
RomReal Limited

Investor presentation

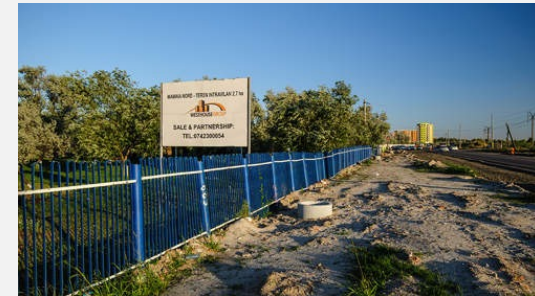
Second Quarter (Q2) 2021 results

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Contents

Q2 2021 highlights	3-4
NAV movement in Q2 2021	5
Financial highlights 2Q.21 – IFRS	6
RomReal Properties per Q2 2021	7
Operational highlights	8-9
Romania Macro Developments	10
Romania Real Estate Update	11
Apartment Price Development	12
RomReal shareholders	13
Main focus areas going forward	14
Contact details	15



Q2 2021 results – Highlights

Net Asset Value (NAV)

- Net Asset value was EUR 0.36 (NOK 3.87 before any tax) per share, that being about 0.2% higher compared to the end of the first quarter 2021.
- The year-end 2020 valuation was concluded by Knight Frank in February 2021 therefore no further adjustments were made to the value of the investment properties during the quarter.

Operational highlights

- During the second quarter of 2021, the Company sold a further 4 plots, of which two from the Ovidiu Lake side project and two plots of the Oasis property for a total consideration of EUR 0.29m. Total infrastructure investments by the end of second quarter 2021 was EUR 2.8m.
- Following the end of Q2 2021, the Company entered several Lakeside sale transactions with a total consideration of gross about EUR 3.8m. Of this EUR 1.5m is paid in cash, and the remaining EUR 2.3m as a seller's credit is agreed to be paid evenly over three years.
- In order to improve and solve the situation of the net assets and equity in the Romanian sub-holding Westhouse Group, the Company has decided to comply with the Tax Authority decision of 2018, as an acceptable fiscal solution with a claim of EUR 1.1m already advanced in 2020, with no further liquidity effect.

Q2 2021 results – Highlights

Financial Results

- Net Result for the quarter was EUR 380,000 loss compared to a EUR 196,000 loss in 2Q 2020. Net change in cash-flow for the quarter was a positive EUR 50,000 compared to positive EUR 437,000 in the same period last year. This was mainly due to the sales realised during the quarter outpacing the operational expenditure.
- At the end of the quarter, the Company had a cash position of EUR 1.26 million plus a total of EUR 2.3 million in unsettled receivables related to binding sales agreements due 21-24, totalling EUR 3.76 million or about EUR 0.09 per share. In addition the settlement for the Mamaia North restitution case win EUR 0.39m is expected in 2 half 2021.

Macro and real estate market highlights

- Romania's GDP continued its robust post-pandemic recovery in the second quarter after already returning to pre-pandemic level in the first quarter. Compared to Q2 2020, the GDP grew by 13% in nominal terms, while for the entire H1 2021 the growth was 6.5% compared to the same period of last year, according to [flash data released by the National Statistics Institute \(INS\)](#) on Tuesday, August 17 2021.
- Asking prices for apartments and houses in Romania gained 7% in the second quarter of 2021 compared first quarter of 2021 and some 11% compared to the same period of 2020. Q2 2021 average residential prices in Romania reached an average price of EUR 1,480/sqm compared to 1,379/sqm at the end of the previous quarter. In Constanta, average prices increased by 5% during the second quarter of 2021 (EUR 1,332/sqm at the end of June 2021, compared to EUR 1,268/sqm at the end of March 2021), according to www.imobiliare.ro index.

NAV movement in Q2 2021

Asset base	Q2 2021			Q1 2021		
	EUR '000	EUR/ share	NOK/share	EUR '000	EUR/ share	NOK/share
Investment property	4,149	0.10	1.07	4,087	0.10	1.05
Assets held for sale	2,247	0.05	0.58	2,240	0.05	0.58
Inventories	7,014	0.17	1.80	7,094	0.17	1.83
Cash	1,257	0.03	0.32	1,247	0.03	0.32
Other assets/(liabilities)	363	0.01	0.09	335	0.01	0.09
Net asset value	15,029			15,003		
NAV/Share		0.36	3.87		0.36	3.86
Change in NAV vs previous quarter	0.2%			-0.2%		

The average number shares used in the NAV calculation above is 41,367,783 shares and unchanged from Q4 2020

Financial highlights 2Q.21- IFRS

EUR '000		
	Q2 2021	Q2 2020
Operating Revenue	331	190
Operating Expenses	(243)	(176)
Other operating income/ (expense), net	(468)	(37)
Net financial income/(cost)	3	(170)
Pre-tax result	(377)	(195)
Result for the period	(380)	(196)
Total assets	15,340	18,819
Total liabilities	191	125
Total equity	15,029	18,564
Equity %	98.0%	98.6%
NAV per share (EUR)	0.36	0.45
Cash position	1,257	2,808

RomReal Properties Q2 2021

Plot name	Location	Size (m2)
1 Ovidiu Lakeside	Constanta North/Ovidiu	47,845
2 Badulescu plot	Constanta North/Ovidiu	50,000
3 Ovidiu (Oasis)	Constanta North/Ovidiu	23,685
4 Centrepont	Constanta North/Ovidiu	121,672
5 Gunaydin plot	Constanta North/Ovidiu	15,000
6 Balada Market	Central Constanta	7,188
Total		265,390

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

Operational highlights

Lake Side (No.1 on the table) – The Company has on-going processes for plot sales in the area. Grid connection of the land is expected to be finalised in October 2021.

Oasis (No. 3 on the table) – The Company is going to re-authorise the works for finalising the blocks erected on site, in order to add value to the whole plot and authorise the works for constructing the utilities in the area, hopefully during 2nd half this year. During second quarter the Company sold two smaller plots on Oasis at prices somewhat above present valuation. Based on the infrastructure investments strategy implemented on Lake Side, a similar approach is likely on Oasis. Furthermore, the Board of Directors have to conclude a review how to maximise value of the two apartment structures on the plot.

Industrial Park (No. 4 on the table) – Due to unapproved location of the pipes owned by the local water utility, which were unlawfully located on the Company's plots, the sales and marketing process of the project is put on hold, and the Company is expecting to file a Court application against the water company.

Balada Market (No. 6 on the table) - The plot and building is for sale. In order to increase income, a regulation process to utilise a larger part of the plot for parking has commenced and is expected approved before the end of the year.

Badulescu plot (No. 2 on the table) – Based on the Lakeside plot experience, the Company has started a process to regulate this plot located nearby Lake Side for residential and commercial use. This will likely include infrastructure investments to make the project extra attractive for new owners.

Operational highlights 2

Restitution claim, plot of 1,453 sqm, Constanta Court case no. 2567/118/2016

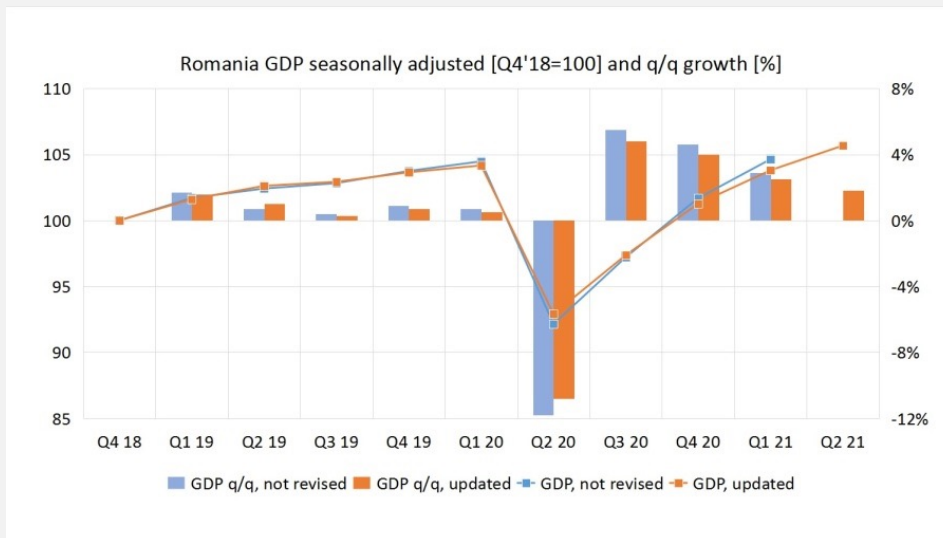
The piece of land is agreed to be sold to the buyer of the Company's previous Mamaia North plots, as soon as the administrative procedures for the transfer of the plot to the Company is finalised, with expected closing before year-end 2021. The agreed price is about EUR 390,000.

Improving of net assets and equity of Westhouse Group in order to comply with Companies Law no. 31/1990

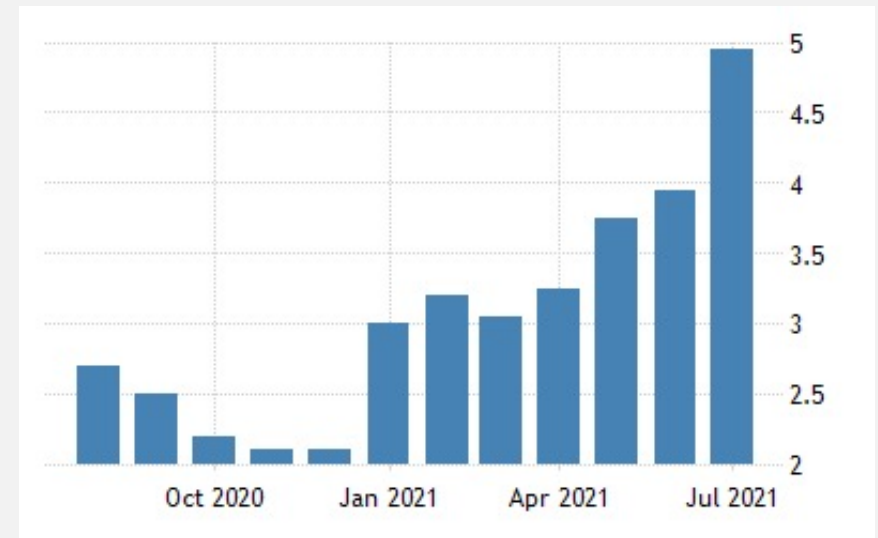
In order to improve the situation of the net assets and equity in the Romanian sub-holding Westhouse Group, in compliance with the provision of the Companies Law no. 31/1990, the Company has decided to comply with the Tax Authority decision F/CT/344/29.05.2018 as an acceptable fiscal solution with a claim of EUR 1.1m already advanced in 2020, with no further liquidity effect.

Romanian Macro development

- Romania's economy continued its robust post-pandemic recovery in the second quarter after already returning to pre-pandemic level in the first quarter.
- Compared to the second quarter of 2020, the GDP grew by 13% in nominal terms and 13.6% in seasonally adjusted terms, according to [flash data released by the National Statistics Institute \(INS\)](#) on Tuesday, August 17.
- For the first half of 2020, Romania recorded a GDP growth of 6.5% compared to the same period of last year.
- There have been about 1,100,000 confirmed cases of coronavirus in Romania to date and about 35,000 fatalities. On the positive side, Romania's key Covid stats have improved significantly over the last couple of months, due to strict measures and solid progress in the vaccination ratio as a member of the EU. This has resulted in a significant reduction in restrictions and traveller's from Romania are classified as "green" by all European countries.



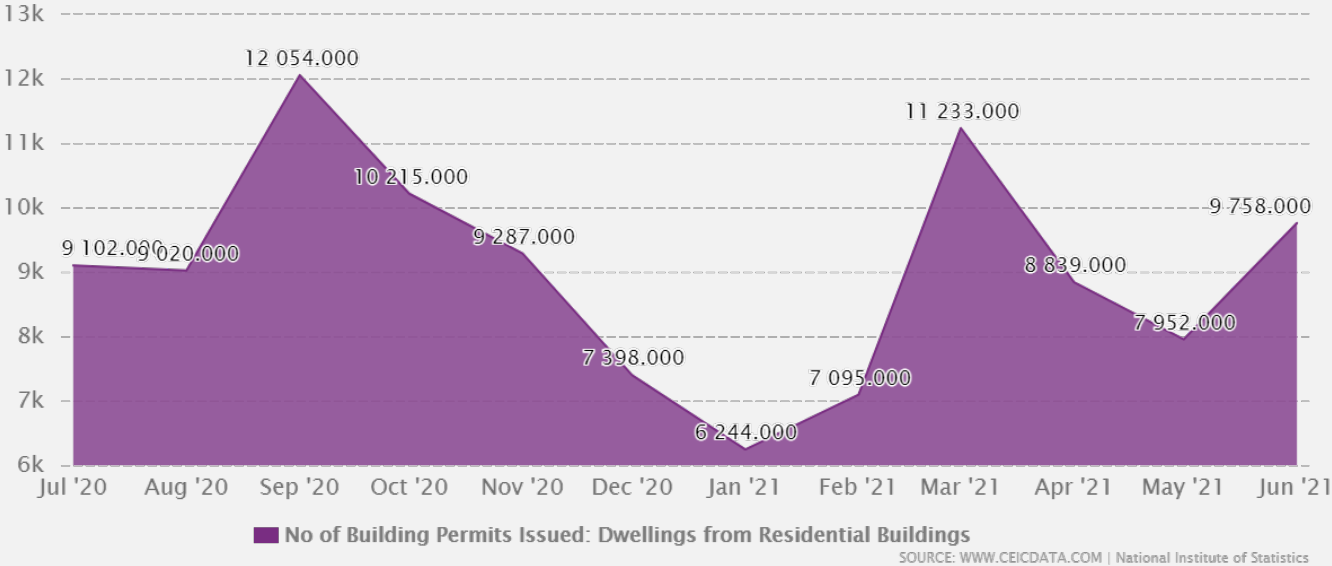
Romania quarterly GDP evolution (Data INS)



Romania Inflation Rate (Data INS)

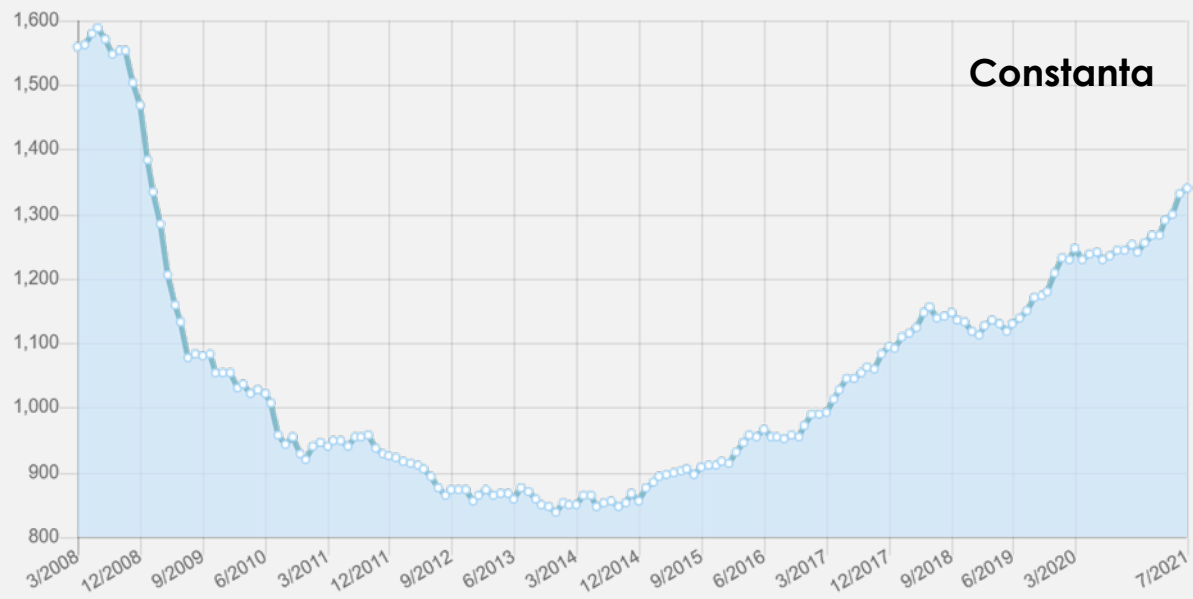
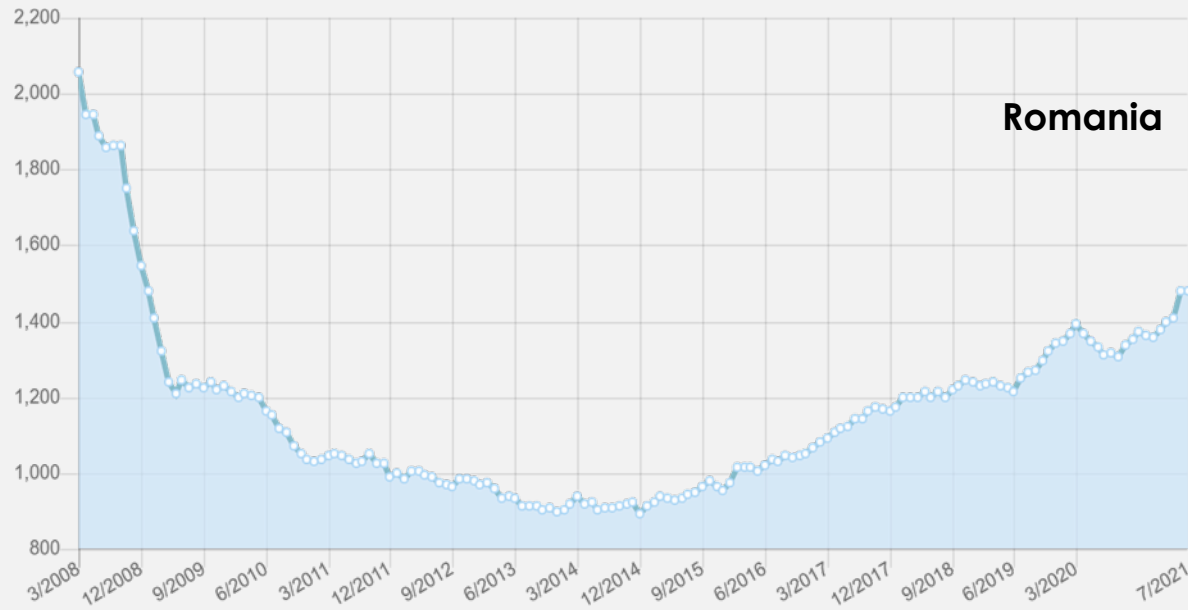
Romania Real Estate Update

- The volume of construction works on residential buildings projects in Romania rose by 16% in January-April compared to previous year period, according to data published by the statistics office INS on June 16.
- Of note, the non-residential buildings segment, aggregating logistics, industrial, offices and commercial sub-segments, posted flat dynamics compared to the same period last year.
- The combination of low interest rates, accumulation of reserves in households' accounts, and rising demand for housing units (broadly neglected before the lockdown) resulted in a booming housing market not only in Romania but globally.



Romania Residential Building Permits June 21 (Data CEIC)

Apartment Price Development (End June 21)



- Asking prices for apartments and houses in Romania gained 7% in the second quarter of 2021 compared first quarter of 2021 and some 11% compared to the same period of 2020. Q2 2021 average residential prices in Romania reached an average price of EUR 1,480/sqm compared to 1,379/sqm at the end of the previous quarter.

- In Constanta, average prices increased by 5% during the second quarter of 2021 (EUR 1,332/sqm at the end of June 2021, compared to EUR 1,268/sqm at the end of March 2021), according to www.imobiliare.ro index.

RomReal shareholders as at 16/08/2021

Rank	Name	Holding	Stake
1	SIX SIS AG	10,331,934	24.98%
2	THORKILDSEN, WENCHE SYNNØVE	5,392,985	13.04%
3	GRØNSKAG, KJETIL	4,228,000	10.22%
4	SAGA EIENDOM AS	3,275,723	7.92%
5	AUSTBØ, EDVIN	2,108,500	5.10%
6	Danske Bank A/S	1,507,924	3.65%
7	ENERGI INVEST AS	1,252,611	3.03%
8	ORAKEL AS	1,101,000	2.66%
9	BNP Paribas Securities Services	991,717	2.40%
10	SPAR KAPITAL INVESTOR AS	940,236	2.27%
11	THORKILDSEN INVEST AS	829,478	2.01%
12	GRØNLAND, STEINAR	788,113	1.91%
13	PERSSON, ARILD	718,000	1.74%
14	HOEN, ANDERS MYSSSEN	689,557	1.67%
15	KVAAL INVEST AS	560,000	1.35%
16	SILJAN INDUSTRIER AS	481,480	1.16%
17	MAGDAHL, AKSEL	476,403	1.15%
18	NORDNET LIVSFORSIKRING AS	455,207	1.10%
19	GRØNCO AS	420,337	1.02%
20	BANQUE DE LUXEMBOURG	409,725	0.99%
	TOP 20	36,958,930	89.34%

•(1) This is the Top 20 Shareholder list as per 16 August 2021.

•(2) The total issued number of shares issued at end Q2 2021 was 41,367,783.

•(3) Thorkildsen Invest AS is a Company controlled by RomReal Kay Thorkildsen family.

•(4) Chairman Kjetil Grønskag owns directly and indirectly 4,646,127 shares corresponding to 11.2%.

Main focus areas going forward

- RomReal, is focusing on land value enhancing activities and sales to improve the shareholder value.
- This includes, among others, increased sales & marketing efforts, and required infra-structure investments in several of the remaining projects. The tax case now concluded has reduces the financial flexibility. Even though the Board is satisfied with the recent sales development on Lakeside, a prolonged uptick is not given.
- An uncertain sales progress combined with vendor financing, further infrastructure investments to improve marketability, indicate a complete sale of the entire portfolio could easily drag out for another 2-3 years.

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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