
RomReal Limited

Investor presentation

Second Quarter (Q2) 2024 results

Kjetil Gronskag

30 August 2024

Contents

Q2 2024 highlights	3-4
NAV movement in Q2 2024	5
Financial highlights 2Q.24 – IFRS	6
RomReal Properties per 2Q 2024	7
Operational highlights	8
Romania Macro Developments	9
Apartment Price Development	10
RomReal shareholders	11
Outlook	12
Contact details	13



Q2 2024 results – Highlights

Net Asset Value (NAV)

- Net Asset value was EUR 0.41 (NOK 4.68, before any tax) per share, down 1.1% from Q1 2024. EUR/NOK was 11.39 end of Q2 2024 versus 11.72 by the end of 1Q 2024.

Operational highlights

- During the Second quarter of 2024, the Company sold the third of the four older houses (on Oasis) for a total consideration of EUR 0.125m. Sale of the final old house for a similar price to a Company associated person has been approved by the Board after the end of the 1 half 2024.
- So far in Q3 2024, the Company sold a plot of about 15,000 m² on Centre Point.
- Total infrastructure investments by the end of second quarter 2024 was EUR 9.73m, of this EUR 4.28m represents finalised projects, mostly related to Ovidiu Lake Side.

Q2 2024 results – Highlights

Financial Results

- Net Result for the quarter was a loss of EUR 169,000, compared to a EUR 19,000 profit in 2Q 2023. Net change in cash flow for the quarter was a positive EUR 99,000 compared to negative of EUR 374,000 in the same period last year. This was mainly due to sale of plots and capitalized expenses related to infrastructure.
- At the end of the quarter, the Company had a cash position of EUR 4.0 million plus a total of EUR 2.4m unsettled receivables related to binding sales agreements, totalling EUR 6.4m, or about EUR 0.15 per share. The outstanding vendor financing agreements are followed up with extra attention.

Macro and real estate market highlights

- On 7 August 2024, the National Bank decided to cut the monetary “Policy rate” to 6.5%, from 6.75% (until June 2024 it was 7% unchanged since April 2023). Other key interest rates were also lowered by 0.25% while the minimum reserve requirements to the banking sector were kept unchanged.
- By the end of Q2.2024, the annual inflation rate declined to 4.9% from 6.61% at the end of 1Q 2024. The annual inflation picked up somewhat again end July to 5.4%, above consensus of 5.2%.
- According to the Institutul National de Statistica, the GDP showed a seasonally adjusted quarterly basis growth of only 0.1 % in second quarter 2024. The most recent GDP growth estimate from the European Commission of 15 May was 3.3%. Following the below expected growth figures in 2. Quarter 2024, the 2024 growth estimate is expected to be reduced.
- Asking prices for apartments and houses in Romania increased in the Second quarter of 2024 compared to First quarter of 2024 (EUR 1,580/m²) to EUR 1,603/m² at the end of 2Q 2024 and EUR 1611/m² at the end of July 2024. In Constanta, average prices increased by 2.08% during the Second quarter of 2024 (EUR 1,666/m² at the end of June 2024 compared to EUR 1,632/m² at the end of March 2024), according to www.imobiliare.ro index.

NAV movement in Q2 2024

Asset base	Q2 2024			Q1 2024		
	EUR '000	EUR/ share	NOK/share	EUR '000	EUR/ share	NOK/share
Investment property	2,377	0.06	0.65	2,377	0.06	0.67
Assets held for sale	0	0.00	0.00	0	0.00	0.00
Inventories	7,025	0.17	1.93	6,692	0.16	1.90
Cash	4,005	0.10	1.10	3,906	0.09	1.11
Other assets/(liabilities)	3,578	0.09	0.99	4,205	0.10	1.19
Net asset value	16,986			17,180		
NAV/Share		0.41	4.68		0.42	4.87
Change in NAV vs previous quarter	-1.1%			1.5%		

The average number shares used in the NAV calculation above is 41,367,783 shares and unchanged from Q1 2024.

Financial highlights 2Q.24- IFRS

EUR '000	Q2 2024	Q2 2023
Operating Revenue	193	169
Operating Expenses	(345)	(168)
Other operating income/ (expense), net	(66)	(47)
Net financial income/(cost)	69	56
Pre-tax result	(149)	10
Result for the period	(169)	19
Total assets	17,261	16,244
Total liabilities	275	431
Total equity	16,986	15,813
Equity %	98.4%	97.3%
NAV per share (EUR)	0.41	0.38
Cash position	4,005	3,436

RomReal Properties Q2 2024

Plot name	Location	Size (m2)
1 Ovidiu Lakeside	Constanta North/Ovidiu	1,126
2 Ovidiu (Oasis)	Constanta North/Ovidiu	21,732
3 Centrepont	Constanta North/Ovidiu	121,672
4 Ovidiu Residence 3	Constanta North/Ovidiu	7,100
5 Balada Market	Central Constanta	7,188
Total		158,818

Operational highlights

Lake Side (No.1 on the table) –Two houses are still for sale. The final transfer of the agreed land (promenade area), about 700m2, to the municipality of Ovidiu is planned to take place late 2024.

Oasis (No. 2 on the table) –The Company has finalised the works for water and sewage on the plot as well as the gas connection for all plots on site. The construction of roads and parking area as well as electrical works have commenced and will be finalised end of 2024, The first apartment block is for practical purposes finished and costs hitherto is slightly below the budget. The target completion date of the first block is 1 September 2024. The sales and marketing activities have just commenced. The final fourth house built in 2007 is agreed sold after the end of first half 2024.

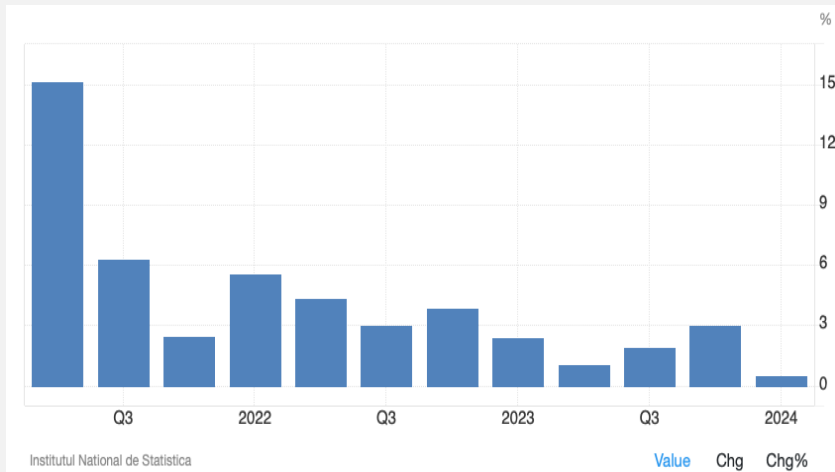
Industrial Park (No. 3 on the table) – The project is still advertised for sale. A sale of 15,000 m2 is agreed to a local developer with an agreed first 25% down-payment in week 35 and the rest in monthly instalments over 24 months. The development activity in the neighbourhood is expanding including various NATO/Romanian defence projects. The works to renew the infrastructure building permit before year-end 2024 has started.

Balada Market (No. 5 on the table) – The project is for sale. The installation of the parking system was completed in May 2023 and the parking income is slowly growing but expected to increase over time with more parking enforcements by the local authorities. The Company is considering a new PUZ application process.

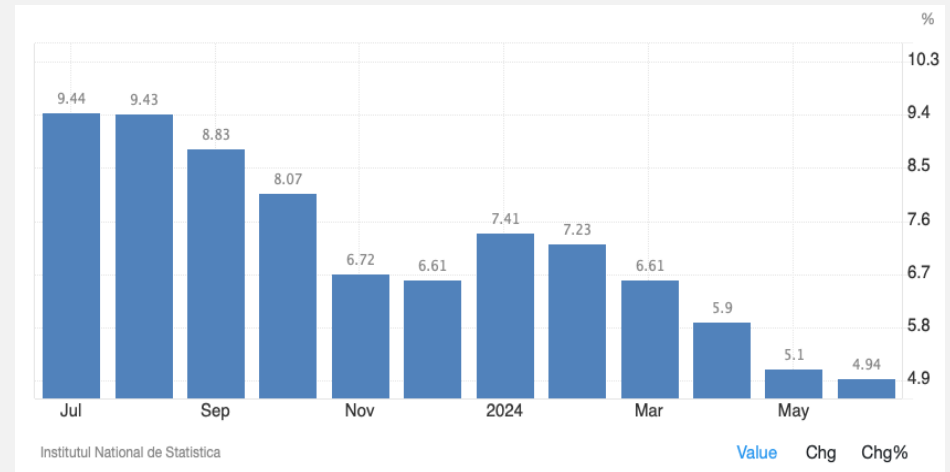
Ovidiu Residence 3 (No. 4 in the table, 7,100 sqm) –The Company has commenced a process to regulate the plot located nearby the road between Ovidiu and Constanta for industrial and logistic use. It will include infrastructure investments and the urbanistic regulation/PUZ of the plot to be approved by local authorities, now most likely during first quarter 2025.

Romanian Macro development

- According to the Institutul National de Statistica, the GDP showed a seasonally adjusted quarterly on a quarterly basis of only 0.1 % in second quarter 2024. The Romanian GDP rose 0.8% in the second quarter of 2024. This marked the thirteenth successive period of expansion. The most recent GDP growth estimate from the European Commission of 15 May was 3.3%. Following the below expected growth figures in 2. Quarter 2024, the 2024 growth estimate is expected to be reduced to about 2.5%.
- By the end of Q2.2024, the annual inflation rate declined to 4.9% from 6.61% at the end of 1Q 2024. The annual inflation picked up somewhat again end July to 5.4%, above consensus of 5.2%. Non-food and service are the main contributors to the jump in inflation in July 2024. The decreasing (but still high) inflation has allowed the Central Bank to start cutting rates, last time 7 August 2024 to 6.5%. On the negative side, the increasing Romanian fiscal deficit well above the Government limit of 5% in 2024 and the upcoming President and general elections later this year.

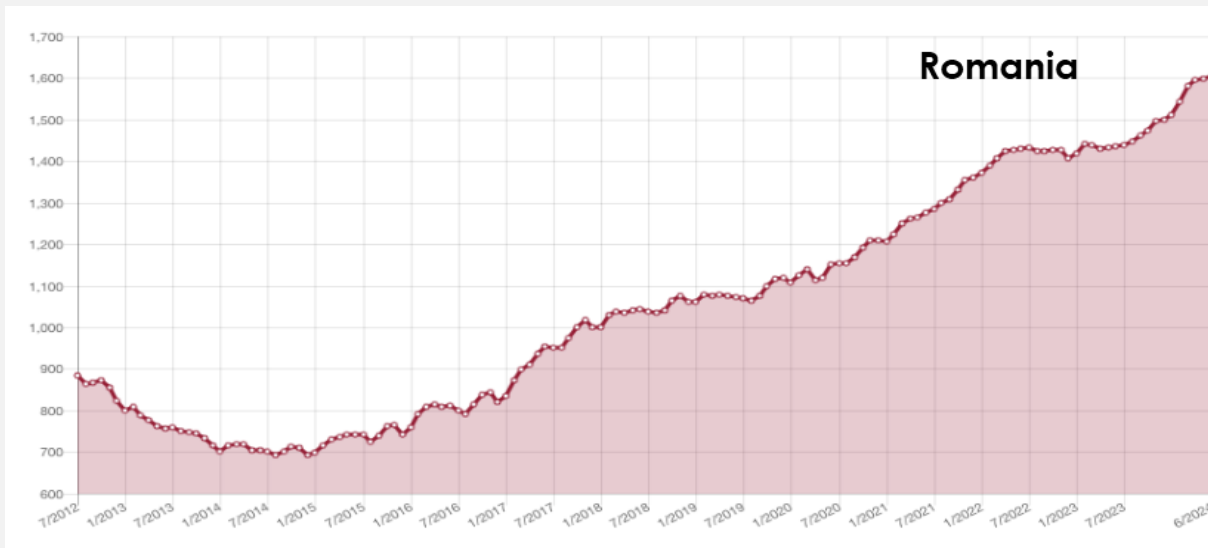


Romania quarterly GDP evolution (Data INS)

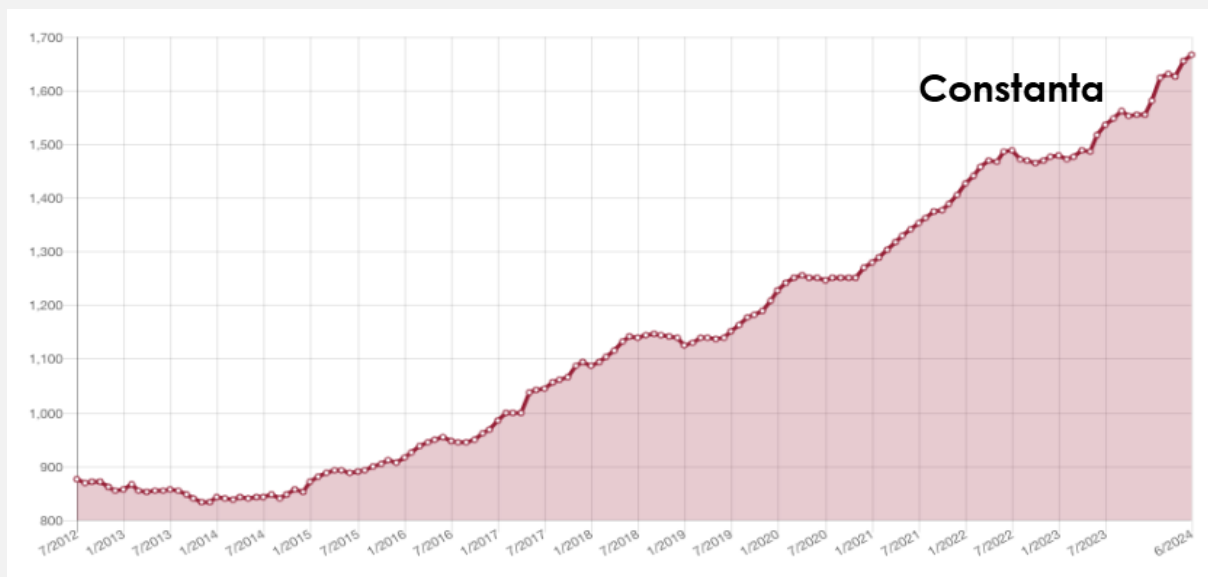


Romania Inflation Rate (Data INS)

Apartment Price Development (End June 24)



- Asking prices for apartments and houses in Romania increased in the Second quarter of 2024 compared to First quarter of 2024 (EUR 1,580/m²) to EUR 1,603/m² at the end of 2Q 2024 and EUR 1611/m² at the end of July 2024.



- In Constanta, average prices increased by 2.08% during the Second quarter of 2024 (EUR 1,666/m² at the end of June 2024 compared to EUR 1,632/m² at the end of March 2024), according to www.imobiliare.ro index.

RomReal shareholders as at 22/08/2024

Rank	Name	Holding	Ownership
1	SIX SIS AG	10,331,934	24.97%
2	GRØNSKAG, KJETIL	6,023,006	14.56%
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	1,698,122	4.10%
7	GRØNLAND, STEINAR	1,330,700	3.22%
8	Energi Invest as	1,253,211	3.03%
9	Orakel AS	1,101,000	2.66%
10	Brown Bothers	991,717	2.40%
11	SPAR KAPITAL INVESTOR	940,236	2.27%
12	KVAAL INVEST AS	935,000	2.26%
13	THORKILDSEN INVEST AS	829,478	2.01%
14	Arild Persson	722,912	1.75%
15	Anders Hoen	689,557	1.67%
16	AKSEL MAGDAHL	417,637	1.01%
17	Citibank	220,000	0.53%
18	Jo Egil Aalerud	166,864	0.40%
19	Eurotrade AS	161,952	0.39%
20	Nordnet Liv	125,872	0.30%
	TOP 20	38,827,319	93.86%

•(1) This is the Top 20 Shareholder list as per 22 August 2024.

•(2) The total issued number of shares issued at end Q2 2024 was 41,367,783.

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

•(4) Chairman Kjetil Grønskag owns directly and indirectly 5,913,006 shares corresponding to 14.56%.

Outlook

- Romania has an open economy with a widening budget deficit and should be mindful of the uncertain global backdrop. Late 2024 is a mayor election year in Romania and that is creating some extra political turbulence. The Romanian National Bank has cut the “policy rate” twice and last time on 7 August to 6.5%. This is helpful for the mortgage market, and the commercial banks have started to cut their lending rates accordingly and this should be helpful for the residential market in particular. Even with such a scenario in horizon, RomReal will continue its careful approach including cost focus, modest risks, and no cash return to its shareholders yet.

Thank you

Investor Relations

Kjetil Gronskag

+40 731 123037 | 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

DISCLAIMER

The information included in this Report contains certain forward-looking statements that address activities, events or developments that RomReal Limited ("the Company") expects, projects, believes or anticipates will or may occur in the future. These statements are based on various assumptions made by the Company, which are beyond its control and are subject to certain additional risks and uncertainties. The Company is subject to a large number of risk factors including but not limited to economic and market conditions in the geographic areas and markets in which RomReal is or will be operating, counterparty risk, interest rates, access to financing, fluctuations in currency exchange rates, and changes in governmental regulations. For a further description of other relevant risk factors we refer to RomReal's Annual Report for 2023. As a result of these and other risk factors, actual events and our actual results may differ materially from those indicated in or implied by such forward-looking statements. The reservation is also made that inaccuracies or mistakes may occur in the information given above about current status of the Company or its business. Any reliance on the information above is at the risk of the reader, and RomReal disclaims any and all liability in this respect.