
RomReal Limited

Investor presentation

Third Quarter (Q4) 2019 results

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Webcast

28 February 2020

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Q4 2019 results – Highlights

Net Asset Value (NAV)

- Net Asset value pre any tax was EUR 0.44 (NOK 4.42) per share, being 3.2% lower compared to the end of the third quarter 2019 mainly affected by the EUR 1.2m unrealized foreign exchange losses due to RON depreciation against the EUR affecting the intragroup EUR denominated loans.
- The year-end 2019 valuation was concluded by Knight Frank and resulted in a 4% like-for-like increase in the portfolio value compared to end 2018.

Operational highlights

- During November 2019, RomReal signed the sale of 4 plots of land, from The Lakeside plot, for a total consideration of EUR 565,500. This amount was fully cashed at the beginning of 2020.
- During the first quarter of 2020, the Company entered sale agreement for 4 more plots, for a total consideration of EUR 565,500.
- By year-end 2019, EUR 2.1 million was invested in infrastructure to improve attractiveness of the land-bank.
- The Balada EUR 2.5 million (No. 6 on the list) sale agreed with latest payment 15th December 2019 did not materialise. The non-refundable down-payment of EUR 150,000 is in the Company's bank account. The project is again marketed for sale.
- Since the 3Q 2019 report, the legal processes have progressed in both the on-going EUR 1.7 million tax dispute and the expropriation claim of land on the Mamaia North plot by the Navodary City Hall; and important legal events are scheduled to take place during February and March 2020.

Q4 2019 results – Highlights

Financial Results

- Net Result for the quarter was EUR 814,000 loss compared to a EUR 779,000 loss in 4Q 2018. Operating cash flow for the quarter was a positive EUR 134,000 compared to minus EUR 310,000 in the same period last year.
- At the end of the quarter, the Company had a cash position of EUR 2.4 million plus a total of EUR 1.7 million in conditional instalment/payments related to binding sales agreements, totalling about EUR 4.1 million or about EUR 0.1 per share.

Macro and real estate market highlights

- The Romanian GDP expanded 4.3 percent year-on-year in the fourth quarter of 2019, following a 3.0 percent growth in the previous period.
- Considering 2019 full year, the economy expanded 4.1 percent compared with 4.4 percent growth in 2018.
- The residential prices in Romania witness a 9.5% and in Constanta witness a 10.7% increase compared with the same month last year according to the largest online real estate platform www.imobiliare.ro

NAV movement in Q4 2019

Asset base	Q4 2019			Q3 2019		
	EUR '000	EUR/ share	NOK/share	EUR '000	EUR/ share	NOK/share
Investment property	10,594	0.26	2.53	11,287	0.27	2.69
Assets held for sale	2,320	0.06	0.55	2,191	0.05	0.52
Inventories	2,521	0.06	0.60	2,492	0.06	0.59
Cash	2,371	0.06	0.57	2,490	0.06	0.59
Other assets/(liabilities)	695	0.02	0.17	658	0.02	0.16
Net asset value	18,501			19,117		
NAV/Share		0.45	4.42		0.46	4.55
Change in NAV	-3.2%			-0.7%		

The average number shares used in the NAV calculation above is 41,367,783 shares and unchanged from Q3 2019

Financial highlights - IFRS

EUR '000	Q4 2019	Q4 2018
Operating Revenue	427	37
Operating Expenses	(127)	(368)
Other operating income/ (expense), net	300	(467)
Net financial income/(cost)	(298)	(0)
Pre-tax result	(789)	(798)
Result for the period	(814)	(779)
Total assets	19,013	20,020
Total liabilities	513	417
Total equity	18,501	19,603
Equity %	97.3%	97.9%
NAV per share (EUR)	0.45	0.45
Cash position	2,371	2,371

RomReal Properties Q4 2019

Plot name	Location	Size (m2)
1 Ovidiu Lakeside	Constanta North/Ovidiu	57,324
2 Badulescu plot	Constanta North/Ovidiu	50,000
3 Ovidiu (Oasis)	Constanta North/Ovidiu	24,651
4 Centrepont	Constanta North/Ovidiu	121,672
5 Gunaydin plot	Constanta North/Ovidiu	15,000
6 Balada Market	Central Constanta	7,188
Total		275,835

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

Operational highlights

Lake Side (No.1 on the table)

- During the first quarter of 2020, the Company entered sale agreement for 4 more plots, for a total consideration of EUR 565,500.

Oasis (No. 3 on the table)

- The Company is still negotiating with ENEL the costs and conditions for the grid connection.
- The Company is going to re-authorise the works for finalising the blocks erected on site in order to give more value to the whole plot.

Industrial Park (No. 4 on the table)

- RomReal has agreed a conditional sale of 1.5 hectares to a foreign investor for a total amount of EUR 630,000 to be paid in stages.
- The Company is presently following the due diligence authorisation procedures of the road and utilities

Balada Market (No. 6 on the table)

- The sale of whole plot and building a total amount of EUR 2.5m did not materialize.
- The non-refundable down-payment of EUR 150,000 is in the Company's bank account and the Company is looking for a new buyer.

Badulescu plot (No. 2 on the table)

- The new urbanistic plan has been finalised within end 2019, and the Company has already established promising leads with interested investors in the area.

Operational highlights 2

Contestation against the Tax Authority Decision no. F-CT 344/29.05.2018

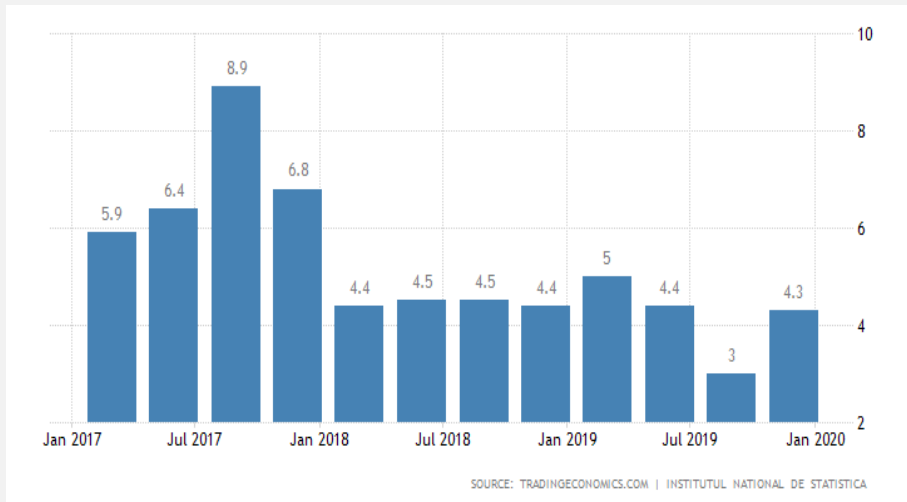
- During June 2019, the Company managed to obtain a second Court of Appeal decision confirming the fact that no attachments to the bank accounts and/or lands belonging to Westhouse Group,
- On 5th of November 2019 High Court of Justice decided to admit the appeal of the Tax Authority against the suspension decision issued by Constanta Court of Appeal during 2018 Court proceedings.
- The High Court of Justice in Bucharest will hear the appeal pursued by Constanta Tax Authority on 24th March 2020. In case the appeal pursued by the Tax Authority will be admitted by High Court of Justice, decision will be final and executorial and the Company will need to pay the amount of around EUR 1.7million.
- The Management team and the advisors will be present in this Court meeting.

Restitution claim, plot of 1,453 sqm, Constanta Court case no. 2567/118/2016

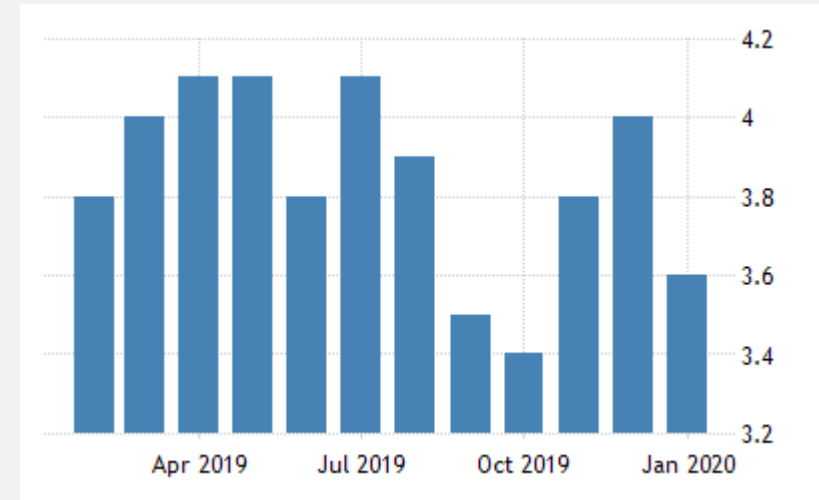
The Company has already served the necessary notifications to Navodari City Hall, and since the request of the Company has been rejected, we have commenced legal steps to recover the plot. The case is presently in process by the Constanta Court. Subject to a final solution with the municipality, and subject to solving litigation case, the piece of land is already agreed to be sold to the buyer of the Company's previous Mamaia North plot

Romanian Macro development

- The Romanian GDP expanded 4.3 percent year-on-year in the fourth quarter of 2019, following a 3.0 percent growth in the previous period and beating market expectations of 3.3 percent, a preliminary estimate showed.
- On a seasonally adjusted quarterly basis, the economy advanced 1.5 percent, the most since the third quarter of 2018. Considering 2019 full year, the economy expanded 4.1 percent, below 4.4 percent the year before.
- Most economists expect Romania's economic growth to slow down in 2020 while the local currency (RON) is expected to continue to weaken against the EUR.
- Parliament ousted the three-month old minority government of Prime Minister Ludovic Orban in a no-confidence motion passed on 5 February.



Romania GDP yearly growth rate



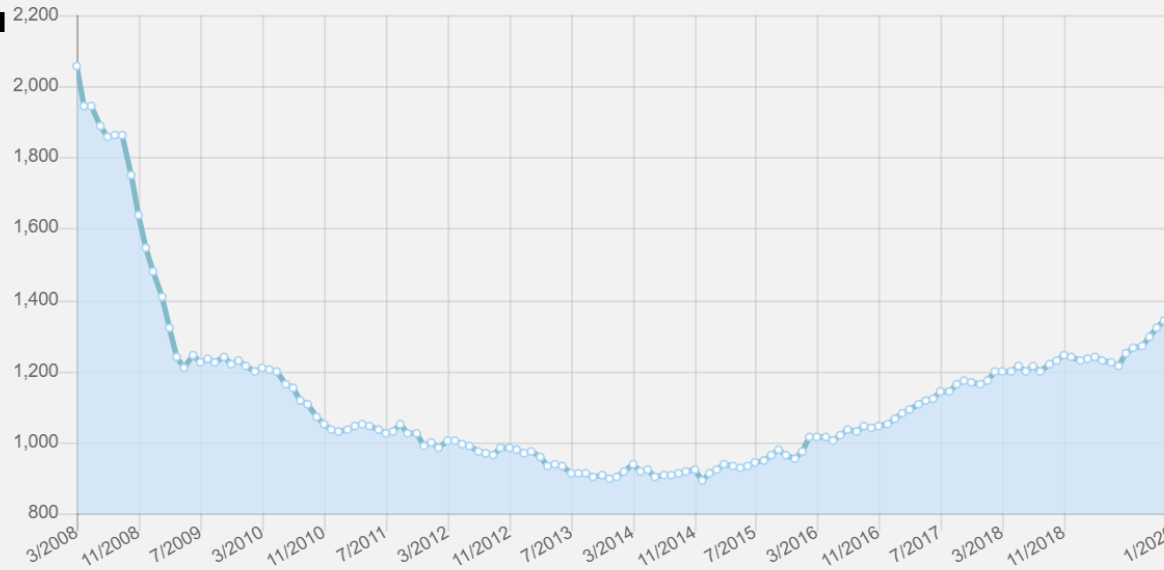
Romania Inflation Rate

Romania Real Estate Update

- The volume of real estate investments in Romania exceeded the EUR 1 billion threshold in 2019, reaching about EUR 1.06 billion after a 7% annual advance compared to 2018, real estate consultancy Company CBRE Romania estimates.
- The performance reached in 2019 also marks a record of the last five years in terms of investment transactions on the Romanian real estate market.
- The construction of homes and offices recorded a good year in 2019 with 62,000 new apartments delivered to the market.
- There was also a record level of transactions in the office sector, with over 450,000 square meters changing owners.
- According to data from Cushman & Wakefield Echinox, the cumulative area of the purchased land amounts to 36 hectares, and the value of transactions is estimated at EUR 170 million, which is equivalent to an average price of EUR 470 per square meter.
- Of all the industrial spaces leased nation-wide over the last year, more than 150,000 square meters (approximately 32 percent) represented transactions concluded directly between owners and tenants.
- In 2019, the stock of modern industrial spaces exceeded 4.3 million square meters, which was double the volume recorded in 2015.

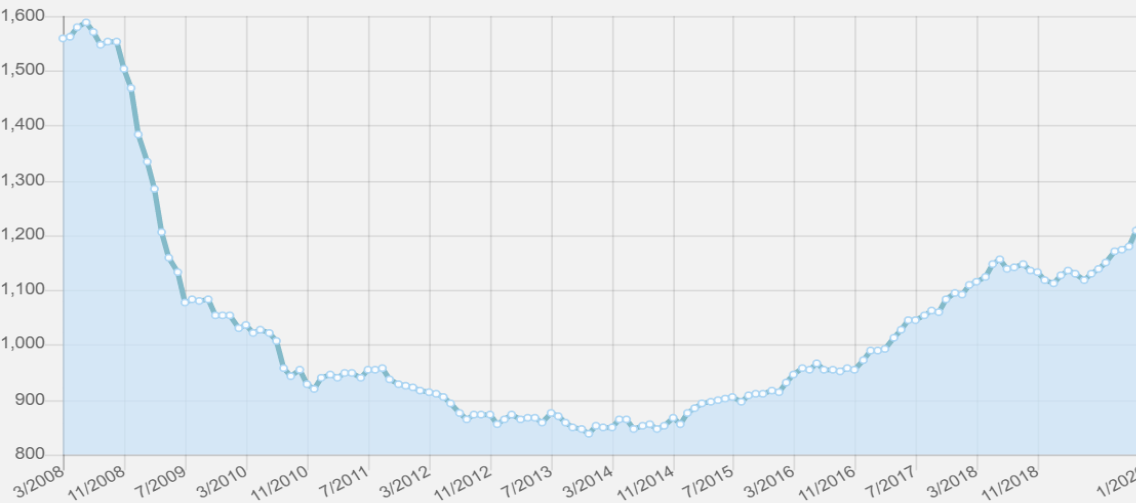
Apartment Price Development (31 Jan 20)

Romania



- Average apartment prices in Romania reached EUR 1,346/sqm resulting in a total increase of circa 9.5% compared to January 2019

Constanta



- Average apartment prices in Constanta reached EUR 1.232/sqm, with growth of 10.7% compared to January 2019

RomReal shareholders as at 19/02/2020

No	Holding	% Holding	Name
1	10,331,934	24.98%	SIX SIS AG
2	5,392,985	13.04%	THORKILDSEN, WENCHE SYNNØVE
3	4,332,717	10.50%	GRØNSKAG, KJETIL
4	3,262,976	7.89%	SAGA EIENDOM AS
5	2,108,500	5.10%	AUSTBØ, EDVIN
6	1,477,922	3.57%	Danske Bank A/S
7	1,236,948	2.99%	ENERGI INVEST AS
8	1,101,000	2.66%	ORAKEL AS
9	940,236	2.27%	SPAR KAPITAL INVESTOR AS
10	829,478	2.01%	THORKILDSEN INVEST AS
11	718,000	1.74%	PERSSON, ARILD
12	707,223	1.71%	GRØNLAND, STEINAR
13	689,557	1.67%	HOEN, ANDERS MYSSSEN
14	604,861	1.46%	Skandinaviska Enskilda Banken AB
15	558,306	1.35%	JONAS BJERG PENSION PLAN, NTS TRUSTEES LTD
16	481,480	1.16%	SILJAN INDUSTRIER AS
17	476,403	1.15%	MAGDAHL, AKSEL
18	437,967	1.06%	CLEARSTREAM BANKING S.A.
19	406,856	0.98%	BNP Paribas Securities Services
20	396,000	0.96%	FRENICO AS
TOP 20	36,333,377	87.83%	

(1) This is the Top 20 Shareholder list as per 19FEB2020.

(2) The total issued number of shares issued at end Q4 2019 was 41,367,783.

(3) Chairman Kjetil Grønskag owns directly and indirectly 4,422,475 shares corresponding to 10.6%.

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

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

Main focus areas going forward

- RomReal is focusing on land value enhancing activities in order to improve the shareholder value and exit. This includes, among others, investments to improve the sale-ability of certain plots and to commence and to some extent conclude regulation processes.
- The Company is involved in several on-going conditional sales processes.
- Since the 3Q 2019 report, the legal progress has moved on in both the on-going EUR 1.7m tax dispute and the expropriation claim of land on the Mamaia North plot by the Navodary City Hall and important legal events are scheduled to take place during March and February 2020.

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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