

Nordic Waterproofing Holding A/S

Annual report 2015

CVR nr. 33 39 53 61

The Annual Report has been presented and adopted
at the Annual General Meeting of the company on
9 May 2016



Chairman of the Annual General Meeting

Company Address:

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Denmark

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Nordic Waterproofing Holding A/S

About the company

Address

Registered office:
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Ulf Gundemark (chairman)
Vilhelm Sundström
Holger C. Hansen
Christian Frigast
Jørgen Jensen

Executive Board

Martin Ellis

Auditors

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Nordic Waterproofing Holding A/S

Consolidated financial review

Seen over a five-year period the development of the Group is described by the following financial highlights:

	2015	2014	2013	2012	2011*
	SEK'000	SEK'000	SEK'000	SEK'000	SEK'000
Key figures					
Profit/loss					
Net sales	1.719.972	1.678.726	1.667.971	1.671.656	1.481.341
Operating profit/loss	142.642	121.517	122.236	77.072	74.001
Net financials	-26.845	-25.271	-30.078	-36.938	-32.296
Profit/loss for the year before tax	115.797	96.246	92.158	40.134	41.708
Tax on profit/loss for the year	-33.854	-19.358	-21.188	-12.972	-15.521
Net profit/loss for the year	81.943	76.888	70.970	27.162	26.187
Balance sheet					
Total assets	1.345.261	1.345.163	1.237.644	1.219.677	1.172.700
Net interest-bearing debt	-141.448	-259.043	-360.794	-404.151	-467.990
Equity	747.902	685.395	599.384	528.241	439.040
Cash flows					
Cash flows from:					
- operating activities	153.102	158.301	85.200	59.526	33.079
- investing activities	-28.837	-19.999	-15.768	-73.263	-800.344
- including investment in property, plant and equipment	-27.406	-15.255	-23.788	-19.162	-26.329
- financing activities	-74.950	-60.795	-51.261	15.882	803.999
Change in cash and cash equivalents for the year	21.909	62.252	-5.617	-17.017	10.405
Number of employees	634	644	635	634	623
Ratios - all in %					
Profit margin (operating profit/loss / net sales)	8,3%	7,2%	7,3%	4,6%	5,0%
Return on assets (operating profit/loss / total assets)	10,6%	9,0%	9,9%	6,3%	6,3%
Solvency ratio (equity / total assets)	55,6%	51,0%	48,4%	43,3%	37,4%

In a vertical merger of four holding companies Nordic Waterproofing Holding A/S became the ultimate parent company in the Nordic Waterproofing Group with effect from 1 January 2014. In substance no changes occurred from a share- and stakeholder perspective and therefore the consolidated accounts for 2011-2013 has been prepared as had the new holding structure been in place from the date of formation of the Nordic Waterproofing Group in 2011.

*) The financial figures for 2011 are not comparable to 2012-2015 as the financial figures for 2012-2015 are prepared in accordance with IFRS, while the financial figures for 2011 are prepared in accordance with Danish GAAP (Danish Financial Statments Act). Furthermore 2011 only covered a period of 11 months.

Management review

Main activity

The object of the Parent Company is to manage equity interests in Nordic Waterproofing Group 1 AB.

Nordic Waterproofing Group is a market leader in an attractive industry, offering reliable waterproofing products and services for the protection of buildings, infrastructure and other structures. The Group is an innovative manufacturer of polymer- and bitumen-based membranes for tight and waterrepelling elements for buildings. Our products are marketed under the strong brands Matak, Trebolit, Kerabit, Phønix Tag Materialer and SealEco, some of which date all the way back to the nineteenth century.

Development in the year and follow up on expectations from last year

The operations for the full-year 2015 were characterized by positive development, and we were able to increase the profitability despite the challenging market conditions in some of our markets. Our two business segments, Production & Solutions and Installation Services, reported stable and satisfactory sales. Three of our core markets; Denmark, Norway and Sweden continued to show a favorable sales trend, whereas Finland is continuing to adjust to a weak market, mainly as a consequence of the soft Russian market combined with the restricted domestic economy. In addition, the positive development in SealEco that started in 2014 has continued also into 2015 with a strong order intake and resulting increased sales.

Consolidated net sales for the full year 2015 rose to SEK 1,720 million compared to SEK 1,679 million in 2014 corresponding to a flat development in total when adjusted for currency effects. Market performance in the Nordic countries varied, as Sweden, Denmark and Norway grew whereas market growth in Finland decreased. Although a continued weak market in the fourth quarter in Finland, the order intake in Installation Service increased by 7 percent compared to the same period the previous year. The year-end order book was 30 percent above previous year indication a good start of 2016.

Raw material prices of bitumen-based products (which is to a large extent dependent on movements in oil prices) have decreased during the year, and have been beneficial for the consolidated results for 2015. At the same time, other raw material prices including SealEco's rubber compounds have been fairly stable during the year.

During 2015, the Group's main owner (the Danish private-equity company Axcel) decided to prepare the company for an initial public offering of the shares in the Company on the main Swedish stock exchange Nasdaq Stockholm. The initial public offering is intended to take place during 2016. Due to this, the income statement for 2015 has been affected by substantial expenses in connection to the contemplated owner changes. As part of the preparations, in September 2015 Ulf Gundemark was elected Chairman of the Board of Directors. In addition, Martin Ellis was appointed CEO and President of Nordic Waterproofing, replacing Holger C. Hansen who instead has joined the Board as deputy Chairman of the Board.

As from 2015, the Group's financial statements are prepared according to IFRS, and the effects of the conversion are shown separately in Note 39. The consolidated income statement for 2015 shows EBIT before items affecting comparability of SEK 182 million, a net profit of SEK 82 million, and the consolidated balance sheet at 31 December 2015 shows a balance sheet total of SEK 1,345 million and equity of SEK 748 million.

In light of general market trends, as well as expenses in connection to the contemplated initial public offering, the performance is considered very satisfactory and in line with expectations as regards net sales and profit higher than expected due to the reasons mentioned above.

Nordic Waterproofing Holding A/S

Expectations for 2016

For the full year 2016, Nordic Waterproofing Group expects the general market development to be similar to 2015 in most of its markets. The Group expects to fulfil its financial target to exceed the growth in its current markets through organic growth. For the same period, the Group expects an increased profit before tax, interest and items affecting comparability of approximately 10% compared to the full year 2015.

Research and development

The Group makes continuous efforts to develop its product programme, including introduction of eco-friendly products. In 2015, SEK 6.2 million was incurred for development compared to SEK 6.5 million in 2014. In addition, SEK 2.7 million were activated in connection with the development of the new product RubberShell, which was introduced during the summer.

Group specific risks

The Group is exposed to financial risks as interest rate risk, currency risk, raw material price risk and credit risk. Detailed information about these risks can be found in Note 30.

Nordic Waterproofing's business is affected by seasonal variations, the months of January, February and December being the weakest months. During the period 2012-2015, average sales in these three months accounted for approximately 16 per cent. of sales, whilst sales in the other nine months accounted for approximately 84 per cent. of sales. In general, there is a certain degree of stockpiling during the winter months, which transfers to a stock depletion during the summer months as a result of the increased activity on the market. The seasonal variations may affect the Group's turnover and earnings for the different quarters. If winter comes early, it may have the effect that many of the Company's customers choose to postpone planned projects, which, in turn, has an effect on annual earnings. The same applies if the winter is long and the season starts late in the year.

Intellectual capital resources

The Group is dependent on competent employees for the continuous development of its activities and, therefore, there is focus on currently attracting and retaining employees with the right competencies through individual career planning, focus on the objectives of the Group and training.

Statutory statement on Corporate Social Responsibility in accordance with section 99a of the Danish financial statements act

We refer to our UN Global Compact Report 2015 with regards to compliance with section 99a of the Danish Financial Statements Act. The CoP Report can be found at:
<https://www.unglobalcompact.org/participation/report/cop/create-and-submit/active/203591>.

Statutory statement on Corporate Social Responsibility in accordance with section 99b of the Danish financial statements act

The Parent Company Management is only membered by the newly appointed CEO Martin Ellis. Since the Parent Company has less than 50 employees, it is not required to state a policy on the underrepresented gender on other managerial levels. The Parent Company Board of Directors is currently only membered by male members, while the target figure for women in the Parent Company's Board of Directors is 15-20% no later than 2018. After an expected listing of the company it should be easier to attract a female member to the Board of Directors. The target of 15-20% applies to the Parent Company in the group only.

Nordic Waterproofing Holding A/S

Uncertainty relating to recognition and measurement and unusual matters

The Financial Statements for 2015 are not affected by any material uncertainty relating to recognition and measurement, except for the specific uncertainties regarding the on-going investigation by the Danish Competition and Consumer Authority and Hydrotec claim mentioned in Note 2 and Note 33. The Financial Statements are not affected by any other unusual matters.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Nordic Waterproofing Holding A/S

Consolidated statement of profit or loss

SEK 000s	Note	1 January - 31 December			
		2015	2014	2013	2012
Net sales	3, 4	1.719.972	1.678.726	1.667.971	1.671.656
Cost of goods sold	12	-1.258.157	-1.261.775	-1.271.118	-1.321.706
Gross profit/loss		461.815	416.951	396.853	349.950
Selling expenses	12	-215.821	-213.103	-205.258	-197.382
Administrative expenses	12	-128.312	-68.065	-66.259	-78.378
Research and development expenses	12	-6.169	-6.455	-5.677	-5.117
Other operating income	6	34.570	9.711	7.172	5.742
Other operating expenses	7, 12	-8.995	-24.891	-3.489	-2.577
Share of profit in associated companies	17	5.554	7.369	-1.106	4.834
Operating profit/loss	4, 8, 9	142.642	121.517	122.236	77.072
Finance income		547	3.889	861	1.439
Finance costs		-27.392	-29.160	-30.939	-38.377
Net finance items	10	-26.845	-25.271	-30.078	-36.938
Profit/loss before tax		115.797	96.246	92.158	40.134
Tax	11	-33.854	-19.358	-21.188	-12.972
Profit/loss for the year		81.943	76.888	70.970	27.162
Attributable to:					
Owners of the Company		81.835	77.506	70.977	26.832
Non-controlling interests		108	-618	-7	330
		<u>81.943</u>	<u>76.888</u>	<u>70.970</u>	<u>27.162</u>
Earnings per share before and after dilution (SEK)	13	7,09	6,71	6,15	2,40

Consolidated statement of other comprehensive income

SEK 000s	Note	1 January - 31 December			
		2015	2014	2013	2012
Profit/loss for the year		81.943	76.888	70.970	27.162
Other comprehensive income					
Items that may be reclassified to profit/loss for the year					
Exchange differences for the year in translation of foreign operations		-17.157	17.912	5.216	-7.378
Gains/losses on hedging of currency risk in foreign operations		5.075	-10.329	-6.550	6.577
Gains/losses on raw material hedging		-4.406	0	0	0
Tax on gains/losses on comprehensive income		-147	2.272	1.441	-1.729
Share of other comprehensive income in associated companies		19	149	154	-113
Other comprehensive income for the year		-16.616	10.004	261	-2.643
Total comprehensive income for the year		65.327	86.892	71.231	24.519
Comprehensive income for the year attributable to:					
Owners of the Company		65.200	87.361	71.084	24.302
Non-controlling interests		127	-469	147	217
Comprehensive income for the year		65.327	86.892	71.231	24.519

Nordic Waterproofing Holding A/S

Consolidated statement of financial position

SEK 000s	Note	As at 31 December			
		2015	2014	2013	2012
Assets					
Goodwill	14	598.406	614.139	590.072	581.620
Other intangible assets	15	8.650	12.519	15.618	20.905
Property, plant and equipment	16	187.093	181.977	181.084	182.424
Investments in associated companies	17	16.584	19.087	21.352	15.188
Receivables from associated companies		8.901	8.939	10.030	15.024
Other investments	18	1.827	1.970	2.191	2.111
Deferred tax assets	11	0	279	416	656
Other non-current receivables		4.129	2.319	2.343	2.816
Total non-current assets		825.590	841.229	823.106	820.744
Inventory	20	168.085	180.536	149.723	170.331
Trade receivables	22	117.950	123.502	141.936	128.628
Receivables for on-going construction contracts	21	21.613	20.630	27.017	17.974
Receivables from associated companies		10.805	8.489	13.186	18.088
Current tax assets		1.303	1.206	1.958	3.897
Other current receivables	19	12.679	25.651	8.375	8.109
Prepaid expenses	23	5.931	5.120	11.676	9.653
Cash and cash equivalents	24	181.305	138.800	60.667	42.253
Total current assets		519.671	503.934	414.538	398.933
Total assets		1.345.261	1.345.163	1.237.644	1.219.677
Equity					
Share capital	25	138	138	138	138
Reserves		-9.303	7.332	-2.523	-2.630
Retained earnings including profit for the year		757.792	675.502	597.960	526.983
Equity attributable to owners of the Company		748.627	682.972	595.575	524.491
Non-controlling interests		-725	2.423	3.809	3.750
Total equity		747.902	685.395	599.384	528.241
Liabilities					
Non-current interest-bearing liabilities	26	250.475	327.238	365.917	404.458
Other non-current liabilities		0	0	0	7.686
Provisions		4.880	0	0	0
Deferred tax liabilities	11	29.819	24.530	26.255	24.297
Total non-current liabilities		285.174	351.768	392.172	436.441
Current interest-bearing liabilities	26	72.278	70.605	55.544	41.946
Trade payable		73.988	78.226	65.377	78.467
Liabilities to Group companies		0	0	0	0
Tax liabilities		30.656	17.771	6.690	16.819
Other current liabilities	28	17.252	31.993	13.483	14.971
Accrued expenses	29	118.011	109.405	104.994	102.792
Total current liabilities		312.185	308.000	246.088	254.995
Total liabilities		597.359	659.768	638.260	691.436
Total equity and liabilities		1.345.261	1.345.163	1.237.644	1.219.677

Information on the Group's pledged assets and contingent liabilities, see Note 33.

Nordic Waterproofing Holding A/S

Consolidated statement of cash flows

SEK 000s	Note	1 January - 31 December			
		2015	2014	2013	2012
Operating activities					
Operating profit/loss		142.642	121.517	122.236	77.072
Adjustment for non-cash items etc	36	-5.950	40.956	20.051	16.011
Interest received		146	262	749	789
Interest paid		-12.663	-18.749	-25.294	-28.407
Dividends received from associated companies		6.946	7.226	3.356	3.443
Income tax paid		-13.242	-9.997	-27.207	-6.058
Cash flow from operating activities before working capital changes		117.879	141.215	93.891	62.850
Cash flow from working capital changes					
Increase (-)/Decrease (+) in inventories		8.004	-21.363	23.142	575
Increase (-)/Decrease (+) in trade receivable		-724	30.613	-5.603	18.812
Increase (-)/Decrease (+) in other operating receivables		9.852	5.728	-11.352	-2.125
Increase (+)/Decrease (-) in trade payable		-1.759	10.118	-13.163	-23.207
Increase (+)/Decrease (-) in other operating liabilities		19.850	-8.010	-1.715	2.621
Cash flow from operating activities		153.102	158.301	85.200	59.526
Investing activities					
Acquisition of property, plant and equipment		-27.406	-15.255	-23.788	-19.162
Disposal of property, plant and equipment		265	314	12.712	80
Acquisition of business, net cash impact	36	0	-7.222	0	-54.431
Acquisition of participations in associated companies		-336	-369	-2.305	0
Disposal of participations in associated companies		526	1.815	700	0
Increase in receivables in associated companies		-3.313	0	-3.140	0
Decrease in receivables in associated companies		2.895	718	0	163
Increase in other non-current receivables		-1.881	0	0	0
Proceeds from other financial investments		413	0	53	87
Cash flow from investing activities		-28.837	-19.999	-15.768	-73.263
Financing activities					
Proceeds from issue of share capital		0	0	0	54.494
Acquisition of participations in non-controlling interests		-2.820	-738	0	0
Proceeds from loans and borrowings		0	0	0	103
Repayment of borrowings		-72.130	-59.977	-51.173	-38.715
Dividends paid to non-controlling interests		0	-80	-88	0
Cash flow from financing activities		-74.950	-60.795	-51.261	15.882
Cash flow for the year		49.315	77.507	18.171	2.145
Cash and cash equivalents at beginning of year		138.800	60.667	42.253	41.818
Exchange-rate differences in cash and cash equivalents		-6.810	626	243	-1.710
Cash and cash equivalents at year-end		181.305	138.800	60.667	42.253

Nordic Waterproofing Holding A/S

Consolidated statement of changes in equity

SEK 000s	Note	Equity attributable to Parent Company shareholders				Total	Non-controlling interests	Total equity
		Share capital	Reserves for hedging	Translation reserve	Retained earnings			
Equity as at 1 Jan. 2012	39	124	0	-100	445.671	445.695	2.709	448.404
Total comprehensive income for the year								
Profit/loss for the year					26.832	26.832	330	27.162
Other comprehensive income for the year				-801		-801	-113	-914
Tax on gains/losses on comprehensive income				-1.729		-1.729		-1.729
Total comprehensive income for the year		0	0	-2.530	26.832	24.302	217	24.519
Transactions with the Group's owners								
Contributions from and distribution to owners								
New share issue		14			54.480	54.494		54.494
Total contributions from and distribution to owners		14	0	0	54.480	54.494	0	54.494
Changes in participating interest in subsidiaries								
Non-controlling interest arising from acquisition of subsidiaries						0	824	824
Total changes in participating interest in subsidiaries		0	0	0	0	0	824	824
Total transactions with the Group's owners		14	0	0	54.480	54.494	824	55.318
Equity as at 31 Dec. 2012		138	0	-2.630	526.983	524.491	3.750	528.241

SEK 000s	Note	Equity attributable to Parent Company shareholders				Total	Non-controlling interests	Total equity
		Share capital	Reserves for hedging	Translation reserve	Retained earnings			
Equity as at 1 Jan. 2013	39	138	0	-2.630	526.983	524.491	3.750	528.241
Total comprehensive income for the year								
Profit/loss for the year					70.977	70.977	-7	70.970
Other comprehensive income for the year				-1.334		-1.334	154	-1.180
Tax on gains/losses on comprehensive income				1.441		1.441		1.441
Total comprehensive income for the year		0	0	107	70.977	71.084	147	71.231
Transactions with the Group's owners								0
Contributions from and distribution to owners								0
Dividends						0	-88	-88
Total contributions from and distribution to owners		0	0	0	0	0	-88	-88
Changes in participating interest in subsidiaries								
Total changes in participating interest in subsidiaries		0	0	0	0	0	0	0
Total transactions with the Group's owners		0	0	0	0	0	-88	-88
Equity as at 31 Dec. 2013		138	0	-2.523	597.960	595.575	3.809	599.384

SEK 000s	Note	Equity attributable to Parent Company shareholders				Total	Non-controlling interests	Total equity
		Share capital	Reserves for hedging	Translation reserve	Retained earnings			
Equity as at 1 Jan. 2014	39	138	0	-2.523	597.960	595.575	3.809	599.384
Total comprehensive income for the year								
Profit/loss for the year					77.506	77.506	-618	76.888
Other comprehensive income for the year				7.583		7.583	149	7.732
Tax on gains/losses on comprehensive income				2.272		2.272		2.272
Total comprehensive income for the year		0	0	9.855	77.506	87.361	-469	86.892
Contributions from and distribution to owners								
Dividends						0	-80	-80
Total contributions from and distribution to owners		0	0	0	0	0	-80	-80
Changes in participating interest in subsidiaries								
Transactions with non-controlling interests					36	36	-837	-801
Total changes in participating interest in subsidiaries		0	0	0	36	36	-837	-801
Total transactions with the Group's owners		0	0	0	36	36	-917	-881
Equity as at 31 Dec. 2014		138	0	7.332	675.502	682.972	2.423	685.395

Nordic Waterproofing Holding A/S

SEK 000s	Equity attributable to Parent Company shareholders						Non-controlling interests	Total equity
	Note	Share capital	Reserves for hedging	Translation reserve	Retained earnings	Total		
Equity as at 1 Jan. 2015	39	138	0	7.332	675.502	682.972	2.423	685.395
Total comprehensive income for the year								
Profit/loss for the year					81.835	81.835	108	81.943
Other comprehensive income for the year			-4.406	-12.082		-16.488	19	-16.469
Tax on gains/losses on comprehensive income			970	-1.117		-147		-147
Total comprehensive income for the year		0	-3.436	-13.199	81.835	65.200	127	65.327
Transactions with the Group's owners								
<i>Total contributions from and distribution to owners</i>		0	0	0	0	0	0	0
Changes in participating interest in subsidiaries								
Transactions with non-controlling interests					455	455	-3.275	-2.820
Total changes in participating interest in subsidiaries		0	0	0	455	455	-3.275	-2.820
Total transactions with the Group's owners		0	0	0	455	455	-3.275	-2.820
Equity as at 31 Dec. 2015		138	-3.436	-5.867	757.792	748.627	-725	747.902

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Notes to the consolidated financial statements

Note 1 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB) as adopted by the EU and additional Danish disclosure requirement applicable for class C entities. In addition, the Group applies interpretations from IFRS Interpretations

The accounting policies in this note have been applied to the financial statement prepared as at 31 December 2015 and for the comparative information as per 31 December 2014, 31 December 2013, and 31 December 2012 and at the preparation of the opening statement of financial position at 1 January 2012 (time of Group's transition to IFRS). In Note 39, there is a compilation with explanations of how the transition from Danish GAAP (Danish Financial Statements Act for large companies category C) to IFRS affected the Group's financial position and performance. In addition to this, minor reclassifications have been made.

Below is a description of which accounting policies the Group applies as of 1 January 2012.

Basis of preparation of the financial statements

Assets and liabilities are recognised at historical cost, except 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.

Functional currency and presentation currency

The Parent Company's functional currency is Danish kronor (DKK) while 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 thousand, unless otherwise stated.

Significant applied accounting policies

The accounting policies stated below have, with the exceptions described in more detail, been consistently applied to all periods presented in the consolidated financial statements. The Group's accounting policies have also been consistently applied by the Group's companies, and associated companies' accounting policies have been adapted to the Group's policies where necessary.

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New IFRS that have not yet begun to be applied

A number of new or revised IFRS standards first enter into effect in future financial years, including IFRS 9 *Financial Instruments*, IFRS 15 *Revenue from Contracts with Customers* and IFRS 16 *Leases*. IFRS 9 concerns the reporting of financial instruments and will replace the existing standard IAS 39 as of 1 January 2018, while IFRS 15 contains new policies for revenue recognition which will also enter into effect on 1 January 2018. IFRS16 specifies how to recognise, measure, present and disclose leases and will come into effect on 1 January 2019. The impact on the company's financial statements from IFRS 9, IFRS 15, IFRS16 and other new or revised IFRS with future application, is currently being analyzed by management, hence the final conclusion has yet not been made. No new or revised IFRS that enter into effect in future financial years have been applied in advance in the preparation of these financial statements.

Applied exemptions in connection with the transition to IFRS

Business combinations that took place before the time of the transition to IFRS (1 January 2012) have not been recalculated, which is a permitted exemption in a transition to IFRS according to IFRS 1 *First-time Adoption of IFRS*.

Classification, etc.

Non-current assets and non-current liabilities essentially consist of amounts expected to be recovered or paid after more than 12 months from the reporting date. Current assets and current liabilities essentially consist of amounts expected to be recovered or paid within 12 months of the reporting date.

Operating segments

An operating segment is a part of the Group that conducts operations from which it can generate revenues 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. Two operating segments have been identified: "Products & Solutions" and "Installation Services", respectively.

Consolidation policies and business combinations

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.

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, except for those attributable to the issue of equity instruments or debt instruments, that arise are recognised directly in profit/loss for the year.

In business combinations where transferred consideration, any non-controlling interests and the fair value of previously owned participations (in step acquisitions) exceed the fair value of acquired assets and assumed liabilities that are accounted separately, the difference is reported as goodwill. When the difference is negative, the negative goodwill is recognised directly in the profit/loss for the year.

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Transferred consideration in connection with the acquisition does not include payments for the settlement of earlier business relationships. This kind of settlement is usually recognised in profit or loss.

Contingent considerations are recognised at fair value at the acquisition date. If the contingent consideration is classified as an equity instrument, no revaluation is done and settlement is done in equity. For other contingent considerations, they are revalued at every reporting date and the change is recognised in the profit/loss for the year.

If the acquisition does not involve 100% of the subsidiary, a non-controlling interest arises. There are two alternatives to recognise non-controlling interests. These two alternatives are to recognise the non-controlling interests' share of proportional net assets or that non-controlling interests are recognised at fair value, which means that non-controlling interests have a proportion of goodwill. The choice between the different alternatives for reporting non-controlling interests can be made case by case.

In 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 recognised in profit/loss for the year.

Remaining holdings are valued at fair value and changes in value are recognised in profit/loss when divestments lead to an end of a controlling influence.

Business combinations made before 1 January 2012 (date for the transition to IFRS)

For acquisitions that took place before 1 January 2012 goodwill has, after impairment testing, been recognised at a cost that corresponds to the carrying amount according to previously applied accounting policies. The classification and the accounting handling of business combinations that occurred before 1 January 2012 have not been reviewed according to IFRS 3 in the preparation of the Group's opening balance under IFRS at 1 January 2012.

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, adjustments have 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.

Acquisitions of non-controlling interests

Acquisitions from non-controlling interests are recognised as a transaction within equity, i.e. between the Parent Company shareholders (within retained earnings) and non-controlling interests. Goodwill therefore does not arise in these transactions. The change in non-controlling interests is based on their proportional share of net assets.

Sales to non-controlling interests

Sales to non-controlling interests, where a controlling influence remains, are recognised as a transaction within equity, i.e. between the Parent Company shareholders and non-controlling interests. The difference between received payments and the non-controlling interests' proportional share of acquired net assets is recognised under retained earnings.

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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% of the number of votes. The interest can temporarily exceed 50%, however as the intention of the Group is to remain a minority owner the interest shall decrease as soon as possibly viable. Therefore, temporary ownership exceeding 50% does not change the status of a associated company to subsidiary unless effects are considered to be substantial. The vast majority of the associated companies in the Group are customers to the Denmark subsidiaries, and also franchisees where they have access to the concepts and brands Phønix Tag and Hetag Tagdækning.

As of the date that controlling influence is obtained, participations in associated companies are recognised according to the equity method in the consolidated accounts. The equity method means that the value recognised in the Group of the shares in associated companies is matched by 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, amortisation, impairment losses and reversals of acquired surpluses or deficits is recognised 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. The Group's share of other comprehensive income in associated companies is recognised on a separate line in consolidated other comprehensive income.

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

Transaction costs, except for transaction costs attributable to the issue of equity instruments or debt instruments, that arise are included in the cost.

When the Group's share of recognised losses in the associated company exceeds the carrying amount of the participations in the Group, the value of the participations is reduced to zero. Adjustment for losses also takes place against long-term financial transactions without security, which financially constitute a part of the owner company's net investments in the associated company. Continued losses are not recognised insofar as the Group has not provided guarantees to/or de facto cover losses arising in the associated company. The equity method is applied until the date that significant influence ends.

Transactions eliminated upon consolidation

The intra-Group receivables and liabilities, revenues and expenses and unrealised profits or losses that arise from intra-Group transactions between Group companies, are eliminated in their entirety when preparing the consolidated accounts. Unrealised profits that arise from transactions with associated companies are eliminated insofar as they correspond to the Group's participating interest in the company. Unrealised losses are eliminated in the same manner as unrealised profits, but only insofar as there are no impairment requirements.

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 recognised in the profit/loss for the year. Non-monetary assets and liabilities that are recognised at historical cost are translated to the exchange rate on the transaction date. Non-monetary assets and liabilities recognised at fair value are translated to the functional currency at the exchange rate prevailing at the time of the fair value measurement.

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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 recognised in other comprehensive income and accumulated in a special reserve, called a translation reserve. If the foreign operation is not wholly owned, the translation difference is distributed to non-controlling interests based on their proportional interest. 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. If a divestment is made, but a controlling influence remains, the proportional share of accumulated translation differences is transferred from the translation reserve to non-controlling interests. Upon the divestment of parts of an associated company, but when a significant influence or joint controlling influence remains, a proportional share of the translation differences are reclassified 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 recognised 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.

Revenues

Sales of goods

Revenues for the sale of goods are recognised in profit/loss for the year when all of the following criteria are met:

- significant risks and benefits associated with ownership of the goods have been transferred to the buyer,
- no managerial involvement with the goods is retained,
- the amount of revenue and to cost of the transaction can be measured reliably and
- receipt of payment from the customer is probable.

This usually coincides with the date of delivery. If a right of return exists, and the extent of returns cannot be estimated reliably, revenue is not recognized until the right of return period has expired.

Revenue is measured at the fair value of consideration received, or expected to be received, less discounts provided.

Construction contracts

Revenues from construction contracts are recognised in profit/loss for the year based on the stage of completion on the reporting date. The stage of completion is determined on the basis of contract expenditures incurred relative to the total estimated expenditures. Only such expenditures that correspond to work done are included in expenditures incurred on the reporting date. Expenses comprise expenses directly and indirectly attributable to the construction work. 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.

Other operating income

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

Leasing

Operating leases

Expenses concerning operating leases are recognised in profit/loss for the year straight-line over the term of the lease. Benefits received in connection with the signing of a lease are recognised in profit/loss for the year as a reduction of the lease payments straight-line over the term of the lease. Variable payments are expensed in the periods in which they arise.

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Finance leases

The minimum lease payments are distributed between interest expense and repayment of the outstanding liability. The interest expense is distributed over the term of the lease so that each accounting period is charged an amount that corresponds to a fixed interest rate for the liability recognised in the respective period. Variable payments are expensed in the periods in which they arise.

Financial income and expenses

Financial income consists of interest income on invested funds, dividend income, gains on the disposal of financial assets available for sale, gains upon a change in value of financial assets valued at fair value through profit or loss and such gains on hedging instruments that are recognised in profit/loss for the year. Interest income on financial instruments is recognised according to the effective interest method (see below). Dividend income is recognised when the right to receive a dividend has been established. The results from the disposal of a financial instrument are recognised 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, the effect of the reversal of a present value computation of provisions, losses upon a value change in financial assets valued at fair value through profit or loss, impairment of financial assets and such losses on hedging instruments that are recognised in profit/loss for the year. Borrowing expenditures are recognised in profit or loss with the application of the effective interest method except insofar as they are directly attributable to the purchase, construction or production of assets that take a significant amount of time to complete for the intended use or sale, in which case they are included in the assets' cost. Exchange-rate gains and losses are recognised net in operating profit if they are attributable to operating-related items or in net finance items if they are attributable to finance items. The effective interest rate is the interest rate that discounts the estimated future payments to be made and received during a financial instrument's expected life to the financial asset's or liability's net carrying amount. The calculation includes all fees paid and received by the contracting parties that are a part of the effective interest rate, transaction expenses and all other premiums and discounts.

Taxes

Income taxes comprise current tax and deferred tax. Income taxes are recognised in profit/loss for the year except when underlying transactions have been recognised in other comprehensive income or in equity whereby the associated tax effect is recognised 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. Temporary differences are not taken into account in consolidated goodwill nor for differences that have arisen at the initial recognition of assets and liabilities that are not business combinations that at the time of the transaction do not affect either the accounting profit or profit for tax purposes. In addition, temporary differences attributable to participations in subsidiaries and associated companies that are not expected to be reversed within the foreseeable future are also not taken into account. The valuation of deferred tax is based on how underlying assets or liabilities are expected to be realised 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.

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Deferred tax assets concerning deductible temporary differences and tax-loss carry-forwards are only recognised insofar as it is likely that they will be able to be utilised. The value of deferred tax assets is reduced when it is no longer assessed to be likely that they can be utilised.

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

Financial instruments

Financial instruments that are recognised in the statement of financial position include cash and cash equivalents, loan receivables, trade receivable, other investments and derivatives on the asset side. On the liabilities side, there are trade payable, borrowings and derivatives.

Recognition in and derecognition from the statement of financial position

A financial asset or liability is recognised in the statement of financial position when the company becomes a party to the instrument's contractual terms. A receivable is recognised when the company has performed and a contractual obligation exists for the counterpart to pay, even if an invoice has not yet been sent. Trade receivable are recognised in the statement of financial position when an invoice has been sent. A liability is recognised when the counter-party has performed and a contractual obligation exists to pay, even if an invoice has not yet been received. Trade payable are recognised when an invoice has been received.

A financial asset is derecognised from the statement of financial position when the rights in the agreement have been realised, expire or the company loses control over them. The same applies for a part of a financial asset. A financial liability is derecognised from the statement of financial position when the obligation in the agreement is fulfilled or otherwise extinguished. The same applies for a part of a financial liability.

A financial asset and a financial liability are offset and reported in a net amount in the statement of financial position only when there is a legal right to offset the amounts and there is an intention to settle the items with a net amount or to simultaneously realise the asset and settle the liability.

Acquisitions and disposals of financial assets are recognised on the transaction date. The transaction date is the date the company pledges to acquire or dispose the asset.

Financial instruments that are not accounted for at fair value are initially recognised at cost corresponding to the instrument's fair value plus transaction expenses for all financial instruments except with regard to those belonging to the category of financial assets at fair value through profit or loss, which are recognised at fair value excluding transaction expenses. A financial instrument is classified at initial recognition based in part on the purpose for which the instrument was acquired. The classification determines how the financial instrument is valued after initial recognition as described below.

Derivative instruments are initially recognised at fair value, meaning that transaction expenses are charged to the profit/loss for the period. After the initial recognition, derivative instruments are recognised as described below. Value increases and decreases on the derivative are recognised as revenues and expenses, respectively, within operating profit or net finance items based on the purpose of the use of the derivative instrument and whether or not the use is related to an operating item or a finance item.

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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.

Financial assets at fair value through profit or loss

This category consists of two sub-groups: financial assets held-for-trading and other financial assets that the company initially chose to place in this category (according to the so-called fair value option). Financial instruments in this category are continuously valued at fair value with value changes recognised in profit/loss for the year. The first subgroup includes derivatives with a positive fair value, except for derivatives that are identified as and effectively serve as hedging instruments. The Group has no instruments in the second category.

Loans and receivables

Loans and receivables are financial assets that are non-derivatives, have determined or determinable payments and are not listed on an active market. These assets are valued at amortised cost. Amortised cost is determined based on the effective interest rate that was calculated at the time of acquisition. Trade receivables are recognised in the amount expected to be received, i.e. less doubtful receivables.

Financial liabilities at fair value through profit or loss

This category consists of two sub-groups: financial liabilities held-for-trading and other financial liabilities that the company has chosen to place in this category (the so-called fair value option), see description above under "Financial assets at fair value through profit or loss". The first category includes the Group's derivatives with negative fair value except for derivatives that are an identified and effective hedging instrument. The Group has no instruments in the second sub-category.

Other financial liabilities

Borrowings and other financial liabilities, such as trade payable, are included in this category. These liabilities are valued at amortised cost.

The categories to which the Group's financial assets and liabilities belong are presented by Note 30 Financial risks and finance policies. Recognition of finance income and expenses is also addressed above.

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Cash flow hedging

Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The group designates certain derivatives as either:

- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

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 derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expense.

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 interest rate swaps hedging variable rate borrowings is recognised in profit or loss within 'finance costs'. The gain or loss relating to the effective portion of forward contracts hedging prices of raw materials is recognised in profit or loss within 'cost of goods sold'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets) the gains and losses previously deferred in equity are reclassified from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in profit or loss as cost of goods sold in the case of inventory, or as depreciation or impairment in the case of fixed assets.

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 recognised when the forecast transaction is ultimately recognised 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.

Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expenses.

Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

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Property, plant and equipment

Owned assets

Property, plant and equipment are recognised 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 put it in place and in the condition to be used in accordance with the purpose of the acquisition. Borrowing expenditures that are directly attributable to purchases, construction or production of assets that take a considerable amount of time to complete for the intended use or sale are included in the cost. Accounting policies for impairment losses are presented below.

The cost of self-constructed non-current assets includes expenditures for materials, expenditures for compensation to employees, if applicable other production overheads considered to be directly attributable to the non-current asset and estimated expenditures for the disassembly and removal of the assets and restoration of the place or area where they are.

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 recognised as other operating income/expenses.

Leased assets

Leases are classified either as finance or operating leases. Finance leases exist when the financial risks and benefits associated with ownership are essentially transferred to the lessee. When this is not the case, it is an operating lease.

Assets leased under finance leases are recognised as property, plant and equipment in the statement of financial position and initially valued at the lower of the leased asset's fair value and the present value of the minimum lease payments upon entering the lease. The obligation to pay future lease payments is recognised as a non-current or current liability. The leased assets are depreciated over the respective asset's useful life while the lease payments are recognised as interest and repayment of the liabilities.

Assets leased under operating leases as a rule are not recognised as an asset in the statement of financial position. Operating leases also do not give rise to a liability.

Subsequent expenditures

Subsequent expenditures are capitalised 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.

An subsequent expenditure is capitalised if the expenditure pertains to replacements of identified components or parts thereof. The expenditure is also capitalised 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.

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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 life forms 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.

Intangible assets

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.

Expenditures incurred for internally generated goodwill and internally generated brands are recognised in profit/loss for the year when the expenditure arises.

Research and development

Expenditures for research that aims to obtain new scientific or technical knowledge are expensed as they arise.

Expenditures for development, where research results or other knowledge is applied to achieve new or improved products or processes, are recognised 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 development, that will provide economic benefits in the future (and then use or sell the intangible asset). The carrying amount includes all directly attributable expenditures, e.g. for materials and services, compensation to employees, registration of a legal right, amortisation on patents and licences, borrowing expenses in accordance with IAS 23. Other expenditures for development are recognised in profit/loss for the year as an expense when they arise. Development expenditures recognised in the statement of financial position are initially measured at cost less accumulated amortisation and any impairment losses.

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Other intangible assets

Other intangible assets acquired by the Group are recognised at cost less accumulated amortisation and any impairment losses. Other intangible assets primarily comprise acquired customer relationships. Customer relationships are amortised straight-line over the expected useful life, normally 5-7 years, and are included in the statement of profit or loss item Cost of goods sold. Software that has been developed or extensively adapted on behalf of the Group is also included among other intangible assets. Amortisation 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.

Inventory

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 in the operating activities, less estimated costs for completion and to achieve a sale.

Impairment losses

The Group's recognised 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 recognised according to IAS 39, inventory and deferred tax assets. 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 recognised when an asset's or cash-generating unit's (group of units) carrying amounts exceed the recoverable amount. An impairment loss is recognised 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.

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Impairment of financial assets

At each reporting occasion, the company evaluates if there is objective evidence that a financial asset or group of assets requires impairment. Objective evidence is comprised of observable conditions that have occurred and have a negative impact on the possibility to recover the cost.

The impairment requirements of trade receivable are determined based on historical experience of customer bad debts on similar receivables. Trade receivable with impairment requirements are recognised at the present value of expected future cash flows. Receivables with a short duration are however not discounted.

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 recognised, less depreciation/amortisation where applicable, if no impairment loss had been applied.

Impairment losses on loans and receivables recognised at amortised cost are reversed if the previous reasons for the impairment losses no longer exist and full payment from the customer is expected to be received.

Dividends

Dividends are recognised as a liability after the Annual General Meeting has approved the dividend.

Remuneration of employees

Short-term employee benefits

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

A provision is recognised 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.

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.

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Share-based remuneration

In 2011, the Group adopted a share option programme that provides senior executives and key persons the right to acquire shares in the company. The options confer the holders the right to acquire shares in the Parent Company at a price corresponding to the market value of the shares when the options were subscribed for, indexed upwards with a pre-determined discount rate. The excess, if any, of fair value of the options as of the grant date less consideration paid by the participants is recognised as an expense over the vesting period.

The proceeds received have increased retained earnings.

Benefits upon termination

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

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 recognised 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.

Restructuring

A provision for restructuring is recognised when there is an established detailed and formal restructuring plan, and the restructuring has either begun or been publicly announced. No provision is made for future operating expenses.

Onerous contracts

A provision for onerous contracts is recognised when the anticipated benefits that the Group is expected to receive from a contract are lower than the unavoidable expenses to fulfil the obligations under the contract.

Contingent liabilities

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 recognised 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.

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Cash flow statement

The Statement of cash flows shows how income and changes in balance sheet items affect cash and cash equivalents, ie 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.

The cash flow statements 2015 and the comparative figures for 2012-2014 has been prepared based on the reported and audited consolidated cash flow statements for the sub-group Nordic Waterproofing Group AB taken into consideration impact of non-cash transactions as unrealized exchange gains and losses and rolled up interest etc. However, in the Annual Report for Nordic Waterproofing Holding A/S for 2014 including the comparative figures for 2013 the presentation of the cash flow statement was uncorrectly prepared by only taking the difference between the beginning and closing balances of the balance sheet items and thus not reflected the impact for non-cash transactions as unrealized exchange gains and losses and rolled up interest etc.

Due to significant unrealized exchange losses and rolled up interest on long-term debt the presentation of the cash flow statements has therefore been restated to be in accordance with the principles in the cash flow statements for Nordic Waterproofing Group AB.

Compared to the Annual Report for 2014 for Nordic Waterproofing Holding A/S this has implied the following adjustments:

SEK 000s	Annual Report 2014	Restate- ments	Restated reporting
2014			
Cash flow from:			
Operating activities	113	50	158
Investing activities	-11	-14	-20
Financing activities	-24	-36	-60
Cash flow for the year	<u>78</u>	<u>0</u>	<u>78</u>
2013			
Cash flow from:			
Operating activities	58	27	85
Investing activities	-13	-3	-16
Financing activities	-27	-24	-51
Cash flow for the year	<u>18</u>	<u>0</u>	<u>18</u>

Note 2 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 recognised 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 in 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

The value of recognised goodwill 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 is attributable. This requires that several assumptions regarding future conditions and estimates of parameters are made. A description of these are provided in Note 14.

Other

As described in Note 33, the Danish Competition and Consumer Authority conducted a so-called dawn raid at Nordic Waterproofing A/S in Vejlen, Denmark. The management does not expect the outcome of this investigation to lead to any material impact on the Group's position or performance, which is why no reservation has been made in the year-end accounts. This assessment is associated with uncertainty due to the nature of the investigation.

Furthermore, as described in note 33, Nordic Waterproofing A/S received a letter of claim from a competitor stipulating an alleged claim with regard to the on-going investigation mentioned above. The management finds that the claim is unsubstantiated/unfounded and therefore no provision has been made in the annual report. However, an assessment of this kind is by nature associated with uncertainty.

Note 3 Significant types of income

Significant types of income	1 January - 31 December			
	2015	2014	2013	2012
SEK 000s				
Group				
Net sales include revenues from:				
Sale of goods	1.226.486	1.159.972	1.149.535	1.174.554
Installation services, roof contracting	493.486	518.754	518.436	497.102
	<u>1.719.972</u>	<u>1.678.726</u>	<u>1.667.971</u>	<u>1.671.656</u>

Note 4 Operating segments

Nordic Waterproofing is one of the Nordic region's leading suppliers of sealing layers for buildings and constructions and offers systems and solutions to protect against water, weather and wind that increases the life expectancy of buildings and other facilities. The main focus is comprised of bitumen- and EPDM-based waterproofing products for the Northern European construction market and the products are installed primarily on commercial buildings and constructions, where demand is driven by the need for renovations and new production. The Group also markets solutions for the air and water sealing of façades, foundations and cellars, prefabricated tanks, dykes and the covering of landfills.

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, 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 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 2015, the highest executive decision-maker followed up the segments' operating profit (EBIT) before items affecting comparability. During 2012 to 2014, the chief operating decision maker followed up the segments' EBITDA (defined as operating profit (EBIT) before depreciation, amortization) before items affecting comparability. Items marked with * in the presentation below pertain to voluntary supplemental information, presented for comparative reasons.

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 within roofing.

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	Products & Solutions	Installation Services	Group items and eliminations	Group
2015				
Revenues from external customers	1.226.486	493.486	0	1.719.972
Revenues from other segments	77.378	0	-77.378	0
Revenues, total	1.303.864	493.486	-77.378	1.719.972
EBITDA before items affecting comparability *	211.733	11.620	-19.202	204.151
Depreciation of property, plant and equipment *	-17.129	-1.237	-606	-18.972
Amortisation of intangible assets *	-2.993	0	0	-2.993
EBIT before items affecting comparability	191.611	10.383	-19.808	182.186
Items affecting comparability *	8.081	-1.259	-46.366	-39.544
Operating profit (EBIT) *	199.692	9.124	-66.174	142.642
Net finance items				-26.845
Profit/loss after finance items (EBT) but before tax				115.797
Tax				-33.854
Profit/loss for the year				81.943
Assets				
Intangible assets (goodwill & customer relations)	540.325	66.731	0	607.056
Property, plant and equipment	177.468	3.032	6.593	187.093
Participations in associated companies	0	16.584	0	16.584
Inventory	166.514	1.571	0	168.085
Other assets	127.457	63.752	-18.103	173.106
Non-allocated assets			193.337	193.337
Total assets	1.011.764	151.670	181.827	1.345.261
Liabilities and Equity				
Equity			747.902	747.902
Other liabilities	172.582	50.010	-8.462	214.130
Non-allocated liabilities			383.229	383.229
Total liabilities and equity	172.582	50.010	1.122.669	1.345.261
Investments in property, plant and equipment	20.969	840	5.597	27.406
2014				
Revenues from external customers	1.159.972	518.754	0	1.678.726
Revenues from other segments	83.168	0	-83.168	0
Revenues, total	1.243.140	518.754	-83.168	1.678.726
EBITDA before items affecting comparability *	179.479	20.919	-13.507	186.891
Depreciation of property, plant and equipment *	-16.755	-1.139	-459	-18.353
Amortisation of intangible assets *	-3.130	0	0	-3.130
EBIT before items affecting comparability	159.594	19.780	-13.966	165.408
Items affecting comparability *	-30.860	-13.000	-31	-43.891
Operating profit (EBIT) *	128.734	6.780	-13.997	121.517
Net finance items				-25.271
Profit/loss after finance items (EBT) but before tax				96.246
Tax				-19.358
Profit/loss for the year				76.888
Assets				
Intangible assets (goodwill & customer relations)	557.147	69.511	0	626.658
Property, plant and equipment	176.602	3.773	1.602	181.977
Participations in associated companies	0	19.087	0	19.087
Inventory	179.214	1.322	0	180.536
Other assets	134.857	70.330	-19.483	185.704
Non-allocated assets			151.201	151.201
Total assets	1.047.820	164.023	133.320	1.345.163
Liabilities and Equity				
Equity			685.395	685.395
Other liabilities	177.064	52.885	-10.329	219.620
Non-allocated liabilities			440.148	440.148
Total liabilities and equity	177.064	52.885	1.115.214	1.345.163
Investments in property, plant and equipment	14.402	538	315	15.255

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2013	Products & Solutions	Installation Services	Group items and eliminations	Group
Revenues from external customers	1.149.535	518.436		1.667.971
Revenues from other segments	79.404	0	-79.404	0
Revenues, total	1.228.939	518.436	-79.404	1.667.971
EBITDA before items affecting comparability *	144.743	27.992	-12.250	160.485
Depreciation of property, plant and equipment *	-14.209	-1.230	27	-15.412
Amortisation of intangible assets *	-3.161	0	-310	-3.471
EBIT before items affecting comparability	127.373	26.762	-12.533	141.602
Items affecting comparability *	-11.473	-7.052	-841	-19.366
Operating profit (EBIT) *	115.900	19.710	-13.374	122.236
Net finance items				-30.078
Profit/loss after finance items (EBT) but before tax				92.158
Tax				-21.188
Profit/loss for the year				70.970
<i>Assets</i>				
Intangible assets (goodwill & customer relations)	540.361	65.329	0	605.690
Property, plant and equipment	175.378	3.960	1.746	181.084
Participations in associated companies	0	21.352	0	21.352
Inventory	147.836	1.887	0	149.723
Other assets	140.690	81.954	-18.115	204.529
Non-allocated assets			75.266	75.266
Total assets	1.004.265	174.482	58.897	1.237.644
<i>Liabilities and Equity</i>				
Equity			599.384	599.384
Other liabilities	152.447	44.527	-13.116	183.858
Non-allocated liabilities			454.402	454.402
Total liabilities and equity	152.447	44.527	1.040.670	1.237.644
Investments in property, plant and equipment	21.482	1.247	1.059	23.788
2012	Products & Solutions	Installation Services	Group items and eliminations	Group
Revenues from external customers	1.174.554	497.102	0	1.671.656
Revenues from other segments	80.374	0	-80.374	0
Revenues, total	1.254.928	497.102	-80.374	1.671.656
EBITDA before items affecting comparability *	123.211	15.358	-8.865	129.704
Depreciation of property, plant and equipment *	-15.925	-1.252	862	-16.315
Amortisation of intangible assets *	-2.772	0	-862	-3.634
EBIT before items affecting comparability	104.514	14.106	-8.865	109.755
Items affecting comparability *	-27.026	-3.964	-1.693	-32.683
Operating profit (EBIT) *	77.488	10.142	-10.558	77.072
Net finance items				-36.938
Profit/loss after finance items (EBT) but before tax				40.134
Tax				-12.972
Profit/loss for the year				27.162
<i>Assets</i>				
Intangible assets (goodwill, customer relations & software)	539.581	62.944	0	602.525
Property, plant and equipment	173.121	8.333	970	182.424
Participations in associated companies	0	15.188	0	15.188
Inventory	168.452	1.879	0	170.331
Other assets	149.120	61.057	-24.572	185.605
Non-allocated assets			63.604	63.604
Total assets	1.030.274	149.401	40.002	1.219.677
<i>Liabilities and Equity</i>				
Equity			528.241	528.241
Other liabilities	159.013	61.532	-24.315	196.230
Non-allocated liabilities			495.206	495.206
Total liabilities and equity	159.013	61.532	999.132	1.219.677
Investments in property, plant and equipment	18.757	405	0	19.162

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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 recognised 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.

Items affecting comparability

Items affecting comparability include income statement items that are non-recurring, has significant impact on profit and is important for understanding the underlying development of operations.

SEK 000s	2015	1 January - 31 December		2012
		2014	2013	
Group				
Costs related to current owners exit of the Company	-36.364	-488	0	0
Costs related to change of CEO	-10.692	0	0	0
Raw material hedge value adjustment(pre-hedge accounting)	21.806	-21.002	286	-1.089
Provision product introduction	-7.530	0	0	0
Acquisition-related costs (incl restructuring)	0	-3.556	-3.882	-20.153
Restructuring	-5.091	-14.498	-14.654	-9.705
Other	-1.673	-4.347	-1.116	-1.736
Total	-39.544	-43.891	-19.366	-32.683

Geographic areas

SEK 000s	2015	1 January - 31 December		2012
		2014	2013	
Revenues from external customers				
Group				
Denmark	338.021	316.702	303.978	323.029
Sweden	344.911	328.175	306.900	318.430
Norway	182.067	167.194	161.706	156.493
Finland	604.537	623.996	628.154	620.988
Europe (excluding Nordic region)	242.502	236.633	223.091	214.913
Other countries	7.934	6.026	44.142	37.803
Total	1.719.972	1.678.726	1.667.971	1.671.656

SEK 000s	2015	1 January - 31 December		2012
		2014	2013	
Non-current assets				
Group				
Denmark	192.312	199.042	187.779	190.377
Sweden	375.374	369.940	370.620	355.657
Norway	32.439	39.055	41.390	49.229
Finland	173.199	179.147	171.426	171.532
Europe (excluding Nordic region)	20.825	21.451	15.559	18.154
Total	794.149	808.635	786.774	784.949

Revenues from external customers have 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 per cent of consolidated sales. A maximum of approximately 4.6% of consolidated sales were attributable to a single customer.

Note 5 Business combinations

Acquisitions 2015

Acquisitions of non-controlling interests

On 1 September 2015, the remaining 26% of the shares in the Belgian company SealEco Holding Belgium NV were acquired, after which the company is fully owned. The consideration amounted to SEK 2,820 thousand and the consideration was paid in cash. The Group recognises a reduction in non-controlling interests in an amount of SEK 3,275 thousand and an increase in retained earnings in an amount of SEK 455 thousand.

Acquisitions 2014

Minor acquisitions

On 10 July 2014, all shares in Univex Sprl in Belgium were acquired. The company is a small distributor of prefabricated customised roof membranes. Work is under way to integrate the business into SealEco.

The acquisition of Univex has the following effects on the Group's assets and liabilities.

The acquired company's net assets at the time of acquisition:

	Fair value recognised in the Group
SEK 000s	
Property, plant and equipment	600
Inventory	2.676
Trade receivable and other receivables	2.077
Cash and cash equivalents	277
Trade payable and other operating liabilities	-2.118
Net identifiable assets and liabilities	<u>3.512</u>
Goodwill	<u>3.987</u>
Consideration paid, cash	<u>7.499</u>
Cash and cash equivalents (acquired)	<u>-277</u>
Net cash outflow	<u>7.222</u>

In the six months until 31 December 2014, the subsidiary contributed SEK 6,999 thousand to consolidated income and SEK -1,920 thousand to consolidated profit/loss after tax. If the acquisition had occurred at 1 January 2014, management estimates that consolidated income would have been SEK 1,686,362 thousand and the profit for the period would have been SEK 76,289 thousand.

Acquisitions of non-controlling interests

In addition, on 5 March 2014, the remaining 5% of the shares in the Finnish contractor AI-Katot Oy were acquired, after which the company was wholly owned. The consideration amounted to SEK 801 thousand and the acquisition was paid in cash. The Group recognises a reduction in non-controlling interests in an amount of SEK 837 thousand and an increase in retained profits in an amount of SEK 36 thousand.

Acquisitions 2012

On 29 February 2012, all shares in the Norwegian distributor Nortett Bygg AS were acquired.

The acquisition of Nortett Bygg AS has the following effects on the Group's assets and liabilities.

The acquired company's net assets at the time of acquisition:

	Fair value recognised in the Group
SEK 000s	
Property, plant and equipment	195
Intangible assets (customer relationships)	23.617
Inventory	7.581
Trade receivable and other receivables	13.546
Cash and cash equivalents	3.067
Trade payable and other operating liabilities	-19.353
Deferred tax liabilities	-6.613
Net identifiable assets and liabilities	<u>22.040</u>
Goodwill	<u>28.524</u>
Consideration paid, cash	<u>50.564</u>
Cash and cash equivalents (acquired)	<u>-3.067</u>
Net cash outflow	<u>47.497</u>

Goodwill

The goodwill amount includes the value of a developed distribution network and synergy effects in the form of greater intra-Group production and product distribution. No part of goodwill is tax deductible.

Customer relationships

Of the total consideration, the value of existing customer relationships has been estimated at SEK 23,617 thousand.

Acquisition-related expenses

Acquisition-related expenses amount to SEK 1,193 thousand and pertain to remuneration of consultants in connection with due diligence. These expenses have been recognised as administrative expenses in the statement profit or loss and other comprehensive income.

Acquired receivables

The fair value of trade receivable amounts to SEK 12,649 thousand, which corresponds to the carrying amount.

Transferred consideration

Transferred consideration consists of cash and cash equivalents, which amount to SEK 50,564 thousand.

In the ten months until 31 December 2012, the subsidiary contributed SEK 131,022 thousand to consolidated revenues and SEK 4,874 thousand to consolidated profit/loss after tax. If the acquisition had occurred at 1 January 2012, corporate management estimates that consolidated revenues would have been SEK 1,688,030 thousand and the profit for the period would have been SEK 27,898 thousand.

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Minor acquisitions

On 30 June 2012, 71.5% of the Finnish contractor Al-Katol Oy was acquired. The company was previously an associated company and after the acquisition, the participating interest amounts to 95%.

The acquisition of Al-katol has the following effects on the Group's assets and liabilities.

The acquired company's net assets at the time of acquisition:

	Fair value recognised in the Group
SEK 000s	
Property, plant and equipment	5.873
Financial assets	333
Inventory	324
Trade receivable and other receivables	18.058
Cash and cash equivalents	5.067
Trade payable and other operating liabilities	-13.129
Net identifiable assets and liabilities	<u>16.526</u>
Consolidated goodwill	2.752
Fair value regarding previously owned participation	-3.944
Non-controlling interests	-826
Consideration paid, cash	<u>14.508</u>
Cash and cash equivalents (acquired)	<u>-5.067</u>
Net cash outflow	<u>9.441</u>
Consideration paid:	
Contingent consideration	2.507
Cash and cash equivalents	<u>12.001</u>
	<u>14.508</u>

Goodwill

The goodwill amount includes the value of a broader market penetration and synergy effects in the form of more efficient processes and administration. No part of goodwill is expected to be tax deductible.

Acquisition-related expenses

Acquisition-related expenses amount to SEK 290 thousand and pertain to remuneration of consultants in connection with due diligence. These expenses have been recognised as administrative expenses in the statement of profit or loss and other comprehensive income.

Acquired receivables

The fair value of trade receivable amounts to SEK 10,581 thousand, which corresponds to the carrying amount.

Transferred consideration

Transferred consideration consists of cash and cash equivalents, which amount to EUR 1,369 thousand equivalent to SEK 12,001 thousand. In addition, the acquisition agreement states that a contingent consideration shall be payable to Al-Katol's former owners. The maximum outcome amounts to EUR 286 thousand corresponding to SEK 2,507 thousand. In the calculation of the transferred consideration the maximum outcome has been recognised.

In connection with the acquisition, the previously owned participations in associated companies were revalued to fair value. This entailed a negative revaluation result of SEK 167 thousand and is included in Other operating expenses.

In the six months until 31 December 2012, the subsidiary contributed SEK 53,048 thousand to consolidated revenue and SEK 2,478 thousand to consolidated profit/loss after tax. If the acquisition had occurred at 1 January 2012, corporate management estimates that consolidated revenue would have been SEK 1,731,839 thousand and the profit for the period would have been SEK 28,547 thousand.

Note 6 Other operating income

SEK 000s	1 January - 31 December			
	2015	2014	2013	2012
Group				
Royalty	6.545	6.639	5.641	5.001
Capital gains	18	0	570	0
Change in fair value of commodity derivatives	28.007	2.034	286	0
Change in fair value of currency derivatives	0	0	0	689
Other	0	1.038	675	52
	<u>34.570</u>	<u>9.711</u>	<u>7.172</u>	<u>5.742</u>

Note 7 Other operating expenses

SEK 000s	1 January - 31 December			
	2015	2014	2013	2012
Group				
Losses upon disposal of property, plant and equipment	0	-344	0	0
Change in fair value of commodity derivatives	-6.201	-23.036	0	-1.089
Change in fair value of currency derivatives	0	0	-689	0
Exchange losses on operating receivables/liabilities	-2.269	-1.148	-1.939	-952
Revaluation of earlier holdings in business combinations	0	0	0	-167
Other	-525	-363	-861	-369
	<u>-8.995</u>	<u>-24.891</u>	<u>-3.489</u>	<u>-2.577</u>

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Note 8 Employees and personnel expenses

Expenses for employee benefits	1 January - 31 December							
	2015	2014	2013	2012				
SEK 000s								
Group								
Salaries and benefits, etc.	321.602	311.602	295.529	276.331				
Pension expenses, defined-contribution plans	9.415	9.450	7.936	8.702				
Social security contributions	64.704	64.036	66.160	58.188				
	<u>395.721</u>	<u>385.088</u>	<u>369.625</u>	<u>343.221</u>				
Average number of employees								
FTE (Full Time Equivalents)	2015	of which men	2014	of which men	2013	of which men	2012	of which men
Parent Company								
Denmark	0	0%	0	0%	0	0%	0	0%
Total Parent Company	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0%</u>
Subsidiaries								
Denmark	76	71%	80	74%	81	75%	85	75%
Sweden	115	81%	119	78%	107	79%	116	79%
Norway	20	75%	18	72%	17	71%	12	75%
Finland	383	92%	396	92%	407	91%	400	91%
Other	40	70%	31	68%	23	65%	21	57%
Total in subsidiaries	<u>634</u>	<u>85%</u>	<u>644</u>	<u>85%</u>	<u>635</u>	<u>86%</u>	<u>634</u>	<u>85%</u>
Group total	<u>634</u>	<u>85%</u>	<u>644</u>	<u>85%</u>	<u>635</u>	<u>86%</u>	<u>634</u>	<u>85%</u>

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

Salaries and other benefits, pension expenses and pension obligations for senior executives in the Group

No salaries or benefits have been payable to the Parent Company's (Nordic Waterproofing Holding A/S) Board and management before October 2015. Therefore, the following information until September 2015 accordingly pertains to the CEO, senior executives and Boards that have been active in subsidiary Nordic Waterproofing Group 1 AB with subsidiaries.

SEK 000s	2015	2014	2013	2012	
Group					
Remuneration to the Board and CEO of Nordic Waterproofing Holding A/S:					
Remuneration of Board members	500	0	0	0	
Salaries and benefits, etc to CEO and Group management team	1.847	0	0	0	
	<u>2.347</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Remuneration to the Board, CEO and other senior executives in Nordic Waterproofing Group 1 AB with subsidiaries:					
Remuneration of Board members	1.048	730	778	835	
Salaries and benefits, etc to CEO and Group management team	28.609	17.105	14.396	11.325	
Pension expenses, defined-contribution plans	2.378	1.959	1.559	1.426	
	<u>32.035</u>	<u>19.794</u>	<u>16.733</u>	<u>13.586</u>	
Total remuneration to the Board, CEO and other senior executives in the Group	<u>34.382</u>	<u>19.794</u>	<u>16.733</u>	<u>13.586</u>	
2015	Fixed salary	Variable salary	Pension	Other benefits	Total
Chairman of the board (Oct-Dec):Ulf Gundemark	500				500
Chairman of the board (Jan-Sept): Martin Ellis	709				709
Boardmember: Christian Frigast					0
Boardmember: Vilhelm Sundström					0
Boardmember: Jörgen Jensen	339				339
Boardmember: Thomas Lau Schleicher					0
CEO (Oct-Dec): Martin Ellis	1.154	693			1.847
CEO (Jan-Sept): Holger C. Hansen*	12.687	3.563	68	239	16.557
Other senior executives (5 persons)	7.376	4.071	2.310	673	14.430
Total	<u>22.765</u>	<u>8.327</u>	<u>2.378</u>	<u>912</u>	<u>34.382</u>
* The fixed salary includes a one-time termination payment of SEK 10,662.					
2014	Fixed salary	Variable salary	Pension	Other benefits	Total
Chairman of the board: Martin Ellis	381				381
Boardmember: Christian Frigast					0
Boardmember: Vilhelm Sundström					0
Boardmember: Jörgen Jensen	349				349
Boardmember: Thomas Lau Schleicher					0
CEO: Holger C. Hansen	2.537	3.713	48	106	6.404
Other senior executives (5 persons)	6.871	3.233	1.911	645	12.660
Total	<u>10.138</u>	<u>6.946</u>	<u>1.959</u>	<u>751</u>	<u>19.794</u>

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2013	Fixed salary	Variable salary	Pension	Other benefits	Total
Chairman of the board: Marlin Ellis	447				447
Boardmember: Christian Frigast					0
Boardmember: Vilhelm Sundström					0
Boardmember: Jörgen Jensen	331				331
Boardmember: Thomas Lau Schleicher					0
CEO: Holger C. Hansen	1.480	3.219		103	4.802
Other senior executives (5 persons)	6.736	2.240	1.559	618	11.153
Total	8.994	5.459	1.559	721	16.733
2012	Fixed salary	Variable salary	Pension	Other benefits	Total
Chairman of the board: Marlin Ellis	517				517
Boardmember: Christian Frigast					0
Boardmember: Vilhelm Sundström					0
Boardmember: Jörgen Jensen	318				318
Boardmember: Thomas Lau Schleicher					0
CEO: Holger C. Hansen	1.085	1.498		66	2.649
Other senior executives (5 persons)	6.463	1.683	1.426	530	10.102
Total	8.383	3.181	1.426	596	13.586

Principles for remuneration of the Board

The Chairman of the Board receives a fixed fee of SEK 500 thousand per year, and one of the Board members receives DKK 150 thousand per year. Other Board members did not receive fees in 2015.

Principles for the remuneration of the CEO and Group manager

Remuneration

Remuneration of the CEO and Group manager 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 fixed salary and, in addition to this, variable salary and non-monetary benefits. The variable salary shall be based on the achievement of quantitative and qualitative targets. Remuneration (excluding a one-time termination fee mentioned above) of the CEO in the Group's operating Parent Company amounted in 2015 to SEK 7,742 (6,404; 4,802; 2,649) thousand in 2015, excluding the one-time termination mentioned above.

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. The CEO may for a period of 24 months after the commencement of the employment (October 1st 2015) terminate the employment without notice. However, if an Exit or IPO is completed during the 24 months period, the CEO is, as of the date of Exit or IPO, obligated to observe the notice period of 12 months. Following an IPO, the CEO cannot terminate the employment within the first 24 months. This means that the notice of termination cannot be given by the CEO until after the expiry of the 24 months period.

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 rather 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 fixed salary and pension and shall also be able to consist of 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 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 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.

Share-based remuneration

In 2011, the Group adopted a share option programme that provides senior executives and key employees the right to acquire shares in the company. The options confer the holders the right to acquire shares in the Parent Company at a price corresponding to the market value of the shares when the options were subscribed for, indexed upwards with a pre-determined discount rate. Options have been issued in two classes (class 1 and class 2), where the difference between the classes is comprised of differences in the pre-determined discount rate. The options were acquired at market value, which was determined using Black Scholes at the time of subscription.

Terms and conditions for the allocation are presented below, according to which all share options are regulated through physical delivery of shares. The offer to acquire share options during 2011 and 2012, was given to senior executives as well as key employees being part of the local management teams in each business unit at the time of subscription.

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Date for subscription/personnel category	Number of shares
<i>Group</i>	
Subscription of share options class 1 on 22 August 2011	
- to senior executives	130.048
- to other employees	126.703
Subscription of share options class 2 on 22 August 2011	
- to senior executives	260.096
- to other employees	253.406
Subscription of share options class 1 on 17 April 2012	
- to Board members	10.488
- to other employees	19.637
Subscription of share options class 2 on 17 April 2012	
- to Board members	20.976
- to other employees	39.274
Subscription of share options class 1 on 21 June 2012	
- to senior executives	50.352
- to other employees	8.409
Subscription of share options class 2 on 21 June 2012	
- to Board members	100.704
- to other employees	16.818
Total number of equity-settled options	1.036.911

The CEO does not own any options, while the board members Holger C. Hansen owns 50,352 options class 1 and 100,704 options class 2 and Jørgen Jensen owns 10,488 options class 1 and 20,976 options class 2.

Number of outstanding options

<i>Number of options, class 1</i>	2015	2014	2013	2012
<i>Group</i>				
Outstanding at beginning of the period	345.637	345.637	345.637	256.751
Granted during the period	0	0	0	88.886
Outstanding at end of the period	<u>345.637</u>	<u>345.637</u>	<u>345.637</u>	<u>345.637</u>
<i>Number of options, class 2</i>				
<i>Group</i>				
Outstanding at beginning of the period	691.274	691.274	691.274	513.502
Granted during the period	0	0	0	177.772
Outstanding at end of the period	<u>691.274</u>	<u>691.274</u>	<u>691.274</u>	<u>691.274</u>

Outstanding options of class 1 at 31 December 2015 have an exercise price of DKK 50.52 (46,78; 43,32; 40,11) and outstanding options of class 2 at 31 December 2015 have an exercise price of DKK 84.90 (70,75; 58,96; 49,13). No options can be redeemed at the end of the respective periods.

Fair value and assumptions regarding equity-settled options

At the time of allocation in 2011 and 2012, the two options were valued as follows. The share value corresponds to the main owners acquisition price in 2011, which also in all material respect was assumed to be un-changed in 2012.

<i>Group</i>	Option 1	Option 2
Fair value at the time of subscription/acquisition	3,60	0,76
Share value	34,60	34,60
Exercise price at anticipated exit (average)	47,07	71,75
Expected volatility	25%	25%
Duration of the warrants at anticipated exit (average)	4 years	4 years
Anticipated dividend	0	0
Risk-free interest rate	0,75%	0,75%

The anticipated volatility is based on historical volatility (calculated based on the weighed average remaining duration for the options).

The options have been acquired at market price.

Note 9 Audit fees and expenses

SEK 000s	2015	2014	2013	2012
Group				
<i>PwC</i>				
Statutory audit	1.800	1.596	1.825	1.922
Other assurance engagements	0	63	0	130
Tax consulting	225	165	389	347
Other services	2.378	253	438	331
	<u>4.403</u>	<u>2.077</u>	<u>2.652</u>	<u>2.730</u>
<i>Other auditors</i>				
Statutory audit	192	186	196	159
Tax consulting	76	55	59	86
Other services	0	40	111	329
	<u>268</u>	<u>281</u>	<u>366</u>	<u>574</u>

Note 10 Net finance items

SEK 000s	2015	2014	2013	2012
Group				
Interest income	146	262	808	1.352
Dividend	346	453	53	87
Net change in value of interest-rate swaps	0	258	0	0
Net exchange-rate changes	0	2.916	0	0
Other financial income	55	0	0	0
Finance income	<u>547</u>	<u>3.889</u>	<u>861</u>	<u>1.439</u>
Interest expenses on loans at amortised cost	-24.195	-27.914	-28.566	-32.785
Net change in value of interest-rate swaps	0	0	-241	-3.090
Net exchange-rate changes	-633	0	-365	-2.256
Other financial expenses	-2.564	-1.246	-1.767	-246
Finance costs	<u>-27.392</u>	<u>-29.160</u>	<u>-30.939</u>	<u>-38.377</u>
Net finance items	<u>-26.845</u>	<u>-25.271</u>	<u>-30.078</u>	<u>-36.938</u>

All interest income and expenses are attributable to items valued at amortised cost except with regard to interest coupons on interest-rate swaps, which amount to SEK 0 (-1.235; -6.434; -4.590) thousand.

Interest expenses include period-allocated arrangement fee for liabilities to credit institutions in an amount of SEK 2,644 (2,622; 2,602; 2,605) thousand.

Note 11 Taxes

Recognised in the statement of profit or loss and statement of other comprehensive income

SEK 000s	2015	2014	2013	2012
Group				
Current tax expense (-)/tax revenue(+)				
Tax expense for the period	-26.966	-21.247	-18.636	-9.320
Adjustment of tax attributable to earlier years	0	0	0	0
	<u>-26.966</u>	<u>-21.247</u>	<u>-18.636</u>	<u>-9.320</u>
Deferred tax expense (-) [/tax revenue(+)]				
Deferred tax for temporary differences	-6.888	1.889	-2.485	-6.071
Deferred tax resulting from changes in tax rates	0	0	-67	2.419
	<u>-6.888</u>	<u>1.889</u>	<u>-2.552</u>	<u>-3.652</u>
Total reported tax expense in the Group	<u>-33.854</u>	<u>-19.358</u>	<u>-21.188</u>	<u>-12.972</u>

Reconciliation of effective tax

Group	2015	%	2014	%	2013	%	2012	%
SEK 000s								
Profit/loss before tax	115.797		96.246		92.158		40.134	
Tax according to current tax rate for the Parent Company	-27.212	23,5	-23.580	24,5	-23.040	25,0	-10.034	25,0
Effect of other tax rates for foreign subsidiaries	896	-0,8	2.508	-2,6	1.595	-1,7	-985	2,5
Non-deductible expenses	-8.063	7,0	-1.008	1,0	-669	0,7	-1.626	4,1
Non-taxable revenues	85	-0,1	882	-0,9	1.375	-1,5	131	-0,3
Result from participations in associated companies	1.305	-1,1	1.787	-1,9	-304	0,3	1.218	-3,0
Increase in loss carry-forwards without corresponding capitalisation of deferred tax	-659	0,6	-1.211	1,3	0	-	-6.942	17,3
Utilisation of earlier, non-capitalised loss carry-forwards	0	-	0	-	656	-0,7	0	-
Effect of changed tax rates/and tax regulations	0	-	0	-	-67	0,1	2.419	-6,0
Other	-206	0,2	1.264	-1,3	-734	0,8	2.847	-7,1
Reported effective tax	<u>-33.854</u>	<u>29,2</u>	<u>-19.358</u>	<u>20,1</u>	<u>-21.188</u>	<u>23,0</u>	<u>-12.972</u>	<u>32,3</u>

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Recognised in the balance sheet

Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

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

Group

SEK 000s	Deferred tax 2015		
	Asset	Liability	Net
Property, plant and equipment	0	10.411	-10.411
Intangible assets	0	2.406	-2.406
Inventory	985	0	985
Other current liabilities	975	0	975
Untaxed reserves	0	17.094	-17.094
Other	251	2.119	-1.868
Tax assets/liabilities	2.211	32.030	-29.819
Offset	-2.211	-2.211	0
Tax assets/liabilities, net	0	29.819	-29.819

SEK 000s	Deferred tax 2014		
	Asset	Liability	Net
Property, plant and equipment	0	10.935	-10.935
Intangible assets	0	3.507	-3.507
Other current liabilities	4.819	0	4.819
Untaxed reserves	0	13.284	-13.284
Other	747	2.091	-1.344
Tax assets/liabilities	5.566	29.817	-24.251
Offset	-5.287	-5.287	0
Tax assets/liabilities, net	279	24.530	-24.251

SEK 000s	Deferred tax 2013		
	Asset	Liability	Net
Property, plant and equipment	0	11.074	-11.074
Intangible assets	0	4.374	-4.374
Other current liabilities	504	0	504
Untaxed reserves	0	9.897	-9.897
Other	876	1.874	-996
Tax assets/liabilities	1.380	27.219	-25.839
Offset	-964	-964	0
Tax assets/liabilities, net	416	26.255	-25.839

SEK 000s	Deferred tax 2012		
	Asset	Liability	Net
Property, plant and equipment	0	12.572	-12.572
Intangible assets	0	5.758	-5.758
Other current liabilities	1.776	0	1.776
Untaxed reserves	0	6.187	-6.187
Loss carry-forwards	26	0	26
Other	1.079	2.005	-926
Tax assets/liabilities	2.881	26.522	-23.641
Offset	-2.225	-2.225	0
Tax assets/liabilities, net	656	24.297	-23.641

Non-recognised deferred tax assets

Tax loss carry-forwards for which deferred tax assets have not been recognised in the income statement and balance sheet amount to SEK 13,616 (13,513; 13,835; 13,959), of which 10,935 expires between 2021-2022 and the remaining amount between 2023-2025.

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

Group

SEK 000s	Balance as per 1 Jan 2015	Recognised in profit/loss for the year	Recognised in other comprehen- sive income	Acquisition/Dives tment of business	Balance as per 31 Dec 2015
Property, plant and equipment	-10.935	454	70		-10.411
Intangible assets	-3.507	842	259		-2.406
Inventory	0	985			985
Other current liabilities	4.819	-4.819	975		975
Untaxed reserves	-13.284	-3.810			-17.094
Loss carry-forwards	0				0
Other	-1.344	-540	16		-1.868
	<u>-24.251</u>	<u>-6.888</u>	<u>1.320</u>	<u>0</u>	<u>-29.819</u>

SEK 000s	Balance as per 1 Jan 2014	Recognised in profit/loss for the year	Recognised in other comprehen- sive income	Acquisition/Dives tment of business	Balance as per 31 Dec 2014
Property, plant and equipment	-11.074	480	-341		-10.935
Intangible assets	-4.374	876	-9		-3.507
Other current liabilities	0	4.819			4.819
Untaxed reserves	-9.897	-3.387			-13.284
Loss carry-forwards	0	0	0		0
Other	-494	-899	49		-1.344
	<u>-25.839</u>	<u>1.889</u>	<u>-301</u>	<u>0</u>	<u>-24.251</u>

SEK 000s	Balance as per 1 Jan 2013	Recognised in profit/loss for the year	Recognised in other comprehen- sive income	Acquisition/Dives tment of business	Balance as per 31 Dec 2013
Property, plant and equipment	-12.572	1.713	-215		-11.074
Intangible assets	-5.758	885	499		-4.374
Untaxed reserves	-6.187	-3.710			-9.897
Loss carry-forwards	26	-22	-4		0
Other	850	-1.418	-6	80	-494
	<u>-23.641</u>	<u>-2.552</u>	<u>274</u>	<u>80</u>	<u>-25.839</u>

SEK 000s	Balance as per 1 Jan 2012	Recognised in profit/loss for the year	Recognised in other comprehen- sive income	Acquisition/Dives tment of business	Balance as per 31 Dec 2012
Property, plant and equipment	-14.764	1.987	205		-12.572
Intangible assets	0	776	78	-6.612	-5.758
Untaxed reserves	-5.500	-687			-6.187
Loss carry-forwards	5.855	-6.167	338		26
Other	463	439	-52		850
	<u>-13.946</u>	<u>-3.652</u>	<u>569</u>	<u>-6.612</u>	<u>-23.641</u>

Note 12 Operating costs by nature

Group SEK 000s	2015	2014	2013	2012
Material costs and goods for resale	821.845	871.576	864.612	894.913
Change in inventory of finished goods and work in progress	13.871	-22.166	16.212	3.006
Employee benefits	395.721	385.088	369.625	343.221
Depreciation/amortisation	21.965	21.483	18.883	19.949
Other external costs	355.057	293.417	278.980	341.494
Other operating expenses	8.995	24.891	3.489	2.577
	<u>1.617.454</u>	<u>1.574.289</u>	<u>1.551.801</u>	<u>1.605.160</u>

Note 13 Earnings per share

Earnings per share

SEK	2015	2014	2013	2012
Earnings per share before and after dilution	7,09	6,71	6,15	2,40

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 000s	2015	2014	2013	2012
Profit/loss attributable to Parent Company shareholders, before and after dilution	81.835	77.506	70.977	26.832

Weighted average number of outstanding shares, before and after dilution

In shares	2015	2014	2013	2012
Total number of shares, 1 January	11.546.831	11.546.831	11.546.831	10.256.751
Effect of new share issues	0	0	0	913.456
Weighted average number of shares during the year, before and after dilution	11.546.831	11.546.831	11.546.831	11.170.207

Weighted average number of shares has been affected by new share issues conducted on four occasions during 2012.

Instruments that can cause future dilution effects

In 2011-2015, the company had an outstanding option programme. Due to estimated market value of ordinary shares compared to the exercise prices and the numbers of outstanding options this option programme is considered to have only a very limited potential dilution effect. These options are therefore excluded from the calculation of earnings per share after dilution.

All options can be exercised in connection with the sale or listing of the Group or in the period 1 June - 30 June 2021 if a sale or listing has not taken place before this period. Upon the exercise of all options, the number of ordinary shares would increase by 1,036,911.

Note 14 Goodwill

Group SEK 000s	2015	2014	2013	2012
Accumulated cost				
Opening balance	614.139	590.072	581.620	562.251
Acquisitions	0	4.029	0	31.329
Exchange-rate differences for the year	-15.733	20.038	8.452	-11.960
Closing balance	598.406	614.139	590.072	581.620
Carrying amounts				
At 1 January	614.139	590.072	581.620	562.251
At 31 December	598.406	614.139	590.072	581.620

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

The company has identified the following cash-generating units that contain goodwill:

SEK 000s	Carrying amount			
	2015	2014	2013	2012
Products & Solutions	531.675	544.628	524.743	518.676
Installation Services	66.731	69.511	65.329	62.944
	598.406	614.139	590.072	581.620

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 2% (2%; 2%; 2%) per year. The cash flows have been present value calculated with a discount rate before tax of 10.2% (10.2%; 11.5%; 10.6%) for Products & Solutions and 9.6% (10.1%; 11.4%; 10.5%) 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.

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Important variables

Sales growth

Estimation method

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%) and prior experiences, with the difference that the prevailing market situation and thereby tough competition set 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 beneficial in the most recent period and based on the expected future development on the commodities market, today's development has been extrapolated and forecast 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 three-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.

Note 15 Other intangible assets

Group

SEK 000s

	Software	Customer relationships	Total
Accumulated cost			
Opening balance, 1 January 2012	2,044	0	2,044
Investments for the year	0	23,617	23,617
Reclassification	-17	0	-17
Exchange-rate differences for the year	-4	-273	-277
Closing balance, 31 December 2012	2,023	23,344	25,367
Accumulated amortisation and impairment			
Opening balance, 1 January 2012	-831	0	-831
Amortisation for the year	-862	-2,772	-3,634
Reclassification	9	0	9
Exchange-rate differences for the year	1	-7	-6
Closing balance, 31 December 2012	-1,683	-2,779	-4,462
Carrying amounts			
At 1 January 2012	1,213	0	1,213
At 31 December 2012	340	20,565	20,905

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SEK 000s	Software	Customer relationships	Total
Accumulated cost			
Opening balance, 1 January 2013	2.023	23.344	25.367
Investments for the year	0	0	0
Reclassification	-90	0	-90
Exchange-rate differences for the year	-43	-2.184	-2.227
Closing balance, 31 December 2013	1.890	21.160	23.050
Accumulated amortisation and impairment			
Opening balance, 1 January 2013	-1.683	-2.779	-4.462
Amortisation for the year	-310	-3.161	-3.471
Reclassification	60	0	60
Exchange-rate differences for the year	43	398	441
Closing balance, 31 December 2013	-1.890	-5.542	-7.432
Carrying amounts			
At 1 January 2013	340	20.565	20.905
At 31 December 2013	0	15.618	15.618

SEK 000s	Software	Customer relationships	Total
Accumulated cost			
Opening balance, 1 January 2014	1.890	21.160	23.050
Investments for the year	0	0	0
Reclassification	0	0	0
Exchange-rate differences for the year	0	-128	-128
Closing balance, 31 December 2014	1.890	21.032	22.922
Accumulated amortisation and impairment			
Opening balance, 1 January 2014	-1.890	-5.542	-7.432
Amortisation for the year	0	-3.130	-3.130
Reclassification	0	0	0
Exchange-rate differences for the year	0	159	159
Closing balance, 31 December 2014	-1.890	-8.513	-10.403
Carrying amounts			
At 1 January 2014	0	15.618	15.618
At 31 December 2014	0	12.519	12.519

SEK 000s	Software	Customer relationships	Total
Accumulated cost			
Opening balance, 1 January 2015	1.890	21.032	22.922
Investments for the year	0	0	0
Reclassification	0	0	0
Exchange-rate differences for the year	0	-1.919	-1.919
Closing balance, 31 December 2015	1.890	19.113	21.003
Accumulated amortisation and impairment			
Opening balance, 1 January 2015	-1.890	-8.513	-10.403
Amortisation for the year	0	-2.993	-2.993
Reclassification	0	0	0
Exchange-rate differences for the year	0	1.043	1.043
Closing balance, 31 December 2015	-1.890	-10.463	-12.353
Carrying amounts			
At 1 January 2015	0	12.519	12.519
At 31 December 2015	0	8.650	8.650

The Group's customer relationships have arisen in connection with business acquisitions.

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

SEK 000s	2015	2014	2013	2012
Cost of goods sold	2.993	3.130	3.161	2.772
Administrative expenses	0	0	310	862
	<u>2.993</u>	<u>3.130</u>	<u>3.471</u>	<u>3.634</u>

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Note 16 Property, plant and equipment

Group SEK 000s	Land and buildings	Machinery	Equipment & tools	Construc-tion in progress	Total
Accumulated cost					
Opening balance, 1 January 2012	107.816	44.598	25.694	12.753	190.861
Acquisitions	4.444	1.324	297	0	6.065
Investments for the year	0	3.007	735	15.420	19.162
Divestments and disposals	0	0	-110	0	-110
Reclassification	0	14.654	-3.405	-11.222	27
Exchange-rate differences for the year	-2.417	-876	-345	-10	-3.648
Closing balance, 31 December 2012	<u>109.843</u>	<u>62.707</u>	<u>22.866</u>	<u>16.941</u>	<u>212.357</u>
Accumulated depreciation and impairment					
Opening balance, 1 January 2012	-4.125	-7.448	-2.414	0	-13.987
Depreciation for the year	-4.000	-8.290	-4.025	0	-16.315
Exchange-rate differences for the year	125	176	68	0	369
Closing balance, 31 December 2012	<u>-8.000</u>	<u>-15.562</u>	<u>-6.371</u>	<u>0</u>	<u>-29.933</u>
Carrying amounts					
At 1 January 2012	103.691	37.150	23.280	12.753	176.874
At 31 December 2012	<u>101.843</u>	<u>47.145</u>	<u>16.495</u>	<u>16.941</u>	<u>182.424</u>
Accumulated cost					
Opening balance, 1 January 2013	109.843	62.707	22.866	16.941	212.357
Investments for the year	0	3.052	363	20.373	23.788
Divestments and disposals	-12.493	-206	-4	0	-12.703
Reclassification	241	28.427	2.776	-31.181	263
Exchange-rate differences for the year	1.645	890	-22	-15	2.498
Closing balance, 31 December 2013	<u>99.236</u>	<u>94.870</u>	<u>25.979</u>	<u>6.118</u>	<u>226.203</u>
Accumulated depreciation and impairment					
Opening balance, 1 January 2013	-8.000	-15.562	-6.371	0	-29.933
Acquisitions	0	0	0	0	0
Depreciation for the year	-3.668	-7.693	-4.051	0	-15.412
Divestments and disposals	561	0	0	0	561
Exchange-rate differences for the year	-120	-221	6	0	-335
Closing balance, 31 December 2013	<u>-11.227</u>	<u>-23.476</u>	<u>-10.416</u>	<u>0</u>	<u>-45.119</u>
Carrying amounts					
At 1 January 2013	101.843	47.145	16.495	16.941	182.424
At 31 December 2013	<u>88.009</u>	<u>71.394</u>	<u>15.563</u>	<u>6.118</u>	<u>181.084</u>

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Accumulated cost

Opening balance, 1 January 2014	99.236	94.870	25.979	6.118	226.203
Acquisitions	37	0	563	0	600
Investments for the year	0	2.373	1.975	10.907	15.255
Divestments and disposals	0	0	-30	0	-30
Reclassification	-420	3.019	6.109	-9.554	-846
Exchange-rate differences for the year	3.309	1.588	680	4	5.581
Closing balance, 31 December 2014	<u>102.162</u>	<u>101.850</u>	<u>35.276</u>	<u>7.475</u>	<u>246.763</u>

Accumulated depreciation and impairment

Opening balance, 1 January 2014	-11.227	-23.476	-10.416	0	-45.119
Depreciation for the year	-3.261	-11.575	-3.517	0	-18.353
Exchange-rate differences for the year	-485	-555	-274	0	-1.314
Closing balance, 31 December 2014	<u>-14.973</u>	<u>-35.606</u>	<u>-14.207</u>	<u>0</u>	<u>-64.786</u>

Carrying amounts

At 1 January 2014	88.009	71.394	15.563	6.118	181.084
At 31 December 2014	<u>87.189</u>	<u>66.244</u>	<u>21.069</u>	<u>7.475</u>	<u>181.977</u>

Accumulated cost

Opening balance, 1 January 2015	102.162	101.850	35.276	7.475	246.763
Investments for the year	0	5.493	1.960	19.953	27.406
Divestments and disposals	0	0	-247	0	-247
Reclassification	133	6.219	1.517	-7.869	0
Exchange-rate differences for the year	-2.230	-1.268	-921	-16	-4.435
Closing balance, 31 December 2015	<u>100.065</u>	<u>112.294</u>	<u>37.585</u>	<u>19.543</u>	<u>269.487</u>

Accumulated depreciation and impairment

Opening balance, 1 January 2015	-14.973	-35.606	-14.207	0	-64.786
Depreciation for the year	-3.253	-11.400	-4.319	0	-18.972
Exchange-rate differences for the year	397	524	443	0	1.364
Closing balance, 31 December 2015	<u>-17.829</u>	<u>-46.482</u>	<u>-18.083</u>	<u>0</u>	<u>-82.394</u>

Carrying amounts

At 1 January 2015	87.189	66.244	21.069	7.475	181.977
At 31 December 2015	<u>82.236</u>	<u>65.812</u>	<u>19.502</u>	<u>19.543</u>	<u>187.093</u>

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

SEK 000s	2015	2014	2013	2012
Cost of goods sold	16.927	16.152	13.507	14.073
Selling expenses	874	757	567	385
Administrative expenses	1.171	1.444	1.300	1.824
Research and development expenses	0	0	38	33
	<u>18.972</u>	<u>18.353</u>	<u>15.412</u>	<u>16.315</u>

Finance leases

In 2010, a finance lease was signed regarding energy optimisation and energy saving measures at one of the Group's production units. The equipment was commissioned in 2011. The lease runs over 6 years and the company then has a possibility to acquire the object for a guaranteed residual value. Also refer to Note 26.

Group	2015	2014	2013	2012
Carrying amount of assets under finance lease	<u>2.967</u>	<u>3.514</u>	<u>4.061</u>	<u>4.608</u>

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Note 17 Participations in associated companies

The Group has assessed that no significant holdings in any individual associated company exist. Assuming no significant holdings exist, there is no consolidation in the case of only temporary holdings exceeding 50% and controlling interest exists. Specified below, a summary of financial information for non-significant holdings in associated companies are shown, based on the amounts included in the consolidated financial statements.

Group SEK 000s	2015	2014	2013	2012
Carrying amount at beginning of the year	19,087	21,352	15,188	19,345
Acquisitions of associated companies	336	369	2,305	0
Divestment of associated companies	-526	-1,815	-700	0
Reclassification from associated companies to subsidiaries	0	0	0	-3,831
Dividend for the year	-6,946	-7,226	-3,356	-3,443
Participations in associated company profits	5,554	7,369	4,216	4,834
Reclassification	0	929	8,498	-1,214
Impairment losses	0	-1,835	-5,322	0
Translation difference for the year	-921	-56	523	-503
Carrying amount at the end of the year	<u>16,584</u>	<u>19,087</u>	<u>21,352</u>	<u>15,188</u>
Group				
Share of profit in associated companies	5,554	7,369	-1,106	4,834
Other comprehensive income	19	149	154	-113
Total comprehensive income	<u>5,573</u>	<u>7,518</u>	<u>-952</u>	<u>4,721</u>

Specification of holdings of participations in associated companies.

Associated company	Domicile	2015 Voting and capital share in %	2014 Voting and capital share in %	2013 Voting and capital share in %	2012 Voting and capital share in %
Takkonsulten i Helsingborg AB	Helsingborg, Sweden	25%	25%	25%	25%
Norrlands Tak AB, NOTAB	Skellefteå, Sweden	0%	0%	0%	33%
AB Tätskiktsgarantier i Norden	Sundsvall, Sweden	50%	50%	50%	50%
Katto 2000 Oy	Helsinki, Finland	0%	0%	20%	20%
Phønix Tag Esbjerg A/S	Esbjerg, Denmark	40%	40%	40%	40%
Phønix Tag Vejle A/S	Vejle, Denmark	40%	40%	40%	40%
Phønix Tag Nordsjælland A/S	Fredensborg, Denmark	40%	70%	70%	40%
Jysk Tagentreprise A/S	Ålborg, Denmark	0%	0%	0%	40%
Phønix Tag Nordjylland A/S	Ålborg, Denmark	40%	40%	40%	40%
Phønix Tag Holbæk/Næstved A/S	Næstved, Denmark	40%	40%	40%	40%
Phønix Tag Fyn A/S	Odense, Denmark	40%	40%	40%	40%
Phønix Tag Århus A/S	Århus, Denmark	40%	40%	40%	40%
Hetag Tagdækning Sjælland A/S (dormant)	Taastrup, Denmark	100%	100%	100%	40%
Phønix Tag København A/S	Copenhagen, Denmark	66%	55%	70%	40%
Hetag Tagdækning Syd A/S	Hedensted, Denmark	40%	40%	40%	40%
Hetag Tagdækning Nord A/S	Risskov, Denmark	40%	40%	40%	40%
Nordisk Tagdækning A/S	Hvidovre, Denmark	40%	40%	40%	40%
Garantiselskabet Dansk Tagdækning A/S	Copenhagen, Denmark	50%	50%	50%	50%

Note 18 Other investments

Group SEK 000s	2015	2014	2013	2012
Financial assets available for sale				
Shares and participations	1,827	1,970	2,191	2,111
	<u>1,827</u>	<u>1,970</u>	<u>2,191</u>	<u>2,111</u>

This item is essentially comprised of shares in unlisted companies. The company has deemed that the fair value of the shares have not been able to be estimated with sufficient reliability. The shares have therefore been valued at cost in accordance with the requirements in IAS 39. The shares belong to the measurement category "Financial assets available-for-sale" in IAS 39.

Note 19 Other receivables

Group SEK 000s	2015	2014	2013	2012
Other receivables that are current assets				
VAT receivables	5,045	5,217	5,063	5,538
Pledged margins for bitumen derivatives	1,807	16,530	0	0
Fair value, currency derivatives	0	0	0	689
Balance on tax account	2,102	66	110	8
Other receivables	3,725	3,838	3,202	1,874
	<u>12,679</u>	<u>25,651</u>	<u>8,375</u>	<u>8,109</u>

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Note 20 Inventory

Group	2015	2014	2013	2012
SEK 000s				
Raw materials and consumables	42.798	45.066	38.698	39.812
Finished goods and goods for resale	125.287	135.470	111.025	130.519
	<u>168.085</u>	<u>180.536</u>	<u>149.723</u>	<u>170.331</u>

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 Construction contracts

Receivables for on-going construction contracts	2015	2014	2013	2012
SEK 000s				
Group				
Performed revenues on incomplete contracts	282.883	410.604	266.072	257.584
Invoicing on incomplete contracts	-261.270	-389.974	-239.055	-239.610
	<u>21.613</u>	<u>20.630</u>	<u>27.017</u>	<u>17.974</u>

Note 22 Trade receivables

Trade receivable are recognised after consideration is taken to bad debt losses arising during the year that amounted to SEK -948 (-205; -5,072; -3,002) thousand.

For more information on credit risk in trade receivable, refer to Note 30.

Note 23 Prepaid expenses

SEK 000s	2015	2014	2013	2012
Group				
Prepaid sales and marketing expenses	996	1.539	1.651	2.023
Prepaid energy costs	300	292	504	549
Insurance	622	740	5.969	1.349
Rent	1.121	775	375	196
Other	2.892	1.774	3.177	5.536
	<u>5.931</u>	<u>5.120</u>	<u>11.676</u>	<u>9.653</u>

Note 24 Cash and cash equivalents

SEK 000s	2015	2014	2013	2012
Group				
<i>The following subcomponents are included in cash and cash equivalents:</i>				
Cash and bank balances	181.305	138.800	60.667	42.253
Total as per balance sheet	181.305	138.800	60.667	42.253
Total as per cash flow statement	<u>181.305</u>	<u>138.800</u>	<u>60.667</u>	<u>42.253</u>

Note 25 Equity

Share capital and number of shares

Stated in number of shares	2015	2014	2013	2012
Issued as at 1 January	11.546.831	11.546.831	11.546.831	10.256.751
New share issue, February 2012	0	0	0	102.930
New share issue, April 2012	0	0	0	1.128.389
New share issue, June 2012	0	0	0	50.352
New share issue, September 2012	0	0	0	8.409
Issued as at 31 December - paid	<u>11.546.831</u>	<u>11.546.831</u>	<u>11.546.831</u>	<u>11.546.831</u>
<i>Number of shares by class:</i>				
Class A shares	5.182.493	5.182.493	5.182.493	5.182.493
Class B shares	52.349	52.349	52.349	52.349
Class C shares	4.118.226	4.118.226	4.118.226	4.118.226
Class D shares	41.598	41.598	41.598	41.598
Class E shares	2.152.165	2.152.165	2.152.165	2.152.165
	<u>11.546.831</u>	<u>11.546.831</u>	<u>11.546.831</u>	<u>11.546.831</u>

All shares have a quotient value of DKK 0.01.

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. Shares in Classes A-D have preference to dividends in an amount of SEK 1,508 thousand before dividends can be paid to shares in Class E.

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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.

In addition, the translation reserve consists of exchange-rate differences that arise in the revaluation of liabilities that have been taken up as hedging instruments by a net investment in a foreign operation.

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 recognised equity.

The financial targets for Nordic Waterproofing Group, which are valid as from 2016, 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 as general economic and business conditions. Net debt in relation to EBITDA before items affecting comparability (measured on a rolling-twelve months basis), excluding temporary deviations, shall not exceed 2.5 times. No dividend has been paid to the owners during 2012-2015, why leverage has decreased substantially and amounts to 0.7x EBITDA (1.4x; 2.2x; 3.1x) as per the end of the reporting period.

Note 26 Interest-bearing liabilities

Group SEK 000s	2015	2014	2013	2012
Non-current liabilities				
Bank loans	118.305	197.668	251.011	299.850
Vendor loan, Trelleborg AB	131.715	128.203	112.627	101.417
Finance lease liabilities	455	1.367	2.279	3.191
	<u>250.475</u>	<u>327.238</u>	<u>365.917</u>	<u>404.458</u>

The non-current part of bank loans has been reduced by SEK 450 (3,105; 5,673; 8,224) thousand with regard to period-allocated arrangement costs for bank loans.

Group SEK 000s	2015	2014	2013	2012
Current liabilities				
Overdraft facilities	0	0	0	11.718
Current part of bank loans	71.366	69.693	54.632	29.316
Current part of finance lease liabilities	912	912	912	912
	<u>72.278</u>	<u>70.605</u>	<u>55.544</u>	<u>41.946</u>

The current part of bank loans has been reduced by SEK 2,628 (2,653; 2,621; 2,602) thousand with regard to period-allocated arrangement costs for bank loans.

Finance lease liabilities

Finance lease liabilities fall due for payment as per below:

Group SEK 000s	Minimum lease payments 2015	Interest 2015	Capital amount 2015
Within one year	1.088	176	912
Between one and five years	541	86	455
After more than five years	0	0	0
	<u>1.629</u>	<u>262</u>	<u>1.367</u>
SEK 000s	2014	2014	2014
Within one year	1.088	176	912
Between one and five years	1.629	262	1.367
After more than five years	0	0	0
	<u>2.717</u>	<u>438</u>	<u>2.279</u>
SEK 000s	2013	2013	2013
Within one year	1.088	176	912
Between one and five years	2.717	438	2.279
After more than five years	0	0	0
	<u>3.805</u>	<u>614</u>	<u>3.191</u>
SEK 000s	2012	2012	2012
Within one year	1.088	176	912
Between one and five years	3.805	614	3.191
After more than five years	0	0	0
	<u>4.893</u>	<u>790</u>	<u>4.103</u>

Note 27 Pensions

Commitments for retirement pensions and family pensions for white-collar employees in Sweden are secured through insurance with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10, this is a defined-benefit plan that comprises multiple employers. For the 2015 financial year, the company has not had access to information that makes it possible to recognise this plan as a defined-benefit plan. The pension plan according to ITP is secured through insurance in Alecta is therefore recognised as a defined-contribution plan. The year's fees for pension insurance taken out in Alecta amount to SEK 5,075 (4,446; 3,644; 4,786) thousand. Alecta's surplus can be distributed to the policyholders and/or the beneficiaries. At the end of 2015, Alecta's surplus in the form of the collective solvency level amounted to 153% (143%; 148%; 129%). The collective solvency level is comprised of the market value of Alecta's assets as a percentage of the insurance commitments calculated according to Alecta's actuarial assumptions, which is not in accordance with IAS 19.

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 plans 1)

SEK 000s	2015	2014	2013	2012
Group	9.415	9.450	7.936	8.702

1) This includes SEK 5,075 (4,446; 3,644; 4,786) thousand for ITP plans financed in Alecta, see above.

Next year's expected contributions to defined-benefits plans covered by several employers, but recognised as if the plan was a defined-contribution plan amount to approximately SEK 5,100 thousand.

Note 28 Other liabilities

Group SEK 000s	2015	2014	2013	2012
Other current liabilities				
Personnel-related liabilities	3.431	2.068	1.850	2.692
VAT liabilities	3.841	6.897	7.002	6.162
Fair value, commodity derivatives	4.410	21.806	804	1.089
Fair value, currency derivatives	0	0	1.493	0
Other liabilities	5.570	1.222	2.334	5.028
	<u>17.252</u>	<u>31.993</u>	<u>13.483</u>	<u>14.971</u>

Note 29 Accrued expenses

Group SEK 000s	2015	2014	2013	2012
Personnel-related expenses	68.503	79.904	70.233	66.568
Interest expenses	8.565	8.421	7.780	7.325
Customer bonus	11.518	6.719	14.257	12.771
IPO-related expenses	13.744	0	0	0
Other	15.681	14.361	12.724	16.128
	<u>118.011</u>	<u>109.405</u>	<u>104.994</u>	<u>102.792</u>

Note 30 Financial risk and finance policies

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 to 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: liquidity and financing risk, interest rate risk, currency risk, raw material price risk and credit risk.

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 non-current interest-bearing liabilities are primarily comprised of a bank loan in an amount of SEK 192,742 (273,119; 313,937; 339,992) thousand and of a loan from Trelleborg AB raised in connection with the acquisition of operations from Trelleborg AB in the formation of the Nordic Waterproofing Group in 2011. At the reporting date, the liability to Trelleborg AB amounted to SEK 131,715 (128,203; 112,627; 101,417) thousand. The bank loan falls due on 31 January 2018, while the debt to Trelleborg AB falls due as 33% each on 31 Dec. 2018, 31 Dec. 2019 and 31 Dec. 2020 (including accrued interest at the respective date).

The bank loan is distributed over two facilities, of which one is repaid with accelerating amounts until full repayment has been made at 31 January 2017 while the other runs until 31 January 2018 without requiring repayment in instalments. The debt to Trelleborg AB also runs without requiring repayment in instalments. Both the bank loan and the Trelleborg loan contain change of control clauses.

The bank loan is also conditional on Nordic Waterproofing fulfilling certain covenants regarding the debt/equity ratio, interest coverage ratio, cash flow and investments. At the reporting date, the Group fulfilled all covenants.

Both the Group's bank loans and the liability to Trelleborg AB are raised in EUR. The Group's indebtedness is required to be restructured in connection with a market listing.

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 40,000 thousand. 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 181,305 (138,800; 60,667; 42,253) thousand. In addition, there were unutilised credit facilities in the form of overdraft facilities of EUR 14,400 (14,400; 14,400; 13,000) thousand, corresponding to SEK 131,544 (137,023; 128,779; 112,361) thousand.

The table below 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.

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Group 2015	Nominal amounts	Contractual payments of capital amounts and interest				
		Jan-June 2016	July-Dec 2016	2017	2018 to 2021	After 2021
SEK 000s						
Interest-bearing liabilities						
Non-current interest-bearing liabilities						
<i>Bank loans</i>	118.755				118.755	
<i>Vendor loan, Trelleborg AB</i>	131.715				131.715	
<i>Finance lease liabilities</i>	455					
Current interest-bearing liabilities						
<i>Bank loans</i>	73.994		73.994			
<i>Finance lease liabilities</i>	912	456	456			
Interest	62.014	3.284	2.963	4.029	51.738	
Non-interest-bearing liabilities						
Trade payable	73.988	73.988				
Other current liabilities						
<i>Derivatives</i>	3.273	3.273				
Accrued interest expenses	8.565				8.565	
Total	473.671	81.001	77.413	4.029	310.773	0
Less bank balances	-181.305	-181.305				
Net	292.366	-100.304	77.413	4.029	310.773	0

2014	Nominal amounts	Contractual payments of capital amounts and interest				
		Jan-June 2015	July-Dec 2015	2016	2017 to 2020	After 2020
SEK 000s						
Interest-bearing liabilities						
Non-current interest-bearing liabilities						
<i>Bank loans</i>	200.773			77.076	123.698	
<i>Vendor loan, Trelleborg AB</i>	128.203				128.203	
<i>Finance lease liabilities</i>	1.367			912	455	
Current interest-bearing liabilities						
<i>Bank loans</i>	72.346		72.346			
<i>Finance lease liabilities</i>	912	456	456			
Interest	82.907	4.732	4.414	6.619	67.141	
Non-interest-bearing liabilities						
Trade payable	78.226	78.226				
Other current liabilities						
<i>Derivatives</i>	6.498	6.498				
Accrued interest expenses	8.421				8.421	
Total	579.653	89.912	77.216	84.606	327.918	0
Less bank balances	-138.800	-138.800				
Net	440.853	-48.888	77.216	84.606	327.918	0

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2013		Contractual payments of capital amounts and interest				
SEK 000s	Nominal amounts	Jan-June 2014	July-Dec 2014	2015	2016 to 2019	After 2019
Interest-bearing liabilities						
Non-current interest-bearing liabilities						
<i>Bank loans</i>	256.684			67.985	188.699	
<i>Vendor loan, Trelleborg AB</i>	112.627				75.085	37.542
<i>Finance lease liabilities</i>	2.279			912	1.367	
Current interest-bearing liabilities						
<i>Bank loans</i>	57.253		57.253			
<i>Finance lease liabilities</i>	912	456	456			
Interest	99.135	5.449	5.195	8.611	76.120	3.760
Non-interest-bearing liabilities						
Trade payable	65.378	65.378				
Other current liabilities						
<i>Derivatives</i>	2.297	2.297				
Accrued interest expenses	7.780				7.780	
Total	604.345	73.580	62.904	77.507	349.051	41.302
Less bank balances	-60.667	-60.667				
Net	543.678	12.913	62.904	77.507	349.051	41.302

2012		Contractual payments of capital amounts and interest				
SEK 000s	Nominal amounts	Jan-June 2013	July-Dec 2013	2014	2015 to 2018	After 2018
Interest-bearing liabilities						
Non-current interest-bearing liabilities						
<i>Bank loans</i>	308.074			55.163	252.911	
<i>Vendor loan, Trelleborg AB</i>	101.417				33.806	67.611
<i>Finance lease liabilities</i>	3.191			912	2.279	
Current interest-bearing liabilities						
<i>Bank loans</i>	31.918		31.918			
<i>Finance lease liabilities</i>	912	456	456			
Interest	112.179	5.912	5.767	10.463	79.277	10.760
Non-interest-bearing liabilities						
Trade payable	78.467	78.467				
Other current liabilities						
<i>Derivatives</i>	1.089	1.089				
Accrued interest expenses	7.325				7.325	
Total	644.572	85.924	38.141	66.538	375.597	78.371
Less bank balances	-42.253	-42.253				
Net	602.319	43.671	38.141	66.538	375.597	78.371

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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 statement of financial position. The Group's bank loans run with variable interest in the form of EURIBOR 3M plus a margin. The business loan from Trelleborg AB runs with a 7% fixed interest that is capitalised on the debt until maturity.

At 31 December 2015, the Group had no outstanding hedges of interest rate risk. In spring 2014, an interest-rate swap was concluded that the Group entered into in spring 2011. On the interest-rate swap, the Group received variable interest and paid fixed interest. The swap was used to financially hedge the interest payments on the Group's bank loans that run with variable interest in the form of EURIBOR 3M.

Sensitivity analysis, interest rate risk

An increase/decrease of EURIBOR 3M by 100 interest rate points would have increased/decreased the Group's annual interest expenses by approximately SEK 128 (1,366; 2,565; 3,018) thousand 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.

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 well balanced and any net transaction exposure is therefore considered insignificant. Accordingly, only cash flows that are unusual for the Group are currency hedged, such as binding significant contracts in foreign currencies with longer durations than apply for normal transactions. As at 31 December 2015, there were no outstanding currency hedges.

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 currency 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 recognised in other comprehensive income and accumulated in a special reserve, called a translation reserve. In 2015 the translation differences amounted to SEK -17,157 (17,912; 5,216; -7,378) thousand.

Part of the Group's borrowing in EUR is used to hedge the Group's net investments in the same currency, i.e. the translation exposure related to subsidiaries in Finland, Belgium and the Netherlands. The assets for these subsidiaries are at the reporting date SEK 155,295 (152,248; 160,974; 155,099) thousand compared to outstanding loans in SEK 324,464 (401,322; 426,564; 441,409) thousand, which means that the translation differences related to the subsidiaries in Finland, Belgium and the Netherlands are fully hedged. The part of exchange rate gains/losses on the loans in EUR related to the hedge of translation exposure is recognised in other comprehensive income, while the remaining part of the exchange rate gains/losses is recognised as finance income/costs in the consolidated statement of profit or loss. Gains/losses on the loans in EUR related to the hedge of translation exposure recognised in other comprehensive income amounted to SEK 5,075 (-10,329; -6,550; 6,577) thousand.

The net translation differences, which mainly related to Denmark and Norway, amounted to SEK -12,082 (7,583; -1,334; 801) thousand. At the reporting date the accumulated translation differences after tax recognised in the translation reserve amounted to SEK -5,867 (7,332; -2,523; -2,630) thousand.

The treasury policy does not allow translation exposures to be hedged using currency derivatives.

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Sensitivity analysis, currency risk

The Group has a significant exposure in EUR against SEK in that both the Group's bank loans and the vendor loan from Trelleborg AB are raised in EUR. A 10% strengthening/weakening of the EUR against the SEK would have affected the Group's net financial items by SEK +/- 14,316 (26,252; 36,590; 39,916) thousand, given the net liabilities that were outstanding on the reporting date (less cash holdings). Hereof SEK +/- 15,530 (15,225; 16,097; 15,510) thousand will effect other comprehensive income due to the hedge arrangements mentioned above and as set out in the below schedule:

SEK thousand	2015	2014	2013	2012
Bank loan and vendor loan in EUR	324.464	401.322	426.564	441.409
Bank balances in EUR	-181.305	-138.800	-60.667	-42.253
Net liabilities in EUR	143.159	262.522	365.897	399.156
Part of bank loan designated as net investment hedge instrument	155.295	152.248	160.974	155.099

The effect on the profit and loss statement and comprehensive income can be summarized as follows: (illustrating a 10% weakening of the EUR against SEK):

<u>Profit and loss statement</u>				
Exchange gain on bank and vendor loan	32.446	40.132	42.656	44.141
Exchange loss on cash holdings	-18.131	-13.880	-6.067	-4.225
Hedge part of gain on bank and vendor loan	-15.530	-15.225	-16.097	-15.510
Net effect on profit and loss statement	-1.214	11.027	20.492	24.406
<u>Other comprehensive income</u>				
Translation loss on subsidiaries in EUR countries (Finland, Belgium and the Netherlands)	-15.530	-15.225	-16.097	-15.510
Hedge part of gain on bank and vendor loan	15.530	15.225	16.097	15.510
Net effect on comprehensive income	-	-	-	-
Total effect profit & loss statement and comprehensive income	-1.214	11.027	20.492	24.406

An increase/decrease of DKK and NOK compared to SEK by 10% will result in translation differences of SEK 29,605 (32,426; 30,103; 27,605) thousand and SEK 2,028 (1,405; 1,160; 1,029) thousand respectively.

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 2015, these materials accounted for 64% of the Group's total raw materials costs. The largest exposure is in bitumen, the price of which is the most volatile in the short term. Derivative instruments based on HSFO (High Sulphur Fuel Oil) are used to hedge the Group's exposure to the price of bitumen, as there is a high correlation between the bitumen and HSFO price. As from December 2015 hedge accounting is applied as conditions for qualification are fulfilled.

Sensitivity analysis, bitumen price

A 10% increase/decrease in the price of bitumen would have impacted the statement of profit and loss in an amount of SEK +/- 13,148 (16,005; 16,398; 19,907) without taking into consideration the effect of fair value changes on any outstanding bitumen derivative contracts. Expressed as changes in the underlying HSFO price, a 10 USD per ton increase/decrease would have impacted the statement of profit and loss by approximately SEK +/- 2,995 (2,419; 2,331; 2,676) thousand.

As at 31 December 2015 the forecasted purchase of bitumen for the first quarter of 2016 has been hedged corresponding to approximately 9,000 ton or 25% of the estimated annual purchase volume.

A 10% increase/decrease in the price of bitumen would have impacted the fair value of outstanding derivative instruments in an amount of SEK +/- 1,051 (2,771; 5,152; 3,868) thousand, which would have affected other comprehensive income for 2015 and the statement of profit or loss for 2012-2014 to a corresponding extent.

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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 2015, no single customer accounted for more than 4.6 per cent of consolidated sales, and the five largest customers accounted for 12.9 per cent 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.

Age analysis, overdue unimpaired trade receivable

Group

SEK 000s	2015	2014	2013	2012
Trade receivable not overdue	96.359	98.054	106.915	93.279
Overdue 1-30 days	14.339	16.577	22.299	19.223
Overdue 31-90 days	5.087	5.876	10.296	8.035
Overdue > 90 days	2.165	2.995	2.426	8.091
Carrying amount	117.950	123.502	141.936	128.628

Reserve for doubtful receivables

Group

SEK 000s	2015	2014	2013	2012
Opening balance	-4.141	-5.416	-4.606	-2.830
Reversal of previously applied impairment losses	41	601	433	34
Write-off of previous credit losses	2.922	1.232	3.873	1.192
Credit losses for the year	-948	-205	-5.072	-3.002
Exchange-rate differences for the year	75	-353	-44	0
Closing balance	-2.051	-4.141	-5.416	-4.606

All impaired trade receivables are overdue more than 90 days.

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.

Fair value of financial assets and liabilities

The fair value of the fixed rate vendor loan is determined as the present value of the expected payments, discounted as a rate equal to the relevant EUR 0-coupon rates with addition of an estimated credit spread. Due to the fact that Nordic Waterproofing group has not entered into any significant financing agreements recently, the credit spread which is a significant input to the valuation is based on an estimate not supported by observable data (level 3 measurement in the IFRS 13 hierarchy).

SEK 000s	2015	2014	2013	2012
Fair value of vendor loan	155.407	152.247	128.744	119.383
Carrying amount of vendor loan (including rolled-up interest)	140.280	136.624	120.407	108.702

The carrying amounts of other financial assets and liabilities are considered to be reasonable estimates of the fair value of each class of financial assets and liabilities.

The fair value of bitumen derivatives has been established through a discount of the difference between the agreed price and future prices at the reporting date for the remaining contract period. Fair value for the Group's interest-rate swap is based on the valuation of the intermediate institute, the reasonability of which has been tested by a discount of estimated future cash flows according to the swap agreement's conditions and based on the market interest rate for similar instruments on the reporting date. All derivatives belong to Level 2 in the measurement hierarchy in IFRS 13.

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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 in IAS 39.

Group	Financial assets at fair value through profit or loss			
	2015	2014	2013	2012
SEK 000s				
Financial assets at fair value				
Other current receivables				
<i>Currency derivatives</i>	0	0	0	689
Total financial assets at fair value	0	0	0	689
SEK 000s				
Financial assets not measured at fair value				
Non-current receivables from associated companies	8.901	8.939	10.030	15.024
Current receivables from associated companies	10.805	8.489	13.186	18.088
Receivables for on-going construction contracts	21.613	20.630	27.017	17.974
Other current receivables	12.679	25.651	8.375	8.109
Accounts receivable	117.950	123.502	141.936	128.628
Total financial assets not measured at fair value	171.948	187.211	200.544	187.823
Total financial assets	171.948	187.211	200.544	188.512

The item "Other investments" is essentially comprised of unlisted shares and participations belonging to the measurement category "Financial assets available-for-sale" in IAS 39. For information on carrying amounts for these assets, refer to Note 18.

SEK 000s	Financial liabilities at fair value through profit or loss			
	2015	2014	2013	2012
Financial liabilities at fair value				
Other non-current liabilities				
<i>Interest-rate derivatives</i>	0	0	0	7.686
Other current liabilities				
<i>Interest-rate derivatives</i>	0	0	1.493	0
<i>Commodity derivatives*</i>	4.410	21.805	803	1.089
Total financial liabilities at fair value	4.410	21.805	2.296	8.775
SEK 000s				
Financial liabilities not measured at fair value				
Non-current interest-bearing liabilities	250.475	327.238	365.917	404.458
Current interest-bearing liabilities	72.278	70.605	55.544	41.946
Trade payable	73.988	78.226	65.378	78.467
Other current liabilities	17.252	31.993	13.483	14.971
Accrued interest expenses	8.565	8.421	7.780	7.325
Total financial liabilities not measured at fair value	422.558	516.483	508.102	547.167
Total financial liabilities	426.968	538.288	510.398	555.942

* Cash flow hedge as regards 2015.

All derivatives during 2012-2014 belong to the sub-category "held-for-trading" in IAS 39 since the Group does not apply hedge accounting. The Group has entered into these derivative contracts for the purpose of financially hedging exposure to interest-rate, currency and raw material price risks (see above).

Financial instruments measured at fair value in the balance sheet consist of financial derivatives used to hedge the price risk arising from highly probable future purchases of bitumen products. These are recognized in the balance sheet items Other receivables and Other liabilities, and as from December 2015 hedge accounting is applied. The fair value of these commodity derivatives has been established through a discount of the difference between the agreed price and future prices at the reporting date for the remaining contract period. The fair value measurements belong to level 2 in the fair value hierarchy in IFRS 13. The carrying amounts of financial instruments not recognized at fair value constitute a reasonable approximation of their fair values.

Note 31 Operating leases

Leases where the company is lessee

Future payments for leases that cannot be cancelled amount to:

Group SEK 000s	2015	2014	2013	2012
Within one year	21.640	23.157	20.189	19.517
Between one and five years	30.097	40.982	40.192	50.366
After more than five years	1.017	28	143	712
	<u>52.754</u>	<u>64.167</u>	<u>60.524</u>	<u>70.595</u>

Of the Group's operating leases, most pertain to leases for properties and premises where operations are conducted.

Expensed payments for operating leases amount to:

Group SEK 000s	2015	2014	2013	2012
Minimum lease fees	23.559	23.775	21.299	21.016
Variable fees	37	253	171	147
Total leasing costs	<u>23.596</u>	<u>24.028</u>	<u>21.470</u>	<u>21.163</u>

No leased assets have been subleased.

Note 32 Investment commitments

Group

During 2015, the Group has reached agreements to acquire fixed assets for SEK 4,702 (3,761; 2,899; 11,871) thousand.

Note 33 Pledged assets and contingent liabilities

Group SEK 000s	2015	2014	2013	2012
Carrying amount of assets pledged as collateral for interest-bearing liabilities:				
<i>In the form of pledged assets for own liabilities and provisions</i>				
First mortgage of EUR 7,000 thousand				
Land and buildings	<u>21.138</u>	<u>23.115</u>	<u>22.949</u>	<u>23.171</u>
Floating charge of EUR 36,500 thousand				
Plant and equipment	3.380	4.408	5.257	5.913
Inventory	34.658	52.712	44.655	43.419
Current receivables	16.297	21.734	28.519	25.981
Other	1.827	1.971	1.788	1.724
	<u>56.162</u>	<u>80.825</u>	<u>80.219</u>	<u>77.037</u>
Share pledge of Nordic Waterproofing Group AB				
Shares in subsidiaries	<u>940.367</u>	<u>948.412</u>	<u>945.485</u>	<u>886.228</u>
Total carrying amount of assets pledged as collateral	<u>1.017.667</u>	<u>1.052.351</u>	<u>1.048.653</u>	<u>986.436</u>

In addition to the above, the Group's significant brands have been pledged as collateral for interest-bearing liabilities and other non-current liabilities.

Contingent liabilities

Guarantees for the benefit of subsidiaries	38.824	40.440	8.943	0
Guarantees for the benefit of associated companies	38.194	40.354	37.751	37.312
Total contingent liabilities	<u>77.018</u>	<u>80.794</u>	<u>46.694</u>	<u>37.312</u>

Security in the form of guarantee commitments have been made for the benefit of the Finnish Group companies' completion guarantees for contractor projects in a maximum of EUR 4.5 million (EUR 4.5; 1.0; 0,0) (corresponding to SEK 38.8 (40.4; 8.9; 0,0) million at the reporting date), and a total of DKK 16.2 million (corresponding to SEK 19.8 (20.7; 19.4; 18.7) million at the reporting date) for the benefit of the Danish associated companies' credit commitments. The latter guarantees are, however, limited per company and amount to a maximum of DKK 1.5 million (corresponding to SEK 1.8 (1.9; 1.8; 1,8) million) for an individual associated company.

In addition to this, Group companies have guaranteed completion guarantees regarding associated companies' project corresponding to a maximum of SEK 18.4 (19.2; 18.0; 17.3) million, and a guarantee for leasing vehicles corresponding to SEK 0 (0.5; 0.4; 1.3) million.

On 20 November 2014, the Danish Competition and Consumer Authority (the DCCA) conducted a dawn raid at - among others - the premises of the Danish subsidiary Nordic Waterproofing A/S due to its involvement in the industry organization Danske Tagpapfabrikanter's Brancheforening and especially in the independent industry council Tagpapbranchens Oplysningsråd (hereafter "TOR"). "TOR" issues industry standards for roofing materials under the name "TOR Godkendt". Nordic Waterproofing A/S has a seat on the board of TOR and the board of representative of TOR's product approval committee.

The dawn raid was conducted as a part of the DCCA's investigation of the industry for roofing materials in Denmark. Nearly a year later, on 17 September 2015, the DCCA issued a so-called Notice of Concern to Nordic Waterproofing A/S. The Notice of Concern states as the DCCA's preliminary hypothesis that Nordic Waterproofing A/S prepares, via TOR promulgates and applies TOR Guidelines in a manner, which is capable of restricting competition on the market for roofing materials.

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Nordic Waterproofing A/S does not agree with the DCCA's preliminary hypothesis as expressed in the Notice of Concern. If the DCCA nonetheless decides that Nordic Waterproofing A/S is in breach of the competition rules, there is a certain exposure. However, the Management of Nordic Waterproofing Group does not expect the exposure to be significant in respect of the company's financial position and due to the significant uncertainty and the fact that the investigation is still on-going no provision has been made in the annual report.

Furthermore on 9 March 2016, Nordic Waterproofing A/S received a letter of claim from a competitor stipulating an alleged claim of approximately DKK 53.5 million corresponding to SEK 65.5 million with regard to the on-going investigation mentioned above. As the investigation is still on-going, the Management of Nordic Waterproofing Group does not agree with the DCCA's preliminary hypothesis and finally that the Management finds that the claim is unsubstantiated/unfounded no provision has been made in the annual report.

Note 34 Related parties

Related party relationships

The Group has related party relationships with the associated companies stated in Note 17. The Parent Company also has a related party relationship with its subsidiaries; see Note 35.

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% of the number of votes. The interest can temporarily exceed 50%, however as the intention of the Group is to remain a minority owner the interest shall decrease as soon as possibly viable. Therefore, temporary ownership exceeding 50% does not change the status of a associated company to subsidiary unless effects are considered to be substantial. The vast majority of the associated companies in the Group are customers to the Denmark subsidiaries, and also franchisees where they have access to the concepts and brands Phønix Tag and Hetag Tagdækning.

Compilation of related party transactions

Group
SEK 000s

Related party relationship	Year	Sale of goods/ services and royalties to related parties	Purchases of goods/ services from related parties	Other (e.g. interest, dividends)	Receivables on related parties at 31 December	Liabilities to related parties at 31 December
Associated companies	2015	142.591	0	7.298	19.706	0
Associated companies	2014	115.556	0	7.366	17.427	0
Associated companies	2013	114.044	0	3.561	23.216	0
Associated companies	2012	114.506	0	3.577	33.112	0

Transactions with related parties are priced on market-based terms.

Transactions with key persons in management positions

Transactions with key persons in management positions are presented in Note 8. These transactions comprise salaries, benefits and pension commitments, as well as participation in the Group's share option programme. No further transactions or commitments exist that cover key persons in senior positions.

Note 35 Group companies and subsidiaries

The Group consists of 23 subsidiaries. These subsidiaries are owned through a majority of the votes in the respective subsidiary.

Holdings in subsidiaries

Subsidiary (domicile, country)	2015	2014	2013	2012
	Voting and capital share in %	Voting and capital share in %	Voting and capital share in %	Voting and capital share in %
Nordic Waterproofing Group 1 AB (Stockholm, Sweden)	100%	100%	100%	100%
Nordic Waterproofing Group AB (Stockholm, Sweden)	100%	100%	100%	100%
Nordic Waterproofing AB (Trelleborg, Sweden)	100%	100%	100%	100%
SealEco AB (Värnamo, Sweden)	100%	100%	100%	100%
SealEco BV (Lemelerveld, Netherlands)	51%	51%	0%	0%
Univex Sprl (Hoeilaart, Belgium)	100%	100%	0%	0%
SealEco Su Yalitim Teknolojileri A.Ş. (Nilüfer, Turkey)	100%	0%	0%	0%
Nordic Waterproofing AS (Spydeberg, Norway)	100%	100%	100%	100%
SealEco GmbH (Marsberg, Germany)	100%	100%	100%	100%
Nordic Waterproofing Holding ApS (Vejen, Denmark)	100%	100%	100%	100%
Hetag Tagmaterialer A/S (Hedensted, Denmark)	100%	100%	100%	100%
Nordic Waterproofing A/S (Vejen, Denmark)	100%	100%	100%	100%
Tagselskabet af 1 maj 2014 A/S i likv. (Hedensted, Denmark)	100%	100%	100%	100%
Hetag Tagdækning Vest A/S (Hedensted, Denmark)	100%	100%	100%	100%
SealEco Holding Belgium NV (Brecht, Belgium)	100%	74%	74%	74%
SealEco Belgium NV (Brecht, Belgium)	100%	100%	100%	100%
SealEco NV (Brecht, Belgium)	100%	100%	100%	100%
SealEco Ltd (London, United Kingdom)	100%	100%	100%	100%
SealEco Contracts Ltd (London, United Kingdom)	100%	100%	100%	100%
Nordic Waterproofing Oy (Helsinki, Finland)	100%	100%	100%	100%
Nordic Waterproofing Property Oy (Helsinki, Finland)	100%	100%	100%	100%
KerabitPro Oy (Helsinki, Finland)	100%	100%	100%	100%
Al-Katot Oy (Helsinki, Finland)	100%	100%	95%	95%
Nordic Waterproofing SpZoo (Lodz, Poland)	100%	100%	100%	100%

Nordic Waterproofing Holding A/S

Note 36 Statement of cash flows

Cash and cash equivalents - Group				
SEK 000s	2015	2014	2013	2012
<i>The following subcomponents are included in cash and cash equivalents:</i>				
Cash and bank balances	181.305	138.800	60.667	42.253
<i>Total as per statement of financial position</i>	<u>181.305</u>	<u>138.800</u>	<u>60.667</u>	<u>42.253</u>
<i>Total as per statement of cash flows</i>	<u>181.305</u>	<u>138.800</u>	<u>60.667</u>	<u>42.253</u>
Adjustment for non-cash items				
Group	2015	2014	2013	2012
SEK 000s	2015	2014	2013	2012
Depreciation/amortisation	21.965	21.483	18.883	19.949
Revaluation of earlier holdings in associated companies in business combinations	0	0	0	167
Changes in value of financial instruments	-21.806	21.002	403	400
Participations in associated company earnings	-5.554	-7.369	1.106	-4.834
Capital gains/losses	-18	344	-570	0
Provisions	4.880	0	0	0
Exchange-rate differences	-5.417	1.904	229	-863
Other items	0	3.592	0	1.192
	<u>-5.950</u>	<u>40.956</u>	<u>20.051</u>	<u>16.011</u>
Acquisitions of subsidiaries and other business units - Group				
SEK 000s	2015	2014	2013	2012
<i>Acquired assets and liabilities</i>				
Goodwill	0	4.029	0	31.329
Customer relationships	0	0	0	23.617
Property, plant and equipment	0	600	0	6.068
Financial assets	0	0	0	333
Inventory	0	2.676	0	7.904
Operating receivables	0	2.077	0	31.604
Cash and cash equivalents	0	277	0	8.134
Total assets	<u>0</u>	<u>9.659</u>	<u>0</u>	<u>108.989</u>
Deferred tax liabilities	0	0	0	-6.613
Current operating liabilities	0	-2.160	0	-32.534
Total liabilities and provisions	<u>0</u>	<u>-2.160</u>	<u>0</u>	<u>-39.147</u>
Consideration:	0	7.499	0	69.842
Less: Fair value regarding previously owned participation	0	0	0	-3.944
Non-controlling interests	0	0	0	-826
Contingent consideration	0	0	0	-2.507
Paid consideration	<u>0</u>	<u>7.499</u>	<u>0</u>	<u>62.565</u>
Less: Cash and cash equivalents in the acquired operations	0	-277	0	-8.134
Impact on cash and cash equivalents	<u>0</u>	<u>7.222</u>	<u>0</u>	<u>54.431</u>

Note 37 Events after the reporting date

The Belgian subsidiaries SealEco Belgium NV and Univex Sprl were merged as per 1st of January 2016, with SealEco Belgium NV as the surviving entity.

Note 38 Information on the Parent Company

Nordic Waterproofing Holding A/S is the Parent Company in the Group. The Parent Company is a Danish company with CVR number 33395361 domiciled in Vejlen.

The address of the company's registered office is Vester Allé 1, 6600 Vejlen, Denmark, while the address of the Group's operational head office is Drottninggatan 11, 252 21 Helsingborg, Sweden.

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

Axcel IV K/S, Copenhagen K
Axcel IV K/S 2, Copenhagen K
KIRKBI Invest A/S, Billund

Note 39 Transition to financial reporting in accordance with IFRS

This financial statement for the Group is the first prepared with the application of IFRS, as stated in Note 1. I prior years the financial statement has been prepared in accordance with the Danish Financial Statements Act.

In a vertical merger of four holding companies Nordic Waterproofing Holding A/S became the ultimate parent company in the Nordic Waterproofing Group with effect from 1 January 2014. In substance no changes occurred from a share- and stakeholder perspective and therefore the consolidated accounts for 2011-2013 has been prepared as had the new holding structure been in place from the date of formation of the Nordic Waterproofing Group in 2011. The merger did not result in any changes in the shareholdings of the group.

The accounting principles stated in Note 1 have been applied in the preparation of the consolidated accounts for the financial years 2012-2014 as well as for the Group's opening balance on 1 January 2012. In the preparation of the Group's opening balance sheet, amounts recognised as per previously applied accounting principles were adjusted according to IFRS. Explanations on how the transition from earlier accounting principles to IFRS has affected the Group's financial position, financial performance and cash flows are presented by the following tables and explanations to them.

IAS 1 - Presentation

In the opening statement of financial position, the presentation of equity changed compared with earlier accounting principles. Translation differences are recognised at the translation of foreign operations and exchange rate effects on hedges of net investments in foreign currencies in their own reserve in equity ("Translation reserve") instead of being included in "Non-restricted reserves" and "Restricted reserves" as before.

Other non-current receivables consisting of period-allocated arrangement costs for bank loans have in accordance with the principle of amortized costs been offset against non-current and current bank loans and not presented as an asset.

Deferred tax and deferred tax liabilities has been grossed up in accordance with the off-setting rules under IFRS meaning that only deferred tax assets and liabilities arising from the same legal entity can be offset.

The presentation of non-controlling interests (minority interests) has also changed in accordance with IAS 1 for 2012-2014. Non-controlling interests are included in consolidated equity. In agreement with IAS 1, provisions have been reclassified to non-current and current liabilities. Furthermore as compared to the Annual Report for 2014 "other current liabilities" has been specified in more details as "other current liabilities" and "accrued expenses", cf. the balance sheet and note 28 and 29. In addition to this other minor reclassifications have been made.

IAS 12 - Income taxes

IAS 12 - Income taxes - requires convincing evidence when deferred tax assets arises from the carryforward of unused tax losses. Due to historical losses in Finland and the fact that tax loss carryforward has a termination date in Finland deferred tax assets arising from carryforward of unused tax losses have been written down at 1 January 2012.

IFRS 3 - Provision for restructuring

In connection with the Group's formation in 2011, a provision was recognised for planned restructuring reserves. Such a provision does not constitute a liability eligible for the statement of financial position under IFRS and has therefore been booked off in the opening balance as at 1 January 2012. Furthermore the group has made restructuring provisions when acquiring the entities mentioned in note 5 - Business Combinations. As such restructuring provisions cannot be made in accordance with IFRS 3 these provisions have been expensed.

IFRS 3 - Translation of business combinations

Business combinations before 1 January 2012 have not been translated. Business combinations after are 1 January 2012 have been accounted for in accordance with IFRS 3. Most significant impact in 2012 when the group acquired Nortelt Bygg A/S as TSEK 23.617 of the consideration for the company have allocated to "Customer relationships" instead of goodwill, cf. Note 5. Furthermore all costs - including fees for financial and legal due diligence etc. - have in accordance with IFRS 3 been expensed and not been accounted for as part of the goodwill.

IAS 38 - Goodwill

According to earlier accounting principles, amortisation was applied to goodwill. According to IAS 38, however, goodwill shall not be amortised. Amortisation applied in 2012 through 2014 has therefore been reversed.

IAS 39 - Derivatives

The derivatives that the Group held in 2012 through 2014 have, in accordance with the requirements in IAS 39, been measured at fair value in the statement of financial position. Changes in fair value have been recognised in the income statement as the Group did not apply hedge accounting during the period in question. Changes in fair value of interest swap are included in "Finance income/cost" and changes in fair value of bitumen contracts are included in "Other operating income/expenses".

Effects on statement of profit or loss, statement of financial position and equity

The compilations below present the aforementioned effects on the statement of profit or loss, statement of financial position and equity as if IFRS would have been applied in 2012- 2014.

Nordic Waterproofing Holding A/S

Consolidated statement of financial position, 1 January 2012

SEK 000s	Consolidated Annual Report for 1 January 2012	IAS 1 - Presentation	IFRS 3 - Business Combina-tions	Restate-ment of income tax*	IAS 12 - Deferred tax on deficit	IAS 38 - Goodwill	IAS 39 - Derivatives **	According to IFRS
Assets								
Goodwill	562.251		0					562.251
Other intangible assets	1.213		0					1.213
Property, plant and equipment	176.874		0					176.874
Participations in associated companies	19.345		0					19.345
Receivables from associated companies	14.424		0					14.424
Other investments	1.852		0					1.852
Deferred tax assets	4.302	6.984	0		-6.984		2.416	6.718
Other non-current receivables	16.513	-13.528	0					2.985
Total non-current assets	796.774	-6.544	0	0	-6.984	0	2.416	785.662
Inventory	166.276		0					166.276
Trade receivable	142.544		0					142.544
Receivables for on-going construction contracts	11.512		0					11.512
Receivables from associated companies	3.122		0					3.122
Other current receivables	10.919		0					10.919
Prepaid expenses and accrued income	3.840		0					3.840
Cash and cash equivalents	41.817		0					41.817
Total current assets	380.030	0	0	0	0	0	0	380.030
Total assets	1.176.804	-6.544	0	0	-6.984	0	2.416	1.165.692
Equity								
Share capital	124		0					124
Reserves	0	-100	0					-100
Retained earnings including profit for the year	452.029	100	2.869		-2.557		-6.770	445.671
Equity attributable to owners of the Company	452.153	0	2.869	0	-2.557	0	-6.770	445.695
Non-controlling interests	0	2.709	0	0		0		2.709
Total equity	452.153	2.709	2.869	0	-2.557	0	-6.770	448.404
Non-controlling interests	2.709	-2.709	0					0
Provisions								
Other provisions	3.626	-3.626	0					0
Deferred tax liabilities	17.350	-17.350	0					0
Total provisions	20.976	-20.976	0	0	0	0	0	0
Liabilities								
Non-current interest-bearing liabilities	454.388	-10.907	0					443.481
Other non-current liabilities	0		0				9.186	9.186
Other provisions	0	3.626	-3.626					0
Deferred tax liabilities	0	24.334	757		-4.427			20.664
Total non-current liabilities	454.388	17.053	-2.869	0	-4.427	0	9.186	473.331
Current interest-bearing liabilities	51.694	-1.709	0					49.985
Trade payable	87.857		0					87.857
Tax liabilities	7.214		0					7.214
Other current liabilities	15.822	-912	0					14.910
Accrued expenses	83.991		0					83.991
Total current liabilities	246.578	-2.621	0	0	0	0	0	243.957
Total liabilities	724.651	-9.253	-2.869	0	-4.427	0	9.186	717.288
Total equity and liabilities	1.176.804	-6.544	0	0	-6.984	0	2.416	1.165.692

Nordic Waterproofing Holding A/S

Consolidated statement of profit or loss, 1 January-31 December 2012

SEK 000s	Consolidated Annual Report for 2012	IAS 1 - Presentation	IFRS 3 - Business Combinations	Restatement of income tax*	IAS 12 - Deferred tax on deficit	IAS 38 - Goodwill	IAS 39 - Derivatives **	According to IFRS
Continuing operations								
Net sales	1.671.656		0					1.671.656
Cost of goods sold	-1.350.210		-2.772			31.276		-1.321.706
Gross profit/loss	321.446	0	-2.772	0	0	31.276	0	349.950
Selling expenses	-196.351		-1.031					-197.382
Administrative expenses	-73.397		-4.981					-78.378
Research and development expenses	-5.117		0					-5.117
Other operating income	5.053		0				689	5.742
Other operating expenses	-1.321		-167				-1.089	-2.577
Participations in associated company profit	4.834		0					4.834
Operating profit/loss	55.147	0	-8.951	0	0	31.276	-400	77.072
	0		0					0
Finance income	1.439		0				265	1.704
Finance cost	-39.877		0				1.235	-38.642
Net finance items	-38.438	0	0	0	0	0	1.500	-36.938
Profit/loss before tax	16.709	0	-8.951	0	0	31.276	1.100	40.134
Tax	-7.326		1.936		-6.942		-640	-12.972
Non-controlling interest share in profit/loss for the year	-330	330	0					0
Profit/loss for the year from continuing operations	9.053	330	-7.015	0	-6.942	31.276	460	27.162
Profit/loss from discontinued operations, net after tax	0		0					0
Profit/loss for the year	9.053	330	-7.015	0	-6.942	31.276	460	27.162
Attributable to:								
Owners of the Company	9.053		-7.015		-6.942	31.276	460	26.832
Non-controlling interests	0	330	0					330
	9.053	330	-7.015	0	-6.942	31.276	460	27.162

Consolidated statement of other comprehensive income

SEK 000s	Consolidated Annual Report for 2012	IAS 1 - Presentation	IFRS 3 - Business Combinations	Restatement of income tax*	IAS 12 - Deferred tax on deficit	IAS 38 - Goodwill	IAS 39 - Derivatives **	According to IFRS
Profit/loss for the year	9.053	330	-7.015	0	-6.942	31.276	460	27.162
	0							0
	0							0
Other comprehensive income								0
Items that are or may be reclassified to profit/loss for the year								
Translation differences for the year in translation of foreign operations	0	-7.626	-202		402	48		-7.378
Gains/losses on hedging of currency risk in foreign operations	0	4.848	0					4.848
Participation in other comprehensive income of associated companies and joint ventures	0	-113	0					-113
Other comprehensive income for the year	0	-2.891	-202	0	402	48	0	-2.643
	0							0
Comprehensive income for the year	9.053	-2.561	-7.217	0	-6.540	31.324	460	24.519
Comprehensive income for the year attributable to:								
Owners of the Company	9.053	-2.778	-7.217		-6.540	31.324	460	24.302
Non-controlling interests	0	217	0					217
Comprehensive income for the year	9.053	-2.561	-7.217	0	-6.540	31.324	460	24.519

Nordic Waterproofing Holding A/S

Consolidated statement of financial position, 31 December 2012

SEK 000s	Consolidated Annual Report for 2012	IAS 1 - Presentation	IFRS 3 - Business Combina-tions	Restatement of income tax*	IAS 12 - Deferred tax on deficit	IAS 38 - Goodwill	IAS 39 - Derivatives **	According to IFRS
Assets								
Goodwill	572.621		-22.325			31.324		581.620
Other intangible assets	340		20.565					20.905
Property, plant and equipment	182.424		0					182.424
Participations in associated companies	15.188		0					15.188
Receivables from associated companies	15.024		0					15.024
Other investments	2.111		0					2.111
Deferred tax assets	10.821	2.007	0		-13.948		1.776	656
Other non-current receivables	13.643	-10.827	0					2.816
Total non-current assets	812.172	-8.820	-1.760	0	-13.948	31.324	1.776	820.744
Inventory	170.331		0					170.331
Trade receivable	128.628		0					128.628
Construction contracts	17.974		0					17.974
Receivables from associated companies	18.088		0					18.088
Tax assets	3.897		0					3.897
Other current receivables	7.420		0				689	8.109
Prepaid expenses and accrued income	9.653		0					9.653
Cash and cash equivalents	42.253		0					42.253
Total current assets	398.244	0	0	0	0	0	689	398.933
Total assets	1.210.416	-8.820	-1.760	0	-13.948	31.324	2.465	1.219.677
Equity								
Share capital	138		0					138
Reserves	0	-2.878	-202		402	48		-2.630
Retained earnings including profit for the year	512.784	2.878	-4.146		-9.499	31.276	-6.310	526.983
Equity attributable to owners of the Company	512.922	0	-4.348	0	-9.097	31.324	-6.310	524.491
Non-controlling interests	0	3.750	0	0	0	0	0	3.750
Total equity	512.922	3.750	-4.348	0	-9.097	31.324	-6.310	528.241
Non-controlling interests	3.750	-3.750	0					0
Provisions								
Other provisions	20.380	-20.380	0					0
Deferred tax liabilities	4.173	-4.173	0					0
Total provisions	24.553	-24.553	0	0	0	0	0	0
Liabilities								
Non-current interest-bearing liabilities	412.682	-8.224	0					404.458
Other non-current liabilities	0		0				7.686	7.686
Deferred tax	0	22.387	6.761		-4.851			24.297
Other provisions	0	4.173	-4.173					0
Uppskjutna skatteskulder	0		0					0
Total non-current liabilities	412.682	18.336	2.588	0	-4.851	0	7.686	436.441
Current interest-bearing liabilities	43.636	-1.690	0					41.946
Trade payable	78.467		0					78.467
Tax liabilities	16.819		0					16.819
Other current liabilities	24.941	-11.059	0				1.089	14.971
Accrued expenses	92.646	10.146	0					102.792
Provisions	0		0					0
Liabilities attributable to assets held for sale	0		0					0
Total current liabilities	256.509	-2.603	0	0	0	0	1.089	254.995
Total liabilities	697.494	-12.570	2.588	0	-4.851	0	8.775	691.436
Total equity and liabilities	1.210.416	-8.820	-1.760	0	-13.948	31.324	2.465	1.219.677

Nordic Waterproofing Holding A/S

Consolidated statement of profit or loss, 1 January-31 December 2013

SEK 000s	Consolidated Annual Report for 2013	IAS 1 - Presentation	IFRS 3 - Business Combina-tions	Restatement of income tax*	IAS 12 - Deferred tax on deficit	IAS 38 - Goodwill	IAS 39 - Derivatives **	According to IFRS
Continuing operations								
Net sales	1.667.971		0					1.667.971
Cost of goods sold	-1.299.490		-3.161			31.533		-1.271.118
Gross profit/loss	368.481	0	-3.161	0	0	31.533	0	396.853
Selling expenses	-205.115		-143					-205.258
Administrative expenses	-64.956		-1.303					-66.259
Research and development expenses	-5.677		0					-5.677
Other operating income	6.886		0				286	7.172
Other operating expenses	-2.800		0				-689	-3.489
Participations in associated company profit	-1.106		0					-1.106
Operating profit/loss	95.713	0	-4.607	0	0	31.533	-403	122.236
Finance income	861		0				0	861
Finance cost	-37.132		0				6.193	-30.939
Participations in associated companies' and joint ventures' earnings	0		0					0
Net finance items	-36.271	0	0	0	0	0	6.193	-30.078
Profit/loss before tax	59.442	0	-4.607	0	0	31.533	5.790	92.158
Tax	-27.982	0	1.220	3.901	2.945		-1.272	-21.188
Non-controlling interest share in profit/loss for the year	7	-7	0					0
Profit/loss for the year	31.467	-7	-3.387	3.901	2.945	31.533	4.518	70.970
Attributable to:	0							0
Owners of the Company	31.467	0	-3.387	3.901	2.945	31.533	4.518	70.977
Non-controlling interests	0	-7	0					-7
	31.467	-7	-3.387	3.901	2.945	31.533	4.518	70.970

Consolidated statement of other comprehensive income

SEK 000s	Consolidated Annual Report for 2013	IAS 1 - Presentation	IFRS 3 - Business Combina-tions	Restatement of income tax*	IAS 12 - Deferred tax on deficit	IAS 38 - Goodwill	IAS 39 - Derivatives **	According to IFRS
Profit/loss for the year	31.467	-7	-3.387	3.901	2.945	31.533	4.518	70.970
	0							0
Other comprehensive income								0
Items that are or may be reclassified to profit/loss for the year								0
Translation differences for the year in translation of foreign operations	298	3.922	-1.286		-351	2.633		5.216
Gains/losses on hedging of currency risk in foreign operations	0	-5.109	0					-5.109
Participation in other comprehensive income of associated companies and joint ventures	0	154	0					154
Other comprehensive income for the year	298	-1.033	-1.286	0	-351	2.633	0	261
	0							0
Comprehensive income for the year	31.765	-1.040	-4.673	3.901	2.594	34.166	4.518	71.231
Comprehensive income for the year attributable to:	0							0
Owners of the Company	31.765	-1.187	-4.673	3.901	2.594	34.166	4.518	71.084
Non-controlling interests	0	147	0					147
Comprehensive income for the year	31.765	-1.040	-4.673	3.901	2.594	34.166	4.518	71.231

Nordic Waterproofing Holding A/S

Consolidated statement of financial position, 31 December 2013

SEK 000s	Consolidated Annual Report for 2013	IAS 1 - Presentation	IFRS 3 - Business Combina-tions	Restatement of income tax*	IAS 12 - Deferred tax on deficit	IAS 38 - Goodwill	IAS 39 - Derivatives **	According to IFRS
Assets								
Goodwill	546.907		-22.325			65.490		590.072
Other intangible assets	0		15.618					15.618
Property, plant and equipment	181.084		0					181.084
Participations in associated companies	21.352		0					21.352
Receivables from associated companies	10.030		0					10.030
Other investments	2.191		0					2.191
Deferred tax assets	7.020	6.717	0		-13.825		504	416
Other non-current receivables	0	2.343	0					2.343
Total non-current assets	768.584	9.060	-6.707	0	-13.825	65.490	504	823.106
Inventory	149.723		0					149.723
Trade receivable	141.936		0					141.936
Construction contracts	27.017		0					27.017
Receivables from associated companies	13.186		0					13.186
Tax assets	1.958		0					1.958
Other current receivables	8.375		0					8.375
Prepaid expenses and accrued income	11.676		0					11.676
Cash and cash equivalents	60.667		0					60.667
Total current assets	414.538	0	0	0	0	0	0	414.538
Total assets	1.183.122	9.060	-6.707	0	-13.825	65.490	504	1.237.644
Equity								
Share capital	138		0					138
Reserves	0	-3.767	-1.488		51	2.681		-2.523
Retained earnings including profit for the year	543.063	3.767	-7.533	3.901	-6.554	62.809	-1.792	597.661
Equity attributable to owners of the Company	543.499	0	-9.021	3.901	-6.503	65.490	-1.792	595.574
Non-controlling interests	0	3.809	0					3.809
Total equity	543.499	3.809	-9.021	3.901	-6.503	65.490	-1.792	599.383
Non-controlling interests	3.809	-3.809	0					0
Provisions								
Other provisions	2.727	-2.727	0					0
Deferred tax liabilities	21.819	-21.819	0					0
Total provisions	24.546	-24.546	0	0	0	0	0	0
Liabilities								
Non-current interest-bearing liabilities	357.953	7.964	0					365.917
Other provisions	0	2.727	-2.727					0
Deferred tax liabilities	0	28.536	5.041		-7.322			26.255
Total non-current liabilities	357.953	39.227	2.314	0	-7.322	0	0	392.172
Current interest-bearing liabilities	60.253	-4.709	0					55.544
Trade payable	65.378		0					65.378
Tax liabilities	10.591	0	0	-3.901				6.690
Other current liabilities	23.645	-12.458	0				2.296	13.483
Accrued expenses	93.448	11.546	0					104.994
Total current liabilities	253.315	-5.621	0	-3.901	0	0	2.296	246.089
Total liabilities	635.814	9.060	2.314	-3.901	-7.322	0	2.296	638.261
Total equity and liabilities	1.183.122	9.060	-6.707	0	-13.825	65.490	504	1.237.644

Nordic Waterproofing Holding A/S

Consolidated statement of profit or loss, 1 January-31 December 2014

SEK 000s	Consolidated Annual Report for 2014	IAS 1 - Presentation	IFRS 3 - Business Combina-tions	Restatement of income tax*	IAS 12 - Deferred tax on deficit	IAS 38 - Goodwill	IAS 39 - Derivatives **	According to IFRS
Continuing operations								
Net sales	1.678.726		0					1.678.726
Cost of goods sold	-1.290.467		-3.130			31.822		-1.261.775
Gross profit/loss	388.259	0	-3.130	0	0	31.822	0	416.951
Selling expenses	-211.695		-1.408					-213.103
Administrative expenses	-65.303		-2.762					-68.065
Research and development expenses	-6.455		0					-6.455
Other operating income	7.677		0					7.677
Other operating expenses	-1.855		0				-21.002	-22.857
Participations in associated company profit	7.103	266	0					7.369
Operating profit/loss	117.731	266	-7.300	0	0	31.822	-21.002	121.517
Finance income	3.897	-266	0				0	3.631
Finance cost	-30.395		0				1.493	-28.902
Participations in associated companies' and joint ventures' earnings	0		0					0
Net finance items	-26.498	-266	0	0	0	0	1.493	-25.271
Profit/loss before tax	91.233	0	-7.300	0	0	31.822	-19.509	96.246
Tax	-24.005	0	2.068	-3.901	2.166		4.314	-19.358
Non-controlling interest share in profit/loss for the year	-618	618	0					0
Profit/loss for the year from continuing operations	66.610	618	-5.232	-3.901	2.166	31.822	-15.195	76.888
Profit/loss from discontinued operations, net after tax	0		0					0
Profit/loss for the year	66.610	618	-5.232	-3.901	2.166	31.822	-15.195	76.888
Attributable to:			0					0
Owners of the Company	66.610	1.236	-5.232	-3.901	2.166	31.822	-15.195	77.506
Non-controlling interests	0	-618	0					-618
	66.610	618	-5.232	-3.901	2.166	31.822	-15.195	76.888

Consolidated statement of other comprehensive income

SEK 000s	Consolidated Annual Report for 2014	IAS 1 - Presentation	IFRS 3 - Business Combina-tions	Restatement of income tax*	IAS 12 - Deferred tax on deficit	IAS 38 - Goodwill	IAS 39 - Derivatives **	According to IFRS
Profit/loss for the year	66.610	618	-5.232	-3.901	2.166	31.822	-15.195	76.888
			0					0
			0					0
Other comprehensive income			0					0
Items that are or may be reclassified to profit/loss for the year			0					0
Translation differences for the year in translation of foreign operations	476	11.760	23		-664	6.317		17.912
Gains/losses on hedging of currency risk in foreign operations	0	-8.057	0					-8.057
	0	149	0					149
Other comprehensive income for the year	476	3.852	23	0	-664	6.317	0	10.004
			0					0
Comprehensive income for the year	67.086	4.470	-5.209	-3.901	1.502	38.139	-15.195	86.892
Comprehensive income for the year attributable to:	0		0					0
Owners of the Company	67.704	4.321	-5.209	-3.901	1.502	38.139	-15.195	87.361
Non-controlling interests	-618	149	0					-469
Comprehensive income for the year	67.086	4.470	-5.209	-3.901	1.502	38.139	-15.195	86.892

Nordic Waterproofing Holding A/S

Consolidated statement of financial position, 31 December 2014

SEK 000s	Consolidated Annual Report for 2014	IAS 1 - Presentation	IFRS 3 - Business Combina-tions	Restatement of income tax*	IAS 12 - Deferred tax on deficit	IAS 38 - Goodwill	IAS 39 - Derivatives **	According to IFRS
Assets								
Goodwill	534.193		-23.616			103.562		614.139
Other intangible assets	0		12.519					12.519
Property, plant and equipment	181.977		0					181.977
Participations in associated companies and joint ventures:	19.087		0					19.087
Receivables from associated companies	8.939		0					8.939
Other investments	1.970		0					1.970
Deferred tax assets	5.284	2.688	0		-12.512		4.819	279
Other non-current receivables	0	2.319	0					2.319
Total non-current assets	751.450	5.007	-11.097	0	-12.512	103.562	4.819	841.229
Inventory	180.536		0					180.536
Biological assets	0		0					0
Trade receivable	123.502		0					123.502
Construction contracts	20.630		0					20.630
Receivables from associated companies	8.489		0					8.489
Tax assets	1.206		0					1.206
Other current receivables	17.248	8.403	0					25.651
Prepaid expenses and accrued income	5.120		0					5.120
Cash and cash equivalents	138.800		0					138.800
Assets held for sale	0		0					0
Total current assets	495.531	8.403	0	0	0	0	0	503.934
Total assets	1.246.981	13.410	-11.097	0	-12.512	103.562	4.819	1.345.163
Equity								
Share capital	138							138
Reserves	0	412	-1.465		-613	8.998		7.332
Retained earnings including profit for the year	549.049	-1.199	-7.533	3.901	-6.554	62.742	-1.792	598.614
Profit/loss for the year	66.610	618	-5.232	-3.901	2.166	31.822	-15.195	76.888
Equity attributable to owners of the Company	615.797	-169	-14.230	0	-5.001	103.562	-16.987	682.972
Non-controlling interests	0	2.423	0	0				2.423
Total equity	615.797	2.254	-14.230	0	-5.001	103.562	-16.987	685.395
Non-controlling interests	2.254	-2.254						0
Provisions								
Other provisions	475	-475						0
Deferred tax liabilities	25.745	-25.745						0
Total provisions	26.220	-26.220	0	0	0	0	0	0
Liabilities								
Non-current interest-bearing liabilities	319.266	7.972	0					327.238
Other non-current liabilities	0		0				0	0
Other provisions	0	475	-475					0
Deferred tax liabilities	0	28.433	3.608		-7.511			24.530
Total non-current liabilities	319.266	36.880	3.133	0	-7.511	0	0	351.768
Current interest-bearing liabilities	75.346	-4.741	0					70.605
Trade payable	78.226		0					78.226
Tax liabilities	17.771		0					17.771
Other current liabilities	20.432	-10.245	0				21.806	31.993
Accrued expenses	91.669	17.736	0					109.405
Total current liabilities	283.444	2.750	0	0	0	0	21.806	308.000
Total liabilities	631.184	11.156	3.133	0	-7.511	0	21.806	659.768
Total equity and liabilities	1.246.981	13.410	-11.097	0	-12.512	103.562	4.819	1.345.163

* Including restatement of an error of SEK 3,901 thousand in income tax between 2013 and 2014. Restated as an income in 2013 and expense in 2014 compared to financial statements for 2013 and 2014.

** Danish GAAP rules regarding hedge accounting is similar to IFRS but does not have the same requirements for formal documentation of hedge effectiveness. Swedish GAAP does not have any hedge accounting rules. According to Danish GAAP the fair value of the hedge contracts has to be accounted for as an asset or liability and booked directly against shareholders equity.

Due to conversion errors from Swedish to Danish accounting principles the hedge instruments has not been accounted for and has therefore been adjusted for the period 2012-2014.

Thus the adjustments in the profit and loss statement are due to the IFRS conversion while the adjustments in the balance sheet are due to conversion errors from Swedish to Danish GAAP.

Nordic Waterproofing Holding A/S

Parent company statement of profit or loss

SEK 000s	Note	1 January - 31 December	
		2015	2014
Administrative expenses		-19.006	-379
Operating profit/loss		-19.006	-379
Finance income		8.104	5
Finance costs		-31	0
Net finance items		8.073	5
Profit/loss before tax		-10.933	-374
Tax	2	585	92
Profit/loss for the year		-10.348	-282
Attributable to:			
Retained earnings		-10.348	-282
		-10.348	-282

As mentioned in note 8 in the consolidated accounts no salaries or benefits have been payable to the Parent Company's (Nordic Waterproofing Holding A/S) Board and Management before October 2015. In 2015 the Board members have received SEK 500 thousand and the CEO a salary of SEK 1,847 thousand.

Nordic Waterproofing Holding A/S

Parent company statement of financial position

SEK 000s	Note	As at 31 December	
		2015	2014
Assets			
Investments in subsidiaries	3	484.523	503.816
Total non-current assets		<u>484.523</u>	<u>503.816</u>
Current tax assets		670	92
Cash and cash equivalents		13.886	8.184
Total current assets		<u>14.556</u>	<u>8.276</u>
Total assets		<u>499.079</u>	<u>512.092</u>
Equity			
Share capital		138	138
Retained earnings including profit for the year		481.827	511.601
Total equity	4	<u>481.965</u>	<u>511.739</u>
Liabilities			
Trade payable		0	353
Accrued expenses		17.114	0
Total current liabilities		<u>17.114</u>	<u>353</u>
Total liabilities		<u>17.114</u>	<u>353</u>
Total equity and liabilities		<u>499.079</u>	<u>512.092</u>

Information on the parent company's pledged assets and contingent liabilities, see Note 5.

Information on the fees paid to the auditors, see Note 6.

Notes to the financial statements of the parent company

Note 1 Significant accounting principles

The accounting principles are the same as last year.
 The parent company's financial statements are prepared according to the Danish Financial Statements Act.
 Investment in subsidiaries are measured at cost.
 For other accounting principles refer to note 1, accounting principles, in the notes for the consolidated financial statements.

Note 2 Taxes

Parent SEK 000s	2015	2014
Current tax expense (-)/tax revenue(+)		
Tax expense for the period	585	92
Adjustment of tax attributable to earlier years	0	0
	<u>585</u>	<u>92</u>
Deferred tax expense (-) [/tax revenue(+)]		
Deferred tax for temporary differences	0	0
Deferred tax resulting from changes in tax rates	0	0
	<u>0</u>	<u>0</u>
Total reported tax expense	<u>585</u>	<u>92</u>

Note 3 Investment in subsidiaries

Parent SEK 000s	2015	2014
Accumulated cost		
Opening balance, 1 January	503.816	473.669
Exchange-rate differences for the year	-19.293	30.147
Investments for the year	0	0
Closing balance, 31 December	<u>484.523</u>	<u>503.816</u>

Holdings in subsidiaries
 Refer to note 35 in the notes for the consolidated financial statements.

Note 4 Equity

Parent

Share capital and number of shares

	2015	2014
<i>Stated in number of shares</i>		
Issued as at 1 January	<u>11.546.831</u>	<u>11.546.831</u>
Issued as at 31 December - paid	<u>11.546.831</u>	<u>11.546.831</u>
<i>Number of shares by class:</i>		
Class A shares	5.182.493	5.182.493
Class B shares	52.349	52.349
Class C shares	4.118.226	4.118.226
Class D shares	41.598	41.598
Class E shares	2.152.165	2.152.165
	<u>11.546.831</u>	<u>11.546.831</u>

All shares have a quotient value of DKK 0.01.

Holder 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. Shares in Classes A-D have preference to dividends in an amount of SEK 1,508 thousand before dividends can be paid to shares in Class E.

	2015	2014
Equity as at 1 Jan.	511.739	481.397
Profit/loss for the year	-10.348	-282
Exchange differences for the year in translation of foreign operations	-19.426	30.624
Equity as at 31 Dec.	<u>481.965</u>	<u>511.739</u>

Note 5 Contingent liabilities

**Parent
Contingent liabilities**

The parent company is jointly liable, together with the other Group's Danish companies, for tax payments relating to the jointly taxed income as well as other Danish withholding taxes in the form of tax on dividends, royalty and interest. Nordic Waterproofing Holding A/S is the administration company in relation to the joint taxation.

Note 6 Audit fees and expenses

SEK 000s	2015	2014
Parent		
<i>PwC</i>		
Statutory audit	243	60
Other assurance engagements	0	0
Tax consulting	0	24
Other services	1,183	16
	<u>1,426</u>	<u>100</u>

Note 7 Related parties

Parent

Nordic Waterproofing Holding A/S is the Parent Company in the Group. The Parent Company is a Danish company with CVR number 33395361 domiciled in Vejen.

The address of the company's registered office is Vester Allé 1, 6600 Vejen, Denmark, while the address of the Group's operational head office is Drottninggatan 11, 252 21 Helsingborg, Sweden.

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

Axcel IV K/S, Copenhagen K
Axcel IV K/S 2, Copenhagen K
KIRKBI Invest A/S, Billund

Management's statement

The Executive and Supervisory Boards have today considered and adopted the Annual Report of Nordic Waterproofing Holding A/S for the financial year 1 January – 31 December 2015.

The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the Financial Statements are prepared in accordance with the Danish Financial Statements Act.


In our opinion, the Consolidated Financial Statements and the Financial Statements give a true and fair view of the financial position at 31 December 2015 of the Group and the Company and of the results of the Group and Company operations and consolidated cash flows for the financial year 1 January - 31 December 2015.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Company, of the results for the year and of the financial position of the Group and the Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Vejen, 9 May 2016

Executive Board



Martin Ellis

Supervisory Board



Ulf Gündemark
Chairman



Vilhelm Sundström



Holger C. Hansen



Christian Frigast



Jørgen Jensen

Independent auditor's report

To the Shareholders of Nordic Waterproofing Holding A/S

Report on Consolidated Financial Statements and Parent Company Financial Statements

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Nordic Waterproofing Holding A/S for the financial year 1 January to 31 December 2015, which comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes for both the Group and the Parent Company, as well as consolidated comprehensive income and consolidated cash flow statement. The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and for preparing Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Consolidated Financial Statements and Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Consolidated Financial Statements and the Parent Company Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements and the Parent Company Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements and the Parent Company Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Consolidated Financial Statements and the Parent Company Financial Statements.

Nordic Waterproofing Holding A/S

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2015 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2015 in accordance with International Financial Reporting Standards as adopted by the EU.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2015 and of the results of the Parent Company's operations for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Consolidated Financial Statements and the Parent Company Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Consolidated Financial Statements and the Parent Company Financial Statements.

Vejle, 9 May 2016

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no. 33 77 12 31


Lars Almskou Ohmeyer
State Authorised Public Accountant