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INTERIM REPORT, H1 2020

1 January–30 June



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

The first half of 2020 was the first period after the end of cooperation with Topsil and the completion of the first stage of the transformation of the company from a production to a real estate business. Topsil was the largest tenant and terminated its lease agreement with effect from November 2019. As a result, the occupancy level dropped from a level of circa 92% in November 2019 to 75% in December 2019.

The revenue of the CeMat Group was DKK 9.8 million (H1 2019: 21.5 million).

Consolidated EBITDA of the CeMat Group was DKK 0.0 million in H1 2020 (H1 2019: DKK 2.6 million).

A consolidated loss of the CeMat Group of DKK 0.8 million was posted for H1 2020 (H1 2019: a profit of DKK 1.5 million).

Rental income of the CeMat Group was DKK 6.6 million (H1 2019: DKK 7.1 million).

The structure of the income has evolved from the sale of utilities to rental income, with rental income accounting for 68% of the total income in mid-2020, compared to 40% of the total income in 2019.

As at 30 June 2020, the occupancy level was 84%.

The occupancy level of the vacant space previously occupied by the former tenant Topsil is 49.5%.

The DKK/PLN exchange rate as at 30.06.2020 had dropped in comparison to 31.12.2019 from DKK 175/PLN 100 to DKK 167/PLN 100, which affected the financial figures. The impact on sales revenues expressed in DKK was their reduction by DKK 0.3 million, EBIDTA reduction by DKK 0.1 million, value of investment property reduction by DKK 6.1 million

As a consequence of the pandemic, the CeMat Group recorded a lower than expected rental income and lower sales of utilities, but a satisfactory leasing tempo. The Board of Directors of the company has implemented measures aimed at mitigating the adverse impact of coronavirus, including state aid to enterprises and revision of costs.

2. OUTLOOK FOR 2020

The Group's EBITDA is expected to be DKK 0.5 – 1.0 million.

A negative net result after tax is expected at the level of DKK 1.0 – 1.5 million, before taking into account the valuation of the investment property for 2020.

The guidance is based on an exchange rate of DKK 169/PLN 100.

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

3. FINANCIAL HIGHLIGHTS FOR THE GROUP (UNAUDITED)

| DKK'000 | H1 2020 | H1 2019 | FY 2019 |
|---|--------------|--------------|--------------|
| Income statement: | | | |
| Revenue | 9,801 | 21,508 | 34,934 |
| Earnings before interest, tax, depreciation and amortisation (EBITDA) | (13) | 2,609 | 6,407 |
| Operating profit/(loss) (EBIT) | (35) | 2,609 | 6,373 |
| Net financials | (384) | (423) | (823) |
| Profit/(loss) for the period | (797) | 1,531 | 5,577 |
| Of which attributable to parent shareholders | (964) | 1,072 | 4,464 |
| Cash flow statement: | | | |
| Cash flows from operating activities | 3,412 | (1,597) | 4,991 |
| Cash flows from investing activities | (383) | (135) | (1,819) |
| Cash flow from financing activities | (33) | (28) | (906) |
| Balance sheet: | | | |
| Share capital | 4,997 | 4,997 | 4,997 |
| Equity attributable to parent company shareholders | 93,476 | 94,961 | 99,048 |
| Equity attributable to non-controlling shareholders | 13,200 | 14,705 | 13,702 |
| Total consolidated equity | 106,676 | 109,667 | 112,750 |
| Total assets | 145,916 | 148,329 | 153,570 |
| Invested capital *) | 119,589 | 128,903 | 129,071 |
| Net working capital (NWC) **) | 15,777 | 17,562 | 17,368 |
| Financial ratios: | | | |
| EBITDA margin (%) | (0.1) | 12.1 | 18.3 |
| EBIT margin/profit margin (%) | (0.4) | 12.1 | 18.2 |
| Return on invested capital (%) | (0.0) | 2.0 | 4.9 |
| Equity ratio (%) | 73.1 | 73.9 | 73.4 |
| Return on equity (%) | (0.7) | 1.4 | 5.1 |
| Current number of shares (thousands) | 249,850 | 249,850 | 249,850 |
| Earnings per share (DKK) | (0.00) | 0.00 | 0.02 |
| Price per share (DKK) | 0.34 | 0.34 | 0.35 |
| Average number of employees (FTE) | 23 | 23 | 23 |

*) Invested capital is defined as net working capital less cash and cash equivalents plus the carrying amount of non-current property, plant and equipment and intangible assets

***) Net working capital (NWC) is defined as the value of current assets less current liabilities

CEMAT AT A GLANCE

CeMat A/S (formerly Topsil Semiconductor Materials A/S) is a listed holding company whose activity consists of the operation of Polish real estate companies. The objectives of CeMat '70, W131 and W133 are to identify and execute the best investment strategy for the Group's current portfolio and dividend policy for its shareholders.

CeMat A/S, the parent company, derives no income from sales. All of the Group's sales income is generated in Poland.

The current portfolio of CeMat '70 includes land for office, warehouse and production facilities and investment development sites located mainly in Warsaw. The main property is partially developed with industrial buildings with parking lots. Buildings are accommodated by warehouse, production, office and social space. Part of the complex is rented out for parking purposes. The complex has a total of approx. 32,291 sqm of leasing space and 163,150 sqm of land. Some of the land is only partly owned or possessed by CeMat '70.

The main part of the portfolio is located in the northern part of Warsaw, in the Bielany district, 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. The planned new main arterial roads, namely the North-South road and the North Bridge Road, will make Bielany and the property more attractive.

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 local real estate market is strong and there is high demand among investors and developers. The large new shopping mall, Galeria Młociny, constructed 2km away from the CeMat '70 property, is an example of this trend. A new

30m-high residential building was constructed 400m away, and an office building for PKO BP (a Polish bank leader) is also located in the immediate vicinity.

The goal for the management team is to obtain reclassification of the land from its current service use to a multi-residential and service district, and to achieve the most effective value of the property.

For more information, go to www.Cemat.dk

MANAGEMENT'S REVIEW

The company's mission is to transform the company from a production business to a real estate business, and to focus on the leasing and management of the property to provide a cash-generating business.

In the long term, the company's mission is to dispose of the properties and deliver a dividend to its shareholders.

The first half of 2020 was the first period after the end of cooperation with Topsil and the completion of the first stage of the transformation of the company from a production to a real estate business. Topsil was the largest tenant and terminated its lease agreement with effect from November 2019. As a result, the occupancy level dropped from a level of circa 92% in November 2019 to 75% in December 2019. Management expects a return to the high occupancy level of 90% by the end of the year.

Topsil is a company that has historically been closely related to CeMat, as well as being its largest utilities consumer. After the departure of Topsil, H1 utilities sales are DKK 3.2 million (compared to 2019 H1: 14.5 million) and CeMat will not be focusing on the production and distribution of specialised resources in the future. The change of strategy involves focusing on the rental of warehouse, office and small production space. CeMat expects a further evolution of its sales structure from utilities to rental, further cost reductions and a focus on real estate management as its main business in the coming years.

During the pandemic, the CeMat Group recorded a lower than expected rental income. The management worked actively with tenants during lockdown to prevent negative results from the crisis, helping a group of 30 tenants with a temporary rent reduction and other actions in March and Q2. This active management and dialogue with the tenants means there has only been one case of a lease agreement being terminated as a result of the pandemic.

Lockdown has also resulted in lower sales of utilities to tenants.

On the other hand, the absorption of the new space is in line with expectations from the beginning of the year, before Covid-19. Demand is mainly focused on small warehouses and offices for e-commerce and the service sector. CeMat signed 26 new agreements and contract renewals during the Covid-19 period

until the end of June. All new contracts are concluded on better terms than the previous ones. It should be highlighted that the property's good location close to the centre of Warsaw, flexibility in lease terms and the possibility of technical adaptation have ensured its solid situation during this period. Despite the pandemic, CeMat has successfully implemented its lease policy, increasing the lease ratio by 9% between January 2019 and June 2020. This is the result of marketing actions, the increased competence of the rental department and active property management based on dialogue with tenants.

The Board of Directors of the company has implemented measures aimed at mitigating the adverse impact of coronavirus, including state aid to enterprises and revision of costs. The state aid will be partly recognised in the results for 2020.

Company is actively working to fulfil its goals for 2020. 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.

The good perception of the tenants about the location of the property, and the market demand in Warsaw for small warehouses, manufacturing and office space in the vicinity of the city centre limits fit-out contributions and other incentives popular on the real estate market.

Cemat has continued the process of strengthening the organisation and ensuring that our team has the appropriate skills to fulfil both the short and long-term goals.

One of the most important goals for the property management team is the implementation of the programme to upgrade the property according to current regulations.

In a long-term perspective, the company's management has identified four milestones: obtaining the legal title to the part of the plots remaining under management, re-zoning the land, resolving co-ownership issues, and signing the disposal agreement with an investor or investors. The management has been analysing different scenarios to achieve the best possible price.

CeMat '70 has continued its efforts to fulfil its long-term goals. The scenario envisages a prospective timeframe of 4 to 5 years. Once all the above milestones have been achieved, there will be an opportunity to significantly increase the value of the current portfolio. In the opinion of the management team,

achieving those milestones can drive up the value of the Warsaw property 2-3 times higher than the current valuation. We do not exclude the possibility of the partial sale of the properties or other actions to identify and execute the best investment strategy for the Group's current property portfolio.

FINANCIAL REVIEW

• Income statement

Revenue of the CeMat Group was DKK 9.8 million in H1 2020 (H1 2019: DKK 21.5 million). The observed decrease in sales revenue resulted from the departure last year of one of the tenants (Topsil), which was a large utilities consumer. In addition, 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 9.8 million in H1 2020 (H1 2019: DKK 18.9 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 minimal loss of less than DKK 0.1 million in H1 2020 (H1 2019: profit of DKK 2.6 million). The decrease in profitability was most influenced by the departure of the largest tenant in the past (Topsil) and the related drastic reduction in rental income and utilities sales, as well as the economic lockdown caused by 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 negligible fair value adjustment of less than DKK 0.1 million was recognised in H1 2020 (H1 2019: less than DKK 0.1 million).

Net financials amounted to an expense of DKK 0.4 million in H1 2020 (H1 2019: an expense of DKK 0.4 million). It comprised of 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 recognized in the income statement.

A net loss of DKK 0.8 million was posted for the period (H1 2019: profit of DKK 1.5 million).

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

Cash flows from operating activities were an inflow of DKK 3.4 million in H1 2020.

Cash flows from investing activities were an outflow of DKK 0.4 million. Cash was spent on upgrading the company's facilities and preparation of the company's properties for divestment.

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

- **Assets**

The Group's non-current assets totalled DKK 123.6 million as at 30 June 2020, 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 2019 by the Cushman and Wakefield report reliably reflects the value of the property as at 30 June 2020. Value adjustments have resulted from the application of IFRS 16 (recognition of the right of use in the amount of DKK 14.9 million), foreign exchange differences (a decrease of DKK 6.1 million) and capital expenditures or enhancement costs (an increase of DKK 0.4 million). For more details, see note 4.

- **Equity**

The Group's equity as at 30 June 2020 stood at DKK 106.7 million, of which DKK 93.5 million was attributable to the shareholders of CeMat A/S, and DKK 13.2 million was attributable to non-controlling interests in CeMat '70 S.A. The equity ratio was 73.1% as at 30 June 2020.

The Group's equity decreased in comparison to the end of 2019 by DKK 6.1 million due to the recognition of translation differences of minus

DKK 5.3 million from the translation of the foreign subsidiaries' financial statements for consolidation purposes into the reporting currency and due to the net loss of DKK 0.8 million.

- **Liabilities**

The Group's liabilities totalled DKK 39.2 million at 30 June 2020, which was a decrease of DKK 1.6 million in comparison to the end of 2019.

OUTLOOK FOR 2020

The company's management expectations are as follows.

Consolidated EBITDA for the CeMat group is expected to be DKK 0.5 – 1.0 million.

A negative net result after tax is expected at the level of DKK 1.0 – 1.5 million, before taking into account the valuation of the investment property for 2020. Please note that this valuation 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

At 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 CeMat's 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 2020

| | | |
|----|-------|---|
| 19 | 23.06 | Course of the Annual General Meeting 2020 |
| 18 | 29.05 | Notice convening the Annual General Meeting 2020 |
| 17 | 24.04 | Potential impact of the coronavirus outbreak on the operations and financial results of Cemat A/S |
| 16 | 23.03 | Major shareholder's announcement |
| 15 | 19.03 | Managers' transactions |
| 14 | 18.03 | Managers' transactions |
| 13 | 18.03 | Managers' transactions |
| 12 | 18.03 | Postponement of annual meeting |
| 11 | 17.03 | Managers' transactions |
| 10 | 16.03 | Managers' transactions |
| 9 | 16.03 | Managers' transactions |
| 8 | 10.03 | Managers' transactions |
| 7 | 03.03 | Managers' transactions |
| 6 | 25.02 | Managers' transactions |
| 5 | 25.02 | Managers' transactions |
| 4 | 24.02 | Managers' transactions |
| 3 | 20.02 | Managers' transactions |
| 2 | 20.02 | Notice convening the annual general meeting 2020 |
| 1 | 20.02 | Publication of Annual Report 2019 |

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 2020.

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 2020 and of the results of the Group's operations and cash flows for the six months ended 30 June 2020.

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, 19 August 2020

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 2020 | H1 2019 | FY 2019 |
|---|----------------|----------------|----------------|
| Revenue | 9,801 | 21,508 | 34,934 |
| Costs | (9,814) | (18,899) | (28,526) |
| Operating profit/(loss) (EBITDA) | (13) | 2,609 | 6,408 |
| Depreciation | (22) | 0 | (35) |
| Operating profit/(loss) (EBIT) | (35) | 2,609 | 6,373 |
| Revaluation investment property | (7) | (7) | 2,687 |
| Net financials | (384) | (423) | (823) |
| Profit/(loss) before tax | (426) | 2,179 | 8,237 |
| Tax on profit/(loss) for the period | (371) | (649) | (2,660) |
| Profit/(loss) for the period | (797) | 1,530 | 5,577 |
| Appropriation of profit/(loss) for the period: | | | |
| Parent company shareholders | (964) | 1,072 | 4,464 |
| Non-controlling interests | 167 | 458 | 1,113 |
| | (797) | 1,530 | 5,577 |
| Earnings per share: | | | |
| Earnings per share (DKK) | (0.00) | 0.00 | 0.02 |
| Diluted earnings per share (DKK) | (0.00) | 0.00 | 0.02 |

7. STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

| DKK'000 | H1 2020 | H1 2019 | FY 2019 |
|---|----------------|--------------|--------------|
| Profit/(loss) for the period | (797) | 1,530 | 5,577 |
| Foreign exchange adjustment, foreign companies | (5,268) | 1,305 | 1,241 |
| Comprehensive income for the period | (6,065) | 2,835 | 6,818 |
| Parent company shareholders | (5,589) | 2,200 | 5,539 |
| Non-controlling interests | (476) | 635 | 1,279 |
| | (6,065) | 2,835 | 6,818 |



8. STATEMENT OF CASH FLOWS (UNAUDITED)

| DKK'000 | H1 2020 | H1 2019 | FY 2019 |
|---|---------------|----------------|----------------|
| Operating profit/(loss) (EBIT) | (35) | 2,609 | 6,373 |
| Depreciation | 22 | 0 | 35 |
| Change in net working capital | 4,655 | (3,393) | (159) |
| Other (deposits, etc.) | 314 | (5) | 362 |
| Tax paid/received | (1,143) | (383) | (781) |
| Financial income received | 49 | 49 | 107 |
| Financial expenses paid | (450) | (474) | (946) |
| Cash flows from operating activities | 3,412 | (1,597) | 4,991 |
| Acquisition etc. of intangible assets | 0 | 0 | 0 |
| Acquisition etc. of property, plant and equipment | (298) | (85) | (1,729) |
| Capital expenditures, divestment of the investment property | (84) | (50) | (90) |
| Cash flows from investing activities | (382) | (135) | (1,819) |
| Finance lease repayments | (24) | 0 | (47) |
| Dividends paid | 0 | 0 | 0 |
| Acquisition of shares in subsidiary | (9) | (28) | (859) |
| Cash flows from financing activities | (33) | (28) | (906) |
| Change in cash and cash equivalents | 2,997 | (1,760) | 2,266 |
| Cash and cash equivalents at beginning of period | 17,598 | 15,170 | 15,170 |
| Market value adjustment of cash and cash equivalents | (821) | 130 | 162 |
| Cash and cash equivalents at end of period | 19,774 | 13,540 | 17,598 |

9. BALANCE SHEET, ASSETS (UNAUDITED)

| DKK'000 | 2020-06-30 | 2019-06-30 | FY 2019 |
|--------------------------------------|----------------|----------------|----------------|
| Investment property | 123,507 | 124,881 | 129,196 |
| Right of use | 79 | 0 | 105 |
| Property, plant and equipment | 123,586 | 124,881 | 129,301 |
| Other non-current receivables | 559 | 812 | 587 |
| Financial assets | 559 | 812 | 587 |
| Non-current assets | 124,145 | 125,693 | 129,888 |
| Trade receivables | 1,238 | 7,780 | 5,588 |
| Other receivables | 759 | 1,316 | 496 |
| Receivables | 1,997 | 9,096 | 6,084 |
| Cash and cash equivalents | 19,774 | 13,540 | 17,598 |
| Current assets | 21,771 | 22,636 | 23,682 |
| Assets | 145,916 | 148,329 | 153,570 |

10. BALANCE SHEET, EQUITY AND LIABILITIES (UNAUDITED)

| DKK'000 | 2020-06-30 | 2019-06-30 | FY 2019 |
|---|----------------|----------------|----------------|
| Share capital | 4,997 | 4,997 | 4,997 |
| Translation reserve | (20,444) | (15,766) | (15,819) |
| Retained earnings | 108,923 | 105,730 | 109,870 |
| Equity attributable to parent company shareholders | 93,476 | 94,961 | 99,048 |
| Equity attributable to non-controlling interests | 13,200 | 14,705 | 13,702 |
| Equity | 106,676 | 109,666 | 112,750 |
| Lease liabilities | 13,370 | 13,968 | 14,057 |
| Other non-current liabilities | 1,780 | 1,425 | 1,542 |
| Deferred tax liabilities | 18,096 | 18,196 | 18,907 |
| Non-current liabilities | 33,246 | 33,589 | 34,506 |
| Lease liabilities | 863 | 907 | 905 |
| Trade payables | 983 | 2,067 | 1,427 |
| Income tax payable | 64 | 51 | 947 |
| Other payables | 4,084 | 2,049 | 3,035 |
| Current liabilities | 5,994 | 5,074 | 6,314 |
| Total liabilities | 39,240 | 38,663 | 40,820 |
| Equity and liabilities | 145,916 | 148,329 | 153,570 |

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 01.01.2019 | 4,997 | (16,894) | 104,609 | 92,712 | 14,118 | 106,830 |
| Profit/(loss) for the year | 0 | 0 | 1,072 | 1,072 | 458 | 1,530 |
| Other comprehensive income | 0 | 1,128 | 0 | 1,128 | 177 | 1,305 |
| Comprehensive income | 0 | 1,128 | 1,072 | 2,200 | 635 | 2,835 |
| Acquisition of non-controlling interests | 0 | 0 | 22 | 22 | (51) | (29) |
| Settlement of the company's social benefits fund | 0 | 0 | 27 | 27 | 3 | 30 |
| Equity at 30.06.2019 | 4,997 | (15,766) | 105,730 | 94,961 | 14,705 | 109,666 |
| 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 | | (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 |

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 2019, 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 45 of the Annual Report 2019. For information on risks, see note 23, pages 59-61, and the section on risk management on pages 15-18 of the Annual Report 2018.

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 44, of the Annual Report 2019.

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 2019 by the Cushman and Wakefield report reliably reflects the value of the property as at 30 June 2020. Value adjustments have resulted from the application of IFRS 16, exchange differences and capital expenditures (enhancement costs).



| H1 2020 property and DKK'000 | Investment | | Total | Plant and | Total | |
|--|-----------------------|---------------|----------------|--------------|---------------|----------------|
| | Investment | property, | Investment | machinery | Total | plant |
| | property equipment | right of use | property | right of use | right of use | |
| Carrying amount at 1 January 2020 | 114,340 | 14,856 | 129,196 | 105 | 14,961 | 129,301 |
| Right of use, impact of the application of IFRS 16 | 0 | 0 | 0 | 0 | 0 | 0 |
| 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 |

| H1 2019 property and DKK'000 | Investment | | Total | Plant and | Total | |
|--|-----------------------|---------------|----------------|--------------|---------------|----------------|
| | Investment | property, | Investment | machinery | Total | plant |
| | property equipment | right of use | property | right of use | right of use | |
| Carrying amount at 1 January 2019 | 108,567 | 0 | 108,567 | 0 | 0 | 108,567 |
| Right of use, impact of the application of IFRS 16 | 0 | 14,707 | 14,707 | 0 | 14,707 | 14,707 |
| Foreign exchange adjustments | 1,301 | 176 | 1,477 | 0 | 176 | 1,477 |
| Right of use, depreciation | 0 | 0 | 0 | 0 | 0 | 0 |
| Additions | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 |
| Enhancement costs | 137 | 0 | 137 | 0 | 0 | 137 |
| Revaluation to market value | 0 | (7) | (7) | 0 | (7) | (7) |
| Carrying amount at 30 June 2019 | 110,005 | 14,876 | 124,881 | 0 | 14,876 | 124,881 |

| 2019 property and DKK'000 | Investment | | Total | Plant and | Total | |
|--|-----------------------|---------------|----------------|--------------|---------------|----------------|
| | Investment | property, | Investment | machinery | Total | plant |
| | property equipment | right of use | property | right of use | right of use | |
| Carrying amount at 1 January 2019 | 108,567 | 0 | 108,567 | 0 | 0 | 108,567 |
| Right of use, impact of the application of IFRS 16 | 0 | 14,707 | 14,707 | 137 | 14,844 | 14,844 |
| Foreign exchange adjustments | 1,235 | 163 | 1,398 | 3 | 166 | 1,401 |
| Right of use, depreciation | 0 | 0 | 0 | (35) | (35) | (35) |
| Additions | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 |
| Enhancement costs | 1,837 | 0 | 1,837 | 0 | 0 | 1,837 |
| Revaluation to market value | 2,701 | (14) | 2,687 | 0 | (14) | 2,687 |
| Carrying amount at 31 December 2019 | 114,340 | 14,856 | 129,196 | 105 | 14,961 | 129,301 |

SEGMENT INFORMATION

Based on IFRS 8 Operating Segments, the CeMat Group is assessed to have 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 2020 | H1 2019 | FY 2019 |
|----------------|----------------|----------------|----------------|
| Letting | 6,635 | 7,055 | 14,141 |
| Utilities | 3,166 | 14,453 | 20,793 |
| Total | 9,801 | 21,508 | 34,934 |



Photo: Wólczyńska 133, Warsaw, Poland



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