

Q2

RomReal Limited
Second Quarter 2020 Report
28 August 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 Second Quarter 2020

Net Asset Value (NAV)

- Net Asset value was EUR 0.45 (NOK 4.78 before tax) per share, that being about 0.3% higher compared to the end of the first quarter 2020.
- The year-end 2020 valuation was concluded by Knight Frank in February 2020, and 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 the electrical connection of the area was signed. Industrial Park (No. 4 on the list) – Building authorisation for the road and utilities has been obtained by the Company. This is important due to significant NATO infrastructure investment in the nearby area.
- During the first quarter 2020, the Company entered into a sale agreement for 4 plots at Lakeside, 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.
- Due to very recent legislation, and according to our tax advisors' understanding, the worst-case payment in the on-going tax case dispute is expected to be reduced from the original EUR 1.7m to about EUR 1.05m, being a reduction of about EUR 0.65m. This amount of EUR 1.05m is still to be contested by the Company.

Financial Results

- Net Result for the quarter was EUR 196,000 loss compared to a EUR 138,000 gain in 2Q 2019. Net change in cash flow for the quarter was a negative EUR 62,000 compared to minus EUR 26,000 in the same period last year.
- At the end of the quarter, the Company had a cash position of EUR 2.8 million plus a total of EUR 405,000 in unsettled receivables related to binding sales agreements, totalling at close to EUR 3.2 million or about EUR 0.08 per share.

Macro and real estate market highlights

- Romania's GDP in the second quarter of 2020 (of which half of the period under a state of emergency due to Covid19) witnessed a contraction of 12.3%, compared to the previous quarter, and 10.5% compared to the same period of 2019. This takes the decrease in GDP for the first 6 months to 4.7%. According to the flash news, the industrial segment has also suffered a 35% loss in output volume. The Government estimates a 3.8% GDP contraction for the entire 2020 in its most recent budget revision.
- During Q22020 average residential prices in Romania declined by more than 4% at end of June 2020 compared with March 2020 and reached an average price of EUR 1,333/sqm compared to 1,391/sqm in the beginning of the quarter. Compare to the end of the first half of 2019, prices are still 9.6% higher. In Constanta, average prices stayed relatively flat during the second quarter of 2020 (EUR 1,240/sqm at the end of

June 2020, compared to EUR 1,247/sqm at the end of March 2020), according to www.imobiliare.ro index.

- Despite the pandemic restrictions, the volume of real estate transactions has reached EUR 410m during the first semester of 2020, a 20% increase compared to the same period of last year, according to JLL Romania.

Key Financial Figures

| EUR '000 | Q2 2020 | Q2 2019 |
|--|---------|---------|
| Operating Revenue | 190 | 41 |
| Operating Expenses | (176) | (250) |
| Other operating income/ (expense), net | (37) | 45 |
| Net financial income/(cost) | (171) | 302 |
| Pre-tax result | (195) | 138 |
| Result for the period | (196) | 138 |
| Total assets | 18,819 | 19,830 |
| Total liabilities | 255 | 585 |
| Total equity | 18,564 | 19,245 |
| Equity % | 98.6% | 97.0% |
| NAV per share (EUR) | 0.45 | 0.47 |
| Cash position | 2,808 | 3,191 |

Movement in Net Asset Value

The Net Asset Value (NAV) decreased to EUR 19,297,000 at the end of Q2 2020 compared to EUR 19,603,000 at the end of Q1 2020.

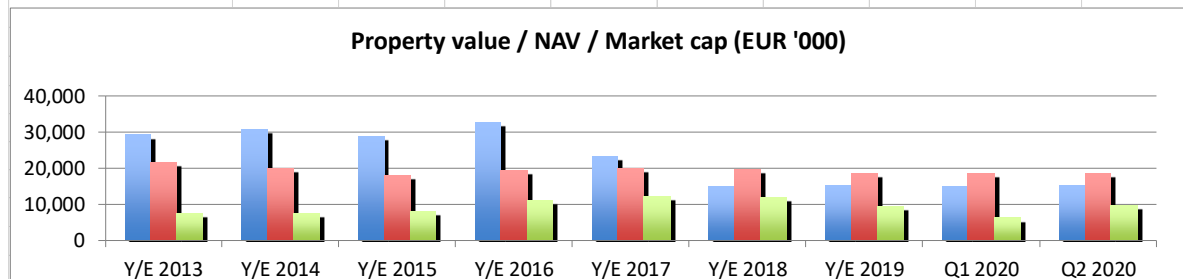
| Asset base | Q2 2020 | | | Q2 2019 | | |
|-----------------------------------|----------|------------|-----------|----------|------------|-----------|
| | EUR '000 | EUR/ share | NOK/share | EUR '000 | EUR/ share | NOK/share |
| Investment property | 3,755 | 0.09 | 0.97 | 10,776 | 0.31 | 3.03 |
| Assets held for sale | 2,329 | 0.06 | 0.60 | 275 | 0.01 | 0.07 |
| Inventories | 8,975 | 0.22 | 2.31 | 2,690 | 0.07 | 0.64 |
| Cash | 2,808 | 0.07 | 0.72 | 3,099 | 0.07 | 0.74 |
| Other assets/(liabilities) | 698 | 0.02 | 0.18 | 1,609 | 0.04 | 0.38 |
| Net asset value | 18,564 | | | 20,399 | | |
| NAV/Share | | 0.45 | 4.78 | | 0.49 | 4.86 |
| Change in NAV vs previous quarter | 0.3% | | | 3.2% | | |

The average number shares used in the NAV calculation above is 41,367,783 shares and unchanged from Q1 2020.

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 | Q2 2020 |
|----------------|----------|----------|----------|----------|----------|----------|----------|---------|---------|
| Property value | 29,304 | 30,797 | 28,736 | 32,787 | 23,419 | 14,962 | 15,435 | 14,847 | 15,059 |
| NAV | 21,671 | 19,916 | 18,089 | 19,369 | 19,930 | 19,603 | 18,501 | 18,506 | 18,564 |
| Market cap | 7,623 | 7,541 | 7,933 | 11,052 | 12,100 | 11,848 | 9,326 | 6,295 | 9,637 |
| Market cap/NAV | 35% | 38% | 44% | 57% | 61% | 60% | 50% | 34% | 52% |



Cash Flow

| EUR '000 | Q2 2020 | Q2 2019 |
|--|-------------|-------------|
| Net cash flow from operating activities | (189) | (36) |
| Net cash flow used in investing activities | 127 | 10 |
| Net cash flows from financing activities | - | - |
| Net cash change during period | (62) | (26) |

Operating cash flow for Q2 2020 was negative EUR 62,000 compared to a negative EUR 26,000 in the same quarter last year. The net negative change is mainly driven by operating expenses of the Group and the further investments made, thus more than offsetting the cash inflows related to the sales of some of the smaller plots. The net cash from investing activities includes the collections made in respect of the sold plots, net of the spending done by the Group to increase the saleability of its plots.

Market Facts – Macro

Romania's economy recorded a decline of 12.3% in the second quarter of this year according to flash data released by the National Institute of Statistics, INS. Compared to Q2 2019, the GDP decrease as of 10.5%. In the first half of 2020, the GDP contracted, compared to the first half of 2019, by 4.7%. The Minister of Finance, announced on the 13 August that the National Commission for Strategy and Forecast also revised the estimates regarding the evolution of the economy this year, so that currently the institution estimates a full year contraction of 3.8%.

On the other hand, the most recent forecast published by the European Commission, estimated that Romania's GDP will register a significant decrease, of 6%, in 2020. For 2021, the EC estimates Romania's GDP advance at 4%, compared to the previous 4.2% forecast in May 2020.

There have been more than 70,000 confirmed cases of coronavirus in Romania so far and the country is currently under a State of Alert. As in most other European countries the lifting of the lockdown and the easing of restrictions has caused a new surge in confirmed cases, with Romanian witnessing one of the highest increases in number of cases in the EU.

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 volume of commercial real estate transactions in Romania - offices, retail, industrial and logistics projects, hotels - increased in the first half of 2020 by 21% compared to the same period last year, reaching EUR 410m, according to JLL Romania. The total was largely represented transactions with office buildings in Bucharest, which represented almost 90% of the total volume of transactions in the first half of 2020.

Compared to the same period last year, the number of transactions remained stable, with the average transaction size increasing to EUR 27 million, mainly due to the signing of several large transactions.

Yields remained higher compared to other CEE countries both in the office and industrial space sector, at 7% and 8% respectively, however, landlords had to focus on asset Management and implementing the new rules for adjusting the buildings to the new reality.

An important conclusion of the JLL study is that the local capital is starting to play an increasing role in the Romanian investment market. Romanian buyers accounted for 28% of transaction volume in 2019, going up to 35% in H1 2020. The most active players were Dedeman, One United, Lotus Centers or Element Industrial.

Offices: As it was the case in the previous years, market volumes in H1 2020 were dominated by office transactions, notes the JLL report. They represented 85% of the total, while industrial accounted for over 8%. Notable office transactions that took place during the first half of 2020 were the acquisition by the Dedeman Group of the third phase of The Bridge - a 21,100 sq m building that is part of an 80,000 sq m office park in the Central-West part of Bucharest, the acquisition of Global City Business Park, a 50,000 sqm asset in the Pipera Nord area, by Arion Green Investment and the acquisition of 50% of Renault Business Connect in Western Bucharest by Globalworth.

Retail: The only retail transaction concluded in H1 2020 was the acquisition of Oradea Plaza, a mixed-use project, by Lotus Centre, a local Group based in Oradea. 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.

Industrial: The largest transaction on the industrial market was the purchase by CTP of the Equest logistics park located on the A1 Motorway, at Km 13, the most important logistics sub-market in Bucharest. Through this acquisition, CTP has consolidated its position as the largest owner of industrial / logistics spaces in Romania and one of the two dominant players in the western area of Bucharest, near A1.

Residential Market: During Q2 2020 residential average prices in Romania apartments by circa 4.2%. At end July there was a further almost 2% reduction in price to EUR 1,309/sqm. . Compare to the end of the first half of 2019, prices are still 9.6% higher. In Constanta, average prices stayed relatively flat during Q2 2020, according to www.imobiliare.ro index.

Operational Overview

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

A showroom house construction has commenced on the plot since early June in order to improve marketing, and it is expected to be ready in November. Additionally, during the first quarter of 2020, the Company entered into sale agreements 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 plot.

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 still discussing the sale of around 15,000-20,000 m² to an International Group.

Balada Market (No. 6 on the table) - From about 20 May, the entire market area is open again. Minor maintenances are taking place.

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 was finalised late 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

According to the Order no. 1045 of 20.08.2012 issued by the Mayor of Navodari City, it was ordered that the 1453 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 a Company subsidiary should receive an indemnity in the amount of 312,850.66 lei (about 67,155 Euro). Given that the local objective hasn't been and will never be accomplished on the expropriated land, the Company's subsidiary has asked the local Court for the restitution of this land.

The Court 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 case is at the moment in the appeal phase of the Court proceedings, next hearing will take place in November in front of Constanta Court of Appeal.

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

In 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.

In November 2019 the 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 suspended hearing the appeal pursued by Constanta Tax Authority on 24th March 2020 due to Covid19. This high court appeal is scheduled to take place on the 7th of November 2020.

During the hearing on 13th November 2019 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.

Due to very recent 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. In the Company's case the interest/penalty proportion is EUR 0.65m out of the total claim of EUR 1.7m. This means that the worst-case scenario for the Company having to pay, according to the Company's tax advisors' understanding, is reduced to about EUR 1.05m. This amount of EUR 1.05m is still to be contested by the Company.

The Property Portfolio

The Company's land bank consists at the end of Q2 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 19 August 2020:

| RANK | SHARES | % | SHAREHOLDER |
|--------------|-------------------|---------------|--|
| 1 | 10,331,934 | 24.98% | SIX SIS AG |
| 2 | 5,392,985 | 13.04% | THORKILDSEN, WENCHE SYNNØVE |
| 3 | 4,422,475 | 10.61% | GRØNSKAG, KJETIL |
| 4 | 3,262,976 | 7.89% | SAGA EIENDOM AS |
| 5 | 2,108,500 | 5.10% | AUSTBØ, EDVIN |
| 6 | 1,504,950 | 3.64% | Danske Bank A/S |
| 7 | 1,236,948 | 2.99% | ENERGI INVEST AS |
| 8 | 1,101,000 | 2.66% | ORAKEL AS |
| 9 | 991,717 | 2.40% | BNP Paribas Securities Services |
| 10 | 940,236 | 2.27% | SPAR KAPITAL INVESTOR AS |
| 11 | 829,478 | 2.01% | THORKILDSEN INVEST AS |
| 12 | 824,473 | 1.99% | GRØNLAND, STEINAR |
| 13 | 718,000 | 1.74% | PERSSON, ARILD |
| 14 | 689,557 | 1.67% | HOEN, ANDERS MYSSSEN |
| 15 | 558,306 | 1.35% | JONAS BJERG PENSION PLAN, NTS TRUSTEES LTD |
| 16 | 481,480 | 1.16% | SILJAN INDUSTRIER AS |
| 17 | 476,403 | 1.15% | MAGDAHL, AKSEL |
| 18 | 417,855 | 1.01% | CLEARSTREAM BANKING S.A. |
| 19 | 396,000 | 0.96% | FRENICO AS |
| 20 | 381,278 | 0.92% | KVAAL INVEST AS |
| TOTAL | 36,818,821 | 89.00% | |

(1) This is the Top 20 Shareholder list as per 19 August 2020

(2) The total issued number of shares issued at end Q2 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.

Preliminary data suggests that the residential real estate prices and volume of transactions have not been materially affected by the Covid-19 pandemic. While certain areas of the country were more affected, there are 8 counties, including Bucharest, where the number of transactions during the first 5 months of 2020 exceeded the volume compared to the same period last year. RomReal's Management is conducting business as usual on the ground and according to strategy, however in a short-term perspective the likelihood on new significant sales is somewhat reduced.

INFORMATION ON FINANCIAL CONDITION AND OPERATING RESULTS

Accounting Principles

The condensed consolidated interim financial statements for the second 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 second 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 Q2 2020 and Q2 2019

The interpretations below refer to comparable financial information for Q2 2020 and Q2 2019. They are prepared for RomReal on a consolidated basis and use consistent accounting policies and treatments.

Operating Revenue

The operating revenue during Q2 2020 was EUR 190,000 compared to a total of EUR 41,000 reported in Q2 2019. This consists 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 176,000 in Q2 2020 compared to a total negative EUR 251,000 in Q2 2019. The main cost element relates to the general and administrative expenses of EUR 99,000. Of the remaining operating expenses, the payroll costs were EUR 53,000, 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 37,000, reflecting mainly the movement in the EUR/RON exchange rate.

Profit/ (loss) from operations

During Q2 2020, RomReal generated an operating loss of EUR 24,000, compared to a loss of EUR 165,000 in Q2 2019.

Financial Income and expense

Foreign exchange result for Q2 2020 was a net loss of EUR 171,000 compared to a net foreign exchange gain of EUR 303,000 in Q2 2019. During the quarter the RON lost 0.35% 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 Q2 2020 was a loss of EUR 305,000 compared to a loss before tax of EUR 967,000 in Q2 2019.

Cash and cash equivalents

The Company's cash and cash equivalents position at end of Q2 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@ 06/08/2020 | 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 | 48,205 | 9,795 | |
| 3 | Ovidiu Lakeside plot 16 | Ovidiu Constanta | | 163,210 | 95,206 | 22,668 | 45,336 |
| 4 | Ovidiu Lakeside 10 plots | Ovidiu Constanta | | 387,540 | 226,065 | 53,825 | 107,650 |
| Total | | | 13,263 | 2,458,750 | 2,069,476 | 86,288 | 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 1.05 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

| | Q2 2020 | Q2 2019 | YTD 2020 | YTD 2019 |
|--|--------------|--------------|--------------|--------------|
| Rent revenue | 25 | 41 | 181 | 79 |
| Revenue from sale of assets | 164 | - | 983 | 58 |
| Operating revenue | 190 | 41 | 1,164 | 137 |
| Payroll expenses | (53) | (56) | (104) | (101) |
| Management fees | (24) | (26) | (47) | (53) |
| Inventory (write off)/reversal | - | (15) | 94 | 25 |
| General and administrative expenses | (99) | (154) | (253) | (283) |
| Operating expenses | (176) | (251) | (311) | (412) |
| Profit/ (loss) before other operating items | 14 | (210) | 853 | (275) |
| Other operating income/(expense), net | (37) | 45 | (698) | 179 |
| Profit from operations | (24) | (165) | 156 | (96) |
| Financial income | 1 | 4 | 2 | 10 |
| Financial costs | (3) | (2) | (7) | (7) |
| Foreign exchange, net | (170) | 301 | (651) | (737) |
| Result before tax | (195) | 138 | (500) | (830) |
| Tax expense | (2) | - | (7) | (9) |
| Result of the period | (196) | 138 | (507) | (839) |

CONSOLIDATED BALANCE SHEET (UNAUDITED)

Figures in thousand EUR

| ASSETS | June 30, 2020 | June 30, 2019 | December 31, 2019 |
|--------------------------------------|----------------------|----------------------|--------------------------|
| Non-current assets | | | |
| Investment properties | 3,755 | 10,186 | 3,543 |
| Property, plant and equipment | 89 | 79 | 105 |
| Deferred tax asset | 117 | 119 | 118 |
| Total non current assets | 3,961 | 10,384 | 3,767 |
| Current assets | | | |
| Inventories | 8,975 | 2,552 | 9,572 |
| Other short term receivables | 731 | 1,278 | 983 |
| Prepayments | 16 | 39 | 1 |
| Cash and cash equivalents | 2,808 | 3,217 | 2,371 |
| Total current assets | 12,529 | 7,087 | 12,927 |
| Assets held for sale | 2,329 | 2,200 | 2,320 |
| TOTAL ASSETS | 18,819 | 19,671 | 19,013 |
| EQUITY AND LIABILITIES | June 30, 2020 | June 30, 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 | (507) | (976) | (1,890) |
| FX reserve | 3,389 | 2,700 | 2,820 |
| Total equity | 18,564 | 19,297 | 18,501 |
| Non current liabilities | | | |
| Deferred income tax | 130 | 105 | 126 |
| Total non current liabilities | 130 | 105 | 126 |
| Current Liabilities | | | |
| Other payables | 99 | 97 | 112 |
| Deferred income | 26 | 172 | 274 |
| Tax payable | 0 | 0 | 0 |
| Total current liabilities | 125 | 269 | 387 |
| TOTAL EQUITY AND LIABILITIES | 18,819 | 19,671 | 19,013 |

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

Figures in thousand EUR

| | June 30, 2020 | December 31, 2019 | June 30, 2019 |
|--|---------------|----------------------|---------------|
| Profit for the year | (507) | (339) | (838) |
| Other comprehensive income | | | |
| Exchange differences on translation of foreign operations | 689 | 284 | (121) |
| Other comprehensive income for the year, net of tax | 689 | 284 | (121) |
| Total comprehensive income for the year, net of tax | 182 | (55) | (959) |

CASH FLOW STATEMENT (UNAUDITED)

Figures in thousand EUR

| | June 30, 2020 | December 31, 2019 | June 30, 2019 |
|---|---------------|----------------------|---------------|
| Net cash flow from operating activities | (371) | (338) | (136) |
| Net cash flow from investing activities | 808 | (760) | (142) |
| Net cash flows from financing activities | - | - | - |
| Net cash change during period | 437 | (1,098) | (278) |
| Cash at beginning of period | 2,371 | 3,469 | 3,469 |
| Cash and cash equivalents at end of the period | 2,808 | 2,371 | 3,191 |

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

Figures in thousand EUR

| | June 30, 2020 | December 31, 2019 | June 30, 2019 |
|--|---------------|----------------------|---------------|
| Equity at the beginning of the period | 18,501 | 19,603 | 19,603 |
| Result for the period | (507) | (1,890) | (838) |
| Other changes | 570 | 788 | 480 |
| Equity at the end of the period | 18,564 | 18,501 | 19,245 |

Responsibility Statement

We confirm that, to the best of our knowledge, the condensed consolidated interim financial statements for the first half 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. To the best of our knowledge, the interim report for the first half 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 half of 2020, and major related party transactions.

The Board of Directors of RomReal



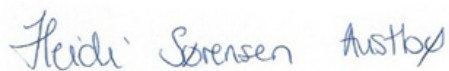
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Kjetil Grønskag (Chairman & CEO)



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Bendt Thorkildsen (Director)



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Heidi Sørensen Austbø (Director)



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Lacramioara Isarescu (Director)

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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.

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 2019. 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.