



ANNUAL REPORT
2022

NORDIC 
WATERPROOFING

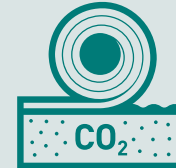
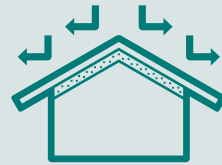
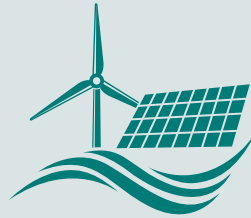
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- The annual report for Nordic Waterproofing Holding AB, 56839-3168, consists of pages 62-112.
- Sustainability report is reviewed by the auditors, see list of content on page 28.

SUSTAINABILITY FACTS

A large part of Nordic Waterproofing's products and services contribute to energy and climate savings.



81%	2.4 TWh	174 mn	41,500 t	5,200 m³
renewable electricity in the Group's energy mix by 2022, from 59% in 2021	saved annually by protecting and preserving underlying insulation with Nordic Waterproofing's waterproofing	recycled plastic bottles are used in the roofing felt's supporting fabric, replacing virgin polyester	CO ₂ eq locked into bitumen-based roof waterproofing layers annually	installed green roofs in 2022 can potentially absorb up to 5200 m ³ of rainwater

THE YEAR IN BRIEF

- Faced with the risk of supply chain disruptions as a consequence of the Russian aggression on Ukraine, we have through proactive inventory management succeeded in providing uninterrupted supply and services to all our customers.
- The year has been marked by high input price increases, which we have been able to compensate for to a large extent through price increases, albeit sometimes with a time lag. This has led to slightly lower margins in Products & Solutions and to higher inventory values. At year-end, input prices have stabilised or decreased, while energy and transport prices remain at a high level.
- Products & Solutions has had positive sales growth driven by price increases, underlying volumes have been flat for most businesses. Profitability has been slightly lower compared to the strong 2021.
 - The markets for waterproofing had a steady development, slightly better for bitumen than for EPDM products
 - Prefabricated wood elements reported a decline in sales with a weak profit trend mainly in the latter part of the year.
 - Our green infrastructure had good sales growth with improved profitability.
- Installation Services clearly improved its performance over the previous year. All areas increased their sales and had higher profitability.
- During the year, the Group acquired majority stakes in six businesses:
 - Gordon Low, United Kingdom: custom manufacturing and distribution of waterproofing and waterproofing solutions
 - VKP Group, Finland: installation and maintenance of waterproofing products
 - Annebergs Limtrae, Denmark: production and sale of glulam components

- EG Trading, Finland: green solutions for urban environments
- Hagmans Tak Öst, Sweden: installation and maintenance of waterproofing products
- Playgreen, Finland: design, sales and installation of solar energy solutions

EVENTS AFTER THE END OF THE YEAR

- The Group has discontinued two smaller operations, Nordic Roof Care in Sweden and Nordic Build in Denmark.

MARKET SITUATION AND OUTLOOK

- Active competition in the flat roofing market where Nordic Waterproofing has successfully maintained or increased the market share in all countries. Market development has been slightly stronger in Norway in 2022, but all Nordic markets are expected to develop in much the same way.
- Strong competition in the markets for EPDM waterproofing products means that in the short term we have a somewhat more cautious expectation of sales development.
- Demand for prefabricated elements in all markets is expected to remain stable, driven by focus on build with more sustainable materials.
- Demand for our green infrastructure solutions is expected to remain strong and the business will start 2023 with its largest order book ever.
- Our expectation for new residential construction in our main markets is slightly negative in the short term, while demand for renovation appears to be stable. In the current macroeconomic environment, there is more uncertainty about the future than normal. We have contingency plans in place to mitigate the impact of any negative developments.

KEY FIGURES (SEK m)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Full year 2022	Full year 2021
Net sales	912	1,255	1,132	1,045	4,343	3,664
EBITDA*	91	216	162	114	583	515
EBITDA margin, %*	10.0%	17.2%	14.3%	10.9%	13.4%	14.1%
Operating profit (EBIT)	56	180	128	66	430	382
EBIT margin, %*	6.1%	14.4%	11.3%	6.3%	9.9%	10.4%
ROCE (R12), %*	17.9%	17.9%	16.6%	16.1%	16.1%	16.6%
Net profit for the period	39	140	104	47	330	256
Cash flow from operating activities	-15	38	244	93	360	220
Operating cash conversion (R12), %*	52%	37%	63%	62%	62%	43%
Net debt*	855	1,009	895	912	912	770
Earnings per share before dilution, SEK	1.61	5.86	4.34	1.96	13.78	10.71

NET SALES BY SEGMENT (SEK m)

Products & Solutions	773	1,021	831	756	3,381	2,818
Installation Services	171	291	337	325	1,124	928
Group Items & Eliminations	-33	-57	-37	-35	-162	-83
Total	912	1,255	1,132	1,045	4,343	3,664

NET SALES BY COUNTRY (SEK m)

Sweden	138	254	203	193	787	679
Norway	136	180	177	181	675	583
Denmark	272	286	251	230	1,039	889
Finland	171	314	346	321	1,153	907
Europe	193	219	153	119	684	598
Rest of world	1	1	2	2	6	8
Total	912	1,255	1,132	1,045	4,343	3,664

MULTI-YEAR OVERVIEW

Profit/loss (SEKm unless otherwise stated)	2022	chg %	2021	2020	2019	2018	2017	2016	2015
Net sales	4,343	19%	3,644	3,303	3,122	2,680	2,187	1,813	1,720
EBITDA	583	13%	515	455	371	274	234	231	165
Operating profit (EBIT)	430	13%	382	337	260	212	194	206	143
Net financial items	-18	-62%	-47	-16	-28	-22	-20	-13	-27
Profit/loss for the year before tax	413	23%	335	321	233	190	174	193	116
Tax on profit/loss for the year	-82	5%	-78	-68	-37	-39	-37	-37	-34
Net profit/loss for the year	330	29%	256	253	196	152	138	156	82
Net profit/loss for the year, Parent Company owners	331	28%	259	256	198	152	137	156	82
Earnings per share before dilution, SEK/share	13.78	29%	10.71	10.60	8.19	6.30	5.71	6.49	3.40
Earnings per share after dilution, SEK/share	13.71	29%	10.64	10.52	8.13	6.30	5.71	6.49	3.40
Balance sheet (SEKm)	2022	chg %	2021	2020	2019	2018	2017	2016	2015
Total assets	3,724	18%	3,158	2,864	2,536	2,127	1,756	1,568	1,345
Net investments in property, plant and equipment	103	35%	77	55	45	36	20	10	27
Capital employed	2,859	21%	2,364	2,261	2,016	1,653	1,370	1,317	1,071
Capital employed excluding goodwill	1,545	21%	1,275	1,214	1,065	774	637	701	472
Equity	1,754	20%	1,460	1,418	1,210	1,106	1,010	964	748
Net debt	912	18%	770	274	665	485	259	25	141
Cash flows (SEKm)	2022	chg %	2021	2020	2019	2018	2017	2016	2015
- from operating activities	360	64%	220	462	312	185	126	128	153
- from investing activities	-237	-15%	-277	-55	-142	-311	-159	-19	-29
- from financing activities	-102	n/a	-323	8	-80	73	-140	31	-75
Total cash flow for the period	21	n/a	-381	415	90	-53	-173	140	49
Ratios	2022	chg	2021	2020	2019	2018	2017	2016	2015
EBITDA margin, %	13.4%	-0.6pp	14.1%	13.8%	11.9%	10.2%	10.7%	12.7%	9.6%
EBIT margin, %	9.9%	-0.5pp	10.4%	10.2%	8.3%	7.9%	8.9%	11.4%	8.3%
Operating cash conversion, %*	62%	19.1pp	43%	102%	84%	68%	54%	55%	93%
Net debt/EBITDA, multiple*	1.6x	0.1x	1.5x	0.6x	1.8x	1.8x	1.1x	0.1x	0.9x
Net debt/equity ratio, multiple*	0.5x	0.0x	0.5x	0.2x	0.5x	0.4x	0.3x	0.0x	0.2x
Solvency: equity/assets ratio, %	47%	1pp	46%	50%	48%	52%	57%	61%	56%
Return on shareholders' equity, %	20.8%	2.7pp	18.1%	19.5	17.3%	14.5%	13.9%	18.2%	11.4%
Return on capital employed, %*	16.1%	0.5pp	16.6%	15.6%	12.9%	13.5%	14.7%	16.9%	12.9%
Return on capital employed excluding goodwill, %*	27.9%	2pp	29.9%	27.8%	24.5%	29.0%	30.6%	34.0%	28.7%
Number of employees (FTE)	1 365	7%	1 272	1 147	1 116	1 033	830	630	634
Average number of shares before dilution, millions	24.0	-1%	23.9	23.9	23.9	24.1	24.1	24.1	24.1
Average number of shares after dilution, millions	24.1	0%	24.1	24.1	24.1	24.1	24.1	24.1	24.1

* Alternative key figures not defined in accordance with IFRS are marked with *. For definitions, see p. 113-114. For derivation see <https://www.nordicwaterproofing.com/en/financial-definitions/>

A SOLID YEAR IN A CHALLENGING MACROECONOMIC ENVIRONMENT

I am pleased to report another record year for the Group against a challenging backdrop of sharp increases in commodity prices and potential supply chain disruptions. Sales passed SEK 4 billion, profitability remained high and our balance sheet strong. This confirms the strength of our business model: strong customer focus, product quality and service excellence, commitment to sustainable solutions. In line with our strategy to grow through acquisitions, we completed six acquisitions during the year.

2022 IN NUMBERS

Group net sales for the full year 2022 amounted to SEK 4,343 million, an increase of 19 percent, mainly due to price increases required to compensate for the inflation of input costs and acquisitions. EBITDA increased by 13 percent to SEK 583 (515) million. Earnings per share for the full year 2022 amounted to SEK 13.79 (10.71). Operating cash flow amounted to SEK 360 (220) million, the increase was mainly due to improved changes in working capital. The Board of Directors proposes a dividend of SEK 7.00 (6.00) per share.

SALES GROWTH IN MOST BUSINESS UNITS

Continued strong demand for our waterproofing products and services, as well as market share gains in some areas, have sustained our sales volumes. Our wood-based prefabricated roofing and cladding elements saw a decline in sales due to a weaker

market in 2022. Secular trends in favor of green infrastructure and solar panels have continued to create significant growth opportunities for these businesses.

PROFITABILITY MAINTAINED

Most of our Products & Solutions businesses were able to maintain profitability, but the decline from prefabricated roof and facade elements, together with some areas not repeating the historically high profitability in 2021, led to a weaker margin for this segment. At the same time, we saw improvements in profitability across all areas of Installation Services. Return on capital employed remained at a high level of 16.1% (16.6%). We are targeting further improvements in the medium to long term but expect some challenges in the short term from weaker demand in residential new build.



Sustainability remains an important focus area for Nordic Waterproofing, both in terms of optimising existing operations and prioritising sustainable building solutions in our acquisition strategy.

SUSTAINABILITY

Sustainability is a key focus area for Nordic Waterproofing, both in terms of optimising existing operations and prioritising sustainable building solutions in our acquisition strategy. We are continuously reducing the environmental footprint of our established bitumen-based waterproofing products. It is worth remembering that these already consist largely of inputs that are residues from refineries (bitumen) and from recycled plastic bottles. The unsurpassed durability of our products is another important fact contributing to a positive environmental impact. The safety of our colleagues is of the highest priority, and I am pleased to report that lost time accidents have been reduced in 2022 compared to 2021. A majority of our recent acquisitions have been focused on wood-based, CO₂-storing building elements, green infrastructure and solar solutions.

ACQUISITION AND GROWTH STRATEGY

In 2022, we made a total of six acquisitions in four different countries in areas that are important for the Group's continued development. In 2023, our ambition is to continue to grow through acquisitions. At the same time, given the current geopolitical difficulties and higher interest rates, we will continue to emphasise a disciplined approach in making acquisitions. At the same time, we intend to generate sales growth by expanding locally successful concepts throughout our geography.

OUTLOOK

The Russian war against Ukraine can be expected to continue having an impact on the macroeconomic

situation. We have proactively managed potential supply disruptions and will continue to maintain our high service level to customers. The costs of our inputs have stabilised or even decreased, while we still see energy and transportation costs remaining at a high level. While demand levels in the current environment are not entirely predictable, we expect new residential construction to decline in the short term and demand for renovation and maintenance to remain stable.

CONCLUSION

After another successful year, I would like to thank all our customers for their trust and support and all my colleagues in Nordic Waterproofing for their outstanding contribution to our Group's performance.



*Martin Ellis,
President and CEO
Nordic Waterproofing
Holding AB*

WATERPROOFING AND BUILDING SOLUTIONS THAT PROTECT AND PRESERVE

Nordic Waterproofing is one of the leading providers in the waterproofing market in Northern Europe. The Group develops, manufactures and distributes a full range of products and solutions for the protection of buildings and infrastructure. Ease of installation, energy and environmental optimisation are key components of the offer.

PRODUCTS & SOLUTIONS: 74% OF NET SALES FOR 2022



INSTALLATION SERVICES: 26% OF NET SALES FOR 2022



FOUNDED IN

2011

NUMBER OF

EMPLOYEES

1,365

OPERATIONS IN

10

COUNTRIES

LISTED ON NASDAQ

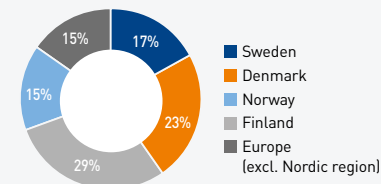
2016

STOCKHOLM, MID CAP

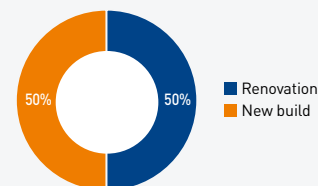
SALES IN 2022 (SEK M)

4,343

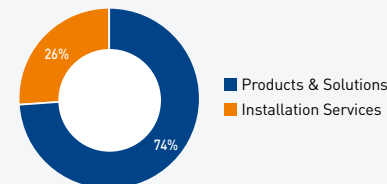
SALES BY COUNTRY



SALES BY CATEGORY



SALES BY SEGMENT



FINANCIAL CALENDAR 2023

April 25, 2023

Interim report, January-March 2023

April 27, 2023

AGM 2023

July 20, 2023

Interim report, January-June 2023

October 26, 2023

Interim report, January-September 2023

FOUR REASONS TO INVEST IN NORDIC WATERPROOFING

STRONG MARKET POSITION

Nordic Waterproofing has a strong market position with established brands in the Nordic region.



Read more on page 15

SUSTAINABLE AND DURABLE SOLUTIONS

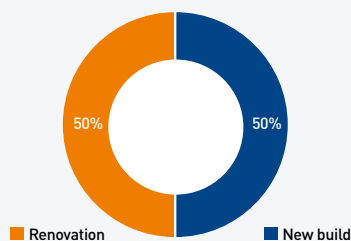
Nordic Waterproofing contributes to a sustainable society by preserving buildings and infrastructure with long lasting products.



Read more on page 28-36

LOW CYCLICAL SENSITIVITY

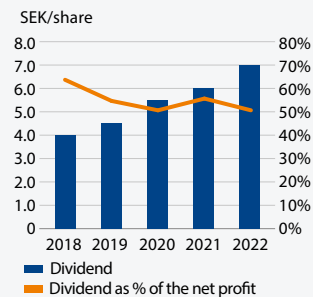
Nordic Waterproofing's offers are in demand throughout a business cycle, both in construction as in renovations.



Read more on page 18

STRONG POSITIVE CASH FLOW WITH HIGH YIELD

Nordic Waterproofing's dividend policy stipulates an annual dividend of more than 50 percent of net income.



Read more on page 8



The dam base supplied by Dutch distripod.

RAINWATER BUFFER WITH NATURAL TREATMENT

Wadi is an Arabic word and has several definitions, from valley over a mostly dry riverbed in the desert to a pond with varying water levels. In Dutch, it is also an abbreviation for Water Afvoer Drainage Infiltratie. In the Netherlands and Belgium, wadi usually refers to a buffering infiltration facility filled with rainwater. In a 'modern wadi', streets and roofs are cut off from the drainage system. Rainwater falling on these paved surfaces is directed via a storm drain to a watercourse where it can infiltrate into the ground or be diverted to surface water in a delayed manner. In this way, clean rainwater is prevented from going to the treatment plant while groundwater is recharged. The part of the wadi known as the 'pond' acts as an additional flow buffer, purifying the water locally through microorganisms and plants.

LOGISTICS PROVIDER CHOSE AIR PURIFICATION SOLUTION

Nordic Waterproofing's NOXOUT waterproofing reduces the amount of airborne nitrogen particles (NO_x). These air pollutants origin mainly from vehicles and industry and are harmful to people and the environment. Thanks to the slate coating of the waterproofing, which is coated with titanium dioxide, the decomposition of nitrogen particles is accelerated. The roof in question cleans emissions equivalent to about 800 tonnes of nitrogen oxide (Euro 5 passenger cars).

... WITH SOLAR CELLS

In addition to NOXOUT roofing felt, DSV also chose to install a solar PV system on the roof. Phoenix Tag Energi was responsible for the construction of the solar plant, which consists of a total of 3,340 panels with an expected capacity of 1,248 MWh.



Phoenix Tag has installed Noxout roofing felt on over 80,000 m² of roofing at the logistics company DSV's new warehouse and logistics building in Hedehusene, Denmark.



Roof with solar panels on the Malmö court, designed by Henning Larsen Architects.

Strategies:

A FOCUS ON SUSTAINABLE BUILDING SOLUTIONS

Based on our fundamental interest in sustainability, we have built up a market leading assortment of products developed for the building envelope and solid skills in manufacturing and installation.

Nordic Waterproofing's products' material properties have a long material durability of up to half a century. We are now working to continuously broaden the range and product quality.

INCREASED FOCUS ON SUSTAINABILITY

The Group has increased its focus on sustainability to meet the market's demand for more sustainable solutions. It also includes the work of reducing the CO₂ footprint with clear new targets. It comprises the value chain; purchasing, production and installation. More efficient resource utilization with increased recycling has also been prioritized and targeted.

ONE-STOP-SHOP - BROADENED PRODUCT PORTFOLIO AND INSTALLATION SERVICES

We increase our sales potential by broadening the product portfolio with further application solutions, functions and services for buildings and infrastructure.

NORDIC REGION HOME MARKET FOR CONSTRUCTION PRODUCTS AND INSTALLATION SERVICES

The Nordic region is the home market for construction products such as bitumen-based waterproofing, pre-fabricated elements, green infrastructure and installation services.

NORTHERN EUROPE MARKET FOR EPDM RUBBER PRODUCTS

To obtain economies of scale for EPDM rubber products, the market is geographically larger, with Northern Europe primarily as the main market. Sales also take place in the rest of Europe and the Middle East.

GROWTH STRATEGIES

The defined financial and operational goals must be achieved with both organic growth and acquisitions.

Organic growth

Existing customers – improve the product portfolio and service offering for our existing customers.

Reduce cyclical sensitivity – be relevant in the renovation market to balance declines in new construction.

Geographical spread – apply geographical leverage to newly acquired product and service categories.

Take advantage of megatrends in the construction industry – sustainable construction solutions, energy efficiency, renewable energy sources and efficiency on the construction site through increased exposure to prefabrication.

Growth through acquisitions

Vertical integration upwards to offer complete solutions – increase exposure to end customers. By broadening and improving our product portfolio and increasing the number of services, the Group will increasingly constitute a one-stop-shop opportunity for customers who are looking for complete solutions for the protection of buildings and infrastructure.

We focus on small and medium-sized companies in the Nordic region and northern Europe that present good synergy potential with our current business operations. These are companies that focus on sustainable solutions and that can increase the content of our product and service offering and thus added value through downstream integration.

Since the company was listed in 2016, the Group's sales have doubled through organic growth and acquired companies. In 2022, the following companies were acquired, whose total annual turnover amounted to approximately SEK 298 m (stated in parentheses):

- Gordon Low Ltd in the UK, specialised manufacture, and distribution of waterproofing of dams and other waterproofing solutions for landscaping, water mitigation and agricultural sectors (5 MGBP)
- VKP Holding Oy in Finland, provides roofing and waterproofing services (9 MEUR)
- Anneberg Limtrae A/S, manufactures glulam components such as beams, columns, and small glulam houses (40 MDKK)
- EG Trading Oy in Finland, wide range of green infrastructure solutions for landscapes, including home-grown sedum mats (EUR 3 million)
- Hagmans Tak Sverige AB in Sweden, installer of bitumen-based roofing products (SEK 15 million)
- Playgreen Finland Oy in Finland, offers environmentally friendly tailor-made renewable energy solutions to customers for installation on public buildings, industries, farms and private houses (7 MEUR).



Architect Reiulf Ramstad has created the urban mountain village of Favn Hafjell, 800 metres above sea level at the summit station of the Hafjell gondola, with roots in traditional Nordic building traditions. The Group's Norwegian RVT has been responsible for the design, supply and installation of the exterior walls and roof.

TWO OPERATION SEGMENTS

Nordic Waterproofing's operations are divided into two operating segments.

Products & Solutions

The segment's products and solutions on the market can be divided into:

- Waterproofing products for roofs, made mainly of bitumen (roofing felt) and PVC, but also of EPDM (rubber membranes) and TPO (thermoplastic olefin, a synthetic plastic material), as well as roofing accessories such as fasteners.
- Construction products, including various types of membranes for buildings, such as sublayers (moisture, wind and vapor barrier) made of bitumen and EPDM.
- Prefabricated elements including façade elements, floors, walls and sandwich walls.
- Green infrastructure, including sedum mats, roofs and public areas and vegetation for dams and reservoirs.

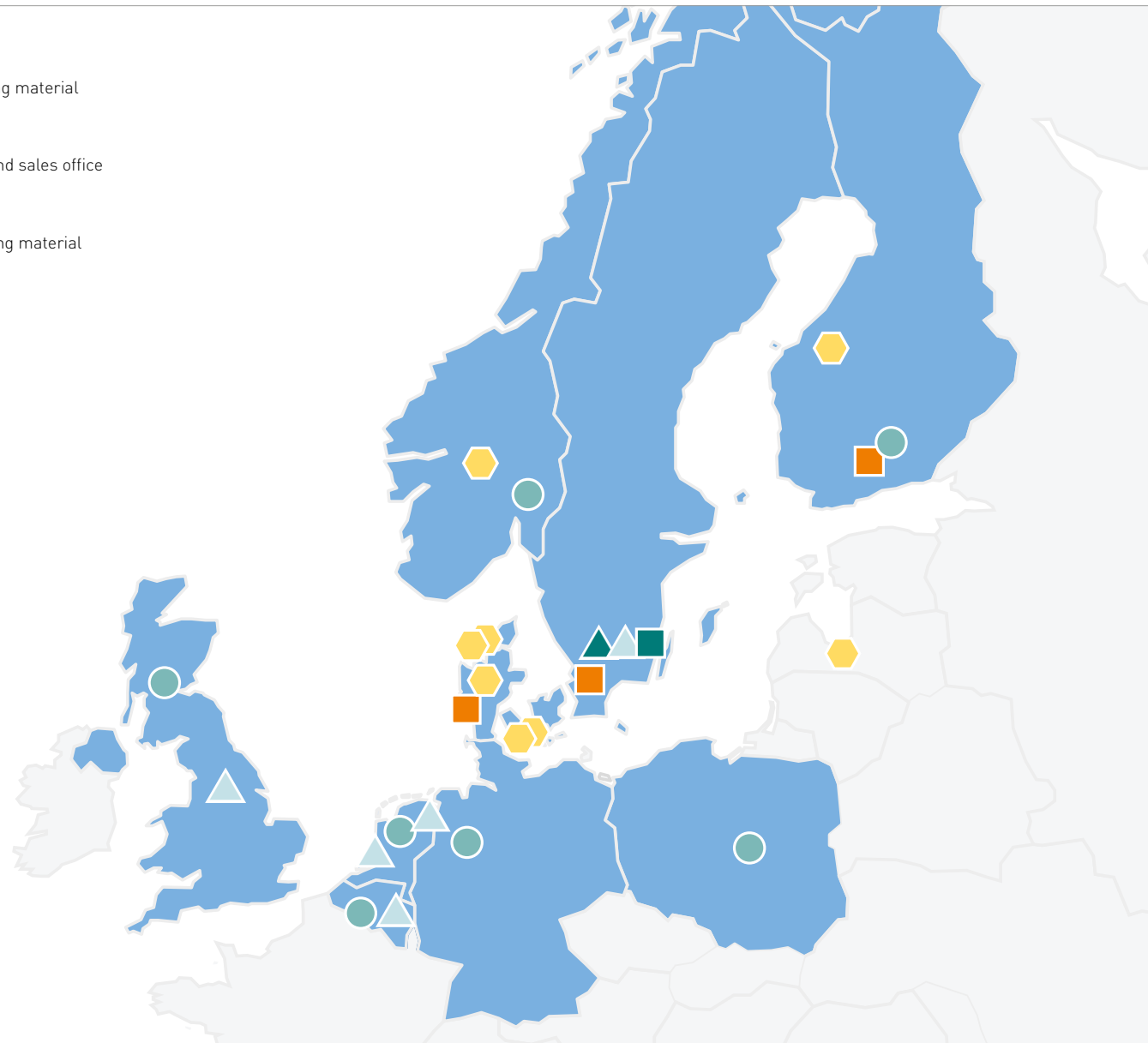
Manufacturing takes mainly place indoors in a controlled environment, which is a prerequisite for managing high and consistent quality in production and for meeting increasing demands for a better working environment and more advanced technology.

Installation Services

The Installation Services operating segment comprises installation of waterproofing products and maintenance services. We have operations in all the four Nordic markets, in Denmark organized in franchise companies where we hold a minority shareholding.

GEOGRAPHIC PRESENCE

- Bitumen-based waterproofing material
- Green infrastructure
- ▲ EPDM manufacturing unit and sales office
- ▲ EPDM prefabrication units
- Bitumen-based waterproofing material
- Sales offices



TARGETS

The Group has well-defined financial and strategic objectives. They create value for multiple stakeholders across over time: owners, customers, employees and society.

>SALES GROWTH

Nordic Waterproofing's goal is to exceed the growth experienced in the Group's current markets through organic growth. In addition, the Group expects to grow through selective acquisitions.

FINANCIAL TARGETS

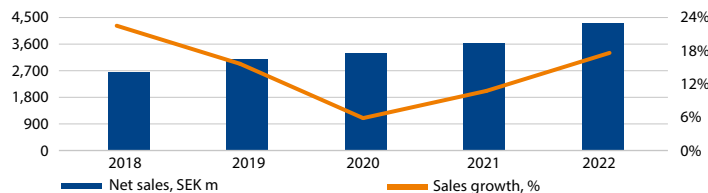
The Board of Nordic Waterproofing updated the Group's targets for profitability and capital structure with effective from 2 May 2019. These goals are well established and integrated into the decentralized organization's business units. For sustainability targets, see page 30.

OUTCOME



OUTCOME 2022

Net sales increased by 19 percent to SEK 4,343 million (3,664), of which organic growth amounted to 9 percent (5).

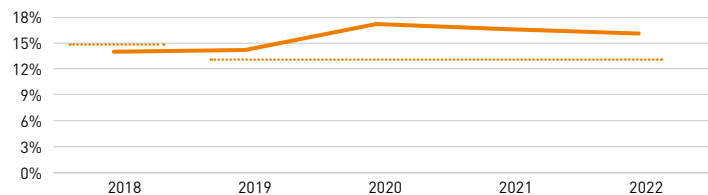


+19%

>13% PROFITABILITY

Generate a return on capital employed (ROCE) exceeding 13 percent.

..... =profitability target level



16.1%

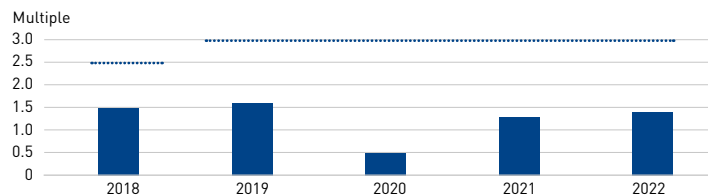
OUTCOME 2022

Return on capital employed was 16.1 (16.6) percent, while the EBIT margin was 9.9 (10.4) percent..

<3X CAPITAL STRUCTURE

Net debt/EBITDA multiple, Net debt in relation to EBITDA (R12M basis) shall not exceed a multiple of 3.

..... =debt level ceiling



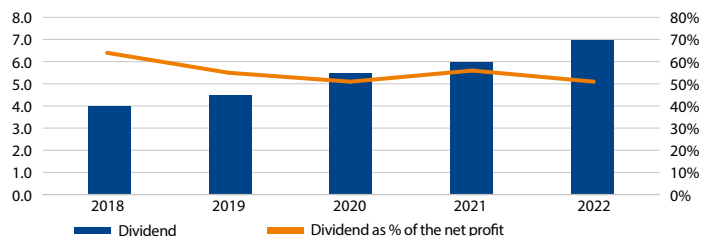
1.4X

OUTCOME 2022

At the end of the year, debt, calculated as net interest-bearing debt / EBITDA over the last twelve-month period, was a multiple of 1.4 (1.3) and net debt / equity was a multiple of 0.5x (0.5).

>50% IN DIVIDEND

The dividend policy states an annual dividend exceeding 50 percent of the net profit. The proposed dividend will be based on the Group's financial position, investment needs, liquidity position, as well as general economic and business conditions.



COMING DIVIDEND
PROPOSAL
7.00 SEK/SHARE,

51%

OUTCOME 2022

The Board will propose to the Annual General Meeting on 27 April 2023 to pay a cash dividend of SEK 7.0 (6.0) per share, totalling SEK 168 million. This corresponds to 51 percent of net profit.

BUSINESS AND REVENUE MODEL

Marketing and sales take place primarily at national level. The customer groups vary depending mainly on the size of the projects.

Direct sales to contractors

Since flat roofing waterproofing installation require special expertise, related materials are mainly sold to installation companies. This link to end-users' accounts for approximately 70 percent of the Products & Solutions operating segment's sales. The installation market is fragmented and consists predominantly of small, local companies.

Sales via builders' merchants

The builders' merchants' level of the distribution chain is relatively consolidated, consisting mainly of large building material chains with a regional or national

presence and offering waterproofing products as a small part of a wide product range.

Approximately 30 percent of the Products & Solutions operating segment's sales of roofing products in the Nordic region are made through builders' merchants.

Construction company customers

Construction companies are either large general contractors with a global, national or regional presence or smaller contractor companies (builders and carpenters). Construction companies that operate at both the regional and global level include Sweden's JM, NCC, Skanska and Peab; Denmark's MT Højgaard, HusCompagniet and Hoffman; and Norway's Veidekke. With regard to flat roofing waterproofing products, these companies secure direct agreements with installation companies, delivering a complete package

of roofing solutions, for example Nordic Waterproofing's Installation Services.

The Group's specialists in the fast-growing floor covering market have a customer base consisting mainly of medium and large construction and industrial companies, as well as shipyards and their subcontractors.

Direct sales to end-users

End-users consist of property owners who use waterproofing products on their properties. This level of the distribution chain is fragmented and includes private real estate companies, such as Kungsleden, Castellum, Hufvudstaden and Carlsberg Ejendomme, but also Copenhagen Airport and government-owned real estate companies, such as Akademiska Hus; as well as private real estate companies.

Prefabricated elements

Prefab elements are currently sold and marketed mainly directly to medium and large construction companies in Denmark and Norway. Marketing is largely aimed towards architects and building engineers through seminars and conferences. Nordic Waterproofings has the potential to expand the market to the other Nordic countries.

Green infrastructure

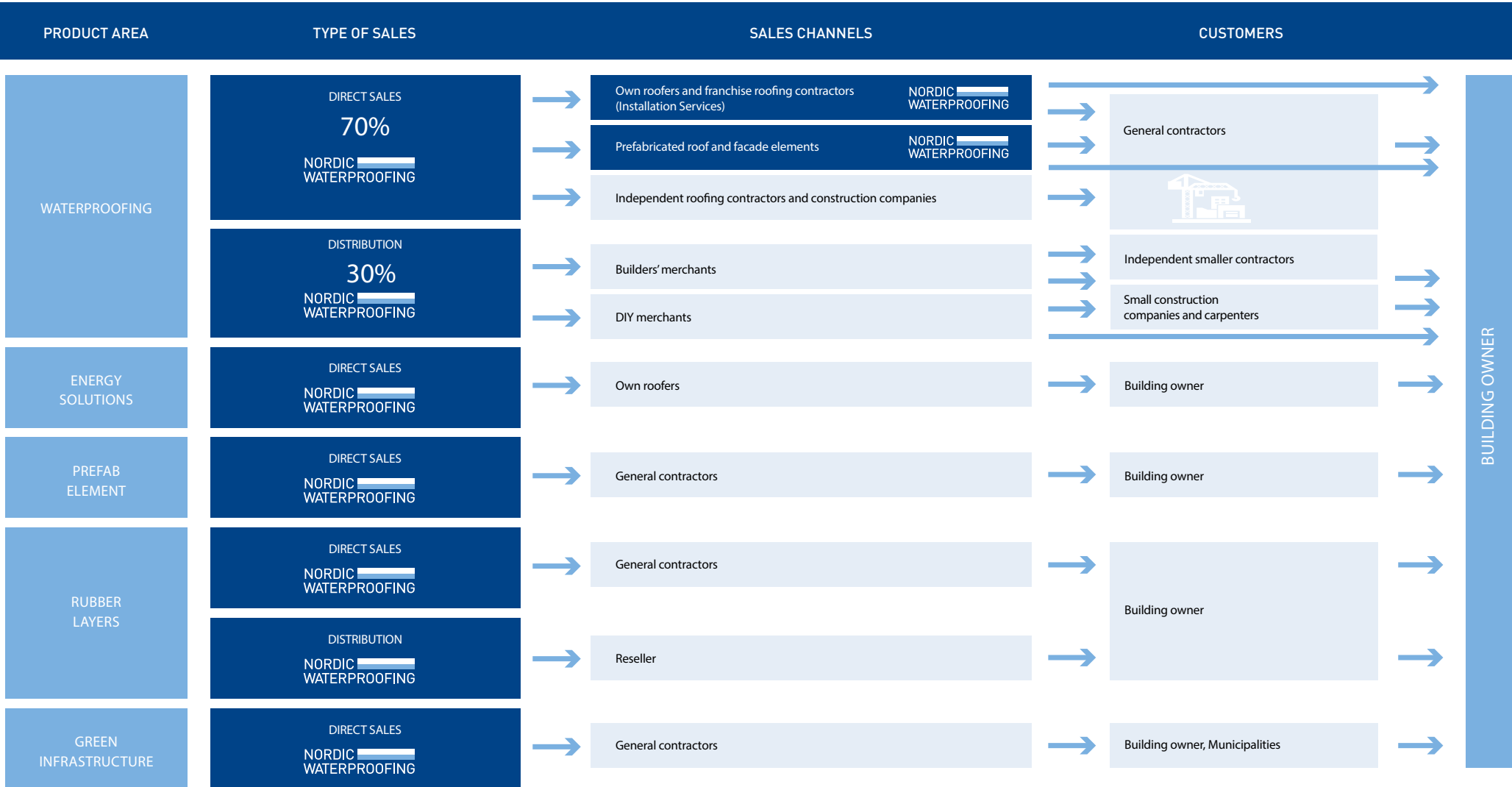
Green infrastructure, ie plant-based surfaces for roofs and facades as well as for green spaces in urban areas, has to a great extent the same sales channels as other waterproofing products. The client / specifier also consists of contracting authorities such as municipal administrations.



WINDOWS AND PAVILIONS FOR HELSINKI'S URBAN ENVIRONMENT HOUSE



Helsinki City Environment House covers 40,000 square metres and consists of seven floors above ground and one below ground. It is characterised by its raw materials, achieved through an expressive combination of brick, wood, copper and concrete. Ripatti subcontracted the facade's accoya wood and copper window mullions, as well as a large number of complementary structures on the exterior, such as the pavilions on the building's three rooftop terraces.



FOCUS ON THE CUSTOMERS AND SUSTAINABILITY DRIVES OUR BUSINESS MODEL

With a combination of competent employees, innovative strength and robust financing, Nordic Waterproofing contributes to develop, manufacture and sell innovative and sustainable products and solutions.

RESOURCES

CUSTOMER RELATIONS

- Small and medium-sized roofing contractors/construction companies and industrial companies
- Builders' merchants (professionals/private individuals)

EMPLOYEES AND MANUFACTURING RESOURCES

- About 1,365 employees with considerable skills and customer commitment
- 12 manufacturing units
- New investments, SEK 105 m

FINANCIAL RESOURCES

- Capital employed of SEK 2,859 m

CLEAR SUSTAINABILITY FOCUS

- Efficient use of resources
- Development of materials and technology focusing on the environment
- Prefabrication units and products
- Green Veg Tech products

NORDIC WATERPROOFING'S STRATEGIC PRIORITIES AND CUSTOMIZED OFFERINGS

STRATEGY

Nordic Waterproofing operates in close proximity to its customers, providing high-quality, innovative sealing products and services through local companies with strong brands

SERVICES

- Customized offerings
- Complete product range and turnkey sealing solutions
- Logistics
- Training

PRODUCTS AND PRODUCTION

- Procurement
- Product development
- Industrial symbiosis

GOVERNANCE

- Clear corporate governance with centralized areas of responsibility (finance and product development), as well as clear decentralized areas of responsibility for business and customer relations
- Financial strength to be a leading supplier for a long period of time

RESULTS IN 2022

Sales:
+19%
SEK 4,343 m

EBIT:
+9.9%
SEK 430 m

Equity/debt ratio:
47%

Net sales per employee:
3.2 SEK m

THE VALUE WE GENERATE

CUSTOMERS

- Sustainable products and services
- Investments in product development for sustainable and easier installation

EMPLOYEES AND MANUFACTURING RESOURCES

- Positive and inspiring working environment
- Continuous skills development
- Salaries, pensions and benefits, SEK 1,001 m

SHAREHOLDERS

- Proposed dividend: SEK 168 m, corresponding to SEK 7.00 per share
- Dividend yield: approximately 5%
- Sustainable and long-term profitability

SOCIETY

- More jobs, increase in number of employees: +93 to a total of 1,365 employees
- Income tax paid SEK 121 m
- Offering that contributes to sustainable buildings and infrastructure

SUPPLIERS

- Procurement SEK 2,811 m

4 GOD UTBILDNING
FÖR ALLA



5 JÄMSTÄLLDHET



9 HÅLLBAR INDUSTRI,
INNOVATIONER OCH
INFRASTRUKTUR



11 HÅLLBARA STÄDER
OCH SAMHÄLLEN



12 HÅLLBAR
KONSUMTION OCH
PRODUKTION



13 BEKÄMPA KLIMAT-
FÖRÄNDRINGARNA





Nordic Waterproofing became a majority shareholder in Finnish Playgreen in 2022. The company designs and installs solar panels on public buildings, industries, farms and private houses. Playgreen also provides battery solutions for energy storage and electric car chargers.

TRENDS AND CLEAR DRIVERS AFFECTING DEMAND

Nordic Waterproofing can make a significant contribution to a world where the focus is increasingly on protecting buildings and infrastructure, and also on improving energy efficiency.

GLOBAL MEGATRENDS - CLIMATE, ENVIRONMENT, ENERGY AND GEOPOLITICS

The global megatrends of climate, environment, energy and geopolitics create opportunities for the Group's product and service offerings, but also challenges for the business' own impact.

- ENERGY AND ECOLOGICAL TRANSFORMATION

The World Economic Forum's (WEF) Global Risk Report 2023 covers economic, environmental, geopolitical, societal and technological risks assessed at two-year and ten-year horizons. Nordic Water-

proofing's range of products and services are affected by, and therefore contribute to, three of the top ten ranked risks in particular:

Failed climate action – especially reducing greenhouse gas emissions

Extreme weather – torrential rain, heat waves, drought, etc.

Loss of biodiversity

There is a growing demand for sustainable building and infrastructure solutions, defined as green building materials. The focus is on reduced carbon footprint, increased resilience to climate change (e.g. increased rainfall and flood risks), industrial symbiosis (reuse of materials) and energy efficient and renewable materials.

Green transition - a key driver

The Group's business is based on the fact that its offer is designed to protect and insulate buildings, both existing and new.

The EU's 2050 zero emissions target and the EU's Green Deal are key drivers pushing the need for investment in sustainability in buildings, with a focus on carbon footprint reduction and energy efficiency. The EU Green Deal is also targeting the renovation of existing buildings with new financing solutions under the EU's investment program to improve energy efficiency. The rate at which buildings are renovated in terms of energy performance needs to at least double, according to assessors, if climate targets are to be met.

Biodiversity provides biodiversity

Biodiversity and a better microclimate are important components of cities, benefiting human health and well-being while enhancing biodiversity. This can be achieved through green infrastructure, i.e. green roofs, vegetation solutions and connecting green spaces.

Renewable electricity generation with increased photovoltaic installations is also driving demand for installation services and technical solutions.

Depletion of natural resources

Another of the WEF's ranked risks is resource depletion. In addition to protecting buildings and infrastructure with bitumen-based products based on a residual product, the company is also increasing the share of renewable materials in the form of wood in prefabricated elements.

Competition for talent

Attracting and retaining well-trained and skilled employees is crucial to the competitiveness of many industries, including construction. Employees with broad experience and diverse backgrounds create the conditions for new insights and methods as well as strong customer relationships.

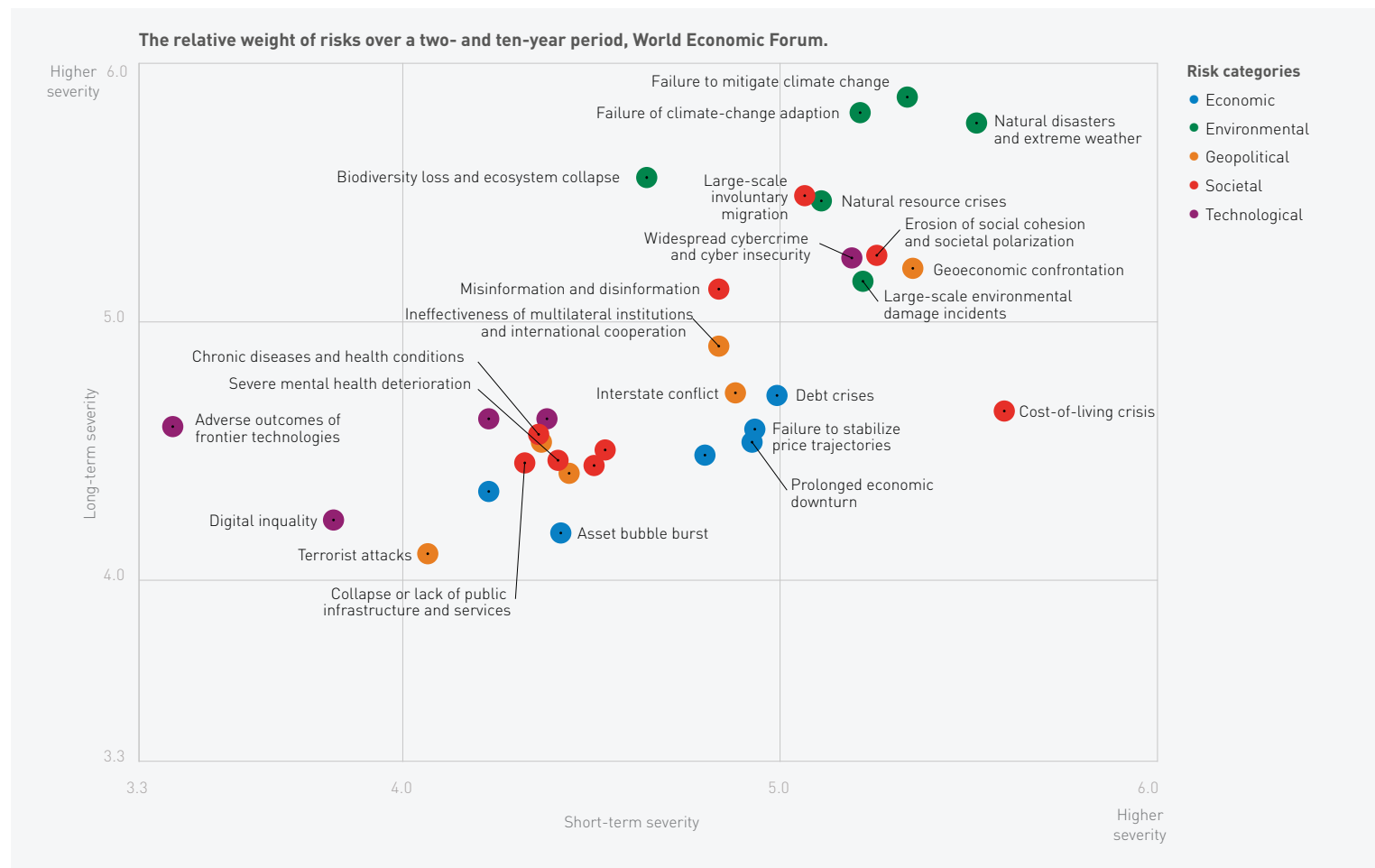
Greatest risks in probability

1. Failure to mitigate climate change
2. Failure to adapt to climate change
3. Natural disasters and extreme weather events
4. Biodiversity loss and ecosystem collapse
5. Large-scale uncontrolled migration
6. Natural resource crises
7. Lack of social cohesion and polarisation in society
8. Widespread cybercrime and online insecurity
9. Geo-economic conflicts
10. Large-scale environmental accidents

GEOPOLITICAL AND ECONOMIC DEVELOPMENTS

Increasing geopolitical instability is having a major impact on the world economy. In its November report, Economic Outlook 2022, the OECD predicts that the global economy faces major challenges. Growth has slowed, high inflation has spread across countries and products and is proving persistent.

The risks have increased. Lack of energy supply can push up prices. Interest rate increases, which are necessary to curb inflation, increase financial vulnerability. Russia's war in Ukraine increases the risks of debt problems in low-income countries and food insecurity.



THE MARKET - INCREASING DEMAND FOR SYSTEMS AND RELATED SERVICES

GDP development and political factors

The waterproofing and construction market in general follows the development of the GDP. Strong GDP growth benefits the broad construction industry with more starts of construction projects and higher volumes, weaker periods mean greater focus on maintenance and renovations. In periods of lower activity, public funding for building and construction projects has been common to stimulate the economy. Higher uncertainty in the geopolitical situation can lead to a change in approach to public support and financing, but also to delays as well as changes in strategies.

Nordic Waterproofing is active in three segments of the construction market: waterproofing, prefabricated elements and green infrastructure. The segments can also be divided into traditional building materials and green building materials, where the traditional also are constantly evolving towards increased durability. In some regions the Group is moving towards a more comprehensive offering also including installation services.

Waterproofing - focus on system solutions for optimized construction

The waterproofing market is consolidated, and the market shares tend to remain stable over time. Local production is a prerequisite for bitumen based products in particular, as transport costs account for a significant part of the total costs (high weight in relation to the value of the product), and expected short delivery times, which presupposes that manufacturers have reliable and efficient logistics solutions.

The production processes in the industry is to a high degree automated, which reduces competition from low cost labour countries. The different waterproofing markets are also characterized by differences in building regulations and building traditions.

The roofs dominate

The Group offers waterproofing solutions for different applications, dominated by roof solutions for houses with flat as well as pitched roofs. This market is developing in line with the general construction market, with lower variations in different economic conditions as a result of a larger element of renovation and maintenance assignments in installing waterproofing.

The Group's markets can also be divided according to type of application, such as residential and commercial properties, infrastructure (e.g., bridges), ponds and water reservoirs amongst others. It is estimated about 70 percent of the value of the total waterproofing market in the Nordic region can be attributed to commercial properties and infrastructure. Commercial and community properties have to a greater extent low-sloping roofs compared with residential properties. The Nordic market for new production has increased by about 20 percent over the past five years but is estimated to have a lower growth rate during the coming years.

Prefab - increasing construction costs on site drive the prefab market

The costs of construction on site are increasing, which is why time is a critical factor where the climate and season also pose a risk of delays. Construction with prefabricated elements is therefore an increasing trend. In addition, construction is increasing with prefabricated elements with wooden frames for larger buildings such as offices, factories and warehouses, retail, multi-storey buildings, and community buildings. The increase is driven by a growing demand for more sustainable materials as well as productivity and thus cost savings.

Experience shows that the total cost of a building with a prefabricated wooden frame is 7-10 percent less compared to traditional construction with concrete.

Building regulations and building design

The construction industry is characterized by the fact that the building regulations are national, which creates different product solutions and reference conditions.

Renovation creates stability

Renovation is less affected than new construction by the general economic climate. Renovation and new construction are estimated to account approximately for 50 percent each of the Nordic construction market. The Nordic renovation market did not decrease during the economic downturn in 2007-2009, while the new construction market decreased by 27 percent. Exposure to the renovation market strengthens thus the Group's operations.

The market for prefabricated elements has a greater economic dependence on new construction. In a recession, however, renovations are increasing. The distribution between renovation and new construction is 10 and 90 percent respectively of the sales value.

Green infrastructure contributes to biodiversity

The market for green infrastructure is largely driven by demands from public authorities for increased biodiversity in urban areas, but also by the realisation of added value in the form of a more pleasant and environmentally friendly environment in new developments and refurbishments. This is reflected in the fact that the majority of construction projects of larger buildings have green roof elements and where sedum roofs in particular are increasing.

Energy transition requires a fresh roof pad

High electricity prices are also driving the market for photovoltaic installations. A solar panel typically has a lifetime of 25 years. It is therefore natural to ensure that the substrate has at least the same lifetime before renovation is needed.

STRONG MARKET POSITION IN A COMPETITIVE MARKET

Nordic Waterproofing faces different competitors depending on the product area.

Waterproofing

In addition to Nordic Waterproofing, following major private manufacturers of waterproofing products are present on the Nordic market: Icopal, which is part of the BMI Group, in turn part of American Standard Industries, Finnish Katepal and Norwegian Protan and Isola. The limited number of local manufacturers in the Nordic market has a relatively fragmented customer base.

In the European market for EPDM products, Nordic Waterproofing's brand SealEco has competitors such as Firestone, Carlisle and Duraproof, of which Firestone and Carlisle are estimated to be the largest and second largest supplier with SealEco as the third largest.

Prefab

Within the prefab operations, it is mainly the construction companies' own operations with partially prefabricated or site-built frames and façade elements that are the alternative to finished elements / modules that are delivered on time to the construction site. There are few direct competitors to Taasinge Elements, RVT and Seikat in the Nordic market. In Denmark there is Roust Træ and in Norway the roof manufacturer Lett-Tak and within wall and larger house modules, there are manufacturers such as Optimera, Jatak and Støren Treindustri while in Finland, Lap Wall and Termater are major competitors.

Green infrastructure

Growers of plants for green infrastructure mainly act nationally as the plants are adapted for the same plant zone. Industrial cultivation takes place from for B2B deliveries and requires larger areas. Veg Tech is an industrial grower with a strong market position in Scandinavia; leading in Sweden where other players include Svenska naturtak, one of the top two in Norway where Seduma may be mentioned and one of the top three in Denmark where Nature Impact may be mentioned. The market is fragmented, including the smaller players such as nurseries that sell to private individuals.

Installation services

The market is fragmented in installation services, ranging from small contractors to construction companies.

STRENGTHS

The following factors are to the benefit of the Group:

Mature and consolidated industry

The waterproofing market is consolidated, and the market shares tend to remain stable over time. Local production is a prerequisite as transport costs account for a significant part of the total costs (high weight in relation to product value) and customers expect short delivery times, which presupposes the manufacturer having reliable and efficient logistics solutions.

The production processes are largely automated, which reduces competition from countries that can benefit from cheap labor. The different waterproofing markets are also characterized by national differences in building regulations and traditions.

Long-term trust is crucial

Customers are looking for proven and well-established products and materials from strong brands with a long tradition of quality and knowledge as long-term durability is crucial.

The Group's well-reputed brands, in combination with partnerships, training programs and technical services as well as highly motivated employees, have contributed to creating long-term customer relationships.

High quality product portfolio

A permanent waterproofing layer is the key to seal a building and the choice of material, its quality and installation can have far-reaching consequences. It is crucial for the life of the building, but accounts for a lesser part of the total construction cost. Construction companies hire qualified roof installers who have the necessary skills and understanding of the best product choices.

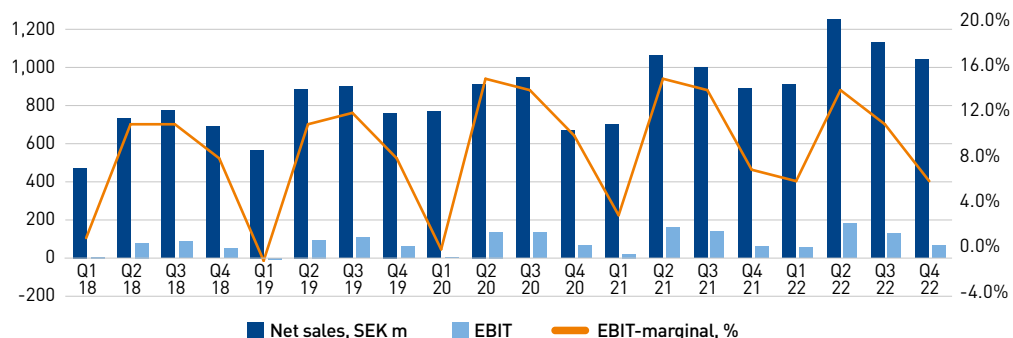
SEASONAL VARIATIONS

Nordic Waterproofing's operations are affected by seasonal variations, with January, February and December being the weakest months. In the financial year 2022, sales during these three months accounted for just under 17 per cent, while the other nine months accounted for 83 per cent, which is in line with the five-year average. The decline during the winter months is explained by cold and challenging weather conditions and its impact on the construction industry.

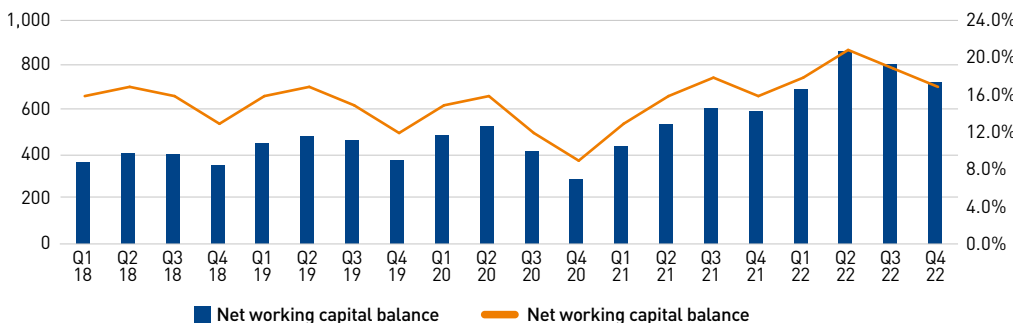
In general, there will be some stockpiling during the winter months, which will lead to a reduction in stock during the summer months because of the increased activity in the market. If winter arrives early, it may result in the postponing of several planned projects, which in turn has a negative effect on the year's results. The same applies if the winter is long and the season starts in late spring.

For risks and sensitivity analysis, please see Note 33 on page 100.

Seasonal variations in net sales and profitability



Seasonal variations in working capital



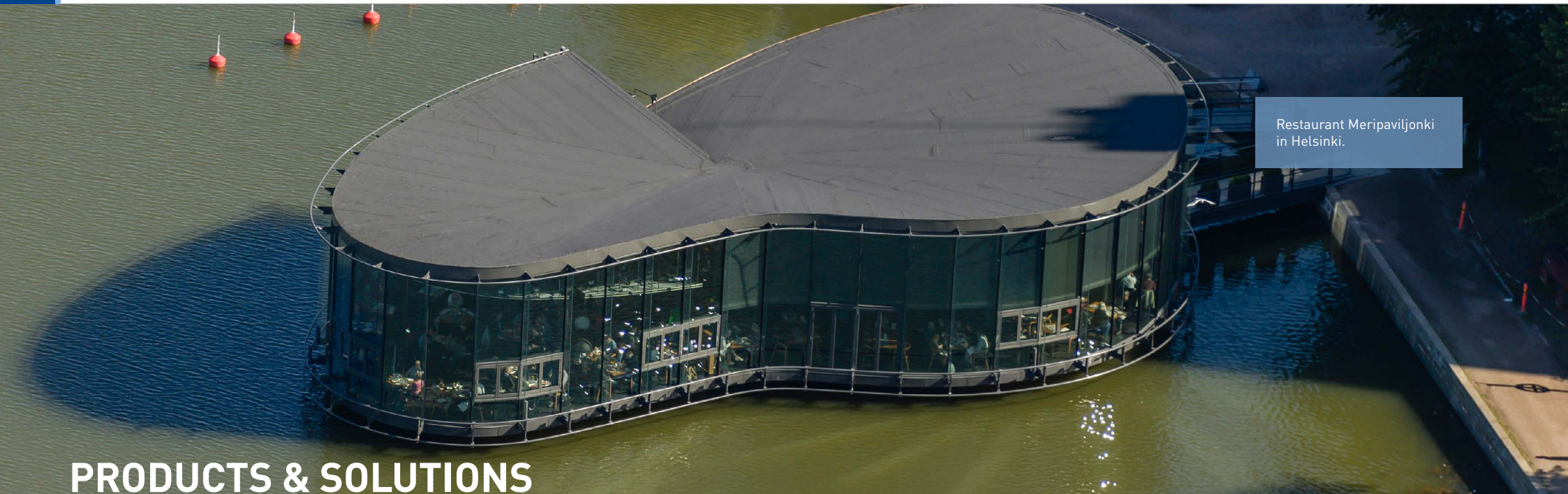


16,000 m² OF KERABIT GREEN

An extensive roof renovation project has been carried out at the Myyrmanni shopping centre in Vantaa, Finland.

"For us, the roof is more than just a roof. It is also our solar energy plant and the yard around our beehives." Property manager Thomas Stenius from Citycon.

"We chose the Kerabit Nature membrane because a large number of solar panels were mounted on the roof of the property. These panels are double-sided, in other words, energy is also utilised on the back side of the panel and with such a solution, a light-coloured membrane, is beneficial. The roof structure is also kept cooler when using a light-coloured membrane", says Jaakko Suvinen from Innocate Oy.

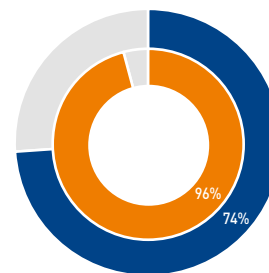


Restaurant Meripaviljonki
in Helsinki.

PRODUCTS & SOLUTIONS

KEY FIGURES PRODUCTS & SOLUTIONS, SEK m	2022	2021	Change in percent
Net sales	3,381	2,818	20%
EBITDA	530	517	3%
Operating profit (EBIT)	413	413	0%
Number of employees (FTE)	839	808	3.8%

SHARE OF
GROUP'S NET SALES
AND OPERATING PROFIT



■ Net sales ■ Operating profit

SALES AND
PROFIT GROWTH IN 2022



PRODUCT & SOLUTIONS

– EXTEND THE LIFECYCLE OF BUILDINGS AND INFRASTRUCTURE

The operating segment Products & Solutions offers sealing and waterproofing products and solutions for buildings and infrastructure, prefabricated wooden roof and facade elements and green infrastructure.

EFFECTIVE WATERPROOFING IS FUNDAMENTAL

The biggest threat to the sustainability of a building is the external climate, especially rain and humidity, but also wind and extreme temperatures. When a water damage has occurred, expensive renovation costs are often required. An efficient and durable waterproofing is therefore a prerequisite for both a new construction as maintenance of existing buildings.

Nordic Waterproofing offers a wide range of waterproofing products designed for the demanding climate in the Nordic region, that are adapted to different types of roofs; flat to sloping.

Development of products as well as safe handling and installation

Nordic Waterproofing has a well-adapted range of products. There is a constant development to meet the customers' demand for improvements in the working environment (handling of products and methods of installation) and environmental impact in production, including reuse and reduction of waste. The Group also works constantly to strengthen relationships with those who use the Group's products.

Flat roofs – Primarily commercial properties

The Group's products have unique technical qualities and can be adapted to different environments, types of property and surfaces. The products are mainly made of bitumen (roofing felt) and EPDM (rubber membrane) with up to 50 years durability.

Installation of waterproofing for flat roofs is demanding and is usually performed by professional roofing contractors, including Nordic Waterproofing's wholly owned roofing contractors in Finland and Norway and part-owned franchise companies in Denmark.

Pitched roofs – mainly residential buildings

Products installed on pitched roofs are more visible than products used for flat roofs. The design and appearance of the products are therefore important factors for the customer. These products are sold primarily to building suppliers and are usually installed by private individuals and independent smaller contractors or carpenters. In Denmark, the products are installed by Nordic Waterproofing's partly owned franchise companies and in Finland, installation services are performed by own personnel in the Installation Services operating segment.

Accessories – for complete solutions

As a provider of complete roofing solutions, Nordic Waterproofing also offers a broad range of essential accessories that complement the Group's products, such as plastic sheets, foundations, moisture barriers and roof safety. The accessories are sourced from several suppliers and often constitute an important factor in the complete solution. Accessories are sold both through building suppliers and directly to contractors.



PRODUCTS & SOLUTIONS





Building products

Building products, such as chemicals for roof installation and repairs, as well as protection against radiation from radon and sealing of roof lanterns, are highly technical and therefore often require customer support and training. Nordic Waterproofing produces building products in-house, but also sells building products purchased from subcontractors and sold mainly under the Group's own brands.

PREFABRICATED ELEMENTS WITH HIGH VALUE ADDED

Nordic Waterproofing's subsidiaries Taasinge Elementer in Denmark, Seikat in Finland and RVT in Norway add a high added value by manufacturing prefabricated building elements. The prefabricated elements are a sustainable solution being based on a wooden frame.

Prefabricated elements cut construction time on site and are cost-effective through rational prefabrication.

Design is done with the help of digital technology BIM (building information models) to visualise and assess energy efficiency to decide which measures are most cost-effective.

All production is project-based where the elements are developed in close dialogue with builders and architects for the best design and solution.

The elements comprise roofs, facades and interior walls as well as floors and are ready for installation with insulation, windows and doors, external and internal surface layer as well as being prepared for electrical wiring and ventilation. The prefabricated elements are mainly produced for larger buildings such as offices, plants and warehouses, retail, multi-storey residential buildings, community properties, swimming and sports halls, etc.

Assembly takes place in an indoor environment in a controlled climate. The project-based production means that each order is unique and therefore the production is difficult to automate and is largely

carried out by carpenters and installers. The production time from design to delivery is typically 8 – 12 weeks.

RUBBER MEMBRANES - IN ADDITION TO BUILDINGS ALSO FOR PONDS AND RESERVOIRS

Rubber membranes of EPDM or butyl rubber are primarily intended to be used for waterproofing roofs and facades, and as geomembranes in building foundations, ponds, and reservoirs. The product range consists of waterproof and airtight systems providing long-term efficiency for up to 50 years.

The products are primarily adapted to the customer's needs and at the Group's units, the rubber membranes are prefabricated into large, easy to install sheets. The products are sold primarily to customers in Belgium, Germany, the Netherlands, Poland, Sweden, and the UK.

SOLAR ENERGY SOLUTIONS

Nordic Waterproofing also acts as a contractor designing and installing solar cells in Denmark and can, through the acquisition of Playgreen Finland Oy, offer the same services in Finland.

GREEN INFRASTRUCTURE

The group offers solutions and cultivated plants for green infrastructure, i.e. plant-based surfaces for roofs, facades and green areas in urban centres, through Veg Tech and Urban Green in Sweden and Norway, Veg Tech, Phønix Tag, and Hetag Tagdækning in Denmark, and EG-Trading Oy in Finland.

Bio-based green surfaces contribute to biodiversity by protecting roof membranes, providing better building insulation against cold and hot temperatures system, by absorbing large parts of the city's noise, dust, and air pollution, thus improving both the micro and macro climates. Plant-covered roofs can absorb up to 50 – 80 percent of the rainwater falling on the roof, reducing,

or delaying the flow of rainwater into the drainage and preventing sewers from becoming overloaded.

The wholly owned Swedish company Veg Tech also offers solutions for green infrastructure especially in urban areas, from parks to nature parks and open water.

PRODUCTION CLOSE TO THE CUSTOMERS

Manufacturing close to the markets and customers is an important part of the supply chain. Nordic Waterproofing manufactures water-proofing products at four production units for bitumen and EPDM based products in Denmark, Finland and Sweden, four pre-fabrication units for EPDM products in Belgium, the Netherlands, the UK and Sweden and six units for prefab elements in Denmark, Norway and Latvia. The Group also has cultivation areas in Sweden, Norway and Finland.

The Group owns the recipes for its bitumen and EPDM products. Ongoing optimizations are also part of Nordic Waterproofing's intellectual property rights. Production volumes are based on both forecasts and orders. The Group's production is supplemented by products manufactured by subcontractors, such as plastic films, foundations and moisture barriers.

PURCHASING - A CENTRALIZED FUNCTION

Nordic Waterproofing's purchases are handled on a national basis that share market information and best practices within the Group. Market-specific products and materials are purchased by the local purchasing functions in order to increase flexibility and ensure that local needs are met.

Purchasing of the most important input materials bitumen, polyester, fiberglass and SBS takes place at group level to achieve economies of scale and strengthen the Group's negotiating position. The Group applies dual sourcing with more than one supplier to secure the inflow.

DEVELOPMENT IN 2022

The Products & Solutions operating segment grew by 15 percent (13). Organic growth was 6 percent (8), of which 15 percent was the impact of higher selling prices and volume decreased by -10 percent, the impact of acquisitions was 4 percent and currency translation effects were 5 percent.

The bitumen-based waterproofing business showed growth in all four of our Nordic markets, with particularly strong growth in the Norwegian market. SealEco, our synthetic rubber membranes business, had a slight decline in sales while maintaining market share.

In our prefabricated wood element operations, the Taasinge Group saw a decline in sales in Denmark, while Norway and Seikat in Finland had a strong positive development. We continue to have order books at a good level in all three markets. Sales in our green infrastructure business, which is sold under the Veg Tech and Urban Green brands, had a strong increase compared to the fourth quarter of 2021.

ACQUIRED COMPANIES 2022

- Gordon Low Ltd (100 percent), specialised manufacture and distribute waterproofing membranes for dams and other waterproofing solutions for landscaping, water mitigation and the agricultural sector. Annual turnover of approximately GBP 5 million and 20 employees.
- EG-Trading Oy (70 percent), a sedum grower with a wide range of different landscaping solutions from southern Finland. Annual turnover of approximately EUR 3 million and 15 employees.
- Annebergs Limtræ A/S (100 percent), manufacture of beams, columns and small glulam houses with its own automated factory. Annual turnover of approximately DKK 40 million and 16 employees.



Anneberg Limtræ, acquired in 2022, was responsible for the development of the load-bearing roof structure for the Danish Horsens Sailing Club's new clubhouse.



ROOF, FACADE AND DECK FOR THE WADDEN SEA CENTRE

The Wadden Sea Centre is the visitor centre for the UNESCO World Heritage Site Wadden Sea in Denmark, a tidal zone in the North Sea that stretches from the Netherlands to Denmark. The centre serves to raise awareness of the Wadden Sea and the marshlands around it. Taasinge was responsible for the roof, facade and walkway deck of its visitor centre, designed by architect Dorte Mandrup-Poulsen

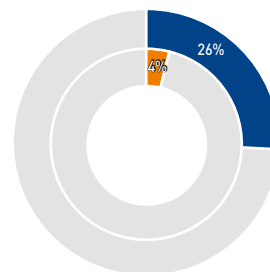




INSTALLATION SERVICES

KEY FIGURES INSTALLATION SERVICES, SEK m	2022	2021	Change in percent
Net sales	1,124	928	21%
EBITDA	34	86	-60%
Operating profit (EBIT)	92	34	171%
Number of employees (FTE)	518	456	13.6%

SHARE OF GROUP'S NET SALES AND OPERATING PROFIT



■ Net sales ■ Operating profit

SALES AND PROFIT GROWTH IN 2022



INSTALLATION SERVICES

– BRINGS THE GROUP'S PRODUCTS CLOSER TO THE MARKET

The Installation Services operating segment offers installation, maintenance and assembly of the Group's own roofing products for commercial properties and housing. In addition to roofing and installation, services are offered to property owners who want to extend the life span of their roofs and ensure that the buildings' climate shells meet established energy values.

WHOLLY OWNED SUBSIDIARIES IN FINLAND

Installations are carried out through wholly owned subsidiaries in Finland by the brands AL-Katot, Kerabit-Pro and LA Kattohuolto as well as Rakennusliike Ripatti which market and sell facade cladding, profiled sheet metal and sheet metal and machining as well as pre-fabricated eaves systems with integrated guardrails by the brand RipRap.

ON THE NORWEGIAN MARKET

Byggpartner operates in Norway and carries out installation and maintenance of waterproofing products in the Oslo area.

MINORITY-OWNED FRANCHISE COMPANIES IN DENMARK ...

In Denmark, installations are offered via franchise companies under the brands Phønix Tag and Hetag

Tagdaekning. The franchise companies are owner managed companies, in which Nordic Waterproofing has minority interests. The franchise companies are an important sales channel with access to Nordic Waterproofing's products and knowledge.

INSTALLATION OF SOLAR PANELS

Nordic Waterproofing also offers installation of solar panels on both commercial and private properties in Denmark and in Finland by Playgreen Finland Oy.

LANDSCAPING IN THE NORTH

Nordic Waterproofing's range of green infrastructure solutions and proprietary plants also includes the construction of green spaces in-house. These are carried out mainly by Veg Tech in Sweden, Norway and Denmark, Urban green in Sweden and EG-Trading Oy in Finland. However, these landscaping services are reported in the Products & Solutions segment.

CUSTOMIZED FLOOR COATING

The Finnish companies E.Voutilainen and SPT-Painting operates within the fast-growing market for liquid sealing membranes and coverings for floors, also known as "coatings", and provides floor installation services to customers in the construction, ship-building, and industrial segments.

The customer base consists primarily of medium and large construction and industrial companies and shipyards as well as their subcontractors.



INSTALLATION SERVICES

Wholly-owned subsidiaries in Finland		Minority-owned franchise companies in Denmark		Wholly owned subsidiary in Sweden and Norway
				
				
				

AN IMPORTANT SALES CHANNEL CLOSE TO THE CUSTOMER'S NEEDS

Installation Services is an important sales channel for the Group's waterproofing products and solutions. Added value is created through direct contact with the end-users, resulting in greater understanding of the end-customer's needs and at the same time educating the market of the importance of using high-quality products. The link to end users provides control of the entire value chain, which also protects the Group's market position and brands.

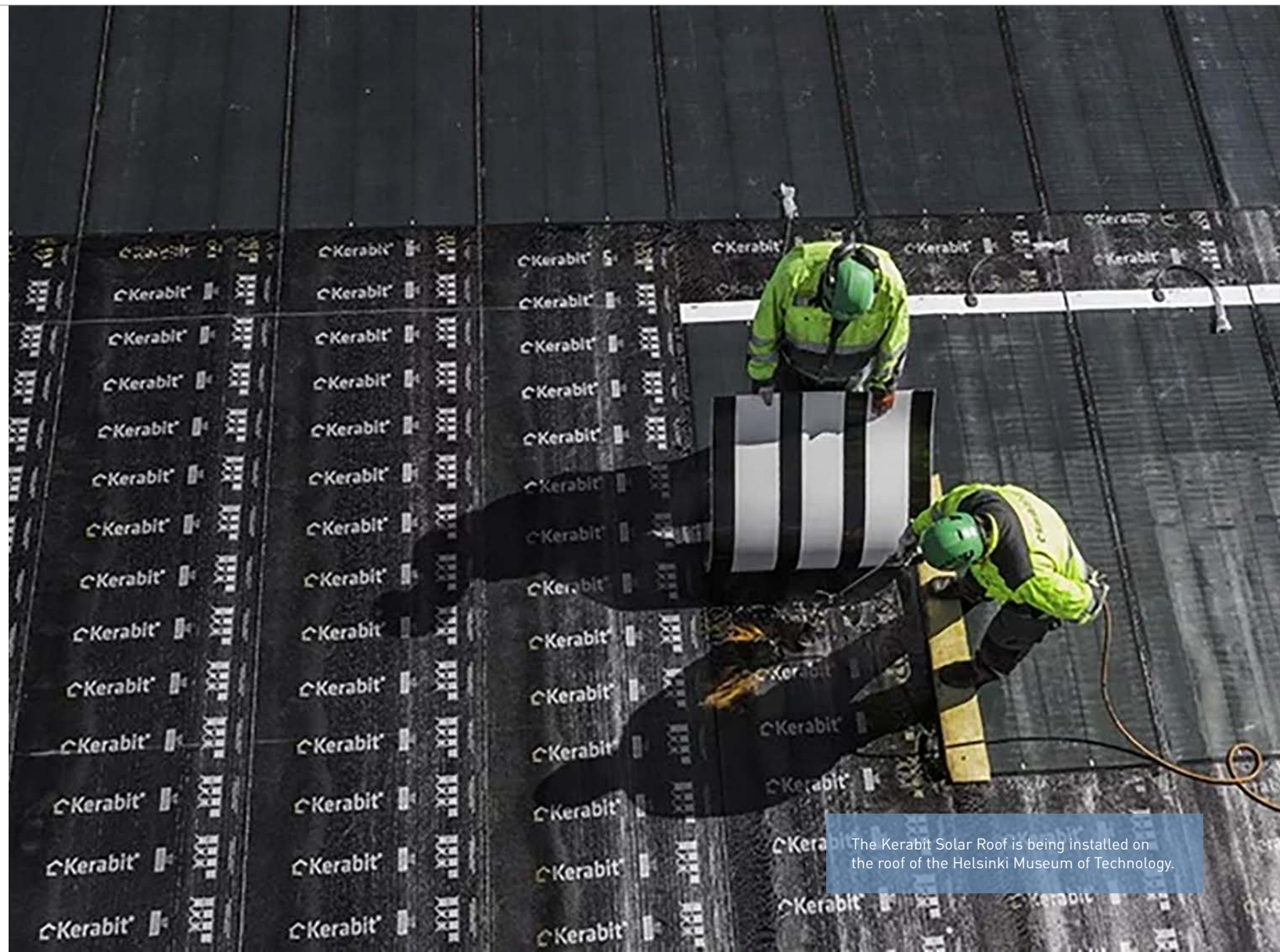
DEVELOPMENT IN 2022

The Installation Services operating segment grew by 30 percent (21) to a quarterly record of SEK 325 million. Organic growth was 13 percent (-7), of which 6 percent was an impact from increased selling prices and volume expanded by 7 percent, the impact from acquisitions was 9 percent and currency translation effects were 8 percent.

The operating segment's activities are mainly conducted in Finland, where we saw growth and improved margins in our roofing business. Our operations in Norway had strong double-digit growth and a clear improvement in earnings. Our Danish franchises continue to experience a strong market and the fourth quarter operating result clearly exceeded the previous year.

ACQUIRED COMPANIES 2022

- VKP Holding Oy (70 percent), roofing and waterproofing services in Finland. Annual turnover of approximately EUR 9 million and 75 employees.
- Playgreen Finland Oy (64 percent), a Finnish company mainly active in the design, sale and installation of solar energy solutions. Turnover in 2022 of approximately EUR 7 million and 20 employees.
- Hagemans Tak Öst AB (100 percent), a Swedish company providing roofing and waterproofing services. Annual turnover of approximately SEK 15 million and 10 employees.



The Kerabit Solar Roof is being installed on the roof of the Helsinki Museum of Technology.



ROOFS THAT CONTRIBUTE

KERABIT NATURE

Kerabit Nature is a CO₂-neutral waterproofing membrane whose fossil bitumen has been partially replaced by bitumen extracted from pine oil, CTO. The positive CO₂ uptake by the pine oil raw material makes Kerabit Nature CO₂ neutral (bitumen already has low 0.2 kg CO₂ equivalents/kg) Kerabit Nature is available for both top and bottom layers.

LESSNOX

NO_x particles, nitrogen oxide, an airborne pollutant is harmful to the environment, is reduced thanks to

the LESSNOX sealing layer. Its slate surface layer is coated with titanium dioxide which breaks down the NO_x particles into nitrate. The nitrate can then be taken up by plants as a nutrient supplement.

KERABIT AURINKOKATTO®

A unique thin-film panel solution that can be integrated into a bitumen membrane roof. Unlike conventional photovoltaic systems, the solar panels are installed without separate supporting structures. The solution minimises the risk of wind and storm damage.

WE PROTECT AND CONSERVE OUR COMMON HABITATS

Nordic Waterproofing's business concept is based on sustainability. This means enabling customers to protect, preserve and contribute to the durability of buildings and infrastructure. The Group also contributes with environmental and climate-saving products for better energy performance, CO₂-neutral alternatives and green infrastructure that contributes to increased biodiversity.

REPORTING AND EXTERNAL ACCOUNTING

Nordic Waterproofing's Sustainability Report includes the parent company Nordic Waterproofing Holding AB and all Nordic companies consolidated in the Group accounts, which are listed in note 13 of the Annual Report. The Sustainability Report is partly prepared in accordance with the provisions of Chapters 6 and 7 of the Swedish Annual Accounts Act. In addition, the company reports on additional areas in order to provide a more comprehensive picture of the Group from a sustainability point of view. The Management's Sustainability Committee is responsible for developing

guidelines for data collection to ensure accurate, transparent and reliable data for the operations.

Nordic Waterproofing Holding AB's Board of Directors has, in connection with the signing of the Annual Report, also approved the Sustainability Report. The auditor has taken note of the sustainability report, see certification on page 36. In 2024, the goal is to quality assure the sustainability reporting to meet the EU CSRD reporting requirements as the sustainability data will be subject to the same level of scrutiny as our financial data.

STATUTORY SUSTAINABILITY REPORT, AS STATED IN THE ANNUAL ACCOUNTS ACT

1. Business concept	page 13
2. Policies	page 29
3. Environment	page 32
4. Personnel and social conditions	page 37
5. Respect for human rights	page 36
6. Anti-corruption	page 36
7. Significant risks	page 56

GOVERNANCE

The Board of Directors is ultimately responsible for the Group's sustainability work, including defining goals and continuously monitoring the Group's sustainability work. The operational sustainability organization is led by a Sustainability Committee consisting of five Sustainability Officers at country level; Sweden, Denmark, and Finland as well as for the subsidiaries Taasinge and SealEco and is headed by the Group's CSO (Chief Sustainability Officer) Susanne Højholt. The CSO reports to the CEO and is an adjunct member of the Executive Committee.

The actual sustainability work is mainly done at national level by the subsidiaries closest to the market with a proactive development for regional preferences. Each business unit manager also has operational responsibility for sustainability work.

POLICIES

The following policies have been developed at Group level:

- code of conduct
 - whistleblower policy
- code of conduct for suppliers
- diversity policy
- information policy
- information security policy
- IT policy
- insider and logbook policy
- development policy - where aspects such as environment, health and safety are taken into account in the development of both products and processes. In addition, environmental, health and safety impacts are considered in the selection of chemical substances used in the Company's products and processes.

ENVIRONMENTAL PERMITS AND CERTIFICATIONS

Nordic Waterproofing's production activities are subject to notification or permit requirements under the respective country's environmental and permitting regulations. The Group's production in Värnamo municipality has, together with Trelleborg Sealing Profiles Sweden AB, obtained a permit from the Environmental Assessment Delegation. For the operations in Höganäs, a voluntary permit under the Environmental Code has been obtained from the County Administrative Board for the production of bitumen-based waterproofing membranes. In Denmark, Nordic Waterproofing has obtained two environmental permits for its production operations in Vejen; one permit dates from 1989 and the other from 2006.

In Finland, an environmental permit has been obtained for the production activities in Lohja. The Finnish environmental permit is valid until further notice. Operations in Finland and Sweden are certified according to ISO 14001. In addition, the company is actively working to reduce waste and energy consumption by streamlining production at the production units, and increasing the recycling of materials and energy from production waste that cannot be reduced or avoided.



EG TRADING IN FINLAND

EG trading in Finland was acquired in 2022 and offers green space installation solutions. Among other things, they have provided floating bird islands for the Old Town Bay nature reserve in Helsinki.

SUSTAINABILITY TARGETS

Group-wide sustainability targets were agreed in 2021, which is the base year for further development. Comparability with previous years may therefore differ. Another factor complicating comparability between previous years is the inclusion of acquired companies.

-19% reduction in CO₂ emissions by 2022

TARGET: COMPLETELY CO₂-NEUTRAL BY 2050

Nordic Waterproofing has set interim targets for 2025, when CO₂ emissions will be reduced by 50 per cent within scope 1 and 2. For scope 3, the interim target is a 25 per cent reduction in 2025 and a 50 per cent reduction in 2030. By 2030 fully CO₂-neutral in scope 1 & 2 and fully CO₂-neutral in scope 1-3 by 2050. See note 2 for outcome total 2022 on page 41.

Emissions of greenhouse gases, tonnes CO ₂ e	Estimated emissions			Interim targets and year		
	Base year 2021	2022	Change	2025	2030	2050
Scope 1	4,006	3,204	-20%	-50%	0	
Scope 2	1,692	1,465	-13%	-50%	0	
Scope 3 upstream	171,554	139,089	-19%	-25%	-50%	0
Total greenhouse gas emissions	177,253	143,757	-19%			

56% of waste recycled

TARGET: ALL WASTE RECYCLED BY 2030

Nordic Waterproofing will recycle all self-generated waste to keep 100% of the products' CO₂ in the cycle. No waste will go to landfill by 2025.

Waste will be converted into a resource by finding recycling methods to keep CO₂ in the product (e.g. road surfacing and filling, sound absorbent).

Waste, tonnes	2021	2022	Change	Target 2030
Landfill	609	479	-21%	0
Incineration with energy	2,186	2,280	4%	0
Recycling	3,617	4,649	29%	
Recycling, share	56%	62%	-10%	100%
Hazardous waste	18	5	-74%	0
Miscellaneous	29	60		0
Total	6,459	7,473	16%	

INCREASING SHARE of products environmental declarations/EPD

TARGET: 85% OF PRODUCTS ENVIRONMENTAL DECLARATIONS/EPD

Documented life cycle assessments are becoming increasingly important for customers. The number of products with EPD (Environmental Product Declaration) documentation or environmental certification schemes such as DGNB or BREEAM will increase continuously. The target is for environmental declarations/EPDs to cover 85% of the range.

EPD, % of products sold covered by EPD	2021	2022
Denmark - Phønix Tag Materialer	85	93
Sweden - Matakki and Trebolit	59	70
VegTech	0	35
Finland	0	0
Taasinge Elementer	0	0
SealEco	0	90



STRATEGIC PRIORITIES

The following areas are within the scope of the sustainability objectives:

- Reducing carbon dioxide emissions
- Reduce energy consumption
- Continued product development for lower climate impact and improved product properties
- Reduce material consumption/increase reuse
- Reduce waste
- Reducing accidents

Planned materiality analysis

In 2023, an updated materiality analysis will be conducted and analysed to create the right sustainability priorities through the Sustainability Committee and in the annual strategy process. Analysis of risks, opportunities and challenges faced by the Group will be carried out in line with the forthcoming Corporate Sustainability Reporting Directive (CSRD). Our materiality analysis will be based on trend analysis and input from internal and external stakeholders.

Stakeholders include end-users, customers, employees, investors, local communities, public policy makers, partners, and suppliers.

SIGNED THE UN GLOBAL COMPACT AND CONTRIBUTES TO SEVERAL OF THE UN'S SUSTAINABLE DEVELOPMENT GOALS

The Group signed the UN Global Compact in 2012. The UN goals in the 2030 Agenda are clear and provide a useful framework for addressing global challenges and have a major impact on society. At the same time, the goals are a driver for innovation and business opportunities in the field of sustainability. Private and public organisations have an important role to play. Businesses are expected to contribute with responsible business practices, with transparent reporting of their own targets and achievements, but above all and develop and offer products and services that contribute to sustainable development. Nordic Waterproofing supports and contributes to several of the UN Sustainable Development Goals. The Group has chosen to give particular priority to five of these goals. The business is considered to have the greatest potential to contribute to the following relevant sub-goals:

SDG Mål/delmål	Nordic Waterproofings bidrag
4 Quality education	
4.4 Increase the number of people with skills to secure financial security	Trainee programme
5 Gender equality	
5.5 Ensure women's full and effective participation and equal opportunities for leadership	Diversity policy
9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	
9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure	Nordic Waterproofing's core business
9.4 Upgrading all industry and infrastructure for increased sustainability	Transition to fossil-free production
11 Make cities and human settlements inclusive, safe, resilient and sustainable	
11.5 Mitigate the negative effects of natural disasters	Nordic Waterproofing's core business
11.6 Reducing the environmental impact of cities	Green infrastructure Noxout waterproofing Solar cell installation services Energy saving building products Wood-based building products
11.7 Create safe and inclusive green areas for all	Green infrastructure
12 Ensure sustainable consumption and production patterns	Product development and improved production
12.2 Achieve the sustainable management and efficient use of natural resources	Product development in recycling of residual wood products
12.4 Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle	Product development and improved production
12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse	Product development and improved production
13 Combat climate change and its impacts	
13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters	Nordic Waterproofing's core business

ENVIRONMENT

- IMPACT AND CONTRIBUTION

Climate impact

The Group's own climate impact is mainly in its production processes and transports. For the second year, Nordic Waterproofing is using the Greenhouse Gas Protocol (GHGP) as a method for calculating climate-

impacting emissions. The calculations are made using a developed software for scientifically based accounting of carbon emissions for scope 1, 2 and 3 upstream based on all our operations in the Group, also taking into account the inflation rate. Scope 3 downstream will be covered in the coming years. The current focus is on working with our suppliers to get the right data on

their emissions. In 2022, the figures for 2021 have been reviewed to ensure comparability.

Grants that reduce climate impact

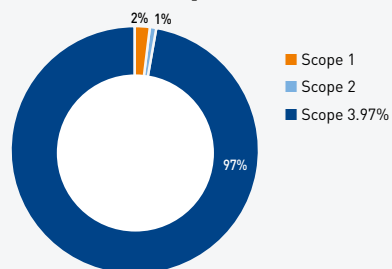
A large part of Nordic Waterproofing's products and services aim to protect and preserve the durability of buildings and infrastructure. The group also offers

products that have a lower CO₂ impact and contribute to better energy performance. Expanded installation services in photovoltaic production contribute to fossil-free electricity generation. Green infrastructure contributes to CO₂ and biodiversity sequestration.

SCOPE 1

CO₂ emissions are reduced by 20% as the Finnish operations have also switched from natural gas to certified biogas and by 2023 all waterproofing production will be using biogas. The Danish and Swedish operations have replaced almost all company cars, trucks and forklifts with electrified ones and Finland is switching to zero emission cars.

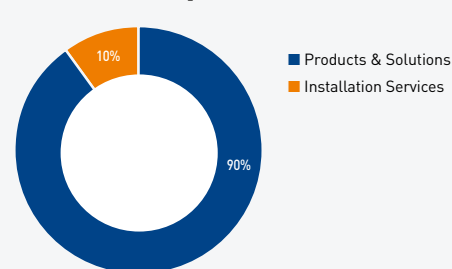
DISTRIBUTION OF CO₂e EMISSIONS



SCOPE 2

CO₂ emissions decreased by 13% as the Finnish operations and SealEco also switched to green electricity from wind and hydro power. Now 81% of all the Group's facilities use renewable electricity. Installation of solar panels started at the Finnish factory in 2022 which produced 11 MWh. The installation will be completed in 2023. A total of 129 MWh of renewable electricity was produced in the Group in 2022. 58 charging stations for cars have been installed at the factories and the main offices.

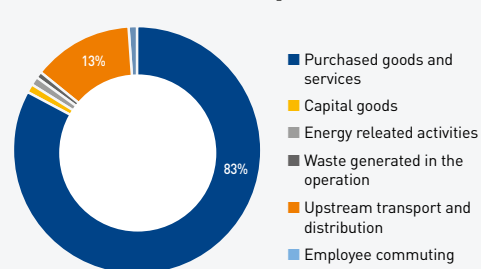
DISTRIBUTION OF CO₂e EMISSIONS, BY BUSINESS AREA



Breakdown of CO₂ emissions

Purchased goods and services	83%
Capital goods	1%
Energy related activities	1%
Waste generated in operations	1%
Upstream transportation and distribution	13%
Business travels	0%
Employee commuting	1%

SCOPE 3, DISTRIBUTION OF CO₂ EMISSIONS



Only the upstream categories are reported for 2022; the downstream categories will be covered in 2023. The breakdown into scope 3 categories shows that the largest CO₂ emissions come from the raw materials. We are committed to improving and reducing this CO₂ emission through strong engagement with our suppliers and initiating collaboration on innovation, logistics optimisations and methods, energy use, carbon reduction plans and improving the quality of information we receive from our suppliers, such as EPDs, LCAs and similar calculations.

On upstream transport, we are in dialogue with our partners to improve freight volumes to and from construction sites and on switching fuels to biodiesel or electrification. As the price of biodiesel, for example, is challenging, we do not expect a major change in 2023.

See note 1 for explanation of scope 1-3, page 41. See note 2 for full disclosure of CO₂ emissions, page 41.

Energy consumption

Energy consumption scope 1, year 2022, decreased by 6 percent compared to the previous year. Net sales for the same period increased by 18%. The decrease in energy consumption is due to the closure of a factory in Denmark by Taasinge Elementer A/S and the reduction of consumption at all factories through the renewal and insulation of pipes, mixers and tanks, which also contributes to a more stable production temperature. The outside temperature also has a major impact on the energy consumption for cooling the products before they are packaged.

81% of energy consumption was renewable electricity in the Group's energy mix in 2022, up from 59% in 2021. 129 MWh of renewable electricity were produced in total in the Group. Additional renewable electricity generation will be installed in the Group in 2023.

Reporting is done from production units and offices in all business units.

For energy consumption by source, see note 3, page 42.

Green electricity and biogas

As each country's energy mix differs, national initiatives are being taken to introduce more renewable forms of energy. Overall, the share of renewable electricity increased from 59% to 81% by 2022.

Developments are underway for the installation of roofing felt without gas burners, which both reduces CO₂ emissions and reduces fire risk

-1 000 tonnes of CO₂e in Finland

Finland switched to green electricity and biogas at its largest production plant in 2022, resulting in a CO₂ reduction of around 1,000 tonnes compared to 2021. Installation of solar panels (11 MWh) started at the Finnish plant in 2022 and will be completed in 2023. Planning is underway for solar installation at the rest of the Group's plant buildings.

Energy and climate saving contribution to customers

A large part of Nordic Waterproofing's products and services also contribute to denser and/or more well-insulated buildings, which reduces the energy demand for indoor climate and/or lower climate impact.

Energy consumption, kWh	2021	2022	Change
Energy Consumption Scope 1, kWh	26,965,178	25,478,501	-6%
Energy Consumption Scope 2, kWh	20,117,725	19,006,049	-6%
Energy Consumption Scope 1 and 2, kWh			
- Renewable energy	22,599,794	28,025,267	+24%
Energy Consumption Scope 1 and 2, kWh			
- Non-renewable energy	24,483,110	16,459,284	-33%



Ressourcerækkerne in Copenhagen where the facade is clad with bricks from Carlsberg's old brewery. 1x1 metre squares are cut from the old building to be reused as brick modules by Taasinge elementer.

INPUT MATERIALS

The main inputs in Nordic Waterproofing's production are bitumen, polymers (rubber compounds and plastics), environmentally certified wood and plants.

Nordic Waterproofing's main suppliers have been asked to provide product-specific environmental declarations (EPDs), LCA calculations and energy supply for their production, which very few of them have been prepared to do at this stage. This work will be expanded in 2023. The target for 2023 is to focus on the 50 suppliers that account for most of the scope 3 emissions. Cooperation will focus on improving sustainability management at their facilities and improving the data for EPDs.

Bitumen - a residual product ...

Bitumen is a residual product from the industrial refining of crude oil into various fossil fuels. Bitumen therefore requires a lower energy consumption in its production. However, heat is required for processing into waterproofing products. Nordic Waterproofing has therefore switched to biogas at all three production plants for bitumen-based products. Bitumen is mainly

used for road asphalt and to a lesser extent for roofing and other applications (see diagram).

... with a long life cycle ...

Today's bitumen-based waterproofing, blended with elastomers for increased flexibility, has a durability of up to 50 years, with building design and installation also having an impact. When waterproofing is refurbished, a new layer is normally laid on top of the old one.

... and which do not harm man and nature

As bitumen is a hydrocarbon that is not intended for combustion but for use in building materials, no greenhouse gases are released. The remaining components of a bitumen-based waterproofing layer (fillers, polymers, slate, sand, etc.) are either inert (not prone to form chemical compounds) or have a low propensity for chemical reaction. This means that they pose minimal danger to humans or nature throughout its life cycle, provided it is not burnt.

Product development is focused on reducing the thickness of roofing felt (and thus the amount of bitumen) while maintaining functionality through better mixing recipes. To reduce the use of polyester in the supporting fabric, the fabric is largely made of recycled polyester from PET bottles. In 2022, 174,000 PET bottles were used.

Two methods to reduce CO₂ content in bitumen

Pine oil – Nordic Waterproofing's Finnish brand Kerabit has developed Kerabit Nature. Its fossil bitumen has been partially replaced by bitumen extracted from pine oil, CTO. The positive CO₂ uptake by the pine oil raw material makes Kerabit Nature CO₂ neutral (bitumen already has low 0.2 kg CO₂ equivalents/kg) Kerabit Nature is available for both top and bottom layers.

Lignin – A research project in Sweden together with RISE is aimed at partially replacing bitumen with

the wood residue product lignin (see more about the project on page 35). The project started in summer 2022 and will run for 2.5 years.

Polymers (rubber compounds and plastics)

Polymers are fossil-based and are used for the production and processing of rubber sheets. Like bitumen, the material has very good water and sealing properties with a long-term durability of up to 50 years and is very difficult to replace with other materials.

Carbon black – Recycling is made more difficult as the raw rubber undergoes vulcanisation where crosslinks are formed between the polymers (raw rubber). These links cannot be broken. However, carbon black, a carbon-based additive, can be recycled from processed rubber, reducing CO₂ emissions. SealEco offers Prelasti green, an EPDM rubber with a lower carbon footprint thanks to the reuse of material from recycled car tyres. 42% recycled material in the form of carbon black is used to increase the wear resistance of elastomers (rubber). This results in 20% lower CO₂ emissions in production while maintaining the same properties.

Increasing share of wood-based CO₂-capturing products

Nordic Waterproofings produktportfölj har utökats med träbaserade byggvaror såsom prefabelement och bärande stommar. Träråvarorna är FSC- och PEFC-certifierade (Programme for the Endorsement of Forest).

Vegetation contributes to biodiversity

The cultivation of vegetation for green infrastructure is carried out in-house. Cultivation is carried out with the addition of chemical fertilisers but also with the addition of self-produced biochar, which acts as a carbon sink.

Water consumption generally low

The production of building materials such as roofing membranes, EPDM rubber sheets and prefabricated elements has generally low water consumption. Water in closed systems is used to cool roofing membranes at the end of the production line so that they can be rolled up.

Growing vegetation for green infrastructure requires water for irrigation. Water consumption in 2022 for Products & Solutions was 161,925 m³ of which cultivations accounted for 9,577m³. Installation Services accounted for 1,729 m³.

Packaging

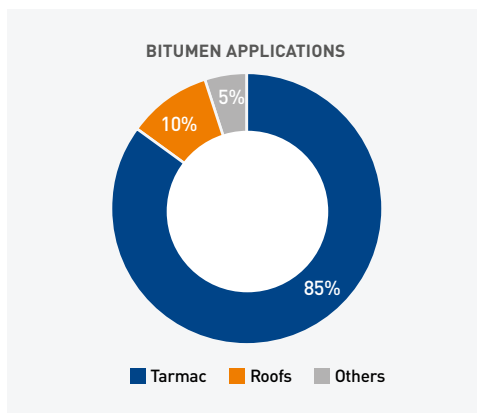
The majority of the Group's products are packaged in plastic film. Measures are being implemented to reduce plastic consumption. As an example, many tonnes of plastic and waste are saved as most of the roof membrane rolls are taped together instead of being wrapped in plastic. However, they should be stored under cover before installation. Other measures include reducing the thickness, but also by increasing the recyclability of plastic packaging by avoiding paint and ink on the plastic.

LESS WASTE

The Group also focuses on achieving full recycling of all residual materials and waste to reduce material consumption and retain CO₂ in a captured form.

We recycled 62% of our production waste in 2022 and we continue our research to minimise waste. Recycling trials are underway to investigate how factory waste can be reused to add value in our own factories or in other industries to help us and our customers avoid waste to incineration or landfill. We encourage our customers to collect and return cuttings from construction sites to recycling centres that take the waste on for recycling into new asphalt, for example.

The operation in Denmark recycled 90% of the production waste and sent no waste to landfill.



Recycling challenging

The challenge lies mainly with fossil-based materials such as bitumen-based products and EPDM rubber. Roofing felt is normally left on the roof during refurbishment with a new layer. EPDM rubber can only be reused as a filling material as it is vulcanised and cannot be melted down. There is currently no established method, different recycling methods are being developed and evaluated.

EPD - FINISHED PRODUCTS ENVIRONMENTALLY DECLARED

EPD, Environmental Product Declaration, is an environmental product declaration for a building material

that describes its environmental impact throughout its life cycle. These inputs are used when a Life Cycle Assessment (LCA) is carried out for buildings.

When developing an EPD, a number of product-specific criteria are used as a basis for the life cycle assessment, LCA, of the product. These criteria provide detailed guidance on the scope, methodology, data requirements and so on for a selected product group, such as roofing felt or EPDM sheets. The product-specific rules are referred to as cPCRs, core product category rules, the requirements of which have been developed in consultation with industry associations. To ensure the quality of the EPD, it must be third-party audited and based on a life cycle analysis developed

according to a PCR. This type is transparent and verifiable because an EPD is carried out according to a set standard for a given sector and product category. This standard is described in ISO 14025 and EN15804.

EU TAXONOMY

Activities covered by the taxonomy and whether they are compliant

Nordic Waterproofing has identified two activities that are deemed to be covered by the EU taxonomy, both of which fall under accounting item 3.5 "Manufacture of energy-efficient equipment for buildings".

The assessments of whether these activities are covered by the EU taxonomy and whether they are

compatible with it are based on the interpretations of the Taxonomy Regulation and the currently available guidance from the European Commission. For each economic activity, the criteria of "significantly contribute" and "do no significant harm" have been assessed to determine the assessment. Compliance was determined based on the objective of mitigating climate change.

The assessment of compliance with a minimum set of safeguards was made at Group level. Background and accounting policies for EU taxonomy, see note 4 page 42. For full disclosure of Share of turnover, Share of capital expenditure, Share of operating expenditure see note 5 page 43.



LIGNIN FOR THE REPLACEMENT OF BITUMEN IN ROOFING FELT

Nordic Waterproofing is running a research project on lignin together with the independent Swedish government research institute RISE, funded by the innovation agency Vinnova.

Lignin is fossil-free, capturing carbon and has a low impact on the environment and climate. The project investigates which properties of the sulphate lignin can contribute the properties of a roofing felt product and how this should be optimised to maximise the level of substitution and scale up the tests to a realistic production scale. The aim is to

be able to replace up to 20% of bitumen with the under-utilised wood by-product lignin (forming cell walls in wood) produced during mechanical pulping. The development project started in July 2022 and will run for 2.5 years.

Manufacture of energy-efficient equipment for buildings

Nordic Waterproofing supplies various materials to the construction industry and is one of the largest suppliers of waterproofing in Northern and Western Europe. It is our assessment that our operations manufacturing prefabricated wooden roof and wall elements are covered by the items of the taxonomy:

- 3.5 External wall systems with a U-value less than or equal to 0,5 W/m² K and 3.5 Ceiling systems with a U-value less than or equal to 0,3 W/m² K.
- Furthermore, it is our assessment that our activities providing urban green solutions are covered by the point:
- 3.5 Façade and roof elements with shading or solar control, including those that support vegetation growth.

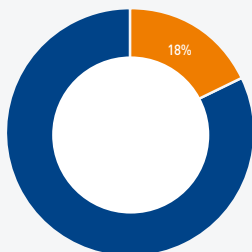
After analysing the technical review criteria of "significantly contribute" and "do no significant harm" as defined in the EU taxonomy for 3.5 "Manufacture of energy-efficient equipment for buildings", it was concluded that both these activities are compatible with the taxonomy.

Minimum safeguards

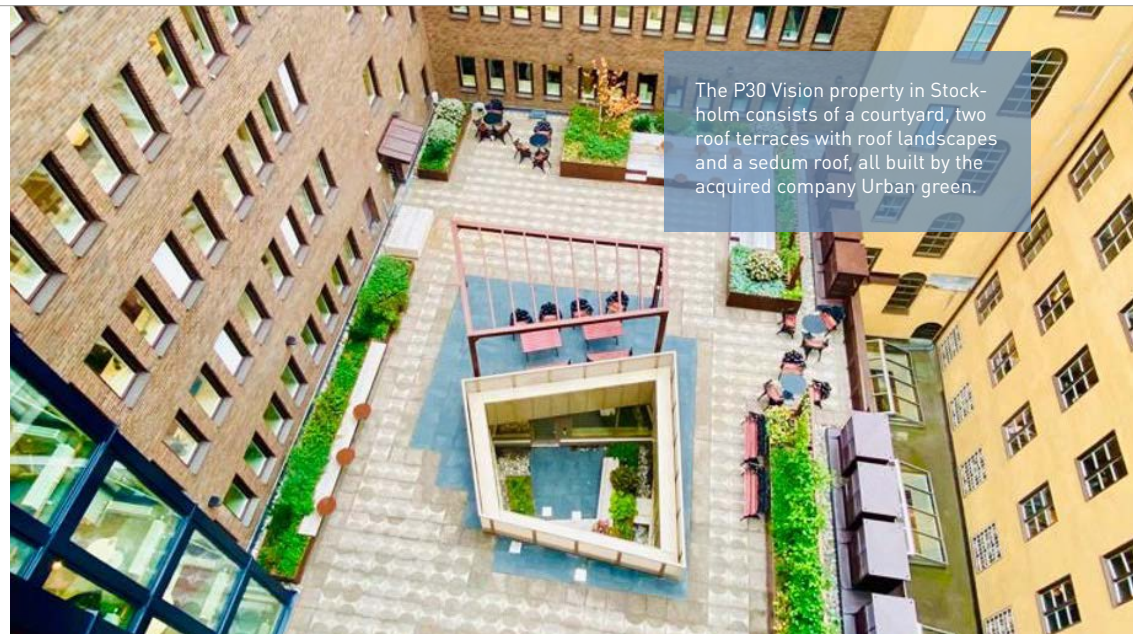
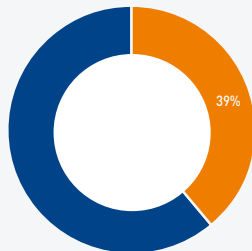
The Taxonomy Regulation states that in addition to "significantly contribute-" and "do no significant harm" criteria, an economic activity can be considered environmentally sustainable only if it is carried out in accordance with a minimum set of safeguards. These prevent activities from being classified as sustainable if, for example, they violate human or labour rights, or are carried out using corrupt or anti-competitive business practices. Compliance can be assessed from two angles according to the published guidance from the Platform on Sustainable Finance: one is whether there are adequate processes and controls in place in the areas of human rights, corruption, taxation and fair competition and there are no violations or abuses.

Nordic Waterproofing has assessed compliance with minimum safeguards by reviewing the Group's human rights policy documents, corruption reports, whistleblower cases, the outcome of any tax audits and investigated any instances of non-compliance by the parent company, its subsidiaries or senior executives. The Company considers continuous improvement of its processes in these areas to be important and believes that its processes are at a robust level and free of breaches to meet the alignment with the Minimum Safeguards Principles.

THE SHARE OF TURNOVER OF ACTIVITIES COVERED BY THE TAXONOMY



THE SHARE OF CAPITAL EXPENDITURE OF ACTIVITIES COVERED BY THE TAXONOMY



The P30 Vision property in Stockholm consists of a courtyard, two roof terraces with roof landscapes and a sedum roof, all built by the acquired company Urban green.

THE AUDITOR'S OPINION ON THE STATUTORY SUSTAINABILITY REPORT

To the General Meeting of Nordic Waterproofing Holding AB (publ), reg.nr 556839-3168

MISSION AND RESPONSIBILITIES

The Board of Directors is responsible for the Sustainability Report for the year 2022-01-01 - 2022-12-31 on pages 14, 28-39, 41-45, 56 and for ensuring that it is prepared in accordance with the Annual Accounts Act.

THE FOCUS AND SCOPE OF THE AUDIT

Our audit was conducted in accordance with FAR recommendation RevR 12 Auditor's opinion on the statutory sustainability report. This means that our audit of

the Sustainability Report has a different focus and a significantly smaller scope compared to the focus and scope of an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that our audit provides a reasonable basis for our opinion.

OUTLOOK

A sustainability report has been prepared.
Malmö, March 30, 2023
Deloitte AB
Jeanette Roosberg
Authorised auditor

A close-up, profile view of a construction worker wearing a white hard hat and a high-visibility yellow-green safety vest. He is looking intently at a task on a dark roof. His right hand is wearing a grey and white work glove with the brand name 'TEGERA' visible on the wrist. The background shows another worker in similar attire and a clear blue sky.

SOCIAL ENTERPRISE

Nordic Waterproofing has a decentralized organizational structure with local management responsible for employee recruitment and dialogue.

The Group had an average of 1,365 (1,272) full-time employees in 2022. During the summer season, the workforce in the Installation Services operating segment increases by more than 100 people.

COMPETENCE PROVISION IS MADE LOCALLY

Human resource issues are decentralized with a employee policy formulated nationally in adaptation to the country's legislation. The operations are mostly located in smaller communities where the company is an important employer. Employees who are recruited locally are normally more motivated, which leads to lower staff turnover. An important part of the Human resource strategy as a decentralized group is to attract the right expertise locally. The recruitment activities with traditional recruitment is complemented with apprenticeships and new arenas where the right skills are considered to be found.

Roofing contractors experience continued personnel shortages and difficulties recruiting new skilled labourers. To increase access to potential staff, Nordic Waterproofing supports educational programmes in roof installation and offers trainee positions for future professionals, increasing its attractiveness in the market.

INTRODUCTION PROGRAM AND EMPLOYEE SURVEYS

Various introductory programs take place to create a smooth start for new employees. Similarly, different forms of employee surveys to reconcile job satisfaction and motivation.

SKILLS DEVELOPMENT AND MOTIVATION

Ongoing skills development focusing, for example, on productivity and broader production skills, increases the organization's flexibility. The Group's philosophy is that skills development is primarily achieved through continuous learning in day-to-day work. This is complemented by training initiatives for a large number of employees, as well as for external roofers/contractors seeking

further training in the industry. To monitor employee satisfaction and commitment, performance reviews are conducted alongside regular employee surveys.

Terms and conditions of employment

Employment and wage agreements are made both individually and through collective agreements. Nordic Waterproofing respects the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, which includes human rights at work and the prevention of forced labour, as well as the right to organise and the right to collective bargaining.

OCCUPATIONAL HEALTH AND SAFETY

Employee safety is always the highest priority, and all subsidiaries have a work environment policy. Nordic Waterproofing's operations include production units, warehouses, and offices. The Finnish, Norwegian and Danish (via franchise) operations also include roofing services.

The efforts in preventing and reducing the incidents and accidents take place through analysis of the underlying causes. Each workplace has its specific risks why each subsidiary is responsible for managing health and safety work in a systematic way. This includes collecting information about and evaluating site-specific risks and reporting accidents to the Group.

Finland accounts for the largest number due to installations that are still the Group's most risky area. At the same time, serious accidents (bodily injuries, eg bone fractures) decreased to 0 (3).

Newly acquired companies are integrated into the Group's systematic work, but also through education raise the awareness and knowledge of the new employees who have entered our operations when the pace of production and installation increases. All manufacturing companies within the Group use external occupational health care services to support their employees, including rehabilitation.



Casper Kristensen of Phönix Roofing Materials in Denmark, responsible for the roofing trainee programme.

Newly acquired companies are integrated into our systematic efforts. Efforts are continued in increasing the awareness and knowledge among all employees who are contributing to our operations. All of the companies within the Group that have production sites have contracted external Occupational Health Care services to support their employees, including rehabilitation.

DIVERSITY POLICY AND EQUAL TREATMENT

Historically, the roofing industry has been a male-dominated industry regardless of personnel category. Nordic Waterproofing has a diversity policy and works to achieve its target to have a balanced mix of ethnicity, age and gender, taking into account the type of activity being conducted. Improved diversity and inclusion have the potential to further drive Nordic Waterproofing’s development and results, both at team level and individually.

The companies within the Group work continuously to attract, develop and retain talented young people regardless of gender or other characteristics. Independent of gender or other aspects of diversity, each individual is offered equal opportunities in terms of career paths. The operations as a whole also work towards a more balanced mix in terms of ethnicity and gender. To reach the target to increase the awareness of its operations and being a good employer, Group companies leveraging several online platforms and channels to build relationships with new stakeholders.

Today, local management teams comprise a total of 61 individuals (68), of which 23 percent (23) are women. Nordic Waterproofing Holding AB’s Board of Directors consists of four men and two women. Accordingly, the proportion of women on the Board of Directors is 33 percent, which doesn’t meet the target of 40 percent women. It is taken into account in the Nomination Committee’s future recruitments to the company’s board.

THE CODE OF CONDUCT IS THE BASIS FOR ALL ACTIVITIES

Nordic Waterproofing aims to maintain a working environment characterized by responsibility and empowerment, ethics and morality, openness and teamwork. Combined with a focus on customers and their needs, these values enable the Group to meet its targets and strategic priorities. An important part of a safe working environment is to ensure that no one is exposed to discrimination or sexual harassment. Nordic Waterproofing’s workplaces should be characterized by respect for diversity and different qualities, knowledge and skills, regardless of gender, religion, ethnic background, age, race or sexual orientation.

The Group’s Code of Conduct, which includes the areas of human rights, environment, work environment and business ethics, including anti corruption, is the basis for all activities within the Group and applies to all employees and the Group’s Board of Directors without exception. The Code of Conduct

was reconfirmed in 2021 and the training materials are available in all nine languages used within the Group.

Code of Conduct for suppliers

Nordic Waterproofing has also adopted a Supplier Code of Conduct for suppliers that is based on the UN Global Compact’s ten principles on human rights, labour law, environment and anti-corruption.

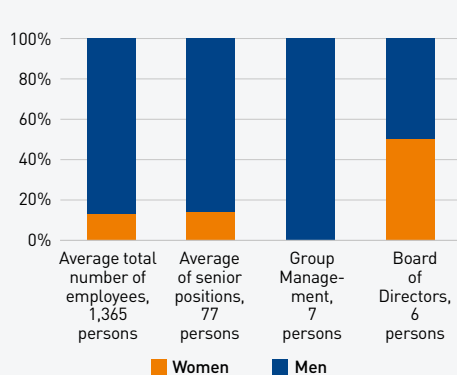
Training/Competence development

Using e-learning, the Danish factory, among others, has conducted more than 850 hours of training (this applies to all levels - from management to hourly employees).

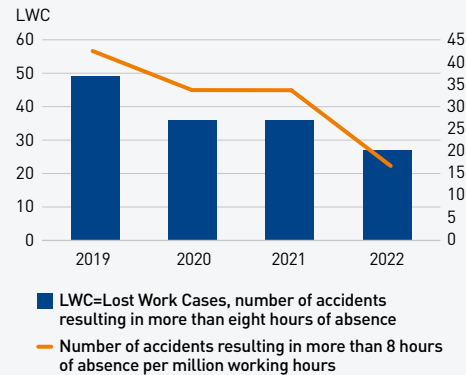
WHISTLEBLOWER

A whistleblower policy and function is established where notifications are received by an external party. This can be reached both by phone and email, information on how notification can be made can be found on the Group’s website.

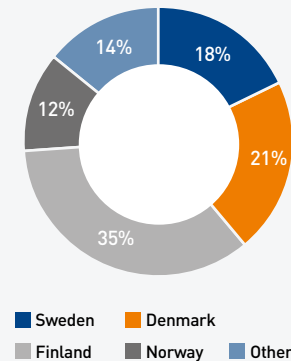
DISTRIBUTION OF GENDER



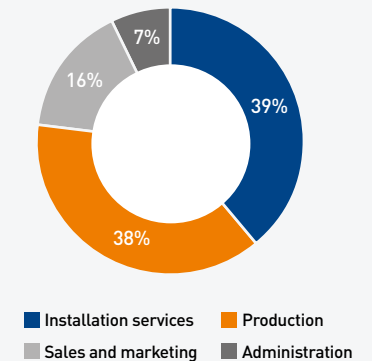
ACCIDENTS



EMPLOYEES BY COUNTRY



EMPLOYEES BY FUNCTION





DOUBLE WIN FOR ROOFING TRAINEE

Phønix Tag Materialer initiated the Roofing Trainee Programme 2019 to help young people get started, some of whom may have lacked a solid foundation to stand on. At the same time, the programme helps to reduce the shortage of professional roofers. It is implemented in cooperation with the Danish Public Employment Service, the trade union 3F and other roofing companies. Since its inception, seven training rounds have taken place, with 120 participants in the three-month roofing trainee programme, 108 of whom have completed it. 51 of these are now in roofing.

NOTES SUSTAINABILITY REPORT

NOTE 1 DECLARATION SCOPE 1-3

Scope 1 - direct greenhouse gas emissions, i.e. those that the activity has directly control. This includes, for example, greenhouse gas emissions from own vehicles and machinery.

Scope 2 - indirect emissions, from the production of electricity, district heating and district cooling.

Scope 3 - indirect greenhouse gas emissions, in addition to purchased energy, that occur outside the boundaries of the activity.

Scope 3 greenhouse gas emissions are usually divided into upstream and downstream depending on whether they occur before or after the company's own activities in the chain. Upstream can be, for example, material consumption, transport and distribution to customers, employee commuting, business travel, production of equipment and downstream there is e.g. processing, use and finishing of products sold.

NOTE 2 GREENHOUSE GAS EMISSIONS, TONNES OF CO₂e

	Estimated emissions		
	Base year 2021	2022	Change
Scope 1	4,006	3,204	-20%
of which Products & Solutions	2,159	1,554	-28%
of which Installation Services	1,848	1,650	-11%
Scope 2, Gross Output	1,692	1,465	-13%
Gross on-site greenhouse gas emissions - Products & Solutions	1,430	1,243	-13%
Gross on-site greenhouse gas emissions - Installation Services	262	222	-16%
Significant Scope 3 greenhouse gas emissions*	171,554	139,089	-19%
Total gross indirect emissions - Products & Solutions	157,248	125,754	-20%
Total gross indirect emissions - Installation Services	14,306	13,335	-7%
Purchased goods and services - Products & Solutions	143,526	104,734	-27%
Purchased goods and services - Installation Services	12,301	11,019	-10%
Capital Goods - Products & Solutions	2,913	721	-75%
Capital goods - Installation Services	27	108	308%
Fuel and energy related activities - Products & Solutions	1,335	1,139	-15%
Fuel and energy related activities - Installation Services	414	333	-20%
Waste generated in operations - Products & Solutions	165	720	337%
Waste generated in operations - Installation Services	556	127	-77%
Upstream transport and distribution - Products & Solutions	8,714	17,854	105%
Upstream transport and distribution - Installation Services	536	536	0%
Business travel - Products & Solutions	132	310	136%
Business travel - Installation Services	339	385	13%
Employee commuting - Products & Solutions	27	277	922%
Employee commuting - Installation Services	90	828	816%
Total greenhouse gas emissions	177,253	143,757	-19%
Total greenhouse gas emissions (market-based) - Products & Solutions	160,837	128,551	-20%
Total greenhouse gas emissions (market-based) - Installation Services	16,416	15,206	-7%

*Scope 3 includes only upstream activities and business travel and commuting is under development so not all entities are included.

NOTE 3 ENERGY CONSUMPTION

Energy consumption and energy mix	2021	2022
Fuel consumption from coal and coal products (MWh)	-	-
Fuel consumption from crude oil and petroleum products (MWh)	6,659	7,242
Fuel consumption from natural gas (MWh)	4,994	829
Fuel consumption from other non-renewable sources (MWh)	4,460	4,622
Consumption from nuclear products (MWh)	-	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from non-renewable sources (MWh)	8,248	3,611
Total non-renewable energy consumption (MWh)	24,361	16,304
Share of non-renewable sources in total energy consumption (%)	52%	37%
Fuel consumption for renewable sources (including biomass, biogas, non-fossil fuel waste, renewable nitrogen etc.) (MWh)	10,826	12,693
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	11,869	15,395
The consumption of self-generated non-fuel renewable energy (MWh)	-	37
Total renewable energy consumption (MWh)	22,695	28,125
Share of renewable sources in total energy consumption (%)	48%	63%
Total energy consumption (MWh)	47,056	44,429

NOTE 4 BACKGROUND AND ACCOUNTING PRINCIPLES OF THE EU TAXONOMY**BACKGROUND**

In order to achieve the EU's 2030 climate and energy targets and to meet the objectives of the European Union's Green Deal, a classification system for sustainable economic activities called the EU Taxonomy came into force in 2020. In the 2021 annual report, published in 2022, large companies were required to report the share of their activities covered by the taxonomy. This refers to economic activities that are part of the company's operations and are defined in the taxonomy regulation. In the 2022 Annual Report, published in 2023, companies are also required to report the proportion of its activities that are consistent with the taxonomy, i.e. are sustainable based on defined scientific review criteria set out in the Taxonomy Regulation for the activity. The criteria for "significant contribution" aim to establish that the economic activity either has a significant positive environmental impact or significantly reduces negative impacts on the environment. The criteria for 'does not cause significant damage' aim to establish that the economic activity does not prevent the other environmental objectives from being achieved, i.e. does not have a significant negative impact on them. Taxonomy-appropriate activities must also be carried out in accordance with the minimum level of safeguards, i.e. sustainable activities must respect basic human rights and follow good business practices.

For the first two reporting years of the EU taxonomy, the focus is on activities that contribute to climate change objectives, mitigation and adaptation, as defined in the EU Climate Change Target Delegated Regulation. The taxonomy regulation is a work in progress and does not yet cover all sustainable activities in the market. Nordic Waterproofing's activities are not the focus of the current legislation and therefore only have a few relevant economic activities to report on. All of the Group's activities have been assessed and are considered to fall under the section 3.5 Manufacture of energy efficient equipment for buildings. For our activities manufacturing prefabricated wooden roof and wall elements and urban green solutions, there are established thresholds. The Group's bitumen and EPDM waterproofing activities are parts of larger structures where there are established thresholds for the complete structures but not for the parts we supply, so these cannot be considered to fall within the

definitions of the taxonomy at this stage and hence the reported taxonomy eligible indicators are low.

The EU taxonomy is expected to be extended with four additional environmental targets in 2023 with the next delegated regulation, but the changes are not expected to have a significant impact on Nordic Waterproofing's taxonomy key figures. Nordic Waterproofing supports the objectives of the EU taxonomy and welcomes the continued work to develop the regulation.

ACCOUNTING PRINCIPLES FOR THE EU TAXONOMY

The key performance indicators reported in the EU taxonomy are presented in separate tables for turnover, capital expenditure and operating expenditure as defined in the Regulation. Total turnover is the Nordic Waterproofing Group's total revenue in 2022 in accordance with IFRS15, which is consistent with the definition of EU taxonomy turnover. The external sales related to the economic activities are similarly reported under activities covered by the taxonomy, either under taxonomy related or not taxonomy related. The total capital expenditure is the Group's total capital expenditure in 2022, which is reported in the line of additions, excluding goodwill additions, in Note 17 and 18 (Intangible assets, property, plant and equipment and rights of use). The proportion of capital expenditure covered by the taxonomy, either taxonomy related or not taxonomy related, is capital expenditure related to the assets or processes associated with the respective economic activity. Total operating expenditure includes all direct costs not recorded as assets that relate to research and development, building renovation, short-term leases, maintenance and repair or any other direct expenditure related to the day-to-day servicing of tangible fixed assets. The proportion of operating expenditure covered by the taxonomy, whether taxonomy-related or not, is operating expenditure related to the assets or processes associated with the respective economic activity.

The taxonomy requires enterprises to comment on how double counting has been avoided in the taxonomy-supported economic activities. Nordic Waterproofing has done this based on our cost structures and ensured that the cost elements are separate for each activity, facilitated by the limited amount of transactions made between different activities.

CORPORATE GOVERNANCE

Nordic Waterproofing Holding AB is a Swedish public limited liability company, with company registration number 556839-3168, and is governed by the provisions of the Swedish Companies Act. The registered office of the company is situated in Helsingborg, Sweden. The company's shares are listed on Nasdaq Stockholm, Mid Cap. This report on Nordic Waterproofing's corporate governance for 2022 is issued in accordance with the Swedish Annual Accounts Act and the Swedish Code of Corporate Governance.

THE SHARE AND SHAREHOLDERS

Nordic Waterproofing Holding AB, with the ticker NWG, has been listed on Nasdaq Stockholm, Mid Cap segment since 30 November 2020. On 26 November 2020, Nordic Waterproofing Holding AB was merged with the Group's former Danish parent company Nordic Waterproofing Holding A / S in a cross-border reverse vertical merger with the previously wholly owned subsidiary Nordic Waterproofing Holding AB as the remaining unit. The former Danish parent company had been listed since 10 June 2016 and was delisted on 25 November 2020.

The number of shares on December 31 2022 amounted to 24,083,935. Each share entitles to one vote. The number of shareholders as of the same date was approximately 6,300, which is approximately 200 less compared with the number at the end of 2021 for the Group's parent company. The largest shareholder on December 31 2022 was Kingspan Group PLC with 5,805,641 shares, which represented 24.2 percent of the votes and 24.1 percent of the share capital in the company. The company held 84,097 own shares at the end of 2022. Further details on Nordic Waterproofing's share and the company's shareholders are available in the section "The share and ownership information", on pages 60-61 and on the company's website.

CORPORATE GOVERNANCE FRAMEWORK

Nordic Waterproofing Holding AB aims to maintain an appropriate corporate governance framework to ensure active, reliable and profitable business management. The corporate governance is based upon applicable Swedish legislation and other external rules and instructions, including the Swedish Company Act, Nasdaq Stockholm's Rulebook, the Swedish Securities Council on good practices in the stock market, the Swedish Code of Corporate Governance (the Code), and internal guidelines including Articles of Association, instructions, policies and guidelines.

APPLICATION OF THE SWEDISH CODE OF CORPORATE GOVERNANCE

The code applies to all Swedish companies whose shares are listed on a regulated market in Sweden and shall be applied from the time of listing of a company's shares on Nasdaq Stockholm. Nordic Waterproofing Group has not noted any deviations to the Code during 2022.

Furthermore, the Code stipulates that the company's auditor shall examine whether a corporate governance report has been prepared and that certain disclosures in the corporate governance report is consistent with the other parts of the annual report. This review is performed in connection with this annual report.

GENERAL MEETINGS AND SHAREHOLDERS' INITIATIVES

Under the Swedish Companies Act, the Annual General Meeting (AGM) is the company's highest decision-making body. The Annual General Meeting may resolve upon every issue for Nordic Waterproofing which does not specifically fall within the scope of the exclusive powers of another corporate body.

At the Annual General Meeting, shareholders exercise their voting rights. At the Annual General Meeting, the shareholders vote on matters such as approval of the Annual Report, appropriation of Company profits or losses, resolutions to discharge the members of the Board of Directors and the Executive Board from liability for the financial year, the appointment of members of the Board of Directors, the appointment of an auditor, and remuneration for the Board of Directors and the auditor. At the Annual General Meeting, shareholders also have the opportunity to ask questions regarding the Group's operations.

The Annual General Meeting must be held in such time that the Annual Report, to be adopted by the Board of Directors and thereafter submitted to the General Meeting for approval, can be submitted to the Swedish Business Authority within four months after the expiry of the financial year.

The AGM for 2023 is scheduled to be held on 27 April. Shareholders who wish a matter to be addressed at the Annual General Meeting must submit a written request to the Board of Directors no later than six weeks prior to the date of the Annual General Meeting.

In addition to the Annual General Meeting, Extraordinary General Meetings may be convened to deal with other specific matters. Extraordinary General Meetings must be held upon request from the Board of Directors or the auditor elected by the General Meeting.

In addition, shareholders that individually or collectively hold ten percent (or more) of the share capital can make a written request to the Board of Directors that an Extraordinary General Meeting shall be held to deal with a specific matter. Extraordinary General Meetings to consider specific matters must be convened within two weeks of receipt of a request to such effect.

In accordance with the Articles of Association, all General Meetings must be convened by the Board of Directors giving written notice between four and six weeks prior to the meeting. As regards the Annual General Meeting, the date of the intended meeting must be published no later than eight weeks prior to the date of such meeting and state the deadline for shareholder proposals. Notice of General Meetings must, observing the form and substance required under the Swedish Companies Act, be published through advertising in Post- och Inrikes Tidningar and on www.nordicwaterproofing.com. At the same time, it shall also be announced in the Swedish daily newspaper Svenska Dagbladet that notice has been given. The notice is expected to specify the time and place of the General Meeting and contain the agenda of the business to be addressed at the General Meeting.

If a proposal to amend the Articles of Association is to be addressed at the General Meeting, a summary of such proposal must be included in the notice. For certain material amendments, the specific wording must be set out in the notice.

General meetings must be held in the City of Stockholm or the Municipality of Helsingborg in Sweden. Decisions made by the Annual General Meeting are published in a press release after the meeting and the minutes of the meeting are published on the company's website.

ANNUAL GENERAL MEETING 2022

Due to the covid-19 pandemic, the 2022 Annual General Meeting of Nordic Waterproofing Holding AB was held with participation via postal voting only. The AGM was held on April 28 in Helsingborg, with 52.8 percent of the votes represented. The AGM approved the annual report for 2021 and decided upon a dividend of 6.00 SEK/share for the fiscal year 2021 and decided on fees to the board and auditor. Furthermore, discharge was given to the board and executive management. The company's board was elected. Mats O. Paulsson was re-elected chairman of the board, Leena Arimo, Steffen Baungaard, Riitta Palomäki, and Hannu Saastamoinen were re-elected (Allan Jørgensen had declined to be re-elected), Hannele Arvonen was elected as new board member and auditor was elected (re-election of Deloitte AB) for the period extending to the next Annual General Meeting. Furthermore, the AGM resolved, among other things, on a mandate to increase the share capital (valid until the 2023 AGM) and to acquire treasury shares at most 10 percent of the number of shares outstanding in the company at any given time, and authorization to decide on the introduction of a long-term performance-based compensation program (LTIP 2022).

PRINCIPLES FOR REMUNERATION

The following are the principles for remuneration of senior executives adopted by the 2022 Annual General Meeting:

Members of the company's Board of Directors and Executive Board receive a fixed annual remuneration. In addition, members of the Executive Board may receive incentive-based remuneration consisting of cash bonus based on performance of financial parameters as well as one-off and event-based situations.

Cash bonus schemes may consist of an annual bonus, which the individual member of the Executive Board can receive if specific targets of the company

and other possible personal targets for the relevant year are met. The cash bonus shall be equivalent to at most 100 percent of the fixed base salary of each eligible participant from the Executive Board. Payment of bonus is only relevant when conditions and targets have been fully or partly met (as agreed). If no targets are met, no bonus is paid out.

Targets for the Executive Board shall be agreed upon by the Board of Directors and the CEO. Other bonus schemes that may lead to cash bonuses of up to 100 percent of the base salary may be made in special cases. Such schemes shall typically be made so as to take effect upon the occurrence of a specific event. Subject to the restrictions of applicable law, specific events can be the acquisition of a controlling interest in a company, the completion of a takeover bid, or the completion or reaching of other significant transactions or objectives.

NOMINATION COMMITTEE

Nordic Waterproofing Holding AB's shareholders have resolved to establish a Nomination Committee and to adopt rules of procedure for the Nomination Committee. According to the current rules of procedure for the Nomination Committee, the Nomination Committee shall consist of four members representing the largest shareholders in the company, as per the last banking day in August in the year before the Annual General Meeting, who wish to participate in the Nomination Committee. In addition to these four members, the Chairman of the Board shall be co-opted on the Nomination Committee.

The instructions for the Nomination Committee follow the Code as regards the appointment of members.

The main duties of the Nomination Committee are to nominate candidates for the positions of Chairman of the Board and other members of the Board, and to submit proposals for fees and other remuneration to be paid to each of the members of the Board.

Since October 19 2022, the Nomination Committee ahead of Annual General Meeting 2023 consists of the following four persons:

- Anna Sundberg, appointed by Handelsbanken Funds and chairman of the Nomination Committee
- Petter Mattsson, appointed by Alcur funds
- Peter Lundqvist, appointed by Third AP-fund
- Viktor Henriksson, appointed by Carnegie funds

Mats O Paulsson, Chairman of the Board of Nordic Waterproofing Holding AB is co-opted on the Committee and shall convoke the first meeting.

At the time of the Nomination Committee's appointment, it represented 21.7 percent of the voting rights for all shares in Nordic Waterproofing Holding AB and on December 31, 2022, these represented 22.0 percent of the voting rights for all shares in Nordic Waterproofing Holding AB.

The Nomination Committee observes the rules that apply to board members' independence as well as versatility and breadth in accordance with the Swedish Code of Corporate Governance. The Nomination Committee has stated that it has applied Rule 4.1 of the Code as a diversity policy.

In addition, each member of the Nomination Committee has considered potential conflicts of interest before accepting the assignment, as stated in the Code. On the company's website, www.nordicwaterproofing.com, a special section "The Nomination Committee" can be found with further information about the Nomination Committee and its proposals to the Annual General Meeting.

Independence of the Nomination committee

According to the Code, the majority of the members of the Nomination Committee are to be independent in relation to the company and company management. In addition, at least one of these must also be independent in relation to the largest shareholder in the company in terms of voting rights. Of the appointed

members, all are independent in relation to the company and its management, and the majority are independent in relation to the company's largest shareholder in terms of voting power.

The Nomination Committee's meetings

The Nomination Committee prior to the 2023 Annual General Meeting has held 5 meetings. No fee has been paid for the Nomination Committee's work.

DIVERSITY POLICY

The company has adopted a Diversity Policy stating that the goal is for each gender to be represented to at least 33 percent on the company's board of directors. The current board has a representation of 50 percent for both women and men.

BOARD OF DIRECTORS

The Board of Directors is the highest decision-making body after the General Meeting. The responsibilities of the Board of Directors are set out in the Swedish Companies Act, the Articles of Association, and the Board's rules of procedure adopted by the Board of Directors. In addition, the Board of Directors must comply with the Code and Nasdaq Stockholm's Rule Book for Issuers, as well as other Swedish and other foreign laws and regulations, as applicable. Members of the Board of Directors (other than employee representatives, if any) are appointed annually by the shareholders at the Annual General Meeting for the period until the next Annual General Meeting. The Articles of Association state that the Board of Directors (not including any employee representatives) must consist of a minimum of four members and a maximum of eight members.

The Board of Directors currently consists of six ordinary members. The composition of the Board complies with the Code's requirements for independence in relation to both the company, its management and the company's major shareholders.

The members of the Board are presented in closer detail on pages 52-53.

Pursuant to the Code, no more than one member of the Board of Directors may be a member of the Executive Board of the company or a subsidiary. Furthermore, such Board member may not be the Chairman or the Deputy Chairman of the Board of Directors.

Pursuant to the Swedish Companies Act, the Board of Directors is responsible for Nordic Waterproofing's overall and strategic management. In addition to performing overall management duties and strategic management duties and ensuring proper organization of the company's business, the Board of Directors must, inter alia, ensure that:

- The bookkeeping and financial reporting procedures are satisfactory, having regard to the circumstances of the company.
- Adequate risk management and internal control procedures have been established.
- The Board of Directors receives requisite regular information about the company's financial position.
- The Executive Board performs its duties properly and as directed by the Board of Directors.
- The financial resources of the company are adequate at all times, and that the company has sufficient liquidity to meet its current and future liabilities as they fall due.

The company is therefore required to continuously assess its financial position and ensure that the existing capital resources are adequate. The Board of Directors has adopted, and regularly evaluates, a number of governing documents including the rules of procedure for the Board of Directors, Executive Board instructions, financial manual, treasury policy, IT policy, information security policy, diversity policy, code of conduct and whistle-blower policy, information policy and insider and log book policy.

Adopted governance documents are implemented in the organization through the business unit managers.

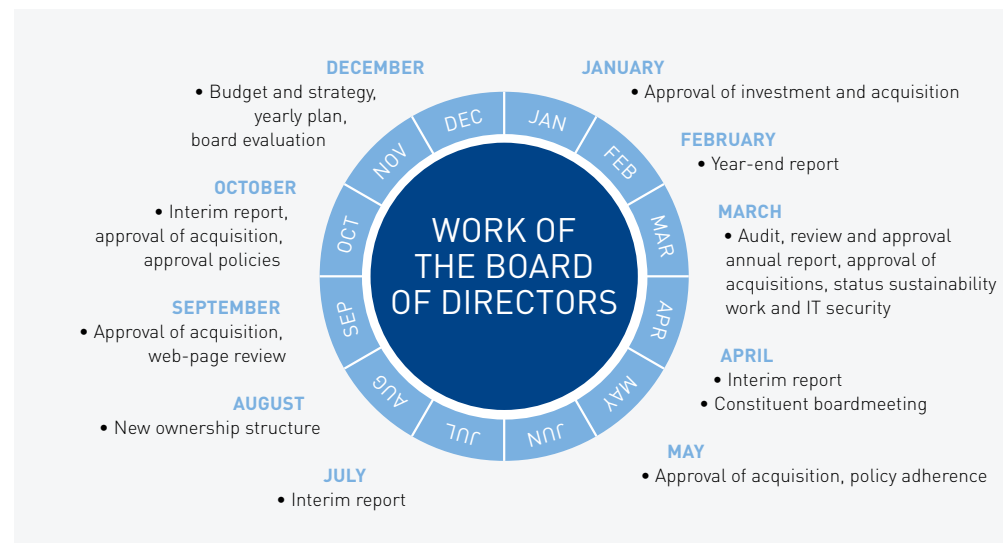
In addition, the Board of Directors regularly adopts and evaluates the Nordic Waterproofing's business plan, including goals, strategies, sustainability plan, risks and budget, and reviews the company's website and ensures that such website has a special corporate governance section containing a copy of, among other things, the most recent corporate governance report. The Board of Directors also ensures that there are efficient systems for follow-up and control of the company's operations and that there is a satisfactory control of the company's compliance with laws and other regulations applicable to the company's operations.

Composition of the board

The Annual General Meeting on April 28, 2022, resolved that the Board of Directors of Nordic Waterproofing Holding AB shall have six members elected by the Annual General Meeting until the end of the next Annual General Meeting. Accordingly, the Board consists of Mats O. Paulsson (Chairman), Leena Arimo, Hannele Arvonen, Steffen Baungaard, Riitta Palomäki and Hannu Saastamoinen. The average age of the members elected by the Annual General Meeting at the turn of the year was 60 years and three of the six members are women. For information on the Board members' assignments outside the Group and holdings of shares in Nordic Waterproofing, see pages 52-53.

Independence of the Board of Directors

In accordance with the Code, the majority of the Board members elected by the Annual General Meeting shall be independent in relation to Nordic Waterproofing and its management and at least two of these shall also be independent in relation to the company's major shareholders. Of the Board's six members, all are independent in relation to the company and its management and in relation to the company's major shareholders.



Evaluation of Board performance

The Board of Directors regularly evaluates its work through a systematic and structured process with the purpose of developing the Board of Directors' work methods and efficiency. In addition, the Board of Directors evaluates the company's IT strategy and its implementation and monitors compliance with the policies, instructions and guidelines established by the Board of Directors. The Chairman is responsible for carrying out the evaluation and presenting the results to the Nomination Committee.

The purpose of the evaluation is to gather the Board members' views on the Board's performance, what measures can be taken to improve the efficiency of Board work, and whether the Board has a well-balanced mix of competencies. The evaluation provides the basis for the work of the Nomination

Committee ahead of the Annual General Meeting. In 2022, the Chairman conducted a self-assessment of the Board work performance including the collaboration with the CEO and CFO. This is based on the principle of comparing "to be" with "as is" evaluations. The results have been communicated and discussed within the Board and senior management as well as the Nomination Committee.

The work of the Board of Directors and meetings 2022

The board shall conduct at least six meetings per year. In 2022, a total of 11 meetings (12) were held in Nordic Waterproofing Holding AB.. The CEO and the CFO, who is also the Board secretary, attend the Board's meetings. Other executives take part as needed as rapporteurs for special items of business.

The Board's work follows an annual cycle, making it possible for the Board to fulfill its tasks in the best possible way. At the beginning of the year, the year-end report and the annual report as well as the matters to be presented at the Annual General Meeting are discussed. At the end of the year, the budget for the coming year is considered. The Group's results are reported every quarter and interim reports are approved for publication.

Remuneration for Board of Directors

Fees and other remuneration for members of the Board of Directors, including the Chairman of the Board, are determined by the company's shareholders at the Annual General Meeting based on proposals made by the Nomination Committee.

The Annual General Meeting has resolved that remuneration for the 2022 accounting year as follows: SEK 650,000 to the Chairman of the Board and SEK 300,000 to each of the other Board members. Remuneration for the Chairman of the Audit Committee amounts to SEK 125,000 and each member of the Audit Committee is paid SEK 50,000. Remuneration for the Chairman of the Remuneration Committee amounts to SEK 50,000 and each member of the Remuneration Committee is paid SEK 25,000. Board members are not entitled to any special benefits on resigning from the Board of Directors.

BOARD COMMITTEES, REMUNERATION COMMITTEE

Effective from 2017, the Board of Directors has established a Remuneration Committee. In 2022, the Remuneration Committee held four meetings at which minutes were kept. Three meetings are planned for 2023.

The Remuneration Committee consists of three members: Mats O. Paulsson (chairman), Steffen Baungaard and Hannu Saastamoinen. The Remuneration Committee's main function is to:

- Consider and make decisions as to the framework for the remuneration of the CEO of the company, including but not limited to salary, salary increases, pension rights and any compensation or termination payments, ensuring that the contractual terms are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognized.
- Consider and make decisions on issues concerning principles for remuneration and other terms of employment for the Executive Board, including evaluating whether the remuneration level of the CEO is in accordance with, and not exceeding, comparable market practice levels at any given time, including any incentive programmes.
- Consider and make decisions on remuneration matters of material importance to the company, including incentive programmes and payments for the CEO of the company. The decisions concerning the remuneration of the CEO, including any incentive programme shall be in accordance with, and not exceed, comparable market practice levels at any given time.
- Consider and make decisions on the targets (bonus levels and performance targets) for company-operated performance related incentive programmes for executive managers of the Company, as well as monitoring and evaluating the fulfilment of such targets.
- Monitor and evaluate programmes for variable remuneration, both ongoing and those that have ended during the year, for the Executive Board.
- Monitor and evaluate the application of the guidelines for remuneration that the Annual General Meeting is legally obliged to establish, as well as the current remuneration structures and levels in the company.
- Oversee the implementation of any pension, retirement, fatality, disability or life assurance scheme and any incentive schemes for executive managers of the company.
- Review its own terms of reference and effectiveness on the above, on an annual basis.

BOARD COMMITTEES, AUDIT COMMITTEE

The Board of Directors has internally established an Audit Committee, which must comprise three members. The Audit Committee consists of: Riitta Palomäki (Chairman), Leena Arimo and Hannele Arvonen. The Audit Committee prepares proposals for the Board of Directors which either adopts resolutions on the matters or, if appropriate, decides upon proposals for resolutions to be adopted by the shareholders at General Meetings. In 2022, the Audit Committee held four meetings at which minutes were kept. Four meetings are planned for 2023. The Audit Committee is, without limiting the responsibility and tasks of the Board, to assist with oversight of:

- The company's financial reporting.
- Systems of internal control and risk management related to finances.
- External audit of the Annual Report.
- Control of the auditor's independence, including oversight of non-audit services.
- Preparing a recommendation to the Board of Directors as regards the auditor to be nominated by the Board of Directors and elected by the Annual General Meeting.

CORPORATE EXECUTIVE OFFICER

Pursuant to the Swedish Companies Act, the board appoints and dismisses a managing director, who is responsible for its ongoing management of Nordic Waterproofing Holding AB.

The Board has appointed Martin Ellis as CEO.

The CEO reports to the Board. The CEO's responsibilities are regulated in the Swedish Companies Act, the Articles of Association, instructions from the Board and other internal rules and instructions established by the Board. In addition, the CEO must comply with the Code and Nasdaq Stockholm's regulations for issuers, as well as other applicable Swedish and other foreign laws and regulations.

The CEO shall, among other things, take the measures necessary for the company's accounting to be carried out in accordance with law and for the asset management to be handled in a secure manner. The CEO may in individual cases be authorized by the Board to take administrative measures, which are outside the current administration.

GROUP MANAGEMENT

The Executive Board is supported by a number of senior officers of the company. Together with the Executive Board, these senior officers of the subsidiaries, constitute the Group Management team. Martin Ellis has been the CEO of Nordic Waterproofing since October 2015. In addition to the CEO, Group Management consists of the CFO and the five business unit managers (Denmark, Finland, Norway and Sweden, SealEco and Taasinge Elementer). The President and other members of Group Management are presented in detail on pages 54-55.

The Group Management team conducts management meetings at regular intervals and held twelve meetings in 2022. The meetings are focused on the Group's strategic and operative development and financial performance. In addition to these meetings, the senior executives work in close daily cooperation regarding various matters.

Remuneration for CEO and Group Management team

The Board of Directors' policy is that salaries and other benefits be on market terms and adequate to attract sufficiently qualified employees for the relevant positions. The Board of Directors determines the remuneration payable to the members of CEO. The salaries for the CEO consist of a fixed salary, variable salary and other benefits. The annual salary of the company's CEO amounts to EUR 0.57 m, together with a variable portion of at most 60 percent of annual salary. The CEO, supported by the Board of Directors, determines the remuneration payable to other members of Group Management. The salaries to the members of Group Management consist of a fixed salary and pension, and the possibility to receive variable salary and other benefits. The variable salary to which the company's CEO and CFO and the five business unit heads are entitled is capped at normally 60 percent of their fixed salary.

The members of the Executive Board team and Group Management will be offered a salary which is on market terms and based on each individual's responsibilities, expertise and performance. In addition, the Annual General Meeting may resolve to offer long-term incentive schemes such as equity-based and share price-based incentive schemes. The purpose of these incentive schemes will be to contribute to long-term value growth and provide a shared interest in value growth for shareholders and employees. For further information on remuneration to the Board of Directors and Group Management, see pages 52-53 and 55 respectively and note 7 on pages 77-78.

The long-term performance-based remuneration programmes (LTIP 2020, LTIP 2021 and LTIP 2022 respectively) aim at strengthening Nordic Waterproofing's ability to retain the most talented individuals in key positions, and at stimulating participants to increase their efforts by linking their financial interests and perspectives with those of shareholders.

LTIP 2020, LTIP 2021 and LTIP 2022 will run over a period of three years, with the outcome being dependent on the fulfilment of various financial performance requirements. To obtain the maximum allocation of rights to performance shares in LTIP 2022, EBIT growth over the period 1 January 2022 to 31 December 2024 must correspond to an annual average of 10 percent. More information on LTIP 2020, LTIP 2021 and LTIP 2022, is provided on page 60.

THE BOARD OF DIRECTORS REPORT ON INTERNAL CONTROL

Internal audit

Nordic Waterproofing has developed governance and internal control systems. Among other things, a self-assessment of each company's control environment is carried out annually and the central accounting unit reviews the outcome in selected areas and companies. The Board of Directors and the Audit Committee follow up the company's assessment of internal control, among other things through contacts with the company's auditors, who annually conduct audits of internal control. In the light of the above, the Board of Directors has chosen not to establish a separate internal audit function.

Regarding financial reporting

The responsibility of the Board of Directors and executive management for financial reporting and internal control is governed, among other things, by the Accounting Act, the Annual Accounts Act, the Swedish Companies Act and the Code.

The Board of Directors regularly considers whether it would be appropriate to include additional financial and non-financial information in the Company's reports.

The Board regularly assesses the material risks associated with the Company's operations and the execution of the Company's strategy as well as the

risks associated with financial reporting and strives to ensure that such risks are managed in a proactive and effective manner.

As part of the company's risk management, various internal control systems have been established, which are reviewed regularly by the Board of Directors to ensure that such systems are appropriate and sufficient in the context of the company's business and operations. The company's Annual Report includes information about the management of operational risks. The financial reporting and internal controls are aimed at providing the Board of Directors and Executive Board with reasonable assurance that:

- reporting by the Executive Board is reliable and in compliance with internal policies and procedures and gives a true and fair view of the company's financial performance and financial position
- material risks are identified and minimized
- internal controls are in place to support the quality and efficiency of the business processes and to safeguard the company's business and assets
- Business is conducted in compliance with applicable laws, regulations and internal policies.

Control environment

The Board of Directors has the overall responsibility for internal control of financial reporting. In order to create and maintain a functioning control environment, the Board of Directors has established a number of basic documents relevant to financial reporting, including in particular the Board's rules of procedure and instructions for the CEO. The Board of Directors has also appointed an Audit Committee, which has the main task of ensuring that established principles for financial reporting and internal control are complied with and that appropriate relations with the company's auditor are maintained. The responsibility for maintaining an effective control environment and the ongoing work on internal control regarding financial

reporting is delegated to the CEO, who regularly reports to the Board of Directors based on established procedures. In addition, reporting is made by the elected auditors.

The internal control structure is also based on a management system based on Nordic Waterproofing's organisation with clear financial roles, responsibilities and delegation of powers. Operational decisions are made at company level, while decisions on strategy, overall financial issues, acquisitions and major investments are made by Nordic Waterproofing's Board of Directors and Group Management. The governing documents relating to accounting and financial reporting constitute the most important parts of the control environment in terms of financial reporting. These documents are updated on an ongoing basis, and at least once a year, in case of changes to, for example, accounting standards and legislation.

Risk assessment

In the Group, a risk assessment is carried out on an ongoing basis for the identification of material risks related to the financial reporting. Regarding the financial reporting, the risk is considered to be primarily accounting errors in relation to such as bookkeeping and valuation of assets, liabilities, revenues and costs or other deviations. Fraud and loss by embezzlement is another risk. Risk management is built into every process. Various methods are used to evaluate and limit risks and to ensure that the risks posed by Nordic Waterproofing is subject to be handled in accordance with established policies, instructions, and established follow-up routines. These policies, instructions and procedures aims to reduce possible risks, and promotes accurate accounting, reporting and disclosure.

Conflict of interest transactions

Under the Swedish Companies Act, no member of the Board of Directors or Executive Board may participate in the transaction of business that involves any agreement between the company and that member, or legal proceedings against that member, or the transaction of business that involves any agreement between the company and a third party, or legal proceedings against a third party, if the member has a material interest in such business and that material interest could conflict with the interests of the company.

AUDITING

Pursuant to the Articles of Association, the Annual General Meeting shall appoint an authorized auditor who shall audit Nordic Waterproofing's accounts. The auditor for Nordic Waterproofing Holding AB is Deloitte AB with Jeanette Roosberg as principal. Jeanette Roosberg is currently also the auditor of the Swedish subsidiaries.

The total remuneration to the company's auditor in 2022 amounted to SEK 4.6 m (4.1).

The total remuneration to other auditors in the Group during the period amounted to 1.3 MSEK (0.6). Further information can be found in note 35.

The auditor is appointed for a term of one year by the shareholders following a proposal by the and Nomination Committee following recommendation from the Board of Directors and the Audit Committee. The scope of the auditor's duties, including audit and non-audit duties, is agreed annually between the Board of Directors and the auditor based on recommendations by the Audit Committee.

The company has regular discussions and regularly exchanges information with the auditor. To ensure that the dealings of the Board and Audit Committee's treatment are conducted in a structured manner, and to meet the Board's information requirements, Nordic Waterproofing's auditors met the Audit Committee on three occasions and the full board on one occasion in 2022.

The auditor is obliged to attend the Annual General Meeting and is entitled to attend other General Meetings. At the Annual General Meeting, the auditor is obliged to answer questions raised relating to the Annual Report. The auditor is also entitled to attend, and has attended, the Board meeting at which the Annual Report of the company is presented and – under the Board's rules of procedure – any other Board meetings at which financial statements are considered, on which the auditor must provide a statement.

INFORMATION POLICY AND INSIDER AND LOGBOOK POLICY

Nordic Waterproofing has prepared an information policy and an insider policy for the purpose of informing employees and other relevant parties at the company about the laws and regulations applicable to the distribution of information by the company, and the special requirements imposed on persons who are active in a listed company with regard to, among other things, price-sensitive information. In this context, the company has established routines for handling the distribution of information.

THE IR FUNCTION

The IR function is headed by the company's CFO. Its primary duties are to prepare quarterly and Annual Reports, analyst conferences, General Meetings and capital market presentations, and to regularly report on IR activities. External financial information is regularly provided in the form of:

- Interim reports
- Annual Report
- Regulatory, as well as non-regulatory press releases
- Presentations for financial analysts, investors and the media on the date of publication of the year-end and interim reports
- Meetings with financial analysts, investors and media representatives.

ADDITIONAL INFORMATION

Visit www.nordicwaterproofing.com for information such as the Articles of Association, the Code of Conduct, and information from previous General Meetings as well as media releases.

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

To the general meeting of the shareholders in Nordic Waterproofing Holding AB (publ) corporate identity number 556839-3168.

ENGAGEMENT AND RESPONSIBILITY

It is the board of directors who is responsible for the corporate governance statement for the financial year 2022 on pages 46-51 and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

OPINIONS

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

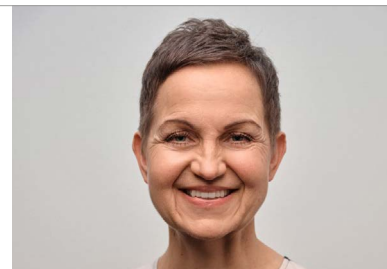
Malmö March 30, 2023

Deloitte AB

Jeanette Roosberg

Authorized public accountant

BOARD



Name	Mats O. Paulsson	Leena Arimo	Hannele Arvonen	Steffen Baungaard
Position	Chairman of the Board since 2020. Chairman of the remuneration committee.	Board member. Member of the Audit Committee.	Board member. Member of the Audit Committee.	Board member. Member of the remuneration committee.
Year elected	2017	2020	2022	2019
Born	1958	1963	1966	1967
Nationality	Swedish	Finnish	Swedish and Finnish	Danish
Other assignments ¹⁾	Chairman of the board of directors of Caverion Oy, Nordisk Bergteknik AB and Svevia AB. Member of the board of directors of BE Group AB, Bösarps Grus and Torrbruk AB.	CFO of the Finnish subsidiary of the listed Swedish group Bravida, which provides installation and service of systems in properties and facilities.	CEO and co-owner of Flooré AB, board member of Södra Skogsägarna and board member in Plantvation AB.	Chairman of the board of Brøndum Holding A/S, DEKO A/S, MB Packaging A/S and Frederikshøj Ejendomme A/S. Vice chairman of Arkil Holding A/S. Board member of MT Højgaard Holding A/S, Carl Ras A/S och EBK Huse A/S.
Previous assignments ¹⁾	CEO of Bravida AB, CEO of Strabag Scandinavia AB and CEO of Peab Industri AB. +Member of the board of directors of Acando AB, Elda Acquisition AB, Paroc Oy, Ramirent Plc, BTH Bygg AB, KEWAB, AKEAB, Mark & Energibyggnarna AB and Win Group AB.	CFO of divisions within Lemminkäinen and CEO at Lemcon Networks.	CEO of Sveaskog and Setra Group, different senior positions within Holmen and Metsä Board Metsä Board	Group CEO of Huscompagniet 2008-2019 as well as CEO/Senior Executive Vice President of NCC Denmark 1998-2008
Education	Master of Science in Engineering from Lund University of Technology, Sweden.	Master's degree from Helsinki University of Technology, Finland.	Master's degree (Master of Forestry) from Helsinki University, Finland. Bachelor's degree (International relations) Beloit College, USA.	Master of Business Economics at Copenhagen Business School, Building constructor at BTH, Copenhagen and various leadership courses (Harvard and IMD).
Independent in relation to major shareholders	Yes	Yes	Yes	Yes
Independent in relation to the company	Yes	Yes	Yes	Yes
Shareholding in Nordic Waterproofing ¹⁾	15 000	0 shares. Has not traded in the NWG share during 2022.	0 shares. Has not traded in the NWG share during 2022.	0 shares. Has not traded in the NWG share during 2022.
Participation in Board meetings	11 of 11 meetings	11 of 11 meetings	7 of 7 meetings	11 of 11 meetings
Audit Committee attendance	-	4 of 4 meetings	2 of 2 meetings	-
Remuneration committee attendance	4 of 4 meetings	-	-	4 of 4 meetings
Fees in 2022 ²⁾				
Board assignments	633,333	296,667	200,000	296,667
Committee assignments	50,000	50,000	33,333	25,000
Total 2022	683,333	346,667	233,333	321,667

1) Own and related parties' shares. The above board assignments and shareholdings in Nordic Waterproofing reflect the situation as of 31 January 2022. The information is regularly updated on www.nordicwaterproofing.com.

2) Fees to board members elected at the annual general meeting have been determined by the annual general meeting following a proposal from the nomination committee. Fees for the calendar year 2022 have been paid according to note 7. No consulting fees have been paid to the board members, fees are exclusive of any expenses.

BOARD



Name	Riitta Palomäki	Hannu Saastamoinen
Position	Board member. Chairwoman of the Audit Committee.	Board member. Member of the remuneration committee.
Year elected	2016	2020
Born	1957	1960
Nationality	Finnish	Finnish
Other assignments ¹⁾	Member of the Board of Directors, Chair of the Audit Committee and Member of the Risk Committee at OP Financial Group.	Senior advisor Investment AB Latour i Finland. Owner and CEO of Sandbacka Advisory Services Oy.
Previous assignments ¹⁾	Board member, Chair of the Audit Committee and member of the Remuneration Committee at HKScan Oyj, Executive Vice President and CFO of Uponor Oyj, Board member and Chair of the Audit Committee of Componenta Oyj, CFO of Kuusakoski Group, various managerial positions at Konecranes and ABB Finland.	CEO Swegon Group AB 2013-2020. Senior positions in among other Munters, Huurri Group, TAC Swedish, Carrier Refrigeration and Electrolux.
Education	Master of Science in Accounting and ICT from Turku School of Economics and Business Administration, Finland.	Master's degree from Helsinki School of Business, Finland.
Independent in relation to major shareholders	Yes	Yes
Independent in relation to the company	Yes	Yes
Shareholding in Nordic Waterproofing ¹⁾	5 000	0 shares. Has not traded in the NWG share during 2022.
Participation in Board meetings	11 of 11 meetings	10 of 11 meetings
Audit Committee attendance	4 of 4 meetings	-
Remuneration committee attendance	-	4 of 4 meetings
Fees in 2022 ²⁾		
Board assignments	296,667	296,667
Committee assignments	116,667	25,000
Total 2022	413,334	321,667

1) Own and related parties' shares. The above board assignments and shareholdings in Nordic Waterproofing reflect the situation as of 31 January 2022. The information is regularly updated on www.nordicwaterproofing.com.

2) Fees to board members elected at the annual general meeting have been determined by the annual general meeting following a proposal from the nomination committee. Fees for the calendar year 2022 have been paid according to note 7. No consulting fees have been paid to the board members, fees are exclusive of any expenses.

GROUP MANAGEMENT



Name	Martin Ellis	Palle Schrewelius	Mats Lindborg	Esa Mäki
Position	President and CEO.	Chief Financial Officer (CFO) and Head of Investor Relations.	Head of Nordic Waterproofing Sweden and Norway	Head of Nordic Waterproofing Finland.
Employed since	2011	2020	1986	2017
In current position since	2015	2020	2011	2017
Born	1956	1963	1964	1969
Nationality	Brittish	Swedish	Swedish	Finnish
Education	Diploma from HEC Paris Business School, France. In addition, attended Stern Business School in New York, US, and Getulio Vargas Business School in Sao Paulo, Brazil.	MSc in Business Administration and Economics from Lund University.	Four-year technical high school diploma in Building and Civil Engineering from Erik Dahlbergs Gymnasium in Jönköping, Sweden.	Master of Science in building economics and a Bachelor in building construction technology from Tampere University, Finland.
Selection of previous positions	CEO of Nordic Waterproofing and Chairman of the Board of Nordic Waterproofing. 30 years of experience as CEO and other leading positions, including at Icopal (CEO) and Saint Gobain (President of the Building Materials Division).	Over 25 years of experience from different CFO and Finance Manager positions in various industries at, among others, Alligator Bioscience AB, the Getinge group and the Sandvik group.	30 years of experience in sales and marketing positions, including at Trelleborg Waterproofing.	CEO of Nesco Group and various managerial positions at Icopal Finland and other companies in the building material industry.
Shareholding in Nordic Waterproofing ¹⁾	237,936	9,000	20,433	20,017

1) Own and related parties' shares. The above shareholdings in Nordic Waterproofing reflect the situation as of 28 February 2022. The information is regularly updated on www.nordicwaterproofing.com.

GROUP MANAGEMENT



Name	Paul Erik Rask	Martin Tholstrup	Thomas Zipfel
Position	Head of Nordic Waterproofing Denmark.	Affärsenhetschef, Taasinge Elementer.	Head of SealEco.
Employed since	1992	2015	2009
In current position since	2000	2017	2011
Born	1962	1976	1961
Nationality	Danish	Danish	Swedish
Education	Bachelor in Business Administration from Aarhus University and an Executive Master of Business Administration from the Scandinavian International Management Institute in Copenhagen. Has also studied the Advanced Management Programme at INSEAD.	Carpenter from Svendborg Erhvervsskole, Denmark, and an AP degree in Construction Technology from Erhvervsakademiet Lillebælt, Denmark.	Master of Science in electronics engineering from Industrie und Handelskammer in Bochum, Germany. Executive Marketing Program and Executive Management Program at IFL, Stockholm School of Economics, Sweden.
Selection of previous positions	30 years of experience of leading positions and sales and marketing, including at Trelleborg Phønix A/S.	CEO of AtticGroup A/S and AtticGroup AB, and 20 year experience from development, sales and prefabrication within the construction industry.	20 years of experience of managing positions, including at Trelleborg Waterproofing
Shareholding in Nordic Waterproofing ¹⁾	13,137	21,926	14,439

1) Own and related parties' shares. The above shareholdings in Nordic Waterproofing reflect the situation as of 28 February 2022. The information is regularly updated on www.nordicwaterproofing.com.

REMUNERATION OF GROUP MANAGEMENT

SEK m		Fixed salary	Variable salary	Incentive program	Other benefits	Total	Pension	Total incl pension
CEO	2022	6.1	3.6	1.8	0.0	11.5	0.0	11.5
	2021	5.6	3.3	2.1	0.0	11.0	0.0	11.0
Group management	2022	14.1	6.0	3.1	0.8	23.9	3.5	27.5
	2021	14.8	6.0	2.7	0.4	23.9	3.8	27.6
Total		20.1	9.6	4.9	0.8	35.4	3.5	38.9
Total		20.4	9.3	4.8	0.4	34.9	3.8	38.6

RISKS AND RISK MANAGEMENT

All business operations are associated with risks. Risks that are managed well can lead to opportunities and value being generated, while risks that are not managed properly can cause damage and losses.

Demand for Nordic Waterproofing's products and solutions varies by market. The Group focuses on maintaining an exposure to market segments that generally offer a favorable balance between parts of the construction industry that dominate in the earlier and later stages of the economic cycle, as well as towards private individuals and industrial players between which demand is well balanced. Seasonal effects occur and are particularly apparent in the Installation Services operating segment. Read more about seasonal effects on page 18.

RISKS OF CONFIDENCE

As a leading player in the Nordic waterproofing market, the expectations of Nordic Waterproofing are rigorous. There is a risk for the Group that the behavior of individual employees or business decisions could erase the trust that has been built up over a long time. It is essential to prevent and minimize the risk of such events and behaviors adversely affecting confidence and trust in the Group and its brands. For this reason, the Group conducts continuous training in the Code of Conduct and product safety. The Code of Conduct of the Group can be found on <https://www.nordicwaterproofing.com/en/code-of-conduct/>.

CRISIS MANAGEMENT

Nordic Waterproofing's crisis management is decentralized, meaning that events should be resolved locally, as close as possible to the origin of the incident. The crisis organization now in place at the Group level shall ensure that those involved within Nordic Waterproofing have the knowledge and skills required to manage various incidents. If major incidents occur that could affect the Group as a whole, the Group's crisis organization, including the Board of Directors, is to be informed and should assess how the event should be managed.

RESPONSIBILITY AND REVIEW

The capacity to identify, evaluate, manage and monitor risks is an important part of the management and control of Nordic Waterproofing's business operations. The purpose is for the Group's targets to be achieved through well-considered risk taking within defined limits. Risks and opportunities are regularly reviewed and reported to the Executive Board and the Board of Directors for appropriate responses and actions.

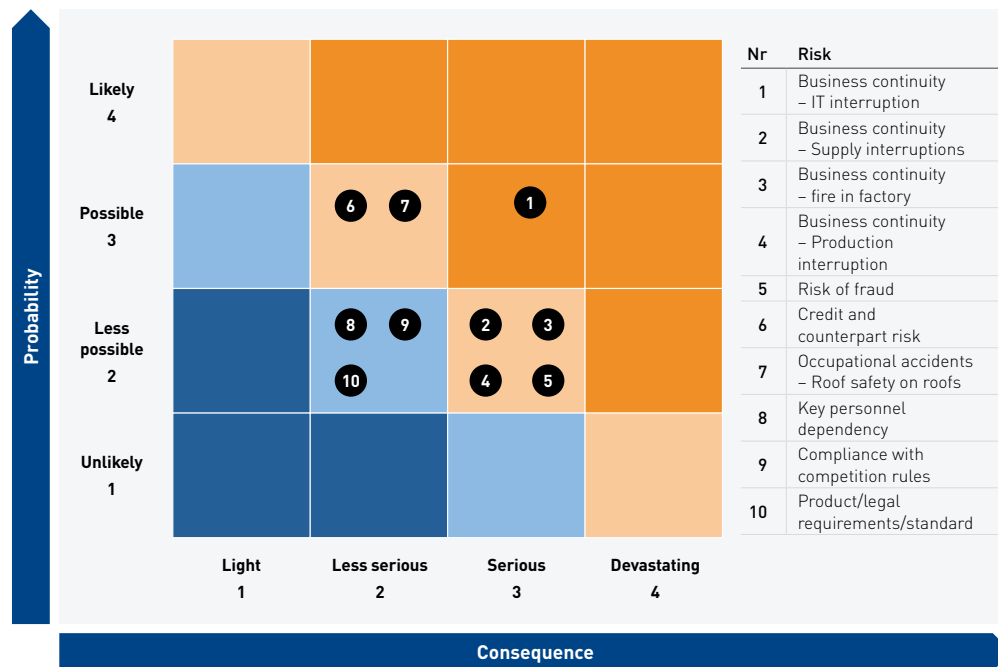
Responsibility for risk work lies with the managers of each of Nordic Waterproofing's different business units. Responsibility refers both to ongoing efforts with operational and other relevant risks, to advance and develop work in the area of risk. A bottom-up risk assessment is conducted annually in each business unit. A risk matrix with the ten greatest risks – their probability, consequences and measures for reducing or preventing those risks – is then consolidated from each business unit up to the Group level, forming the basis for a list of the Group's shared risks.

The yearly evaluation in 2022 had the following outcome:

Financial risk management is administrated by the Group CFO who is responsible for the Group's external banking relationships, liquidity management, net financial items, interest-bearing liabilities and assets, and for Groupwide payment systems and netting of currency positions. The centralization of finan-

cial management entails considerable economies of scale and lower financing costs, while ensuring strict management of the Group's financial risks and improved internal control. Read more about Nordic Waterproofing's significant risks and risk management on pages 57-59 and in note 33.

IDENTIFY AND EVALUATE RISKS



MAJOR RISKS AT NORDIC WATERPROOFING

RISK	DESCRIPTION	DEVELOPMENT DURING 2022
Market	Development of the construction market The waterproofing market is a relatively small niche within the construction market and generally follows the fluctuations in the construction industry. Demand for Nordic Waterproofing's products and services may fall because of lower construction activity.	Demand from the construction industry remained strong in the beginning of 2022 to reduce somewhat under the latter part of the year. We estimate that Nordic Waterproofing's distribution of sales is approximately 50 percent for renovation and 50 percent for new construction, which gives us a good balance to cope throughout the business cycle.
	Competition By developing their products, improving their production methods or offering their products at lower prices, Nordic Waterproofing's competitors could cause customers to prefer their products. Synthetic materials, such as PVC and TPO, which account for a small proportion of the Group's turnover, may increase in popularity at the expense of bitumen.	Nordic Waterproofing is constantly monitoring the development in its market. The overall demand for bitumen and other materials supplied via Nordic Waterproofing's local representatives, is stable in the Group's Nordic markets. During the latter part of 2022 we saw a weaker demand for products from our major EPDM-markets.
Operational	Unforeseen problems in connection with acquisitions Unforeseen business-related problems associated with the acquired companies or the integration processes may take longer or be costlier than anticipated, and expected synergies could fail to, or only partially, materialize. Thus, the value of assets relating to the acquisitions – goodwill – may not be realized and may need to be written down.	The Group has stated plans to grow through acquisitions and has implemented a number in recent years. The acquisition processes are led by a group experienced executives contributing to a structured integration process including the Group's Code of Conduct as an important part. During 2021 seven acquisitions and in 2022 six acquisitions have been made which has increased this risk compared to previous years.
	Seasonality Irregular seasonal variations, e.g. an earlier winter season, may affect building activities.	The Group maintains an agile organization to meet the challenges posed by the Nordic winter and summer weather conditions.
	Disruption in production The Group's manufacturing and installation operations could suffer stoppages or disruptions in the form of, for example, fire, engine breakdowns, failures in IT systems, disputes with labour organizations, weather conditions or natural disasters.	The manufacturing units are maintained routinely and, once a year, production is stopped for systematic servicing. In addition, Nordic Waterproofing has spare capacities in its production units, allowing for a shorter accidental stop.
	Environmental permits The production facilities in Denmark, Finland and Sweden are subject to mandatory reporting obligations and require permits. The operations affect the external environment primarily through noise and emissions.	The Group has all necessary permits for its operations and is monitoring any changes in the environmental regulations and permit regulations in each relevant country.
	IT system and process failure The Group's IT systems can be disrupted by software failures, computer viruses, hacking, sabotage and physical damage, for example.	A central organization is continually monitoring the system's status and carrying out monthly updates to protect the Group's IT systems. During the year, protection against unauthorised intrusion has been expanded and tests carried out to determine any weaknesses. No major disruptions were reported during 2022.
	Supplier relationships Access to alternative suppliers from whom bitumen and rubber components can be purchased is considered crucial in the event that partnerships with the Group's primary suppliers were to come to an end. The supply agreement for rubber products contains minimum volume commitments for the Group, reducing the option to purchase rubber compounds from alternative suppliers and adapt to lower demand.	The Group has integrated the risk minimization and dependencies in the purchasing process. Potential suppliers are evaluated and a more flexible dual sourcing is used where possible. During 2022, there has been a shortage of different raw materials and the Group's long-term and good relationship with critical suppliers has been an important component for securing deliveries. Some delivery problems were noted in 2022 as a consequence following the Russian war on Ukraine but without major impact on the Group's manufacturing and service level to our customers.
	Access to input material There is a risk that the Group's suppliers will not be able to provide inputs as a consequence of, for example, operational disruptions, increased demand or lack of their input materials.	During 2022 the Group has not had any negative effects on the operations from shortage of materials.
	Political risks The Group may have suppliers who procure their raw materials from areas that may be affected by political turbulence or, for example, through an executive order from the US Treasury Department's Office of Foreign Assets Control (OFAC) may no longer continue to purchase their raw materials from its supplier.	During the year, sanctions from EU have been imposed on Russia and Belarus but these have not had any material negative consequences on the Group's operations.
Effects of the Russian war on Ukraine Russia has initiated a war against Ukraine. Nordic Waterproofing has not had its own operations in Russia or Ukraine and sales to these markets were very limited in both 2021 and 2022. The conflict affects our operations through difficulties in accessing inputs and strong cost inflation. The Group manages this risk primarily by terminating all purchasing relationships that are directly or indirectly dependent on goods or services from Russia or Belarus.	The conflict escalated into a war in 2022. The sanctions imposed at the beginning of 2022 against Russia and Belarus affect the Group's access to input material only to a limited extent. Our operations are also affected by indirect consequences, as a result of the war, in terms of risk of shortage of input material, cost inflation and impact on the macro economy.	

MAJOR RISKS AT NORDIC WATERPROOFING

RISK	DESCRIPTION	DEVELOPMENT DURING 2022	
Legal	Competition law	Competition authorities have the power to take legal action and may require a party to cease applying terms and conditions or prices in agreements that are found to be anti-competitive.	In 2022, none of the Group's business units were subject to an investigation by competition authorities.
	Disputes with stakeholders	Nordic Waterproofing conducts business with many different stakeholders and has several competitors in each business. There is a risk that disagreements cannot be resolved but will be settled by rulings in court or by arbitrators.	Nordic Waterproofing A/S and other suppliers of waterproofing products were the subject of an investigation by the Danish Competition and Consumer Authority (KFST), which in 2020 was terminated without further action from the authorities. Some competitors have chosen to pursue this in a civil case and have claimed compensation for the damage they consider to have suffered. The rulings from the courts during 2022 have been in favor of Nordic Waterproofing.
	Changes to regulations	Changes in stimuli to encourage the construction of new-buildings, e.g. legislation, regulations and rules affecting town planning, zoning plans and land development, as well as building permit/planning permission regulations, may change in the future. Furthermore, changes may occur in the regulations for contributions, such as the ROT deductions in Sweden and household allowances in Finland.	Nordic Waterproofing's products are well established in all relevant markets and the Group is exposed to a limited extent to changes in the subsidies in different countries.
	Intellectual property rights	The Group has developed products that lack patent protection that may be more important to the Group and its competitive position on the market than what has previously been considered to be commercially reasonable. There is also a risk that the Group will be unable to defend trademarks and patents granted.	The Group has assigned an external party and established routines to register and maintain its patents, trade marks and other intellectual property.
	Compliance risks	With circa 1,400 employees in ten countries there is an inherent risk that any Nordic Waterproofing employee is involved in unethical behavior in terms of bribery, corruption, fraud or other illegal or unethical behaviour. The same goes for the Group's suppliers.	The Group has for several years established an internal Code of Conduct, a Code of Conduct for Suppliers and a Whistleblowing Policy. Its compliance is monitored annually in the annual performance review.
Financial	Currency risks	The Group is exposed to currency risk in the form of transactions and currency conversions. Transaction exposure arises in connection with acquisitions and sales of goods and services in currencies other than the local currency of the relevant subsidiary. The translation exposure constitutes the risk represented by the translation difference in the form of the change in equity.	The Group has significant cash flows in foreign currencies (DKK, EUR and NOK) that arise in the ordinary course of the Group's business. Inflows and outflows of those foreign currencies are naturally well balanced and any net transaction exposure is therefore considered insignificant.
	Credit risks	Credit risks may occur in relationships with customers failing to perform their obligations.	In each country, Nordic Waterproofing has a large number of customers, most with low outstanding credit. The Group maintains a close relationship with its customers and any delays are monitored and rectified as soon as possible. Due to the uncertain macroeconomic situation during 2022, there was a particular focus on monitoring outstanding credits. No major credit loss was reported in 2022.
	Commodity price risk	Commodity price risk is the risk that changes in the price of raw materials will unexpectedly impact the Group's income statement, balance sheet or cash flow. Nordic Waterproofing is primarily exposed to the risk of price changes of four types of raw materials: bitumen, SBS, polyester and EPDM. There is a risk that the Group will not be able to compensate for an increased cost of inputs by introducing a higher price towards the customer, or that such compensation can only be achieved after a period of negative impact on the Group's earnings and position.	The Group is exposed to commodity price volatility and may decide to hedge the price levels for a certain period of time and/or respond by raising the price of its products. In 2022, spot prices for bitumen were volatile as a result of the movements in the market price for oil. Raw material costs rose sharply on most raw materials during the beginning of the year to stabilise and, for some raw materials, decrease in the latter part of 2022. Most of our businesses were able to compensate themselves by making price increases, sometimes with a certain delay, which led to short-term lower margins.
	Financing risks	Financing risk means that the Group cannot finance its operations, for example by the Group's lenders terminate the credit agreement, suppliers no longer willing to deliver on credit or that there is no available capital from external investors.	In 2022, the Group extended the agreement for its long-term financing for another year, reducing this risk. The Group works actively with its relationships with major investors and the stock market in general to have established contacts if an external capital raising need to be made.
	Interest rate risk	Interest rate risk is the risk that a change in market interest rates will have a negative impact on the Group's income statement or balance sheet. The Group's bank loans carry variable interest rates fixed for three to twelve months plus a margin.	During 2022, the Group's covenants in the financing agreement have been at a stable level with large scope to the respective limit value.

MAJOR RISKS AT NORDIC WATERPROOFING

RISK	DESCRIPTION	DEVELOPMENT DURING 2022
Sustainability	Environmental risks	The Group is exposed to environmental and production risks, such as major fires with both production stoppages and environmental impact as a consequence.
	Occupational safety and health risks	Group operations, especially the installation businesses which involve roof laying, are subjected to risks of accidents, with very severe injuries or even deadly outcomes as a consequence.
	Human rights	The Group has both common supply chains, and supply chains specific for our business units. We evaluate our suppliers but there is a risk that there are breaches of labour and human rights lower in the value chain.
		With regard to fires in proprietary production, this is followed up for each individual business unit in an annual assessment with preventive action programmes and testing of emergency contingencies. The follow-up is reported to Group Management. The Group has not been subjected to any incidents that have led to a negative environmental impact.
		The Group continuously trains personnel with the aim of minimizing risks and accidents. Best practice comparisons are made between the different countries' organizations. In 2022, a particular focus has been on reducing accidents in the workplace that lead to absences and the work environment risks of working from home and not in the same way as before regularly meeting colleagues.
		The Group continuously evaluates the possible effects the Group's operations may cause. A Supplier Specific Code of Conduct is established which clarifies that the Group only accepts suppliers who respect human rights, including no discrimination.

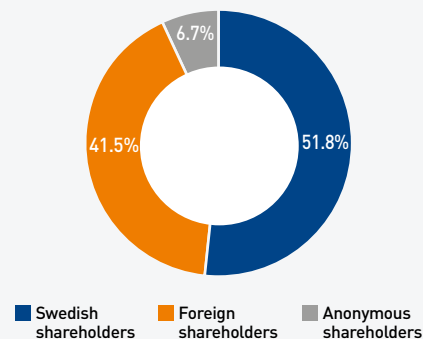
THE SHARE AND OWNERSHIP INFORMATION

SHARE PRICE AND TRADING

The closing price for the NWG share on 30 December 2022 was 145.60 SEK (223.00), corresponding to a market capitalization of approximately SEK 3,507 m (5,371). In 2022, a total of 7,703,063 (10,165,838) NWG shares were traded on the Nasdaq Stockholm exchange for an average price of SEK 164.62 (192.04) per share.

The average number of shares traded per trading day was 30,447 (40,181). The highest price paid during the period 1 January to 31 December 2022 was SEK (226.00) (271.00) on 3 January and the lowest price paid was SEK 134.00 (144.60) on 3 November. During the period from 1 January to 31 December 2022, Nordic Waterproofing's share price decreased by -34.7 (+36.0) percent, while the OMX Mid Cap index decreased by -30.5 (+34.1) percent.

GEOGRAPHIC DISTRIBUTION OF SHAREHOLDERS AS PER 31 DECEMBER 2022, VOTES, %



SHAREHOLDERS

On 31 December, the share capital was owned by Swedish institutions and mutual funds, 34.5 (59.7) percent, the Irish company Kingspan Group PLC with 24.1 (0.0) percent, foreign institutional owners, 15.4 (20.2) percent and Swedish private investors 12.9 (12.8) percent. On 31 December 2022 Nordic Waterproofing Holding AB had approx. 6,300 (6,500) shareholders. The ten largest shareholders accounted for 59.4 (56.1) percent of the votes and 59.2 percent (55.7) of the share capital.

The Nordic Waterproofing Board of Directors held a total of 20,000 (20,000) NWG shares. The holdings of the individual members appear on pages 52-53. Group Management held a total of 336,888 (290,691) NWG shares. The holdings of the individual members appear on pages 54-55. Nordic Waterproofing held 84,097 (176,334) treasury shares as per 31 December 2022.

As part of the long-term performance based incentive programmes (LTIP 2020, LTIP 2021 and LTIP 2022) the company may repurchase shares with the purpose of ensuring the supply of shares through the exercise of performance shares. Additional information on LTIP 2022 is provided on page 78, Note 7.

SHARE CAPITAL AND CAPITAL STRUCTURE

Nordic Waterproofing Holding AB's share capital at 31 December 2022 amounted to SEK 24,083,935. The total number of shares is 24,083,935. The quota value per share is SEK 1.00.

INDIVIDUALS WITH AN INSIDER POSITION

The members of the Board and the Group's management Team, who have a position that can normally be assumed to provide access to non-publicized share price sensitive information, have been registered as PDMR's (Persons Discharging Managerial Responsi-

bilities) in Nordic Waterproofing. Listed companies are required to record a logbook of individuals who are employed or contracted by the company and have access to insider information relating to the company. These can include statutory insiders, and other individuals who have insider information without being registered as insiders. Nordic Waterproofing records a logbook for each financial report or press release containing insider information.

DIVIDEND POLICY AND DIVIDEND FOR 2022

For 2022, the Board proposes a dividend of SEK 7.00 (6.00) per share, which is equal to 51 (56) percent of net profit for the year. Based on the share price of NWG shares at the end of 2022, the dividend yield for 2022 was 4.8 percent (2.7). The total dividend payment of SEK 168 m (143) is to be resolved on by the Annual General Meeting and disbursement is handled by Euroclear Sweden AB.

Entitlement to dividends is granted to those persons who are listed as shareholders in the share register maintained by Euroclear Sweden AB on the record date resolved by the Annual General Meeting.

Nordic Waterproofing's long-term intention is a dividend payout of more than 50 percent of its net profit. The payout decision will be based on the company's financial position, investment needs, liquidity position as well as general economic and business conditions.

Neither the Swedish Companies Act nor Nordic Waterproofing's Articles of Association contain any restrictions regarding the right to dividends for shareholders outside Sweden. Aside from any limitations related to banking or clearing activities in the affected jurisdictions, payments to foreign shareholders will be carried out in the same manner as to shareholders in Sweden.

The ambition is for future cash flows to continue to be used for repayment of debt and share dividends, but also to create financial flexibility for complementary acquisitions.

INVESTOR RELATIONS

Nordic Waterproofing aims to be informative and accessible to all shareholders. For results and other key announcements, we provide information on a timely basis to both retail and institutional shareholders. The Nordic Waterproofing corporate website contains a wealth of material for shareholders, including the current share price, press releases and dividends. The website can be accessed at www.nordicwaterproofing.com. Nordic Waterproofing maintains a quiet period 30 days before the publication of the Group's quarterly financial reports, alternatively from the first day of the quarter until the publication of the of the Group's quarterly financial reports if this date is more than 30 days after the beginning of the quarter.

KEY INVESTOR RELATIONS ACTIVITIES DURING THE YEAR

Nordic Waterproofing has again started to arrange visits at our facilities. Furthermore, several presentations have been made via electronic media or in physical meetings during the year, for example:

- February - Presentation of the year-end report 2021, web cast, presentation at Handelsbanken, investor meetings
- March - ABG Investor Days, Carnegie Capital Goods seminar, Erik Penser Bank Bolagsdag, investor meetings
- April - Presentation of the first quarter, web cast, Annual General Meeting 2022 (via postal voting)

- May – Presentation at ABG, Nordea small cap weekly company, Carnegie arranged visits to Höganäs and Värnamo with investors, Investor meetings
- June -SHB Mid & small cap seminar, investor meetings
- July - Presentation of the second quarter, web cast
- August - Nordea Small and Mid Cap Days, investor meetings
- September - Carnegie Nordic Small and Mid Cap Seminar, investor meetings
- October - Presentation of the third quarter, web cast, investor meetings
- November – SEB arranged visit with investors to Höganäs
- December - Investor meetings

THE FOLLOWING ANALYSTS MONITOR NORDIC WATERPROOFING'S DEVELOPMENT

ABG Sundal Collier/Introduce:

Adrian Gilani (adrian.gilani@abgsc.se) and Karl Bokvist (karl.bokvist@abgsc.se)

Carnegie: Sofia Sörling (sofia.sorling@carnegie.se)

INFORMATION ABOUT ANNUAL GENERAL MEETING 2023

The Annual General Meeting of Nordic Waterproofing Holding AB will take place on Thursday, April 27.

SEK	2022	2021
Earnings per share after dilution	13.71	10.64
Equity per share after dilution	72.84	60.62
Dividend per share	7.00	6.00
Dividend as a % of earnings per share	51%	56%
Total dividend, SEK m	169	143
Yield, %	4.8%	2.7%
Market price, 31 December, last paid price, SEK	145.60	223.00
P/E ration	10.6	21.0
Number of shares, at 31 December	24,083,935	24,083,935
Number of shares, average	24,083,935	24,083,935

NOTIFICATION TO ATTEND

THE ANNUAL GENERAL MEETING

The complete notification convening the Annual General Meeting will be available on the company's website www.nordicwaterproofing.com under the headline Corporate Governance.

To have the right to vote shareholders must be introduced into it by Euroclear Sweden AB kept the share register at the latest seven days before the Annual General Meeting.

Shareholders who have had their nominee registers shares must be submitted no later than seven days before the Annual General Meeting have temporarily registered the shares in their own name.

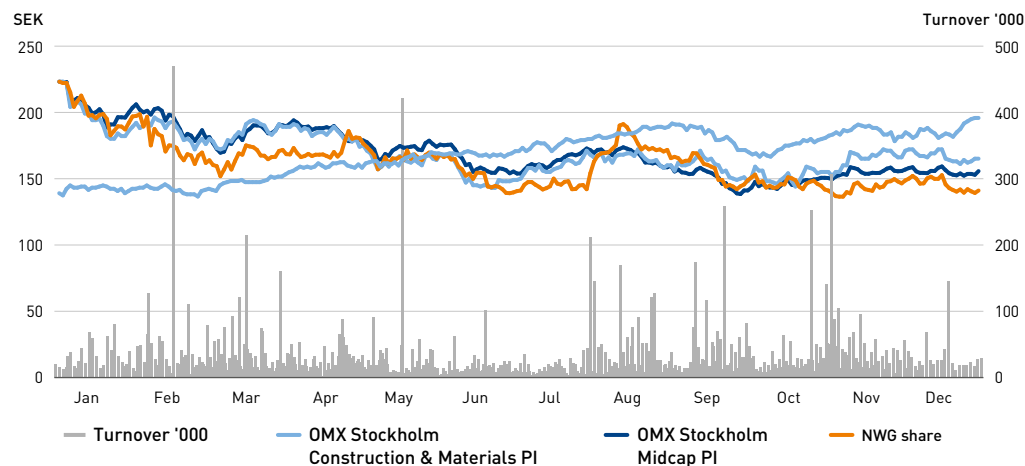
PROPOSALS TO ANNUAL GENERAL MEETING 2022

The Board of Directors and the CEO propose that shareholders be paid a cash dividend of SEK 7.00 per share (6.00).

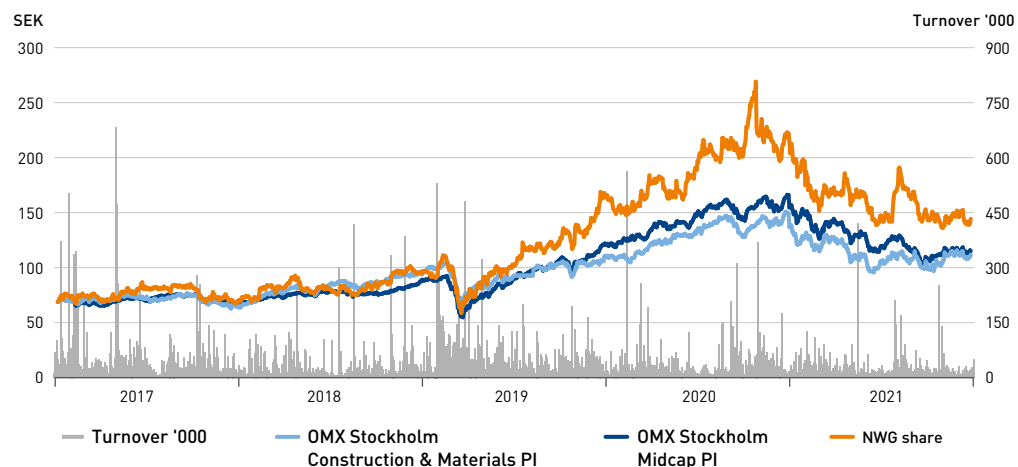
IR CONTACT

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NORDIC WATERPROOFING'S SHARE TREND 2022



NORDIC WATERPROOFING'S SHARE TREND 2018-2022



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BOARD OF DIRECTORS' REPORT

The Board of Directors and the CEO of Nordic Waterproofing Holding AB, a Swedish public limited liability company with org. No. 556839-3168, registered in Sweden with its registered office at Rönnowsgatan 12, 252 25 Helsingborg, hereby submits the annual report for the financial year 2021.

Nordic Waterproofing Holding AB is the parent company of the Nordic Waterproofing Group. The Nordic Waterproofing share is listed on Nasdaq, Stockholm, Mid Cap under the short name NWG.

The parent company, Nordic Waterproofing Holding AB, is a holding company without its own operations. The parent company's results primarily reflect income and expenses for joint group services and deductions for salaries, other compensation and similar expenses.

- The Group's Net sales for 2022 increased to SEK 4,343 m (3,644). Of the change of a total of 19 percent (11), 9 percent (4) was related to organic growth, acquisitions with 5 percent (8) and currency with 4 percent (-2).
- Operating profit (EBIT) increased to SEK 430 m (382), an increase of 13 percent (13).
- The Board proposes a dividend of SEK 7.00 (6.00) per share.

THE OPERATIONS

Nordic Waterproofing is active in the waterproofing market in Northern Europe. We offer high-quality products and solutions for roof waterproofing layers in Sweden, Finland, Denmark, Norway, Belgium, the Netherlands, Poland, the United Kingdom and Germany, among others. Nordic Waterproofing also provides installation services through wholly owned subsidiaries in Finland, Norway, Sweden and through partly owned franchise companies in Denmark. The Group also has operations such as prefabricated roof and wall elements in wood, green infrastructure, solar energy solutions, roof maintenance and liquid waterproofing layers for industrial floors. Nordic Waterproofing has a strong brand portfolio and a broad customer base which, combined with 17 production and prefabrication units, 15 sales offices and a number of district offices in Finland and franchise companies for installation services in Denmark, constitutes the European platform from which Nordic Waterproofing can deliver its complete water-

proofing solutions. The complete solution for waterproofing layers refers to all products and services required to create a satisfactory waterproofing solution.

Nordic Waterproofing's operations are divided into two operating segments: Products & Solutions and Installation Services. The Group provides a wide range of waterproofing products that are adapted to different types of roofs and are designed for the demanding climate in the Nordic region.

In the Products & Solutions operating segment, we mainly offer own-manufactured products and solutions for flat and pitched roofs, but also offer subcontracted products as a complement to our own-produced products. We also provide prefabricated roofs and wall elements in wood and green infrastructure. The operations are conducted in the Nordic region and in Northern Europe. Nordic Waterproofing offers its customers turn-key installation services in Sweden, Denmark and Finland, which include the construction of the entire roof as well as individual roofing services.

The Installation Services operating segment is fully integrated into our business and consists mainly of installation and maintenance with our own roof products for commercial properties and homes.

Nordic Waterproofing has a decentralized organizational structure with local management teams in each business unit, which is supported by a strong central management and group functions, such as the finance function, the research and development function, purchasing coordination and management of sustainability work, which creates efficiency within the Group and local flexibility. Each business unit is a profit center responsible for local production. The decentralized management model contributes to close local customer relationships, participation, and shorter lead time between the information and decision-making processes. At the same time, the central functions contribute to maximizing synergies throughout the Group. In the Products & Solutions operating segment, the various business units Sweden & Norway, Finland, Denmark, SealEco, Taasinge and Veg Tech, as well as the Finland, Norway and Sweden business unit within Installation Services, are running their operations independently.

FINANCIAL OVERVIEW OF THE GROUP

Nordic Waterproofing's ambition is to create value for the society and the

Net sales increased by 19 percent to SEK 4,343 m (3,664), of which organic growth amounted to 9 percent. Net sales in Product & Solutions increased to SEK 3,381 m (2,818) and in Installation Services the net sales increased to SEK 1,124 m (928).

Finland is the group's largest market with 29 percent of net sales, followed by Denmark with 23 percent. In total, the Nordic markets represent 85 percent of the Group's net sales.

EBITDA increased to SEK 583 million (515), the EBITDA margin decreased to 13.4% (14.1%).

Operating profit (EBIT) increased to SEK 430 million (382), the EBIT margin decreased to 9.9% (10.4%).

The financial net amounted to SEK -18 million (-47). The positive development is mainly explained by a positive impact from updates on earn-outs and valuations for the written put options versus a negative development last year. Increased interest cost had a negative impact of SEK -9 M.

The Group's profit before tax increased to SEK 413 million (335).

The Group's tax expense amounted to SEK -82 million (-78), which gave a tax rate of 20 percent (23).

Inventory amounted to SEK 787 million (609) and accounts receivable amounted to SEK 420 million (367).

The Group's interest-bearing net debt increased to SEK 844 million (677).

The Equity/assets ratio amounted to 47 percent (46) and the Net debt/equity ratio amounted to 0.5 times (0.5).

Cash flow from operating activities amounted to SEK 360 million (220).

FINANCIAL GOALS AND GOAL FULFILLMENT 2022

Nordic Waterproofing's ambition is to create value for the society and the environment, but the Group's financial targets also aims to create value for shareholders and other stakeholders based on a business model with clear financial targets. The three financial targets growth, profitability and debt/equity ratio are approved by the Board, which will contribute to our fourth target; the dividend policy. The underlying objective of the targets is to create long-term value for our shareholders, strengthen our financial position and enable the Group's future strategic investments. In the spring of 2019, the Group's financial targets were revised, which were confirmed in December 2022. This resulted in the following financial targets adopted by the Board for the Group:

Financial targets	Outcome 2022
Exceed the growth experienced in the Group's current markets through organic growth. In addition, the Group expects to grow through selective acquisitions.	In 2022, the group's organic growth was 9%, which exceeded the growth in our main markets. Growth through acquisitions was 5 percent.
Generate a return on capital employed (ROCE) exceeding 13 percent.	For 2022, the return on capital employed (ROCE) was 16.1%.
Net debt/EBITDA multiple, Net debt in relation to EBITDA (R12M basis) shall not exceed a multiple of 3.	At the end of 2022, the ratio was 1.4 times.
The dividend policy states an annual dividend exceeding 50 percent of the net profit. The proposed dividend will be based on the Group's financial position, investment needs, liquidity position, as well as general economic and business conditions.	During 2022 a dividend was paid of SEK 6.00 per share. For the 2022 Annual General Meeting, the Board has proposed a cash dividend of SEK 7.00 (51% of the profit for the year 2022).

COMPANY ACQUISITIONS AND DIVESTMENTS

During 2022, Nordic Waterproofing completed six acquisitions of subsidiaries.

No divestment were made during the year.

In addition to the aforementioned acquisitions, the Group's legal structure was also affected by three merger, which was part of the work to review the Group's structure in Belgium, Finland and Sweden.

For further information on acquisitions made during the year, see Note 14.

STAFF AND STAFF DEVELOPMENT

For 2022, the average number of employees within the Nordic Waterproofing Group was 1,365 (1,272), an increase of 93. The number of employees at the end of the year was 1,303 (1,249), an increase of 54 compared with the previous year. Acquisitions has mainly affected this development. The average number of employees in Sweden was 242 (220), which corresponded to 19 percent (18) of all employees within the Group. For further information on the average number of employees and personnel costs, see Note 7.

Nordic Waterproofing continuously works to have a uniform corporate culture within the organization and works for professionalism through group-wide guidelines and principles, such as an implemented code of conduct. With the aim of ensuring a solid platform for the operations and at the same time utilizing the employees' strengths in the most effective way, the Group has processes and tools for employee interviews, job descriptions, succession planning and competence development.

GUIDELINES FOR REMUNERATION TO THE SENIOR MANAGEMENT

The latest guidelines of remuneration to senior management decided by the Annual General Meeting are set out in Note 7. The guidelines in their entirety are available on the Group's website.

LONG-TERM INCENTIVE PROGRAMS

The company has three ongoing incentive programs ("LTIP 2020", "LTIP 2021" and "LTIP 2022"). The total cost, including social security contributions, is estimated to approximately SEK 10-15 m for each program over the term of the programs, provided that operating profit (EBIT) before items affecting comparability increases by an average of 10 percent. No new shares will be issued because of the programs. However, the company will acquire own shares to ensure the allotment of shares and to secure and cover social security contributions. As of December 31, 2022, the company holds 84,097 (176,334) own shares.

In 2022, the program "LTIP 2019" was completed. The target fulfillment of the program was 100% of the maximum outcome and during the third quarter 92,237 shares were distributed to 20 participants in the program.

See also note 7.

SUSTAINABILITY REPORT

The sustainability is the basis for Nordic Waterproofing's operations. During 2022, the sustainability work has continued and you can read about this in the group's sustainability report on pages 28-45. The auditor's opinion regarding the statutory sustainability report can be found on page 36. On page 28 there is a page index with references to where information on the various topics for sustainability reports according to the Annual Accounts Act (1995:1554) can be found in the annual report.

ENVIRONMENT, HEALTH, SAFETY, AND DIVERSITY

Nordic Waterproofing takes environmental considerations into account in all decisions that are deemed to have a direct or indirect impact on the environment. All Nordic Waterproofing's subsidiaries are covered by the Group's environmental policy, which covers energy consumption, emissions and the use of raw materials. Where applicable, there is a local policy as a complement. All production units apply environmental management systems, and each production unit has environmental goals set.

The operations in Finland and Sweden are certified in accordance with ISO 14001. In addition, the Company works actively to reduce waste and energy consumption through efficient production at the Company's plants, as well as increased reuse of materials and energy from production waste that cannot be reduced or avoided.

Nordic Waterproofing's production is subject to notification or permit requirements in accordance with each country's environmental and permit regulations. Nordic Waterproofing's manufacturing in Värnamo municipality has, together with Trelleborg Sealing Profiles Sweden AB, received permission from the environmental assessment delegation within the County Administrative Board that according to ch. 9 Section 6 of the Environmental Code produces a maximum of 25,000 tons of rubber products per year.

The prefabrication in Värnamo is run in a separate facility, but the business does not entail any change from an environmental point of view. For the Company's operations in Höganäs, a voluntary permit in accordance with the Environmental Code has been obtained from the County Administrative Board for the manufacture of bitumen-based waterproofing layers.

In Denmark, Nordic Waterproofing has received two environmental permits for its production operations in Vejen; one permit is from 1989 and the other permit is from 2006. In Finland, an environmental permit has been obtained for the production operations in Lojo. The Finnish environmental permit is valid until further notice.

The Group's employees are informed about the environment, health and safety issues and are involved in the process of continuous improvement. Nordic Waterproofing maintains good health and safety standards wherever the Company operates and works to minimize the risks and effects of accidents. The safety of the employees has the highest priority, and all subsidiaries have a work environment policy. The Finnish plant is certified according to the work environment management system OHSAS 18001. The company applies zero tolerance to alcohol and drugs.

The company has a stated policy where the aspects of the environment, health and safety must be considered in the development of both products and processes. In addition, the effects on the environment, health and safety are considered when choosing the chemical substances used in the products and processes.

Nordic Waterproofing aims at achieving a balance regarding ethnicity, age and gender, taking into account the type of operations conducted.

CORPORATE GOVERNANCE

The Corporate Governance Report is on pages 46-51.

RISKS AND RISK MANAGEMENT

All business activities are associated with risks. Risks that are managed well can lead to opportunities and value creation, while risks that are not managed properly can lead to damage and losses.

The demand for Nordic Waterproofing's products and solutions varies depending on the market. The group focuses on having an exposure to market segments that overall have a good balance over a business cycle in the construction industry, as well as to private individuals and industrial players, whose demand balances each other well. Seasonal effects occur and are particularly evident within the Installation Services operating segment.

As a leading player in the Nordic waterproofing market, Nordic Waterproofing has high expectations of itself. The group risks that the behavior or business decisions of individual employees destroy the trust that has been built up over a long period of time. Such events and behaviors that could negatively affect the Group's brands and trust are important to prevent and minimize. Therefore, the group conducts ongoing training in, for example, the Code of Conduct and in product use and product safety.

The ability to identify, evaluate, manage, and follow up risks is an important part of the management and control of Nordic Waterproofing's business operations. The aim is for the group's goals to be reached through well-considered risk-taking within established frameworks.

Risks and opportunities are monitored and reported on an ongoing basis to the executive management and the group's board for assessment of appropriate measures.

Responsibility for risk work rests with each manager in Nordic Waterproofing's various business units. The responsibility refers to both the ongoing work and to drive and develop the process for risk management. An evaluation of risks is carried out annually in each business unit. A risk matrix is drawn up with the 10 biggest risks – their probability, consequences, and measures to reduce or prevent the risks – and is then consolidated from each business unit to group level and is the basis for a list of the group's common risks.

The financial risk management is handled by the Group's CFO, who is also responsible for the group's external bank relations, liquidity management, financial net, interest-bearing liabilities, and assets as well as for group-wide payment systems and offsetting of currency positions. The centralization of financial management means significant economies of scale, lower financing costs, ensuring strict management of the group's financial risks and better internal control.

Further information on the Group's Risks and Risk Management is on pages 56-59 and Note 33 financial risks.

DISPUTES

On April 29, 2020, the Danish Competition Authority ("KFST") decided that the ongoing investigation of the roofing felt market would be suspended without finding any breach of competition law or other irregularities. The decision was made based on investigations and legal analysis and in the light of the Competition Council's assessment of the case and its evidence.

The previous decision of the inquiry has resulted in three civil proceedings which have not been dealt with pending KFST's decision. As it is the original decision of KFST that is the basis for the civil proceedings, the decision of KFST is expected to interrupt the investigation without finding any violation of competition law to be an important factor in the assessment in the further civil proceedings.

A decision was announced in the first of these three civil proceedings on 16 February 2022 when the judgment in the case against Eurotag Danmark A / S was announced. The court ruled in favor of Nordic Waterproofing and has not been appealed and thus the matter is closed. In the remaining two civil proceedings, judgment was rendered on 17 May 2022 in favor of Nordic Waterproofing. One of the opposing parties has appealed to the next instance. As before, Nordic Waterproofing considers that the allegations made are unfounded and unjustified.

THE SHARE CAPITAL

As of December 31, 2022, the share capital amounted to SEK 24,083,935 divided into 24,083,935 shares of only one series. All shares have a quota value of SEK 1.00.

Nordic Waterproofing Holding AB holds 84,097 own shares (176,334), which corresponds to 0.3 percent (0.7) of the total number of the shares. The number of outstanding shares is 23,998,838 (23,907,601).

All shares have the same right to dividends and surpluses in the event of liquidation and are entitled to one vote at Nordic Waterproofing Holding AB's Annual General Meeting. Shares in own custody do not, however, entitle to dividends. According to the Company's Articles of Association, the issued share capital may not be less than SEK 20 m and not exceed SEK 80 m and the number of shares must not be less than SEK 20,000,000 and not exceed SEK 80,000,000. There are no restrictions in law or in the articles of association with regards to the transferability of the shares.

The Group had a market capitalization of SEK 5,501 m (5,371) and approximately 6,300 shareholders (6,500) as of December 30, 2022. The largest shareholder at the turn of the year was Kingspan Group PLC with 24.1 (0.0) percent of the number of outstanding shares. This is followed by Handelsbanken's Fund 7.5 percent (7.0), Third AP funds 5.6 percent (6.0), Alcur funds 5.1 percent (4.8) and Carnegie funds 3.9 percent (3.9).

The five largest owners together hold 46.2 percent (40.4) of the outstanding shares. The ten largest holdings constitute 59.2 percent (59.2) of the shares, own holdings not included.

There are no restrictions on how many shares a shareholder can represent at a general meeting. The company is not aware of any agreements between shareholders that may entail restrictions on their right to transfer the shares.

The Articles of Association state that the members of the Board are elected at the Annual General Meeting. The appointment and dismissal of board members is otherwise regulated by the provisions of the Swedish Companies Act and the Swedish Code of Corporate Governance. The Swedish Companies Act further states that amendments to the Articles of Association shall, where applicable, be decided at general meetings.

OUTLOOK

At the end of 2022, we have seen a slight decline in costs for input goods, while energy and transport remained at a high level. Our expectation for new residential construction in our main markets is somewhat negative in the short term, while demand for renovation appears to be stable. In this macroeconomic situation, there is more uncertainty about the future than normal. We have contingency plans in place to mitigate the consequences of a possible negative development.

EVENTS AFTER THE REPORTING DATE

The group has discontinued two smaller operations, Nordic Takvård in Sweden and Nordic Build in Denmark.

DIVIDEND

Dividend policy

The Board has decided on a dividend policy stating that the proposed dividend shall correspond to at least 50 percent of the company's profit after tax, considering the company's financial position, acquisition opportunities and long-term financial needs.

A dividend decision shall take into account the company's financial position, investment needs, liquidity and general economic and business conditions.

PROPOSED APPROPRIATION OF PROFIT FOR THE FINANCIAL YEAR 2022

The Board of Directors of Nordic Waterproofing Holding AB proposes that the Annual General Meeting on April 27, 2023 resolves on a cash dividend of SEK 7.00 per share, which is in line with the company's dividend policy and provides a dividend of a total of SEK 168 m after taking own shares into consideration.

The record date for the right to a dividend is proposed to be 2 May 2023, whereby dividends are expected to be paid to shareholders on May 5, 2023.

At the disposal of the Annual General Meeting:

SEK	2022
Balanced profits	469,246,900
Results for the year	149,825,703
Retained earnings at the end of the year	619,072,603

The Board of Directors proposes that profits be used as follows:

SEK	2022
SEK 6.00 per share will be distributed to shareholders	167,998,866
Balanced on a new account	451,073,737
Total	619,072,603

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

SEK m	Note	2022	2021
Net sales	4, 5	4,343.4	3,663.5
Cost of goods sold	6	-3,159.1	-2,622.4
Gross profit		1,184.3	1,041.1
Selling expenses	6	-530.1	-439.9
Administrative expenses	6	-272.7	-244.3
Research and development expenses	6	-5.1	-4.7
Other operating income	9	19.0	11.0
Other operating expenses	6, 9	-7.0	-2.5
Share of profit in associated companies	12	42.1	21.0
Operating profit	4, 7, 35	430.4	381.7
Financial income		11.5	4.4
Financial expenses		-29.4	-51.4
Net finance items	10	-17.9	-47.0
Profit before tax		412.6	334.6
Tax	11	-82.4	-78.3
Profit for the year		330.1	256.4
Attributable to:			
Shareholders of the Parent Company		331.3	258.6
Non-controlling interests		-1.2	-2.3
		330.1	256.4
Earnings per share before dilution (SEK)	29	13.79	10.71
Earnings per share after dilution (SEK)	29	13.71	10.64

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

SEK m	Note	2022	2021
Profit for the year		330.1	256.4
OTHER COMPREHENSIVE INCOME			
Items that are or may be reclassified to profit for the year			
Exchange differences for the year in translation of foreign operations		100.1	27.8
Gains/losses on raw material hedging		0.0	1.7
Tax on gains/losses on other comprehensive income		0.0	-0.4
Other comprehensive income for the year		100.1	29.1
Total comprehensive income for the year		430.2	285.5
Comprehensive income for the year attributable to:			
Shareholders of the Parent Company		430.8	287.1
Non-controlling interests		-0.5	-1.6
Comprehensive income for the year		430.2	285.5

COMMENTS

Net sales in 2022 increased by 19 percent to SEK 4,343 m (3,664). Organic growth was 9 percent, of which 14 percent was sales price increases and volume development was -5 percent, sales in acquired companies contributed by 5 percent and currency translation effects were affecting net sales by 4 percent. Organic growth was 6 percent in Products & Solutions and 13 percent in Installation Services. Above all, organic growth was strong in Sweden.

Gross profit increased with SEK 143 m to SEK 1,184 m (1,041) and the gross margin decreased to 27.2 percent (28.4). The margin weakened in Products and Solutions, where the Group were affected by poorer occupancy in the businesses for prefabricated wall and roof elements and some markets could not maintain the high margins from 2021. Within Installation Services, margins were positively affected within basically all areas.

Operating profit improved to SEK 430 m (382) and the operating margin decreased to 9.9 percent (10.4).

Net financial items improved to SEK -18 m (-47) as a result of the previous year's negative impact from the fair value measurement of earn-outs and written put options to purchase outstanding shares in not wholly owned subsidiaries not being repeated in 2022. The impact from increased interest costs was -9 MSEK between the years.

The Group's profit after tax improved to SEK 330 m (256).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK m	Note	2022	2021
ASSETS			
Goodwill	17	1,203.3	1,041.3
Other intangible assets	17	157.3	136.0
Property, plant and equipment	18	571.5	490.8
Investments in associated companies	12	120.3	107.0
Receivables from associated companies		23.1	12.3
Other investments	26	2.7	2.2
Deferred tax assets	11	13.4	8.9
Other non-current receivables		11.2	11.2
Total non-current assets		2,102.9	1,809.8
Inventory	20	786.6	609.4
Trade receivables	21	406.2	346.7
Receivables for on-going construction contracts	5	101.9	80.6
Receivables from associated companies		13.7	19.9
Current tax assets		0.2	2.9
Other current receivables	22	28.3	29.6
Prepaid expenses and accrued income	23	23.6	32.4
Cash and cash equivalents	27	260.5	226.6
Total current assets		1,621.1	1,348.0
Total assets		3,724.0	3,157.8

SEK m	Note	2022	2021
EQUITY			
Share capital		24.1	24.1
Reserves		138.5	39.0
Retained earnings including profit for the year		1,573.9	1,387.9
Equity attributable to shareholders of the Parent Company		1,736.4	1,451.0
Non-controlling interests		17.9	9.0
Total equity	28	1,754.3	1,460.0
LIABILITIES			
Non-current interest-bearing liabilities	30	881.6	851.5
Other non-current liabilities	31	50.6	35.3
Provisions		5.1	6.0
Deferred tax liabilities	11	132.3	123.2
Total non-current liabilities		1,069.7	1,016.0
Current interest-bearing liabilities	30	223.3	52.2
Trade payables		242.6	211.5
Payables for on-going construction contracts	5	56.9	45.0
Current tax liabilities		27.7	50.1
Other current liabilities	24	97.4	115.1
Accrued expenses and prepaid income	25	252.1	207.8
Total current liabilities		900.0	681.8
Total liabilities		1,969.7	1,697.8
Total equity and liabilities		3,724.0	3,157.8

Information on the Group's contingent liabilities, see Note 34.

COMMENTS

The Group's non-current assets increased by SEK 293 m compared to last year which is explained by an increase in intangible assets as a result of the acquisitions made during the year and an increase in tangible fixed assets from the mentioned acquisitions and as well as several investments in our various facilities, no single large investment.

Inventory has increased by SEK 177 m which is explained by acquisitions made and price increases on input materials. Trade receivables has increased as a consequence of acquisitions and increased net sales.

The Group has a continued strong balance sheet with total equity amounting to SEK 1,754 m (1,460) and an equity / asset ratio of 47.1 percent (46.2).

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK m	Note	2022	2021
OPERATING ACTIVITIES			
Operating profit		430.4	381.7
Adjustment for non-cash items etc	36	105.0	122.7
Interest received		0.8	0.5
Interest paid		-23.5	-13.9
Dividends received		24.6	31.6
		0.4	0.0
Income tax paid		-120.7	-42.9
Cash flow from operating activities before working capital changes		417.0	479.7
CASH FLOW FROM WORKING CAPITAL CHANGES			
Increase (-)/Decrease (+) in inventories		-88.0	-171.2
Increase (-)/Decrease (+) in trade receivable		0.2	-37.6
Increase (-)/Decrease (+) in other operating receivables		13.7	-82.4
Increase (+)/Decrease (-) in trade payable		3.0	33.5
Increase (+)/Decrease (-) in other operating liabilities		13.8	-2.4
Cash flow from operating activities		359.7	219.5
INVESTING ACTIVITIES			
Acquisition of intangible assets		-1.5	-5.7
Acquisition of property, plant and equipment		-103.0	-76.5
Disposal of property, plant and equipment		4.2	0.0
Acquisition of business, net cash impact	14	-127.8	-180.6
Acquisition of participations in associated companies		-0.3	-17.0
Disposal of participations in associated companies		1.0	2.6
Increase in receivables in associated companies		-14.5	-4.9
Decrease in receivables in associated companies		4.7	1.3
Increase in other non-current receivables		0.0	0.0
Proceeds from other financial investments		0.6	3.6
Cash flow from investing activities		-236.7	-277.3

SEK m	Note	2022	2021
FINANCING ACTIVITIES			
Acquisition of participations in non-controlling interests		0.0	-3.4
Proceeds from loans and borrowings	36	160.5	11.8
Repayment of borrowings	36	-1.4	-15.7
Repayments related to amortisation of lease liabilities		-60.9	-52.0
Repurchased own shares		0.0	-20.0
Dividends paid		-143.4	-239.1
Repayment of written call/put options to non-controlling interests		-56.4	-4.6
Cash flow from financing activities		-101.7	-322.9
Cash flow for the year		21.4	-380.7
Cash and cash equivalents at beginning of year		226.6	604.3
Exchange-rate differences in cash and cash equivalents		12.5	3.0
Cash and cash equivalents at year-end		260.5	226.6

COMMENTS

The Group's cash flow from operating activities, before changes in working capital, deteriorates slightly to SEK 417 m (480).

Changes in working capital improving clearly compared to the previous year and leads to the cash flow from current operations improves to SEK 360 million (220).

Cash flow from investing activities improves slightly to SEK -237 m (-277), mainly as a result of less acquisitions.

Cash flow from financing activities improved to SEK -102 m (323), which above all is driven by a lower dividend and a new loan.

The total cash flow for the year amounted to SEK 21 m (381).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK m	Equity attributable to Parent Company shareholders					Non-controlling interests	Total equity
	Share capital	Reserves for hedging	Translation reserve	Retained earnings	Total		
Equity as at 1 January 2021	24.1	-1.4	11.9	1,372.3	1,406.9	11.2	1,418.1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR							
Profit for the year	-	-	-	258.6	258.6	-2.3	256.4
Other comprehensive income for the year	-	1.7	27.1	-	28.8	0.6	29.5
Tax on gains/losses on comprehensive income	-	-0.4	-	-	-0.4	-	-0.4
Total comprehensive income for the year	0.0	1.4	27.1	258.6	287.1	-1.6	285.5
TRANSACTIONS WITH THE GROUP'S OWNERS							
Provision for long-term incentive program	-	-	-	7.8	7.8	-	7.8
Repurchased own shares	-	-	-	-20.0	-20.0	-	-20.0
Paid dividend	-	-	-	-239.1	-239.1	-	-239.1
Total contributions from and distribution to owners	0.0	0.0	0.0	-251.3	-251.3	0.0	-251.3
CHANGES IN PARTICIPATING INTERESTS IN SUBSIDIARIES							
Transactions with non-controlling interests	-	-	-	8.3	8.3	-0.5	7.8
Total changes in participating interest in subsidiaries	0.0	0.0	-	8.3	8.3	-0.5	7.8
Total transactions with the Group's owners	0.0	0.0	-	-243.0	-243.0	-0.5	-243.5
Equity as at 31 December 2021	24.1	0.0	39.0	1,387.9	1,451.0	9.0	1,460.0

* The number of shares are unchanged in comparison to last year.

SEK m	Equity attributable to Parent Company shareholders					Non-controlling interests	Total equity
	Share capital	Reserves for hedging	Translation reserve	Retained earnings	Total		
Equity as at 1 January 2022	24.1	0.0	39.0	1,387.9	1,451.0	9.0	1,460.0
TOTAL COMPREHENSIVE INCOME FOR THE YEAR							
Profit for the year	-	-	-	331.3	331.3	-1.2	330.1
Other comprehensive income for the year	-	-	99.4	-	99.4	0.6	100.1
Tax on gains/losses on comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	0.0	0.0	99.4	331.3	430.8	-0.5	430.2
TRANSACTIONS WITH THE GROUP'S OWNERS							
Provision for long-term incentive program	-	-	-	7.5	7.5	-	7.5
Repurchased own shares	-	-	-	-	-	-	-
Paid dividend	-	-	-	-143.4	-143.4	-0.5	-143.9
Total contributions from and distribution to owners	0.0	0.0	0.0	-135.9	-135.9	-0.5	-136.4
CHANGES IN PARTICIPATING INTERESTS IN SUBSIDIARIES							
Transactions with non-controlling interests	-	-	-	-9.5	-9.5	9.9	0.4
Total changes in participating interest in subsidiaries	0.0	0.0	-	-9.5	-9.5	9.9	0.4
Total transactions with the Group's owners	0.0	0.0	-	-145.4	-145.4	9.4	-136.0
Equity as at 31 December 2022	24.1	0.0	138.4	1,573.9	1,736.4	17.9	1,754.3

COMMENTS

Total equity at the end of the year amounted to SEK 1,754.3 m [1,460.0]. During the year has profit for the year of SEK 330.1 m [259], other comprehensive income including tax of SEK 100.1 m [29] and transactions with shareholders of SEK -136 m [-243.5] affected equity. Effects from translation differences as a result of the statement of profit or loss and balance sheet for all Group companies being translated into the Group's reporting currency increased the total equity by SEK 99.4 m [27.1]. During the year, a dividend of SEK -143.4 m [-239.1] was distributed to the parent company's shareholders, which corresponds to 55 percent of the profit for the year 2021. During the year, treasury shares were repurchased of SEK -0 m [-20.0] to ensure allotment of shares as well as to secure and cover social security charges in the company's incentive program for senior executives. Non-controlling interests increased total equity by SEK 17.9 m [9.0]. Equity per share after dilution amounted to SEK 72.84 [60.62]. Return on capital employed amounted to 16.1 percent [16.6].

NOTES

NOTE 1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Corporate Groups and the International Financial Reporting Standards (IFRS) and IFRIC interpretations, as approved by the EU. In addition, the Group applies interpretations from IFRS Interpretations Committee (IFRIC).

The accounting policies in this note and in the following notes have been applied to the financial statement prepared as at 31 December 2021.

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

Assets and liabilities are recognized at historical cost, except for some financial assets and liabilities that are valued at fair value. Financial assets and liabilities that are valued at fair value consist of derivative instruments. Non-current assets and disposal groups held for sale are recognized, with some exceptions, as of the classification of such assets at the lower of the carrying amount at the time of reclassification and the fair value less cost of disposal.

FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The Parent Company's functional currency and the presentation currency for the Group is Swedish kronor (SEK) due to the Group's primary stakeholders. This means that the financial statements are presented in SEK. All amounts are rounded 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.

CONSOLIDATION POLICIES AND BUSINESS COMBINATIONS

Transactions eliminated upon consolidation

The intra-Group receivables and liabilities, revenues and expenses that arise from intra-Group transactions between Group companies, are eliminated in their entirety when preparing the consolidated accounts.

FOREIGN CURRENCIES

Transactions in foreign currencies

Transactions in foreign currencies are translated to the functional currency at the exchange rate prevailing on the transaction date. The functional currency is the currency in the primary economic environments in which the companies conduct their activities. Monetary assets and liabilities in foreign currencies are translated to the functional currency at the exchange rate on the reporting date. Exchange-rate differences that arise in the translations are recognized in the profit/loss for the year. Non-monetary assets and liabilities that are recognized at historical cost are translated to the exchange rate on the transaction date. Non-monetary assets and liabilities recognized at fair value are translated to the functional currency at the exchange rate prevailing at the time of the fair value measurement.

Financial statements of foreign operations

Assets and liabilities in foreign operations, including goodwill and other consolidated surpluses and deficits, are translated from the foreign operation's functional currency to the Group's presentation currency, Swedish kronor (SEK), at the exchange rate prevailing on the reporting date. Revenues and expenses in a foreign operation are translated to SEK at an average exchange rate that constitutes an approximation of the exchange rates existing at the respective transaction date. Translation differences that arise in the currency translation of foreign operations are recognized in other comprehensive income and accumulated in a special reserve, called a translation reserve. When a controlling influence, significant influence or joint controlling influence ceases for a foreign operation, the accumulated translation differences attributable to the operation are realised, whereby they are reclassified from the translation reserve in equity to profit/loss for the year.

Net investment in a foreign operation

Monetary long-term receivables or liabilities attributable to a foreign operation for which settlement is not planned or will not likely occur within the foreseeable future are in practice a part of the company's net investment in the foreign operation. An exchange-rate difference that arises on the

monetary long-term receivable or monetary long-term liability is recognized in other comprehensive income and accumulated in a special reserve, called a translation reserve. Upon the divestment of a foreign operation, the accumulated exchange-rate differences attributable to monetary long-term receivables or liabilities are included in the accumulated translation differences that are reclassified from the translation reserve in equity to profit/loss for the year.

IMPAIRMENT LOSSES

The Group's recognized assets are assessed every balance sheet date to determine if there is an indication of impairment requirements. IAS 36 is applied regarding impairment of assets other than financial assets, which are recognized according to IFRS 9, inventory and deferred tax assets. Accounting policies regarding impairment of financial instruments, see Note 32. For exempt assets as per the above, the carrying amount is assessed according to the respective standard.

Impairment of property, plant and equipment and intangible assets and participations in associated companies

If there is an indication of impairment requirements, the asset's recoverable amount is calculated (see below). For goodwill, other intangible assets with indefinite useful lives and intangible assets not yet completed for use, the recoverable amount is also calculated annually. If it is not possible to establish significant independent cash flows for an individual asset, and its fair value less costs of disposal cannot be used, the assets are grouped in impairment testing at the lowest level where it is possible to identify significant independent cash flows - a so-called cash-generating unit.

An impairment loss is recognized when an asset's or cash-generating unit's (group of units) carrying amounts exceed the recoverable amount. An impairment loss is recognized as an expense in profit/loss for the year. Once an impairment requirement has been identified for a cash-generating unit (group of units), the impairment loss is primarily allocated to goodwill. Then a proportional impairment loss is applied to the other assets included in the unit (group of units).

The recoverable amount is the higher of fair value less costs of disposal and value in use. In the calculation of the value in use, future cash flows are discounted with a discount factor that takes into account risk-free interest and the risk associated with the specific asset.

Reversal of impairment losses

An impairment loss on assets that are included in the area of application of IAS 36 is reversed if there is both an indication that the impairment requirement no longer exists and a change has occurred in the assumptions that formed the basis for the calculations of the recoverable amount. An impairment of goodwill is, however, never reversed. A reversal is only applied insofar as the asset's carrying amount after the reversal does not exceed the carrying amount that would have been recognized, less depreciation/amortization where applicable, if no impairment loss had been applied.

PROVISIONS

A provision differs from other liabilities in that there is uncertainty about the payment date or the amount to settle the provision. A provision is recognized in the statement of financial position when there is an existing legal or constructive obligation as a result of an event that has occurred, and it is likely that an outflow of financial resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are made in the amount that is the best estimate of what will be required to settle the existing obligation on the reporting date. Where the effect of when in time payment is made is material, provisions are calculated by discounting the expected future cash flow using an interest rate before tax that reflects current market assessments of the time value of money and, if applicable, the risks associated with the liability.

NOTE 2 CHANGES IN ACCOUNTING POLICIES

NEW IFRS THAT HAVE BEEN APPLIED DURING THE FINANCIAL YEAR

The following resolved amendments was applicable from 1 January 2022: IFRS 3, IAS 16, IAS 37 and annual improvements 2018–2020 (amendment). None of these changes have had a significant effect on the group's financial reporting.

NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS TO BE APPLIED AFTER 2022

No new or amended standards and interpretations issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRIC) and which enter into force for financial years beginning after 1 January 2023 have been applied in the preparation of this financial report.

Resolved amendments to be applied from 1 January 2023:

IFRS 17 Insurance Contracts replaces IFRS 4 Insurance Contracts. The new rules will affect the financial reports and key figures for all companies that issue insurance contracts or investment contracts with a discretionary part. The standard is not considered to have any effect on the Group's financial reports.

Other amended standards and new interpretations are not considered to have a significant effect on the Group's financial reporting.

NOTE 3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

ASSESSMENTS AND ESTIMATES IN THE FINANCIAL STATEMENTS

Preparing the financial statements in accordance with IFRS requires management to make assessments and estimates as well as assumptions that affect the application of the accounting principles and the carrying amounts of assets, liabilities, revenues and expenses. The actual outcome may deviate from these estimates and assessments.

The estimates and assumptions are regularly reviewed. Changes in estimates are recognized in the period the change is made if the change only affects this period, or in the period the change is made and future periods if the change affects both the current period and future periods.

Assessments made by corporate management in the application of IFRS that have a material impact on the financial statements and estimates made that may entail material adjustments in the subsequent year's financial statements are described in more detail below.

Some assumptions regarding the future and some estimates and assessments at the reporting date are of particular importance to the valuation of the assets and the liabilities in the statement of financial position. The areas where the risk of material value changes in the subsequent year is significant due to the assumptions or estimates having to be changed are discussed below.

IMPAIRMENT TESTING OF GOODWILL AND OTHER INTANGIBLE ASSETS

The value of recognized goodwill and trademarks with indefinite useful life is tested at least once a year with regard to possible impairment requirements. The testing requires an assessment of the value in use of the cash-generating unit, or group of cash-generating units, to which the goodwill and the trademark is attributable. This requires that several assumptions regarding future conditions and estimates of parameters are made. A description of these are provided in Note 17.

CLIMATE CHANGE AND ENVIRONMENTAL IMPACT

When making assessments and estimates for the various financial numbers and reports, climate change and the impact of new and upcoming regulations in the area of sustainability have been taken into account. It may be about whether a production facility will be affected by extreme weather, increased water levels or changed regulations for operations subject to a permit. Furthermore, if our products or constituent components may be affected by changes in regulations, which would for example mean increased obsolescence in inventory or future costs for changing production. Taking these factors into account has not led to any impact on financial reports or key performance indicators at the moment, but the Group monitors the development on an ongoing basis.

REVENUE RECOGNITION

Revenues from the sale of goods are often made with volume discounts, which gives rise to a variable remuneration. Management makes estimates and assessments based on experience at each reporting date regarding which variable remuneration can be reported as revenue.

Revenue from construction contracts is reported over time in the income statement based on the process towards a complete fulfillment of performance obligations as of the reporting date. When assessing the degree of completion of construction contracts, incurred costs are used compared with the total estimated costs for each performance obligation or the number of units produced in relation to the number of contracted units. There may be uncertainty as to whether the costs incurred correctly reflects the costs actually incurred and whether the total costs incurred is correctly calculated, which means that there is uncertainty in the estimates of the degree of completion of the work performed. In the same way, there may be uncertainty as to whether units produced in relation to the number of agreed units give the correct degree of completion of the work performed. The company management has assessed that these methods are most suitable for assessing the process against fulfillment of performance obligations, as they reflect the process in the work performed as the customer receives control of the services performed.

ACCOUNTS RECEIVABLE – EXPECTED CREDIT LOSSES

The Group uses a matrix to calculate expected credit losses on accounts receivable. The matrix is based on historical credit losses adjusted for forward-looking economic factors. The assessment is sensitive to changes and expected economic factors and that historical credit losses and expected economic factors are not representative of a customer's actual default in the future.

FAIR VALUE ADJUSTMENTS OF EARN-OUTS AND WRITTEN PUT/CALL OPTIONS

When acquiring subsidiaries, the Group often enter contracts for contingent purchase prices and written call/put options, where compensation is to be paid in connection with the subsidiary's future profits. Contingent consideration and written call/put options are classified as financial instruments valued at fair value and are included in level 3 in the fair value hierarchy. When valuing these financial instruments, the Group uses discounted cash flow calculations where input data is normally based on the company's business plan and the models require assessments of unobservable data. Management uses assessments of the subsidiaries' future earnings development, where changes in these assessments may affect the reported fair value of financial instruments.

ACQUISITIONS

In the case of business combinations, the Group conducts acquisition analyzes where the acquisition price is distributed on the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. Fair value is based on valuation models with assumptions about future cash flows, remaining economic life, etc. The Group's applied assumptions and estimates to determine fair value may vary from the actual outcome.

OTHER

As described in Note 35, on 31 May 2017, the Danish Competition Council decided that Nordic Waterproofing A/S, Icopal Danmark ApS, Danske Tagpapfabrikanter Brancheforening and TOR had violated the Danish Competition Act. Nordic Waterproofing A/S and the other parties disputed the Council's decision and brought the case before the Danish Competition Appeals Board. On 12 September 2018, the Appeals Board decided to remit

the case to the Council for re-evaluation. On 29 April 2020, KFST decided that the investigation of the roofing felt market would be suspended without finding any breach of competition law or other irregularities.

The initial decision has resulted in three civil proceedings which have not been dealt with pending KFST's decision. As it is the original decision of KFST that is the basis for the civil proceedings, the decision of KFST is expected to interrupt the investigation without finding any violation of competition law to be an important factor in the assessment in the further civil proceedings. A decision was announced in the first of these three civil proceedings on 16 February 2022 when the judgment in the case against Eurotag Danmark A / S was announced. The court ruled in favor of Nordic Waterproofing and has not been appealed and thus the matter is closed. In the remaining two civil proceedings, judgment was rendered on 17 May 2022 in favor of Nordic Waterproofing. One of the opposing parties has appealed to the next instance. As before, Nordic Waterproofing considers that the allegations made are unfounded and unjustified and no cash outflow is expected, after which no provision has been made.

NOTE 4 OPERATING SEGMENTS**ACCOUNTING POLICIES**

An operating segment is a part of the Group that conducts operations from which it can generate revenue and incur expenses and for which independent financial information is available. An operating segment's profit or loss is also monitored by the company's highest executive decision-maker to evaluate the profit or loss and to be able to allocate resources to the operating segment.

The Group's operations are divided into operating segments based on what parts of the business the company's highest executive decision-maker follows up on, the so-called "management approach". The Group's operations are organised in the manner that Group management follows up the earnings that the Group's various goods and services generate. As Group management follows up on the results of operations and decides on the distribution of resources based on the goods and services the Group provides and sells, they constitute the Group's operating segments. At 31 December 2022, the highest executive decision-maker followed up on the segments' operating profit (EBIT).

The following operating segments have been identified:

- **Products & Solutions:** includes sales of both own produced and externally sourced products and services associated therewith.
- **Installation Services:** includes the Group's wholly and partially owned contracting operations.

Directly attributable items and items that can be reasonably and reliably allocated to the segments have been included in the operating segments' profit/loss, assets and liabilities. The items recognized in the operating segments' profit/loss, assets and liabilities are valued in accordance with the profit/loss, assets and liabilities that the company's Group management monitors. The same accounting principles are applied in both internal segment reporting as in the external reporting.

Non-allocated items comprise net finance items and tax expenses. Assets and liabilities that have not been allocated to segments are deferred tax assets and deferred tax liabilities, financial investments and financial liabilities.

Sales between the operating segments have occurred at market-based prices.

2022 SEK m	Products & Solutions	Installation Services	Group items and eliminations	Group
Revenue from external customers	3,221.9	1,121.5	0.0	4,343.4
Revenue from other segments	159.4	2.6	-162.1	-0.1
Revenue, total	3,381.2	1,124.1	-162.1	4,343.3
EBITDA	530.3	91.6	-38.7	583.2
Depreciation & amortization	-116.8	-33.2	-2.8	-152.8
Operating profit (EBIT)	413.5	58.4	-41.5	430.4
<i>Of which share of profit in associated companies</i>	<i>4,2</i>	<i>37,9</i>	<i>0,0</i>	<i>42,1</i>
Net finance items				-17.9
Profit after finance items but before tax (EBT)				412.5
Tax				-82.4
Profit for the year				330.1
ASSETS				
Intangible assets	1,070.2	287.4	3.0	1,360.6
Property, plant and equipment	511.0	58.2	2.3	571.5
Participations in associated companies	0.0	120.3	0.0	120.3
Inventory	734.9	52.3	-0.5	786.6
Other assets	451.5	214.6	-80.9	585.1
Non-allocated assets			299.9	299.9
Total assets	2,767.6	732.7	223.7	3,723.9
LIABILITIES AND EQUITY				
Equity			1,753.8	1,754.3
Other liabilities	541.4	194.6	-81.8	654.2
Non-allocated liabilities			1,315.5	1,315.5
Total liabilities and equity	541.4	194.6	2,987.5	3,723.9
Investments in property, plant and equipment and other intangible assets	99.7	5.7	0.0	105.4

2021 SEK m	Products & Solutions	Installation Services	Group items and eliminations	Group
Revenue from external customers	2,735.0	928.5	0.0	3,663.5
Revenue from other segments	82.5	0.0	-82.6	0.0
Revenue, total	2,817.6	928.5	-82.6	3,663.5
EBITDA	517.0	34.4	-36.2	515.2
Depreciation & amortization	-103.8	-26.3	-3.4	-133.5
Operating profit (EBIT)	413.2	8.1	-39.6	381.7
<i>Of which share of profit in associated companies</i>	<i>0,7</i>	<i>20,3</i>	<i>0,0</i>	<i>21,0</i>
Net finance items				-47.0
Profit after finance items but before tax (EBT)				334.6
Tax				-78.3
Profit for the year				256.3
ASSETS				
Intangible assets	956.3	216.7	4.6	1,177.6
Property, plant and equipment	425.3	62.5	3.0	490.9
Participations in associated companies	0.0	107.0	0.0	107.0
Inventory	587.8	21.6	0.0	609.4
Other assets	397.3	166.0	-43.0	520.3
Non-allocated assets			252.8	252.8
Total assets	2,366.8	573.8	217.4	3,158.0
LIABILITIES AND EQUITY				
Equity			1,460.2	1,460.2
Other liabilities	486.2	141.6	-42.3	585.5
Non-allocated liabilities			1,112.3	1,112.3
Total liabilities and equity	486.2	141.6	2,530.3	3,158.0
Investments in property, plant and equipment and other intangible assets	81.9	2.5	0.0	84.4

GEOGRAPHIC AREAS**Revenues from external customers**

SEK m	2022		
	Products and Solutions	Installation Services	Group
Denmark	1039.0	0.0	1,039.0
Sweden	756.7	30.6	787.3
Norway	507.1	167.5	674.6
Finland	239.4	913.2	1,152.6
Europe (excluding Nordic region)	674.3	9.4	683.7
Other countries	5.4	0.8	6.2
Total	3,221.9	1,121.5	4,343.4

Revenues from external customers

SEK m	2021		
	Products and Solutions	Installation Services	Group
Denmark	889.0	0.0	889.0
Sweden	629.1	50.0	679.1
Norway	432.2	150.3	582.6
Finland	188.8	718.3	907.1
Europe (excluding Nordic region)	590.7	6.9	597.7
Other countries	5.2	2.9	8.1
Total	2,735.0	928.5	3,663.5

Non-current assets

SEK m	2022	2021
Denmark	438.4	408.9
Sweden	527.7	542.8
Norway	125.1	116.1
Finland	459.4	374.8
Europe (excluding Nordic region)	381.5	226.0
Total	1,932.1	1,668.5

Revenue from external customers has been attributed to individual countries according to the country the customer is domiciled in. Non-current assets have been allocated to individual countries according to the owning company's domicile.

INFORMATION ON MAJOR CUSTOMERS

No single customer accounted for more than 10 percent of the consolidated sales. A maximum of approximately 2.6 percent (2.4) of the consolidated sales were attributable to a single customer.

NOTE 5 REVENUE FROM CONTRACTS WITH CUSTOMERS**ACCOUNTING POLICIES****Sale of goods**

Sale of goods is considered a performance obligation and revenue is recognized when the performance obligation is fulfilled and the customer takes control of the product, i.e. at a certain point in time (usually in connection with the physical delivery to the customer). Revenue is measured at the fair value of the consideration received, or expected to be received, less discounts provided.

Transaction price - Volume discounts

Sale of goods are often made with volume discounts, based on accumulated sales during a predefined period, and cash discounts. Revenue from such sales is recognized based on price specified in the contract, less the calculated volume discounts. Discounts are calculated and recognized based on experience, using either expected value or an assessment of the most probable amount. Revenue is reported only to the extent that it is highly probable that a material reversal will not occur. The estimated volume discount is revised at each reporting date. A contractual liability is recognized for expected volume discounts paid to customers in relation to sales until the end of the reporting period. The contractual liability is reported in the consolidated balance sheet within accrued expenses and prepaid income.

Payment terms

The most common payment terms within Nordic Waterproofing vary between 1-90 days.

Construction contracts

Revenue from construction contracts is considered a performance obligation by transferring goods and services to the customer over time. Revenue from construction contracts exists in both operating segments and is recognized in profit/loss for the year based on the stage of completion on the reporting date, i.e. over time. The stage of completion is determined by using both the "input and output method". When using the input method, the degree of completion is determined based on the costs incurred in the project in relation to the total estimated costs, as this best reflects the value creation of the work performed. The costs includes costs directly and indirectly attributable to the project. When using the output method, the degree of completion is determined based on the number of square meters produced. When the outcome of a construction contract cannot be estimated reliably, revenue is recognized only to the extent of contract expenses incurred and subject to recoverability being probable. If the contract expenses are expected to exceed contract revenue, the expected loss is recognized immediately.

If the revenue from a construction contract exceeds the invoiced amount, a receivable is recognized for on-going construction contracts. If the invoiced amount exceeds the value of delivered services, a liability is recognized for on-going constructions contracts. The Group applies the simplified approach for expected credit losses regarding on-going construction contracts, see note 32.

Payment terms

The most common payment terms within Nordic Waterproofing vary between 1-60 days.

Significant types of income

SEK m	2022		
	Products and Solutions	Installation Services	Group
Sale of goods	2,755.2	0.0	2,755.2
Construction contracts	466.7	1,121.5	1,588.2
Total	3,221.9	1,121.5	4,343.4

Time of revenue recognition

SEK m	2022		
	Products and Solutions	Installation Services	Group
At a certain point in time	2,755.2	0.0	2,755.2
Over time	466.7	1,121.5	1,588.2
Total	3,221.9	1,121.5	4,343.4

Significant types of income

SEK m	2021		
	Products and Solutions	Installation Services	Group
Sale of goods	2,264.1	0.0	2,264.1
Construction contracts	470.9	928.5	1,399.4
Total	2,735.0	928.5	3,663.5

Time of revenue recognition

SEK m	2021		
	Products and Solutions	Installation Services	Group
At a certain point in time	2,264.1	0.0	2,264.1
Over time	470.9	928.5	1,399.4
Total	2,735.0	928.5	3,663.5

CONTRACT ASSETS

Receivables for on-going construction contracts SEK m	2022	2021
Opening balance 1 January	80.6	21.4
Acquisition/Divestment of business	0.2	9.7
Revenue accrued during the year, not yet invoiced	91.6	34.6
Revenue accrued during the year, invoiced during the year	1139.4	922.2
Invoiced revenue	-1216.6	-933.2
Reclassification	25.2	27.7
Exchangerate differences for the year	-18.5	-1.8
Outgoing balance 31 December	101.9	80.6

CONTRACT LIABILITIES

Payables for on-going construction contracts SEK m	2022	2021
Opening balance 1 January	45.0	19.1
Acquisition/Divestment of business	0.0	1.2
Invoiced revenue	310.0	211.8
Revenue recognised during the year, invoiced during the year	-261.2	-196.1
Revenue recognised during the year, invoiced in previous years	-40.4	-19.9
Reclassification	25.2	28.3
Exchangerate differences for the year	-21.8	0.8
Outgoing balance 31 December	56.9	45.0

Customer bonuses

SEK m	2022	2021
Opening balance 1 January	15.4	32.2
Acquisition/Divestment of business	0.4	0.0
Gross increase during the period	128.1	111.2
Paid to/settle with customer	-116.2	-127.8
Contracts cancelled during the year	0.0	0.0
Reclassification	0.0	0.0
Exchangerate differences for the year	1.0	-0.2
Outgoing balance 31 December	28.7	15.4

Expected revenue recognition for remaining performance obligations in 2021

	2022	2023	2024	2025	≥ 2026	Total
Revenue	367.7	81.4	0.0	0.0	0.0	449.1

Expected revenue recognition for remaining performance obligations in 2022

	2023	2024	2025	2026	≥ 2027	Total
Revenue	423.9	31.1	0.0	0.0	0.0	455.1

NOTE 6 OPERATING COSTS BY NATURE

SEK m	2022	2021
Material costs and goods for resale	2,178.7	1,794.3
Change in inventory of finished goods and work in progress	-91.7	-137.5
Employee benefits	1,003.2	890.5
Depreciation & amortization	152.8	139.6
Other external costs	724.1	624.5
Other operating expenses	7.0	2.5
Total	3,974.0	3,313.9

NOTE 7 EMPLOYEES AND PERSONNEL EXPENSES**ACCOUNTING POLICIES****Remuneration of employees****Short-term employee benefits**

Short-term employee benefits are calculated without discounting and recognized as an expense when the related services are received.

A liability is recognized for the anticipated cost for profit-sharing and bonus payments when the Group has a current legal or constructive obligation to make such payments as a result of services being received from employees and the obligation can be reliably calculated.

2022	Fixed salary	Variable salary	Incentive program ¹	Pension	Other benefits	Total
Charman of the Board: Mats O. Paulsson	0.7	-	-	-	-	0.7
Board member: Leena Arimo	0.3	-	-	-	-	0.3
Board member: Steffen Baungaard	0.3	-	-	-	-	0.3
Board member: Allan Lindhard Jørgensen (until April 2022)	0.1	-	-	-	-	0.1
Board member: Riitta Palomääki	0.4	-	-	-	-	0.4
Board member: Hannu Saastamoinen	0.3	-	-	-	-	0.3
Board memeber: Hannele Arvonen (from April 2022)	0.2	-	-	-	-	0.2
President and CEO: Martin Ellis	6.1	3.6	1.8	-	-	11.5
Other senior executives (6 persons)	14.1	6.0	3.1	3.3	0.8	27.5
Total	22.6	9.6	4.9	3.3	0.8	41.4

¹ Expensed in 2022. Payment is to be made in the second quarter, 2023 to 2025, on condition that the individual is employed in the Group on December 31 of the preceding year.

Benefits upon termination

An expense for benefits in connection with the termination of personnel is recognized at the earliest time of when the company can no longer withdraw the offer to the employees or when the company recognizes expenses for restructuring. The benefits that are estimated to be settled after 12 months are recognized at their present value. Benefits that are not expected to be fully settled within 12 months are recognized according to long-term employee benefits.

Expenses for employee benefits

SEK m	2022	2021
Salaries and benefits, etc.	794.7	712.9
Pension expenses, defined-contribution plans	89.2	71.5
Social security contributions	117.5	106.2
Total	1,001.3	890.5

Average number of employees FTE (Full Time Equivalents)	2022	of which men	2021	of which men
PARENT COMPANY				
Sweden/Denmark	1	100%	1	100%
Total in Parent Company	1	100%	1	100%
SUBSIDIARIES				
Denmark	281	83%	235	83%
Sweden	242	79%	214	82%
Norway	170	94%	153	92%
Finland	480	91%	459	92%
Other	191	88%	151	88%
Total in subsidiaries	1,364	87%	1,212	88%
Group total	1,365	87%	1,213	88%

FTE is defined as average number of employees after re-calculation to full-time equivalents.

2021	Fixed salary	Variable salary	Incentive program ¹	Pension	Other benefits	Total
Charman of the Board: Mats O. Paulsson	0.6	-	-	-	-	0.6
Board member: Leena Arimo	0.3	-	-	-	-	0.3
Board member: Steffen Baungaard	0.3	-	-	-	-	0.3
Board member: Allan Lindhard Jørgensen	0.3	-	-	-	-	0.3
Board member: Riitta Palomääki	0.4	-	-	-	-	0.4
Board member: Hannu Saastamoinen	0.3	-	-	-	-	0.3
Board memeber: Kristina Willgård (until April 2021)	0.1	-	-	-	-	0.1
President and CEO: Martin Ellis	5.6	3.3	2.1	-	-	11.0
Other senior executives (7 persons)	14.8	6.0	2.7	3.8	0.4	27.6
Total	22.7	9.3	4.7	3.8	0.4	41.0

¹ Expensed in 2021. Payment is to be made in the second quarter, 2022 to 2024, on condition that the individual is employed in the Group on December 31 of the preceding year.

SALARIES AND OTHER BENEFITS, PENSION EXPENSES AND PENSION OBLIGATIONS FOR KEY MANAGEMENT IN THE GROUP

SEK m	2022	2021
Remuneration to the Board and CEO of Nordic Waterproofing Holding AB:		
Remuneration to Board members	2.4	2.4
Salaries and benefits to CEO (of which tantiem)	11.5 (3,6)	11.0 (3,3)
Pension expenses, defined-contribution plans	0.0	0.0
Salaries and benefits to other employees (of which tantiem)	3.1 (1,0)	2.7 (1,0)
Pension expenses, defined-contribution plans	0.8	0.8
	17.8	16.9
Remuneration to Group management in Nordic Waterproofing Group AB with subsidiaries:		
Salaries and benefits (of which tantiem)	20.8 (5,0)	20.3 (6,0)
Pension expenses, defined-contribution plans	2.7	3.8
	23.5	24.1
Total remuneration to the Board, CEO and Group management team in the Group		
	41.4	41.0

PRINCIPLES FOR REMUNERATION OF THE BOARD

The Chairman of the Board receives a fixed fee of SEK 650,000 per year, and the remaining Board members receive SEK 300,000 per year. The Chairman of the Audit committee receives an additional SEK 125,000 per year and the Audit committee members receive SEK 50,000 per year. The Chairman of the Remuneration committee receives an additional SEK 50,000 per year and the Remuneration committee members receive SEK 25,000 per year.

PRINCIPLES FOR THE REMUNERATION OF THE PRESIDENT AND CEO Remuneration

Remuneration of the CEO is decided by the Board. The amount of the remuneration shall be market based and based on factors such as expertise, experience and performance. The remuneration consists of a fixed salary and, in addition to this, a variable salary and non-monetary benefits. The variable salary shall be based on the achievement of quantitative and qualitative targets. Total remuneration of the President and CEO amounted in 2022 to SEK 11.5 m (11.0).

Periods of notice and severance pay

Upon termination of the CEO by the company, a period of notice of 24 months applies. If the CEO resigns, a period of notice of 12 months applies instead.

Pension benefits

The employment contract for the CEO ends without prior cancellation at the time of the CEO's retirement. No pension premiums for the CEO have been reserved, but are taken into account in the determination of the fixed remuneration.

PRINCIPLES FOR REMUNERATION OF OTHER MEMBERS OF GROUP MANAGEMENT

Remuneration

Remuneration is decided by the CEO with assistance from the Board. The level of remuneration for the individual executive shall be based on factors such as position, expertise, experience and performance. Remuneration consists of a fixed salary and pension and shall also be able to consist of a variable salary and non-monetary benefits. The variable salary shall be based on the achievement of qualitative and quantitative targets.

Periods of notice and severance pay

Other members of the Group management team have a 12-month period of notice upon termination by the company and a 6-month period of notice upon resignation.

Pension benefits

Other members of the Group management team have the right to retire at the age of 67, and are entitled to pension benefits in accordance with the company's pension policy.

INCENTIVE PROGRAMS

The 2019 -2022 Annual General Meetings resolved to authorize the Board of Directors to establish a Long-Term Incentive Program ("LTIP 2019", "LTIP 2020", "LTIP 2021" and "LTIP 2022") offered to the CEO and other senior executives of the Group. The participants shall be allotted, free-of-charge, performance share rights entitling them to allocations of shares in the Company. Each right converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the right. The right carry neither rights to dividends nor voting rights. 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 cost, including social security charges, is estimated to be at most SEK 10-15 m for each program under the assumption of an average annual growth of operating profit (EBIT) before items affecting comparability of 10 percent. The fair value of share rights is estimated at the grant date using a simplified model taking expected EBIT growth into consideration.

No new shares will be issued in the Company due to the programs. However, the Company will acquire treasury shares in order to secure the provision of shares and to secure and cover social security charges. The costs for the programs are expected to have a marginal effect on Nordic Waterproofing Group's key ratios. For 2022 the Group's earnings were charged with SEK 9.4 m (11.2) and 84,097 (176,344) treasury shares were acquired as of 31 December 2022. In 2022, the "LTIP 2019" program has ended. 92,237 shares were allocated to senior executives. Of these, 26,534 shares were distributed to the company's CEO and 34,252 to other members of the group management. The maximum number of shares that can be granted under the LTIP 2020, LTIP 2021 and LTIP 2022, adjusted for employees that have left the company, are 93,248, 69,758 and 78,227, respectively.

NOTE 8 PENSIONS**ACCOUNTING POLICIES****Defined contribution plans**

The pension plans where the company's obligations are limited to the contributions the company has committed to pay are classified as defined contribution plans. In such cases, the size of the employee's pension depends on the contributions the company pays to the plan or to an insurance company and the capital returns that the contributions provide. Consequently, it is the employee that bears the actuarial risk (that the compensation is less than expected) and the investment risk (that the invested assets will be inadequate to provide the anticipated compensation). The company's commitments in respect of contributions to defined contribution plans are recognised as an expense in profit/loss for the year as they are earned by the employees performing services for the company during a period. The Group only has defined contribution pensions.

For salaried employees in Sweden, the ITP 2 plan's defined-benefit pension commitments for retirement and family pensions (or family pensions) are secured through insurance with Alecta. In accordance with a statement from the Swedish Financial Reporting Board, UFR 10 'Reporting of ITP 2 plans financed through insurance with Alecta', this is a defined-contribution plan that covers several employers. For the 2022 financial year, the company has not had access to information that would make it possible to report the proportionate share of the plan's commitments, plan assets and costs, which means that it was not possible to report the plan as a defined-benefit plan. The ITP 2 pension plan that is secured through insurance from Alecta is therefore reported as a defined-contribution plan. The premium for the defined-benefit retirement and family pension is calculated on an individual basis and is dependent on salary, previously earned pension and expected remaining length of service. The expected fees for the next reporting period for the ITP 2 insurance policies with Alecta amounts to SEK 10.1 m (2021: SEK 8.9 m). The Group's share of total premiums for the plan and the Group's share of the total number of active members of the plan are 0.006 percent respective 0.011 percent (2021: 0.004 respective 0.010 percent).

The collective consolidation level is the market value of Alecta's assets as a percentage of the insurance commitments calculated using Alecta's actuarial methods and assumptions, which are not in agreement with IAS 19. The collective consolidation level should normally be allowed to vary between 125 and 175 per cent. If Alecta's collective consolidation level falls below 125 per cent or exceeds 175 per cent, measures will be taken with the aim of creating conditions for the consolidation level to return to the normal interval. At a low level of consolidation, one potential measure could be to raise the contractual price of new policies and increase existing benefits. At a high level of consolidation, one potential measure could be to reduce premiums. At the end of 2022, Alecta's surplus at the collective consolidation level amounted to 172 per cent (2021: 172 per cent).

DEFINED-CONTRIBUTION PLANS

In Sweden, the Group has defined-contribution pension plans for workers that are entirely paid by the companies. Outside Sweden, there are defined-contribution plans that are partially paid for by the subsidiaries and partially covered through fees that the employees pay. Payment to these plans takes place on a running basis in accordance with the rules of the respective plan.

Expenses for defined-contribution plan¹⁾

SEK m	2022	2021
	90.8	71.4

¹⁾ This includes SEK 10.1 m (8.9) for ITP plans financed in Alecta, see above.

NOTE 9 OTHER OPERATING INCOME AND EXPENSES**ACCOUNTING POLICIES**

Royalty included in other operating income is related to sales to associated companies for using brands and concepts. Royalty income is recognized in profit/loss for the year at the time the associated companies recognize the sales to their customers.

Other operating income SEK m	2022	2021
Royalty	9.3	7.3
Capital gains	4.3	1.0
Exchange gains on operating receivables/ liabilities	5.4	2.7
Total	19.0	11.0

Other operating expenses SEK m	2022	2021
Exchange losses on operating receivables/ liabilities	-5.4	-1.7
Other	-1.6	-0.9
Total	-7.0	-2.5

NOTE 10 FINANCIAL INCOME AND EXPENSES**ACCOUNTING POLICIES**

Financial income consists of interest income on invested funds, dividend income, gains upon a change in value of financial assets valued at fair value through profit or loss, gains upon change in value of written put/call options valued at fair value through profit or loss and such gains on hedging instruments that are recognized in profit/loss for the year. Dividend income is recognized when the right to receive a dividend has been established. The results from the disposal of a financial instrument are recognized when the risks and benefits associated with ownership of the instrument have been transferred to the buyer and the Group no longer has control over the instrument.

Financial expenses consist of interest expenses on loans, losses upon a value change in financial assets, losses upon change in value of written put/call options valued at fair value through profit or loss valued at fair value through profit or loss, impairment of financial assets and such losses on hedging instruments that are recognized in profit/loss for the year. Exchange-rate gains and losses are recognized net in operating profit if they are attributable to operating-related items or in net finance items if they are attributable to finance items.

SEK m	2022	2021
Interest income	0.8	0.5
Net exchange-rate changes	3.2	0.2
Other financial income	0.4	0.0
Financial income	4.4	0.7
Interest expenses on loans at amortized cost	-21.6	-13.0
Interest expenses on leases recognized in accordance with IFRS 16	7.1	-2.7
Fair value adjustment put/call options	-3.8	-30.9
Net exchange-rate changes	0.0	0.0
Other financial expenses	-4.1	-1.2
Financial expenses	-22.3	-47.7
Net finance items	-17.9	-47.0

All interest income and expenses are attributable to items valued at amortized cost.

Interest expenses include period-allocated arrangement fee for liabilities to credit institutions in an amount of SEK 1.8 m (1.8).

NOTE 11 TAXES**ACCOUNTING POLICIES**

Income taxes comprise current tax and deferred tax. Income taxes are recognized in profit/loss for the year except when underlying transactions have been recognized in other comprehensive income or in equity whereby the associated tax effect is recognized in other comprehensive income or in equity. Current tax is tax that shall be paid or received with regard to the current year, with the application of the tax rates that are enacted or practically enacted at the balance sheet date. Current tax also includes adjustments of current tax attributable to earlier periods. Deferred tax is calculated using the balance sheet method based on temporary differences between carrying amounts and amounts for tax purposes of assets and liabilities. The valuation of deferred tax is based on how underlying assets or liabilities are expected to be realized or settled. Deferred tax is calculated with the application of the tax rates and tax regulations that are enacted or practically enacted at the reporting date.

Deferred tax assets concerning deductible temporary differences and tax-loss carry-forwards are only recognized insofar as it is likely that they will be able to be utilized.

Potential additional income tax that arises upon dividends is recognized at the same time as when the dividend is recognized as a liability.

RECOGNIZED IN THE STATEMENT OF PROFIT OR LOSS

SEK m	2022	2021
CURRENT TAX EXPENSE (-)/ TAX REVENUE (+)		
Tax expense for the period	-92.0	-75.4
Adjustment of tax attributable to earlier years	-0.4	0.1
	-92.3	-75.2
DEFERRED TAX EXPENSE (-)/ TAX REVENUE (+)		
Deferred tax for temporary differences	8.1	-3.6
Deferred tax resulting from changes in tax rates	1.8	0.6
	9.9	-3.0
Total reported tax expenses in the Group	-82.4	-78.3

Reconciliation of effective tax

SEK m	2022	%	2021	%
Profit/loss before tax	412.6		334.6	
Tax according to current tax rate for the Parent Company	-85.0	20.6	-68.9	20.6
Effect of other tax rates for foreign subsidiaries	-4.0	1.0	-10.2	3.0
Non-deductible expenses	-3.4	0.8	-2.0	0.6
Non-taxable revenue	2.3	-0.5	0.3	-0.1
Result from participations in associated companies	6.9	-1.7	4.5	-1.4
Increase in loss carry-forwards without corresponding capitalization of deferred tax	-0.6	0.1	-0.8	0.3
Utilisation of earlier, non-capitalized loss carry-forwards	0.4	-0.1	0.2	-0.1
Effect of changed tax rates/ and tax regulations	0.0	-	0.0	-
Other	1.0	-0.2	-1.3	0.4
Reported effective tax	-82.4	20.0	-78.3	23.4

RECOGNIZED IN THE BALANCE SHEET**Deferred tax assets and liabilities**

Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are primarily long term and pertain to the following:

SEK m	Deferred tax 2022		
	Asset	Liability	Net
Property, plant and equipment	2.1	15.3	-13.3
Intangible assets	0.0	51.6	-51.6
Inventory	5.7	1.3	4.4
Other current assets	0.0	14.3	-14.3
Other current liabilities	0.0	-0.4	0.4
Untaxed reserves	0.0	51.2	-51.2
Tax loss carry-forwards	6.6	0.0	6.6
Other	0.0	0.0	0.0
Tax assets/liabilities	14.3	133.3	-118.9
Offset	-1.0	-1.0	0.0
Tax assets/liabilities, net	13.4	132.3	-118.9

SEK m	Deferred tax 2021		
	Asset	Liability	Net
Property, plant and equipment	1.2	13.8	-12.5
Intangible assets	0.0	40.1	-40.1
Inventory	4.1	1.3	2.8
Other current assets	0.0	23.1	-23.1
Untaxed reserves	0.0	-0.1	0.1
Tax loss carry-forwards	0.0	48.5	-48.5
Other	7.1	0.0	7.1
Tax assets/liabilities	12.4	126.7	-114.4
Offset	-3.5	-3.5	0.0
Tax assets/liabilities, net	8.9	123.2	-114.4

Unrecognized deferred tax assets

Total unrecognized deferred tax assets amount to SEK 4.1 m (1.5), hereof tax loss carry-forwards for which deferred tax assets have not been recognized in the income statement and balance sheet amount to SEK 20.1 m (6.8), of which SEK 0.0 m expires within 1–5 years.

Change in deferred tax in temporary differences and tax loss carry-forwards

SEK m	Balance as per 1 Jan 2022	Recognized in profit/loss for the year	Recognized in other comprehensive income	Translation differences	Acquisition/ Divestment of business	Balance as per 31 Dec 2022
Property, plant and equipment	-12.5	0.4	-	-1.1	-	-13.3
Intangible assets	-40.1	2.6	-	-4.1	-9.9	-51.6
Inventory	2.8	1.6	-	-	-	4.4
Other current assets	-23.1	9.9	-	-1.1	-	-14.3
Other current liabilities	0.1	0.3	-	-	-	0.4
Untaxed reserves	-48.5	-2.7	-	-	-	-51.2
Tax loss carry-forwards	7.1	-2.2	-	1.7	-	6.6
Other	0.0	-	-	-	-	0.0
	-114.5	9.9	0.0	-4.6	-9.9	-118.9

SEK m	Balance as per 1 Jan 2021	Recognized in profit/loss for the year	Recognized in other comprehensive income	Translation differences	Acquisition/ Divestment of business	Balance as per 31 Dec 2021
Property, plant and equipment	-13.6	1.1	-	-	-	-12.5
Intangible assets	-29.5	2.3	-	0.3	-13.3	-40.1
Inventory	2.3	1.8	-	-	-1.3	2.8
Other current assets	-14.5	-8.3	-0.4	0.1	-	-23.1
Other current liabilities	-0.6	2.0	-	-	-1.3	0.1
Untaxed reserves	-43.8	-4.7	-	-	-	-48.5
Tax loss carry-forwards	3.9	2.8	-	-	0.4	7.1
Other	0.0	-	-	-	-	0.0
	-95.9	-3.1	-0.4	0.4	-15.5	-114.4

NOTE 12 PARTICIPATIONS IN ASSOCIATED COMPANIES

ACCOUNTING POLICIES

Associated companies

Associated companies are companies over which the Group has a significant, but not a controlling, influence over the operational and financial governance, usually through an interest of between 20 and 50 percent of the number of votes. The vast majority of the associated companies in the Group are customers of the Danish subsidiaries, and also franchisees where they have access to the concepts and brands Phønix Tag and Hetag Tagdækning.

As of the date that significant influence is obtained, participations in associated companies are recognized according to the equity method in the consolidated accounts. The equity method means that the value of the shares recognized in the Group corresponds to the Group's share of the associated companies' equity and consolidated goodwill and other potential remaining value of consolidated surpluses and deficits. In the consolidated profit/loss for the year, the Group's share of the associated

companies' profit or loss adjusted for any depreciation, amortization, impairment losses and reversals of acquired surpluses or deficits is recognized in "Share of profit in associated companies". These shares in profit less dividends received from the associated companies comprise the main change in the carrying amount of participations in associated companies.

Any difference in the acquisition between the cost of the holding and the owner company's share of the fair value of the associated company's identifiable assets and liabilities is recognized according to the same policies as in the acquisition of subsidiaries.

Transaction costs that arise are included in the cost.

When the Group's share of recognized losses in the associated company exceeds the carrying amount of the participations in the Group, the value of the participations is reduced to zero. The equity method is applied until the date that significant influence ends.

The Group has assessed that no significant holdings in any individual associated company exist. Specified below, a summary of financial information for insignificant holdings in associated companies is shown, based on the amounts included in the consolidated financial statements.

SEK m	2022	2021
Carrying amount at the beginning of the year	107.0	99.2
Acquisitions of associated companies	0.4	19.0
Divestment of associated companies	-7.2	-2.6
Dividend for the year	-24.6	-31.6
Share of profit in associated companies	42.1	21.0
Translation differences for the year	2.6	2.0
Carrying amount at the end of the year	120.3	107.0
Share of profit in associated companies	42.1	21.0
Other comprehensive income	0.0	0.0
Total comprehensive income	42.1	21.0

FINANCIAL INFORMATION IN SUMMARY FOR INSIGNIFICANT HOLDINGS IN ASSOCIATED COMPANIES

SEK m	Fixed assets		Current assets		Current liabilities		Long-term liabilities	
	2022	2021	2022	2021	2022	2021	2022	2021
Associated companies	8.6	5.8	382.7	395.1	194.7	270.3	25.3	24.6
Total	8.6	5.8	382.7	395.1	194.7	270.3	25.3	24.6

SEK m	Revenues		Profit for the year		Dividends	
	2022	2021	2022	2021	2022	2021
Associated companies	2,047.2	1,455.5	80.6	52.8	58.6	82.4
Total	2,047.2	1,455.5	80.6	52.8	58.6	82.4

Specification of holdings of participations in associated companies

Associated companies	Domicile	2022 Voting and capital share in %	2021 Voting and capital share in %
Playgreen Finland Oy	Vantaa, Finland	-	33%
OT Tak AB	Värnamo, Sweden	21%	-
Hagmans Tak Sverige AB	Karlskoga, Sweden	20%	20%
AB Tätskiktsgarantier i Norden	Sundsvall, Sweden	50%	50%
Hagmans Tak Mälardalen AB	Karlskoga, Sweden	-	48%
Dan Nilsson TAK AB	Åhus, Sweden	48%	48%
Hetag Fyn A/S (before Hetag Byens Tag A/S)	Faaborg-Midtfyn, Danmark	70%	40%
Hetag JK Tagentreprise A/S	Herlev, Denmark	70%	40%
Hetag Nordjysk Tag A/S	Brønderstev- Dronninglund, Denmark	70%	70%
Hetag Tagdækning Nord A/S	Aarhus, Denmark	40%	40%
Hetag Tagdækning Syd A/S	Hedensted, Denmark	40%	40%
IFA Tagdækning A/S	Guldborgsund, Denmark	60%	60%
Morsø Tagdækning ApS	Morsø, Denmark	40%	40%
Nordisk Tagdækning A/S	Roskilde, Denmark	40%	40%
Phønix Tag Energi A/S	Favrskov, Denmark	40%	40%
Phønix Tag Esbjerg A/S	Esbjerg, Denmark	40%	40%
Phønix Tag Fyn A/S	Faaborg-Midtfyn, Danmark	40%	40%
Phønix Tag Grønland ApS	Sermersooq, Denmark	40%	40%
Phønix Tag Holbæk-Næstved A/S	Næstved, Denmark	40%	40%
Phønix Tag København A/S (Merger 2022-05-12)	Furesø, Denmark	-	40%
Phønix Tag Nordjylland A/S	Aalborg, Denmark	40%	40%
Phønix Tag Nordsjælland A/S	Furesø, Denmark	40%	40%
Phønix Tag Storeentreprise ApS	Hedensted, Denmark	40%	40%
Phønix Tag Svendborg A/S	Svendborg, Denmark	40%	40%
Phønix Tag Sønderjylland A/S	Aabenraa, Denmark	40%	40%
Phønix Tag Vejle A/S	Hedensted, Denmark	40%	40%
Phønix Tag Århus A/S	Favrskov, Denmark	40%	40%
HTD Fælles Holding ApS	Herlev Danmark	50%	50%

NOTE 13 GROUP COMPANIES AND SUBSIDIARIES**ACCOUNTING POLICIES****Subsidiaries**

Subsidiaries are companies that stand under a controlling influence from the Parent Company. A controlling influence exists if the Parent Company has influence over the investment object, is exposed to or has the right to variable returns from its engagement and can use its influence over the investment to affect the returns. In the assessment as to whether a controlling influence exists, potential shares that entitle the holder to votes are taken into account as well as whether de facto control exists.

The financial statements of subsidiaries are included in the consolidated accounts as of the acquisition date until the date that the controlling influence ends. If the subsidiary's accounting policies do not correspond with the Group's accounting policies, adaptation has been made to conform to the Group's accounting policies. Losses attributable to non-controlling interests are also distributed if non-controlling interests will be negative.

When acquiring less than 100 percent of the equity interests of a subsidiary, the Group may enter into arrangements under which Nordic Waterproofing has an obligation to acquire the minority shareholders' shares at a predetermined price at a future point in time (put options). Further, Nordic Waterproofing may have the right to acquire the shares (call options) on similar terms. Such arrangements are treated as if the option had been exercised resulting in accounting for purchase of 100 percent of the equity interest. The put option liability is treated as contingent consideration and measured at fair value with changes in fair value recognised in financial items.

Business combinations conducted after the transition to IFRS

Subsidiaries are reported using the acquisition method. This means that the acquisition of a subsidiary is viewed as a transaction through which the Group indirectly acquires the subsidiary's assets and assumes its liabilities at fair value. In the acquisition analysis, the fair value is determined on the acquisition date of the acquired identifiable assets and assumed liabilities, as well as any non-controlling interests. Transaction costs that arise are recognized directly in profit/loss for the year.

Subsidiary (domicile, country)	2021 Voting and capital share in %	2021 Voting and capital share in %
Nordic Waterproofing Group AB (Stockholm, Sweden)	100%	100%
Distri Pond Invest NV (Laakdal, Belgium)	100%	100%
SealEco NV (Brecht, Belgium)	100%	100%
Vervas Invest NV (Laakdal, Belgium) Merger 2022-08-18	-	100%
Pond Technics & Training BVBA (Laakdal, Belgium)	100%	100%
Nordic Takvård AB (Helsingborg, Sweden)	100%	100%
Nordic Waterproofing Holding DK ApS (Vejen, Denmark)	100%	100%
Hetag Tagmaterialer A/S (Hedensted, Denmark)	100%	100%
Nordic Waterproofing A/S (Vejen, Denmark)	100%	100%
Hetag Tagdækning Sjælland A/S (Vejen, Denmark)	100%	100%
Hetag Tagdækning Vest A/S (Vejen, Denmark)	100%	100%
Taasinge Elementer A/S (Svendborg, Denmark) ¹	90%	90%
Annebergs Limtrae A/S (Lunde, Denmark)	100%	-
LV Elements SIA (Riga, Latvia)	100%	100%
Nordic Build A/S (Svendborg, Denmark)	100%	100%
Ringsaker Vegg- og Takelementer AS (Ringsker Norway)	87%	87%
TE Montage A/S (Svendborg, Denmark)	90%	90%
Nordic Waterproofing AB (Trelleborg, Sweden)	100%	100%
Hagmans Tak Öst AB (Motala, Sweden)	100%	-
Nordic Waterproofing AS (Askim, Norway)	100%	100%
Byggpartner AS (Sandefjord, Norway)	85%	85%
Nordic Waterproofing Oy (Helsinki, Finland)	100%	100%
AL-Katot Oy (Helsinki, Finland)	100%	100%
EG-Trading Oy (Tammisaari, Finland)	70%	-
KerabitPro Oy (Helsinki, Finland)	100%	100%
LA Kattohuolto Oy (Muurame, Finland)	100%	100%
Playgreen Finland Oy (Vanda, Finland)	64%	-
Nordic Waterproofing Property Oy (Helsinki, Finland)	100%	100%
SPT-Painting Oy (Lappeenranta, Finland)	100%	100%
Seikat OY (Ylistaro, Finland) ¹	84%	84%
E. Voutilainen Oy (Imatra, Finland) Merger 2022-05-31	-	80%
Ripatti Oy (Nurmijärvi, Finland) ¹	76%	75%
VKP Holding Oy (Kajana, Finland)	70%	-
VKP Kajaani Oy (Kajana, Finland)	70%	-
VKP Kuusamo Oy (Kajana, Finland)	70%	-
VKP Nurmes Oy (Kajana, Finland)	70%	-
Nordic Waterproofing SpZoo (Lodz, Poland)	100%	100%
SealEco AB (Värnamo, Sweden)	100%	100%
SealEco BV (Dalfsen, Netherlands)	100%	67%
SealEco AG (Herzogenbuchsee, Switzerland)	51%	51%
SealEco Su Yalitim Teknolojileri A.Ş. (Nilüfer, Turkey)	100%	100%
Gauris B.V (Heerenveen, Netherlands)	100%	51%
SealEco GmbH (Marsberg, Germany)	100%	100%
SealEco Ltd (London, United Kingdom)	100%	100%
Gordon Low Ltd (Bedfordshire, United Kingdom)	100%	-
Gordon Low Products Ltd (Bedfordshire, United Kingdom)	100%	-
Veg Tech AB (Alvesta, Sweden)	100%	100%
Blomstertak AS (Ås, Norway)	60%	60%
Nordiska Gröntak AB (Alvesta, Sweden)	100%	100%
Veg Tech A/S (Gentofte, Denmark)	100%	100%
Veg Tech Oy (Kyrkslätt, Finland)	100%	100%
Urban Green AB (Stockholm, Sweden) Merger 2022-03-08	-	100%

¹ Refers to subsidiaries where written call/put options exist on equal terms. The subsidiaries are consolidated to 100% in the group despite a lower ownership through application of the anticipated acquisition method.

In business combinations where transferred considerations exceeds the fair value of acquired assets and assumed liabilities, the difference is reported as goodwill. When the difference is negative, the negative goodwill is recognized directly in the profit/loss for the year.

Contingent considerations are recognized at fair value at the acquisition date. Contingent considerations are revalued at every reporting date and the change is recognized in the profit/loss for the year.

In step-by-step acquisitions, goodwill is determined on the date that a controlling influence arises. Earlier holdings are valued at fair value and changes in value are recognized in profit/loss for the year.

Holdings in subsidiaries

The Group consists of 49 subsidiaries. These subsidiaries are owned through a majority of the votes in the respective subsidiary. Nordic Waterproofing Holding AB is the Parent company in the group.

NOTE 14 ACQUISITIONS

ACQUISITIONS DURING 2022

During 2022, six subsidiary acquisitions has been closed. The purchase prices amounted to SEK 146.4 million and was financed through Nordic Waterproofing's existing credit facilities. Acquisition-related costs amounted to a total of SEK 6.9 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. The acquired business contributed net sales of SEK 97 m and net profit of SEK -0,4 m to the Group during the year. If the acquisitions had occurred on 1 January 2022, consolidated proforma net sales and profit for the year ended 31 December 2022 would have been SEK 4,544 m and SEK 365 m. These amounts have been calculated using the subsidiary's results and adjusting them for:

- differences in accounting policies between the Group and the subsidiary, and
- the additional amortization that would have been charged assuming the fair value adjustments to intangible assets had applied from 1 January 2022, together with consequential tax effects.

In the case of acquisitions of less than 100 per cent, non-controlling interests have been valued at proportionate share of the holding on two occasions and for the remaining acquisitions, no controlling interest has been

reported by applying the anticipated acquisition method. Goodwill from acquisitions is attributable to employees and expected synergy effects. None of the goodwill recognized is expected to be deductible for income tax purposes.

For each acquisition where the acquisition is less than 100% and there is a remaining non-controlling interest combined with call options, issued call options or futures regarding the future acquisition of additional shares, such instruments are analyzed whether they are considered to constitute current ownership interest of the majority owner or not. If the instruments are not considered to be a current ownership interest, the company applies the Present Access Method (PAM), which means that non-controlling interest are valued and reported openly in the acquisition analysis. Any futures and issued options are reported as separate transactions. If the instruments are considered to constitute a current ownership interest, the Anticipated Acquisition Method (AAM) is applied. In such cases, options and futures are included in the acquisition analysis and non-controlling interest are not reported for the part covered by futures and issued call options as such shares are considered to be part of the acquired net assets at the time of acquisition. Valuation of such instruments are made in accordance with IAS 32 and IFRS 9 as applicable. In the case of acquisitions of less than 100 percent, non-controlling interest have been valued at the holding's proportional share on two occasions and for the remaining acquisitions, no controlling influence has been reported through application of AAM. Goodwill from the acquisitions is attributable to the employees and expected synergy effects. No part of reported goodwill is expected to be tax deductible.

Gordon Low LTD

On the 1 February the Group through SealEco LTD acquired 100 percent of the British company Gordon Low LTD ("Gordon Low"). The acquisition is financed through Nordic Waterproofing's existing credit facilities and no future contingent purchase prices have been agreed. The company is headquartered in Bedfordshire and is a leading specialist fabricator and distributor of pond liners and other waterproof membranes for the aquatic, landscaping, commercial water containment and agriculture sector. Gordon Low has ca 20 employees and an annual turnover of GBP 5 m. Through the acquisition, the Group can expand the business of ponds and pools with Distripod products to more markets than Benelux. Gordon Low will be reported in the segment Products and Solutions.

VKP Holding Oy

On 17 June 2022 the Group through Nordic Waterproofing Oy signed an agreement to acquire 70 per cent of the Finnish company VKP Holding Oy on July 1, 2022. The purchase was financed within Nordic Waterproofing's existing credit facilities. Nordic Waterproofing has a binding agreement to buy the remaining 29.2 percent in two installments, 18.7 percent in 2025 and 10.6 percent in 2027. The futures have been considered to constitute a current ownership interest and thus AAM has been applied in the acquisition. The liability regarding the forward-purchase debt is recognized at fair value as long-term liability level 3 and changes in fair value are reported among financial items in the income statement. The company is headquartered in Kajaani and carries out different kinds of roofing and waterproofing services and is specialized in all types of roof renovation and maintenance activities. VKP has 75 employees and an annual turnover of ca EUR 9 million. The acquisition will, together with our existing Installation Services businesses, expand our geographical coverage of roofing services in the Finnish market.

Anneberg Limtræ A/S

On 14 September 2022 the Group through Taasinge Elementer A/S acquired 100 per cent of the shares in the Danish company Anneberg Limtræ A/S. The purchase was financed within Nordic Waterproofing's existing credit facilities. In the agreement there is a conditional purchase price to the previous owners. The conditional purchase price of DKK 5 M is payable on September 14, 2025, provided that the previous owners are still employed as of September 1, 2025. From an accounting perspective based on the criterion of continued employment, the conditional purchase price is reported as accrued salary within administrative expenses as earnings occur until the criterion is met. The company is headquartered in Lunde in Southwest Jutland and is a manufacturer of glulam, beams, columns and small glulam houses. Anneberg Limtræ has 16 employees and an annual turnover of ca DKK 40 million. The acquisition will strengthen the value chain of Taasinge Elementer and increases the Group's contribution to sustainable construction. Anneberg Limtræ A/S will be reported in the segment Products and Solutions.

EG-Trading Oy

On 2 September 2022 the Group through Nordic Waterproofing Oy signed an agreement to acquire 70 per cent of the Finnish company EG-Trading Oy on October 1, 2022. After the end of the third quarter, on October 1, the acquisition of 70 percent of EG-Trading has, as planned, been completed. The purchase was financed within Nordic Waterproofing's existing credit facilities. Nordic Waterproofing has a call option and has issued a put option on the remaining 30 percent of the shares in 2025, of which a partial holding of 5.6 percent of the shares is conditional until April 30, 2024. The company has made the assessment that the terms of the agreement do not mean that a current ownership interest exists and thus PAM has been applied. The options are reported as separate transactions. The issued put option has been valued and classified as a financial liability with offset within retained earnings for the majority. Non-controlling interest have been valued at the holding's proportional share of the fair value of identifiable net assets. The put option is reported at fair value as long-term liability level 3 and changes in fair value are reported among financial items in the income statement. The company is headquartered in Tammissaari in Southern Finland and offers a wide variety of different landscaping products, both their own sedum mats but also products from other suppliers to mainly the Finnish market. EG-Trading has 15 employees and an annual turnover of ca EUR 3 million. The acquisition will, together with our existing green infrastructure businesses, expand our geographical coverage of green infrastructure and landscaping solutions in the Nordic market. EG-Trading Oy will be reported in the Segment Products and Solutions.

Hagmans Tak Öst AB

On 1 December 2022 the Group through Nordic Waterproofing AB acquired 100 per cent of the shares in the Swedish company Hagmans Tak Öst AB. The purchase was financed within Nordic Waterproofing's existing credit facilities. In the agreement there is a conditional purchase price to the previous owners. In the agreement there is a conditional purchase price to the previous owners. Part of the conditional purchase price amounting to SEK 3.2 M falls due after December 31, 2025, provided that one of the previous owners is still employed as of December 31, 2025. From an accounting perspective based on the criterion of continued employment, the conditional purchase price is reported as accrued salary within administration costs as earnings occur until the criterion is met.

The company is headquartered in Motala in Östergötland and performs installations of bitumen-based roofings products. Hagmans Tak Öst AB has 10 employees and an annual turnover of ca SEK 15 million. The acquisition will strengthen Nordic Waterproofing AB's position on the local waterproofing market and secure a certain share of the market for products originating from Nordic Waterproofing. Hagmans Tak Öst AB will be reported in the Segment Installations Services.

Playgreen Finland Oy

On 7 December 2022 the Group through Nordic Waterproofing Oy signed an agreement to acquire an additional 31 per cent of the Finnish company Playgreen Finland Oy ("Playgreen"). In 2020, Nordic Waterproofing Oy acquired 33 percent of the shares in Playgreen and now owns a total of 64.31 percent of the shares with options to acquire the remaining 35.69 percent of the shares. Through this partial step acquisition, Playgreen became a subsidiary of Nordic Waterproofing Oy when Nordic Waterproofing gained control of Playgreen. The fair value at the time of acquisition of Nordic Waterproofing Oy's holding of equity shares amounted to SEK 13.2 M, and as a result of revaluation to fair value, a profit of SEK 7.0 M within the segment Installation Services is reported within profit from shares in associated companies. The purchase was financed within Nordic Waterproofing's existing credit facilities. In the acquisition, Nordic Waterproofing received a call option and issued a put option for 19.22 percent of the shares in 2025. The company has made the assessment that the terms of the agreement mean that a current ownership interest exists and thus AAM has been applied. The issued put option has been valued and classified as a financial liability and included in the acquisition. The remaining non-controlling interest of 16.47 percent of the shares has been valued at the holding's proportional share of the fair value of identifiable net assets. The issued put option is reported at fair value as long-term debt level 3 and changes in fair value are reported among financial items in the income statement. The company is headquartered in Vaanta in Finland and offers environmentally friendly tailor-made renewable energy solutions to their customers to be installed on public buildings, industries, farms or private houses. Playgreen has 20 employees and an annual turnover 2022 of ca EUR 7 million. The acquisition will, together with our roofing businesses, realize synergies in terms of marketing and market expansion as well as in installation services and solution development. Playgreen will be reported in the Segment Installation Services.

Purchase consideration	2022
SEK m	Total
Cash paid	146.4
Call/put option	17.1
Vendor note and earn-out	8.5
Total purchase consideration	172.0

The acquired companies' net assets on the acquisition date:

Acquisition analysis	2022
SEK m	Total
Intangible assets	48.9
Tangible assets	10.4
Financial assets	0.4
Inventories	50.4
Trade and other receivables	49.4
Deferred tax asset	0.1
Cash and equivalents	46.8
Provisions	-
Other non-interest bearing liabilities	-68.7
Interest bearing liabilities	-35.1
Deferred tax liabilities	-9.7
Net assets and liabilities	92.9
Non-controlling interests	-9.9
Fair value of earlier holdings	-12.9
Goodwill	101.9
Consideration	172.0

Acquisition of business - net cash impact,	2022
SEK m	Total
Cash consideration	146.4
Less cash balances acquired	-46.8
Less redemption of loans	28.2
Net cash impact - investing activities	127.8

The acquisition analysis is preliminary, meaning that the fair value and the final purchase price allocation analysis has not been conclusively determined for all items. The final analysis is expected to decrease the goodwill while intangible assets and deferred tax liabilities is expected to increased due to the recognition of customer relations.

Contingent considerations

The fair value of the contingent consideration is based on probability weighted payments discounted at its present value. Material non-observable input comprise:

- Average EBIT for 2022-2025.
- a discount rate of 10.0 percent.
- EBIT for 2022.
- a discount rate of 0.0 percent.

Call/put options

The fair value of options is based on probability weighted payments discounted at its present value. Material non-observable input comprise:

- Average EBITDA for 2022-2024,
- Average EBITDA for 2025-2026,
- A discount rate of 14.6 percent
- Average EBITDA for 2022-2024
- discount rate of 10.8 percent
- Average EBITDA for 2023-2024
- discount rate of 11,3 percent

The estimated fair value increases the higher the growth in EBIT, EBITDA and lower discount rate. A 2 percent increase (decrease) in the discount rate would not have any significant impact on the fair value of the call/put options.

ACQUISITIONS DURING 2021

During the year, six subsidiary acquisitions and one asset deal have been closed. The summarized purchase prices amounted to SEK 204.8 m and was financed through Nordic Waterproofing's existing credit facilities. Acquisition-related costs amounted to a total of SEK 7.2 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. In the case of acquisitions of less than 100 per cent, non-controlling interests have been valued at proportionate share of the holding on one occasion and for the remaining acquisitions, no controlling interest has been reported due to written put/call options by applying the anticipated acquisition method.

Byggpartner AS

On 28 January 2021 the Group through Nordic Waterproofing AS acquired 70 per cent of the shares in the Norwegian company Byggpartner AS. Non-controlling interests have been valued at the holding's proportionate share of the fair value of identifiable net assets. Byggpartner AS headquartered in Sandefjord and performs installation and maintenance of waterproofing products in the area around Oslo. Byggpartner has 56 employees and an annual turnover of ca NOK 180 m. The acquisition will strengthen Nordic Waterproofing Holding's position and improve the service offering on the Norwegian market. Byggpartner is reported in the segment Installation Services. During the second quarter, an additional 15 percent of the shares in Byggpartner AS were acquired to a purchase price of SEK 3.6 m. The acquisition has been reported as a transaction between owners. Before the acquisition, the recognized value for the non-controlling interest of 30% amounted to SEK 11.4 m. The Group recognised a decrease in non-controlling interest of SEK -5.7 m and an increase of equity attributable to Parent Company shareholders amounting to SEK 2.1 m.

Gauris B.V.

On 4 February 2021 the Group through SealEco AB acquired 51 per cent of the shares in the Dutch company Gauris B.V. Nordic Waterproofing has a call option and the minority shareholder has a put option for the remaining 49 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 February 2031. 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. The liability regarding the call/put option is recognized at fair value as long-term liability level 3 and changes in fair value are reported among financial items in the income statement.

Gauris is a trading and prefabricating company for lining, supplying the segments ponds, pools, roofing, water storage, environmental solutions and civil projects. They offer almost all kind of lining products like EPDM, FPP, LDPE, HDPE, FPO/TPO, geotextiles and PVC with the Netherlands as their main market. Gauris has 7 employees and an annual turnover of ca EUR 1 m. The acquisition of Gauris is an opportunity for continued growth in existing operations and at the same time expand operations within Distri Pond, which was acquired in 2019, to more markets than Belgium. Gauris is reported in the segment Products & Solutions.

Urban Green AB

On 18 March 2021 the Group through Nordic Waterproofing Group AB signed an agreement to acquire 100 per cent of the Swedish company Urban Green AB. The company is headquartered in Stockholm and has production in Vislanda, Småland and provides roofing contracts for green urban environments. Urban Green has 27 employees and an annual turnover of approximately SEK 50 m. The acquisition is part of Nordic Waterproofing's strategy to promote sustainable solutions by creating green environments and roof landscapes. Urban Green is reported in the segment Products and Solutions.

Seikat Oy

On 10 March 2021 the Group through Nordic Waterproofing Oy signed an agreement to acquire 84 per cent of the Finnish company Seikat Oy on April 1 2021. The purchase was financed within Nordic Waterproofing's existing credit facilities. Nordic Waterproofing has a binding agreement to purchase the remaining 16 percent in 2023. For accounting purposes, the forward-purchase debt has been classified as a financial liability, and consequently, no non-controlling interest has been recognized. The liability regarding the forward-purchase debt is recognized at fair value as long-term liability level 3 and changes in fair value are reported among financial items in the income statement. The company is headquartered in Ylistaro and designs, manufactures, markets and installs long-span (15 – 24 meters) wooden prefabricated roof panels to industrial buildings, warehouses, public and commercial buildings. Seikat has 21 employees and an annual turnover of ca EUR 4 m. The acquisition is part of NW's strategy of promoting sustainable, wood-based building solutions. Seikat is reported in the segment Products & Solutions.

E. Voutilainen Oy

On 20 May 2021 the Group through Nordic Waterproofing Oy acquired 80 per cent of the Finnish company E. Voutilainen Oy. The purchase was financed within Nordic Waterproofing's existing credit facilities. Nordic Waterproofing has a binding agreement to purchase the remaining 20 percent in 2023. For accounting purposes, the forward-purchase debt has been classified as a financial liability, and consequently, no non-controlling interest has been recognized. The liability regarding the forward-purchase debt is recognized at fair value as long-term liability level 3 and changes in fair value are reported among financial items in the income statement.

The company is headquartered in Imatra and performs installation and maintenance of liquid floor coating in mainly Eastern Finland. E. Voutilainen has ca 15 employees and an annual turnover of ca EUR 1.9 m. The acquisition will, together with our SPT Painting Oy, strengthen our position in the Finnish market. E. Voutilainen is reported in the segment Installation Services.

Rakennusliike Ripatti Oy

On 14 July 2021 the Group through Nordic Waterproofing Oy acquired 76 percent of the Finnish company Rakennusliike Ripatti Oy ("Ripatti"). The acquisition is financed through Nordic Waterproofing's existing credit facilities.

Nordic Waterproofing has a binding agreement to purchase the remaining 20 percent in 2023. For accounting purposes, the forward-purchase debt has been classified as a financial liability, and consequently, no non-controlling interest has been recognized. The liability regarding the forward-purchase debt is recognized at fair value as long-term liability level 3 and changes in fair value are reported among financial items in the income statement. The company is headquartered in Nurmijärvi north of Helsinki and is a specialist in metallic façade construction, metal profiling and machining and pre-made eaves system with integrated fall protection under the brand RipRap. Ripatti has 30 employees and an annual turnover of EUR 7 m. The acquisition will, together with our Installation Services businesses, broaden our offering of roofing services in the Finnish market.

Tagcon.DK ApS

On 8 July 2021 the Group through Nordic Waterproofing A/S acquired a production plant in Denmark for production of triangle cornice on roofs, by means of an acquisition of business, from TAGCON.DK ApS. The purchase was financed within Nordic Waterproofing's existing credit facilities. The result from acquired assets will be reported in the segment Products & Solutions.

Purchase consideration SEK m	2021 Total
Cash paid	204.8
Call/put option	30.1
Vendor note and earn-out	2.3
Total purchase consideration	237.2

The acquired companies' net assets on the acquisition date:

Acquisition analysis SEK m	2021 Total
Intangible assets	63.3
Tangible assets	30.4
Financial assets	0.2
Inventory	37.4
Trade and other receivables	56.9
Deferred tax asset	2.1
Cash and cash equivalents	28.9
Provisions	-0.2
Other non-interest bearing liabilities	-46.4
Interest bearing liabilities	-8.8
Deferred tax liabilities	-15.6
Net assets and liabilities	148.3
Non-controlling interests	-10.8
Goodwill	99.7
Total purchase consideration	237.2
Total purchase consideration	237.2

Acquisition of business – net cash impact SEK m	2021 Total
Cash consideration	204.8
Less cash balances acquired	-28.9
Less redemption of loans	4.8
Net cash impact – investing activities	180.6

The acquisition analysis is preliminary, meaning that the fair value and the final purchase price allocation analysis has not been conclusively determined for all items. Compared with the previously preliminary acquisition analysis, the goodwill decreased while intangible assets, inventory and deferred tax liabilities increased due to the recognition of customer relations, trademark and inventory. The final analysis is expected to in all material aspects, be in line with the preliminary.

Contingent considerations

The fair value of the contingent consideration from the acquisition of Byggpartner A/S is based on probability weighted payments discounted at its present value. Material nonobservable input comprise:

- EBITDA that exceeds 5 percent of net sales for 2021 and 2022, respectively, but a maximum of 4,620 TNOK.
- a discount rate of 17.9 percent.

The estimated fair value increases the higher the growth in gross profit, net sales and EBITDA and a lower discount rate. A 2 percent increase (decrease) in the discount rate would not have any significant impact on the fair value of the contingent considerations.

Call/put options

The fair value of options is based on probability weighted payments discounted at its present value. Material non-observable input comprise:

- growth in EBITDA up until 2030, and
- a discount rate of 8 percent
- average EBITDA for 2021-2022
- discount rate of 0 percent
- Average EBITDA for 2021-2022
- discount rate of 18,7 percent

The estimated fair value increases the higher the growth in EBIT, EBITDA and lower discount rate. A 2 percent increase (decrease) in the discount rate would not have any significant impact on the fair value of the call/put options.

ACQUISITION DURING 2023

On 3 February 2023, Veg Tech AB acquired an additional 40 percent of the shares in Blomstertak A/S to a purchase price of NOK 1 and increased the ownership to 100 percent. The acquisition will be reported as a transaction between owners. Before the acquisition, the recognized value for the non-controlling interest of 40 percent preliminary amounted to SEK -0.5 m. The Group will preliminarily recognize an increase in non-controlling interest of SEK -0.5 m and an decrease of equity attributable to Parent Company shareholders to a corresponding amount.

NOTE 15 INFORMATION ON THE PARENT COMPANY

The parent company, Nordic Waterproofing Holding AB, is a Swedish company with organization number 556839-3168 with its registered office in Helsingborg.

The address of the company's registered office and the Group's operational head office is Rönnowsgatan 12, 252 25 Helsingborg, Sweden.

The following capital owners are listed in the company's shareholders' register as owners of at least 5 percent of the votes or the capital:

Kingspan Group PLC, Kingscourt, Ireland

Handelsbanken Funds, Stockholm

Third Swedish National Pension Fund, Stockholm

Alcur Funds, Stockholm

NOTE 16 RELATED PARTIES**RELATED PARTY RELATIONSHIPS**

The Group has related party relationships with the associated companies stated in Note 12. The Parent Company also has a related party relationship with its subsidiaries; see Note 13.

Associated companies are companies over which the Group has a significant, but not a controlling influence over the operational and financial governance, usually through an interest of between 20 and 50 percent of the number of votes. The vast majority of the associated companies in the Group are customers to the Danish subsidiaries, and also franchisees where they have access to the concepts and brands Phønix Tag and Hetag Tagdækning.

COMPILATION OF RELATED PARTY TRANSACTIONS

SEK m	2022	2021
Sale of goods/services and royalties to related parties	425.9	290.1
Purchases of goods/services from related parties	-1.8	-1.4
Other (e.g. interest, dividends)	24.6	31.6
Receivables from related parties at 31 December	36.9	32.2
Liabilities to related parties at 31 December	0.0	0.0

Transactions with related parties in the table above refer to related party transactions with associated companies and are priced on market-based terms.

TRANSACTIONS WITH KEY PERSONS IN MANAGEMENT POSITIONS

Transactions with key persons in management positions are presented in Note 7. These transactions comprise salaries, benefits and pension commitments, as well as participation in the Group's incentive program. No further transactions or commitments exist that cover key persons in senior positions.

NOTE 17 INTANGIBLE ASSETS**ACCOUNTING POLICIES****Goodwill**

Goodwill is valued at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and impairment tested at least once a year. Goodwill that has arisen in the acquisition of associated companies is included in the carrying amount for participations in associated companies.

For goodwill in acquisitions that took place before 1 January 2012, the Group has not applied IFRS retroactively in the transition to IFRS, but rather the carrying amount at that date constitutes in continuation the Group's cost after impairment testing.

Trademarks

Trademarks acquired by the Group are recognised at fair value at the time of the acquisition. Trademarks are considered to have an indefinite useful life and are recognised at cost less any accumulated impairment losses. The indefinite period of use is assessed on the basis that the trademarks are well established in their areas and have been used for a long time in their respective industries. The brands are associable with quality and are thus of economic importance for the continued business. The management's intention is that these brand names will be used for an indefinite period. The need for impairment is tested at least once per year. Other trademarks, which have finite useful lives, are carried at cost less accumulated amortization and impairment losses.

Customer relationships

Customer relationships acquired by the Group are recognized at cost less accumulated amortization and any impairment losses. Customer relationships are amortized straight-line over the expected useful lives, normally 5-7 years, and are included in the statement of profit or loss item Cost of goods sold.

Order book

The order book included in other intangible assets relates to earnings in acquired order book. It is amortized straight-line over 12 months and is included in the statement of profit or loss item Cost of goods sold.

Developed technology

Patents and similar rights acquired by the Group are reported at acquisition value less accumulated depreciation. Depreciation is made on a straight-line basis over the estimated useful life, normally 5-7 years, and is included in the Cost of goods sold in the income statement.

Research and development

Expenditures for development, where research results or other knowledge is applied to achieve new or improved products or processes, are recognized as an asset in the statement of financial position if the product or process is technically and commercially usable, the company may reliably calculate the expenditure that will be activated, and the company has adequate resources to complete the development, that will provide economic benefits in the future. The carrying amount includes all directly attributable expenditures, e.g. for materials and services, compensation to employees, registration of a legal right, amortization on patents and licences, borrowing expenses in accordance with IAS 23. Development expenditures recognized in the statement of financial position are initially measured at cost less accumulated amortization and any impairment losses.

Other intangible assets

Other intangible assets acquired by the Group are recognized at cost less accumulated amortization and any impairment losses. Software that has been developed or extensively adapted on behalf of the Group is also included among other intangible assets. Amortization of software is applied straight-line over the useful life, although a maximum of 5 years, and is included in the statement of profit or loss item Administrative expenses.

Impairment testing of goodwill and other intangible assets with indefinite useful life

The value of recognised goodwill and trademarks with indefinite useful life are tested at least once a year with regard to possible impairment requirements. The testing requires an assessment of the value in use of the cash-generating unit, or group of cash-generating units, to which the asset value is attributable. This requires that several assumptions regarding future conditions and estimates of parameters are made. A description of these are provided below.

Consolidated goodwill consists of strategic business values that has arisen in business acquisitions. The main goodwill arose in 2011 in con-

SEK m	Goodwill	Trademarks	Customer relationships	Order book	Technologies	Capitalized expenses for ongoing projects	Other	Total
2022								
Opening net book amount	1,041.4	10.6	92.8	0.6	5.6	0.0	26.4	1,177.3
Acquisitions	102.3	8.3	32.1	0.0	0.0	0.0	6.6	149.3
Investments	0.8	0.0	0.0	0.0	0.0	0.0	0.7	1.5
Reclassification	0.0	0.0	0.0	0.0	0.0	0.0	4.8	4.8
Amortization	0.0	-0.3	-29.0	-0.4	-1.3	0.0	-11.2	-42.2
Exchange-rate differences	58.9	0.4	5.1	-0.2	0.9	0.0	5.0	69.9
Closing net book amount	1,203.4	19.0	100.9	0.0	5.2	0.0	32.2	1,360.6
AT 31 DECEMBER 2022								
Cost	1203.4	19.3	228.4	20.5	6.9	0.0	78.2	1556.6
Accumulated amortization and impairment	0.0	-0.3	-127.5	-20.5	-1.7	0.0	-46.0	-196.0
Net book amount	1203.4	19.0	100.9	0.0	5.2	0.0	32.2	1,360.6

SEK m	Goodwill	Trademarks	Customer relationships	Order book	Technologies	Capitalized expenses for ongoing projects	Other	Total
2021								
Opening net book amount	926.4	0.0	69.8	0.0	0.0	12.1	18.8	1,027.1
Acquisitions	99.5	10.5	46.0	1.4	6.0	0.0	0.0	163.4
Investments	0.0	0.0	0.0	0.0	0.0	0.0	5.9	5.91
Reclassification	0.0	0.0	0.0	0.0	0.0	-12.4	12.1	-0.2
Amortization	0.0	0.0	-24.3	-0.9	-0.4	0.0	-10.7	-36.2
Exchange-rate differences	15.5	0.2	1.2	0.0	0.0	0.2	0.2	17.4
Closing net book amount	1041.4	10.6	92.8	0.6	5.6	0.0	26.4	1,177.3
AT 31 DECEMBER 2021								
Cost	1041.4	10.6	191.3	20.7	6.0	0.0	61.1	1331.1
Accumulated amortization and impairment	0.0	0.0	-98.5	-20.2	-0.4	0.0	-34.8	-153.8
Net book amount	1041.4	10.6	92.8	0.6	5.6	0.0	26.4	1,177.3

nection with the establishment of the Group, which is earlier than the date of transition to IFRS. Therefore, goodwill for instance comprises of customer relations, brands, the franchise concept and royalty and is allocated to segments in accordance with the agreed acquisition prices for the respective company and business.

Effective as of 1 January 2012, the Group's contracting operations were incorporated. In connection with this incorporation, goodwill was allocated between the segments in relation to expected discounted cash flows.

IMPAIRMENT TESTING FOR CASH-GENERATING UNITS CONTAINING INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE

The company has identified the following cash-generating units that contains intangible assets with indefinite useful life:

SEK m	Goodwill		Trademark	
	2022	2021	2022	2021
Products & Solutions	963.6	879.4	11.8	5.0
Installation Services	239.7	162.0	5.8	5.6
Total	1,203.4	1,041.4	17.6	10.6

The recoverable amount for the respective segment has been based on its value in use. This value is based on forecast cash flows established in company management's business forecast for the upcoming three years. The cash flows have then been assumed to grow by 1 percent (1) per year. The cash flows have been present value calculated with a discount rate before tax of 8.1 percent (5.1) for Products & Solutions and 8.1 percent (5.1) for Installation Services, respectively.

Important assumptions in the business forecast that affect the estimate of the cash flows are presented below. The important assumptions used and the types of assessments made for the respective segments are similar to each other, even if cost structure and margin levels differ. The description below therefore applies to both segments.

Important variables	Estimation method
Sales growth	Forecasts of future sales are based on assessments of sales volumes and prices. Forecasts of the development of volumes and prices in future years are based on current market situations in the various submarkets and on an assessment of how they are expected to develop in the near future. The forecast largely agrees with external information sources (approx. 2 percent) and prior experiences, with the difference that the prevailing market situation and thereby tough competition sets pressure on volumes and prices for Installation Services.
Prices on input goods	Significant input goods are comprised of petroleum-based products. The price trend on these has been negative and based on the expected future development on the commodities market, today's development has been extrapolated and forecasts in five years to increase to a level in excess of today's levels, which have historically been affected by the so-called supercycle for commodities. The forecast agrees with external information sources.
Personnel costs	The forecast for personnel costs is based on expected inflation, some real salary growth (historical average) and planned efficiency enhancements to the company's production (according to a set 3-year plan). The forecast agrees with earlier experiences and external information sources.

Testing has not led to any impairment losses and company management assesses that no reasonably possible changes in important assumptions would mean that the recoverable amount would drop below the carrying amount.

The Group's customer relationships and order book have occurred in connection with business acquisitions.

Amortizations are included in the following items in the consolidated statement of profit or loss:

SEK m	2022	2021
Net sales	0.9	3.2
Cost of goods sold	32.1	26.3
Administrative expenses	9.2	6.7
Total	42.2	36.2

NOTE 18 PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICIES

Owned assets

Property, plant and equipment are recognized in the Group at cost less accumulated depreciation and any impairment losses. The cost includes the purchase price and expenditures directly attributable to the asset to get it in place and in the condition to be used in accordance with the purpose of the acquisition.

Property, plant and equipment that consist of components with different useful lives are treated as separate components of property, plant and equipment.

The carrying amount of an item of property, plant and equipment is taken off the statement of financial position upon disposal or divestment or when no future financial benefits are expected from the use or disposal/divestment of the asset. Gains or losses that arise upon divestment or disposal of an asset comprise the difference between the selling price and the asset's carrying amount less direct selling expenses. Gains and losses are recognized as other operating income/expenses.

Subsequent expenditures

Subsequent expenditures are capitalized only if it is likely that the future financial benefits associated with the asset will flow to the company and the cost can be reliably calculated. All other subsequent expenditures are expensed in the period they arise.

A subsequent expenditure is capitalized if the expenditure pertains to replacements of identified components or parts thereof. The expenditure is also capitalized if a new component has been created. Any non-depreciated carrying amounts on replaced components, or parts of components, are disposed of and expensed in connection with the replacement. Repairs are continuously expensed.

Depreciation policies

Depreciation is applied straight-line over the asset's estimated useful life; land is not depreciated. Leased assets are also depreciated over the estimated useful life or, if it is shorter, over the agreed term of the lease. The Group applies component depreciation, which means that the components' estimated useful lives form the basis of depreciation.

Estimated useful lives:

Office buildings:

Framework, facades, roofs and windows	25–57 years
Other	25–57 years

Industrial buildings:

Framework, facades, roofs	25–57 years
Other	25–57 years
Plant and machinery	5–10 years
Equipment, tools, fixtures and fittings	5 years

Applied depreciation methods, residual values and useful lives are reviewed at the end of every year.

Leased assets

Assets leased are recognized as right-of-use assets in the statement of financial position and are initially recognized at the value of the lease liability, with addition of lease payments made on or before the initial date of the lease and initial direct costs. The right-of-use asset is recognized in subsequent periods at cost less depreciation and impairment. Right-of-use assets are depreciated over their anticipated useful life, or if it is shorter, over the agreed lease term. If a lease transfers ownership rights at the end of the lease term or if the cost includes the probable exercise of a call option, the right-of-use asset is depreciated over its useful life. Depreciation commences on the start date of the lease. Variable lease payments that are not dependent on an index or price are not included in the measurement of right-of-use assets.

SEK m	Land and buildings	Machinery	Equipment & tools	Right-of-use assets - buildings	Right-of-use assets - other	Construction in progress	Total
2022							
Opening net book amount	135.7	123.2	34.7	123.2	27.4	46.6	490.8
Acquisitions	2.3	8.7	0.8	20.1	1.4	0.0	33.2
Investments	9.4	29.1	6.1	28.2	9.9	60.1	142.9
Divestments and disposals	-0.1	-1.3	-0.1	-0.2	0.0	-0.3	-2.0
Reclassification	55.9	14.1	-1.1	0.0	0.0	-73.7	-4.8
Depreciation	-10.4	-33.7	-9.3	-47.6	-14.7	0.0	-115.7
Exchange-rate differences	5.6	6.3	1.8	7.8	1.6	3.9	27.0
Closing net book amount	198.3	146.4	33.0	131.5	25.6	36.6	571.4
At 31 December 2022							
Cost	261.8	365.5	95.6	292.4	77.5	36.6	1,129.3
Accumulated depreciation	-63.5	-219.0	-62.6	-160.8	-51.9	0.0	-557.8
Net book amount	198.3	146.4	33.0	131.5	25.7	36.6	571.5

SEK m	Land and buildings	Machinery	Equipment & tools	Right-of-use assets - buildings	Right-of-use assets - other	Construction in progress	Total
2021							
Opening net book amount	118.0	110.8	33.0	78.6	20.4	18.1	378.9
Acquisitions	15.0	11.5	1.9	26.0	3.7	2.3	60.4
Investments	6.8	12.9	13.2	59.2	16.2	45.5	153.9
Divestments and disposals	-1.3	-0.6	-2.0	-0.2	-0.5	0.0	-4.6
Reclassification	4.2	18.5	-3.0	0.0	0.0	-19.5	0.2
Depreciation	-8.3	-31.1	-8.8	-42.6	-12.8	0.0	-103.6
Exchange-rate differences	1.2	1.2	0.4	2.1	0.5	0.2	5.6
Closing net book amount	135.7	123.2	34.7	123.2	27.4	46.6	490.8
At 31 December 2021							
Cost	188.7	308.5	88.0	236.5	64.6	46.6	932.9
Accumulated depreciation	-53.0	-185.3	-53.2	-113.2	-37.2	0.0	-442.1
Net book amount	135.7	123.2	34.7	123.2	27.5	46.6	490.8

Depreciations are included in the following items in the consolidated statement of profit or loss:

SEK m	2022	2021
Cost of goods sold	84.6	72.3
Selling expenses	10.2	9.3
Administrative expenses	20.9	22.0
Total	115.7	103.6

NOTE 19 LEASES**ACCOUNTING POLICIES**

Expenses for short-term leases and for leases in which the underlying asset is of low value are recognized in profit/loss for the year straight-line over the term of the lease.

Amounts for leases recognized in profit/loss:

SEK m	2022	2021
Depreciation of right-of-use assets	62.3	55.4
Interest expenses for lease liabilities	3.8	2.7
Fees for short-term leases	0.2	0.4
Fees for low-value leases	0.7	0.3
Total	66.9	58.8

For depreciation and the carrying amount of right of use assets at the end of the reporting period per underlying asset class see Note 18. For maturity analysis of leasing liabilities see Note 33. For information on cash flow from leasing agreements, see Note 36. Variable leasing fees amount to insignificant amounts.

NOTE 20 INVENTORY**ACCOUNTING POLICIES**

Inventory is valued at the lower of cost and net realisable value. The cost of inventory is calculated using the first-in, first-out policy (FIFO) and includes expenses arising in the acquisition of the inventory assets and their transport to their current location and condition. For manufactured goods and work in progress, the cost includes a reasonable share of indirect expenses based on a normal capacity.

The net realisable value is the estimated selling price of the operating activities, less estimated costs for completion and to achieve a sale.

SEK m	2022	2021
Raw materials and consumables	282.4	196.9
Finished goods and goods for resale	504.2	412.5
Total	786.6	609.4

All inventory items are recognized as cost of goods sold at the time of the sale or scrapping of products. No additional write-downs have been made other than the physical scrapping of products identified as being obsolete.

NOTE 21 TRADE RECEIVABLES**ACCOUNTING POLICIES**

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost according to the effective interest method less provisions for expected credit losses. Provisions for expected credit losses are recognized in the item Selling expenses.

The Group applies the simplified approach for calculating expected credit losses on trade receivables. The Group reports a provision for the trade receivables expected lifetime, which is expected to be less than one year, at each reporting date. The simplified approach is based on a matrix based on historical credit loss levels combined with forward-looking factors such as macroeconomic factors. Historical credit loss levels are based on customers payment history for a period of five years before 31 December 2022. Historical losses are adjusted with forward-looking information on GDP and unemployment developments that may affect customers ability to pay receivables.

For information on common payment terms, see Note 5.

Trade receivables are recognized after consideration is taken to credit losses arising during the year that amounted to SEK -4.9 m [-5.5].

AGE ANALYSIS

SEK m	2022	2021
Trade receivable not overdue	313.7	257.0
Overdue 1-30 days	70.6	69.9
Overdue 31-90 days	13.3	10.9
Overdue > 90 days	24.8	21.2
Total	422.5	359.0
Provision for expected credit losses	-16.2	-12.2
Carrying amount	406.2	346.7

PROVISION FOR EXPECTED CREDIT LOSSES

SEK m	2022	2021
Opening balance	-12.2	-8.5
Acquisition/Divestment	0.0	-1.8
Reversal of previously applied impairment losses	1.2	3.7
Write-off of previous credit losses	0.3	0.0
Credit losses for the year	-4.9	-5.5
Exchange-rate differences for the year	-0.6	-0.2
Closing balance	-16.2	-12.2

2022	Contract assets	Current	Trade receivables Days past due			Total
			<30 days	31-90 days	>91 days	
Expected credit loss rate	0%	0.1%	0.9%	5.0%	58.9%	
Estimated total gross carrying amount at default	101.9	313.7	70.6	13.3	24.8	422.4
Expected credit loss	0.0	0.4	0.6	0.7	14.6	16.2

2021	Contract assets	Current	Trade receivables Days past due			Total
			<30 days	31-90 days	>91 days	
Expected credit loss rate	0%	0.1%	0.5%	2.2%	54.2%	
Estimated total gross carrying amount at default	80.6	257.0	69.9	10.9	21.2	359.0
Expected credit loss	0.0	0.2	0.3	0.2	11.5	12.2

NOTE 22 OTHER CURRENT RECEIVABLES**ACCOUNTING POLICIES**

Current receivables essentially consist of amounts expected to be recovered within 12 months of the reporting date.

SEK m	2022	2021
VAT receivables	13.6	11.0
Fair value, commodity derivatives	0.0	0.0
Balance on tax account	1.7	3.6
Other receivables	13.1	15.0
Total	28.3	29.6

NOTE 23 PREPAID EXPENSES AND ACCRUED INCOME**ACCOUNTING POLICIES**

Prepaid expenses are payments for the period which represent costs for subsequent periods. Accrued income is revenue during the period in which the payment is made in later periods.

SEK m	2022	2021
Sales and marketing expenses	2.4	4.2
Energy costs	0.5	0.5
IT	4.2	3.0
Insurance	3.8	4.3
Supplier bonuses	2.7	5.6
Other	10.1	14.8
Total	23.6	32.4

NOTE 24 OTHER CURRENT LIABILITIES**ACCOUNTING POLICIES**

Current liabilities essentially consist of amounts expected to be paid within 12 months of the reporting date. For accounting policies regarding commodity derivatives, short-term vendor note and additional purchase price liability and short-term put option liability, see Note 32.

SEK m	2022	2021
Personnel-related liabilities	18.9	18.0
VAT liabilities	48.8	32.1
Fair value, commodity derivatives (note 32)	0.2	0.0
Short-term vendor note and additional purchase price liability (note 32)	6.4	2.5
Short-term put option liability (note 32)	10.5	55.0
Other liabilities	12.7	7.6
Total	97.4	115.1

NOTE 25 ACCRUED EXPENSES AND PREPAID INCOME**ACCOUNTING POLICIES**

Accrued expenses are costs where payments are made in later periods. Prepaid income is payments during the period that constitute income for subsequent periods. For accounting policies regarding interests expenses, see Note 32. Customer bonuses constitute contract liabilities, for more information see Note 5.

SEK m	2022	2021
Personnel-related expenses	158.2	137.4
Interest expenses (note 32)	7.7	1.7
Customer bonuses (note 5)	28.7	15.4
Warranties	12.7	12.7
Other	44.9	40.6
Total	252.1	207.8

NOTE 26 OTHER INVESTMENTS

SEK m	2022	2021
Financial assets		
Shares and participations (note 32)	2.7	2.2

Shares and participations are equity instruments that are reported at fair value through profit or loss. This item is essentially comprised of shares in unlisted companies. The company has assessed that the fair value of the shares corresponds to the carrying amount. For more information, see Note 32.

NOTE 27 CASH AND CASH EQUIVALENTS**ACCOUNTING POLICIES**

Cash and cash equivalents are recognized at amortized cost, see Note 32. For cash and cash equivalents, the reserve is assessed based on the banks' probability of bankruptcy and forward-looking factors. Due to short maturities and high creditworthiness, the provisions amount to insignificant amounts. Cash and cash equivalents consist of cash funds and immediately available balances at banks and equivalent institutes and short-term liquid investments with a duration from the time of acquisition of less than three months, which are only subject to an insignificant risk of value fluctuations.

SEK m	2022	2021
The following subcomponents are included in cash and cash equivalents:		
Cash and bank balances (note 32)	260.5	226.6
Total as per balance sheet	260.5	226.6
Total as per cash flow statement	260.5	226.6

NOTE 28 EQUITY**SHARE CAPITAL AND NUMBER OF SHARES**

Stated in number of shares	2022	2021
Issued at 1 January	24,083,935	24,083,935
Issued at 31 December	24,083,935	24,083,935
Number of shares by class:		
Class A shares	24,083,935	24,083,935
Total	24,083,935	24,083,935

All shares have a quotient value of SEK 1.00 (1.00 SEK). Holders of ordinary shares are entitled to dividends determined in arrears and the shareholding entitles to voting rights at the General Meeting with one vote per share.

Total treasury shares, in order to secure the long-term incentive programs, were 84,097 (176,334), corresponding to 0.3 (0.7) percent of the total share capital, at 31 December 2022.

TREASURY SHARES

Stated in number of shares	2022	2021
Owned treasury shares as per 1 January	176,334	175,737
Distributed shares in LTIP 2019 (2018)	-92,237	-88,505
Acquired treasury shares	-	89,102
Treasury shares as per 31 December	84,097	176,334

PROPOSED APPROPRIATION OF PROFIT**At the disposal of the Annual General Meeting:**

SEK	2022
Balanced profits	469,246,900
Results for the year	149,825,703
Retained earnings at the end of the year	619,072,603

The Board of Directors proposes that profits be used as follows:

SEK	2022
SEK 6.00 per share will be distributed to shareholders	167,998,866
Balanced on a new account	451,073,737
Total	619,072,603

RESERVES**Translation reserve**

The translation reserve includes all exchange-rate differences that arise in the translation of financial statements from foreign operations that have prepared their financial statements in a currency other than the currency that the consolidated financial statements are presented in. The Group presents its financial statements in SEK.

Hedging reserve

The hedging reserve includes unrealised fair value gains and losses on hedging instruments.

RETAINED EARNINGS INCLUDING PROFIT FOR THE YEAR

Retained earnings including profit for the year include profits earned in the Group. Earlier reservations to the statutory reserve, excluding transferred share premium reserves, are included in this equity item. The item also includes other equity contributed by the shareholders. This includes premiums paid in connection with new share issues.

CAPITAL MANAGEMENT

The Group strives to maintain a strong financial position that contributes to retaining the confidence of creditors and the market, which constitutes a basis for continued development of the business. The Group defines managed capital as total recognized equity.

The financial targets for Nordic Waterproofing Group, which are valid as from 2019, include a dividend policy and targets for the capital structure. Nordic Waterproofing aims to have an annual dividend of more than 50 percent of its net profit. The pay out decision will be based on the Company's financial position, investment needs, general economic and business conditions liquidity position as well as general economic and business conditions. The interest-bearing net debt in relation to EBITDA (measured on a rolling-twelve months basis), excluding temporary deviations, shall not exceed 3.0 times. Dividend of SEK 143 (239) m has been paid to the owners during 2022, why leverage is on par and amounts to 1.4 EBITDA (1.3x) as per the end of the reporting period.

NOTE 29 EARNINGS PER SHARE

SEK m	2022	2021
Earnings per share before dilution	13.79	10.71
Earnings per share after dilution	13.71	10.64

The calculation of the numerator and denominator used in the above calculations of earnings per share is presented below.

PROFIT/LOSS FOR THE YEAR ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS, BEFORE AND AFTER DILUTION

SEK m	2022	2021
Profit/loss attributable to Parent Company shareholders, before and after dilution	331.3	258.6

WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES, BEFORE AND AFTER DILUTION

In shares	2022	2021
Total number of shares, 1 January	24,083,935	24,083,935
Weighted average number of shares during the year, before dilution	23,957,563	23,939,094
Weighted average number of shares during the year, after dilution	24,083,935	24,083,935

NOTE 30 INTEREST-BEARING LIABILITIES**ACCOUNTING POLICIES**

Borrowings are valued at amortized cost. Borrowings are classified as interest-bearing non-current or current liabilities in the balance sheet.

SEK m	2022	2021
NON-CURRENT LIABILITIES		
Bank loans	781.0	751.1
Lease liabilities	100.6	100.5
Total	881.6	851.5

The non-current part of bank loans has been reduced by SEK 4.5 m (4.5) with regard to period-allocated arrangement costs for bank loans.

SEK m	2022	2021
CURRENT LIABILITIES		
Current part of bank loans	162.0	0.0
Cash credit	0.0	0.0
Lease liabilities	61.3	52.2
Total	223.3	52.2

NOTE 31 OTHER NON-CURRENT LIABILITIES**ACCOUNTING POLICIES**

Non-current liabilities essentially consist of amounts expected to be recovered or paid after 12 months of the reporting date. For accounting policies regarding put/call options and additional purchase price liabilities, see Note 32.

SEK m	2022	2021
Long-term call/put option liabilities Note 32]	42.1	31.9
Long-term additional purchase price liabilities (note 32)	6.9	1.9
Other liabilities	1.7	1.4
Total	50.6	35.3

Other non-current liabilities primarily consist of contingent liabilities in relation to acquired companies.

NOTE 32 FINANCIAL INSTRUMENTS

ACCOUNTING POLICIES

Financial instruments – classifications and valuation

A financial asset or liability is initially recognized in the balance sheet when the company becomes a party to the contractual conditions of the instrument. A financial asset is derecognized from the balance sheet when all benefits and risks associated with ownership have been transferred.

A financial liability is derecognized from the balance sheet when the obligations of the contract have been met, or otherwise extinguished.

Financial instruments are initially measured at fair value and, subsequently, at fair value or accumulated amortized cost, depending on their classification. Financial instrument classified at amortized cost are initially measured at fair value plus transaction costs. Financial instrument classified at fair value are initially measured at an amount corresponding to the instrument's fair value, transaction costs are expensed directly.

A financial instrument is classified at initial recognition based on the purpose for which the instrument was acquired. The classification determines how the financial instrument is measured after the first reporting date as described below.

All financial derivatives are measured at fair value. The purchase and sale of financial assets is recognized on the transaction date, which is the date the Group undertakes to purchase or sell the asset. From January 1, 2018, the Group applies the policy of recognizing a loss allowance for financial assets and receivables classified at amortized cost.

Cash and cash equivalents

Cash and cash equivalents consist of the Group's available balances with banks and corresponding institutions.

Classification of financial instruments

Financial assets

Debt instruments

Classification of financial assets that are debt instruments is based on the Group's business model for the management of the asset and the characteristics of the asset's contractual cash flows.

Instruments are classified at:

- amortized cost
- fair value through other comprehensive income, or
- fair value through profit and loss

Financial assets classified at amortized cost are initially measured at fair value plus transaction costs. Accounts receivables are initially recognized at the invoice amount. After initial recognition, the assets are measured according to the effective interest method. Assets classified at amortized cost are held under the business model of collecting contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The assets are covered by a reserve for expected credit losses (loss allowance).

The Group does not have any assets classified at fair value through other comprehensive income.

Fair value through profit and loss is all other debt instruments that are not measured at amortized cost or fair value through other comprehensive income. Financial instruments in this category are initially measured at fair value. Changes in the fair value are recognized in profit and loss. The Group's debt instruments are classified at amortized cost, except for debt instruments held for trading. During the year, no debt instruments were reported at fair value.

Equity instruments

Classified at fair value through profit and loss.

Derivative

Derivative instruments are recognized in the balance sheet as of the contract date and are valued at fair value, both initially and in subsequent remeasurements. Derivatives that are not identified as hedging instruments are classified in the balance sheet as financial assets and liabilities valued at fair value via the income statement. Gains and losses as a result of changes in fair value are recognized in the financial items in the income statement in the period in which they arise.

Financial liabilities

Financial liabilities are recognized at amortized cost or fair value through profit and loss. A financial liability is valued at fair value through profit and loss if it is classified as held for trade, a derivative that is not identified as a hedging instrument, an additional purchase consideration in an acquisition classified as a financial liability or if it is initially classified as a financial liability which is measured at fair value through profit and loss. Financial liabilities measured at fair value through profit and loss are measured continuously to fair value with changes in fair value recognized in the profit and loss. Other financial liabilities are measured at amortized cost according to the effective interest method.

Hedge accounting

The Group designates certain derivatives as either:

- hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

Derivative instruments are mainly used to protect the Group's exposure against fluctuations in the raw material price of bitumen and loans in foreign currency for hedging net investments in foreign subsidiaries.

The Group applies hedge accounting according to IFRS 9 for financial instruments intended to hedge future commercial cash flows for commodity prices and net investments in foreign currency. The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the hedging instruments designated to hedge accounting have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

Hedges are designed so that they can be expected to be effective, meaning that an economic relationship is expected to exist by the hedging instrument offsetting changes in fair value or the cash flow of the hedged item. This economic relationship is established mainly through qualitative analysis of critical terms in the hedging relationship. If changes in circumstances affect the hedging relationship such that the critical terms no longer match, the Group uses quantitative methods (the dollar offset method) to evaluate effectiveness. Sources of hedge ineffectiveness are stated below under each type of hedge. The Group determines the hedge ratio between the hedging instrument and the hedge item, based on the hedge ratios existing for the actual hedges. The hedge quote is 1:1 for all of the Group's hedging relationships where hedge accounting is applied.

Changes in the fair value of hedging instruments not meeting the requirements for hedge accounting are recognized directly in profit and loss.

Cash flow hedges - Commodity price risk

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss within other operating income or other operating expenses.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for instance when the forecast purchase that is hedged takes place). The gain or loss relating to the effective portion of forward contracts hedging prices of raw materials is recognized in profit or loss within cost of goods sold.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

The hedging that the Group has made refers to hedging the cost of bitumen. The purchase cost for bitumen consists of a fixed part and a variable part linked to an oil price index. The the variable part is hedged periodically through derivatives on this oil price index. The effectiveness of the hedge is monitored by comparing the hedged volumes at the time of hedging with actually purchased volumes.

Hedging of net investments

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Loans in foreign currencies are used as hedging instruments. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss within other operating income or other operating expenses. Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

Provision for expected credit losses

The Group's financial assets and receivables, except for those classified at fair value through profit and loss, are subject to impairment for expected credit losses. Impairment for credit losses under IFRS 9 includes forward-looking factors and a loss allowance is established when there is exposure to credit risk, already in connection with initial recognition. Expected credit losses reflect the present value of all deficits in cash flows attributable to payment cancellations. The need for impairment is taken into account for different maturities depending on the type assets and on any credit deterioration since the initial recognition. Expected credit losses reflect an unbiased and probability-weighted amount that considers range of possible outcomes based on reasonable and supportable forward-looking information.

The simplified approach is applied to accounts receivable. A loss allowance, according to the simplified approach, is recognized for the expected lifetime of the receivable or asset. Refer to Note 21. The Group has defined a receivable as credit-impaired if the receivable is more than 180 days overdue for payment, in which case an individual assessment and provision is made. For cash and cash equivalents, the provision is assessed based on the banks' probability of bankruptcy and forwards-looking factors. Due to short maturities and high creditworthiness, the provisions amount to insignificant amounts.

The financial assets in the balance sheet are recognized at amortized cost, i.e., net of gross value and loss allowance. Changes in the loss allowance are recognized in profit in loss in EBIT regarding accounts receivables and as a financial expense or financial income regarding other loss allowances.

The Group's credit exposure is stated in Note 33 and in Note 21.

CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT CATEGORY

The table below presents the carrying amounts for financial assets and liabilities by measurement category.

The fair values were calculated based on cash flows discounted using a risk adjusted discount rate (WACC).

The decrease in short-term liabilities refers to payment of the put/call option debt from the acquisition of SealEco B.V. (at the time of the acquisition named EPDM Systems B.V.) of SEK 52 m and written put/call options from the acquisition of Seikat Oy and Rakenuusliike Ripatti Oy which will be settled during Q2 2023.

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 as well as contingent consideration and call/put options. These are recognized in the balance sheet items Other receivables and Other liabilities.

In general, the carrying amounts of financial instruments measured at amortised costs are a reasonable approximation of their fair values. Long-term financial liabilities and receivables have floating interest rates which are repriced on a frequent basis.

2022-12-31	At amortized cost	Fair value through profit or loss	Fair Value hedging instruments	Other ¹	Reported value	Fair value		
						Level 1	Level 2	Level 3
FINANCIAL ASSETS								
Non-current financial receivables from associated companies	23.1	-	-	-	23.1	-	-	-
Other investments	-	2.7	-	-	2.7	-	-	2.7
Other non-current receivables	11.2	-	-	-	11.2	-	-	-
Trade receivables	406.2	-	-	-	406.2	-	-	-
Receivables for on-going constructions contracts	101.9	-	-	-	101.9	-	-	-
Receivables from associated companies	13.7	-	-	-	13.7	-	-	-
Other current receivables	0.0	-	-	28.3	28.3	-	-	-
Cash and cash equivalents	260.5	-	-	-	260.5	-	-	-
Total	816.7	2.7	0.0	28.3	847.8	-	-	2.7
FINANCIAL LIABILITIES								
Non-current interest-bearing liabilities	881.6	-	-	-	881.6	-	-	-
Other non-current liabilities	1.7	48.9	-	-	50.6	-	-	48.9
Current interest-bearing liabilities	223.3	-	-	-	223.3	-	-	-
Trade payables	242.6	-	-	-	242.6	-	-	-
Other current liabilities	80.4	16.9	0.2	-	97.4	-	-	16.9
Accrued expenses and prepaid income	0.0	-	-	252.1	252.1	-	-	-
Total	1,429.6	65.8	0.2	252.1	1,747.7	-	-	65.8

2021-12-31	At amortized cost	Fair value through profit or loss	Fair Value hedging instruments	Other ¹	Reported value	Verkligt värde		
						Level 1	Level 2	Level 3
FINANCIAL ASSETS								
Non-current financial receivables from associated companies	12.3	-	-	-	12.3	-	-	-
Other investments	-	2.2	-	-	2.2	-	-	2.2
Other non-current receivables	11.2	-	-	-	11.2	-	-	-
Trade receivables	346.7	-	-	-	346.7	-	-	-
Receivables for on-going constructions contracts	80.6	-	-	-	80.6	-	-	-
Receivables from associated companies	19.9	-	-	-	19.9	-	-	-
Other current receivables	15.5	-	-	14.1	29.6	-	-	-
Cash and cash equivalents	226.6	-	-	-	226.6	-	-	-
Total	712.8	2.2	0.0	14.1	729.1	-	-	2.2
FINANCIAL LIABILITIES								
Non-current interest-bearing liabilities	851.5	-	-	-	851.5	-	-	-
Other non-current liabilities	1.4	33.8	-	-	35.3	-	-	33.8
Current interest-bearing liabilities	52.2	-	-	-	52.2	-	-	-
Trade payables	211.5	-	-	-	211.5	-	-	-
Other current liabilities	57.6	57.5	-	-	115.1	-	-	57.5
Accrued expenses and prepaid income	1.7	-	-	205.6	207.4	-	-	-
Total	1,176.0	91.35	-	205.6	1,473.0	-	-	91.3

FAIR VALUE HIERARCHY

The Group has commodity derivatives classified as level 2 in the fair value hierarchy whereas contingent consideration and options are classified as level 3. The Group has no level 1 instruments. The classification in the hierarchy depends on the degree to which the fair value is observable. Level 2 measurements are those derived from inputs other than quoted prices included within level 1 that are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 measurements are those derived from valuation techniques that include inputs that are not based on observable market data (unobservable inputs).

Financial instruments measured at level 3 as per 31 December:

SEK m	2022	2021
Opening balance	91.3	34.2
Fair value movement in income statement	-7.1	30.9
Purchases	36.1	32.4
Paid	-56.0	-4.6
Exchange rate differences	1.5	-1.6
Closing balance	65.8	91.3

VALUATION METHODS AND TECHNIQUES**Commodity derivatives**

Future cash flows are estimated based on forward prices (from observable forward prices at the end of the reporting period) discounted at a rate that reflects the credit risk of various counterparties.

VALUATION METHODS AND TECHNIQUES

Instrument	Fair value as per		Valuation technique	Significant unobservable inputs	Range (weighted average)		Sensitivity of the input to fair value
	2022-12-31	2021-12-31			2022	2021	
Call/put options	10,6	7,9	DCF Method	EBIT	4.4 - 10.5 (7.4)	13.3 - 19.3 (16.3)	A 5% increase (decrease) in EBIT would result in an increase (decrease) in fair value by SEK 0.4 million (2021: SEK 1.1 million).
	42,0	13,4	DCF Method	Average EBITDA	3.6 - 25.6 (9.9)	3.4 - 6.5 (5.0)	A 5% increase (decrease) in average EBITDA would result in an increase (decrease) in fair value by SEK 1.9 million (2021: SEK 0.7 million).
	-	65,6	DCF Method	EBITDA	-	9.3 - 29.5 (19.4)	A 5% increase (decrease) in EBITDA would result in an increase (decrease) in fair value by SEK 0.0 million (2021: SEK 3.1 million).
				Multiple	4 - 6 (5.1)	4 - 6 (5.3)	
				WACC	0% - 18.7% (11.0%)	0% - 18.7% (7.1%)	A 2% increase (decrease) in WACC would result in an decrease (increase) in fair value by SEK 1.5 million (2021: SEK 2.3 million).
Earn-outs	2,7	2,4	N/A	N/A	N/A	N/A	N/A
	2,0	2,0	DCF Method	Net sales	5.2 (5.2)	6.3 (6.3)	A 5% increase (decrease) in net sales would result in an increase (decrease) in fair value by SEK 0.2 million (2021: SEK 0.2 million).
	2,4	-	DCF Method	Average EBITDA	4.3 (4.3)	-	A 5% increase (decrease) in average EBITDA would result in an increase (decrease) in fair value by SEK 0.1 million (2021: SEK - million).
	6,3	-	DCF Method	EBITDA	10.0 (10.0)	-	A 5% increase (decrease) in EBITDA would result in an increase (decrease) in fair value by SEK 0.3 million (2021: SEK - million).
				Multiple	4-5 (4.5)	-	
				WACC	0% - 10% (7.1%)	8.3% - 10% (9.2%)	A 2% increase (decrease) in WACC would result in an decrease (increase) in fair value by SEK 0.2 million (2021: SEK 0.1 million).

NOTE 33 FINANCIAL RISKS AND FINANCE POLICY**TREASURY POLICY AND FINANCIAL RISK MANAGEMENT**

The Group's treasury policy for the management of financial risks has been established by the Board and forms a framework of guidelines and rules in the form of risk mandates and limits for financing activities. The CFO is responsible for compliance with the policy and for reporting any deviations to the CEO, who in turn informs the Board. The Board updates and establishes the policy once a year, or more often if circumstances require.

The management of financial risks within Nordic Waterproofing is centralised to the Group's finance function ("Group Finance"), which also serves as the Group's internal bank.

The Board has identified the following financial risks as the most significant to the Group: raw material price risk, liquidity and financing risk, interest rate risk, currency risk and credit risk.

Speculation in financial instruments and risks are not allowed at any point.

RAW MATERIAL PRICE RISK

Raw material price risk consists of the risk that changes in the price of raw materials have an unexpected impact on the consolidated statement of profit or loss, statement of financial position or statement of cash flows. Nordic Waterproofing is primarily exposed to the risk of price fluctuations on four kinds of raw materials: bitumen, SBS, polyester and EPDM. In 2022, these materials accounted for 53 percent (52) of the Group's total raw materials costs. The largest exposure is in bitumen where the price is the most volatile in the short term.

Risk management

As stated in the risk management policies the price risk must at any point in time be monitored and Nordic Waterproofing seeks to reduce price risk by entering into fixed price contracts or using hedging instruments. Bitumen can be hedged for the coming 24 months, and within this period, the CEO has the possibility to hedge between 0 and 100 % of the expected forecast purchases of raw materials. Hedge agreements exceeding 6 months require approval from the Chairman of the Board.

As of 31 December 2022, the expected purchases of bitumen for delivery during 2023 and forward has not been hedged. For the time being the NWWG Management is of the opinion that the fluctuations in the price of bitumen can be managed by price increases to our customers and hence the risk for eroded margin due to price increases on bitumen is limited. At the corresponding time last year, management's assessment was the same and no future deliveries of bitumen were secured.

Sensitivity analysis, bitumen price

A 10 percent decrease/increase in the price of bitumen would have impacted the statement of profit and loss in an amount of SEK +/- 29.2 m (21.6) . Expressed as changes in the underlying Brent price, a 10 USD per barrel decrease/increase would have impacted the statement of profit and loss by approximately SEK +/- 4.6 m (4.2).

Hedge accounting (cash flow hedging)

As mentioned above, the group has not entered into commodity price derivatives during 2022 or 2021. During 2020 the group entered into commodity price derivatives in order to hedge the price fluctuations related to the expected purchase of bitumen for the coming 6 months. Thus, the derivatives impact consolidated income statement during 2021 once they are settled and given no ineffectiveness is recognised. The derivatives had an underlying price reference to Brent (previous year HSFO) which have a high correlation to bitumen. During 2021, ineffectiveness recognised in the consolidated income statement amounted to SEK 0,0 m. Potential sources to ineffectiveness primarily relate to differences in timing of payment of the physical delivery and settlement of the derivative.

The fair value movement recognized in other comprehensive income used in the effectiveness test is SEK 0.0 m (1.7).

Movements in other comprehensive income related to the hedging reserve are as follow:

SEK m	2022	2021
Opening balance	0.0	-1.4
Fair value movement	0.0	1.7
Tax movements	0.0	-0.4
Closing balance	0.0	0.0

LIQUIDITY AND FINANCING RISK

Financing risk is defined in the finance policy as the risk that loans cannot be refinanced when necessary, that financing cannot be obtained or that refinancing is only possible at unfavourable terms. It is incumbent on Group Finance to continuously forecast the Group's liquidity requirements and to continuously maintain contracts with relevant credit institutions to maintain access to competitive financing.

The Group's principal external financing agreement is valid until June 2025. An option to extend the existing agreement with one year was utilised during the second quarter of 2022. There is no further options to extend the existing agreement. On 31 December 2022, the Group's non-current interest-bearing liabilities comprises of a EUR 75,0 (75.0) million term loan facility. The loan facility bears variable interest and runs without requiring repayment in installments.

The financing agreement contains financial covenants regarding the net debt/EBITDA ratio as well as interest coverage ratio. The covenants are monitored and followed up on a quarterly basis. At the reporting date, the Group fulfilled all covenants.

The Group's bank loans are raised in EUR and in SEK.

For all the Group's bank loans, interest terms were updated during the fourth quarter of 2022, which is why essentially the book value can be assumed to correspond to fair value.

With the aim of managing the liquidity risk, the finance policy prescribes that the Group shall have a liquidity reserve consisting of cash and bank balances, current investments and unutilised credit facilities of at least SEK 40 million. If the liquidity reserve falls below, or is expected to fall below, this amount the Board shall be informed. At the reporting date, cash and cash equivalents amounted to SEK 260.5 m (226.6). No portion, SEK 0.0 (0.0), of the Group's total credit facilities in the form of overdraft facilities of EUR 14.4 m (14.4), corresponding to SEK 160.2 m (147.3), was utilized at the end of 2022.

The table on page 101 shows the maturity structure for the Group's financial liabilities including derivative liabilities. For each period, due dates are presented for capital amounts and payment of interest. For liabilities with variable interest, the future interest payments have been estimated based on the variable spot rate that applied on the reporting date.

INTEREST RATE RISK

Interest rate risk consists of the risk that a change of market rates has a negative impact on the consolidated statement of profit or loss or state-

ment of financial position. The Group's bank loans run with variable interest in the form of EURIBOR 3M or STIBOR 3M plus a margin.

Sensitivity analysis, interest rate risk

The sensitivities are based on recognized financial assets and liabilities as per 31 December and do not take repayments or new financing activities during the year into consideration.

An increase/decrease of EURIBOR 3M or STIBOR 3M by 100 interest rate points would have increased/decreased the Group's annual interest

expenses and affecting equity by approximately SEK 6.8 m (6.8) based on the size of the bank loans and finance lease liabilities less bank balances at the reporting date.

CURRENCY RISK

Currency risk consists of the risk of negative impact on the consolidated statement of profit or loss, statement of financial position or statement of cash flows as a result of exchange-rate changes. Exposure to currency risk can be divided into transaction exposure and translation exposure.

2022 SEK m	Carrying amount	Nominal amounts	Contractual payments of capital amounts and interest				
			Jan-Jun 2023	Jul-Dec 2023	2024	2025 to 2028	After 2028
INTEREST-BEARING LIABILITIES							
Non-current interest-bearing liabilities							
Bank loans – term loan facility	781.0	849.4	13.3	13.4	26.8	796.0	-
Bank loans – revolving loan facility	0.0	0.0	-	-	-	-	-
Bank loans – other	0.0	0.0	-	-	-	-	-
Lease liabilities	100.6	102.1	-	-	43.7	46.1	12.4
Current interest-bearing liabilities							
Bank loans	160	161.5	161.5	-	-	-	-
Lease liabilities	61.3	62.8	31.4	31.4	-	-	-
NON-INTEREST-BEARING LIABILITIES							
Non-current non-interest-bearing liabilities							
Long-term call/put option liabilities	42.1	53.8	-	-	10.9	42.8	-
Long-term additional purchase price liabilities	6.9	11.0	-	-	2.7	8.4	-
Other long-term liabilities	1.66	1.7	-	-	0.0	1.7	-
Current non-interest-bearing liabilities							
Short term put option liability	10.5	10.7	10.7	-	-	-	-
Short-term vendor note and additional purchase price liabilities	6.4	6.4	6.3	0.1	-	-	-
Trade payables	242.6	242.6	242.6	-	-	-	-
Accrued interest expenses	7.7	8.0	8.0	-	-	-	-
Other current liabilities	0.1	0.1	-	-	-	-	-
Total	1,420.9	1,510.1	473.8	45.0	84.0	894.9	12.4
Less bank balances	-260.5	-260.5	-260.5	-	-	-	-
Net	1,160.4	1,249.6	213.3	45.0	84.0	894.9	12.4

2021 SEK m	Carrying amount	Nominal amounts	Contractual payments of capital amounts and interest				
			Jan-Jun 2022	Jul-Dec 2022	2023	2024 to 2027	After 2027
INTEREST-BEARING LIABILITIES							
Non-current interest-bearing liabilities							
Bank loans – term loan facility	751.1	781.1	5.1	5.1	10.2	760.7	-
Bank loans – revolving loan facility	0.0	0.0	-	-	-	-	-
Bank loans – other	0.0	0.0	-	-	-	-	-
Lease liabilities	100.5	101.4	-	-	40.7	49.9	10.7
Current interest-bearing liabilities							
Lease liabilities	52.2	52.8	26.4	26.4	-	-	-
NON-INTEREST-BEARING LIABILITIES							
Non-current non-interest-bearing liabilities							
Long-term call/put option liabilities	31.9	46.3	-	-	15.7	7.9	22.7
Long-term additional purchase price liabilities	1.9	1.7	-	-	0.4	1.3	-
Other long-term liabilities	1.4	1.4	-	-	0.0	1.4	-
Current non-interest-bearing liabilities							
Short term put option liability	55.0	55.0	55.0	-	-	-	-
Short-term vendor note and additional purchase price liabilities	2.5	2.5	-	2.5	-	-	-
Trade payables	211.5	211.5	211.5	-	-	-	-
Accrued interest expenses	1.7	2.5	2.5	-	-	-	-
Other current liabilities	0.1	0.1	-	0.1	-	-	-
Total	1,209.8	1,256.4	300.5	34.0	67.0	821.4	33.5
Less bank balances	-226.6	-226.6	-226.6	-	-	-	-
Net	983.2	1,029.8	73.9	34.0	67.0	821.4	33.5

Transaction exposure

Transaction exposure is the risk of a negative impact on the consolidated profit due to changes in exchange rates that affect the value of a commercial transaction in a foreign currency relative to the functional currency for the Group company making the transaction. The Group has significant cash flows in foreign currencies (DKK, EUR, NOK and USD) that arise in the ordinary course of the Group's business. However, inflows and outflows of those foreign currencies are naturally offset and any net transaction exposure is therefore considered insignificant. Accordingly, no hedging is applied.

Translation exposure

Translation exposure arises in the translation of the statements of financial position and statements of profit or loss for foreign subsidiaries to SEK, which is the Group's presentation currency. The translation exposure is related to the subsidiaries in Finland, Belgium, the Netherlands, Denmark and Norway as the functional currencies for these subsidiaries are EUR, DKK and NOK. A strengthened SEK compared to EUR, DKK and NOK will lead to negative translation differences and a weakened SEK will lead to positive translation differences. In accordance with the accounting policies these translation differences are recognized in other comprehensive income and accumulated in a special reserve, called a translation reserve. In 2022, the translation differences amounted to SEK 100.1 m (27.8).

At the reporting date, the accumulated translation differences after tax recognized in the translation reserve amounted to SEK 138.5 m (39.0).

The treasury policy does not allow for translation exposures to be hedged using currency derivatives.

Sensitivity analysis, currency risk

The sensitivities are based on recognized financial assets and liabilities as per 31 December. The Group has a significant exposure in DKK, EUR and NOK against SEK, of which the exposure in EUR is the most significant. The Group's exposure in EUR against SEK is affected by part of the Group's bank loans being raised in EUR.

A 10 percent strengthening/weakening of the EUR against the SEK would have affected the Group's net financial items and affecting equity by SEK +/- 17.7 m (17.9), given the net liabilities that were outstanding on the reporting date (less cash holdings). Other comprehensive income would have been affected by translation differences of SEK +/- 53.8 m (43.9).

A 10 percent strengthening/weakening of the DKK against the SEK would have affected the Group's net financial items and affecting equity by SEK +/- 0.3 m (0.7), given the cash holdings on the reporting date, and other comprehensive income would have been affected by translation differences of SEK +/- 50.3 m (46.2).

A 10 percent strengthening/weakening of the NOK against the SEK would have affected the Group's net financial items and affecting equity by SEK +/- 2.1 m (1.6), given the cash holdings on the reporting date, and other comprehensive income would have been affected by translation differences of SEK +/- 1.0 m (0.1).

CREDIT RISK**Commercial credit risk**

Commercial credit risk is comprised of the risk of losses if any of the Group's customers become insolvent and cannot fulfil their undertakings. Credit risk is managed locally at the respective business unit through internal procedures and controls for the evaluation and check of credit ratings from external credit rating companies. If deemed viable in relation to risk exposure, credit insurance can be used.

In 2022, no single customer accounted for more than 2.6 percent (2.4) of consolidated sales, and the five largest customers accounted for 10.8 percent (8.8) of consolidated sales.

On the reporting date, there is no significant concentration of credit exposure. The maximum credit risk exposure is apparent from the carrying amount for receivables in the statement of financial position.

The commercial credit risk is presented in Note 21.

Financial credit risk

The financial activities in the Group entail an exposure to credit risks. The Group's exposure to financial credit risk is primarily comprised of receivables from banks in the form of bank balances. In addition to this, exposure arises through receivables from counter-parties linked to positive market values on derivative contracts entered into.

NOTE 34 CONTINGENT LIABILITIES**ACCOUNTING POLICIES**

A contingent liability is disclosed when there is a possible commitment that originates from events occurred and the existence of which is confirmed only by one or more uncertain future events beyond the Group's control, or when there is a commitment that is not recognized as a liability or provision on the grounds that it is not likely that an outflow of resources will be required or cannot be calculated with sufficient reliability.

SEK m	2022	2021
CONTINGENT LIABILITIES		
Guarantees for the benefit of associated companies	87.9	56.6
Total contingent liabilities	87.9	56.6

A security in total of DKK 28.8 m (21.6) (corresponding to SEK 43.0 m (35.9) at the reporting date) has been made for the benefit of the Danish associated companies' credit commitments. These guarantees are, however, limited per company and amount to a maximum of DKK 6.5 m (6.5) (corresponding to SEK 9.7 m (8.9)) for an individual associated company. In addition to this, Group companies have guaranteed completion guarantees regarding associated companies' project corresponding to a maximum of DKK 30.0 m (15.0) (corresponding to SEK 44.9 m (20.6) at the reporting date).

On 31 May 2017, the Danish Competition Council decided that Nordic Waterproofing A/S, Icopal Danmark ApS, Danske Tagpapfabrikanter Brancheforening and TOR had violated the Danish Competition Act. The alleged violation consisted in a so-called restrictive agreement in the form of an industry standard, "TOR-anvisningerne", and the associated approval scheme, "TOR Godkendt".

Nordic Waterproofing A/S and the other parties disputed the Council's decision and brought the case before the Danish Competition Appeals Board. On 12 September 2018, the Appeals Board decided to remit the case to the Council for re-evaluation. According to the Appeals Board, the Council had failed to demonstrate with the requisite certainty that Nordic Waterproofing A/S and the other parties had violated the Danish Competition Act. In addition, the Appeals Board stated that technical standards normally have positive economic effects.

On 29 April 2020, KFST decided that the investigation of the roofing felt market would be suspended without finding any breach of competition law or other irregularities. The decision was made on the basis of further investigations and legal analysis and in the light of the Competition Council's assessment of the case and its evidence. The initial decision has resulted in three civil proceedings which have not been dealt with pending KFST's decision. As it is the original decision of KFST that is the basis for the civil proceedings, the decision of KFST is expected to interrupt the investigation without finding any violation of competition law to be an important factor in the assessment in the further civil proceedings.

In the light of the Appeal Board's decision to remit the case to the Competition Council, it may be concluded that even though the civil proceedings are still pending, there are at present no substantive basis for the claims made. A decision was announced in the first of these three civil proceedings on 16 February 2022 when the judgment in the case against Eurotag Danmark A / S was announced. The court ruled in favor of Nordic Waterproofing and has not been appealed and thus the matter is closed. In the remaining two civil proceedings, judgment was rendered on 17 May 2022 in favor of Nordic Waterproofing. One of the opposing parties has appealed to the next instance. As before, Nordic Waterproofing considers that the allegations made are unfounded and unjustified and no cash outflow is expected, after which no provision has been made.

NOTE 35 AUDIT FEES AND EXPENSES

SEK m	2022	2021
	Deloitte	Deloitte
Statutory audit	4.3	3.9
Other assurance services	0.2	0.2
Tax consulting	0.0	0.0
Other services	0.0	0.0
Total	4.6	4.1
	Other	Other
Statutory audit	1.2	0.6
Tax consulting	0.1	0.0
Other services	0.0	0.0
Total	1.3	0.6

NOTE 36 STATEMENT OF CASH FLOWS**ACCOUNTING POLICIES**

The statement of cash flows shows how income and changes in balance sheet items affect cash and cash equivalents, i.e. the cash generated or used in the period.

Cash from operating activities converts income statement items from the accrual basis of accounting to cash basis. As such, starting with operating profit/loss, non-cash items are reversed and actual payments included. Further, change in working capital is taken into account as this shows the development in money tied up in the balance sheet.

Cash from investing activities shows payments related to the purchase and sale of long-term investments. This includes fixed assets such as purchase and construction of new production sites, intangible assets and financial assets.

Cash from financing activities reports repayment of loans, finance leases, and payment of dividends.

Cash and cash equivalents consist of cash and bank balances.

The statement of cash flows is presented in accordance with the indirect method commencing with operating profit/loss for the year.

Cash flows in foreign currencies are translated to SEK at the average exchange rate for the respective month.

Cash and cash equivalents		
SEK m	2022	2021
The following subcomponents are included in cash and cash equivalents:		
Cash and bank balances	260.5	226.6
Total as per statement of financial position	260.5	226.6
Total as per statement of cash flows	260.5	226.6

Adjustment for non-cash items		
SEK m	2022	2021
Depreciation/amortization	157.9	139.8
Participations in associated company earnings	-36.2	-21.1
Profit on disposal of fixed assets	-10.7	0.0
Exchange-rate differences	-6.7	3.2
Other items	0.8	0.9
Total	105.0	122.7

NOTE 37 EVENTS AFTER THE REPORTING DATE

The group has discontinued two smaller operations, Nordic Takvård in Sweden and Nordic Build in Denmark.

The Annual General Meeting of Nordic Waterproofing Holding AB will be held on Thursday, April 27. The Board of Directors has proposed to the Annual General Meeting to pay a dividend of SEK 7.00 per share for the 2022 financial year.

RECONCILIATION OF DEVELOPMENT OF LOANS AND BORROWINGS TO FINANCING ACTIVITIES IN THE CASH FLOW STATEMENT:

SEK m	2021-12-31	Changes in accounting principles	Cashflow	Acquisitions/ Divestments	Translation differences	Changes in fair value valuation	Other	2022-12-31
Non-current financial liabilities	751.1	-	-1.4	4.2	27.1	-	-	781.0
Current financial liabilities	0.0	-	160.5	1.5	-	-	-	162.0
Leasing liabilities	152.5	-	-60.9	23.1	9.5	0.0	37.6	161.9
Total financial liabilities	903.6	0.0	98.2	28.8	36.6	0.0	37.6	1,104.9

SEK m	2020-12-31	Changes in accounting principles	Cashflow	Acquisitions/ Divestments	Translation differences	Changes in fair value valuation	Other	2021-12-31
Non-current financial liabilities	745.8	-	-3.1	2.9	5.6	-	-0.1	751.1
Current financial liabilities	0.0	-	-0.8	0.8	-	-	-	0.0
Leasing liabilities	96.7	-	-52.0	29.9	2.5	-	75.5	152.5
Total financial liabilities	842.5	0.0	-55.9	33.5	8.1	0.0	75.4	903.6

PARENT COMPANY STATEMENT OF PROFIT OR LOSS

SEK m	Note	2022	2021
Net sales		15.0	11.3
Gross profit/loss		15.0	11.3
Administrative expenses	2	-33.3	-29.7
Operating profit/loss (EBIT)		-18.4	-18.4
Result from financial items			
Result from shares in subsidiaries		150.0	200.0
Financial income	3	21.4	8.9
Financial expenses	4	-33.2	-13.9
Net finance items		138.2	195.1
Result after financial items		119.8	176.6
Appropriations	5	30.2	28.1
Profit before tax		150.0	204.7
Tax	6	-0.2	-1.4
Profit/loss after tax		149.8	203.4

PARENT COMPANY STATEMENT OF OTHER COMPREHENSIVE INCOME

SEK m		2022	2021
Other comprehensive income			
Profit for the period		149.8	203.4
Other comprehensive income		0.0	0.0
Comprehensive income for the period		149.8	203.4

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

SEK m	Note	2022	2021
ASSETS			
Non-current assets			
Shares in subsidiaries	7	908.4	903.0
Total non-current assets		908.4	903.0
Current assets			
Other current receivables from Group companies		439.0	249.3
Current tax assets		15.7	14.8
Other short-term receivables		1.3	1.6
Prepaid expenses and accrued income		0.1	0.0
Other current receivables		456.0	265.7
Cash and cash equivalents		133.0	165.8
Total current assets		589.1	431.5
TOTAL ASSETS		1,497.5	1,334.5
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital		24.1	24.1
Total restricted equity		24.1	24.1
<i>Non-restricted equity</i>			
Retained earnings including profit for the year	12	619.1	605.1
Total non-restricted equity		619.1	605.1
Total equity		643.2	629.2
Untaxed reserves	8	69.7	87.9
Non-current liabilities			
Long-term liabilities to credit institute	9	373.4	367.0
Long-term liabilities to Group companies		0.0	0.0
Total non-current liabilities		373.4	367.0
Current liabilities			
Current interest bearing liabilities		160.0	0.0
Trade payable		0.1	0.1
Short-term liabilities to Group companies		242.0	246.8
Tax liabilities		0.0	0.0
Other current liabilities		0.3	0.2
Accrued expenses and prepaid income	10	8.9	3.3
Total current liabilities		251.3	250.4
TOTAL EQUITY AND LIABILITIES		1,497.5	1,334.5
SUMMA EGET KAPITAL OCH SKULDER		1,334.5	1,334.5

Information on the Parent Company's contingent liabilities, see Note 12.

Information on the fees paid to the auditors, see Note 2.

Information on subsequent events, see Note 37 in the Consolidated financial statements.

Information on remuneration of the Executive Board and Board of Directors, see Note 7 in the Consolidated financial statements.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK m	Restricted equity	Non-restricted equity	Total equity
	Share capital	Retained earnings	
Opening balance, January 1, 2021	24.1	641.2	665.3
Dividend	-	-239.1	-239.1
Repurchase own shares	-	-20.0	-20.0
Provision for long-term incentive program	-	19.6	19.6
Profit/loss for the year	-	203.4	203.4
Closing balance, December 31, 2021	24.1	605.1	629.2

SEK m	Restricted equity	Non-restricted equity	Total equity
	Share capital	Retained earnings	
Opening balance, January 1, 2022	24.1	605.1	629.2
Dividend	-	-143.4	-143.4
Repurchase own shares	-	0.0	0.0
Provision for long-term incentive program	-	7.5	7.5
Profit/loss for the year	-	149.8	149.8
Closing balance, December 31, 2022	24.1	619.1	643.2

SUMMARY CASH FLOW STATEMENT PARENT COMPANY

SEK m	2022	2021
OPERATING ACTIVITIES		
Operating profit (EBIT)	-18.4	-18.4
Adjustment for non-cash items etc	-18.1	0.0
Interest received	21.4	8.9
Interest paid	-13.0	-8.3
Dividends received	150.0	200.0
Income tax paid/received	-1.1	4.5
Cash flow from operating activities before changes in working capital	120.9	186.6
CHANGES IN WORKING CAPITAL		
Increase (-)/Decrease (+) in operating receivables*	-157.1	-75.4
Increase (+)/Decrease (-) in operating liabilities*	-13.0	-217.2
Cash flow from operating activities	-49.3	-105.9
FINANCING ACTIVITIES		
Amortization of loans	0.0	0.0
Proceeds from loans	160.0	0.0
Repurchase of own shares	0.0	-20.0
Dividend	-143.4	-239.1
Cash flow from financing activities	-320.5	-259.0
Cash flow for the period	-32.7	-365.0
Cash and cash equivalents at the beginning of the period	165.8	530.7
Cash and cash equivalents at the end of the period	133.0	165.8
	2022	2021
SPECIFICATION OF NON-CASH ITEMS		
Incentive program	2.2	5.5
Unrealized exchange differences	-18.5	-3.7
Allocated arrangement fees	-1.8	-1.8
	20.3	0.0

NOTE 1 ACCOUNTING PRINCIPLES

The annual report have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2, Accounting for Legal Entities. Statements issued by the Swedish Financial Reporting Board have also been applied. It can be added that the parent company does not hold any leases. The accounting policies applied are presented in the relevant parts of the Group's accounting policies, with the following additions for the Parent Company.

SHAREHOLDERS' CONTRIBUTIONS TO SUBSIDIARIES AND GROUP CONTRIBUTIONS

Shareholder contributions are recognised directly in equity of the recipient, and capitalised in shares and participations of the contributor, to the extent that impairment is not required. Nordic Waterproofing Holding AB recognises Group contributions both paid and received as appropriations.

PARTICIPATIONS IN SUBSIDIARIES

Participations in subsidiaries are recognised in the Parent Company using the cost method, less any impairment.

FINANCIAL INSTRUMENTS

Due to the relationship between accounting and taxation, the requirements for financial instruments under IFRS 9 are not applied in the Parent Company as a legal entity. The Parent Company applies the cost method in accordance with the Swedish Annual Accounts Act. Accordingly, non-current assets in the Parent Company are measured at cost and current assets according to the lowest value principle, with the application of impairment for expected credit losses according to IFRS 9 for assets that are debt instruments. For all other financial assets, impairment is based on the asset's market value. The Parent Company's financial guarantees consist of guarantees on behalf of Group companies. The Parent Company applies the exception of not recognising financial guarantee contracts on behalf of subsidiaries, associated companies and joint ventures under the requirements of IFRS 9, but recognises financial guarantee contracts as provisions on the balance sheet when the company has an obligation for which payment is probable, otherwise the obligation is recognised as a contingent liability.

NOTE 2 AUDIT FEES AND EXPENSES

SEK m	2022	2021
	Deloitte	Deloitte
Statutory audit	1.0	0.8
Other assurance services	0.0	0.0
Tax consulting	0.0	0.0
Other services	0.0	0.1
Total	1.0	0.9

NOTE 3 FINANCIAL INCOME

SEK m	2022	2021
Interest income from subsidiaries	21.4	8.9
Unrealized exchange differences	0.0	0.0
Total	21.4	8.9

NOTE 4 FINANCIAL EXPENSES

SEK m	2022	2021
Interest expenses to credit institutes	-11.0	-5.4
Allocated arrangement fees	-1.8	-1.8
Unrealized exchange differences	-18.5	-3.7
Other financial expenses	-2.0	-2.9
Total	-33.2	-13.9

NOTE 5 APPROPRIATIONS

SEK m	2022	2021
Tax allocation reserves	18.2	3.1
Group contributions	12.0	25.0
Total	30.2	28.1

NOTE 6 TAXES

SEK m	2022	2021
Tax expense for the period	-0.2	-1.4
Tax due to changed taxation	0.0	0.0
Current tax	-0.2	-1.4
Deferred tax for temporary differences	-	-
Deferred tax	-	-
Total reported tax expenses	-0.2	-1.4

RECONCILIATION OF EFFECTIVE TAX

	2022	2021
Profit/loss before tax	150	205
Tax according to current tax rate	-30.9	-42.2
Non-deductible costs	-0.3	-0.1
Non-taxable revenue	31.0	41.2
Other - tax effect of merger	-	-0.3
Reported effective tax	-0.2	-1.4

NOTE 7 SHARES IN SUBSIDIARIES

SEK m	2022	2021
ACCUMULATED COST		
Opening balance, 1 January	903.0	889.0
Shareholders contribution	5.4	14.0
Closing balance, 31 December	908.4	903.0

Refer to note 13 for the consolidated financial statement.

Nordic Waterproofing Holding AB holds 100% of the shares in Nordic Waterproofing Group AB.

NOTE 8 UNTAXED RESERVES

SEK m	2022	2021
Tax allocation reserve regarding the taxation of 2016	-	-
Tax allocation reserve regarding the taxation of 2017	21.6	18.5
Tax allocation reserve regarding the taxation of 2018	21.2	21.6
Tax allocation reserve regarding the taxation of 2019	24.8	21.2
Tax allocation reserve regarding the taxation of 2020	-	24.8
Tax allocation reserve regarding the taxation of 2021	1.8	-
Tax allocation reserve regarding the taxation of 2022	0.3	1.8
Total	87.9	87.9

NOTE 9 INTERESTBEARING LIABILITIES

SEK m	2022	2021
Long-term liabilities		
Long-term liabilities to Credit institutes	377.9	371.6
Allocated arrangement fees	-4.5	-4.6
Total	373.4	367.0

The finance agreement has a final maturity date in June 2025.

The loan and credit facilities bear variable interest and run without requiring repayment in instalments. See Note 33 for the Group.

NOTE 10 ACCRUED EXPENSES AND PREPAID INCOME

SEK m	2022	2021
Accrued wages and vacation pay liability	0.4	0.3
Accrued social costs	0.2	0.2
Accrued interest expenses	6.3	1.2
Other items	2.0	1.6
Total	8.9	3.3

NOTE 11 RELATED PARTIES

Nordic Waterproofing Holding AB is the Parent company of the Group. The Parent company is a Swedish company with the corporate identity number 556839-3168 domiciled in Helsingborg. The address to the companies and the Group's registered office is Rönnowsgatan 12, 252 25 Helsingborg, Sweden. The following capital owners are listed in the company's shareholder's register as owners of at least 5% of the votes or the capital: Kingspan Group PLC Kingscourt Ireland, Handelsbanken Funds Stockholm, Third Swedish National Pension Fund Stockholm and Alcur Funds Stockholm.

OWNERSHIP STRUCTURE

The number of shareholders has decreased with ca 200, from ca 6,500 to ca 6,300.

The largest shareholders in Nordic Waterproofing Holding AB, as per 30 December 2022, are stated below.

Owner	Number of shares	Capital, %	Votes, %
Kingspan Group PLC	5,805,641	24.1%	24.2%
Handelsbanken Funds	1,797,132	7.5%	7.5%
Third Swedish National Pension Fund	1,350,000	5.6%	5.6%
Alcur Funds	1,230,816	5.1%	5.1%
Carnegie Funds	928,011	3.9%	3.9%
Danske Invest	725,407	3.0%	3.0%
Clients Funds	713,200	3.0%	3.0%
Avanza Pension	582,675	2.4%	2.4%
ODDO BHF Asset Management	580,967	2.4%	2.4%
RAM Rational Asset Management	546,961	2.3%	2.3%
Total 10 largest shareholders	14,260,810	59.2%	59.4%
Other shareholders	9,739,028	40.4%	40.6%
Total number of votes	23,999,838	99.7%	100.0%
Treasury shares	84,097	0.3%	n/a
Total number of shares	24,083,935	100.0%	n/a

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".

NOTE 12 CONTINGENT LIABILITIES**ACCOUNTING POLICIES**

A contingent liability is disclosed when there is a possible commitment that originates from events occurred and the existence of which is confirmed only by one or more uncertain future events beyond the Parent company's control, or when there is a commitment that is not recognized as a liability or provision on the grounds that it is not likely that an outflow of resources will be required or cannot be calculated with sufficient reliability.

SEK m	2022	2021
CONTINGENT LIABILITIES		
Guarantees for the benefit of subsidiaries	224.5	160.9
Total contingent liabilities	224.5	160.9

Security in the form of guarantee commitments has been made for the benefit of subsidiaries completion guarantees for contractor projects of SEK 224.5 m (160.9) at the reporting date.

NOTE 13 PROPOSED APPROPRIATION OF PROFIT**PROPOSED APPROPRIATION OF PROFIT****At the disposal of the Annual General Meeting:**

SEK	2022
Balanced profits	469,246,900
Results for the year	149,825,703
Retained earnings at the end of the year	619,072,603

The Board of Directors proposes that profits be used as follows:

SEK	2022
SEK 6.00 per share will be distributed to shareholders	167,998,866
Balanced on a new account	451,073,737
Total	619,072,603

STATEMENT BY THE EXECUTIVE BOARD AND THE BOARD OF DIRECTORS

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Nordic Waterproofing Holding AB for the financial year 1 January – 31 December 2022.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Swedish Annual Accounts Act, and the Parent Company Financial Statements have been prepared in accordance with the Swedish Annual Accounts Act. Management's Review has been

prepared in accordance with the Swedish disclosure requirements for listed companies.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for the financial year 1 January – 31 December 2022.

In our opinion, Management's Review gives a true and fair statement of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Helsingborg, March 30, 2023

EXECUTIVE BOARD

Martin Ellis
President and CEO

THE BOARD OF DIRECTORS

Mats O. Paulsson
Chairman

Leena Arimo

Hannele Arvonen

Steffen Baungaard

Riitta Palomäki

Hannu Saastamoinen

Our audit report was submitted on 28 March 2022,
Deloitte AB

Jeanette Rosberg
Authorized Public Accountant

AUDITORS REPORT

To the general meeting of the shareholders of Nordic Waterproofing Holding AB (publ)
corporate identity number 556839-3168

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Nordic Waterproofing Holding AB (publ) for the financial year 2022-01-01 - 2022-12-31. The annual accounts and consolidated accounts of the company are included on pages 63-109 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in

the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Carrying value of goodwill

Description of risk

The Group reports goodwill of SEK 1,203.4 million. The assessment of the value of goodwill depends on future returns and profitability in the cash-generating units to which the goodwill relates and is tested at least annually. Management bases its impairment test on a number of commitments and assessments such as sales growth, operating margin development and capital cost (WACC). Incorrect assessments and assumptions can have a significant impact on the Groups earnings and financial position. For further information, see notes 3 and 17 in the financial statements.

Our audit procedures

Our audit included, but is not limited to, the following audit procedures;

- Review and assessment of the procedures and internal controls for impairment testing of goodwill;
- Review that assumptions made are reasonable, that the valuation model is consistently applied, that integrity exists in inputs on which calculations are based; and
- Review of the completeness of relevant notes to the financial statements.

During the audit our valuation experts participated.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2-45, 52-62 and 114-116.

The other information also consist of the compensation report which we obtained before the date of this audit report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Nordic Waterproofing Holding AB (publ) for the financial year 2022-01-01 - 2022-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other

matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibilities for the audit of the management's administration is located at the Swedish Inspectorate of Auditors website:

www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description forms part of the auditor's report.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Nordic Waterproofing Holding AB (publ) for the financial year 2021.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Nordic Waterproofing Holding AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Deloitte AB, was appointed auditor of Nordic Waterproofing Holding AB (publ) by the general meeting of the shareholders on 2022-04-28 and has been the company's auditor since 2019-04-24.

Malmö March 30, 2023

Deloitte AB

Jeanette Roosberg

Authorized public accountant

FINANCIAL DEFINITIONS

The Group presents certain financial measures in the year-end 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. For a complete file with reconciliations of KPI's, see <https://www.nordicwaterproofing.com/en/financial-definitions/>

KEY FIGURES	DEFINITIONS	REASON FOR USE OF MEASURE
Capital employed	Total assets less non-interest-bearing provisions and liabilities	Relevant to demonstrate the proportion of the Company's assets that are related to the business.
Currency re-valuation effects	Net sales growth due to change in exchange rates	Relevant in order to assess how the sales develops from changed currency rates only.
EBIT (earnings before interest and taxes)	Operating profit.	Relevant to assess the Company's profitability.
EBIT margin	EBIT as a percentage of net sales.	Relevant to assess the Company's efficiency and value creation.
EBITDA (earnings before interest, taxes, depreciation and amortization)	Operating profit before depreciation, amortization and impairment of tangible and intangible assets.	Relevant to assess the Company's efficiency, excluding depreciation and amortization and acquisition-related items.
EBITDA margin	Operating profit before depreciation, amortization and impairment of tangible and intangible assets as a percentage of net sales.	Relevant to assess the Company's efficiency and value creation.
Equity/assets ratio	Shareholders' equity, including non-controlling interests, as a percentage of total assets.	Relevant to assess the Company's abilities to fulfill its financial obligations.
FTE	Full Time Equivalent.	Relevant to assess the Company's efficiency.
Gross margin	Gross profit as a percentage of net sales.	Relevant to assess the Company's efficiency and value creation.
Interest cover ratio	Profit after net financial items plus interest expenses in relation to interest expenses.	Relevant to assess the company's ability to cover its own interest expenses.
Interest-bearing net debt	Interest-bearing liabilities less cash and cash equivalents.	Measurement to assess the Company's total interestbearing indebtedness.
Interest-bearing net debt/EBITDA	Net interest-bearing debt in relation to EBITDA.	Relevant to illustrate the financial risk and to follow-up the interestbearing indebtedness of the Company.
Net debt	Interest-bearing and non-interest-bearing liabilities less cash and cash equivalents.	Measurement to demonstrate the Company's total indebtedness.
Net debt/EBITDA	Net debt in relation to EBITDA.	Relevant to illustrate the financial risk and to follow-up the indebtedness of the Company.
Net debt/equity ratio	Net debt in relation to shareholders' equity.	Relevant to describe the Company's financial risk.
Operating cash conversion	Cash flow from operating activities as a percentage of EBITDA.	Relevant to illustrate how efficient the company is at creating a real cash flow from its operations.
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.	Relevant to demonstrate underlying growth in local currency.

FINANCIAL DEFINITIONS

KEY FIGURES	DEFINITIONS	REASON FOR USE OF MEASURE
R12	The most recent twelve months/rolling twelve-month period.	Relevant to evaluate a KPI over a longer period than one quarter.
R4Q/4	Average value of the latest four quarter's closing balance.	Relevant to evaluate a KPI over a yearly business cycle.
Return on capital employed	EBIT as a percentage of average capital employed, calculated as the average of the last four quarter's closing balances.	Relevant to assess the Company's efficiency and value creation.
Return on capital employed excluding goodwill	Operating profit (EBIT) as a percentage of average capital employed, excluding goodwill, calculated as the average of the latest four quarter's closing balances.	Relevant in order to assess the Company's efficiency and value creation without taking goodwill into account.
Return on shareholders' equity	Profit after tax attributable to parent company shareholders as a percentage of average shareholders' equity, excluding non-controlling interests.	Relevant in order to assess how the Company uses its assets to create profit in the company.
Structural effects	Net sales growth for enterprises acquired and sold off.	Relevant in order to assess how the sales develops without impact from structural changes.

GLOSSARY

TERM	EXPLANATION
BIM (Building Information Modeling)	BIM is a process of creating and using an intelligent 3D model to inform and convey project decisions. BIM solutions can project, visualize, simulate and collaborate, resulting in greater clarity for all stakeholders throughout the life cycle of the project. BIM makes it easier to achieve project and business goals.
Bitumen	Bitumen, also known as asphalt, is a sticky, black and highly viscous liquid or semi-solid form of petroleum which constitutes the waterproofing component in roof felt.
EPDM	EPDM rubber (ethylene propylene diene monomer M-class rubber) a type of synthetic rubber, is an elastomer characterized by a wide range of applications.
Flat roof	Roofing with a gradient of less than approximately 14°.
FTE	Full Time Equivalent.

TERM	EXPLANATION
Pitched-roof	Roofing with a gradient of more than approximately 14°.
PVC	Polyvinyl chloride is the world's third-most widely produced synthetic plastic polymer, after polyethylene and polypropylene. PVC comes in two basic forms: rigid (sometimes abbreviated as RPVC) and flexible.
SBS	Styrene-Butadiene-Styrene, an elastomeric compound which is added to bitumen to increase the flow characteristics and improves the low-temperature flexibility and fatigue resistance of roof felt.
TPO	Thermoplastic olefin (TPO), or olefinic thermoplastic elastomers refer to polymer/filler blends usually consisting of some fraction of a thermoplastic, an elastomer or rubber, and a filler.

NORDIC WATERPROOFING ON THE INTERNET, IN YOUR MOBILE AND ON YOUR TABLET

Keep track of Nordic Waterproofing's performance via the Group's website at www.nordicwaterproofing.com.

ANNUAL REPORT

Nordic Waterproofing only distributes a paper version of the Annual Report to those who have specifically requested a copy. If you wish to receive a paper copy of the Annual Report, it can be ordered on the company's website.

NEWS ABOUT PRODUCTS AND SOLUTIONS

At www.nordicwaterproofing.com you can follow the development and successes of the various products and solutions that we offer our customers.

SUBSCRIBE TO INFORMATION

Via e-mail, you can choose to subscribe to our financial reports, press releases and share information.

Nordic Waterproofing Holding AB is a Swedish public limited liability company domiciled in Helsingborg, Sweden. Corporate registration number: 556839-3168. LEI code: 549300T8MZ5GQREJW94.

The Annual Report is published in Swedish and English. The Swedish language version is the original and in the case of discrepancies between the versions, the Swedish version shall prevail. For environmental reasons, Nordic Waterproofing does not print the 2022 Annual Report. The Annual Report is available in its entirety at the company's website www.nordicwaterproofing.com. The 2022 Annual Report was published in March 2023.

All values are expressed in Swedish kronor. Kronor is abbreviated to SEK and millions of kronor to SEK m. Unless otherwise stated, figures in parentheses relate to the preceding financial year, 2021.

FINANCIAL PRESENTATIONS – WATCH LIVE ON DEMAND

Watch presentations in conjunction with quarterly reports or other events. The majority of presentations can be followed live or watched later on our website.

FINANCIAL CALENDAR 2022

April 25	Interim Report, January–March 2023
April 27	Annual General Meeting
July 20	Interim Report, January–June 2023
October 26	Interim Report, January–September 2023

This report contains future-oriented information based on Nordic Waterproofing's current expectations. No guarantee can be provided that these expectations will prove correct. Accordingly, results could differ materially from those implied in the forward-looking statements as a result of, among other factors, changes in economic, market and competitive conditions, change in the regulatory environment and other government actions, fluctuations in exchange rates and other factors.

This annual report was produced in collaboration with Stakeholder communication (contents) and Carlund & Co (graphic production), Sweden.

INFORMATION ABOUT

ANNUAL GENERAL MEETING 2022

The Annual General Meeting of Nordic Waterproofing Holding AB, will take place on Thursday, April 27.

NOTIFICATION TO ATTEND THE ANNUAL GENERAL MEETING

The complete notification convening the Annual General Meeting will be available on the company's website www.nordicwaterproofing.com/en/shareholder-meetings/

To participate in the meeting and to be able to exercise their voting rights, shareholders must be included in the share register maintained by Euroclear Sweden AB by Thursday, seven days at the latest prior to the Annual General Meeting, and notify the company of their intention to participate by the same day.

Shareholders who have registered their shares with a trustee must have temporarily registered their shares in their own name seven days prior to the Annual General Meeting.

PROPOSALS TO ANNUAL GENERAL MEETING 2022

The Board of Directors and the CEO propose that shareholders be paid a cash dividend of SEK 7.00 per share (6.00).

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, Germany and Latvia. Nordic Waterproofing also provides installation services through wholly-owned subsidiaries in Finland, through a part-owned company in Norway 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 Matak, Trebolit, Phønix Tag Materialer, Kerabit, Byggpartner, SealEco, Distri Pond, SPT-Painting, Taasinge Elementer, RVT, EG-Trading, Playgreen, Vesikattopalvelu, Gordon Low, Annebergs Limtrae, Urban Green and Veg Tech. Nordic Waterproofing is listed in the Mid Cap segment on Nasdaq Stockholm with the stock ticker NWG. In 2022 the Group had Net sales of SEK 4,343 m and 1,365 employees in 10 countries.

NORDIC WATERPROOFING

NORDIC WATERPROOFING HOLDING AB, org. nr 556839-3168
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