
RomReal Limited

Investor presentation Q4 2016 results

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DnB Markets Event

17 February 2016

Q4 2016 results – Highlights

Net Asset Value (NAV)

- Net Asset value was EUR 0.44 (NOK 3.97) per share, up 4.0% compared to the end of Q3 2016. The plot valuation is up 9.3% on a comparable plot basis. If the values from the two conditional sales had been applied to the sold properties, NAV was EUR 0.5 (NOK 4.59)

Operational highlights

- On 2nd January, the Company entered into two significant, conditional sales transactions representing 51% of its investment portfolio. The transactions include the Mamaia North plots and the Morii Lake plot in Bucharest with an estimated value of EUR 17.75 – 18.25 million
- The Company has exercised its option to extend the Alpha Bank loan

Financial Results

- Net Result for the quarter was EUR 14,000 compared to an EUR 1,880,000 loss in 4Q 2015. Operating cash flow for the quarter was a minus EUR 115,000 compared to minus EUR 64,000 in the same period last year

Macro and real estate market highlights

- Romania grew 4.8% in 4Q 2016 and IMF expects Romania to be the fastest growing EU member for 2016 in total.
- The real estate market sets new records with higher completed buildings, increasing real estate prices and higher transaction volume.
- Housing prices are up almost 20% from the bottom, but they are still less than 50% of the top level in 2008! There is still significant potential left

NAV movement in Q4 2016

Asset base	Q4 2016			Q3 2016		
	EUR '000	EUR/share	NOK/share	EUR '000	EUR/share	NOK/share
Investment property	16,904	0.41	3.72	26,192	0.63	5.89
Assets held for sale	11,720	0.28	2.58	-	-	-
Inventories	2,536	0.06	0.56	2,278	0.06	0.51
Cash	707	0.02	0.16	289	0.01	0.06
Other assets/(liabilities)	(13,830)	(0.33)	(3.04)	(11,415)	(0.28)	(2.57)
Net asset value	18,036			17,343		
NAV/Share		0.44	3.97		0.42	3.90
Change in NAV	4.0%			-1.4%		

NAV is based on the Knight Frank year end valuation. If the conditional transaction prices were applied, the NAV was EUR 0.5 (NOK 4.59)

The total issued number of shares issued at end Q4 2016 was 41,367,783 and unchanged from Q3; EUR/NOK exchange rate at 31/12/2016 was 9.0889

Financial highlights - IFRS

EUR '000	Q4 2016	Q4 2015	YTD 2016	YTD 2015
Operating Revenue	58	89	508	1,488
Operating Expenses	131	(110)	(515)	(775)
Other operating income/ (expense), net	2,962	(408)	2,282	(1,951)
Net financial income/(cost)	(1,361)	(1,472)	(632)	(909)
Pre-tax result	1,790	(1,900)	1,644	(2,181)
Result for the period	14	(1,881)	(214)	(2,169)
Total assets	32,205	29,965	31,124	29,965
Total liabilities	14,168	11,876	14,168	11,876
Total equity	18,036	18,089	17,956	18,089
Equity %	56.0%	60.4%	55.9%	60.4%
NAV per share (EUR)	0.44	0.44	0.43	0.44
Cash position	707	541	707	541

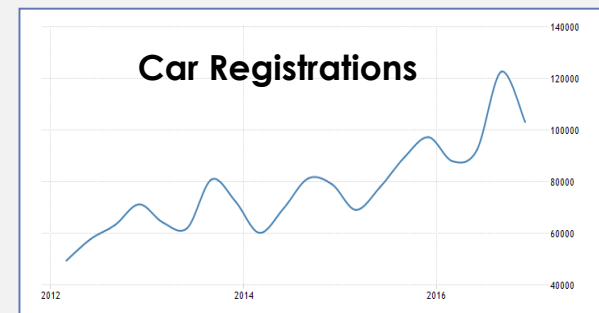
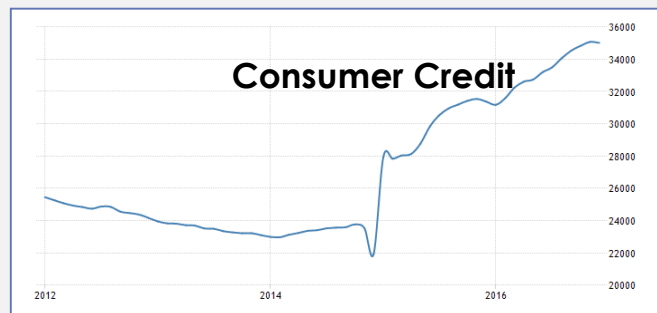
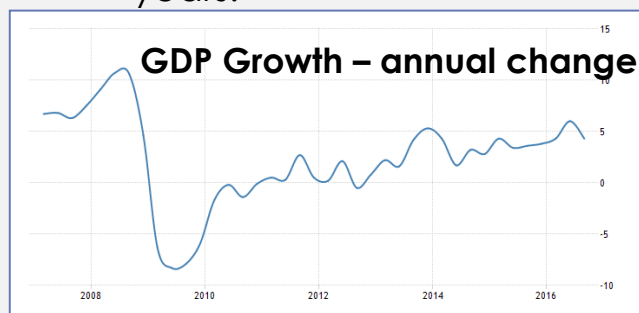
Operational highlights



- At January 2, 2017, RomReal announced the conditional sale of Mamaia North and Morii Lake for EUR 17.75 – 18.25 million. These sales were on average ca. 20% above 2015 IFRS book value
- The transactions are scheduled to close by the end of the first quarter
- The two transactions will leave RomReal debt-free and with liquidity
- The real estate market develops favorably. Transaction volume increases and prices move higher. The Company expects to sell additional properties during 2017 at prices at or above book values
- To facilitate such sales, RomReal continues to work on improving the regulatory status of its properties and parcel out properties to adequate sizes. In November 2016, it received a PUZ for Mamaia North. RomReal has decided to split Oasis and Lakeside into smaller plots to attract new buyer segments

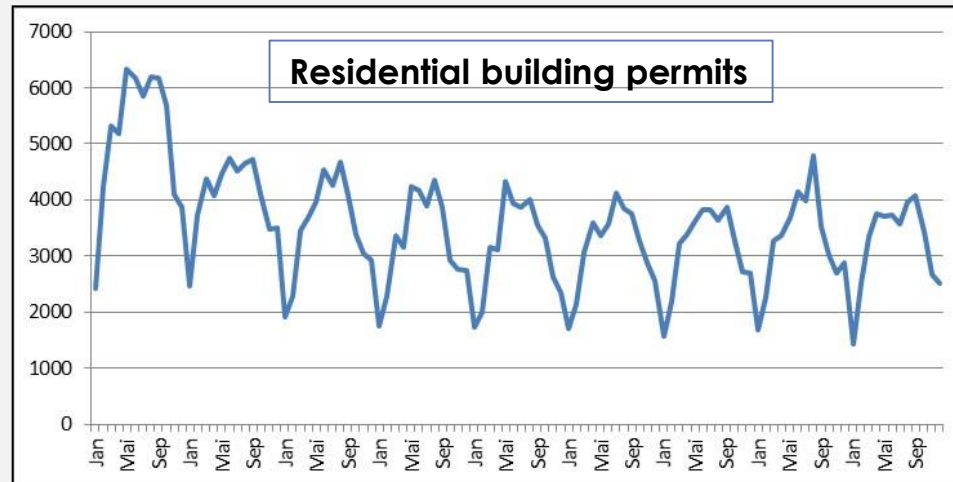
Romanian Macro development

- Romania was the EU member with highest GDP growth in 2Q 2016. IMF expects Romania to also register the highest growth in Europe for 2016 as a whole with 5% growth. Fourth quarter growth came in preliminary at 4.8%. Analysts expects overall growth to continue on a strong note. For 2017, they expect around 4% growth.
- Several factors have supported the prior years strong overall growth. Falling interest rate, rapidly growing consumer credit, and falling unemployment have all contributed to a strong economy. As an illustration of the strong growth, car registrations has increased more than 50% the last two years.



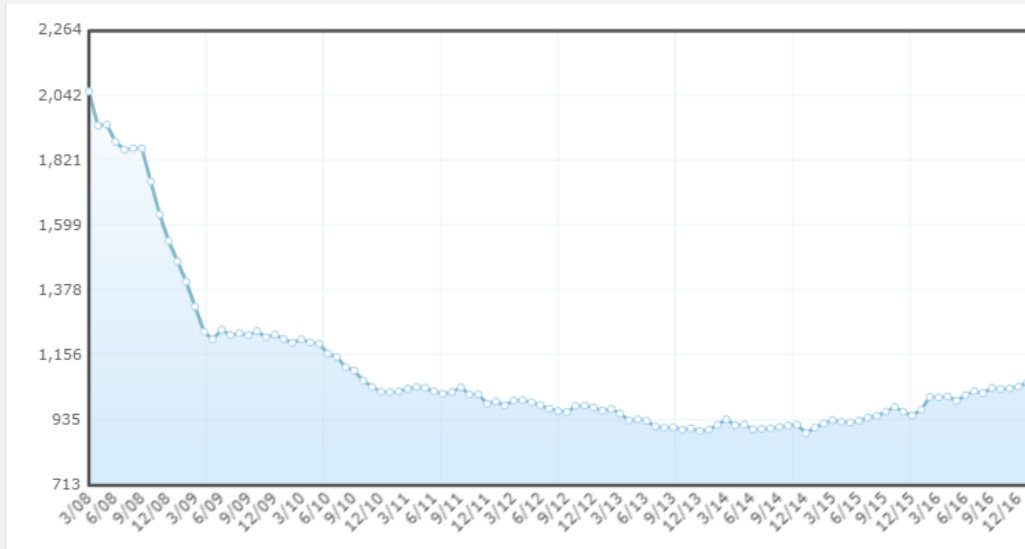
Romania Real Estate Update

- 2016 was a new, positive year in the real estate market turnaround. Transaction volumes and prices increase across segments, and completed buildings rise. For the industrial segment, completed buildings were 380,000 sqm., the largest number ever.
- In the residential market, the activity is increasing further. Completed buildings increased 23.4% in first half of 2016 – fueled by rising housing prices. Since the bottom, housing prices in Romania has increased almost 20% but are still far lower than the 2008 highs. Building permits for residential buildings fell in 2016 which may put further pressure on new homes prices.
- 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



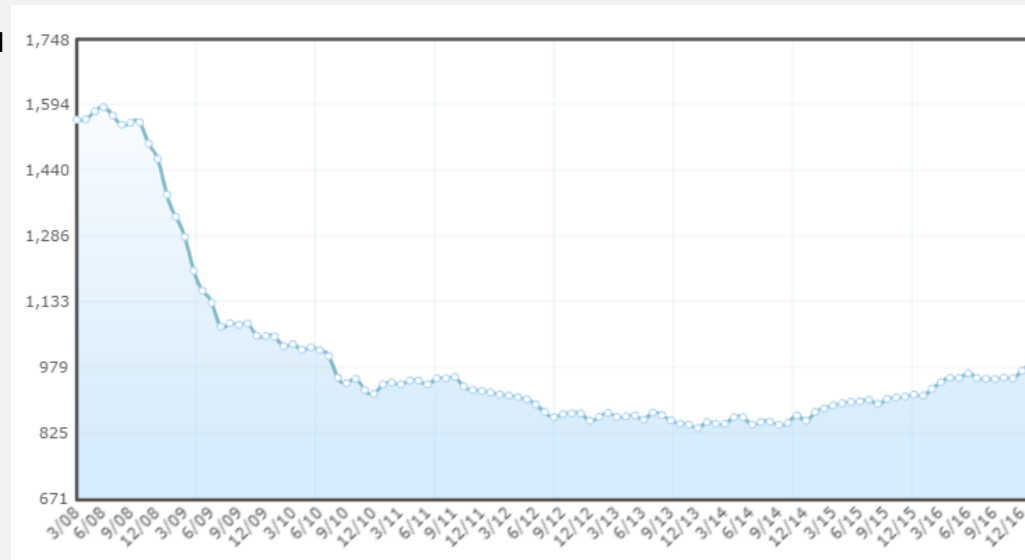
Apartment Price Development (January)

Romania



- Apartment prices in Romania have seen an increase of 9.6% to EUR 1,064 per m2 compared with the same period last year
- Since the bottom in Dec. 2014, the average price has increased 19.4%

Constanta



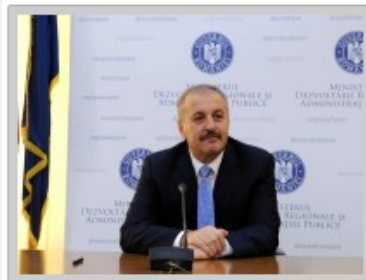
- Apartment prices in Constanta have seen an increase of 8.1% to EUR 989 per m2, compared with the same period of 2015
- Since the bottom in Dec. 2013, the average price has increased 17.9%

RomReal Limited – Fourth quarter 2016

Real Estate market examples

Minister Dincu: Prima Casa program to be continued, downpayment might be eliminated in certain conditions

By **Featured** November 10, 2016 16:48 | 0 comments



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The state-backed mortgage program Prima Casa will continue and will be optimized, so that in certain conditions, some young families might access it without a downpayment, said the deputy PM Vasile Dincu, who is also the minister of regional development and public administration.

„We hope, after the negotiations that we had this year with the Finance Ministry, to have a budget a few times bigger starting next year, because it has been really successful in the last years and succeeded performing very well out of all indicators. We'll try to optimize this project. Maybe it's necessary to think a little at the conditions, to make some conditions for the advance payment to be for example correlated with the incomes of the young families. For many young families, 15 percent of the apartment's value is maybe too much, it's hard to get a loan,” said Dincu.

„Also maybe the duration should be expanded, so the social apartments to be more accessible. ‘Prima Casa’ is a form of sponsorship for young people, so it has a social dimension,” added Dincu.

He says that the elimination of the downpayment for Prima Casa will be decided taking into account the analysis.

„Taking into account this situation, some young families who can't give advance payment to access a loan without an advance of a financial analysis of the incomes shows this,” said Dincu.

Real Estate market examples

Real estate mogul Ovidiu Sandor kicks off development of new office building in Timisoara

By [Offices](#) | November 24, 2016 13:01 | 0 comments



Mulberry Development, the company of the entrepreneur Romania Ovidiu Sandor, will launch ISHO Offices, a new generation offices from Timisoara. The buildings, with a leasable area of 50,000 square meters, will be built in three stages, so that the first spaces will be delivered on the first quarter of 2018. ISHO Offices is part of the multifunctional project ISHO, that will be developed on a land surface of 5.3 hectares.

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ISHO Offices is based on the experience of two projects developed by Mulberry Development, City Business Centre Timisoara and The Office Cluj-Napoca.

“Our project has the best location in the city and comprises the experience of the previous projects and it fulfills the concrete needs of the tenants and offers a contemporary architecture and modern technical solutions that ensures the best work conditions from the city. Besides the offices, 1,200 apartments will also be built, public spaces, green spaces and services and facilities that together, create the most modern and qualitative district from Timisoara,” says Sandor.

The project is situated near the historical center, on the main artery that links the central area of Timisoara to airport and highway. ISHO Offices will be easily accessible from all the big districts of the city.

Besides offices and apartments, ISHO will offer a conferences center but also a co-work space of hub type. The assembly will have 2,000 parking lots and will also include a gym, SPA, pool and a park of over 7,500 sqm with a treadmill.

Real Estate market examples

Number of housing permits in Romania gain 13.6 pct in October

By [Residential](#) | November 28, 2016 12:25 | 0 comments



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The number of construction permits for residential buildings in Romania grew by 13.6 percent to 3,415 in October, compared to the same month of last year, according to the National Statistics Institute (INS).

The demand for such permits was higher in the Bucharest-Ilfov area and in Transylvania.

In the first 10 months of 2016, the combined number of housing permits fell by 0.3 percent compared to the same period of last year to 33,462.

“The distribution on regional profile, in October 2016 compared to the same month of the previous year, shows an increase of the number of construction permits for residential buildings in the next regions of development: Bucharest-Ilfov (+264 authorizations), North-west (+119), North-east (+30), West (+16) and Center (+15),” said the INS in a statement.

Romania registered in 2015 the first growth of the construction permits for homes since 2008, when the real estate market peaked.

Real Estate market examples

Impact signs a contract to build six properties worth EUR 5.24 mln

By **Featured** | December 20, 2016 12:26 | 0 comments



Impact Developer & Contractor has closed a contract with Devbon SRL on December 16 to build in Bucharest six properties worth EUR 5.24 million, according to a release of the company to Bucharest Stock Exchange (BVB) where the company is listed.

It's the second important contract after December 7, when the company signed a contract with DAS SRL, valued at EUR 5.57 million for the constructions of other six properties.

At the end of September, Impact took a loan of RON 35 million from Libra Internet Bank to develop the fifth phase of the project for Platanilor Assembly of Greenfield project from Baneasa, respectively to build 11 flats. At the end of August, the entrepreneurs announced that they would start the third phase of the Greenfield project, the amount for building 888 apartments in Platanilor Assembly to reach EUR 44 million.

Impact Developer & Contractor obtained a net profit of RON 27.95 million in the first nine months of the year, by 272 percent more than the similar period of 2015. The company sold in that period residential properties valued at RON 111.34 million.

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RomReal shareholders as at 10/02/2017

SHAREHOLDER	HOLDING	%
SIX SIS AG 25PCT ACCOUNT	10,336,254	24.99
THORKILDSSEN DØDSBO KAY TØNNES	5,415,756	13.09
GRØNSKAG KJETIL	4,138,179	10.00
SAGA EIENDOM AS	2,528,669	6.11
AUSTBØ EDVIN	1,758,500	4.25
E. LARRE HOLDING AS	1,614,444	3.90
ENERGI INVEST A/S	1,390,000	3.36
ORAKEL AS	1,101,000	2.66
SPAR KAPITAL INVESTO	940,236	2.27
Carnegie Investment	931,458	2.25
THORKILDSSEN INVEST A	829,478	2.01
PERSSON ARILD	718,000	1.74
HOEN ANDERS MYSSSEN	689,557	1.67
Skandinaviska Enskil	628,832	1.52
SILJAN INDUSTRIER AS	611,100	1.48
JONAS BJERG PENSION NTS TRUSTEES LTD	558,306	1.35
Nordea Bank AB NORDEA BA. SWE. AB	504,784	1.22
Danske Bank A/S 3887 OPERATIONS SEC.	445,998	1.08
CLEARSTREAM BANKING	438,383	1.06
BNP Paribas Securiti S/A SPEARPOINT LTD	406,856	0.98
TOTAL TOP 20	35,736,060	86

(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 Kjetil 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.

Main focus areas going forward

- RomReal's immediate focus is to close the two transactions involving Mamaia North and Lake Morii. After the two transactions are closed, RomReal will emerge as a debt-free company with available liquidity and several attractively located properties with good development potential.
- RomReal expects the real estate market to develop positively in 2017. For the market to catch up with the level from 2008 – there is still significant room for price appreciation. Therefore, the Company expects to sell more properties in 2017 at prices at or above book values.
- Consequently, RomReal expects that the Company's Net Asset Value will increase in the year to come

