

## Continued strong sales growth

### Fourth quarter of 2017

- Consolidated net sales increased by 27 percent to SEK 558 m (440), of which organic growth amounted to 6 percent. Acquisitions contributed by 21 percent and currency effects were neutral
- Net sales in Products & Solutions amounted to SEK 382 m (298) and Installation Services to SEK 192 m (158)
- EBITDA before items affecting comparability increased by 15 percent to SEK 57 m (50)
- Operating profit (EBIT) before items affecting comparability increased by 5 percent to SEK 45 m (42)
- Operating profit (EBIT) amounted to SEK 43 m (39)
- Operating cash flow amounted to SEK 89 m (125)
- Earnings per share before and after dilution were SEK 0.95 (1.13)

### January–December 2017

- Consolidated net sales increased by 21 percent to SEK 2,187 m (1,813), of which organic growth amounted to 5 percent. Acquisitions contributed by 15 percent and currency by 1 percent
- Net sales in Products & Solutions amounted to SEK 1,568 m (1,341) and Installation Services to SEK 714 m (560)
- EBITDA before items affecting comparability was unchanged and amounted to SEK 248 m (248)
- Operating profit (EBIT) before items affecting comparability decreased by 7 percent to SEK 208 m (224)
- Operating profit (EBIT) amounted to SEK 194 m (206)
- Operating cash flow amounted to SEK 164 m (211)
- Earnings per share before and after dilution were SEK 5.71 (6.49)
- The Board proposes a cash dividend of SEK 3.75 (3.75) per share

### Financial key ratios

Amounts in SEKm unless otherwise stated	Q4 2017	Q4 2016	Change	12M 2017	12M 2016	Change
Net sales	558	440	27%	2,187	1,813	21%
Gross profit	137	124	10%	584	540	8%
Gross margin %	24.5%	28.1%	-3.6pp	26.7%	29.8%	-3.1pp
EBITDA	56	46	21%	234	231	1%
EBITDA before items affecting comparability	57	50	15%	248	248	0%
EBITDA margin before items affecting comparability, %	10.3%	11.3%	-1.0pp	11.3%	13.7%	-2.4pp
EBIT	43	39	12%	194	206	-6%
EBIT before items affecting comparability	45	42	5%	208	224	-7%
EBIT margin before items affecting comparability, %	8.0%	9.6%	-1.6pp	9.5%	12.3%	-2.8pp
ROCE before items affecting comparability, %	n/a	n/a	n/a	15.5%	18.7%	-3.2pp
Net profit	23	27	-16%	138	156	-12%
Operating cash flow	89	125	-28%	164	211	-22%
Net debt	204	25	717%	204	25	717%
Earnings per share before and after dilution, SEK	0.95	1.13	-16%	5.71	6.49	-12%

### Expectations for financial year 2018

For the financial year 2018, general demand is expected to be similar as in 2017 in most markets. Nordic Waterproofing expects to meet its financial targets, and the Group's organic net sales growth is expected to exceed the general growth rate where the Group operates. In addition to organic growth, the Group also expects to continue growing through selective acquisitions. EBIT before items affecting comparability is expected to increase slightly compared with 2017.

Unless otherwise stated, figures within parentheses refer to the preceding year or the corresponding period in the preceding year in respect of income statement and/or cash flow items and the end of the preceding year or the corresponding period in the preceding year in respect of balance sheet items. For definitions of financial and alternative key performance indicators, please see page 22.

## Message from the CEO

### A year of successful acquisitions

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In addition to our organic sales growth of 5 percent for the full year, we successfully pursued our selective acquisitions strategy. The four new members of our Group all match the focus we have set in our acquisition strategy: downstream integration for increased exposure to the end customers, enhanced product and services portfolios for our existing customers, and portfolio diversification with potential for geographic leverage.

**EPDM Systems in the Netherlands:** downstream integration in our EPDM business unit, **SPT Painting:** enhancement of the services portfolio in the Finnish liquid waterproofing segment, **LA Kattohuolto:** enhancement of the services portfolio in the Finnish building maintenance segment, and **Taasinge Elementer:** portfolio diversification in the specialist prefabrication market in Denmark, with the potential to extend the offering to all of the countries in which we are present. All of these companies have performed better than was expected at the time of acquisition.

Compared to previously communicated expectations, the satisfying profit achieved in the fourth quarter was influenced positively by favorable weather conditions in the quarter, particularly compared with the previous year when winter began in November. Raw materials prices, except for bitumen, have been stable also during the fourth quarter, although at a higher level than last year. Our own sales price increases also contributed positively to the quarter. However, as bitumen prices are increasing, we have announced additional price increases in most markets to be implemented during the second quarter.

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Both of our operating segments contributed to our consolidated sales growth of 27 percent in the fourth quarter of 2017. While our Products & Solutions operating segment reported a sales increase of 28 percent, our Installation Services operating segment achieved an increase of 21 percent deriving from both continued demand improvement in the Finnish market and the contributions from acquired companies.

Within our Products & Solutions segment, Sweden, Denmark and Finland contributed positively. Sales in Norway decreased, due to continued strong competition and instability within the Builders Merchants segment. SealEco showed strong sales compared with the preceding year, explained by sales from the acquired EPDM Systems. Taasinge Elementer, which was acquired in July, continued to perform very well and showed an organic growth in sales of 30 percent (proforma) for the fourth quarter. The positive effect is only visible at the EBITDA-level since the earnings in the acquired order book are amortized in accordance with IFRS. Accordingly, the acquired order book does not affect EBIT positively for the first year following the acquisition.



**Martin Ellis,**  
*President and CEO*

### Jan–Dec 2017

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Net sales:

**SEK 2,187 m**

EBITDA before items  
affecting comparability:

**SEK 248 m**

EBITDA margin before  
items affecting  
comparability:

**11.3%**

EBIT before items  
affecting comparability:

**SEK 208 m**

EBIT margin before  
items affecting  
comparability:

**9.5%**

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Installation Services in Finland achieved a 7 percent sales increase in the fourth quarter of 2017, compared with the corresponding quarter in 2016 and comparable operations. Our flat roof installation services business in Finland is showing growth and maintaining its market share, although profitability in the legacy operations is not at a satisfactory level. As announced in the previous quarterly report, a profit improvement program has been put in place and is currently being implemented. The program includes reviewed and adjusted internal business processes, an increased focus on profitability by means of incentive systems, as well as organizational changes within the larger unit in Finland. Due to the relatively long order book, positive financial effects are expected to be visible as of mid-2018. Our Danish franchise companies continued to perform well in the fourth quarter.

Following the acquisition of Taasinge Elementer A/S in the third quarter, Taasinge signed an agreement in December to acquire a production plant for prefabricated roofing and facade elements, by means of an acquisition of assets, from Ugilt Savværk. The acquisition forms part of the strategy to make Taasinge a major player in the Nordic market for prefabricated roofing and façade elements, and I am pleased to welcome the 40 employees in northern Jutland to our Group. The factory is modern and of a high standard and its staff have the skills required to ensure efficient production of the type of construction components in which Taasinge is the market leader. In addition, the geographic location provides us with cost-efficient transport to both Norway and Sweden. The acquisition was completed as of 4 January 2018, thereby continuing to deliver on our commitment to expand our business through both internal and external growth.

Vejen, 8 February 2018



Martin Ellis,  
President and CEO

### Conference call

A conference call for investors, analysts and media will be held today, 8 February 2018, at 9:00 a.m. CET and can be joined online at [www.nordicwaterproofing.com](http://www.nordicwaterproofing.com). Presentation material for the call will be available on the website one hour before the call.

To participate, please dial:

From the United Kingdom: +44 20 3008 9810

From Denmark: +45 3544 5576

From Sweden: +46 8 5033 6562

### Dividend proposal

The Board of Directors will propose that the Annual General Meeting ("AGM") of 20 April 2018 resolve to pay a cash dividend of SEK 3.75 per share, totalling SEK 90 m. This represents around 66 percent of net profit.

### 2018 Annual General Meeting

The AGM of Nordic Waterproofing Holding A/S will be held in Helsingborg, Sweden on 20 April 2018 at 10:00 a.m. CET. Information about the nomination committee is published on the Group's website: [www.nordicwaterproofing.com/en/nomination-committee](http://www.nordicwaterproofing.com/en/nomination-committee). The 2017 Annual Report will be available on Nordic Waterproofing's website and at the company's operational headquarters from the end of March 2018.

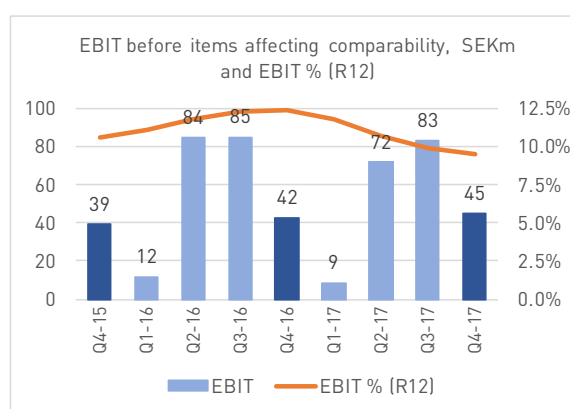
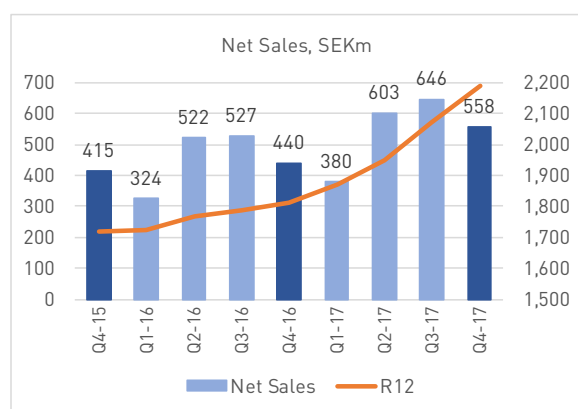
## The Group

### Net sales

Consolidated net sales for the fourth quarter increased by 27 percent to SEK 558 m (440). Sales in acquired companies contributed by 21 percent following the acquisitions made during the year. Organic growth was 6 percent and currency translation effects were neutral. Net sales for the period January–December increased by 21 percent to SEK 2,187 m (1,813). Acquisitions contributed by 15 percent, while organic growth was 5 percent. Year-to-date, the currency translation effect was positive and affected net sales by 1 percent.

	Q4 2017 (%)	Q4 2017 (SEKm)	12M 2017 (%)	12M 2017 (SEKm)
<b>Analysis of net sales</b>				
Previous period		440		1,813
Organic growth	6%	28	5%	89
Structural effects	21%	92	15%	265
Currency effects	0%	-2	1%	20
<b>Current period</b>	<b>27%</b>	<b>558</b>	<b>21%</b>	<b>2,187</b>

In general, sales were positively affected by favorable weather conditions in the quarter. All newly acquired companies contributed according to plan. Sales in Denmark increased by 64 percent in the fourth quarter compared with the corresponding period in the preceding year, of which 53 percent was related to Taasinge Elementer. Taasinge Elementer is developing very well showing strong organic growth of approximately 30 percent compared with the corresponding quarter in the preceding year. In Finland, sales increased by 20 percent, of which 13 percent was related to acquisitions and the remaining 7 percent to an organic increase within Installation Services. Sales in Sweden increased by 13 percent compared with the corresponding period in the preceding year. Sales in Norway decreased by 7 percent (down 2 percent adjusted for currency translation effects) during the quarter compared with the corresponding period in the preceding year, due to continued high competition within the Builders Merchant segment.



### Operating profit (EBIT), EBITDA and ROCE

Operating profit (EBIT) for the fourth quarter increased to SEK 43 m (39), while the EBIT margin decreased to 7.8 percent (8.9). Operating profit (EBIT) was negatively affected by the amortization of customer relations in the acquired companies, as well as by SEK 3 m due to the acquired order book in Taasinge Elementer being amortized over 12 months, resulting in a limited contribution from Taasinge Elementer to EBIT over the first year following the acquisition. All acquired businesses are developing according to plan. Items affecting comparability were negative in the amount of SEK 1 m (3), which was primarily related to legal advice expenses in connection with the competition case in Denmark. Operating profit (EBIT) for the period January–December decreased to SEK 194 m (206)

and EBIT margin decreased to 8.9 percent (11.4), negatively affected by increased amortizations amounting to SEK 13 m (3) following the acquisitions, as well as by Items affecting comparability amounting to SEK 14 m (17) consisting of costs related to the acquisitions as well as legal advice in connection with the competition case in Denmark (for further information, please see the section entitled "Items affecting comparability").

Operating profit (EBIT) before items affecting comparability increased to SEK 45 m (42) in the fourth quarter. The EBIT margin before items affecting comparability decreased to 8.0 percent (9.6), which is primarily explained by the increased raw material costs. The sales price increases that have been implemented are showing an effect, and offset the price increases on raw materials towards the end of the quarter. The operating profit (EBIT) before items affecting comparability for the period January-December decreased to SEK 208 m (224). The EBIT margin before items affecting comparability decreased to 9.5 percent (12.3 percent), primarily explained by increasing raw material prices not being fully offset by increased sales prices, as well as increased amortizations following the acquisitions.

EBITDA before items affecting comparability for the fourth quarter increased to SEK 57 m (50), while the EBITDA margin decreased to 10.3 percent (11.3). EBITDA before items affecting comparability for the period January-December was unchanged and amounted to SEK 248 m (248), while the EBITDA margin decreased to 11.3 percent (13.7).

Return on capital employed (ROCE) before items affecting comparability for the full year 2017 was 15.5 percent (18.7), exceeding our long-term financial target of 15 percent.

### Net financial items

Net financial items for the fourth quarter of 2017 amounted to an expense of SEK 10 m (4). The change is primarily explained by a negative SEK 6 m fair value adjustment of call/put options and additional purchase considerations for the acquired companies EPDM Systems and Taasinge Elementer, since both of those companies have performed better than originally anticipated at the time of acquisition.

### Profit before and after tax

Profit before tax for the fourth quarter amounted to SEK 34 m (35), while profit after tax amounted to SEK 23 m (27). Income tax for the fourth quarter of 2017 amounted to SEK 11 m (8). Income tax for the period January-December 2017 amounted to SEK 37 (37), corresponding to an effective tax rate of 21.0 percent (19.1).

### Seasonal variations

Nordic Waterproofing's business is significantly affected by seasonal variations in the construction industry, in which approximately 60 percent of annual sales generally occur during the second and third quarters. The weakest period is the first quarter of the year, which, due to the winter, has accounted for approximately one-fifth of annual sales for the past three financial years. There is generally a planned inventory build-up, primarily of finished products during the first six months of the year, which translates into a stock reduction during the third and fourth quarters as a result of increased activity in the market during the autumn.

## Items affecting comparability

Expenses for 2017 primarily involved those incurred in connection with acquisitions. Other items affecting comparability mainly comprise legal advice in connection with the competition case in Denmark.

Items affecting comparability SEKm, unless otherwise stated	Q4 2017	Q4 2016	12M 2017	12M 2016
Costs related to exit/listing of the Company	0	0	0	-14
Restructuring	0	0	0	-1
Costs related to acquisitions	0	0	-10	0
Other	-1	-3	-4	-2
<b>Current period</b>	<b>-1</b>	<b>-3</b>	<b>-14</b>	<b>-17</b>

## Cash flow

Operating cash flow during the fourth quarter amounted to SEK 89 m (125). The operating cashflow was SEK 36 m lower than in the corresponding period in the preceding year, and is primarily explained by higher net working capital and higher investments in tangible fixed assets. Operating cash flow for the full year 2017 compared to the preceding year decreased, amounting to SEK 164 m (211), entailing an operating cash conversion of 66 percent (85). The lower cash flow and cash conversion is primarily explained by temporarily higher inventory levels at the end of the year in order to fulfil delivery obligations early 2018, but also due to higher receivables for on-going projects in the installation services due to high activity at the end of the year.

Cash flow from operating activities during the fourth quarter was SEK 8 m lower than in the corresponding period in the preceding year, amounting to SEK 95 m (103). The lower cash flow is explained primarily by higher net working capital of SEK 26 m, offset by lower tax payments of SEK 15 m.

Cash flow from investing activities during the fourth quarter was negative in the amount of SEK 18 m (4), explained by two smaller acquisitions for SEK 7 m as well as higher investments in fixed assets of SEK 7 m.

Cash flow from financing activities during the fourth quarter was SEK 0 m (0).

## Investments and depreciations

Gross investments during the fourth quarter of 2017 amounted to SEK 12 m (5), while depreciations amounted to SEK 7 m (6). Amortizations of intangible assets amounted to SEK 5 m (1), explained by amortizations of customer relations in the acquired companies, as well as amortizations of the acquired order book in Taasinge Elementer.

## Financial position and liquidity

Nordic Waterproofing's principal external financing agreement is valid until June 2021 and contains a EUR 37.5 m term loan facility and a EUR 22 m revolving loan facility, of which EUR 14.4 m is allocated to the Group cash pool. The revolving loan facility increased by EUR 4 m, from EUR 18 m to EUR 22 m, in connection with the acquisition of Taasinge Elementer in July. The loan and credit facilities bear variable interest and run without requiring repayment in instalments. The financing agreement contains financial covenants which are monitored and followed up on a quarterly basis. Every quarter, Nordic Waterproofing has fulfilled the terms and conditions of the facility agreements.

The consolidated net debt decreased by SEK 72 m during the fourth quarter due to the positive cash flow during the quarter. Net debt amounted to SEK 204 m at the end of the period, compared with SEK 25 m at the end of the corresponding period in the preceding year. Consolidated cash and cash equivalents amounted to SEK 157 m (328) at the end of the period. Since no portion of the Group's SEK 142 m (139) overdraft facility was utilized at the end of the quarter, the total cash and cash equivalents available amounted to SEK 299 m (467).

Indebtedness calculated as interest-bearing net debt/EBITDA before items affecting comparability during the most recent twelve-month period was 0.8x (0.1x) at the end of the period, and the net debt/equity ratio was 0.2x (0.0x).

### Pledged assets and contingent liabilities

There were no significant changes in contingent liabilities during the period.

### Employees

The average number of employees during the fourth quarter of 2017 (expressed as full-time equivalents) was 890, compared with 631 during the corresponding period in the preceding year. The increase derives primarily from the acquired companies.

### Significant risks and uncertainties

A description of significant risks and uncertainties is found in Nordic Waterproofing's 2016 Annual Report, as well as in the Prospectus that was issued in connection with the Initial Public Offering in June 2016. There have not been any significant changes in significant risks and uncertainties since the publication of the Annual Report or the Prospectus.

### Significant events during the period

On 20 December 2017, Taasinge Elementer A/S signed an agreement to acquire a production plant in Denmark for prefabricated roofing and façade elements, by means of an acquisition of assets, from Ugilt Savværk. The acquisition forms part of the strategy to make Taasinge Elementer a major player in the Nordic market for prefabricated roofing and façade elements. The unit has 40 employees in northern Jutland and sales for 2017 was approximately SEK 50 m. The purchase consideration amounts to DKK 18 m and is being financed through Nordic Waterproofing's available cash and bank balances. The acquisition is consolidated into the Products & Solutions segment as of 4 January 2018.

### Significant events after the reporting period

The acquisition of assets from Ugilt Savværk was finalized on 4 January 2018. No other significant events have occurred after 31 December 2017.

### Financial targets

The Board of Directors of Nordic Waterproofing has updated the company's long-term financial targets and decided on a new profitability target, effective from 15 August 2017. Nordic Waterproofing's target for the return on capital employed before items affecting comparability is at least 15 percent. This target level is analogous to the previous EBIT margin target of at least 10 percent, which has been replaced. The actual outcome of the return on capital employed before items affecting comparability for the full year 2017 was 15.5 percent (18.7).

### The parent company

The parent company, Nordic Waterproofing Holding A/S, is a holding company that does not conduct any business. The parent company's earnings primarily reflect the net revenues for joint Group services and deductions for salaries, other remuneration and compensation, and similar expenses.

## Incentive programs

The 2017 Annual General Meeting in April resolved to authorize the Board of Directors to establish a Long-Term Incentive Program ("LTIP 2017") offered to 23 employees of the Group, and the program was established by the Board in June. The participants shall be allotted, free-of-charge, performance share rights entitling them to allocations of shares in the Company. Performance shares may be granted to the individual participant when targets have been met over a period of three years. The target is measured each year and the outcome is set after three years. Performance shares may only be granted to the individual participant if the participant is still employed by the Company and has not given, or been served, notice during the three-year vesting period. Targets for the participants are based on annual growth of operating profit before items affecting comparability, interest and taxes ("EBIT growth").

The total costs for the 3-year program in accordance with IFRS 2, including social security charges, are estimated to be at most SEK 7 m under the assumption of an average annual growth of operating profit (EBIT) before items affecting comparability of 12 percent.

No new shares will be issued in the Company due to LTIP 2017. However, the Company will acquire 97,309 treasury shares, corresponding to approximately 0.4 per cent of the outstanding shares and votes in the Company in order to secure the provision of shares under LTIP 2017 and to secure and cover social security charges. The costs for the program are expected to have a marginal effect on Nordic Waterproofing Group's key ratios.

## Shares and share capital

As per 31 December 2017, share capital amounted to DKK 24,084 thousand and the total number of issued shares was 24,083,935. The Company has one (1) class of shares. Each share entitles the holder to one vote at general meetings. On 31 December 2017, Nordic Waterproofing Holding A/S had more than 2,900 shareholders.

There have not been any changes in shares and share capital during the fourth quarter of 2017.

## Ownership structure

The largest shareholders in Nordic Waterproofing Holding A/S, as per 31 December 2017, are stated below.

<b>Owner</b>	<b>Number of shares</b>	<b>Capital and votes, %</b>
Carnegie Funds	2,316,500	9.6%
Swedbank Robur Funds	2,187,095	9.1%
Mawer Investment Management	1,642,737	6.8%
Catella Funds	1,359,991	5.6%
Svolder	1,207,514	5.0%
BMO Global Asset Management	1,168,369	4.9%
Norron Funds	1,030,212	4.3%
Länsförsäkringar Funds	877,898	3.6%
Third AP-Fund	638,916	2.7%
Handelbanken Funds	625,000	2.6%
<b>Total 10 largest shareholders</b>	<b>13,054,232</b>	<b>54.2%</b>
Other shareholders	11,029,703	45.8%
<b>Total number of shares</b>	<b>24,083,935</b>	<b>100.0%</b>

Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear,

Morningstar and the Swedish Financial Supervisory Authority.

Holdings with depositories are reported as "other shareholders"



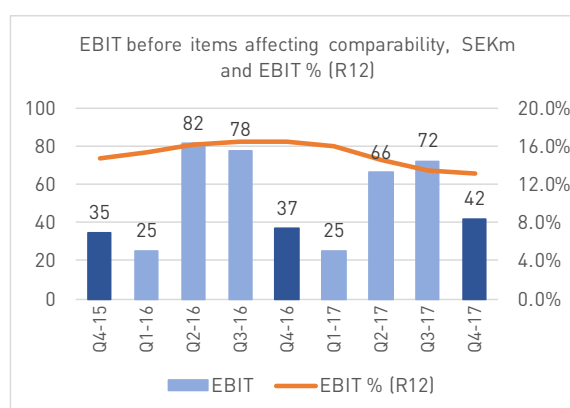
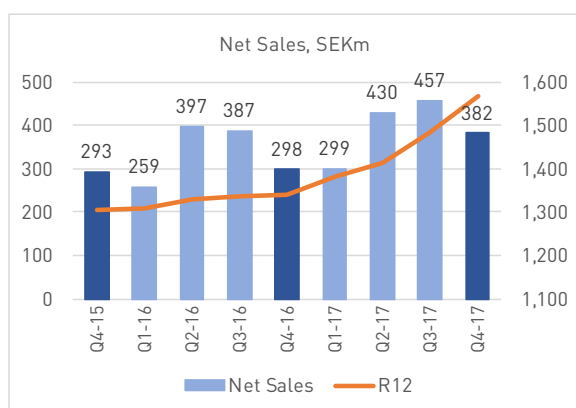
## Operating segments

### Products & Solutions

Net sales for the fourth quarter of 2017 grew by 28 percent compared with the corresponding period in the preceding year, increasing to SEK 382 m (298). Sales in Denmark increased by 64 percent, of which the acquired company Taasinge Elementer contributed by 53 percent. Sales in Sweden increased by 13 percent, due to strong sales within the Flat Roofing segment. Sales in Finland increased by 5 percent, due to increase in sales in all segments. Sales in Norway decreased by 7 percent (down 2 percent adjusted for currency translation effects) due to continued strong competition within the Builders Merchants segment.

Analysis of net sales, Product & Solutions	Q4 2017 (%)	Q4 2017 (SEKm)	12M 2017 (%)	12M 2017 (SEKm)
Previous period		298		1,341
Organic growth	6%	17	3%	47
Structural effects	23%	70	13%	171
Currency effects	-1%	-3	1%	9
<b>Current period</b>	<b>28%</b>	<b>382</b>	<b>17%</b>	<b>1,568</b>

Operating profit (EBIT) before items affecting comparability for Products & Solutions for the fourth quarter 2017 amounted to SEK 42 m (37). The EBIT margin before items affecting comparability amounted to 10.9 percent (12.3).



## Installation Services

Business in this operating segment is primarily conducted in Finland and through the non-consolidated franchise companies in Denmark. Net sales for the fourth quarter of 2017 increased by 21 percent compared with the corresponding period in the preceding year, amounting to SEK 192 m (158). The quarter was positively affected by the acquired companies SPT-Painting and LA Kattohuolto in Finland accounting for 14 percent of the growth, while the organic growth was 7 percent.

<b>Analysis of net sales, Installation Services</b>	<b>Q4 2017 (%)</b>	<b>Q4 2017 (SEKm)</b>	<b>12M 2017 (%)</b>	<b>12M 2017 (SEKm)</b>
Previous period		158		560
Organic growth	7%	11	9%	49
Structural effects	14%	23	17%	94
Currency effects	0%	0	2%	11
<b>Current period</b>	<b>21%</b>	<b>192</b>	<b>28%</b>	<b>714</b>

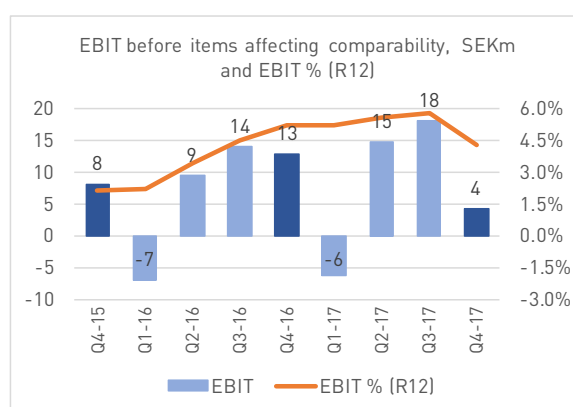
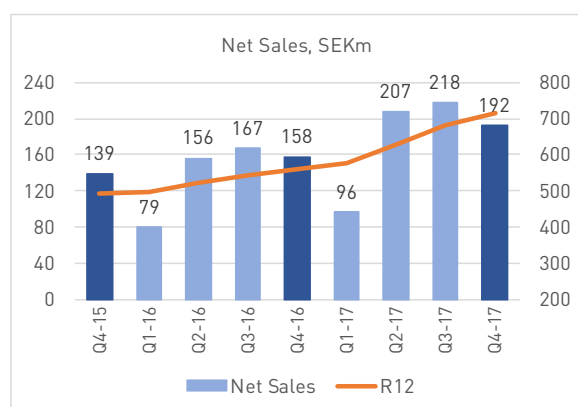
Order inflow during the fourth quarter increased by 9 percent compared with the preceding year and the order book was 33 percent higher at the end of December 2017 compared with the corresponding period in the preceding year. The order book, including the order books of the acquired businesses in 2017, was 73 percent higher at the end of December 2017, compared with the corresponding period in the preceding year.

### Order inflow and order book

<b>SEKm, unless otherwise stated</b>	<b>Q4 2017</b>	<b>Q4 2016</b>	<b>Change</b>	<b>12M 2017</b>	<b>12M 2016</b>	<b>Change</b>
Order inflow in the period	166	152	9%	518	408	27%
Order book at end of period (comparable, excl acq)	169	127	33%	169	127	33%
Order book at end of period (incl acquisitions)*	220	127	73%	220	127	73%

\* As recognized in Nordic Waterproofings' accounts, the acquired order book is included in 2017 but not in the preceding year

Operating profit (EBIT) before items affecting comparability for Installation Services for the fourth quarter decreased to SEK 4 m (13). During the quarter, a profit improvement program in Finland was implemented in the larger unit in Finland. The program has negatively affected the operating result by approximately SEK -7 m, consisting of negative adjustments of the estimates of the on-going projects in addition to redundancy costs following organizational changes. Our Danish franchise companies continued to perform well in the fourth quarter. The EBIT margin before items affecting comparability was 2.2 percent (8.1).



## Quarterly data, IFRS and alternative measures

Key figures (SEKm)	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net sales	558	646	603	380	440	527	522	324
EBITDA before items affecting comparability	57	96	79	15	50	92	90	17
EBITDA-margin before items affecting comparability, %	10.3%	14.9%	13.2%	4.0%	11.3%	17.4%	17.2%	5.3%
Operating profit (EBIT) before items affecting comparability	45	83	72	9	42	85	84	12
EBIT-margin before items affecting comparability, %	8.0%	12.8%	11.9%	2.2%	9.6%	16.1%	16.2%	3.6%
Net profit	23	65	51	-1	27	73	56	0
Operating cashflow	89	103	-12	-17	125	85	50	-48
Operating cashflow (R12)	164	199	182	243	211	204	213	202
Operating cash conversion (R12), %	66%	83%	77%	99%	85%	84%	93%	95%
Net debt	204	276	274	125	25	127	200	239
Earnings per share, SEK	0.95	2.70	2.13	-0.06	1.13	3.04	2.31	0.01

Net sales by segment (SEKm)	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Products & Solutions	382	457	430	299	298	387	397	259
Installation Services	192	218	207	96	158	167	156	79
Group Items & Eliminations	-16	-30	-34	-15	-16	-27	-31	-14
Total	558	646	603	380	440	527	522	324

Net sales by country (SEKm)	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Sweden	80	101	102	65	70	98	100	60
Norway	41	55	57	41	44	58	62	29
Denmark	152	151	107	83	93	103	104	75
Finland	207	247	234	122	172	198	188	103
Europe	77	89	102	66	58	70	66	56
Rest of world	2	3	0	4	3	0	2	2
Total	558	646	603	380	440	527	522	324

EBITDA before items affecting comparability, by segment (SEKm)	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Products & Solutions	52	83	72	31	43	84	87	30
Installation Services	6	20	16	-6	13	15	10	-7
Group Items & Eliminations	-1	-7	-9	-10	-6	-6	-6	-6
Total	57	96	79	15	50	92	90	17

EBIT before items affecting comparability, by segment (SEKm)	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Products & Solutions	42	72	66	25	37	78	82	25
Installation Services	4	18	15	-6	13	14	9	-7
Group Items & Eliminations	-1	-7	-9	-10	-7	-7	-6	-6
Total	45	83	72	9	42	85	84	12

## Management's statement

Today, the Group's Board of Directors and Executive Board have discussed and approved Nordic Waterproofing Holding A/S' interim report for the period January-December 2017.

The year-end report, which has not been audited or reviewed by the company's auditor, is presented in accordance with IAS 34 "Interim Financial Reporting" as approved by the EU and additional Danish requirements relating to the disclosure of information for interim reports of listed companies.

In our opinion, the year-end report gives a true and fair presentation of the Group's assets, shareholders' equity and liabilities, and financial position as of 31 December 2017, as well as of the results of the Group's activities and cash flow for the period January-December 2017.

Furthermore, in our opinion, the review by management provides a true and fair statement of the development of the Group's activities, financial position and profit or loss for the period, and describes the most significant risks and uncertainties faced by the Group.

Vejen, 8 February 2018

### Executive Board

Martin Ellis  
President & CEO

### Board of Directors

Ulf Gundemark  
*Chairman*

Christian Frigast

Jørgen Jensen

Riitta Palomäki

Mats O. Paulsson

Kristina Willgård

## Condensed consolidated key figures

Amounts in SEKm unless otherwise stated	Q4 2017	Q4 2016	12M 2017	12M 2016
Net sales	558	440	2,187	1,813
Gross profit	137	124	584	540
EBITDA	56	46	234	231
EBITDA before items affecting comparability	57	50	248	248
Operating profit (EBIT)	43	39	194	206
Operating profit (EBIT) before items affecting comparability	45	42	208	224
Net profit	23	27	138	156
Gross margin, %	24.5%	28.1%	26.7%	29.8%
EBITDA margin, %	10.1%	10.5%	10.7%	12.7%
EBITDA margin before items affecting comparability, %	10.3%	11.3%	11.3%	13.7%
EBIT margin, %	7.8%	8.9%	8.9%	11.4%
EBIT margin before items affecting comparability, %	8.0%	9.6%	9.5%	12.3%
Operating cash flow	89	125	164	211
Operating cash conversion, %	n/a	n/a	66%	85%
Investments in tangible & intangible assets	-12	-5	-23	-20
Total assets	1,756	1,568	1,756	1,568
Capital employed	1,370	1,317	1,370	1,317
Equity	1,010	964	1,010	964
Net debt	204	25	204	25
Net debt/EBITDA before items affecting comparability, multiple	n/a	n/a	0.8x	0.1x
Interest coverage ratio, multiple	17.1x	15.9x	21.6x	12.2x
Equity/assets ratio, %	57.5%	61.5%	57.5%	61.5%
Net debt/equity ratio, multiple	0.2x	0.0x	0.2x	0.0x
Return on shareholders' equity, %	n/a	n/a	13.9%	18.2%
Return on shareholders' equity before items affecting comparability, %	n/a	n/a	15.3%	20.3%
Return on capital employed, %	n/a	n/a	14.4%	17.3%
Return on capital employed before items affecting comparability, %	n/a	n/a	15.5%	18.7%
Return on capital employed before items affecting comparability excluding goodwill, %	n/a	n/a	31.0%	38.1%
Average number of shares before and after dilution *	24,083,935	24,083,935	24,083,935	24,083,935
Earnings per share before and after dilution, SEK	0.95	1.13	5.71	6.49
Shareholders equity per share before and after dilution, SEK	41.93	40.01	41.93	40.01
Operating cash flow per share before and after dilution, SEK	3.71	5.18	6.81	8.78
Number of shares before and after dilution *	24,083,935	24,083,935	24,083,935	24,083,935

\*: For comparative reasons previous year average number of shares have been re-calculated due to the split in June 2016

## Condensed financial statements

### Condensed consolidated statement of profit or loss and other comprehensive income

Amounts in SEKm unless otherwise stated	Q4 2017	Q4 2016	12M 2017	12M 2016
Net sales	557.6	440.2	2,186.8	1,813.1
Cost of goods sold	-421.0	-316.4	-1,602.7	-1,272.6
Gross profit/loss	136.6	123.8	584.1	540.4
Selling expenses	-73.2	-58.6	-272.3	-229.6
Administrative expenses	-26.2	-30.4	-130.5	-116.0
Research and development expenses	-1.6	-1.2	-6.5	-6.6
Other operating income	1.8	2.5	6.3	8.3
Other operating expenses	-0.8	-1.8	-2.5	-2.7
Share of profit in associated companies	6.7	4.8	15.1	12.5
<b>Operating profit/loss (EBIT)</b>	<b>43.4</b>	<b>39.0</b>	<b>193.7</b>	<b>206.3</b>
Net finance items	-9.5	-4.2	-19.5	-13.2
<b>Profit/loss before tax</b>	<b>33.9</b>	<b>34.8</b>	<b>174.2</b>	<b>193.1</b>
Tax	-11.2	-7.7	-36.6	-36.9
<b>Profit/loss after tax</b>	<b>22.8</b>	<b>27.1</b>	<b>137.6</b>	<b>156.3</b>
<b>Other comprehensive income</b>				
<b>Items that are or may be reclassified to profit/loss for the year</b>				
Translation differences for the year in translation of foreign operations	22.2	-3.1	19.8	18.1
Gains/losses on hedging of currency risk in foreign operations	-4.5	1.0	-4.5	-7.1
Gains/losses on raw material hedging	-4.2	18.7	-22.1	26.5
Tax on gains/losses on comprehensive income	1.8	-4.2	5.7	-4.2
<b>Total other comprehensive income after tax</b>	<b>15.4</b>	<b>12.3</b>	<b>-1.1</b>	<b>33.4</b>
<b>Total comprehensive income after tax</b>	<b>38.1</b>	<b>39.5</b>	<b>136.5</b>	<b>189.6</b>
<b>Profit/loss for the year, attributable to:</b>				
Owners of the company	22.8	27.2	136.9	156.2
Non-controlling interests	0.0	0.0	0.7	0.1
<b>Total comprehensive income for the year, attributable to:</b>				
Owners of the company	38.1	39.5	135.8	189.6
Non-controlling interests	0.0	0.0	0.7	0.1

## Condensed consolidated balance sheet

Amounts in SEKm unless otherwise stated	31 Dec 2017	31 Dec 2016
<b>ASSETS</b>		
Intangible assets	796.6	632.2
Tangible assets	209.8	180.1
Financial assets	38.5	26.6
Deferred tax assets	0.0	0.0
Other non-current assets	12.0	5.1
<b>Total non-current assets</b>	<b>1,056.8</b>	<b>844.0</b>
Inventories	259.6	173.6
Trade receivables	212.9	156.8
Receivables for on-going construction contracts	43.9	24.7
Tax assets	1.9	0.9
Other receivables	24.3	39.5
Cash and cash equivalents	156.8	328.4
<b>Total current assets</b>	<b>699.3</b>	<b>723.9</b>
<b>TOTAL ASSETS</b>	<b>1,756.1</b>	<b>1,568.0</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	30.0	30.0
Reserves	23.0	24.1
Retained earnings including profit for the year	956.4	909.8
<b>Equity attributable to owners of the Company</b>	<b>1,009.4</b>	<b>963.9</b>
Non-controlling interests	0.5	-0.2
<b>Total equity</b>	<b>1,009.8</b>	<b>963.6</b>
Non-current interest-bearing liabilities	360.3	352.9
Other non-current liabilities	37.1	0.0
Provisions	5.8	4.9
Deferred tax liabilities	52.6	40.3
<b>Total non-current liabilities</b>	<b>455.9</b>	<b>398.1</b>
Current interest-bearing liabilities	0.0	0.5
Trade payable	90.7	66.0
Tax liabilities	9.4	9.9
Other current liabilities	190.3	130.0
<b>Total current liabilities</b>	<b>290.4</b>	<b>206.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,756.1</b>	<b>1,568.0</b>

## Condensed consolidated statement of changes in equity

Specification of changes in equity (SEKm)	12M 2017	12M 2016
<i>Equity attributable to owners of the Company</i>		
Opening balance	963,9	748,6
Total comprehensive income	135,8	189,6
New issue thorough exercised warrants	0,0	48,6
Repurchased warrants	0,0	-23,0
Dividend	-90,3	0,0
<b>Closing balance</b>	<b>1 009,4</b>	<b>963,9</b>
<i>Equity attributable to non-controlling interest</i>		
Opening balance	-0,2	-0,7
Total comprehensive income	0,7	0,1
Acquisitions	0,0	0,4
<b>Closing balance</b>	<b>0,5</b>	<b>-0,2</b>
<b>SUM TOTAL EQUITY, CLOSING BALANCE</b>	<b>1 009,8</b>	<b>963,6</b>

## Condensed consolidated cash flow statement

Amounts in SEKm unless otherwise stated	Q4 2017	Q4 2016	12M 2017	12M 2016
<b>Operating activities</b>				
Operating profit (EBIT)	43.4	39.3	193.7	206.3
Adjustment for non-cash items etc	5.9	1.3	23.7	7.2
Interest received	-0.1	0.1	0.2	0.1
Interest paid	-1.9	-2.6	-7.6	-11.5
Dividends received	0.6	7.4	10.8	13.4
Income tax paid/received	-4.8	-20.1	-38.1	-53.5
<b>Cash flow from operating activities before changes in working capital</b>	<b>43.1</b>	<b>25.3</b>	<b>182.6</b>	<b>161.9</b>
<b>Changes in working capital</b>				
Increase (-)/Decrease (+) in inventories	3.5	9.2	-45.2	-1.0
Increase (-)/Decrease (+) in operating receivables	133.3	128.4	-33.7	-24.5
Increase (+)/Decrease (-) in operating liabilities	-85.3	-60.3	22.4	-8.3
<b>Cash flow from operating activities</b>	<b>94.6</b>	<b>102.6</b>	<b>126.1</b>	<b>128.1</b>
<b>Investing activities</b>				
Acquisition of intangible fixed assets	-1.2	-3.5	-2.0	-10.0
Acquisition of tangible fixed assets	-10.9	-1.4	-21.2	-10.2
Divestments of tangible fixed assets	0.7	0.0	1.0	0.0
Acquisition of business, net cash impact	-6.5	0.0	-123.2	0.0
Acquisition of participations in associated companies	0.0	0.0	-6.6	-3.2
Divestments of participations in associated companies	-0.2	0.0	0.2	0.8
Change in other financial assets	0.3	1.2	-7.1	3.6
<b>Cash flow from investing activities</b>	<b>-17.9</b>	<b>-3.7</b>	<b>-158.8</b>	<b>-18.9</b>
<b>Financing activities</b>				
Amortization of loans	-0.8	-0.2	-50.1	-343.0
Proceeds from loans	0.4	0.0	0.4	347.6
New issue through exercised warrants	0.0	0.0	0.0	48.6
Dividend/repurchased warrants	0.0	0.0	-90.3	-23.0
Acquisition of participations in non-controlling interest	0.0	0.0	0.0	0.4
<b>Cash flow from financing activities</b>	<b>-0.4</b>	<b>-0.2</b>	<b>-140.0</b>	<b>30.7</b>
Cash flow for the period	76.4	98.6	-172.7	139.9
Cash and cash equivalents at the beginning of the period	78.0	227.9	328.4	181.3
Exchange-rate differences in cash and cash equivalents	2.4	1.8	1.0	7.2
<b>Cash and cash equivalents at the end of the period</b>	<b>156.8</b>	<b>328.4</b>	<b>156.8</b>	<b>328.4</b>



## Notes

### Note 1 – Accounting principles

The interim report is presented in accordance with IAS 34 “Interim Financial Reporting”, which has been approved by the EU, and additional Danish requirements relating to the disclosure of information for quarterly reports by listed companies.

The Group applies IFRS (International Financial Reporting Standards), which have been adopted by the EU, and the Danish Annual Reports Act. The accounting principles are the same as those described in Note 1 to Nordic Waterproofing Group’s 2016 Annual Report. No new accounting principles applicable from 2017 have had a significant effect on the Nordic Waterproofing Group. A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2018, and have not been applied in preparing these consolidated financial statements. IFRS 9 and IFRS 15 will not have substantial impact on the consolidated financial statements of the Group, and, at this stage, the Group is not able to quantify the impact of IFRS 16 on the Group’s financial statements or to decide on the method of first-time application. However, the Group does not intend to adopt the standard before its effective date.

The financial statements are presented in SEK rounded off to the nearest hundred thousand, unless otherwise stated. This rounding off process may mean that the total sum of the sub-items in one or more rows or columns does not match the total sum for the row or column.

### Note 2 – Alternative key ratios

The Group presents certain financial measures in the interim report which are not defined according to IFRS. The Group considers these measures to provide valuable supplementary information for investors and the Company’s management as they enable the assessment of relevant trends. Nordic Waterproofing’s definitions of these measures may differ from other companies’ definitions of the same terms. These financial measures should therefore be seen as a supplement rather than as a replacement for measures defined according to IFRS. Definitions of measures which are not defined according to IFRS and which are not mentioned elsewhere in the interim report are presented in the section “Definitions; Key performance indicators not defined according to IFRS”.

### Note 3 – Seasonality

Nordic Waterproofing’s business is affected significantly by seasonal variations in the construction industry. We refer to page 5 for more detailed information.

### Note 4 – Items affecting comparability

Items affecting comparability comprise of income statement items that are non-recurring, have a significant impact on profit and are important for understanding the underlying development of the Group. In particular, these costs include acquisition-related transaction and restructuring costs relating to new acquisitions and improvements to the day-to-day business, where the Group is enhancing its operations by means of measures including reorganizations of production facilities and sales units. These expenses consist primarily of personnel costs and other external costs.

## Note 5 – Risks and uncertainties

Nordic Waterproofing's business is subject to various risks, which can be divided into operating, financial and external risks. Operating risks include liability under warranties and product liability, key employees, disruptions in production, IT systems, intellectual property rights, product development, restructuring, acquisitions and integration, insurance, and corporate governance. Financial risks primarily include changes in exchange rates and interest rates, and risks relating to losses in respect of accounts receivable, liquidity risk, the capacity to raise capital, financial credit risk and risks relating to goodwill. External risks include risks relating to market trends, competition, prices of raw materials, political decisions, legal disputes, tax risks, environmental risks and weather conditions.

The management of risk at Nordic Waterproofing is based on a structured process for continually identifying and assessing risks, their likelihood and their potential impact on the Group. The focus is on identifying controllable risks and managing the risks to reduce the overall risk level for the business. The risks are described in the Group's 2016 Annual Report and the prospectus issued in connection with the Initial Public Offering in June 2016. Other than these risks and uncertainties, no significant additional risks or uncertainties have arisen.

## Note 6 – Acquisitions of businesses

On 24 January 2017, the acquisition of 67 percent of the shares and votes in the Dutch company EPDM Systems B.V. ("EPDM Systems") was completed by Nordic Waterproofing Holding A/S's subsidiary, SealEco AB, for SEK 12 m, of which SEK 12 m was paid in cash on the transaction of ownership. Nordic Waterproofing has a call option and the minority shareholder (the CEO of EPDM Systems) has a put option for the remaining 33 percent of the shares. The option gives SealEco AB the right to buy, and the minority shareholder the right to sell, the shares after 1 January 2022. For accounting purposes, the combined call and put option has been classified as a financial liability, and consequently, no non-controlling interest has been recognized. Goodwill includes the value of market knowledge and synergies from the transaction. No portion of the goodwill is expected to be tax deductible. Acquisition-related costs amounted to SEK 1 m in the form of consulting fees in connection with the acquisition process. These consulting expenses have been recognized as administrative expenses in the consolidated statement of profit or loss and other comprehensive income, and are excluded from operating result (EBIT) before items affecting comparability of the Nordic Waterproofing Group.

On 31 January 2017, the acquisition of 100 percent of the shares and votes in the Finnish company SPT-Painting Oy was completed by Nordic Waterproofing Holding A/S's subsidiary, Nordic Waterproofing Oy, for SEK 31 m, of which SEK 31 m was paid in cash on the transaction of ownership. It has also been agreed that an earn-out may be paid within two years after completion of the acquisition depending on the financial performance of SPT-Painting. Goodwill includes the value of market knowledge and synergies from the transaction. No portion of the goodwill is expected to be tax deductible. Acquisition-related costs amounted to SEK 2 m in the form of consulting fees in connection with the acquisition process. These consulting expenses have been recognized as administrative expenses in the consolidated statement of profit or loss and other comprehensive income, and are excluded from operating result (EBIT) before items affecting comparability of the Nordic Waterproofing Group.

On 28 April 2017, 100 percent of the shares and votes in the Finnish company LA Kattohuolto Oy was completed by Nordic Waterproofing Holding A/S's subsidiary, Nordic Waterproofing Oy, for SEK 22 m on a cash and debt free basis. It has also been agreed that an earn-out may be paid within two years after completion of the acquisition depending on the financial performance of LA Kattohuolto. Goodwill includes the value of market knowledge and synergies from the transaction. No portion of the goodwill is expected to be tax deductible. Acquisition-related costs amounted to SEK 2 m in the form of consulting fees in connection with the acquisition process. These consulting expenses have been recognized as administrative expenses in the consolidated statement of profit or loss and other comprehensive income, and are excluded from operating result (EBIT) before items affecting comparability of the Nordic Waterproofing Group.

On 4 July 2017, the acquisition of 80 percent of the shares and votes in the Danish prefab specialist Taasinge Elementer A/S were acquired by Nordic Waterproofing Holding A/S's subsidiary, Nordic Waterproofing Holding DK ApS, for SEK 94 m on a cash and debt free basis, of which SEK 72 m was paid in cash on the transaction of ownership. It has also been agreed that an earn-out may be paid within one year after completion of the acquisition depending on the financial performance of Taasinge Elementer A/S. Nordic Waterproofing has a call option and the minority shareholders (the CEO and COO of Taasinge Elementer A/S) has a put option for the remaining 20 percent of the shares. The option gives Nordic Waterproofing DK Holding ApS the right to buy the shares after 4 July 2024, and the minority shareholder the right to sell the shares after 4 July 2022. For accounting purposes, the combined call and put option has been classified as a financial liability, and consequently, no non-controlling interest has been recognized. Intangible assets include the value of the order book at the date of the acquisition amounting to approximately SEK 11 m, which will be amortized, and thus affecting operating profit (EBIT) during approximately one year following the acquisition. Goodwill includes the value of market knowledge and synergies from the transaction. No portion of the goodwill is expected to be tax deductible. Acquisition-related costs amounted to SEK 4 m in the form of consulting fees in connection with the acquisition process. These consulting expenses have been recognized as administrative expenses in the consolidated statement of profit or loss and other comprehensive income, and are excluded from operating result (EBIT) before items affecting comparability of the Nordic Waterproofing Group.

The acquired companies' net assets on the acquisition date:

	Jan 2017	Jan 2017	Apr 2017	Jul 2017
Acquisition analysis SEKm, unless otherwise stated	EPDM Systems B.V.	SPT- Painting Oy	LA Katto- huolto Oy	Taasinge Elementer A/S
Intangible assets	10	8	8	33
Tangible assets	1	3	3	22
Inventories	12	3	0	22
Trade and other receivables	8	7	2	28
Cash and equivalents	0	4	5	19
Other non-interest bearing liabilities	-6	-6	-2	-29
Interest bearing liabilities	-5	-5	-1	-41
Deferred tax liabilities	-2	-2	-2	-9
<b>Net assets and liabilities</b>	<b>18</b>	<b>13</b>	<b>13</b>	<b>45</b>
Goodwill	4	18	13	59
<b>Consideration</b>	<b>22</b>	<b>31</b>	<b>26</b>	<b>104</b>

Of the total consideration of SEK 22 m related to EPDM Systems, SEK 12 m has been paid in cash and SEK 10 m related to the call/put option has been deferred and classified as long-term debt. Of the total consideration of SEK 104 m related to Taasinge Elementer, SEK 72 m has been paid in cash and SEK 16 m relating to the earn-out has been classified as short-term debt. SEK 16 m related to the call/put option has been deferred and classified as long-term debt.

During the fourth quarter, the determination of the final initial purchase price and the acquisition balance were agreed with the sellers of Taasinge Elementer A/S. Following the agreed acquisition balance, the final purchase price allocation analysis for Taasinge Elementer A/S was adjusted and minor adjustments (SEK 3 m) of the fair values for the combined call/put option and the additional purchase have been made, increasing goodwill accordingly. In addition, the purchase price allocation for EPDM Systems was restated and the fair value for the combined call/put option at the time of the acquisition was increased (SEK 4 m), increasing goodwill accordingly.

## Note 7 – Intangible assets

The Group's intangible assets have primarily arisen in connection with business acquisitions. Other intangible assets include capitalized expenses for software and R&D-projects.

Intangible assets, carrying amounts SEKm, unless otherwise stated	Goodwill	Customer relations	Order book	Other	Total
Opening balance, 1 January 2017	616	6	0	10	632
Investments	0	0	0	2	2
Acquisitions	96	48	11	0	155
Amortisation	0	-7	-6	-2	-15
Exchange-rate differences	21	1	1	0	23
<b>Closing balance, 31 December 2017</b>	<b>733</b>	<b>48</b>	<b>6</b>	<b>10</b>	<b>797</b>

## Note 8 – Financial instruments

Financial instruments measured at fair value in the balance sheet consist of financial derivatives used to hedge the price risk arising from highly probable future purchases of bitumen products. These are recognized in the balance sheet items "Other receivables" and "Other liabilities", and hedge accounting is applied. The fair value of these commodity derivatives has been established through a discount of the difference between the agreed price and future prices at the reporting date for the remaining contract period. As at 31 December 2017, there were no outstanding hedge agreements (at the corresponding period the preceeding year, the expected purchases of bitumen for delivery during January to September 2017 were hedged, equivalent to 30,000 tons or approximately 80 percent of the expected annual purchasing volume). In February 2018, the expected purchases of bitumen for delivery January to December 2019 were hedged by means of derivatives equivalent to 15,200 tons or approximately 38 percent of the expected annual purchasing volume. The fair value measurements belong to level 2 in the fair value hierarchy in IFRS 13.

Financial instruments SEKm, unless otherwise stated	Carrying amount		Fair value	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
<b>Measurement level 2:</b>				
Assets at fair value	0	22	0	22
Assets at acquisition cost	287	199	287	199
Liabilities at fair value	0	0	0	0
Liabilities at acquisition cost	522	442	522	442
<b>Measurement level 3:</b>				
Liabilities at acquisition cost	23	0	23	0

## Note 9 – Operating segments

Nordic Waterproofing's business and the basis for division into segments are the various products or services delivered by each segment. The Group's operating segments consist of Products & Solutions and Installation Services. Products & Solutions relates to sales of both internally produced and externally purchased products and related services, and Installation Services comprises the Group's wholly-owned and partly-owned contracting operations within roofing. Group Items and Eliminations comprises parent company functions, including the treasury function, as well as the elimination of intra-group sales from Products & Solutions to Installation Services.

Information regarding net sales from external customers, EBITDA before items affecting comparability and operating profit (EBIT) before items affecting comparability broken down by segment is set out in the tables on page 11.

Inter-segment transfer pricing is determined on an arm's length basis, i.e. between parties that are independent of one another, are well informed and have an interest in the implementation of the transaction. Assets and investments are reported based on where the assets are located.

Amounts in SEKm unless stated otherwise	Products & Solutions		Installation Services		Group Items and Eliminations		Nordic Waterproofing Group	
	12M 2017	12M 2016	12M 2017	12M 2016	12M 2017	12M 2016	12M 2017	12M 2016
Revenues from external customers	1,473	1,253	714	560	0	0	2,187	1,813
Revenues from other segments	95	88	0	0	-95	-88	0	0
<b>Revenues, total</b>	<b>1,568</b>	<b>1,341</b>	<b>714</b>	<b>560</b>	<b>-95</b>	<b>-88</b>	<b>2,187</b>	<b>1,813</b>
<b>EBITDA before items affecting comparability</b>	<b>239</b>	<b>243</b>	<b>36</b>	<b>30</b>	<b>-26</b>	<b>-25</b>	<b>248</b>	<b>248</b>
Depreciation & Amortisation	-33	-22	-5	-1	-2	-1	-40	-25
<b>EBIT before items affecting comparability</b>	<b>205</b>	<b>221</b>	<b>31</b>	<b>29</b>	<b>-28</b>	<b>-27</b>	<b>208</b>	<b>224</b>
Items affecting comparability	-9	-4	-4	1	-1	-14	-14	-17
<b>Operating profit (EBIT)</b>	<b>196</b>	<b>217</b>	<b>27</b>	<b>31</b>	<b>-29</b>	<b>-41</b>	<b>194</b>	<b>206</b>
Net finance items							-20	-13
<b>Profit/loss after finance items but before tax (EBT)</b>							<b>174</b>	<b>193</b>
Tax							-37	-37
<b>Profit/loss for the year</b>							<b>138</b>	<b>156</b>
<i>Assets</i>								
Intangible assets (goodwill & customer relations)	674	556	122	70	0	6	797	632
Property, plant and equipment	199	176	9	3	1	2	210	180
Participations in associated companies	0	0	31	20	0	0	31	20
Inventory	254	172	5	2	0	0	260	174
Other assets	205	131	118	81	-29	13	293	226
Non-allocated assets					166	336	166	336
<b>Total assets</b>	<b>1,332</b>	<b>1,035</b>	<b>286</b>	<b>176</b>	<b>138</b>	<b>358</b>	<b>1,756</b>	<b>1,568</b>
<i>Liabilities and Equity</i>								
Equity					1,010	964	1,010	964
Other liabilities	254	165	74	54	-41	-18	287	201
Non-allocated liabilities					459	404	459	404
<b>Total liabilities and equity</b>	<b>254</b>	<b>165</b>	<b>74</b>	<b>54</b>	<b>1,428</b>	<b>1,349</b>	<b>1,756</b>	<b>1,568</b>
Investments in tangible & intangible assets	19	16	3	1	1	3	23	20

## Note 10 – Transactions with related parties

The Group has related party relationships with the associated companies stated in Note 34 of the 2016 Annual Report. Transactions with related parties are priced on market terms. No transactions have taken place between Nordic Waterproofing and related parties that have materially affected the Group's financial position and results in the fourth quarter of 2017.

## Definitions

### Key performance indicator according to IFRS

Earnings per share	Profit after tax for the period attributable to parent company shareholders divided by the average number of outstanding shares for the period
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### Key performance indicators not defined according to IFRS

Capital employed	Total assets less non-interest-bearing provisions and liabilities
EBIT	Operating profit
EBIT margin	EBIT as a percentage of net sales
EBITDA	Operating profit before depreciation, amortization and impairment of tangible and intangible assets
EBITDA margin	Operating profit before depreciation, amortization and impairment of tangible and intangible assets as a percentage of net sales
Equity/assets ratio	Shareholders' equity, including non-controlling interests, as a percentage of total assets
Gross margin	Gross profit as a percentage of net sales
Interest cover ratio	Profit after net financial items plus interest expenses in relation to interest expenses
Items affecting comparability	Statement items that are non-recurring, have a significant impact on profit and therefore constitute important adjustments for understanding the underlying development of operations
Net debt	Interest-bearing liabilities less cash and cash equivalents
Net debt/EBITDA before items affecting comparability	Net debt in relation to EBITDA before items affecting comparability
Net debt/equity ratio	Net debt in relation to shareholders' equity
Operating cash conversion	Operating cash flow as a percentage of EBITDA before items affecting comparability for the period
Operating cash flow	EBITDA before items affecting comparability plus dividends from associated companies, less cash flow related from investments in tangible and intangible assets, cash flow from changes in working capital and income from associated companies
Organic growth	Net sales growth adjusted for enterprises acquired and sold off and any exchange rate changes. No adjustments have been made for number of working days
R12	The most recent twelve months/rolling twelve-month period
Return on capital employed	EBIT as a percentage of average capital employed, calculated as the average of the period's opening and closing balances
Return on capital employed before items affecting comparability	Operating profit (EBIT) before items affecting comparability as a percentage of average capital employed, calculated as the average of the period's opening and closing balances
Return on capital employed before items affecting comparability and excluding goodwill	Operating profit (EBIT) before items affecting comparability as a percentage of average capital employed, excluding goodwill, calculated as the average of the period's opening and closing balances
Return on shareholders' equity	Profit after tax attributable to parent company shareholders as a percentage of average shareholders' equity, excluding non-controlling interests
Return on shareholders' equity before items affecting comparability	Profit after tax attributable to parent company shareholders including reversed items affecting comparability as a percentage of average capital employed, excluding non-controlling interests



## About Nordic Waterproofing Group

Nordic Waterproofing is one of the leading providers in the waterproofing market in northern Europe. The Company provides high-quality products and solutions for waterproofing in Sweden, Finland, Denmark, Norway, Belgium, the Netherlands, Poland, the United Kingdom and Germany. Nordic Waterproofing also provides installation services through wholly-owned subsidiaries in Finland and through part-owned franchise companies in Denmark. The Company markets its products and solutions under nine brands, all with an extensive heritage, most of which are among the most established and well-recognized brands in waterproofing in their respective markets, such as Mataki, Trebolit, Phønix Tag Materialer, Kerabit, Nortett, SealEco, SPT-Painting and Taasinge Elementer. Nordic Waterproofing is listed in the Mid Cap segment on Nasdaq Stockholm with the stock ticker NWG.

### Business concept

Nordic Waterproofing develops, manufactures and distributes a full range of products and solutions for the protection of buildings and infrastructure.

Our products are characterized by high-quality design adapted to local climate conditions and building standards. Ease of installation, energy and environmental optimization are key components of our offer.

Our excellence in customer service builds on smart logistics, understanding our customers' present and future needs, and the exceptional responsiveness delivered by our team of highly motivated employees.

### Financial calendar

Annual Report 2017	Week commencing 26 March 2018
Annual General Meeting, in Helsingborg	20 April 2018
Interim report, January-March 2018	3 May 2018
Interim report, January-June 2018	16 August 2018
Interim report, January-September 2018	1 November 2018

### Further information can be obtained from

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This information is information that Nordic Waterproofing Holding A/S is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 8 February 2018, 08:00 a.m. CET.

This report contains forward-looking statements which are based on the current expectations of the management of Nordic Waterproofing. Even though management believes that the expectations reflected in these forward-looking statements are reasonable, no assurances can be given that these expectations will be realized. Therefore, the financial results may differ significantly from those indicated in the forward-looking statements due to, among other things, changes in economic, market-related and competition-related conditions, changes to rules and regulations and other governmental measures, exchange rate fluctuations and other factors.

