

Stable sales in a challenging market, EBITDA matches last year's

Third quarter of 2023

- Consolidated net sales increased by 7 percent to SEK 1,212 m (1,132), of which acquisitions 4 percent, currency effects 7 percent and organic development -4 percent
- Net sales in Product & Solutions amounted to SEK 860 m (831) and in Installation Services to SEK 398 m (337)
- Gross profit decreased to SEK 306 m (317) Gross margin decreased to 25.3% (28.0%)
- EBITDA decreased to SEK 159 m (162), EBITDA margin decreased to 13.1% (14.3%)
- Operating profit (EBIT) decreased to SEK 115 m (128), EBIT margin decreased to 9.5% (11.3%)
- ROCE amounted to 10.8 percent (16.1)
- Cash flow from operating activities amounted to SEK 149 m (244)
- Earnings per share before and after dilution were SEK 3.49 (4.34) and SEK 3.47 (4.32), respectively

January-September 2023

- Consolidated net sales increased by 4 percent to SEK 3,415 m (3,298), of which acquisitions 6 percent, currency 5 percent and organic development -7 percent
- Net sales in Product & Solutions amounted to SEK 2,562 m (2,626) and in Installation Services to SEK 988 m (799)
- Gross profit decreased to SEK 857 m (933), Gross margin decreased to 25.1% (28.3%)
- EBITDA decreased to SEK 375 m (470), EBITDA margin decreased to 11.0% (14.2%)
- Operating profit (EBIT) decreased to SEK 246 m (364), EBIT margin decreased to 7.2% (11.0%)
- Cash flow from operating activities amounted to SEK 248 m (266)
- Earnings per share before and after dilution were SEK 6.98 (11.83) and SEK 6.95 (11.76), respectively

Financial key ratios

Amounts in SEKm unless otherwise stated	Q3 2023	Q3 2022	Change	9M 2023	9M 2022	Change	R12 2023	12M 2022
Net sales	1,212	1,132	7%	3,415	3,298	4%	4,461	4,343
Gross profit	306	317	-3%	857	933	-8%	1,108	1,184
Gross margin %*	25.3%	28.0%	-2.7pp	25.1%	28.3%	-3.2pp	24.8%	27.3%
EBITDA*	159	162	-2%	375	470	-20%	489	583
EBITDA margin, %*	13.1%	14.3%	-1.2pp	11.0%	14.2%	-3.2pp	11.0%	13.4%
EBIT	115	128	-11%	246	364	-33%	312	430
EBIT margin, %*	9.5%	11.3%	-1.8pp	7.2%	11.0%	-3.8pp	7.0%	9.9%
Return on capital employed, %*	n/a	n/a	n/a	n/a	n/a	n/a	10.8%	16.1%
Net profit	82	104	-22%	163	283	-43%	210	330
Cash flow from operating activities	149	244	-39%	248	266	-7%	341	360
Net debt*	985	895	10%	985	895	10%	985	912
Earnings per share before dilution, SEK	3.49	4.34	-20%	6.98	11.83	-41%	8.99	13.83
Earnings per share after dilution, SEK	3.47	4.32	-20%	6.95	11.76	-41%	8.95	13.76

Conference call

A conference call for investors, analysts and media will be held today, 26 October 2023, at 10:00 am CEST and can be joined online at <https://events.teams.microsoft.com/>. Presentation materials will be available on <https://www.nordicwaterproofing.com> one hour before the call.

To participate from computer, use link above. To participate via phone, please use conference id 274 150 289# on any of below numbers:

From Sweden: +46 8 502 428 90 From Denmark: +45 32 72 66 61

From United Kingdom: +44 20 7660 8326 From Finland: +358 9 85 626 548

Unless otherwise stated, figures within parentheses refer to the preceding year or the corresponding period in the preceding year in respect of income statement and/or cash flow items and the end of the preceding year in respect of balance sheet items. *For definitions and reconciliations of financial and alternative key performance indicators, please see page 26.

Message from the CEO

Stable sales in a challenging market,
EBITDA matches last year's

Consolidated net sales in the third quarter increased by 7 percent to SEK 1,212 million compared to SEK 1,132 million last year. Impact from acquisitions of 4 percent, currency translation of 7 percent and organic development of -4 percent whereof sales price had no impact and volume development was -4 percent. Organic development was -4 percent in Products & Solutions while Installation Services were unchanged.

EBIT for the third quarter amounted to SEK 115 million, compared to SEK 128 million last year. The negative development in operating profit is mainly explained by increased competition in the market for synthetic rubber waterproofing membranes that has led to lower volumes and margins. Overall, our Group has achieved an operating result on par with last year.

ROCE now stands at 10.8 percent (16.1). Cash flow from operating activities amounted to SEK 149 M (244), the decrease was mainly due to changes in working capital, where inventories decreased while operating receivables and liabilities developed negatively.

We have seen continued slightly deflated costs for our input materials. Our expectation for commercial new build remains slightly negative while demand for renovation seems stable. Residential new build is expected to remain depressed in the short-term. We have effected cost reductions throughout our Group to adapt to the current business climate.

The Products & Solutions operating segment increased Net Sales by 3 percent (11). The impact from acquisitions was 3 percent and currency translation effects were 5 percent, organic development was -4 percent (5) of which impact from sales price was neutral and volume decreased by -4 percent.

The Bitumen-based waterproofing business in Sweden showed an increase in Net Sales while the other three Nordic markets had slightly negative development. The trend was neutral for both volumes and prices compared with the same period last year. SealEco, our synthetic rubber waterproofing business, had a decline in sales in most of its markets.

In our prefabricated wooden elements business, Taasinge group had a decline in sales in Denmark while Norway had a positive sales development. Seikat in Finland had a slightly negative development in sales. The Taasinge group has had negative sales trend while margin development has been positive, although still at an unsatisfactory level. Order books are on good levels in all three markets.

Sales development of our green infrastructure businesses, sold under the brands Veg Tech and Urban Green, had a slightly positive growth compared to the third quarter 2022.



President and CEO

Jan-Sep 2023

Net sales:

SEK 3,415 m (3,298)

EBITDA:

SEK 375 m (470)
11.0% (14.2%)

EBIT:

SEK 246 m (364)
7.2% (11.0%)

ROCE (R12):

10.8% (16.1%)

The Installation Services operating segment grew by 18 percent (20) to SEK 398 M. The impact from acquisitions was 7 percent and currency translation effects were 11 percent, organic development was 0 percent (3), of which 2 percent was sales price increases and volume development was -2 percent. In Finland, which represents the largest part of our Installation Services, we saw unchanged margins. In Norway, where we face some operational challenges, we had a negative development in volume and weaker margins. In Denmark, our franchise companies reported operating profit on a par with the previous year.

We continue to focus on growth via organic market share gains and selective acquisitions which our balance sheet continues to allow for. We have a strategic focus to promote sustainable building solutions and enhance our service and product portfolio.

Helsingborg, 26 October 2023



Martin Ellis,
President and CEO

The Group

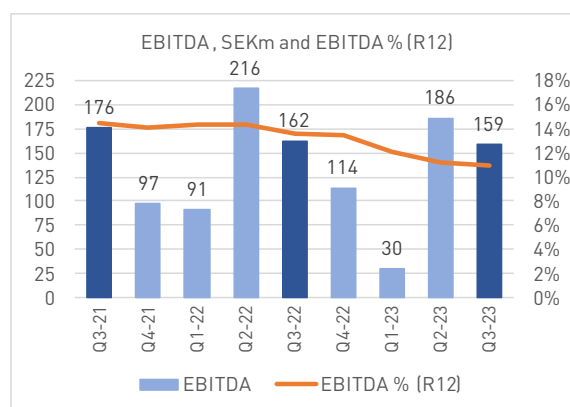
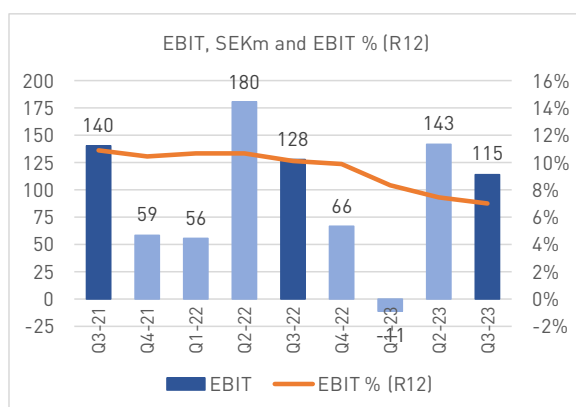
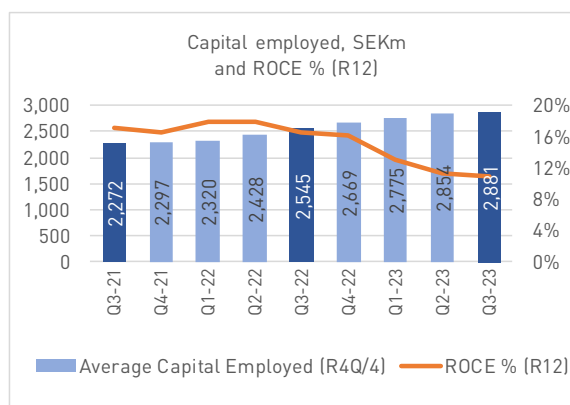
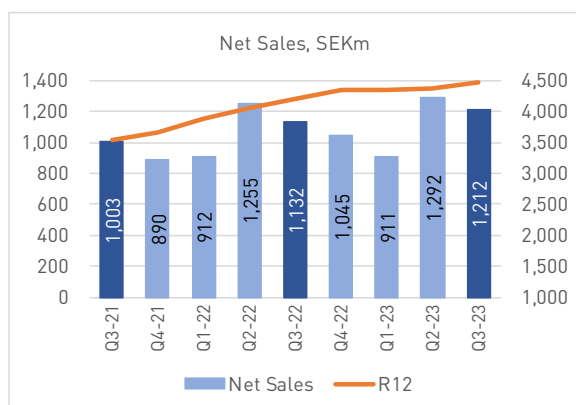
Net sales

Consolidated net sales for the third quarter increased with 7 percent to SEK 1,212 m (1,132). Organic development was -4 percent, of which sales price had no impact and volume development was -4 percent, impact from acquisitions was 4 percent and currency translation effects were 7 percent.

Consolidated net sales for the period January – September increased with 4 percent to SEK 3,415 m (3,298). Organic development was -7 percent, of which 5 percent was sales price increases and volume development was -12 percent, impact from acquisitions was 6 percent and currency translation effects were 5 percent.

Analysis of net sales	Q3 2023 (%)	Q3 2023 (SEK m)	9M 2023 (%)	9M 2023 (SEKm)
Previous period		1,132		3,298
Organic growth	-4%	-40	-7%	-244
Structural effects	4%	47	6%	208
Currency effects	7%	74	5%	154
Current period	7%	1,212	4%	3,415

Sales in Denmark decreased by -4 percent compared with the corresponding period in the preceding year, sales of both bitumen based waterproofing and prefabricated wooden elements had a negative development. Organic development was -17 percent, acquisitions 3 percent and currency changes had a positive impact with 10 percent. In Sweden sales increased by 11 percent. Sales in Norway decreased by -13 percent whereof organic development was -10 percent and currency changes had a negative impact with -2 percent. In Finland sales increased by 31 percent in the quarter whereof impact from acquisitions was 10 percent, organic development was 8 percent and currency translation effects were positively affecting by 13 percent. Sales to other countries in Europe decreased with -10 percent in the quarter.



Operating profit (EBIT), EBITDA and ROCE

Operating profit (EBIT) for the third quarter decreased to SEK 115 m (128) and the EBIT margin decreased to 9.5 percent (11.3). The negative development in gross profit and operating profit is mainly explained by decreasing volumes and lower margins for our synthetic rubber waterproofing. The profitability for our synthetic rubber waterproofing membranes is on a satisfactory level, however lower than last year. In total the other business units have an EBIT on the same level as last year, however with some variances.

Operating profit (EBIT) for the period January - September decreased to SEK 246 m (364) and the EBIT margin decreased to 7.2 percent (11.0).

EBITDA for the third quarter decreased to SEK 159 m (162) and the EBITDA margin is decreased to 13.1 percent (14.3).

EBITDA for the period January - September decreased to SEK 375 m (470) and the EBITDA margin decreased to 11.0 percent (14.2).

Return on capital employed (ROCE) on a rolling 12 months basis was 10.8 percent (16.1) after the third quarter, being below our long-term financial target of 13.0 percent. The reduction is mainly explained by the decreased profitability.

Net financial items

Net financial items for the third quarter of 2023 amounted to SEK -14 m (1). The negative development is mainly explained by increased interest cost that had a negative impact of SEK -16 M (-6).

Net financial items for the period January - September amounted to SEK -37 m (-9). The negative development is mainly explained by increased interest cost that had a negative impact of SEK -39 M (-13).

Profit or loss before and after tax

The profit before tax for the third quarter amounted to SEK 100 m (129) and profit after tax amounted to SEK 82 m (104). The effective tax rate was 18.9 percent in the quarter.

The profit before tax for the period January - September amounted to SEK 209 m (356) and profit after tax amounted to SEK 163 m (283). The effective tax rate was 22.0 percent.

Risks and uncertainties

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

The consequences of the increased interest rates and a decrease in the market for new built construction as well as maintenance is being closely followed by the company to mitigate the impact from these events as much as possible.

The management of risk at Nordic Waterproofing is based on a structured process for continually identifying and assessing risks, their likelihood, and their potential impact on the Group. The focus is on identifying controllable risks and managing the risks to reduce the overall risk level for the business.

On the 29 April 2020 the Danish Competition and Consumer Authority (Konkurrence- og Forbrugerstyrelsen) decided to finally close the investigation of the roofing felt market. By the decision, the Council closed the whole matter without taking any further steps. Related to this, three local competitors have raised claims for financial losses allegedly

incurred by them. The first case was up in court in December 2021 and verdict was delivered on 16 February 2022 in favour of Nordic Waterproofing. Verdict in the remaining two cases was delivered on 7 May 2022 in favour of Nordic Waterproofing. Both latter two losing parties appealed the court's decision, however one of them has been closed due to bankruptcy and only one counterpart remains.

In the opinion Nordic Waterproofing, the situation remains that there are no grounds for these claims and no provisions have been made.

The risks are further described in the Group's 2022 Annual Report.

Cash flow

Cash flow from operating activities during the third quarter was SEK 149 m (244). The cash flow had a negative impact from a lower operating profit and negative changes in operating receivables and liabilities, while reduced inventories had a positive impact.

Cash flow from investing activities during the third quarter was SEK -5 m (-109).

Cash flow from financing activities during the third quarter was SEK -116 m (-17). During the third quarter, the loan of SEK 90 million raised in the second quarter was amortized and options for shares in subsidiaries of SEK 5,7 m were paid.

Investments and depreciations

Gross investments excluding acquisitions during the third quarter of 2023 amounted to SEK 13 m (16), while depreciation amounted to SEK -17 m (-16). Right-of-use depreciations relating to IFRS 16 amounts to SEK -16 m (-10). Amortizations of intangible assets amounted to SEK -11 m (-8), primarily consisting of amortizations of customer relations in the acquired companies.

Gross investments excluding acquisitions during January - September 2023 amounted to SEK 57 m (61), while depreciation amounted to SEK -46 m (-44). Right-of-use depreciations relating to IFRS 16 amounts to SEK -48 m (-39). Amortizations of intangible assets amounted to SEK -34 m (-22), primarily consisting of amortizations of customer relations in the acquired companies.

Financial position and liquidity

Nordic Waterproofing's principal external financing agreement has final maturity date in June 2025. It contains a EUR 75.0 m (75.0) term loan facility and a EUR 40.0 m (40.0) revolving loan facility, of which EUR 14.4 m is allocated to the Group cash pool overdraft facility. The loan and credit facilities bear variable interest and run without requiring repayment in instalments. The financing agreement contains financial covenants that are monitored and followed up on a quarterly basis. At the end of the third quarter Nordic Waterproofing is compliant with the covenants as per the facility agreement.

The consolidated interest-bearing net debt amounted to SEK 940 m at the end of the period, compared with SEK 844 m at the end of 2022 and SEK 861 m at the end of corresponding period in the preceding year. The increase in net debt of SEK 79 m compared to the end of 2022 is mainly explained by that a dividend of SEK 167 M has been distributed to our shareholders.

Consolidated cash and cash equivalents amounted to SEK 154 m (260) at the end of the period. SEK 0 m (0) of the Group's total overdraft facility of SEK 165 m (160) was utilized at the end of the quarter.

Indebtedness calculated as net interest-bearing debt/EBITDA during the most recent twelve-month period was 1.9x (1.4x) at the end of the period, and the net debt/equity ratio was 0.5x (0.5x).

Pledged assets and contingent liabilities

There were no significant changes during the period.

Employees

The average number of employees during the third quarter of 2023 (expressed as full-time equivalents) was 1,355 compared with 1,455 during the same period in the preceding year. The decrease is driven by divested companies and reductions for increased efficiency.

The average number of employees in the parent company has been 1 (1).

Significant events during the period

- On September 13, Kingspan Holding (IRL) Limited announced that Kingspan had passed the threshold for a mandatory offer and owns shares which in total corresponds to 30.9 percent of the shares and votes in Nordic Waterproofing. Thereby, the threshold for a mandatory offer in accordance with the Swedish Takeover Act was exceeded. According to Kingspan's press release, Kingspan intends to launch a mandatory offer for the remaining shares in Nordic Waterproofing within four weeks from 13 September at a price of SEK 160 per share, which corresponds to the price that Kingspan has paid in the acquisition triggering the mandatory offer.

Significant events after the reporting period

- On October 10, 2023, Kingspan made a mandatory offer of SEK 160 per share to the shareholders of Nordic Waterproofing (the "Offer"). The acceptance period for the Offer is estimated to commence on or about 23 November 2023 and expire on or about 1 February 2024

Financial targets

Nordic Waterproofing's target for the return on capital employed (ROCE) is at least 13 percent. The outcome after the third quarter of 2023 on a rolling 12-month basis was 10.8 percent. The decrease is driven by reduced profitability.

The interest-bearing net debt/EBITDA-ratio shall not exceed 3.0 times. The outcome after the third quarter of 2023 (R12) was 1.9 times.

The sales growth target to exceed the growth in the Group's current markets through organic growth, in addition to expected growth through selective acquisitions. It is the opinion of the Group that we have been on par with or outperformed the market growth on our most relevant markets with the exception of synthetic rubber membranes where we see a slight loss of market share.

Sustainability within Nordic Waterproofing

The Group's sustainability work during the year has been focused on various activities that will contribute to reaching our goals for 2025:

- 50 percent emission of CO₂ (scope 1&2)
- 25 percent emission of CO₂ through our value chain (scope 3)
- 50 percent recycled waste and no waste goes to landfill

Furthermore, the work to prepare the group to comply with the new regulation CSRD (Corporate Sustainability Reporting Directive) has been initiated and for all business units a double materiality analysis has been carried out as a basis for decisions on relevant key performance indicators, targets, and policies.

Further information about the Group's sustainability work can be found in the Annual Report for 2022 and on our website.

The parent Company

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

Incentive programs

The Company has established three incentive programs ("LTIP 2021", "LTIP 2022" and "LTIP 2023"). The total cost, including social security charges, is estimated to be SEK 10-14 m for each program, during the period of the program, under the assumption of an average annual growth of operating profit (EBIT) before items affecting comparability of 10 percent. 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. The maximum number of shares that can be granted under the LTIP 2021, LTIP 2022 and LTIP 2023 are 62,408, 70,733 and 83,081 respectively, considering persons having left the Company. During the second quarter has the LTIP 2020 been finalised and 81,175 shares earned in the program has been distributed to the participants, During the third quarter, the remaining 3,777 vested shares were distributed. As per 30 September 2023, Nordic Waterproofing Holding AB owns itself 91,946 (84,097) treasury shares.

Treasury shares	2023	2022
Owned treasury shares as per 1 January	84,097	176,334
Distributed shares in LTIP 2019 (2018)	-	- 92,237
Distributed shares in LTIP 2020 (2019)	- 84,952	-
Acquired treasury shares	92,801	-
Treasury shares as per 30 September	91,946	84,097

Shares and share capital

As per 30 September 2023, the share capital amounted to SEK 24,084 thousand and the total number of issued shares were 24,083,935. The Company has one (1) class of shares. Each share entitles the holder to one vote at general meetings.

As per 30 September 2023, Nordic Waterproofing Holding AB had ca 6,100 shareholders and owns itself 91,946 treasury shares (0.4 percent of the total number of issued shares) following the share buyback program in connection with the long-term incentive programs.

There have not been any changes in number of issued shares and share capital during the third quarter of 2023. As a consequence of the distribution of shares from LTIP 2020 and acquisition of treasury shares the number of treasury shares has been reduced from 84,097 to 91,946 shares.

Ownership structure

The number of shareholders has during the quarter decreased with ca 600, from 6.700 to ca 6.100.

The largest shareholders in Nordic Waterproofing Holding AB, as per 30 September 2023, are stated below.

Owner	Number of shares	Capital, %	Votes, %
Kingspan Group PLC	7,453,730	30.9%	31.1%
Samson Rock Capital LLP	1,290,454	5.4%	5.4%
Fidelity International (FIL)	1,203,072	5.0%	5.0%
Handelsbanken Funds	762,319	3.2%	3.2%
Avanza Pension	554,379	2.3%	2.3%
Carnegie Funds	548,213	2.3%	2.3%
Dimensional Fund Advisors	526,535	2.2%	2.2%
Canaccord Genuity Wealth Management	447,471	1.9%	1.9%
Danske Invest	340,407	1.4%	1.4%
ODDO BHF Asset Management	318,735	1.3%	1.3%
Total 10 largest shareholders	13,445,315	55.8%	56.0%
Other shareholders	10,546,674	43.8%	44.0%
Total number of votes	23,991,989	99.6%	100.0%
Treasury shares	91,946	0.4%	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".

Operating segments

Products & Solutions

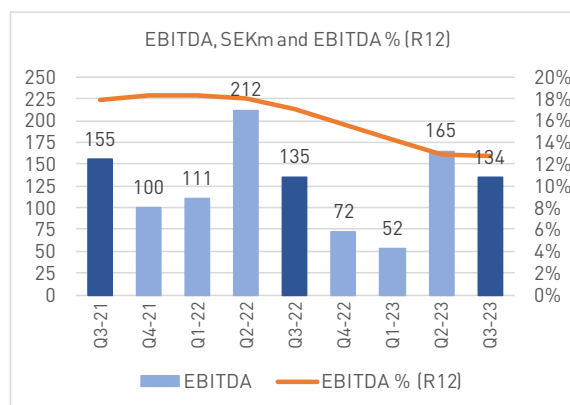
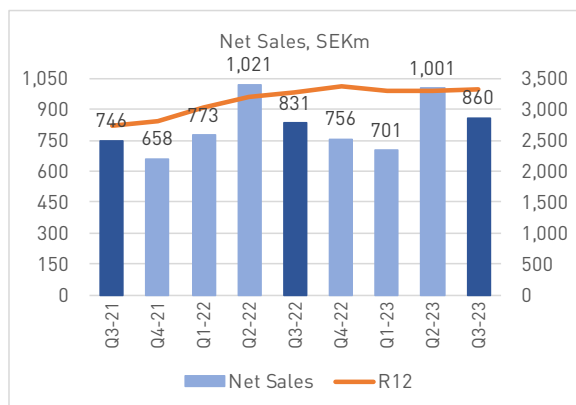
Net sales for the third quarter of 2023 increased by 3 percent compared with the corresponding period in the preceding year, amounting to SEK 860 m (831). Organic development was -4 percent of which impact from sales price were neutral and volume development were -4 percent, the impact from acquisitions was 3 percent and currency translation effects were 5 percent.

Sales in Denmark decreased by -4 percent compared to the corresponding period in the preceding year, whereof -17 percent organic, 3 percent from acquisitions and a positive currency effect of 10 percent. Sales in Finland decreased with -2 percent compared to corresponding period in the preceding year, whereof organic decrease was -33 percent, 23 percent from acquisitions and currency effects were positive with 7 percent. Sales in Sweden increased by 11 percent while sales in Norway increased by 1 percent whereof organic sales development was 3 percent and currency effects had a negative impact with -3 percent. Sales in other countries in Europe decreased by -10 percent in the quarter.

Analysis of net sales, Product & Solutions	Q3 2023 (%)	Q3 2023 (SEK m)	9M 2023 (%)	9M 2023 (SEK m)
Previous period		831		2,626
Organic growth	-4%	-33	-8%	-216
Structural effects	3%	24	2%	64
Currency effects	5%	38	3%	89
Current period	3%	860	-2%	2,562

Operating profit (EBIT) for Products & Solutions for the third quarter 2023 decreased and amounted to SEK 102 m (111). The EBIT margin was 11.8 percent (13.4). Operating profit (EBIT) for the period January – September 2023 decreased and amounted to SEK 256 m (379). The EBIT margin was 10.0 percent (14.4).

EBITDA amounted to SEK 134 m (135) and the EBITDA margin was 15.6 percent (16.3) in the third quarter. EBITDA for the period January – September 2023 amounted to SEK 352 m (458) and the EBITDA margin was 13.7 percent (17.4).



Installation Services

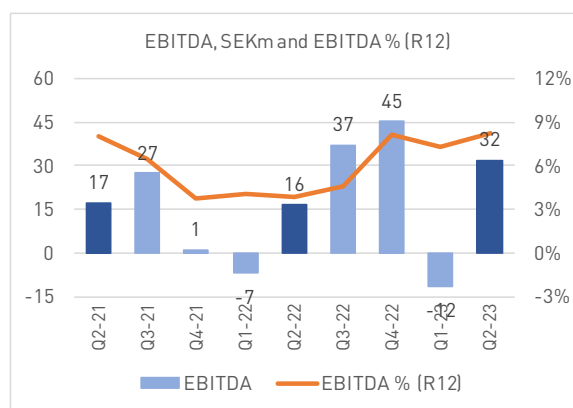
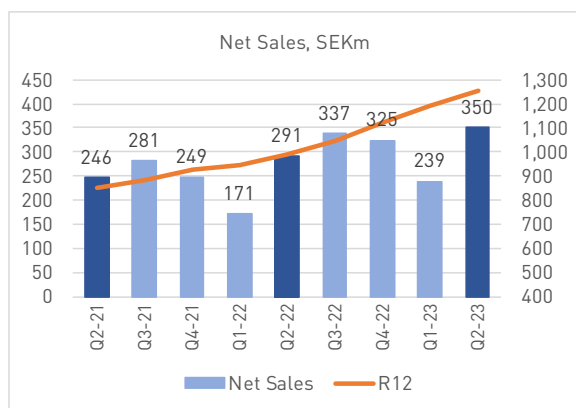
Business in this operating segment is primarily conducted in Finland, through a part-owned company in Norway, through the non-consolidated franchise companies in Denmark and through a wholly-owned subsidiary in Sweden. Net sales for the third quarter of 2023 increased by 18 percent compared with the corresponding period in the preceding year, amounting to SEK 398 m (337). Organic development was 0 percent of which 2 percent were sales price increases and volume development -2 percent, the impact from acquisitions was 7 percent and currency translation effects were 11 percent.

Sales in Finland increased with 39 percent consisting of 18 percent organic, 7 percent from acquisitions and positive currency effects with 14 percent. Sales in Norway decreased with -52 percent consisting of -51 percent organic and negative currency effects with -2 percent.

Analysis of net sales, Installation Services	Q3 2023	Q3 2023	9M 2023	9M 2023
	(%)	(SEK m)	(%)	(SEK m)
Previous period		337		799
Organic growth	0%	1	-3%	-21
Structural effects	7%	23	18%	144
Currency effects	11%	36	8%	65
Current period	18%	398	24%	988

Operating profit (EBIT) for Installation Services for the third quarter amounted to SEK 24 m (28). The EBIT margin was 6.1 percent (8.4) in the quarter. Operating profit (EBIT) for the period January – September 2023 amounted to SEK 24 m (22). The EBIT margin for the period January – September 2023 was 2.4 percent (2.8).

EBITDA amounted to SEK 35 m (37) and the EBITDA margin was 8.8 percent (11.0) in the third quarter. EBITDA for the period January – September 2023 amounted to SEK 56 m (46) and the EBITDA margin was 5.7 percent (5.8).



Note: both EBITDA and EBITDA %-age include the share of profit in associated companies

Quarterly data, IFRS and alternative measures

Key figures (SEKm)	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Net sales	1,212	1,292	911	1,045	1,132	1,255	912	890
EBITDA*	159	186	30	114	162	216	91	97
EBITDA margin, %*	13.1%	14.4%	3.3%	10.9%	14.3%	17.2%	10.0%	10.9%
Operating profit (EBIT)	115	143	-11	66	128	180	56	59
EBIT margin, %*	9.5%	11.0%	-1.3%	6.3%	11.3%	14.4%	6.1%	6.6%
ROCE (R12), %*	10.8%	11.4%	13.1%	16.1%	16.6%	17.9%	17.9%	16.6%
Net profit	82	103	-22	47	104	140	39	44
Cash flow from operating activities	149	157	-58	93	244	38	-15	92
Cashflow from operating activities (R12)*	341	437	317	360	358	215	292	220
Operating cash conversion (R12), %*	70%	89%	61%	62%	63%	37%	52%	43%
Interest-bearing net debt*	940	1081	997	844	861	976	762	677
Net debt*	985	1,131	1,058	912	895	1,009	855	770
Earnings per share before dilution, SEK	3.49	4.34	-0.84	2.00	4.34	5.84	1.65	1.91
Earnings per share after dilution, SEK	3.47	4.31	-0.83	2.00	4.32	5.80	1.64	1.90
Net sales by segment (SEKm)	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Products & Solutions	860	1,001	701	756	831	1,021	773	658
Installation Services	398	350	239	325	337	291	171	249
Group Items & Eliminations	-46	-59	-29	-35	-37	-57	-33	-17
Total	1,212	1,292	911	1,045	1,132	1,255	912	890
Net sales by country (SEKm)	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Sweden	224	272	146	193	203	254	138	158
Norway	155	162	146	181	177	180	136	132
Denmark	242	267	237	230	251	286	272	230
Finland	453	401	233	321	346	314	171	243
Europe	137	189	147	119	153	219	193	123
Rest of world	1	1	3	2	2	1	1	4
Total	1,212	1,292	911	1,045	1,132	1,255	912	890
EBITDA by segment (SEKm)	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Products & Solutions	134	165	52	72	135	212	111	100
Installation Services	35	32	-12	45	37	16	-7	1
Group Items & Eliminations	-11	-11	-11	-4	-10	-12	-12	-4
Total	159	186	30	114	162	216	91	97
EBIT by segment (SEKm)	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Products & Solutions	102	132	22	35	111	184	83	72
Installation Services	24	22	-22	36	28	9	-15	-8
Group Items & Eliminations	-11	-11	-11	-5	-11	-13	-13	-5
Total	115	143	-11	66	128	180	56	59

*For definitions and reconciliations of financial and alternative key performance indicators, please see page 26.

Management's statement

The Board of Directors and the President give their assurance that this interim report provides a true and fair view of the Group's and the Parent Company operations, position and earnings, as well as describing significant risks and uncertainties faced by the Parent Company and the other business units forming the Group.

Helsingborg, 26 October 2023

CEO

Martin Ellis
President & CEO

Board of Directors

Mats O. Paulsson
Chairman

Hannele Arvonen

Steffen Baungaard

Riitta Palomäki

Hannu Saastamoinen

This interim report has been reviewed by the company's auditor.

Review Report

To the shareholders in Nordic Waterproofing Holding AB

Introduction

We have reviewed the interim report for Nordic Waterproofing Holding AB (publ) for the period January 1–September 30, 2023. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act

Malmö 26 October 2023

Deloitte AB

Jeanette Roosberg
Authorized Public Accountant

Condensed consolidated key figures

Amounts in SEKm unless otherwise stated	Q3 2023	Q3 2022	9M 2023	9M 2022	R12 2023	12M 2022
Net sales	1,212	1,132	3,415	3,298	4,461	4,343
Gross profit	306	317	857	933	1,108	1,184
EBITDA*	159	162	375	470	489	583
Operating profit (EBIT)	115	128	246	364	312	430
Net profit	82	104	163	283	210	330
Gross margin, %*	25.3%	28.0%	25.1%	28.3%	24.8%	27.3%
EBITDA margin, %*	13.1%	14.3%	11.0%	14.2%	11.0%	13.4%
EBIT margin, %*	9.5%	11.3%	7.2%	11.0%	7.0%	9.9%
Cash flow from operating activities	149	244	248	266	341	360
Operating cash conversion, %*	n/a	n/a	n/a	n/a	70%	62%
Investments in tangible & intangible assets	-12	-15	-64	-61	-109	-105
Total assets	3,979	3,937	3,979	3,937	3,979	3,724
Capital employed*	2,872	2,767	2,872	2,767	2,872	2,859
Equity	1,777	1,680	1,777	1,680	1,777	1,754
Interest-bearing net debt*	940	861	940	861	940	844
Interest-bearing net debt/EBITDA, multiple*	n/a	n/a	n/a	n/a	1.9x	1.4x
Net debt*	985	895	985	895	985	912
Net debt/EBITDA, multiple*	n/a	n/a	n/a	n/a	2.0x	1.6x
Interest coverage ratio, multiple*	7.0x	21.7x	6.1x	24.9x	6.2x	17.3x
Equity/assets ratio, %*	44.8%	42.7%	44.8%	42.7%	44.8%	47.1%
Net debt/equity ratio, multiple*	0.5x	0.5x	0.5x	0.5x	0.5x	0.5x
Return on shareholders' equity, %*	n/a	n/a	n/a	n/a	12.6%	20.8%
Return on capital employed, %*	n/a	n/a	n/a	n/a	10.8%	16.1%
Return on capital employed excluding goodwill, %*	n/a	n/a	n/a	n/a	18.7%	27.9%
Average number of shares before dilution	23,991,360	23,999,838	23,965,432	23,943,471	23,974,034	23,957,563
Average number of shares after dilution	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935
Earnings per share before dilution, SEK	3.49	4.34	6.98	11.83	8.99	13.83
Earnings per share after dilution, SEK	3.47	4.32	6.95	11.76	8.95	13.76
Shareholders equity per share before dilution, SEK*	74.07	70.01	74.15	70.18	74.13	73.23
Shareholders equity per share after dilution, SEK*	73.79	69.77	73.79	69.77	73.79	72.84
Cash flow from operating activities per share before dilution, SEK*	6.20	10.17	10.32	11.10	14.21	14.99
Cash flow from operating activities per share after dilution, SEK*	6.17	10.14	10.28	11.06	14.16	14.94
Number of shares before dilution	23,991,989	23,999,838	23,991,989	23,999,838	23,991,989	23,999,838
Number of shares after dilution	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935

*For definitions and reconciliations of financial and alternative key performance indicators, please see page 26.

Condensed financial statements

Condensed consolidated statement of profit or loss and other comprehensive income

Amounts in SEKm unless otherwise stated	Q3 2023	Q3 2022	9M 2023	9M 2022	R12 2023	12M 2022
Net sales	1,212.0	1,131.5	3,415.4	3,298.1	4,460.7	4,343.4
Cost of goods sold	-905.6	-814.8	-2,558.8	-2,365.6	-3,352.4	-3,159.1
Gross profit/loss	306.5	316.7	856.6	932.5	1,108.4	1,184.3
Selling expenses	-131.5	-134.2	-398.4	-383.7	-544.9	-530.1
Administrative expenses	-69.0	-68.2	-219.9	-199.6	-293.0	-272.7
Research and development expenses	-1.4	-1.1	-4.5	-3.7	-5.8	-5.1
Other operating income	3.5	3.7	10.3	9.3	20.0	19.0
Other operating expenses	-0.7	-0.8	-21.6	-4.8	-23.7	-7.0
Share of profit in associated companies	7.3	12.1	23.3	14.2	51.2	42.1
Operating profit/loss (EBIT)	114.7	128.2	245.8	364.2	312.0	430.4
Net finance items	-14.3	0.7	-37.1	-8.7	-46.4	-17.9
Profit/loss before tax	100.4	128.9	208.7	355.5	265.7	412.6
Tax	-18.9	-24.7	-46.0	-72.5	-55.9	-82.4
Profit/loss after tax	81.5	104.2	162.7	283.0	209.8	330.1
Other comprehensive income						
Items that are or may be reclassified to profit/loss for the year						
Translation differences for the year in translation of foreign operations	-35.8	28.2	33.4	74.8	58.7	100.1
Gains/losses on hedging of currency risk in foreign operations	0.0	0.0	0.0	0.0	0.0	0.0
Gains/losses on raw material hedging, net	0.0	0.0	0.0	0.0	0.0	0.0
Tax on gains/losses on comprehensive income	0.0	0.0	0.0	0.0	0.0	0.0
Total other comprehensive income after tax	-35.8	28.2	33.4	74.8	58.7	100.1
Total comprehensive income after tax	45.8	132.4	196.1	357.8	268.5	430.2
Profit/loss for the year, attributable to:						
Owners of the company	83.6	104.1	167.4	283.2	215.5	331.3
Non-controlling interests	-2.1	0.1	-4.7	-0.2	-5.7	-1.2
Total comprehensive income for the year, attributable to:						
Owners of the company	48.4	132.2	200.2	357.8	273.2	430.8
Non-controlling interests	-2.6	0.1	-4.2	0.0	-4.7	-0.5
Average number of shares before dilution	23,991,360	23,999,838	23,965,432	23,943,471	23,974,034	23,957,563
Average number of shares after dilution	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935
Earnings per share before dilution, SEK	3.49	4.34	6.98	11.82	8.99	13.83
Earnings per share after dilution, SEK	3.47	4.32	6.95	11.75	8.95	13.76

Condensed consolidated balance sheet

Amounts in SEKm unless otherwise stated	30 Sep 2023	30 Sep 2022	31 Dec 2022
ASSETS			
Intangible assets	1,368.9	1,294.0	1,360.6
Tangible assets	563.2	530.0	571.5
Financial assets	154.2	133.9	146.2
Deferred tax assets	16.2	12.8	13.4
Other non-current assets	19.1	17.8	11.2
Total non-current assets	2,121.7	1,988.5	2,102.9
Inventories	703.5	839.5	786.6
Trade receivables	742.8	669.8	420.0
Receivables for on-going construction contracts	151.7	140.1	101.9
Tax assets	32.0	0.0	0.2
Other receivables	73.3	74.4	51.9
Cash and cash equivalents	154.3	224.9	260.5
Total current assets	1,857.5	1,948.7	1,621.1
TOTAL ASSETS	3,979.2	3,937.2	3,724.0
EQUITY AND LIABILITIES			
Share capital	24.1	24.1	24.1
Reserves	171.3	113.6	138.5
Retained earnings including profit for the year	1,563.1	1,533.6	1,573.9
Equity attributable to owners of the Company	1,758.5	1,671.3	1,736.4
Non-controlling interests	18.6	9.0	17.9
Total equity	1,777.1	1,680.3	1,754.3
Non-current interest-bearing liabilities	878.6	869.3	881.6
Other non-current liabilities	41.3	33.3	50.6
Provisions	5.4	5.8	5.1
Deferred tax liabilities	135.1	122.8	132.3
Total non-current liabilities	1,060.4	1,031.3	1,069.7
Current interest-bearing liabilities	216.0	216.9	223.3
Trade payable	414.6	502.8	242.6
Payables for on-going construction contracts	96.0	58.5	56.9
Tax liabilities	42.7	93.3	27.7
Other current liabilities	372.4	354.1	349.6
Total current liabilities	1,141.7	1,225.6	900.0
TOTAL EQUITY AND LIABILITIES	3,979.2	3,937.2	3,724.0

Condensed consolidated statement of changes in equity

Specification of changes in equity (SEKm)	30 Sep 2023	30 Sep 2022	31 Dec 2022
<i>Equity attributable to owners of the Company</i>			
Opening balance	1,736.4	1,451.0	1,451.0
Profit for the period	167.4	283.2	331.3
Other comprehensive income	32.8	74.6	99.4
Transactions with non-controlling interest	-1.1	0.0	-9.5
Dividend	-167.3	-143.4	-143.4
Repurchase of treasury shares	Note 7	0.0	0.0
Costs for long-term incentive programs	5.3	5.9	7.5
Closing balance	1,758.5	1,671.3	1,736.4
<i>Equity attributable to non-controlling interest</i>			
Opening balance	17.9	9.0	9.0
Profit for the period	-4.7	-0.2	-1.2
Other comprehensive income	0.6	0.2	0.6
Acquisitions	4.8	0.0	9.9
Dividend	0.0	0.0	-0.5
Transactions with the Group's owners	0.0	0.0	0.0
Closing balance	18.6	9.0	17.9
SUM TOTAL EQUITY, CLOSING BALANCE	1,777.1	1,680.3	1,754.3

Condensed consolidated cash flow statement

Amounts in SEKm unless otherwise stated	Q3 2023	Q3 2022	9M 2023	9M 2022	R12 2023	12M 2022
Operating activities						
Operating profit (EBIT)	114.7	128.2	245.8	364.2	312.0	430.4
Adjustment for non-cash items etc	59.2	31.7	129.4	103.4	131.0	105.0
Interest received	-0.1	0.2	0.3	0.6	0.5	0.8
Interest paid	-16.4	-5.8	-39.3	-13.5	-49.3	-23.5
Dividends received	4.4	14.7	30.1	20.9	33.7	24.6
Dividends received from entities valued according to IFRS 9	0.0	0.0	1.2	0.0	1.6	0.4
Income tax paid/received	-15.3	-1.3	-67.4	-48.3	-139.8	-120.7
Cash flow from operating activities before changes in working capital	146.5	167.7	300.1	427.3	289.8	417.0
Changes in working capital						
Increase (-)/Decrease (+) in inventories	62.1	-58.5	93.4	-172.4	177.7	-88.0
Increase (-)/Decrease (+) in operating receivables	-83.1	31.6	-383.3	-320.5	-48.8	14.0
Increase (+)/Decrease (-) in operating liabilities	23.2	103.4	237.5	332.0	-77.7	16.8
Cash flow from operating activities	148.7	244.2	247.6	266.3	341.0	359.7
Investing activities						
Acquisition of intangible fixed assets	-1.1	0.3	-8.2	-1.4	-8.3	-1.5
Acquisition of tangible fixed assets	-11.4	-15.8	-48.4	-60.0	-91.5	-103.0
Divestments of tangible fixed assets	0.0	0.0	0.0	0.0	4.2	4.2
Acquisition of business, net cash impact	-2.2	-87.4	-12.6	-107.5	-32.9	-127.8
Divestments of business, net cash impact	0.0	0.0	9.1	0.0	9.1	0.0
Acquisition of participations in associated companies	-14.9	-0.3	-43.8	-0.5	-43.7	-0.3
Divestments of participations in associated companies	23.7	0.0	23.7	0.0	24.7	1.0
Change in other financial assets	1.4	-6.1	-10.0	-17.0	-2.3	-9.3
Cash flow from investing activities	-4.5	-109.3	-90.2	-186.3	-140.5	-236.7
Financing activities						
Amortization of loans	-109.9	-16.3	-144.3	-45.3	-161.2	-62.3
Proceeds from loans	0.0	0.0	91.0	160.0	91.5	160.5
Purchase of own shares	0.0	0.0	-15.0	0.0	-15.0	0.0
Dividend	0.0	0.0	-167.3	-143.4	-167.3	-143.4
Acquisition of participations in non-controlling interest	-5.7	-0.3	-21.0	-56.0	-21.0	-56.0
Divestment of participations in non-controlling interest	0.0	0.0	0.0	0.0	0.0	0.0
Dividend paid to non-controlling interests	0.0	0.0	0.0	0.0	-0.5	-0.5
Cash flow from financing activities	-115.6	-16.6	-256.6	-84.8	-273.5	-101.7
Cash flow for the period	28.6	118.2	-99.1	-4.8	-73.0	21.4
Cash and cash equivalents at the beginning of the period	135.6	104.7	260.5	226.6	224.9	226.6
Exchange-rate differences in cash and cash equivalents	-9.9	2.0	-7.0	3.1	2.4	12.5
Cash and cash equivalents at the end of the period	154.3	224.9	154.3	224.9	154.3	260.5

The parent company's income statement in summary

Amounts in SEKm unless otherwise stated	Q3 2023	Q3 2022	9M 2023	9M 2022	R12 2023	12M 2022
Net sales	3.0	2.5	14.0	12.5	16.4	15.0
Gross profit/loss	3.0	2.5	14.0	12.5	16.4	15.0
Administrative expenses	-4.7	-6.3	-20.4	-20.9	-31.4	-32.1
Other operating expenses	0.0	0.0	-1.3	-1.3	-1.3	-1.3
Operating profit/loss (EBIT)	-1.7	-3.9	-7.7	-9.7	-16.3	-18.4
Result from financial items						
Result from shares in subsidiaries	0.0	150.0	0.0	150.0	0.0	150.0
Other financial items	-3.6	-3.8	-11.5	-10.8	-12.4	-11.8
Net finance items	-3.6	146.2	-11.5	139.2	-12.4	138.2
Result after financial items	-5.3	142.3	-19.1	129.5	-28.8	119.8
Appropriations	0.0	0.0	0.0	0.0	30.2	30.2
Profit before tax	-5.3	142.3	-19.1	129.5	1.4	150.0
Tax	1.1	1.6	3.6	3.9	-0.5	-0.2
Profit/loss after tax	-4.2	143.9	-15.5	133.3	1.0	149.8

Other comprehensive income in summary

Other comprehensive income	Q3 2023	Q3 2022	9M 2023	9M 2022	R12 2023	12M 2022
Profit for the period	-4.2	143.9	-15.5	133.3	1.0	149.8
Other comprehensive income	0.0	0.0	0.0	0.0	0.0	0.0
Total other comprehensive income after tax	-4.2	143.9	-15.5	133.3	1.0	149.8

The parent company's balance sheet in summary

Amounts in SEKm unless otherwise stated	30 Sep 2023	30 Sep 2022	31 Dec 2022
ASSETS			
Shares in subsidiaries	908.5	903.1	908.4
Total non-current assets	908.5	903.1	908.4
Other current receivables from Group companies	483.6	492.4	439.0
Current tax assets	31.8	15.6	15.7
Other short-term receivables	0.0	0.1	1.3
Prepaid expenses and accrued income	0.2	0.0	0.1
Cash and cash equivalents	80.7	126.7	133.0
Total current assets	596.3	634.9	589.1
TOTAL ASSETS	1,504.8	1,538.0	1,497.5
EQUITY AND LIABILITIES			
Share capital	24.1	24.1	24.1
Retained earnings including profit for the year	422.9	596.7	619.1
Total equity	446.9	620.8	643.2
Untaxed reserves	69.7	87.9	69.7
Long-term liabilities to credit institue	377.3	371.3	373.4
Total non-current liabilities	377.3	371.3	373.4
Current interest-bearing liabilities	160.0	160.0	160.0
Trade payable	0.4	1.4	0.1
Short-term liabilities to Group companies	440.6	291.4	242.0
Other current liabilities	9.9	5.2	9.2
Total current liabilities	610.9	458.0	411.3
TOTAL EQUITY AND LIABILITIES	1,504.8	1,538.0	1,497.5

Notes

Note 1 – Accounting principles

The interim report is presented in accordance with IAS 34 “Interim Financial Reporting”, which has been approved by the EU. Furthermore, The Group applies the Swedish Annual Accounts Act (ÅRL) and the Swedish Financial Reporting Board’s recommendation RFR 1 Supplementary Accounting Rules for Corporate Groups.

The Group applies IFRS (International Financial Reporting Standards), which have been adopted by the EU. In addition to the financial statements and their connected notes, disclosures in accordance with IAS 34.16A are also presented in other parts of the interim report. The Parent Company applies recommendation RFR 2, Accounting for Legal Entities of the Swedish Financial Reporting Board and Chapter 9 of the Swedish Annual Accounts Act, Interim Reports. The accounting policies applied by the Group and the parent company correspond to the accounting policies applied in the preparation of the most recent annual report.

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

Note 2 – Seasonality

Nordic Waterproofing’s business is significantly affected by seasonal variations in the construction industry, where almost 60 percent of annual sales generally occur during the second and third quarters. The weakest period is the first quarter of the year, which, due to the winter, has accounted for less than 20 per cent of annual sales for the past three financial years. There is generally a planned inventory build-up, primarily of finished products, during the first six months of the year, which translates into a stock reduction during the third and fourth quarters as a result of increased activity in the market during the autumn. Urban Green and Veg Tech is the most weather dependent and also the most seasonal businesses, as deliveries and installation rarely take place during the winter months.

Note 3 – Effects of changes in accounting estimates and judgements

Significant estimates and judgements are described in Note 3 and Note 32 in the Annual Report for 2022. In the Group’s financial reports, an amended assessment has been made of the most probable outcome regarding earn-outs call/put options, as shown in Note 5 Financial instruments in this interim report. Otherwise, no essential changes have been made to these estimates or judgements which could have a material impact on the interim report.

Note 4 – Intangible assets

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

Intangible assets, carrying amounts SEKm, unless otherwise stated	Goodwill	Trade- marks	Customer relations	Other	Total
Opening balance, 1 January 2023	1,203	19	101	37	1,361
Investments	0	0	0	8	8
Acquisitions	24	0	0	0	25
Divestments and disposals	-10	0	0	0	-10
Reclassification	-15	0	11	8	4
Amortization	0	0	-27	-15	-42
Exchange-rate differences	21	0	2	1	24
Closing balance, 30 September 2023	1,224	19	88	38	1,369

Note 5 – Financial instruments

Financial instruments measured at fair value in the balance sheet consist of call/put options and contingent considerations from acquisitions. Call/put options and contingent considerations are recognized in the balance sheet items "Other non-current liabilities" and "Other current liabilities". The fair value of the call/put options and contingent considerations is based on probability weighted payments discounted at its present value, see further description in the Group's 2022 Annual Report. The fair value measurements belong to level 3 in the fair value hierarchy in IFRS 13.

2023-09-30	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								
Financial assets	26	-	-	128	154	-	-	-
Other non-current assets	19	-	-	-	19	-	-	-
Trade receivables	743	-	-	-	743	-	-	-
Other receivables ²	-	-	-	73	73	-	-	-
Receivables for on-going construction	152	-	-	-	152	-	-	-
Cash and cash equivalents	154	-	-	-	154	-	-	-
Total	1,094	-	-	202	1,295	-	-	-
Financial liabilities								
Non-current interest-bearing liabilities	879	-	-	-	879	-	-	-
Other non-current liabilities	2	40	-	-	41	-	-	40
Trade payable	415	-	-	-	415	-	-	-
Current interest-bearing liabilities	216	-	-	-	216	-	-	-
Other current liabilities ²	122	4	0	247	372	-	0	4
Total	1,633	43	0	247	1,923	-	0	43

2022-09-30	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								
Financial assets	24	-	-	110	134	-	-	-
Other non-current assets	18	-	-	-	18	-	-	-
Trade receivables	670	-	-	-	670	-	-	-
Other receivables ²	-	-	-	74	74	-	-	-
Receivables for on-going construction contracts	140	-	-	-	140	-	-	-
Cash and cash equivalents	225	-	-	-	225	-	-	-
Total	1,077	-	-	184	1,261	-	-	-
Financial liabilities								
Non-current interest-bearing liabilities	869	-	-	-	869	-	-	-
Other non-current liabilities	2	32	-	-	33	-	-	32
Trade payable	503	-	-	-	503	-	-	-
Current interest-bearing liabilities	217	-	-	-	217	-	-	-
Other current liabilities ²	115	0	0	239	354	-	-	0
Total	1,706	32	0	239	1,976	-	-	32

¹ To enable reconciliation against items in the balance sheet, items that do not constitute financial instruments that are valued at fair value as well as other assets and liabilities have been included in Other.

² At the time of publication of the report, the information was not fully available to categorize financial instruments correctly.

Financial instruments measured at level 3 per 30 September:

MSEK	2023	2022
Opening balance	66	91
Fair value movement in income statement	-4	-9
Acquisition	2	5
Paid	-21	-56
Exchange-rate differences	1	1
Closing balance	43	32

Fair value movement through income statement refers to the remeasurement of the put/call options and contingent considerations. For a description of valuation techniques and input data when valuing financial instruments at fair value, see note 32 in the Annual Report 2022. The remeasurement is attributable to a change in the assessment of forecasted EBITDA growth. During the third quarter, Nordic Waterproofing has settled and paid call/put option regarding Ripatti Oy, the remaining 20,84 percent of the shares has been acquired for SEK 5,7 million. The transaction had no effect on equity since the option has been treated as if it had been exercised upon the initial acquisition. During the second quarter, Nordic Waterproofing has settled and paid call/put option regarding Seikat Oy, the remaining 16 percent of the shares has been acquired for SEK 8,8 million. The transaction had no effect on equity since the option has been treated as if it had been exercised upon the initial acquisition. During the first quarter, Nordic Waterproofing settled part of the earn-out for Playgreen Oy in accordance with the agreement of SEK 5.4 million.

Note 6 – Operating segments

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

Information regarding net sales from external customers, EBITDA and operating profit (EBIT) broken down by segment is set out in the tables on pages 10-11.

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

Amounts in SEKm unless stated otherwise	Products & Solutions		Installation Services		Group Items and Eliminations		Nordic Waterproofing Group	
	9M 2023	9M 2022	9M 2023	9M 2022	9M 2023	9M 2022	9M 2023	9M 2022
Allocation of revenues external/internal								
Revenues from external customers	2,427	2,501	988	797	0	0	3,415	3,298
Revenues from other segments	134	124	0	4	-134	-127	0	0
Revenues, total	2,562	2,626	988	799	-134	-127	3,415	3,298
Allocation per country								
Denmark	746	810	0	0	0	0	746	810
Sweden	633	568	11	27	-2	0	642	595
Norway	393	397	81	112	-11	-16	463	493
Finland	314	293	894	650	-122	-111	1,086	831
Europe (excluding Nordic region)	471	557	2	7	0	0	473	564
Other countries	4	4	1	0	0	0	5	5
Total	2,562	2,628	988	797	-134	-127	3,415	3,298
Significant types of income								
Sale of goods	2,200	2,234	0	0	-134	-127	2,065	2,107
Construction contracts	362	394	988	797	0	0	1,350	1,191
Total	2,562	2,628	988	797	-134	-127	3,415	3,298
Time of revenue recognition								
At a certain point in time	2,200	2,234	0	0	-134	-127	2,065	2,107
Over time	362	394	988	797	0	0	1,350	1,191
Total	2,562	2,628	988	797	-134	-127	3,415	3,298
EBITDA	352	458	56	46	-32	-35	375	470
Depreciation & Amortisation	-96	-79	-31	-24	-2	-2	-129	-105
Operating profit (EBIT)	256	379	24	22	-34	-37	246	364
<i>Of which share of profit in associated companies</i>	<i>0</i>	<i>4</i>	<i>23</i>	<i>10</i>	<i>0</i>	<i>0</i>	<i>23</i>	<i>14</i>
Net finance items							-37	-9
Profit/loss after finance items but before tax (EBT)							209	355
Tax							-46	-73
Profit/loss for the year							163	283
<i>Assets</i>								
Intangible assets (goodwill & customer relations)	1,053	1,043	313	248	2	3	1,368	1,294
Property, plant and equipment	513	465	48	62	2	3	563	530
Participations in associated companies	0	0	126	108	0	0	126	108
Inventory	656	803	48	37	0	-1	703	839
Other assets	761	773	350	292	-125	-162	987	902
Non-allocated assets					231	264	231	264
Total assets	2,984	3,084	884	746	110	107	3,978	3,937
<i>Liabilities and Equity</i>								
Equity					1,776	1,670	1,776	1,680
Other liabilities	733	831	278	240	-123	-150	888	921
Non-allocated liabilities					1,314	1,336	1,314	1,336
Total liabilities and equity	733	831	278	240	2,967	2,855	3,978	3,937
Investments in tangible & intangible assets	50	56	6	5	0	0	56	61

Note 7 – Transactions with related parties

The Group has related party relationships with the associated companies as stated in Note 16 of the 2022 Annual Report. Transactions with related parties are priced on market terms. No transactions have taken place between Nordic Waterproofing and related parties that have materially affected the Group's financial position and results in the third quarter of 2023.

As also stated in Note 16 of the 2022 Annual Report, the Group has transactions with key persons in management positions. These transactions comprise salaries, benefits and pension commitments, as well as participation in, and distribution of shares from, the Group's incentive programs. During the second quarter 2023 have shares from the LTIP 2020 been distributed free of charge to key persons in management positions. Treasury shares has been credited with SEK 11.8 million and profit loss brought forward has been debited with the corresponding amount.

Note 8 – Acquisitions of businesses

Acquisitions during the first nine months 2023

During the year, one subsidiary acquisition, Dan Nilsson Tak AB, has been closed. The purchase price amounted to SEK 6.3 million and was financed through Nordic Waterproofing's existing credit facilities. The acquisition-related costs amounted to SEK 0.1 million and mainly consisted of consulting fees related to the acquisition process. These costs are included in the administration costs in the consolidated income statement. If the acquisitions had occurred on January 1, 2023, the group's pro forma net sales and profit for the year up to September 30, 2023, would have amounted to SEK 3,455 million and SEK 245 million. These amounts have been calculated using the subsidiary's results adjusted for:

- differences in accounting principles between the group and the subsidiary, and
- additional depreciation, which would have affected the result given that the fair value adjustment of intangible assets had been applied from January 1 2023, as well as the subsequent tax effects.

Some adjustments have been made to acquisition analyses attributable to acquisitions made in 2022.

Dan Nilsson Tak AB

On July 19, 2023, the Group, through Nordic Waterproofing AB, acquired an additional 32 percent of the shares in the Swedish company Dan Nilsson Tak AB. In 2021, Nordic Waterproofing AB acquired 48 percent of the shares in Dan Nilsson Tak AB and now owns a total of 80 percent of the shares. Through this partial step acquisition, Dan Nilsson Tak AB became a subsidiary of Nordic Waterproofing AB as Nordic Waterproofing gained control of Dan Nilsson Tak AB. The fair value at the time of acquisition of Nordic Waterproofing AB's holding of equity shares amounted to SEK 11.9 M, and as a result of revaluation to fair value, a profit in the Installation Services segment of SEK 0.9 M is reported within share of profit in associated companies. The purchase was financed through Nordic Waterproofing's existing credit facilities. The remaining non-controlling holding of 20.0 percent of the shares has been valued to the holding's proportional share of the fair value of identifiable net assets. The company is headquartered in Åhus in Sweden and installs bitumen-based roofing products. Dan Nilsson Tak AB has 19 employees and an annual turnover in 2022 of approximately SEK 70 million. Through the acquisition, Nordic Waterproofing AB strengthens its position on the local waterproofing market and secures a certain share of the market for products originating from Nordic Waterproofing. Dan Nilsson Tak AB will be reported within the Installation Services segment.

Blomstertak A/S

On February 3, 2023, Veg Tech AB acquired an additional 40 percent of the shares in Blomstertak A/S for a purchase price of NOK 1 and increased its ownership to 100 percent. The partial step acquisition has been made without any change in control and has been reported as a transaction between owners. Before the acquisition, the carrying value of the existing holding without determination of 40 percent amounted to approximately SEK -1.1 million. The Group reports an increase in non-controlling interests of approximately SEK 1.1 million and a decrease in equity attributable to the parent company's owners of the corresponding amount.

Acquisitions after the reporting period

No acquisitions have been made after the reporting period.

Acquisitions during the prior year

During the first nine months 2022, a total of three acquisition was made; On February 1, 100 percent of Gordon Low Limited was acquired, on July 1, 70 percent of VKP Holding Oy was acquired and on September 14, 100 percent of Anneberg Limtræ A/S was acquired. The acquisition analysis for these acquisitions is deemed to have

been established. For information on these acquisitions, related contingent purchase prices and written call/put options, see Note 14 in the Group's Annual Report for 2022.

The acquired companies' net assets in total on the respective acquisition dates:

Purchase consideration	9M	9M	12M
SEK m	2023	2022	2022
Cash paid	16.7	107.0	146.4
Call/put option	0.0	4.7	17.1
Vendor note and earn-out	1.6	-	8.5
Total purchase consideration	18.3	111.8	172.0

Acquisition analysis	9M	9M	12M
SEK m, unless otherwise stated	2023	2022	2022
Intangible assets	19.0	20.2	48.9
Tangible assets	0.1	8.3	10.4
Financial assets	0.0	0.0	0.4
Inventories	3.8	29.5	50.4
Trade and other receivables	17.1	28.6	49.4
Deferred tax asset	-0.6	0.1	0.1
Cash and equivalents	4.1	27.8	46.8
Provisions	0.0	0.0	0.0
Other non-interest bearing liabilities	-15.1	-40.8	-68.7
Interest bearing liabilities	0.0	-29.7	-35.1
Deferred tax liabilities	-3.8	-3.5	-9.7
Net assets and liabilities	24.7	40.5	92.9
Non-controlling interests	-4.0	0.0	-9.9
Fair value of earlier holdings	-11.9	0.0	-12.9
Goodwill	9.5	71.2	101.9
Consideration	18.3	111.8	172.0

Acquisition of business - net cash impact,	9M	9M	12M
SEK m	2023	2022	2022
Cash consideration	16.7	107.0	146.4
Less cash balances acquired	-4.1	-27.8	-46.8
Less redemption of loans	0.0	28.2	28.2
Net cash impact - investing activities	12.6	107.4	127.8

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

Divestments and disposals

During the first quarter, the wholly owned subsidiary Nordic Takvård AB was closed. The capital loss has been reported in other operating expenses and amounts to SEK -5.3 million. The closure has no material effects on the Group's sales or earnings.

During the first quarter, operations in the wholly owned subsidiary Nordic Build A/S were divested. The capital loss has been reported in other operating expenses and amounts to SEK -8.9 million. The closure has no material effects on the Group's sales or earnings.

Call/put options

The fair value of options is based on probability weighted payments discounted at its present value. For more information see Note 5 – Financial Instruments. Material non-observable input comprise:

- average EBITDA for 2022-2024
- average EBITDA for 2025-2026
- discount rate of 14,6%
- average EBITDA for 2022-2024
- discount rate of 10,8%
- average EBITDA for 2023-2024
- discount rate of 11,3%

The estimated fair value increases the higher the growth in 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. The maximum amount of payment is unlimited.

Definitions and reconciliations

Key performance indicators not defined according to IFRS

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

For a complete file with definitions and reconciliations of KPI's, see

<https://www.nordicwaterproofing.com/en/section/investors/interim-reports/>



About Nordic Waterproofing Group

Nordic Waterproofing is one of the leading providers in the waterproofing market in northern Europe. The Company provides high-quality products and solutions for waterproofing in Sweden, Finland, Denmark, Norway, Belgium, the Netherlands, Poland, the United Kingdom and Germany. Nordic Waterproofing also provides installation services through wholly owned subsidiaries in Finland, through part-owned companies in Norway and Sweden 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 Mataki, Trebolit, Phønix Tag Materialer, Kerabit, Byggpartner, SealEco, Distri Pond, Taasinge Elementer, RVT, EG-Trading, Vesikattopalvelu, Gordon Low, Annebergs Limtrae, Urban Green and Veg Tech. Nordic Waterproofing Holding AB is listed in the Mid Cap segment on Nasdaq Stockholm with the stock ticker NWG.

Business concept

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

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

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

Financial calendar

Year-end report, January-December 2023	6 February 2024
Annual report 2023	25 March 2024
Interim report, January-March 2024	25 April 2024
Annual General Meeting 2024	25 April 2024
Interim report, January-June 2024	17 July 2024
Interim report, January-September 2024	24 October 2024

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This interim report is information that Nordic Waterproofing Holding AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, on 26 October 2023, 08:00 a.m. CET.

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

The English version is a translation of the Swedish original. In the event of any differences, the Swedish version applies.

