

CeMat launches development investment in a residential building with ground floor retail.

Following pre-development activities, CeMat made the decision to commence the company's first residential building project – the “Moje Bielany” development. The project is located in the Bielany district of Warsaw (Poland). The project includes 105 apartments along with ground floor retail space. The total area of the apartments is 5,727 sq.m. and the retail space is 1,290 sq.m. The residential building has been designed to include an underground garage with 124 parking spaces. The total sales value of apartments and retail space is expected to be at the level of DKK 150 million. According to the contract with the general contractor, construction work on the residential project is scheduled to be completed in the second quarter of 2025.

The decision was based on:

- strong demand on the local housing market deriving from several factors, among others a national preferential mortgage programme for first time buyers. This translates into high customer interest in the purchase of apartments in the project, resulting in CeMat concluding as of today 23 preliminary sales agreements, covering over 19% of the sales area for apartments. The company has also concluded 18 reservation agreements covering 15% of the residential sales area;
- promising negotiations underway with potential buyers of retail premises on the ground floor of the building;
- CeMat's successful negotiations with the banks, leading to a banking decision in July 2023 and a signed agreement with the bank for financing the investment. The loan obtained, together with the company's own funds already committed, means the development project is fully financed. The bank's minimum requirement, as indicated in the loan agreement, is 25% pre-sale of apartments in the project. Considering the current pace of apartment sales, CeMat expects to meet this requirement in the next two to three weeks;

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- CeMat signing a fixed-price contract with the general contractor, thereby reducing the company's risk in the event of changes on the construction contractor market;
- the development budget, which ensures a solid profit from the development project. The development budget takes into account the market value of the land.

This significant milestone represents an important step forward in the company's long-term strategy, as presented in the value creation chain of transforming land in the Bielany district into development sites.

More information on the project can be found at www.mojebielany.com

The project is not expected to have the effect on the financial results in 2023. The impact of the Moje Bielany project on the company's results will occur in 2025.

The consolidated EBITDA for the CeMat Group is expected to be DKK 4-5 million in 2023. A positive net result after tax is expected at the level of DKK 2.5 to 3 million, before taking into account the valuation of the investment property for 2023 which is in line with earlier expectations.

Cemat A/S

Jaroslav Lipinski
CEO

This announcement has been prepared in a Danish-language and an English-language version. In case of doubt, the Danish version prevails.

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