
RomReal Limited

Investor presentation

Third Quarter (Q3) 2022 results

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Q3 2022 results – Highlights

Net Asset Value (NAV)

- Net Asset value was EUR 0.42 (NOK 4.39, before any tax) per share, an increase of 4.2% measured in EUR from the end of the second quarter 2022.

Operational highlights

- During the third quarter of 2022, the Company sold 2 plots from the Ovidiu Lake Side project for a total consideration of EUR 0.2m. After the end of the quarter, a plot was sold on the Oasis project for EUR 115,000.
- Total infrastructure investments by the end of 3rd quarter 2022 was EUR 6.7m versus EUR 4.6m by the end of 2nd quarter 2022.

Q3 2022 results – Highlights

Financial Results

- Net Result for the quarter was a profit of EUR 760,000, compared to a EUR 903,000 profit in 3Q 2021. Net change in cash flow for the quarter was a negative EUR 331,000 compared to positive of EUR 2,374,000 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 3.8 million plus a total of EUR 5.0m unsettled receivables related to binding sales agreements, totalling EUR 8.8m, or about EUR 0.21 per share.

Macro and real estate market highlights

- The Romanian GDP advanced to 4% year-on-year in the third quarter of 2022, easing from 5.1% growth in the previous period, a preliminary flash estimate showed. It was the third straight quarter of expansion in the GDP, but the weakest growth in the sequence for the year of 2022. On a seasonally adjusted quarterly basis, the economy grew by 1.3%, the same pace as in the previous period. For the first nine months of 2022, the GDP increased by 5% from a year earlier, INS said in a statement 15 November 2022.
- Asking prices for apartments and houses in Romania decreased in the third quarter of 2022 compared the second quarter of 2022 (EUR 1,745), to EUR 1,705/m² at the end of 3Q 2022. In Constanta, average prices decreased by 3.58% during the third quarter of 2022 (EUR 1,428/m² at the end of September 2022, compared to EUR 1,481/m² at the end of June 2022), according to www.imobiliare.ro index. The Romanian housing market has been increasing since 2015 with a nationwide average price increase of about 84%. This trend turned negative from June this year.

NAV movement in Q3 2022

Asset base	Q3 2022			Q2 2022		
	EUR '000	EUR/ share	NOK/share	EUR '000	EUR/ share	NOK/share
Investment property	2,094	0.05	0.57	2,297	0.06	0.57
Assets held for sale	2,480	0.06	0.62	2,480	0.06	0.62
Inventories	6,544	0.16	1.77	7,082	0.17	1.77
Cash	3,821	0.09	1.04	4,152	0.10	1.04
Other assets/(liabilities)	2,297	0.06	0.13	531	0.01	0.13
Net asset value	17,237			16,542		
NAV/Share		0.42	4.13		0.40	4.13
Change in NAV vs previous quarter	4.2%			1.9%		

The average number shares used in the NAV calculation above is 41,367,783 shares and unchanged from Q2 2022.

Financial highlights 3Q.22- IFRS

EUR '000	Q3 2022	Q3 2021
Operating Revenue	2,212	2,043
Operating Expenses	59	366
Other operating income/ (expense), net	(1,458)	(1,413)
Net financial income/(cost)	64	(92)
Pre-tax result	876	904
Result for the period	760	903
Total assets	17,704	16,744
Total liabilities	467	798
Total equity	17,237	15,947
Equity %	97.3%	95.2%
NAV per share (EUR)	0.42	0.39
Cash position	3,821	3,581

RomReal Properties Q3 2022

Plot name	Location	Size (m2)
1 Ovidiu Lakeside	Constanta North/Ovidiu	5,937
2 Badulescu plot	Constanta North/Ovidiu	50,000
3 Ovidiu (Oasis)	Constanta North/Ovidiu	23,103
4 Centrepoint	Constanta North/Ovidiu	121,672
5 Gunaydin plot	Constanta North/Ovidiu	15,000
6 Balada Market	Central Constanta	7,188
Total		222,900

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

Operational highlights

Lake Side (No.1 on the table) – The Company has sold 2 plots 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 4 small plots for sale.

Oasis (No. 3 on the table) – The Company has commenced the process to re-authorise the works to finalise the two blocks erected on site, as well as regular utilities. Both block structures have already been re-authorised by Ovidiu City Hall. This in order to add value to the plot and commence the works for constructing the utilities in the area. The Company has commenced the works for water and sewage on the plot as well. After the end of 3rd quarter, a frontline plot was sold for EUR 115,000.

Industrial Park (No. 4 on the table) – The project is partly or fully still for sale. Some investments is required on the plot to maintain its existing PUZ and building Authorisation before October 2023.

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 progress has been made with the local authorities. The parking authorisation is granted in November 2022.

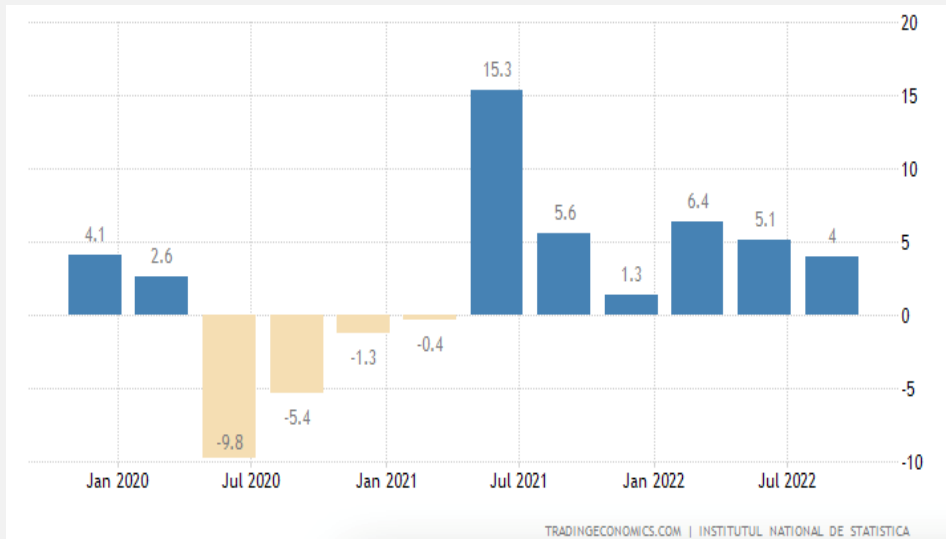
Ovidiu Residence (former Badulescu plot (No. 2 on the table) – Based on the Lakeside plot experience, the Company has commenced a process to regulate this plot located nearby Lakeside for residential and commercial use. Regular meetings with local and national road authorities are taking place. The Company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

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.

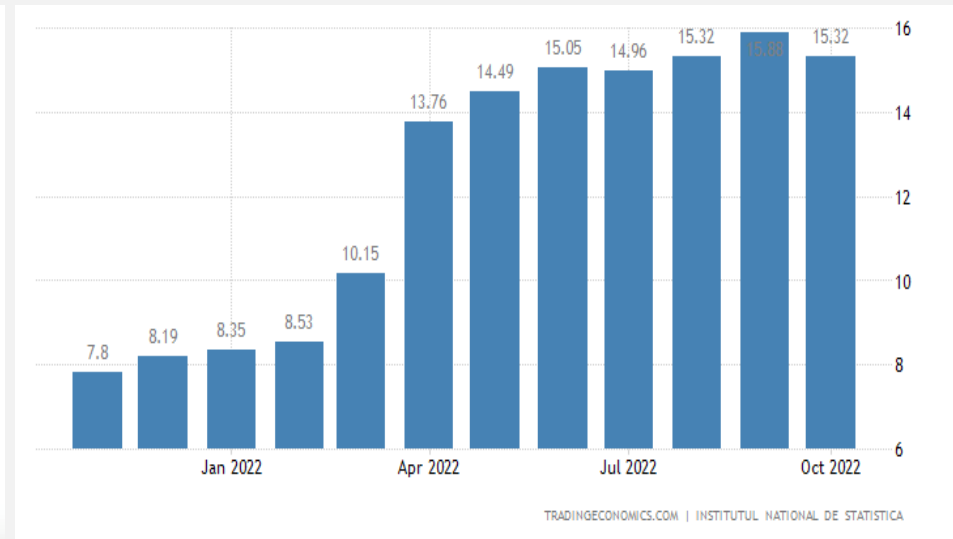
Ovidiu Residence 3 (former 7,100 sqm) – The Company has commenced a process to regulate the plot located nearby the road between Ovidiu and Constanta for residential use. It is expected to include infrastructure investments. It is expected the urbanistic regulation of the plot to be approved by local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

Romanian Macro development

- The Romanian GDP advanced to 4% year-on-year in the third quarter of 2022, easing from 5.1% growth in the previous quarter, and missing market expectations of 5.5%, a preliminary flash estimate showed. It was the third straight quarter of expansion in the GDP, but the weakest growth in the sequence for the year of 2022. On a seasonally adjusted quarterly basis, the economy grew by 1.3%, the same pace as in the previous period. For the first nine months of 2022, the GDP increased by 5% from a year earlier, INS said in a statement 15 November 2022.
- 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.

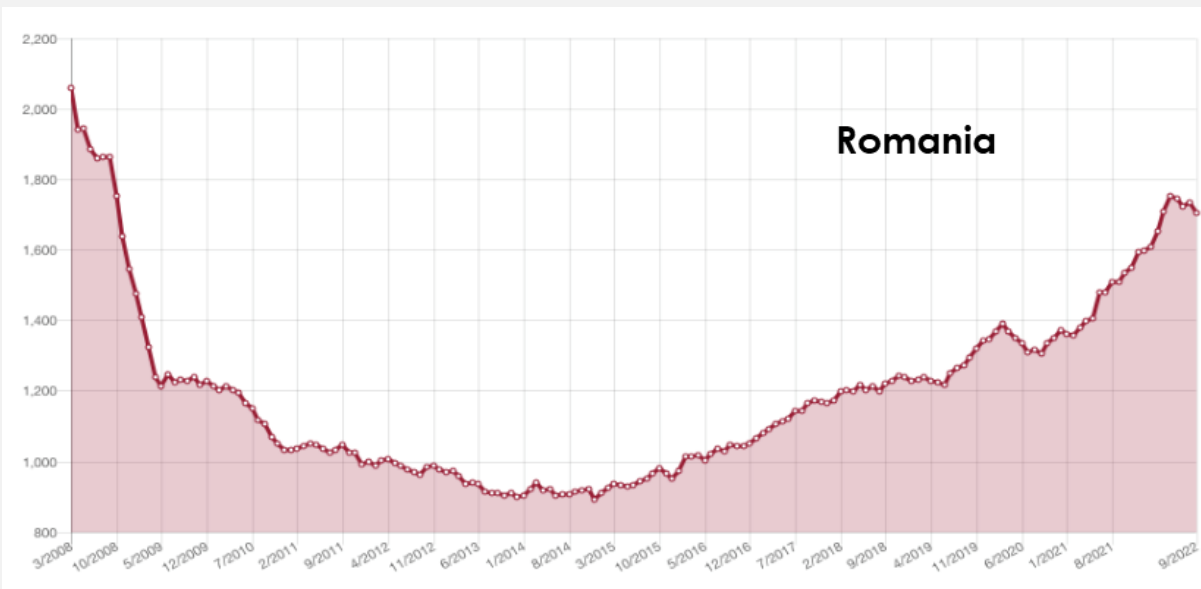


Romania quarterly GDP evolution (Data INS)

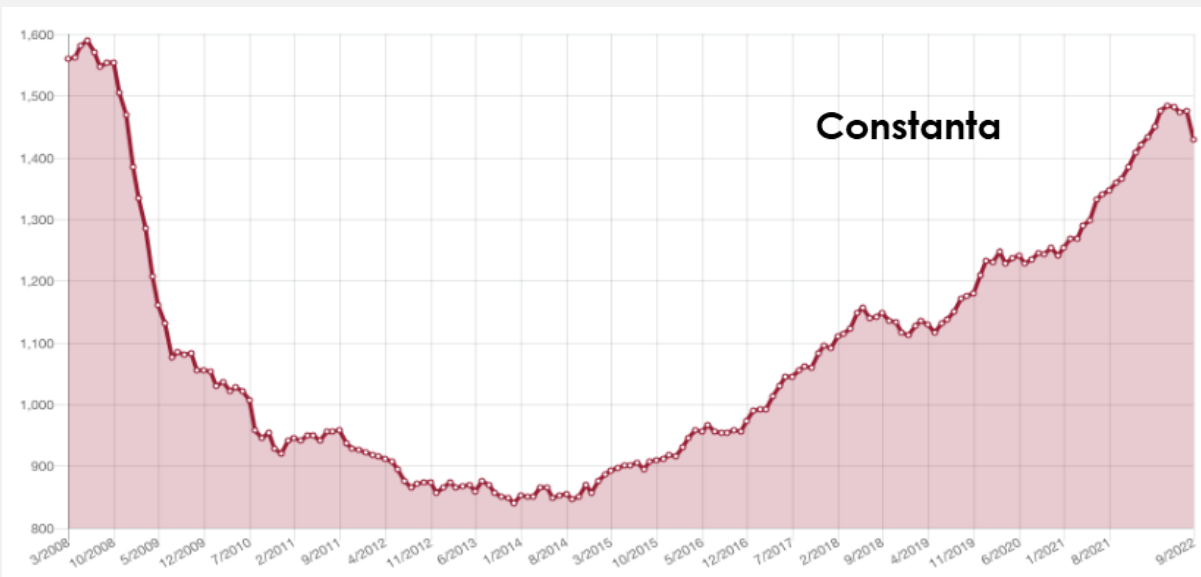


Romania Inflation Rate (Data INS)

Apartment Price Development (End September 22)



- Asking prices for apartments and houses in Romania decreased in the third quarter of 2022 compared the second quarter of 2022 (EUR 1,745), to EUR 1,705/m² at the end of 3Q 2022.



- In Constanta, average prices decreased by 3.58% during the third quarter of 2022 (EUR 1,428/m² at the end of September 2022, compared to EUR 1,481/m² at the end of June 2022), according to www.imobiliare.ro index.

RomReal shareholders as at 18/11/2022

Rank	Name	Holding	Stake
1	SIX SIS AG	10,331,934	24.98%
2	GRØNSKAG, KJETIL	5,913,006	14.29%
3	THORKILDSEN, WENCHE	5,392,985	13.04%
4	SAGA EIENDOM AS	3,386,636	8.19%
5	AUSTBØ, EDVIN	2,108,500	5.10%
6	Danske Bank A/S	1,557,838	3.78%
7	ENERGI INVEST AS	1,253,611	3.03%
8	Orakel AS	1,101,000	2.66%
9	BNP Paribas Sec. Services	991,717	2.40%
10	GRØNLAND, STEINAR	958,073	2.32%
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	660,320	1.60%
16	AKSEL MAGDAHL	466,092	1.13%
17	Frenico AS	396,000	0.96%
18	NORDNET LIVSFORSIKRING AS	307,989	0.74%
19	CITIBANK	220,000	0.53%
20	Jo Egil Aalerud	166,864	0.40%
	TOP 20	38,389,836	92.84%

•(1) This is the Top 20 Shareholder list as per 18 November 2022.

•(2) The total issued number of shares issued at end Q3 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 5,913,006 shares corresponding to 14.29%.

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 higher volume is hopefully to materialise during second half.
- 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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