
RomReal Limited

Investor presentation

First Quarter (Q1) 2019 results

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Webcast

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Q1 2019 results – Highlights

Net Asset Value (NAV)

- Net Asset value was EUR 0.47 (NOK 4.59) per share, being 1.6% lower compared to the end of the fourth quarter 2018.
- The year-end 2018 valuation was concluded by Knight Frank during February 2019. Consequently, no further changes were made to the value of the investment properties during the quarter.

Operational highlights

- The sale of Balada Market (No.6 on the list) has been extended to 01 October 2019. The final authorisation from the local municipality was very recently received.
- On the Lakeside plot (No.1 on the list) the implementation of roads and utilities are progressing according to plan, and the important main permit from the Gas Company has been obtained. The investment cost of roads & utilities has amounted EUR 641,000 to date.
- RomReal signed a conditional sale of 15,834sqm of land of its Centerpoint plot (No.4 on the list) in April 2018, for a total consideration of EUR 630,000. This has now been converted into a binding agreement.

Q1 2019 results – Highlights

Financial Results

- Net Result for the quarter was EUR 976,000 loss compared to a EUR 148,000 loss in Q1 2018.
- Operating cash flow for the quarter was a negative EUR 552,000 compared to minus EUR 1,858,000 in the same period last year.
- At the end of the quarter, the Company had a cash position of EUR 3.2 million plus a total of EUR 750,000 in unsettled receivables related to binding sales agreements, totalling at close to EUR 4 million or about EUR 0.1 per share.

Macro and real estate market highlights

- Romania's gross domestic product (GDP) increased by 5% year-on-year in the first quarter of 2019, according to the flash estimate published by the National Statistics Institute (INS) on Wednesday, May 15.
- In Bucharest apartment prices remained flat with end of March average prices at EUR 1,327/sqm.
- Prices in Constanta have increased 1.6% between the end of 2018 and the end of Q1 2019, reaching EUR 1,135 /sqm.
- Romania's annual inflation rate edged up unexpectedly to 4.1 percent in April 2019 from 4.0 percent in the previous month.

NAV movement in Q1 2019

Asset base	Q1 2019			Q1 2018		
	EUR '000	EUR/ share	NOK/share	EUR '000	EUR/ share	NOK/share
Investment property	10,186	0.25	2.42	13,655	0.33	3.25
Assets held for sale	2,200	0.05	0.52	436	0.01	0.10
Inventories	2,552	0.06	0.61	2,690	0.07	0.64
Cash	3,217	0.08	0.77	3,789	0.09	0.90
Other assets/liabilities	1,141	0.03	0.27	(799)	(0.02)	(0.19)
Net asset value	19,297			19,770		
NAV/Share		0.47	4.59		0.48	4.71
Change in NAV	-1.6%			-0.8%		

The average number shares used in the NAV calculation above is 41,367,783 shares and unchanged from Q4 2019

Financial highlights - IFRS

EUR '000	Q1 2019	Q1 2018
Operating Revenue	97	6,779
Operating Expenses	(162)	(231)
Other operating income/ (expense), net	134	(6,620)
Net financial income/(cost)	(1,037)	(21)
Pre-tax result	(967)	(93)
Result for the period	(976)	(148)
Total assets	19,671	21,152
Total liabilities	374	1,328
Total equity	19,297	19,770
Equity %	98.1%	93.5%
NAV per share (EUR)	0.47	0.47
Cash position	3,217	3,469

RomReal Properties Q1 2019

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 have commenced in November 2018. All permits including the main permit from the gas supplier, have been obtained.

Oasis (No. 3 on the table) – The new Planning Permission (PUZ) was approved during Q1 2019. The Company is presently marketing the plots and existing houses on the market.

Industrial Park (No. 4 on the table) – The conditional sale of 1.5 hectares to an investor for a total amount of EUR 630,000 has reached a final agreement. A prepayment has already been received and the Company has by the end of first quarter invested EUR 62,000 in roads and utilities, to improve the marketability of the rest of the plot.

Balada Market (No. 6 on the table) – The Company and the conditional buyer have now obtained the final authorisation from the Municipality. The closing has been delayed until 1st of October 2019.

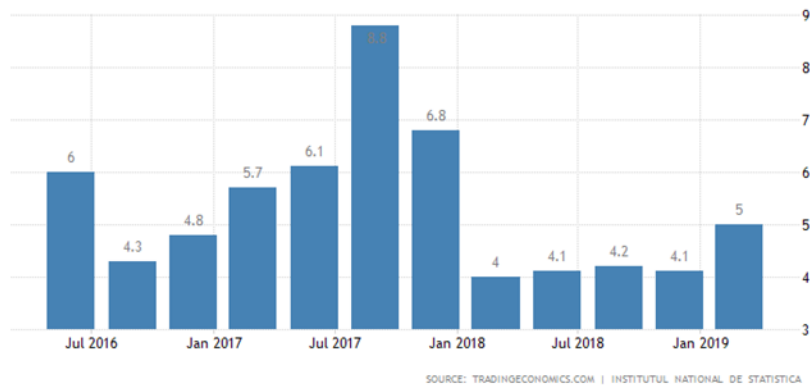
Badulescu plot (No. 2 on the table) – The new urbanistic plan is presently under implementation. It is estimated that the new urbanistic plan will be finalised in Q4 2019

Extraordinary tax claim:

- On 12th April 2019 the Company has received the decision issued by Tax Authority which rejected the appeal filed by the Company. The Company is drafting, with the assistance of EY, the appeal to the Court against the decision of tax Authority with deadline 12 June 2019.

Romanian Macro development

- The flash estimate of Q1 2019 GDP posted a 1.3% sequential advance, translating into a 5.0% year-on-year growth
- the average annual HICP inflation rate stood further at 4.1 percent, with the differential versus the EU-wide average remaining above 2 percentage points.
- According to the baseline scenario of BNR, the annual CPI inflation rate will reach 4.2 percent at end-2019 and 3.3 percent at end-2020.



Romania GDP yearly growth rate



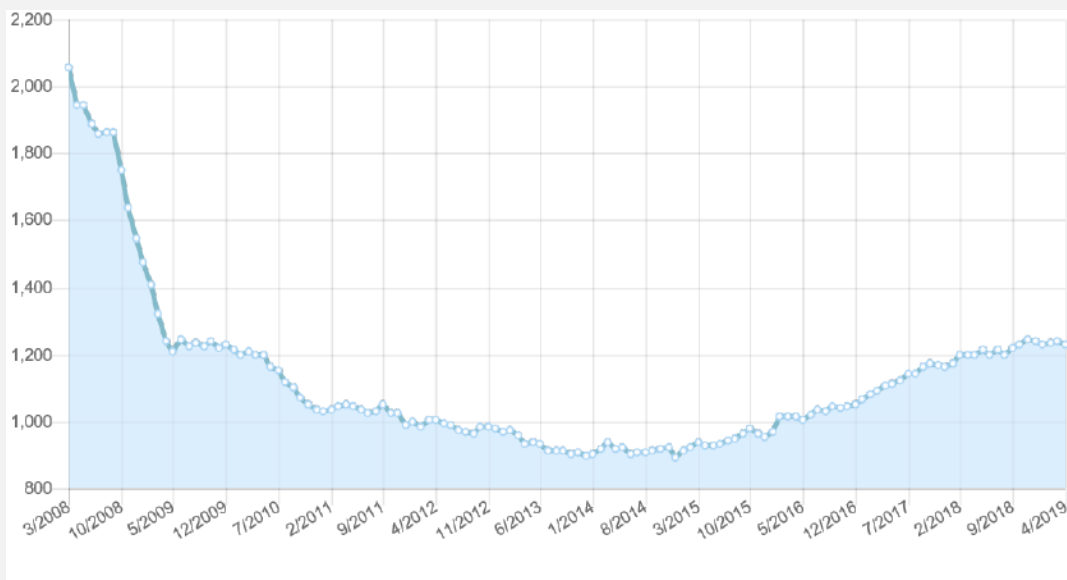
Romania CPI 2019

Romania Real Estate Update

- The Romanian housing market remains robust, but there are some uncertainties ahead.
- The house prices continue to rise, at a much slower pace compared with previous years.
- Office market: More than 350,000 square meters of new office space will be delivered in 2019 and the total value of real estate deals could exceed EUR 1 billion
- Retail Market: After recording the strongest private consumption growth in the major EU states in recent years the retail stock increased significantly, with the 2019- 2020 pipeline nearing half a million sqm.
- Industrial Market: The modern warehouse spaces stock expanded about 40% in 2017-2018, to over 4.2 million sqm nationwide, but activity is likely to cool a bit in 2019.
- Land Market: Attractive land plots in big cities will still see sufficient demand.
- Residential Market: Central bank's tightening measures and tighter lending conditions by commercial banks is slowing down the pace of residential prices.

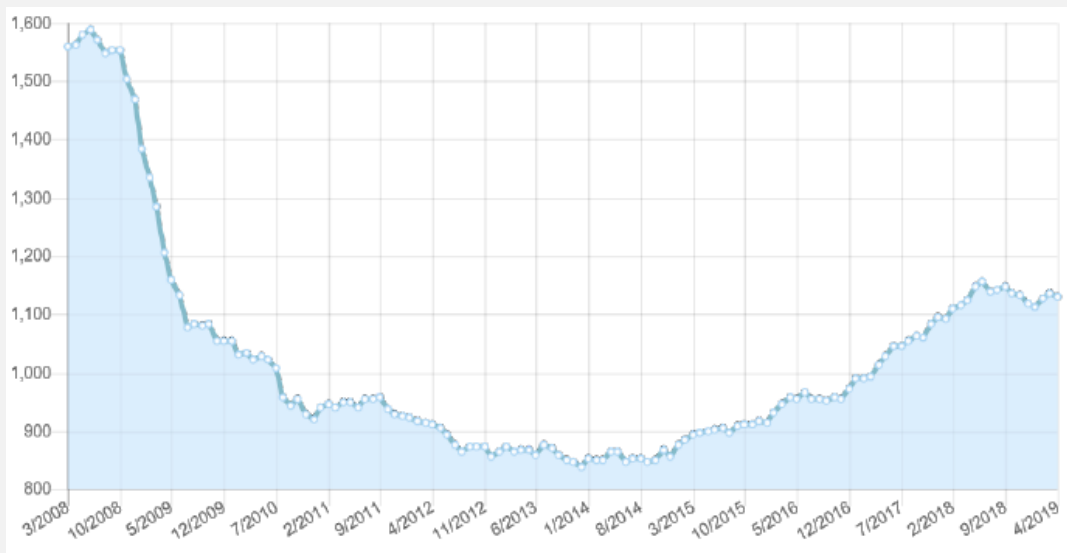
Apartment Price Development (30 Apr '19)

Romania



- Average apartment prices in Romania reached EUR 1228/sqm resulting in a total increase of circa 2.6% compared to the same period of 2018

Constanta



- Average apartment prices in Constanta reached EUR 1129/sqm, resulting in a total increase of circa 1.7% compared to the same period of 2018

RomReal shareholders as at 17/05/2019

	Shareholder	Holding	Stake
1	SIX SIS AG	10,335,934	24.99%
2	GRØNSKAG, KJETIL	4,414,629	10.67%
3	SAGA EIENDOM AS	3,262,976	7.89%
4	THORKILDSEN DØDSBO, KAY TØNNES	3,071,656	7.43%
5	THORKILDSEN, WENCHE SYNNØVE	2,344,100	5.67%
6	AUSTBØ, EDVIN	2,108,500	5.10%
7	Danske Bank A/S	1,452,995	3.51%
8	ENERGI INVEST A/S	1,122,941	2.71%
9	ORAKEL AS	1,101,000	2.66%
10	SPAR KAPITAL INVESTOR AS	940,236	2.27%
11	THORKILDSEN INVEST AS	829,478	2.01%
12	PERSSON, ARILD	718,000	1.74%
13	GRØNLAND, STEINAR	712,675	1.72%
14	HOEN, ANDERS MYSSSEN	689,557	1.67%
15	Skandinaviska Enskilda Banken S.A.	628,832	1.52%
16	JONAS BJERG PENSION PLAN, NTS TRUSTEES LTD	558,306	1.35%
17	SILJAN INDUSTRIER AS	481,480	1.16%
18	MAGDAHL, AKSEL	477,477	1.15%
19	CLEARSTREAM BANKING S.A.	438,703	1.06%
20	BNP Paribas Securities Services	406,856	0.98%
	Total Top 20	36,096,331	87.26%

(1) This is the Top 20 Shareholder list as per 17 May 2019.

(2) The total issued number of shares issued at end Q1 2019 was 41,367,783.

(3) Chairman Kjetil Grønskag owns directly and indirectly 4,414,629 shares corresponding to 10.7%.

(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

- According to the strategy, RomReal is focusing on land value enhancing activities in order to improve shareholders' value and exit.
- The ongoing tax dispute adds uncertainty and reduces the financial flexibility somewhat and is expected to drag out for a couple of years.
- The Company's three conditional sales agreements are all progressing well, and the Company 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.
- Due to new laws and regulations among others on Bermuda, RomReal Ltd as a Bermuda Company, would likely initiate a process to change holding Company residence during 2019.

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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