

## STEEN & STRØM: FIRST HALF-YEAR RESULT 2021

**Steen & Strøm's shopping center portfolio has experienced a weaker financial performance compared to the same period last year, driven by the Covid-19 pandemic and significant restrictions this first half of 2021. The group's financial position is still solid with a net loan to value at 32.8%. The recovery in our portfolio has continued throughout the summer, where most of our centers have posted positive sales trends compared to last year.**

Year to date first half 2021 sales in the shopping centers are down by -10.5% on a like-for-like basis, of which Norway -9.5%, Denmark -28.8% and Sweden -3.1%. Our Norwegian centers were closed multiple periods during Q1 and Q2, where Oslo City experienced the longest lockdown (25 January until 6 May), while Maxi Hamar had the shortest (one week in May). In Denmark, all centers were fully closed between 17 December 2020 until 21 April 2021, while all centers in Sweden remained open, but impacted by Government restrictions and appeal to avoid shopping centers.

Gross rental income decreased by -3.4% and amounted to MNOK 867.1 (MNOK 897.6). Like-for-like decrease was -3.5%.

Net rental income decreased by -7.6% and landed at MNOK 753.8 (MNOK 816.1). Like-for-like decrease in net rental income was -8.0%.

The group generated operating income of MNOK -396 (MNOK -547) and pre-tax profits of MNOK -579 (MNOK -722) in the first half of 2021.

The improvement in operating income and pre-tax profits from last year is deriving from changes in fair value of our investment properties, from MNOK -1 309 in H1 2020 to MNOK -1 071 in H1 2021. The decrease in fair value corresponds to an adjustment of -3.3%

Investment properties and projects were valued at MNOK 30 683 as at 30 June 2021 (MNOK 36 766 at 31 December 2020). The decrease stems from negative fair value adjustments of MNOK 1 071 and negative currency exchange effect from our Swedish and Danish assets of MNOK 743. In addition, investment properties of MNOK 4 167 has been reclassified to investment properties held for sale in accordance with *IFRS 5 Non-current assets held for sale and discontinued operations*. The reclassification is related to disposal of five shopping centers (Nerstranda, Nordbyen, Amanda Storsenter, Vinterbro and Farmandstredet) in Norway in July 2021.

The property portfolio valuation is performed by an independent external appraiser and is based on an average yield of 4.6% (4.6%).

Net debt amounted to NOK 11.9 billion as at 30 June 2021 (NOK 12.4 billion at 31 December 2020), where currency exchange effect is the main explanation of the decrease. The average cost of debt was 1.7% in H1 2021.