
RomReal Limited

Investor presentation Q2 2017 results

Harris Palaondas - IR
Webcast

25 August 2017

Contents

Q2 2017 highlights	3
NAV movement in Q2 2017	4
Financial highlights – IFRS	5
RomReal Properties per Q2 2017	6
Operational highlights	7
Romania Macro Developments	8
Romania Real Estate Update	9
Apartment Price Development	10
RomReal shareholders	12
Market Cap and NAV Development	13
Main focus areas going forward	14
Contact details	15



Mamaia Nord Plot



Lake Morii Plot - Bucharest



Alexandriei Plot - Bucharest

Q2 2017 results – Highlights

Net Asset Value (NAV)

- Net Asset value was EUR 0.44 (NOK 4.08) per share, 4% down compared to the end of Q1 2017. The decrease in NAV is mostly due to transaction costs during the second quarter related to the finalization of previously announced plots disposals.
- More correctly, the NAV would have been EUR 0.48 (NOK 4.45) if the value from Q1 2017 plot sales transactions has been permitted according to IFRS applied to the properties sold.

Operational highlights

- After the end of the quarter, the Company managed to close further two sales of assets at prices commanding an average premium of about 22% over the carrying value in the end 2016 IFRS accounts, totaling proceeds about EUR 0.61 million after sales commissions.

Financial Results

- Net Result for the quarter was EUR 802,000 loss compared to a EUR 848,000 loss in 2Q 2016. Operating cash flow for the quarter was a negative EUR 2,182,000 compared to minus EUR 219,000 in the same period last year. The operational cash outflows include the income tax payment related to the sales closed during first half 2017.
- By the end of the quarter, the Company has a cash position of EUR 2.5 million plus the remainder of the seller's credit of about EUR 1.2 million and EUR 0.61 million from the recent, after quarter plot sales, totaling at about EUR 4.3 million or about EUR 0.10 per share.

NAV movement in Q2 2017

Asset base	Q2 2017			Q1 2017		
	EUR '000	EUR/ share	NOK/share	EUR '000	EUR/ share	NOK/share
Investment property	14,032	0.34	3.11	14,047	0.34	3.12
Assets held for sale	5,297	0.13	1.17	5,297	0.13	1.17
Inventories	2,525	0.06	0.56	2,527	0.06	0.56
Cash	2,523	0.06	0.56	843	0.02	0.19
Other assets/(liabilities)	(6,003)	(0.15)	(1.33)	(3,566)	(0.09)	(0.79)
Net asset value	18,374			19,148		
NAV/Share		0.44	4.08		0.46	4.25
Change in NAV	-4.0%			-1.1%		

NAV is based on the Knight Frank 2016 year end valuation. If the concluded transaction prices were applied, the NAV was EUR 0.48 (NOK 4.45)

The total issued number of shares issued at end Q2 2017 was 41,367,783 and unchanged from Q1 2017; EUR/NOK exchange rate at 30/06/2017 was 9.2727

Financial highlights - IFRS

EUR '000	Q2 2017	Q2 2016	YTD 2017	YTD 2016
Operating Revenue	(48)	243	10,999	318
Operating Expenses	(806)	(222)	(1,002)	(469)
Other operating income/ (expense), net	24	80	(10,875)	(106)
Net financial income/(cost)	30	(953)	(207)	(150)
Pre-tax result	(801)	(851)	(1,085)	(408)
Result for the period	(802)	(848)	(1,086)	(423)
Total assets	24,817	29,358	24,817	29,358
Total liabilities	6,443	11,764	6,443	11,764
Total equity	18,374	17,594	18,374	17,594
Equity %	74.0%	59.9%	74.0%	59.9%
NAV per share (EUR)	0.44	0.47	0.44	0.47
Cash position	2,523	303	2,523	303

NOTE: By the end of the quarter, the Company has a cash position of EUR 2.5 million plus the remainder of the seller's credit of about EUR 1.2 million and EUR 0.61 million from the recent, after quarter plot sales, totaling at about EUR 4.3 million or about EUR 0.10 per share.

RomReal Properties Q2 2017

Plot name	Location	Size (m2)
1 Ovidiu Lakeside*(1)	Constanta North/Ovidiu	61,029
2 Badulescu plot	Constanta North/Ovidiu	50,000
3 Ovidiu Town *(2)	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 *(3)	Constanta	15,000
9 Alexandriei plot	Bucharest Sector 5	13,263
10 Un-zoned land	Constanta	864,534
11 Mamaia North plot*(4)	Navodari/Mamaia	24,752
Total		1,201,730

NOTES:

* (1) 1250 sqm sold after the end of Q2 2017

* (2) Agreed and sold after end of Q2 2017

* (3) Agreed and sold after end of Q2 2017 (farmland)

* (4) 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 of seller's credit.

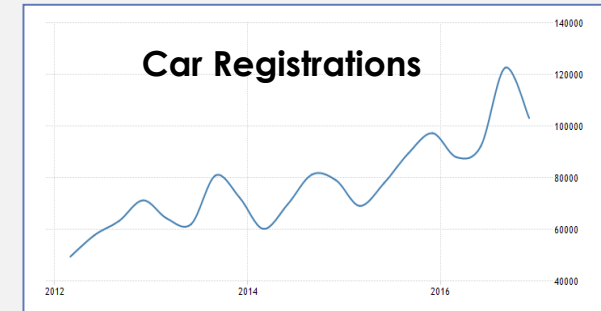
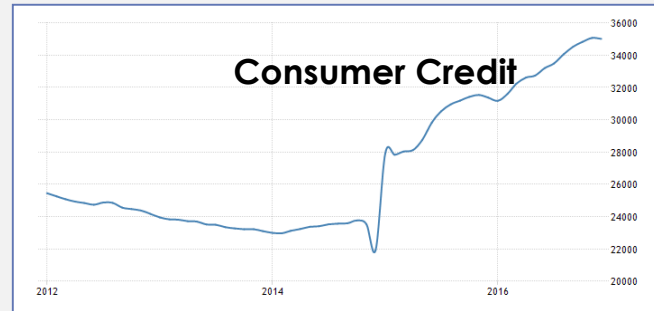
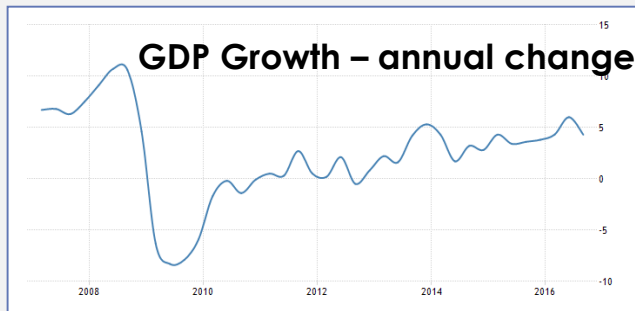
Operational highlights



- After the end of the quarter, the Company managed to close further two sales of assets all at prices commanding an average premium of about 22% over the carrying value in the end 2016 IFRS accounts, totalling about EUR 0.61 million after sales commissions.
- *Carrefour plot (No. 8 on the list)*: presale agreement signed in July 2017 for a total price of EUR 65,000 of which EUR 5,000 received. The transaction for this farmland plot is expected to be concluded immediately after the pre-emption right legal period is over around October 2017.
- *Ovidiu Town (No.3 on the list)* was also sold and paid early August.
- *Hospital plot (No.9 on the list)*: The Urbanization Certificates referring to the main building characteristics of the plot as well as that for the demolition of the old buildings, currently on the plot, have been obtained from the City Hall. The plot is offered for sale on the market at present.
- *Ovidiu Lakeside (No. 1 on the list)*: the new planning permission (PUZ) was obtained on 2 August 2017.

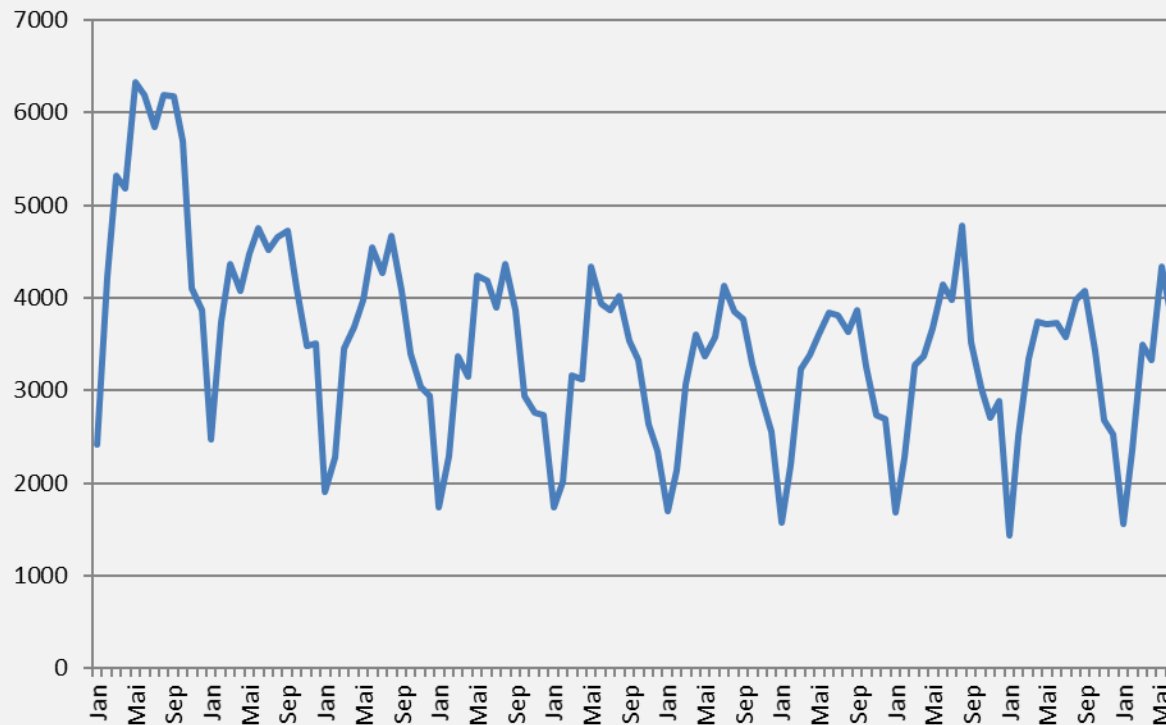
Romanian Macro development

- In the second quarter 2017, the preliminary GDP growth came in at 5.7%, according to Eurostat.
- Growth is expected to remain consumption driven, boosted by tax cuts and increases in public wages and pensions.
- Foreign Direct Investment is forecasted to make a modest contribution to growth as the absorption of EU funded projects gradually sets pace.



Romania Real Estate Update

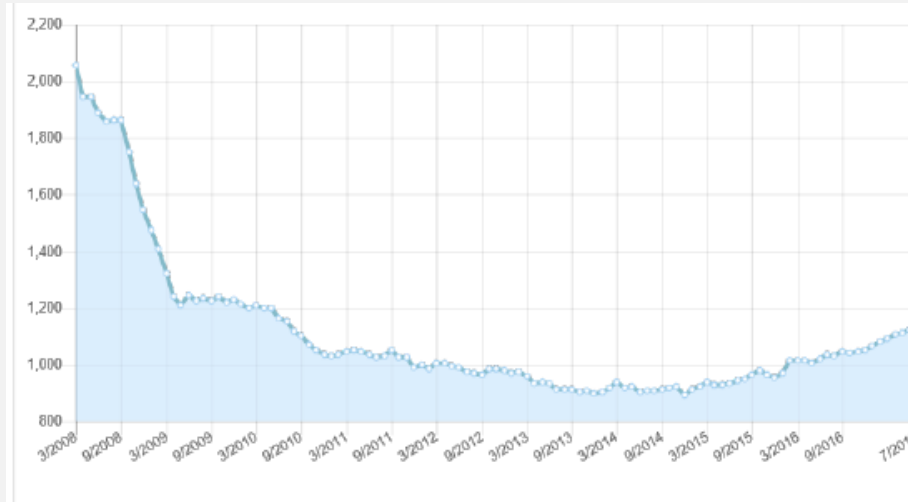
- The real estate market and particularly the residential one are expected to have in 2017 the strongest year since the crisis, where housing prices are estimated to grow about 10% compared to 2016.
- The important push in the residential development market is the Prima Casa Project which in the first half of 2017 has been allocated and consumed EUR 440 million. A further EUR 100 million, the equivalent of 4,000 files was allocated during July 2017.



Trend: Building Permits issued in Romania for residential developments.

Apartment Price Development (July)

Romania



- According to the online real estate platform imobiliare.ro, asking prices in Romania have seen an increase to EUR 1,141 /sqm.
- This registers an increase of 10.2% year on year. Still these prices are about 45% below peak prices in 2008.

Constanta



- Apartment prices in Constanta have seen an increase of 9.2% to EUR 1,044 per m2, compared with the same period of 2016
- Prices are about 34% lower compared to the peak during 2008.

RomReal Limited – Second quarter 2017



All day running coffee · 5 complimentary parking slots · Free room rental · Free Wi-Fi · Natural Daylight



Home - News - Real estate deals in Romania soar 44 pct to EUR 485 mln in H1, says JLL

Real estate deals in Romania soar 44 pct to EUR 485 mln in H1, says JLL

By Georgiana Boudre | News | August 02, 2017 16:19 | 0 comments



Like 0 | Share



Share 0

Email

Print

Bookmark

the biggest owners of retail spaces from Romania. On office segment, the most important acquisition was the one of ART BC 7 by HTU Properties from a Romanian entrepreneur for EUR 30 million.

Global Search made the most significant transaction on the industrial market in the first semester, through the acquisition of Renault Warehouse Carja for EUR 42 million.

„The fundamentals of the market remain solid and the economic forecasts are positive. Romania will remain the most probably the performer of EU from the point of view of GDP growth, with a forecast of 5.7 percent. In addition, we see a high demand of foreigners on market segments, which is close to the levels from 2016,” says the report CEE Investment Market.

“Get an insightful Outlook for the Real Estate market in 2017 in Business Review’s latest industry guide!”

Tags: JLL, Romanian real estate market, real estate, Romania property market

Like 0 | Sign Up to see what your friends like.

The value of property investments in Romania went up by 44 percent, in the first semester of the year compared with the same period of 2016, to EUR 485 million, according to a report by real estate consultancy JLL, which tracked investments in Central and Eastern Europe (CEE).

In Romania, the number of transactions increased and the average value remained flat around EUR 25.5 million.

According to the report, Bucharest attracted over 25 percent of the transactions' value, under the similar level of 2016, when it attracted 4.8 percent of the investment' value, which shows the liquidity from the secondary cities increased significantly.

The highest transactions were registered on the retail segment (70 percent), while the industrial projects attracted 13 percent, the office projects 11 percent and hotels 6 percent. The highest transaction registered in the first half of the year was the acquisition of 50 percent from the Tullus portfolio (Tullus Mall Cluj-Napoca, Tullus Mall Iasi, Tullus Mall Timisoara and Tullus Mall Suceava) and three office buildings) by the South-African group Arcorbury. This is the first acquisition of the fund in Romania, which bought shares from one of



Category

Search

Featured Article



Tarom head steps down amid government review

August 01, 2017
by Ovidiu Poenaru

The head of state-owned airline Tarom, Eugen Davidof, has resigned on Monday, the same day when the Control Body of... more »



Current issue:
6/2017
July

Anniversary
Issue



11, Blvd. Mama Jujulea Nr. 10
 0600100 2000 | 0600100 1000
 0600100 2000 | 0600100 1000
 0600100 2000 | 0600100 1000
 0600100 2000 | 0600100 1000



Home » News » Alpha Real Estate Services sells apartments worth EUR 20 mln in H1

Alpha Real Estate Services sells apartments worth EUR 20 mln in H1

By [Ovidiu Postrica](#) | Residential | July 21, 2017 11:31 | 0 comments



Alpha Real Estate Services, the real estate services division of Alpha Bank group, sold 202 apartments from its portfolio in the first semester. The combined value of the transactions stands at EUR 20 million.

The apartments are part of residential projects such as Doamna Ghica Plaza, Asmita Gardens and Green Vista Residence.

Iulia Calin, general director of Alpha Real Estate Services, said the sales of apartments managed by the firm rose by 50 percent versus the first half of last year.

"The flexibility of the financing schemes offered to potential clients, respectively the loan provided by Alpha Bank and the option of acquisition based on installments paid directly to the developers, as well as the option of personalized interior design through the developer are elements that support the increase of sales," said Calin.

The company has also invested around EUR 10 million in finishing Poseidon Residence (156 apartments) and Green Vista Residence, which has 256 apartments in total.

Like

Share

WhatsApp

Twitter

Email

Print

Bookmark

Tags: [Alpha Bank Romania](#), [Alpha Real Estate Services](#), [romania residential sector](#)

Like Sign Up to see what your friends like.

WhatsApp

RELATED ARTICLES

- Impact buys EUR 10.6 mln plot of land for residential project in northern Bucharest
- IPC supports Alpha Bank Romania increase mortgage lending
- Coastopolis developer sells 10 percent more housing units in first five months
- Premier Estate: 30 pct more housing units worth over EUR 100,000 are up for sale in Q1
- Doamna Ghica Plaza residential project in 2016: 95 sold apartments and over 1,000 tenants



Membership benefits



Category

Search

Featured Article



Tarom head steps down amid government review

August 21, 2017
by [Ovidiu Postrica](#)

The head of state-owned airline Tarom, Eugen Davidoiu, has resigned on Monday, the same day when the Control Body of...more »

Alaga STOCKHOLM, (11/07/2017) - Il Venegia Navadit! partu o cãzãria pe tãrãmea lãrãvãrã vãrã!



Current issue:

6/2017
July

Anniversary Issue

RomReal shareholders as at 13/08/2017

Name	Holding	Percentage
SIX SIS AG 25PCT ACCOUNT	10,336,154	24.99
THORKILDSEN 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 SEC.	1,361,816	3.29
ORAKEL AS	1,101,000	2.66
SPAR KAPITAL INVESTO	940,236	2.27
ENERGI INVEST A/S	922,464	2.23
THORKILDSEN 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
JONAS BJERG PENSION NTS TRUSTEES LTD	558,306	1.35
Nordea Bank AB NORDEA BA. SWE. AB (504,784	1.22
SILJAN INDUSTRIER AS	484,730	1.17
CLEARSTREAM BANKING	438,483	1.06
BNP Paribas Securiti S/A SPEARPOINT LTD	406,856	0.98
FRENICO AS	396,000	0.96
TOTAL TOP 20	36,337,705	87.84

(1) This is the Top 20 Shareholder list as per 13 Aug 2017.

(2) The total issued number of shares issued at end Q2 2017 was 41,367,783.

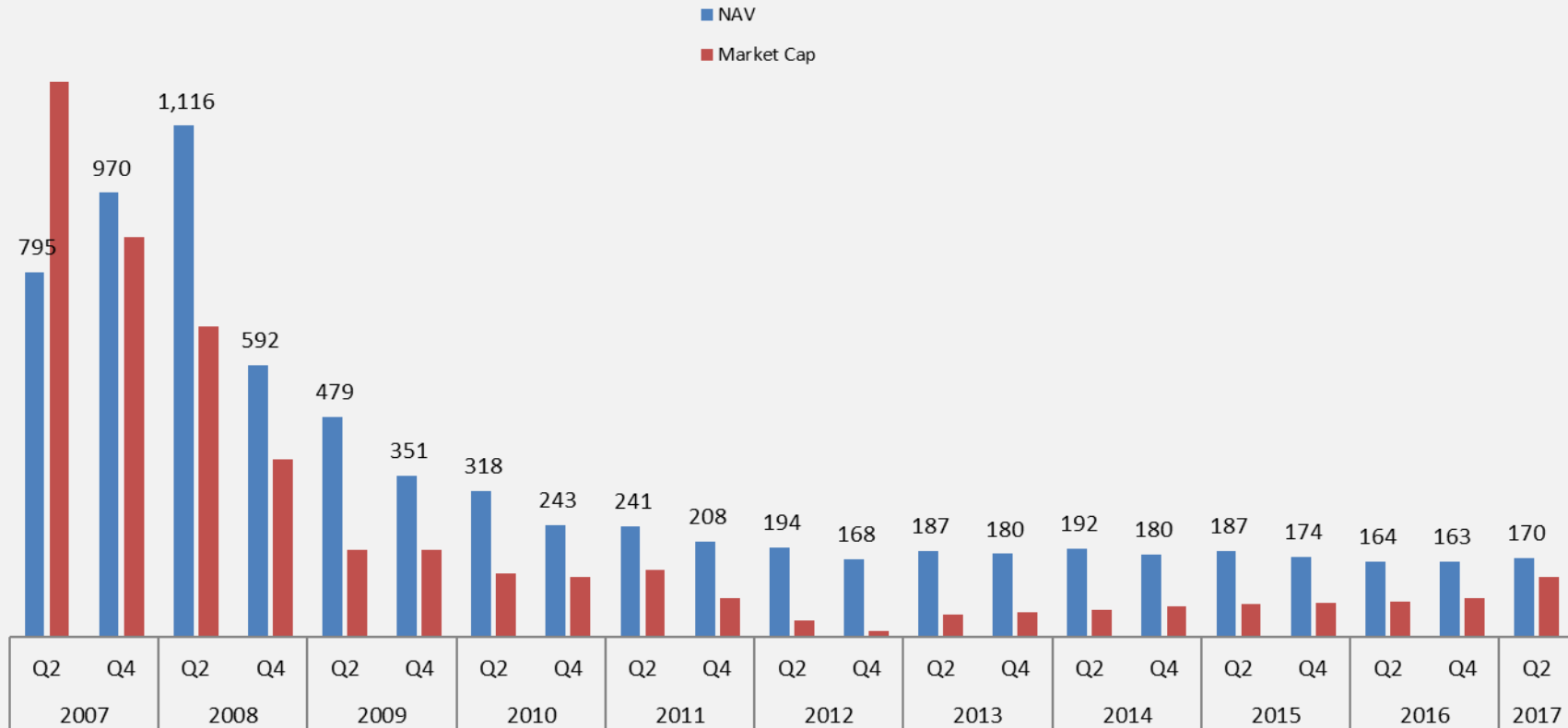
(3) Chairman Kjetil Grønskag owns directly and indirectly 4,288,179 shares corresponding to 10.4%.

(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

- RomReal is, according to the revised strategic and operational approach, more focused on value enhancing activities in order to continue to maximize shareholder value.
- This includes, among others, increased sales & marketing efforts, invest in utilities infrastructure on the property if required and engaging more resources into regulation processes.
- More specific six (6) regulatory processes are on-going during the 2nd half of 2017 that include the Badulescu plot, Balada Market, Alexandriei plot, Lakeside, Oasis, and Gunaydin plot.
- RomReal expects the positive macroeconomic developments to foster further interest in the real estate market.

Thank you

Investor Relations

Harris Palaondas

+40 731 123037 | investors@romreal.com

16 Burnaby Street, Hamilton HM11, Bermuda

For further information on RomReal, including presentation material relating to this interim report and financial information, please visit www.romreal.com

DISCLAIMER

The information included in this Report contains certain forward-looking statements that address activities, events or developments that RomReal Limited ("the Company") expects, projects, believes or anticipates will or may occur in the future. These statements are based on various assumptions made by the Company, which are beyond its control and are subject to certain additional risks and uncertainties. The Company is subject to a large number of risk factors including but not limited to economic and market conditions in the geographic areas and markets in which RomReal is or will be operating, counterparty risk, interest rates, access to financing, fluctuations in currency exchange rates, and changes in governmental regulations. For a further description of other relevant risk factors we refer to RomReal's Annual Report for 2016. As a result of these and other risk factors, actual events and our actual results may differ materially from those indicated in or implied by such forward-looking statements. The reservation is also made that inaccuracies or mistakes may occur in the information given above about current status of the Company or its business. Any reliance on the information above is at the risk of the reader, and RomReal disclaims any and all liability in this respect.