
RomReal Limited

Investor presentation

Second Quarter (Q2) 2019 results

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Webcast

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Q2 2019 results – Highlights

Net Asset Value (NAV)

- Net Asset value pre any tax was EUR 0.47 (NOK 4.58) per share, being 0.3% lower compared to the end of the first quarter 2019.
- The year-end 2018 valuation was concluded by Knight Frank in February 2019, therefore no further changes were made to the value of the investment properties during the quarter.

Operational highlights

- During April 2019, RomReal signed the sale of 15,834sqm of land of its Centerpoint plot (No.4 on the list) for a total consideration of EUR 630,000. A partial down payment of EUR 63,000 has been received, with the residual to be collected in the coming quarters, subject to certain milestones.
- Constanta City Hall has issued a final decision, and there will be no additional payments to be paid to the Municipality in case the building is converted into a supermarket. The Balada EUR 2.5m (No. 6 on the list) pending sale is agreed concluded during October 2019, with an option to the buyer to delay payment until 15th December 2019.
- Since the 1Q 2019 report, important legal progress has materialized in both the on-going EUR 1.7m tax-bill claim and the expropriation claim of land on the Mamaia North plot by the Navodari City Hall.

Q2 2019 results – Highlights

Financial Results

- Net Result for the quarter was EUR 138,000 gain compared to a EUR 605,000 gain in 2Q 2018. Operating cash flow for the quarter was a negative EUR 36,000 compared to a negative EUR 181,000 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 conditional instalment payments related to the binding sale agreement, totalling at close to EUR 3.95 million or about EUR 0.09 per share.

Macro and real estate market highlights

- Romania's gross domestic product (GDP) increased by 4.7% year-on-year in the first half of 2019, according to the flash estimate published by the National Statistics.
- In Constanta, residential prices have remained flat between the end of Q1 2019 (EUR 1,135 /sqm) and the end of Q2 2019 (EUR 1,130/sqm).

NAV movement in Q2 2019

Asset base	Q2 2019			Q2 2018		
	EUR '000	EUR/ share	NOK/share	EUR '000	EUR/ share	NOK/share
Investment property	10,776	0.26	2.57	12,725	0.31	3.03
Assets held for sale	2,191	0.05	0.52	275	0.01	0.07
Inventories	2,492	0.06	0.59	2,690	0.07	0.64
Cash	3,191	0.08	0.76	3,099	0.07	0.74
Other assets/(liabilities)	594	0.01	0.14	1,609	0.04	0.38
Net asset value	19,245			20,399		
NAV/Share		0.47	4.58		0.49	4.86
Change in NAV	-0.3%			3.2%		

The average number shares used in the NAV calculation above is 41,367,783 shares and unchanged from Q1 2019

Financial highlights - IFRS

EUR '000	Q2 2019	Q2 2018
Operating Revenue	41	1,894
Operating Expenses	(250)	(201)
Other operating income/ (expense), net	45	(1,128)
Net financial income/(cost)	302	-
Pre-tax result	138	565
Result for the period	138	605
Total assets	19,830	20,727
Total liabilities	585	329
Total equity	19,245	20,399
Equity %	97.0%	98.4%
NAV per share (EUR)	0.47	0.49
Cash position	3,191	3,099

RomReal Properties Q2 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 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) – Works for implementing are ongoing and the Company has several specific processes for selling plots in the area, a showroom house is going to be built on the plot in order to market the area.

Oasis (No. 3 on the table) – The Company is presently negotiating with the gas and electricity company ENEL the costs and conditions for the grid connection of whole area, to be implemented in stages.

Industrial Park (No. 4 on the table) - The Company is presently following the authorisation procedures of the road and utilities in order to start building the roads and comply with the provisions of sale agreement, as well as attract other investors in the area.

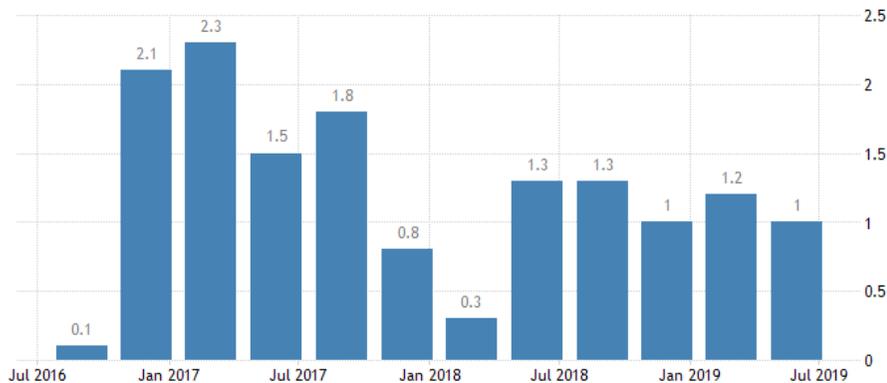
Balada Market (No. 6 on the table) - The sale of whole plot and building have been agreed with a Bucharest investor for a total amount of EUR 2.5 million and a down payment of EUR 150,000 is received.

Badulescu plot (No. 2 on the table) – It is estimated that the new urbanistic plan would be finalised within end 2019, and the Company has already established specific contacts with interested investors in the area.

Restitution claim of land in Mamaia North: A new law has been published ordering local authorities to proceed to the restitution of lands having no plans for public buildings to be built on them. The Company is following the necessary legal steps to recover the plot. Subject to a final solution with the municipality, the piece of land is already agreed for about EUR 0.5 million to be sold to the buyer of the Company's previous Mamaia North plot.

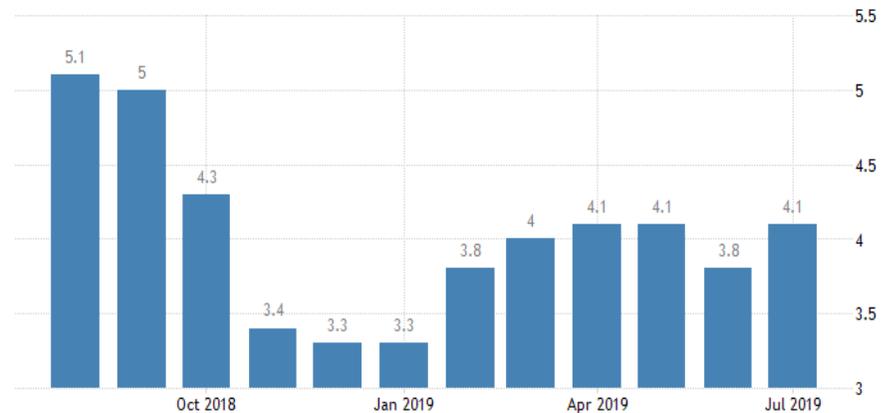
Romanian Macro development

- The flash estimate of 2Q19 GDP posted a 1% growth over the first quarter of this year and 4.7% gross series expansion compared to the first half of 2018
- First half of 2019 has witnessed a number of changes, including the 4.1% inflation rate and the introduction of the Consumer Credit Reference Index to replace the ROBOR.
- According to BT index, Private consumption could accelerate from 5.2% in 2018 to 6.3% in 2019



SOURCE: TRADINGECONOMICS.COM | INSTITUTUL NATIONAL DE STATISTICA

Romania GDP yearly growth rate

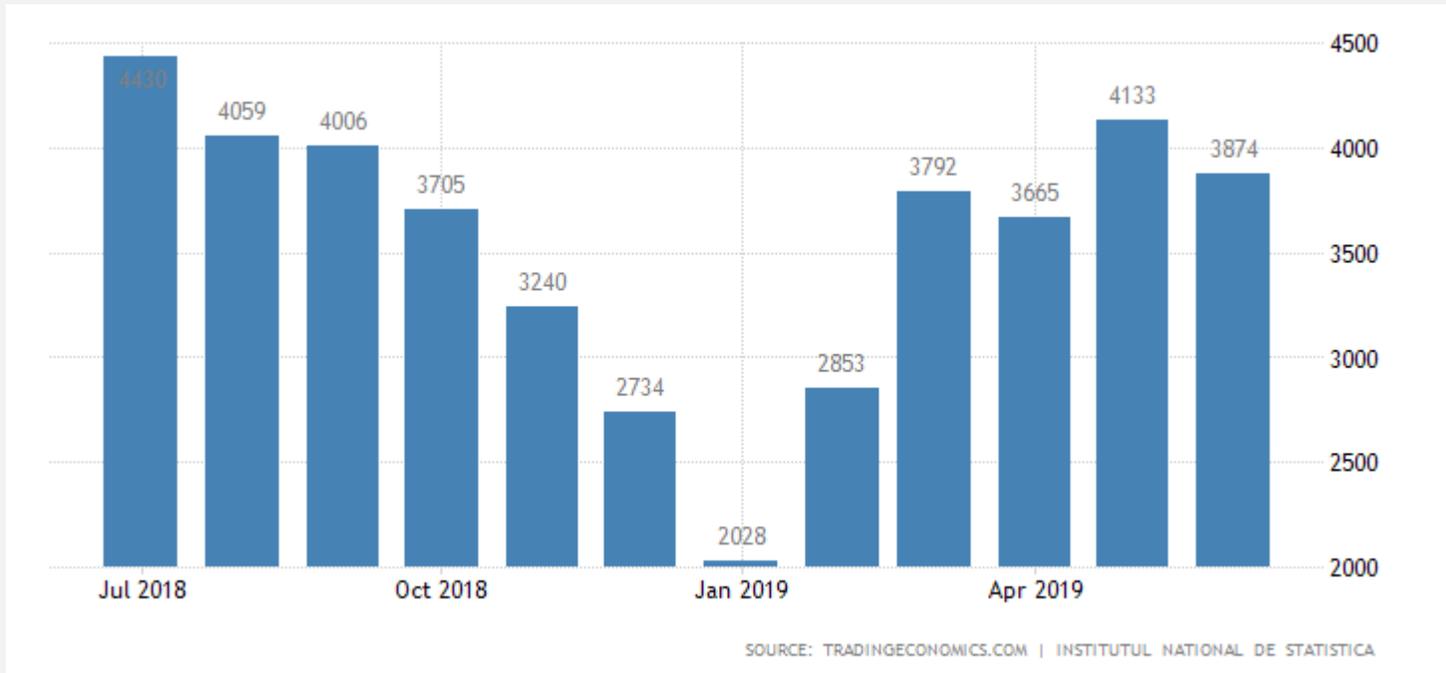


SOURCE: TRADINGECONOMICS.COM | INSTITUTUL NATIONAL DE STATISTICA

Romania CPI 2019

Romania Real Estate Update

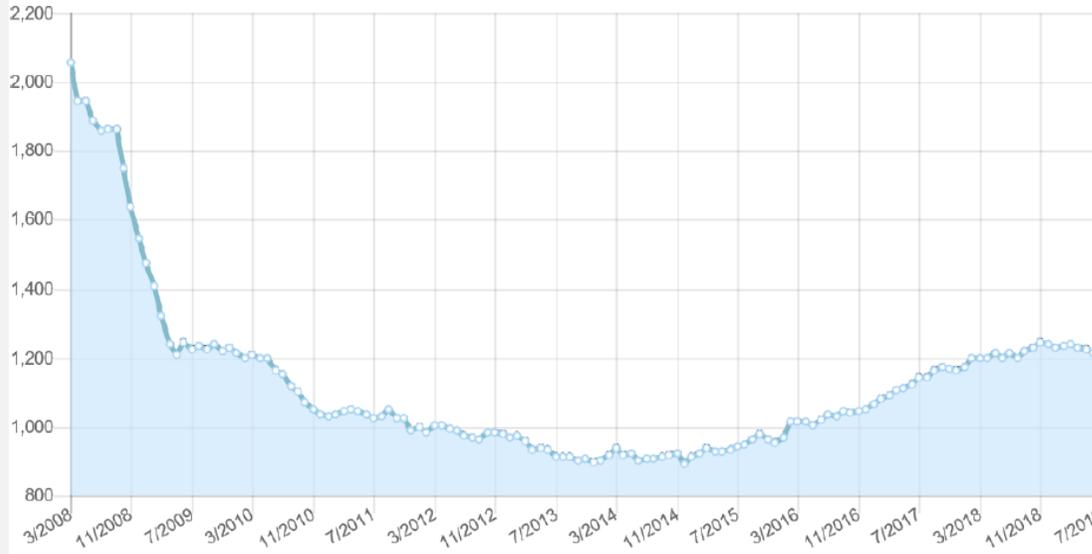
- The number of transactions declined significantly during Q2 2019 by 22% according to an analysis of imobiliare.ro due to the suspension of the Prima Casa government program during Jan-Feb 2019.
- The Romanian government plans to bring major changes to its mortgage lending scheme First Home (Prima Casa), renamed to “One family – one home”, introducing earnings thresholds for borrowers



Building Permits Romania 2019

Apartment Price Development (31 July 19)

Romania



- Average apartment prices in Romania reached EUR 1,249/sqm resulting in a total increase of circa 3.1% compared to the same period of 2018

Constanta



- Average apartment prices in Constanta reached EUR 1.138/sqm, remaining flat compared to the same period of 2018

RomReal shareholders as at 21/08/2019

No	Name	Holding	Stake
1	SIX SIS AG	10,331,934	25.0%
2	GRØNSKAG, KJETIL	4,414,629	10.7%
3	SAGA EIENDOM AS	3,262,976	7.9%
4	THORKILDSEN DØDSBO, KAY TØNNES	3,071,656	7.4%
5	THORKILDSEN, WENCHE SYNNOVE	2,344,100	5.7%
6	AUSTBØ, EDVIN	2,108,500	5.1%
7	Danske Bank A/S	1,446,299	3.5%
8	ENERGI INVEST AS	1,236,948	3.0%
9	ORAKEL AS	1,101,000	2.7%
10	SPAR KAPITAL INVESTOR AS	940,236	2.3%
11	THORKILDSEN INVEST AS	829,478	2.0%
12	PERSSON, ARILD	718,000	1.7%
13	GRØNLAND, STEINAR	712,675	1.7%
14	HOEN, ANDERS MYSSSEN	689,557	1.7%
15	Skandinaviska Enskilda Banken S.A.	628,832	1.5%
16	JONAS BJERG PENSION PLAN, NTS TRUSTEES LTD	558,306	1.3%
17	SILJAN INDUSTRIER AS	481,480	1.2%
18	MAGDAHL, AKSEL	476,456	1.2%
19	CLEARSTREAM BANKING S.A.	441,703	1.1%
20	BNP Paribas Securities Services	406,856	1.0%
	Total Top20	36,119,709	87.3%

(1) This is the Top 20 Shareholder list as per 21 August 2019.

(2) The total issued number of shares issued at end Q2 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

- RomReal is focusing on land value enhancing activities in order to improve the shareholder value and exit.
- This includes, among others, increased sales & marketing efforts, when deemed sensible some infra-structure investments and engaging more resources into regulation processes.
- 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.
- Until finally concluded, key resources are maintained on the EUR 1.7m tax dispute as well as on the expropriation claim of land on the Mamaia North plot by the Navodari City Hall.

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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