
RomReal Limited

Investor presentation

Fourth Quarter (Q4) 2020 results

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Webcast

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Q4 2020 results – Highlights

Net Asset Value (NAV)

- Net Asset value was EUR 0.36 (NOK 3.87 before any tax) per share, that being 18.2% lower compared to the end of the third quarter 2020.
- The year-end 2020 valuation was concluded by Knight Frank in February 2021 and the values of the Group's investment property have been updated accordingly. The like for like value of the investment properties has decreased by about 7.3% during 2020 reflecting the general market challenges brought by the pandemic according to Knight Frank.

Operational highlights

- During the fourth quarter 2020, the Company sold a further 16 plots from the Ovidiu Lake side project for a total consideration of EUR 0.36 million. Hitherto, in first quarter 2021, the Company has sold 4 plots for a total EUR 0.16million. All prices are in line with the 2019 IFRS valuation by Knight Frank.
- During 2020, EUR 1.1 million (ex VAT) have been further invested in infrastructure, primarily in Industrial Park and Lakeside.
- Industrial Park, a sale of in total 3 plots totalling about EUR 0.8 million has been terminated for the time being. The Company is planning to file a law suit against the local water utility. The Balada Market property is marketed for sale, but a court case has been commenced as the local Municipality has withdrawn a PUZ issued in 2015.

Q4 2020 results – Highlights

Financial Results

- Net Result for the quarter was EUR 2.94 million loss compared to a EUR 0.81 million loss in 4Q 2019. Net change in cash flow for the quarter was a negative EUR 1.35 million compared to minus EUR 0.12 million in the same period last year. This was mainly due to the Group's decision to make a EUR 1.05 million payment in relation to the tax dispute with the local tax authorities, to benefit a waiver of any potential penalties.
- At the end of 2020, the Company had a cash position of EUR 1.2 million plus a total of EUR 0.42 million in unsettled receivables related to binding sales agreements, totaling EUR 1.62 million or about EUR 0.04 per share.

Macro and real estate market highlights

- Romania's GDP contracted during 2020 by 3.9%, compared to a growth rate of 4.1% in the previous year, flash data from the country's statistical board, INS, showed. In the fourth quarter, Romania's fell 1.5% yoy, following a 5.7% annual contraction in the third quarter. On a quarterly comparison basis, Romania's GDP rose by 5.3% during the last quarter of the year.
- During January 2021 average residential prices in Romania reached an average price of EUR 1,361/sqm, indicating a 1.1% increase compared with the same period last year. In Constanta, average prices at the end of January 2021 reached at EUR 1,245/sqm. showing an increase of 1.8% compared with the same period last year according to www.imobiliare.ro

NAV movement in Q4 2020

Asset base	Q4 2020			Q4 2019		
	EUR '000	EUR/ share	NOK/share	EUR '000	EUR/ share	NOK/share
Investment property	2,761	0.07	0.71	10,594	0.26	2.53
Assets held for sale	2,240	0.05	0.58	2,320	0.06	0.55
Inventories	8,419	0.20	2.17	2,521	0.06	0.60
Cash	1,207	0.03	0.31	2,371	0.06	0.57
Other assets/(liabilities)	409	0.01	0.11	695	0.02	0.17
Net asset value	15,035			18,501		
NAV/Share		0.36	3.87		0.45	4.42
Change in NAV vs previous quarter	-18.2%			-3.2%		

The average number shares used in the NAV calculation above is 41,367,783 shares and unchanged from Q3 2020

Financial highlights - IFRS

EUR '000	Q4 2020	Q4 2019
Operating Revenue	446	428
Operating Expenses	(480)	(127)
Other operating income/ (expense), net	(34)	301
Net financial income/(cost)	5	(298)
Pre-tax result	(3,453)	(789)
Result for the period	(3,439)	(813)
Total assets	16,414	19,013
Total liabilities	1,262	387
Total equity	15,035	18,501
Equity %	91.6%	97.3%
NAV per share (EUR)	0.36	0.45
Cash position	1,207	2,320

RomReal Properties Q4 2020

Plot name	Location	Size (m2)
1 Ovidiu Lakeside	Constanta North/Ovidiu	49,403
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		267,914

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

Operational highlights

Lake Side (No.1 on the table)

- During the fourth quarter 2020, the Company sold a total of 16 plots from the Lake side project for a total consideration of EUR 0.356m.
- So far during the first quarter 2021, the Company sold 4 plots for a total EUR 0.159m.

Oasis (No. 3 on the table)

- 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 and authorise the works for constructing the utilities in the area.

Industrial Park (No. 4 on the table)

- A conditional sale of in total 3 plots totalling about EUR 0.8m has been terminated.
- The Company is planning to file a Court case against the local water utility.

Balada Market (No. 6 on the table)

- A court case has been commenced as the local Municipality has withdrawn a PUZ issued in 2015.
- The court case is making a sale more demanding.

Badulescu plot (No. 2 on the table)

- The Company is planning to regulate the plot for residential use. The plot is located very close to the Lake Side project.

Operational highlights 2

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

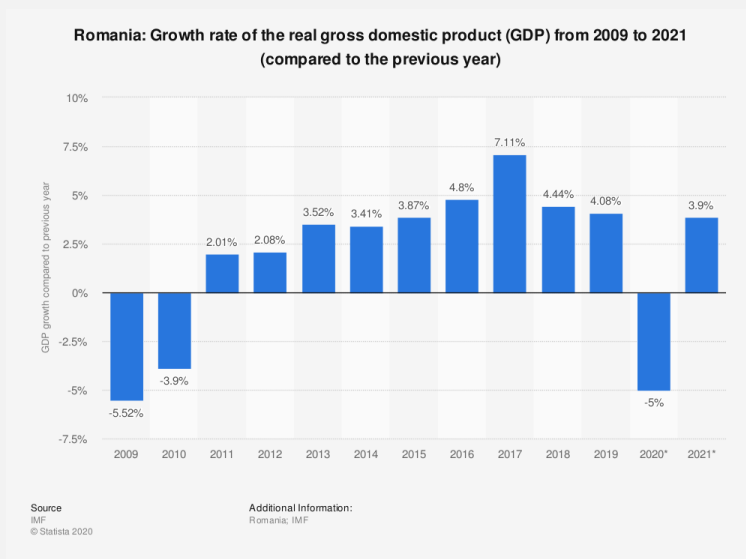
- The Company successfully obtained late 2020 a final and irrevocable order of Constanta Court of Appeal who decided restitution of the land in full.
- The piece of land is already agreed to be sold for about EUR 0.39m to the buyer of the Company's previous Mamaia North plots, as soon as the Court verdict will be received in official writing, and the administrative procedures for the transfer of the plot to the Company are finalised. This is expected during 2Q 2021.

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

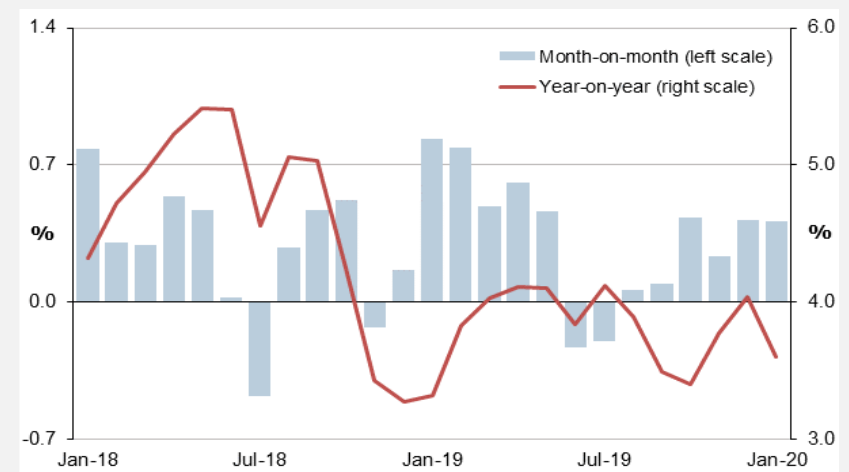
- The case has been on the Court of Appeal agenda on 13th January 2020.
- The Court of Appeal is expected to issue a decision in respect of this legal process before 1st of March 2021.

Romanian Macro development

- Romania's Gross Domestic Product has dropped by 3.9% during the pandemic year of 2020, compared to 2019, according to the latest flash report by the National Institute of Statistics (INS).
- In Q4 2020, the Gross Domestic Product increased by 5.3% compared with the third quarter of 2020.
- There have been almost 800,000 confirmed cases of coronavirus and Romania is one of the leading European countries in terms of vaccination, ranking 7th among the EU member states.



Romania quarterly GDP evolution (Data IMF)



Romania Inflation Rate (Data INS)

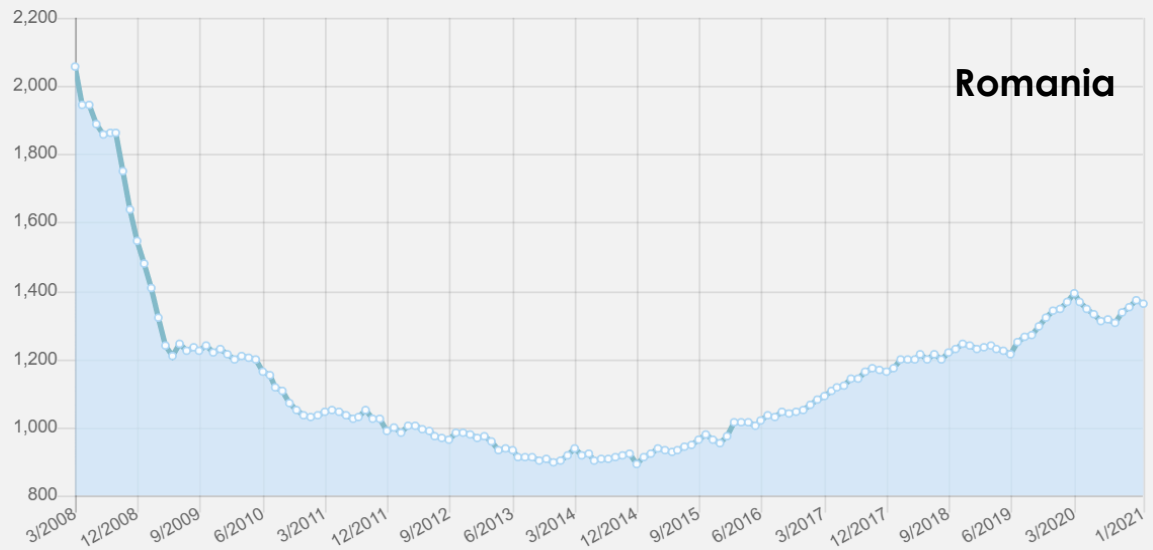
Romania Real Estate Update

- Romania's total investment volume accounted at the end of 2020 for EUR 588 million. a value almost half of the one registered in the record year of 2019, but similar with the one registered in 2015, a starting growth year.
- Capitalizing on the momentum gained in the previous year, 68% of the total investment volume was transacted during the first six months of 2020.
- Romania issued 41,311 building permits for residential projects in 2020, down 2.9% compared with 2019.
- In December 2020 alone, building permits for residential projects were up by an annual 10.9% higher Vs 2019.

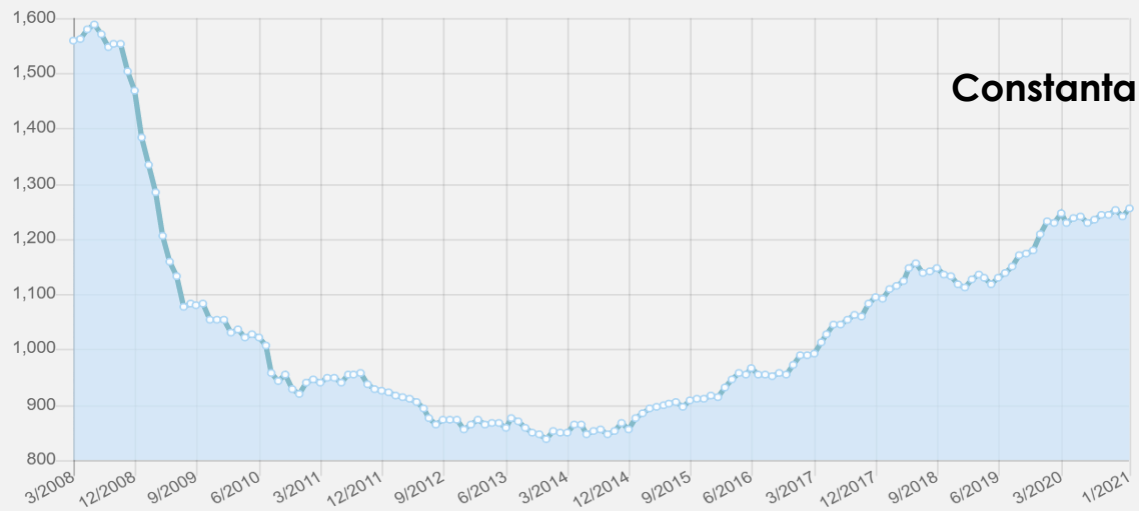
	December 2020	December 2019
Residential buildings	3,530	3,182
- urban area	1,053	1,075
- rural area	2,477	2,107
Office buildings	8	15
Other buildings	533	616

Romania Residential Building Permits Dec20 Vs Dec19 (Data NIS)

Apartment Price Development (Jan 21)



- During Jan 2021 residential average prices in Romania apartments remained flat compared to the end of the 4th quarter 2020 and 1.1% higher compare with the same period last year. Average prices are at EUR 1.361 per m²



- In Constanta, average prices stayed relatively flat during Jan 21 2020, currently averaging at EUR 1.254 per m². Compared with October 2019, prices are 1.8% higher

RomReal shareholders as at 23/02/2021

No	SHAREHOLDER	SHARES	%
1	SIX SIS AG	10,331,934	24.98%
2	THORKILDSEN, WENCHE SYNNØVE	5,392,985	13.04%
3	GRØNSKAG, KJETIL	4,451,626	10.76%
4	SAGA EIENDOM AS	3,262,976	7.89%
5	AUSTBØ, EDVIN	2,108,500	5.10%
6	Danske Bank A/S	1,506,445	3.64%
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	GRØNLAND, STEINAR	866,802	2.10%
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	510,000	1.23%
16	SILJAN INDUSTRIER AS	481,480	1.16%
17	MAGDAHL, AKSEL	476,403	1.15%
18	Banque de Luxembourg S.A.	409,725	0.99%
19	FRENICO AS	396,000	0.96%
20	NORDNET LIVSFORSIKRING AS	372,228	0.90%
	TOTAL TOP 20	37,074,040	89.09%

(1) This is the Top 20 Shareholder list as per 20NOV2020.

(2) The total issued number of shares issued at end Q4 2020 was 41,367,783.

(3) Chairman Kjetil Grønskag owns directly and indirectly 4,451,626 shares corresponding to 10.76%.

(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, increased sales & marketing efforts, and if deemed required some infra-structure investments, and more resources into regulation processes.
- The ongoing tax dispute and two new cases (Balada Market and Industrial Park) adds uncertainty and reduces the financial flexibility and any capital optimizing activities are currently not a realistic alternative.

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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