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# RomReal Limited

## Investor presentation

First Quarter (Q1) 2022 results

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# Q1 2022 results – Highlights

## **Net Asset Value (NAV)**

- Net Asset value was EUR 0.41 (NOK 4.04, before any tax) per share, about 1.9% higher compared to the end of the fourth quarter 2021.
- The year-end 2021 valuation was concluded by Colliers in January 2022 and reflects the updated market conditions and the respective valuations of the Group's land bank.

## **Operational highlights**

- During the first quarter of 2022, the Company sold 4 plots from the Ovidiu Lake Side project for a total consideration of EUR 0.23m.
- Following the end of Q1 2022, the Company concluded a sale of one plot (on Lake Side) for a consideration of EUR 0.04m in April.

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# Q1 2022 results – Highlights

## Financial Results

- Net Result for the quarter was EUR 332,000 profit, compared to a EUR 3,958,000 loss in 1Q 2021. Net change in cash flow for the quarter was a positive EUR 563,000 compared to positive of EUR 183,000 in the same period last year. This was mainly due to the ongoing sales realised during the quarter.
- At the end of the quarter, the Company had a cash position of EUR 4.4 million plus a total of EUR 3.0m in unsettled receivables related to binding sales agreements, totalling EUR 7.4m, or about EUR 0.19 per share.

## Macro and real estate market highlights

- Romania's GDB rose 6.5%, the highest in the EU, year-on-year in the first quarter of 2022, compared to a 2.4% annual increase in the first quarter of 2021, based on non-adjusted flash data.
- The 12 month inflation rate up to January 2022 was 8,35%.
- Asking prices for apartments and houses in Romania continued to raise in the first quarter of 2022 compared the fourth quarter of 2021 (EUR 1,593), up to EUR 1,654/m<sup>2</sup> at the end of Q1 2022 and EUR 1,707/ m<sup>2</sup> at the end of April 2022. In Constanta, average prices increased by 3.05% during the fourth quarter of 2021 (EUR 1,451/m<sup>2</sup> at the end of March 2022, compared to EUR 1,408/sqm at the end of December 2021), according to [www.imobiliare.ro](http://www.imobiliare.ro) index.

## NAV movement in Q1 2022

Asset base	Q1 2022			Q4 2021		
	EUR '000	EUR/ share	NOK/share	EUR '000	EUR/ share	NOK/share
Investment property	2,034	0.05	0.48	4,997	0.12	1.29
Assets held for sale	2,482	0.06	0.58	2,480	0.06	0.64
Inventories	7,623	0.18	1.79	5,707	0.14	1.47
Cash	4,370	0.11	1.03	3,807	0.09	0.98
Other assets/(liabilities)	645	0.02	0.15	(173)	(0.00)	(0.04)
Net asset value	17,154			16,819		
NAV/Share		0.41	4.41		0.41	4.10
Change in NAV vs previous quarter	1.9%			5.5%		

The average number shares used in the NAV calculation above is 41,367,783 shares and unchanged from Q4 2021.

# Financial highlights 1 Q.22- IFRS

EUR '000	Q1 2022	Q1 2021
Operating Revenue	1,901	258
Operating Expenses	(316)	(37)
Other operating income/ (expense), net	(1,093)	(2,472)
Net financial income/(cost)	(89)	(642)
Pre-tax result	403	(3,962)
Result for the period	332	(3,958)
Total assets	18,218	15,294
Total liabilities	1,064	289
Total equity	17,154	15,003
Equity %	94.2%	98.1%
NAV per share (EUR)	0.41	0.36
Cash position	4,370	1,247

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# RomReal Properties Q1 2022

Plot name	Location	Size (m2)
1 Ovidiu Lakeside	Constanta North/Ovidiu	14,753
2 Badulescu plot	Constanta North/Ovidiu	50,000
3 Ovidiu (Oasis)	Constanta North/Ovidiu	23,685
4 Centrepoint	Constanta North/Ovidiu	121,672
5 Gunaydin plot	Constanta North/Ovidiu	15,000
6 Balada Market	Central Constanta	7,188
<b>Total</b>		<b>232,298</b>

For further information on the properties please visit [www.romreal.com](http://www.romreal.com)

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# Operational highlights

Lake Side (No.1 on the table) – The Company has on-going processes for plot sales in the area and sold 4 plots during first quarter and 1 plot after the end of the quarter. Street and utilities have been delivered to the City Hall for public use according to agreement.

Oasis (No. 3 on the table) – The Company has commenced the process to re-authorise the works to finalise the blocks erected on site. During May, one block structure has been re-authorised by Ovidiu City Hall. The second structure will most probably be re-authorised during June/July 2022. This in order to add value to the plot and authorise the works for constructing the utilities in the area, with required permits hopefully granted also during first half 2022. The Company has commenced the works for water, sewage and gas on the plot.

Industrial Park (No. 4 on the table) – The Company is engaged in a process with an international company to sell parts of the plot, but no binding agreement is signed. A final decision is expected before end of August 2022.

Balada Market (No. 6 on the table) - The project is for sale. In order to its increase income, a regulation process to utilise a larger part of the plot for parking has commenced and some progress has been made with the local authorities.

Ovidiu Residence (former Badulescu plot (No. 2 on the table) – Based on the Lakeside plot experience, the Company has commenced a process to regulate this plot located nearby Lakeside for residential and commercial use. Regular meetings with local and road authorities are taking place.

Ovidiu Residence 2 (former 7,900 sqm) - The Company has commenced a process to regulate the plot located nearby Lakeside for residential use. This will include infrastructure investments. It is expected the urbanistic regulation of the plot to be approved by local authorities during Q4 2022.

Ovidiu Residence 3 (former 7,100 sqm) - The Company has commenced a process to regulate the plot located nearby the road between Ovidiu and Constanta for residential use. It is expected to include infrastructure investments. It is expected the urbanistic regulation of the plot to be approved by local authorities during Q4 2022.



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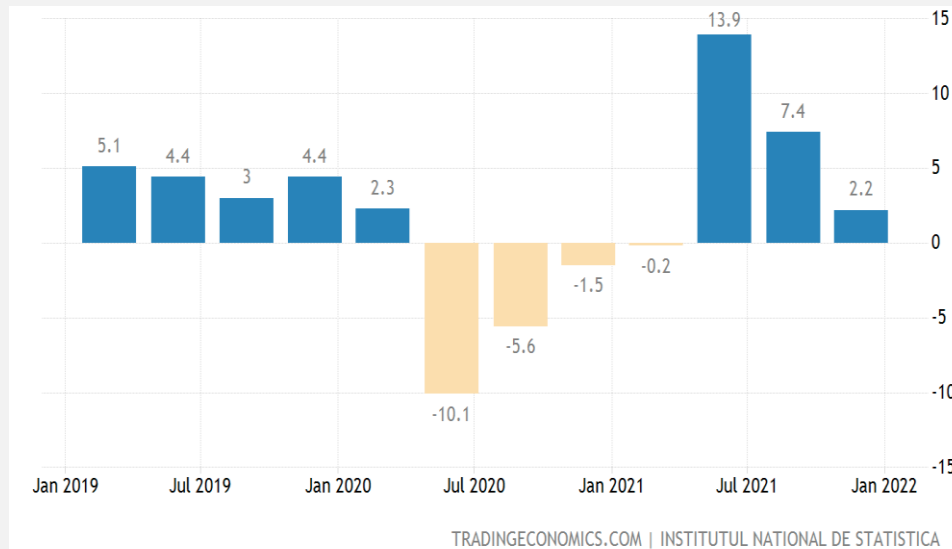
## Operational highlights 2

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

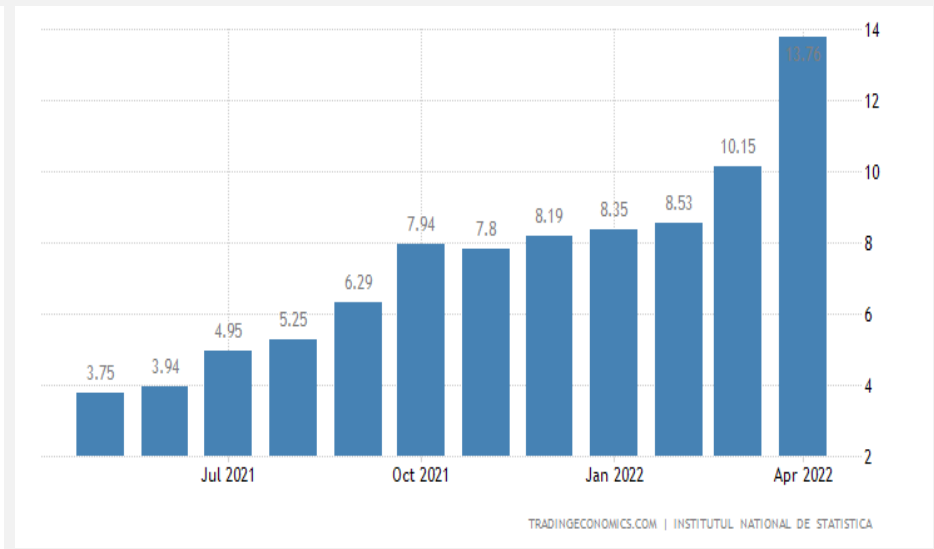
The piece of land is agreed sold to the buyer of the Company's previous Mamaia North plot and the agreed proceeds about EUR 390,000 is received in full 21 February 2022.

# Romanian Macro development

- The Romanian economy's recovery to pre-pandemic levels has been driven, amongst others, by consumption, which, in turn, was sustained by the resilient labour market.
- Romania's economy rose 6.5%, the highest in the EU, year-on-year in the first quarter of 2022, compared to a 2.4% annual increase in the same quarter of 2021, based on non-adjusted flash data.
- Inflation in April 2022 increased 8.3% from a year ago.

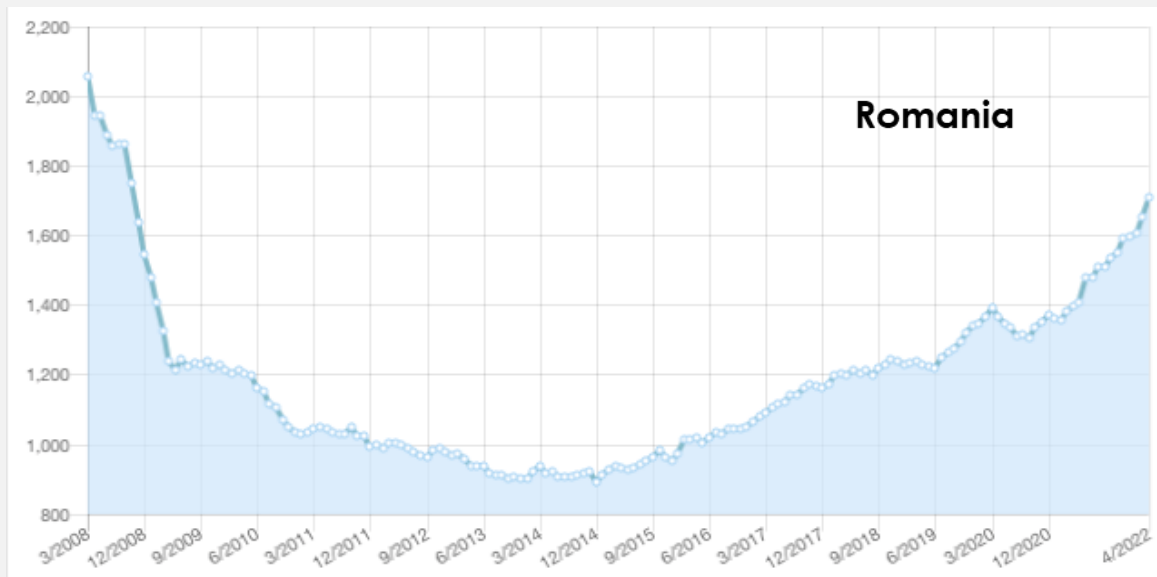


Romania quarterly GDP evolution (Data INS)

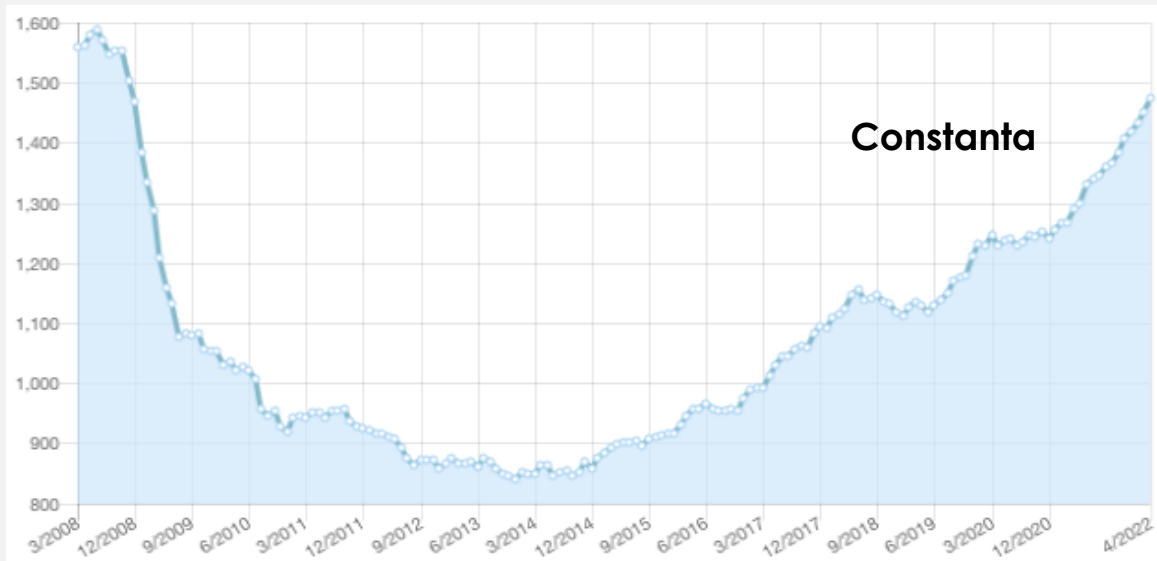


Romania Inflation Rate (Data INS)

# Apartment Price Development (End March 22)



- Asking prices for apartments and houses in Romania gained 6.64% in the first quarter of 2022 compared fourth quarter of 2021. Q1 2022 average residential prices in Romania reached an average price of EUR 1,619/sqm compared to 1,551/sqm at the end of the previous quarter.



- In Constanta, average prices increased by 3.05% during the first quarter of 2022 (EUR 1,451/sqm at the end of March 2022, compared to EUR 1,408/sqm at the end of December 2021), according to [www.imobiliare.ro](http://www.imobiliare.ro) index.

## RomReal shareholders as at 23/05/2022

Rank	Name	Holding	Stake
1	SIX SIS AG	10,331,934	24.98%
2	GRØNSKAG, KJETIL	5,813,322	14.05%
3	THORKILDSEN, WENCHE	5,392,985	13.04%
4	SAGA EIENDOM AS	3,311,526	8.01%
5	AUSTBØ, EDVIN	2,108,500	5.10%
6	Danske Bank A/S	1,507,741	3.64%
7	ENERGI INVEST AS	1,253,611	2.66%
8	GRØNLAND, STEINAR	1,105,021	2.67%
9	Orakel AS	1,101,000	2.66%
10	Bnp Paribas Securities Services	991,717	2.40%
11	SPAR KAPITAL INVESTOR AS	940,236	2.27%
12	THORKILDSEN INVEST AS	829,478	2.01%
13	PERSSON, ARILD	718,000	1.74%
14	HOEN, ANDERS MYSSSEN	689,557	1.67%
15	KVAAL INVEST AS	605,700	1.46%
16	AKSEL MAGDAHL	466,092	1.13%
17	NORDNET LIVSFORSIKRING AS	420,657	1.02%
18	FRENICO AS	396,000	0.96%
19	CITIBANK	220,000	0.53%
20	Jo Egil Aderud	166,864	0.40%
	<b>TOP 20</b>	<b>38,369,941</b>	<b>92.40%</b>

•(1) This is the Top 20 Shareholder list as per 23 May 2022.

•(2) The total issued number of shares issued at end Q1 2022 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 5,813,322 shares corresponding to 14.05%.

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## Main focus areas going forward

- Even though, the Romanian first quarter 2022 GDP flash growth numbers was the highest in the EU, the Board expects a slower growth ahead. This has hitherto not affected the residential market, but RomReal's land bank and project development activities are under constant review. With no external debt and very limited building activity, on-going and planned infrastructure investments to improve marketability could be paused very quickly, if deemed necessary.
- In order to speed up an exit and target a higher profitability on the attractive located Oasis project, the Board of Directors have decided to provide the financial resources to complete the two apartment structures and upgrade the four houses on the property. This in addition to the infrastructure required on the Oasis project.
- An improved but 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.

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# Thank you

## **Investor Relations**

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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](http://www.romreal.com)

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