
RomReal Limited

Investor presentation

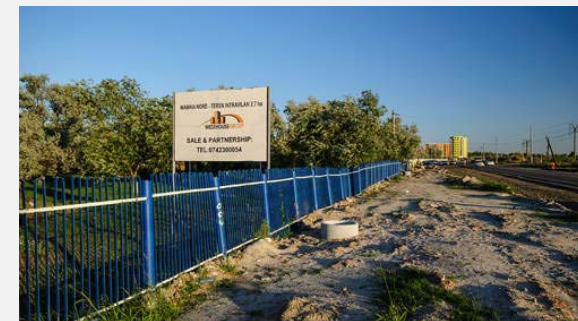
Second Quarter (Q2) 2022 results

Kjetil Gronskag

26 August 2022

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Q2 2022 results – Highlights

Net Asset Value (NAV)

- Net Asset value was EUR 0.40 (NOK 4.13, before any tax) per share, a decrease of 3.6% measured in EUR from the end of the first quarter 2022.

Operational highlights

- During the second quarter of 2022, the Company sold one plot from the Ovidiu Lake Side project for a total consideration of EUR 0.04m.
- Total infrastructure investments by the end of 2nd quarter 2022 was EUR 4.6m.

Q2 2022 results – Highlights

Financial Results

- Net Result for the quarter was a loss of EUR 727,000, compared to a EUR 380,000 loss in 2Q 2021. Net change in cash flow for the quarter was a negative EUR 218,000 compared to positive of EUR 10,000 in the same period last year. This was mainly due to capitalized expenses realised during the quarter.
- At the end of the quarter, the Company had a cash position of EUR 4.2 million plus a total of EUR 2.5m unsettled receivables related to binding sales agreements, totalling EUR 6.7m, or about EUR 0.16 per share.

Macro and real estate market highlights

- The Romanian GDP grew by 5.3% year-on-year in the second quarter of 2022, beating market consensus of a 3.5% growth, following a 6.4% gain in the previous period. It was the fifth straight quarter of expansion in the GDP, amid a lifting of Covid-19 restrictions. On a seasonally adjusted quarterly basis, the economy advanced by 2.1%, after a 5.1% rise in the first quarter of 2022. In the first half of 2022, the economy expanded by 5.8% from a year earlier, INS said in a statement 17 August 2022.
- Asking prices for apartments and houses in Romania continued to increase in the second quarter of 2022 compared the first quarter of 2022 (EUR 1,654), up to EUR 1,699/m² at the end of 2Q 2022 and EUR 1,722/ m² at the end of July 2022. In Constanta, average prices increased by 0.96% during the second quarter of 2022 (EUR 1,465/m² at the end of June 2022, compared to EUR 1,451/m² at the end of March 2022), according to www.imobiliare.ro index.

NAV movement in Q2 2022

Asset base	Q2 2022			Q1 2022		
	EUR '000	EUR/ share	NOK/share	EUR '000	EUR/ share	NOK/share
Investment property	2,297	0.06	0.57	2,034	0.05	0.48
Assets held for sale	2,480	0.06	0.62	2,482	0.06	0.58
Inventories	7,082	0.17	1.77	7,623	0.18	1.79
Cash	4,152	0.10	1.04	4,370	0.11	1.03
Other assets/(liabilities)	531	0.01	0.13	645	0.02	0.15
Net asset value	16,542			17,154		
NAV/Share		0.40	4.13		0.41	4.04
Change in NAV vs previous quarter	(3.6%)			1.9%		

The average number shares used in the NAV calculation above is 41,367,783 shares and unchanged from Q1 2022.

Financial highlights 2Q.22- IFRS

EUR '000	Q2 2022	Q2 2021
Operating Revenue	105	331
Operating Expenses	(482)	(243)
Other operating income/ (expense), net	(336)	(58)
Net financial income/(cost)	20	(407)
Pre-tax result	(693)	(377)
Result for the period	(727)	(380)
Total assets	17,499	15,340
Total liabilities	958	311
Total equity	16,542	15,029
Equity %	94.5%	98.0%
NAV per share (EUR)	0.40	0.36
Cash position	4,152	1,257

RomReal Properties Q2 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 Centrepont	Constanta North/Ovidiu	121,672
5 Gunaydin plot	Constanta North/Ovidiu	15,000
6 Balada Market	Central Constanta	7,188
Total		232.298

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

Operational highlights

Lake Side (No.1 on the table) – The Company has sold only one plot during the quarter. Street and utilities have been delivered to the City Hall for public use according to agreement. The City Hall is presently delivering the utilities to the water company. RomReal is marketing the remaining few plots for sale.

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 this year, one block structure has already been re-authorised by Ovidiu City Hall. 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 other apartment structure is expected to be re-authorised within about a month. The Company has commenced the works for water and sewage on the plot as well as finalisation of the authorised block erected on site.

Industrial Park (No. 4 on the table) – The Company had a comprehensive sales process with a well-regarded developer well advanced, but the final closing did not materialise. The project is partly or fully still for sale.

Balada Market (No. 6 on the table) – The project is for sale. 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. The parking authorisation is expected within a couple of months.

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 national road authorities are taking place. The Company have active discussions at present for sale of the plot to local and international investors.

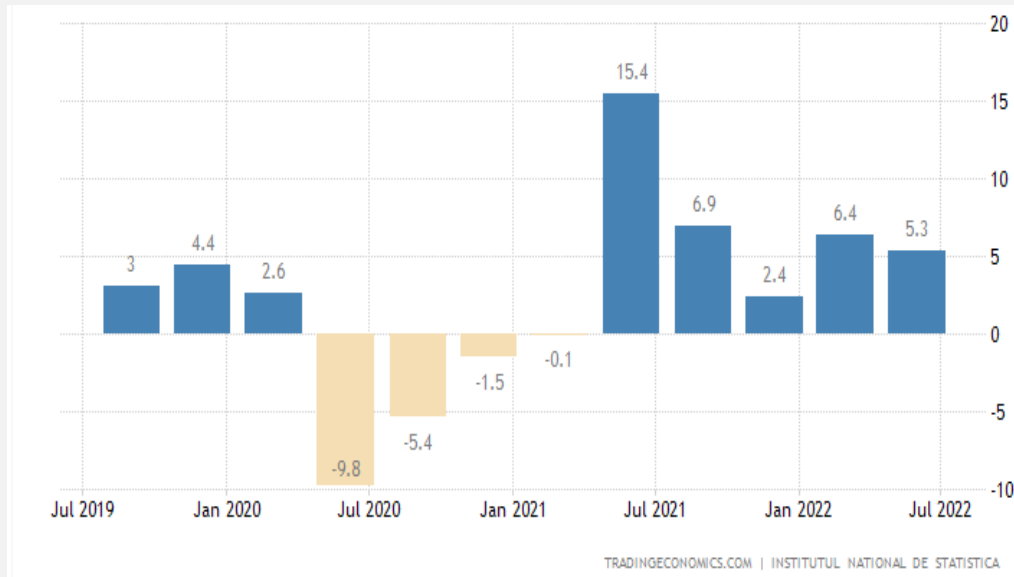
Ovidiu Residence 2 (former 7,900 sqm) – The Company has commenced a process to regulate the plot located nearby Lakeside for residential use. This will include infrastructure investments. It is expected the urbanistic regulation of the plot to be approved by local authorities during first quarter 2023.

Operational highlights

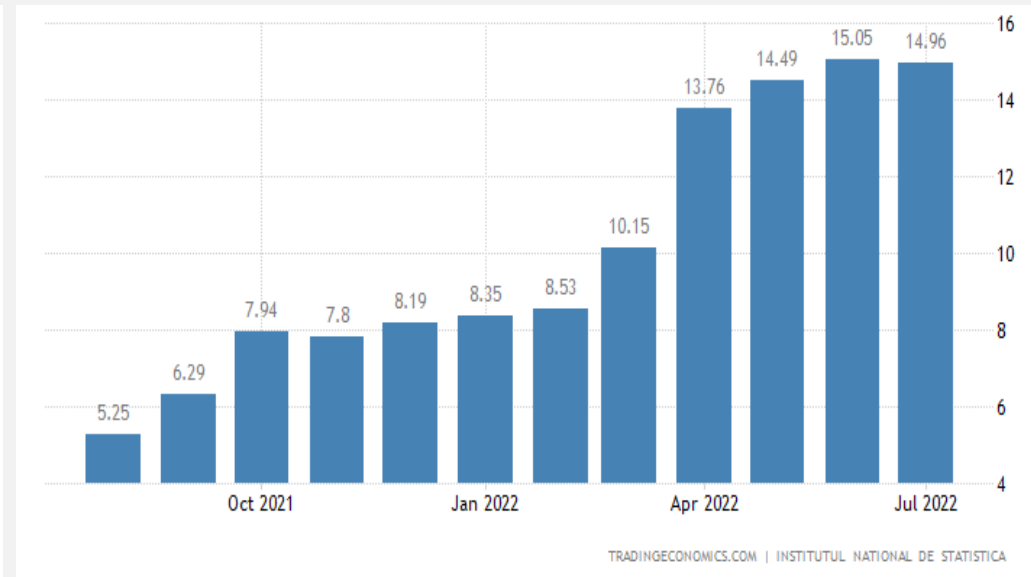
Ovidiu Residence 3 (former 7,100 sqm) – The Company has commenced a process to regulate the plot located nearby the road between Ovidiu and Constanta for residential use. It is expected to include infrastructure investments. It is expected the urbanistic regulation of the plot to be approved by local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

Romanian Macro development

- The Romanian GDP grew by 5.3% year-on-year in the second quarter of 2022, beating market consensus of a 3.5% growth, following a 6.4% gain in the previous period. It was the fifth straight quarter of expansion in the GDP, amid a lifting Covid-19 restrictions. On a seasonally adjusted quarterly basis, the economy advanced by 2.1%, after a 5.1% rise in the first quarter of 2022. In the first half of 2022, the economy expanded by 5.8% from a year earlier.
- The situation on the ground in Romania is stable and normal. The shipments from the harbour of Constanta is extraordinary high, due to farming products from Ukraine as well as the regular harvest season in Romania. Even though the economy has held up well hitherto post covid, the budget fiscal deficit and the increasing inflation is a growing challenge.

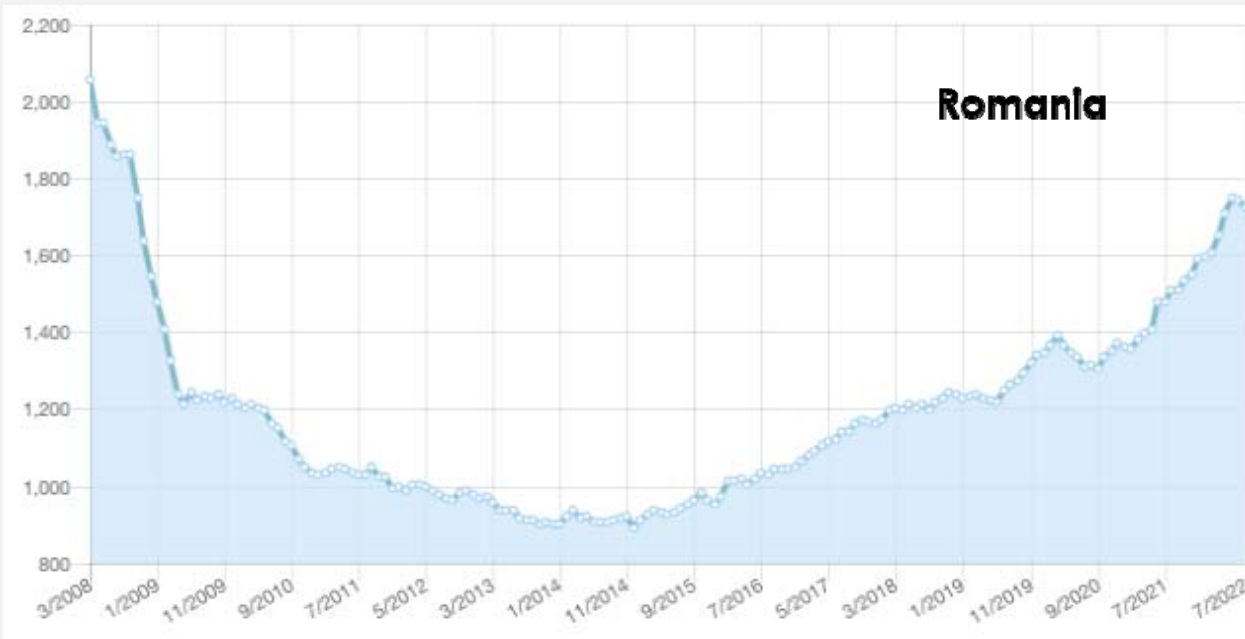


Romania quarterly GDP evolution (Data INS)

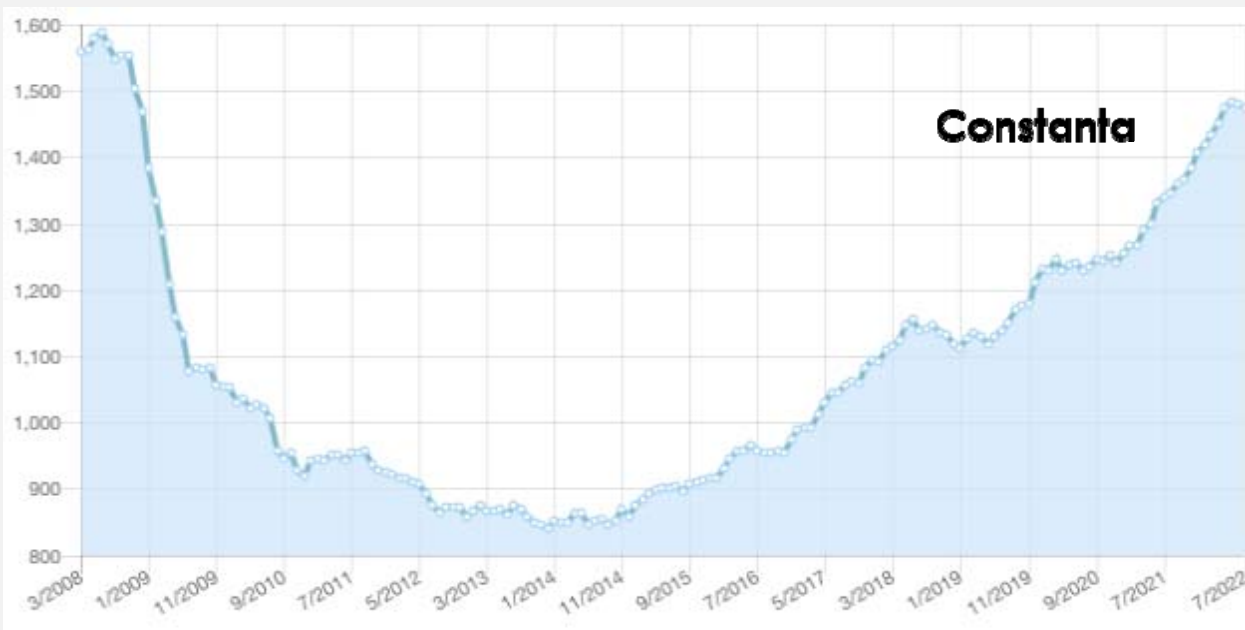


Romania Inflation Rate (Data INS)

Apartment Price Development (End June 22)



- Asking prices for apartments and houses in Romania continued to increase in the second quarter of 2022 compared the first quarter of 2022 (EUR 1,654), up to EUR 1,745/m2 at the end of 2Q 2022 and EUR 1,722/m2 at the end of July 2022.



- In Constanta, average prices increased by 2.07% during the second quarter of 2022 (EUR 1,481/m2 at the end of June 2022, compared to EUR 1,451/m2 at the end of March 2022), according to www.imobiliare.ro index.

RomReal shareholders as at 15/08/2022

Rank	Name	Holding	Stake
1	SIX SIS AG	10,331,934	24.98%
2	GRØNSKAG, KJETIL	5,792,823	14.00%
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	1,501,662	3.63%
7	ENERGI INVEST AS	1,253,611	3.03%
8	Orakel AS	1,101,000	2.66%
9	GRØNLAND, STEINAR	1,100,972	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	640,000	1.55%
16	AKSEL MAGDAHL	466,092	1.13%
17	Frenico AS	396,000	0.96%
18	NORDNET LIVSFORSIKRING AS	393,738	0.91%
19	CITIBANK	220,000	0.53%
20	Jo Egil Aalerud	166,864	0.40%
	TOP 20	38,346,695	92.68%

•(1) This is the Top 20 Shareholder list as per 15 August 2022.

•(2) The total issued number of shares issued at end Q2 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 5,792,823 shares corresponding to 14.00%.

Main focus areas going forward

- Even though, the Romanian first half 2022 GDP flash growth numbers was strong, the Board expects a slower growth ahead combined with an increasing inflation and weakening Government finances.
- 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.
- Even though a sale of only one small plot in second quarter is not satisfactory, the overall marketing and sales activities are steady, and a hopefully higher volume to materialise during second half 2022.
- 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.

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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