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# RomReal Limited

## Investor presentation

Second Quarter (Q2) 2023 results

Kjetil Gronskag

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# Q2 2023 results – Highlights

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

- Net Asset value was EUR 0.38 (NOK 4.46, before any tax) per share, a decrease of 0.2% measured in EUR from the end of the first quarter 2023.

## **Operational highlights**

- During the second quarter of 2023, the Company sold the first of the four older houses (on Oasis) for a total consideration of EUR 0.11m.
- Following the end of Q2 2023, the Company concluded sale of the second of the four older houses (on Oasis) for a consideration of EUR 0.11m.
- Total infrastructure investments by the end of 2<sup>nd</sup> quarter 2023 was EUR 8m, from which EUR 3.9m represents finalised projects. The residential market is clearly slower with less activity and longer decision processes.

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# Q2 2023 results – Highlights

## Financial Results

- Net Result for the quarter was a profit of EUR19,000, compared to a EUR 727,000 loss in 2Q 2022. Net change in cash flow for the quarter was a negative EUR 374,000 compared to negative of EUR 218,000 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 3.4 million plus a total of EUR 4.8m unsettled receivables related to binding sales agreements, totalling EUR 8.2m, 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

- On August 7th 2023, the National Bank has decided to keep the monetary “Policy rate” at 7%, unchanged since March 2023. Other key interest rates were also kept unchanged.
- In 2023 Q2, the annual inflation rate saw, as expected a drop drop to 9.4% versus 10.3% for the last 12 months by the end of first quarter 2023.
- Romanian GDP advanced 1.7% year-on-year in the second quarter of 2023, easing from a growth of 2.4% growth in the first quarter 2023 and the growth was somewhat below expectations. The negative growth of 1.1% in the second quarter (versus 2Q.2022) broke the eight consecutive quarter of growth.
- Asking prices for apartments and houses in Romania decreased in the second quarter of 2023 compared to first quarter of 2023 (EUR 1,433/m<sup>2</sup>) to EUR 1,429/m<sup>2</sup> at the end of Q2 2023 and EUR 1,435/ m<sup>2</sup> at the end of July 2023. In Constanta, average prices increased by 3% during the second quarter of 2023 (EUR 1,509/m<sup>2</sup> at the end of June 2023 compared to EUR 1,465/m<sup>2</sup> at the end of March 2023), according to [www.imobiliare.ro](http://www.imobiliare.ro) index.

## NAV movement in Q2 2023

Asset base	Q2 2023			Q1 2023		
	EUR '000	EUR/ share	NOK/share	EUR '000	EUR/ share	NOK/share
Investment property	4,399	0.11	1.24	4,414	0.11	1.21
Assets held for sale	0	0.00	0.00	0	0.00	0.00
Inventories	6,449	0.16	1.82	5,650	0.14	1.55
Cash	3,436	0.08	0.97	3,810	0.09	1.04
Other assets/(liabilities)	1,528	0.04	0.43	1,965	0.05	0.54
Net asset value	15,813			15,839		
NAV/Share		0.38	4.46		0.38	4.34
Change in NAV vs previous quarter	(0.2%)			(2.4%)		

The average number shares used in the NAV calculation above is 41,367,783 shares and unchanged from Q1 2023.

## Financial highlights 2Q.23- IFRS

EUR '000	Q2 2023	Q2 2022
Operating Revenue	169	105
Operating Expenses	(168)	(482)
Other operating income/ (expense), net	(47)	(336)
Net financial income/(cost)	56	20
Pre-tax result	10	(693)
Result for the period	19	(727)
Total assets	16,244	17,499
Total liabilities	431	958
Total equity	15,813	16,542
Equity %	97.3%	94.5%
NAV per share (EUR)	0.38	0.40
Cash position	3,436	4,152

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# RomReal Properties Q2 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	22,041
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
Total		218,376

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) – The Company did not make any sales this quarter of the three remaining plots and two houses and the units are still for sale. 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.

Oasis (No. 3 on the table) – 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, as well as the gas connection for all plots on site. The first apartment block is about 60% 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, in addition to the house sold during the second quarter 2023.

Industrial Park (No. 4 on the table) – The project is still advertised for sale.

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 parking income has started to occur and the weekly takings are picking up from a low level.

Ovidiu Residence (former Badulescu plot (No. 2 on the table) – 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 developing.

Ovidiu Residence 2 (former 7,900 sqm) - The Company has commenced a process to regulate the plot located nearby Lakeside for residential use. It is still expected the urbanistic regulation/PUZ of the plot to be approved by local authorities, hopefully before the 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 still expected the urbanistic regulation/PUZ of the plot to be approved by local authorities hopefully within end 2023.

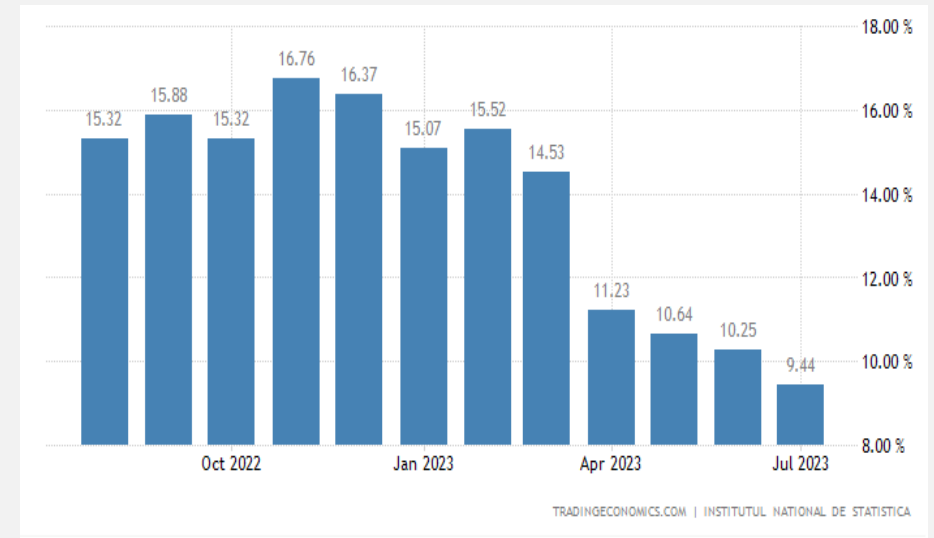


# Romanian Macro development

- Romanian GDP advanced 1.7% year-on-year in the second quarter of 2023, easing from a growth of 2.4% growth in the first quarter 2023 and the growth was somewhat below expectations. The negative growth of 1.1% in the second quarter (versus 2Q.2022) broke the eight consecutive quarter of growth.
- On August 7th 2023, the National Bank has decided to keep the monetary “Policy rate” at 7%, unchanged since March 2023. Other key interest rates were also kept unchanged.
- In 2023 Q2, the annual inflation rate saw, as expected a drop drop to 9.4% versus 10.3% for the last 12 months by the end of first quarter 2023.

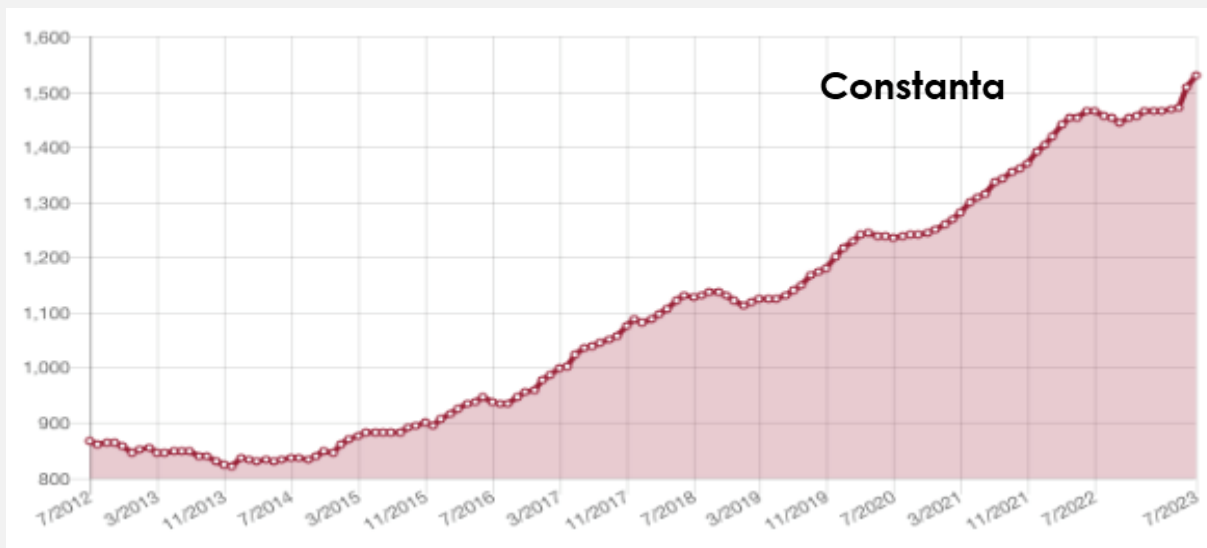
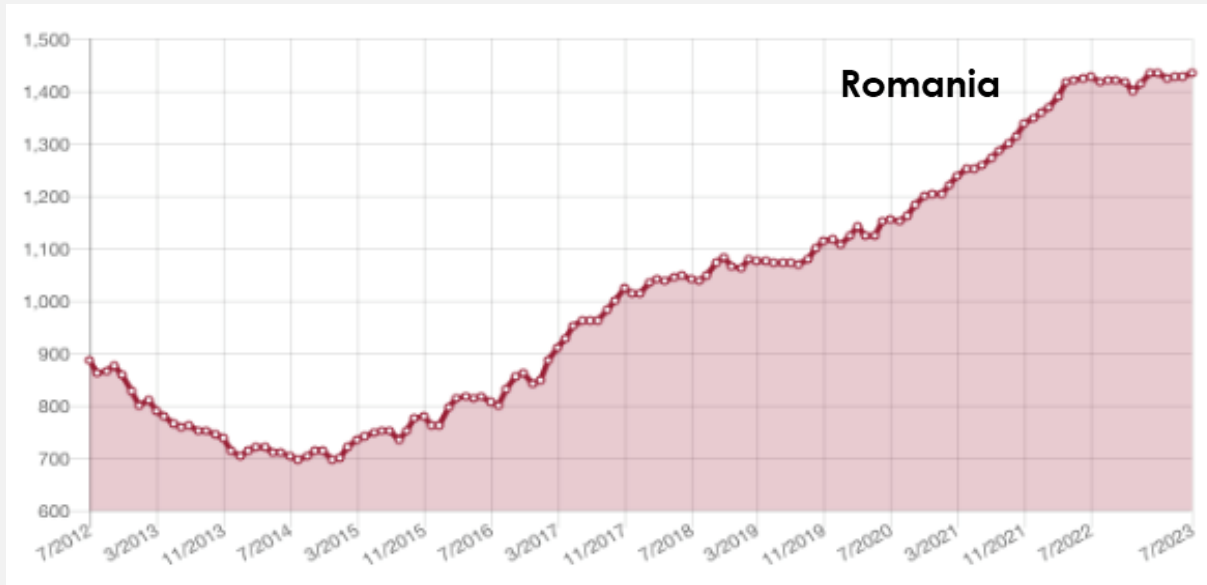


Romania quarterly GDP evolution (Data INS)



Romania Inflation Rate (Data INS)

# Apartment Price Development (End June 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 decreased in the second quarter of 2023 compared to first quarter of 2023 (EUR 1,433/m<sup>2</sup>) to EUR 1,429/m<sup>2</sup> at the end of Q2 2023 and EUR 1,435/ m<sup>2</sup> at the end of July 2023.
- In Constanta, average prices increased by 3% during the second quarter of 2023 (EUR 1,509/m<sup>2</sup> at the end of June 2023 compared to EUR 1,465/m<sup>2</sup> at the end of March 2023), according to [www.imobiliare.ro](http://www.imobiliare.ro) index.

## RomReal shareholders as at 18/08/2023

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	1,554,207	3.76%
7	STEINAR GRØNLAND	1,282,886	3.10%
8	ENERGI INVEST AS	1,253,611	3.03%
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	721,000	1.74%
14	KVAAL INVEST AS	712,593	1.72%
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	216,283	0.52%
20	Jo Egil Aderud	166,864	0.40%
	<b>TOP 20</b>	<b>38,561,830</b>	<b>93.06%</b>

•(1) This is the Top 20 Shareholder list as per 18 August 2023.

•(2) The total issued number of shares issued at end Q2 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%.

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# Outlook

- Both the CPI and GDP growth in Romania is set to fall during 2023. RomReal is in a relatively strong financial position with zero external debt. The weakening macro fundamentals have already resulted in clearly slower sales in all the remaining projects, and only one small property is sold during second quarter 2023. Excluding one agreed delayed instalment, all the vendor financing schemes are presently developing according to agreement. To maintain a solid cash position even in a bearish scenario, certain infrastructure investments are frozen and more could follow, if deemed necessary.

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# Thank you

## **Investor Relations**

**Kjetil Gronskag**

+40 731 123037 | [investors@romreal.com](mailto:investors@romreal.com)

16 Burnaby Street, Hamilton HM11, Bermuda

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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