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# RomReal Limited

## Investor presentation

Fourth Quarter (Q4) 2017 results

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Webcast

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## Q4 2017 results – Highlights

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

- Net Asset value was EUR 0.48 (NOK 4.72) per share, 8 per cent increase from 3rd quarter 2017. The year-end 2017 valuation was concluded by Knight Frank 15 February 2018.

### **Operational highlights**

- Carrefour plot (No. 8 on the list): presale agreement signed in July 2017 for a total price of EUR 65,000 of which EUR 26,000 received. The remaining amount EUR 39,000 is due 26 February 2018.
- 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 prime Bucharest plot is for sale.
- Un-zoned land, 864,534 m<sup>2</sup> (No. 10 on the list): On 26 January 2018, a Pre-sale agreement entered for a total price of EUR 625,060 (vs EUR 389,000 as per independent valuation). The transaction is being closed in tranches and as of today EUR 495,000 remain to be collected with last payment on 1 June 2018.
- All five properties sold over the last twelve months have achieved prices at or well above IFRS value.
- In order to simplify and optimize the Romanian sub-holding structure, a number of merger processes of the Romanian subsidiaries is under way.

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## Q4 2017 results – Highlights

### **Financial Results**

- Net Result for the quarter was EUR 1,063,000 compared to EUR 14,000 in 4Q 2016. Operating cash flow for Q4 2017 was EUR 105,000 compared to EUR 418,000 in the same quarter last year.
- By year-end, the Company has a cash position of EUR 3.5 million plus a total of EUR 999,000 in outstanding payments related to binding sales agreements, totaling at about EUR 4.4 million or about EUR 0.11 per share. By 17 February 2018, outstanding agreed cash is according to payment schedule reduced to about EUR 826,000.

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

- The Romanian economy grew by 7 percent of GDP in 2017, marking the biggest growth since 2008, according to flash estimates of the National Institute of Statistics.
- On the 17 January 2018 Mrs Viorica Dancila was appointed as Prime Minister of a new administration, making the 54-year old the country's first female Prime Minister.
- According to the online real estate platform imobiliare.ro, asking prices in Romania were up by 10.2% in the last twelve months from a national average of EUR 1,064/sqm to EUR 1,172 /sqm. Prices in Constanta have reached in January 2018 EUR 1,091 /sqm, a 10.3% increase year on year.

## NAV movement in Q4 2017

Asset base	Q4 2017			Q3 2017		
	EUR '000	EUR/ share	NOK/share	EUR '000	EUR/ share	NOK/share
Investment property	11,103	0.34	3.36	13,509	0.34	3.11
Assets held for sale	6,592	0.16	1.57	5,297	0.13	1.17
Inventories	2,667	0.06	0.63	2,525	0.06	0.56
Cash	3,505	0.08	0.83	3,401	0.06	0.56
Other assets/(liabilities)	(7,051)	(0.17)	(1.68)	(6,390)	(0.15)	(1.33)
Net asset value	19,816			18,342		
NAV/Share		0.48	4.72		0.44	4.08
<b>Change in NAV</b>	<b>+8.0%</b>			<b>-0.2%</b>		

## Financial highlights - IFRS

<b>EUR '000</b>	<b>Q4 2017</b>	<b>Q4 2016</b>	<b>YTD 2017</b>	<b>YTD 2016</b>
Operating Revenue	36	58	11,703	508
Operating Expenses	22	131	(1,207)	(515)
Other operating income/ (expense), net	2,002	2,962	(9,184)	2,282
Net financial income/(cost)	(699)	(1,361)	(1,392)	(632)
Pre-tax result	1,362	1,790	(80)	1,644
Result for the period	1,062	14	(385)	(214)
Total assets	27,451	32,205	27,451	32,205
Total liabilities	7,635	14,168	7,635	14,168
Total equity	19,816	18,036	19,816	18,036
Equity %	72.0%	56.0%	72.0%	56.0%
NAV per share (EUR)	0.48	0.44	0.48	0.44
Cash position	3,505	707	3,505	707

NOTE: By the end of the quarter, the Company has a cash position of EUR 3.5 million plus a total of EUR 999,000 in outstanding payments related to binding sales agreements, totaling at about EUR 4.4 million or about EUR 0.11 per share

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## RomReal Properties Q4 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 * (1)	Constanta	864,534
11 Mamaia North plot *(1)	Navodari/Mamaia	24,752
<b>Total</b>		<b>1,195,839</b>

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

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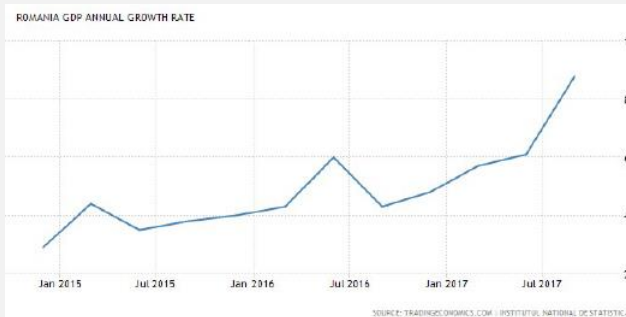
## Operational highlights

- Lake Side (No.1 on the table) The plot is being split in small plots suitable for house building and small blocks. The new Planning Permission (PUZ) has been approved by Ovidiu City Hall on 2nd August 2017. The estimated costs to improve attractiveness and market value is estimated to EUR 1.6 million.
- Oasis (No. 4 on the table) –The plot will be divided in small plots suitable for house building and small blocks. The 4 villas built in 2009 is presently being connected to utilities with a view to put them up for sale. It is expected that the new Planning Permission (PUZ) will be approved in Q2 2018.
- Centrepont (No. 5 on the table) - It is expected that the new PUZ will be finally approved in Q2 2018.
- Balada Market (No. 7 on the table) - The Company is presently discussing with the architects a new planning regulation for the whole plot, for residential and commercial uses. Total upgrade costs is about EUR 160,000 and is expected to improve the market attractiveness and safety in the local retail market.
- Badulescu plot (No. 2 on the table) - New urbanistic zone planning on this plot has been commenced by the Company in order to regulate the area as a commercial one in Ovidiu town. It is estimated that the new urbanistic plan would be finalised in Q1 2019

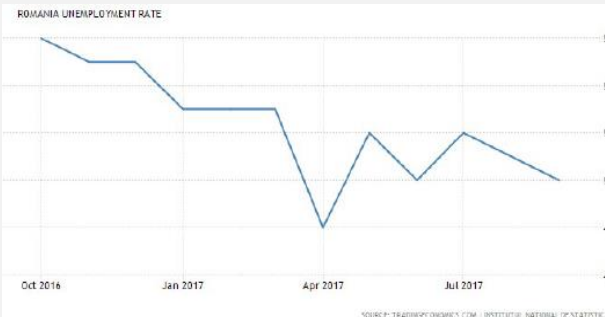


# Romanian Macro development

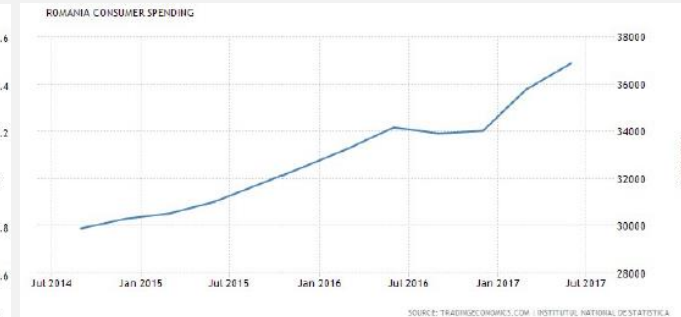
- Romania posted the biggest economic growth in the European Union in the fourth quarter, according to Eurostat, the statistics office of the EU.
- The Romanian economy grew by 7 percent of GDP in 2017, marking the biggest expansion since 2008, according to flash estimates of the National Institute of Statistics (INS)
- On the 17 January 2018 Mrs Viorica Dancila was appointed as prime minister of a new administration, making the 54-year old the country's first female prime minister, and the third leader in just over a year.



Romania GDP Growth Rate



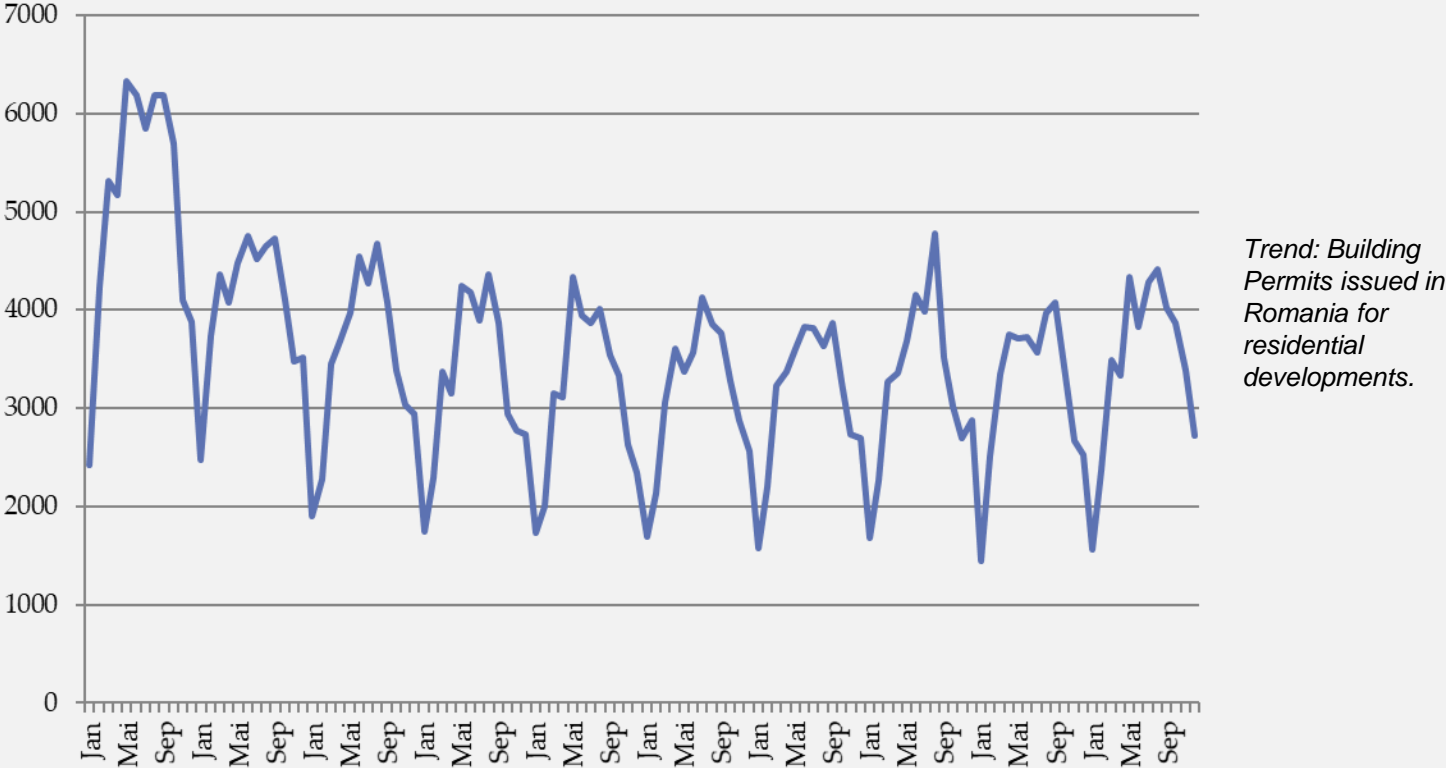
Romania Unemployment Rate



Romania Consumer Spending Rate

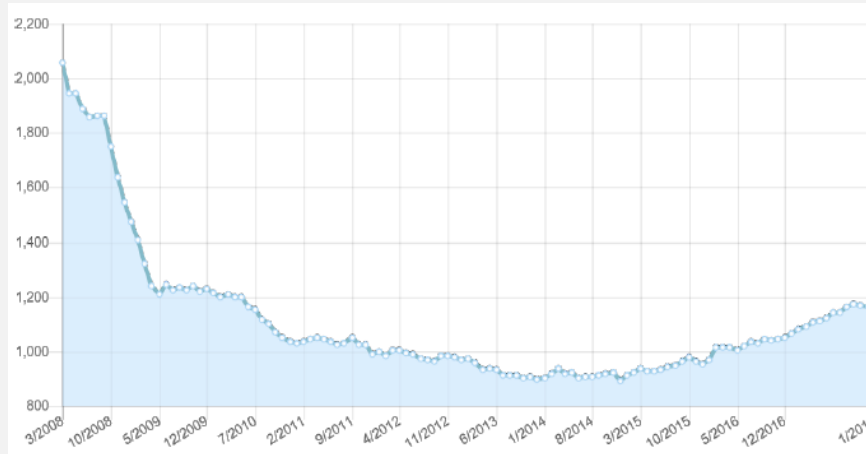
# Romania Real Estate Update

- The real estate market in Romania registered last year the fastest growth in the last 5-7 years. Developers have intensified their activity in all sectors of real estate, taking advantage of the good market situation and growing demand.



# Apartment Price Development (February '18)

## Romania



- According to the online real estate platform imobiliare.ro, asking prices in Romania were up by 10.2% in the last twelve months from a national average of EUR 1,064/sqm to EUR 1,172 /sqm

## Constanta



- Prices in Constanta have reached in January 2018 EUR 1,091 /sqm, a 10.3% increase year on year.

## RomReal shareholders as at 16/02/2018

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	1,516,467	3.67
Danske Bank A/S 3887 OPERATIONS SEC.	1,352,995	3.27
ORAKEL AS	1,101,000	2.66
ENERGI INVEST A/S	1,055,993	2.55
SPAR KAPITAL INVESTO	940,236	2.27
THORKILDSEN INVEST A	829,478	2.01
PERSSON ARILD	718,000	1.74
HOEN ANDERS MYSSEN	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
BNP Paribas Securiti S/A SPEARPOINT LTD	406,856	0.98
FRENICO AS	396,000	0.96
KVAAL INVEST AS	360,028	0.87
TOP 20 TOTAL	36,238,203	88

(1) This is the Top 20 Shareholder list as per 16 Feb 2018.

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

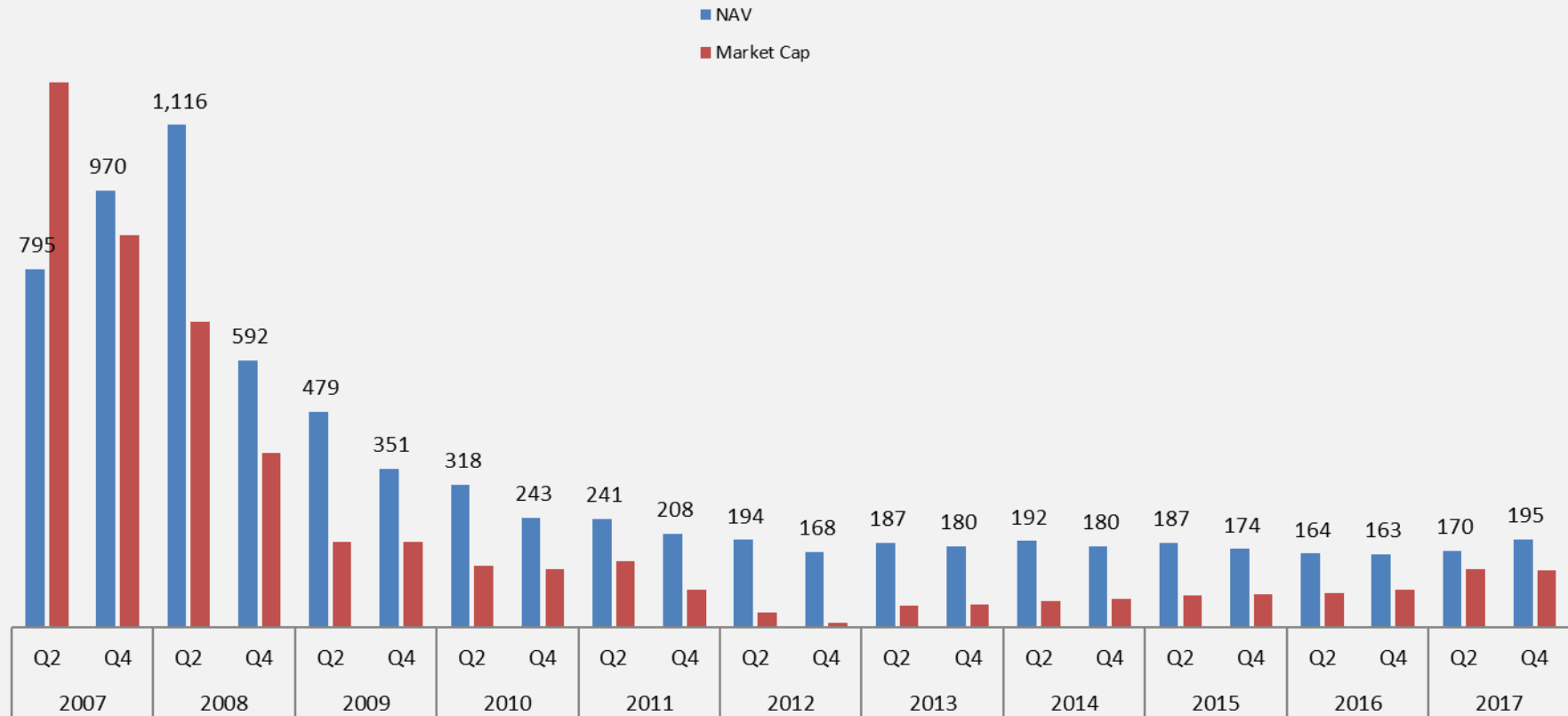
(3) Chairman Kjetil Grønskag owns directly and indirectly 4,288,179 shares corresponding to 10.4%.

(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 .

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## Main focus areas going forward

- RomReal is, according to the present strategy plan, focusing on land value enhancing activities in order to improve the shareholder value.
- Key action points are increased & more professional sales & marketing efforts, if required some infra-structure investments and engaging more resources into regulation processes.
- The Company is fully financed without any external debt, and when/if certain additional disposals are realised, a potential re-distribution of cash to the shareholders will become a priority.

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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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