

CEMBRIT

2018

Interim financial report – 3rd Quarter



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“The initiatives implemented over the last 12 months are a key contributor to the strong EBITDA development in Q3 2018. EBITDA amounts to DKKm 46.8 for Q3 2018, which is DKKm 34.5 above Q3 2017. For the first 9 months of 2018 EBITDA amounts to DKKm 90.3 compared to DKKm 46.0 for the first 9 months of 2017.”

Jørn Mørkeberg Nielsen
CEO

Other highlights:

- The outlook for 2018 is maintained. The outlook for 2018 is based on a minor growth in top line and improved EBITDA by optimization of the operational set up and general cost savings
- Available Liquidity end Q3 2018 amounts to DKKm 78, which is DKKm 5 above end Q2 2018. Working capital is expected to improve in Q4 compared to Q3 2018

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Financial highlights

	Q3 2018 DKK (000)	Q3 2017 DKK (000)	YTD 2018 DKK (000)	YTD 2017 DKK (000)	FY 2017 DKK (000)
INCOME STATEMENT					
Revenue	450,477	443,946	1,252,294	1,204,189	1,599,103
Gross profit	120,630	98,541	322,232	288,058	367,281
Earnings before depr., amort. and impairm. (EBITDA)	46,843	12,304	90,320	46,044	39,626
CASH FLOW					
Cash flow from operating activities	14,041	(32,452)	(75,057)	(244,997)	(212,773)
Cash flow from investments	(5,707)	(16,304)	(17,481)	(58,423)	(74,510)
BALANCE SHEET					
Total assets			1,906,644	2,049,309	1,838,230
Equity			489,736	531,164	456,690
Working capital			317,284	288,520	230,872
Net Interest Bearing debt			853,922	870,100	853,393
FINANCIAL RATIOS					
Gross margin	26.8%	22.2%	25.7%	23.9%	23.0%
EBITDA margin	10.4%	2.8%	7.2%	3.8%	2.5%
Equity ratio			25.7%	25.9%	24.8%

Financial ratios are calculated as defined in the 2017 annual report.

Business review

The financial development for Q3 2018 with EBITDA of DKKm 46.8 (Q3 2017: DKKm 12.3) is in line with management's expectation. EBITDA for the first 9 months of 2018 amounts to DKKm 90.3, which is an improvement of DKKm 44.3 or almost a 100% increase compared to the first 9 months of 2017. Several initiatives to improve the performance of Cembrit have been worked on for the last 12 months and the result of these initiatives have been a key element in the increase in the financial performance for Q3 2018. Especially the focus on the performance of the Hungarian plant have been a key element with improved yield, more stable production and lower costs.

The current logistics setup is being reviewed with the warehouse in Aalborg, Denmark being transferred to the southern part of Jutland in Denmark to optimise the logistics setup. The change in the logistics setup will furthermore improve the CO2 footprint of Cembrit.

Revenue

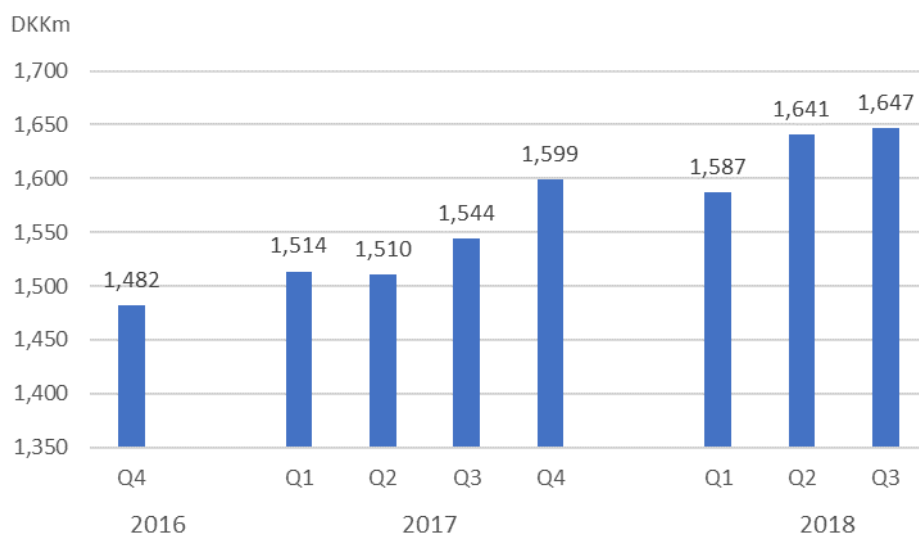
Revenue grew slightly in Q3 2018 to DKKm 450.5 compared to DKKm 443.9 for Q3 2017, which corresponds to an increase of 1.5%. The façade/function boards market and other markets in total increased by 7.9% in Q3 2018 compared to Q3 2017. The roofing market decreased by 5.4% in Q3 2018 compared to Q3 2017.

For the first 9 months of 2018 revenue amounts to DKKm 1,252.3 which equals a revenue growth of DKKm 48.1 or 4%. Of the increase of DKKm 48.1 the main part is related to the Nordics with DKKm 19.3 and West Europe with DKKm 20.9.

The sales pattern for Cembrit's products is seasonal. Revenue in the second and third quarters are traditionally the highest with the lowest revenue in the first quarter. LTM (last-12-month) revenue is shown on a quarterly basis in the below graph which takes the seasonality in Cembrit's revenue into account and shows Cembrit's stable revenue growth over the last 2 years.

The LTM revenue for Q3 2018 (revenue for the 12 months period; 1 October 2017 to 30 September 2018) amounts to DKKm 1,647, which is an increase of DKKm 103 or 6.7% from Q3 2017.

Quarterly development in revenue, LTM



EBITDA

The increased performance of the plant in Hungary and other production initiatives have increased the gross profit margin from 22.2% in Q3 2017 to 26.8% in Q3 2018, with 25.7% for the first 9 months of 2018 compared to 23.9% for the first 9 months of 2017.

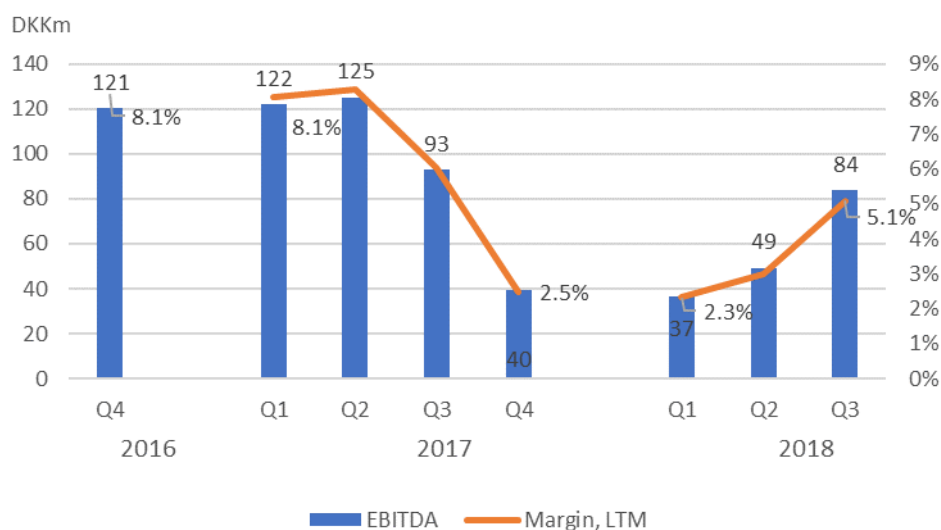
The strong cost awareness focus in 2018 have in Q3 2018 reduced the Sales and Distribution and Administrative costs by DKKm 12.5 compared to Q3 2017. The Sales and Distribution costs and Administrative costs amounts in total to DKKm 73.8 for Q3 2018.

The EBITDA margin for Q3 2018 have increased to 10.4% from 2.8% in Q3 2017. Furthermore, has the YTD EBITDA margin improved from 3.8% for 2017 to 7.2% for 2018. EBITDA for Q3 2018 amounts to DKKm 46.8 and DKKm 90.3 for the first 9 months of 2018.

Special non-recurring items, which are not included in EBITDA have increased to DKKm 12.5 for the first 9 months of 2018 and mainly relates to restructuring.

EBITDA, LTM (Last-12-Months) on a quarterly basis is specified in the below graph, which shows the recent strong development.

Quarterly development in EBITDA, LTM



The EBITDA, LTM for Q3 2018 of DKKm 84 (EBITDA for the 12 months period; 1 October 2017 to 30 September 2018) is negative impacted by the Q4 2017 loss of DKKm 6.4. EBITDA for the first 9 months of 2018 amounts to DKKm 90.3. With an expected increase in EBITDA for Q4 2018 compared to Q4 2017 the EBITDA for 2018 (12 months) is expected to improve compared to the Q3 2018 EBITDA, LTM of DKKm 84 stated above.

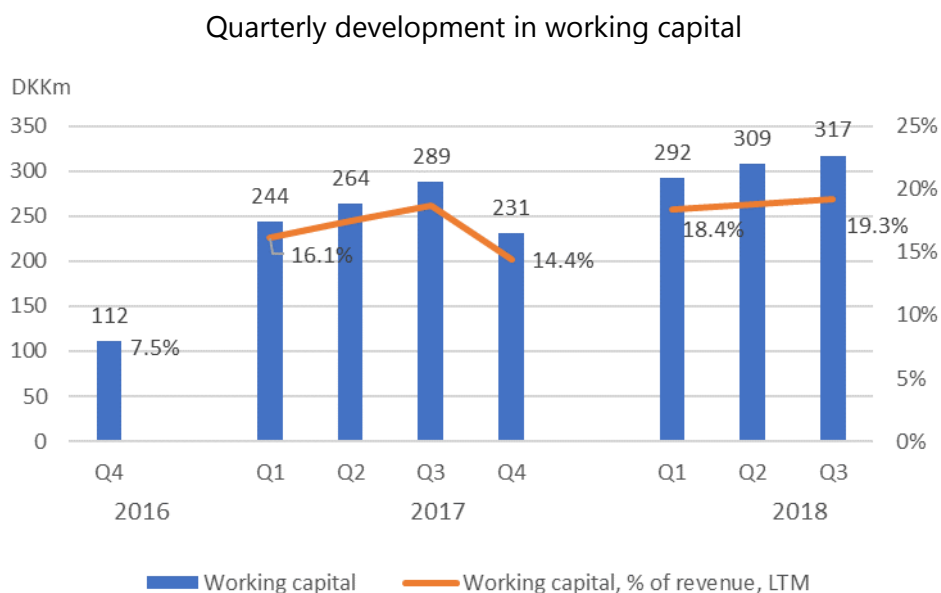
Cash flow

Cash flow for Q3 2018 and for the first 9 months of 2018 have shown a strong improvement compared to 2017.

Cash flow from operating and investing activities amounts to DKKm 8.3 for Q3 2018 and have increased by DKKm 57.1 compared to Q3 2017. The increase is mainly related to the improved earnings (see comments about EBITDA above) and lower investments. For the first 9 months of 2018 cash flow from operating and investing activities has increased by DKKm 210.9 which is mainly driven by improved working capital performance, lower investments and earnings. Cash flow from operating and investing activities amounts to DKKm -92.5 for the first 9 months of 2018. Working capital is the key driver for the negative cash flow of DKKm 92.5 for the first 9 months of 2018.

The main working capital focus is on inventory, accounts receivables and accounts payable. Compared to Q3 2017 Cembrit has reduced inventory by DKKm 54.5 but accounts payable has declined by DKKm 65.7, which counter-balances the inventory improvements. Accounts receivables end Q3 2018 is in line with Q3 2017. The initiatives implemented to reduce inventory has not yet shown the full effect and further improvements are expected going forward.

Below working capital in DKKm at quarter end and working capital in percentage of revenue, LTM (Last-12-Months) is specified.



Available Liquidity amounts to DKKm 78 end Q3 2018, which is DKKm 5 above end Q2 2018. Working capital is expected to decrease in Q4 2018 compared to Q3 2018, which will have a positive impact on cash flow for Q4 2018.

Equity

In January 2018 Cembrit received an equity issue of DKKm 90 from its shareholders and equity end Q3 2018 amounts to DKKm 490, which equals an equity ratio of 25.7%.

Outlook for 2018

The outlook for 2018 with improved performance is maintained.

A slight increase in revenue is expected for 2018 compared to 2017 driven by both existing and new markets. Operating profit (EBITDA) is expected to improve compared to 2017 driven by optimization of the operational setup and general cost savings.

DISCLAIMER

This interim financial report contains forward-looking statements. Such statements are subject to risks and uncertainties, as various factors, many of which are beyond the control of Cembrit Group A/S, may cause actual developments and results to differ materially from the expectations expressed in this report.

Presentation of the group

Cembrit is a leading European manufacturer and distributor of fibre cement products and offers a wide range of products and solutions for roofing as well as exterior and interior cladding.

Besides delivering building materials, Cembrit provides complete installation systems as well as technical solutions for residential houses, holiday cottages, trade, industry and agricultural buildings, offices as well as public buildings, including for both new build and renovation projects.

Fibre cement is a light, strong and flexible composite building and construction material, where cement is reinforced with cellulose fibres, characterised by several attractive product features, including, low maintenance, high durability and a competitive price level.

The fibre cement product category has historically been taking share as compared to rival building materials products.

The Group operates production facilities in Czech Republic, Finland, Hungary and Poland. In addition to manufacturing facilities, the Group has a number of warehouses in Europe. The Group covers the majority of Western and Eastern Europe through its sales entities or indirect sales.

Cembrit creates first class fibre-cement products. Cembrit's products and solutions add exciting new design opportunities for moulding attractive, durable settings for people's lives.

Statement by Management

The Board of Directors and the Executive Board have considered and adopted the Interim Financial Report of Cembrit Group A/S for the nine-month period ended 30 September 2018.

The Interim Financial Report, which has not been audited or reviewed by the Company auditor, has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union and Danish disclosure requirements for interim reports of listed companies.

In our opinion, the Interim Financial Statements give a true and fair view of the Cembrit Group's assets, equity, liabilities and financial position at 30 September 2018 and the results of the Group's activities and the cash flow for the period 1 January 2018 to 30 September 2018.

We also find that the Management's commentary provides a fair statement of developments in the activities and financial situation of the Group, financial results for the period, the general financial position of the Group and a description of major risks and elements of uncertainty faced by the Group.

Copenhagen, 15 November 2018

Executive Board

Jørn Mørkeberg Nielsen
CEO

Karsten Riis Andersen
CFO

Board of Directors

Kent Arentoft
Chairman

Denis Viet Jacobsen

Jan Warrer

Johan Olof Cervin

Sigge Lennart Haraldsson

Consolidated income statement

	Q3 2018	Q3 2017	YTD 2018	YTD 2017	FY 2017
	DKK (000)	DKK (000)	DKK (000)	DKK (000)	DKK (000)
Revenue	450.477	443.946	1.252.294	1.204.189	1.599.103
Production costs	(329.847)	(345.405)	(930.062)	(916.131)	(1.231.822)
Gross profit	120.630	98.541	322.232	288.058	367.281
Sales and distribution costs	(56.199)	(70.881)	(175.919)	(184.198)	(250.677)
Administrative costs and net other operating income	(17.588)	(15.356)	(55.994)	(57.816)	(76.979)
Earnings before depr., amort. and impairm. (EBITDA)	46.843	12.304	90.320	46.044	39.626
Special non-recurring items	(5.103)	(580)	(12.479)	(2.294)	(4.497)
Depreciation and impairment of tangible assets	(21.319)	(26.832)	(65.094)	(69.714)	(92.057)
Earnings before amort. and impairm. of intangible assets (EBITA)	20.421	(15.108)	12.747	(25.963)	(56.928)
Amortisation and impairment of intangible assets	(4.644)	(6.507)	(13.967)	(14.226)	(16.133)
Earnings before interest and tax (EBIT)	15.777	(21.615)	(1.220)	(40.189)	(73.061)
Financial items, net	(16.010)	(14.981)	(46.684)	(78.896)	(93.904)
Earnings before tax (EBT)	(233)	(36.596)	(47.904)	(119.085)	(166.965)
Tax on profit/loss for the period	(10.369)	(7.726)	(5.748)	16.043	(19.670)
Profit/loss for the period	(10.602)	(44.322)	(53.652)	(103.042)	(186.635)

Consolidated statement of comprehensive income

	Q3 2018 DKK (000)	Q3 2017 DKK (000)	YTD 2018 DKK (000)	YTD 2017 DKK (000)	FY 2017 DKK (000)
Profit/loss for the period	(10,602)	(44,322)	(53,652)	(103,042)	(186,635)
Other comprehensive income					
Items that can be reclassified to the income statement:					
Foreign exchange adjustment regarding foreign operations	7,437	1,545	(6,128)	20,591	27,498
Value adjustments of hedging instruments:					
Value adjustment for the period	2,845	2,185	20	3,204	4,804
Value adjustments transferred to revenue	427	(2,104)	(1,129)	(2,396)	(5,158)
Value adjustments transferred to production costs	(53)	779	1,818	902	3,223
Value adjustments transferred to balance sheet items	0	396	0	770	1,106
Tax on other comprehensive income	(424)	188	(289)	(296)	(526)
Other comprehensive income for the period after tax	10,231	2,989	(5,708)	22,774	32,974
Comprehensive income for the period	(371)	(41,333)	(59,360)	(80,268)	(153,661)
Comprehensive income for the period attributable to :					
Cembrit Group A/S shareholders' share of compreh. inc. for the period	(371)	(41,333)	(59,360)	(80,268)	(153,661)
	(371)	(41,333)	(59,360)	(80,268)	(153,661)

Consolidated cash flow statement

	Q3 2018 DKK (000)	Q3 2017 DKK (000)	YTD 2018 DKK (000)	YTD 2017 DKK (000)	FY 2017 DKK (000)
EBIT from P&L	15,778	(21,616)	(1,220)	(40,189)	(73,061)
Depreciations and impairments of tangible assets	21,319	26,833	65,094	69,714	92,057
Amortizations and impairments of intangible assets	4,644	6,507	13,967	14,226	16,133
Gain, loss on sold assets and other adjustments	235	(883)	(369)	1,345	3,267
Total adjusted EBITDA	41,976	10,841	77,472	45,096	38,396
Change in provisions	876	(1,686)	(1,412)	(6,774)	(13,172)
Change in working capital	(10,563)	(17,068)	(93,885)	(189,225)	(133,772)
Financial payments received and made	(13,182)	(21,691)	(41,879)	(81,914)	(91,683)
Corporation tax paid	(5,066)	(2,848)	(15,353)	(12,180)	(12,542)
Cash flow from operating activities	14,041	(32,452)	(75,057)	(244,997)	(212,773)
Investments in intangible assets	(1,656)	(6,866)	(6,681)	(27,188)	(35,596)
Investments in tangible assets	(4,272)	(9,430)	(10,678)	(30,979)	(38,963)
Total investments	(5,928)	(16,296)	(17,359)	(58,167)	(74,559)
Disposal of intangible assets	0	2,902	0	2,902	0
Disposal of tangible assets	220	(2,910)	231	(2,859)	58
Total disposals	220	(8)	231	43	58
Change in other financial assets	1	0	(353)	(299)	(9)
Cash flow from investments	(5,707)	(16,304)	(17,481)	(58,423)	(74,510)
Cash flow from operating and investing activities	8,334	(48,756)	(92,538)	(303,420)	(287,283)
Dividend	0	1	0	1	0
Capital increases	389	2,188	92,139	2,313	1,500
External banks	1,621	(19,976)	89	(17,749)	(14,022)
Leasing	(67)	(134)	(216)	(465)	(599)
Changes in NIBD	710	8,409	2,316	272,955	289,485
Cash flow from financing activities	2,653	(9,513)	94,328	257,054	276,364
Change in cash funds	10,987	(58,268)	1,790	(46,365)	(10,919)
Cash and cash pool balance at beg. of the period	(6,056)	29,322	6,785	16,975	16,975
Foreign exchange adjustments	1,987	249	(1,657)	693	729
Change in cash funds	10,987	(58,268)	1,790	(46,365)	(10,919)
Cash and cash pool balance at the end of the period	6,918	(28,697)	6,918	(28,697)	6,785

Consolidated balance sheet – Assets

	30.09.2018 DKK (000)	31.12.2017 DKK (000)	30.09.2017 DKK (000)
Intangible assets	171,402	178,619	173,981
Tangible assets	898,427	955,630	963,278
Other fin. assets	706	352	642
Deferred tax assets	104,257	86,308	129,073
Total non-current assets	1,174,792	1,220,910	1,266,974
Inventories	351,278	350,532	405,785
Accounts receivable	308,025	195,875	307,822
Prepaid expenses	12,056	11,017	10,728
Other receivables	42,910	41,495	42,762
Cash	17,582	18,401	15,237
Total current assets	731,852	617,321	782,335
Total assets	1,906,644	1,838,230	2,049,309

Consolidated balance sheet – Equity and Liabilities

	30.09.2018 DKK (000)	31.12.2017 DKK (000)	30.09.2017 DKK (000)
Share capital	71,874	41,860	43,010
Reserves	417,862	414,830	488,154
Total shareholders equity	489,736	456,690	531,164
Deferred tax liabilities	63,646	65,820	66,825
Provisions	58,504	54,218	57,628
Pension liabilities and other liabilities	2,139	2,181	2,165
Bond issued	852,457	850,131	829,195
Finance lease	514	551	588
Long-term liabilities	977,259	972,901	956,401
Pension liabilities and other liabilities	282	289	228
Finance lease	313	491	588
Other provisions	11,987	18,360	20,110
External banks	14,956	15,857	48,711
Accounts payable	169,949	164,822	235,680
Current tax liabilities	31,694	8,412	25,407
Prepayments from customers	398	634	4,763
Other short-term liabilities	210,069	199,775	226,256
Short-term liabilities	439,648	408,640	561,743
Total liabilities	1,416,908	1,381,541	1,518,144
Total equity and liabilities	1,906,644	1,838,230	2,049,309

Statement of changes in equity

DKK (000)	Share capital	Foreign exchange adjustment	Value adjustment of hedging	Non distribu- table reserves	Retained earnings	Proposed dividend	Total
Equity at 1 January 2018	41,860	19,300	(2,171)	5,382	392,587	0	456,958
Comprehensive income for the period							
Profit/loss for the period					(53,652)		(53,652)
Other comprehensive income							
Foreign exchange adjustments regarding foreign operations		(6,128)					(6,128)
Value adjustments of hedging instruments:							
Value adjustments for the period			20				20
Value adjustments transferred to revenue			(1,129)				(1,129)
Value adjustments transferred to production costs			1,818				1,818
Value adjustments transferred to balance sheet items			0				0
Tax on other comprehensive income			(289)				(289)
Other comprehensive income total	<u>0</u>	<u>(6,128)</u>	<u>420</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(5,708)</u>
Comprehensive income for the year	<u>0</u>	<u>(6,128)</u>	<u>420</u>	<u>0</u>	<u>(53,652)</u>	<u>0</u>	<u>(59,360)</u>
Capital increase	29,664				62,475		92,139
Equity at 30 September 2018	<u>71,524</u>	<u>13,172</u>	<u>(1,751)</u>	<u>5,382</u>	<u>401,410</u>	<u>0</u>	<u>489,737</u>
Equity at 1 January 2017	41,761	(8,198)	(7,647)	3,543	579,660	0	609,119
Comprehensive income for the period							
Profit/loss for the period					(103,042)		(103,042)
Other comprehensive income							
Foreign exchange adjustments regarding foreign operations		20,591					20,591
Value adjustments for the period			3,204				3,204
Value adjustments transferred to revenue			(2,396)				(2,396)
Value adjustments transferred to production costs			902				902
Value adjustments transferred to balance sheet items			770				770
Tax on other comprehensive income			(296)				(296)
Other comprehensive income total	<u>0</u>	<u>20,591</u>	<u>2,184</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,774</u>
Comprehensive income for the year	<u>0</u>	<u>20,591</u>	<u>2,184</u>	<u>0</u>	<u>(103,042)</u>	<u>0</u>	<u>(80,268)</u>
Capital increase	99				2,214		2,313
Equity at 30 September 2017	<u>41,860</u>	<u>12,393</u>	<u>(5,463)</u>	<u>3,543</u>	<u>478,832</u>	<u>0</u>	<u>531,164</u>

Notes

1 Update of material risk factors and events after reporting period

No significant changes in risk factors have been identified which will affect the Group through the coming quarter. For additional explanations regarding risks and uncertainties, please refer to the Risk Management description in the Annual report 2017 for Cembrit Group.

2 Accounting policies

The Interim Financial report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union and Danish disclosure requirements for listed companies.

Except as stated below the recognition and measurement principles applied in preparing the Interim Financial Report are consistent with those applied in preparing the 2017 Annual Report. The 2017 Annual Report provides a full description of Group accounting policies.

The Interim Financial Report have not been audited or subject to a review by the auditors.

Changes in accounting policies

Cembrit Group A/S has from 1 January 2018 implemented the following new reporting standards (IFRS) and amendments (IFRIC):

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers including amendments to IFRS 15: Effective date of IFRS 15
- IFRIS 22 Foreign Currency Transactions and Advance Consideration

Implementation of the new standards, amendments and interpretations have not had any material impact on the Group's financial statements.

New IFRSs which have been issued but not yet become effective

IASB has issued a number of new amended standards (IFRSs) and interpretations (IFRIS), which have been endorsed by the EU but not yet come into effect. IFRS 16 Leases is expected to become effective 1 January 2019.

IFRS 16 Leases will replace IAS 17 Leases currently in force and is effective for annual periods beginning on or after 1 January 2019. The new standard is expected to have an impact on Cembrit Group as a lessee, as all leases (except for short-term leases and leases of low-value assets) have to be recognized in the balance sheet as a right-of-use asset and lease liability measured at the present value of future lease payments. The right-of-use asset is subsequently depreciated over the lease term in a similar way to other assets such as property, plant and equipment, and interest on the lease

liability is calculated in a similar way to finance leases under IAS 17 Leases. Consequently, the change will also impact the presentation of the income statement and key performance indicators EBITDA and EBIT as well as balance sheet related ratios NIBD and solvency. Leases for the Cembrit Group primarily comprise forklift trucks, cars and rental of warehouses and premises.

Cembrit has not yet finalized the assessment of the impact of implementation of IFRS 16, but a positive impact on EBITDA is expected and an increase of the balance sheet. Due to higher total assets solvency will be affected negatively.

3 Significant estimates and assessments by Management

The preparation of the Interim Financial Report requires that the Management makes estimates and assumptions, which by definition will seldom equal the actual results, that affect the reported amounts and disclosures in the statements and in the notes to the financial statements.

Management bases its estimates on historical experience and other assumptions considered relevant at the time. These estimates and assumptions form the basis for the recognized carrying amounts of assets and liabilities and the derived effects on the income statement and other comprehensive income. The actual result may deviate over time.

The estimates made, and the underlying assumptions are reconsidered on an ongoing basis.

4 Credit facilities and available liquidity

	30.09.2018 DKK (000)	31.12.2017 DKK (000)	30.09.2017 DKK (000)
Bond issued	852,457	850,131	829,195
Credit facilities	82,025	82,025	82,025
Total facilities	934,482	932,156	911,220
Cash	17,582	18,401	15,237
Utilised	-873,713	-865,988	-877,906
Available liquidity	78,351	84,569	48,551

5 Segment information

The internal reporting framework used for reporting on revenue and expenses to the General Management Team and the Board of Directors has been established to reflect and report on the global functional responsibility setup at Cembrit. This setup consolidates functions by type, and Management reviews the results of the Group to assess performance. Thus, there is only one operating segment.

The Group operates primarily on the European Market. The geographical distribution of revenue is based on the country in which the goods are delivered.

Accounting policy

Revenue includes sales of goods and related services, less goods returned and volume and cash discounts. Sales are recognized at the time of risk transfer relating to the goods sold, provided that the revenue can be measured on a reliable basis and payment is expected to be received. A liability is recognized when it is contractually agreed that goods can be returned, and this is likely.

	Q3 2018	Q3 2017	YTD 2018	YTD 2017	FY 2017
	<u>DKK (000)</u>	<u>DKK (000)</u>	<u>DKK (000)</u>	<u>DKK (000)</u>	<u>DKK (000)</u>
Revenue by geographical area					
Nordic	360,945	360,404	1,001,866	982,612	1,302,160
West Europe	53,145	44,362	158,662	137,782	180,676
Other	36,387	39,180	91,766	83,795	116,267
	<u>450,477</u>	<u>443,946</u>	<u>1,252,294</u>	<u>1,204,189</u>	<u>1,599,103</u>
Revenue by product group					
Roofing	202,397	214,051	561,393	568,141	749,107
Façade/function boards	191,791	177,503	536,165	498,033	614,201
Other	56,289	52,392	154,736	138,015	235,795
	<u>450,477</u>	<u>443,946</u>	<u>1,252,294</u>	<u>1,204,189</u>	<u>1,599,103</u>
Assets by geographical area					
Nordic			313,283	343,212	336,890
East Europe			723,664	768,826	761,970
Other			32,882	25,221	35,389
			<u>1,069,829</u>	<u>1,137,259</u>	<u>1,134,249</u>

6 Special non-recurring items

Special non-recurring items consist of costs and income of a special nature in relation to the activities of the Group. The cost consists of costs related to historic sales activities and restructuring costs. The cost is classified as special non-recurring items to give a more true and fair view of the Group's other operational activities.

Special non-recurring items consist of costs and income of a one-off nature in relation to the Group's primary activities.

	Q3 2018	Q3 2017	YTD 2018	YTD 2017	FY 2017
	<u>DKK (000)</u>	<u>DKK (000)</u>	<u>DKK (000)</u>	<u>DKK (000)</u>	<u>DKK (000)</u>
Sales activities	0	0	3,263	0	0
M&A activities	0	580	0	1,735	4,497
Restructuring	5,126	0	9,216	559	0
	<u>5,126</u>	<u>580</u>	<u>12,479</u>	<u>2,294</u>	<u>4,497</u>

7 Events are the balance sheet date

No event has occurred after the balance sheet date that will have a material impact on the parent company's or the Cembra Group's financial position.