
RomReal Limited

Investor presentation

Third Quarter (Q3) 2017 results

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Webcast

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Q3 2017 results – Highlights

Net Asset Value (NAV)

- Net Asset value was EUR 0.44 (NOK 4.07) per share, at the end of Q3 2017
- The NAV would have been EUR 0.48 (NOK 4.41) per share if the value from all binding sales agreements had been applied.

Operational Highlights

- During the third quarter 2017, the Company managed to close further sales of assets for a total price 22% over the carrying value based on the end 2016 independent valuation. Total sales price net of fees was EUR 0.61million.
- 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. Expected to be finalised and the difference in price collected by December 2017.
- Alexandriei plot (No. 9 on the list): The Urbanization Certificates referring to the main building characteristics of the plot is obtained and the demolition application process is ongoing. The plot is a highly attractive development project in Bucharest.
- Ovidiu Lakeside (No. 1 on the list): the new planning permission (PUZ) was obtained on 2 August 2017. The Company is currently negotiating some utilities infrastructure investment on the plot. This investment is expected to further improve the attractiveness of the most important project in the portfolio.
- The Company is presently simplifying the Romanian Group structure. The ongoing process is expected to be finalized during Q1 2018.

Q3 2017 results – Highlights

Financial Results

- Net Result for the quarter was a loss of EUR 360,000 compared to a gain of EUR 277,000 in Q3 2016. Operating cash flow for the quarter was a negative EUR 195,000 compared to a negative EUR 68,000 in the same period last year.
- By the end of the quarter, the Company has a cash position of EUR 3.4 million plus the remainder of the seller's credit of about EUR 0.8 million, totaling at about EUR 4.2 million or about EUR 0.10 per share.

Macro and real estate market highlights

- Romania scored the highest growth in the Gross Domestic Product (GDP) among the 28 European Union member states, of 8.6 per cent compared to the same period last year, according to the preliminary data of the European Statistical Office (Eurostat).
- According to the online real estate platform imobiliare.ro, asking prices in Romania were up by 12.4% in the last twelve months from a national average of EUR 1,042/sqm to EUR 1,171 /sqm. Still these prices are about 43% below peak prices in 2008. Prices in Constanta have reached in October 2017 EUR 1,059 /sqm, a 10.7% increase year on year.

NAV movement in Q3 2017

Asset base	Q3 2017			Q2 2017		
	EUR '000	EUR/ share	NOK/ share	EUR '000	EUR/ share	NOK/share
Investment property	13,509	0.33	3.00	14,032	0.34	3.11
Assets held for sale	5,297	0.13	1.17	5,297	0.13	1.17
Inventories	2,525	0.06	0.56	2,525	0.06	0.56
Cash	3,401	0.08	0.75	2,523	0.06	0.56
Other assets/(liabilities)	(6,390)	(0.15)	(1.42)	(6,003)	(0.15)	(1.33)
Net asset value	18,342			18,374		
NAV/Share		0.44	4.07		0.44	4.08
Change in NAV	-0.2%			-4.0%		

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 4.41)

The total issued number of shares issued at end Q3 2017 was 41,367,783 and unchanged from Q2 2017; EUR/NOK exchange rate at 30/09/2017 was 0.108

Financial highlights - IFRS

EUR '000	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Operating Revenue	668	132	668	132
Operating Expenses	226	(176)	226	(176)
Other operating income/ (expense), net	(311)	(574)	(311)	(574)
Net financial income/(cost)	(162)	880	(162)	880
Pre-tax result	(356)	261	(356)	261
Result for the period	(360)	277	(360)	277
Total assets	25,159	29,132	25,159	29,132
Total liabilities	6,818	11,789	6,818	11,789
Total equity	18,342	17,343	18,342	17,343
Equity %	73.0%	59.5%	73.0%	59.5%
NAV per share (EUR)	0.44	0.47	0.44	0.47
Cash position	3,401	289	3,401	289

NOTE: By the end of the quarter, the Company has a cash position of EUR 3,4 million plus the remainder of the seller's credit of about EUR 0.8 million totaling at about EUR 4.2 million or about EUR 0.10 per share

RomReal Properties Q3 2017

Plot name	Location	Size (m2)
1 Ovidiu Lakeside	Constanta North/Ovidiu	59,779
2 Badulescu plot	Constanta North/Ovidiu	50,000
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 *(1)	Constanta	15,000
9 Alexandriei plot	Bucharest Sector 5	13,263
10 Un-zoned land	Constanta	864,534
11 Mamaia North plot	Navodari/Mamaia	24,752
Total		1,195,839

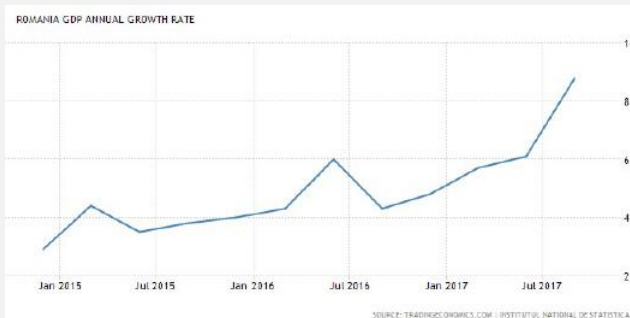
*(1) Sale agreed, closing still to be completed

Operational highlights

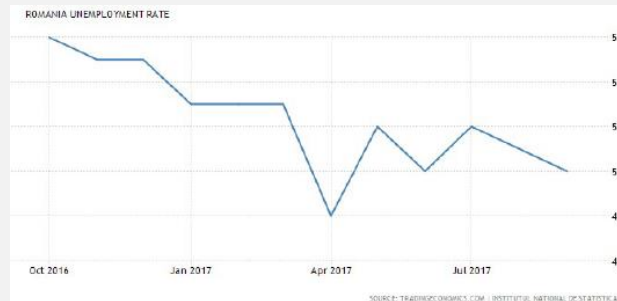
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Romanian Macro development

- The Romanian economy received an upwards revision from the World Bank placing the 2017 GDP growth at 5.5%.
- The European Commission has also revised upwards its forecast to a GDP growth of 5.7% for the entire year of 2017.
- Key drivers of growth is consumer spending, which increased by more than 11% compared with 2016
- Romania scored the highest growth in the Gross Domestic Product (GDP) among the 28 European Union member states, of 8.6 per cent compared to the same period last year, according to the preliminary data of Eurostat.



Romania GDP Growth Rate



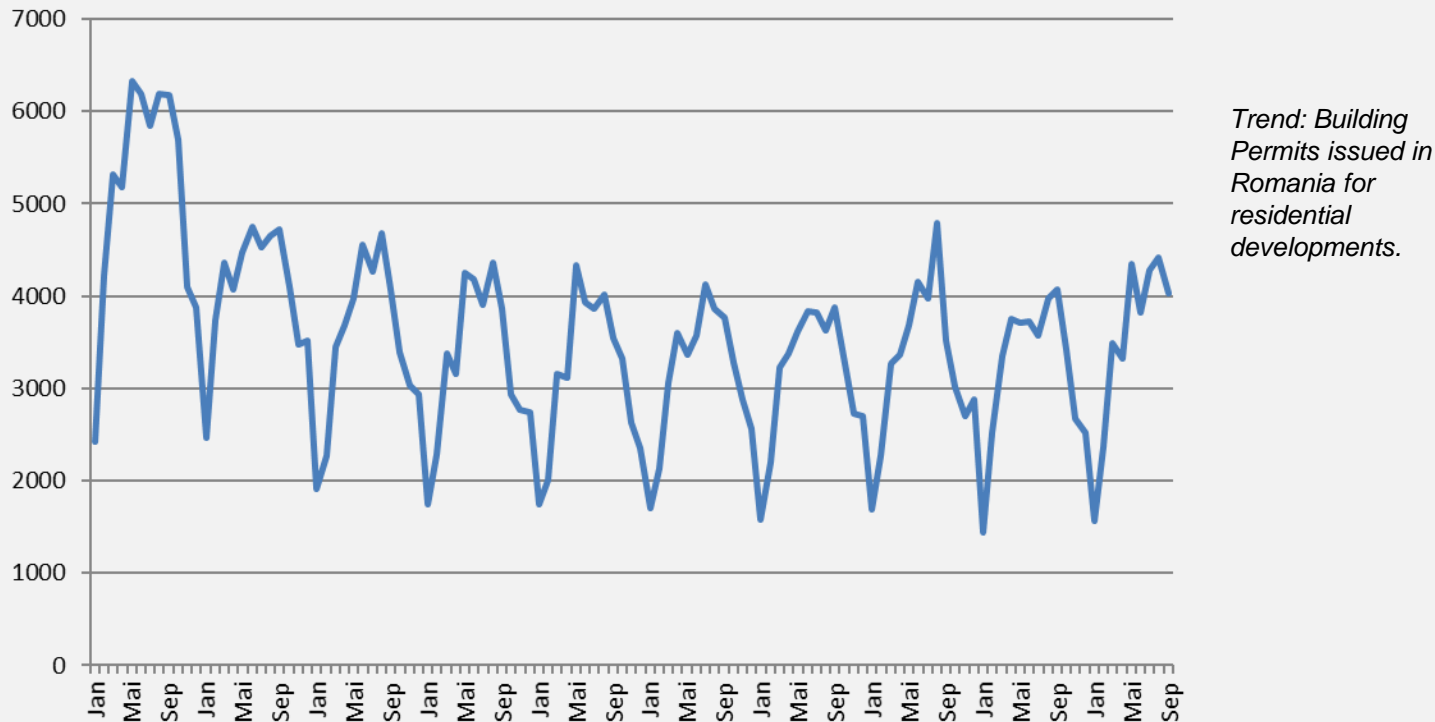
Romania Unemployment Rate



Romania Consumer Spending Rate

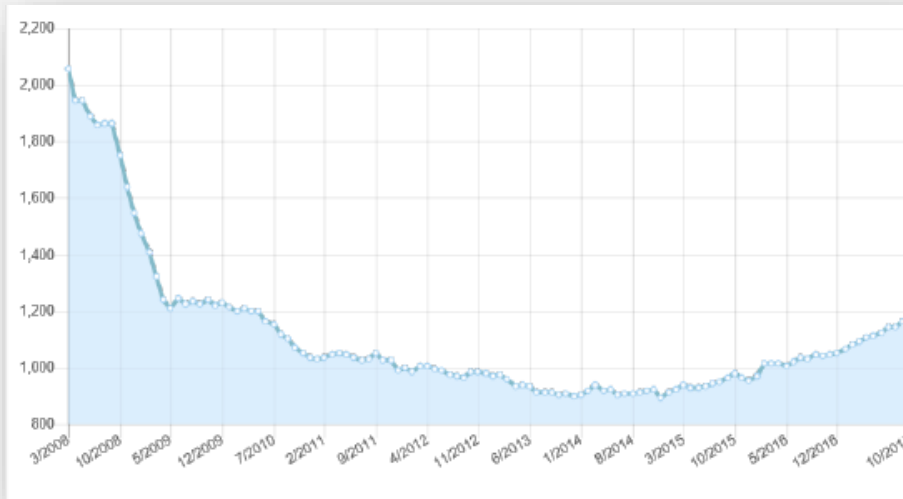
Romania Real Estate Update

- The real estate market has been closely following the conditions in the real economy
- The land market for the residential development continues to be driven by a high interest for plots located in the proximity of new office hubs, thus suitable for mid-market projects.
- Industrial Market: According to a recent study by Colliers, deliveries will reach in 2017 the forecasted volume of 500,000 sqm nationwide, as demand for class A warehouse space.



Apartment Price Development (November)

Romania



- According to the online real estate platform imobiliare.ro, asking prices in Romania were up by 12.4% in the last twelve months from a national average of EUR 1,042/sqm to EUR 1,171 /sqm. Still these prices are about 43% below peak prices in 2008.

Constanta



- Prices in Constanta have reached in October 2017 EUR 1,059 /sqm, a 10.7% increase year on year.

RomReal shareholders as at 14/11/2017

Shareholder	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	2,862,383	6.92
AUSTBØ EDVIN	2,108,500	5.10
E. LARRE HOLDING AS	1,524,301	3.68
Danske Bank A/S 3887 OPERATIONS SEC.	1,361,816	3.29
ORAKEL AS	1,101,000	2.66
ENERGI INVEST A/S	999,896	2.42
SPAR KAPITAL INVESTO	940,236	2.27
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
SILJAN INDUSTRIER AS	484,730	1.17
CLEARSTREAM BANKING	438,483	1.06
Nordea Bank AB NORDEA BA. SWE. AB (414,784	1.00
BNP Paribas Securiti S/A SPEARPOINT LTD	406,856	0.98
FRENICO AS	396,000	0.96
TOTAL TOP 20	36,253,517	88

(1) This is the Top 20 Shareholder list as per 14 Nov 2017.

(2) The total issued number of shares issued at end Q3 2017 was 41,367,783.

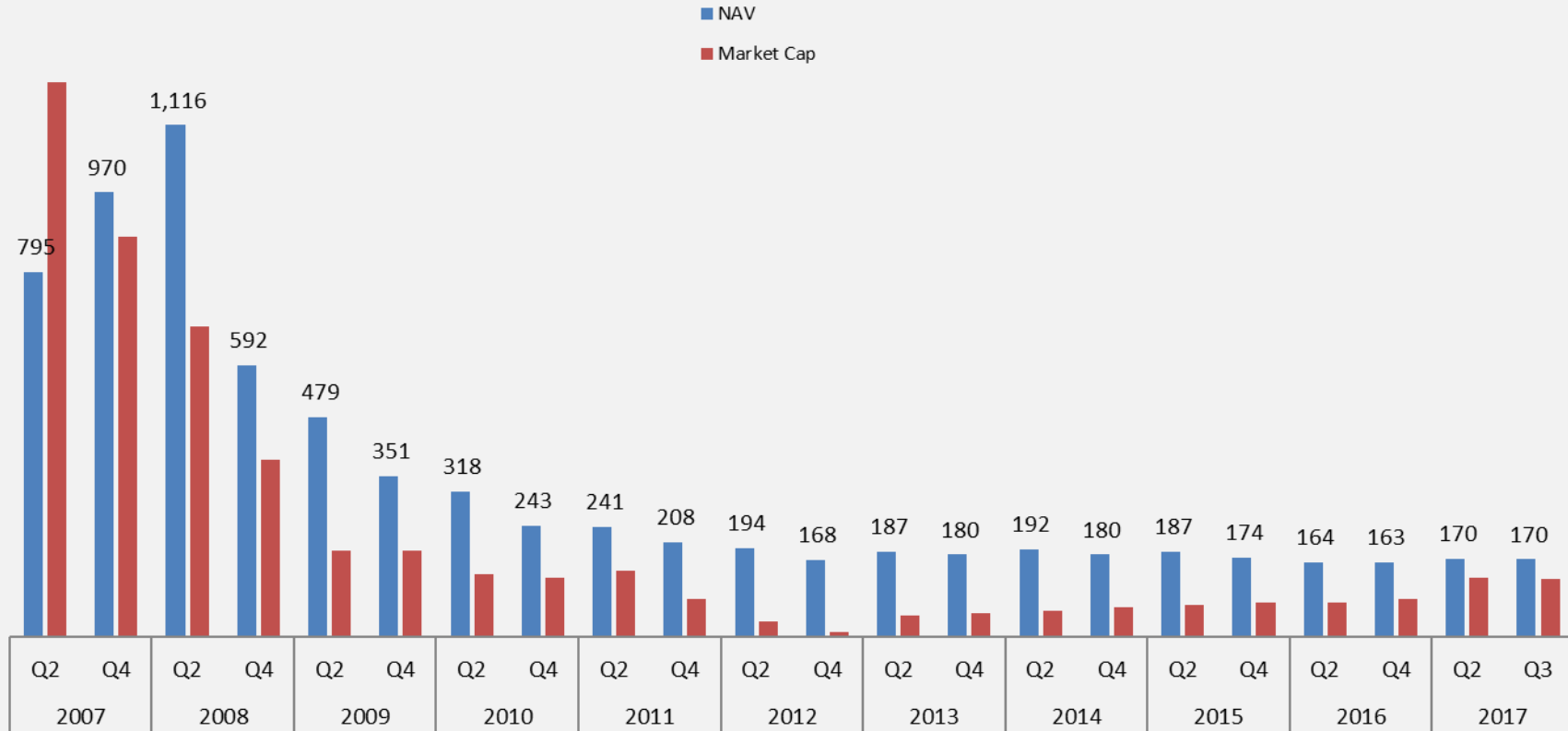
(3) Chairman Kjetil Grønskag owns directly and indirectly 4,288,179 shares corresponding to 10.4%.

(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 more focused on value enhancing activities in order to continue to improve the shareholder value.
- This includes, among others, increased sales & marketing efforts, and engaging more resources into regulation processes and some utilities infrastructure if required to increase the key projects attractiveness.
- Even though there are limited disposals achieved during this quarter, the Board is optimistic that further exits are highly likely to materialize ahead at attractive prices.

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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