

Nasdaq Copenhagen
Nikolaj Plads 6
DK-1067 Copenhagen K

Copenhagen, 17 December 2018
STOCK EXCHANGE ANNOUNCEMENT no. 11/2018

STATEMENT REGARDING CEMAT A/S' ANNUAL REPORT 2016/2017

On 13 December 2018, we received an order from the Danish Business Authority and, as a result, we have prepared a statement regarding Cemat's financial accounts for 2016/2017. The company's statement is attached below.

These amendments will have no impact on the expectations for the results for 2018; nor will they change the company's equity or liquidity.

Please direct any communication about this stock exchange announcement to info@cemat.dk.

Cemat A/S

Frede Clausen
Chairman of the Board

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

STOCK EXCHANGE ANNOUNCEMENT

CEMAT A/S

**SUPPLEMENTARY/RESTATED INFORMATION
RELATING TO THE ANNUAL REPORT FOR 2017**

CONTENTS

Introduction.....	3
Statement by management	4
Independent auditor's report.....	5-6
Restatement of comparative figures for 2016 concerning reclassification from owner-occupied property to investment property	7-12
Specification of the company's accounting policy for investment property and addi- tional information about the assumptions underlying investment property valuations	13
Restatement of enhancement costs in the note concerning investment property.....	14
Restatement from level 2 to level 3 in the fair value hierarchy in 2016 and 2017	15

INTRODUCTION

The Danish Business Authority has performed an inspection of the company's annual report for 2017. In that connection, the Danish Business Authority issued an order on 13 December 2018 to the effect that Cemat A/S must prepare and publish supplementary/restated information relating to the annual report for 2017 regarding:

- Restatement of comparative figures for 2016 concerning reclassification from owner-occupied property to investment property
- Specification of the company's accounting policy for investment property
- Additional information about the assumptions underlying investment property valuations
- Restatement of enhancement costs in the note concerning investment property
- Restatement from level 2 to level 3 in the fair value hierarchy in 2016 and 2017

The company observes the Danish Business Authority's order of 13 December 2018 by providing this supplementary/restated information relating to the annual report for 2017.

STATEMENT BY MANAGEMENT

On 13 December 2018, the Danish Business Authority issued an order to the effect that Cemat A/S must prepare and publish supplementary/restated information relating to the annual report for 2017.

Today, the Board of Directors and the Management Board have discussed and approved the supplementary/restated information relating to the annual report for 2017.

In our opinion, the information is in accordance with the order issued by the Danish Business Authority.

Copenhagen, 17 December 2018

Management Board:

Jarosław Paweł Lipiński
CEO

Board of Directors:

Frede Clausen
Chairman

Eivind Dam Jensen
Deputy Chairman

Joanna Lucyna Iwanowska-
Nielsen

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Cemat A/S

We have, as agreed, examined the supplementary and corrective information to the Annual Report for 2017 of Cemat A/S, which is prepared by the Management of Cemat A/S. The supplementary and corrective information to the Annual Report for 2017 of Cemat A/S is prepared in accordance with the Danish Business Authority's order of 13 December 2018.

We are to express our opinion on whether the supplementary and corrective information to the Annual Report for 2017 of Cemat A/S is prepared in accordance with the Danish Business Authority's order of 13 December 2018.

Our conclusion in this report is expressed with a reasonable degree of assurance.

Management's Responsibility for the Supplementary and Corrective Information to the Annual Report for 2017

The Management is responsible for the preparation of supplementary and corrective information to the Annual Report for 2017 of Cemat A/S in accordance with the Danish Business Authority's order of 13 December 2018.

Management is also responsible for such internal control as Management determines is necessary to enable the preparation of supplementary and corrective information to the Annual Report for 2017 of Cemat A/S that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion, based on our examinations, on the supplementary and corrective information to the Annual Report for 2017 of Cemat A/S.

We conducted our engagement in accordance with ISAE 3000, Assurance Reports Other Than Audits or Reviews of Historical Financial Information and additional requirements according to relevant Danish legislation to obtain a limited degree of assurance for our conclusion. BDO Statsautoriseret revisionsaktieselskab is subject to the International Standard on Quality Assurance, ISQC 1, and thus applies a comprehensive quality control system, including documented policies and procedures with respect to compliance with ethical requirements, professional standards and applicable requirements in legislation and other regulation.

We have complied with the independence requirements and other ethical requirements of FSR - Danish accountants' guidelines for accountant's ethical behaviour (Ethical rules applying to accountants) which are based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct.

We have examined whether the supplementary and corrective information to the Annual Report for 2017 of Cemat A/S is prepared in accordance with the Danish Business Authority's order of 13 December 2018.

We believe that the examinations we have carried out are sufficient to provide a basis for our conclusion.

Conclusion

In our opinion, the supplementary and corrective information to the Annual Report for 2017 of Cemat A/S is prepared, in all material respects, in accordance with the Danish Business Authority's order of 13 December 2018.

Copenhagen, 17 December 2018

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Brian Olsen Halling
State Authorised Public Accountant
MNE no. 32094

RESTATEMENT OF COMPARATIVE FIGURES FOR 2016 CONCERNING RECLASSIFICATION FROM OWNER-OCCUPIED PROPERTY TO INVESTMENT PROPERTY

INCOME STATEMENT -
restatement of comparative figures for the group

1 JANUARY 2016 - 31 DECEMBER 2016

DKK'000	Original	Restated	Deviation
Revenue	25,434	25,434	0
Other operating income	423	423	0
Direct production costs	(8,205)	(8,205)	0
Other external expenses	(10,285)	(10,285)	0
Staff costs	(20,049)	(20,049)	0
Amortisation/depreciation and impairment losses	(4,567)	(4,567)	0
Operating profit/(loss) (EBIT)	(17,249)	(17,249)	0
Revaluation of investments in subsidiaries	0	0	0
Unrealised fair value adjustment of investment property	48,161	0	(48,161)
Financial income	36	36	0
Financial expenses	(7,537)	(7,537)	0
Profit/(loss) before tax	23,411	(24,750)	(48,161)
Tax on profit/(loss) for the year	(10,188)	(603)	9,585
Profit/(loss) for the year from continuing operations	13,223	(25,353)	(38,576)
Profit/(loss) for the year from discontinued operations	(50,050)	(50,050)	0
Profit/(loss) for the year including discontinued operations	(36,827)	(75,403)	(38,576)
Appropriation of profit/(loss) for the year			
Parent company shareholders	(52,753)	(82,711)	(29,958)
Non-controlling interests	15,926	7,308	(8,618)
	(36,827)	(75,403)	(38,576)
Earnings per share for continuing and discontinued operations (DKK)	(0.10)	(0.16)	(0.06)
Diluted earnings per share for continuing and discontinued operations (DKK)	(0.10)	(0.16)	(0.06)
Earnings per share for continuing operations (DKK)	(0.01)	(0.06)	(0.06)
Diluted earnings per share for continuing operations (DKK)	(0.01)	(0.06)	(0.06)
Earnings per share for discontinued operations (DKK)	(0.09)	(0.09)	0.00
Diluted earnings per share for discontinued operations (DKK)	(0.09)	(0.09)	0.00

RESTATEMENT OF COMPARATIVE FIGURES FOR 2016 CONCERNING RECLASSIFICATION FROM OWNER-OCCUPIED PROPERTY TO INVESTMENT PROPERTY

**STATEMENT OF COMPREHENSIVE INCOME -
restatement of comparative figures for the group**

1 JANUARY 2016 - 31 DECEMBER 2016

DKK'000	Original	Restated	Deviation
Profit/(loss)for the year	(36,827)	(75,403)	(38,576)
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Foreign exchange adjustments, foreign entities	(5,239)	(5,239)	0
Reclassification from owner-occupied property to investment property	0	48,161	48,161
Deferred tax relating to reclassification from owner-occupied property to investment property	0	(9,585)	(9,585)
Comprehensive income for the year	(42,066)	(42,066)	0
Appropriation of comprehensive income for the year			
Parent company shareholders	(55,364)	(55,364)	0
Non-controlling interests	13,298	13,298	0
	(42,066)	(42,066)	0

Comparative figures for 2016 have been restated relative to the annual report for 2017. The restatement results from the fact that a positive value adjustment in connection with the reclassification from owner-occupied property to investment property was originally recognised in the income statement. Positive value adjustments in connection with reclassification must be recognised in other comprehensive income. In connection with the restatement, the deferred tax which was recognised in 2016 as a result of a value adjustment of investment property has been restated as well.

Comparative figures for 2016 relating to earnings per share have been restated.

Comparative figures have been restated due to the above-mentioned restatement of a value adjustment which was recognised as a result of the reclassification from owner-occupied property to investment property.

RESTATEMENT OF COMPARATIVE FIGURES FOR 2016 CONCERNING RECLASSIFICATION FROM OWNER-OCCUPIED PROPERTY TO INVESTMENT PROPERTY

FINANCIAL HIGHLIGHTS

1 JANUARY 2016 - 31 DECEMBER 2016

DKK'000	Original	Restated	Deviation
Revenue	25,434	25,434	0
Profit/(loss) before interest, tax, depreciation and amortisation (EBITDA)	(12,682)	(12,682)	0
Operating profit/(loss) (EBIT)	(17,249)	(17,249)	0
Net financials	(7,501)	(7,501)	0
Profit/(loss) from discontinued operations	(50,050)	(50,050)	0
Profit/(loss)for the year	(36,827)	(75,403)	(38,576)
Portion attributable to parent company shareholders	(52,753)	(82,711)	(29,958)
Cash flows from operating activities	(65,396)	(65,396)	0
Cash flows from investing activities	382,894	382,894	0
Cash flows from financing activities	(191,524)	(191,524)	0
Share capital	10,883	10,883	0
Equity attributable to parent company shareholders	197,152	197,152	0
Equity attributable to non-controlling interests	25,489	25,489	0
Total consolidated equity	222,641	222,641	0
Total assets	247,645	247,645	0
Invested capital	105,552	105,552	0
Net interest-bearing debt (net interest asset)	0	0	0
Net working capital (NWC)	(563)	(563)	0
Financial ratios			
EBITDA margin (%)	(49.9)	(49.9)	0
EBIT margin/profit margin (%)	(67.8)	(67.8)	0
Return on invested capital (%)	(16.3)	(16.3)	0
Equity ratio (%)	89.9	89.9	0
Return on equity (%)	(15.2)	(31.2)	(16.0)
Current number of shares (thousands)	544,164	544,164	0
Earnings per share (DKK)	(0.10)	(0.16)	(0.06)
Price per share (DKK)	0.32	0.32	0
Average number of full-time employees	32	32	0

Financial highlights for 2016 have been restated relative to the annual report for 2017. The restatement results from the fact that a positive value adjustment in connection with the reclassification from owner-occupied property to investment property was originally recognised in the income statement. Positive value adjustments in connection with reclassification must be recognised in other comprehensive income. In connection with the restatement, the deferred tax which was recognised in 2016 as a result of a value adjustment of investment property has been restated as well.

RESTATEMENT OF COMPARATIVE FIGURES FOR 2016 CONCERNING RECLASSIFICATION FROM OWNER-OCCUPIED PROPERTY TO INVESTMENT PROPERTY

NOTE 10 - TAX ON PROFIT/(LOSS) FOR THE YEAR AND DEFERRED TAX

1 JANUARY 2016 - 31 DECEMBER 2016

GROUP

The current tax for the financial year has been calculated using a tax rate of 22.0%.

DKK'000	Original	Restated	Deviation
Current tax	(314)	(314)	0
Change in deferred tax, including value adjustment	(10,003)	(418)	9,585
Adjustment of current tax relating to prior years	0	0	0
Adjustment of deferred tax relating to prior years	129	129	0
Total	(10,188)	(603)	9,585

Analysis of tax for the year:

Original specification for 2016:

Profit/(loss) before tax		(25,891)	
Tax at a rate of 22.0%		5,697	(22.0%)
Effect of different tax rate, foreign entities		(373)	1.4%
Tax base of non-deductible expenses and non-taxable income		6,419	(24.8%)
Adjustment of current tax relating to prior years		0	0.0%
Adjustment of deferred tax relating to prior years		129	(0.5%)
Value adjustment of deferred tax		(22,060)	85.2%
Effect on deferred tax, change in tax rate		0	0.0%
Effective tax/tax rate for the year		(10,188)	39.3%

Restated specification for 2016:

Profit/(loss) before tax		(74,052)	
Tax at a rate of 22.0%		16,291	(22.0%)
Effect of different tax rate, foreign entities		(373)	0.5%
Tax base of non-deductible expenses and non-taxable income		6,419	(8.7%)
Adjustment of current tax relating to prior years		0	0.0%
Adjustment of deferred tax relating to prior years		129	(0.2%)
Value adjustment of deferred tax		(23,069)	31.2%
Effect on deferred tax, change in tax rate		0	0.0%
Effective tax/tax rate for the year		(603)	0.8%

RESTATEMENT OF COMPARATIVE FIGURES FOR 2016 CONCERNING RECLASSIFICATION FROM OWNER-OCCUPIED PROPERTY TO INVESTMENT PROPERTY

NOTE 10 - TAX ON PROFIT/(LOSS) FOR THE YEAR AND DEFERRED TAX

1 JANUARY 2016 - 31 DECEMBER 2016 - continued

Specification for 2016, deviation:

Profit/(loss) before tax	(48,161)	
Tax at a rate of 22.0%	10,594	0.0%
Effect of different tax rate, foreign entities	0	(0.9%)
Tax base of non-deductible expenses and non-taxable income	0	16.1%
Adjustment of current tax relating to prior years	0	0.0%
Adjustment of deferred tax relating to prior years	0	0.3%
Value adjustment of deferred tax	(1,009)	(54.0%)
Effect on deferred tax, change in tax rate	0	0.0%
Effective tax/tax rate for the year	9,585 (38.5%)	

Comparative figures for 2016 have been restated relative to the annual report for 2017. The restatement results from the fact that a positive value adjustment in connection with the reclassification from owner-occupied property to investment property was originally recognised in the income statement. Positive value adjustments in connection with reclassification must be recognised in other comprehensive income. In connection with the restatement, the deferred tax which was recognised in 2016 as a result of a value adjustment of investment property has been restated as well.

Consequently, comparative figures for 2016 relating to tax on profit/(loss) for the year and deferred tax have been restated in note 10 to the annual report, supplemented by a specification of tax on profit/(loss) for the year.

RESTATEMENT OF COMPARATIVE FIGURES FOR 2016 CONCERNING RECLASSIFICATION FROM OWNER-OCCUPIED PROPERTY TO INVESTMENT PROPERTY

NOTE 12 - EARNINGS PER SHARE

1 JANUARY 2016 - 31 DECEMBER 2016

GROUP

DKK	Original	Restated	Deviation
Earnings per share for continuing and discontinued operations (DKK)	(0.10)	(0.16)	(0.06)
Diluted earnings per share for continuing and discontinued operations (DKK)	(0.10)	(0.16)	(0.06)
Earnings per share for continuing operations (DKK)	(0.01)	(0.06)	(0.06)
Diluted earnings per share for continuing operations (DKK)	(0.01)	(0.06)	(0.06)
Earnings per share for discontinued operations (DKK)	(0.09)	(0.09)	0.00
Diluted earnings per share for discontinued operations (DKK)	(0.09)	(0.09)	0.00
Earnings used in the calculation of earnings per share (DKK'000)			
Continuing operations (DKK'000)	(2,703)	(32,661)	(29,958)
Discontinued operations (DKK'000)	(50,050)	(50,050)	0
Continuing and discontinued operations (DKK'000)	(52,753)	(82,711)	(29,958)
Average number of shares used to calculate earnings per share			
Average number of shares used to calculate earnings per share (thousands)	303,875	530,445	0
Average dilutive effect of outstanding warrants (thousands)	0	0	0
Average number of shares used to calculate diluted earnings per share (thousands)	303,875	530,445	0

Comparative figures for 2016 relating to earnings per share have been restated in note 12 to the annual report for 2017. Comparative figures have been restated as a result of the restatement of a value adjustment which was recognised due to a reclassification of owner-occupied property to investment property.

SPECIFICATION OF THE COMPANY'S ACCOUNTING POLICY FOR INVESTMENT PROPERTY AND ADDITIONAL INFORMATION ABOUT THE ASSUMPTIONS UNDERLYING INVESTMENT PROPERTY VALUATIONS

In the annual report for 2017, note 1, "Accounting policies", the "Investment property" section reads as follows:

Investment property comprises properties owned for the purpose of receiving rent or obtaining capital gains.

On initial recognition, investment property is measured at cost, comprising the purchase price and any costs directly attributable to the acquisition.

Subsequently, investment property is measured at fair value, representing the price at which it is estimated that the property can be sold to an independent buyer at the balance sheet date. The fair value of the property is reassessed on an annual basis based on the expected net present value of the expected future cash flows.

Adjustments of the fair value of investment property are recognised in the income statement in the financial year in which the change occurred.

The "Investment property" section of note 1, "Accounting policies", is changed as follows:

Investment property comprises properties owned for the purpose of receiving rent or obtaining capital gains.

On initial recognition, investment property is measured at cost, comprising the purchase price and any costs directly attributable to the acquisition.

Subsequently, investment property is measured at fair value, representing the price at which it is estimated that the property can be sold to an independent buyer at the balance sheet date.

Investment property is divided into four groups: Internal roads; plots designed for external roads; development areas; and industrial buildings.

Internal roads; plots designed for external roads; and development areas (in the following referred to as "properties") are valued using a comparative approach. This approach assumes the variation in prices between at least three comparable properties can be explained by the differences in their individual attributes such as location, surroundings, accessibility, development potential etc. The influence of each of these attributes on value is assigned a percentage weighting, and the characteristics of each comparable and the subject are then rated, typically from 1-5, very good to very poor. The price of each comparable is adjusted according to how it differs from the subject, with the resulting adjusted average price from the comparables taken as providing a reasonable indication of the subject's value.

Industrial buildings are valued using an earnings-based approach based on normal earnings. Income from each lessee is expected to be generated for as long as the lease is in force or until the first time it may be terminated if considered advantageous. Thereafter, income is expected to continue to be generated at market rent. Adjustments are made for lost rental income, fitting-out deposits and unobtainable running costs.

The required rates of return having been set are an important input in estimating the fair values. The required rate of return used ranges from 13.8% to 14.0%.

As regards properties where claims as to title have not yet been accommodated, the value is further reduced by 20% due to the risk that such claims will be accommodated and due to the expenses associated with this transitional phase.

Adjustments of the fair value of investment property are recognised in profit or loss in the financial year in which the change occurred.

RESTATEMENT OF ENHANCEMENT COSTS IN THE NOTE CONCERNING INVESTMENT PROPERTY

NOTE 13 - PROPERTY, PLANT AND EQUIPMENT

GROUP 2017

DKK'000	Investment property	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Plant in progress	Total
Carrying amount at 1 January 2017	106,115	0	0	0	0	106,115
Foreign exchange adjustments	6,088	0	0	0	0	6,088
Additions	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Enhancement costs	2,413	0	0	0	0	2,413
Revaluation to market value	(5,194)	0	0	0	0	(5,194)
Carrying amount at 31 December 2017	109,422	0	0	0	0	109,422
Of which assets held under finance leases	1,089	0	0	0	0	1,089

"Enhancement costs" and "Revaluation to market value" have been restated so that the item "Enhancement costs" has been increased by DKK 2,413 thousand and the item "Revaluation to market value" has been increased by DKK 2,413 thousand in 2017. The carrying amount is therefore unchanged at 31 December 2017. The restatement is due to the fact that enhancement costs had been expensed directly in the income statement and not presented as an addition regarding investment property.

RESTATEMENT FROM LEVEL 2 TO LEVEL 3 IN THE FAIR VALUE HIERARCHY IN 2016 AND 2017

NOTE 13 - PROPERTY, PLANT AND EQUIPMENT

GROUP

Fair value hierarchy information	Level 1	Level 2	Level 3	at 31/12
2017 original Investment property	-	35,400	74,042	109,422
2017 restated Investment property	-	-	109,442	109,442
2017 deviation Investment property	-	(35,400)	35,400	-
2016 original Investment property	-	30,730	75,385	106,115
2016 restated Investment property	-	-	106,115	106,115
2016 deviation Investment property	-	(30,730)	30,730	-

The fair value hierarchy information regarding investment property has been restated from level 2 to level 3 as regards investment property valued using the comparative approach. The restatement is prompted by the fact that significant value adjustments were made in connection with the valuation made according to the comparative approach as a result of matters that were not objectively observable.