

## Strong second quarter with earnings growth

### Second quarter of 2018

- Consolidated net sales increased by 22 percent to SEK 736 m (603), of which organic growth amounted to 2 percent. Acquisitions contributed by 16 percent and currency by 4 percent
- Net sales in Products & Solutions amounted to SEK 565 m (430) and Installation Services to SEK 201 m (207)
- EBITDA before items affecting comparability increased by 21 percent to SEK 96 m (79)
- Operating profit (EBIT) before items affecting comparability increased by 10 percent to SEK 79 m (72)
- Operating profit (EBIT) amounted to SEK 76 m (65)
- ROCE before items affecting comparability on rolling 12 months basis was 15.2 percent (16.9)
- Operating cash flow amounted to SEK 41 m (-12)
- Earnings per share before and after dilution were SEK 2.43 (2.13)
- A dividend of SEK 3.75 (3.75) per share was paid

### January–June 2018

- Consolidated net sales increased by 23 percent to SEK 1,210 m (983), of which organic growth amounted to 2 percent. Acquisitions contributed by 18 percent and currency by 3 percent
- Net sales in Products & Solutions amounted to SEK 932 m (729) and Installation Services to SEK 320 m (303)
- EBITDA before items affecting comparability increased by 24 percent to SEK 117 m (94)
- Operating profit (EBIT) before items affecting comparability increased by 6 percent to SEK 85 m (80)
- Operating profit (EBIT) amounted to SEK 79 m (69)
- Operating cash flow amounted to SEK -20 m (-29)
- Earnings per share before and after dilution were SEK 2.30 (2.07)

### Financial key ratios

Amounts in SEKm unless otherwise stated	Q2 2018	Q2 2017	Change	6M 2018	6M 2017	Change	R12 2018	12M 2017
Net sales	736	603	22%	1,210	983	23%	2,414	2,187
Gross profit	196	171	14%	304	276	10%	612	584
Gross margin %	26.6%	28.4%	-1.8pp	25.1%	28.1%	-2.9pp	25.4%	26.7%
EBITDA	94	72	30%	111	83	33%	262	234
EBITDA before items affecting comparability	96	79	21%	117	94	24%	271	248
EBITDA margin before items affecting comparability, %	13.1%	13.2%	-0.1pp	9.7%	9.6%	0.1pp	11.2%	11.3%
EBIT	76	65	18%	79	69	14%	203	194
EBIT before items affecting comparability	79	72	10%	85	80	6%	212	208
EBIT margin before items affecting comparability, %	10.7%	11.9%	-1.2pp	7.0%	8.2%	-1.2pp	8.8%	9.5%
ROCE before items affecting comparability, %	n/a	n/a	n/a	n/a	n/a	n/a	15.2%	15.5%
Net profit	59	51	14%	55	50	11%	143	138
Operating cash flow	41	-12	n/a	-20	-29	n/a	172	164
Net debt	430	274	57%	430	274	57%	430	204
Earnings per share before and after dilution, SEK	2.43	2.13	14%	2.30	2.07	11%	5.95	5.71

### Expectations for financial year 2018 - revised

For the financial year 2018, general demand is expected to be similar to that 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 in the markets in which 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 (*previously: 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 21.

## Message from the CEO

### Strong second quarter with earnings growth

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**Consolidated net sales for the second quarter rose by 22 percent compared with last year, from SEK 603 m to SEK 736 m. Acquisitions contributed 16 percent, organic growth was 2 percent and currency exchange rate effects was 4 percent.**

**At SEK 79 m, EBIT before items affecting comparability was above last year's profit of SEK 72 m, an increase of 10 percent. At the same time, EBITDA increased 21 percent to SEK 96 m compared with SEK 79 m in the corresponding period in the preceeding year.**

**Veg Tech, our third acquisition this year, was completed after the reporting period in the beginning of July, in line with our commitment to develop our business towards sustainable and environmentally efficient solutions. The Swedish company Veg Tech, a leading specialist in green roofs and multifunctional vegetation systems, has annual sales of SEK 125 m within a segment benefiting from growing demand.**

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The consolidated net sales growth of 22 percent in the second quarter was driven by the strong roofing and infrastructure markets in Sweden and Denmark but also the prefabricated elements business in both Denmark and Norway. While our Products & Solutions operating segment reported a sales increase of 31 percent, our Installation Services operating segment decreased 3 percent as a deliberate and direct consequence of our more selective project approach and efforts to increase profitability in the Finnish installation services business.

Within our Products & Solutions segment, Denmark continued to see a favorable demand trend and Sweden showed returning growth following the long and cold winter during the first quarter. We are implementing a second sales price increase for our bitumen based products with effect from the end of the third quarter, to adress recent further bitumen price increases.

In both Denmark and Norway, the prefabricated elements business continue to develop very well and enjoys strong order intake.

The profit improvement program within our flat roof installation services business in Finland is developing according to plan within the larger unit in Finland, and our efforts, including a more selective approach towards roofing projects and the execution of the projects, are starting to show positive financial effects are visible as of mid-2018. Our Danish franchise companies continued to perform well during the second quarter, with strong order books and an EBIT contribution in line with the preceding year.



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

### Jan-Jun 2018

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Net sales:

**SEK 1,210 m (983)**

EBITDA before items  
affecting comparability:

**SEK 117 m (94)**

**9.7% (9.6%)**

EBIT before items  
affecting comparability:

**SEK 85 m (80)**

**7.0% (8.2%)**

ROCE (R12) before  
items affecting  
comparability:

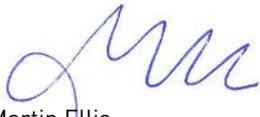
**15.2% (16.9%)**

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The continued strength in the Danish market has led to some capacity constraints in terms of finding and hiring skilled and qualified roofers. In September, we are therefore starting up a co-operation and a trainee program together with the Vejen municipality and roofing companies throughout Denmark. The program aims to educate, increase the interest and prepare young adults to be able and willing to pursue a future career within roofing, as we foresee a continued lack of skilled roofers in the coming years.

As of the beginning of July, after the reporting period, I am pleased to welcome Veg Tech and our new colleagues to our Group. Veg Tech's solid position in vegetation technology and green roofs is a perfect complement to our existing offering of high-quality waterproofing solutions. Through the acquisition of Veg Tech, we demonstrate and enhance our commitment towards sustainable and environmentally efficient solutions for the building industry. Veg Tech is operated as a separate business unit within the Products & Solutions segment, and Bengt-Erik Karlberg, Head of Veg Tech, is as of today a new member of the Group Management of Nordic Waterproofing.

Vejen, 16 August 2018



Martin Ellis,  
President and CEO

### Conference call

A conference call for investors, analysts and media will be held today, 16 August 2018, at 10:00 a.m. CEST and can be joined online at [www.nordicwaterproofing.com](http://www.nordicwaterproofing.com). Presentation materials 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 9806

From Denmark: +45 35 44 55 75

From Sweden: +46 8 566 193 53

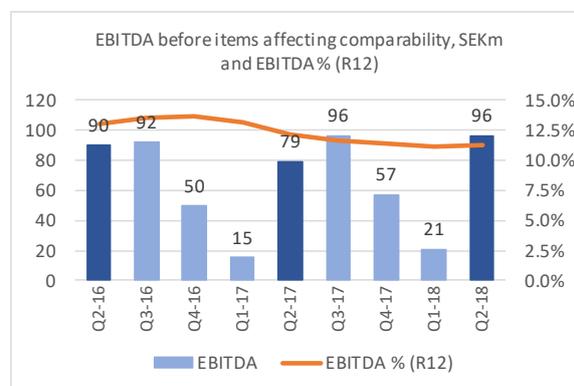
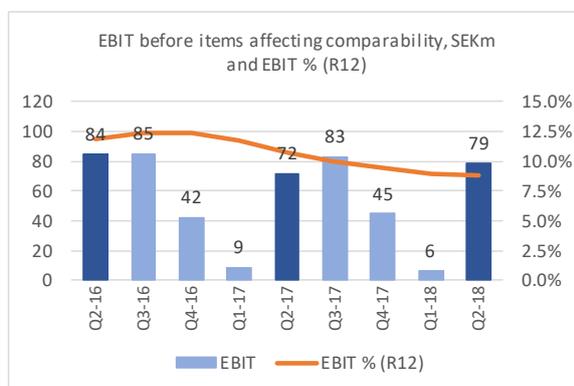
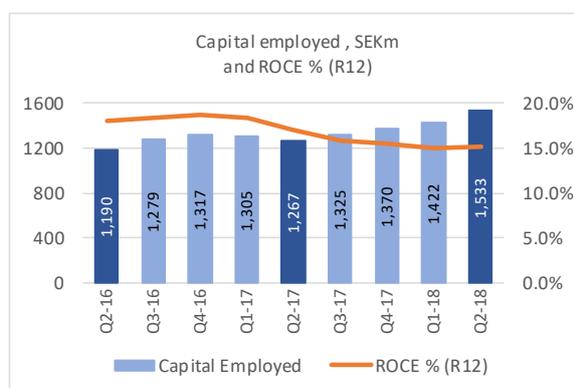
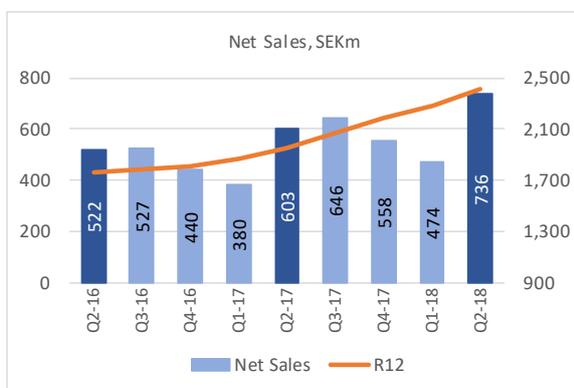
## The Group

### Net sales

Consolidated net sales for the second quarter increased by 22 percent to SEK 736 m (603). Sales in acquired companies contributed by 16 percent. Organic growth was 2 percent and currency translation effects were positive affecting net sales by 4 percent. Net sales for the period January-June improved by 23 percent to SEK 1,210 (983). Acquisitions contributed by 18 percent, while the organic growth was 2 percent. The currency effects year-to-date were positive and affected net sales by 3 percent.

Analysis of net sales	Q2 2018 (%)	Q2 2018 (SEKm)	6M 2018 (%)	6M 2018 (SEKm)
Previous period		603		983
Organic growth	2%	11	2%	16
Structural effects	16%	97	18%	176
Currency effects	4%	25	3%	35
<b>Current period</b>	<b>22%</b>	<b>736</b>	<b>23%</b>	<b>1,210</b>

In general, sales were somewhat positively affected by a catch up effect following the long and cold winter in the beginning of the year. Sales in Denmark increased by 79 percent in the second quarter compared with the corresponding period in the preceding year, of which 64 percent was related to Taasinge Elementer showing strong organic growth (proforma) during the second quarter. In Norway, sales increased by 51 percent compared with the corresponding period in the preceding year. The acquired company RVT explains 47 percent, 7 percent is due to the positive currency effect from the weaker Norwegian krona, while organic sales in local currency decreased 3 percent. Sales in Sweden increased by 19 percent compared with the corresponding period in the preceding year. Sales in Finland decreased by 2 percent during the quarter compared with the corresponding period in the preceding year, although a positive currency effect due to the weaker Swedish krona versus the euro. The lower sales in Finland is primarily a consequence of the deliberate more selective approach towards roofing projects and the effective execution of the projects.



## Operating profit (EBIT), EBITDA and ROCE

Operating profit (EBIT) for the second quarter increased to SEK 76 m (65) and the EBIT margin was 10.4 percent (10.7). Operating profit (EBIT) was negatively affected by amortization of customer relations in the acquired companies, as well as by amortization of acquired order books in the prefabrication elements business, of SEK 7 m, being amortized over 6 to 12 months, resulting in a limited contribution from the acquired companies to EBIT over the first year following the acquisition. Items affecting comparability amounted to SEK -2 m (-7) and consisted of expenses in connection with acquisitions. Operating profit (EBIT) for the period January-June increased to SEK 79 m (69) while the EBIT margin decreased to 6.5 percent (7.0), negatively affected by increased amortizations amounting to SEK -17 m (-2) following the acquisitions, as well as by Items affecting comparability amounting to SEK -6 m (-11) primarily related to expenses regarding acquisitions (for further information, please see the section entitled "Items affecting comparability").

Operating profit (EBIT) before items affecting comparability increased to SEK 79 m (72) in the second quarter. The EBIT margin before items affecting comparability decreased to 10.7 percent (11.9). The operating profit (EBIT) before items affecting comparability for the period January-June increased to SEK 85 m (80). The EBIT margin before items affecting comparability decreased to 7.0 percent (8.2).

EBITDA before items affecting comparability for the second quarter increased to SEK 96 m (79) and the EBITDA margin before items affecting comparability decreased to 13.1 percent (13.2). EBITDA before items affecting comparability for the period January-June increased to SEK 117 m (94) and the EBITDA margin before items affecting comparability increased to 9.7 percent (9.6).

Return on capital employed (ROCE) before items affecting comparability was 15.2 percent (16.9) on a rolling 12 month basis, which was in line with our long-term financial target of 15 percent.

## Net financial items

Net financial items for the second quarter of 2018 amounted to SEK -5 m (-2). The change is explained by a negative value adjustment of call/put options for the acquired companies EPDM Systems and Taasinge Elementer and by increased external interest costs.

## Profit or loss before and after tax

Profit before tax for the second quarter amounted to SEK 71 m (63) and profit after tax amounted to SEK 59 m (51). Income tax for the second quarter of 2018 amounted to SEK -13 m (-11). Income tax for the period January-June 2018 amounted to SEK -14 m (-13), corresponding to an effective tax rate of 20.0 percent (20.4).

## Seasonal variations

Nordic Waterproofing's business is significantly affected by seasonal variations in the construction industry, where 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

The expenses in the first and second quarter of 2018 are primarily related to expenses in connection with acquisitions.

Items affecting comparability SEKm, unless otherwise stated	Q2 2018	Q2 2017	6M 2018	6M 2017	12M 2017
Costs related to exit/listing of the Company	0	0	0	0	0
Restructuring	0	0	0	0	0
Costs related to acquisitions	-2	-6	-5	-9	-10
Other	0	-1	-1	-2	-4
<b>Current period</b>	<b>-2</b>	<b>-7</b>	<b>-6</b>	<b>-11</b>	<b>-14</b>

## Cash flow

Operating cash flow during the second quarter was positive in the amount of SEK 41 m (-12). The operating cashflow was SEK 53 m higher than in the corresponding period in the preceding year and is primarily explained by higher EBITDA and a lower net working capital increase than in the corresponding period in the preceding year.

Cash flow from operating activities during the second quarter was SEK 66 m higher than in the corresponding period in the preceding year, amounting to SEK 41 m (-25). The higher cash flow is explained primarily by higher EBITDA and a lower net working capital increase.

Cash flow from investing activities during the second quarter was negative in the amounts of SEK -14 m (-32). The difference is primarily explained by the acquisition that was made in the corresponding period in the preceding year.

Cash flow from financing activities during the second quarter was SEK -54 m (-91). In April, dividend was paid to the shareholders in the amount of SEK 90 m (90), and the cash pool credit/revolving credit facility has been utilized to finance the seasonal swing in net working capital in the amount of SEK 56 m (0) as per the end of the second quarter. In addition, the additional purchase price in connection with the acquisition of Taasinge Elementer was paid in the amount of SEK 16 m during the second quarter.

## Investments and depreciations

Gross investments during the second quarter of 2018 amounted to SEK 13 m (4), while depreciation amounted to SEK 8 m (5). Amortizations of intangible assets amounted to SEK 10 m (1), explained by amortizations of customer relations in the acquired companies, as well as amortizations of the acquired order books.

## 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 42 m revolving loan facility, of which EUR 14.4 m is allocated to the Group cash pool overdraft facility. The revolving loan facility was increased by additionally EUR 20 m in connection with the acquisition of Veg Tech in the beginning of July. The loan and credit facilities bear variable interest and run without requiring repayment in instalments. The financing agreement contains financial covenants that 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 increased by SEK 137 m during the second quarter due to lower cash and cash equivalents following the negative seasonal net working capital effects and dividend payment. Net debt amounted to SEK 430 m at the end of the period, compared with SEK 274 m at the end of the corresponding period in the preceding year. Consolidated cash and cash equivalents amounted to SEK 51 m (81) at the end of the period. Out of

the Group's total overdraft facility of SEK 150 m (137), SEK 59 m (0) was utilized at the end of the quarter. Hence, the total cash and cash equivalents available amounted to SEK 142 m (218) at the end of the quarter.

Indebtedness calculated as interest-bearing net debt/EBITDA before items affecting comparability during the most recent twelve-month period was 1.6x (1.2x) at the end of the period, and the net debt/equity ratio was 0.4x (0.3x).

### Pledged assets and contingent liabilities

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

### Employees

The average number of employees during the second quarter of 2018 (expressed as full-time equivalents) was 1,043, compared with 818 during the same period in the preceding year. The increase derives primarily from the acquired companies during 2017 and the first quarter of 2018.

### Significant risks and uncertainties

A description of significant risks and uncertainties is found in Nordic Waterproofing's 2017 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 19 April 2018, Nordic Waterproofing Holding A/S's subsidiary Nordic Waterproofing Group AB signed an agreement to acquire Veg Tech AB, one of the leading players within multifunctional vegetation technology in the Nordics with annual sales of approximately SEK 125 m and 45 employees. Nordic Waterproofing is initially acquiring 83 percent of the shares for SEK 129 per share, corresponding to a consideration of SEK 153 m. The acquisition will be financed by a new bank loan through an extension of Nordic Waterproofing's current credit facilities. Closing of the acquisition was expected to occur during the second quarter of 2018. Furthermore, Nordic Waterproofing has committed itself, immediately following the closing of the main transaction, to submitting an offer to acquire the remaining shares for the same price per share as the main acquisition.

The Annual General Meeting on 20 April 2018 approved the proposal of the Nomination Committee to re-elect Ulf Gundemark, Jørgen Jensen, Riitta Palomäki, Mats O. Paulsson and Kristina Willgård and to elect Allan Jørgensen as members of the Board of Nordic Waterproofing Holding A/S.

The Annual General Meeting resolved to distribute SEK 3.75 per share, in total an amount of SEK 90 m, to the shareholders in the form of dividends.

### Significant events after the reporting period

On 5 July 2018, Nordic Waterproofing Holding A/S's subsidiary Nordic Waterproofing Group AB completed the acquisition of Veg Tech AB. Nordic Waterproofing has initially acquired 83 percent of the shares, and has submitted an offer to acquire the remaining shares for the same price per share as the main acquisition, which is expected to be finalized during the second half of 2018.

Preliminary financial details are disclosed in Note 6.

## 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 was 15.2 percent (16.9) on a rolling 12 month basis.

## 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 2018 Annual General Meeting in April resolved to authorize the Board of Directors to establish a Long-Term Incentive Program ("LTIP 2018") offered to a maximum of 27 employees of the Group. 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 9 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 2018. However, the Company will acquire 140,736 treasury shares, corresponding to approximately 0.6 percent of the outstanding shares and votes in the Company in order to secure the provision of shares under LTIP 2018 and to secure and cover social security charges. The costs for the incentive program are expected to have a marginal effect on Nordic Waterproofing Group's key ratios.

## Shares and share capital

As per 30 June 2018, 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. As per 30 June 2018, Nordic Waterproofing Holding A/S had more than 4,000 shareholders.

There have not been any changes in shares and share capital during the second quarter of 2018.

## Ownership structure

The largest shareholders in Nordic Waterproofing Holding A/S, as per 30 June 2018, are stated below.

Owner	Number of shares	Capital and votes, %
Mawer Investment Management	2,729,537	11.3%
Swedbank Robur Funds	2,187,095	9.1%
Carnegie Funds	2,186,505	9.1%
Svolder	1,459,523	6.1%
BMO Global Asset Management	1,141,177	4.7%
Länsförsäkringar Funds	1,074,336	4.5%
Handelsbanken Funds	1,017,159	4.2%
Catella Funds	861,031	3.6%
Third AP-Fund	638,916	2.7%
Traction	600,000	2.5%
<b>Total 10 largest shareholders</b>	<b>13,895,279</b>	<b>57.7%</b>
Other shareholders	10,188,656	42.3%
<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".

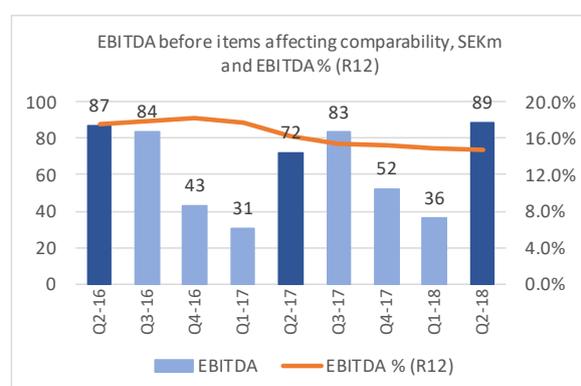
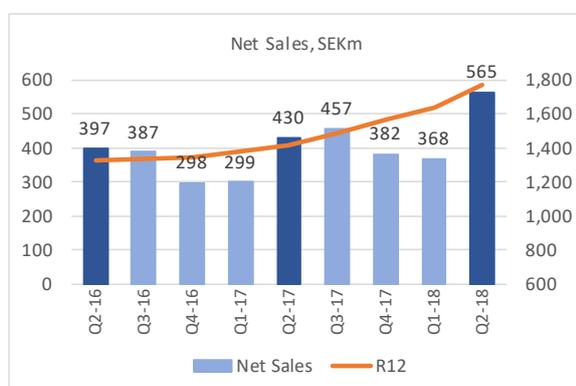
## Operating segments

### Products & Solutions

Net sales for the second quarter of 2018 grew by 31 percent compared with the corresponding period in the preceding year, increasing to SEK 565 m (430). Organic growth was 6 percent, while acquisitions contributed with 22 percent. Sales in Denmark increased by 79 percent, of which Taasinge Elementer which was acquired in 2017 contributed with 64 percent. Sales in Norway increased by 51 percent, of which RVT contributed with 47 percent. Sales in Sweden increased by 19 percent and sales in Finland increased by 3 percent. The prefabrication elements business show strong organic growth in both Denmark and Norway.

Analysis of net sales, Product & Solutions	Q2 2018 (%)	Q2 2018 (SEKm)	6M 2018 (%)	6M 2018 (SEKm)
Previous period		430		729
Organic growth	6%	24	2%	14
Structural effects	22%	95	23%	167
Currency effects	3%	16	3%	22
<b>Current period</b>	<b>31%</b>	<b>565</b>	<b>28%</b>	<b>932</b>

Operating profit (EBIT) before items affecting comparability for Products & Solutions for the second quarter 2018 amounted to SEK 73 m (66). The EBIT margin before items affecting comparability amounted to 13.0 percent (15.4) in the second quarter. EBITDA before items affecting comparability amounted to SEK 89 m (72). The EBITDA margin before items affecting comparability amounted to 15.7 percent (16.8) in the second quarter.



## Installation Services

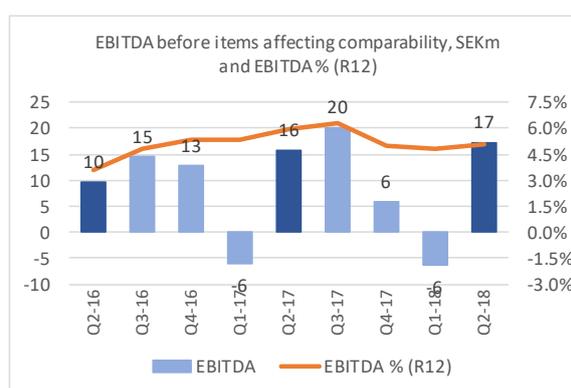
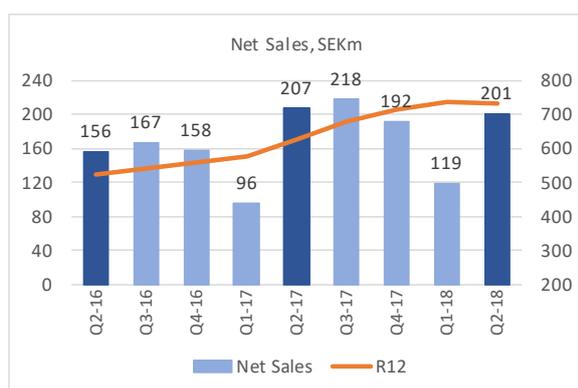
Business in this operating segment is primarily conducted in Finland and through the non-consolidated franchise companies in Denmark. Net sales for the second quarter of 2018 decreased by 3 percent compared with the corresponding period in the preceding year, amounting to SEK 201 m (207). The organic growth was negative, -8 percent, primarily a consequence of the deliberate more selective approach towards roofing projects and the effective execution of the projects in Finland.

<b>Analysis of net sales, Installation Services</b>	<b>Q2 2018 (%)</b>	<b>Q2 2018 (SEKm)</b>	<b>6M 2018 (%)</b>	<b>6M 2018 (SEKm)</b>
Previous period		207		303
Organic growth	-8%	-17	-2%	-6
Structural effects	1%	1	3%	9
Currency effects	4%	9	5%	13
<b>Current period</b>	<b>-3%</b>	<b>201</b>	<b>6%</b>	<b>320</b>

Order inflow during the second quarter decreased by 10 percent compared with the preceding year. Enhanced focus on profitable projects as part of the profit improvement program in Finland has led to lower order intake but with a higher project margin. The order book was 16 percent higher at the end of June 2018, compared with the corresponding period in the preceding year.

<b>Order inflow and order book SEKm, unless otherwise stated</b>	<b>Q2 2018</b>	<b>Q2 2017</b>	<b>Change</b>	<b>6M 2018</b>	<b>6M 2017</b>	<b>Change</b>
Order inflow in the period	215	240	-10%	286	354	-19%
Order book at end of period	313	270	16%	313	270	16%

Operating profit (EBIT) before items affecting comparability for Installation Services for the second quarter increased to SEK 16 m (15). Our Danish franchise companies continued to perform well in the second quarter. The EBIT margin before items affecting comparability increased to 7.8 percent (7.1) in the second quarter. EBITDA before items affecting comparability amounted to SEK 17 m (16). The EBITDA margin before items affecting comparability amounted to 8.6 percent (7.6) in the second quarter.



## Quarterly data, IFRS and alternative measures

Key figures (SEKm)	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Net sales	736	474	558	646	603	380	440	527
EBITDA before items affecting comparability	96	21	57	96	79	15	50	92
EBITDA-margin before items affecting comparability, %	13.1%	4.4%	10.3%	14.9%	13.2%	4.0%	11.3%	17.4%
Operating profit (EBIT) before items affecting comparability	79	6	45	83	72	9	42	85
EBIT-margin before items affecting comparability, %	10.7%	1.3%	8.0%	12.8%	11.9%	2.2%	9.6%	16.1%
ROCE (R12) before items affecting comparability, %	15.2%	15.0%	15.5%	15.8%	16.9%	18.4%	18.7%	18.4%
Net profit	59	-3	23	65	51	-1	27	73
Operating cashflow	41	-61	89	103	-12	-17	125	85
Operating cashflow (R12)	172	119	164	199	182	243	211	204
Operating cash conversion (R12), %	64%	47%	66%	83%	77%	99%	85%	84%
Net debt	430	293	204	276	274	125	25	127
Earnings per share, SEK	2.43	-0.13	0.95	2.70	2.13	-0.06	1.13	3.04

Net sales by segment (SEKm)	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Products & Solutions	565	368	382	457	430	299	298	387
Installation Services	201	119	192	218	207	96	158	167
Group Items & Eliminations	-30	-12	-16	-30	-34	-15	-16	-27
Total	736	474	558	646	603	380	440	527

Net sales by country (SEKm)	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Sweden	122	58	80	101	102	65	70	98
Norway	86	38	41	55	57	41	44	58
Denmark	192	153	152	151	107	83	93	103
Finland	229	146	207	247	234	122	172	198
Europe	107	78	77	89	102	66	58	70
Rest of world	0	1	2	3	0	4	3	0
Total	736	474	558	646	603	380	440	527

EBITDA before items affecting comparability, by segment (SEKm)	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Products & Solutions	89	36	52	83	72	31	43	84
Installation Services	17	-6	6	20	16	-6	13	15
Group Items & Eliminations	-10	-9	-1	-7	-9	-10	-6	-6
Total	96	21	57	96	79	15	50	92

EBIT before items affecting comparability, by segment (SEKm)	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Products & Solutions	73	23	42	72	66	25	37	78
Installation Services	16	-8	4	18	15	-6	13	14
Group Items & Eliminations	-10	-9	-1	-7	-9	-10	-7	-7
Total	79	6	45	83	72	9	42	85

## Management's statement

Today, the Group's Board of Directors and Executive Board have discussed and approved the interim report of Nordic Waterproofing Holding A/S for the period January-June 2018.

The interim 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 interim report gives a true and fair presentation of the Group's assets, shareholders' equity and liabilities, and financial position as at 30 June 2018, as well as of the results of the Group's activities and cash flow for the period January-June 2018.

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, 16 August 2018

## Executive Board

Martin Ellis  
President & CEO

## Board of Directors

Ulf Gundemark  
*Chairman*

Jørgen Jensen

Allan Jørgensen

Riitta Palomäki

Mats O. Paulsson

Kristina Willgård

## Condensed consolidated key figures

Amounts in SEKm unless otherwise stated	Q2 2018	Q2 2017	6M 2018	6M 2017	R12 2018	12M 2017
Net sales	736	603	1,210	983	2,414	2,187
Gross profit	196	171	304	276	612	584
EBITDA	94	72	111	83	262	234
EBITDA before items affecting comparability	96	79	117	94	271	248
Operating profit (EBIT)	76	65	79	69	203	194
Operating profit (EBIT) before items affecting comparability	79	72	85	80	212	208
Net profit	59	51	55	50	143	138
Gross margin, %	26.6%	28.4%	25.1%	28.1%	25.4%	26.7%
EBITDA margin, %	12.8%	12.0%	9.2%	8.5%	10.8%	10.7%
EBITDA margin before items affecting comparability, %	13.1%	13.2%	9.7%	9.6%	11.2%	11.3%
EBIT margin, %	10.4%	10.7%	6.5%	7.0%	8.4%	8.9%
EBIT margin before items affecting comparability, %	10.7%	11.9%	7.0%	8.2%	8.8%	9.5%
Operating cash flow	41	-12	-20	-29	172	164
Operating cash conversion, %	n/a	n/a	n/a	n/a	64%	66%
Investments in tangible & intangible assets	-12	-4	-12	-4	-15	-23
Total assets	2,076	1,649	2,076	1,649	2,076	1,756
Capital employed	1,529	1,267	1,529	1,267	1,529	1,370
Equity	1,048	911	1,048	911	1,048	1,010
Net debt	430	274	430	274	430	204
Net debt/EBITDA before items affecting comparability, multiple	n/a	n/a	n/a	n/a	1.6x	0.8x
Interest coverage ratio, multiple	26.7x	37.6x	15.6x	16.3x	20.8x	21.6x
Equity/assets ratio, %	50.5%	55.3%	50.5%	55.3%	50.5%	57.5%
Net debt/equity ratio, multiple	0.4x	0.3x	0.4x	0.3x	0.4x	0.2x
Return on shareholders' equity, %	n/a	n/a	n/a	n/a	14.8%	13.9%
Return on shareholders' equity before items affecting comparability, %	n/a	n/a	n/a	n/a	15.7%	15.3%
Return on capital employed, %	n/a	n/a	n/a	n/a	14.5%	14.4%
Return on capital employed before items affecting comparability, %	n/a	n/a	n/a	n/a	15.2%	15.5%
Return on capital employed before items affecting comparability excluding goodwill, %	n/a	n/a	n/a	n/a	31.7%	31.0%
Average number of shares before and after dilution *	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935
Earnings per share before and after dilution, SEK	2.43	2.13	2.30	2.07	5.95	5.71
Shareholders equity per share before and after dilution, SEK	43.51	37.84	43.51	37.84	43.51	41.93
Operating cash flow per share before and after dilution, SEK	1.70	-0.49	-0.85	-1.18	7.14	6.81
Number of shares before and after dilution *	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935

# Condensed financial statements

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

Amounts in SEKm unless otherwise stated	Q2 2018	Q2 2017	6M 2018	6M 2017	R12 2018	12M 2017
Net sales	736.1	602.7	1,210.1	983.0	2,413.9	2,186.8
Cost of goods sold	-540.5	-431.8	-906.0	-707.0	-1,801.7	-1,602.7
Gross profit/loss	195.6	170.9	304.1	276.0	612.2	584.1
Selling expenses	-80.8	-72.1	-148.5	-136.9	-284.0	-272.3
Administrative expenses	-45.0	-39.6	-81.1	-72.4	-139.2	-130.5
Research and development expenses	0.8	-1.8	-3.5	-3.6	-6.4	-6.5
Other operating income	1.5	2.0	3.5	2.9	6.9	6.3
Other operating expenses	-0.2	0.0	-0.4	-1.8	-1.2	-2.5
Share of profit in associated companies	4.6	5.1	4.5	5.0	14.6	15.1
<b>Operating profit/loss (EBIT)</b>	<b>76.5</b>	<b>64.6</b>	<b>78.6</b>	<b>69.3</b>	<b>203.1</b>	<b>193.7</b>
Net finance items	-5.2	-2.0	-9.1	-6.7	-21.9	-19.5
<b>Profit/loss before tax</b>	<b>71.3</b>	<b>62.5</b>	<b>69.6</b>	<b>62.6</b>	<b>181.2</b>	<b>174.2</b>
Tax	-12.7	-11.3	-14.1	-12.8	-37.9	-36.6
<b>Profit/loss after tax</b>	<b>58.6</b>	<b>51.2</b>	<b>55.5</b>	<b>49.8</b>	<b>143.3</b>	<b>137.6</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	11.8	3.4	51.3	2.6	68.4	19.8
Gains/losses on hedging of currency risk in foreign operations	1.5	0.0	-5.5	0.0	-10.0	-4.5
Gains/losses on raw material hedging	11.2	-6.7	17.8	-18.3	14.0	-22.1
Tax on gains/losses on comprehensive income	3.3	1.5	3.5	4.0	5.2	5.7
<b>Total other comprehensive income after tax</b>	<b>27.9</b>	<b>-1.8</b>	<b>67.0</b>	<b>-11.7</b>	<b>77.6</b>	<b>-1.1</b>
<b>Total comprehensive income after tax</b>	<b>86.5</b>	<b>49.5</b>	<b>122.4</b>	<b>38.1</b>	<b>220.9</b>	<b>136.5</b>
<b>Profit/loss for the year, attributable to:</b>						
Owners of the company	58.7	51.0	55.6	49.0	143.4	136.9
Non-controlling interests	-0.1	0.2	-0.1	0.8	-0.2	0.7
<b>Total comprehensive income for the year, attributable to:</b>						
Owners of the company	86.4	49.3	122.2	37.3	220.7	135.8
Non-controlling interests	0.1	0.1	0.2	0.8	0.1	0.7
Average number of shares before and after dilution	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935
Earnings per share before and after dilution, SEK	2.43	2.13	2.30	2.07	5.95	5.71

## Condensed consolidated balance sheet

Amounts in SEKm unless otherwise stated	30 Jun 2018	30 Jun 2017	31 Dec 2017
<b>ASSETS</b>			
Intangible assets	869.9	691.9	796.6
Tangible assets	227.9	185.0	209.8
Financial assets	47.9	30.0	38.5
Deferred tax assets	0.0	0.0	0.0
Other non-current assets	20.2	11.6	12.0
<b>Total non-current assets</b>	<b>1,166.0</b>	<b>918.4</b>	<b>1,056.8</b>
Inventories	334.8	245.1	259.6
Trade receivables	400.6	317.1	212.9
Receivables for on-going construction contracts	45.3	52.6	43.9
Tax assets	9.6	8.3	1.9
Other receivables	68.5	26.6	24.3
Cash and cash equivalents	51.0	81.3	156.8
<b>Total current assets</b>	<b>909.8</b>	<b>731.0</b>	<b>699.3</b>
<b>TOTAL ASSETS</b>	<b>2,075.7</b>	<b>1,649.4</b>	<b>1,756.1</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	30.0	30.0	30.0
Reserves	80.5	12.4	23.0
Retained earnings including profit for the year	921.7	868.5	956.4
<b>Equity attributable to owners of the Company</b>	<b>1,032.3</b>	<b>910.9</b>	<b>1,009.4</b>
Non-controlling interests	15.7	0.5	0.5
<b>Total equity</b>	<b>1,048.0</b>	<b>911.4</b>	<b>1,009.8</b>
Non-current interest-bearing liabilities	421.7	355.8	360.3
Other non-current liabilities	44.0	8.4	37.1
Provisions	5.7	4.9	5.8
Deferred tax liabilities	60.8	40.8	52.6
<b>Total non-current liabilities</b>	<b>532.2</b>	<b>409.9</b>	<b>455.9</b>
Current interest-bearing liabilities	59.5	0.0	0.0
Trade payable	193.8	151.0	90.7
Tax liabilities	16.8	7.5	9.4
Other current liabilities	225.6	169.7	190.3
<b>Total current liabilities</b>	<b>495.6</b>	<b>328.1</b>	<b>290.4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,075.7</b>	<b>1,649.4</b>	<b>1,756.1</b>

## Condensed consolidated statement of changes in equity

Specification of changes in equity (SEKm)	6M 2018	6M 2017	12M 2017
<i>Equity attributable to owners of the Company</i>			
Opening balance	1,009.4	963.9	963.9
Total comprehensive income	122.2	37.3	135.8
Transactions with non-controlling interest	-9.0	0.0	0.0
Dividend	-90.3	-90.3	-90.3
<b>Closing balance</b>	<b>1,032.3</b>	<b>910.9</b>	<b>1,009.4</b>
<i>Equity attributable to non-controlling interest</i>			
Opening balance	0.5	-0.2	-0.2
Total comprehensive income	0.2	0.8	0.7
Acquisitions	5.4	0.0	0.0
Transactions with the Group's owners	9.7	0.0	0.0
<b>Closing balance</b>	<b>15.7</b>	<b>0.5</b>	<b>0.5</b>
<b>SUM TOTAL EQUITY, CLOSING BALANCE</b>	<b>1,048.0</b>	<b>911.4</b>	<b>1,009.8</b>

## Condensed consolidated cash flow statement

Amounts in SEKm unless otherwise stated	Q2 2018	Q2 2017	6M 2018	6M 2017	R12 2018	12M 2017
<b>Operating activities</b>						
Operating profit (EBIT)	76.5	64.6	78.6	69.3	203.1	193.7
Adjustment for non-cash items etc	13.5	0.9	28.1	6.3	45.4	23.7
Interest received	0.2	0.2	0.3	0.2	0.3	0.2
Interest paid	-2.6	-1.5	-4.4	-3.7	-8.3	-7.6
Dividends received	2.0	1.3	11.8	9.8	12.8	10.8
Income tax paid/received	-8.2	-6.8	-20.4	-24.4	-34.2	-38.1
<b>Cash flow from operating activities before changes in working capital</b>	<b>81.3</b>	<b>58.6</b>	<b>94.1</b>	<b>57.5</b>	<b>219.2</b>	<b>182.6</b>
<b>Changes in working capital</b>						
Increase (-)/Decrease (+) in inventories	5.7	-23.5	-53.2	-55.6	-42.7	-45.2
Increase (-)/Decrease (+) in operating receivables	-137.5	-118.8	-170.7	-175.9	-28.6	-33.7
Increase (+)/Decrease (-) in operating liabilities	91.2	59.3	101.4	111.3	12.5	22.4
<b>Cash flow from operating activities</b>	<b>40.6</b>	<b>-24.5</b>	<b>-28.4</b>	<b>-62.7</b>	<b>160.4</b>	<b>126.1</b>
<b>Investing activities</b>						
Acquisition of intangible fixed assets	-4.1	-0.2	-5.7	-0.3	-7.4	-2.0
Acquisition of tangible fixed assets	-8.4	-4.1	-16.9	-7.1	-30.9	-21.2
Divestments of tangible fixed assets	0.0	0.0	0.0	0.0	1.0	1.0
Acquisition of business, net cash impact	0.5	-21.9	-38.6	-63.3	-98.5	-123.2
Acquisition of participations in associated companies	-0.2	0.0	-11.7	-6.6	-11.7	-6.6
Divestments of participations in associated companies	0.0	0.0	0.0	0.2	0.0	0.2
Change in other financial assets	-1.6	-5.9	-0.4	-8.3	0.9	-7.1
<b>Cash flow from investing activities</b>	<b>-13.7</b>	<b>-32.1</b>	<b>-73.3</b>	<b>-85.5</b>	<b>-146.6</b>	<b>-158.8</b>
<b>Financing activities</b>						
Amortization of loans	-19.3	-0.4	-22.1	-8.5	-63.7	-50.1
Proceeds from loans	55.9	0.0	105.4	0.0	105.8	0.4
Dividend	-90.3	-90.3	-90.3	-90.3	-90.3	-90.3
<b>Cash flow from financing activities</b>	<b>-53.7</b>	<b>-90.7</b>	<b>-7.1</b>	<b>-98.8</b>	<b>-48.2</b>	<b>-140.0</b>
Cash flow for the period	-26.8	-147.3	-108.8	-247.1	-34.4	-172.7
Cash and cash equivalents at the beginning of the period	78.2	228.0	156.8	328.4	81.3	328.4
Exchange-rate differences in cash and cash equivalents	-0.4	0.6	3.0	0.0	4.0	1.0
<b>Cash and cash equivalents at the end of the period</b>	<b>51.0</b>	<b>81.3</b>	<b>51.0</b>	<b>81.3</b>	<b>51.0</b>	<b>156.8</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 the notes to Nordic Waterproofing Group’s 2017 Annual Report. The new accounting principles applicable from 2018, IFRS 9 Financial instruments and IFRS 15 Revenue from contract with customers, have had no significant effect on Nordic Waterproofing Group.

IFRS 16 Leases contains principles for leases and is mandatory for financial years commencing on or after 1 January 2019. It will result in almost all leases being recognised in the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term or low-value leases. There is work ongoing in the Group in analysing the effects from IFRS 16. The work includes collection and valuation of lease agreements and evaluation of the need for system support. It is too early to quantify the effects from the introduction of IFRS 16, but the introduction will have significant effects on the financial statements.

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 2017 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 4 January 2018, the acquisition of a production plant in Denmark for prefabricated roofing and façade elements, by means of an acquisition of assets, from Ugilt Savværk was finalized. The production plant was acquired by Nordic Waterproofing Holding A/S's subsidiary Taasinge Elementer A/S. 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 SEK 23 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.

On 1 March 2018, 75 percent of the shares in the Norwegian Ringsaker Vegg- og Takelementer AS ("RVT") were acquired by Nordic Waterproofing Holding A/S's subsidiary Taasinge Elementer A/S for SEK 38 m on a cash and debt free basis. The company is one of Norway's leading manufacturer of prefabricated façade elements based on wooden frame constructions to the construction industry. RVT has an annual sales of approximately SEK 100 m and 50 employees. The acquisitions forms part of the strategy to make Taasinge Elementer and Nordic Waterproofing a major player in the Nordic market for prefabricated roofing and façade elements. RVT is consolidated within the segment Products & Solutions as from 1 March 2018.

On 5 July 2018, Nordic Waterproofing Holding A/S's subsidiary Nordic Waterproofing Group AB completed the acquisition of Veg Tech AB, one of the leading players within multifunctional vegetation technology in the Nordics with annual sales of approximately SEK 125 m and 45 employees. Nordic Waterproofing has initially acquired 83 percent of the shares for SEK 129 per share, corresponding to a consideration of SEK 153. The total consideration has been paid in cash, and the acquisition was financed by a new bank loan through an extension of Nordic Waterproofing's current credit facilities and the revolving facility. Furthermore, Nordic Waterproofing has submitted an offer to acquire the remaining shares for the same price per share as the main acquisition, which is expected to be finalized during the second half of 2018.

The acquired companies' net assets on the acquisition date:

<b>Acquisition analysis</b>	<b>Jan 2018</b>	<b>Mar 2018</b>	<b>Jul 2018</b>
<b>SEKm, unless otherwise stated</b>	<b>Ugilt</b>	<b>RVT</b>	<b>Veg Tech</b>
Intangible assets	2	5	0
Tangible assets	7	2	39
Inventories	3	6	37
Trade and other receivables	0	20	29
Cash and equivalents	0	28	8
Other non-interest bearing liabilities	0	-31	-28
Deferred tax liabilities	-1	-5	-7
<b>Net assets and liabilities</b>	<b>12</b>	<b>25</b>	<b>79</b>
Non-controlling interests	0	-15	-30
Goodwill	11	34	104
<b>Consideration</b>	<b>23</b>	<b>44</b>	<b>153</b>

The acquisition analysis for Ugilt is finalized, while the analysis for RVT is preliminary meaning that the fair values for intangible assets and the final purchase price allocation analysis has not been conclusively determined for all items. As regards Veg Tech, the fair values for intangible assets has not yet been conclusively determined. The preliminary goodwill value above is therefore expected to decrease when the purchase price allocation has been finalized.

## 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.

<b>Intangible assets, carrying amounts</b>		<b>Customer</b>	<b>Order</b>		<b>Total</b>
<b>SEKm, unless otherwise stated</b>	<b>Goodwill</b>	<b>relations</b>	<b>book</b>	<b>Other</b>	
Opening balance, 1 January 2018	733	48	6	10	797
Investments	0	0	0	6	6
Acquisitions	45	0	8	0	53
Amortisation	0	-5	-11	-1	-18
Exchange-rate differences	30	3	0	0	33
<b>Closing balance, 30 June 2018</b>	<b>807</b>	<b>46</b>	<b>2</b>	<b>15</b>	<b>870</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 30 June 2018, the expected purchases of bitumen for delivery during January to December 2019 were hedged by means of derivatives, equivalent to 30,480 tons or approximately 76 percent of the expected annual purchasing volume (at the corresponding period the preceding year, the expected purchases of bitumen for delivery during July to December 2017 were hedged, equivalent to 19,500 tons or approximately 52 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	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
<b>Measurement level 2:</b>				
Assets at fair value	29	4	29	4
Assets at acquisition cost	486	403	486	403
Liabilities at fair value	0	0	0	0
Liabilities at acquisition cost	768	551	768	551
<b>Measurement level 3:</b>				
Liabilities at acquisition cost	10	0	10	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	
	6M 2018	6M 2017	6M 2018	6M 2017	6M 2018	6M 2017	6M 2018	6M 2017
Revenues from external customers	890	680	320	303	0	0	1,210	983
Revenues from other segments	42	49	0	0	-42	-49	0	0
<b>Revenues, total</b>	<b>932</b>	<b>729</b>	<b>320</b>	<b>303</b>	<b>-42</b>	<b>-49</b>	<b>1,210</b>	<b>983</b>
<b>EBITDA before items affecting comparability</b>	<b>125</b>	<b>103</b>	<b>11</b>	<b>9</b>	<b>-18</b>	<b>-18</b>	<b>117</b>	<b>94</b>
Depreciation & Amortisation	-29	-12	-3	-1	-1	-1	-33	-14
<b>EBIT before items affecting comparability</b>	<b>96</b>	<b>91</b>	<b>8</b>	<b>8</b>	<b>-19</b>	<b>-19</b>	<b>85</b>	<b>80</b>
Items affecting comparability	-5	-10	0	-1	-1	0	-6	-11
<b>Operating profit (EBIT)</b>	<b>91</b>	<b>82</b>	<b>8</b>	<b>7</b>	<b>-20</b>	<b>-20</b>	<b>79</b>	<b>69</b>
Net finance items							-9	-7
<b>Profit/loss after finance items but before tax (EBT)</b>							<b>70</b>	<b>63</b>
Tax							-14	-13
<b>Profit/loss for the year</b>							<b>55</b>	<b>50</b>
<i>Assets</i>								
Intangible assets (goodwill & customer relations)	734	566	128	120	8	6	870	692
Property, plant and equipment	215	173	12	11	1	1	228	185
Participations in associated companies	0	0	37	21	0	0	37	21
Inventory	327	237	8	8	0	0	335	245
Other assets	437	305	141	147	-43	-45	535	408
Non-allocated assets					72	99	72	99
<b>Total assets</b>	<b>1,713</b>	<b>1,282</b>	<b>325</b>	<b>306</b>	<b>37</b>	<b>61</b>	<b>2,076</b>	<b>1,649</b>
<i>Liabilities and Equity</i>								
Equity					1,048	911	1,048	911
Other liabilities	397	290	94	80	-66	-44	425	326
Non-allocated liabilities					603	412	603	412
<b>Total liabilities and equity</b>	<b>397</b>	<b>290</b>	<b>94</b>	<b>80</b>	<b>1,585</b>	<b>1,279</b>	<b>2,076</b>	<b>1,649</b>
Investments in tangible & intangible assets	16	5	3	2	3	0	23	7

## Note 10 – Transactions with related parties

The Group has related party relationships with the associated companies stated in Note 12 of the 2017 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 second quarter of 2018.

## 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

## Reconciliations

### Key performance indicators not defined according to IFRS

	Q2 2018	Q2 2017	6M 2018	6M 2017	R12 2018	12M 2017
<b>Capital employed</b>						
Total assets	2,076	1,649	2,076	1,649	2,076	1,756
Other non-current liabilities	-44	-8	-44	-8	-44	-37
Provisions	-6	-5	-6	-5	-6	-6
Deferred tax liabilities	-61	-41	-61	-41	-61	-53
Trade payable	-194	-151	-194	-151	-194	-91
Tax liabilities	-17	-7	-17	-7	-17	-9
Other current liabilities	-226	-170	-226	-170	-226	-190
<b>Capital employed</b>	<b>1,529</b>	<b>1,267</b>	<b>1,529</b>	<b>1,267</b>	<b>1,529</b>	<b>1,370</b>
<b>EBITDA</b>						
EBIT	76	65	79	69	203	194
Depreciation	8	6	16	12	32	27
Amortization	9	2	17	2	27	13
Impairment	-	-	-	-	-	-
<b>EBITDA</b>	<b>94</b>	<b>72</b>	<b>111</b>	<b>83</b>	<b>262</b>	<b>234</b>
<b>Interest cover ratio</b>						
Profit/loss before tax	71	63	70	63	181	174
Interest expenses	3	2	5	4	9	8
Total	74	64	74	67	190	183
Interest expenses	3	2	5	4	9	8
<b>Interest cover ratio, multiple</b>	<b>26.7x</b>	<b>37.6x</b>	<b>15.6x</b>	<b>16.3x</b>	<b>20.8x</b>	<b>21.6x</b>
<b>Items affecting comparability</b>						
Costs related to acquisitions	-2	-6	-5	-9	-10	-10
Other	0	-1	-1	-2	-4	-4
<b>Items affecting comparability</b>	<b>-2</b>	<b>-7</b>	<b>-6</b>	<b>-11</b>	<b>-14</b>	<b>-14</b>
<b>Net debt</b>						
Non-current interest-bearing liabilities	422	356	422	356	422	360
Current interest-bearing liabilities	59	0	59	0	59	0
Cash and cash equivalents	-51	-81	-51	-81	-51	-157
<b>Net debt</b>	<b>430</b>	<b>274</b>	<b>430</b>	<b>274</b>	<b>430</b>	<b>204</b>
<b>Operating cash flow</b>						
EBITDA before items affecting comparability	96	79	117	94	271	248
Share of profit in associated companies	-5	-5	-5	-5	-15	-15
Dividend from associated companies	2	1	12	10	13	11
Change in NWC	-41	-83	-122	-120	-59	-56
Investments in tangible assets & capitalized expenses	-12	-4	-23	-7	-38	-23
<b>Operating cash flow</b>	<b>41</b>	<b>-12</b>	<b>-20</b>	<b>-29</b>	<b>172</b>	<b>164</b>
<b>Return on capital employed, ROCE</b>						
EBIT (R12)					203	194
Average capital employed (OB+CB/2)					1,398	1,344
<b>ROCE, %</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>14.5%</b>	<b>14.4%</b>
<b>ROCE before items affecting comparability</b>						
EBIT (R12)					203	194
Items affecting comparability (R12)					9	14
Average capital employed (OB+CB/2)					1,398	1,344
<b>ROCE before items affecting comparability, %</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>15.2%</b>	<b>15.5%</b>
<b>ROCE before items affecting comparability excl goodwill</b>						
EBIT (R12)					203	194
Items affecting comparability (R12)					9	14
Average capital employed (OB+CB/2)					1,398	1,344
Goodwill (OB+CB/2)					730	674
<b>ROCE before items affecting comparability excl goodwill, %</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>31.7%</b>	<b>31.0%</b>
<b>Return on shareholders' equity, ROSE</b>						
Profit after tax attributable to parent company shareholders (R12)					143	137
Average shareholders' equity (OB+CB/2)					972	987
<b>ROSE %</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>14.8%</b>	<b>13.9%</b>
<b>ROSE before items affecting comparability</b>						
Profit after tax attributable to parent company shareholders (R12)					143	137
Items affecting comparability (R12)					9	14
Average shareholders' equity (OB+CB/2)					972	987
<b>ROSE before items affecting comparability, %</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>15.7%</b>	<b>15.3%</b>



## 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 several 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 Matakı, Trebolit, Phønix Tag Materialer, Kerabit, Nortett, SealEco, SPT-Painting, Taasinge Elementer, RVT and Veg Tech. Nordic Waterproofing Holding A/S 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

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 16 August 2018, 08:00 a.m. CEST.

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.

