
RomReal Limited

Investor presentation

Third Quarter (Q3) 2018 results

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Webcast

30 November 2018

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Q3 2018 results – Highlights

Net Asset Value (NAV)

- Net Asset value was EUR 0.49 (NOK 4.86) per share, remaining at the same level as the end of second quarter 2018.
- There were no changes made to the value of the investment properties during the quarter.

Operational highlights

- A conditional sale of Balada Market (No.6 on the list) and 1.5 hectares of the Industrial Park (No.4 on the list) has been agreed.
- On the Lakeside plot (No.1 on the list) the Planning Permission was approved during August 2018 and construction of roads started during November 2018.
- Un-zoned land, 864,534 m²: In 26 January 2018, the Company entered in a pre-sale agreement for a total price of EUR 625,060 (vs EUR 389,000 as per independent valuation). The transaction is closed and the last instalment of EUR 495,000 was collected during July 2018.
- During July 2018, RomReal received a tax claim in excess of EUR 1.7m and E&Y has been retained. A regional court decided to suspend all proceedings against the Company, until the case is further clarified.

Q3 2018 results – Highlights

Financial Results

- Net Result for the quarter was EUR 18,000 loss compared to a EUR 361,000 loss in 3Q 2017
- Operating cash flow for the quarter was a negative EUR 284,000 compared to minus EUR 195,000 in the same period last year.
- At the end of the quarter, the Company had a cash position of EUR 3.7 million plus a total of EUR 1,050,000 in unsettled receivables related to binding sales agreements, totaling at about EUR 4.7 million or about EUR 0.1 per share.

Macro and real estate market highlights

- Romania has registered the fastest growth rate of its economy among the 28 European Union member states in the third quarter of this year of 1.9 percent, according to Eurostat.
- Compared with the third quarter of 2017, the Romanian economy grew by 4.3 percent, the fastest pace this year.
- The third quarter of 2018 witnessed a slowdown in terms of residential price growth, however, there is still was an nationwide increase of around 5.6% compared to the same period of 2017.

NAV movement in Q3 2018

Asset base	Q3 2018			Q2 2018		
	EUR '000	EUR/ share	NOK/share	EUR '000	EUR/ share	NOK/share
Investment property	10,507	0.25	2.50	12,725	0.31	3.03
Assets held for sale	2,288	0.06	0.54	275	0.01	0.07
Inventories	2,690	0.07	0.64	2,690	0.07	0.64
Cash	3,685	0.09	0.88	3,099	0.07	0.74
Other assets/(liabilities)	1,227	0.03	0.29	1,609	0.04	0.38
Net asset value	20,397			20,399		
NAV/Share		0.49	4.86		0.49	4.86
Change in NAV	0.0%			-0.8%		

The average number shares used in the NAV calculation above is 41,367,783 shares and unchanged from Q2 2018.

Financial highlights - IFRS

EUR '000	Q3 2018	Q3 2017
Operating Revenue	559	668
Operating Expenses	(238)	(227)
Other operating income/ (expense), net	(302)	(311)
Net financial income/(cost)	(23)	(486)
Pre-tax result	(4)	(356)
Result for the period	(18)	(361)
Total assets	20,808	25,159
Total liabilities	402	6,818
Total equity	20,397	18,342
Equity %	98.1%	73.0%
NAV per share (EUR)	0.49	0.44
Cash position	3,685	3,401

RomReal Properties Q3 2018

Plot name	Location	Size (m2)
1 Ovidiu Lakeside	Constanta North/Ovidiu	59,779
2 Badulescu plot	Constanta North/Ovidiu	50,000
3 Ovidiu (Oasis)	Constanta North/Ovidiu	24,651
4 Centrepont	Constanta North/Ovidiu	121,672
5 Gunaydin plot	Constanta North/Ovidiu	15,000
6 Balada Market	Central Constanta	7,188
Total		278,290

For further information on the properties please visit www.romreal.com

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) was approved by Ovidiu City Hall during August 2017. Works for implementing the roads and utilities has commenced in November 2018.

Oasis (No. 3 on the table) –The plot will be divided in small plots suitable for house building and small blocks. The new Planning Permission (PUZ) was approved during Q3 2018.

Industrial Park (No. 4 on the table) - The Company has agreed a conditional sale of 1.5 hectares to a foreign investor for a total amount of EUR 630,000 to be paid in stages. The investor is presently doing the legal and technical due diligence and it is expected a binding pre-sale agreement could be signed before the end of the year.

Balada Market (No. 6 on the table) - The sale of whole plot and building have been agreed with a Bucharest investor for a total amount of EUR 2.5m and a refundable down payment of EUR 150,000 has been received. The sale is subject to receiving a satisfactory reply from the Constanta City hall. The preliminary and conditional agreements was be formalized during September 2018 with a final deadline is expected to be agreed end of March 2019.

Badulescu plot (No. 2 on the table) - It is estimated that the new urbanistic plan would be finalized in Q1 2019.

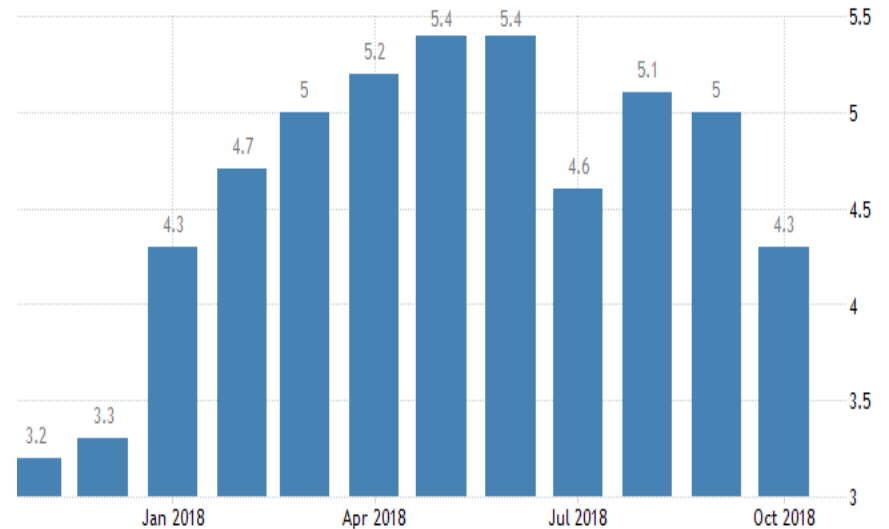
Romanian Macro development

- Romania's gross domestic product (GDP), jumped by 1.9 percent in the third quarter of this year compared with the second quarter, the fastest pace in a year, according to National Institute of Statistics (INS) flash estimate.
- Current monetary and fiscal policies have contributed to the strong economic performance, and with some inflation building and trade deficit widening, there could be some risk of overheating.



SOURCE: TRADINGECONOMICS.COM | INSTITUTUL NATIONAL DE STATISTICA

Romania GDP yearly growth rate



SOURCE: TRADINGECONOMICS.COM | INSTITUTUL NATIONAL DE STATISTICA

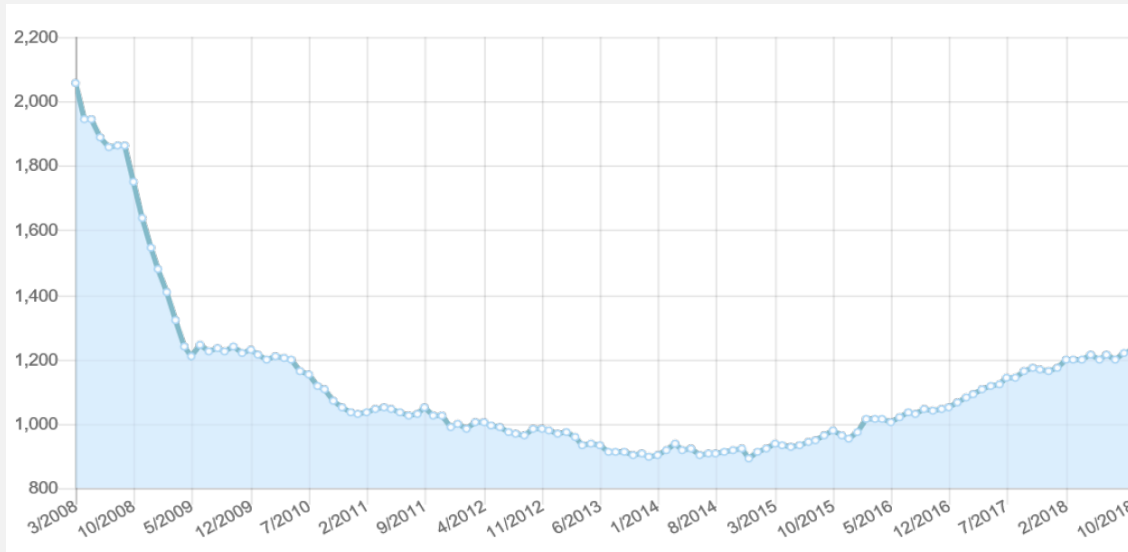
Romania Inflation rate

Romania Real Estate Update

- The National Bank of Romania reintroduced limits for the maximum indebtedness levels for individuals/families seeking out either consumer or mortgage loans.
- *Office market:* About 185,000 sqm in new modern office spaces are expected to be added in Bucharest in 2018, taking the total stock to 2.4 million sqm. The developers' plans for the next couple of years are rather ambitious with around 650,000 sqm announced for 2019 and 2020.
- *Retail Market:* Colliers expects 2019 to bring around 250,000 sqm in new retail spaces compared to 2018's forecasted 189,000 sqm.
- *Industrial Market:* Deliveries in 2018 are expected to reach 750,000 sqm compared to some 500,000 sqm in 2017. According to Colliers, the medium-term outlook remains favourable as Romania is still lagging regional peers in terms of development.
- *Land Market:* According to Colliers, potential buyers are paying as much as 10% more than a year ago in order to buy/secure land plots. In terms of market volume, the biggest three land transactions (concluded by Globalworth, Speedwell and AFI Europe) generated over EUR 50m in turnover.

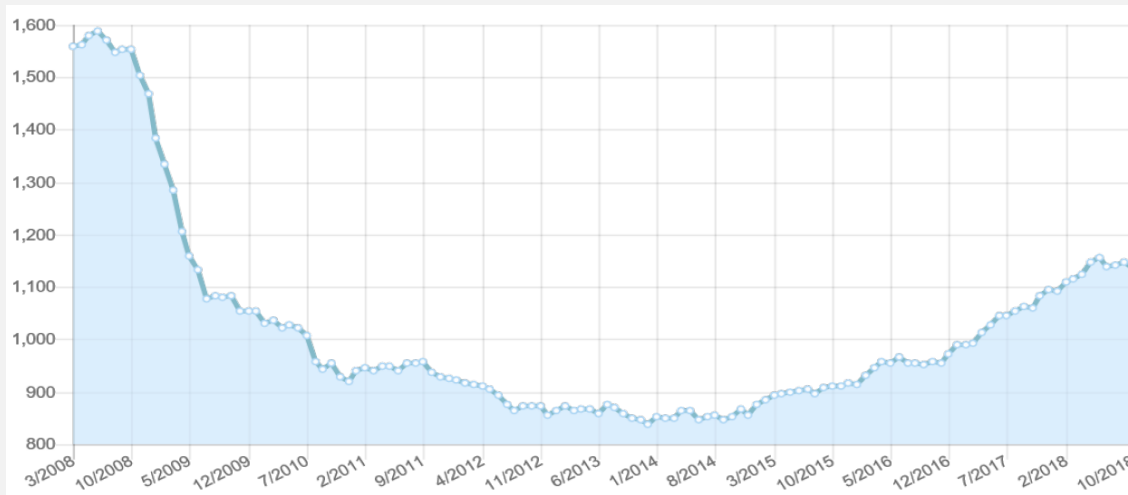
Apartment Price Development (Oct '18)

Romania



- Average apartment prices in Romania registered a marginal increase at the end of Oct 2018, reaching EUR 1,220 /sqm

Constanta



- Prices in Constanta have reached in Oct 2018 EUR 1,148 /sqm, a 4.8% increase since the beginning of the current year.

RomReal shareholders as at 22/11/2018

Name	Holding	Percentage
SIX SIS AG 25PCT ACCOUNT	10,336,054	24.99
GRØNSKAG KJETIL	4,332,717	10.47
SAGA EIENDOM AS	3,162,383	7.64
THORKILDSEN DØDSBO KAY TØNNES	3,071,656	7.43
THORKILDSEN WENCHE SYNNØVE	2,344,100	5.67
AUSTBØ EDVIN	2,108,500	5.10
Danske Bank A/S 3887 OPERATIONS SEC.	1,452,995	3.51
ENERGI INVEST A/S	1,122,941	2.71
ORAKEL AS	1,101,000	2.66
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
GRØNLAND STEINAR	650,131	1.57
Skandinaviska Enskil	628,832	1.52
JONAS BJERG PENSION NTS TRUSTEES LTD	558,306	1.35
SILJAN INDUSTRIER AS	481,480	1.16
MAGDAHL AKSEL	480,886	1.16
CLEARSTREAM BANKING	438,583	1.06
BNP Paribas Securiti S/A SPEARPOINT LTD	406,856	0.98
TOTAL TOP 20	35,854,691	86

(1) This is the Top 20 Shareholder list as per 22 Nov 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 4,332,717 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.

Main focus areas going forward

- RomReal is, according to the strategy, focusing on land value enhancing activities in order to improve on a case by case basis value and exit opportunities.
- This includes, among others, increased sales & marketing efforts, some infra-structure investments, and engaging more resources into regulation processes.
- The ongoing tax dispute adds uncertainty and reduces the financial flexibility.
- The Company is involved in several on-going conditional sales processes as well as in specific and serious interest in the projects which are still in the regulatory process and not actively marketed.

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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