
RomReal Limited

Investor presentation

Fourth Quarter (Q4) 2022 results

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Q4 2022 results – Highlights

Net Asset Value (NAV)

- Net Asset value was EUR 0.40 (NOK 4.15, before any tax) per share, a decrease of 5.2% measured in EUR from the end of the third quarter 2022 according to Colliers Romania.

Operational highlights

- During the fourth quarter of 2022, the Company sold two plots from the Ovidiu Lake Side project and Oasis project for a total consideration of EUR 0.7m. Additionally, the Company entered 2 pre-sale transactions from Ovidiu Residence and Ovidiu Residence 1 projects, for a total consideration of EUR 3.4m. No new sales have materialised in 1. Quarter 2023. Hitherto, all vendor financing instalments have been honoured in full.
- Total infrastructure investments by the end of 4th quarter 2022 was EUR 6.9m versus EUR 6.7m by the end of 3rd quarter 2022.

Q4 2022 results – Highlights

Financial Results

- Net Result for the quarter was a loss of EUR 886,000, compared to a EUR 931,000 profit in 4Q 2021. Net change in cash flow for the quarter was a positive EUR 277,000 compared to positive of EUR 226,000 in the same period last year. This was mainly due to plot sales realised during the quarter.
- At the end of the quarter, the Company had a cash position of EUR 4.1 million plus a total of EUR 5.1m unsettled receivables related to binding sales agreements, totalling EUR 9.2m, or about EUR 0.22 per share.

Macro and real estate market highlights

- The Romanian economy advanced 4.6% year-on-year in the fourth quarter of 2022, accelerating from 3.8% growth in the previous quarter, a preliminary estimate showed. It was the seventh straight quarter of expansion in the GDP. On a seasonally adjusted quarterly basis, the GDP expanded by 1.1%, the least in a year, after a 1.2% rise in the previous period. Considering 2022 full year, the GDP grew by 4.8%, compared to a 5.8% expansion in 2021, INS said in a statement 14 February 2023.
- Asking prices for apartments and houses in Romania decreased by 1.35% in the fourth quarter of 2022 compared the third quarter of 2022 (EUR 1,705/m² to EUR 1,682/m² at the end of 4Q 2022). In Constanta, average prices increased by 0.21% during the fourth quarter of 2022 (EUR 1,431/m² at the end of December 2022, compared to EUR 1,428/m² at the end of September 2022), according to www.imobiliare.ro index. The Romanian housing market has been increasing since 2015 with a nationwide average price increase of about 84%. This trend turned negative from June 2022.

NAV movement in Q4 2022

Asset base	Q4 2022			Q3 2022		
	EUR '000	EUR/ share	NOK/share	EUR '000	EUR/ share	NOK/share
Investment property	2,270	0.05	0.58	2,094	0.05	0.53
Assets held for sale	2,128	0.05	0.54	2,480	0.06	0.63
Inventories	5,719	0.14	1.45	6,544	0.16	1.67
Cash	4,098	0.10	1.04	3,821	0.09	0.97
Other assets/(liabilities)	2,129	0.05	0.54	2,297	0.06	0.59
Net asset value	16,345			17,237		
NAV/Share		0.40	4.15		0.42	4.39
Change in NAV vs previous quarter	(5.2%)			4.2%		

The average number shares used in the NAV calculation above is 41,367,783 shares and unchanged from Q3 2022.

Financial highlights 4Q.22- IFRS

EUR '000	Q4 2022	Q4 2021
Operating Revenue	773	1,079
Operating Expenses	(982)	987
Other operating income/ (expense), net	(739)	(1,127)
Net financial income/(cost)	42	45
Pre-tax result	(907)	984
Result for the period	(886)	931
Total assets	16,856	17,986
Total liabilities	511	1,160
Total equity	16,345	16,826
Equity %	97.0%	93.6%
NAV per share (EUR)	0.40	0.41
Cash position	4,098	3,807

RomReal Properties Q4 2022

Plot name	Location	Size (m2)
1 Ovidiu Lakeside	Constanta North/Ovidiu	2,764
2 Badulescu plot	Constanta North/Ovidiu	50,000
3 Ovidiu (Oasis)	Constanta North/Ovidiu	23,103
4 Centrepoint	Constanta North/Ovidiu	121,672
5 Gunaydin plot	Constanta North/Ovidiu	15,000
6 Balada Market	Central Constanta	7,188
Total		219,727

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

Operational highlights

Lake Side (No.1 on the table) – The Company has not made any sales this quarter. Street and utilities have been delivered to the City Hall for public use according to agreement. The City Hall has delivered the utilities to the water company during February 2023. RomReal is marketing the remaining 4 small plots for sale.

Oasis (No. 3 on the table) – The Company has commenced the process to re-authorise the regular utilities like gas, electricity and roads on the plot. Both block structures have already been re-authorised by Ovidiu City Hall. This in order to add value to the plot and commence the works for constructing the utilities. The Company has commenced the works for water and sewage on the plot as well.

Industrial Park (No. 4 on the table) – The project is partly or fully still for sale. Some investments is required on the plot to maintain its existing PUZ and building Authorisation before October 2023.

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 is expected be completed during April this year.

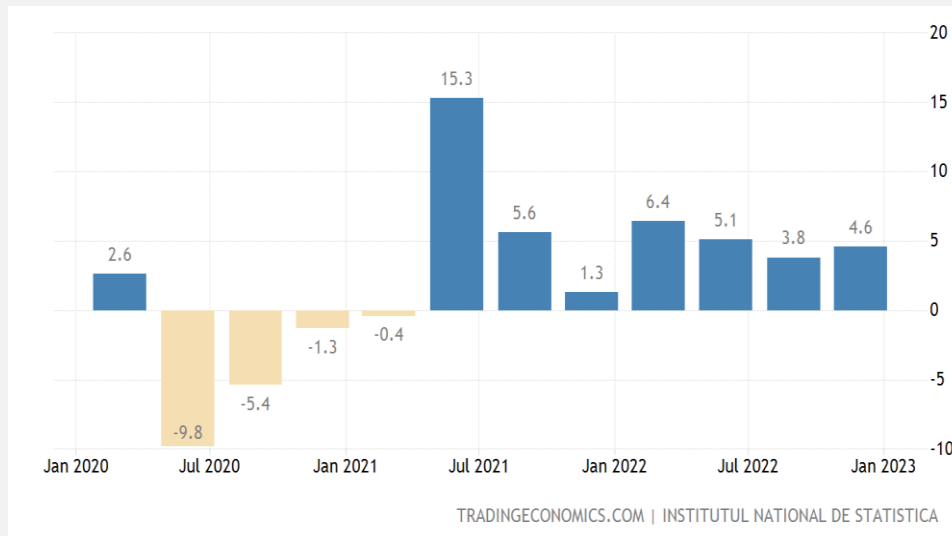
Ovidiu Residence (former Badulescu plot (No. 2 on the table) – Based on the Lakeside plot experience, the Company has commenced a process to regulate this plot located nearby Lakeside for residential and commercial use. The regulation process is moving more or less as planned, but a urbanistic regulation/PUZ is not obtained yet. The Company has signed a precontract for sale of a part of the plot with a local investor.

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.

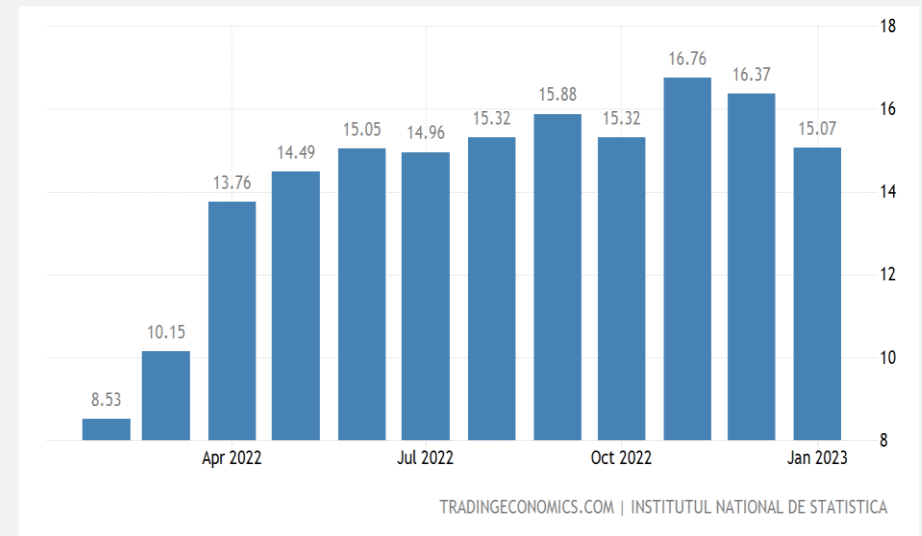
Ovidiu Residence 3 (former 7,100 sqm) – The Company has commenced a process to regulate the plot located nearby the road between Ovidiu and Constanta for residential use. It is expected to include infrastructure investments. It is expected the urbanistic regulation/PUZ of the plot to be approved by local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

Romanian Macro development

- The Romanian economy advanced 4.6% year-on-year in the fourth quarter of 2022, accelerating from 3.8% growth in the 3rd quarter, a preliminary estimate from INS showed. It was the seventh straight quarter of GDP expansion. On a 2022 full year basis, the GDP grew by 4.8%, compared to a 5.8% expansion in 2021, INS said in a statement 14 February 2023. According to the latest forecast by the European Commission, Romania's economy is expected to grow 2.5 percent in 2023, marginally lower than what is assumed in the Government 2023 budget (2.8%).

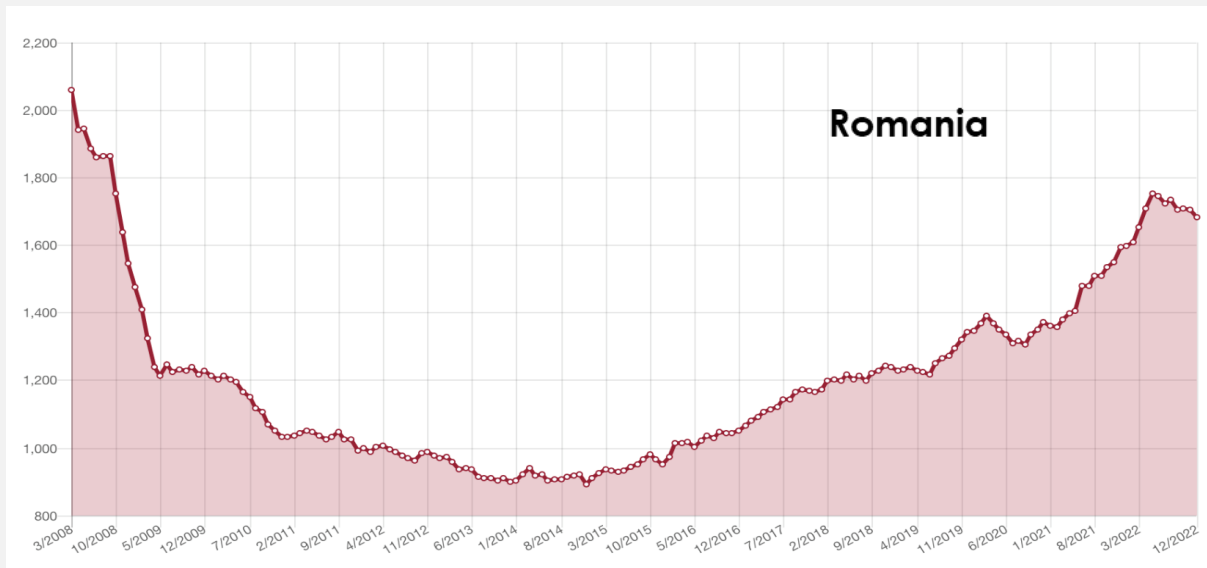


Romania quarterly GDP evolution (Data INS)

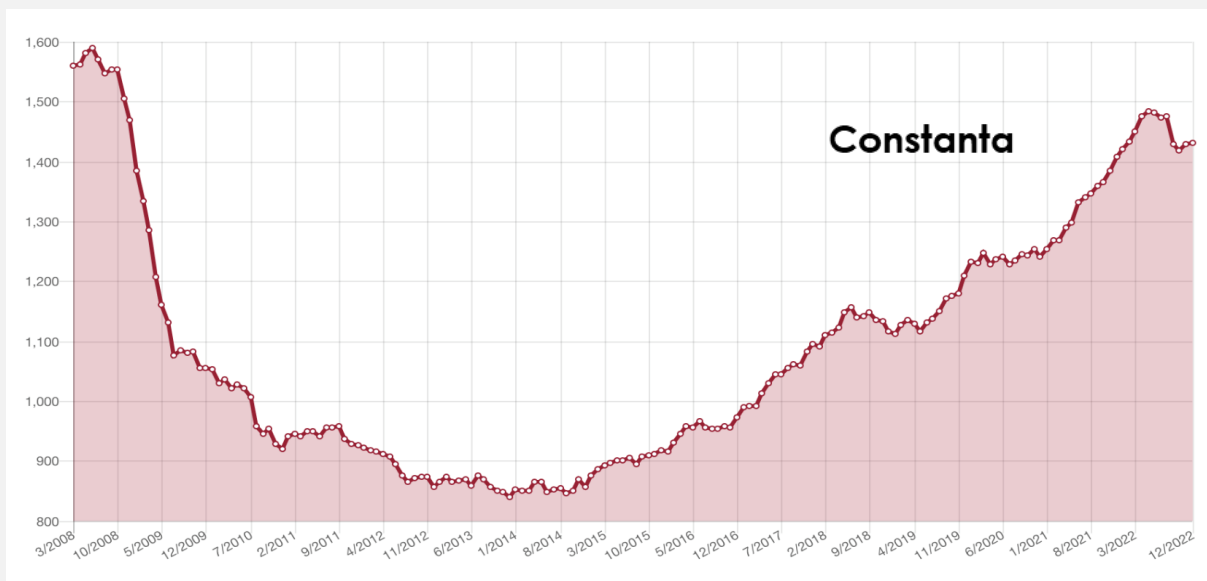


Romania Inflation Rate (Data INS)

Apartment Price Development (End December 22)



- Asking prices for apartments and houses in Romania decreased by 1.35% in the fourth quarter of 2022 compared to the third quarter of 2022 (EUR 1,705/m² to EUR 1,682/m² at the end of 4Q 2022).



- In Constanta, average prices increased by 0.21% during the fourth quarter of 2022 (EUR 1,431/m² at the end of December 2022, compared to EUR 1,428/m² at the end of September 2022), according to www.imobiliare.ro index.

RomReal shareholders as at 17/02/2023

Rank	Name	Holding	Stake
1	SIX SIS AG	10,331,934	24.98%
2	GRØNSKAG, KJETIL	5,913,006	14.29%
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	1,557,838	3.78%
7	ENERGI INVEST AS	1,253,611	3.03%
8	Orakel AS	1,101,000	2.66%
9	GRØNLAND, STEINAR	1,039,985	2.51%
10	BNP Paribas	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	HOEN, ANDERS MYSSSEN	689,557	1.67%
15	KVAAL INVEST AS	682,000	1.65%
16	AKSEL MAGDAHL	466,092	1.13%
17	Frenico AS	396,000	0.96%
18	NORDNET LIVSFORSIKRING AS	295,647	0.71%
19	CITIBANK	220,000	0.53%
20	Jo Egil Aalerud	166,864	0.40%
	TOP 20	38,481,086	93.05%

•(1) This is the Top 20 Shareholder list as per 17 February 2023.

•(2) The total issued number of shares issued at end Q4 2022 was 41,367,783.

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

•(4) Chairman Kjetil Grønskag owns directly and indirectly 5,913,006 shares corresponding to 14.29%.

Outlook

- Both the CPI and GDP growth in Romania is expected fall during 2023 with a modest improvement in 2024.
- 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 no additional new sales have materialised during 1.quarter 2023. Hitherto, all the vendor financing schemes have been 100% honoured. 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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