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# RomReal Limited

## Investor presentation Q3 2016 results

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DnB Markets Event

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Mamaia Nord Plot



Lake Morii Plot - Bucharest



Alexandriei Plot - Bucharest

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## Q3 2016 results – Highlights

### **Net Asset Value (NAV)**

- Net Asset value was EUR 0.42 (NOK 3.90) per share at the end of Q3 2016, a 1.4% reduction compared to the end of Q2 2016

### **Operational highlights**

- RomReal sold several smaller properties during the quarter (Corallia, Peninsula and Lakeside). The Company has several sales processes on-going, and it expects to close one or more sales before the close of the year.
- RomReal has exercised its option to extend the bank loan. The bank has proposed more flexible terms for servicing the loan

### **Financial Results**

- Net Result for the quarter was a profit of EUR 277,000 compared to EUR 283,000 profit in 3Q 2015. The gain is mainly explained by currency effects, with RON strengthening by 0.5% against the EUR during the quarter.
- Operating cash flow for the quarter was a negative EUR 68,000 compared to minus EUR 115,000 for the same period last year

### **Macro and real estate market highlights**

- Romania's economic growth came in at 4.4% for the third quarter. Unemployment fell to 5.9% in September, the lowest number since unemployment rose after the financial crisis.
- The real estate market is in a steady uptrend. Transaction volume doubled in first half of 2016, and prices continue to rise.
- The cabinet has indicated that it would both expand and widen the base of eligible house buyers by reducing down payment for certain groups

## NAV movement in Q3 2016

Asset base	Q3 2016			Q2 2016		
	EUR '000	EUR/share	NOK/share	EUR '000	EUR/share	NOK/share
Investment property	26,192	0.63	5.89	26,278	0.64	5.91
Inventories	2,278	0.06	0.51	2,287	0.06	0.51
Cash	289	0.01	0.06	313	0.01	0.07
Other assets/(liabilities)	(11,415)	(0.28)	(2.57)	(11,276)	(0.27)	(2.54)
Net asset value	17,343			17,594		
NAV/Share		0.42	3.90		0.43	3.96
Change in NAV	-1.4%			-2.8%		

The total issued number of shares issued at end Q2 2016 was 41,367,783 and unchanged from Q1.

## Financial highlights - IFRS

<b>EUR '000</b>	<b>Q3 2016</b>	<b>Q3 2015</b>	<b>YTD 2016</b>	<b>YTD 2015</b>
Operating Revenue	132	138	450	1,400
Operating Expenses	(176)	(247)	(645)	(665)
Other operating income/ (expense), net	(574)	(512)	(680)	(1,578)
Net financial income/(cost)	976	940	1,021	795
Pre-tax result	261	243	(147)	(280)
Result for the period	277	283	(146)	(288)
Total assets	29,132	31,039	29,132	31,039
Total liabilities	11,789	11,840	11,789	11,840
Total equity	17,343	19,198	17,343	19,198
Equity %	59.5%	61.9%	59.5%	61.9%
NAV per share (EUR)	0.42	0.46	0.42	0.46
Cash position	289	1,031	289	1,031

## RomReal Properties Q3 2016

Plot name	Location	Size (m2)
1 Ovidiu Lakeside	Constanta North/Ovidiu	61,433
2 Badulescu plot	Constanta North/Ovidiu	50,000
3 Ovidiu Town	Constanta North/Ovidiu	4,641
4 Ovidiu (Oasis)	Constanta North/Ovidiu	24,651
5 Centrepont	Constanta North/Ovidiu	121,672
6 Gunaydin plot	Constanta North/Ovidiu	15,000
7 Balada Market	Central Constanta	7,188
8 Carrefour plot	Constanta	15,000
9 Morii Lake	Bucharest Sector 6	11,716
10 Hospital plot	Bucharest Sector 5	13,263
11 Un-zoned land	Constanta	864,534
12 Mamaia North plot	Navodari/Mamaia	54,714
Total		1,243,812

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## Operational highlights

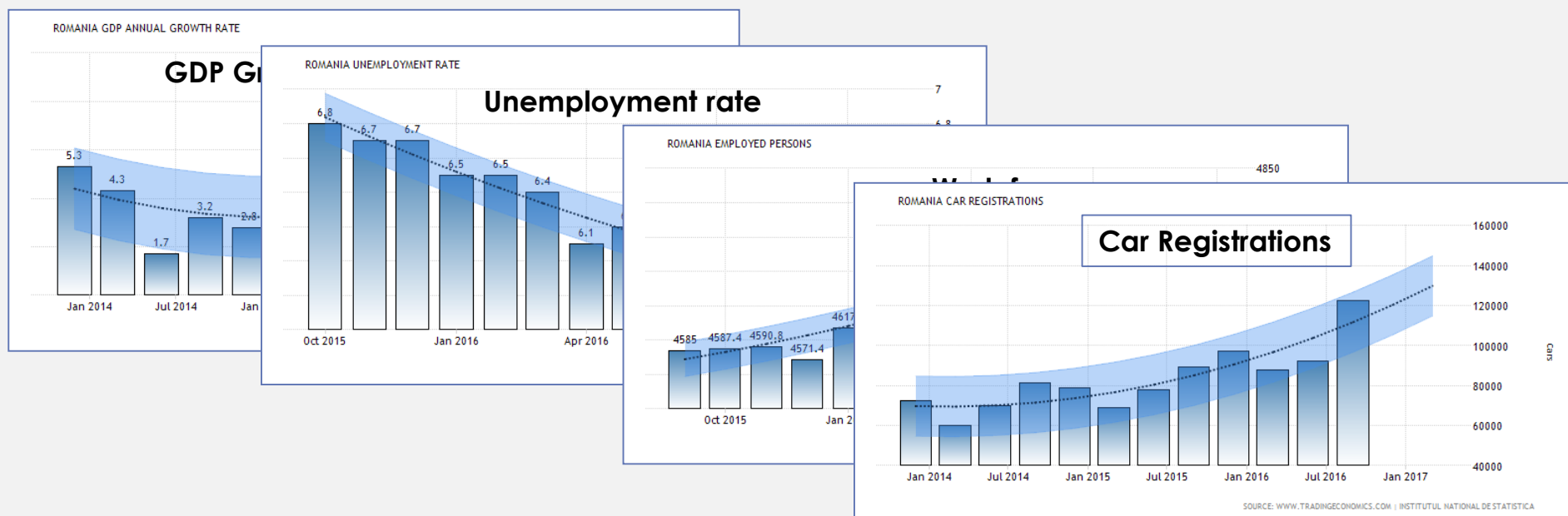


- RomReal sold the last plot at Tartar Peninsula and three parking spaces at the Corralia apartment Complex
- RomReal sold a small part of the Lake Side Plot for EUR 190,000 with expected close in late Q1 2017. The sales price was above IFRS book value
- The Company has several parallel sales processes going that also includes larger properties
- After the close of the quarter, RomReal has exercised its option to extend the bank loan one year. Due to several on-going asset disposal processes, the bank has proposed a monthly pre-payment of interest up to April 30, 2017. This adjusted interest service model is subject to an Alpha Bank Credit Committee approval.



# Romanian Macro development

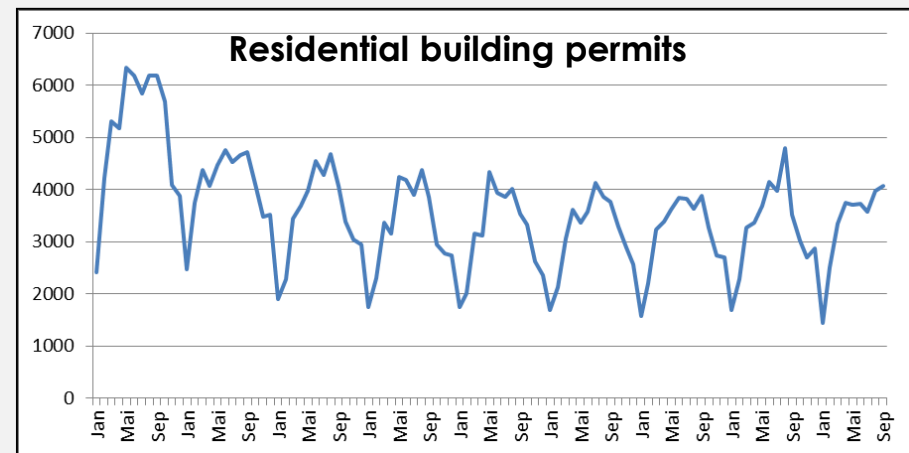
- Romania continue to grow quickly. The GDP growth rate for 3Q 2016 was 4.4% and growth for 2016 is now expected to come in at 4.8%. Analysts upgrade their estimates for 2017 – now expecting around 3.8%
- Slower growth in private consumption and capital investments are expected to drive the lower growth rate – compared to the 6% recorded for 2Q 2016
- Low and stable interest rates, growing work force, increasing real after tax wages and an aging housing stock is expected to continue to drive housing demand and prices in the year to come





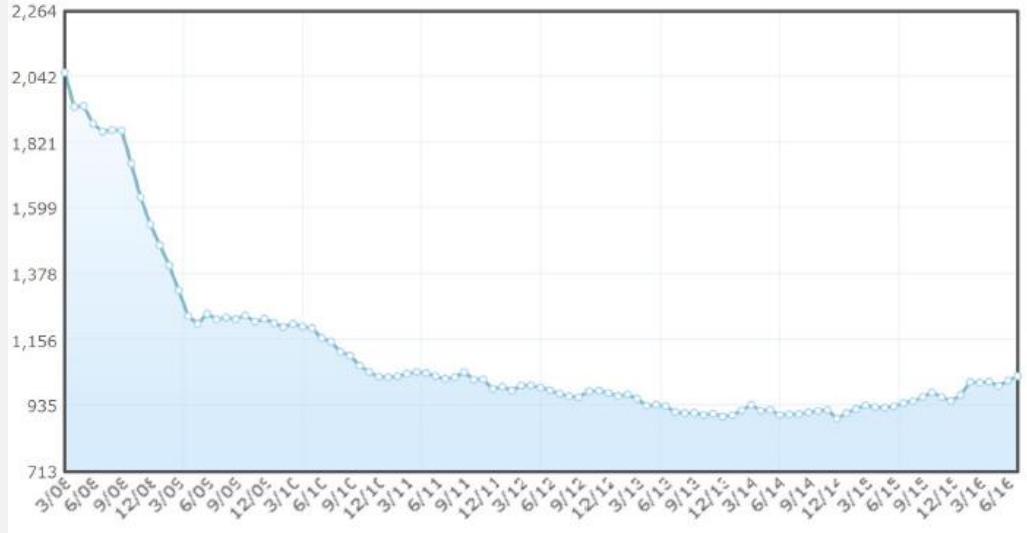
# Romania Real Estate Update

- Real estate transactions in Romania grew 80% in the first half of 2016, to an estimated EUR 340 million, according to property consultancy JLL. The number of real estate transactions grew with 10% in the same period, indicating that the average transaction size moves up.
- In November, a cabinet member indicated that the Prima Casa program will be extended and increased into 2017. The cabinet considers to reduce down payment requirements to allow younger families to access the program
- In 2015, Romania build 46,984 new homes compared to an estimated demand for ca. 300,000 units. Residential construction is still far below pre-crisis levels of above 67,000 units, pin-pointing the future potential for increased land demand and new housing building activity.
- Despite increasing housing prices, residential building permits have decreased slightly (-1%) the first nine months compared to last year.



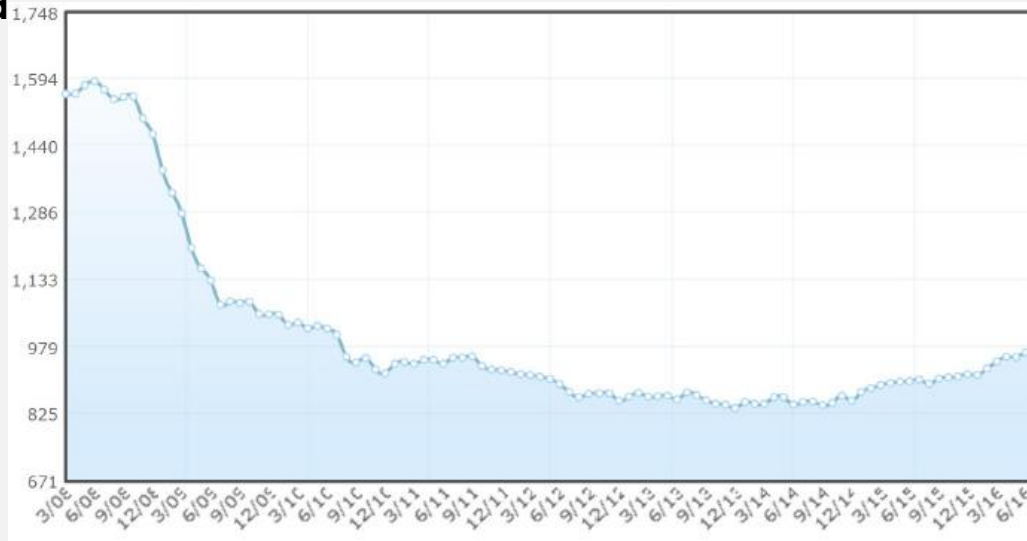
# Apartment Price Development (October)

## Romania



- Apartment prices in Romania have seen an increase of 6.3% to EUR 1,042 per m2 compared with the same period last year
- Since the bottom in Dec. 2014, the average price has increased 17.0%

## Constanta



- Apartment prices in Constanta have seen an increase of 5.2% to EUR 957 per m2, compared with the same period of 2015
- Since the bottom in Dec. 2013, the average price has increased 14.0%

RomReal Limited – Third quarter 2016

# Real Estate market examples

Minister Director General of the National Agency for the Development of the Capital Market

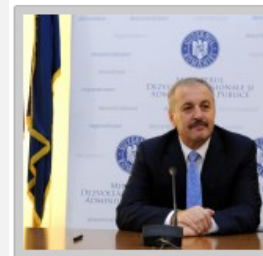
continued, the program to be Impact Developer & Contractor SA records 237

in certain cases, percent increase Over 456,000 real estate transactions in H1,

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Doamna Ghica Plaza residential project in 2016: 95 sold apartments and over 1,000 tenants

By | [Residential](#) | November 01, 2016 16:13 | [0 comments](#)



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Alpha Real Estate Services (ARES) announces new data about the evolution of the residential project Doamna Ghica Plaza for 2016: 95 sold apartments in the first nine months at an average price of EUR 75,000 and over 1,000 tenants.

The sold apartments were of two and three rooms and, adding to the 315 apartments already sold in the complex. Thus, the number of the Doamna Ghica Plaza owners reaches 410, out of 616 apartments. The financing models for the acquisition were the loans offered by Alpha Bank to the clients who chose the acquisition of an apartment in Doamna Ghica Plaza complex and the loans directly from the developer. Currently all the two-room apartments have been sold.

The complex Doamna Ghica Plaza was finished in 2010 and in 2013 Alpha Real Estate Services took over the project management and continued the development of the assembly by improving the offered facilities and repositioned the project regarding the price policy and the targeted client type.

„When we took over the project we thought about a wide transformation and development program: we made investments that focused on the tenants' comfort and we are constantly thinking of the tenants' lifestyle improvement. We tried to get together more clients, evaluating their purchasing power and thus structuring a price level and a payment scheme that responds better to their needs. All these measures had a positive effect and we are elated with the constant evolution of sales.” said Razvan

# RomReal shareholders as at 18/11/2016

Shareholder	Holding	Percentage
SIX SIS AG 25PCT ACCOUNT	10,336,254	24.99
THORKILDSEN DØDSBO KAY TØNNES	5,415,756	13.09
GRØNSKAG KJETIL	3,888,449	9.40
SAGA EIENDOM AS	2,361,422	5.71
E. LARRE HOLDING AS	1,614,444	3.90
SILJAN INDUSTRIER AS	1,600,000	3.87
ENERGI INVEST A/S	1,400,000	3.38
ORAKEL AS	1,101,000	2.66
CO/JONAS BJERG NTS TRUSTEES LTD	1,058,306	2.56
SPAR KAPITAL INVESTO	940,236	2.27
Carnegie Investment CLIENT ACCOUNT	851,692	2.06
THORKILDSEN INVEST A	829,478	2.01
PERSSON ARILD	709,700	1.72
HOEN ANDERS MYSSSEN	689,557	1.67
SKANDINAVISKA ENSKIL	628,832	1.52
Nordea Bank AB NORDEA BA. SWE. AB (	508,384	1.23
DANSKE BANK A/S 3887 OPERATIONS SEC.	462,998	1.12
CLEARSTREAM BANKING	449,417	1.09
MORGAN STANLEY & CO. MS & CO INTL PLC MSI	437,755	1.06
BNP Paribas Sec. Ser S/A SPEARPOINT LTD	406,856	0.98
Total TOP 20	35,690,536	86.29

(1) This is the Top 20 Shareholder list as per 18 November 2016.

(2) The total issued number of shares issued at end Q3 2016 was 41,367,783.

(3) Chairman Ketil Grønskag owns directly and indirectly 4,138,179 shares corresponding to 10.0%.

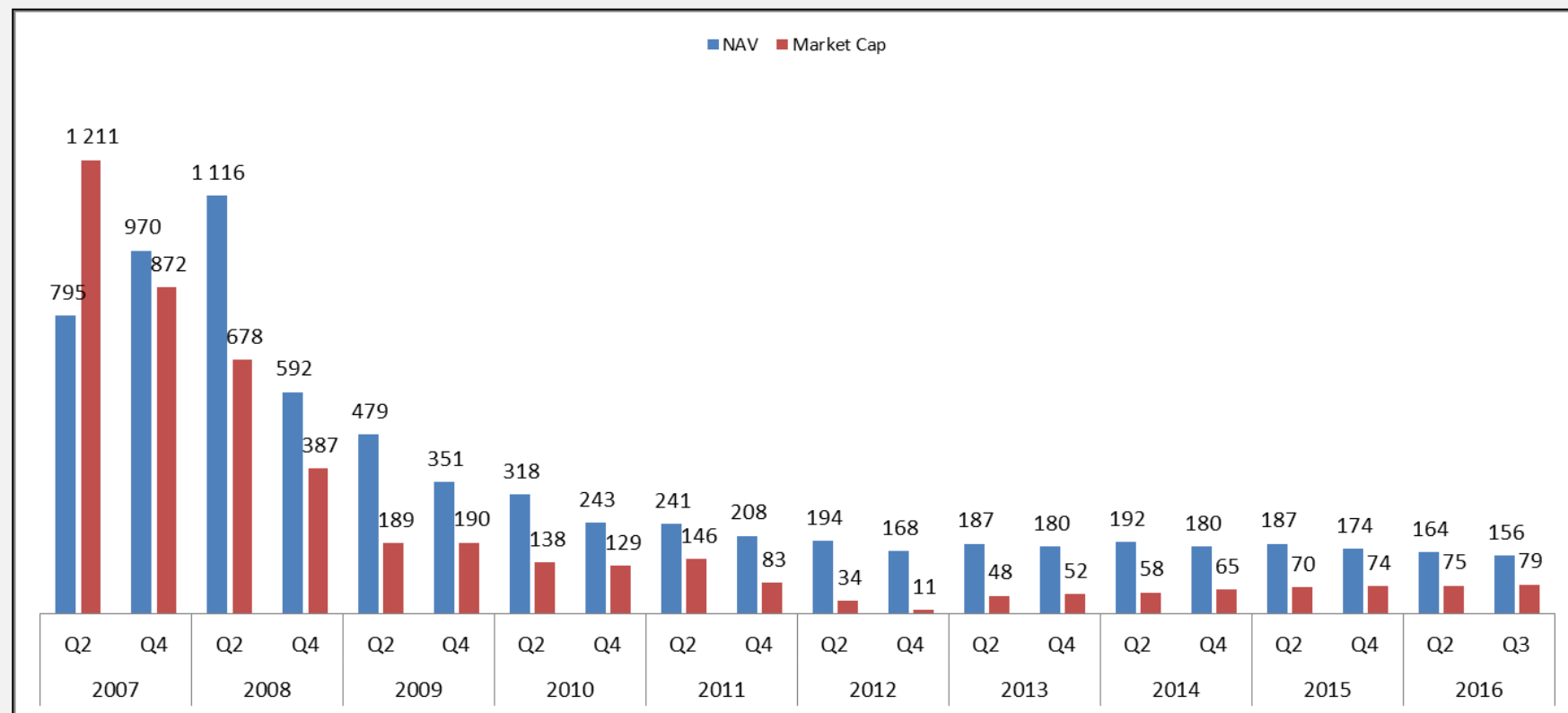
(4) Thorkildsen Invest AS is a Company controlled by RomReal Kay Thorkildsen family.

(5) RomReal Director Arne Reinemo controls directly or indirectly SILJAN INDUSTRIER AS.

(6) The above list is the 20 largest shareholders according to the VPS print out; please note that shareholders might use different accounts and account names, adding to their total holding.

# Market capitalization and NAV development

NOK million



Source: Company; OSE; Infront; Market capitalization numbers for 2007 and 2008 are Company estimates. Exchange rate YE for both quarters in year .

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## Main focus areas going forward

- RomReal has good progress in several on-going regulation processes including Oasis & Lakeside which enables several larger plots for attractive exits
- PUZ obtained on Mamaia North early November 2016
- The Company expects further asset sales before the close of the year

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# Thank you

## **Investor Relations**

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For further information on RomReal, including presentation material relating to this interim report and financial information, please visit [www.romreal.com](http://www.romreal.com)

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