
RomReal Limited

Investor presentation

Fourth Quarter (Q4) 2018 results

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Webcast

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Q4 2018 results – Highlights

Net Asset Value (NAV)

- Net Asset value was EUR 0.47 (NOK 4.67) per share, being 3.8% lower compared to the end of the third quarter 2018.
- The year-end 2018 valuation was concluded by Knight Frank and resulted in a 2.6% reduction of the portfolio's fair value.

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) was agreed during November 2018. On the Lake Side plot (No.1 on the list) the sale of a minor plot has been agreed at a satisfactory price, subject to securing all outstanding permits.
- In 2018, RomReal received a tax claim in excess of EUR 1.7 million. There is some communication with the Central Tax Authorities, but no conclusion yet. If the Tax Authorities do not reach a decision by 25th June 2019, the Company reserves its right to proceed in a lawsuit against the Tax Authorities in a Civil Court. A follow up meeting has been agreed with the Tax Authorities for the 13 March 2019.

Financial Results

- Net Result for the quarter was EUR 0.78 million loss compared to a EUR 1.18 million gain in 4Q 2017. Operating cash flow for the quarter was a negative EUR 0.31 million compared to minus EUR 0.44 million in the same period last year. This includes an investment cost of EUR 0.13 million, mostly on infrastructure work related to the Lake Side project.
- At the end of the quarter, the Company had a cash position of EUR 3.5 million plus a total of EUR 0.89 million in unsettled receivables related to binding sales agreements, totalling at about EUR 4.4 million or about EUR 0.1 per share.

Q4 2018 results – Highlights

Macro and real estate market highlights

- In the last quarter of 2018, the Romanian economy grew by 4.1 percent (gross series) and by 4 percent (seasonally adjusted data) compared with the last quarter of 2017. Compared with Q3 2018, Romania's GDP rose by 0.7 percent in Q4 2018, the 9th quarter in a row of increase.
- According to the online platform imobiliare.ro, the fourth quarter of 2018 witnessed a slight increase terms of residential prices growth of 1.5%, resulting in a total increase of around 6.4% compared to the same period of 2017.
- In Bucharest apartment prices went up 1.2% on average during the last quarter of 2018.
- Prices in Constanta have reached in December 2018 EUR 1,117 /sqm, a 2% increase since the beginning of the current year. Nonetheless, the prices are still 30% less than they were at their peak in June 2008.

NAV movement in Q4 2018

Asset base	Q4 2018			Q3 2018		
	EUR '000	EUR/ share	NOK/share	EUR '000	EUR/ share	NOK/share
Investment property	10,248	0.25	2.44	10,507	0.25	2.50
Assets held for sale	2,209	0.05	0.53	2,288	0.06	0.54
Inventories	2,504	0.06	0.60	2,690	0.07	0.64
Cash	3,469	0.08	0.83	3,685	0.09	0.88
Other assets/(liabilities)	1,193	0.03	0.28	1,227	0.03	0.29
Net asset value	19,624			20,399		
NAV/Share		0.47	4.67		0.49	4.86
Change in NAV	-3.8%			-0.8%		

The average number shares used in the NAV calculation above is 41,367,783 shares and unchanged from Q3 2018.

Financial highlights - IFRS

EUR '000	Q4 2018	Q4 2017
Operating Revenue	37	36
Operating Expenses	(368)	(2)
Other operating income/ (expense), net	(467)	2,079
Net financial income/(cost)	-	(726)
Pre-tax result	(798)	1,387
Result for the period	(779)	1,176
Total assets	20,041	27,503
Total liabilities	417	7,573
Total equity	19,624	19,930
Equity %	97.9%	72.5%
NAV per share (EUR)	0.47	0.48
Cash position	3,469	3,505

RomReal Properties Q4 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 Centrepoint	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) - Works for implementing the roads and utilities commenced in November 2018. The Company has sold a minor plot at a satisfactory price, subject to all outstanding regulation permits secured.

Oasis (No. 3 on the table) - The new Planning Permission (PUZ) was approved during Q4 2018. The Company is presently marketing the project and the two apartment block structures in the market.

Industrial Park (No. 4 on the table) - As soon as the conditional sale of 1.5 hectares to an investor for a total amount of EUR 630,000 reaches a final agreement, the Company is going to implement the roads and utilities in the area and promote the rest of land to the market on broad scale basis.

Balada Market (No. 6 on the table) - The conditional closing of this sale is expected to be delayed for about six months.

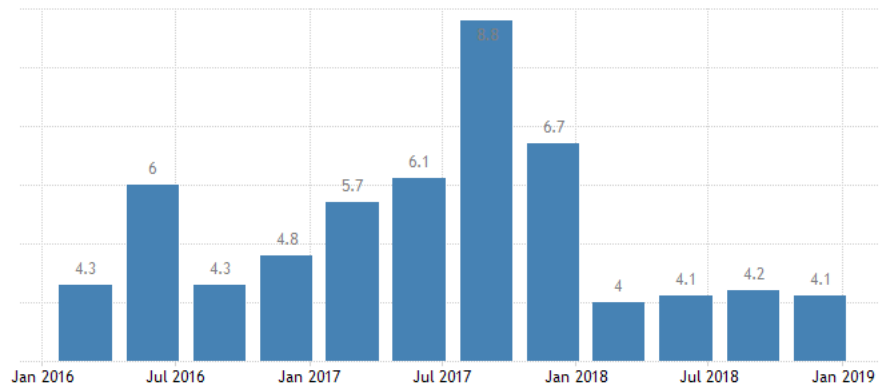
Badulescu plot (No. 2 on the table) - The new urbanistic plan is going to be modified to improve the attractiveness of the project. It is estimated that the new urbanistic plan will be finalised in Q2 2019.

Extraordinary tax claim:

- The Company received the tax audit report and the corresponding tax assessment decision, whereby the tax authorities imposed an extraordinary tax-bill on the Company, in excess of EUR 1.7m (including penalties), as profit tax for the period covered by the tax audit.
- On 18th July 2018 the Company managed to obtain the suspension of the Tax Authority Decision, until a binding Court decision regarding the contestation is obtained.
- If the Tax Authorities do not reach a decision by 25th June 2019, the Company reserves its right to proceed in a lawsuit against the Tax Authorities in a Civil Court. In the meantime, no penalties are expected.

Romanian Macro development

- Compared with Q3 2018, Romania's GDP rose by 0.7 percent in Q4 2018, the 9th quarter in a row of increase.
- Romania's consumer prices inched up by 0.16% in December versus November and the annual inflation eased to under 3.3% in the month from 3.4% in November.
- The average inflation rate in 2018 was 4.6% y/y, up from 1.3% y/y in 2017.



SOURCE: TRADINGECONOMICS.COM | INSTITUTUL NATIONAL DE STATISTICA

Romania GDP yearly growth rate



SOURCE: TRADINGECONOMICS.COM | INSTITUTUL NATIONAL DE STATISTICA

Romania CPI 2019

Romania Real Estate Update

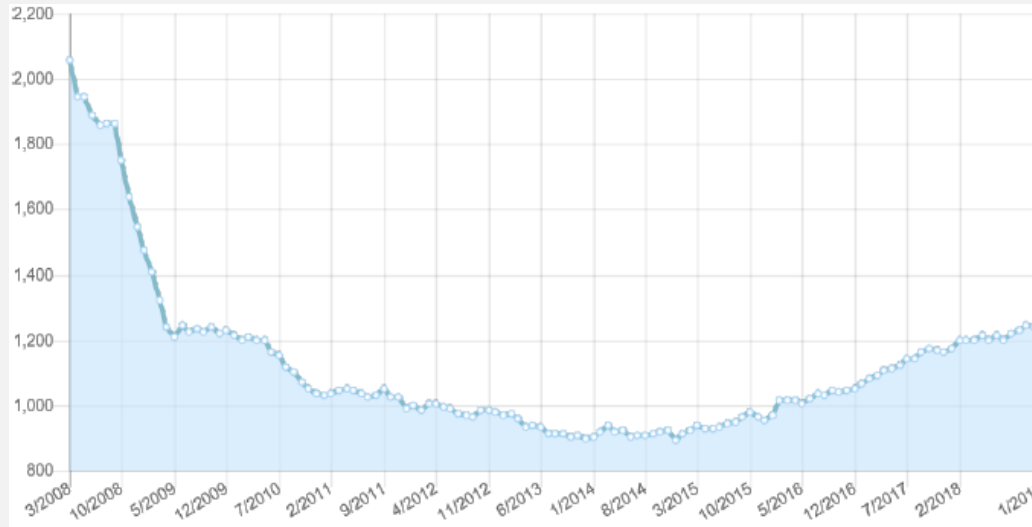
- According to Colliers, for retail, 2018-2019 seems to be one of the best seasons in the post-crisis period.
- *Office market:* Around 185,000 sqm in new modern office spaces are expected to be added in Bucharest in 2018, taking the total stock to 2.4 million sqm. Demand has been solid for office land plots during 2018
- *Retail Market:* The most active developers in the retail market remain NEPI Rockcastle, Mitiska Reim and Prime Kapital. Given the volume of new deliveries due in the next two years, we expect to see many new market entrants.
- *Industrial Market:* Deliveries in 2018 are estimated to reach 750,000 sqm compared to some 500,000 sqm in 2017.
- *Land Market:*
 - Both Bucharest and the secondary cities major land supply is coming from the former factories platforms, located in semi-central areas.
 - A number of big residential projects announced or under construction,
 - Small developers focus on central land plots with small boutique projects, with good transportation network.

Residential Market:

- The fourth quarter of 2018 witnessed a slight increase in terms of residential prices growth of 1.5%, resulting in a total increase of circa 6.4% compared to the same period of 2017.

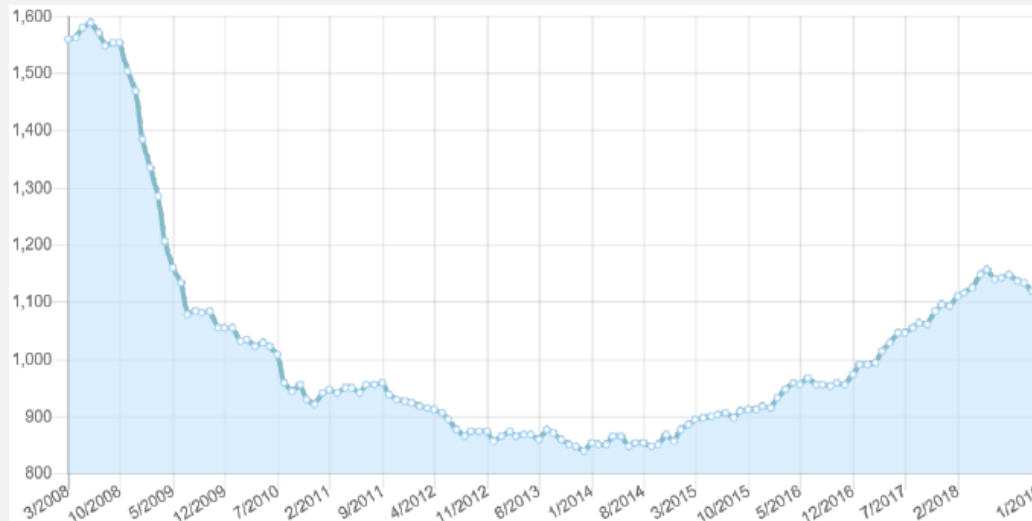
Apartment Price Development (Jan '19)

Romania



- Average apartment prices in Romania registered a 1.5% increase, resulting in a total increase of circa 6.4% compared to the same period of 2017.

Constanta



- Prices in Constanta have reached in December 2018 EUR 1,117 /sqm, a 2% increase since the beginning of the current year.

RomReal shareholders as at 12/02/2019

Ranking	Holding	Percentage	Name
1	10 336 054	24.98576 %	SIX SIS AG
2	4 414 629	10.40321 %	GRØNSKAG, KJETIL
3	3 262 976	7.88772 %	SAGA EIENDOM AS
4	3 071 656	7.42524 %	THORKILDSEN DØDSBO, KAY TØNNES
5	2 344 100	5.66649 %	THORKILDSEN, WENCHE SYNNØVE
6	2 108 500	5.09696 %	AUSTBØ, EDVIN
7	1 452 995	3.51238 %	Danske Bank A/S
8	1 122 941	2.71453 %	ENERGI INVEST A/S
9	1 101 000	2.66149 %	ORAKEL AS
10	940 236	2.27287 %	SPAR KAPITAL INVESTOR AS
11	829 478	2.00513 %	THORKILDSEN INVEST AS
12	718 000	1.73565 %	PERSSON, ARILD
13	689 557	1.66689 %	HOEN, ANDERS MYSSSEN
14	642 890	1.55408 %	GRØNLAND, STEINAR
15	628 832	1.52010 %	Skandinaviska Enskilda Banken S.A.
16	558 306	1.34962 %	JONAS BJERG PENSION PLAN, NTS TRUSTEES LTD
17	481 480	1.16390 %	SILJAN INDUSTRIER AS
18	470 545	1.13747 %	MAGDAHL, AKSEL
19	438 583	1.06020 %	CLEARSTREAM BANKING S.A.
20	406 856	0.98351 %	BNP Paribas Securities Services
Total Top 20	35 854 691	86%	

(1) This is the Top 20 Shareholder list as per 12 Feb 2019.

(2) The total issued number of shares issued at end Q4 2018 was 41,367,783.

(3) Chairman Kjetil Grønskag owns directly and indirectly 4,414,629 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, according to the strategy, is focusing on land value enhancing activities in order to improve the shareholder value and exit. This includes, among others, increased sales & marketing efforts, if necessary use the strong balance sheet, and support the project with the necessary infrastructure investments combined with proven regulation capabilities is a competitive edge to increase the attractiveness of the various projects.
- The ongoing tax dispute adds uncertainty and reduces the financial flexibility.
- The Company has signed three conditional sales agreements and is involved in several potential sales processes. One of the three conditional sales agreements is related to the Company's most important project, Lake Side.

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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