

# Q4

**RomReal Limited**  
**Fourth Quarter 2024 Report**  
**28 February 2025**



RomReal is a Company focusing on the Romanian Real Estate market. The Company owns premium properties in the Constanta region.

## Highlights Fourth Quarter 2024

### Net Asset Value (NAV)

- Net Asset value was EUR 0.37 (NOK 4.39, before any tax) per share, down 8.2% from Q3 2024. EUR/NOK was 11.79 end of Q4 2024 versus 11.76 by the end of 3Q 2024. The main reason for the relatively large reduction in Net asset value is due to the temporally adjustment in inventory on Oasis according to IFRS.

### Operational highlights

- During the Fourth quarter 2024, the Company sold the last of the four older houses on Oasis for a total consideration of EUR 0.125m. The buyer of this house was a Company associated person and has been approved by the BOD. In addition, the first apartment on Oasis was sold late 2024 and the second apartment was sold during February 2025.
- Total infrastructure investments during 2024 were EUR 1.62m, of this EUR 1.60m represents related to Oasis.

### Financial Results

- Net Result for the quarter was a loss of EUR 1,194,000, compared to a loss of EUR 505,000 in 4Q 2023. Net change in cash flow for the quarter was a negative EUR 260,000 compared to positive of EUR 157,000 in the same period last year. This was mainly due to sale of plots and capitalized expenses related to infrastructure.
- At the end of the quarter, the Company had a cash position of EUR 3.9 million plus a total of EUR 1.9m unsettled receivables related to binding sales agreements, totalling EUR 5.8m, or about EUR 0.14 per share. The outstanding vendor financing agreements are followed up with extra attention.

### Macro and real estate market highlights

- The National Bank of Romania policymakers decided to keep the key rate at 6.50% on 14 February. The NBR's decision took into account inflationary pressures, political risk and the ongoing fiscal policy uncertainty.
- Romania's consumer price index (CPI) reached an inflation rate of roughly 5.6 percent by the end of 2024. The same index was 5.3 percent for the last 12 months including January 2025. This decrease from the previous year's 10.4 percent suggests a significant easing of inflationary pressures, but still well above EU average.
- Romania's GDP expanded by 0.7% year-on-year in 4q.2024, and in 2024 the economy expanded by 0.9% y-o-y in according to flash estimates from the National statistics office.
- Asking prices for apartments and houses in Romania increased in the Fourth quarter of 2024 compared to Third quarter of 2024 (EUR 1,656/m<sup>2</sup>) to EUR 1,710/m<sup>2</sup> at the end of 4Q 2024 and EUR 1,739/m<sup>2</sup> at the end of January 2025. In Constanta, average prices increased by 3.9% during the Fourth quarter of 2024 (EUR 1,766/m<sup>2</sup> at the end of December 2024 compared to EUR 1,700/m<sup>2</sup> at the end of September 2024), according to [www.imobiliare.ro](http://www.imobiliare.ro) index.

## Key Financial Figures

EUR '000	Q4 2024	Q4 2023
Operating Revenue	191	131
Operating Expenses	(1,497)	(764)
Other operating income/ (expense), net	123	56
Net financial income/(cost)	63	84
Pre-tax result	(1,120)	(494)
Result for the period	(1,194)	(505)
Total assets	15,945	17,398
Total liabilities	539	466
Total equity	15,407	16,931
Equity %	96.6%	97.3%
NAV per share (EUR)	0.37	0.41
Cash position	3,858	3,480

### Movement in Net Asset Value

The Net Asset Value (NAV) decreased to EUR 15,407,000 at the end of Q4 2024 compared to EUR 16,776,000 at the end of Q3 2024.

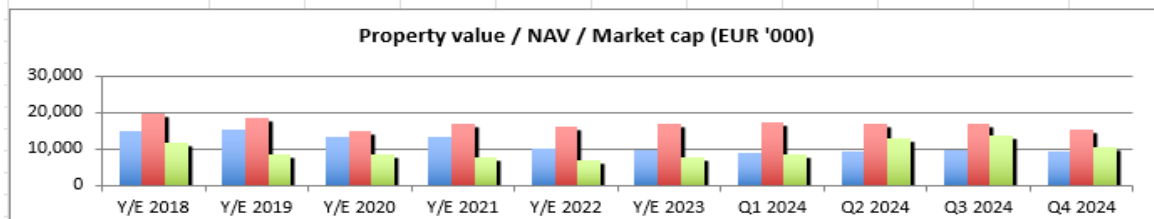
Asset base	Q4 2024			Q3 2024		
	EUR '000	EUR/ share	NOK/share	EUR '000	EUR/ share	NOK/share
Investment property	2,607	0.06	0.74	2,377	0.06	0.68
Assets held for sale	0	0.00	0.00	0	0.00	0.00
Inventories	6,791	0.16	1.94	7,392	0.18	2.10
Cash	3,858	0.09	1.10	4,118	0.10	1.17
Other assets/(liabilities)	2,150	0.05	0.61	2,889	0.07	0.82
Net asset value	15,407			16,776		
NAV/Share		0.37	4.39		0.41	4.77
Change in NAV vs previous quarter	-8.2%			-1.2%		

The average number shares used in the NAV calculation above is 41,367,783 shares and unchanged from Q3 2024.

## Valuation of Properties

The end of year 2023 independent valuation of the Company's property was executed by Colliers Romania. The property portfolio was evaluated in accordance with the ANEVAR Valuation Standards 2013, which include the International Valuation Standards, issued by the IVSC in 2011. The valuation also complies with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB); and it is performed in accordance with the RICS Valuation Standards, 8th edition. A new external valuation is scheduled to take place during December 2024.

EUR '000	Y/E 2018	Y/E 2019	Y/E 2020	Y/E 2021	Y/E 2022	Y/E 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Property value	14,962	15,435	13,420	13,192	10,118	9,702	9,069	9,402	9,769	9,399
NAV	19,603	18,501	15,035	16,826	16,230	16,931	17,180	16,986	16,776	15,407
Market cap	11,848	8,419	8,687	7,860	6,826	7,570	8,522	12,824	13,569	10,590
Market cap/NAV	60%	46%	58%	47%	42%	45%	50%	75%	81%	69%



## Cash Flow

EUR '000	Q4 2024	Q4 2023
Net cash flow from operating activities	(355)	(526)
Net cash flow used in investing activities	95	683
Net cash flows from financing activities	-	-
<b>Net cash change during period</b>	<b>(260)</b>	<b>157</b>

Operating cash flow for Q4 2024 was negative EUR 260,000 compared to a positive EUR 157,000 in the same quarter last year. The net negative change is mainly explained by the cash collected from sale of plots and capitalized expenses made during the quarter. The net cash from investing activities includes the collections made in respect of the sold plots.

## Market Facts – Macro

The National Bank of Romania policymakers decided to keep the key rate at 6.50% at the most recent meeting on 14 February. The NBR's decision took into account inflationary pressures, political risk and the ongoing fiscal policy uncertainty. The European Commission has an inflation estimate of 3.9% and 3.6% by the year-end 2025 and 2026 respectively.

Romania's GDP expanded by 0.7% year-on-year in 4q.2024, and in 2024 the economy expanded by 0.9% y-o-y according to flash estimates from the National statistics office. The 2024 GDP estimate aligns with consensus expectations but falls well short of official estimates when the 2024 budget was drafted. For 2025, the government forecasts 2.5% GDP growth, driven by all sectors, though industry is expected to contribute less.

The European Union's finance ministers have welcomed and approved Romania's move to reduce its fiscal deficit below 3% of national output by 2030. Authorities in Bucharest hope the plan will ease investor concerns about the country's economic outlook and steady bond yields that have been rising. Romania has been subject to the EU's excessive deficit

procedure since 2020, which requires it to submit a multi-year plan showing the European Commission how it intends to reduce its deficit and comply with the bloc's ceiling of 3% of gross domestic product (GDP).

Romania's budget deficit for 2024 is expected to hit 8.6% of economic output following the heavy spending that preceded parliamentary and presidential elections late 2024.

Fiscal consolidation will ensure that Romania continues to receive the billions of EU recovery and development euros (70 billion-plus by 2027) vital to underpinning the country's infrastructure investment and ensuring its economic growth.

## **Real Estate market facts**

The transaction market: Based on data from Colliers 2024 market report of 3 February 2025, the investment market volume was EUR 750m, versus EUR 476m in 2023. This is an increase of 58% from 2024 and close to the average over the past 10 years. According to Colliers, the deal-activity has carried on into 2025 with several sizeable deals in the pipeline. Yields have been relatively stable in 2024, and Colliers see prime retail shopping centers at 7.25%, prime offices at 7.5% and the prime industrial assets at 7.75%.

The retail market: According to Colliers, some 167,000m<sup>2</sup> was added in 2024, down from 221,000m<sup>2</sup> in 2023. The yearly average of the last 10 years is about 140,000m<sup>2</sup>. The projected additions for 2025 is about 218,000m<sup>2</sup>.

The industrial and logistics market: Based on data from Colliers 2024 market report, the gross take-up in 2024 was 618,000m<sup>2</sup>, versus 768,000m<sup>2</sup> in 2023. Lifting the total stock to about 7.5million m<sup>2</sup>. The 2024 volume is well above the average of about 650,000m<sup>2</sup> during the last five years. About half of the 2024 volumes derived from the Bucharest region. Rents have stabilised during 2024 in the range EUR 4.5-5 per m<sup>2</sup> in the Bucharest region. Vacancy remains low and about 5% according to Colliers.

The residential market: According to Colliers the number of completed housing transactions are down about 15% to about 170,000 on a national level (both new and second-hand transactions, mostly apartments) and down about 20% in the Bucharest region. Housing prices continued to move higher with an average of 5.1%. In Constanta, average prices increased by 3.88% during the Fourth quarter of 2024.

## **Operational Overview**

Lake Side (No.1 on the table) – the houses are still for sale. The final transfer of the agreed land (promenade area), about 700m<sup>2</sup>, to the municipality of Ovidiu is planned to take place mid-2025.

Oasis (No. 2 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 asphaltting of roads and parking area is completed, and electrical works have commenced and would be finalised during first quarter 2025. The first apartment block (36 apartments) is completed, and costs hitherto is slightly below the budget. The sales and marketing activities have commenced, and the first apartment was sold in December, and another apartment was sold in February 2025. On

the second apartment structure, vital external works like windows and hydro isolation is close to finished. Interior works will not start before a satisfactory sales progress is realised in the first apartment block.

Industrial Park (No. 3 on the table) – The project is still advertised for sale. The development activity in the neighbourhood is expanding including various NATO/Romanian defence projects. The works to renew the infrastructure building permit before end of first quarter 2025. The Company will commence cleaning of the plot in order to fulfil new Environmental standards. The Company has recently experienced an uptick in the number of enquires by potential buyers of plots on the land.

Balada Market (No. 5 on the table) – The project is for sale. The Company has completed the works for a new PUZ application, and the documents are sent to the local building authorities in the municipality of Constanta.

Ovidiu Residence 3 (No. 4 in the table, 7,100 sqm) – The project is for sale. The Company has commenced the process to regulate the plot (a new PUZ for industrial use) located nearby the road between Ovidiu and Constanta.

### The Property Portfolio

The Company's land bank consists at the end of December 2024 of 5 plots with a total size of 158,504 m2:

Plot name	Location	Size (m2)
1 Ovidiu Lakeside	Constanta North/Ovidiu	1,126
2 Ovidiu (Oasis)	Constanta North/Ovidiu	21,418
3 Centrepont	Constanta North/Ovidiu	121,672
4 Ovidiu Residence 3	Constanta North/Ovidiu	7,100
5 Balada Market	Central Constanta	7,188
<b>Total</b>		<b>158,504</b>

## Shareholder Information

Rank	Name	Holding	Ownership
1	SIX SIS AG	10,328,200	24.97%
2	GRØNSKAG, KJETIL	6,023,006	14.56%
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	1,630,008	3.94%
7	GRØNLAND, STEINAR	1,325,700	3.20%
8	Energi Invest as	1,252,898	3.03%
9	Kvaal Invest as	1,230,000	2.97%
10	Orakel as	1,101,000	2.66%
11	RomReal Ltd	1,032,461	2.50%
12	Spar Kapital Investor as	940,236	2.27%
13	THORKILDSEN INVEST AS	829,478	2.01%
14	Arild Persson	722,912	1.75%
15	Anders Hoen	689,557	1.67%
16	AKSEL MAGDAHL	379,573	0.97%
17	Citibank	220,000	0.53%
18	Jo Egil Aalerud	166,864	0.40%
19	Eurotrade AS	161,952	0.39%
20	Nordnet Liv	124,439	0.30%
	<b>TOP 20</b>	<b>39,046,405</b>	<b>94.45%</b>

The total issued number of shares at the end Q4 2024 was 41,367,783 and the table above is of 15 February 2025.

(13) Thorkildsen Invest AS is a Company controlled by the Kay Thorkildsen family.

(2) Chairman Kjetil Grønskag owns directly and indirectly 6,023,006 shares corresponding to 14.56%.

The above list is the 20 largest shareholders according to the Euronext VPS print out; please note that shareholders might use different accounts and account names, adding to their total holding.

(11) RomReal owns 2.50% of its own shares.

## Outlook

After the annulled President election in December 2024 a new President election is scheduled for 4 May and likely also 18 May 2025. 18 May is only relevant if no candidate gets more than 50% of the votes on 4 May. The National Bank of Romania policymakers decided to keep the key rate at 6.50%. The NBR's decision took into account inflationary pressures, political risk and the ongoing fiscal policy. With such near-term outlook, RomReal will continue its careful cost focus, modest risks, and no cash return to its shareholders as the base case. The catalyst for the Company is a sizeable property sales increase.

## INFORMATION ON FINANCIAL CONDITION AND OPERATING RESULTS

### Accounting Principles

The condensed consolidated interim financial statements for the Fourth quarter of 2024, which have been prepared in accordance with IFRS as adopted by EU and IAS 34 Interim Financial Reporting, give a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations. The accounting policies applied in the preparation of the quarterly result are consistent with the principles applied in the financial statements for the year to 31 December 2023. The financial statements have been prepared on a going concern basis.

To information presented in the interim report for the Fourth quarter of 2024 includes a fair review of important events that have occurred during the period and their impact on the condensed financial statements, the principal risks and uncertainties for the remaining of 2024, and major related party transactions.

### Comparative data for Q4 2024 and Q4 2023

The interpretations below refer to comparable financial information for Q4 2024 and Q4 2023. They are prepared for RomReal on a consolidated basis and use consistent accounting policies and treatments.

### Operating Revenue

The operating revenue during Q4 2024 was EUR 191,000 compared to a total of EUR 131,000 reported in Q4 2023. This consists of the revenue resulting mainly from the disposals made during the quarter as well as the rent earned by the Company in respect of some of the plots.

### Operating Expenses

Total operating expenses amounted to a negative EUR 1,497,000 in Q4 2024 compared to a total negative EUR 764,000 in Q4 2023. The main elements of cost relate to the administrative expenses (EUR 194,000) and the payroll costs (EUR 88,000). The unrealised loss in respect of the inventories portfolio was EUR 1,183.

### Other operating income/ (expense), net

The other operating income/ (expense) during the quarter was a gain of EUR 123,000, compared to a gain of EUR 56,000 during the same period of the previous year. The vast part of the total amount is represented by the cost of the disposed assets.

### Profit/ (loss) from operations

During Q4 2024, RomReal generated an operating loss of EUR 1,183,000, compared to a loss of EUR 578,000 in Q4 2023.



## Financial Income and expense

Financial result for Q4 2024 was a net gain of EUR 63,000 compared to a net financial gain of EUR 84,000 in Q4 2023. During the quarter the RON remained stable compared to EUR.

The Company's policy is to hedge these effects by retaining most of its cash in Lei, receiving negotiated interest from the bank and by denominating all receivables in Euros. Although not reflected from an accounting perspective, practice in real-estate is that transactions are denominated in EUR and payments made at the exchange rate ruling at the date of payment, hence reducing the risk of cash losses due to exchange rate movements.

## Result before tax

The result before tax in Q4 2024 was a loss of EUR 1,120,000 compared to a loss before tax of EUR 494,000 in Q4 2023.

## Cash and cash equivalents

The Company's cash and cash equivalents position at end of Q4 2024 was EUR 3,858,000 compared to EUR 3,480,000 as at end of Q4 2023.

RomReal portfolio / sale transactions to be completed in 2025 - 2026.

Romreal portfolio / sale transactions to be completed in 2025-2026						
No	Plot name	Location	Agreed sale value (EUR)	Installments received@ 17.02.2025	To cash 2025	To cash 2026
1	Ovidiu 7.900 sqm plot	Ovidiu	474,000	407,640	66,360	
2	Ovidiu Oasis plot Cocorilor 1	Ovidiu	108,000	68,308	39,692	
3	Ovidiu 5 ha plot 40.054 sqm	Ovidiu	2,958,480	2,026,767	931,713	
4	Ovidiu 5 ha plot 9.946 sqm	Ovidiu	795,680	563,609	232,071	
5	Ovidiu Oasis plot Cocorilor 2	Ovidiu	125,000	40,155		84,845
6	Ovidiu Oasis plot Cocorilor 4	Ovidiu	125,000	10,000		115,000
7	Ovidiu Ind park 15.534 sqm Promissory	Ovidiu	554,190	242,458	173,184	138,548
8	Ovidius Oasis block J ap.3 Promissory	Ovidiu	114,496	45,378	34,559	34,559
9	Ovidius Oasis block J ap.26 Promissory	Ovidiu	99,500	27,523	27,523	44,454
<b>Total</b>			<b>5,354,346</b>	<b>3,431,837</b>	<b>1,505,103</b>	<b>417,406</b>

## Taxation

The Company is required to calculate its current income tax at a flat rate of 16%. Starting 2024 all Group companies are subject to 16% tax on taxable profits.

The Company accounts for deferred tax on all movements in the fair values of its investment properties at a flat rate of 16%. Any change in the deferred tax liability or change in the deferred tax asset is reflected as an element of income tax in the profit and loss statement. The Company recognises deferred tax asset for the amount of carried forward unused tax

losses to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised.

## CONSOLIDATED INCOME STATEMENT (UNAUDITED)

Figures in thousand EUR

	Q4 2024	Q4 2023	YTD 2024	YTD 2023
Rent revenue	58	63	248	233
Revenue from sale of assets	132	68	1,704	3,308
<b>Operating revenue</b>	<b>191</b>	<b>131</b>	<b>1,952</b>	<b>3,542</b>
Payroll expenses	(88)	(80)	(351)	(315)
Management fees	(31)	(45)	(124)	(123)
Inventory (write off)/reversal	(1,183)	(475)	(1,182)	(471)
General and administrative expenses	(194)	(164)	(753)	(628)
<b>Operating expenses</b>	<b>(1,497)</b>	<b>(764)</b>	<b>(2,409)</b>	<b>(1,537)</b>
<b>Profit/ (loss) before other operating items</b>	<b>(1,306)</b>	<b>(634)</b>	<b>(457)</b>	<b>2,004</b>
Other operating income/(expense), net	123	56	(871)	(1,836)
<b>Profit from operations</b>	<b>(1,183)</b>	<b>(578)</b>	<b>(1,328)</b>	<b>168</b>
Financial income	61	74	276	258
Financial costs	0	1	0	0
Foreign exchange, net	2	9	21	23
<b>Result before tax</b>	<b>(1,120)</b>	<b>(494)</b>	<b>(1,031)</b>	<b>449</b>
Tax expense	(74)	(11)	(316)	(389)
<b>Result of the period</b>	<b>(1,194)</b>	<b>(505)</b>	<b>(1,347)</b>	<b>59</b>

## CONSOLIDATED BALANCE SHEET

Figures in thousand EUR

ASSETS	Dec 31, 2024	Dec 31, 2023
<b>Non-current assets</b>		
Investment properties	2,607	3,016
Property, plant and equipment	44	41
Deferred tax asset	-	55
<b>Total non current assets</b>	<b>2,652</b>	<b>3,112</b>
<b>Current assets</b>		
Inventories	6,791	6,686
Other short term receivables	2,644	4,120
Cash and cash equivalents	3,858	3,480
<b>Total current assets</b>	<b>13,294</b>	<b>14,285</b>
Assets held for sale	-	-
<b>TOTAL ASSETS</b>	<b>15,945</b>	<b>17,398</b>
<b>EQUITY AND LIABILITIES</b>	<b>Dec 31, 2024</b>	<b>Dec 31, 2023</b>
<b>Equity</b>		
Share capital	103	103
Contributed surplus	86,931	87,117
Other reserves	160	160
Retained earnings	(74,702)	(74,762)
Result of current period	(1,347)	59
FX reserve	4,261	4,253
<b>Total equity</b>	<b>15,407</b>	<b>16,931</b>
<b>Non current liabilities</b>		
Deferred income tax	131	96
<b>Total non current liabilities</b>	<b>131</b>	<b>96</b>
<b>Current Liabilities</b>		
Other payables	408	369
Contract liabilities	-	-
Tax payable	0	1
<b>Total current liabilities</b>	<b>408</b>	<b>370</b>
<b>TOTAL EQUITY AND LIABILITE</b>	<b>15,945</b>	<b>17,398</b>

## STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

Figures in thousand EUR

	Dec 31, 2024	Dec 31, 2023
<b>Profit for the year</b>	<b>(1,347)</b>	<b>59</b>
<b>Other comprehensive income</b>		
Exchange differences on translation of foreign operations	8	642
<b>Other comprehensive income for the year, net of tax</b>	<b>8</b>	<b>701</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>(1,339)</b>	<b>701</b>

## CASH FLOW STATEMENT (UNAUDITED)

Figures in thousand EUR

	Dec 31, 2024	Dec 31, 2023
Net cash flow from operating activities	(1,201)	(564)
Net cash flow from investing activities	1,579	(55)
Net cash flows from financing activities	-	-
<b>Net cash change during period</b>	<b>378</b>	<b>(619)</b>
Cash at beginning of period	3,480	4,098
<b>Cash and cash equivalents at end of the period</b>	<b>3,858</b>	<b>3,480</b>

## STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

Figures in thousand EUR

	Dec 31, 2024	Dec 31, 2023
Equity at the beginning of the period	16,931	16,230
Result for the period	(1,347)	59
Other changes	(178)	642
<b>Equity at the end of the period</b>	<b>15,407</b>	<b>16,931</b>

## Responsibility Statement

We confirm that, to the best of our knowledge, the condensed consolidated interim financial statements for the fourth quarter of 2024, which have been prepared in accordance with IFRS as adopted by EU and IAS 34 Interim Financial Reporting, give a true and fair view of the Company's consolidated assets, liabilities, financial position, and results of operations. To the best of our knowledge, the interim report for the Fourth quarter of 2024 includes a fair review of important events that have occurred during the period and their impact on the condensed financial statements, the principal risks and uncertainties for the remaining period of 2024, and major related party transactions.

28 February 2025

The Board of Directors RomReal Limited Hamilton, Bermuda:

Kjetil Grønskag (Chairman & CEO), Bendt Thorkildsen (Director) and Heidi Sørensen Austbø (Director).

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## **CONTACT INFORMATION**

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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).

## **DISCLAIMER**

The information included in this Report contains certain forward-looking statements that address activities, events or developments that RomReal Limited ("the Company") expects, projects, believes or anticipates will or may occur in the future. These statements are based on various assumptions made by the Company, which are beyond its control and are subject to certain additional risks and uncertainties. The Company is subject to a large number of risk factors including but not limited to economic and market conditions in the geographic areas and markets in which RomReal is or will be operating, counterparty risk, interest rates, access to financing, fluctuations in currency exchange rates, and changes in governmental regulations. For a further description of other relevant risk factors, we refer to RomReal's Annual Report for 2023. As a result of these and other risk factors, actual events and our actual results may differ materially from those indicated in or implied by such forward-looking statements. The reservation is also made that inaccuracies or mistakes may occur in the information given above about current status of the Company or its business. Any reliance on the information above is at the risk of the reader, and RomReal disclaims any and all liability in this respect.