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# RomReal Limited

## Investor presentation

First Quarter (Q1) 2021 results

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# Q1 2021 results – Highlights

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

- Net Asset value was EUR 0.36 (NOK 3.86 before any tax) per share, that being about 0.2% lower compared to the end of the fourth quarter 2020
- The year-end 2020 valuation was concluded by Knight Frank in February 2021 therefore no further adjustments were made to the value of the investment properties during the quarter

## **Operational highlights**

- During the first quarter 2021, the Company sold a further 4 plots from the Ovidiu Lake side project and two plots of the Oasis property for a total consideration of EUR 0.318 million
- During 1Q 2021, EUR 0.36 million (ex VAT) have been further invested in infrastructure, primarily in Industrial Park and Lakeside, lifting the total infrastructure investments up to EUR 1.46 million

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# Q1 2021 results – Highlights

## Financial Results

- Net Result for the quarter was EUR 78,000 gain compared to a EUR 310,000 loss in 1Q 2020. Net change in cash flow for the quarter was a positive EUR 40,000 compared to positive EUR 499,000 in the same period last year. This was mainly due to the ongoing sales realised during the quarter slightly outpacing the operational expenditure
- At the end of the quarter, the Company had a cash position of EUR 1.2 million plus about EUR 0.67 million in binding unpaid sales due 21/22 including won restitution case about 390,000 proceeds Mamaia North (1,453m2)

## Macro and real estate market highlights

- Romania's GDP grew by 2.8% during 1Q 2021 compared to the last quarter of 2020, flash data from the country's statistical board, INS, showed. This makes it the third consecutive quarter of recovery after the 11.8% quarter-on-quarter drop recorded in the second quarter of 2020 amid the state of emergency and the lockdown. This growth is achieved about one quarter earlier than analysts envisaged and paves the way for a GDP growth rate in 2021 that could exceed previous forecasts of 5.5%
- Asking prices for apartments and houses in Romania gained 3% in the first quarter of 2021 compared to the same period of 2020. During Apr 2021 residential average prices in Romania increased by 1.2% compared to the end Q1 2021 and 2.1% higher compare with the same period last year. Average prices are at EUR 1.396 per m2. In Constanta, average prices increased by 1.7% in April 21 compared to Q1 2021, currently averaging at EUR 1.290 per m2. Compared with April 20, prices are 5% higher. according to [www.imobiliare.ro](http://www.imobiliare.ro) index

## NAV movement in Q1 2021

Asset base	Q1 2021			Q4 2020		
	EUR '000	EUR/ share	NOK/share	EUR '000	EUR/ share	NOK/share
Investment property	4,087	0.10	1.05	2,761	0.07	0.71
Assets held for sale	2,240	0.05	0.58	2,240	0.05	0.58
Inventories	7,094	0.17	1.83	8,419	0.20	2.17
Cash	1,247	0.03	0.32	1,207	0.03	0.31
Other assets/(liabilities)	335	0.01	0.09	409	0.01	0.11
Net asset value	15,003			15,035		
NAV/Share		0.36	3.86		0.36	3.87
Change in NAV vs previous quarter	-0.2%			-18.2%		

The average number shares used in the NAV calculation above is 41,367,783 shares and unchanged from Q4 2020

## Financial highlights - IFRS

EUR '000	Q1 2021	Q1 2020
Operating Revenue	258	974
Operating Expenses	(37)	(135)
Other operating income/ (expense), net	(85)	(660)
Net financial income/(cost)	(54)	(484)
Pre-tax result	82	(305)
Result for the period	78	(310)
Total assets	15,294	18,876
Total liabilities	291	370
Total equity	15,003	18,506
Equity %	98.1%	98.0%
NAV per share (EUR)	0.36	0.45
Cash position	1,247	2,870

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# RomReal Properties Q1 2021

Plot name	Location	Size (m2)
1 Ovidiu Lakeside	Constanta North/Ovidiu	48,317
2 Badulescu plot	Constanta North/Ovidiu	50,000
3 Ovidiu (Oasis)	Constanta North/Ovidiu	23,685
4 Centrepoint	Constanta North/Ovidiu	121,672
5 Gunaydin plot	Constanta North/Ovidiu	15,000
6 Balada Market	Central Constanta	7,188
<b>Total</b>		<b>265,862</b>

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) –Four plots have been sold and the Company has on-going processes for plot sales in the area. Grid connection of the land is expected to be finalised in Q4 2021.

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 value to the whole plot and authorise the works for constructing the utilities in the area, hopefully during 2<sup>nd</sup> half this year.

Two plots have been sold and meanwhile the Company expects more specific sales processes to develop when the pending regulation and utility issues are obtained and visible work commenced.

Industrial Park (No. 4 on the table) – Due to unapproved location of the pipes owned by the local water company, which were wrongly attached on the Company's plots, the sales and marketing process of the project is put on hold, and the Company is expecting to file a Court application against the local water company.

Balada Market (No. 6 on the table) - The plot and building is for sale. A court case has been commenced as the local Municipality has withdrawn a PUZ issued in 2015. In order to increase income, a regulation process to utilise a larger part of the plot for parking has commenced.

Badulescu plot (No. 2 on the table) – Based on the Lakeside plot experience, the Company has started a process to regulate this plot located nearby Lake Side for residential use.



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## Operational highlights 2

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

The piece of land is agreed to be sold to the buyer of the Company's previous Mamaia North plots, as soon as the administrative procedures for the transfer of the plot to the Company is finalised, presumably in Q2 2021. The agreed price is about EUR 390,000.

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

The case has been rejected by Constanta Court of Appeal and the Company is going to continue the legal process in front of Romanian High Court of Justice, which is the ultimate deciding entity.

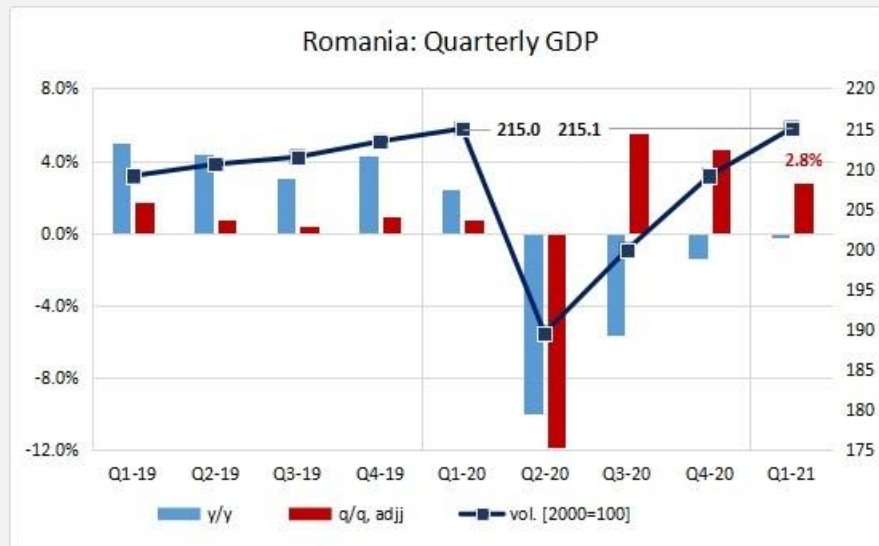
# Romanian Macro development

**Gross Domestic Product of Romania** grew 2.8% in the first quarter of 2021, according to the latest flash report by the National Institute of Statistics (INS).

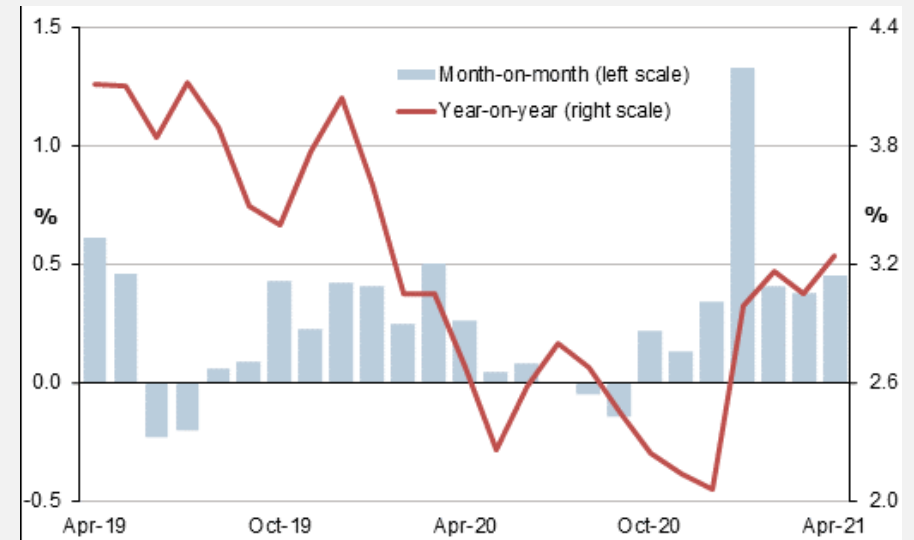
This may result in Romania's economy growing beyond the latest estimate of 6% for the entire year that the International Monetary Fund (IMF) forecast in early April 2021.

In 2022, the IMF expects Romania's economy to grow by 4.8%, the Fund said in the April edition of its World Economic Outlook (WEO) report.

There have been nearly 1,100,000 confirmed cases of coronavirus in Romania to. On the positive side, most covid stats have started to improve over the last couple of weeks and restrictions are expected to be gradually lifted.



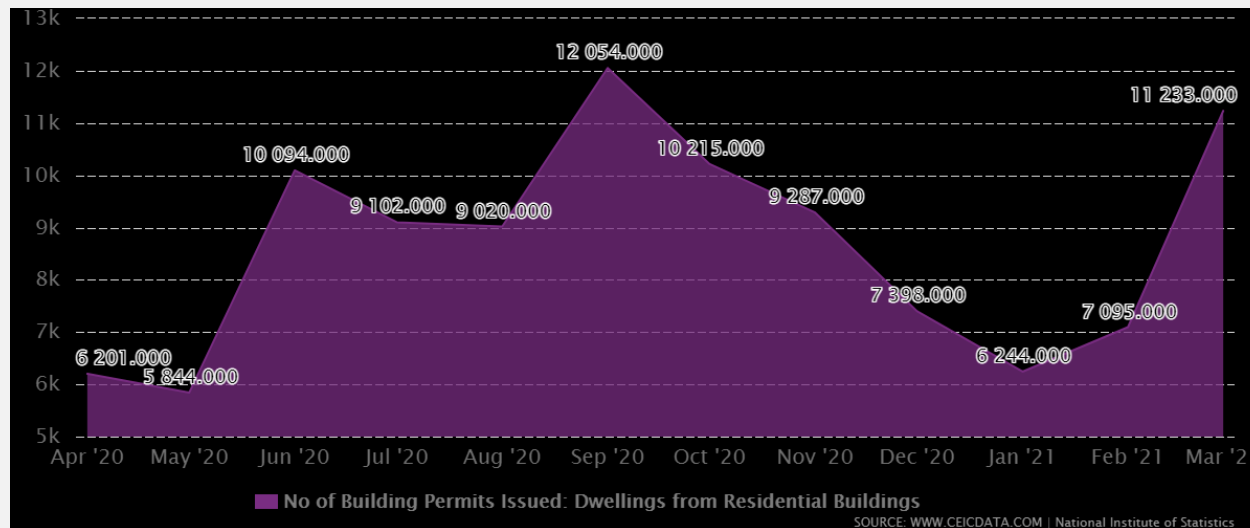
Romania quarterly GDP evolution (Data INS)



Romania Inflation Rate (Data INS)

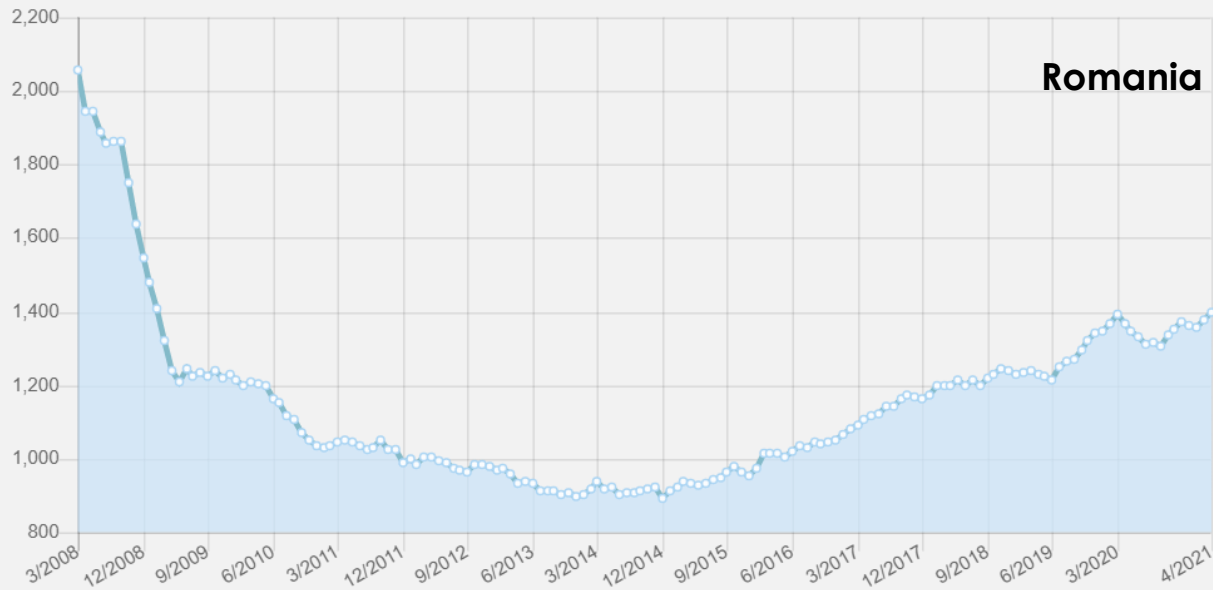
# Romania Real Estate Update

- 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 March 2021 alone, building permits for residential projects were up by an annual 81% higher Vs March 2020.

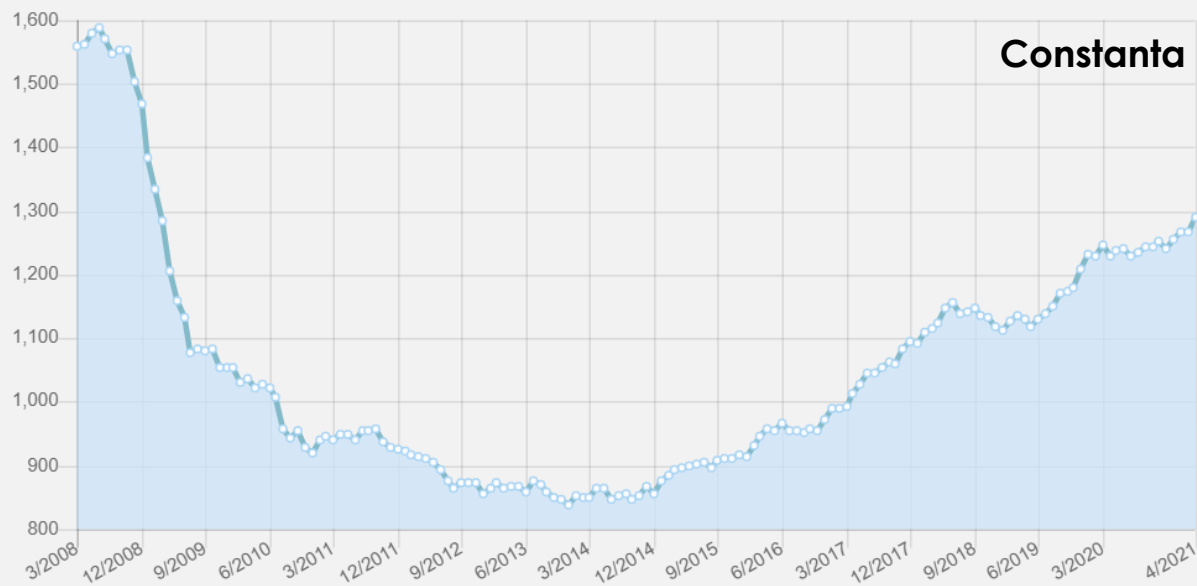


Romania Residential Building Permits March 21 (Data CEIC)

# Apartment Price Development (Apr 21)



- During Apr 2021 residential average prices in Romania increased by 1.2% compared to the end Q1 2021 and 2.1% higher compare with the same period last year. Average prices are at EUR 1.396 per m2.



- In Constanta, average prices increased by 1.7% in April 21 compared to Q1 2021, currently averaging at EUR 1.290 per m2. Compared with April 20, prices are 5% higher.

# RomReal shareholders as at 20/05/2021

No	Shareholder	Holding	Holding %
1	SIX SIS AG	10,331,934	24.98%
2	THORKILDSEN, WENCHE SYNNØVE	5,392,985	13.04%
3	GRØNSKAG, KJETIL	4,546,127	10.98%
4	SAGA EIENDOM AS	3,262,976	7.89%
5	AUSTBØ, EDVIN	2,108,500	5.10%
6	Danske Bank A/S	1,507,924	3.65%
7	ENERGI INVEST AS	1,242,478	3.00%
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	851,801	2.06%
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	550,010	1.33%
16	SILJAN INDUSTRIER AS	481,480	1.16%
17	MAGDAHL, AKSEL	476,403	1.15%
18	NORDNET LIVSFORSIKRING AS	441,432	1.07%
19	Banque de Luxembourg S.A.	409,725	0.99%
20	FRENICO AS	396,000	0.96%
	Total Top20	36,951,636	89.32%

•(1) The total issued number of shares issued at end Q1 2021 was 41,367,783.

•(2) Thorkildsen Invest AS is a Company controlled by the Thorkildsen family.

•(3) Chairman Kjetil Grønskag owns directly and indirectly 4,546,127 shares corresponding to 11%.

•(4) 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.

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## Main focus areas going forward

- RomReal, is focusing on land value enhancing activities and sales to improve the shareholder value.
- The ongoing tax dispute and other legal processes adds uncertainty and reduces the financial flexibility.
- This combined with a relatively slow sales process indicate a complete exit could easily drag-out for another couple of years.

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# Thank you

## **Investor Relations**

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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](http://www.romreal.com)

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