
RomReal Limited

Investor presentation Q1 2017 results

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Webcast

26 May 2017

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Mamaia Nord Plot



Lake Morii Plot - Bucharest



Alexandriei Plot - Bucharest

Q1 2017 results – Highlights

Net Asset Value (NAV)

- Net Asset value was EUR 0.46 (NOK 4.25) per share, 2.1% down compared to the end of 2016. The decrease in NAV is mainly due to the negative foreign exchange differences and the operating expenses for the period.
- More importantly, the Net Asset Value would have been EUR 0.49 (NOK 4.60) if the values from all Q1 2017 concluded sales transactions are applied to the sold properties.

Operational highlights

- The Urbanism Certificate of the Alexandriei plot has been successfully obtained from the City Hall and the plot is now fully eligible for sale.
- On April 7, 2017, the Group has prepaid entirely the outstanding loan from Alpha Bank thus emerging as a debt free Company. The shareholder loan was also fully repaid during May.
- The Company has a cash position today of about EUR 2.3 million plus the sellers secured credit of EUR 1.75 million that is serviced monthly with equal instalments plus interest until the 7 April 2018. This implies a cash or cash equivalent of about EUR 0.10 per share.
- On 21 April 2017, the Annual General Meeting has elected Mrs Heidi Sorensen Austbo as Company Director.

Financial Results

- Net Result for the quarter was EUR 284,000 loss compared to an EUR 423,000 profit in 1 Q 2016. Operating cash flow for the quarter was a negative EUR 172,000 compared to minus EUR 97,000 in the same period last year.

NAV movement in Q1 2017

Asset base	Q1 2017			Q4 2016		
	EUR '000	EUR/ share	NOK/share	EUR '000	EUR/ share	NOK/share
Investment property	14,047	0.34	3.12	16,686	0.40	3.67
Assets held for sale	5,297	0.13	1.17	13,566	0.28	2.58
Inventories	2,527	0.06	0.56	2,536	0.06	0.56
Cash	843	0.02	0.19	707	0.02	0.16
Other assets/(liabilities)	(3,565)	(0.09)	(0.79)	(14,126)	(0.30)	(2.70)
Net asset value	19,148			19,369		
NAV/Share		0.46	4.25		0.47	4.26
Change in NAV	-1.1%			11.7%		

NAV is based on the Knight Frank year end valuation. If the concluded transaction prices were applied, the NAV was EUR 0.49 (NOK 4.60)

The total issued number of shares issued at end Q1 2017 was 41,367,783 and unchanged from Q4 2016; EUR/NOK exchange rate at 31/03/2017 was 9.1613

Financial highlights - IFRS

EUR '000	Q1 2017	Q1 2016	2016
Operating Revenue	2,713	74	500
Operating Expenses	(196)	(247)	(515)
Other operating income/ (expense), net	(2,565)	(187)	3,936
Net financial income/(cost)	(237)	802	(632)
Pre-tax result	(285)	442	3,290
Result for the period	(284)	423	1,215
Total assets	33,746	29,807	33,832
Total liabilities	14,597	11,713	14,464
Total equity	19,148	18,093	19,369
Equity %	56.7%	60.7%	57.3%
NAV per share (EUR)	0.46	0.44	0.47
Cash position	843	454	707

NOTE: The Company has a cash position today of about EUR 2.3 million plus the sellers secured credit of EUR 1.75 million that is serviced monthly with equal instalments plus interest until the 7 April 2018. This implies a cash or cash equivalent of about EUR 0.10 per share.

RomReal Properties Q1 2017

Plot name	Location	Size (m2)
1 Ovidiu Lakeside	Constanta North/Ovidiu	61,029
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 Hospital plot	Bucharest Sector 5	13,263
10 Un-zoned land	Constanta	864,534
11 Mamaia North plot	Navodari/Mamaia	24,752
Total		1,202,134

NOTE: The second plot (24,752 sqm) of the total Mamaia North plot for accounting purposes is not considered sold until the full repayment in early April 2018.

Operational highlights

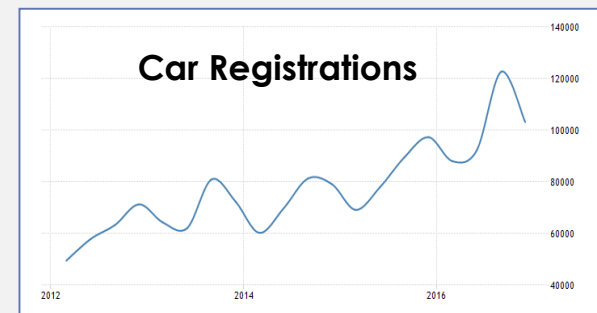
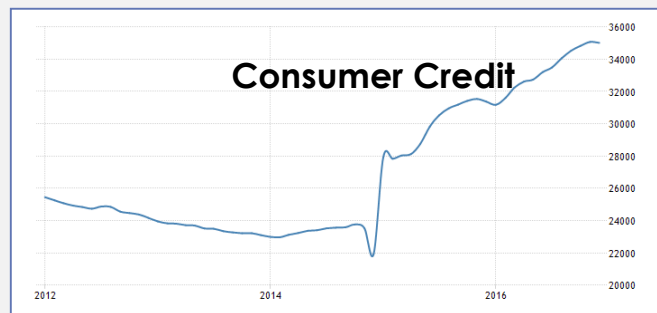
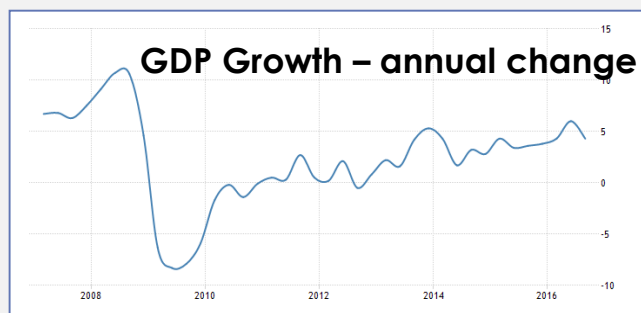


- On 31 March 2017, the Company signed and closed the sale of the Morii Lake plot in Bucharest.
- On 29 March 2017, the Company signed the final sale agreement for part of its Mamaia North plot.
- On the same date, the Company has used part of the proceeds to prepay the Alpha Bank loan, related agent fees and taxes. During May the shareholder loan of EUR 0.5 million plus interest was fully repaid.
- The Urbanism Certificate of the Alexandriei plot has been successfully obtained from the City Hall and the plot is now fully eligible for sale.
- Lake Side, will be divided into smaller plots suitable for house building and small blocks. The approvals for the new PUZ is expected to be finalized in September 2017.
- Oasis plot, is going to be split in small plots suitable for house building and small blocks. It is expected that the new PUZ will be finally approved in December 2017.
- The Industrial Park-Centrepoint 12ha the Company has applied for a new PUZ with and expected final approval in December 2017.



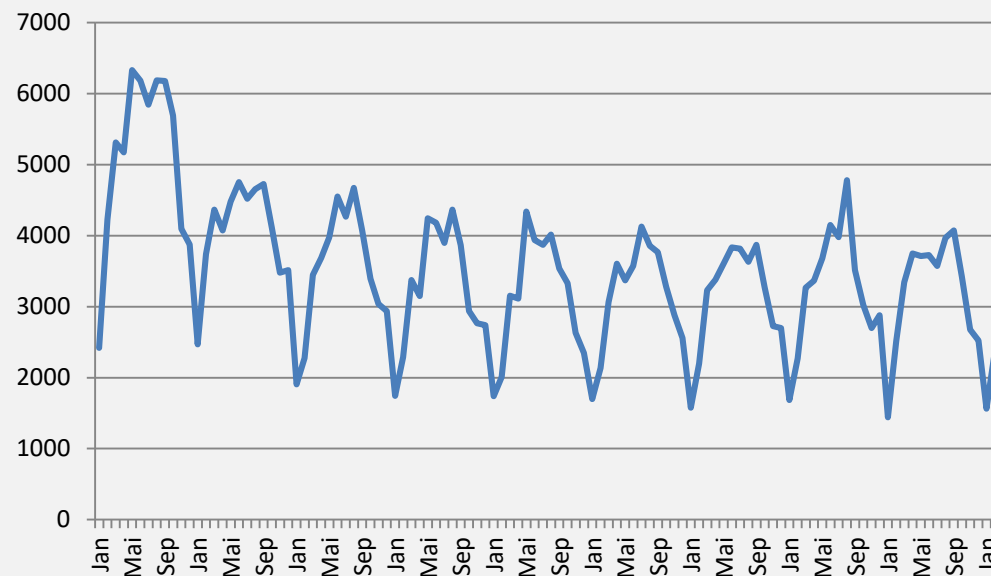
Romanian Macro development

- The Romanian economy grew by 4.8% in 2016 (the highest pace since 2008), as domestic demand accelerated.
- This trend was supported by the expansionary policy mix: the central bank (NBR) kept the monetary policy rate at the record low level of 1.75%, while the government cut VAT and increased public wages.
- For 2017, The Romanian economy is expected to register a 4% advance, according to EBRD. The main driver of the economic growth during this period was the private consumption.
- In the first quarter 2017, the preliminary GDP growth came in at 5.7%, according to Eurostat.



Romania Real Estate Update

- Around 12,000 properties are currently being developed in Bucharest and surroundings and could be delivered this year, according to the Coldwell Banker Report.
- The state-backed mortgage guarantee program Prima Casa has seen demand surge during Q1 2017 to a record of 500 requests daily, according to a press release of the National Guarantee Fund of Loans for SMEs (FNGCIMM).



Apartment Price Development (April)

Romania



- Apartment prices in Romania have seen an increase of 8.8% to EUR 1,105 per m2 compared with the same period last year
- Prices are about 46% lower compared to the peak during 2008.

Constanta



- Apartment prices in Constanta have seen an increase of 5.9% to EUR 1,013 per m2, compared with the same period of 2015
- Prices are about 40% lower compared to the peak during 2008.

RomReal Limited – First quarter 2017

Real Estate market examples

Coldwell Banker Report: 12,000 new properties to be delivered by year-end

By [Georgeta Gheorghe](#) [Business](#) April 10, 2017 15:56 0 comments



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Around 12,000 properties are currently being developed in Bucharest and surroundings and could be delivered this year, according to the Coldwell Banker Report.

Most properties, 7,200, representing 59.5 percent, are included in the mass market segment, up by approximately 6 percent. The share of the middle market segment will continue to be high in 2017, against the background of the development of an increasing number of residential projects in the areas near the center as well as near business centers such as Barbu Vacarescu, Floreasca, Politehnica and Grozavesti), with 4,500 units or 37 percent of the offer, to be completed this year in Bucharest and surroundings.

The affordability index of a new property in Bucharest reached a record low. In order to purchase a 50 square meter one bedroom apartment in Bucharest, Romanians need to pay 144 average incomes (9.5 percent), compared to 119 salaries in January 2016 (10 years) and 39.5 in 2008 (33 years).

In the upcoming future, building works will start on 2,000 units, to be delivered in 2018, according to the market report.

Most properties scheduled to be completed this year in Bucharest and surroundings are located in the western part of the city, namely 28.8 percent, as well as in the north and the south, each with 23 percent of the offer, with 13 percent of the new offer being located in semi-central areas.

The study expects that sale prices will go up by 5 - 7 percent this year. The Coldwell Banker Report is a survey made by real estate company Coldwell Banker Romania.

Tags: [2017](#), [AE Real Estate Development & Construction](#), [bucharest](#), [Coldwell Banker Report](#), [delivery](#), [new buildings](#)


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Real Estate market examples

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business-review.eu

Asking prices for Bucharest apartments up by 2.2 pct this April, says Imobiliare.ro

By Simona Bazavan | Residential | May 08, 2017 15:00 | 0 comments



Asking prices for Bucharest apartments were up by 2.2 percent in April compared to the previous month, according to data released by online real estate platform Imobiliare.ro.

The average asking price in Bucharest stood at EUR 1,201/sqm in April, up from EUR 1,175/sqm a month before, according to the same source. This was up by 7.1 percent compared to the same month a year ago. The owners of the so called "old apartments" – meaning housing units in apartment blocks built before 1990 – increased asking prices by 1.6 percent m-o-m to an average of EUR 1.130 /sqm. Prices for apartments located in newly built blocks were up by 2.5 percent, averaging at EUR 1,256 /sqm at the end of April.

Countrywide, asking prices were up by 1.2 percent in April against the previous month from a national average of EUR 1,092/sqm to EUR 1,105 /sqm, according to the same source. This was up by 8.8 percent y-o-y.

An overview of the residential market in the main regional cities throughout the Romania shows that with the exception of Iasi where asking prices went down by 0.5 percent (EUR 909/sqm), prices jumped by 1.1 percent in Brasov (EUR 935/sqm), by 2.1 percent in Constanta (EUR 1,013 /sqm), by 1.6 percent in Timisoara (EUR 1,082/ sqm) and by 2.7 percent in Cluj-Napoca (EUR 1,294 /sqm).

This makes Constanta the fourth Romanian city where asking prices have passed the EUR 1,000/sqm level, say representatives of the real estate platform.

Tags: Bucharest apartments, Bucharest residential market, imobiliare ro house prices, romania housing market

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Real Estate market examples

Prima Casa program reaches record demand

By Georgiana Bendre Featured May 11, 2017 13:15 0 comments



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The state-backed mortgage guarantee program Prima Casa has seen demand surge to a record of 500 requests daily, according to a press release of the National Guarantee Fund of Loans for SMEs (FNGCIMM).

„The program Prima Casa is the most accessed Government program of FNGCIMM, as the statistics and analysis show a year-to-year evolution and the number of guarantees requests reached a historical maximum. FNGCIMM successfully implements Prima Casa program since 2009 and until now over 200,000 Romanians acquired houses. We remain the trustworthy partner both for beneficiaries and the banks,” says the document.

FNGCIMM ensures the potential beneficiaries that at the moment there are sufficient funds for issuing guarantees for the submissions.

„The year 2017 closes by focusing the guarantee requests on a shorter period compared with the previous years, which influenced the daily operational flow, in a significant measures: over 7000 files in different analysis levels and the new requests that we register daily. This is a challenge for the FNGCIMM team,” says the source.

The fund also says that it supplemented the employees number in all the analysis stages and expanded the work schedule.

Tags: [prima casa](#), [prima casa bank loans](#), [prima casa guarantees](#)

Share 4

RomReal shareholders as at 16/05/2017

Name	Holding	Percentage
SIX SIS AG 25PCT ACCOUNT	10,336,154	24.99
THORKILDSSEN DØDSBO KAY TØNNES	5,415,756	13.09
GRØNSKAG KJETIL	4,038,449	9.76
SAGA EIENDOM AS	2,843,860	6.87
AUSTBØ EDVIN	2,108,500	5.10
E. LARRE HOLDING AS	1,614,444	3.90
Danske Bank A/S 3887 OPERATIONS	1,361,816	3.29
ORAKEL AS	1,101,000	2.66
SPAR KAPITAL INVESTO	940,236	2.27
ENERGI INVEST A/S	891,879	2.16
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	558,306	1.35
Nordea Bank AB NORDEA BA. SWE. AB	504,784	1.22
CLEARSTREAM BANKING	438,483	1.06
BNP Paribas Securiti S/A SPEARPOINT	406,856	0.98
FRENICO AS	396,000	0.96
TOTAL TOP 20	36,433,490	88.

(1) This is the Top 20 Shareholder list as per 16 May 2017.

(2) The total issued number of shares issued at end Q1 2017 was 41,367,783.

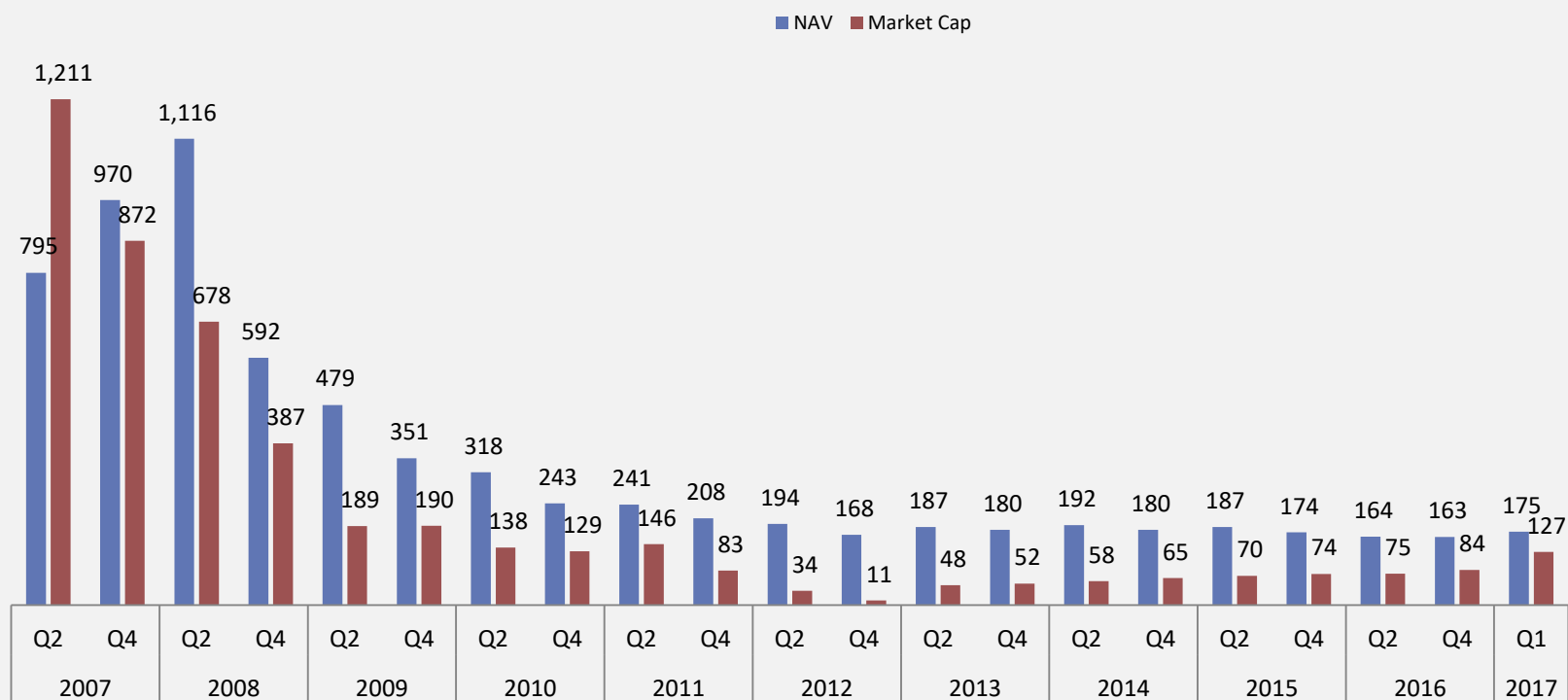
(3) Chairman Kjetil Grønskag owns directly and indirectly 4,288,179 shares corresponding to 10.4%.

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

(5) 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 .

Main focus areas going forward

- Having repaid all debt, and sitting on a healthy cash position RomReal is currently reviewing all strategic and operational issues in order to continue to improve the shareholder value.
- A positive Romanian real-estate environment is also helpful in order to implement plans and ambitions into reality ahead.



Thank you

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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

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