7,44%	7,44%	
before corrections	13,17	13,44	13,44	15.508.901
structural vacancy	0,0%		-	-
void period in months	-		-	-
incentives in months	-		-	-
tenant improvements	-		-	-
letting commission / PR and marketing	0,0%		-	-
service expenses due to voids	0,0%		-	-
corrective maintenance	-		-	-
miscellaneous			-	-
extra land	-		-	-
PV of additional cash flows			-	-
PV of future buy-off leasehold			6,00%	-
PV of reversionary potential			6,00%	232.631-
Gross market value	7,71%	7,55%	7,55%	
after corrections	12,98	13,24	13,24	15.276.270
legal fees			0,13%	19.213-
transfer tax			6,00%	863.607-
transfer tax ground lease			6,00%	-
Net market value	8,18%	8,02%	8,02%	
before corrections	12,23	12,47	12,47	14.393.450
extra land (net)	-		-	-
miscellaneous	-		-	-
Net market value	8,18%	8,01%	8,01%	14.393.450
rounded in EUR	12,23	12,48	12,48	14.400.000
value per sq m LFA				452
value per sq m GFA				428

No rights can be derived from any of the mentioned values without the page 'Special assumptions / Assumptions'.

CUSHMAN & WAKEFIELD

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version_23-10-2020

Oldenzaal
Textielstraat 30

Market rent capitalisation model

KMC

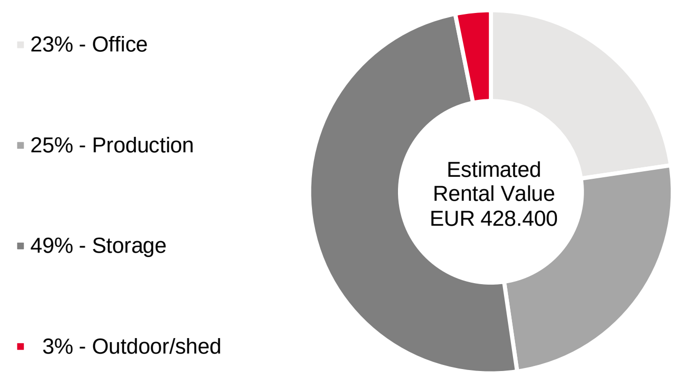
Clientref : / C&W ref : T171536_Desktop valuation / RM_BOG_VAL3.4_01102020

Valuation date : 20-10-2020 / Draft

Rent and maintenance #N/A	Office sq m LFA	Office ERV EUR p.a.	Production sq m LFA	Production ERV EUR p.a.	Storage sq m LFA	Storage ERV EUR p.a.	Outdoor/shed sq m LFA	Outdoor/shed ERV EUR p.a.	Total sq m LFA	Total ERV EUR p.a.	Total (T)RI EUR p.a.	Total maintenance EUR p.a.		Term to Expiry	Term to Break
Total	1.494	97.110	3.574	107.220	7.019	210.570	1.080	13.500	13.167	428.400	467.800	50.124		15,00	
Leased	1.494	97.110	3.574	107.220	7.019	210.570	1.080	13.500	13.167	428.400	467.800	50.124		15,00	
Vacant	-	-	-	-	-	-	-	-	-	-		-			
		0%		*0%*		*0%*		*0%*							

Non recoverables	% ERV	EUR p.a.
Total	18,4%	78.742
ins. premium in ‰ (tax 21,0%)	2,4%	10.248
management costs	1,0%	4.284
maintenance costs	11,7%	50.124
property tax	2,9%	12.261
water rates	0,4%	1.731
sewerage rates	0,0%	95
specific property tax	0,0%	-
ground rent	0,0%	-

Breakdown Market Rent



Market Rent capitalisation	Gross Yield and Factor ERV	RI	TRI	Total Net ERV
				349.658
NIY on Net ERV				7,00%
Gross market value	8,58%	9,37%	9,37%	
before corrections	11,66	10,68	10,68	4.995.109
structural vacancy	0,0%		-	-
void period in months	-		-	-
incentives in months	-		-	-
tenant improvements	-		-	-
letting commission / PR and marketing	0,0%		-	-
service expenses due to voids	0,0%		-	-
corrective maintenance	-		-	-
miscellaneous			-	-
extra land	-		-	-
PV of additional cash flows			-	-
PV of future buy-off leasehold			6,00%	-
PV of reversionary potential			6,00%	393.588
Gross market value	7,95%	8,68%	8,68%	
after corrections	12,58	11,52	11,52	5.388.696
legal fees			0,22%	11.087-
transfer tax			6,00%	304.393-
transfer tax ground lease			6,00%	-
Net market value	8,44%	9,22%	9,22%	
before corrections	11,84	10,84	10,84	5.073.216
extra land (net)	-		-	-
miscellaneous	-		-	-
Net market value	8,40%	9,17%	9,17%	5.073.216
rounded in EUR	11,90	10,90	10,90	5.100.000
value per sq m LFA				387
value per sq m GFA				366

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Market rent capitalisation model

KMC

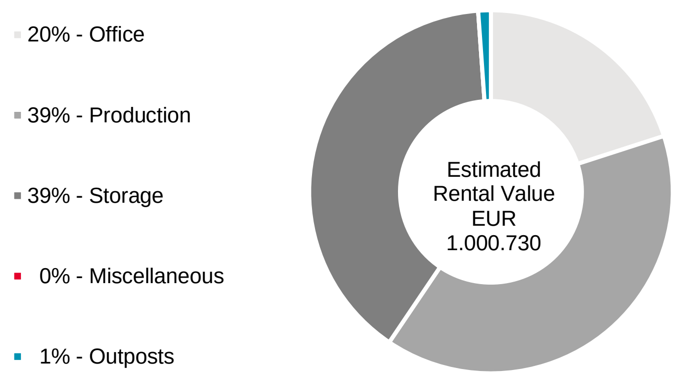
Clientref : / C&W ref : T171537_Desktop valuation / RM_BOG_VAL3.4_01102020

Valuation date : 20-10-2020 / Draft

Rent and maintenance	Office		Production		Storage		Miscellaneous		Outposts		Total	Total	Total	Total		Term	Term
#N/A	sq m LFA	ERV EUR p.a.	sq m LFA	ERV EUR p.a.	sq m LFA	ERV EUR p.a.	sq m LFA	ERV EUR p.a.	sq m LFA	ERV EUR p.a.	sq m LFA	ERV EUR p.a.	(T)RI EUR p.a.	maintenance EUR p.a.		to Expiry	to Break
Total	2.505	200.400	11.273	394.538	11.273	394.538	-	-	900	11.250	25.950	1.000.725	920.100	103.491		15,00	
Leased	2.505	200.400	11.273	394.538	11.273	394.538	-	-	900	11.250	25.950	1.000.725	920.100	103.491		15,00	
Vacant	-	-	-	-	-	-	-	-	-	-	-	-		-			
		0%		*0%*		*0%*				*0%*							

Non recoverables	% ERV	EUR p.a.
Total	15,7%	156.895
ins. premium in ‰ (tax 21,0%)	2,1%	20.538
management costs	1,0%	10.007
maintenance costs	10,3%	103.491
property tax	1,9%	18.934
water rates	0,4%	3.668
sewerage rates	0,0%	258
specific property tax	0,0%	-
ground rent	0,0%	-

Breakdown Market Rent



Market Rent capitalisation	Gross Yield and Factor			Total Net ERV
	ERV	RI	TRI	843.830
NIY on Net ERV				6,25%
Gross market value	7,41%	6,81%	6,81%	
before corrections	13,49	14,67	14,67	13.501.279
structural vacancy	0,0%		-	-
void period in months	-		-	-
incentives in months	-		-	-
tenant improvements	-		-	-
letting commission / PR and marketing	0,0%		-	-
service expenses due to voids	0,0%		-	-
corrective maintenance	-		-	-
miscellaneous			-	-
extra land	-		-	-
PV of additional cash flows			-	-
PV of future buy-off leasehold			6,00%	-
PV of reversionary potential			6,00%	805.406-
Gross market value	7,88%	7,25%	7,25%	
after corrections	12,69	13,80	13,80	12.695.873
legal fees			0,15%	17.510-
transfer tax			6,00%	717.643-
transfer tax ground lease			6,00%	-
Net market value	8,37%	7,69%	7,69%	
before corrections	11,95	13,00	13,00	11.960.720
extra land (net)	-		-	-
miscellaneous	-		-	-
Net market value	8,34%	7,67%	7,67%	11.960.720
rounded in EUR	11,99	13,04	13,04	12.000.000
value per sq m LFA				462
value per sq m GFA				437

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Zwartsluis
De Kalkovens 10

Market rent capitalisation model

KMC

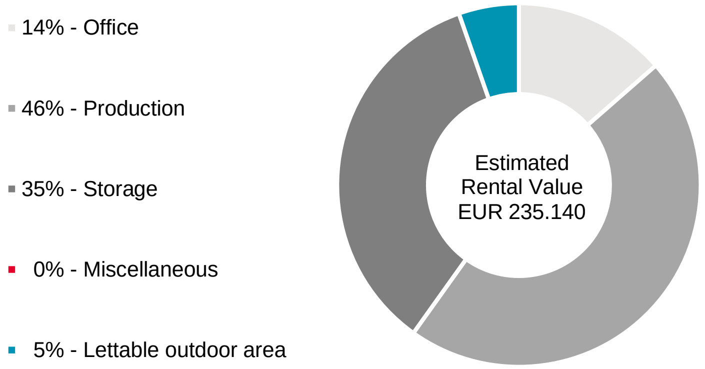
Clientref : / C&W ref : T171538_Desktop valuation / RM_BOG_VAL3.4_01102020

Valuation date : 20-10-2020 / Draft

Rent and maintenance	Office		Production		Storage		Miscellaneous		Lettable outdoor area		Total	Total	Total	Total		Term	Term
#N/A	sq m LFA	ERV EUR p.a.	sq m LFA	ERV EUR p.a.	sq m LFA	ERV EUR p.a.	sq m LFA	ERV EUR p.a.	number of units	ERV EUR p.a.	sq m LFA	ERV EUR p.a.	(T)RI EUR p.a.	maintenance EUR p.a.		to Expiry	to Break
Total	456	31.920	3.628	108.840	2.726	81.780	-	-	1.800	12.600	6.810	235.140	290.000	27.349		15,00	
Leased	456	31.920	3.628	108.840	2.726	81.780	-	-	1.800	12.600	6.810	235.140	290.000	27.349		15,00	
Vacant	-	-	-	-	-	-	-	-	-	-	-	-		-			
		0%		0%		0%			0%								

Non recoverables	% ERV	EUR p.a.
Total	17,6%	41.383
ins. premium in ‰ (tax 21,0%)	2,3%	5.331
management costs	1,0%	2.351
maintenance costs	11,6%	27.349
property tax	2,2%	5.286
water rates	0,5%	1.065
sewerage rates	0,0%	-
specific property tax	0,0%	-
ground rent	0,0%	-

Breakdown Market Rent



Market Rent capitalisation	Gross Yield and Factor ERV	RI	TRI	Total Net ERV
				193.757
NIY on Net ERV				6,25%
Gross market value	7,58%	9,35%	9,35%	
before corrections	13,18	10,69	10,69	3.100.111
structural vacancy	0,0%		-	-
void period in months	-		-	-
incentives in months	-		-	-
tenant improvements	-		-	-
letting commission / PR and marketing	0,0%		-	-
service expenses due to voids	0,0%		-	-
corrective maintenance	-		-	-
miscellaneous			-	-
extra land	-		-	-
PV of additional cash flows			-	-
PV of future buy-off leasehold			6,00%	-
PV of reversionary potential			6,00%	548.026
Gross market value	6,45%	7,95%	7,95%	
after corrections	15,51	12,58	12,58	3.648.137
legal fees			0,26%	8.842-
transfer tax			6,00%	205.998-
transfer tax ground lease			6,00%	-
Net market value	6,85%	8,45%	8,45%	
before corrections	14,60	11,84	11,84	3.433.297
extra land (net)	-		-	-
miscellaneous	-		-	-
Net market value	6,92%	8,53%	8,53%	3.433.297
rounded in EUR	14,46	11,72	11,72	3.400.000
value per sq m LFA				499
value per sq m GFA				473

APPENDIX G

SUBSCRIPTION FORM

KMC PROPERTIES ASA
SUBSEQUENT OFFERING

SUBSCRIPTION FORM
Securities number: ISIN NO0010360175

General information: The terms and conditions of the subsequent offering (the "Subsequent Offering") by KMC Properties ASA (the "Company") of up to 4,285,714 new shares in the Company, each with a nominal value of NOK 0.20 (the "Offer Shares"), are set out in the prospectus dated 10 February 2021 (the "Prospectus"). Terms defined in the Prospectus shall have the same meaning in this subscription form (the "Subscription Form"). All announcements referred to in this Subscription Form will be made through the Oslo Stock Exchange's information system under the Company's ticker "KMCP". The resolution to grant the board of directors an authorisation to increase the share capital by the general meeting on 18 December 2020, is available at the Company's registered office address at Dyre Halses gate 1 A, N-7042 Trondheim, Norway, and on the Company's website: www.kmcp.no. The Company's articles of association, the annual financial statements for the year ended 31 December 2019, the Q2 interim financial statements for the 6 month period ended 20 June 2020, the Q3 interim Financial Statements for the 9 moth period ended 30 September 2020, the independent practitioner's assurance report on the compilation of pro forma financial information and the valuation report is included in the Prospectus.

Subscription procedures: The subscription period will commence at 09:00 hours (CET) on 11 February 2021 and end at 16:30 hours (CET) on 18 February 2021 (the "Subscription Period"). The Subscription Period may not be revoked, extended or shortened prior to the end of the Subscription Period, unless required by law. Correctly completed Subscription Forms must be received by the Managers no later than 16:30 hours (CET) on 18 February 2021 at the following postal or email addresses:

DNB Markets Registrars Department	**ABG Sundal Collier ASA**
Dronning Eufemias gate 30	Munkedamsveien 45E
P.O. Box 1600 Sentrum	P.O. Box 1444 Vika
N-0021 Oslo	N-0115 Oslo
Norway	Norway
Tel: +47 23 26 80 20	Tel: +47 22 01 60 00
E-mail: retail@dnb.no	E-mail: subscription@abgsc.no
Website: www.dnb.no/emisjoner	Website: www.abgsc.no

Subscribers who are residents of Norway with a Norwegian personal identification number (*Nw.: fødselsnummer*) may also subscribe for Offer Shares through the VPS online subscription system (or by following the link on www.abgsc.no or http://www.dnb.no/emisjoner which will redirect the subscriber to the VPS online subscription system). All online subscribers must verify that they are Norwegian residents by entering their national identity number (Nw.: fødselsnummer). In addition, the VPS online subscription system is only available for individual persons and is not available for legal entities; legal entities must thus submit a Subscription Form in order to subscribe for Offer Shares. Subscriptions made through the VPS online subscription system must be duly registered before the expiry of the Subscription Period.

None of the Company or the Managers may be held responsible for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by the Managers. Subscription Forms received after the end of the Subscription Period and/or incomplete or incorrect Subscription Forms and any subscription that may be unlawful may be disregarded at the sole discretion of the Company and/or the Managers without notice to the subscriber.

Subscription Price: The subscription price in the Subsequent Offering is NOK 7 per Offer Share (the "Subscription Price").

Subscription Rights: Shareholders of the Company as of close of trading 11 December 2020, as registered in the Company's shareholder register in the VPS on 15 December 2020 (the "Record Date"), and who were not allocated shares in the Private Placement (the "Eligible Shareholders"), will be granted non-transferable Subscription Rights that, subject to applicable law, provide preferential rights to subscribe for, and be allocated, Offer Shares in the Subsequent Offering at the Subscription Price. Each Eligible Shareholder will, subject to applicable securities laws, be granted 2 Subscription Rights for each existing Share registered as held by such Eligible Shareholder on the Record Date, rounded down to the nearest whole Subscription Right. Each Subscription Right will, subject to applicable securities laws, give the right to subscribe for and be allocated one Offer Share in the Subsequent Offering. Oversubscription (i.e., subscription for more Offer Shares than the number of Subscription Rights held by the subscriber entitles the subscriber to be allocated) and subscription without Subscription Rights will be permitted. **Subscription Rights that are not used to subscribe for Offer Shares before the expiry of the Subscription Period will have no value and will lapse without compensation to the holder.**

Allocation of Offer Shares: The Offer Shares will be allocated to the subscribers based on the allocation criteria set out in the Prospectus. No fractional Offer Shares will be allocated. The Company reserves the right to round off, reject or reduce any subscription for Offer Shares not covered by Subscription Rights unless subscribers are given the right to over-subscribe in accordance with the allocation criteria. Allocation of fewer Offer Shares than subscribed for by a subscriber will not impact on the subscriber's obligation to pay for the number of Offer Shares allocated. Notification of allocated Offer Shares and the corresponding subscription amount to be paid by each subscriber is expected to be distributed in a letter from VPS on or about 19 February 2021.

Payment: The payment for the Offer Shares allocated to a subscriber falls due on 22 February 2021. Subscribers who have a Norwegian bank account must, and will by signing the Subscription Form, provide the Managers with a one-time irrevocable authorisation to debit a specified bank account with a Norwegian bank for the amount payable for the Offer Shares which are allocated to the subscriber. The specified bank account is expected to be debited on or after the Payment Date. The Managers are only authorised to debit such account once, but reserve the right to make up to three debit attempts, and the authorisation will be valid for up to seven working days after the Payment Date. The subscriber furthermore authorises the Managers to obtain confirmation from the subscriber's bank that the subscriber has the right to dispose over the specified account and that there are sufficient funds in the account to cover the payment. If there are insufficient funds in a subscriber's bank account or if it for other reasons is impossible to debit such bank account when a debit attempt is made pursuant to the authorisation from the subscriber, the subscriber's obligation to pay for the Offer Shares will be deemed overdue. Payment by direct debiting is a service that banks in Norway provide in cooperation. In the relationship between the subscriber and the subscriber's bank, the standard terms and conditions for "Payment by Direct Debiting – Securities Trading", which are set out on page 2 of the Subscription Form, will apply, provided, however, that subscribers who subscribe for an amount exceeding NOK 5 million by signing the Subscription Form provide the Managers with a onetime irrevocable authorisation to manually debit the specified bank account for the entire subscription amount. Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date. Prior to any such payment being made, the subscriber must contact the Managers for further details and instructions. Should any subscriber have insufficient funds on his or her account, should payment be delayed for any reason, if it is not possible to debit the account or if payments for any other reasons are not made when due, overdue interest will accure and other terms will apply as set out under the heading "Overdue and missing payments" below.

SEE PAGE 2 OF THIS SUBSCRIPTION FORM FOR OTHER PROVISIONS THAT ALSO APPLY TO THE SUBSCRIPTION

DETAILS OF THE SUBSCRIPTION

Subscriber's VPS account:	**Number of Subscription Rights:**	**Number of Offer Shares subscribed (including over-subscription):**	
SUBSCRIPTION RIGHT'S SECURITIES NUMBER: ISIN NO0010930415	↳	**Subscription Price per Offer Share:** **x NOK 7**	**Subscription amount to be paid:** **NOK** ___________________

IRREVOCABLE AUTHORISATION TO DEBIT ACCOUNT (MUST BE COMPLETED BY SUBSCRIBERS WITH A NORWEGIAN BANK ACCOUNT)

Norwegian bank account to be debited for the payment for Offer Shares allocated (number of Offer Shares allocated x NOK 7).	(Norwegian bank account no.)

I/we hereby irrevocably (i) subscribe for the number of Offer Shares specified above subject to the terms and conditions set out in this Subscription Form and in the Prospectus, (ii) authorise and instruct the Managers (or someone appointed by them) to on my/our behalf take all actions required to ensure delivery of such Offer Shares to me/us in the VPS, (iii) authorise the Managers to debit my/our bank account as set out in this Subscription Form for the amount payable for the Offer Shares allocated to me/us, and (iv) confirm and warrant to have read the Prospectus and that I/we are eligible to subscribe for Offer Shares under the terms set forth therein. By signing this Subscription Form, subscribers subject to direct debiting accept the terms and conditions for "Payment by Direct Debiting – Securities Trading" set out on page 2 of this Subscription Form.

Place and date	**Binding signature**
Must be dated in the Subscription Period.	The subscriber must have legal capacity. When signed on behalf of a company or pursuant to an authorisation, documentation in the form of a company certificate or power of attorney must be enclosed.

INFORMATION ON THE SUBSCRIBER – ALL FIELDS MUST BE COMPLETED

First name:		Nationality:	
Surname/company:		E-mail address:	
Street address:		Daytime telephone number:	
Post code/district/country:		Legal Entity Identifier ("LEI")/ National Client Identifier ("NID"):	
Personal ID number/organisation number:			

Please note: If the Subscription Form is sent to the Managers by e-mail, the e-mail will be unsecured unless the subscriber takes measures to secure it. The Managers recommend the subscriber to secure all e-mails with subscription forms attached.

ADDITIONAL GUIDELINES FOR THE SUBSCRIBER

THE DISTRIBUTION OF THIS SUBSCRIPTION FORM IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW.

Regulatory Issues: In accordance with the Markets in Financial Instruments Directive ("MiFID II") of the European Union, Norwegian law imposes requirements in relation to business investments. In this respect the Managers must categorise all new clients in one of three categories: eligible counterparties, professional and non-professional clients. All subscribers in the Subsequent Offering who are not existing clients of the Managers will be categorised as non-professional clients. Subscribers can by written request the Managers ask to be categorised as a professional client if the subscriber fulfils the provisions of the Norwegian Securities Trading Act. For further information about the categorisation, the subscriber may contact the Managers. **The subscriber represents that he/she/it is capable of evaluating the merits and risks of a decision to invest in the Company by subscribing for Offer Shares, and is able to bear the economic risk, and to withstand a complete loss, of an investment in the Offer Shares.**

Selling and Transfer Restrictions: The attention of persons who wish to subscribe for Offer Shares is drawn to Section 19 "Selling and Transfer Restrictions" of the Prospectus. The Company is not taking any action to permit a public offering of the Subscription Rights or the Offer Shares (pursuant to the exercise of the Subscription Rights or otherwise) in any jurisdiction other than Norway. Receipt of the Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, the Prospectus is for information only and should not be copied or redistributed. Persons outside Norway should consult their professional advisors as to whether they require any governmental or other consent or need to observe any other formalities to enable them to subscribe for Offer Shares. It is the responsibility of any person wishing to subscribe for Offer Shares in the Subsequent Offering to satisfy himself as to the full observance of the laws of any relevant jurisdiction in connection therewith, including obtaining any governmental or other consent which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. The Subscription Rights and Offer Shares have not been registered, and will not be registered, under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A or pursuant to another available exemption from the registration requirements of the U.S. Securities Act; or (ii) to certain persons in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction The Subscription Rights and Offer Shares have not been and will not be registered under the applicable securities laws of Australia or Japan and may not be offered, sold, taken up, exercised, resold, delivered or transferred, directly or indirectly, in or into Australia or Japan or any other jurisdiction in which it would not be permissible to offer the Offer Shares. This Subscription Form does not constitute an offer to sell, or a solicitation of an offer to buy, Offer Shares in any jurisdiction in which such offer or solicitation is unlawful. A notification of exercise of Subscription Rights and subscription of Offer Shares in contravention of the above restrictions may be deemed to be invalid. By subscribing for the Offer Shares, persons effecting subscriptions will be deemed to have represented to the Company that they, and the persons on whose behalf they are subscribing for the Offer Shares, have complied with the above selling restrictions and will be deemed to have made the applicable representations, acknowledgements, agreements and warranties set forth in Section 14.1 of the Prospectus.

Execution Only: The Managers will treat the Subscription Form as an execution-only instruction. The Managers are not required to determine whether an investment in the Offer Shares is appropriate or not for the subscriber. Hence, the subscriber will not benefit from the protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information Exchange: The subscriber acknowledges that, under the Norwegian Securities Trading Act and the Norwegian Commercial Banks Act and foreign legislation applicable to the Managers, there is a duty of secrecy between the different units of the Managers, as well as between the Managers and other entities in the Managers' group. This may entail that other employees of the Managers or the Managers' group may have information that may be relevant to the subscriber and to the assessment of the Offer Shares, but which the Managers will not have access to in their capacity as Managers for the Subsequent Offering.

Information Barriers: The Managers are securities firms that offer a broad range of investment services. In order to ensure that assignments undertaken in the Managers' corporate finance department are kept confidential, the Mangers' other activities, including analysis and stock broking, are separated from the Managers' corporate finance department by information walls. The subscriber acknowledges that the Managers' analysis and stock broking activities may conflict with the subscriber's interests with regard to transactions in the Shares, including the Offer Shares.

VPS Account and Mandatory Anti-Money Laundering Procedures: The Subsequent Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 No. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 No. 1324 (collectively, the "Anti-Money Laundering Legislation"). Subscribers who are not registered as existing customers with the Managers must verify their identity to the Managers in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers who have designated an existing Norwegian bank account and an existing VPS account on the Subscription Form are exempted, unless verification of identity is requested by the Managers. Subscribers who have not completed the required verification of identity prior to the expiry of the Subscription Period will not be allocated Offer Shares. Participation in the Subsequent Offering is conditional upon the subscriber holding a VPS account. The VPS account number must be stated on the Subscription Form. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the European Economic Area (the "EEA"). Establishment of a VPS account requires verification of identity to the VPS registrar in accordance with the Anti-Money Laundering Legislation. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Financial Supervisory Authority of Norway.

Personal data: The subscriber confirms that it has been provided information regarding the Managers' processing of personal data, and that it is informed that the Managers will process the subscriber's personal data in order to manage and carry out the Subsequent Offering and the subscription from the subscriber, and to comply with statutory requirements.

The data controllers who are responsible for the processing of personal data are the Managers. The processing of personal data is necessary in order to fulfil the subscription and to meet legal obligations. The Norwegian Securities Trading Act and the Anti-Money Laundering Legislation require that the Managers processes and store information about clients and trades, and control and document activities. The subscriber's data will be processed confidentially, but if it is necessary in relation to the purposes, the personal data may be shared between the Managers, the company(ies) participating in the offering, with companies within the Managers' group, the VPS, stock exchanges and/or public authorities. The personal data will be processed as long as necessary for the purposes, and will subsequently be deleted unless there is a statutory duty to keep it.

If the Managers transfers personal data to countries outside the EEA, that have not been approved by the EU Commission, the Managers will make sure the transfer takes place in accordance with the legal mechanisms protecting the personal data, for example the EU Standard Contractual Clauses.

As a data subject, the subscriber has several legal rights. This includes *inter alia* the right to access its personal data, and a right to request that incorrect information is corrected. In certain instances, the subscriber will have the right to impose restrictions on the processing or demand that the information is deleted. The subscribers may also complain to a supervisory authority if they find that the Managers' processing is in breach of the law. Supplementary information on processing of personal data and the subscribers' rights can be found at the Managers' websites.

Payment by Direct Debiting – Securities Trading: Payment by direct debiting is a service the banks in Norway provide in cooperation. In the relationship between the payer and the payer's bank the following standard terms and conditions will apply:

a) The service "Payment by direct debiting – securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, "General terms and conditions for deposit and payment instructions".

b) Costs related to the use of "Payment by direct debiting – securities trading" appear from the bank's prevailing price list, account information and/or information given in another appropriate manner. The bank will charge the indicated account for costs incurred.

c) The authorisation for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank that in turn will charge the payer's bank account.

d) In case of withdrawal of the authorisation for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Norwegian Financial Contracts Act the payer's bank shall assist if the payer withdraws a payment instruction that has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.

e) The payer cannot authorise payment of a higher amount than the funds available on the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall immediately be covered by the payer.

f) The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorisation for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorisation has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.

g) If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Norwegian Financial Contracts Act.

Overdue Payment: Overdue payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 No. 100, currently 8% per annum as of the date of the Prospectus. If a subscriber fails to comply with the terms of payment, the Offer Shares will, subject to the restrictions in the Norwegian Public Limited Companies Act, not be delivered to such subscriber.

The Managers, on behalf of the Company, reserve the right, at the risk and cost of the subscriber to, at any time, cancel the subscription and to reallocate or otherwise dispose of allocated Offer Shares for which payment is overdue, or, if payment has not been received by the third day after the Payment Date, without further notice sell, assume ownership to or otherwise dispose of the allocated Offer Shares on such terms and in such manner as the Managers may decide in accordance with Norwegian law. The subscriber will remain liable for payment of the subscription amount, together with any interest, costs, charges and expenses accrued and the Managers, on behalf of the Company, may enforce payment for any such amount outstanding in accordance with Norwegian law.

National Client Identifier and Legal Entity Identifier: In order to participate in the Subsequent Offering, subscribers will need a global identification code. Physical persons will need a so-called National Client Identifier ("**NCI**") and legal entities will need a so-called Legal Entity Identifier ("**LEI"**).

NCI code for physical persons: Physical persons will need a NCI code to participate in a financial market transaction, i.e. a global identification code for physical persons. For physical persons with only a Norwegian citizenship, the NCI code is the 11 digit personal ID (Nw: "*fødselsnummer*"). If the person in question has multiple citizenships or another citizenship than Norwegian, another relevant NCI code can be used. Subscribers are encouraged to contact their bank for further information.

LEI code for legal entities: Legal entities will need a LEI code to participate in a financial market transaction. A LEI code must be obtained from an authorised LEI issuer, and obtaining the code can take some time. Subscribers should obtain a LEI code in time for the subscription. For more information visit www.gleif.org. Further information is also included in Section 18.17 ("LEI number") of the Prospectus.

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