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# RomReal Limited

## Investor presentation

Third Quarter (Q4) 2023 results

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23 February 2024

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# Q4 2023 results – Highlights

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

- Net Asset value was EUR 0.41 (NOK 4.60, before any tax) per share, an increase of 1.4% measured in EUR from the end of the third quarter 2023. EUR/NOK was 10.51 end 2022 versus 11.23 by the end of Q4.23.

## **Operational highlights**

- During the Fourth quarter of 2023, the Company sold one plot on the Ovidiu Lake Side project for a total consideration of EUR 0.06m.
- So far in Q1 2024, the Company concluded sale of one plot on the Ovidiu Lake Side project for a total consideration of EUR 0.13m.
- Total infrastructure investments by the end of 4<sup>th</sup> quarter 2023 was EUR 8.98m, of this EUR 4m represents finalised projects, mostly related to Ovidiu Lake Side.

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# Q4 2023 results – Highlights

## Financial Results

- Net Result for the quarter was a loss of EUR 505,000, compared to a EUR 1,001,000 loss in 4Q 2022. Net change in cash flow for the quarter was a positive EUR 157,000 compared to positive of EUR 277,000 in the same period last year. This was mainly due to capitalized expenses related to infrastructure.
- At the end of the quarter, the Company had a cash position of EUR 3.5 million plus a total of EUR 3.83m unsettled receivables related to binding sales agreements, totaling EUR 7.33m, or about EUR 0.2 per share. Due to the weaker market situation, the outstanding vendor financing agreements are followed up with extra attention.

## Macro and real estate market highlights

- In January 2024, the National Bank decided to keep the monetary “Policy rate” at 7%, unchanged since March 2023. Other key interest rates were also kept unchanged.
- By the end of Q4.2023, the annual inflation rate showed a drop to 6.6% (16.4%) versus 8.8% for the last 12 months by the end of the third quarter 2023.
- According to the latest release from the Romanian National Institute of Statistics, by the end of January the CPI accelerated to 7.4%, growing after months of deceleration. The main driver for this increase was the service sector.
- According to the European Commission (last update 15th Feb 2024), the 2023 GDP growth is estimated to have decelerated to 1.8%, a downward revision from the autumn statement.
- Asking prices for apartments and houses in Romania increased in the Fourth quarter of 2023 compared to third quarter of 2023 (EUR 1,437/m<sup>2</sup>) to EUR 1,500/m<sup>2</sup> at the end of 4Q 2023 and EUR 1,510/ m<sup>2</sup> at the end of January 2024. In Constanta, average prices increased by 0.58% during the Fourth quarter of 2023 (EUR 1,555/m<sup>2</sup> at the end of December 2023 compared to EUR 1,546/m<sup>2</sup> at the end of August 2023), according to [www.imobiliare.ro](http://www.imobiliare.ro) index.

## NAV movement in Q4 2023

Asset base	Q4 2023			Q3 2023		
	EUR '000	EUR/ share	NOK/share	EUR '000	EUR/ share	NOK/share
Investment property	3,016	0.07	0.82	2,877	0.07	0.78
Assets held for sale	0	0.00	0.00	0	0.00	0.00
Inventories	6,686	0.16	1.82	6,932	0.17	1.89
Cash	3,480	0.08	0.94	3,323	0.08	0.90
Other assets/(liabilities)	3,750	0.09	1.02	3,574	0.09	0.97
Net asset value	16,931			16,705		
NAV/Share		0.41	4.60		0.40	4.55
Change in NAV vs previous quarter	1.4%			5.6%		

The average number shares used in the NAV calculation above is 41,367,783 shares and unchanged from Q3 2023.

## Financial highlights 4Q.23- IFRS

EUR '000	Q4 2023	Q4 2022
Operating Revenue	131	635
Operating Expenses	(705)	(982)
Other operating income/ (expense), net	(3)	(739)
Net financial income/(cost)	84	42
Pre-tax result	(494)	(1,044)
Result for the period	(505)	(1,001)
Total assets	17,398	16,724
Total liabilities	466	494
Total equity	16,931	16,230
Equity %	97.3%	97.0%
NAV per share (EUR)	0.41	0.39
Cash position	3,480	4,098

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# RomReal Properties Q4 2023

Plot name	Location	Size (m2)
1 Ovidiu Lakeside	Constanta North/Ovidiu	2,153
2 Ovidiu residence	Constanta North/Ovidiu	9,946
3 Ovidiu (Oasis)	Constanta North/Ovidiu	22,041
4 Centrepont	Constanta North/Ovidiu	121,672
5 Ovidiu Residence 2 and 3	Constanta North/Ovidiu	15,000
6 Balada Market	Central Constanta	7,188
<b>Total</b>		178,000

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) – Following the end of Q4 2023, the Company concluded sale of one plot from the Ovidiu Lake Side project. Two houses on the plot are still for sale as well as one plot of land for EUR 0.06m. Street and utilities have been delivered to the City Hall for public use according to agreement. The City Hall delivered the utilities to the water company in February 2023. The final transfer of the agreed land (about 700m<sup>2</sup>) to the municipality of Ovidiu is planned to take place during 2<sup>nd</sup> quarter 2024.

Oasis (No. 3 on the table) –The Company has finalised the works for water and sewage on the plot as well as the gas connection for all plots on site. The construction of roads and parking as well as electrical works have commenced. The first apartment block is about 80% finished and costs hitherto is slightly below the budget. The target completion date of the first block is 1 September 2024.

Industrial Park (No. 4 on the table) – The project is still advertised for sale. The development activity in the neighbourhood is expanding including various NATO/Romanian defence projects. In order to renew the building permit, an infrastructure investment for electricity connection on the development plot of about EUR 140,000 (to be paid in instalments) is required during 1<sup>st</sup> quarter 2024.

Balada Market (No. 6 on the table) – The project is for sale. The installation of the parking system was completed in May 2023 and the parking income is picking up. This income is a mix of spot parking and monthly rental agreements.

Ovidiu Residence (former Badulescu plot (No. 2 on the table) – In October 2023 the Company signed a two year contract (with vendor financing) for 40,054 m<sup>2</sup>, for a large part of the Ovidiu Residence (50,000m<sup>2</sup>) for a total consideration of EUR 3m. Also in October 2023, the Company entered a pre-sale agreement for a different part of the Ovidiu Residence, for a total sellers-credit consideration of EUR 0.8m. This sellers-credit agreement has a maturity of 2 years and is serviced monthly.

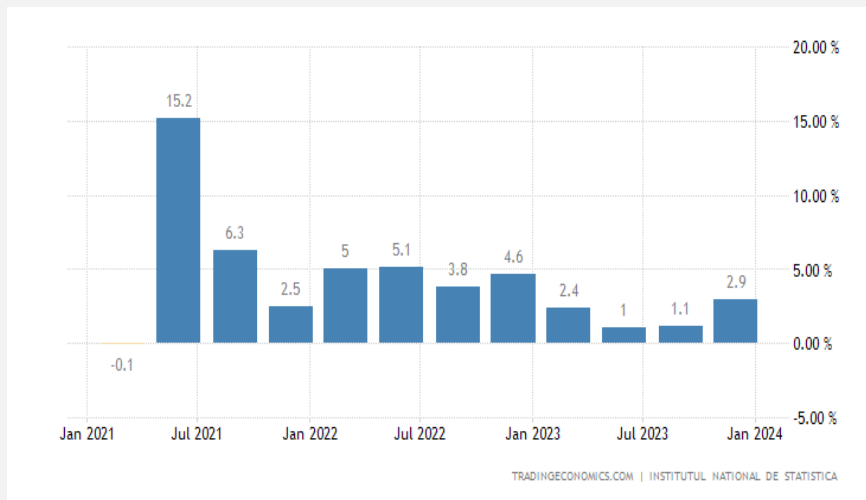
Ovidiu Residence 2 (former 7,900 sqm) - The urbanistic regulation/PUZ of the plot has been approved by local authorities, during fourth quarter 2023. The Company has signed a pre-contract for sale of the plot with a local investor.

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 industrial and logistic use. It is expected to include infrastructure investments and the urbanistic regulation/PUZ of the plot to be approved by local authorities, now most likely during fourth quarter 2024.

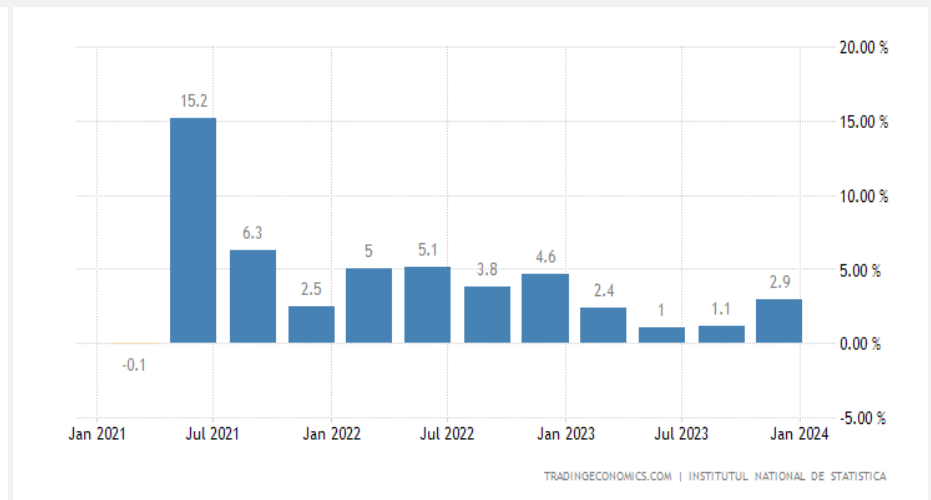


# Romanian Macro development

- According to the European Commission (last update 15<sup>th</sup> Feb 2024), the 2023 GDP growth is estimated to have decelerated to 1.8%, a downward revision from the autumn statement. After a weak 3<sup>rd</sup> quarter, short term indicators signal that the Romanian economy regained some speed in in the last months 2023. Main drivers were retail sales, service sector and robust construction activity. The Romanian economy expanded 2.9% year-on-year in the fourth quarter of 2023, following a 1.1% rise in the previous three-month period, preliminary estimates showed.
- In January 2024, the National Bank decided to keep the monetary “Policy rate” at 7%, unchanged since March 2023. Other key interest rates were also kept unchanged.
- By the end of Q4.2023, the annual inflation rate showed a drop to 6.6% (16.4%)versus 8.8% for the last 12 months by the end of the third quarter 2023.

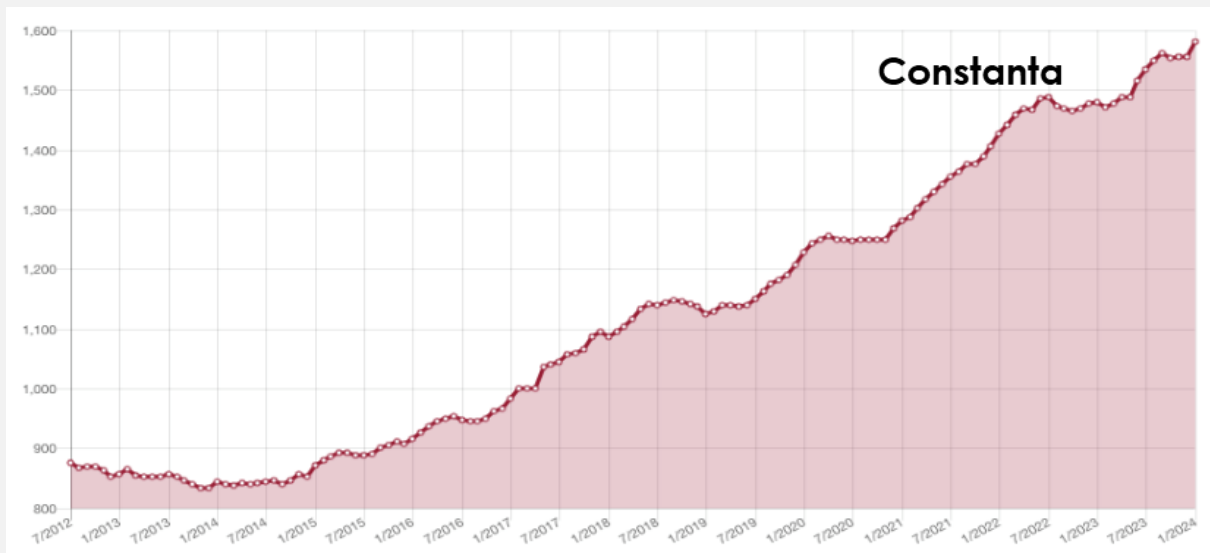
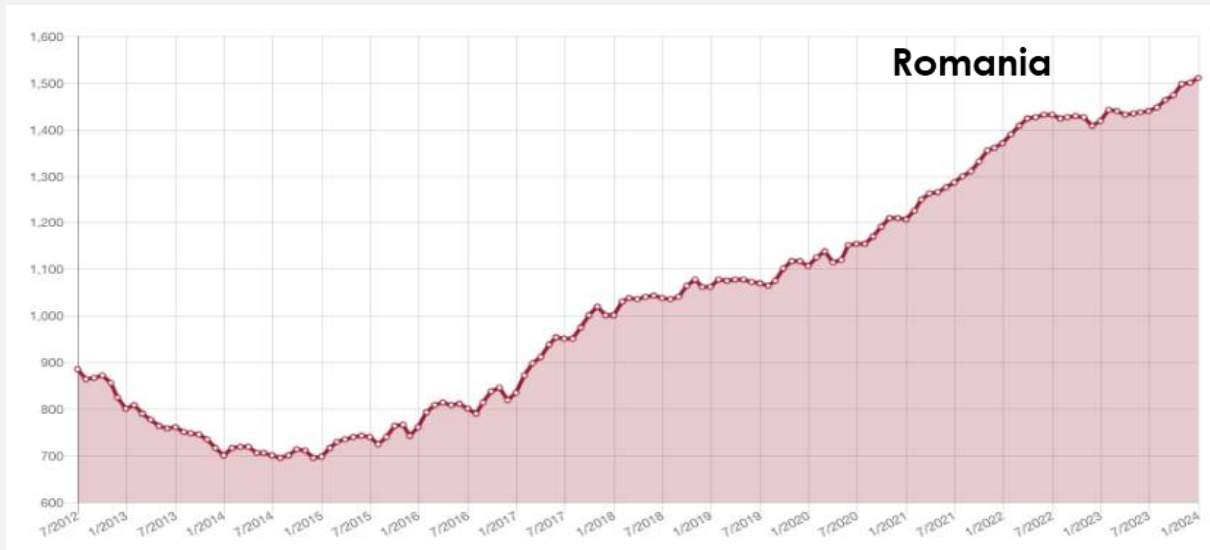


**Romania quarterly GDP evolution (Data INS)**



**Romania Inflation Rate (Data INS)**

# Apartment Price Development (End December 23)



- Starting from January 2023, the calculation methodology of the Imobiliare.ro index has been improved following a major upgrade. Therefore, the value of the Imobiliare.ro index have been replaced by the data obtained by applying the new methodology for the period 2012-present. Asking prices for apartments and houses in Romania increased in the Fourth quarter of 2023 compared to third quarter of 2023 (EUR 1,437/m<sup>2</sup>) to EUR 1,500/m<sup>2</sup> at the end of 4Q 2023 and EUR 1,510/ m<sup>2</sup> at the end of January 2024.
- In Constanta, average prices increased by 0.58% during the Fourth quarter of 2023 (EUR 1,555/m<sup>2</sup> at the end of December 2023 compared to EUR 1,546/m<sup>2</sup> at the end of August 2023), according to [www.imobiliare.ro](http://www.imobiliare.ro) index.

# RomReal shareholders as at 18/02/2024

Rank	Name	Holding	Owner ship
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	1,543,851	3.73%
7	GRØNLAND, STEINAR	1,283,211	3.02%
8	Energi Invest as	1,253,611	3.03%
9	Orakel AS	1,101,000	2.66%
10	BNP Paribas	991,717	2.40%
11	SPAR KAPITAL INVESTOR AS	940,236	2.27%
12	THORKILDSEN INVEST AS	829,478	2.01%
13	KVAAL INVEST AS	788,761	1.91%
14	Arild Persson	722,912	1.75%
15	Anders Hoen	689,557	1.67%
16	AKSEL MAGDAHL	453,066	1.10%
17	Frenico AS	396,000	0.96%
18	Citibank	220,000	0.53%
19	Nordnet Fors.	202,662	0.49%
20	Jo Egil Aalerud	166,864	0.40%
	<b>TOP 20</b>	<b>38,715,987</b>	<b>93.53%</b>

•(1) This is the Top 20 Shareholder list as per 18 February 2024.

•(2) The total issued number of shares issued at end Q4 2023 was 41,367,783.

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

•(4) Chairman Kjetil Grønskag owns directly and indirectly 5,913,006 shares corresponding to 14.29%.

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# Outlook

- Romania has an open economy and should be mindful of the uncertain global backdrop. 2024 is also a mayor election year in Romania and that is always creating some extra political turbulence. The surprising uptick in inflation in January this year would indicate the first expected cut in interest rates by the National Bank could more likely be pushed into second half 2024. With such a scenario in horizon, RomReal will continue its careful approach including cost focus, minimised risks, and no cash return to its shareholders for the time being.

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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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