
INTERIM REPORT

H1 2021

1 January – 30 June



Concept visualisation of potential development, Wólczyńska 133, Warsaw, Poland

CEMAT A/S

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COMPANY REG. (CVR) no.: 24 93 28 18

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1. HIGHLIGHTS OF THE FIRST HALF OF THE YEAR

CeMat A/S has delivered a strong operating performance over the first six months of the year, quickly adapting its business to the new leasing strategy implemented in 2020. The Covid-19 pandemic has accelerated changes in the real estate market and CeMat has been obtaining additional benefits from the positive sentiment of the market towards small business units and micro-warehouses, which is reflected in relatively high demand.

The first half of 2021 was an important time for CeMat A/S to fulfil its long-term goals and obtain the maximum value of particular plots. The first step has already been achieved – with the issuing in February 2021 of a binding individual zoning decision for residential and ground floor retail space for one of the plots, with an area of 5,608 sqm. The success and adoption of the new mission statement, as declared in the Annual Report 2020, has been implemented in the design work necessary for the building permit.

The commitment of the CeMat A/S team has contributed to a good operating result in H1 2021 and created a new perspective as a development business for the future:

- The revenue of the CeMat Group was circa 9% higher (DKK 10.6 million versus DKK 9.8 million in H1 2020).
- As at 30 June 2021, the occupancy level was circa 90% (H1 2020: 84%).
- The revenue from rental income of the CeMat Group for H1 2021 was circa 16% higher than H1 2020 (DKK 7.7 million versus DKK 6.6 million in H1 2020).
- Consolidated EBITDA of the CeMat Group was DKK 1.8 million in H1 2021 (H1 2020: DKK 0.0 million).
- A consolidated profit for the CeMat Group of DKK 11.6 million was posted for H1 2021 (H1 2020: a loss of DKK 0.8 million).
- A binding individual zoning decision for residential and ground floor retail space for one of the plots, with an area of 5,608 sqm, was issued in February 2021. Obtaining the zoning decision for the plot, where CeMat has the legal title, was the second, necessary condition for the plot to be classified as a building plot and its status changed to work in progress in the Assets Balance Sheet. As a result, CeMat has verified the fair value of the re-zoned plot. According to the Cushman & Wakefield report, the re-zoned property has an "as is" fair value of PLN 14.0 million (2020 report: PLN 5.4 million) or approx. DKK 23.1 million (last year's report: DKK 8.8 million). The positive difference of DKK 13.4 million (after taking into account changes in the foreign exchange rate and capital expenditures) is reflected in the income statement in the line "Revaluation of the investment property".
- The impact of the revaluation of the investment property on net profit after tax is an increase of DKK 10.9 million.
- The CeMat Group has taken an important step in expanding its business with a new line – as a property development business. CeMat has appointed a professional and experienced development team to manage the design process, prepare a business plan and pre-development process, and obtain the building permit. The team's competences cover project and construction management control.
- The DKK/PLN exchange rate as at 30.06.2021 had increased in comparison to 31.12.2020 from DKK 163/PLN 100 to DKK 165/PLN 100.

2. OUTLOOK FOR 2021

Revenue is growing in line with the forecast presented in the Annual Report 2020 and the Group's EBITDA is expected to be DKK 2.5 – 3.5 million.

A positive net result after tax is expected at the level of DKK 0.5 – 1.5 million, before taking into account the valuation of the investment property for 2021.

As of 30.06.2021 one of the former investment properties which we now present as work in progress has been revalued with a positive impact on the net result after tax of DKK 10.9 million. The revaluation of the remaining plots of land will take place at the end of the year. Please note that the valuation of the investment property could change the result significantly because the market value depends on many factors, some of which are outside the company's control.

The potential impact of the coronavirus pandemic on the operations and financial results in the year 2021 will depend on the duration of the restrictions and the dynamic of the pandemic.

The guidance is based on an exchange rate of DKK 164/PLN 100.



3. FINANCIAL HIGHLIGHTS FOR THE GROUP (UNAUDITED)

| DKK'000 | H1 2021 | H1 2020 | FY 2020 |
|---|---------------|--------------|--------------|
| Income statement: | | | |
| Revenue | 10,624 | 9,801 | 19,571 |
| Earnings before interest, tax, depreciation and amortisation (EBITDA) | 1,767 | (13) | 1,115 |
| Operating profit/(loss) (EBIT) | 1,745 | (35) | 1,071 |
| Net financials | (429) | (384) | (800) |
| Profit/(loss) for the period | 11,569 | (797) | 3,130 |
| Of which attributable to parent shareholders | 10,536 | (964) | 2,488 |
| Cash flow statement: | | | |
| Cash flows from operating activities | (1,093) | 3,412 | 4,112 |
| Cash flows from investing activities | (677) | (383) | (1,791) |
| Cash flow from financing activities | (32) | (33) | (907) |
| Balance sheet: | | | |
| Share capital | 4,997 | 4,997 | 4,997 |
| Equity attributable to parent company shareholders | 107,898 | 93,476 | 95,781 |
| Equity attributable to non-controlling shareholders | 11,086 | 13,200 | 11,291 |
| Total consolidated equity | 118,984 | 106,676 | 107,072 |
| Total assets | 161,724 | 145,916 | 147,454 |
| Invested capital | 140,892 | 120,516 | 124,462 |
| Net interest-bearing debt | 508 | 0 | 0 |
| Net working capital (NWC) | 22,060 | (3,070) | (2,234) |
| Financial ratios: | | | |
| EBITDA margin (%) | 16.6 | (0.1) | 5.7 |
| EBIT margin/profit margin (%) | 16.4 | (0.4) | 5.5 |
| Return on invested capital (%) | 1.2 | (0.0) | 0.8 |
| Equity ratio (%) | 73.6 | 73.1 | 72.6 |
| Return on equity (%) | 10.2 | (0.7) | 2.8 |
| Current number of shares (thousands) | 249,850 | 249,850 | 249,850 |
| Earnings per share (DKK) | 0.04 | (0.00) | 0.01 |
| Price per share (DKK) | 0.60 | 0.34 | 0.38 |
| Average number of employees (FTE) | 21 | 23 | 22 |

MISSION STATEMENT

"Our mission is to operate a profitable real estate enterprise, focusing on the leasing and management of the property to provide a cash-generating business.

In the long term, our mission is to maximise the value of the properties, including the potential possibility of development activity, and deliver the best possible dividends to our shareholders."

CEMAT AT A GLANCE

CeMat A/S is a listed holding company whose activity consists of the operation of Polish real estate companies. The objectives of CeMat A/S are to identify and execute the best investment strategy for the Group's current portfolio.

All of the Group's sales income is generated in Poland.

Rental income from warehouses and offices is the main income in the Group's structure, accounting for over 72% of the revenue. The utilities represent circa 28% of the revenue.

PORTFOLIO

The current portfolio of the CeMat Group includes in particular investment development sites and other plots located mainly in Warsaw, the capital of Poland. The Warsaw land, located in the Bielany district, is approximately 10 kilometres from the city centre.

The Bielany district is very well-connected by the public transport system (metro, trams, buses) and the road network in/out of Warsaw.



Photos: Warsaw, Bielany public transport

The surrounding area has undergone significant development over the past few years with a large number of new investments, including residential, retail and service buildings. The office building for PKO BP (a Polish bank leader) is located in the immediate vicinity and the large new shopping mall

Galeria Młociny is within walking distance of the CeMat '70 property.



Photo: Galeria Młociny shopping mall

The local real estate market is strong and there is high demand among investors and developers.

The CeMat buildings are accommodated by warehouse, production, office and social space constructed mainly in the 1980s.



Photo: CeMat complex, Wólczyńska 133, Warsaw, Poland

The complex has a total of approx. 32,700 sqm of leasing space and 159,300 sqm of land. The CeMat Group has control of the land through the possession right to the site (58%), the perpetual usufruct right (41%) and ownership rights (1%).

The possession right is not entered in the land and mortgage register. A necessary precondition for treating a plot of land as an investment product is having control of the land through the perpetual usufruct or ownership right.

A binding individual zoning decision for residential and ground floor and retail space for one of the plots, with an area of 5,608 sqm, was issued in February 2021. Obtaining the zoning decision for the plot, where CeMat has the legal title, was the second, necessary condition for the plot to be classified as a building plot and its status changed to work in progress in the Assets Balance Sheet. As a result, CeMat has verified the fair value of the re-zoned plot. According to the Cushman &

Wakefield report, the re-zoned property has an "as is" fair value of PLN 14.0 million (2020 report: PLN 5.4 million) or approx. DKK 23.1 million (last year's report: DKK 8.8 million). The positive difference of DKK 13.4 million (after taking into account changes in the foreign exchange rate and capital expenditures) is reflected in the income statement in the line "Revaluation of the investment property".

The goals for the management team are to obtain the perpetual usufruct right, have the land reclassified from its current production and warehouse use to a multi-residential and service district, and achieve the most effective value of the property.

Current activity is focused mainly on generating maximum cash flows from the current buildings and preparing the maximisation of the value of the properties over the longer term, including preparation of the land for residential and service development.

For more information, go to www.cemat.dk

MANAGEMENT'S REVIEW

Current activity is focused mainly on generating maximum cash flows from the current buildings and preparing the maximisation of the value of the properties over the longer term, including preparation of the land to residential and service development.

Operating business

The absorption of the new space and leasing tempo was in line with expectations from the beginning of the year, which is reflected in the positive financial results. The CeMat Group has rebuilt the occupancy rate to circa 90%.

The years 2020 and 2021 saw accelerated changes in the real estate market and CeMat has observed that the positive sentiment of the market towards small business units and micro-warehouses is reflected in high demand. The closure of shopping centres during the lockdown, the sharp increase in sales on online channels and the resultant change in consumer habits all reinforced the trend of the strengthening of the position of micro-warehouses and last mile logistics.

On the other hand, the ability to generate higher income using the current lease model in CeMat will be limited due to the high level of occupancy planned for 2021/2022. In order to expand CeMat's revenue, the business model

based on the existing traditional warehouse business needs to be modified in the coming years.

As a result, CeMat A/S Management has decided to change its leasing strategy and focus on a high-margin and low-disruptive rental business like Small Business Units and warehouse services for private customers.

The project consists of rearranging selected warehouse space in order to increase the competitiveness of the CeMat '70 offer on the Warsaw warehouse space market and increase the rental income through the possibility of obtaining a higher rental rate per 1 sqm of space, which in turn will translate into higher income over the coming years.

This rearrangement involves demolishing some of the existing partition walls and constructing light structures with the existing buildings. The work will be carried out in stages, with the total area of the rearrangement representing circa 5,000 sqm of the existing space. CeMat A/S estimates that full capability after these changes will be reached in 2024.

The result of the leasing activity for H1 are optimistic. CeMat has signed 37 new agreements and 13 contract renewals. All the new contracts have been concluded on better terms than the previous ones. Tenants demand was mainly focused on small warehouses for e-commerce and the service sector. The good results of the leasing absorption are a result of marketing actions and high tenant activity.

Rental income of the CeMat Group in H1 2021 was circa 16% higher than H1 2020 (DKK 7.7 million versus DKK 6.6 million in H1 2020).

Utilities sales amounted to DKK 2.9 million, versus the DKK 3.2 million recorded in H1 2020, which is in line with expectations.

The process of reinforcing the professional team was an important goal for CeMat and having a team with the right mix of professional skills has helped CeMat's smooth transformation from production to a real estate business. We have benefited from having a property management team, our own internal professional leasing team and a reorganised technical team, all of whom are supported by legal and development advisors in their current activity and long-term goals.

The Polish holding company CeMat Real Estate is continuing to acquire shares from minority shareholders in CeMat '70. A detailed programme for buying shares from individuals was implemented in 2020. As a result, it has increased its stake to 92.64% in June 2021, up

from 91.67% in December 2020 and 90,06% in June 2020. The process of buying shares from minority shareholders is ongoing and will continue in 2021.

Development activity

In the first half of 2021, CeMat took an important step towards fulfilling its long-term goals by obtaining a binding individual zoning decision for residential and ground floor retail space for one of the plots, with an area of 5,608 sqm.

As a result, CeMat has verified the fair value of the re-zoned plot. According to the Cushman & Wakefield report, the re-zoned property has an "as is" fair value of PLN 14.0 million (2020 report: PLN 5.4 million) or approx. DKK 23.1 million (last year's report: DKK 8.8 million). The positive difference of DKK 13.4 million (after taking into account change in the foreign exchange rate and capital expenditures) is reflected in the income statement in the line "Revaluation of the investment property".

A comprehensive valuation report covering all plots located in Bielany, Warsaw will be prepared in December 2021.

After obtaining the individual zoning decision for that one plot, the CeMat Group decided to start pre-development and sign a design work contract with one of the top Polish architectural firms. The contract provides for the design of a residential building with ground floor retail space for approximately 7,100 sqm of usable space. The final figures will be verified in the building permit decision.



**Concept visualisation of a potential development*

The design works are going according to the time schedule and the management is in contact with retailers and analysing the housing market in Warsaw, as well as preparing the final sale models for the first development project.

H2 2021

The company is actively working to fulfil its goals for 2021. Current activity is mainly focused on generating maximum cash flow

from the current properties and preparing the transformation of the land from industrial use to an alternative function.

- In our daily business, we are expecting the continuation of the strong trend of absorption **small business units and micro-warehouses**. The market situation and tenant activity supports our expectation for growth in the rental income of between 10-14% in 2021, in comparison to 2020.
- Despite the rearrangement of selected warehouse space for SBU units, our **forecast for an occupancy level of over 90% remains up-to-date**. That represents an increase of over 6% from December 2020.
- Moreover, CeMat '70 will continue the **process of renegotiating** agreements concluded before 2018, which will be reflected in an increase in the rental revenue in particular cases.
- CeMat will continue the process of **strengthening the organisation** and ensuring that our team has the appropriate skills to fulfil both the short and long-term goals.

Long-term goals

The area of the land in Warsaw, the number of plots controlled by CeMat and the different legal situation of the individual properties require that an individual approach should be adopted for each property. In the understanding of the company's managers, such an approach may maximise the potential value of the individual properties, thus increasing the company's value.

We have four milestones to achieve in order to obtain the maximum value of the particular plots:

• Re-zoning land

There is no local master plan for the majority of the site. According to the study of conditions and directions of spatial development and land use adopted by Warsaw city council, the majority of the site is located in an area zoned for service use, with single plots designated for roads. CeMat needs to keep open an active dialogue with the city authorities about the reclassification of land from its current service use to an alternative use. Re-zoning of the land is a long process and the CeMat team is supported in this by architects and lawyers. The goal is to prepare a new master plan or obtain an individual zoning decision, which needs a

dialogue to be maintained with the city architects about the most appropriate solution for CeMat.

• **Obtaining the legal title to plots**

CeMat '70 has control of the land through the possession right to the site, the perpetual usufruct right and ownership rights. Part of the property is not entered in the land and mortgage register.

A specialist legal team has been appointed to support CeMat's efforts to obtain the appropriate legal titles.

• **Resolving co-ownership issues**

CeMat and the Institute of Technology jointly own internal roads and one particular plot with a warehouse building with office component. CeMat and the Institute of Technology need to find a common solution to resolve this issue.

• **Signing the disposal agreement with investors**

After all the milestones above have been achieved, there will be an opportunity to significantly increase the value of the current portfolio with the prospect of development and disposal for the best possible price.

The CeMat Group is going to continue its efforts to fulfil its long-term goals in H2. The first step has already been achieved with one of the plots. The binding re-zoning decision received for that plot (area: 5,608 sqm) has opened the process of getting other plots re-classified from their current service use to an alternative use, including residential.



**Concept visualisation of a potential development*

FINANCIAL REVIEW

• **Income statement**

Revenue of the CeMat Group was DKK 10.6 million in H1 2021 (H1 2020: DKK 9.8 million). The observed increase in sales revenue resulted from a reduction in vacant spaces and an increase in rental rates. The company is

gradually abandoning the production and sale of utilities, which is no longer profitable to a satisfactory extent, and is focusing on rental income.

Operating costs were DKK 8.9 million in H1 2021 (H1 2020: DKK 9.8 million). This line item includes operating costs in the Polish property company and administrative expenses of the holding company related to being a listed company, including remuneration to the Board of Directors and the Management Board.

EBIT was a profit of DKK 1.7 million in H1 2021 (H1 2020: a loss of less than DKK 0.1 million). The increase in profitability was mainly due to the higher rental income. The company also benefited from state aid programmes aimed at preventing the negative effects of the Covid-19 pandemic.

The Group's investment property is measured at its estimated fair value in accordance with IAS 40 and IFRS 13, and any value adjustments are recognised in the income statement. A positive fair value adjustment of DKK 13.4 million was recognised in H1 2021 (H1 2020: negative adjustment of less than DKK 0.1 million). The positive fair value adjustment results from the increase in the value of one of the land plots, with an area of 5,608 sqm, due to a decision regarding individual zoning for residential and ground floor retail space, issued in February 2021.

Net financials amounted to an expense of DKK 0.4 million in H1 2021 (H1 2020: an expense of DKK 0.4 million). This comprised lease interest resulting from the implementation in 2019 of the new accounting standard IFRS 16. According to this standard, the right of perpetual usufruct is treated as a financial lease. As a consequence, interest on leasing is recognised in the income statement.

A net profit of DKK 11.6 million was posted for the period (H1 2020: a loss of DKK 0.8 million).

• **Cash flow statement and statement of financial position**

Cash flows from operating activities were an outflow of DKK 1.1 million in H1 2021.

Cash flows from investing activities were an outflow of DKK 0.7 million. Cash was spent on upgrading the company's facilities and the development or preparation for divestment of the company's properties.

Cash flows from financing activities were a net outflow of less than DKK 0.1 million. Cash was spent on lease repayments and the acquisition of shares from minority shareholders. The

company also took out a working capital loan from one of the banks.

- **Assets**

The Group's non-current assets totalled DKK 118.8 million as at 30 June 2021, consisting of land and buildings, usufruct rights and production equipment in the property business.

According to the company's management assessment, the fair value of the investment property indicated as at 31 December 2020 by the Cushman and Wakefield report reliably reflects the value of the property as at 30 June 2021 with the exception of one of the land plots, the value of which was revised in connection with obtaining in February 2021 an individual planning decision (WZ) for residential and ground floor retail space. The adjustment of the value of this plot was also supported by an external valuation prepared by Cushman and Wakefield. Further value adjustments have resulted from differences in the foreign exchange rate (an increase of DKK 1.1 million) and capital expenditures or enhancement costs (an increase of DKK 0.7 million).

The land plot referred to in the previous paragraph was reclassified as work in progress due to the commencement of a development project. For more details, see note 4.

- **Equity**

The Group's equity as at 30 June 2021 stood at DKK 119.0 million, of which DKK 107.9 million was attributable to the shareholders of CeMat A/S, and DKK 11.1 million was attributable to non-controlling interests in CeMat '70 S.A. The equity ratio was 73.6% as at 30 June 2021.

The Group's equity increased by DKK 11.9 million in comparison to the end of 2020, mainly due to the recognition of translation differences of plus DKK 0.8 million from the translation of the foreign subsidiaries' financial statements for consolidation purposes into the reporting currency and also due to the net profit of DKK 11.6 million.

- **Liabilities**

The Group's liabilities totalled DKK 42.7 million as at 30 June 2021, consisting of lease liabilities of DKK 13.9 million, deferred tax liabilities of DKK 22.6 million, trade payables of DKK 1.1 million, a bank loan of DKK 0.5 million and other liabilities of DKK 4.6 million. They

were DKK 2.4 million higher in comparison to the end of 2020.



Photo: CeMat complex, Wólczyńska 133, Warsaw, Poland

OUTLOOK FOR 2021

The company's management expectations are as follows:

Consolidated EBITDA for the CeMat Group is expected to be DKK 2.5 – 3.5 million.

A positive net result after tax is expected at the level of DKK 0.5 – 1.5 million, before taking into account the valuation of the investment property for 2021.

As of 30.06.2021, one of the former investment properties which we now present as work in progress has been revalued, with a positive impact on the net result after tax of DKK 10.9 million. The revaluation of the remaining land plots will take place at the end of the year. Please note that the valuation of the investment property could change the result significantly because the market value depends on many factors, some of which are outside the company's control.

The forward-looking statements in this interim report reflect Management's current expectations for certain future events and financial results. Forward-looking statements are inherently subject to uncertainty, and actual results may therefore differ materially from expectations.

Factors that may cause actual results to deviate materially from expectations include, but are not limited to, general economic developments, the financial markets, changes in the real estate market in Poland, legislation, changes in demand for the company's services, and competition.

4. INVESTOR RELATIONS COMMUNICATION

Please direct any questions regarding this announcement to CEO Jarosław Lipiński or the CeMat '70 CFO Dariusz Biesiadecki through Bodil Harjo, Executive Secretary, tel.: +45 33 34 00 58, bha@cemat.dk.

SHAREHOLDER PORTAL

On CeMat's shareholder portal at www.cemat.dk, shareholders can access information on their shareholdings and register their email addresses for the electronic distribution of documents for General Meetings and other material relevant to shareholders.

EMAIL SERVICE

Under "Contact" on the CeMat website, it is possible to subscribe to and unsubscribe from CeMat's electronic email service to receive annual reports, quarterly reports and other company announcements.

Prior to the publication of an interim report, CeMat observes a four-week silent period.

ANNOUNCEMENTS 2021

| | | |
|----|-------|--|
| 10 | 24.03 | Course of the Annual General Meeting 2021 |
| 9 | 24.03 | Managers' transactions |
| 8 | 22.03 | Closely related persons transactions |
| 7 | 22.03 | Managers' transactions |
| 6 | 15.03 | Update financial calendar 2021/2022 |
| 5 | 02.03 | Managers' transactions |
| 4 | 02.03 | Notice convening the Annual General Meeting 2021 |
| 3 | 25.02 | Managers' transactions |
| 2 | 23.02 | Publication of Annual Report 2020 |
| 1 | 26.01 | Financial calendar 2021/2022 |



5. MANAGEMENT STATEMENT

The Board of Directors and the Management Board have today considered and adopted the interim report of CeMat A/S for the six months ended 30 June 2021.

The interim report is presented in accordance with IAS 34 "Interim Financial Reporting", as adopted by the EU, and Danish disclosure requirements for interim reports of listed companies.

In our opinion, the interim financial statements give a true and fair view of the Group's assets, liabilities and financial position at 30 June 2021 and of the results of the Group's operations and cash flows for the six months ended 30 June 2021.

In our opinion, the management report includes a fair review of the development and performance of the business and financial position of the Group, and the financial results for the period, as well as the financial position, in general, of the consolidated companies, together with a description of the principal risks and uncertainties that the Group faces.

Warsaw, 31 August 2021

MANAGEMENT BOARD

Jarosław Lipiński
CEO

BOARD OF DIRECTORS:

Frede Clausen
Chairman

Eivind Dam Jensen
Deputy Chairman

Joanna L. Iwanowska-Nielsen
Board member

6. INCOME STATEMENT (UNAUDITED)

| DKK'000 | H1 2021 | H1 2020 | FY 2020 |
|---|----------------|----------------|----------------|
| Revenue | 10,624 | 9,801 | 19,571 |
| Costs | (8,857) | (9,814) | (18,456) |
| Operating profit/(loss) (EBITDA) | 1,767 | (13) | 1,115 |
| Depreciation | (22) | (22) | (44) |
| Operating profit/(loss) (EBIT) | 1,745 | (35) | 1,071 |
| Revaluation investment property | 13,405 | (7) | 4,826 |
| Net financials | (429) | (384) | (799) |
| Profit/(loss) before tax | 14,721 | (426) | 5,098 |
| Tax on profit/(loss) for the period | (3,152) | (371) | (1,968) |
| Profit/(loss) for the period | 11,569 | (797) | 3,130 |
| Appropriation of profit/(loss) for the period: | | | |
| Parent company shareholders | 10,536 | (964) | 2,488 |
| Non-controlling interests | 1,033 | 167 | 642 |
| | 11,569 | (797) | 3,130 |
| Earnings per share: | | | |
| Earnings per share (DKK) | 0.04 | (0.00) | 0.01 |
| Diluted earnings per share (DKK) | 0.04 | (0.00) | 0.01 |

7. STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

| DKK'000 | H1 2021 | H1 2020 | FY 2020 |
|---|---------------|----------------|----------------|
| Profit/(loss) for the period | 11,569 | (797) | 3,130 |
| Foreign exchange adjustment, foreign companies | 826 | (5,268) | (7,956) |
| Comprehensive income for the period | 12,695 | (6,065) | (4,826) |
| Parent company shareholders | 11,273 | (5,589) | (4,497) |
| Non-controlling interests | 1,122 | (476) | (329) |
| | 12,395 | (6,065) | (4,826) |

8. STATEMENT OF CASH FLOWS (UNAUDITED)

| DKK'000 | H1 2021 | H1 2020 | FY 2020 |
|--|----------------|---------------|----------------|
| Operating profit/(loss) (EBIT) | 1,745 | (35) | 1,071 |
| Depreciation | 22 | 22 | 44 |
| Change in net working capital | (2,754) | 4,655 | 4,768 |
| Other (deposits, etc.) | 472 | 314 | 578 |
| Tax paid/received | (142) | (1,143) | (1,516) |
| Financial income received | 0 | 49 | 53 |
| Financial expenses paid | (436) | (450) | (886) |
| Cash flows from operating activities | (1,093) | 3,412 | 4,112 |
| Acquisition etc. of property, plant and equipment | (359) | (298) | (1,585) |
| Capital expenditures, development of the investment property | (318) | (84) | (206) |
| Cash flows from investing activities | (677) | (382) | (1,791) |
| Finance lease repayments | (20) | (24) | (47) |
| Loans and credits raised | 500 | 0 | 0 |
| Acquisition of shares in subsidiary | (512) | (9) | (860) |
| Cash flows from financing activities | (32) | (33) | (907) |
| Change in cash and cash equivalents | (1,802) | 2,997 | 1,414 |
| Cash and cash equivalents at beginning of period | 17,750 | 17,598 | 17,598 |
| Market value adjustment of cash and cash equivalents | 100 | (821) | (1,262) |
| Cash and cash equivalents at end of period | 16,048 | 19,774 | 17,750 |

9. BALANCE SHEET, ASSETS (UNAUDITED)

| DKK'000 | 2021-06-30 | 2020-06-30 | FY 2020 |
|--------------------------------------|----------------|----------------|----------------|
| Investment property | 118,794 | 123,507 | 126,641 |
| Right of use | 38 | 79 | 55 |
| Property, plant and equipment | 118,832 | 123,586 | 126,696 |
| Other non-current receivables | 250 | 559 | 546 |
| Financial assets | 250 | 559 | 546 |
| Non-current assets | 119,082 | 124,145 | 127,242 |
| Work in progress | 23,255 | 0 | 0 |
| Trade receivables | 2,018 | 1,238 | 1,665 |
| Income tax receivables | 599 | 0 | 563 |
| Other receivables | 722 | 759 | 234 |
| Receivables | 3,339 | 1,997 | 2,462 |
| Cash and cash equivalents | 16,048 | 19,774 | 17,750 |
| Current assets | 42,642 | 21,771 | 20,212 |
| Assets | 161,724 | 145,916 | 147,454 |

10. BALANCE SHEET, EQUITY AND LIABILITIES (UNAUDITED)

| DKK'000 | 2021-06-30 | 2020-06-30 | FY 2020 |
|---|----------------|----------------|----------------|
| Share capital | 4,997 | 4,997 | 4,997 |
| Translation reserve | (22,067) | (20,444) | (22,804) |
| Retained earnings | 124,968 | 108,923 | 113,588 |
| Equity attributable to parent company shareholders | 107,898 | 93,476 | 95,781 |
| Equity attributable to non-controlling interests | 11,086 | 13,200 | 11,291 |
| Equity | 118,984 | 106,676 | 107,072 |
| Lease liabilities | 13,098 | 13,370 | 13,025 |
| Other non-current liabilities | 2,182 | 1,780 | 2,907 |
| Deferred tax liabilities | 22,672 | 18,096 | 19,475 |
| Non-current liabilities | 37,952 | 33,246 | 35,407 |
| Due to credit institutions | 508 | 0 | 0 |
| Lease liabilities | 849 | 863 | 842 |
| Trade payables | 1,113 | 983 | 1,205 |
| Income tax payable | 0 | 64 | 0 |
| Other payables | 2,318 | 4,084 | 2,928 |
| Current liabilities | 4,788 | 5,994 | 4,975 |
| Total liabilities | 42,740 | 39,240 | 40,382 |
| Equity and liabilities | 161,724 | 145,916 | 147,454 |

11. STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

| DKK'000 | Share capital | Translation reserve | Retained earnings | Equity attributable to parent company shareholders | Equity attributable to non-controlling interests | Total equity |
|--|---------------|---------------------|-------------------|--|--|----------------|
| Equity at 01.01.2020 | 4,997 | (15,819) | 109,870 | 99,048 | 13,702 | 112,750 |
| Profit/(loss) for the year | 0 | 0 | (964) | (964) | 167 | (797) |
| Other comprehensive income | 0 | (4,625) | 0 | (4,625) | (643) | (5,268) |
| Comprehensive income | 0 | (4,625) | (964) | (5,589) | (476) | (6,065) |
| Acquisition of non-controlling interests | 0 | 0 | 17 | 17 | (26) | (9) |
| Equity at 30.06.2020 | 4,997 | (20,444) | 108,923 | 93,476 | 13,200 | 106,676 |
| Equity at 01.01.2021 | 4,997 | (22,804) | 113,588 | 95,781 | 11,291 | 107,072 |
| Profit/(loss) for the year | 0 | 0 | 10,536 | 10,536 | 1,033 | 11,569 |
| Other comprehensive income | 0 | 737 | 0 | 737 | 89 | 826 |
| Comprehensive income | | 737 | 10,536 | 11,273 | 1,122 | 12,395 |
| Acquisition of non-controlling interests | 0 | 0 | 815 | 815 | (1,329) | (514) |
| Settlement of the company's social benefits fund | 0 | 0 | 29 | 29 | 2 | 31 |
| Equity at 30.06.2021 | 4,997 | (22,067) | 124,968 | 107,898 | 11,086 | 118,984 |

12. NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, RISKS, ETC.

The interim report is presented in accordance with IAS 34 "Interim Financial Reporting", as adopted by the EU, and additional Danish disclosure requirements for the interim reports of listed companies.

The interim report has been neither audited nor reviewed. The accounting policies are consistent with those of the Annual Report 2020, which includes a full description of the accounting policies.

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective in this or future accounting periods.

They are not expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

For accounting estimates and judgments, see note 2, page 51 of the Annual Report 2020. For information on risks, see note 23, pages 66-68, and the section on risk management on pages 21-25 of the Annual Report 2020.

According to the accounting regulations, Management must consider whether the half-year report can be prepared on a going concern basis. Based on the estimated outlook for the continuing operations, the Management of CeMat believes that the existing cash reserves and expected future cash flows will be sufficient to maintain operations and fund any measures planned.

FINANCIAL HIGHLIGHTS AND KEY RATIOS

The individual calculation formulas are provided in note 1, page 50, of the Annual Report 2020.

EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred after the reporting period.

FAIR VALUE

According to the company's management assessment, the fair value of the investment property indicated as at 31 December 2020 by the Cushman and Wakefield report reliably reflects the value of the property as at 30 June 2021 with the exception of one land plot, the value of which was revised in connection with obtaining a planning decision (WZ). Further value adjustments have resulted from foreign exchange differences and capital expenditures (enhancement costs).



| H1 2021 | | | | | | |
|--|----------------------------|--|----------------------------------|---|---------------------------|---|
| DKK'000 | Investment property | Investment property, right of use | Total Investment property | Plant and machinery right of use | Total right of use | Total property plant and equipment |
| Carrying amount at 1 January 2021 | 112,833 | 13,808 | 126,641 | 55 | 13,863 | 126,696 |
| Foreign exchange adjustments | 1,027 | 106 | 1,133 | 5 | 111 | 1,138 |
| Right of use, depreciation | 0 | 0 | 0 | (22) | (22) | (22) |
| Additions | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers | (23,064) | 0 | (23,064) | 0 | 0 | (23,064) |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 |
| Enhancement costs | 679 | 0 | 679 | 0 | 0 | 679 |
| Revaluation to market value | 13,413 | (8) | 13,405 | 0 | (8) | 13,405 |
| Carrying amount at 30 June 2021 | 104,888 | 13,906 | 118,794 | 38 | 13,944 | 118,832 |

| H1 2020 | | | | | | |
|--|----------------------------|--|----------------------------------|---|---------------------------|---|
| DKK'000 | Investment property | Investment property, right of use | Total Investment property | Plant and machinery right of use | Total right of use | Total property plant and equipment |
| Carrying amount at 1 January 2020 | 114,340 | 14,856 | 129,196 | 105 | 14,961 | 129,301 |
| Foreign exchange adjustments | (5,363) | (697) | (6,060) | (4) | (701) | (6,064) |
| Right of use, depreciation | 0 | 0 | 0 | (22) | (22) | (22) |
| Additions | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 |
| Enhancement costs | 378 | 0 | 378 | 0 | 0 | 378 |
| Revaluation to market value | 0 | (7) | (7) | 0 | (7) | (7) |
| Carrying amount at 30 June 2020 | 109,355 | 14,152 | 123,507 | 79 | 14,231 | 123,586 |

| 2020 | | | | | | |
|--|----------------------------|--|----------------------------------|---|---------------------------|---|
| DKK'000 | Investment property | Investment property, right of use | Total Investment property | Plant and machinery right of use | Total right of use | Total property plant and equipment |
| Carrying amount at 1 January 2020 | 114,340 | 14,856 | 129,196 | 105 | 14,961 | 129,301 |
| Foreign exchange adjustments | (8,089) | (1,034) | (9,123) | (6) | (1,040) | (9,129) |
| Right of use, depreciation | 0 | 0 | 0 | (44) | (44) | (44) |
| Additions | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 |
| Enhancement costs | 1,742 | 0 | 1,742 | 0 | 0 | 1,742 |
| Revaluation to market value | 4,840 | (14) | 4,826 | 0 | (14) | 4,826 |
| Carrying amount at 31 December 2020 | 112,833 | 13,808 | 126,641 | 55 | 13,863 | 126,696 |

SEGMENT INFORMATION

Based on IFRS 8 Operating Segments, the CeMat Group is assessed as having one segment comprising letting of premises and land and the provision of utilities to tenants, including power, water, technical gases, facility services, etc.

OTHER SEGMENT INFORMATION

A breakdown of revenue from letting and the provision of utilities is shown below:

| DKK'000 | H1 2021 | H1 2020 | FY 2020 |
|----------------|----------------|----------------|----------------|
| Letting | 7,686 | 6,635 | 13,723 |
| Utilities | 2,938 | 3,166 | 5,848 |
| Total | 10,624 | 9,801 | 19,571 |



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