
RomReal Limited

Investor presentation

First Quarter (Q1) 2023 results

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Contents

Q1 2023 highlights	3-4
NAV movement in Q1 2023	5
Financial highlights 1Q.23 – IFRS	6
RomReal Properties per 1Q 2023	7
Operational highlights	8
Romania Macro Developments	9
Apartment Price Development	10
RomReal shareholders	11
Outlook	12
Contact details	13



Q1 2023 results – Highlights

Net Asset Value (NAV)

- Net Asset value was EUR 0.38 (NOK 4.34, before any tax) per share, about 2.4% lower compared to the end of the fourth quarter 2022.

Operational highlights

- During the first quarter of 2023, the Company sold only one small plot from the Ovidiu Lake Side for a total consideration of EUR 0.06m.
- Following the end of Q1 2023, the Company concluded a sale of one of four older houses (on Oasis) for a consideration of EUR 0.11m. Total infrastructure investments by the end of 1st quarter 2023 was EUR 7.3m versus 6.9m by the end of 4th quarter 2022. The residential market is clearly slower with less activity and longer decision processes etc.

Q1 2023 results – Highlights

Financial Results

- Net Result for the quarter was EUR 398,000 loss, compared to a EUR 332,000 profit in 1Q 2022. Net change in cash flow for the quarter was a negative EUR 289,000 compared to positive of EUR 563,000 in the same period last year. This was mainly due to the ongoing construction works mainly on Oasis and less sales.
- At the end of the quarter, the Company had a cash position of EUR 3.8 million plus a total of EUR 5.2m unsettled receivables related to binding sales agreements, totalling EUR 9m, or about EUR 0.22 per share.
- On 11 May, RomReal made a voluntary offer to buy all shares only from shareholders who own between 1 and including 1,000 shares. RomReal has 400 shareholders and the 20 largest own nearly 95% of the Company. Of the 400 shareholders, 257 shareholders own between 1-1,000 shares. The purpose is to provide these shareholders an opportunity to sell without transaction costs. The price offered is NOK 2.43 and the voluntary offer period is scheduled to end 25 May 2023. The Board of directors decided 24 May 2023, to extend the tender offer period to 08 June 2023, 16:00 CET.

Macro and real estate market highlights

- Romanian GDP advanced 2.3% year-on-year in the first quarter of 2023, easing from a growth of 4.5% growth in the previous month and the growth was somewhat below expectations. Even though, it was the eight consecutive quarter of growth, although the weakest growth in this time period. The National Bank has kept the monetary “Policy rate” at 7% since March 2023. The annual inflation rate fell significantly in April 2023, down to 11.20 percent from 14.50 percent in March.
- Asking prices for apartments and houses in Romania increased in the first quarter of 2023 compared the fourth quarter of 2022 (EUR 1,400/m²) to EUR 1,433/m² at the end of Q1 2023 and EUR 1,425/m² at the end of April 2023. In Constanta, average prices increased by 0.62% during the first quarter of 2023 (EUR 1,465/m² at the end of March 2023, compared to EUR 1,456/m² at the end of December 2022), according to www.imobiliare.ro index.

NAV movement in Q1 2023

Asset base	Q1 2023			Q4 2022		
	EUR '000	EUR/ share	NOK/share	EUR '000	EUR/ share	NOK/share
Investment property	4,414	0.11	1.21	4,398	0.11	1.12
Assets held for sale	0	0.00	0.00	0	0.00	0.00
Inventories	5,650	0.14	1.55	5,719	0.14	1.45
Cash	3,810	0.09	1.04	4,098	0.10	1.04
Other assets/(liabilities)	1,965	0.05	0.54	2,014	0.05	0.51
Net asset value	15,839			16,230		
NAV/Share		0.38	4.34		0.39	4.12
Change in NAV vs previous quarter	-2.4%			-5.8%		

The average number shares used in the NAV calculation above is 41,367,783 shares and unchanged from Q4 2022.

Financial highlights 1 Q.23- IFRS

EUR '000	Q1 2023	Q1 2022
Operating Revenue	101	1,901
Operating Expenses	(352)	(316)
Other operating income/ (expense), net	(230)	(1,093)
Net financial income/(cost)	83	(89)
Pre-tax result	(398)	403
Result for the period	(389)	332
Total assets	16,271	18,218
Total liabilities	432	1,064
Total equity	15,839	17,154
Equity %	97.3%	94.2%
NAV per share (EUR)	0.38	0.41
Cash position	3,810	4,370

RomReal Properties Q1 2023

Plot name	Location	Size (m2)
1 Ovidiu Lakeside	Constanta North/Ovidiu	2,475
2 Ovidiu Residence	Constanta North/Ovidiu	50,000
3 Ovidiu (Oasis)	Constanta North/Ovidiu	22,569
4 Centrepoint	Constanta North/Ovidiu	121,672
5 Ovidiu Residence 2 and 3	Constanta North/Ovidiu	15,000
6 Balada Market	Central Constanta	7,188
Total		218.904

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

Operational highlights

Lake Side (No.1 on the table) – The Company made only one small sale this quarter. 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 during February 2023. RomReal is marketing the remaining 3 small plots for sale.

Oasis (No. 3 on the table) – The Company has re-authorise utilities like gas and electricity but are still applying for several roads on the plot. Both block structures have already been re-authorized by Ovidiu City Hall. The Company has finalised the works for water and sewage on the plot as well. The first apartment block is about 75% finished and costs hitherto is somewhat below the budget. After the end of first quarter a binding sale of one of the four old villas was agreed.

Industrial Park (No. 4 on the table) – The project is still for sale. Some investments are required on the plot to maintain its existing PUZ and building Authorisation before October 2023, which normally could be extended.

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 been obtained and installation of the parking system has been completed mid-May. Some modest parking income has started to occur

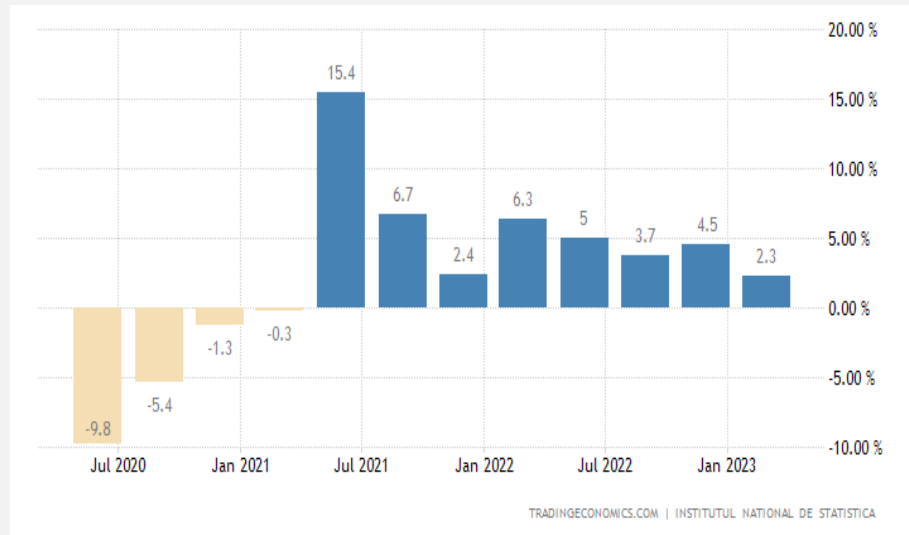
Ovidiu Residence (former Badulescu plot (No. 2 on the table) – Based on the Lakeside plot experience, the Company has commenced a process to regulate this plot located nearby Lakeside for residential and commercial use. The regulation process is broadly advancing as planned, but an urbanistic regulation/PUZ is not obtained yet. The Company has signed a precontract for sale of a part of the plot with a local investor. A few building authorisations have been obtained in the neighbourhood and the whole area is expanding.

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/PUZ of the plot to be approved by local authorities hopefully within end 2023. The Company has signed a precontract for sale of the plot with a local investor.

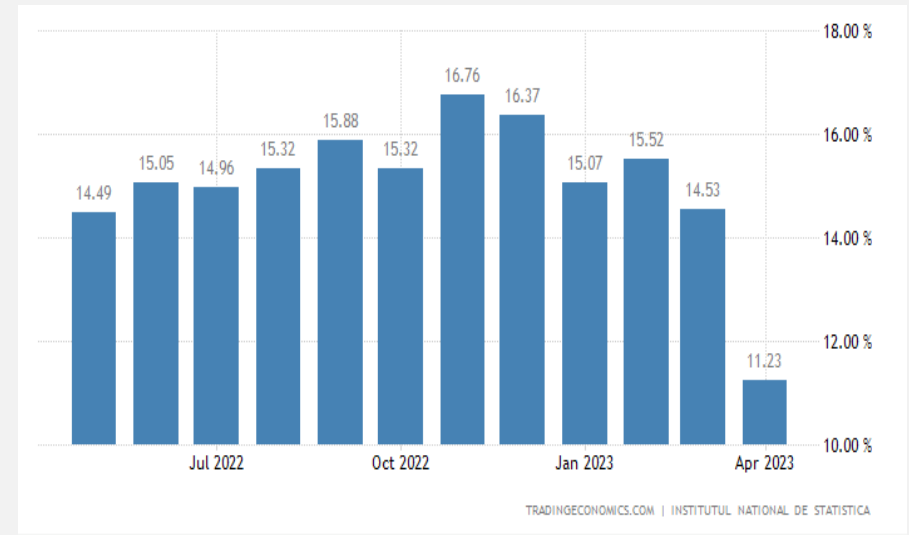
Ovidiu Residence 3 (former 7,100 sqm) – The Company has commenced a process to regulate the plot located nearby the road between Ovidiu and Constanta for residential use. It is expected to include infrastructure investments. It is expected the urbanistic regulation/PUZ of the plot to be approved by local authorities hopefully within end 2023.

Romanian Macro development

- Romanian GDP advanced 2.3% year-on-year in the first quarter of 2023, easing from a growth of 4.5% growth in the previous month and the growth was somewhat below expectations. Even though, it was the eight consecutive quarter of growth.
- The National Bank has kept the monetary “Policy rate” at 7% since March 2023. The annual inflation rate fell significantly in April 2023, down to 11.20 percent from 14.50 percent in March.

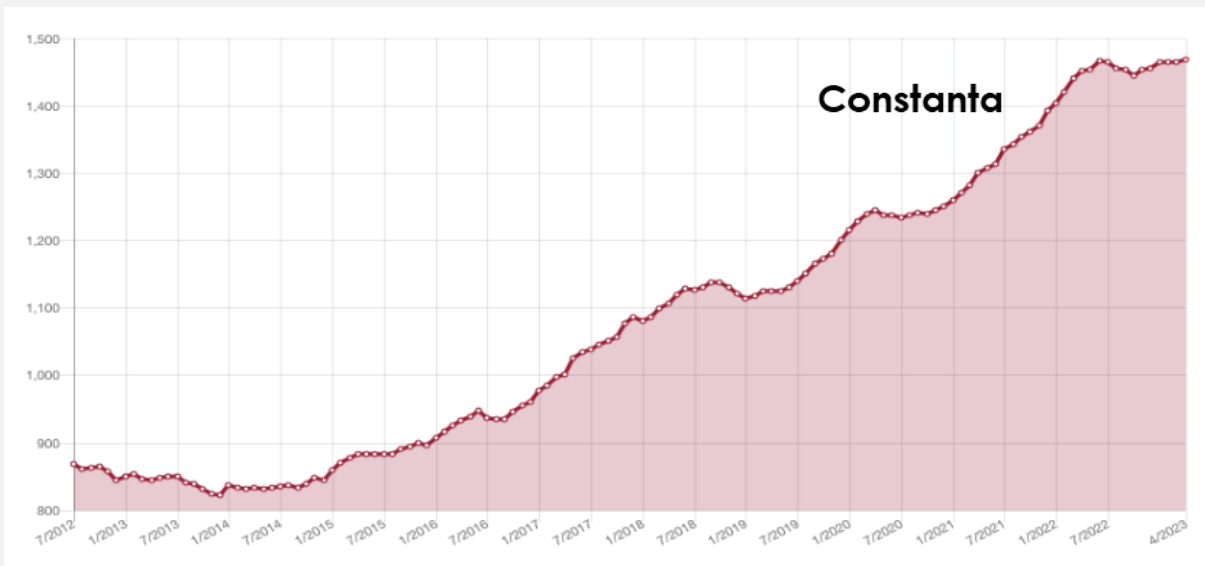
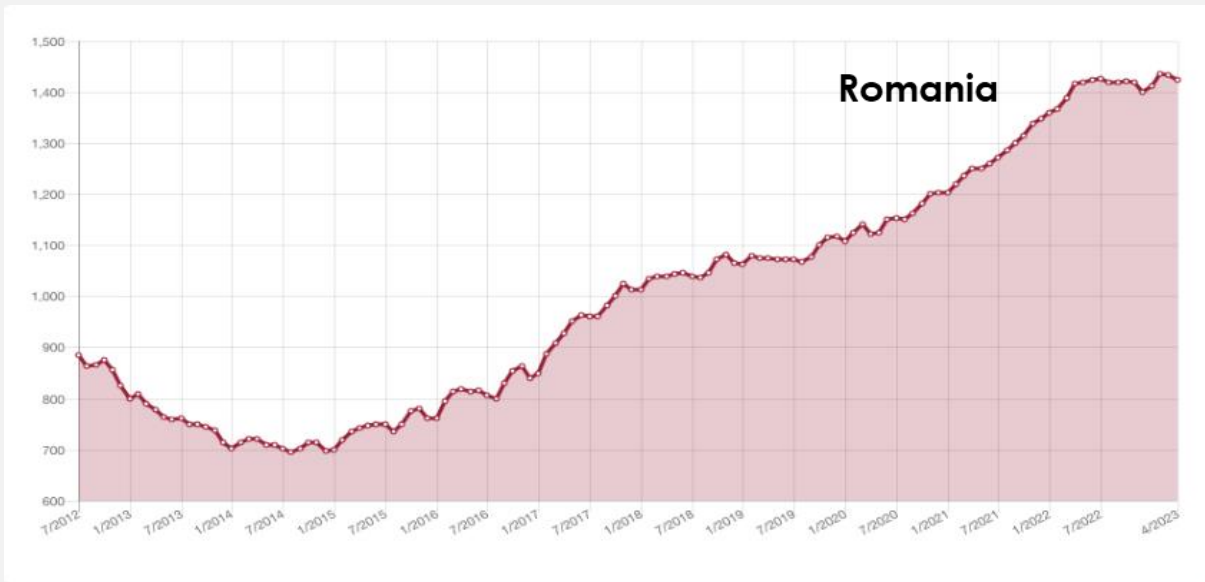


Romania quarterly GDP evolution (Data INS)



Romania Inflation Rate (Data INS)

Apartment Price Development (End March 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 first quarter of 2023 compared the fourth quarter of 2022 (EUR 1,400/m²) to EUR 1,433/m² at the end of Q1 2023 and EUR 1,425/ m² at the end of April 2023.
- In Constanta, average prices increased by 0.62% during the first quarter of 2023 (EUR 1,465/m² at the end of March 2023, compared to EUR 1,456/m² at the end of December 2022), according to www.imobiliare.ro index.

RomReal shareholders as at 16/05/2023

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	3,386,636	8.02%
5	AUSTBØ, EDVIN	2,108,500	5.10%
6	Danske Bank A/S	1,558,167	3.77%
7	ENERGI INVEST AS	1,253,611	3.03%
8	GRØNLAND, STEINAR	1,253,014	2.98%
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	KVAAL INVEST AS	702,000	1.70%
15	HOEN, ANDERS MYSSSEN	689,557	1.67%
16	AKSEL MAGDAHL	453,021	1.10%
17	FRENICO AS	396,000	0.96%
18	CITIBANK	220,000	0.53%
19	NORDNET LIVSFORSIKRING AS	175,622	0.42%
20	Jo Egil Aalerud	166,864	0.40%
	TOP 20	38,481,664	92.83%

•(1) This is the Top 20 Shareholder list as per 16 May 2023.

•(2) The total issued number of shares issued at end Q1 2023 was 41,367,783.

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

•(4) Chairman Kjetil Grønskag owns directly and indirectly 5,813,322 shares corresponding to 14.05%.

Outlook

- Both the CPI and GDP growth in Romania is expected to fall during 2023 with a modest improvement in 2024. This 2023 forecasted trend is confirmed according to macro figures hitherto. RomReal is in a relatively strong financial position with zero external debt. The weakening macro fundamentals have already resulted in a slower sales progress of the remaining projects, and only two small properties are sold so far 2023. Hitherto, all the vendor financing schemes are developing according to what is agreed. In addition, the infrastructure investments are reviewed on an on-going basis to ensure the cash position is satisfactory.

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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