2024 ANNUAL REPORT

CeMat

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Management Review

1. Highlights of the year

The CeMat Group is pleased to present the results for 2024:

- The revenue was 17% higher than in 2023, reaching a level of DKK 39.4 million (2023: DKK 33.6 million).
- The revenue from rental income **increased by 23%** in comparison to 2023, amounting to DKK 20.5 million (2023: DKK 16.6 million).
- Consolidated **EBITDA** was **DKK 7.3 million** in 2024 (2023: DKK 4.5 million), exceeding forecasts (DKK 5.5-6m).
- The CeMat Group obtained the legal title to a plot covering a total area of 6,720 sqm.
- The value of the Warsaw real estate consists of an investment property valued at **DKK 191.8 million** as of 31 December 2024, according to a valuation report (2023: DKK 171.0 million).
- A positive net result after tax of **DKK 13.4 million** was achieved in 2024 (compared to DKK 11.3 million in 2023), after taking into account the property valuation.

Development business

In the development sales segment, the "Moje Bielany" project saw progress and as of the publication date of this report, the company has entered into 77 preliminary agreements and 4 reservation agreements, covering 77% of the flats and 73% of the residential sales area. Out of the 105 flats in the project, there are 24 flats for sale.

77 preliminary agreements and
4 reservation agreements, covering:

77%
of the flats

CeMat has signed a 15-year agreement with Jeronimo Martins Polska S.A., the operator of Biedronka. Under the agreement, the tenant will occupy 798 sqm, equivalent to **61%** of the ground floor retail space.

Construction is progressing according to schedule, with completion anticipated in the second quarter of 2025.

The sales prices of the flats in the ongoing project are higher than originally projected. The project is expected to generate a **profit** in the range of **DKK 35-37 million**.

CeMat expects a profit margin on the "Moje Bielany" development project in the range of 21-22%.

Up-to-date information on the progress of the construction process and sales can be found at https://mojebielany.com/investment-log/

Strategy

In February 2024, CeMat announced its strategy for 2024-2027. The strategy calls for the continuation of operations in the real estate rental sector, as well as further development activities mainly in the residential segment. The goal is to build a development portfolio, including the preparation of the next phases of the "Moje Bielany" project. In its real estate rental business, CeMat will focus on the small warehouse segment, investing in self-storage and SBU formats.

Outlook for 2025

- Consolidated EBITDA for the CeMat Group is expected to be **DKK 33.3 – 36 million** in 2025.
- EBITDA from the development segment is expected to be **DKK 27 – 29 million** (out of the DKK 35-37 million total result predicted for "Moje Bielany").
- EBITDA from the property rental business is projected to reach **DKK 6.3 – 7 million.**
- Expected positive net result for 2025 of approx. **DKK 25 – 27 million** (before taking into account the valuation of the investment property).

The average PLN to DKK exchange rate in 2024 increased from 1.64 to 1.73, which impacted the financial figures. The same exchange rate is assumed in the forecast for 2025.

For more information, go to:

https://www.cemat.dk
https://mojebielany.com/investment-log/
https://www.cematbox.com
https://cemat70.com.pl/

2. Financial highlights and key ratios

The financial highlights and key ratios have been prepared in accordance with “Recommendations and Financial Ratios”. See the description in Note 1 to the financial statements, “Accounting Policies”.

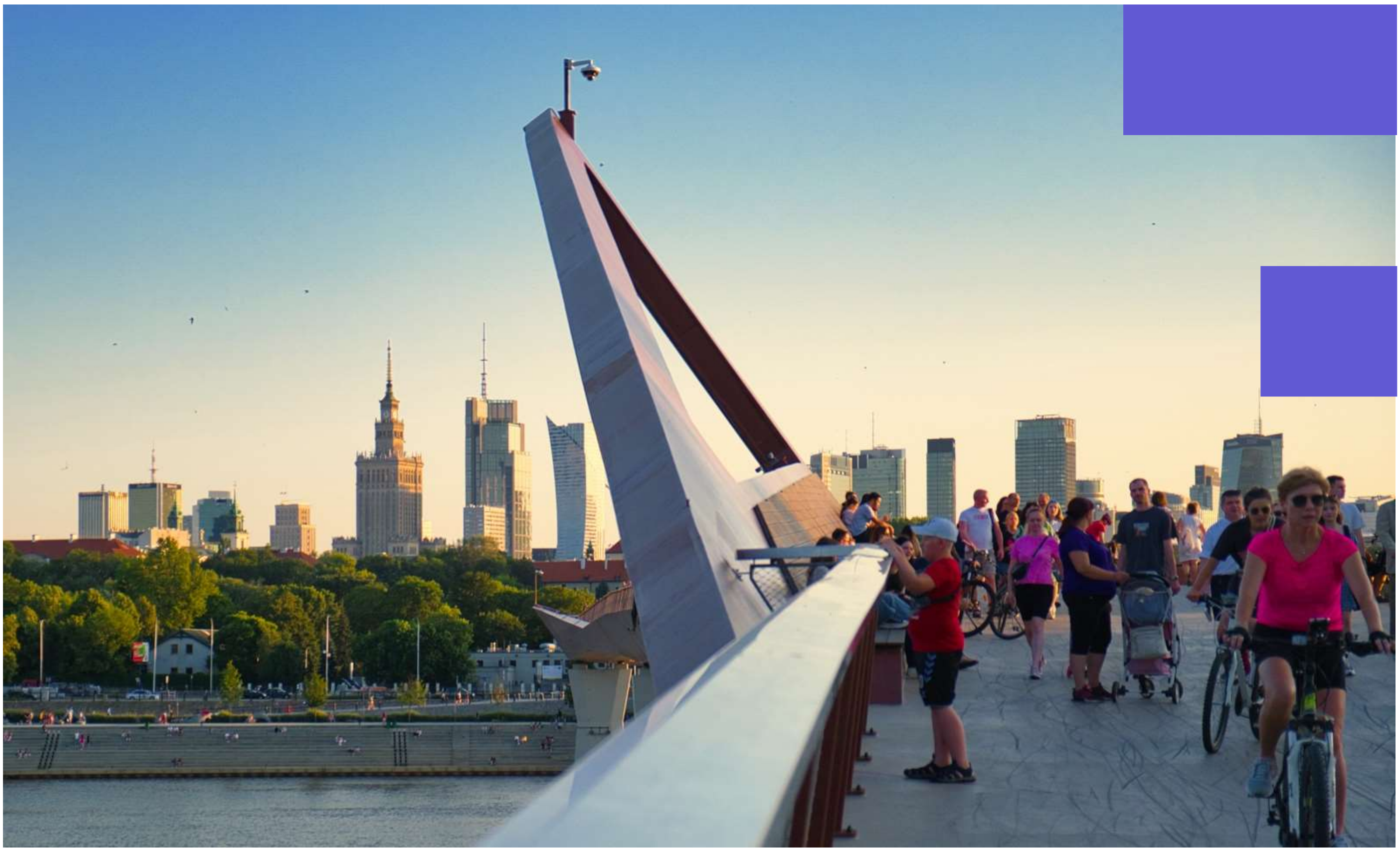
Group

DKK'000	2024	2023	2022	2021	2020
Revenue	39 396	33 600	26 574	21 307	19 571
Earnings before interest, tax, depreciation and amortisation (EBITDA)	7 323	4 458	3 488	3 369	1 115
Opetating profit/(loss) (EBIT)	7 270	4 417	3 460	3 326	1 071
Net financials	(1 548)	(884)	(973)	(1 038)	(800)
Profit/(loss)for the year	**13 449**	**11 335**	**22 082**	**26 261**	**3 130**
Of which attributable to parent company shareholders	12 205	10 276	20 326	24 199	2 488
Cash flows from operating activities	(6 606)	5 769	(3 611)	(277)	4 112
Cash flows from investing activities	(6 459)	(3 449)	(5 023)	(1 241)	(1 791)
Acquisition of property, plant and equipment	(1 828)	(2 438)	(3 883)	(797)	(1 585)
Cash flows from financing activities	10 975	1 884	(137)	137	(907)
Share capital	4 997	4 997	4 997	4 997	4 997
Equity attributable to parent company shareholders	175 687	160 602	138 319	120 121	95 781
Equity attributable to non-controlling shareholders	15 478	14 138	12 577	11 246	11 291
Total consolidated equity	191 165	174 740	150 896	131 367	107 072
Total assets	342 349	261 421	201 508	180 817	147 454
Invested capital	252 032	227 492	190 819	159 413	126 696
Net woking capital (NWC)	33 881	31 124	32 848	22 091	(2 234)
Net interest-bearing debt	17 020	3 355	1 033	976	0
Financial ratios:					
EBITDA margin (%)	18,6%	13,3%	13,1%	15,8%	5,7%
EBIT margin/profit margin (%)	18,5%	13,1%	13,0%	15,6%	5,5%
Return on invested capital (%)	2,9%	1,9%	1,8%	2,1%	0,8%
Equity ratio (%)	55,8%	66,8%	74,9%	72,7%	72,6%
Return on equity (%)	7,4%	7,0%	15,7%	22,0%	2,8%
Current number of shares (thousands)	249 850	249 850	249 850	249 850	249 850
Earnings per share (DKK)	0,05	0,04	0,08	0,10	0,01
Price per share (DKK)	1,03	0,95	0,65	1,03	0,38
Average number of full-time employees	19	20	22	21	22

3. Poland and Warsaw

Poland

- 36.7 million people (8.2% of EU population)
- 311,928 sq km (7.4% of EU area)
- 4.4% of EU GDP
- Poland is the sixth-largest economy in the EU, after Germany, France, Italy, Spain and the Netherlands.
- Since joining the EU in 2004, Poland has maintained consistent GDP growth.
- Despite global economic challenges, including the war in Ukraine, Poland remains a stable and safe investment destination, supported by a resilient society and strategic alliances such as NATO.
- Poland boasts one of the lowest consolidated gross debt-to-GDP ratios in the EU, including among CEE countries.
- In recent years, Poland has demonstrated stable economic growth, driven by factors such as an affordable and skilled workforce, growing foreign direct investment (FDI) and a robust banking sector.



Poland 2025: Expectations of growth

- The International Monetary Fund (IMF) Report predicts Poland will be one of Europe's fastest-growing economies in 2025 and 2026, outpacing major EU countries.
- The IMF recently released their global economic forecasts which position Poland as one of Europe's most dynamic economies.
- The IMF's World Economic Outlook predicts growth of 3.5% in 2025 and 3.3% in 2026 (GDP growth 2024: 2.9%).
- The forecast places Poland well ahead of the global GDP growth average and nearly double the pace of growth predicted for developed economies.

Warsaw

- Warsaw's official population stands at 1.86 million.
- The city has a significant immigrant population, estimated at 340,000, which has grown rapidly over the past few years.
- The Warsaw metropolitan area is home to a population of approximately 3.5 million people.
- Warsaw generates nearly 20% of Poland's GDP, underscoring its importance to the national economy.
- Warsaw boasts a well-developed office market, with total office space of 6.27 million sqm, catering to both start-ups and global corporations.
- The Warsaw region is among the ten richest regions in the European Union, with a GDP per capita standing at 167% of the EU average (Eurostat data).
- The city is a prominent centre for research and development, business process outsourcing (BPO) and information technology outsourcing (ITO). Warsaw hosts key European institutions, including Frontex, the European Union agency for external border security, and the ODIHR, a principal institution of the Organization for Security and Co-operation in Europe.

The capital of Poland and the economic hub of Central and Eastern Europe, **Warsaw offers a dynamic environment for investors.**

4. Development and Investment Market

by Bartłomiej Krzyżak, Avison Young

Investment market

Following the last few challenging years, marked by an investment market slowdown in 2023, the 2024 results signal a return to stability with a hint of optimism. The total transaction volume in Poland during 2024 was more than double that of 2023, reflecting a significant resurgence in market activity. The return of investors to the commercial real estate market is a result of the interest rate cuts initiated by the ECB and FED during the summer, which translated into more affordable financing.

Poland's total investment volume for 2024 reached EUR 5 billion, with Q4 alone surpassing the total investment volume for the whole of 2023. This remarkable growth was driven by the resurgence of large transactions, encompassing both portfolio deals and single-asset sales. Notably, the 10 largest transactions accounted for nearly 50% of the total investment volume across 130 deals completed during the year.

The office sector contributed one-third of the total investment volume in 2024, highlighted by the sale of Warsaw UNIT, marking the largest single-asset office transaction in Europe. In the retail sector, two major regional shopping centres, namely Magnolia Park in Wrocław and Silesia City Center in Katowice, represented half of the total volume. Meanwhile, the industrial and logistics segment saw an uptick in large portfolio acquisitions. Additionally, the year witnessed transactions involving 11 hotels and 13 residential schemes.

Highlights:

- EUR 5 billion – total investment volume in 2024 (239% y-o-y)
- Q4 2024 results exceeded total investment volume in 2023
- 130 transactions in 2024

The 10 largest deals were responsible for nearly 50% of the total investment volume in 2024.

Industrial market

The warehouse sector emerged as the dominant force in Poland's investment market in 2023, constituting nearly half of the total investment volume. Thus, the growth recorded in 2024 wasn't as spectacular as in other real estate sectors, which witnessed huge fluctuations.

In 2024, the industrial sector recorded an investment volume of EUR 1.3 billion, primarily driven by portfolio deals. Among seven multi-asset transactions representing over 50% of total warehouse volume, two were on a pan-European scale. This is a sign of large multinational portfolios returning to the investment market. The majority of assets sold (excluding the divestment of DL Invest shares) were located in the five main Polish warehouse hubs.

The narrowing price gap among market participants is expected to further accelerate growth in the industrial investment market. However, price disparities are becoming increasingly apparent between ESG-compliant properties and older assets.

Highlights:

- EUR 1.3 billion – industrial investment volume in 2024 (127% y-o-y)
- 50% share of portfolio deals in industrial investment volume in 2024

Retail market

The retail investment market represents 32% of the total volume transacted in Poland in 2024. This is the significant growth of 10 p.p. compared to 2023 results. Also the acquired asset structure has changed, with considerable shift to regional shopping centers, including large prime properties.

The retail sector concluded 2024 with a total volume of €1.6 billion, what is the highest result since 2019. The most significant transactions on Polish retail investment market were the acquisitions of Magnolia Park in Wrocław and Silesia City Center in Katowice by NEPI Rockcastle, representing 50% of the total retail investment volume.

While overshadowed by large shopping centers, retail parks continued to attract steady investor interest. In 2024, like in 2023, retail parks represented half of the total number of transactions, with Avison Young brokering over 20% of these deals.

PRS

The Private Rented Sector (PRS) market in Poland has experienced a decade of growth, delivering almost 20,000 completed units and with an additional over 10,000 under development at the end of 2024. Throughout 2024, 28 new PRS projects were completed, contributing over 5,900 units to the market, 16 of which were located in regional cities in 2024.

Collectively, the three largest players – namely, Resi4Rent, Vantage Rent and Fundusz Mieszkań na Wynajem – currently accommodate over 50% of the existing PRS stock. The pipeline for 2025 includes the addition of another 6,500 units to the market, of which 70% is expected to be delivered in regional markets. In 2024, the residential market saw a total of 12 closed transactions in the PRS sector, achieving a record-breaking result of EUR 344 million. The PRS deals were primarily finalised by already active market operators, with the exception of one new buyer, Lew Investment, which acquired the Urban Home project from G City in Kraków. Notably, Sweden-based investors were responsible for 50% of the total PRS investment volume.

Warsaw continued to lead the PRS investment market, with nine transactions completed in the capital. Notably, 2024 also featured a portfolio transaction brokered by Avison Young, namely City Living’s package of apartments located in Warsaw, Poznań and Bydgoszcz.

Highlights:

- EUR 344 million – PRS investment volume in 2024
- 12 transactions
- Domination of Warsaw market in transaction structure in 2024
- 1 portfolio deal

5. Residential Market

by Robert Chojnacki, RedNet

The Polish housing market in 2024: a year of challenges and transition

The year 2024 was a challenging period for the Polish housing market, characterised by a record-high supply of developer apartments and modest price fluctuations.

The first half of the year saw relatively strong market activity, but significant changes occurred in the third and fourth quarters, which recorded the lowest housing sales in Poland in a decade. However, the final quarter of 2024 brought a slight sales increase of 4%, suggesting potential stabilisation after months of decline.

In 2024, the Polish housing market experienced a shift in the supply of developer apartments. By the end of the year, the market reached an all-time high, with 60,000 units available across Poland’s six largest cities. This stands in stark contrast to just a year earlier, when supply hit its lowest point in a decade.
Housing prices followed a mixed dynamic throughout 2024. In Warsaw, the average price rose by 5.4% overall, but most of this growth occurred in the early months of the year. By the fourth quarter, prices began

to decline, with a modest drop of 0.7% recorded. This trend highlights the increasing price sensitivity of buyers amid high supply and challenging market conditions.

Discounts became a common feature of the market in 2024, with some developers offering significant reductions to stimulate demand.

The end of 2024 brought some relief to prospective buyers as average mortgage interest rates saw a slight decline. Although this reduction was not sufficient to drive a significant recovery in sales, it improved sentiment among both developers and buyers, setting the stage for a potential rebound in 2025.

Market sentiment and future outlook

Data from the Tabelaofert.pl index, which tracks developer sentiment and buyer expectations, suggests a slow but steady improvement in market conditions heading into 2025. Both groups appear cautiously optimistic about the future, anticipating better sales performance in the coming year.

Looking ahead, housing prices are expected to remain stable through most of 2025. However, analysts predict that by the end of the year, prices may begin to rise again. This forecast is based on the likelihood of reduced supply as developers scale back new projects in response to current challenges, coupled with increasing demand.

The Polish housing market in 2024 was characterised by a different dynamic, abundant supply and selective price adjustments. While the year posed significant challenges, a slight uptick in sales in the final months, coupled with improving buyer sentiment and declining mortgage rates, offers a glimmer of hope for a more dynamic and balanced market in 2025.

6. CeMat Intro

CeMat A/S is a Denmark-based public limited company with a strategic focus on the Polish market. The company is effectively implementing its 2024–2027 strategy, centred on strengthening its rental portfolio, optimising cash flow from existing assets and advancing land preparations for future development opportunities. A major highlight for the year 2025 is the completion of a flagship residential project featuring ground-floor retail space. This milestone is anticipated to significantly boost the company's financial performance, reinforcing its growth path and value creation for stakeholders.

7. Our mission

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 development activity, and deliver the best possible dividends to our shareholders.

8. Property highlights

The current portfolio of the CeMat Group includes a range of investment development sites and other plots, predominantly located in Bielany, Warsaw. The CeMat buildings are primarily composed of warehouse, production, office and social space, mostly constructed in the 1980s.

The group's real estate assets in Warsaw are situated in the Bielany district, approximately 8 kilometers from the city's central business district (CBD). Bielany benefits from excellent public transport connections, including metro, trams and buses, as well as a well-developed road network that facilitates easy access to and from Warsaw.

In recent years, the surrounding area has experienced significant growth, with numerous new residential, retail and service developments. The local real estate market remains robust, characterised by strong demand from investors and developers alike. One notable example of this growth is the Galeria Młociny shopping mall, located just 2 kilometres from the CeMat '70 property. Additionally, a 30m-high residential building is currently under construction just 400 metres from the CeMat Group's plots, while an office building for PKO BP, is also located in the immediate vicinity.

The CeMat Group complex offers a total of over 32,400 sqm of leasable space and covers more than 159,000 sqm of land. The site's strategic location, coupled with ongoing developments in the area, presents significant potential for future growth and appreciation in value.

We believe that the combination of a strong local market, excellent connectivity and ongoing regional development makes the CeMat Group's assets a promising investment opportunity.

CeMat in Warsaw

32,478 sqm GLA

Warehouse	**22,813 sqm**
SBU	**3,555 sqm**
Self-storage	**1,926 sqm**
Office	**4,184 sqm**

265 tenants

Over **159,000** sqm of land

The CeMat Group has control of the land through the perpetual usufruct right, ownership rights and the right of possession to the site. Part of the property holds the status of right of possession and is therefore not entered in the land and mortgage register.

The CeMat Group has the perpetual usufruct right to circa 57% of the property, the ownership right to circa 1% of the property and the right of possession to 42% of the property.

A necessary pre-condition for treating a plot of land as an investment product is having control of the land through the perpetual usufruct right or ownership right.

The potential investment value is represented by about 90% of the CeMat Group plots located inside the current industrial complex. The other 10% of the joint plot area located outside the complex are green areas and, according to the study of the spatial plan of Warsaw, designated for an expressway and the North Bridge route.

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

The total area of re-zoned plots is 8,605 sqm (5.4%), out of a total area of 159,300 sqm, as at 31 December 2024.

Other opportunities

CeMat '70 and the Institute of Technology are in dispute about the ownership of a 5,000 sqm plot of land near Warsaw's international airport. The result of the case is highly uncertain. As at the date of writing this report, this represents a book value of zero due to the lack of legal title and the uncertain resolution of the dispute.

CeMat'70 is the owner of a 13,602 sqm residential plot in Blichowo, located outside Warsaw. The fair value of the land is DKK 0.14 million.

9. Leasing business

The year 2024 saw strong growth in the real estate rental business.

Revenue

The revenue was 17% higher than in 2023, reaching a level of DKK 39.4 million (2023: DKK 33.6 million). This included revenue of DKK 18.9 million from the provision of power, water, technical gases and facility services, etc. to tenants.

The revenue was higher than in 2023 by:

17%

Rental income

Rent was recorded at the level of DKK 20.5 million (2023: DKK 16.6 million).

The rent was higher than in 2023 by:

23%

These results demonstrate the strength and profitability of our diversified leasing model. A key driver of this success was our strategic focus on re-development to small warehouse formats, which not only boosted rental income in 2024 but also positioned the business for sustainable growth in the years ahead.

As part of the 2024-2027 strategy, the company is delivering a higher rental income through the transformation of traditional warehouses into SBUs and self-storage facilities, addressing the growing market demand for flexible small storage solutions. This rearrangement involves demolishing some existing partition walls and constructing lightweight structures within the existing buildings. The projects are being executed in stages to ensure uninterrupted operations and maintain financial stability throughout the process.

The company's traditional warehouse business accounted for 56% of its income in 2024, and we are now seeing a gradual increase in revenue from the SBUs and self-storage facilities.

CeMat is positioned for the gradual expansion of its self-storage business, driven by the company's satisfactory leasing performance in the current phases. Leasing is supported by the user-friendly website www.cematbox.com, which enables customers to lease units online. In 2024, an additional 502 sqm of self-storage units became operational, with a further 1,048 sqm under preparation for future development, ensuring scalable growth opportunities.

The office segment complements the warehouse offerings, with tenants valuing the convenience of having office space adjacent to their warehouses. This dual offering enhances tenant satisfaction and retention.

Both the SBU and self-storage business lines increased the rental income by making it possible to obtain a higher rental rate per 1 sqm of space. The positive effect will translate into a higher income over the next few years.

EBITDA

Consolidated EBITDA for the CeMat Group was DKK 7.3 million in 2024 (2023: DKK 4.5 million), which exceeded forecasts (DKK 5.5-6 million).

Cash flow

Cash flows from operating activities were an outflow of DKK 6.6 million in 2024. The amount was generated from positive cash flows from property management, negative cash flows on development activity due to Moje Bielany project and outflows from operation of the holding company.

Occupancy level

- CeMat recorded an occupancy level of 87% in 2024, compared to 90.2% in 2023.
- The CeMat Group signed new agreements and contract renewals for 5,000 sqm in 2024.

Acquisition of shares from minority shareholders

The Polish holding company CeMat Real Estate is continuing to acquire shares from the minority shareholders in CeMat'70, and controlled 93.64% as of December 2024 (2023: 93.53%).

Obtaining legal title to the properties

In 2024, the CeMat Group obtained binding decisions confirming the acquisition by law of the right of perpetual usufruct (RPU) to 75% of the shares in an undeveloped plot of land on Wólczyńska Street, in the Bielany district of Warsaw. The decision relates to a land plot covering a total area of 6,720 sqm and grants the company the right of perpetual usufruct until 2089. The acquired plot is currently being used by the company for internal roads, which are a key component of the street layout within the property complex, contributing both to the company's current rental operations and future investment plans. The road provides access to a public road for all plots earmarked for future development within the Bielany complex.

Obtaining the legal title to the plot represents the important fulfilment of one of the company's main goals for 2024, as well as its long-term goals reflected in its value creation chain.

The CeMat Group has control of the land through the right of possession to the site, the perpetual usufruct right and ownership rights. Part of the property holds the status of right of possession and is therefore not entered in the land and mortgage register. The CeMat Group has the perpetual usufruct right to circa 57% of the property, the ownership right to circa 1% of the property and the right of possession to 42% of the property.

Obtaining the perpetual usufruct right is a result of the efforts of the specialist legal team, which has continued with legal action to obtain the right of perpetual usufruct (RPU) for selected plots. The main obstacles to obtaining legal title are the claims on part of the real estate and the protracted administrative processes within the government and local government offices. Claims are generally handled in the legal system and there are several appeal possibilities, which means that the individual claim cases typically stay in the court system for a number of years. All court cases involving CeMat '70 land resolved so far have been won by the Polish state (and hence by CeMat '70).

Institute of Technology (IMiF) cooperation

As organisations with long-standing historical links, CeMat '70 and the Institute of Technology (IMiF) have common business goals in resolving certain ownership and easement issues within the area of the joint plot. The joint cooperation resulted in the acquisition of the right to the road plot in 2024.

Property value 2024

The value of the Warsaw real estate consists of an investment property valued at DKK 191.8 million as of 31 December 2024, according to a report by Cushman & Wakefield.

The investment property valuation report shows an increase in value of DKK 20.8 million (2023: DKK 171.0 million). This result consists of the following elements: DKK 3.9 million resulting from exchange rate differences, DKK 4.6 million in enhancement costs and DKK 12.2 million recognised in the profit and loss statement as a revaluation of market value.

The increase in property valuation was driven by the higher rental income and the acquisition of legal title to the road plot. However, this growth was partially offset by the ongoing negative yield trend. The valuation does not include two plots designated for investment purposes: one plot of land intended for residential development and the other, plot number 56.

Consolidated net result

A **positive net result** after tax of **DKK 13.4 million** was achieved in 2024 (compared to DKK 11.3 million in 2023), after taking into account the updated property valuation.

EXPECTATIONS FOR 2025

Leasing business – revenue growth

The company’s top priority for 2025 is to drive rental growth, with a projected increase of approximately 6% compared to 2024. This target will be achieved by fully leveraging our core business segments: warehouses, SBU spaces, self-storage facilities and offices. The strong performance of the self-storage segment has reaffirmed its significant potential, setting the stage for the launch of new investment phases in this format. Encouraged by robust rental dynamics per square metre and high occupancy rates, we see clear opportunities for redevelopment within existing warehouses. Additionally, the results achieved so far motivate us to explore solutions and begin preparations for the construction of new storage facilities, with the predevelopment phase beginning in 2025.

Occupancy levels

By December 2025, we project an occupancy rate of 88.6%. However, the final occupancy level will depend on investment decisions related to the launch of further SBU adaptations and the scale of self-storage expansion, which may temporarily impact occupancy levels during the year. We anticipate planned departures to total approximately 3,700 sqm in 2025. Our primary focus will be on identifying and securing leases for the vacated space to ensure continued revenue stability.

The second key task for our leasing department will be the commercialisation of the newly commissioned self-storage phase, which opened in 2024. Future investments in additional stages of the self-storage or SBU business lines in 2025 will be carefully evaluated, factoring in the occupancy rates of completed phases and overall market demand.

To further support our leasing efforts, we will continue to automate rental processes, with particular emphasis on the self-storage segment, ensuring increased efficiency and improved customer experience.

10. Development business

2024 Development activity

"Moje Bielany" project (plot 69/8)

In 2024, CeMat A/S continued the construction of the "Moje Bielany" residential development project, located in the Bielany district of Warsaw, Poland.

The project comprises 105 modern apartments with a total residential area of 5,727 sqm, complemented by 1,290 sqm of ground floor retail space. Additionally, the development includes an underground garage with 124 parking spaces, ensuring convenience for residents and visitors. The residential building has been thoughtfully designed to meet contemporary standards, combining functionality and aesthetics. For more information, go to: www.mojebielany.com.

- As of the end of the year, CeMat had entered into 76 preliminary agreements and 2 reservation agreements, covering 74% of the flats and almost 69% of the residential sales area. As of the publication date of this report, the company has entered into 77 preliminary agreements and 4 reservation agreements, covering 77% of the flats and 73% of the residential sales area. We are in the final stage of selling the remaining part of the project, with 24 flats to be sold in the next few months.
- CeMat has signed a 15-year agreement with Jeronimo Martins Polska S.A., the operator of Biedronka, Poland's leading supermarket and discount chain. Under the agreement, the tenant will occupy 798 sqm, equivalent to 61% of the ground floor retail space. CeMat is negotiating the lease of the other retail premises. The goal of the lease is to attract tenants to meet the needs of local residents and then sell the retail space as an investment product.
- The loan with the bank is on track to be fully repaid by third quarter 2025, further strengthening the CeMat Group's balance sheet and paving the way for future investments and growth opportunities.
- The good cooperation with the general contractor, FTC, ensures that construction is progressing according to schedule. Completion is anticipated in mid-2025, as outlined in the contractual agreement.
- As of the publication date of the report, 86% of the construction work from the assumed schedule has been completed by the general contractor.
- The approved and implemented development budget ensures a solid return on the development project. The development budget takes into account the market value of the land. The total sales value of the project was announced as DKK 150 million, and Management subsequently raised budget expectations to the level of DKK 166-171 million.
- The project is forecast to generate a profit of DKK 35-37 million.
- CeMat expects a profit margin on the "Moje Bielany" development project in the range of 21-22%.
- DKK 27-29 million is anticipated to occur in the 2025 financial results.

Plot 56

In August 2022, CeMat obtained a valid individual zoning decision for a hotel and service building to be developed on a single plot.

Due to the strong performance of previous self-storage investments in existing buildings, CeMat is actively working to obtain a new zoning decision for the construction of a self-storage facility.

This decision was made based on the promising growth prospects of this business in the local market, as well as the expertise gained in customer service and operations. The plot is located in a highly visible area near Arkuszowa Street, a major road. Additionally, a planned expressway interchange will be built just 150 meters from the site, further enhancing its attractiveness for the self-storage business.

Investing in a new self-storage building represents a strategic step towards reaching a demanding new target customer group, complementing the core real estate development business with a service component, and ensuring a stable rental income in the coming years. The company recognises the growing demand for self-storage facilities in Poland. This emerging market, currently on a path of dynamic growth, presents an attractive opportunity for investments, particularly in light of the increasing popularity of flexible storage solutions.

Looking ahead, the CeMat Group is entering the high-potential development self-storage segment, opening up new opportunities for revenue diversification and expansion.

New investment projects

CeMat is carrying out pre-development work in line with the value creation chain and preparing more land for residential and commercial development. The goal is to secure new projects for the company for the future.

Development activity expectations for 2025

“Moje Bielany” project

Goals for 2025

Our primary goal for 2025 is to continue selling flats in the residential building, some of which will be delivered in 2026.

Negotiations for retail leasing

Following the signing of a deal with the Biedronka supermarket chain, negotiations are underway regarding the lease of the remaining retail premises. The purpose of these leases is to attract tenants who will meet the needs of local residents, after which the retail space will be sold as an investment product.

Profit forecast for 2025

It is estimated that 66-70% of the “Moje Bielany” project’s profit will be achieved in 2025. This is largely due to the planned sale of the retail premises in 2026, which will take place once the lease agreements have been signed, fit-out works completed and the stores opened. Additionally, when forecasting the profit for 2025, it is crucial to consider the credit procedures of local banks. In the local market, the process by which flat buyers obtain financing – from signing a preliminary agreement for the purchase to handing over the keys to the buyer – can take up to three or four months. As a result, sales finalised at the end of the year will only be recognised in the financial results for 2026.

Other projects

The CeMat Group’s principal task is to continue development activity on the plots with the aim of launching building projects, and to maximise the value of particular land plots. CeMat will focus on the reclassification of the land from its current service use in order to prepare the new stages. The goal is to prepare the next individual zoning decisions for the service and residential buildings.

Obtaining legal title to the properties

CeMat will actively continue its legal activities to enter the right of perpetual usufruct (RPU) in the land and mortgage register.

Our specialist legal team will continue with the approved and diligent action plan.

Institute of Technology (IMiF) cooperation

One of the goals for 2025 will be to continue the dialogue and cooperation that has been established with the Institute management in order to arrive at mutually beneficial solutions, especially in terms of access to certain parts of the plot complex.

11. CeMat’s strategy for 2025-2027

Value creation chain

The value creation chain is a guide for investors to understand the actions taken by the Management to increase the value of the real estate in the Bielany complex in Warsaw, and also the value of the CeMat company as a whole. The value creation chain is the blueprint to help develop the company’s strategy.

The nature and status of the land in Bielany, Warsaw, the number of plots controlled by the CeMat Group and the different legal situation of the individual properties require that an individual approach should be adopted for each and every property. The future value of the properties is based on a chain of milestones that need to be achieved in order to obtain the maximum value of particular projects:

1. Obtaining the legal title to plots
2. Re-zoning of the land
3. Obtaining the building permit
4. Pre-selling of the project
5. Financing
6. Construction time

1. Obtaining the legal title to plots

The CeMat Group has control of the land through the right of possession to the site, the right of perpetual usufruct and ownership rights. Part of the property is not entered in the land and mortgage register and control of the land is maintained through possession.
The appointed specialist legal team is working to execute CeMat's strategy.
Control of the land through perpetual usufruct or ownership is one of the necessary conditions for considering a plot of land as an investment product.

2. Re-zoning of the 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 the Warsaw city council, the majority of the site is located in an area zoned for service use, with single plots designated for roads. Only five plots are covered by a local master plan mainly for roads. CeMat needs to keep an open and active dialogue with the city authorities about the reclassification of the 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 it by architects and lawyers. The goal is to prepare a new master plan or obtain an individual zoning decision, which requires a dialogue to be maintained with the city architect on the most beneficial solution for CeMat's land.
CeMat is working with top Polish architecture firms to find the best possible solutions for each plot and prepare the possible scenarios for the master plan. As a result of the new approach, in 2021 and H1 2022, CeMat successfully obtained two individual zoning decisions for plots and will continue with similar efforts in the coming years.

3. Obtaining the building permit

Having received the decision regarding re-zoning of the land, the CeMat Group needs to start pre-development and design work in order to obtain the building permit. The pre-development works cover the design work, obtaining all the administrative permits, including building permits and media connection permits, and selection of the bank financing and general contractor.

4. Pre-selling of the project

Once the building permit has been obtained, CeMat's goal will be to pre-sell the projects. Depending on the type of space, it will be a sale either to an institutional investor or an individual client or several individual clients/users. In our opinion, a pre-sale minimises the risk to the success of the project.

5. Financing

For further development, it is necessary to obtain additional financing through bank loans or investor financing.

6. Construction time

The estimated time needed to proceed from obtaining the building permit to completion of the construction is between 18 and 24 months. A residential unit is handed over when the customer obtains control of the apartment and payment is made of the entire amount due under the sale agreement, after receipt of a valid occupancy permit for the building.

After all the milestones above have been achieved, there will be an opportunity to significantly increase the value of each of the plots in the current portfolio for the best possible price. The scope of the additional work of the CeMat team for each of the plots and projects will be analysed on an individual basis, taking into account the potential risks, time frames, human resources and possibilities of obtaining additional benefits versus the current land value. Based on these factors, we will make a final decision on the benefits of the development project, taking into consideration the potential profit on cost factor.

In February 2024, CeMat announced its strategy for 2024-2027. The Group intends to continue its leasing business on its own properties, as well as develop its real estate development business. The company's operations will focus on two areas: leasing and development activities.

Review of the strategy for 2025-2027

With strong leasing and development potential, we are well-positioned to accelerate revenue growth in the coming years, solidifying our position as a dynamic and forward-thinking real estate company.

Leasing business

CeMat will concentrate on continuing the leasing activity in existing buildings, with a focus on small warehouse formats, including SBUs and self-storage. We are in the process of optimising the leasing business. Investment in subsequent phases of SBUs and self-storage facilities will depend on demand, and we expect both formats to account for an increasing share of sales in the coming years. Both the SBU and self-storage businesses will increase rental income by allowing a higher rental per square metre of space to be achieved in the years from 2025 to 2027. The planned increase in rental growth will be reflected in the property value. The leasing business covers all the costs associated with running the CeMat Group companies and supports the development business.

A new element of the strategy, approved by the Board of Directors, is the construction and lease of a self-storage facility on a plot of land in the Bielany district. This decision was based on the CeMat team’s current positive experience in this sector and their conviction regarding the complementary nature of the self-storage business to the planned residential development. The new rental building is designed to provide a stable income for the company in the future. The pre-development works are planned to begin in 2025.

Development business in 2025-2027

The goals are:

- To complete the sale of apartments and commercial space in the “Moje Bielany” residential building, and hand over the space to the customers.
- To secure a profit in line with the approved budget for “Moje Bielany” and to strengthen CeMat’s cash position with a view to launching further development projects between 2025 and 2027.
- To obtain planning permission for new developments and start preparing further planning changes for another site. Some of the plots making up the land bank will require further work and necessary planning changes to enable the application for a building permit in the next stage. The aim is to secure a strong development pipeline.
- To obtain a building permit for 2-3 new investments.
- The next step in the development processes will be in line with the value creation chain, according to which CeMat will minimise the investment risk by securing pre-sales in all projects, securing financing, and selecting general contractors with proven track records in similar projects.

The above objectives will be achieved through organic growth, and the organisation itself will continue to evolve as a result of increased expertise in the development area and with a focus on new reporting requirements, new environmental legislation and ensuring effective communication with stakeholders.

The viability of all plans will depend on market conditions and administrative planning approval processes.

With its clear strategy, the CeMat Group is well-positioned to capitalise on growth opportunities in 2025 and beyond. As part of its strategy, the group intends to allocate the profits from its first “Moje Bielany” residential development project to fund two or three new investments. The primary objective is to embark on a rapid growth trajectory in the development sector in the coming years. This will be achieved by securing the necessary capital for future projects, including providing essential equity contributions to obtain bank financing.

12. Outlook for 2025

- Consolidated EBITDA for the CeMat Group is expected to be DKK 33.3-36 million in 2025.
- EBITDA from the property rental business is projected to reach DKK 6.3- 7 million.
- EBITDA from the development segment is expected to be DKK 27-29 million.
- A positive net result of approximately DKK 25-27 million, before taking into account the valuation of the investment property, is expected for 2025.

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 annual report reflect the Management's current expectations for certain future events and financial results. Forward-looking statements are inherently subject to uncertainty, and the 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 international and regional situation, developments in the financial markets and changes in legislation, demand for the Group's services and competition.

13. Financial review

The activities of the CeMat Group are comprised of a listed holding company in Denmark, Cemat A/S, with a property business in Poland operated through the 100%-owned subsidiary CeMat Real Estate, which in turn owns 93.64% of the shares in CeMat '70 S.A. There are no other business operations in the Danish listed company. CeMat '70 engages in the letting of premises and land, and the provision of utilities, including power, water and natural gas, and facility services etc. to its tenants. CeMat '70 (and its subsidiaries W131, W133 and Arkuszowa 56) has 265 tenants and a current occupancy rate of approximately 87%. The second segment of activity is the development of residential projects, and construction work on the “Moje Bielany” project began in the second half of 2023.

Income Statement

Revenue for 2024 amounted to DKK 39.4 million (2023: DKK 33.6 million), comprising rental income of DKK 28.1 million (2023: DKK 23.2 million) and sales of utilities, including power and water, and facility services, etc. to tenants of DKK 11.3 million (2023: DKK 10.4 million).

The observed increase in sales revenue resulted from an increase in rental rates and conversion of part of the space into small units and self-storage boxes, which provide much higher rental returns than larger warehouses.

The costs of goods and services sold amounted to DKK 10.3 million in 2024, up from DKK 9.9 million in 2023, consisting of costs for the purchase of utilities for resale to tenants. The increase in costs resulted from the increased prices of utilities.

Other external expenses amounted to DKK 14.4 million in 2024, compared with DKK 12.7 million in 2023. This increase in external costs was mainly related to implementation of the “Moje Bielany” project.

Personnel costs recognised in the Income Statement increased by DKK 7.3 million compared to the previous year, amounting to DKK 6.5 million.

EBITDA for 2024 amounted to DKK 7.3 million, against DKK 4.5 million for 2023. The level of EBITDA for 2024 exceeded the forecast published in the Annual Report 2023 and the Half-Year Report 2024 (DKK 5.5-6 million) mainly due to the capitalisation of additional costs connected with the development activity (Moje Bielany project).

As a result of the revaluation of the investment property, a profit was recognised in the amount of DKK 12.0 million (after taking into account capital expenditures).

Net financials amounted to an expense of DKK 1.5 million in 2024 (versus an expense of DKK 0.9 million in 2023). This negative result is the effect of the implementation of IFRS 16 and the recognition of interest on financial leasing related to the right of perpetual usufruct, and interest on a working capital bank loan taken out by CeMat A/S.

Tax on profit/loss for the year was DKK 4.3 million, which was mainly a result of the positive results of CeMat '70 and the increase in the deferred tax provision resulting from the revaluation of the investment property.

The Group achieved a profit after tax of DKK 13.4 million in 2024, compared to a profit of DKK 11.3 million in 2023.

A positive net result of DKK 3.7 million, without taking into account the valuation of the investment property, was achieved (previously announced as DKK 2.5-3 million in the Half-Year Report).

Cash flow statement

Cash flows from operating activities were an outflow of DKK 6.6 million in 2024. The amount was generated from positive cash flows from property management, negative cash flows on development activity due to Moje Bielany project and outflows from operation of the holding company.

Cash flows from investing activities were an outflow of DKK 6.5 million. Cash was spent on upgrading the company's facilities, including fire safety and investment in SBUs/self-storage, and preparing the company's properties for development.

Cash flows from financing activities were a net inflow of DKK 11.0 million. This is a result of a net increase of DKK 11.4 million from the bank loan for the "Moje Bielany" development project. The project was financed with a bank loan which was partially repaid from advance payments made by apartment buyers. Additionally, there has been an acquisition of shares from minority shareholders in the amount of DKK 0.3 million and lease payments of less than DKK 0.1 million.

Balance sheet

Total assets amounted to DKK 342.3 million as at 31 December 2024, primarily comprising the investment property with an estimated market value of DKK 218.2 million (of which DKK 191.8 million is the value of the investment property based on its valuation and DKK 26.3 million is the value of the right of use resulting from the implementation of IFRS 16), financial assets of DKK 0.3 million, inventories of DKK 106.9 million, receivables of DKK 6.7 million, and cash and cash equivalents of DKK 10.3 million.

Consolidated equity as of 31 December 2024 stood at DKK 191.2 million, of which DKK 175.7 million was attributable to the shareholders of CeMat A/S, and DKK 15.5 million to non-controlling interests in CeMat '70 S.A. The equity ratio was 55.8% as of 31 December 2024.

The Group's liabilities totaled DKK 151.2 million as at 31 December 2024, consisting of lease liabilities of DKK 26.6 million, deferred tax liabilities of DKK 38.3 million, trade payables of DKK 12.7 million, a bank loan of DKK 17.0 million, income tax payable of DKK 0.3 million, and other liabilities of DKK 56.3 million which were mainly a result of prepayments from clients from Moje Bielany project. They were DKK 64.5 million higher in comparison to the end of 2023.

Events after the balance sheet date

No significant events have occurred after the balance sheet date.

14. Risks and risk management

The Group's activities are exposed to a number of risks. Management believes that the key risks to consider in connection with an analysis of the Group and its activities are described below. The list of risks outlined below is not exhaustive and not prioritised. If these risks materialise, this may adversely affect the Group's development, results of operations, cash flows and financial position.

Risks relating to accounting estimates and judgments

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. Management has reviewed the updated valuation report received in December 2024 and its underlying assumptions. Management's valuation estimate is in line with that indicated in the report, and the fair value consequently reflects the value stated in the report.

As the property market is not in all respects as efficient and liquid as, for example, the equity market, there can be no assurance that a buyer willing to pay the fair value at which the property is stated in the financial statements can be found at any given time. In other words, properties are subject to a liquidity risk in a sale situation.

Risks relating to property operations

The Group's financial management focuses on the operating results generated by the property, and the Group draws up detailed budgets for its property management operations. The operating performance of the property is affected by external factors, including economic developments and developments in the property and retail markets. To this should be added a number of risks that are to varying degrees controlled by the Group, including tenants' capacity to pay, management of the property, developments in vacancy rates, and temporary rent discounts.

These risk factors may to a greater or lesser degree impact adversely on the results of operations, cash flows and the financial position.

Adverse economic developments may cause demand for leased premises to decline. In the long term, this may lead to a deterioration in letting conditions and put pressure on the rental income obtainable for individual leases.

An economic downturn also increases the risk that tenants and other contracting parties will not be able to fulfil their obligations, including to pay rent, and may result in higher vacancy rates and temporary rent discounts, lower earnings or heavier pressure on return rates.

Tenants may fail to fulfil their payment obligations, but the Group puts a lot of emphasis on attracting reliable and creditworthy tenants. Accordingly, when entering into a lease, the Group seeks as far as possible and relevant to determine the tenants' ability to pay. If in future one or more tenants are unable to fulfil their payment obligations, this could result in lower income and the incurrence of a loss on the tenant in question and resulting vacancy and costs in connection with, among other things, reletting and repairs.

The increased costs of energy in 2021 and 2022, which are a fundamental factor in the business of some tenants, and are paid by CeMat and then re-invoiced, may also be a risk in 2025 should the tenants become insolvent. As of 31 December 2024, 84% of the contracts had fully billed operating expenses and utilities.

Master plan situation

Land can be used for many purposes, with the main segments being industry, logistics, retail, services, office and residential. The area around Wólczyńska 133 previously housed a lot of industrial works, but in recent years more and more land has been converted into retail, service and residential areas. There are thousands of people living in low- and high-rise apartment blocks in the vicinity of CeMat '70 and more apartments are currently under construction, largely driven by the net inflow of people from the countryside to the larger metropolitan areas, in particular to Warsaw.

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.

Only five plots are covered by a local master plan. According to the local master plan, these plots are dedicated for roads.

In 2021, CeMat obtained an individual zoning decision for a residential building with services for one of the front plots.

CeMat '70 has started a dialogue with the city authorities about re-classification of the land from its current service use to an alternative use. This dialogue with the city authorities will be continued.

In 2022, CeMat obtained an individual zoning decision for a collective residence with services for one of the plots on Arkuszowa Street in Warsaw.

The process of issuing individual planning decisions is to a large extent dependent on the discretion of the local authorities, and there is an ongoing discussion about potentially replacing this procedure with other legal solutions.

Obtaining the legal title to part of the land

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. There has been a standstill in proceedings regarding the acquisition of the right of perpetual usufruct of some of the plots and it should be stated that further reservations may be raised. A specialist legal team has been appointed to support CeMat's efforts and work on the legal action in the various court and administrative cases.

Claims for title

The claims relate to disputes between the former landowners (or their heirs) and the Polish state, which expropriated the land back in the 1970s. In order for CeMat '70 to sell the land, the company must have title to that land either in the form of actual ownership or a perpetual usufruct right (RPU).

Claims are generally handled in the legal system and there are several appeal possibilities, which means that the individual claim cases typically stay in the court system for a number of years. All court cases involving CeMat '70 land resolved so far have been won by the Polish state (and hence by CeMat '70).

According to Polish law before August 2021, there was no deadline for when former landowners or their heirs could submit a claim to the Polish state about a specific plot of land or strip of road. An amendment to the Code of Administrative Procedure from 2021 makes it difficult to declare a decision invalid after the statutory deadline, leading to the discontinuation of proceedings to declare the invalidity of expropriation decisions initiated 30 years after the decision was issued. As of today, it is difficult to say what the practice of the courts will be, or when the hearings will take place.

However, once a plot of land or strip of road is free of claims, CeMat '70 can apply for perpetual usufruct rights, and the application will be the subject of recognition by the provincial governor in the enfranchisement process. When that title is obtained, future claims will have no impact on CeMat '70's possibilities to sell the land.

CeMat '70's rights to its part of the property are not entered in the land and mortgage register. We cannot exclude the possibility of action against CeMat '70 regarding release of the real estate – plots with an unregulated legal status in the land and mortgage register. The Mayor of the City of Warsaw sent a summons in an attempt to reach a settlement regarding plots in 2019. However, CeMat '70 refused to reach a settlement. The proceedings remain suspended.

Resolving co-ownership issues

CeMat '70 and the Institute of Technology jointly own internal roads, and one particular plot with a large production/office building located on it, with CeMat '70 owning approx. 71%.

Administration

The nature of real estate development projects requires a number of approvals, licences and arrangements to be obtained by CeMat at every stage of the development process. Despite significant caution being applied in the project execution schedules, there is always the risk that there will be a delay in obtaining them. In addition, there is also the risk that protests will be lodged against permit decisions that have already been issued (also due to the possibility for appellants to appeal with no consequences) or, in the worst-case scenario, a failure to obtain the relevant permits. All the above factors may affect the ability of the Group to conduct and complete its executed and planned projects.

Construction costs risk

Construction costs may increase. This potential increase is mainly related to rises in the costs of hiring a qualified workforce, as well as increases in the costs of building materials. The CeMat Group does not operate a construction business but instead concludes an agreement with a third-party general contractor for each project, who is responsible for running the construction and finalising the project, which includes obtaining all the necessary permits for safe use of the apartments.

In order to mitigate the risk of an increase in construction costs, the CeMat Group recognises the possibility to conclude a lump-sum contract with the general contractor, which will allow the CeMat Group to complete the project based on the estimated budget.

Risk of non-performance by general contractors

In each project or stage of a project, the Group has concluded, and will conclude, contracts for the construction and implementation of development projects with one general contractor. There is a risk that non-performance of the agreement by the general contractor may cause delays in the project or significantly impact the business, financial condition or results of the CeMat Group. The CeMat Group sees a potential risk of the non-performance of obligations by the general contractor in the availability of a qualified workforce, an increase in salaries and the cost of construction materials. Non-performance may result in claims against the general contractor with the risk that the general contractor may also fail to fully satisfy any possible claims of CeMat. The company and the Group implement selection criteria when hiring a general contractor, which include the experience, professionalism and financial strength of the general contractor (with the obligation to provide a bank or insurance guarantee), as well as the quality of the insurance policy covering all risks associated with the construction process.

Risk of general contractor bankruptcy

In property development, there is a risk of bankruptcy of the general contractor, i.e. the company that carries out all or most of the construction work under a contract with the developer. If this risk materialises, a new contractor will have to be selected to complete the construction. For the investment, this means the possibility of cost increases and schedule overruns and, in extreme cases, termination of the loan agreement by the bank.

Development risks

These are potential problems connected with the sale of dwellings and retail units due to lower demand as a result of changes in the economic situation, including a tightening of accessibility to mortgages from banks and an increase in unemployment.

There is also the potential risk of delay in completing the company's projects, which could be caused by architect delays, a lack of construction personnel, a shortage of raw materials, or prolonged administrative procedures and delays with obtaining building and occupancy permits. There could also be potential problems with obtaining bank financing for the projects.

All of the above could potentially affect the company's cash standing and liquidity.

Financial risks

As a result of the Group's activities, its equity and results of operations are impacted by a number of different risk factors, mainly relating to changes in exchange rates and interest rate levels. See Note 24 "Financial risks and financial instruments" for further information.

Capital resources

The Group's capital resources are reviewed regularly.

Based on the 2025 budget, Management believes that the existing capital resources and expected future cash flows will be sufficient to maintain operations and finance the planned initiatives.

The Group's budgets and, by extension, its future capital resources are inherently subject to risk since cash flow fluctuations may impact on the level of required and available capital resources.

Management believes that any negative deviations from budgeted cash flows can be countered on a timely basis through cash flow-enhancing activities.

Reference is made to Note 24 to the financial statements for a description of the cash flows and capital resources.

Changes in real estate prices

Significant decreases or increases in the estimated rental value and rental situation would result in a significantly lower or higher fair value of the properties. The risk of a decrease in the portfolio value resulting from a drop in rental revenues and an increase in the vacancy rate is mitigated by proactive asset management and active management of the occupancy level.

Environmental risks

The property was used for industrial purposes for 40 years and, therefore, pollution cannot be excluded. However, a number of investigative drillings have been carried out across the property and, to date, no significant pollution has been identified, although we cannot exclude the identification of environmental risks in the future.

The possibility of uncontrollable environmental risks arises from the use by others of the sewerage network owned by CeMat.

Other risks

Other risks that may affect the Group's operations are related to potential changes in Polish law, insurance, the environment and personnel.

Political risk may be related to the geopolitical situation and foreign policy.

As regards insurance, the Group has taken out insurance cover in a number of general areas. In the Group's opinion, this insurance provides satisfactory cover in respect of the Group's activities. There is a risk of insufficient insurance coverage of claims, however.

The Group generally strives to be regarded as an attractive workplace with a favourable working environment and development opportunities for all employees. The Group is of the opinion that there is no significant dependence on individuals in the Group and that staff changes will not lead to any operational or management risks.

Additional risks

- vacancy rate and lease termination;
- the condition of the buildings and possibility of capex investment;
- master plan situation;
- obtaining the legal title to part of the land;
- resolving the remaining claims regarding title to the land;
- solution/agreement with the Institute of Technology (for the common building and roads);
- summons for a settlement attempt regarding release of the real estate;
- financial risks, including foreign exchange risk;
- capital resources;
- change of real estate prices;
- environmental risks;
- requirements from supervisory authorities regarding buildings;
- risk of delays on the part of authorities;
- risk of delays in administrative processes due to project preparation;
- risk of delays in administrative processes due to the participation of third parties;
- risk of the introduction of unfavourable legal regulations;
- risk of tax changes;
- risk of adverse changes in the real estate market;
- risk connected with the cyclical nature of the real estate market;
- risk of external financing being withheld;
- risk of adverse changes in business climate indicators: poorer economic growth, increase in unemployment, decrease in consumption, increase in inflation;
- despite having insurance cover for buildings, in the event of a loss, the indemnity payment from the insurance policy may not be for the full amount of the loss;
- other risks.

15. Statutory reports

Statutory report on corporate governance

CeMat's statutory report on corporate governance, see section 107b of the Danish Financial Statements Act, covers the period 1 January – 31 December 2024.

The report consists of three elements:

- Corporate governance report;
- Description of CeMat's management bodies;
- An account of the main features of the Group's internal controls and risk management in relation to the financial reporting process.

CeMat's Board of Directors and Management Board continually work within corporate governance principles to ensure that the management structure and control systems are appropriate and satisfactory. The Board of Directors believes that clear management and communication guidelines help to convey an accurate picture of CeMat.

The Audit Committee is handled by the Board of Directors and considers the conditions for this to be met.

Pursuant to section 107b of the Danish Financial Statements Act and clause 4.3 of the "Rules for issuers of Shares – Nasdaq Copenhagen", CeMat must report on how the Group addresses the recommendations published by the Committee on Corporate Governance in Denmark on 2 December 2020. The recommendations are available on the website of the Committee on Corporate Governance at www.corporategovernance.dk. In preparing the report, CeMat has adopted the "comply-or-explain" principle in relation to each individual recommendation. The Board of Directors believes that CeMat complies with the majority of the recommendations.

The statutory report on corporate governance 2024, see section 107b of the Danish Financial Statements Act, may be found on CeMat's website at:

https://cemat-en.squarespace.com/corporate-governance/

Regarding the statutory report on corporate social responsibility, see sections 99a, 99b and 99d of the Danish Financial Statements Act.

In addition to carrying on profitable business activities, CeMat is committed to meeting and expanding the Group's ethical, social and environmental responsibilities as a business enterprise.

CeMat divested its main activity in 2016 and, consequently, the former secondary activity is now the Group's main activity. Going forward, the CeMat Group is purely a real estate business. As a result, the number of employees has been sharply reduced and the environmental impacts are also significantly lower than previously.

In light of the company's size and activities, and the markets in which the Group operates, the Board of Directors has decided not to adopt policies for the voluntary incorporation of corporate social responsibility, including policies for human rights, climate impact and environmental issues. The Board of Directors regularly reviews the need to adopt policies in this area.

The Group no longer reports under the UN Global Compact.

Policy on data ethics

1. Introduction

This policy applies for CeMat A/S, including its subsidiaries (collectively referred to as "CeMat").

The purpose of this policy is to ensure that CeMat is only using data for the purposes and in a manner that is both ethical and compliant with applicable legislation.

2. Policy statement

It is the policy of CeMat A/S and its group companies that all data must be processed lawfully and in a fair and ethical manner, and that the data must be protected appropriately considering the risks related to these data, not only for CeMat, but also for others, who could be affected by the confidentiality, integrity or availability of the data being compromised.

Based on the factual circumstances described in section 3, the Management has determined that the likelihood of the inappropriate or unethical use of data is very limited, considering:

- the nature and amount of the data being processed,
- the purposes for which the data is being processed,
- the manner in which the data is being processed, especially since CeMat does not use advanced algorithms to analyse or predict the behaviour of others, and
- the fact that CeMat's use of data is unlikely to have any adverse effects on others, and
- the fact that there is no motive for using data beyond what is strictly necessary, as this would not offer any material benefits for CeMat.

Therefore, Management has assessed that aside from the formalised measures required to comply with generally good business practice, and applicable legislation such as the data protection legislation, no further measures are required to protect the data against unfair or unethical use.

3. Nature of the processing of data in CeMat A/S and subsidiaries

3.1. CeMat A/S

As a holding company with no employees, the processing of data in CeMat A/S is – as a general rule – limited to information about members of the Board of Directors and information about the subsidiaries, including key employees. Data is used solely for the purpose of managing the business and the related risks.

3.2. Subsidiaries

The business of the subsidiaries is to own and develop real estate in Poland. This includes offering property for sale or for rent. The sale of property is done through an agent, and the subsidiaries will only receive the data necessary for completing the sales transactions. With regards to property for rent, this is only offered on a B2B basis.

Thus, the subsidiaries will be processing:

- Data regarding the real estate owned by the company and other data related to the operations of the company, such as financial information.
- Personal data about employees and contact persons at customers, vendors and business partners.

As for personal data, the subsidiaries have taken the steps required to ensure that such data is processed in accordance with the applicable data protection legislation, protecting the rights and freedoms of the data subjects.

4. Required activities

Management of the respective legal entities shall take the necessary steps to:

a) ensure that the legal entity complies with all legal requirements for data processing;

b) monitor that the processing of personal data is performed in accordance with the applicable processes and procedures, to ensure compliance with the data protection legislation;

c) monitor if the categories of data being processed, or the purposes for which such data is processed, change over time;

d) ensure that appropriate actions are taken to address any deviations noted in relation to items a-c above.

5. Review and updates

This policy shall be reviewed and updated as appropriate by the Board of Directors at least on an annual basis or when changes in the business or business environments indicate the need for a review. An annual review must be performed during the fourth quarter of each calendar year.

Policy on diversity

CeMat does not have a formal diversity policy. However, it regards a diverse workforce as an asset. We hire on the basis of talent and personality and offer equal opportunities to all employees, regardless of their background, religion, political conviction, gender or age. We encourage everyone to try to reach their full potential in accordance with their personal ambitions and goals.

We promote a work environment of respect and inclusion and expect our employees to be politically and religiously neutral when acting on behalf of the Group. We acknowledge the right to unionise and bargain collectively and do everything in our power to avoid discrimination.

Policy on gender equality in managerial positions

When selecting new members of CeMat's Board of Directors, it is important that the candidates have specific professional competencies and qualifications from listed companies, as well as international experience. In addition, diversity in terms of nationality, religion, political conviction, age and gender is taken into account. During potential recruitment processes, employees and any external partners involved are fully informed of the Group's diversity policy.

At year-end 2024, the total number of employees was 19, five of whom were women. One woman was a member of the Board of Directors, and one woman was on the Management Board in one of the subsidiaries. The Board of Directors consists of four members, including one woman.

The current gender balance of CeMat's managerial positions is outlined below. No specific target has been set for top and other management levels, as equal distribution has already been achieved for 2024.

	2024	2023	2022	2021
Board of Directors, males	3	3	2	2
Board of Directors, females	1	1	1	1
Board of Directors, Total	**4**	**4**	**3**	**3**
Other managerial position, males	4	4	4	4
Other managerial position, females	2	2	2	2
Other managerial position, Total	**6**	**6**	**6**	**6**

	2024	2023	2022	2021
Board of Directors, males	75%	75%	67%	67%
Board of Directors, females	25%	25%	33%	33%
Board of Directors, Total	**100%**	**100%**	**100%**	**100%**
Other managerial position, males	67%	67%	67%	67%
Other managerial position, females	33%	33%	33%	33%
Other managerial position, Total	**100%**	**100%**	**100%**	**100%**

Representatives from Management and members elected by the employees meet on a regular basis to discuss the general situation and working climate in CeMat, with the minutes of these meetings communicated to local staff. Two of the five members of the Supervisory Board of CeMat '70 were elected by the employees.

Since the company complies with the rules on gender equality in managerial positions, it does not have an official policy in this regard.

No significant changes are planned for 2025. Instead, CeMat will focus on continuing the good efforts already completed.

Policy on safety

Without having a direct CSR policy safety must be a priority for all CeMat employees. There were no accidents in 2024.

CeMat believes that all injuries are preventable, all health risks are controllable and that management is accountable. CeMat also believes that a strong safety culture is an important tool for protecting our products and customers.

Literally speaking, we want our staff to go home from work as healthy as they were when they arrived at their workplace. In order to attain this goal, it is a continuing objective to prevent injuries and work-related health risks through structured effective management, administration, education and training.

Pursuant to national legislation in Poland, a health and safety body has been established. This safety body consists of management and an H&S specialist who holds overall responsibility for CeMat’s health and safety performance. The H&S specialist oversees compliance with applicable legislation and plans activities to minimise safety risks. The H&S specialist is also responsible for conducting workplace evaluations and implementing improvements.

Anti-fraud and anti-corruption

Anti-fraud and anti-corruption control is exercised by the Board of Directors and the Management Board of the company by clearly communicating the organisation’s values and best business practices without having a direct CSR policy. The policy is established on a risk management approach that involves identifying the key factors that influence fraud and corruption risk and reporting to CeMat Management.

Environmental solutions

Programme of actions aimed at limiting the environmental impact of existing buildings (without having a direct CSR policy):

- Reduction of electricity consumption

Changing the lighting of external areas (roads and car parks) to LED lighting (reducing electricity consumption by 50%).

Changing the lighting of common areas (corridors and staircases) to LED lighting and installing motion sensors. As part of the investment into rearranging the warehouses into SBUs and self-storage units, energy-saving LED lighting is being installed.

- Reduction of heat energy consumption

Automatic temperature control systems have been installed in some buildings. Depending on the outside temperature, time of day and day of the week, the temperature has been lowered to below 20˚C in the offices, and below 18˚C in the storage rooms.

- Waste segregation

Waste Management Regulations have been drawn up, an agreement has been signed with a waste collection company ensuring the collection of waste segregated into individual fractions, and provisions on the requirement to segregate waste in accordance with the Waste Management Regulations have been added in the form of an appendix to the lease agreements with tenants.

Development projects

Buildings that are part of development projects are designed in accordance with the indicators for the annual demand of a newly designed building for non-renewable primary energy (needed for heating, cooling, ventilation and the supply of hot water), as well as the energy required to power lighting and all other electrical devices. In order for the designed buildings to meet these parameters, solutions related to the use of renewable energy sources (e.g. photovoltaic panels), energy-saving lighting sources or partitions with insulation that meet the latest standards, are also implemented.

When designing a building to meet the energy-saving standards, we also reduce the planned level of energy consumption for when the building is in use.

During the construction process, one of the environmental protection measures applied will involve adhering to the rules for the selective collection of construction waste. In addition, each contractor and subcontractor will also have to undergo appropriate training in the relevant environmental protection procedures that will be in force during the course of the construction works. These procedures must ensure compliance with the current environmental protection regulations and will include in particular: implementation of solutions protecting against pollution and environmental contamination, saving water, reducing energy consumption, and protecting existing greenery.

16. Shareholder information

CeMat strives to maintain an open and continual dialogue with its shareholders, prospective investors and the general public.

CEMAT'S SHARES

In 2024, shares in the OMXC25 CAP index lost 2%, while shares in the OMXC SmallCap index gained 6%. The price of CeMat's A/S shares was DKK 1.03 per share at the end of 2024, equivalent to an 8% increase (from DKK 0.95).

The Group's market capitalisation at 31 December 2024 was DKK 257.3 million.

The total turnover in stock in 2024 was 39 million shares, which was 41% higher than in 2023, when 28 million shares were traded.

MASTER DATA

Stock exchange:	Nasdaq Copenhagen
Index:	OMXC SmallCap
Industry:	Property
ISIN:	DK0010271584
Symbol:	CEMAT
Share capital:	DKK 4,997,006.06
Denomination:	DKK 0.02
No. of shares:	249,850,303
Negotiable instruments:	Yes
Voting restrictions:	No

SHARE CAPITAL

The share capital consists of 249,850,303 shares of DKK 0.02 each. The shares have not been divided into classes and carry no special rights.

The Board of Directors and the Management Board regularly assess whether the Group's capital and share structures are consistent with the interests of the shareholders and the Group.

SHAREHOLDER STRUCTURE

One largest shareholder holds 32.5% of the registered share capital. A list of shareholders who have notified the Group that they hold 5% or more of the share capital or votes as at 31.12.2024 under section 29 of the Danish Securities Act is shown below.

Composition of shareholders	Number of shares	Capital DKK	Capital %
EDJ-Gruppen Havnegade 19 6700 Esbjerg, Denmark	81 234 585	1 624 691,70	32,51
Gist Holding ApS C.F Richs Vej 31			10,0 – 15,0

EDJ-Gruppen consists of Eivind Dam Jensen and related parties, together with companies controlled by Eivind Dam Jensen.

APPOINTMENT OF BOARD OF DIRECTORS AND MANAGEMENT BOARD

According to Company's Article of Association the General Meeting shall elect a Board consisting of three to six members from among the shareholders or from outside the group of shareholders. The Board of Directors elected by the General Meeting is elected for one year at a time and may be re-elected. The Board of Directors shall appoint a Management Board consisting of one or more members.

MANAGEMENT'S HOLDINGS OF CEMAT SHARES

As of 31 December 2024, members of the Board of Directors and their related parties held 94,692,139 shares (nominal value DKK 1,893,843), corresponding to 37.9% of the share capital and a market value of DKK 97.0 million. Members of the Management Board and their related parties held 2,353,039 shares (nominal value DKK 47,061), corresponding to 0.9% of the share capital and a market value of DKK 2.4 million.

The shareholdings of the individual members of the Board of Directors and the Management Board and changes thereto during 2024 can be found on the Group's website under "About us/Management/Board of Directors" and "About us/Management/Management Board" and are specified in this annual report under "Board of Directors and Management Board".

The Company's Article of Association does not regulate any management authorities concerning the acquisition of own shares. The Board of Directors and Management Board of the Company is not allowed to acquire shares in the silent periods preceding annual and half-year financial reports. The silent reports are published in each year's financial calendar.

TREASURY SHARES

Pursuant to section 198 of the Danish Companies Act, the Board of Directors is authorised to acquire treasury shares for a period of 18 months from the date of an Annual General Meeting. CeMat A/S did not hold any treasury shares as of 31 December 2024.

CEMAT'S REGISTER OF SHAREHOLDERS IS MANAGED BY:

Computershare A/S
Lottenborgvej 26 D
2800 Kgs. Lyngby, Denmark

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 26 March 2025 at 1.00 pm at the offices of DLA Piper Denmark, Oslo Plads 2, 2100 Copenhagen OE, Denmark. CeMat will place notices concerning the Annual General Meeting in one of the Danish newspapers.

Notices convening shareholders to Annual General Meetings and the agendas for the meetings are sent via e-mail to shareholders who have so requested. Shareholders may register for General Meetings and find relevant documents on the shareholder portal on the Group's website.

DIVIDEND AND ALLOCATION OF PROFIT

The Board of Directors recommends to the Annual General Meeting that no dividend be declared in respect of the 2024 financial year. The Board of Directors recommends to the Annual General Meeting that the consolidated profit for the year of DKK 13.4 million be transferred to retained earnings.

INVESTOR QUERIES

Any questions or comments from shareholders, analysts and other stakeholders should be addressed to Frede Clausen via the Investor Secretariat at e-mail: investor@cemat.dk or tel.: +45 33 34 00 58.

ANNOUNCEMENTS IN 2024

2024	Announcement
21.02	Financial calendar 2024/2025
21.02	Publication of Annual Report 2023
24.02	Managers' transactions
27.02	Notice to convene Annual General Meeting 2024
29.02	Managers' transactions
21.03	Course of the Annual General Meeting
29.08	Interim report H1 2024
30.08	Managers' transactions
03.09	Managers' transactions
03.09	Managers' transactions
04.09	Managers' transactions
09.10	CeMat A/S acquires right of perpetual usufruct to land plot in Bielany, Warsaw

FINANCIAL CALENDAR 2025/2026

2025	Announcement	Silent period
25.02	Annual Report 2024	27.01.2025 – 25.02.2025
26.03	Annual General Meeting	
27.08	Interim report – H1 2025	29.07.2025 – 27.08.2025

2026	Announcement	Silent period
25.02	Annual Report 2025	27.01.2026 – 25.02.2026
25.03	Annual General Meeting	

17. Board of Directors and Management Board

Board of Directors

Frede Clausen (born 1959)
Chairman
Professional board member
Various banking qualifications
Graduate Diploma in Business Administration
Elected 2018, Chairman 2018
Current term expires in 2025

No. of shares held in CeMat (own and related parties):
11,436,700 (2023:10,521,166)

Remuneration paid in 2024: DKK 550,000

Directorships and other managerial positions:
Frede Clausen Holding ApS
Core Poland Residential V
Malik Supply A/S (chairman)
Developnord A/S (chairman)
Søndergaard Holding Aalborg ApS (chairman)
Palma Ejendomme ApS (chairman)
Ejendomsselskabet Gøteborgvej 18 ApS (vice-chairman)
PL Holding Aalborg A/S (chairman)
Radioanalyzer ApS (chairman)

Special qualifications:
Strategic management, business development and real estate

Eivind Dam Jensen (born 1951)
Deputy Chairman
Estate agent
Member of the Danish Association of Chartered Estate Agents, Diploma Administrator
Elected 2005, Deputy Chairman 2005
Current term expires in 2025

No. of shares held in CeMat (own and related parties):
81,234,585 (2023: 81,234,585)

Remuneration paid in 2024: DKK 385,000

Directorships and other managerial positions:
Owner of Chartered Estate Agency E. Dam Jensen
Chairman and sole shareholder of A/S Eivind Dam Jensen
Owner of Brundtland Golfcenter (via A/S Eivind Dam Jensen)

Special qualifications:
Purchase, sale, valuation and letting of commercial and investment properties and property management

Joanna L. Iwanowska-Nielsen (born 1968)
Member of the Board of Directors
Real estate expert
Degree in International Trade, Organisation and Management from the Warsaw School of Economics
Elected 2016
Current term expires in 2025

No. of shares held in CeMat (own and related parties):
1,520,854 (2023: 1,520,854)

Remuneration paid in 2024: DKK 220,000

Directorships and other managerial positions:
Member of the Board of Directors at Sustainable Małkowo
Advisor to the Board of Directors, Ecofarm Foundation
Member of the Board of Directors at Coille Righ Green Energy, Scotland
Member of the Board of Directors at WildaNova
Member of the Board at NielsenNielsen Ltd (UK)
Managing Partner in NOLTA Consultants and NOLTA Career Experts
Board Member of EPI (European Property Institute) think tank
Member of Warsaw Women in Real Estate & Development
Founding Member of Women in Global Health's PL Chapter
No directorships in other Danish companies

Special qualifications:
Experience in the real estate trade in Poland, CEE and internationally (development, strategy, sales and project management in both the commercial and residential property sectors, including sustainable housing, farming enterprises and energy solutions), EMCC accredited business coach & mentor.

Brian Winther Almind (born 1966)
Member of the Board of Directors
Executive Vice President, DSV Group Property
Elected 2023
Current term expires in 2025

Other duties and offices:
Shipping agent, Ellegaard Transport, of which 2 years were in Verona, Italy
Traffic manager, DFDS Transport
Traffic manager, DHL A/S
Executive Vice President, DSV A/S since 1997

Remuneration paid in 2024: DKK 220,000

Directorships and other managerial positions:
Member of the Board in several companies owned by DSV A/S
Network – European Logistics Forum (ELF), VL 111
No directorships in other Danish companies

No. of shares held in CeMat (own and related parties):
500,000

Special qualifications:
General management, business development, integration of companies. Property in relation to the purchase of land, public sector handling, project management, building activities, purchase and sale, leasing, law, strategy, finances and various large projects in more than 90 countries.

Management Board

Jarosław Lipiński (born 1977)
CEO
Master of Law degree at the Nicolaus Copernicus University in Toruń
Further studies at the AMBA Academy, Warsaw School of Economics, Finance for Managers, Warsaw School of Economics
Employed with CeMat A/S since 2018

Directorships and other managerial positions:
Over the course of the last 25 years, Jarosław Lipiński has gained wide experience within the real estate industry and held executive positions with a number of international enterprises, including 11 years with TK Development A/S (Agat Ejendomme), board member in charge of letting and development.

Special qualifications:
Residential and retail development, property management, business development, with strong strategic management and leadership skills.

No. of shares held in CeMat (own and related parties):
2,353,039 (2023: 2,156,042)

18. Management statement

We have today presented the annual report of CeMat A/S for the financial year 1 January – 31 December 2024.

The annual report is prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

In our opinion, the consolidated and parent company financial statements give a true and fair view of the Group's and the parent company's assets, liabilities, equity and financial position as at 31 December 2024 and of the results of the Group's and the parent company's operations and cash flows for the financial year ended 31 December 2024.

Furthermore, in our opinion, the Management's review gives a true and fair view of the developments in the activities and financial position of the Group and the parent company, the results for the year and of the Group's and the parent company's financial position in general, and describes the significant risk and uncertainty factors that may affect the Group and the parent company.

We recommend that the annual report be approved by the shareholders in the General Meeting.

Copenhagen, 25 February 2025

MANAGEMENT BOARD

Jarosław Lipiński
CEO

BOARD OF DIRECTORS

Frede Clausen **Chairman**	Eivind Dam Jensen **Deputy Chairman**	Joanna L. Iwanowska-Nielsen **Board member**	Brian Winther Almind **Board member**

19. Independent auditor's report

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of CeMat A/S

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PARENT COMPANY FINANCIAL STATEMENTS

Opinion

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of CeMat A/S for the financial year 1 January - 31 December 2024, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information for both the Group and the Parent Company. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the IFRS Accounting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2024, and of the results of the Group and Parent Company operations and cash flows for the financial year 1 January - 31 December 2024 in accordance with the IFRS Accounting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

Our opinion is consistent with our extract from audit book to the audit committee and the board of directors.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our belief, we have not performed any prohibited non-audit services, as stated in article 5, subarticle 1, in regulation (EU) no. 537/2014.

We were first appointed auditor of CeMat A/S on 8 March 2017 for the financial year 2017. We were reappointed annually by a resolution of a General Meeting for a total continuous period of 7years until and including the financial year 2024.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the financial year 2024. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of investment properties

Key Audit Matter

The carrying amount of the Group's investment properties is DKK ('000) 191,833 at 31 December 2024 (2023: DKK ('000) 171,044), cf. note 9. Investment properties are measured at fair market value and the total fair market value adjustment of the year is a net gain of DKK ('000) 12,221 (2023: DKK ('000) 11,541), cf. note 9 of the Financial Statements, which is recognised in the income statement.

We have assessed that the fair market valuation is a key audit matter as the investment properties constitute 56% of the Group's total assets and because related estimates and assumptions may have material impact on the Financial Statements. A different estimate could potentially have a significant impact on the Group's assets, profit and equity.

Management obtained a valuation report from an external valuation expert which the value recognised in the financial statements is based upon and the significant assumptions in connection with the valuation of investment properties are particularly linked to the following elements in the management's valuation models, which includes both the earnings-based model and comparative model:

- Minimum rate of return on investment requirement
- Future market rent
- Ownership
- Competences and independence of the external valuation expert

We refer to the further description in note 2 and 9 of the annual report.

Our audit response

We have obtained an understanding of the Management's processes for and controls over the valuation of the investment properties in Poland, challenged these and ensured that the methods and principles used is unchanged from previous years.

We have challenged and assessed the most significant assumptions forming the basis for the valuation, including:

- We assessed and challenged the Management's expectations for rate of return requirements by comparison with the expectations of the previous year, assessment in relation to location and property type and comparison of external assessments or market reports.
- We assessed and challenged the Management's assessment of the future rental level including comparison of budgeted rental income for the coming year with realized rental income for the current year and testing whether assumptions related to vacant rent are substantiated by market data.
- We assessed and challenged the Management's assessment of the risks associated with ownership of some of the company's plots by comparison with previous years and the history of taking over full ownership.
- We have assessed the competences and independence of the Company's external valuation expert. The valuation report is prepared by a leading international estate agent in Warsaw.

Moreover, a recalculation was performed of the model forming basis for the valuation and we have assessed the appropriateness of Management's disclosures on investment properties.

Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Parent Company Financial Statements does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Parent Company Financial Statements, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements or the Parent Company Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Consolidated Financial Statements and Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Parent Company Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Consolidated Financial Statements and the Parent Company Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Parent Company Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements and Parent Company Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Parent Company Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Consolidated Financial Statements and the Parent Company Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements and the Parent Company Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Parent Company Financial Statements, including the disclosures, and whether the Consolidated Financial Statements and the Parent Company Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate them all relationships and other matters that may reasonably thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements and the Parent Company Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Independent Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our Independent Auditor's Report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON COMPLIANCE WITH THE ESEF REGULATION

As part of our audit of the Consolidated Financial Statements and Parent Company Financial Statements of CeMat A/S we performed procedures to express an opinion on whether the annual report of CeMat A/S for the financial year 1 January to 31 December 2024 with the file name CEMAT-2024-12-31.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of CeMat A/S for the financial year 1 January to 31 December 2024 with the file name CEMAT-2024-12-31.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Copenhagen, 25 February 2025
BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70
Mikkel Mauritzen
State Authorised Public Accountant
MNE no. 46621

Financial statements

20. Income statement

1 January – 31 December

PARENT COMPANY				GROUP	
2024	**2023**	**DKK'000**	**Note**	**2024**	**2023**
0	0	Revenue	3	39,396	33,600
0	0	Cost of goods and services sold		(10,349)	(9,917)
(1,933)	(1,674)	Other external expenses		(14,392)	(12,707)
(1,443)	(1,294)	Staff costs	4	(7,332)	(6,518)
(3,376)	**(2,968)**	**Operating profit/(loss) (EBITDA)**		**7,323**	**4,458**
0	0	Depreciation, amortisation and impairment		(53)	(41)
(3,376)	**(2,968)**	**Operating profit/(loss) (EBIT)**		**7,270**	**4,417**
0	0	Revaluation of investment property	9	12,047	11,429
57	57	Financial income	5	148	124
(2,382)	(4,093)	Financial expenses	6	(1,696)	(1,008)
(5,701)	**(7,004)**	**Profit/(loss) before tax**		**17,769**	**14,962**
0	0	Tax on profit/(loss) for the year	7	(4,320)	(3,627)
(5,701)	**(7,004)**	**Profit/(loss) for the year**		**13,449**	**11,335**
		Distribution of profit/(loss) for the year:			
		Parent company shareholders		12,205	10,276
		Non-controlling interests		1,244	1,059
				13,449	**11,335**
(0.02)	(0.01)	Earnings per share (DKK)	8	0.05	0.04
(0.02)	(0.01)	Diluted earnings per share (DKK)	8	0.05	0.04

21. Statement of comprehensive income

1 January – 31 December

PARENT COMPANY				GROUP	
2024	**2023**	**DKK'000**	**Note**	**2024**	**2023**
(5 701)	(7 004)	Profit/(loss) for the year		13 449	11 335
		Items that may be reclassified to profit or loss:			
0	0	Foreign exchange adjustment, foreign entities		3 301	12 712
(5 701)	**(7 004)**	**Comprehensive income for the year**		**16 750**	**24 047**
		Distribution of comprehensive income for the year:			
(5 701)	(7 004)	Parent company shareholders		15 239	21 925
0	0	Non-controlling interests		1 511	2 122
(5 701)	**(7 004)**			**16 750**	**24 047**

22. Cash flow statement

PARENT COMPANY 2024	PARENT COMPANY 2023	DKK'000	Note	GROUP 2024	GROUP 2023
(3 376)	**(2 968)**	**Operating profit/(loss) (EBIT)**		**7 270**	**4 417**
0	0	Depreciation, amortisation and impairment	9	53	41
128	312	Change in net working capital		(11 805)	2 411
0	0	Other (deposits, etc.)		1 617	1 057
0	0	Tax paid/received		(2 043)	(1 315)
57	0	Financial income received		0	88
(25)	(89)	Financial expenses paid		(1 698)	(930)
(3 216)	**(2 745)**	**Cash flows from operating activities**		**(6 606)**	**5 769**
0	0	Acquisition of property, plant and equipment		(1 828)	(2 438)
0	0	Capital expenditures, development of the investment property		(4 631)	(1 011)
991	**0**	**Cash flows from investing activities**		**(6 459)**	**(3 449)**
0	0	Lease repayments		(60)	(57)
2 980	4 438	Loans and credits raised	18	62 907	3 942
(875)	(1 810)	Loans and credits repaid	18	(51 553)	(1 810)
0	0	Acquisition of shares in subsidiaries		(319)	(191)
2 105	**2 628**	**Cash flows from financing activities**		**10 975**	**1 884**
(120)	**(116)**	**Cash flows for the year**		**(2 090)**	**4 205**
191	307	Cash and cash equivalents at beginning of year		12 095	7 139
0	0	Market value adjustment of cash and cash equivalents		260	751
71	**191**	**Cash and cash equivalents at end of year**	**14**	**10 265**	**12 095**

23. Balance sheet – as at 31 December 2024

Balance sheet as at 31 December 2024

PARENT COMPANY		ASSETS		GROUP	
2024	2023	DKK'000	Note	2024	2023
0	0	Investment property	9	218 128	196 283
0	0	Plant and machinery right of use	9	23	85
0	**0**	**Property, plant and equipment**		**218 151**	**196 368**
93 339	93 339	Investments in subsidiaries	10	0	0
0	0	Other non-current receivables	11	309	239
93 339	**93 339**	**Financial assets**		**309**	**239**
93 339	**93 339**	**Non-current assets**		**218 460**	**196 607**
0	**0**	**Inventories**	**12**	**106 908**	**45 804**
0	0	Trade receivables	13	2 923	2 524
517	1 508	Receivables from subsidiaries		0	0
0	0	Other receivables		3 793	4 391
517	**1 508**	**Receivables**		**6 716**	**6 915**
71	**191**	**Cash and cash equivalents**	**14**	**10 265**	**12 095**
588	**1 699**	**Current assets**		**123 889**	**64 814**
93 927	**95 038**	**Assets**		**342 349**	**261 421**

Balance sheet as at 31 December 2024

PARENT COMPANY 2024	PARENT COMPANY 2023	EQUITY AND LIABILITIES DKK'000	Note	GROUP 2024	GROUP 2023
4 997	4 997	Share capital	15	4 997	4 997
0	0	Translation reserve	16	(11 437)	(14 471)
44 430	50 130	Retained earnings		182 127	170 076
49 427	**55 127**	**Equity attributable to parent company shareholders**		**175 687**	**160 602**
0	**0**	**Equity attributable to non-controlling interests**		**15 478**	**14 138**
49 427	**55 127**	**Equity**		**191 165**	**174 740**
0	0	Lease liabilities	17	24 958	23 963
0	0	Other non-current liabilities		6 270	4 477
0	0	Deferred tax liabilities	7	38 265	34 760
0	**0**	**Non-current liabilities**		**69 493**	**63 200**
0	16	Bank loans	18	17 020	3 355
0	0	Lease liabilities	17	1 622	1 649
339	455	Trade payables	19	12 722	10 093
42 919	38 339	Debt to subsidiaries		0	0
0	0	Income tax payable		326	237
1 242	1 101	Other payables	20	50 001	8 147
44 500	**39 911**	**Current liabilities**		**81 691**	**23 481**
44 500	**39 911**	**Total liabilities**		**151 184**	**86 681**
93 927	**95 038**	**Equity and liabilities**		**342 349**	**261 421**

24. Statement of changes in equity for 2024 (Group)

DKK'000	Share capital	Translation reserve	Retained earnings	Equity attributable to parent company shareholders	Equity attributeable to non-controlling interests	Total equity
Equity at 01.01.2024	**4 997**	**(14 471)**	**170 076**	**160 602**	**14 138**	**174 740**
Profit/(loss) for the year	0	0	12 205	12 205	1 244	13 449
Other comprehensive income	0	3 034	0	3 034	267	3 301
Comprehensive income	**0**	**3 034**	**12 205**	**15 239**	**1 511**	**16 750**
Acquisition of non-controlling interests	0	0	(150)	(150)	(171)	(321)
Settlement of the company's social benefits fund	0	0	(4)	(4)	0	(4)
Equity at 31.12.2024	**4 997**	**(11 437)**	**182 127**	**175 687**	**15 478**	**191 165**
Equity at 01.01.2023	**4 997**	**(26 120)**	**159 442**	**138 319**	**12 577**	**150 896**
Profit/(loss) for the year	0	0	10 276	10 276	1 059	11 335
Other comprehensive income	0	11 649	0	11 649	1 063	12 712
Comprehensive income	**0**	**11 649**	**10 276**	**21 925**	**2 122**	**24 047**
Acquisition of non-controlling interests	0	0	361	361	(561)	(200)
Settlement of the company's social benefits fund	0	0	(3)	(3)	0	(3)
Equity at 31.12.2023	**4 997**	**(14 471)**	**170 076**	**160 602**	**14 138**	**174 740**

Statement of changes in equity for 2024 (Parent company)

DKK'000	Share capital	Retained earnings	Total equity
Equity at 01.01.2024	**4 997**	**50 130**	**55 127**
Comprehensive income for the year	0	(5 701)	(5 701)
Equity at 31.12.2024	**4 997**	**44 430**	**49 427**
Equity at 01.01.2023	**4 997**	**57 134**	**62 131**
Comprehensive income for the year	0	(7 004)	(7 004)
Equity at 31.12.2023	**4 997**	**50 130**	**55 127**

25. Notes to the financial statements

1. ACCOUNTING POLICIES

The consolidated and the parent company financial statements of CeMat A/S for 2024 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of reporting class D entities (listed) as set out in the Danish Executive Order on Adoption of IFRSs issued in pursuance of the Danish Financial Statements Act and the rules and regulations of Nasdaq Copenhagen.

The consolidated financial statements and the parent company financial statements are presented in Danish kroner (DKK), which is the Group's presentation currency and the functional currency of the parent company.

Implementation of new and revised standards and interpretations
New and revised standards and interpretations applying to financial years beginning on 1 January 2024 have been implemented in the annual report for 2024.

Standards and interpretations affecting the profit/loss for the year or the financial position
The implementation of new and revised standards and interpretations in the annual report for 2024 has not resulted in changes to presentation or disclosure.

Standards and interpretations affecting presentation and disclosure
The implementation of new and revised standards and interpretations in the annual report for 2024 has not resulted in changes to presentation or disclosure.

Standards and interpretations not yet in force
In Management's opinion, the application of new and revised standards and interpretations will not have a material impact on the annual reports for the coming financial years. In other respects, the accounting policies are consistent with last year's, as described in the following.

Consolidated financial statements
The consolidated financial statements consolidate the financial statements of the parent company, CeMat A/S, and subsidiaries in which the parent company directly or indirectly holds more than 50% of the shares.

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of the parent company and those of the subsidiaries, which are all prepared in accordance with the Group's accounting policies.

On consolidation, items of the same nature are aggregated and intra-group income and expenses, intra-group balances and shareholdings are eliminated. Unrealised gains and losses on transactions between consolidated companies are also eliminated.

Financial statement items of subsidiaries are fully consolidated. The non-controlling interests' proportionate share of the profit/loss is included in the consolidated profit/loss and comprehensive income for the year and as a separate item under consolidated equity.

Non-controlling interests
On initial recognition, non-controlling interests are either recognised at their fair value or at their pro-rata share of the fair value of the acquired company's identifiable assets, liabilities and contingent liabilities. The choice of method is made individually for each transaction. The non-controlling interests are subsequently adjusted for their proportionate share of changes to the equity of the subsidiary. The comprehensive income is allocated to the non-controlling interests irrespective of the non-controlling interest consequently becoming negative.

Acquisition or sale of non-controlling interests in a subsidiary not resulting in loss of controlling influence is recognised in the consolidated financial statements as an equity transaction, and the difference between the remuneration and the carrying amount is allocated to the parent company's share of equity.

Foreign currency translation
On initial recognition, transactions denominated in currencies other than the individual company's functional currency are translated at the exchange rate ruling at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Exchange differences between the exchange rate at the transaction date and the exchange rate at the date of payment or the balance sheet date, respectively, are recognised in the income statement under financial items.

Property, plant and equipment and intangible assets, inventories and other non-monetary assets acquired in foreign currency and measured based on historical cost are translated at the exchange rates at the transaction date.

On recognition in the consolidated financial statements of entities whose financial statements are presented in a functional currency other than Danish kroner (DKK), the income statements are translated at average exchange rates for the respective months, unless these deviate materially from the actual exchange rates at the transaction dates. In that case, the actual exchange rates are used. Balance sheet items are translated at the exchange rates at the balance sheet date.

Exchange differences arising on the translation of foreign subsidiaries' opening balance sheet items to the exchange rates at the balance sheet date and on the translation of the income statements from average exchange rates to exchange rates at the balance sheet date are recognised in other comprehensive income.

Foreign exchange adjustments of receivables from or payables to subsidiaries which are considered part of the parent company's overall investment in the subsidiary in question are recognised in other comprehensive income in the consolidated financial statements, while they are recognised in the income statement of the parent company.

Tax
Tax for the year, which consists of current tax and changes in deferred tax for the year, is recognised in the income statement with respect to the portion attributable to the profit/loss for the year and directly in equity with respect to the portion attributable to entries directly in equity.

Current tax payable and receivable is recognised in the balance sheet as the tax calculated on the taxable income for the year, adjusted for tax paid on account.

The calculation of the year's current tax is based on the tax rates and tax rules applicable at the balance sheet date.

Deferred tax is measured using the tax rates and tax rules that, based on legislation in force or in reality in force at the balance sheet date, are expected to apply in the respective countries when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changed tax rates or rules are recognised in the income statement, unless the deferred tax can be attributed to items previously recognised directly in equity. In the latter case, the change is also recognised directly in equity.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to the initial recognition of goodwill or the initial recognition of a transaction, apart from business combinations, and where the temporary difference existing at the date of initial recognition affects neither profit/loss for the year nor taxable income.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, unless the parent company is able to control when the deferred tax is to be realised and it is likely that the deferred tax will not crystallise as current tax within the foreseeable future.

Deferred tax is calculated based on the planned use of the individual asset and the settlement of the individual liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised in the balance sheet at the value at which the asset is expected to be realised, either through a set-off against deferred tax liabilities or as net tax assets to be offset against future positive taxable income. At each balance sheet date, an assessment is made as to whether it is likely that there will be sufficient future taxable income for the deferred tax asset to be utilised.

INCOME STATEMENT

Revenue
Revenue is measured as the fair value of the consideration received or receivable. If interest-free credit has been granted for payment of the outstanding consideration extending beyond the usual credit period, the fair value of the payment is calculated by discounting future payments. The difference between the fair value and the nominal value of the consideration is recognised as financial income in the income statement over the extended credit period by using the effective interest method.

Revenue is stated exclusive of VAT, duties, discounts, etc. levied on behalf of a third party.

For leasing contracts that provide for rent exemptions, the effective rent for the entire contract period is used.

Revenues from the sale of real estate (residential units, commercial space, etc.) are recognised at the time when the real estate purchaser takes over control of the real estate acquired and receives significant risks and rewards of ownership. According to the assessment of the management of the company, this takes place at the moment of handing over the real estate to the buyer on the basis of the acceptance protocol signed by the parties, provided that the buyer has made 100% payments towards the purchase price of the real estate.

Cost of goods and services sold
Cost of goods and services sold comprise direct costs incurred in generating the revenue.

Other external expenses
Other external expenses include premises maintenance costs, advertising costs, administrative expenses, bad debts, etc. Other external expenses also comprise costs of development projects that do not qualify for recognition in the balance sheet.

Staff costs
Staff costs comprise wages and salaries and social security costs, pensions, share-based payment, etc. to the employees of the Group.

Financial items
Financial items comprise interest income and expenses, the interest element of finance lease payments, realised and unrealised foreign exchange gains and losses as well as surcharges and allowances under the Danish tax prepayment scheme.

External financing costs are recognized as costs in the income statement in the period in which they are incurred, with the exception of activated costs, i.e. costs that ca be directly attributed to the acquisition, construction or production of a 'qualifying asset' (in the case of the Company: for work in progress) as part of their production cost. Financial costs are capitalized to work in progress only during the period when the development project is active. The project is considered active when design or construction work is carried out on the purchased land and during the process of obtaining key administrative decisions needed to run the project. Financial costs cease to be capitalized when substantially all activities necessary to prepare the apartment for delivery to customers have been completed. Activation of financial costs is suspended in the event of suspension of activities related to investment activities on the project, including work related to the design, construction process or obtaining appropriate permits and administrative decisions regarding the project.

BALANCE SHEET

Investment property
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 un-obtainable 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 was 13.4%.

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.

Investments in subsidiaries
On initial recognition, investments in subsidiaries are measured at cost plus transaction costs. Where the recoverable amount of the investments is lower than cost, the investments are written down to this lower value.

Inventory

Finished products

Finished products are mainly residential units and parking spaces. Finished products are valued at the lower of the two values: manufacturing cost and net realisable value. The net realisable value is the estimated selling price assessed by the Management Board of the company based on market prices.

Work in progress

Work in progress is valued at the lower of the two values: purchase price / production cost / fair value at the moment of transfer from the investment property (land plots) and the net realisable value. In the event of any discrepancies, a write-down is made. With regard to the company's development projects, the necessity to make an impairment loss is assessed on the basis of the "impairment test" described below, based on an analysis of the production cost and the net realisable value.

Inventory impairment test

If a development project is expected to generate a loss, it results in a write-down of work in progress, which is immediately recognised in the profit and loss account.

For each development project, budgets are prepared that include both past and future cash flows for each implemented project. These budgets are updated at least semi-annually. For the purposes of impairment testing, project budgets include all past and projected net revenues less the direct costs of land acquisition, design, construction and other costs related to project preparation, demonstration premises and the on-site sales office. These budgets are also encumbered with associated past and projected borrowing costs and projected customer claims (if applicable). Project budgets are prepared using the principle of prudent valuation. If the margin on the project, calculated taking into account all revenues and the above-mentioned costs, is positive, then there is no need to create an inventory impairment write-down. A negative margin indicates a potential impairment problem, which, after careful verification of cash flows for a given project, results in the recognition of an inventory impairment loss in the amount of the estimated negative value of this margin.

The revaluation write-off is recognised in the cost of sales in the item "Adjustment of the value of inventories to the net realisable value". A possible reversal of such an impairment loss for a given project is possible if the expected value of the margin on this project becomes positive.

Transferring land plots from investment property to inventories

Investment property is transferred to inventory when the development process has been decided and initiated, a decision on the possible way of developing the plot has been obtained, and expenses related to the project have already taken place.

Receivables

Receivables comprise non-current deposits in connection with the purchase and sale of goods and receivables from sale of goods and services. Receivables are classified as loans and receivables, which are financial assets with fixed or determinable payments that are not quoted in an active market and are not derivative financial instruments.

On initial recognition, receivables are measured at fair value and subsequently at amortised cost, which usually corresponds to the nominal value less write-downs for bad debts.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 12 months respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a consequence of past events during the financial year or prior years, and when it is likely that settlement of the obligation will require an outflow of the Group's financial resources. Warranty commitments cover commitments to repair faulty or defective products sold within the warranty period.
Provisions are measured as the best estimate of the costs required to settle the liabilities at the balance sheet date. Provisions with an expected term of more than a year after the balance sheet date are measured at present value.

Lease liabilities

IFRS 16 eliminates the classification of leases as either operating leases or finance leases. Lease liabilities for all leases with a term of more than 12 months are recognised, unless the underlying asset is of low value.

At the commencement date, a lease liability is measured at the present value of future lease payments. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the incremental borrowing rate is used.

After the commencement date, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modification or to reflect revised in-substance fixed lease payments.

Other financial liabilities

Other financial liabilities comprise bank debt, trade payables and other payables to public authorities. On initial recognition, other financial liabilities are measured at fair value less transaction costs. In subsequent periods, financial liabilities are measured at amortised cost, applying the effective interest method, to the effect that the difference between the proceeds and the nominal value is recognised in the income statement as a financial expense over the term of the loan.

CASH FLOW STATEMENT

The consolidated cash flow statement is presented according to the indirect method and shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the year.

The cash effect of acquisitions and divestments of entities is shown separately under cash flows from investing activities. Cash flows from the acquisition of entities are recognised in the cash flow statement from the date of acquisition. Cash flows from the disposal of entities are recognised up to the date of disposal.

Cash flows from operating activities are presented according to the indirect method and stated as operating profit, adjusted for non-cash operating items and changes in working capital and financial income and expenses, less the income tax paid during the financial year attributable to operating activities.

Cash flows from investing activities comprise payments related to the purchase and sale of financial assets, including non-current prepayments for goods, subsidiaries as well as the purchase, development, improvement, sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or the composition of the parent company's share capital and related costs as well as the raising and repayment of loans, cash deposits, instalments on interest-bearing debt, acquisition of treasury shares and payment of dividends. Furthermore, cash flows regarding assets held under finance leases in the form of lease payments made are recognised.

Cash and cash equivalents comprise cash deposits.

Segment information
The Group is assessed as having two segments:

(A) Property management division comprising letting of premises and land and the provision of utilities to tenants, including power, water, natural gas, facility services, etc.
(B) Property development – including the preparation and implementation of development projects, primarily in the field of housing and commercial space.

Financial ratios	**Formula**
EBITDA margin (%)	$\frac{\text{EBITDA*100}}{\text{Revenue}}$
EBIT margin (%) (Profit margin)	$\frac{\text{EBIT*100}}{\text{Revenue}}$
Return on invested capital (%) incl. goodwill	$\frac{\text{EBIT*100}}{\text{Average invested capital}}$
Equity ratio (%)	$\frac{\text{Equity*100}}{\text{Total assets}}$
Return on equity (%)	$\frac{\text{Profit/loss for the year after tax*100}}{\text{Average equity}}$

Calculations of earnings per share and diluted earnings per share are specified in Note 8.

Net working capital (NWC) is defined as the value of inventories, receivables and other operating assets less trade payables and other current operating liabilities. Cash and cash equivalents and deferred tax assets are not included in the net working capital.

Net interest-bearing debt is defined as interest-bearing liabilities less interest-bearing assets, such as cash and cash equivalents.

Invested capital is defined as net working capital plus the carrying amount of non-current property, plant and equipment and intangible assets, less other provisions and non-current operating liabilities.

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) is defined as EBIT plus depreciation, amortisation and goodwill impairment of the year.

New standards, interpretations and amendments effective from 1 January 2024

The following new standards, amendments and interpretations are effective for the first time for periods beginning on or after 1 January 2024:

- Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1);and
- Non-current Liabilities with Covenants (Amendments to IAS 1).

The new standards, interpretations and amendments do not have significant impact on the Group's financial statements.

New standards, interpretations and amendments not yet effective
There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective in future accounting periods that the group has decided not to adopt early. The most significant of these are:

- Lack of Exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates);
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7);
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7);
- IFRS 18 Presentation and Disclosure in Financial Statements;
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

The Group is currently assessing the effect of these new accounting standards and amendments.

2. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND UNCERTAINTIES

In applying the Group's accounting policies, as outlined in Note 1, Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities which cannot be immediately inferred from other sources.

The estimates and assumptions applied are based on historical experience and other factors that Management considers reasonable under the circumstances, but which are inherently uncertain and unpredictable. Such assumptions may be incomplete or inaccurate, and unexpected events or circumstances may occur. In addition, the Group is subject to risks and uncertainties that may cause actual outcomes to deviate from such estimates. CeMat's risks are described in "Risks and risk management" and in Note 24 "Financial risks and financial instruments".

Estimates and underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognised in the reference period in which the change occurs and in future reference periods if the change affects the period in which it is made as well as subsequent reference periods.

Measurement of investment property

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. Management has reviewed the updated valuation report received in December 2024 and its underlying assumptions. Management's valuation estimate is in line with that indicated in the report, and the fair value consequently reflects the value stated in the report.

As the property market is not in all respects as efficient and liquid as, for example, the equity market, there can be no assurance that a buyer willing to pay the fair value at which the property is stated in the financial statements can be found at any given time. In other words, properties are subject to a liquidity risk in a sales situation.

Investments in subsidiaries

Investments in subsidiaries are recognised in the parent company's financial statements at cost less any write-downs to the recoverable amount.

Forward-looking statements

All forward-looking statements in this annual 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, developments in the financial markets and changes in the Polish real estate rental market. Changes in the political climate in Poland may also affect forecasts and results.

Tax asset utilisation

Deferred tax assets are recognised for all unutilised tax losses and differences to the extent it is considered likely that they can be utilised through taxable income within a foreseeable number of years.

The annual report is published only in English.

3. SEGMENT INFORMATION

Based on IFRS 8 Operating Segments, the CeMat Group is assessed as having two segments:

(A) Property management division comprising letting of premises and land and the provision of utilities to tenants, including power, water, natural gas, facility services, etc.
(B) Property development – including the preparation and implementation of development projects, primarily in the field of housing and commercial space.

2024 **DKK'000**	**Property Management & Holding**	**Development**	**Total**
Sales revenue	39 372	24	39 396
GROSS PROFIT	**20 458**	**24**	**20 482**
Overheads	(13 640)	(518)	(14 158)
Other income / costs	999	0	999
EBITDA	**7 817**	**(494)**	**7 323**
Depreciation, amortisation and impairment	(53)	0	(53)
EBIT	**7 764**	**(494)**	**7 270**
Revaluation investment property	12 047	0	12 047
Net result on financial activities	(1 385)	(163)	(1 548)
PROFIT (LOSS) BEFORE TAX	**18 426**	**(657)**	**17 769**
Tax on profit/(loss) including deferred tax	(4 475)	155	(4 320)
PROFIT (LOSS) FOR THE PERIOD	**13 951**	**(502)**	**13 449**

2024 DKK'000	Property Management & Holding	Development*	Total
Segment Assets	232,161	110,188	342,349
Segment liabilities	23,918	89,001	112,919
Deferred tax liabilities			38,265
Total liabilities			**151,184**

* The Development segment has been separated in terms of functionality. According to the accounting policy, revenues and profits from the sale of real estate (residential units, commercial space, etc.) will be recognised when the real estate purchaser takes over control of the real estate acquired and receives significant risks and rewards of ownership.

2023 DKK'000	Property Management & Holding	Development*	Total
Sales revenue	33,596	4	33,600
GROSS PROFIT	**23,678**	**4**	**23,682**
Overheads	(17,808)	(1,392)	(19,200)
Other income / costs	(64)	40	(24)
EBITDA	**5,806**	**(1,348)**	**4,458**
Depreciation, amortisation and impairment	(41)	0	(41)
EBIT	**5,765**	**(1,348)**	**4,417**
Revaluation investment property	11,429	0	11,429
Net result on financial activities	(271)	(613)	(884)
PROFIT (LOSS) BEFORE TAX	**16,923**	**(1,961)**	**14,962**
Tax on profit/(loss) including deferred tax	(3,982)	355	(3,627)
PROFIT (LOSS) FOR THE PERIOD	**12,941**	**(1,606)**	**11,335**

2023 DKK'000	Property Management & Holding	Development*	Total
Segment Assets	210,965	50,456	261,421
Segment liabilities	25,168	26,753	51,921
Deferred tax liabilities			34,760
Total liabilities			**86,681**

* The Development segment has been separated in terms of functionality. According to the accounting policy, revenues and profits from the sale of real estate (residential units, commercial space, etc.) will be recognised when the real estate purchaser takes over control of the real estate acquired and receives significant risks and rewards of ownership.

Other segment information:

Property management revenue can be broken down into the letting of premises and land and the provision of utilities to tenants, including power, water, natural gas, facility services, etc:

PARENT COMPANY			GROUP	
2024	**2023**	**DKK'000**	**2024**	**2023**
0	0	Letting	28,135	23,202
0	0	Utilities	11,261	10,398
0	**0**	**Total**	**39,396**	**33,600**

Revenue is generated by the Polish subsidiaries CeMat Real Estate, CeMat '70 S.A. and W133, and the Group derives all of its revenue from Poland.

4. STAFF COSTS

PARENT COMPANY			GROUP	
2024	2023	DKK'000	2024	2023
1,375	1,250	Directors' fees	1,375	1,250
68	44	Wages and salaries	4,359	3,911
0	0	Bonuses for Management Board	446	377
0	0	Pension contributions, defined contribution plans	883	768
0	0	Other social security costs	269	212
1,443	**1,294**	**Total**	**7,332**	**6,518**
1	**1**	**Average number of full-time employees**	**19**	**20**

The calculation of the average number of full-time employees (FTE) is based on the number of employees at the end of each month, not including members of the Board of Directors. For the purpose of the above table, the Management Board is understood as the CEO of CeMat A/S and the CEO and CFO of the subsidiary companies CeMat '70, CeMat Real Estate, W131, W133 and Arkuszowa 56. Additional remuneration of the Management Board Members for consultancy services of DKK 2,353 thousand (2023: DKK 1,867 thousand) related to development project or preparation of land plots for divestment or development is recognised as inventories (work in progress) or investment property and is not included in the table above.

CeMat has signed an annex on February 2022 which intends to a new performance-based remuneration system for CEO, contribute to business strategy, long-term interests and sustainability through the application of the long-term performance and development targets of the company. An additional bonus will be paid if the companies obtain a profit from the sale of the properties in an amount exceeding the limit of PLN 103,500,000 (base). The bonus structure is as follows:

For basis between PLN 103,500,000 and PLN 200,000,000, the bonus is 0.75% of the amount exceeding PLN 103,500,000. For basis between PLN 200,000,000 and PLN 300,000,000, the bonus is 1% of the amount exceeding PLN 200,000,000. For basis exceeding PLN 300,000,000, the bonus is 1.5% of the amount above PLN 300,000,000.The limit will be adjusted for inflation/deflation 24 months after the annex enters into force. This limit is based on the sale of undeveloped real estate and profits from the sale of developed real estate.

Group and parent company

Remuneration of Board of Directors and Management Board

	Board of Directors		Management Board	
DKK'000	2024	2023	2024	2023
Directors' fees	1,375	1,250	0	0
Salaries	0	0	3,080	2,540
Bonuses	0	0	446	377
Pension contributions	0	0	188	210
Share-based payment	0	0	0	0
Total	**1,375**	**1,250**	**3,714**	**3,127**

The fee to the Chairman of the Board of Directors for the current term amounts to DKK 550 thousand (2023: DKK 500 thousand), to the Deputy Chairman DKK 385 thousand (2023: DKK 350 thousand) and to an ordinary member DKK 220 thousand (2023: DKK 200 thousand). For the purpose of the above table, the Management Board is understood as the CEO of CeMat A/S and the CEO and CFO of the subsidiary companies CeMat '70, CeMat Real Estate, W131, W133 and Arkuszowa 56. Additional remuneration of the Management Board Members for consultancy services of DKK 2,353 thousand mainly related to development project or preparation of land plots for divestment or development recognised as inventories (work in progress) or investment property is included in the line "Salaries" in the table above.

5. FINANCIAL INCOME

PARENT COMPANY			GROUP	
2024	2023	DKK'000	2024	2023
57	57	Interest from group entities	0	0
0	0	Interest on bank deposits etc.	148	124
0	0	Other interest	0	0
57	**57**	**Interest income**	**148**	**124**
0	0	Foreign exchange adjustments	0	0
57	**57**	**Total**	**148**	**124**

6. FINANCIAL EXPENSES

PARENT COMPANY			GROUP	
2024	**2023**	**DKK'000**	**2024**	**2023**
1,598	1,394	Interest to group entities	0	0
0	0	Interest relating to finance lease liabilities	1,593	889
68	34	Interest on bank loans	68	34
0	3	Other interest	25	85
1,666	**1,431**	**Interest expenses**	**1,686**	**1,008**
716	2,662	Foreign exchange adjustments	10	0
2,382	**4,093**	**Total**	**1,696**	**1,008**

7. TAX ON THE PROFIT/LOSS FOR THE YEAR AND DEFERRED TAX

GROUP

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

DKK'000	**2024**	**2023**
Current tax	(1,374)	(1,312)
Change in deferred tax including change in value	(2,946)	(2,311)
Adjustment of current tax relating to prior years	0	(4)
Total	**(4,320)**	**(3,627)**

Tax on the profit/loss for the year may be specified as follows:

Profit/(loss) before tax	**17 769**		**14 962**	
Tax at a rate of 22.0%	(3 909)	(22,0%)	(3 292)	(22,0%)
Effect of different tax rate in foreign entities	683	3,8%	579	3,9%
Tax base of non-deductible expenses and non-taxable income	219	1,2%	925	6,2%
Adjustment of current tax relating to prior years	0	0,0%	(4)	(0,0%)
Adjustment of deferred tax relating to prior years	0	0,0%	0	0,0%
Value adjustment of deferred tax	(1 312)	(7,4%)	(1 835)	(12,3%)
Effect on deferred tax of change in tax rate	0	0,0%	0	0,0%
Total	**(4 320)**	**(24,3%)**	**(3 627)**	**(24,2%)**

GROUP

BREAKDOWN OF DEFERRED TAX FOR THE GROUP STATED IN THE BALANCE SHEET:

DKK'000	**2024**	**2023**
Deferred tax liabilities, see balance sheet	(38,265)	(34,760)
Deferred tax, net	**(38,265)**	**(34,760)**

2024

DKK'000	Deferred tax 01.01.2024	Recognised in income statement 2024	Loss of use of tax losses 2024	Foreign exchange adjustment 2024	Deferred tax 31.12.2024
Property, plant and equipment	(34,186)	(2,564)	0	(545)	(37,295)
Inventories	0	(165)	0	0	(165)
Receivables	(2,106)	5	0	(39)	(2,140)
Payables	243	(72)	0	2	173
Total	**(36,049)**	**(2,796)**	**0**	**(582)**	**(39,427)**
Tax loss carry-forwards	26,630	1,162	0	486	28,278
Unutilised tax losses	**26,630**	**1,162**	**0**	**486**	**28,278**
Value adjustment	(25,342)	(1,312)	0	(463)	(27,117)
Total	**(34,760)**	**(2,946)**	**0**	**(559)**	**(38,265)**

The Group does not expect to be able to utilise part of the tax losses within 3-5 years. Accordingly, no tax asset has been recognised in the consolidated balance sheet.

2023

DKK'000	Deferred tax 01.01.2023	Recognised in income statement 2023	Loss of use of tax losses 2023	Foreign exchange adjustment 2023	Deferred tax 31.12.2023
Property, plant and equipment	(29,287)	(1,723)	0	(3,176)	(34,186)
Receivables	(1,507)	(599)	0	0	(2,106)
Payables	232	11	0	0	243
Total	**(30,562)**	**(2,311)**	**0**	**(3,176)**	**(36,049)**
Tax loss carry-forwards	24,888	1,739	0	3	26,630
Unutilised tax losses	**24,888**	**1,739**	**0**	**3**	**26,630**
Value adjustment	(24,325)	(1,835)	114	706	(25,342)
Total	**(30,000)**	**(2,407)**	**114**	**(2,467)**	**(34,760)**

The Group does not expect to be able to utilise part of the tax losses within 3-5 years. Accordingly, no tax asset has been recognised in the consolidated balance sheet.

PARENT COMPANY

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

DKK'000	2024	2023
Current tax	0	0
Change in deferred tax including change in value	0	0
Adjustment of current tax relating to prior years	0	0
Adjustment of deferred tax relating to prior years	0	0
Total	**0**	**0**

Tax on the profit/loss for the year may be specified as follows:

Profit/(loss) before tax	**(5 701)**		**(7 004)**	
Tax at a rate of 22.0%	1 254	(22,0%)	1 541	(22,0%)
Adjustment of current tax relating to prior years	0	0,0%	(4)	0,1%
Value adjustment of deferred tax	(1 254)	22,0%	(1 537)	21,9%
Total	**0**	**0,0%**	**0**	**0,0%**

Tax losses are not expected to be utilised in full within a period of 3-5 years. Accordingly, no tax asset has been recognised in the parent company's balance sheet.

2024 **DKK'000**	**Deferred tax 01.01.2024**	**Recognised in income statement 2024**	**Deferred tax 31.12.2024**
Intangible assets	0	0	0
Property, plant and equipment	0	0	0
Inventories	0	0	0
Trade receivables	0	0	0
Other payables etc.	0	0	0
Total	**0**	**0**	**0**
Tax loss carry-forwards	25 863	1 254	27 117
Unutilised tax losses	**25 863**	**1 254**	**27 117**
Value adjustment	(25 863)	(1 254)	(27 117)
Total	**0**	**0**	**0**

2023 **DKK'000**	**Deferred tax 01.01.2023**	**Recognised in income statement 2023**	**Deferred tax 31.12.2023**
Intangible assets	0	0	0
Property, plant and equipment	0	0	0
Inventories	0	0	0
Trade receivables	0	0	0
Other payables etc.	0	0	0
Total	**0**	**0**	**0**
Tax loss carry-forwards	24,326	1,537	25,863
Unutilised tax losses	**24,326**	**1,537**	**25,863**
Value adjustment	(24,326)	(1,537)	(25,863)
Total	**0**	**0**	**0**

Tax losses are not expected to be utilised in full within a period of 3-5 years. Accordingly, no tax asset has been recognised in the parent company's balance sheet.

8. EARNINGS PER SHARE

The calculation of earnings per share is based on the following:

PARENT COMPANY			**GROUP**	
2024	**2023**	**DKK'000**	**2024**	**2023**
(0.02)	(0.03)	Earnings per share for continuing and discontinued operations (DKK)	0.05	0.04
(0.02)	(0.03)	Diluted earnings per share for continuing and discontinued operations (DKK)	0.05	0.04
(5,701)	(7,004)	Earnings used in the calculation of earnings per share (DKK'000)	12,205	10,276
249,850	249,850	Average number of shares used to calculate earnings per share ('000)	249,850	249,850
249,850	249,850	Average number of shares used to calculate diluted earnings per share ('000)	249,850	249,850

The average number of outstanding shares is calculated as the number of days prior to a capital increase multiplied by the number of shares in circulation. If several capital increases are made, the number of days between the capital increases multiplied by the number of shares in circulation during the relevant period is added together. The sum is divided by 365.

9. PROPERTY, PLANT AND EQUIPMENT

2024 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 2024	171,044	25,239	196,283	85	25,324	196,368
Foreign exchange adjustments	3,938	467	4,405	(9)	458	4,396
Right of use, depreciation	0	0	0	(53)	(53)	(53)
Additions	0	763	763	0	763	763
Enhancement costs	4,631	0	4,631	0	0	4,631
Revaluation to market value	12,221	(174)	12,047	0	(174)	12,047
Carrying amount at 31 December 2024	**191,833**	**26,295**	**218,128**	**23**	**26,318**	**218,151**

* Unrealised revaluation to marked value amounts to DKK'000 12,047.

2023 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 2023	144 029	13 825	157 854	117	13 942	157 971
Foreign exchange adjustments	11 866	1 251	13 117	9	1 260	13 126
Right of use, depreciation	0	0	0	(41)	(41)	(41)
Additions	0	10 275	10 275	0	10 275	10 275
Enhancement costs	3 608	0	3 608	0	0	3 608
Revaluation to market value	11 541	(112)	11 429	0	(112)	11 429
Carrying amount at 31 December 2023	**171 044**	**25 239**	**196 283**	**85**	**25 324**	**196 368**

*Unrealised revaluation to marked value amounts to DKK'000 11,429.

The Polish properties have an assessed value of DKK 218,151 thousand, of which DKK 191,679 thousand is the real estate in Warsaw, DKK 155 thousand is a land plot in Blichowo and DKK 26,318 thousand is right of use resulting from the application of IFRS 16. The value of the real estate in Warsaw is supported by an external valuation report received in December 2024, prepared by a leading international real estate appraiser in Warsaw. The value of the land plot in Blichowo has been assessed by the company's management using a comparative method.

The value of the real estate in Warsaw represents the valuers' assessment of the current fair value. In addition to the general price level in the market, the assessment is based on these main assumptions: the present use of the property, the state of the buildings, the percentage of ownership, the current and potential income generated by the property and the zoning of the area and development potential. Any changes to these, particularly the percentage of ownership (i.e. the positive or negative resolution of former owners' claims), changes in zoning (e.g. to residential) and the general price development of similar properties in the area, could favourably or adversely impact the property valuation.

For the valuation purposes, the property was divided into four groups based on designation/use: internal roads, industrial schemes (buildings), development land and plots designated for external roads.

For the purpose of the valuation of internal roads, development land and external roads, a comparative approach has been used whereby recent sales are used to determine the likely value of the subject. This approach assumes that the variation in prices between at least three comparable properties can be explained by differences in their individual attributes such as location, surroundings, accessibility, development potential, etc. The influence of each of these attributes on the value is assigned a percentage weighting, and the characteristics of each comparable and the subject are then rated, typically from 1–5, from 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 income based approach based on current and potential 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 during void periods expenditures and unobtainable running costs. Market rents applied range from DKK 64.7 per sqm for ordinary warehouses (21,141 sqm), DKK 73.5 per sqm for offices (4,112 sqm), small business units DKK 89.1 (3,577sqm) and DKK 110.2 per sqm for self-storage boxes (1,869 sqm).

For the purpose of the valuation of the industrial buildings, discounted cash flow has been used (in 2023 equivalent yield was used). The required rates of return which have been set are an important factor in estimating the fair values. An exit yield of 12% and discount rate of 14% were adopted (in 2023 equivalent yield of 12%), which reflects the risks associated with a normal ownership or usufruct interest property including open-ended lease agreements and the physical state of the particular buildings. Using the assumptions mentioned above, a value of the subject was obtained reflecting an initial yield of 9.0% (in 2023 12.3%) and a final yield of 15.7% (in 2023 13.4%).

Other assumptions:

Short-term leases: assumed to expire after their notice periods

Letting voids: 24 months for offices / 12 for warehouse & production space

Reletting voids: 10 months for offices / 5 for warehouse & production space and SBU units

No fit-out contributions

Letting fees: 16.7% of annual market rent

No rent-free periods

Empty service charge 15.28 per m2 during void periods

Irrecoverable operating costs DKK 2.4 million (including property tax, perpetual usufruct fee, security, insurance, cost of the utilities based on the operating cost budget)

Capital expenditure of DKK 2.0million

In the case of properties for which the company is not entered in the land and mortgage register as a perpetual usufructuary or owner due to claims or protracted administrative proceedings, the value is further reduced by 20% due to the risk that such claims will be accommodated and due to the expenses associated with the transitional phase.

Valuation sensitivity to the main factors used:

+/- DKK 5,300 thousand for a change in the price of land by 10% (applied to internal roads, development land and external roads);

+/- DKK 7,900 thousand for a change in market rent rate by 10% (applied to plots of land with buildings i.e. perpetual usufruct right over plot 69/17 and possession right over plots 69/18);

- DKK 11,300 thousand for an increase in equivalent yield by 10%; + DKK 16,800 thousand for a decrease in equivalent yield by 10% (applied to plots of land with buildings i.e. perpetual usufruct right over plot 69/17 and possession right over plots 69/18);

+/- DKK 2,300 thousand for a change in the discount for legal title by 10% (applies to plots in possession, i.e. without a legal title).

Fair value hierarchy information	**Level 1**	**Level 2**	**Level 3**	**at 31/12**
2024				
Land / roads			53,513	53,513
Plots of land with buildings			138,321	138,321
Right of use			26,318	26,318
Total investment property			**218,151**	**218,151**
2023				
Land / roads			50,130	50,130
Plots of land with buildings			120,914	120,914
Right of use			25,324	25,324
Total investment property			**196,368**	**196,368**

Rental income from investment property

PARENT COMPANY			**GROUP**	
2024	**2023**	**DKK'000**	**2024**	**2023**
0	0	Rental income from investment property	28,135	23,202
0	**0**	**Total**	**28,135**	**23,202**

Direct operating expenses arising from investment property

PARENT COMPANY			**GROUP**	
2024	**2023**	**DKK'000**	**2024**	**2023**
0	0	Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the period	7,675	6,397
0	0	Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income during the period	246	233
0	**0**	**Total**	**7,921**	**6,630**

Amounts of minimum lease payments at balance sheet date under non-cancellable operating leases.

PARENT COMPANY			GROUP	
2024	**2023**	**DKK'000**	**2024**	**2023**
		Operating lease payments may be specified as follows:		
0	0	Within 1 year	7,605	6,217
0	0	Between 1 and 5 years	35	80
0	**0**	**Total**	**7,640**	**6,297**

For agreements with tenants for an indefinite period, the above figures represent the aggregate rental income from leasing agreements within their notice periods. For agreements with tenants for a definite period, the above figures represent the aggregate rental until the end of the agreement.

10. INVESTMENTS IN SUBSIDIARIES

PARENT COMPANY		
2024	**2023**	**DKK'000**
93 339	93 339	Value at 1 January
93 339	**93 339**	**Value at 31 December**

	Domicile	Interest (%) 2024	Interest (%) 2023	Share of voting rights (%) 2024	Share of voting rights (%) 2023	Activity
CeMat Real Estate S.A.	Poland	100.00	100.00	100.00	100.00	Ownership share in CeMat '70 S.A.
CeMat '70 S.A.	Poland	93.64	93.56	93.64	93.56	Letting of commercial properties
W133 Sp. z o.o.	Poland	93.64	93.56	93.64	93.56	Holding of rights
W131 Sp. z o.o.	Poland	93.64	93.56	93.64	93.56	Holding of rights
Arkuszowa 56 Sp. z o.o.	Poland	93.64	93.56	93.64	93.56	Holding of rights

CeMat Real Estate S.A. holds the ownership interest in CeMat '70 S.A., while CeMat '70 S.A. holds ownership interests in W133 Sp. z o.o., W131 Sp. z o.o. and Arkuszowa 56 Sp. z o.o.

11. OTHER NON-CURRENT RECEIVABLES

PARENT COMPANY			GROUP	
2024	**2023**	**DKK'000**	**2024**	**2023**
0	0	Prepayment, settlement of claim of title to land	309	239
0	**0**	**Total**	**309**	**239**

12. INVENTORIES

PARENT COMPANY 2024	PARENT COMPANY 2023	DKK'000	GROUP 2024	GROUP 2023
0	0	Property under construction - land plot transferred from the investment property	30,590	29,112
0	0	Expenditures related to the development projects	73,159	15,641
0	0	Capitalized borrowing costs	3,158	1,051
0	**0**	**Total**	**106,908**	**45,804**

No inventories are carried at fair value less costs to sell. There was no write-down of inventories recognised as an expense in the period. There was no reversal of a write-down to net realisable value. One of the land plots with a fair value of DKK 24,520 thousand is used as collateral for bank loan. There was no cost of inventories recognised as an expense. This year capitalised borrowing costs amounts to DKK 2,107 (2023: DKK 1,051).

Inventory recovery

PARENT COMPANY 2024	PARENT COMPANY 2023	DKK'000	GROUP 2024	GROUP 2023
0	0	Recoverable within 12 months	52,682	0
0	0	Recoverable after more than 12 months	54,226	45,804
0	**0**	**Total**	**106,908**	**45,804**

13. TRADE RECEIVABLES

PARENT COMPANY 2024	PARENT COMPANY 2023	DKK'000	GROUP 2024	GROUP 2023
0	0	Trade receivables	3,422	3,313
0	0	Loss provisions included in the above receivables and recognised in "Other external expenses"	(499)	(789)
0	**0**	**Total**	**2,923**	**2,524**

2024

DKK'000	Current	1-30 days past due	31-90 days past due	91-180 days past due	180-360 days past due	More than 361 days past due	Total
Expected loss rate	0.5%	1.9%	22.2%	56.5%	98.1%	100.0%	
Gross carrying amount	2,061	781	131	4	90	355	**3,422**
Loss provision	10	15	29	2	88	355	**499**

2023

DKK'000	Current	1-30 days past due	31-90 days past due	91-180 days past due	180-360 days past due	More than 361 days past due	Total
Expected loss rate	0.4%	1.9%	22.2%	56.5%	98.1%	100.0%	
Gross carrying amount	1,990	823	74	0	56	370	**3,313**
Loss provision	8	16	16	0	379	370	**789**

Overdue receivables for which provisions have not been made:

PARENT COMPANY			GROUP	
2024	2023	DKK'000	2024	2023
0	0	Overdue by up to 1 month	766	808
0	0	Overdue by 1 to 3 months	102	58
0	0	Overdue by more than 3 months	3	7
0	**0**	**Total**	**872**	**872**

Overdue receivables for which provisions have not been made, by geographical area:

PARENT COMPANY			GROUP	
2024	2023	DKK'000	2024	2023
0	0	Europe	872	872
0	**0**	**Total**	**872**	**872**

With the implementation of IFRS 9, the company has applied the simplified expected credit loss model to measure the expected credit loss allowance for all trade receivables. Based on the low realised losses on receivables historically, adjustments to reflect current and forward-looking information on macroeconomic factors affecting the ability of clients to settle the receivable such as GDP and unemployment rates do not increase the risk of losses significantly.

Provision account for receivables:

PARENT COMPANY			GROUP	
2024	2023	DKK'000	2024	2023
0	0	Provision account at 1 January	789	515
0	0	Reversed provisions	(470)	(112)
0	0	Provisions for the year	169	345
0	0	Translation differences	11	41
0	**0**	**Provision account at 31 December**	**499**	**789**

14. CASH AND CASH EQUIVALENTS AS PER THE CASH FLOW STATEMENT

The Group's cash and cash equivalents primarily consist of bank deposits. No credit risk is deemed to be associated with cash and cash equivalents. Bank deposits carry floating rates of interest. The carrying amount equals the fair value of the assets.

The “Moje Bielany” development project operating on the Polish market, launched in the second half of 2023, is covered by the Act on the Protection of Rights of Buyers of Residential Premises or Single-Family Houses, which is related to, inter alia, securing funds paid by buyers by the bank running the buyers' trust accounts.

The Company has limited access to the funds in question by releasing the funds as the construction work on the Project progresses. In addition, the funds released may only be used to repay the development loan as long as the loan has not been repaid.

As at 31.12.2024 the cash and cash equivalents for the Group was DKK 10.3 million, out of which DKK 0.8 million was in an escrow account related to advance payments made by the buyers of apartments to which the Group had no access as at 31.12.2024.

15. SHARE CAPITAL

The share capital consists of 249,850,303 shares of DKK 0.02 each. The shares have not been divided into classes and carry no special rights.

000	2024	2023
Number of shares at 1 January	249 850	249 850
Cancellation of own shares	0	0
Number of shares at 31 December	**249 850**	**249 850**

DKK'000	2024	2023
Share capital at 1 January	4 997	4 997
Cancellation of own shares	0	0
Share capital at 31 December	**4 997**	**4 997**

16. OTHER RESERVES

The translation reserve comprises all foreign exchange adjustments arising from the translation of the financial statements of entities with other functional currencies than DKK and the foreign exchange adjustments of receivables from or payables to subsidiaries which are considered part of the parent company's overall investment in the subsidiary.

17. LEASE LIABILITIES

GROUP

Lease liabilities arise from the application of IFRS 16 and relate to the right of perpetual usufruct and the leasing of a company car. Disclosures regarding the depreciation charge for right-of-use assets and the carrying amount of right-of-use assets at the end of the reporting period are included in Note 9. Interest expense on lease liabilities is presented in Note 6. The total cash outflow for leases was DKK 1,839 thousand in 2024. The expense relating to short-term operating leases for which no lease liability was recognised at the end of the reporting period was DKK 8 thousand. The fixed incremental borrowing rate applied for first time recognition of lease liability was 6%. The total lease obligation was discounted using the incremental borrowing rate over the total lease period, which is 65 years.

	Minimium lease payments		Present value of minimum lease payments	
DKK'000	**2024**	**2023**	**2024**	**2023**
Finance lease liabilities fall due as follows:				
Within 1 year from the balance sheet date	1,804	1,807	1,700	1,705
Between 1 and 5 years from the balance sheet date	8,199	6,587	6,526	5,401
More than 5 years from the balance sheet date	95,240	96,700	18,354	18,506
At 31 December	**105,243**	**105,094**	**26,580**	**25,612**

2024	**Expiry**	**Fixed or floating interest rate**	**Present value of minimum lease payments, DKK'000**	**Fair value, DKK'000**
Lease liability, right of use investment property	2089	Fixed	26,559	26,559
Lease liability, right of use plant and machinery	2025	Floating	21	21
Total			**26,580**	**26,580**

18. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

GROUP

2024

DKK'000	**Beginning of year**	**Cash flow proceeds from loans**	**Cash flow repayments of loans**	**Non-cash Other**	**Non-cash Exchange rate adj.**	**End of year**
Lease liabilities	75	0	(60)	6	0	21
Bank loans (overdraft)	16	800	(875)	59	0	0
Bank loans (development)	3 339	62 107	(50 678)	2 082	170	17 020
Total financial liabilities	**3 430**	**62 907**	**(51 613)**	**2 147**	**170**	**17 042**

2023

DKK'000	**Beginning of year**	**Cash flow proceeds from loans**	**Cash flow repayments of loans**	**Non-cash Other**	**Non-cash Exchange rate adj.**	**End of year**
Lease liabilities	118	0	(57)	14	0	75
Bank loans (overdraft)	1 033	860	(1 915)	38	0	16
Bank loans (development)	0	2 187	0	1 005	147	3 339
Total financial liabilities	**1 151**	**3 047**	**(1 972)**	**1 057**	**147**	**3 430**

PARENT COMPANY
2024

DKK'000	Beginning of year	Cash flow proceeds from loans	Cash flow repayments of loans	Non-cash Other	Non-cash Exchange rate adj.	End of year
Loans from subsidiaries	38 304	2 180	0	1 576	728	42 788
Bank loans (overdraft)	16	800	(875)	59	0	0
Loans	**38 320**	**2 980**	**(875)**	**1 635**	**728**	**42 788**

2023

DKK'000	Beginning of year	Cash flow proceeds from loans	Cash flow repayments of loans	Non-cash Other	Non-cash Exchange rate adj.	End of year
Loans from subsidiaries	30 559	3 578	0	1 394	2 773	38 304
Bank loans (overdraft)	1 033	860	(1 915)	38	0	16
Loans	**31 592**	**4 438**	**(1 915)**	**1 432**	**2 773**	**38 320**

19. TRADE PAYABLES

PARENT COMPANY 2024	PARENT COMPANY 2023	DKK'000	GROUP 2024	GROUP 2023
339	455	Amounts owed to suppliers for goods and services delivered	12,722	10,093
339	**455**	**Total**	**12,722**	**10,093**

The carrying amount equals the fair value of the liabilities. Amounts owed to suppliers fall due within one year.

20. OTHER PAYABLES

PARENT COMPANY 2024	PARENT COMPANY 2023	DKK'000	GROUP 2024	GROUP 2023
1,242	1,101	Wages and salaries, BoD fee, social security contributions, etc. payable	2,162	1,919
0	0	Holiday pay obligation etc.	354	180
0	0	VAT and other indirect taxes payable	23	(715)
0	0	Advance payments received from apartment buyers	46,485	5,965
0	0	Cost provisions and other payables	977	798
1,242	**1,101**	**Total**	**50,001**	**8,147**

The carrying amount of payables in respect of payroll, Board of Directors fees, tax deducted at source, social security contributions, holiday pay etc., VAT and other indirect taxes and other payables corresponds to the fair value of these liabilities. Holiday pay obligations etc. represent the Group's obligation to pay wages and salaries during holidays in the next financial year, to which the employees have earned entitlement as at the balance sheet date. All items under other payables are expected to be settled within one year.

21. CHANGE IN NET WORKING CAPITAL

PARENT COMPANY 2024	PARENT COMPANY 2023	DKK'000	GROUP 2024	GROUP 2023
0	0	Change in inventories	(61,104)	(9,435)
0	0	Change in receivables	4,816	(4,243)
33	312	Change in trade payables and other payables	44,483	16,089
95	0	Change in balances with subsidiaries	0	0
128	**312**	**Total**	**(11,805)**	**2,411**

22. GUARANTEES AND CONTINGENT LIABILITIES

In connection with the signing by W131 Sp. z o.o. (as the "Borrower") a development loan agreement with mBank S.A. (as the "Bank") on 2 August 2023, CeMat '70 S.A. (as the "Sponsor") entered into a three-party Support Agreement with W131 and mBank S.A.

The Sponsor obliged towards the Bank to provide financial support to the Project, i.e. “Moje Bielany”, in the event of the Project Budget overrun, up to the amount of PLN 5,772,851.00 (in words: five million seven hundred seventy two thousand eight hundred fifty one 00/100), i.e. up to the amount constituting 10% of the Project Budget less the cost of the land and the Reserve.

The provision of financial support shall be understood to mean that the Sponsor shall, upon the Bank's first written request, make a payment of funds in the amount specified in such request, representing the current amount of the Project cost overruns, to the account designated by the Bank and within the period specified in the Bank's request, but not less than 14 (fourteen) Business Days, provided that the Bank shall use the funds paid by the Sponsor in accordance with the request only to cover the cost overruns that gave rise to the request.

In order to secure the Sponsor's financial obligations as mentioned above, the Sponsor has subjected itself to execution in favour of the Bank pursuant to Article 777 § 1 (5) of the Code of Civil Procedure up to the amount of PLN 5,772,851.00 (in words: five million seven hundred seventy-two thousand eight hundred fifty-one 00/100) under Rep. A 30664/2023, with the maximum limit of the Sponsor's liability being PLN 5,772,851.00 with the Bank's right to apply for an execution clause until 2 August 2030.

23. OTHER CONTRACTUAL COMMITMENTS

At the balance sheet date, the Group had no contractual commitments.

24. FINANCIAL RISKS AND FINANCIAL INSTRUMENTS

PARENT COMPANY			GROUP	
2024	**2023**	**DKK'000**	**2024**	**2023**
0	0	Trade receivables	2 923	2 524
517	1 508	Intra-group receivables	0	0
0	0	Other receivables, current	3 793	4 391
0	0	Other receivables, non-current	309	239
0	199	Cash and cash equivalents	10 265	12 095
517	**1 699**	**Loans, advances and receivables**	**17 290**	**19 249**
42 919	38 339	Debt to subsidiaries	0	0
0	0	Finance lease liabilities, current	1 622	1 649
0	0	Finance lease liabilities, non-current	24 958	23 963
0	16	Bank loans	17 020	3 355
0	0	Other non-current liabilities	6 270	4 477
339	455	Trade payables	12 722	10 093
0	0	Income tax payable	326	237
1 242	1 103	Other payables	50 001	8 147
44 500	**39 913**	**Financial liabilities**	**112 919**	**51 921**

Finance lease liabilities are measured at fair value, while other remaining liabilities are measured at amortised cost.

The Group’s risk management policy

Risk management is an integral part of the day-to-day management of the business and is subject to continuous review by Management. Management believes that all material risks, apart from financial risks, concern supplier-customer relations. Due to the nature of its operations and capitalisation, the Group is not particularly exposed to fluctuations in exchange rates and interest rates. The Group pursues a low-risk profile, with currency, interest rate and credit risks arising only in connection with commercial relations. It is the Group’s policy not to actively speculate in financial risks.

The Group manages its financial risks by means of a model for managing its cash budgeting covering a period of 1 year.

Currency risk

Currency risk constitutes the risk of losses (or the possibility of gains) when exchange rates change. Currency risk arises when income and expense items in foreign currency are recognised in profit or loss or from the value adjustment of balance sheet items denominated in other currencies.

The Group’s sales are primarily settled in PLN and cost items are typically settled in DKK or PLN. The Group does not use derivative financial instruments to hedge currency risks from cash flows or balance sheet items. Instead, the Group uses foreign currency to settle same-currency debt items, which generally reduces currency risk.

Unhedged net position at balance sheet date:

GROUP

2023

DKK'000	Cash deposits and securities	Receivables	Liabilities	Net position	Of which hedged	Unhedged net position
PLN	11 904	6 915	(47 810)	(28 991)	0	(28 991)
DKK	191	0	(1 556)	(1 365)	0	(1 365)
Total	**12 095**	**6 915**	**(49 366)**	**(30 356)**	**0**	**(30 356)**

2024

DKK'000	Cash deposits and securities	Receivables	Liabilities	Net position	Of which hedged	Unhedged net position
PLN	10 194	6 716	(111 338)	(94 428)	0	(94 428)
DKK	71	0	(1 581)	(1 510)	0	(1 510)
Total	**10 265**	**6 716**	**(112 919)**	**(95 938)**	**0**	**(95 938)**

PARENT COMPANY

2023

DKK'000	Cash deposits and securities	Receivables	Liabilities	Net position	Of which hedged	Unhedged net position
PLN	0	1 508	(38 339)	(36 831)	0	(36 831)
DKK	191	0	(1 572)	(1 381)	0	(1 381)
Total	**191**	**1 508**	**(39 911)**	**(38 212)**	**0**	**(38 212)**

2024

DKK'000	Cash deposits and securities	Receivables	Liabilities	Net position	Of which hedged	Unhedged net position
PLN	0	517	(42 919)	(42 402)	0	(42 402)
DKK	71	0	(1 581)	(1 510)	0	(1 510)
Total	**71**	**517**	**(44 500)**	**(43 912)**	**0**	**(43 912)**

Credit risk

The Group's credit risks associated with financial activities correspond to the amounts recognised in the balance sheet. The Group assesses the need for insurance on individual debtors on an ongoing basis. This assessment is based on the individual debtor's present and expected future commitment to the Group.

The primary credit risk of the Group is associated with trade receivables. No special credit risks are found to exist in this regard.

Capital management

The Group evaluates the need to adapt its capital structure on an ongoing basis. Management believes that the financing of the Group's future operations will be secured with the existing financial resources, cash flows from operating activities and bank loans in the case of development projects.

As regards the free cash flow generated by the Group, first priority is to allocate free cash flows to the Group's continued expansion and shareholder dividends.

For the Group, equity as a percentage of total equity and liabilities at the end of 2024 was 55.8% (2023: 66.8%). The realised return on equity for the Group for 2024 was 7.4% (2023: 7.0%).

The Group's financial gearing at the balance sheet date is calculated as follows:

PARENT COMPANY			GROUP	
2024	**2023**	**DKK'000**	**2024**	**2023**
0	16	Bank debt	17,020	3,355
(71)	(191)	Cash and cash equivalents	(10,265)	(12,095)
(71)	**(175)**	**Net interest-bearing debt**	**6,755**	**(8,740)**
49,427	**55,125**	**Equity**	**191,165**	**174,740**
0.00	**0.00**	**Financial gearing**	**0.04**	**(0.05)**

Liquidity and capital resources

At Group level, free cash and cash equivalents amounted to DKK 10.3 million as at 31 December 2024, of which DKK 6.2 million are attributable to CeMat'70 S.A.

Based on expectations for 2024, Management believes that the existing capital resources, bank loans available and the expected future cash flows will be sufficient to maintain operations and finance planned investments.

The Group's budgets, and consequently also its future capital resources, are inherently subject to risk since the extent and timing of cash flow fluctuations will have an impact on the Group's capital resources. Management believes that any negative deviations in its operations relative to budgeted cash flows can be mitigated on a timely basis by cash flow-enhancing measures.

Risk related to obtaining external financing

The real estate development business, in which the Group operates, requires significant initial expenditures to purchase land and to cover construction, infrastructure, and design costs. As such, the Group, in order to continue and develop its business, require significant amounts of cash through external financing by banks. The Group's ability to obtain such financing depends on many factors, in particular, on market conditions which are beyond the Group's control. In the event of difficulties to obtain the required financing, there is a risk that the scale of the Group's development and pace of achieving its strategic objectives may differ from what was originally planned. In such a situation as described above, there is no certainty whether the Group will be able to obtain the required financing, nor whether financial resources will be obtained under conditions that are favourable to the Group.

Loans that the Company intends to obtain will be against variable interest rates that are based on WIBOR rates plus a margin. Therefore, changes in the WIBOR rates will have an impact on the cash flow and the profitability of the Company.

Availability of mortgages

The demand for residential real estate largely depends on the availability of credits and loans for financing the purchase of apartments and houses by individuals. Possible increase in interest rates, deterioration of the economic situation in Poland, the pandemic situation and the increase in unemployment in Poland as well as possible administrative restrictions on lending activities of the banks may cause a drop in demand for apartments and houses, and therefore a decrease in interest from potential buyers in the Company's development projects, which in turn may have a significant adverse impact on activities, financial standing or performance of the Company.

25. IMPLICATIONS OF THE COVID-19 PANDEMIC ON THE FINANCIAL STATEMENTS

In 2024, the company did not experience any negative effects of the Covid-19 pandemic.

26. FEE FOR AUDITORS APPOINTED BY THE GENERAL MEETING

PARENT COMPANY			GROUP	
2024	**2023**	**DKK'000**	**2024**	**2023**
219	180	Audit of annual report	428	348
66	62	Non-audit services	66	62
285	**242**	**Total**	**495**	**410**

27. RELATED PARTIES

The Group has no related parties exercising control.

The Group has the following related parties:
- Ambit Jarosław Lipiński, owned by a member of the Management Board
- Miętowe Wzgórza Izabella Rykowska-Urbaniak, owned by a member of the Management Board of CeMat Real Estate S.A.

The parent company has the following related parties:
- CeMat Real Estate S.A., subsidiary in Poland
- CeMat '70 S.A., subsidiary in Poland
- W131 Sp. z o.o., subsidiary in Poland
- W133 Sp. z o.o., subsidiary in Poland
- Arkuszowa 56 Sp. z o.o., subsidiary in Poland

The parent company had transactions with the following related parties in 2023 and 2024:
- CeMat Real Estate S.A., subsidiary in Poland
- CeMat '70 S.A., subsidiary in Poland

28. RELATED PARTY TRANSACTIONS

PARENT COMPANY			GROUP	
2024	**2023**	**DKK'000**	**2024**	**2023**
57	56	Subsidiaries, interest income	0	0
(1,576)	(1,348)	Subsidiaries, interest expense	0	0
(1,519)	**(1,292)**	**Total**	**0**	**0**

Other management remuneration etc. is stated separately in connection with note 4 “Staff costs”.

PARENT COMPANY			GROUP	
2024	**2023**	**DKK'000**	**2024**	**2023**
517	1,508	Subsidiaries, loan receivable	0	0
(131)	(36)	Subsidiaries, creditor payable	0	0
(42,788)	(38,303)	Subsidiaries, loan payable	0	0
(42,402)	**(38,831)**	**Total**	**0**	**0**

29. SHAREHOLDER INFORMATION

The parent company has registered the following shareholders holding more than 5% of the voting rights or nominal value of the share capital as at 31.12.2024

Composition of shareholders	Number of shares	Capital DKK	Capital %
EDJ-Gruppen Havnegade 19 6700 Esbjerg, Denmark	81,234,585	1,624,691.70	32.51
Gist Holding ApS C.F Richs Vej 31			10.0 – 15.0

30. BOARD OF DIRECTORS AND MANAGEMENT BOARD

The Board of Directors and Management Board of CeMat A/S hold shares in CeMat A/S.

Shares (own and related parties*)	2024	2023
Frede Clausen, Chairman	229	210
Eivind Dam Jensen (EDJ-Gruppen), Deputy Chairman	1 625	1 625
Joanna Iwanowska-Nielsen, Member of the Board of Directors	30	30
Brian Winther Almind, Member of the Board of Directors	10	-
Jarosław Lipiński, CEO	47	43
Total	**1 941**	**1 908**

* Related parties are Management's close family and companies in which they hold managerial positions or directorships.

31. EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred after the balance sheet date.

32. APPROVAL OF THE ANNUAL REPORT FOR PUBLICATION

The Board of Directors approved this annual report for publication at a board meeting held on 25 February 2025. The annual report will be presented to the shareholders of the parent company for approval at the Annual General Meeting to be held on 26 March 2025.