
RomReal Limited

Investor presentation

First Quarter (Q1) 2020 results

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Webcast

22 May 2020

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Q1 2020 results – Highlights

Net Asset Value (NAV)

- Net Asset value was EUR 0.45 (NOK 5.13) per share, that being almost flat compared to the end of the fourth quarter 2019.
- The year-end 2019 valuation was concluded by Knight Frank in February 2020 therefore no further changes were made to the value of the investment properties during the quarter.

Operational highlights

- On the Lakeside plot (No.1 on the list) the contract for electrical connection of the area has been signed. Industrial Park (No. 4 on the list) – Building authorization for the road and utilities have been obtained by the Company. This is important due to significant NATO infrastructure investment in the neighborhood.
- During the first quarter 2020, the Company entered a Lakeside sale agreement for 4 plots, for a total consideration EUR 565,000, paid in full.
- By 14 May 2020, EUR 1.99 million (ex VAT) was invested in infrastructure, primarily in Industrial Park and Lakeside.

Financial Results

- Net Result for the quarter was EUR 310,000 loss compared to a EUR 976,000 loss in 1Q 2019. Operating cash flow for the quarter was a positive EUR 639,000 compared to minus EUR 552,000 in the same period last year.
- At the end of the quarter, the Company had a cash position of EUR 2.9 million plus a total of EUR 605,000 in unsettled receivables related to binding sales agreements, totaling at close to EUR 3.5 million or about EUR 0.1 per share.

Q1 2020 results – Highlights

Macro and real estate market highlights

- Romania's economic growth decelerated to 2.4% year-on-year in the first quarter of 2020, compared to 5% annual increase in the like quarter of 2019, non-adjusted flash data of the country's statistical board, INS, indicated on 15 May 2020.
- To support the economy, the Government announced a series of measures in March amounting to about 2.0% of GDP which include increased funding to the healthcare sector, loan guarantees and subsidized credit to SMEs. Furthermore, the Government changed the status from “State of Emergency” to “State of Alert” on 14 May and this should lead to a stepwise easing of the lock-down.
- During Q1 2020 residential average prices in Romania apartments slightly declined at end of April by 1.7% compared with March 2020 at EUR 1,367/sqm. Prices are still 11.3% higher compared with April 2019.
- Prices in Constanta decreased by about 1.4% compared to March 2020, reaching EUR 1,229 /sqm; still 8.9% higher compared with April 2019, according to the most popular real estate website www.imobiliare.ro index.

NAV movement in Q1 2020

Asset base	Q1 2020			Q1 2019		
	EUR '000	EUR/ share	NOK/share	EUR '000	EUR/ share	NOK/share
Investment property	3,543	0.25	2.42	10,186	0.25	2.42
Assets held for sale	2,329	0.05	0.52	2,200	0.05	0.52
Inventories	8,975	0.06	0.61	2,552	0.06	0.61
Cash	2,870	0.08	0.77	3,217	0.08	0.77
Other assets/(liabilities)	789	0.03	0.27	1,141	0.03	0.27
Net asset value	18,506			19,297		
NAV/Share		0.47	4.59		0.47	4.59
Change in NAV	0.0%			-1.6%		

The average number shares used in the NAV calculation above is 41,367,783 shares and unchanged from Q4 2019

Financial highlights - IFRS

EUR '000	Q1 2020	Q1 2019
Operating Revenue	974	97
Operating Expenses	(135)	(162)
Other operating income/ (expense), net	(660)	134
Net financial income/(cost)	(484)	(1,037)
Pre-tax result	(305)	(967)
Result for the period	(310)	(976)
Total assets	18,876	19,671
Total liabilities	370	374
Total equity	18,506	19,297
Equity %	98.0%	98.1%
NAV per share (EUR)	0.45	0.47
Cash position	2,870	3,217

RomReal Properties Q1 2020

Plot name	Location	Size (m2)
1 Ovidiu Lakeside	Constanta North/Ovidiu	52,465
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		270,976

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

Operational highlights

Lake Side (No.1 on the table)

- The Company has signed the contract for the grid connection.
- Contract for supplying gas to the area has been signed.
- The Company is awaiting City Hall building authorisation soon in order to start work in the area.
- A showroom house is planned built from around 1 June on the plot in order to improve marketing.
- 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 presently negotiating with the water, gas, road and electricity Company ENEL the costs and conditions for the grid connection of whole area, to be implemented in stages.
- The Company is going to re-authorise the works for finalising the blocks erected on site in order to add more value to the whole plot.

Industrial Park (No. 4 on the table)

- Building authorisation for the road and utilities have been obtained by the Company.
- The Company is discussing sale of around 15,000-20,000 m² to an International Group.

Balada Market (No. 6 on the table)

- The sales area was reduced by about 59 per cent from 16 March due to Covid19 temporary regulations. From about 20 May, the entire market area is expected to open again.

Badulescu plot (No. 2 on the table)

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

Operational highlights 2

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

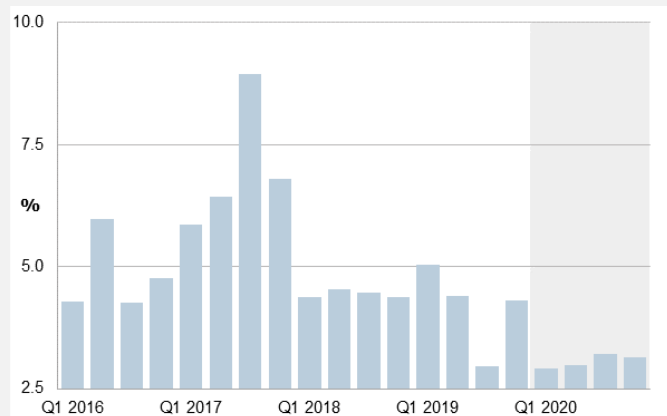
- On 5th of November 2019 High Court of Justice decided to admit the appeal of the Tax Authority against the suspension decision issued by Constanta Court of Appeal during 2018 Court proceedings.
- The High Court of Justice in Bucharest will hear the appeal pursued by Constanta Tax Authority on 24th 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 case is expected to be reopened relatively soon as the Governmental lock-down is gradually eased.
- New legal regulations issued by the Government in order to protect the interests of the local companies, which means that subject to certain conditions local companies will be exempted of important debts to the state, the Company will need to re-asses the position in respect of this case with the assistance of local E&Y team

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

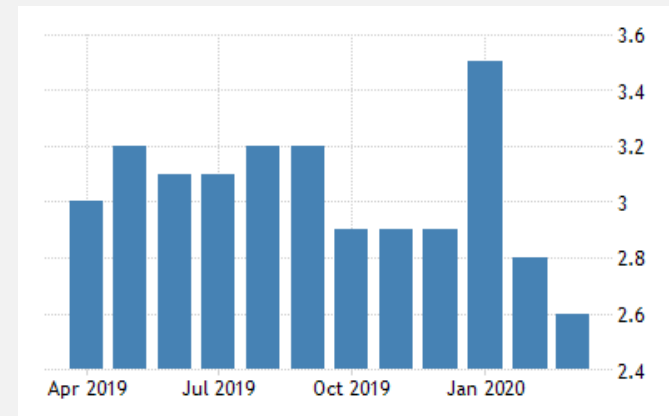
- At present, the case is on High Court of Justice Agenda on 22nd June 2020.
- Subject to a final solution with the municipality, and subject to solving litigation case, the piece of land is already agreed to be sold to the buyer of the Company's previous Mamaia North plot, subject to a final satisfactory conclusion.

Romanian Macro development

- Romania's economic growth decelerated to 2.4% year-on-year in the first quarter of 2020, compared to 5% annual increase in the like quarter of 2019, non-adjusted flash data of the country's statistical board, INS, indicated on 15 May 2020.
- The statistics office announced that the results presented on May 15 could be revised as it has been unable to collect sufficient data due to the COVID-19 restrictions.
- The European Bank for Reconstruction and Development (EBRD) expects a 4% economic contraction in Romania.
- There have been more than 11,000 confirmed cases of coronavirus in Romania so far and the country is currently under a State of Emergency until 15 May.
- To support the economy, the Government announced a series of measures in March amounting to about 2.0% of GDP which include increased funding to the healthcare sector, loan guarantees and subsidized credit to SMEs.



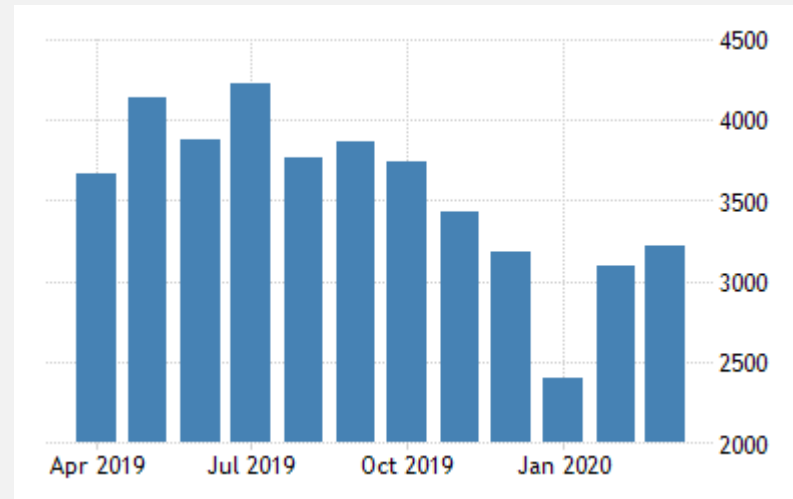
Romania GDP yearly growth rate (Data INS)



Romania Inflation Rate (Data INS)

Romania Real Estate Update

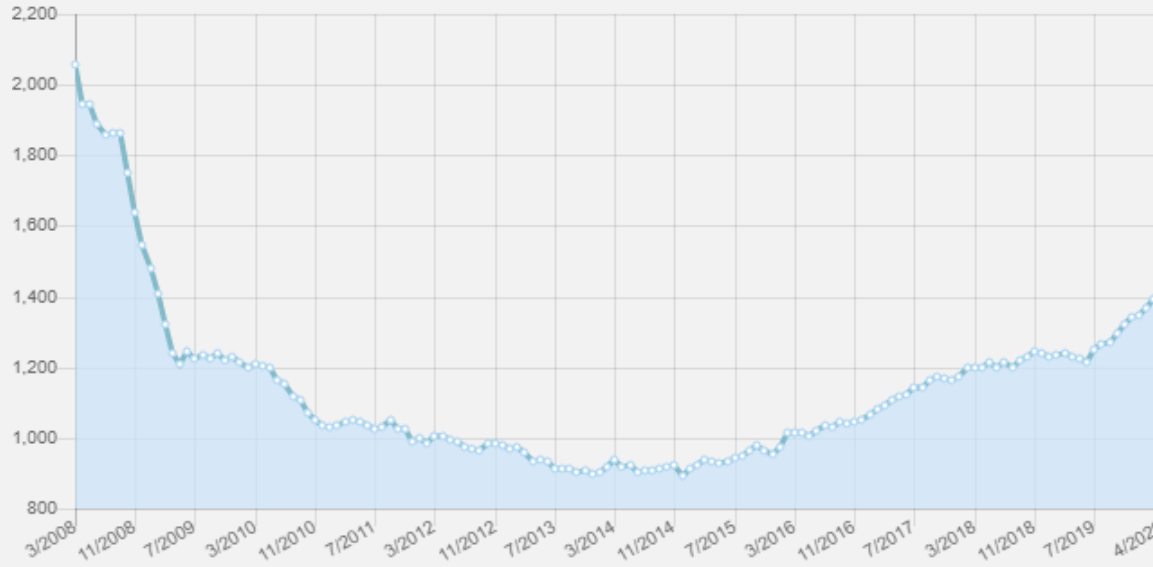
- The total real estate investment volume registered in Romania in the first three months of 2020 amounted to 120.9 million euros, of which 85% were office and industrial property acquisitions
- On the industrial property market, in the first quarter of 2020, a net area (value excluding renegotiations and lease renewals) of 172,400 sq m, accounting for 91% of the total leasing activity was traded.
- The closure of non-essential stores in shopping centres, as part of the measures implemented due to Covid19 led to a sharp drop in sales and retail occupancy is expected to be negatively affected.
- While the level of new office space delivered in Bucharest was similar to Q1 2019, the leasing activity recorded a 50% y-o-y decrease in Q1 2020.



Romania Residential Building Permits Trend (Data INS)

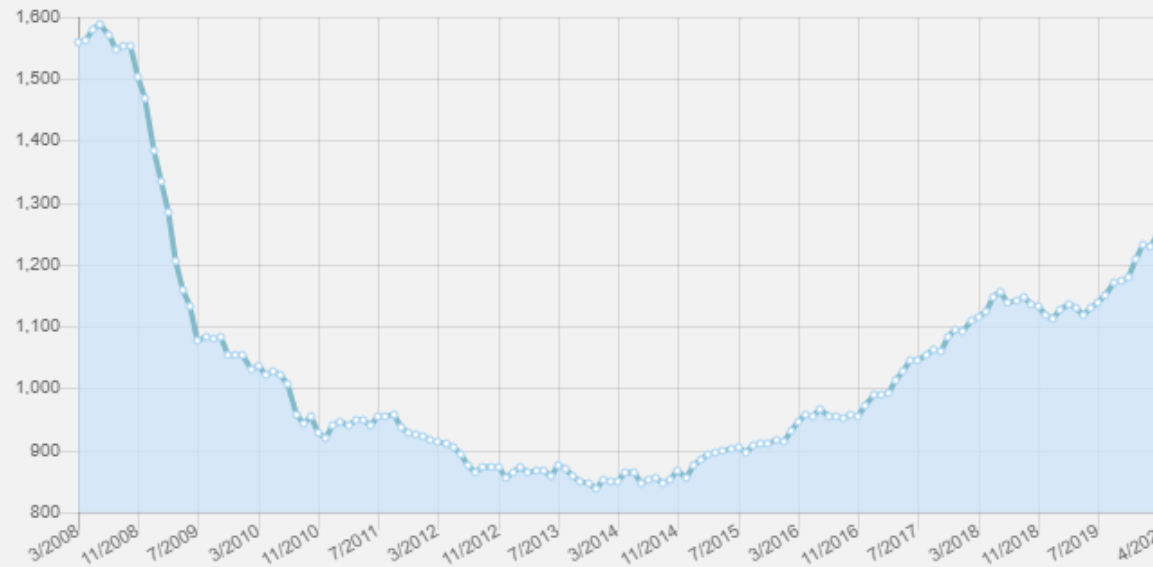
Apartment Price Development (April 20)

Romania



- Average apartment prices in Romania reached EUR 1,367/sqm resulting in a total increase of circa 11.3% compared to April 2019

Constanta



- Average apartment prices in Constanta reached EUR 1.229/sqm, with growth of 8.9% compared to April 2019

RomReal shareholders as at 15/05/2020

Rank	Name	Holding	Stake
1	SIX SIS AG	10,331,934	24.98%
2	THORKILDSEN, WENCHE SYNNØVE	5,392,985	13.04%
3	GRØNSKAG, KJETIL	4,422,475	10.60%
4	SAGA EIENDOM AS	3,262,976	7.89%
5	AUSTBØ, EDVIN	2,108,500	5.10%
6	Danske Bank A/S	1,477,922	3.57%
7	ENERGI INVEST AS	1,236,948	2.99%
8	ORAKEL AS	1,101,000	2.66%
9	BNP Paribas Securities Services	991,717	2.40%
10	SPAR KAPITAL INVESTOR AS	940,236	2.27%
11	THORKILDSEN INVEST AS	829,478	2.01%
12	GRØNLAND, STEINAR	739,719	1.79%
13	PERSSON, ARILD	718,000	1.74%
14	HOEN, ANDERS MYSSSEN	689,557	1.67%
15	JONAS BJERG PENSION PLAN, NTS TRUSTEES LTD	558,306	1.35%
16	SILJAN INDUSTRIER AS	481,480	1.16%
17	MAGDAHL, AKSEL	476,403	1.15%
18	CLEARSTREAM BANKING S.A.	422,855	1.02%
19	FRENICO AS	396,000	0.96%
20	KVAAL INVEST AS	381,278	0.92%
TOP 20		36,912,039	89%

(1) This is the Top 20 Shareholder list as per 15MAY2020.

(2) The total issued number of shares issued at end Q1 2020 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.
- The Romanian parliament approved in January 2020 to upgrade and expand the Mihail Kogalniceanu NATO military base, located in Constanta county. This is a significant project in a local context and should significantly help to underpin the labour and real-estate market in the region. RomReal's nearest project Industrial Park, is located only about 5 kilometers from the expanded base area.
- It is not yet foreseeable to estimate how prices and the number of sales transactions resulting from COVID-19 will develop in the second or third quarter of this year.

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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