

Q1

RomReal Limited
First Quarter 2020 Report
22 May 2020



RomReal is a Company focusing on the Romanian Real Estate market. Established in 2005 and it owns premium properties in the Constanta region.

Highlights First Quarter 2020

Net Asset Value (NAV)

- Net Asset value was EUR 0.45 (NOK 5.13) per share, that being almost flat compared to the end of the fourth quarter 2019.
- The year-end 2019 valuation was concluded by Knight Frank in February 2020 therefore no further changes were made to the value of the investment properties during the quarter.

Operational highlights

- On the Lakeside plot (No.1 on the list) the contract for electrical connection of the area has been signed. Industrial Park (No. 4 on the list) – Building authorisation for the road and utilities have been obtained by the Company. This is important due to significant NATO infrastructure investment in the neighbourhood.
- During the first quarter 2020, the Company entered a Lakeside sale agreement for 4 plots, for a total consideration EUR 565,000, paid in full.
- By 14 May 2020, EUR 1.99 million (ex VAT) was invested in infrastructure, primarily in Industrial Park and Lakeside.

Financial Results

- Net Result for the quarter was EUR 310,000 loss compared to a EUR 976,000 loss in 1Q 2019. Operating cash flow for the quarter was a positive EUR 639,000 compared to minus EUR 552,000 in the same period last year.
- At the end of the quarter, the Company had a cash position of EUR 2.9 million plus a total of EUR 605,000 in unsettled receivables related to binding sales agreements, totalling at close to EUR 3.5 million or about EUR 0.1 per share.

Macro and real estate market highlights

- Romania's economic growth decelerated to 2.4% year-on-year in the first quarter of 2020, compared to 5% annual increase in the like quarter of 2019, non-adjusted flash data of the country's statistical board, INS, indicated on 15 May 2020. To support the economy, the Government announced a series of measures in March amounting to about 2.0% of GDP which include increased funding to the healthcare sector, loan guarantees and subsidized credit to SMEs. Furthermore, the Government changed the status from "State of Emergency" to "State of Alert" on 14 May and this should lead to a stepwise easing of the lock-down.
- During Q1 2020 residential average prices in Romania apartments slightly declined at end of April by 1.7% compared with March 2020 at EUR 1,367/sqm. Prices are still 11.3% higher compared with April 2019. Prices in Constanta decreased by about 1.4% compared to March 2020, reaching EUR 1,229 /sqm; still 8.9% higher compared with April 2019, according to the most popular real estate website www.imobiliare.ro index.

Key Financial Figures

EUR '000	Q1 2020	Q1 2019
Operating Revenue	974	97
Operating Expenses	(135)	(162)
Other operating income/ (expense), net	(660)	134
Net financial income/(cost)	(484)	(1,037)
Pre-tax result	(305)	(967)
Result for the period	(310)	(976)
Total assets	18,876	19,671
Total liabilities	370	374
Total equity	18,506	19,297
Equity %	98.0%	98.1%
NAV per share (EUR)	0.45	0.47
Cash position	2,870	3,217

Movement in Net Asset Value

The Net Asset Value (NAV) decreased to EUR 19,297,000 at the end of Q1 2020 compared to EUR 19,603,000 at the end of Q4 2019.

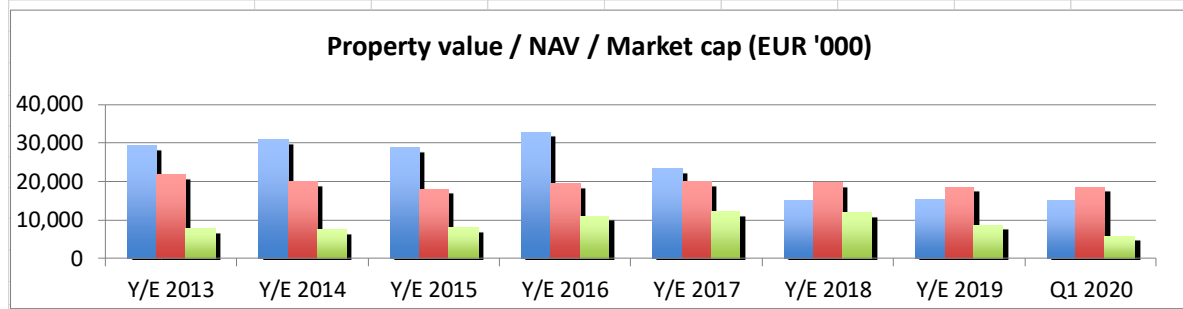
Asset base	Q1 2020			Q1 2019		
	EUR '000	EUR/ share	NOK/share	EUR '000	EUR/ share	NOK/share
Investment property	3,543	0.25	2.42	10,186	0.25	2.42
Assets held for sale	2,329	0.05	0.52	2,200	0.05	0.52
Inventories	8,975	0.06	0.61	2,552	0.06	0.61
Cash	2,870	0.08	0.77	3,217	0.08	0.77
Other assets/(liabilities)	789	0.03	0.27	1,141	0.03	0.27
Net asset value	18,506			19,297		
NAV/Share		0.47	4.59		0.47	4.59
Change in NAV	0.0%			-1.6%		

The average number shares used in the NAV calculation above is 41,367,783 shares and unchanged from Q1 2019.

Valuation of Properties

The end of year 2019 independent valuation of the Company's property was executed by Knight Frank Romania. The property portfolio was evaluated in accordance with the ANEVAR Valuation Standards 2013, which include the International Valuation Standards, issued by the IVSC in 2011. The valuation also complies with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB); and it is performed in accordance with the RICS Valuation Standards, 8th edition.

EUR '000	Y/E 2013	Y/E 2014	Y/E 2015	Y/E 2016	Y/E 2017	Y/E 2018	Y/E 2019	Q1 2020
Property value	29,304	30,797	28,736	32,787	23,419	14,962	15,435	14,847
NAV	21,671	19,916	18,089	19,369	19,930	19,603	18,501	18,506
Market cap	7,623	7,541	7,933	11,052	12,100	11,848	8,660	5,846
Market cap/NAV	35%	38%	44%	57%	61%	60%	47%	32%



Cash Flow

EUR '000	Q1 2020	Q1 2019
Net cash flow from operating activities	639	(552)
Net cash flow used in investing activities	(139)	300
Net cash flows from financing activities	-	-
Net cash change during period	499	(252)

Operating cash flow for Q1 2020 was positive EUR 639,000 compared to a negative EUR 552,000 in the same quarter last year. The net positive change is mainly driven by the sales closed during the quarter. The net cash from investing activities includes the spending done by the Group to increase the saleability of its plots.

Market Facts – Macro

Romania's economic growth decelerated to 2.4% year-on-year in the first quarter of 2020, compared to 5% annual increase in the like quarter of 2019, non-adjusted flash data of the country's statistical board, INS, indicated on 15 May 2020.

On a seasonally adjusted annual comparison basis, Romania's gross domestic product (GDP) growth slowed down to an annual 2.7%, from 5.1% in the first quarter of last year, INS data showed. Romania's GDP grew by 0.3% in the first quarter of 2020, compared to a revised 1.2% in the fourth quarter of 2019.

INS said it has revised the data for the first quarter of 2019 to 1.5% quarterly growth, up from previously estimated 1.1%, and the data for the second quarter of 2019 to 0.6% quarterly growth, down from 0.9%.

Also, the GDP growth data for the third quarter of 2019, as compared to the second quarter of 2019, had been revised to 0.5% from 0.6%. Results for the fourth quarter of 2019, as compared to the previous quarter were revised too, from 1.5% to 1.2%.

However, the statistics office announced that the results presented on May 15 could be revised as it has been unable to collect sufficient data due to the COVID-19 restrictions.

In mid-April, the government revised this year's budget bill to reflect forecasts that the country's economy will contract by 1.9% and consolidated budget deficit will widen to 6.7% of the projected GDP.

All the forecasts released in the last two months have indicated that Romania's economy is expected to decline this year. While the Government expects a 1.9% contraction, according to its revised budget planning, international institutions and banks expect a steeper decline. The European Bank for Reconstruction and Development (EBRD) expects a 4% economic contraction in Romania. The European Commission sees the local economy down by 6% while analysts of UniCredit Bank estimate that the drop could reach 9%. However, all the forecasts also indicate a significant recovery in 2021. In 2019, Romania's economy increased by 4.1%, after a 4.4% growth in 2018, and 7.1% in 2017.

There have been more than 11,000 confirmed cases of coronavirus in Romania so far and the country is currently under a State of Emergency until 15 May. An almost complete lockdown has been enforced in order to encourage social distancing during this critical period. The President announced that a relaxation plan will be considered after 15 May if the number of infected people decreases.

To support the economy, the Government announced a series of measures in March amounting to about 2.0% of GDP which include increased funding to the healthcare sector, loan guarantees and subsidized credit to SMEs.

Real Estate market facts

The total real estate investment volume registered in Romania in the first three months of 2020 amounted to 120.9 million euros, of which 85% were office and industrial property acquisitions, according to CBRE Research data. The largest transaction on the office market was Globalworth's acquisition of 50% of the shares of the Renault Bucharest Connected project in western Bucharest, while in the industrial sector the record transaction of the quarter was the acquisition of Equest Logistic Park by CTP for the amount of 30 million euros.

According to Cushman & Wakefield, the industrial sector has shown encouraging signs as both demand and supply were at almost similar levels compared to Q1 2019, a trend expected to continue going forward.

However, all retail projects have drastically reduced their activity in late March as a precautionary measure dictated by the current State of Emergency. Several scheduled deliveries have been postponed for the second part of the year.

Moreover, while the level of new office space delivered in Bucharest was similar to Q1 2019, the leasing activity recorded a 50% y-o-y decrease in Q1 2020.

Yields remained steady in the office and industrial space sector, at 7% and 7.75% respectively, and even if at the beginning of the year a compression of investment returns was estimated, the situation imposed by COVID-19 pandemic interrupted this trend.

Offices: In the Bucharest office space market, a total area of approximately 55,000 sq m was traded during the first quarter of 2020, 50% less than the similar period last year, according to the quarterly report of CBRE Research. Of this area, take-up (total transactions excluding renewal/renewals) represented 41,500 sq m, while renegotiations and renewals deals

totalled an area of over 13,100 sq m. The western area of the Capital concluded almost half of the transactions, including the largest transaction, namely the renewal of the Electronic Arts contract for an area of 12,000 sq m.

Retail: In the first quarter of this year, three retailers entered the Romanian retail market, who chose Bucharest for the opening of their first unit and opted for the concept of a shopping center: Breitling, Armani Beauty and Mövenpick opened stores in Baneasa Shopping City shopping center, in the northern part of the capital city. Biedronka supermarket chain could also be added to the three names, disclosing its interest in the local market.

The closure of non-essential stores in shopping centers, as part of the measures implemented due to the state of emergency, led to a sharp drop in sales especially for retailers who did not have well-developed online sales services. On the food (supermarket and hypermarket) and electronic segments, online sales have substantially increased, at the opposite end being the sales in the fashion segment, which once again proves the strong connection with physical stores, without which not even online sales work.

Industrial: On the industrial property market, in the first quarter of 2020, a net area (value excluding renegotiations and lease renewals) of 172,400 sq m, accounting for 91% of the total leasing activity was traded, according to CBRE Research data. The largest transaction in the first quarter was the pre-lease of an area of about 70,000 sq m by Ikea in the CTPark Bucharest West project. Bucharest attracted 81% of the total leasing activity, while the west and northwest of the country, along with the east and northeast parts, attracted 19%. The vacancy rate dropped to 6.9% nationally, while rents for industrial premises remained steady at around 4 euros/sq m, according to the CBRE Research report.

Residential Market: During Q1 2020 residential average prices in Romania apartments slightly declined at end of April by 1.7% compared with March 2020 at EUR 1,367/sqm. Prices are still 11.3% higher compared with April 2019. Prices in Constanta decreased by about 1.4% compared to March 2020, reaching EUR 1,229 /sqm; still 8.9% higher compared with April 2019, according to the most popular real estate website www.imobiliare.ro index.

Operational Overview

Lake Side (No.1 on the table) – Works for implementing the roads and utilities are close to finalisation. The Company has signed the contract for the grid connection. Contract for supplying gas to the area has been signed, the Company is awaiting City Hall building authorisation soon in order to start work in the area. Furthermore, the Company has several on-going processes for selling plots in the area. These cases are not expected to be converted into binding agreements before all regulation items are concluded.

A showroom house is planned built from around 1 June on the plot in order to improve marketing. During November 2019, RomReal signed the sale of 10 plots of land, each in the range of 200 sqm and one plot in the range of 850 sqm. After an initial payment EUR 120,000, the remaining instalments according to agreement has commenced. Additionally, during the first quarter of 2020, the Company entered sale agreement for 4 more plots, for a total consideration of EUR 565,500.

Oasis (No. 3 on the table) – The Company is presently negotiating with the water, gas, road and electricity Company ENEL the costs and conditions for the grid connection of whole area, to be implemented in stages. 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.

Meanwhile, the Company expects more specific sales processes to develop when the pending regulation and utility issues are granted.

Industrial Park (No. 4 on the table) – Building authorisation for the road and utilities have been obtained by the Company. The Company is discussing sale of around 15,000-20,000 m2 to an International Group.

Balada Market (No. 6 on the table) - The Company is marketing the plot and building on the market in order for sale to be agreed at a satisfactory price. The sales area was reduced by about 59 per cent from 16 March due to Covid19 temporary regulations. From about 20 May, the entire market area is expected to open again.

Badulescu plot (No. 2 on the table) – A New General urbanistic zone planning on this plot has been commenced by the City Hall. The new urbanistic plan has been finalised within end 2019, and the Company has already established specific contacts with interested investors in the area.

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

An order of August 2012 issued by the Mayor of Navodari City, it was ordered that the 1,453 sqm surface of land located in Navodari, Constanta County to be expropriated for the cause of public utility necessary for the achievement of local objectives, namely "Black Sea shore layout in the seaside area of the Navodari town - Development of the public utility infrastructure".

It was also established that Terra del Sol (Romanian subsidiary) should receive an indemnity in the amount of 312,850.66 lei (about EUR 67,155). Given that the local objective has not been and is not expected to be accomplished on the expropriated land, the Company have asked the Court for the restitution of this land. The first instance Court has dismissed the Company's claim based on the higher Court jurisprudence in the sense that the law does not provide such a remedy in case the land is no longer of use to the Authorities. The appeal case is expected to recommence again over the coming months. Following the satisfactory application by the Company, the Romanian parliament changed the subject restitution laws.

A new law in this respect has been published in August 2019, ordering local authorities to restore the lands having no plans for public buildings to be built on them. The Company has already served the necessary notifications to Navodari City Hall, and since the request of the Company has been rejected, the Company have commenced legal steps to recover the plot. At present, the case is on High Court of Justice Agenda on 22nd June 2020. Subject to a final solution with the municipality, and subject to solving litigation case, the piece of land is already agreed to be sold to the buyer of the Company's previous Mamaia North plot, subject to a final satisfactory conclusion.

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

In mid-2018, during the latest routine tax audit performed at the level of RomReal Romanian subsidiary Westhouse Group, covering the period 1 January 2011 – 31 December 2016, the tax authorities reassessed the loans granted by RomReal to Westhouse Group as contribution to share capital instead of inter-Company loans. In this respect, the Company received the tax audit report ("Tax Report") and the corresponding tax assessment decision ("Tax Decision"), whereby the tax authorities imposed an extraordinary tax-bill on the Company, in excess of EUR 1.7m (including penalties), as profit tax for the period covered by the tax audit.

Westhouse Group retained the services of E&Y Romania and will continue to pursue all available legal means for challenging the effects of such reassessment, in order to cancel the additional tax liabilities. In July 2018 the Company managed to obtain the suspension of the Tax Authority Decision, until a binding Court decision regarding the contestation is obtained. The Constanta Court of Appeal ordered that no attachments to the bank accounts and/or lands belonging to Westhouse Group should take place in the meantime.

During June 2019, the Company managed to obtain a second Court of Appeal decision confirming the fact that no attachments to the bank accounts and/or lands belonging to Westhouse Group, should take place until a final decision from the Romanian High Court of Justice is concluded in the future. This is the second time the Appeal Court has made an independent decision in favour of the Company.

On 5th of November 2019 High Court of Justice decided to admit the appeal of the Tax Authority against the suspension decision issued by Constanta Court of Appeal during 2018 Court proceedings. Fortunately, there is still in force the second order issued by Constanta Court of Appeal during 2019, and therefore no attachments to the bank accounts and/or lands belonging to Westhouse Group can take place. High Court of Justice in Bucharest has suspended hearing the appeal pursued by Constanta Tax Authority on 24th March 2020 due to Covid19. In case the appeal pursued by the Tax Authority will be admitted by High Court of Justice, decision will be final and executorial and the Company will need to pay the amount of around EUR 1.7m. The case is expected to be reopened relatively soon as the Governmental lock-down is gradually eased.

On 25th September 2019 Constanta Court of Appeal have fixed the first hearing date of the Court proceedings which was thereafter firstly moved to 13th November and subsequently to 11th December, 15th January 2020 and 11th March 2020. During the hearing on 13th November the Court decided, upon the request of Westhouse Group lawyers, that a Constanta judicial sworn specialised tax accountant should examine the whole grounds of the Tax Authority claim. The person is going to be accompanied in this work by a specialised tax Professor chosen by the Company.

In case the money will be paid to Tax Authority due to a pending decision issued by High Court and thereafter Constanta Court of Appeal will issue a ruling in favour of the Company (to be confirmed by High Court again), Constanta Tax Authority will need to pay back the money to the Company, as well as legal interest. Due to very fresh legal regulations issued by the Government in order to protect the interests of the local companies, which means that subject to certain conditions local companies will be exempted of important debts to the state, the Company will need to re-asses the position in respect of this case with the assistance of local E&Y team.

The Property Portfolio

The Company's land bank consists at the end of Q1 2020 of 6 plots with a total size of 270,976 sqm:

Plot name	Location	Size (m2)
1 Ovidiu Lakeside	Constanta North/Ovidiu	52,465
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		270,976

Shareholder Information

Please see below the list of the top 20 shareholders in RomReal as of 15 May 2020:

Rank	Name	Holding	Stake
1	SIX SIS AG	10,331,934	24.98%
2	THORKILDSEN, WENCHE SYNNØVE	5,392,985	13.04%
3	GRØNSKAG, KJETIL	4,422,475	10.60%
4	SAGA EIENDOM AS	3,262,976	7.89%
5	AUSTBØ, EDVIN	2,108,500	5.10%
6	Danske Bank A/S	1,477,922	3.57%
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	THORKILDSEN INVEST AS	829,478	2.01%
12	GRØNLAND, STEINAR	739,719	1.79%
13	PERSSON, ARILD	718,000	1.74%
14	HOEN, ANDERS MYSSSEN	689,557	1.67%
15	JONAS BJERG PENSION PLAN, NTS TRUSTEES LTD	558,306	1.35%
16	SILJAN INDUSTRIER AS	481,480	1.16%
17	MAGDAHL, AKSEL	476,403	1.15%
18	CLEARSTREAM BANKING S.A.	422,855	1.02%
19	FRENICO AS	396,000	0.96%
20	KVAAL INVEST AS	381,278	0.92%
TOP 20		36,912,039	89%

(1) This is the Top 20 Shareholder list as per 15 May 2020

(2) The total issued number of shares issued at end Q1 2020 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 4,422,475 shares corresponding to 10.6%.

(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.

Outlook

RomReal, according to the strategy, 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 restitution case adds uncertainty and reduces the financial flexibility.

It is not yet foreseeable that property prices will fall as a result of the Covid19 crisis, given the current market situation. However, it is only possible to estimate how prices and the number of sales transactions resulting from COVID-19 will develop in the second or third quarter of this year. At present, however, it appears that the property market will remain stable in terms of prices despite the corona crisis, particularly in the major cities. Especially in times of crisis, real estate is once again proving to be a safe investment.

Romania is a NATO member. The Romanian parliament approved in January 2020 to upgrade and expand the Mihail Kogalniceanu military base, located in Constanta county. The expanded base should accommodate Romania's fleet of F-16 fighters as well as NATO F-35 and significantly strengthen NATO's presence in the Black Sea area. The costs of the project are estimated at EUR 2.5-3 billion over a period of 20 years. This is a significant project in a local context and should significantly help to underpin the labour and real-estate market in the region. RomReal's nearest project Industrial Park, is located only about 5 kilometers from the expanded base area.

INFORMATION ON FINANCIAL CONDITION AND OPERATING RESULTS

Accounting Principles

The condensed consolidated interim financial statements for the first quarter of 2020, which have been prepared in accordance with IFRS as adopted by EU and IAS 34 Interim Financial Reporting, give a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations. The accounting policies applied in the preparation of the quarterly result are consistent with the principles applied in the financial statements for the year to 31 December 2019. The financial statements have been prepared on a going concern basis.

To information presented in the interim report for the first quarter of 2020 includes a fair review of important events that have occurred during the period and their impact on the condensed financial statements, the principal risks and uncertainties for the remaining of 2020, and major related party transactions.

Comparative data for Q1 2020 and Q1 2019

The interpretations below refer to comparable financial information for Q1 2020 and Q1 2019. They are prepared for RomReal on a consolidated basis and use consistent accounting policies and treatments.

Operating Revenue

The operating revenue during Q1 2020 was EUR 974,000 compared to a total of EUR 97,000 reported in Q1 2019. This consists mainly of the revenue resulting out of the sales of some plots as well as of the rent earned by the Company in respect of some of the plots.

Operating Expenses

Total operating expenses amounted to a negative EUR 135,000 in Q1 2020 compared to a total negative EUR 162,000 in Q1 2019. The main cost element relates to the general and administrative expenses of EUR 154,000. Of the remaining operating expenses, the payroll costs were EUR 51,000, while the Management fees were EUR 24,000.

Other operating income/ (expense), net

The other operating income/ (expense) during the quarter were a loss of EUR 660,000, reflecting mainly the cost of disposal of the sold properties as well as the movement in the EUR/RON exchange rate.

Profit/ (loss) from operations

During Q1 2020, RomReal generated an operating gain of EUR 179,000, compared to a gain of EUR 69,000 in Q1 2019.

Financial Income and expense

Foreign exchange result for Q1 2020 was a net loss of EUR 484,000 compared to a net foreign exchange loss of EUR 1,037,000 in Q1 2019. During the quarter the RON lost 0.96% to the EUR. The Company's policy is to hedge these effects by retaining most of its cash in Euros and also by denominating all receivables in Euros. Although not reflected from an accounting perspective, practice in real estate is that transactions are denominated in EUR and

payments made at the exchange rate ruling at the date of payment, hence reducing the risk of cash losses due to exchange rate movements.

Result before tax

The result before tax in Q1 2020 was a loss of EUR 305,000 compared to a loss before tax of EUR 967,000 in Q1 2019.

Cash and cash equivalents

The Company's cash and cash equivalents position at end of Q1 2020 was EUR 2,870,000 compared to EUR 2,371,000 as at end of Q4 2019. In addition, a total of EUR 605,000 in outstanding payments related to binding sales agreements, totalling at about EUR 3.5 million.

RomReal portfolio / sale transactions to be completed in 2020/2021.

No	Plot name	Location	Plot size (sqm)	Agreed sale value (EUR)	Installments received@ 16/05/2020	To cash 2020	To cash 2021
1	Alexandriei plot	Bucharest sector 5	13,263	1,850,000	1,700,000		150,000
2	Lakeside plot 15	Ovidiu Constanta		58,000	43,035	14,965	
5	Ovidiu Lakeside plot 16	Ovidiu Constanta		163,210	81,605	36,269	45,336
6	Ovidiu Lakeside 10 plots	Ovidiu Constanta		387,540	193,770	86,120	107,650
Total			13,263	2,458,750	2,018,410	137,354	302,986

Taxation

The Company is required to calculate its current income tax at a flat rate of 16%. Starting 2013, based on turnover thresholds, some companies in the Group are subject to a while some are subject to 1% tax calculated on total revenue. This is the case for 7 of the Group companies (1 pays 1% tax and 6 of them 3% tax) while 3 of them are subject to 16% on taxable profits.

The Company accounts for deferred tax on all movements in the fair values of its investment properties at a flat rate of 16%. Any change in the deferred tax liability or change in the deferred tax asset is reflected as an element of income tax in the profit and loss statement. The Company recognises deferred tax asset for the amount of carried forward unused tax losses to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised.

Contingent liabilities

The Company is currently the subject of a tax dispute for a total amount of EUR 1.7 million. The Company assesses the possible obligation as contingent and has therefore not booked any provision in this respect.

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

Figures in thousand EUR

	Q1 2020	Q1 2019
Rent revenue	156	38
Revenue from sale of assets	818	58
Operating revenue	974	97
Payroll expenses	(51)	(45)
Management fees	(24)	(27)
Inventory (write off)/reversal	94	40
General and administrative expenses	(154)	(130)
Operating expenses	(135)	(162)
		-
Profit/ (loss) before other operating items	839	(65)
Other operating income/(expense), net	(660)	134
Profit from operations	179	69
Financial income	1	6
Financial costs	(4)	(5)
Foreign exchange, net	(481)	(1,038)
		-
Result before tax	(305)	(967)
Tax expense	(5)	(9)
Result of the period	(310)	(976)

CONSOLIDATED BALANCE SHEET (UNAUDITED)

Figures in thousand EUR

ASSETS	March 31, 2020	March 31, 2019	December 31, 2019
Non-current assets			
Investment properties	3,543	10,186	3,543
Property, plant and equipment	97	79	105
Deferred tax asset	117	119	118
Total non current assets	3,757	10,384	3,767
Current assets			
Inventories	8,975	2,552	9,572
Other short term receivables	920	1,278	983
Prepayments	25	39	1
Cash and cash equivalents	2,870	3,217	2,371
Total current assets	12,789	7,087	12,927
Assets held for sale	2,329	2,200	2,320
TOTAL ASSETS	18,876	19,671	19,013
EQUITY AND LIABILITIES	March 31, 2020	March 31, 2019	December 31, 2019
Equity			
Share capital	103	103	103
Contributed surplus	87,117	87,117	87,117
Other reserves	160	160	160
Retained earnings	(71,699)	(69,808)	(69,810)
Result of current period	(310)	(976)	(1,890)
FX reserve	3,135	2,700	2,820
Total equity	18,506	19,297	18,501
Non current liabilities			
Deferred income tax	129	105	126
Total non current liabilities	129	105	126
Current Liabilities			
Other payables	113	97	112
Deferred income	128	172	274
Tax payable	1	0	0
Total current liabilities	242	269	387
TOTAL EQUITY AND LIABILITIES	18,876	19,671	19,013

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

Figures in thousand EUR

	March 31, 2020	December 31, 2019
Profit for the year	(310)	(339)
Other comprehensive income		
Exchange differences on translation of foreign operations	434	284
Other comprehensive income for the year, net of tax	434	284
Total comprehensive income for the year, net of tax	124	(55)

CASH FLOW STATEMENT (UNAUDITED)

	March 31, 2020	December 31, 2019
Net cash flow from operating activities	639	(338)
Net cash flow from investing activities	(139)	(760)
Net cash flows from financing activities	-	-
Net cash change during period	499	(1,098)
Cash at beginning of period	2,371	3,469
Cash and cash equivalents at end of the period	2,870	2,371

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

Figures in thousand EUR

	March 31, 2020	December 31, 2019
Equity at the beginning of the period	18,501	19,603
Result for the period	(310)	(1,890)
Other changes	315	788
Equity at the end of the period	18,506	18,501

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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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