

NORDIC WATERPROOFING HOLDING A/S, CVR: 33395361

ANNUAL REPORT

2016



NORDIC 
WATERPROOFING
We make waterproofing easy

CONTENTS

2016 in brief	1
Management's review	2-9
CEO statement	2
Results and outlook	4-9
Financial review	4
Seasonal variations	8
Five-year overview	9
Strategy and business	10-27
The business and our targets	10
Our strategies	12
Our business model	14
Our market	16
Our offering	18
Products & Solutions	20
Installation Services	23
Production, purchasing and logistics	24
Our product development	26
Our organization structure	27
Governance and responsibility	28-41
Our corporate responsibility	28
Our risks and risk management	30
Our corporate governance	32
The board of directors	38
Group management	40
The NWG share	42-44
Financial information	45-79
Consolidated statement of profit and loss	46
Consolidated statement of other comprehensive income	46
Consolidated statement of financial position	47
Consolidated statement of cash flows	48
Consolidated statement of changes in equity	49
Notes – Group	50
Parent Company statement of profit and loss	77
Parent Company statement of financial position	77
Parent Company statement of changes in equity	78
Notes – Parent Company	78
Statement by the executive Board and the Board of Directors	80
Audit report	81
Financial definitions and glossary	84
Shareholder information	85
Notice of Annual General Meeting	85

Nordic Waterproofing Holding A/S is a Danish public limited liability company domiciled in Vejen, Denmark. Company registration number: 33395361. LEI code: 549300EJXC4KOSUI651. The Group's operational headquarters are in Helsingborg, Sweden.

The Annual Report is published in Swedish and English. The English language version is the original and in the case of discrepancies between the versions, the English version shall prevail. The printed version of the Annual Report is only distributed to shareholders who request a copy. The Annual Report is also available in its entirety at the company's website www.nordicwaterproofing.com. The 2016 Annual Report was published in April 2017.

All values are expressed in Swedish kronor. Kronor is abbreviated to SEK and millions of kronor to SEKm. Unless otherwise stated, figures in parentheses relate to the preceding fiscal year, 2015.

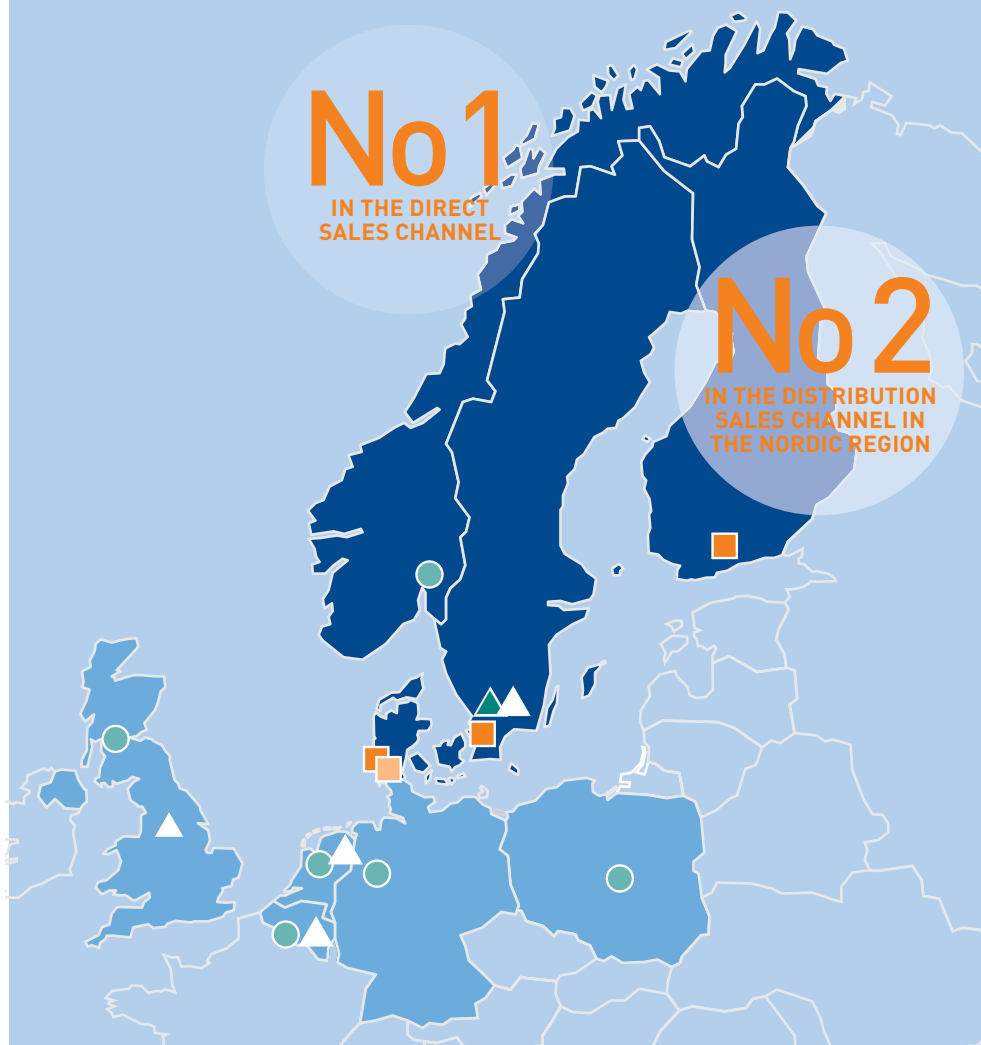
This report contains forward-looking statements that are based on the current expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove correct. Accordingly, results could differ materially from those implied in the forward-looking statements as a result of, among other factors, changes in economic, market and competitive conditions, change in the regulatory environment and other government actions, fluctuations in exchange rates and other factors.

This annual report was produced in collaboration with RHR/CC in Malmö, Sweden.

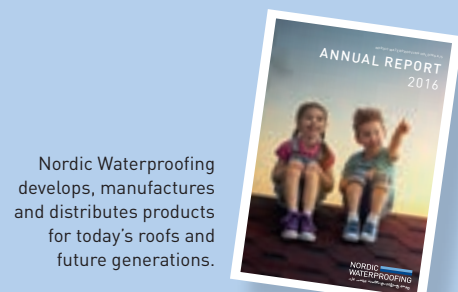
TOP PLAYER

IN THE NORTHERN EUROPEAN ROOFING MARKET

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



- Bitumen manufacturing units and sales offices
- Manufacturing unit for liquid bitumen and sales office
- ▲ EPDM manufacturing unit and sales offices
- ▲ EPDM prefabrication units
- Sales offices
- Predominantly bitumen market
- Predominantly EPDM market



Nordic Waterproofing develops, manufactures and distributes products for today's roofs and future generations.

A WIDE RANGE OF APPLICATION AREAS IN TWO SEGMENTS:

PRODUCTS & SOLUTIONS

Nordic Waterproofing primarily offers flat roofing and pitched roofing products and solutions produced in-house, and products produced by subcontractors, such as plastic sheets, foundations and moisture barriers, to complement the Group's products manufactured in-house.



INSTALLATION SERVICES

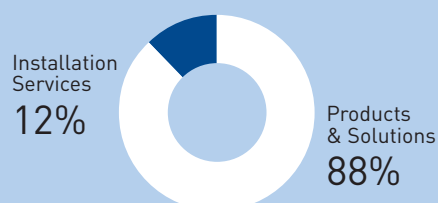
Nordic Waterproofing offers its customers turnkey installation services in Denmark and Finland, which include both the construction of the entire roof and individual roof installation services. The Group's installation business comprises its own installers in Finland, under the AL-Katot and KerabitPro brands, and in Denmark services are offered through franchising under the Phønix Tag and Hetag Tagdækning brands.



NET SALES BY SEGMENT 2016*

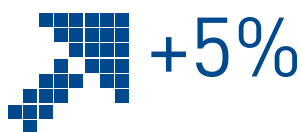


OPERATING PROFIT (EBIT) BEFORE ITEMS AFFECTING COMPARABILITY BY SEGMENT 2016*

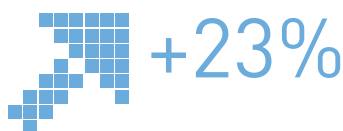


* Excluding intra-Group sales and earnings.

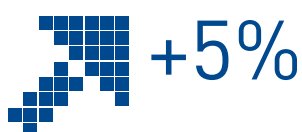
2016 IN BRIEF



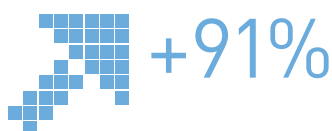
2016 was an excellent year for Nordic Waterproofing, with record results and delivering on external growth commitment. Net sales increased by 5 percent to SEK 1,813 million (1,720).



The operating profit (EBIT) before items affecting comparability for the full-year 2016 increased by 23 percent, to SEK 224 million (182). The EBIT margin before items affecting comparability rose to 12.3 percent (10.6).



Organic growth was up 5 percent for 2016.



Earnings per share for the full-year of 2016 were SEK 6.49 (3.40), an increase of 90.9 percent.

SEK 3.75

The board of directors will propose to the Annual General Meeting on 27 April 2017 to resolve to pay out a cash dividend of SEK 3.75 per share, a total of SEK 90 million. This represents around 58 percent of net profit.

FINANCIAL KEY RATIOS

SEK million (unless otherwise stated)	2016	Change	2015	2014	2013	2012
Net sales	1,813.1	5%	1,720.0	1,678.7	1,668.0	1,671.7
Gross profit	540.4	17%	461.8	417.0	396.9	350.0
Gross margin, %	29.8%	11%	26.8%	24.8%	23.8%	20.9%
EBITDA	230.8	40%	164.6	143.0	141.1	97.0
EBITDA before items affecting comparability	248.1	21%	204.2	186.9	160.5	129.7
EBITDA margin before items affecting comparability, %	13.7%	15%	11.9%	11.1%	9.6%	7.8%
Operating profit (EBIT)	206.3	45%	142.6	121.5	122.2	77.1
Operating profit (EBIT) before items affecting comparability	223.6	23%	182.2	165.4	141.6	109.8
EBIT margin before items affecting comparability, %	12.3%	16%	10.6%	9.9%	8.5%	6.6%
Net profit	156.3	91%	81.9	76.9	71.0	27.2
Operating cash flow	211.4	7%	197.1	188.6	132.5	105.9
Net debt	24.9	-82%	141.4	259.0	360.8	404.2
Earnings per share before and after dilution, SEK	6.49	91%	3.40 ¹⁾	3.19 ¹⁾	2.95 ¹⁾	1.13 ¹⁾

1) For comparative reasons previous year average number of shares have been re-calculated due to the split in June 2016.

Please refer to Financial definitions on page 84.

SERVING OUR CUSTOMER



I am proud to report that 2016 has been our best year ever in terms of both sales and financial results. The good financial performance for the year was based on the combination of organic growth in most of our markets, and a favorable development of our cost position.

2016 IN NUMBERS

In 2016, we continued to report healthy growth and strong result. Net sales increased by 5 percent to SEK 1,813 million (1,720), and operating profit (EBIT) before items affecting comparability were up by 23 percent to SEK 224 million (182). Overall operating margin was 12.3 percent (10.6), reflecting good operating performance and favorable raw material prices.

Earnings per share for the full-year of 2016 were SEK 6.49 (3.40), an increase of 91 percent.

In line with our strong operating result, our operating cash flow amounted to SEK 211 million (197). This has led to a further significant strengthening of our financial position. Net debt decreased to SEK 25 million at the end of 2016. This will allow the Board to propose a dividend of SEK 3.75 per share, while leaving room for further acquisitions.

SUCCESSFUL LISTING ON NASDAQ STOCKHOLM

Our potential for continued development and expansion was further enhanced in the

year through our listing in June 2016. Trading in the NWG share commenced on 10 June. The IPO price was SEK 71 per share, corresponding to market capitalization of SEK 1.7 billion.

The listing attracted interest from Swedish and international institutional investors. We welcome our new shareholders, who by taking up our offer, showed their trust and willingness to be part of developing Nordic Waterproofing for the future.

At the end of 2016, the share price was SEK 86.50, an increase of 22 percent during the year.

FOCUS ON SUSTAINABILITY

Nordic Waterproofing became a signatory to the United Nations' Global Compact in 2012 and is committed to uphold the ten principles on human and labour rights, the environment and anti-corruption. This will be further reflected in our strategy, policies and standards ensuring we continue to deliver long-term commercial success and at the same time respond to the evolving expectations of society.

STRATEGY GOING FORWARD

Our mission is clear, we make waterproofing easy. Our customers can count on a portfolio of user friendly products delivered to them exactly when they need them, within very short delivery times.

Going forward, widening and enhancing our products and services offer with new product categories will make Nordic Waterproofing increasingly a one stop shop opportunity for customers seeking comprehensive waterproofing solutions.

In parallel, we will pursue downstream integration opportunities. They will further improve our market intelligence and provide us with a larger share of the value creation chain.

Acquisitions are a key element in driving this strategy in a timely manner. We focus on small to medium sized acquisitions geared towards our existing customer base in our geographic home markets, in Scandinavia, as well as in the UK, Benelux and other European countries.



Our customers can count on a portfolio of user friendly products delivered to them exactly when they need them, within very short delivery times.

RECENT ACQUISITIONS ARE ADDING VALUE

In the beginning of 2017 we have already closed two acquisitions, thus delivering on our commitment to developing our business through both internal and external growth.

EPDM Systems is a Dutch prefabricator of EPDM based waterproofing solutions, with a business model similar to that of our Belgian operation. The acquisition is a successful example of downstream integration.

SPT-Painting is a Finnish provider of liquid waterproofing solutions for buildings, outdoor surfaces and ships. This latter acquisition represents an addition to our existing product and services portfolio, in a growing market segment.

Our strong balance sheet creates continued significant acquisition potential, and we draw confidence from our good track record in integrating acquisitions.

ORGANISATIONAL STRUCTURE

Nordic Waterproofing's operations are run by an exceptionally experienced and

motivated management team. Our decentralized organisation structure guarantees reactivity and closeness to our customers and markets. At the same time we use internal synergies by sharing best practices, benefit from centralized purchasing, and joint product development.

CONCLUSION

At Nordic Waterproofing we attach great value to creating an exciting and satisfying work environment for all our colleagues. We see this as the key towards making our customers happy.

I would like to take this opportunity to thank all our customers for their, in many cases longstanding support, and all our colleagues in Nordic Waterproofing for their contribution to a record year.

Martin Ellis
President and CEO of
Nordic Waterproofing Holding A/S

The listing attracted interest from Swedish and international institutional investors. We welcome our new shareholders, who by taking up our offer, showed their trust and willingness to be part of developing Nordic Waterproofing for the future.”



On the 10 June 2016, the Nordic Waterproofing management team tolled the bell marking the opening of trading at Nasdaq Stockholm.

BEST YEAR EVER

Nordic Waterproofing's operations are reported in two operating segments: Products & Solutions and Installation Services.

NET SALES

Consolidated net sales in 2016 showed organic growth of 5 percent compared with 2015, from SEK 1,720 million to SEK 1,813 million, with both of our operating segments contributing. While our Products & Solutions operating segment reported a sales increase of 3 percent despite weaker sales in Sweden, our Installation Services operating segment achieved an increase of 14 percent based on improved demand in Finland. Denmark continued to see a very favorable demand trend. Our Swedish operations continued to be soft following weaker demand in both DIY (do-it-yourself) related sales, the stricter amortization rules which were enforced during the summer, as well as somewhat weaker sales of infrastructure project-related products. Sales in Norway increased primarily as a result of increased market share in direct sales to flat roofing customers. The Finnish market developed stably, mainly due to seasonal effects. In general the weather was favorable during the year and particularly during the fourth quarter, except for a few days of winter in Sweden during mid-November.

OPERATING PROFIT (EBIT)

Operating profit (EBIT) for the period January-December 2016 increased to SEK 206 million (143) and EBIT margin increased to 11.4 percent (8.3). Items affecting comparability amounted to SEK -18 million (-39), primarily consisting of costs related to the listing of the Company. Hence, the operating profit (EBIT) before items affecting comparability for the period

January-December increased to SEK 224 million (182). The EBIT margin before items affecting comparability rose to 12.3 percent (10.6 percent). The good financial performance for the year was based on the combination of organic growth in both operating segments in most of our markets, and favorable development of our cost position, but it was also helped by favorable weather conditions during the fourth quarter in all the Nordic countries.

NET FINANCIAL ITEMS

Net financial items were SEK 14 million lower than in the preceding year and amounted to SEK -13 million (-27). Nordic Waterproofing's principal external

financing was replaced in connection with the IPO in June 2016, with considerably improved conditions compared to the previous agreement.

The lower interest margin has substantially decreased the interest costs compared with 2015. Net financial items were also positively affected by exchange rate effects associated with internal euro-nominated loans within the Group.

TAXES

Income tax for 2016 increased to SEK -37 million (-34). The Group's effective tax rate for the year amounted to 19 percent (29), and was positively affected by a positive

RECONCILIATION – ITEMS AFFECTING COMPARABILITY

SEK million	2016	2015
Operating profit (EBIT)	206	143
Costs related to exit/listing of the company incl change of CEO	14	47
Raw material hedge value adjustment (pre-hedge accounting)	0	-22
Provision product introduction	0	7
Restructuring	1	5
Other	3	2
Operating profit (EBIT) before items affecting comparability	224	182
Operating profit (EBIT) margin before items affecting comparability, %	12.3%	10.6%

ACQUISITIONS 2017:

Nordic Waterproofing acquired the majority of the shares in the Dutch company EPDM Systems B.V. on 24 January 2017. The Dutch company will strengthen Nordic Waterproofing's presence in the Dutch markets for prefabrication and for distribution of EPDM roofing materials.

EPDM Systems was established in 1997 and today, is one of the leading EPDM suppliers for building solutions. Customers consist primarily of contractors and builders' merchants. The company's operations are based in Lemelerveld, with 34 employees and it generates annual external sales of about SEK 80 million.

The company started as an exclusive importer of the EPDM material Prelasti to the Netherlands market. The current Managing Director, Edwin van Dijk, joined the company in 1998 as a sales representative and was, from EPDM Systems BV's inception, a leader in expanding the business to its current level. In 2004, Edwin van Dijk became co-owner of the company.

In 2003, EPDM Systems commenced development of self-adhesive EPDM for gutters and façade applications. Three years later, EPDM Systems began selling the Geotop brand, providing pond seals and geomembranes for gardeners. The company also began installing EPDM geomembranes for private ponds, industrial ponds, swimming ponds, and water buffering. In 2007, EPDM Systems acquired the business activities of Topskin BV (with its proprietary label Topskin EPDM), developing the brand and achieving a leading position in the market, particularly among builders' merchants. In 2011, EPDM Systems introduced Superseal to offer a complete portfolio of EPDM products.

"The company focuses on sustainable products, making us as a reliable partner for our customers, and we offer a complete portfolio for roofs, facades and gutters, as well as applications in the geo industry," says Mr van Dijk. "Combined, our customers experience the high standard offered by our products and services. Every day, we focus to satisfy our customers with quick lead times and excellent support. Internally, our culture remains informal, with a very strong team, dedicated to realizing our own ambitious standards."

Nordic Waterproofing Holding A/S's subsidiary SealEco AB has acquired 67 percent of the shares in the Dutch company EPDM Systems B.V. for SEK 17 million on a cash and debt free basis.



contribution in Finland where no tax cost is recorded due to tax-loss carryforwards, while the previous year's tax cost was negatively affected by non-deductible costs in connection with the Group's preparations for the IPO.

NET PROFIT FOR THE YEAR

Net profit for the year increased to SEK 156 million (82). The increase in profit in comparison with the preceding year is primarily attributable to higher sales volumes in both segments and a favorable cost position, in addition to lower items affecting comparability as the previous year was negatively affected by costs in connection to the listing of the company.

BALANCE SHEET

The balance sheet total increased SEK 223 million and amounted to SEK 1,568 million (1,345).

Equity increased by SEK 216 million and came to SEK 964 million at year-end 2016. No dividend was paid during the year, while the finalized incentive program in June 2016 gave a net cash inflow of SEK 26 million (0) when warrants were sold back to the company or exercised and new shares were issued. Percentage-wise, the solvency ratio was 61.5 percent (55.6 percent) at the end of the year.

Nordic Waterproofing's principal external financing was replaced in connection with the IPO in June 2016. The new agreement is valid until June 2021 and contains a EUR 37.5 million term loan facility and a EUR 18 million revolving loan facility, of which EUR 14.4 million is allocated to the Group cash pool. The loan and credit facilities bear variable interest and run without requiring repayment in instalments. The financing agreement contains financial covenants which are

monitored and followed up on a quarterly basis. Every quarter, Nordic Waterproofing has fulfilled the terms and conditions of the facility agreements.

Consolidated net debt has continued to decrease and amounted to SEK 25 million at the end of the period, compared with SEK 141 million at the end of the preceding year. Consolidated cash and cash equivalents increased by SEK 147 million and amounted to SEK 328 million (181) at the end of the period. Since no portion of the Group's SEK 138 million (132) overdraft facility was utilized at the end of the year, the total liquidity available was SEK 466 million (313).

Indebtedness calculated as interest-bearing net debt/EBITDA before items affecting comparability was 0.1x (0.7) at the end of the period, and the net debt/equity ratio was 0.0x (0.2).

CASH FLOW

In line with our strong operating result, our operating cash flow increased slightly to SEK 211 million (197), entailing an operating cash conversion of 85 percent (97). In addition to an extra dividend of SEK 7 million in connection with a change of ownership in an associated company, the cash flow followed the usual seasonal variations. The EBITDA was, however, offset by increased net working capital due to increased net trade receivables as sales were higher in 2016 than 2015.

The cash flow from operating activities was SEK 25 million lower than in the preceding year, amounting to SEK 128 million (153). The lower cash flow is explained primarily by an increase in net working capital in 2016.

The cash flow from investing activities was lower than in the corresponding period in the previous year, amounting to SEK -19 million (-29). Gross investments in fixed assets amounted to SEK 20 million (27).

The cash flow from financing activities amounted to SEK 31 million (-75). The deviation is primarily explained by the previous year's repayment of bank loans in the amount of SEK 72 million, while the new finance agreement requires no repayments in instalments. In addition, the incentive program was finalized in June 2016 as a consequence of the IPO and the outstanding warrants were either exercised or sold back to the company. In connection to this, new shares were issued and warrants were sold back to the company giving a net cash inflow of SEK 26 million (0).

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

On 24 January 2017, 67 percent of the shares in the Dutch company EPDM Systems B.V. were acquired by Nordic Waterproofing Holding A/S's subsidiary SealEco AB for SEK 17 million on a cash and debt free basis. EPDM Systems, established in 1997, has been a customer of SealEco AB since its foundation and is currently one of the leading EPDM suppliers for building solutions. Its customers primarily consist of contractors and builders' merchants. The company's operations and its 34 employees are based in Lemelerveld, and it generates annual external sales of about SEK 80 million.

On 31 January 2017, 100 percent of the shares in the Finnish company SPT-Painting Oy were acquired by Nordic Waterproofing Holding A/S's subsidiary Nordic Waterproofing Oy for approximately SEK 31 million. The company operates in the fast-growing floor coating market, providing floor coating installation services for construction, ship building and industrial customers. SPT-Painting was established in 1990 and is one of the leading coating companies with a significant share of the Finnish market for floor coating. Its customers primarily consist of construction companies and shipyards and their contractors. The company's operations and its 20 employees are based in Helsinki, and it has annual sales of about SEK 80 million.

Financial details are disclosed in Note 37.

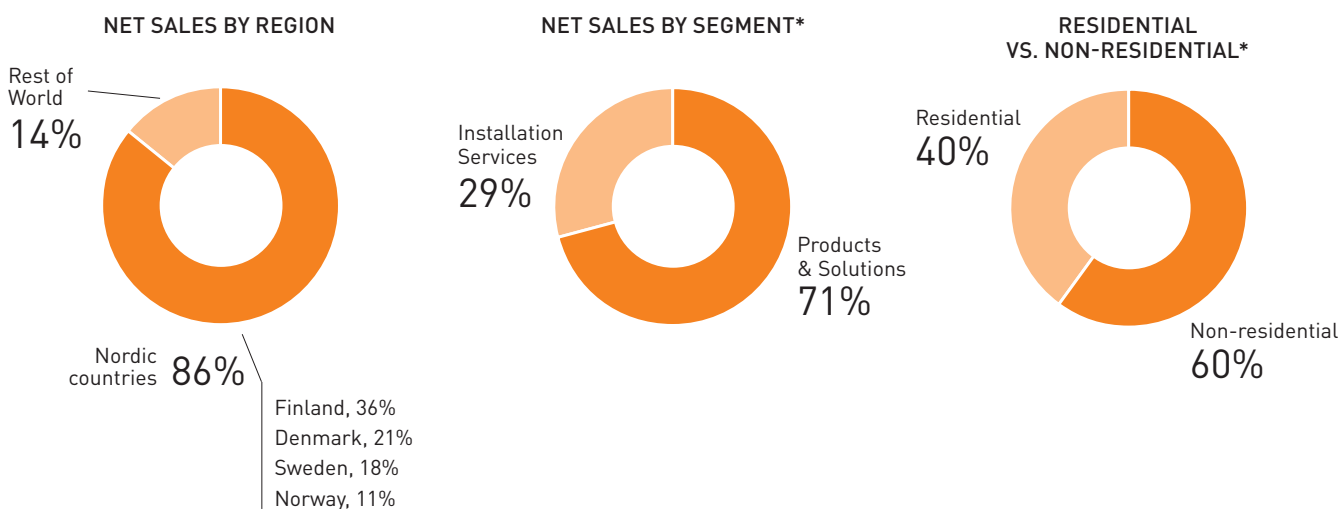
EXPECTATIONS FOR THE FINANCIAL YEAR 2017

For the full year 2017, Nordic Waterproofing Group expects the general demand to be similar to that in 2016 in most of its markets. The Group expects to meet its financial targets, exceeding the growth in its current markets through organic growth as well as through acquisitions designed to enhance the Group's product portfolio. Higher raw material prices are anticipated for the year, leading to an increase in our own sales prices. With the contribution from recent acquisitions, the Group expects to maintain the historically high profit level achieved in 2016 despite the current increase in raw material prices. The operating profit (EBIT) before items affecting comparability is therefore expected to be in line with the full year 2016.

GROUNDS FOR OUTLOOK ASSUMPTION

The above statements regarding prospects for 2017 are based on the Group's accounting principles, which are in accordance with the IFRS accounting and valuation rules. The statements contain estimates and assumptions that are beyond the Group's control and/or influence. Important underlying assumptions include factors such as the successful implementation of sales initiatives based on the Group's plans and expectations, the successful integration of the acquired companies, as well as normal seasonal variations.

SALES DEVELOPMENT IN 2016



* Excluding intra-Group sales.



ACQUISITIONS 2017:

On 31 January, Nordic Waterproofing Finland acquired 100 percent of the shares in the Finnish company SPT-Painting Oy. The company operates in the fast growing floor coating market, providing floor coating installation services for construction, ship building and industrial customers.

SPT-Painting was established in 1990 and is one of the leading coating companies, with a significant share of the Finnish market for floor coating. Customers consist primarily of construction companies and shipyards and their contractors. The company's operations and 20 employees are based in Helsinki, and it has annual sales of about SEK 80 million.

The initial business concept involved shot blasting concrete floors and decks. Slowly the company also began installing acrylic and epoxy floor coatings and, by the end of the 1990s the company had about ten employees, with the floor coating operation accounting for about half of its turnover.

In the first decade of the 2000s, SPT-Painting worked primarily in the Russian market. The growth there was very strong at the time and many significant projects were contracted in St Petersburg, Moscow, Tver, Saratov and Yekaterinburg, for example. In 2012, SPT-Painting began focusing on the Finnish market and acquired the ship deck coating business from Lemminkäinen. Today, the company is a leader in the area

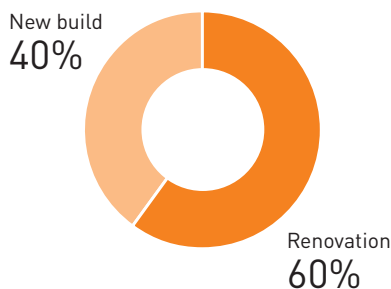
of floor coatings, with a significant market share. The customer base consists primarily of medium and large construction companies, industrial companies and shipyards and their sub-contractors. SPT-Painting is contracted to coat some 200,000 square meters of floor space annually.

SPT-Painting's strength lies in listening carefully to customers and their needs and then fulfilling those needs with high-quality products, superior workmanship and 100-percent reliability.

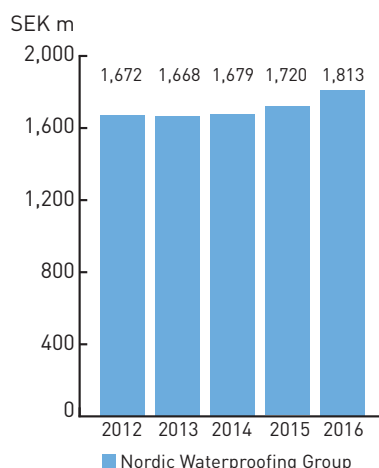
"The acquisition of SPT is in line with our strategy to strengthen Nordic Waterproofing's position in main markets by product portfolio and segment expansion," commented Martin Ellis, CEO of Nordic Waterproofing. "SPT has a strong market position and we expect to find good synergies as our operations in Installation Services share the customer base with SPT. It is easy to offer floor coating to the same customers that we now offer roofing contracting. The ship building industry is a stable customer segment."

Nordic Waterproofing Holding A/S's subsidiary Nordic Waterproofing Finland has acquired 100 percent of the shares in the Finnish company SPT-Painting Oy for approximately SEK 31 million on a cash and debt free basis.

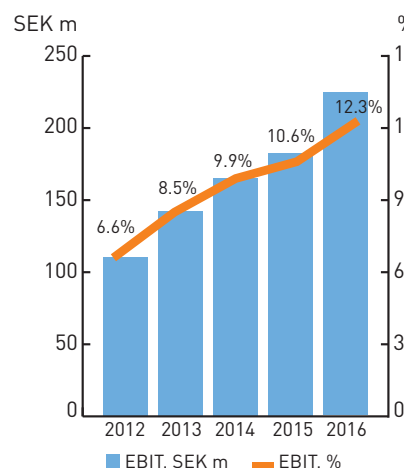
RENOVATION VS. NEW BUILD*



NET SALES, SEK m



EBIT BEFORE ITEMS AFFECTING COMPARABILITY



* Excluding intra-Group sales.

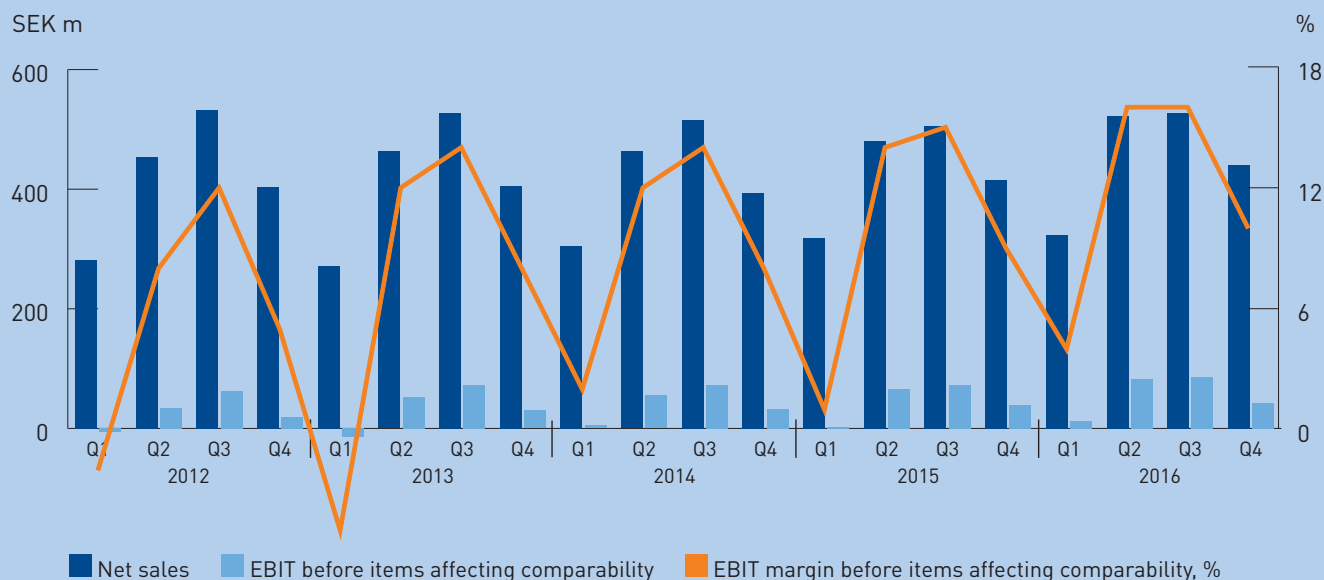
SEASONAL VARIATIONS

Nordic Waterproofing's business is affected by seasonal variations, with the months of January, February and December being the weakest months. In 2016, sales in these three months accounted for almost 17 percent whilst the other nine months accounted for 83 percent. This is in line with the five-year average, as sales in January, February and December accounted for approximately 16 percent during the period 2012–2016 whilst sales in the other nine months accounted for approximately 84 percent. The decline during winter is explained by the cold and poor weather

conditions and their impact on the construction industry. In general, there is a certain degree of stockpiling during the winter months, which transforms into a stock depletion during the summer months as a result of the increased activity in the market. If winter comes early, it may inter alia cause many of the company's customers to choose to postpone planned projects, which, in turn, has a negative effect on annual earnings. The same applies if the winter is long and the season starts late in the spring. As a result of active work on the management of working

capital, the average working capital requirement decreased between 2013 and 2015, but it increased slightly in 2016. This was due to increased net working capital because of increased net trade receivables as sales were higher in 2016 than 2015. Normally the working capital at year-end amounts to approximately SEK 140–150 million, adjusted for items affecting comparability and the market value of the commodity hedges. The graph below illustrates the seasonal pattern in the Company's working capital by quarter during the years 2012–2016.

SEASONAL VARIATIONS IN NET SALES AND PROFITABILITY



SEASONAL VARIATIONS IN WORKING CAPITAL



FIVE-YEAR OVERVIEW

CONSOLIDATED FINANCIAL REVIEW

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

Profit/loss SEKm unless otherwise stated	2016	Change	2015	2014	2013	2012
Net sales	1,813	5%	1,720	1,679	1,668	1,672
EBITDA	231	40%	165	143	141	97
EBITDA before items affecting comparability	248	22%	204	187	161	130
Operating profit (EBIT)	206	45%	143	122	122	77
Operating profit (EBIT) before items affecting comparability	224	23%	182	165	142	110
Net financial items	-13	-51%	-27	-25	-30	-37
Profit/loss for the year before tax	193	67%	116	96	92	40
Tax on profit/loss for the year	-37	9%	-34	-19	-21	-13
Net profit/loss for the year	156	91%	82	77	71	27
Earnings per share, SEK/share	6.49	91%	3.40	3.19	2.95	1.13
Balance sheet, SEKm						
Total assets	1,568	17%	1,345	1,345	1,238	1,220
Capital employed	1,317	23%	1,071	1,083	1,021	975
Capital employed excluding goodwill	701	48%	472	469	431	393
Equity	964	29%	748	683	596	524
Net debt	25	-82%	141	259	361	404
Cash flows, SEKm						
- from operating activities	128	-16%	153	158	85	60
- from investing activities	-19	-34%	-29	-20	-16	-73
- from financing activities	31	-141%	-75	-61	-51	16
Total cash flow for the period	140	184%	49	78	18	2
Operating cash flow*	211	7%	197	189	133	106
Ratios						
EBITDA margin before items affecting comparability, %	13.7%	1.8pp	11.9%	11.1%	9.6%	7.8%
EBIT margin before items affecting comparability, %	12.3%	1.7pp	10.6%	9.9%	8.5%	6.6%
Operating cash conversion, %	85%	-12pp	97%	101%	83%	82%
Net debt/EBITDA before items affecting comparability, multiple	0.1x	-0.6x	0.7x	1.4x	2.2x	3.1x
Net debt/equity ratio, multiple	0.0x	-0.2x	0.2x	0.4x	0.6x	0.8x
Equity/assets ratio, %	61%	5pp	56%	51%	48%	43%
Return on shareholders' equity, %	18.2%	6.3pp	11.4%	12.1%	12.7%	5.6%
Return on capital employed, %	17.3%	4.1pp	13.2%	11.5%	12.2%	8.0%
Return on capital employed before items affecting comparability, %	18.7%	1.8pp	16.9%	15.7%	14.2%	11.5%
Return on capital employed before items affecting comparability excluding goodwill, %	38.1%	-0.6pp	38.7%	36.8%	34.4%	28.4%
Number of employees, FTE	630	-4	634	644	635	634

* The definition of Operating cash flow has been revised to reflect changes as of Q3 2015 in net working capital excluding items affecting comparability.

CLEAR BUSINESS FOCUS – MAKING WATERPROOFING EASY

BUSINESS CONCEPT

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

- Our products are characterized by high-quality design adapted to local climate conditions and building standards. Ease of installation, energy and environmental optimization are key components of our offer.
- Our excellence in customer service builds on smart logistics, understanding our customers' present and future needs, and the exceptional responsiveness delivered by our team of highly motivated employees.

VISION

Nordic Waterproofing's vision is to be the leading and preferred full-service supplier of innovative easy-to-implement and reliable waterproofing products and services for the protection of buildings and infrastructure.

MISSION

We make waterproofing easy:

- At Nordic Waterproofing, we are fully committed to understanding our customers' needs and to always exceeding their expectations. We make waterproofing easy for our customers by providing a full range of high-quality products and the highest level of service responsiveness in the market.
- Our products are developed to protect buildings, infrastructure and other structures, and we continuously strive to improve and expand our product range. We achieve our exceptional level of service through a strong local presence, smart logistics solutions and, most importantly, a team of highly motivated colleagues.

CORE VALUES AND FOUNDATION

Nordic Waterproofing has identified four core value statements that form the foundation of how to interact with one another within the organization and, most importantly, how to interact with partners and customers:

- We make our customers' lives easy
- We are enthusiastic, responsive and reliable
- We build strong relationships
- We innovate

TARGETS

Nordic Waterproofing's financial targets reflect the Group's strong belief in being able to generate value and a return on investment that signals its strong position as a player in a well-defined market. This will result in a stable, long-term earnings trend. The following targets are linked to the Group's strategies:

FINANCIAL TARGETS

OUTCOME 2016

ORGANIC GROWTH

Exceed the growth experienced in the Group's current markets through organic growth. In addition, the Group expects to grow through selective acquisitions.

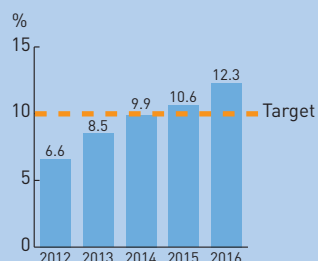


5%

Consolidated net sales increased by 5 percent to SEK 1,813 million (1,720), of which, organic growth amounted to 5 percent.

PROFITABILITY >10%

EBIT margin before items affecting comparability that exceed 10 percent.



12.3%

EBIT before items affecting comparability for 2016 increased by 23 percent and reached SEK 224 million (182), while the operating margin was 12.3 percent (10.6).

CAPITAL STRUCTURE <2.5x

Net debt in relation to adjusted EBITDA before items affecting comparability (on a rolling 12-month basis), excluding temporary deviations, must not exceed 2.5 times.

0.1x

Indebtedness calculated as interest-bearing net debt/EBITDA before items affecting comparability during the most recent twelve-month period was 0.1x (0.7) at the end of 2016, and the net debt/equity ratio was 0.0x (0.2).

DIVIDEND POLICY >50%

Nordic Waterproofing aims to have an annual dividend of more than 50 percent of its net profit. The payout decision will be based on the Group's financial position, investment needs, liquidity position, and general economic and business conditions.



58%

The board of directors will propose to the Annual General Meeting on 27 April 2017 to resolve to pay out a cash dividend of SEK 3.75 per share, a total of SEK 90 million. This represents around 58 percent of net profit.

OPERATIONAL TARGETS

Nordic Waterproofing has set a number of operational targets in order to continuously improve the offer of products and services which ultimately improve the Group's financial position and profitability.

The Group will continue to implement most of the operational improvement programmes within Products & Solutions.

The Group will continue to increase the market share in Norway, which is where the Group perceives considerable growth potential. It will also expand the product portfolio and increase its presence within certain market segments, such as drainage and radon control.

The Group will target continued growth of the EPDM platform in relevant European markets by increasing penetration in current markets, entering new markets and making acquisitions.

The Group will continue to strengthen its position within the Installation Services operating segment by means of acquisitions, expansion into new markets and increasing the range of services.

The Group will acquire companies that either contribute to the vertical value chain, e.g. producers of products that are presently bought and resold or companies that contribute to the geographic presence of existing products and services.

SUSTAINABILITY TARGETS

Nordic Waterproofing strives to conduct its operations in an environmentally and socially sustainable manner. Accountability issues are also about our employees and ensuring sound business ethics.

Our objective is to follow global rules, frameworks and guidelines set by international organizations and recognized experts.

As a decentralized organization, Nordic Waterproofing Group's

sustainable targets are set and implemented by the local management, but making energy-efficiency enhancements is an ongoing effort at all of the manufacturing units.

During 2016, Nordic Waterproofing has mapped its four largest units and is evaluating relevant targets and measures to reduce its total energy consumption.

STRATEGIES TO REACH THE TARGETS

Being close to the market means applying a multi-brand strategy, offering a broad and strong brand portfolio to match local standards and preferences. The following characteristics are shared by the various brands.

REMAIN CLOSE TO THE CUSTOMER

It is important to be customers' first choice, which is why remaining close to the customer is a strategic priority. This is achieved by maintaining a decentralized organization with business units focused on efficient production and logistical solutions.

Being in the proximity of the customer ensures understanding of their present and future needs. Local production optimizes the Group's availability, combined with best-in-class service responsiveness and smart logistics.

Our proprietary installation operations in Finland and franchise operators in Denmark are vital for maintaining understanding of the market demand and the requirements of the end customers.

FURTHER IMPROVE AND EXPAND THE PRODUCT AND SERVICE RANGE

The Group strives to excel across the entire value chain – product development, production, marketing and sales,

distribution, and services and installation. This includes excelling in:

- Being competitive and attractive as a provider of turnkey solutions for waterproofing.
- Providing the entire spectrum of products needed by our customers for the protection of buildings and infrastructure.
- Emphasizing environmentally innovative and energy-efficient solutions.
- Continuously developing and improving core products and solutions with particular focus on ease of installation and environmental friendliness.
- Procuring full maintenance contracts for roofs.
- Further optimizing the recipe, improving productivity and purchasing projects.

PROCUREMENT

Nordic Waterproofing uses its economies of scale at Group level in procurement and could apply hedging as regards

bitumen. Per se these activities aim at ensuring gross margin and only doing price increases when needed.

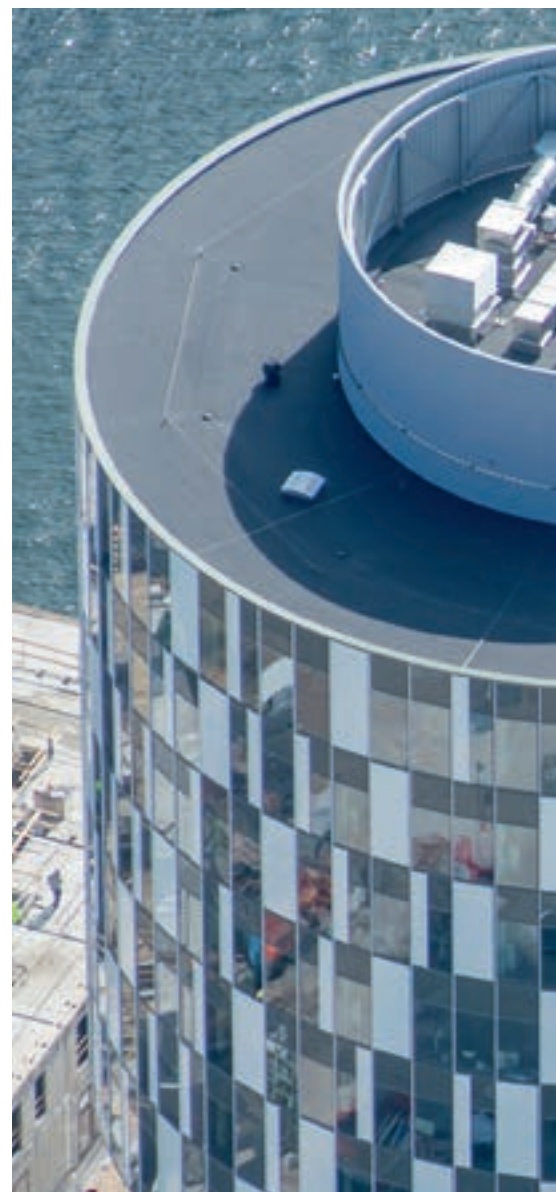
ORGANIC GROWTH

Organic growth is possible through:

- Continuous focus on operational excellence, including consolidation of suppliers, negotiations, contracting frameworks and changes in use of raw materials
- Product quality
- Replicating success from Sweden, Denmark and Finland in Norway, a market which the Group entered in 2012, by the acquisition of Nortett Bygg.
- Growing the EPDM platform in relevant European markets.
- Continuing to strengthen position in main markets through product portfolio and segment expansion.

GROWTH THROUGH ACQUISITIONS

Nordic Waterproofing will continue to focus on opportunities in selected markets in the perimeter of the Nordic region, preferably





The roof tops of Portland Towers in Copenhagen are protected by Nordic Waterproofing's products, bitumen roof felt and green roof.

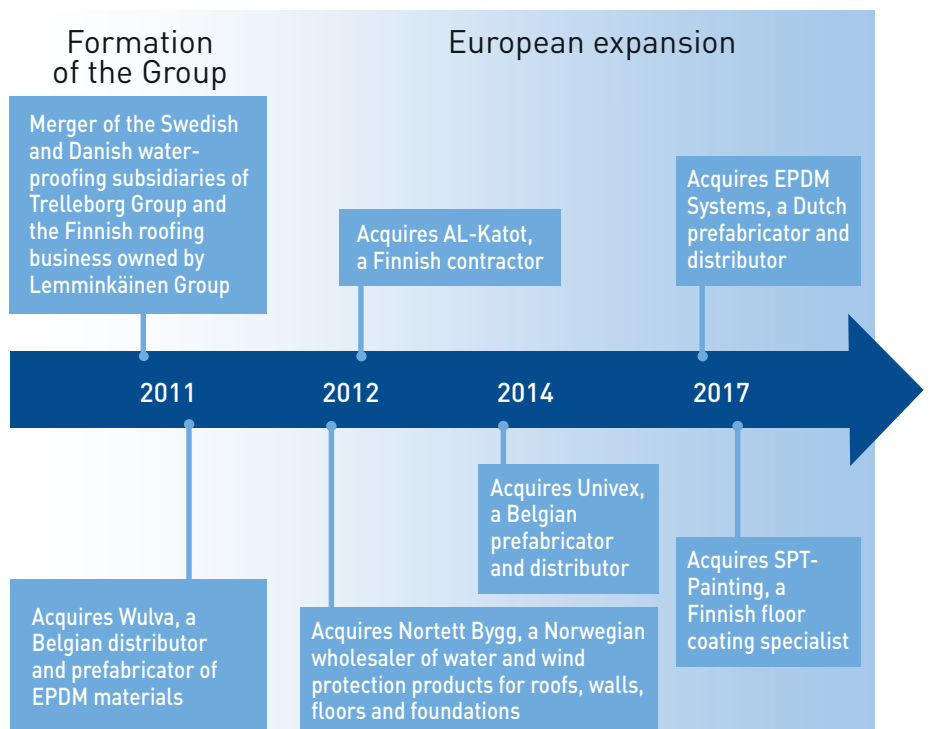
through bolt-on acquisitions that: enhance the Group's position in existing markets; bring expansion into new markets; and/or add new skills and expertise, products, solutions and services. Synergies can thus be realized by means of bolt-on sales and centralizing functions, such as production, procurement, purchasing and administration, and sharing of best practices.

Nordic Waterproofing seeks to acquire companies with one or more of the following characteristics:

- A strong position in Nordic Waterproofing's core markets or relevant non-core markets.
- A European EPDM distributor or prefabricator.
- A complementary product range.
- An attractive valuation.

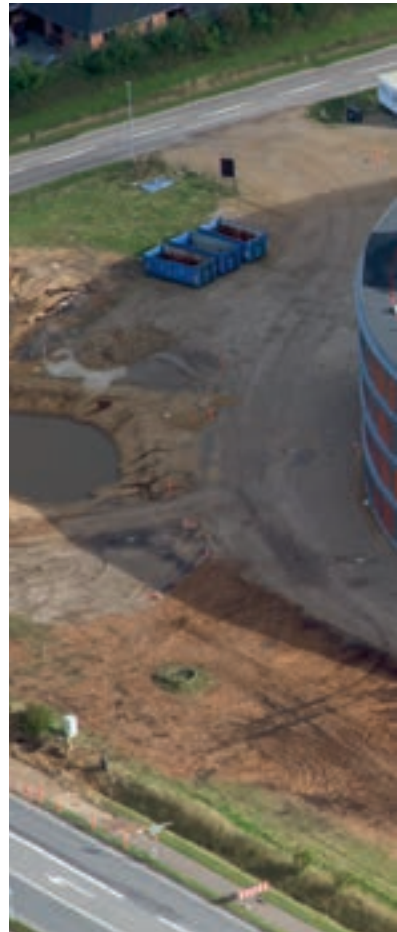
Nordic Waterproofing has a history of acquisitions of established businesses and brands.

HISTORY AND ACQUISITIONS



BUSINESS MODEL A CLOSE BUSINESS PARTNER

Nordic Waterproofing is positioned as a quality supplier with the possibility of enhanced guarantees and well-recognized professional and established brands with substantial heritage.



Being close to the market means applying a multi-brand strategy, as well as offering a broad and strong brand portfolio to match local standards and preferences. The following characteristics are shared by the various brands:

- Unique selling points as a quality supplier with the possibility of enhanced guarantees and
- Well-recognized professional and established brands with substantial heritage

The brands are positioned in different sales channels, aimed at different end customers and finding the most efficient logistical solutions. Additionally, in adjacent markets, dynamic brands are used by different user groups than in their home market.

The installation services is also marketed with multi brand strategy.

Marketing initiative decisions are taken at the local level so as to be tailored to local preferences, behaviours and channel strategy. Marketing activities are discussed cross-border and centrally coordinated.

RELATIONSHIPS THROUGH TRAINING

Nordic Waterproofing interacts with its customers and installers by providing training for installers and merchants. This provides both feedback about the products and possible improvements, but more importantly, it builds relationships and increases loyalty.

Having passed a course, the installer

becomes a qualified installer. This can, in turn, be used as a differentiator by customers as their guarantee period is extended when having a Nordic Waterproofing product installed by a qualified installer.

DIGITAL CHANNELS BROADEN THE INTERACTION

Customers and users are increasingly reached by digital channels. One example to make waterproofing easy for DIY-customers is the QR-code on roofing felt packaging sold by the builders' merchants. This QR-code leads to instructional videos on the Internet. Smart phone apps that

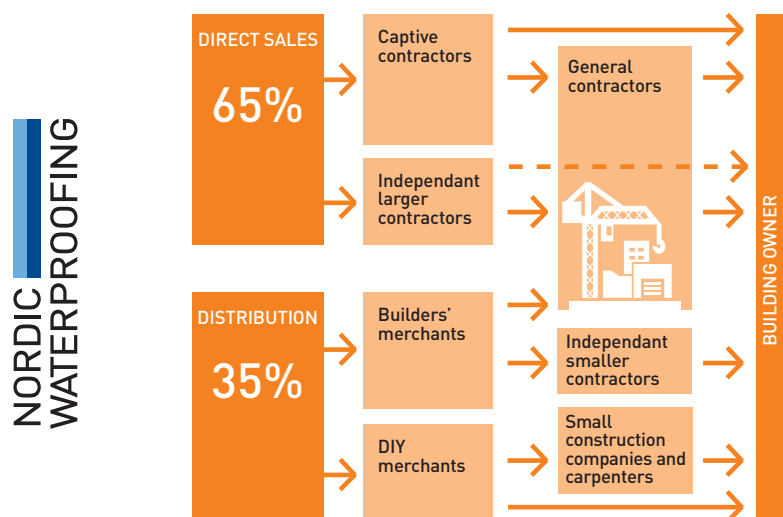
contain assembly instructions and product information are going to be introduced for both DIY-customers and professionals in the beginning of 2017.

SALES

The sales organization is organized through local offices to adapt to local standards and to facilitate long-standing customer relationships. The sales force is the third-largest employee category, engaging 145 employees. Most sales agreements are signed at a local level.

Sales in other markets are managed by local partners, and agents' sales offices.

THE DISTRIBUTION CHAIN





CUSTOMER SERVICE

Nordic Waterproofing’s sales staff and order department maintains a continuous dialogue with customers to increase their understanding and ensure that their needs are met in terms of scheduled and future deliveries.

HIGH DEGREE OF SALES CHANNEL OWNERSHIP IN TWO MAIN CHANNELS

Nordic Waterproofing approaches the market via two sales channels, direct sales and distribution.

Distribution channels vary depending on product complexity and on each market’s local standards and traditions. Flat roofing products are routed to the market via direct sales, due to their

complex installation procedures. Pitched roofing and building products are primarily routed via distribution.

The Group’s own contracting operations and partnerships are important sales channels.

Broad and diversified customer base

A highly diversified customer base leads to low customer risk and dependency, in addition to the large customer base with long-standing relationships.

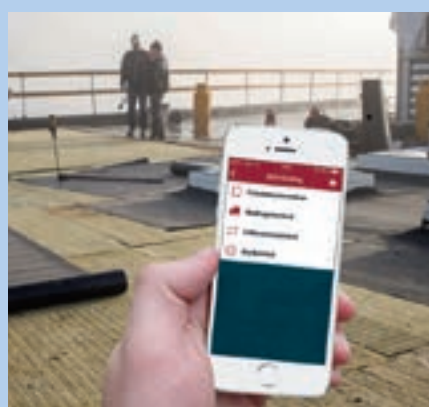
Many small recurring orders from numerous customers provide stable cash flow. The direct sales orders are generally larger than builders’ merchants’ orders and account for 60 percent of the sales volume.

Nordic Waterproofing offers a green roof solution under the brand Nature Impact® Roof. This solution can handle increasing rainfalls in cities without having to expand the drainage networks.

When an order turns into revenue

All of Nordic Waterproofing’s customer agreements have been entered at a local level. Accordingly, customers with operations in more than one country generally have relationships with more than one business unit.

COSTUMIZED APPS



CREATE A QUALITY REPORT ON LOCATION

The Danish brand Phønix Tag Materialer has launched an app for creating a quality report on location. The app saves time back at the office by letting the installer combine prepared documents with project specific information, such as photos of the finished mission, e.g. a roof. All data is compiled and presented in a comprehensive PDF. The app is customized with the installers logo and the software creates a quality report that can be sent directly to the customer.



Mataki in Sweden offers an app with assembly instructions and product information, focusing on carpenters and other roofing specialists.

A MARKET-LEADING PLAYER IN THE NORDIC REGION

Nordic Waterproofing operates in a well-defined market – the waterproofing market, within the broader construction market. The Group operates in northern Europe, mainly addressing the market for flat roofing and building products, but also the market for pitched roofing products.

The waterproofing market comprises both products and services for protecting buildings and other constructions against water and wind.

In the Group's main markets – the Nordic countries of Sweden, Denmark, Finland and Norway-Nordic Waterproofing provides waterproofing products and solutions. The primary product offered is roofing felt, and its principal material is bitumen. In Finland the Group also provides proprietary installation services for roofing and floor coating.

In Belgium, the Netherlands, Poland, the United Kingdom and Germany, the Group provides different types of rubber membranes made of the synthetic rubber material EPDM.

A WELL-DEFINED MARKET

The estimated value of the total waterproofing market for buildings in the Nordic region was SEK 15 billion. In the same year, the European market for EPDM products was estimated at around SEK 1.5 billion.

STRENGTHS

Nordic Waterproofing believes the following market characteristics are favorable.

Mature and consolidated industry

The waterproofing market is consolidated and the market shares tend to remain stable over time. The industry requires local production, since transportation costs

account for a considerable proportion of the total costs (high weight in proportion to the value of the product) and since customers expect short delivery times, (requiring manufacturers to have reliable and efficient logistic solutions). Production processes in the industry involve a high level of automation, reducing competition from countries able to take advantage of low-cost labour. The market is characterized by differences in building regulations and building traditions in the local waterproofing markets.

Long-term reliability is of crucial importance

Customers generally seek proven and well-established products and materials under strong brands with a long tradition of quality and expertise, since long-term reliability is of crucial importance.

The Group's well-reputed brands, combined with partnerships, training programmes technical service and highly motivated employees have contributed to the creation of long-term relationships with customers.

High-quality waterproofing is crucial

Flawless waterproofing is key for to a safe and sustainable building, and failure in choice of material, quality and installation could have far-reaching consequences. Waterproofing products and solutions are crucial to the construction process and account for a small fraction of the total construction cost. Thus construction

companies are sourcing the roofing from qualified installors who have the necessary understanding of the best material for the building or construction.

Nordic Waterproofing has not noted any significant changes in the selection of materials in its markets recently and bitumen is expected to continue to be the primary material used in the Nordic region.

STABLE AND SIZABLE MARKET SIZE

The waterproofing market in the Nordic region can be broken down into two market segments: products and solutions, and installation services.

Products and solutions

The total value of the Nordic products and solutions market is estimated at approximately SEK 4.3 billion. The products and solutions market segment can be further broken down into:

Roofing products, including flat roofing waterproofing products, -made primarily of bitumen roofing felt, PVC, EPDM (rubber membranes) and TPO (thermoplastic olefin, a synthetic plastic material) - pitched roofing products - and roofing accessories, such as fastening devices.

Building products, including various types of membranes for buildings, such as moisture, wind and vapour underlayer barriers made of bitumen and EPDM.





Bitumen is the most common material used in the Nordic region. The material accounts for about 80 percent of the Nordic waterproofing market for new-build of flat roofing, and 90 percent of the renovation of flat roofing.

Installation services

The installation services market segment includes installations of waterproofing products, as well as maintenance services. In 2015, the total value of the Nordic installation services market was estimated at approximately SEK 10 billion, corresponding to approximately 70 percent of the total waterproofing market in the Nordic region.

Rubber membranes – EPDM products

The total value of the European market for EPDM products was estimated at approximately SEK 1.5 billion.

Read more about Nordic Waterproofing's performances during 2016 on pages 4-9.

DRIVERS FOR THE WATERPROOFING MARKET

Nordic Waterproofing's ability to grow and create value in its home markets is affected by a number of external factors and drivers. Some of these variables – macroeconomic as well as more sector-specific – are presented below.

GDP development In general, the development of the waterproofing market follows the overall national GDP trend, as well as the broader construction market. Strong GDP growth is a key prerequisite for the construction industry, although weaker periods may also be beneficial in certain cases. As a fiscal policy solution, it is common during economic downturns for governments to initiate construction and civil engineering projects to stimulate the economy.

Maintenance Renovation of the waterproofing is less dependent on the business cycle and is normally not affected by a recession. Neglected maintenance, especially of waterproofing, leads to costly consequences which constitutes a key driver. A growing stock of buildings leads in long term to a growing market. For example, aging housing stocks in Sweden, including those from the "million homes" programme of the 1960s and 70s, are in need of renovation in many cases.

Urbanization Increasing urbanization is leading to a housing shortage in major cities. All of the Nordic capitals, for example, are among the top-ten fastest-growing cities in Europe, leading to higher demand for construction projects in these regions.

Changes in infrastructure Changed patterns in retail shopping and increasing e-commerce leads to construction and maintenance of large logistics centres and shopping malls.

Political factors Government decisions stimulate the construction market. The Swedish government, for example, has changed the subsidies in renovation for private households, and the Finnish government is backing a social housing production project for EUR 1,170 million.

STABLE RENOVATION MARKET CREATES RESILIENCE

Renovation is less affected by the general economic cycle. In 2016, renovation is estimated to account for almost 60 percent

of the Nordic construction market and new-build for over 40 percent. The Nordic renovation market did not decrease during the market downturn in 2007-2009, while the corresponding new-build market declined by 27 percent. The exposure towards the renovation market creates resilience in the Group's business.

The renovation market is driven by:

- The composition and age of real estate companies' property portfolios.
- Renovations of buildings are less costly than new-build. In addition, lack of maintenance and upgrades can potentially incur extensive costs, for water damage for example, making renovation decisions non-discretionary. As a result, renovation is relatively stable and less cyclical compared with new-build.

The Group's markets can also be broken down by type of building, such as residential and non-residential buildings. In 2015, it was estimated that around 70 percent of the value of the total waterproofing market in the Nordic region was attributable to non-residential buildings and constructions. The larger market share in non-residential buildings is attributable to the greater prevalence of flat roofs, which is where Nordic Waterproofing's products are used most.

GROWING FROM A STRONG POSITION IN THE NORDICS

The waterproofing market has relatively few players in the Nordic region and the sales channels are well defined.

CUSTOMERS RELY ON STABLE AND WELL-ESTABLISHED MANUFACTURERS

There are relatively few local suppliers of waterproofing products in the Nordic region due to a mature market and high entry barriers.

Manufacturers of waterproofing products in the Nordic region also include Icopal, Katepal, Protan and Isola of which Icopal also has trans-Nordic coverage.

The small number of local manufacturers in the Nordic market has a relatively fragmented customer base. Accordingly, manufacturers of waterproofing products have a strong position in the distribution chain.

Apart from Nordic Waterproofing, the largest suppliers of EPDM products in the Europe market are considered to be Firestone, Carlisle and Duraproof, of which Firestone and Carlisle are estimated to be the largest and second-largest providers, respectively, with Nordic Waterproofing being the third-largest provider.

Sales – direct sales through contractors...

Since flat roofing waterproofing products require special expertise, they are mainly sold through installation companies. This

link to end-users accounts for approximately 65 percent of sales. The installation stage of the distribution chain is fragmented and consists predominantly of small, local companies. These companies generally specialize in products for non-residential buildings and are typically adapted to local building standards and building (the number of layers differs for example). Further, they often have a strong loyalty to certain brands.

The companies can be broken down into independent and non-independent installation companies.

Non-independent installation companies are wholly or partly owned by manufacturers of waterproofing products. The non-independent installation companies have exclusive sales agreements with the owning manufacturer, and almost exclusively buy products from that manufacturer. The share of the waterproofing market held by non-independent installation companies varies from country to country. Non-independent companies are more established in Finland and Denmark.

Independent installation companies can buy products from both manufacturers

and builders' merchants. Typically, independent installation companies have about ten employees and generally find it difficult to stand out and market themselves in the highly fragmented group of similar companies.

...and distribution through builders' merchants

The builders' merchants level of the distribution chain is relatively consolidated, consisting mainly of large building material chains with a regional or national presence and offering waterproofing products as a small part of a wide product range. Builders' merchants generally specialize in housing products. Approximately 35 percent of the sales of roofing products in the Nordic region are made through builders' merchants.

Builders' merchants can be divided into two categories: traditional builders' merchants, such as XL Bygg, Beijer Byggmaterial and Optimera and DIY merchants, such as Byggmax, Bauhaus, Bygma and Stark, with the latter's customers consisting primarily of individuals and small construction companies.





KerabitPro is a leading roof installer in Finland and works with all types of roofs. In addition to installation, maintenance and renovation are an important part of the service offering.

Traditional builders' merchants specialize in providing products to professional construction companies and generally have more specialized and knowledgeable staff than DIY merchants. Traditional builders' merchants focus on strong and established brands, while DIY merchants generally specialize in popular and well-known products and brands.

Buyers – construction companies...

Construction companies are either large general contractors with a global/national/regional presence or a fragmented market of smaller contractor companies (builders and carpenters).

Construction companies that operate at both the regional and global level include Sweden's JM, NCC, Skanska and Peab; Denmark's MT Højgaard, Huscompagniet and Hoffman; and Norway's Veidekke. With regard to flat roofing waterproofing products, these companies secure direct agreements with installation companies, delivering a complete package of roofing solutions.

...and end-users

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

ADDRESSING NEW CUSTOMER SEGMENTS

Beginning of 2017, Nordic Waterproofing acquired SPT-Painting, a Finnish specialist company operating in the fast growing floor coating market, providing floor coating installation services for construction, ship building and industrial customers. The customer base consists primarily of medium and large construction companies, industrial companies and shipyards and their sub-contractors.

PRODUCTS & SOLUTIONS – HIGH QUALITY WATERPROOFING PRODUCTS FOR ROOFS AND BUILDINGS

In the Products & Solutions operating segment, the Group primarily offers flat roofing products, pitched roofing products and solutions produced in-house, but also products produced by subcontractors, such as plastic sheets, foundations and moisture barriers, to complement the Group's products manufactured in-house.

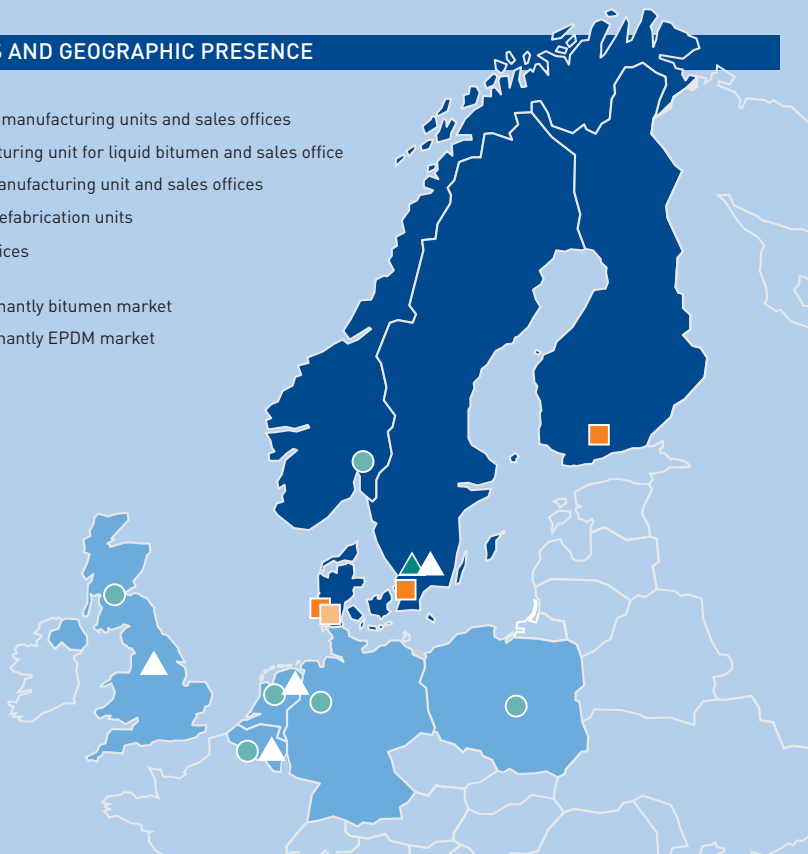
UNIQUE SELLING POINTS

Nordic Waterproofing's selling points can be stated as follows:

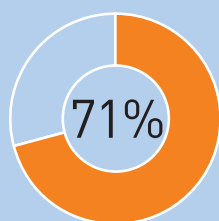
- Always close – short time between order and delivery matters.
- Keen listener – everyone's opinion is important.
- Win-win partner – support to clients via services and training programs, helping them in their service and/or product deliveries.
- Quality supplier – in both the products properties as in the services provided.
- Guarantees – Nordic Waterproofing has an extensive guarantee programme.

BRANDS AND GEOGRAPHIC PRESENCE

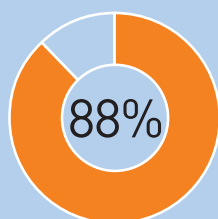
- Bitumen manufacturing units and sales offices
- Manufacturing unit for liquid bitumen and sales office
- ▲ EPDM manufacturing unit and sales offices
- ▲ EPDM prefabrication units
- Sales offices
- Predominantly bitumen market
- Predominantly EPDM market



NET SALES, SHARE OF GROUP, 2016*



OPERATING PROFIT (EBIT) BEFORE ITEMS AFFECTING COMPARABILITY SHARE OF GROUP, 2016*



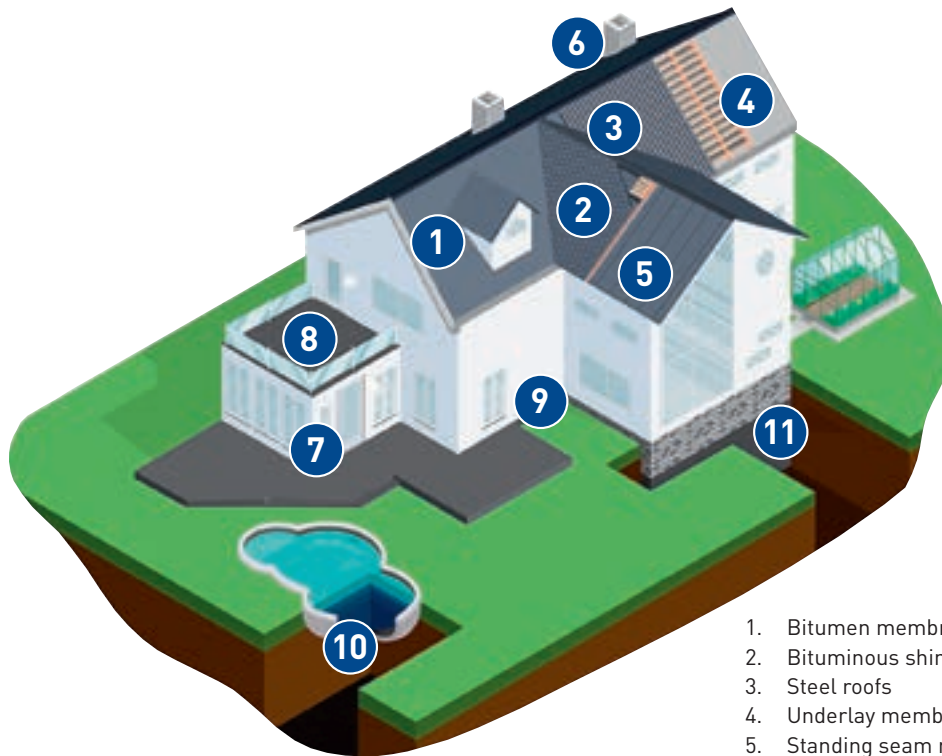
KEY FIGURES PRODUCTS & SOLUTIONS, SEK million

	2016	2015
Sales	1,341	1,304
EBIT before items affecting comparability	221	192
Operating profit (EBIT)	217	200
Number of employees	319	320

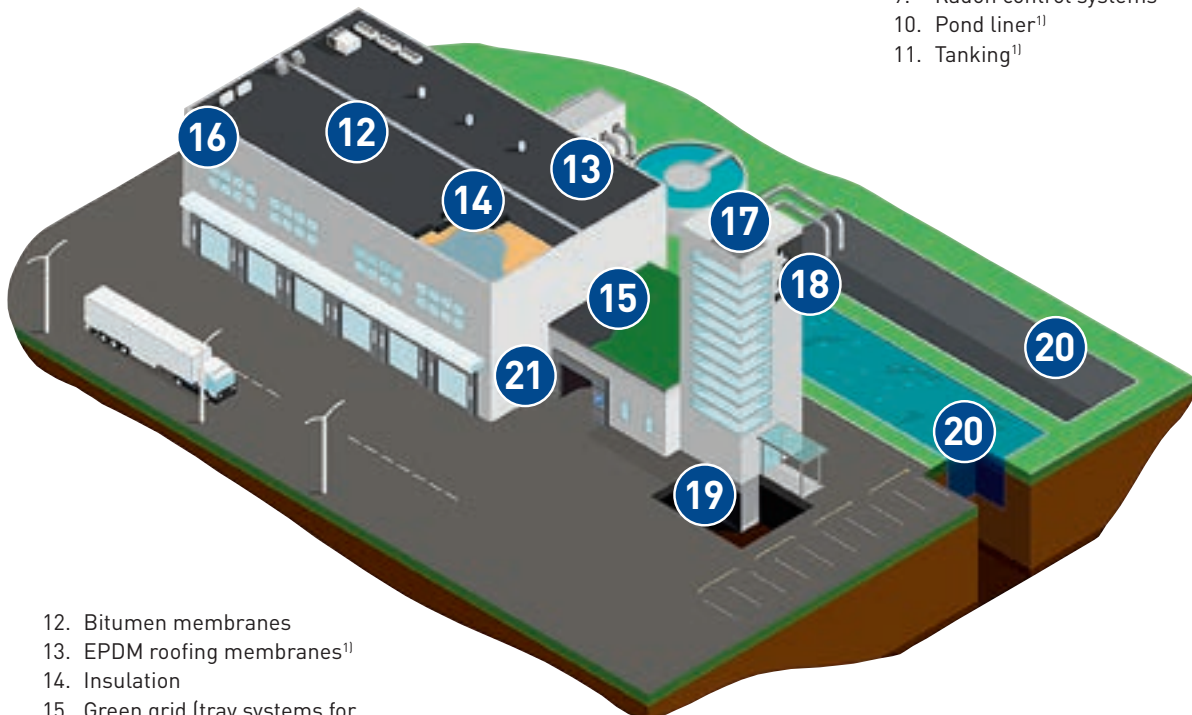
 DENMARK	 SWEDEN	 FINLAND	 NORWAY	 EUROPE
 Hetag Tagmaterialer A/S -alt under ét tag	 MATAKI	 Kerabit	 MATAKI	 SealEco
 PHENIX TAG MATERIALER Forsikret af produktet...	 Trebolit	 Trebolit	 NORTETT	

* Excluding intra-Group sales and earnings.

ROOFING AND BUILDING PRODUCTS



- 1. Bitumen membranes – roof felt
- 2. Bituminous shingles
- 3. Steel roofs
- 4. Underlay membranes
- 5. Standing seam roof
- 6. Accessories – stack sealing
- 7. Moisture, wind and vapour barriers
- 8. Ballasted roofing systems
- 9. Radon control systems
- 10. Pond liner¹⁾
- 11. Tanking¹⁾



- 12. Bitumen membranes
- 13. EPDM roofing membranes¹⁾
- 14. Insulation
- 15. Green grid (tray systems for green roofs)
- 16. Aluminum profiles and outlets
- 17. Ballasted roofing systems
- 18. Façade waterproofing and air sealing
- 19. Basement tanking systems¹⁾
- 20. Geomembranes¹⁾
- 21. Parking and bridge membranes and systems.

¹⁾ EPDM products

ROOFING PRODUCTS

Nordic Waterproofing offers a broad range of roofing products which are adapted for different types of roofing and needs. The products provide long-term and robust protection for roofs and properties, irrespective of the climate to which they are exposed.

The Group's roofing products are broken down into flat roofing waterproofing products, pitched roofing waterproofing products and roofing accessories.

Flat roofing – mainly non-residential buildings

Flat roofs make waterproofing and installation particularly difficult, and this work is usually performed by professional installation companies. The Group's products have unique technical qualities and can easily be adapted to different environments, property types and underlay.

The products are primarily made

of bitumen roofing felt with a life span of 40 years and of EPDM (rubber membranes) with a life span up to 50 years.

Customers and sales channel: Sold to installation companies through direct sales.

Pitched roofing – mainly residential buildings

Products installed on pitched roofs are more visible than products used for flat roofs. The design and appearance of the products are therefore important factors for the customer.

Customers and sales channel: Sold primarily to builders' merchants and are usually installed by private individuals and small construction companies or carpenters.

Accessories – for complete solutions

As a provider of complete roofing solutions, Nordic Waterproofing also offers a broad range of essential accessories that

complement the Group's products, such as plastic sheets, foundations and moisture barriers. The accessories are sourced from a number of subcontractors and often constitute an important factor in the complete solution.

Customers and sales channels: Sold to both builders' merchants and installation companies.



BUILDING PRODUCTS

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

Customers and sales channels: Sold and marketed under the Group's brands primarily to builders' merchants in the Nordic region.



RUBBER MEMBRANES

Rubber membranes of EPDM are intended to be used primarily for the waterproofing of roofs, facades and foundations. The product offering comprises air, sound and water resistant systems providing environmental efficiencies, energy savings and a long lifespan, up to 50 years. Since the products are primarily tailored to customers, needs at pre-fabrication units they are produced in various types, based on, for example, thickness and mix of materials.

Customer's and sales channels: The products are sold primarily to customers in, Belgium, Germany, the Netherlands, Poland, Sweden and the UK.



INSTALLATION SERVICES – CUSTOMIZED INSTALLATION WITH PROPRIETARY STAFF OR IN COLLABORATION WITH FRANCHISEES

Nordic Waterproofing offers its customers turnkey installation services in Denmark and Finland. In Denmark, the Group is reaching the market via independent franchisees and in Finland, through wholly-owned subsidiaries, which include both the construction of the entire roof and individual roof installation services. The Installation Services operating segment is fully integrated into the Group’s business and consists mainly of the installation, maintenance and assembly primarily of the Group’s own roofing products for non-residential and residential buildings.

Additional sales channel close to the customers’ needs

The Installation Services segment constitutes an additional sales channel for the Group’s waterproofing products and solutions.

Value is added in the direct contact with end-users, in greater understanding of the customer’s needs and in educating the market of the importance of using high-quality products. The link to the end-users provides control of the entire value chain which also protects the Group’s market position and brands.

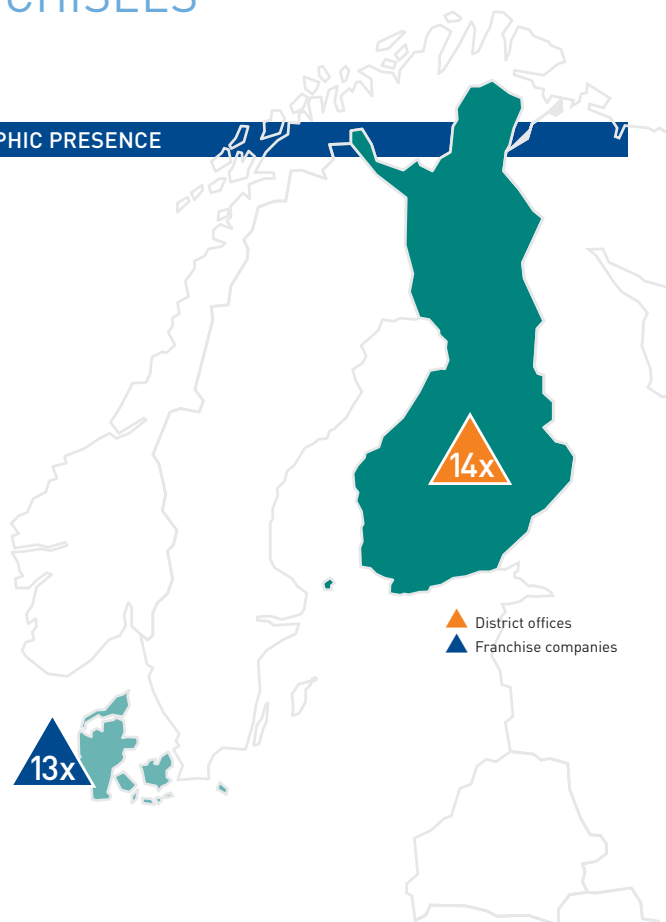
Installation of domestically produced products in Finland

Installations are carried out through the fully-owned subsidiaries in Finland under the AL-Katot and KerabitPro brands, with 14 district offices throughout Finland.

Denmark

In Denmark, installations are offered through 18 franchise companies under the Phønix Tag and Hetag Tagdækning brands. The franchise companies are owner-managed businesses, in which Nordic Waterproofing has minority interests in 13 and indirect ownership in an additional five.

BRANDS AND GEOGRAPHIC PRESENCE

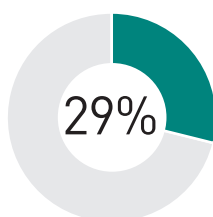


KEY FIGURES INSTALLATION SERVICES, SEK million	2016	2015
Sales ¹⁾	560	494
EBIT before items affecting comparability ²⁾	29	10
Operating profit (EBIT)	31	9
Number of employees	303	308

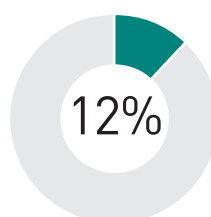
1) Sales do not include the Danish franchise companies.

2) Including 40 percent of the associated companies’ operating profit (Danish franchise companies).

NET SALES, SHARE OF GROUP, 2016*



OPERATING PROFIT (EBIT) BEFORE ITEMS AFFECTING COMPARABILITY, 2016*



* Excluding intra-Group sales and earnings.

INPUT AND OUTPUT PROCESSES CLOSELY COORDINATED

Nordic Waterproofing has a secured production capacity close to its markets and can leverage on its joint capabilities in its purchasing of raw materials, a large part of the Group costs.

PRODUCTION CLOSE TO THE MARKETS

Being in a close proximity of the customers is an important part of the service offering. Nordic Waterproofing manufactures its products at four production units for roofing felt products in Denmark, Sweden and Finland, and four pre-fabrication units for EPDM-products in Sweden, Belgium, the Netherlands and UK.

Simple and automated production process

The process is relatively automated with a low level of labour intensity, with labour accounting for a low proportion of production costs. The Group has good insight into the production process flow and continuously measures key ratios to streamline and improve production. Examples of measures taken include waste management and measurements of the thickness of the products.

A high level of expertise is required to carry out the bitumen membrane production process efficiently. This requires a combination of continuous and smaller-scale production sequences but also unique knowledge to utilize the optimal mix of raw materials.

The Group owns the recipes for its bitumen and EPDM production, and further optimization measures are also part of Nordic Waterproofing's intellectual property.

Production volumes are based on both projections and orders.

Pre-fabricated rubber membranes

The rubber membrane pre-fabrication process is a value-adding process that

embodies the product with unique qualities, making it possible to produce tailored solutions to meet specific customer needs. Tailored products are cut to size and welded together enabling waterproofing made-to-measure in a single piece delivered directly to the customer's site, allowing for quick and simple installation. The prefabrication process is generally carried out in a factory under ideal conditions which, combined with improved quality control, ensures higher quality products and less spillage.

Purchasing by best practice

Nordic Waterproofing's purchasing is organized through a small group of central and local resources sharing market intelligence and best practices. Market-specific products and materials are purchased by the local purchasing functions in order to increase flexibility and ensure that local needs are met.

Dual sourcing and hedging

Nordic Waterproofing applies a dual sourcing strategy and has additional alternative suppliers to those it currently uses. Pricing in the waterproofing market is affected by fluctuations in the prices of raw materials and price hikes here are generally passed on to end-users. Nordic Waterproofing usually hedges the price of bitumen (which is derived from oil) for a period of up to twelve months, to further reduce the risk of fluctuations in raw materials prices. Rubber compounds are the most important in the production of EPDM products.

The supplier base comprises companies with long-term relationships with the Group. In 2016, the largest supplier accounted for approximately 14 percent of the total costs of raw materials and, combined, the five largest suppliers accounted for approximately 49 percent.

Products manufactured by subcontractors ensure complete solutions

Products manufactured by subcontractors primarily comprise various accessories complementing the Group's products and helping ensure that customers receive complete solutions. The range of products manufactured by subcontractors varies from market to market. Products manufactured by subcontractors include glue, tape and roof safety products.

Low proportion of fixed costs

The fixed costs for Nordic Waterproofing's production amount to approximately 8 percent of the total production costs, while variable costs, which primarily relate to raw materials, amount to approximately 92 percent. Accordingly, the production model means that high capacity utilization is not crucial to achieving profitability.

Four key raw materials

Purchasing of the most important input materials; bitumen, polyester, fiberglass and SBS is conducted at Group level to achieve economies of scale and increase the Group's bargaining power.



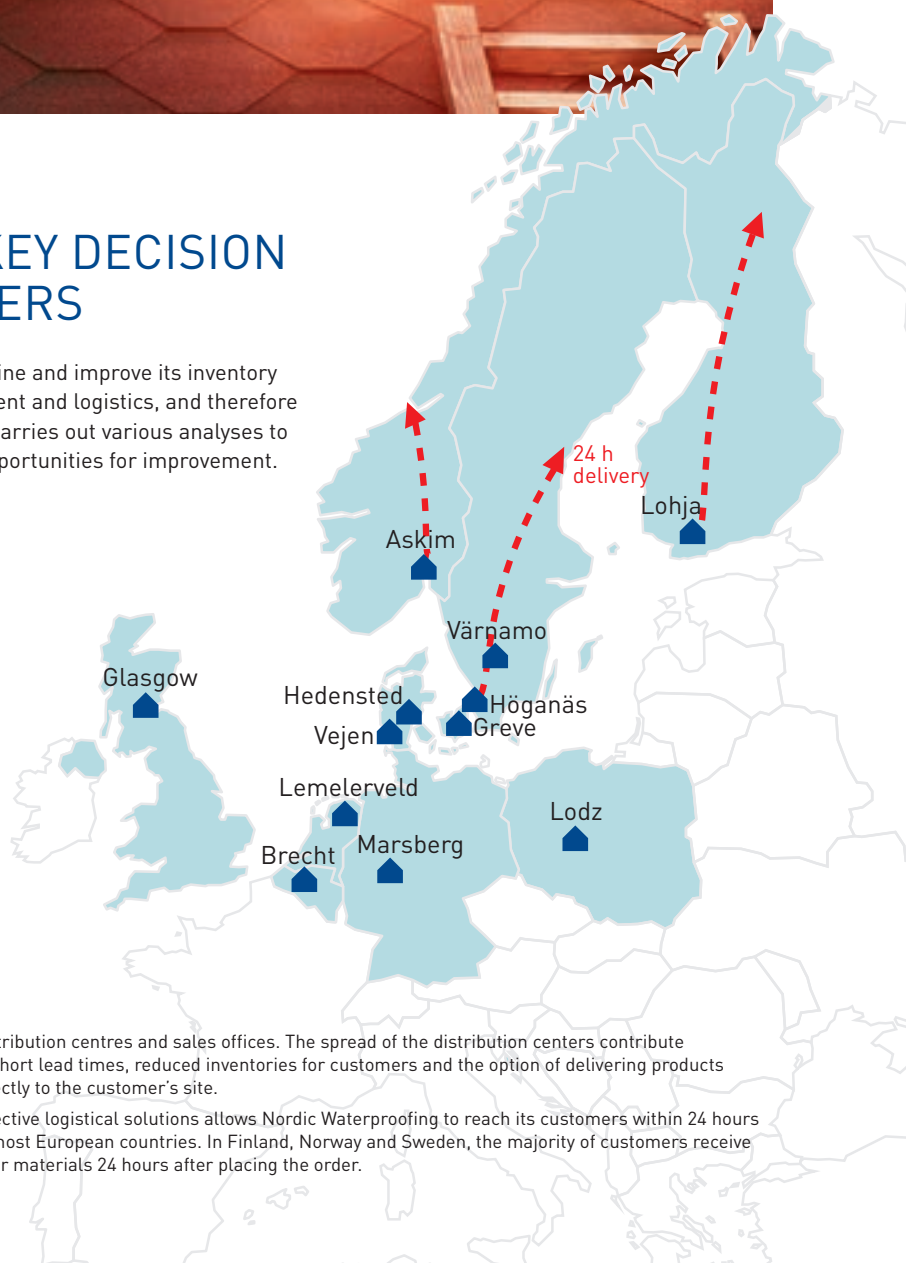
SPEED TO MARKET IS A KEY DECISION CRITERION FOR CUSTOMERS

Efficient local logistics is an important part of the service offering, since customers expect short lead times and transportation costs for bitumen products are relatively high. Most products are delivered within a day. Local distribution platforms are connected to the production facilities which, combined with local production, provide cost benefits. There are twelve strategically located distribution centres and sales offices. The local distribution platforms contribute to short lead times, reduced inventories for customers and the option of delivering products directly to the customer's site, which improves relations with customers and increases benefits for customers.

Inventories are managed internally by each business unit individually in order to facilitate planning, while transportation services are provided by external companies to ensure consistently short delivery times for products and solutions to customers.

The Group's objective is to keep all products in stock to simplify the delivery process in the case of delayed orders. Nordic Waterproofing is constantly seeking

to streamline and improve its inventory management and logistics, and therefore regularly carries out various analyses to identify opportunities for improvement.



- ▲ Distribution centres and sales offices. The spread of the distribution centers contribute to short lead times, reduced inventories for customers and the option of delivering products directly to the customer's site.
- Effective logistical solutions allows Nordic Waterproofing to reach its customers within 24 hours in most European countries. In Finland, Norway and Sweden, the majority of customers receive their materials 24 hours after placing the order.

PRODUCT DEVELOPMENT ENHANCED PROPERTIES AND EASE OF INSTALLATION

Products and solutions are developed continuously, resulting in new solutions and building systems, focused on ease of installation and environmental awareness.

Nordic Waterproofing maintains its own product development unit, which also is responsible for quality assurance, certifications and patents. Alongside the business units, it also develops and improves products and solutions, and conducts product and factory tests.

The development process is performed at both the Group and business unit levels, and is based on trends and an analysis of customers' needs and requirements. In addition, product development initiatives are introduced that affect the Group as a whole.

The development process is designed to encourage cooperation between the business units and includes sharing best practices with regard to recipe optimization, product improvements, materials efficiency and waste management, for example.

EXAMPLES OF PRODUCT DEVELOPMENTS

RubberShell

An example of a new product is the EPDM product RubberShell – a self-adhesive rubber membrane comprising a layer of EPDM and a layer of bitumen. A major advantage of the new product is that it is easy to install.

Shingles without plastic sheets

Shingles that can be installed without having to remove plastic sheets protecting the adhesive.

Mataki Haloten Steel

Mataki Haloten Steel is a system tool that facilitates waterproofing at the base of the roof, beneath tiles and steel roofing.

T-Welder

Improved hot-air welding system specially adapted for Mataki's product UnoTech. It meets high safety requirements in projects where an open flame would not be applicable.

LESSNOX®

Nordic Waterproofing's LESSNOX membranes reduce the volumes of NOx-particles in the air. Emissions of NOx-particles – which result from fires, cars, trucks and operations – are increasing. These particles are contaminating the air and are harmful to the environment. The LESSNOX membrane is a part of the solution. The slate is coated with titanium dioxide, which accelerates the decomposition to nitrate. Nitrate is then assimilated by growing plants.



Viscosity measurement done by Dennis Blakaj in the Höganäs laboratory.

A DECENTRALIZED ORGANIZATION STRUCTURE

A DECENTRALIZED ORGANIZATION

The Group has a decentralized organization structure with local management in each individual business unit that are supported by a strong central management and Group functions for finances and R&D accelerates both efficiency within the Group and local flexibility. Each business unit constitutes a profit centre and is responsible for local production, marketing and sales. The decentralized management model helps to form close local relationships with customers, increases involvement and speeds the flow of information and decision-making processes.

Equally, the central functions contribute to maximizing synergies throughout the Group in areas such as R&D and centralized purchasing of raw materials.

HUMAN RESOURCE FOCUS – SKILLS DEVELOPMENT AND MOTIVATION

During 2016, Nordic Waterproofing had an average of 630 full-time employees (calculated as full-time equivalents). During the summer season, the workforce in Installation Services increases through the addition of more than 100 subcontractors.

The HR-functions are decentralized and HR issues differ regionally, although they show certain mutual trends: Staff turnover is generally low, contributing to the stability of the organization. The subsidiaries apply introduction programmes when recruiting new colleagues. Employees' skills are developed continuously, focusing, for example, on productivity and

broader production skills, thereby increasing the flexibility of the organization.

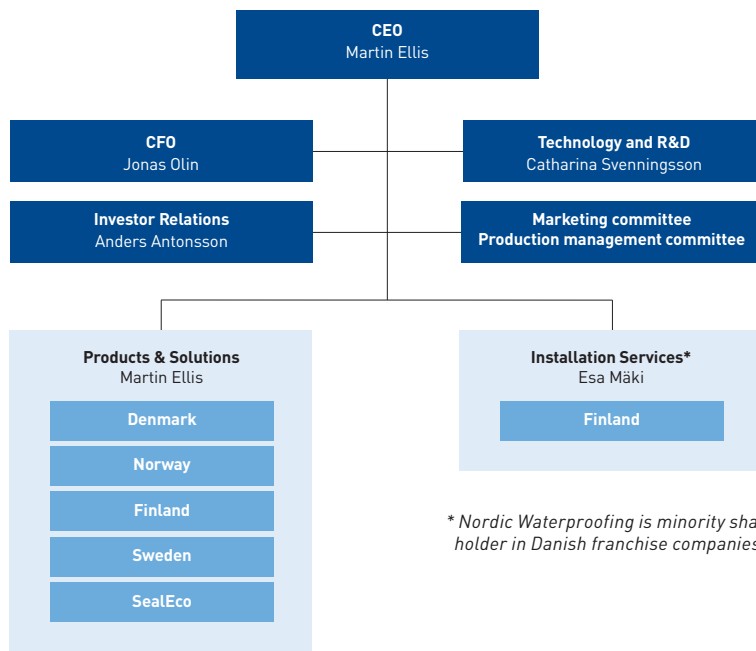
Employee satisfaction index surveys are conducted by most of the subsidiaries, helping management focus on measures to increase job satisfaction and motivation.

The Danish organization is an example of a successful work climate and was named Best Corporation in 2015 by TekSam (a cooperative organization for the employers confederation and the trade unions in Denmark). In a structured process on a yearly basis when employees and management has a mutual exchange

of expectations and suggestions of how to improve the working conditions.

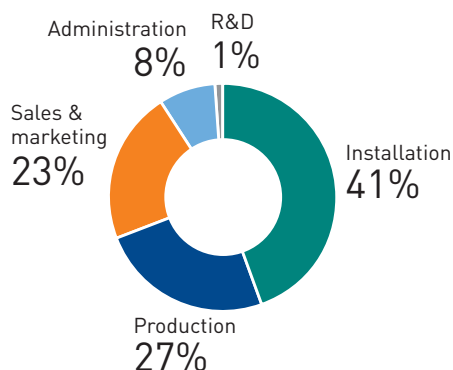
ATTRACTING PROFESSIONAL INSTALLERS

The professional roof installer business has experienced a staff shortage. In order to increase access to potential staff, Nordic Waterproofing supports educational programmes in roof installation and offers trainee positions for coming professionals, increasing the attraction.

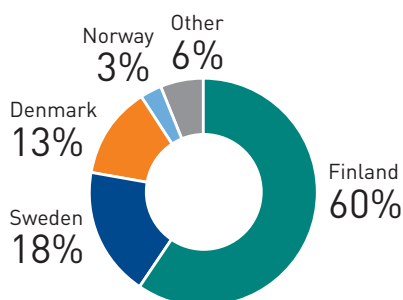


* Nordic Waterproofing is minority shareholder in Danish franchise companies.

630 EMPLOYEES 2016



NUMBER OF EMPLOYEES BY COUNTRY, 2016



MAKING A DIFFERENCE

Nordic Waterproofing works to create added value for its stakeholders without compromising the standards set in terms of environmental and social responsibility.

A number of Group-level policies are in place; a Code of Conduct (CoC), a whistle-blower policy, an environmental policy and an Occupational Health and Safety Policy. The Code of Conduct includes the areas of human rights, labour rights, environmental protection, and anti-corruption. The code relates to the working environment, the marketplace and the community.

Nordic Waterproofing Group is a signatory to the UN Global Compact and has developed a Group sustainability and CSR-approach that is aligned with the UN Global Compact's its ten core principles.

Code of Conduct

The Group's Code of Conduct has been communicated to all business units and there in turn, communicated to all employees. All employees have also been informed of the whistle-blowing policy and procedure.

Starting from 2017, the awareness of the Code of Conduct and related business ethics policies will be followed up by requiring each business unit to report it to the Group controller.

OCCUPATIONAL HEALTH AND SAFETY

The subsidiaries of Nordic Waterproofing Group have sites which include factories, warehouses and offices. In Finland the operations also include roofing services. Thus each working environment has its specific risks and each subsidiary is responsible for ensuring a systematic approach to Occupational Health and Safety (OHS) for its employees. This includes assessment and awareness raising of site specific risks; reporting of incidents and accidents; and working to mitigate the occurrence of incidents and accidents, such as analysing the root causes of accidents. All subsidiaries have an Occupational Health and Safety Policy. The subsidiary in Finland, which is the only business unit offering roofing services, has their OHS management system certified against OHSAS 18001.

Each individual site shall report to the Group level, all occupational injuries and illnesses resulting in at least one day's absence caused by accident, defined as Lost Work Cases (LWC).

During 2016 there were 30 LWCs (31) reported. 26 (27) of these were reported

from Finland and related to Installation Services. The other sites had an average LWC of 1 (1).

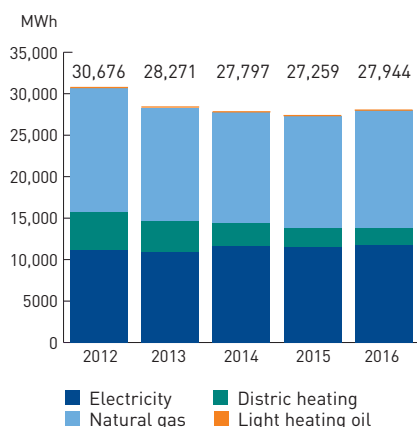
All the companies in the Group that have production sites have contracted external Occupational Health Care services to support their employees, such as in the case of rehabilitation.

GENDER DIVERSITY

The gender distribution target of 15-20 percent women in the Group's board of directors no later than 2018 was fulfilled in 2016 with the outcome of 16.7 percent (0)*.

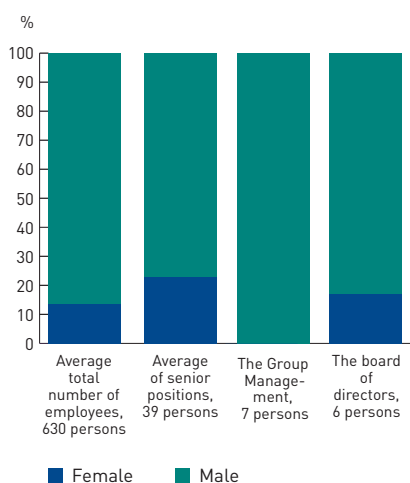
The roofing industry has historically been uneven in its gender distribution, with the vast majority of people across employee categories being men. Nordic Waterproofing works continuously to attract, develop and retain talented young people and aims to ensure that; independent of gender or other aspects of diversity, each individual is offered equal opportunities in terms of career paths etc. During 2016, it was decided with regard to the target, that the operations as a whole should also work for a more balanced mix in terms of ethnicity and gender.

ENERGY CONSUMPTION PER ENERGY SOURCE ¹⁾

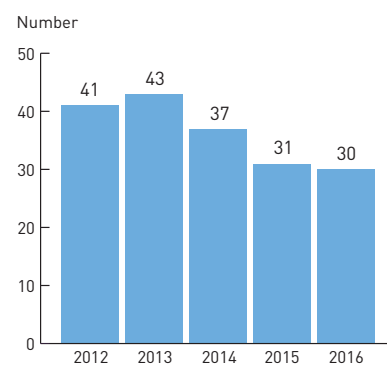


¹⁾ The diagram shows the energy consumption for production units and offices for all business units, except one smaller production site of Sealeco. Energy consumed by company vehicles and suppliers is not included in the figures.

DISTRIBUTION OF GENDER NORDIC WATERPROOFING



ACCIDENTS, LWC ²⁾



²⁾ LWC=Lost Work Cases (accidents resulting in >8 hours absence)

* Reporting in accordance with section 99b of the Danish financial act.

MANAGEMENT SYSTEMS

The four production facilities in Sweden, Finland and Denmark are subject to mandatory reporting obligations and require permits. The operations affect the external environment primarily through noise and direct and indirect emissions. The Group’s production requires resources such as raw material, water, energy and chemicals.

All subsidiaries are covered by our Group Environmental policy, which covers energy consumption, emissions and raw material use. If found relevant, they have formulated a local policy to complement it. All production sites have a management system for environmental management, and the sites in Sweden and Finland are certified against ISO 14001. Each production site has environmental targets.

On Group level a project to map the energy consumption and climate change emissions was initiated in early 2017.

THE WAY AHEAD

Nordic Waterproofing’s subsidiaries act as independent profit centres on national markets and the management of sustain-

ability has mainly been handled in each local context until now. A broader effort to align the sustainability approach in the Group’s operations and enable further sharing of best practices between its sites, has been initiated. A baseline assessment is being undertaken by surveying the subsidiaries’ sustainability processes. The objective is to define the area of relevance to manage and consolidate at Group level and identify key performance indicators for tracking progress.

This process will include a stakeholder dialogue, involving both internal and external stakeholders, to ensure that reporting on Group level will match their need for non-financial information. A materiality analysis will result in priorities for where and how Nordic Waterproofing can contribute the most to UN’s Global Compact and the UN Sustainable Development Goals (SDG).

Furthermore, an initiative has been taken at Group Level to align the work related to follow-up of suppliers, in terms of their adherence to the Code of Conduct and other sustainability requirements.

UN GLOBAL COMPACT

PRINCIPLES
HUMAN RIGHTS
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.
LABOUR
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: the elimination of all forms of forced and compulsory labour;
Principle 5: the effective abolition of child labour; and
Principle 6: the elimination of discrimination in respect of employment and occupation.
ENVIRONMENT
Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.
ANTI-CORRUPTION
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Since 2012 is Nordic Waterproofing a signatory to the UN’s Global Compact and is committed to honouring the Global Compact’s 10 principles. Our Group Code of Conduct covers human rights, freedom of association, forced labour, child labour, discrimination, environmental management, anti-corruption, anti-competitive behaviour and conflicts of interest. To meet our reporting obligations with the UN’s Global Compact, Nordic Waterproofing submits its Annual Report as the Group’s Communication on Progress to the UN Global Compact. The report will be accessible at the Group’s website and at UN Global Compact’s website.



SAFETY FIRST PAYS OFF

Nordic Waterproofing’s subsidiaries KerabitPro and AL-Katot in Finland are dedicated to ensuring site safety for all employees, installers and office staff. It has active training (site safety, hot works training, etc.) and made investments in personal protective equipment – safety harnesses, fall arrest systems etc. All staff meetings are opened emphasizing the importance of site safety and going through if there have been any accidents. A mobile site safety audit system has been implemented and using this, all can conduct site safety audits with their mobile phones. Their safety work has resulted in 35 percent fewer accidents the last five years. In the last five years, the estimated direct savings in sick leaves caused by on-site accidents in 2016 compared to 2015 was approximately EUR 120,000. With lost profits etc. included, the figure is considerably higher.

RISKS AND RISK MANAGEMENT

Risk management is an integral part of Nordic Waterproofing's management processes. Risks and opportunities are regularly reviewed and reported to the Executive Management and board of directors for appropriate responses and actions.

MAJOR RISKS AT NORDIC WATERPROOFING

Risk		Description	Development in 2016
Market	Development in the construction market	The waterproofing market is a relatively small niche within the construction market and generally follows the fluctuations in the construction industry. Demand for Nordic Waterproofing's products and services may fall because of lower construction activity.	Demand from the construction industry remained strong throughout 2016. Nordic Waterproofing's distribution of sales was stable, with 60 percent to renovation and 40 percent to new build.
	Competition	Nordic Waterproofing's competitors may develop their products, improve their production methods or offer their products at lower prices; customers may prefer competitors' products. Synthetic materials, such as PVC and TPO, which account for a small proportion of the Group's turnover, may increase in popularity at the expense of bitumen.	Nordic Waterproofing is constantly monitoring the development in its market. The overall demand for bitumen and EPDM products is stable in the Group's markets, and customers inquiring other materials are supplied via their local Nordic Waterproofing representative.
Operational	Unforeseen problems at acquisitions	Unforeseen business-related risks associated with the acquired companies or the integration processes may take longer or be costlier than anticipated, and that expected synergies fail to, or only partially, materialize. Thus, the value of assets relating to the acquisitions – goodwill – may not be realized and may need to be written down.	Although Nordic Waterproofing has not carried out any acquisitions in 2016, the Group has the experience to manage inherent risks. A senior team of managers are involved from the start, supported by a structured due diligence process, and the Group Code of Conduct.
	Irregular seasonal variations	Irregular seasonal variations, e.g. an earlier winter season, may affect building activities.	The Group maintain an agile organization to meet the changes posed by the Nordic winter and summer weather conditions.
	Disruption in production	The Group's manufacturing and installation operations could suffer stoppages or disruptions at any stage in a process, due to, for example, fire, engine breakdowns, failures in the IT system, disputes with labour organizations, weather conditions or natural disasters.	The bitumen manufacturing units in Denmark, Finland and Sweden are maintained routinely and once a year the production is stopped for a systematic service. In addition, Nordic Waterproofing has spare capacities in its production units, allowing for a shorter accidental stop.
	Environmental permits	The production facilities in Denmark, Finland and Sweden are subject to mandatory reporting obligations and require permits. The operations affect the external environment primarily through noise and emissions.	The Group has all necessary permits for its operations and is monitoring any changes in the environmental regulations and permit regulations in each relevant country.
	IT system and process failure	The Group's IT systems/ processes can be disrupted by software failures, computer viruses, hacking, sabotage and physical damage, for example.	A central organization is continually monitoring the system's status and carrying out monthly updates to protect the Group's IT systems. No major disruptions were reported in 2016.
	Supply chain	Access to alternative suppliers from whom bitumen and rubber components can be purchased is considered crucial in the event cooperations with the Group's primary suppliers were to come to an end. The supply agreement in rubber products contains minimum volume commitments for the Group, reducing the option to purchase rubber compounds from alternative suppliers and adapt to lower demand.	The Group has integrated risk mitigation and dependency into the sourcing process. Potential suppliers are evaluated and a two-tier supplier scheme is used when possible. During 2016, the Group opted for a new supplier for a key product category.
	Raw material costs	There is a risk that the Group will be unable to compensate for an increase in the cost of inputgoods by imposing a higher price on a customer or that this compensation will only be obtained after a period of time, which will have an adverse effect on the Group's results of operations and financial position.	The Group is exposed to volatility of raw materials, and can decide to hedge the price levels for a certain period and/or respond by increasing the price of its products. At the end of 2016 and the beginning of 2017, the prices for two vital raw material categories increased and the Group implemented measures to mitigate any negative effects.

MAJOR RISKS AT NORDIC WATERPROOFING

Risk		Description	Development in 2016
Legal	Competition law	Competition authorities have the power to take legal action against infringers and may require a party to an agreement to cease applying terms and conditions or prices in agreements which are found to be anti-competitive.	Nordic Waterproofing A/S and other providers of waterproofing products are subject to an investigation by the Danish Competition and Consumer Authority (DCCA). The investigation is still ongoing. An outcome is not yet received. The company is cooperating with the DCCA.
	Changes to regulations	Changes in stimuli to encourage the construction of new-buildings, e.g. legislation, regulations and rules affecting town planning, zoning plans and land development, as well as building permit/planning permission regulations, may change in the future. Changes to the following could also occur: rules relating to subsidies, such as tax relief on home repairs and renovation work in Sweden and tax relief on household services in Finland, as well as changes to, and the enactment of, legislation governing the use of input products needed to manufacture its products, the production itself, and the environmental permits required to carry out production at the Group's production facilities.	Nordic Waterproofing's products are well-established in all relevant markets and the Group is exposed to a limited extent to changes in the subsidies in different countries. However, following a reduction of the amount of tax Swedish households are allowed to deduct from January 2016 as well as the stricter amortization rules which were enforced from July 2016, some of the Group's customer in the DIY builders' merchants have reported declining sales.
	Intellectual property rights	The Group has developed products that lack patent protection that may be more important to the Group and its competitive position on the market than what has previously been considered to be commercially reasonable. There is also a risk that the Group will be unable to defend trademarks and patents granted.	The Group has assigned an external party and established routines to register and maintain its patents, trade marks and other intellectual property.
Financial	Currency risks	The Group is subject to currency risks in the form of exposure to transactions and translation of currencies. Transaction exposure arises in connection with acquisitions and sales of goods and services in currencies other than the local currency of the relevant subsidiary. The translation exposure constitutes the risk represented by the translation difference in the form of the change in equity.	The Group has significant cash flows in foreign currencies (DKK, EUR, NOK and USD) that arise in the ordinary course of the Group's business. Inflows and outflows of those foreign currencies are naturally well balanced and any net transaction exposure is therefore considered insignificant.
	Credit risks	Credit risks may occur in relationships with customers failing to perform their obligations.	In each country, Nordic Waterproofing has a large number of customers, most with low outstanding credit. As the Group maintain a close relationship with its customers and any delays are monitored and rectified as soon as possible. No major credit loss was reported in 2016.

CORPORATE GOVERNANCE

Nordic Waterproofing Holding A/S is a Danish public limited liability company, with company registration number 33395361, and is governed by the provisions of the Danish Companies Act. The registered office of the company is situated in Vejen, Denmark, with operational headquarters in Helsingborg, Sweden. The company's shares are listed on Nasdaq Stockholm, Mid Cap.

CORPORATE GOVERNANCE FRAMEWORK

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

Apart from what is presented below, the fact that Nordic Waterproofing is a Danish public limited liability company, and thus obliged to comply with Danish corporate law, does not imply any material differences compared to if the company had been subject to Swedish corporate law applicable for public companies.

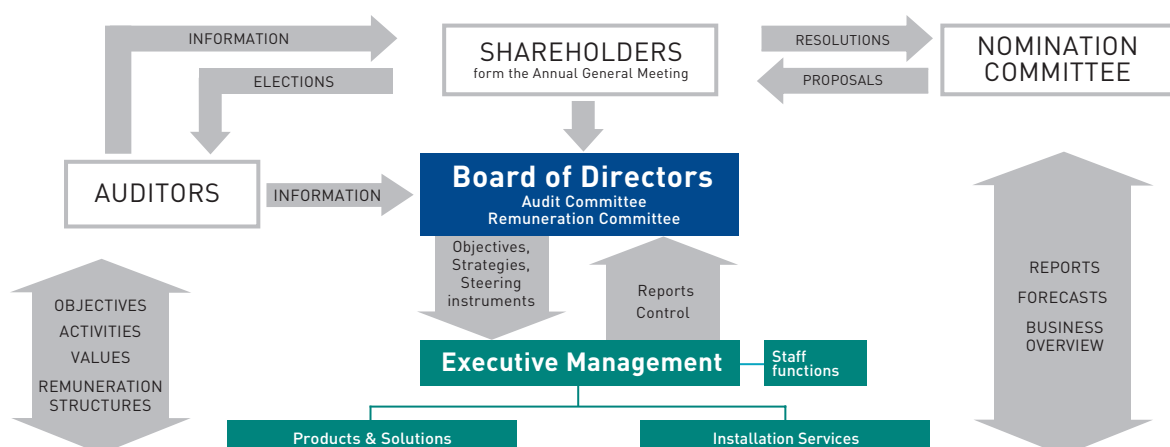
APPLICATION OF THE SWEDISH CODE

The application of the Code is fully consistent with the Danish Companies Act and Danish recommendations on corporate governance. The Code applies to all Swedish companies with shares listed on a regulated market in Sweden and must be applied on the date of the listing of the company's shares on Nasdaq Stockholm. Non-Swedish companies with shares listed on a regulated market in Sweden must, in order to comply with good stock market practice, comply with either the Code or the corporate governance code applicable in the country where such non-Swedish company has its registered office. Nordic Waterproofing has decided that it will report its compliance with the Code and not the Danish corporate governance recommendations, since the company is listed on Nasdaq Stockholm, where companies customarily apply the Code. During 2016, Nordic Waterproofing has

deviated from the Code's article 1.2 as the board was not qualified for a quorum at the extraordinary general meeting on 21 December 2016 due to the unforeseen absence of the chairman; article 1.3 as Danish law specifies that the chairman of the general meeting is nominated by the board; article 2.1 as Danish law specifies that auditors are nominated by the board; and from article 9.2 as the remuneration committee is constituted by entire board as preferred solution as the remuneration issues have been an integrated part of the listing process work.

THE SHARE AND SHAREHOLDERS

Nordic Waterproofing Holding A/S was listed on Nasdaq Stockholm, Mid Cap segment, on 10 June 2016. The principal owner at the time of listing was Axcel¹. The number of shares outstanding on 31 December 2016 were 24,083,935. The number of shareholders amounted to



1) Axcel IV K/S, Axcel IV K/S 2, AX Management Invest K/S and AX Management Invest II K/S, all funds advised by Axcel Management A/S.

more than 2,700. The largest shareholder on the same date was Axcel, with 3,400,422, representing 14.1 of the share capital and votes in the company.

Further details on the Nordic Waterproofing's share and the company's shareholders are available in the section "The NWG share", pages 42-44.

THE GENERAL MEETINGS AND SHAREHOLDERS' INITIATIVES

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

At the annual general meeting, shareholders exercise their voting rights. At the annual general meeting, the shareholders vote on matters such as approval of the annual report, appropriation of Company profits or losses, resolutions to discharge the members of the board of directors and the executive management from liability for the financial year, the appointment of members of the board of directors, the appointment of an auditor, and remuneration for the board of directors.

The annual general meeting must be held in such time that the annual report, to be adopted by the board of directors and thereafter submitted to the general meeting for approval, can be submitted to the Danish Business Authority within four months after the expiry of the financial year.

Shareholders who wish a matter to be addressed at the annual general meeting must submit a written request to the board of directors no later than six weeks prior to the date of the annual general meeting.

In addition to the annual general meeting, extraordinary general meetings may be convened to deal with other specific matters.

Extraordinary general meetings must be held upon request from the board of directors or the auditor elected by the general meeting. In addition, shareholders

that individually or collectively hold five (5) percent (or more) of the share capital can make a written request to the board of directors that an extraordinary general meeting be held to deal with a specific matter. Extraordinary general meetings to consider specific matters must be convened within two weeks of receipt of a request to such effect.

In accordance with the Articles of Association, all general meetings must be convened by the board of directors giving written notice between three and five weeks prior to the meeting. As regards the annual general meeting, the date of the intended meeting must be published no later than eight weeks prior to the date of such meeting and state the deadline for shareholder proposals. Notice of general meetings must, in the form and substance required under the Danish Companies Act, be published on www.nordicwaterproofing.com. Further, written notice of the general meeting must be emailed to all shareholders who so request and to concurrently announced in the Swedish daily newspaper Svenska Dagbladet that notice has been given. The notice is expected to specify the time and place of the general meeting and contain the agenda of the business to be addressed at the general meeting.

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

General meetings must be held in the Municipality of Stockholm or Helsingborg in Sweden.

GENERAL MEETINGS IN 2016

The Annual General Meeting 2016 was held on 9 May 2016 and approved the 2015 annual report, discharged the Board and Executive Management, and re-elected all the current board members and current auditor.

Four extraordinary general meetings were held in 2016: On 6 May the shareholders resolved on items required in preparations for a listing on Nasdaq Stockholm,

including conversion from a private limited liability company (ApS) to a public limited company (A/S). The meeting on 19 May resolved i.a. to authorize increase share capital (valid until 2017 AGM), guidelines for remuneration and incentives and establishment of a nomination committee. The meeting on 8 June approved the cancellation of share classes, and the fourth extraordinary meeting was held on 21 December to elect Mrs. Riitta Palomäki as additional new member of the board of Nordic Waterproofing Holding A/S until the close of the next annual general meeting.

2017 ANNUAL GENERAL MEETING

The 2017 AGM will be held on Thursday, 27 April 2017, at 10:00 a.m. at IVA Konferenscenter, Grev Turegatan 16 in Stockholm, Sweden. For more information, see section on "Annual General Meeting 2017" on page 85 and www.nordicwaterproofing.com.

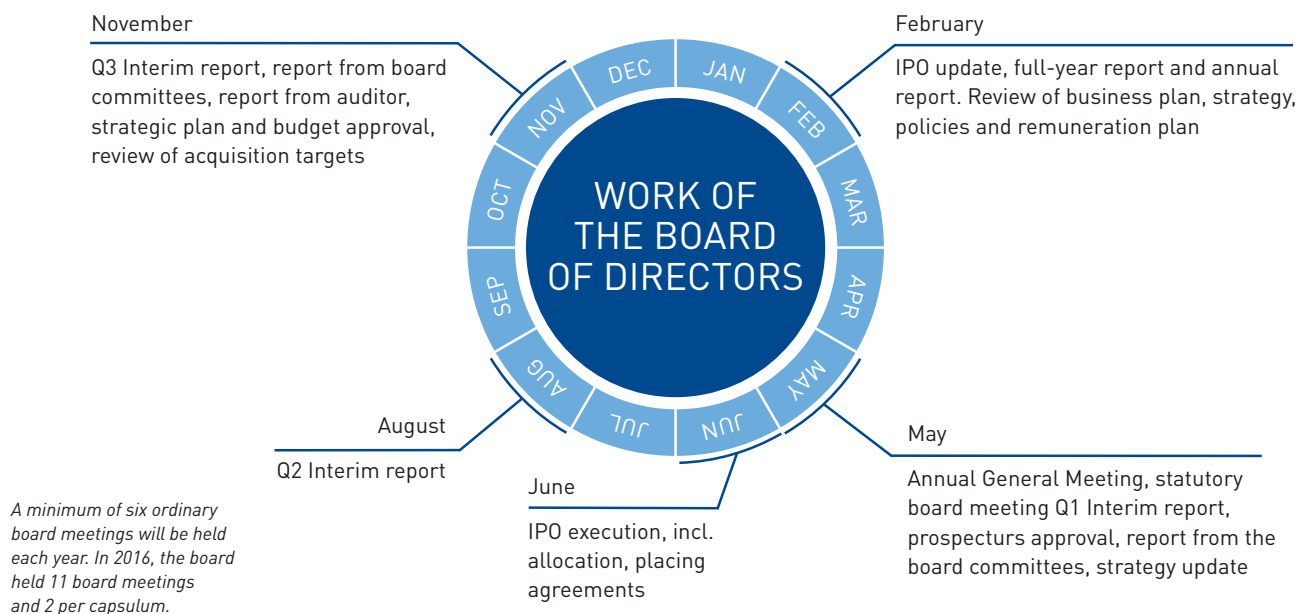
NOMINATION COMMITTEE

Nordic Waterproofing Holding A/S's shareholders have resolved to establish a nomination committee and to adopt rules of procedure for the nomination committee. The general rule contained in the rules of procedure for the nomination committee is that the nomination committee must comprise four members representing the largest shareholders of the company, as of the last banking day in August in the year before the annual general meeting, who wish to participate in the nomination committee. In addition to these four members, the chairman of the board must also be a member of the nomination committee. The instructions for the nomination committee follow the Code as regards the appointment of members.

The main duties of the nomination committee are to nominate candidates for the positions of chairman of the board and other members of the board, and to submit proposals for fees and other remuneration to be paid to each of the board members.

As of 8 March 2017, the following five representatives compose the nomination committee:

WORK OF THE BOARD OF DIRECTORS IN 2016



- Viktor Henriksson, appointed by Carnegie funds and chairman of the nomination committee.
- Joachim Spetz, appointed by Swedbank Robur.
- Ulf Hedlundh, appointed by Svolder AB.
- Peter Lundkvist, appointed by Third Swedish National Pension Fund.
- Ulf Gundemark, chairman of Nordic Waterproofing Holding A/S.

The nomination committee observes the rules regarding the independence of board members as well as versatility and breadth. In addition, each member of the nomination committee has considered any potential conflict of interest before accepting the assignment, as stated in the Code.

INDEPENDENCE OF THE NOMINATING COMMITTEE

The Code also requires the majority of the nomination committee's members to be independent in relation to the company and its management and at least one of these shall also be independent in relation to the company's largest shareholder in terms of voting power. Of the appointed members, all are independent in relation to the company and its management and one are independent in relation to the company's largest shareholders in terms of voting power.

MEETINGS OF THE NOMINATION COMMITTEE

The nomination committee ahead of the Annual General Meeting has held five meetings. No fees have been paid for work on the committee.

THE BOARD OF DIRECTORS

The board of directors is the highest decision-making body after the general meeting. The responsibilities of the board of directors are set out in the Danish Companies Act, the Articles of Association, and the board's rules of procedure adopted by the board of directors. In addition, the board of directors must comply with the Code and Nasdaq Stockholm's Rule Book for Issuers, as well as other Swedish, Danish and other foreign laws and regulations, as applicable.

Members of the board of directors (other than employee representatives, if any) are appointed annually by the shareholders at the annual general meeting for the period until the end of the next annual general meeting. The Articles of Association state that the board of directors (not including employee representatives) must consist of a minimum of four members and a maximum of eight members. The Code states that no deputy members may be appointed. The board of directors currently consists of six ordinary members. The members of the board of directors are presented in more detail in the section

Board of Directors. Under Danish law, members of the board of directors may be removed at any time by the shareholders in a general meeting, by a simple majority of votes.

Pursuant to the Code, no more than one member of the board of directors may be a member of the executive management of the company or a subsidiary. Furthermore, such board member may not be the chairman or the deputy chairman of the board of directors. Similarly, under the Danish Companies Act, the majority of the members of the board of directors must be members who are not also members of executive management, and a board member who is also a member of the executive management cannot be chairman or deputy chairman of the board of directors.

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

- the bookkeeping and financial reporting procedures are satisfactory, having regard to the circumstances of the company

- adequate risk management and internal control procedures have been established
- the board of directors receives requisite regular information about the company's financial position
- the executive management performs its duties properly and as directed by the board of directors and
- the financial resources of the company are adequate at all times, and that the company has sufficient liquidity to meet its current and future liabilities as they fall due. The company is therefore required to continuously assess its financial position and ensure that the existing capital resources are adequate.

The board of directors has adopted, and regularly evaluates, a number of governing documents including the rules of procedure for the board of directors, executive management instructions, financial manual, treasury policy, IT policy, information security policy, diversity policy, code of conduct, information policy and insider and log book policy. Governing documents adopted by the board are implemented in the organization by respective country managers. In addition, the board of directors regularly adopts and evaluates the Nordic Waterproofing's business plan, including goals, strategies, risks and budget, and reviews the company's website and ensures that such website has a special corporate governance section containing a copy of, among other things, the most recent corporate governance report. The board of directors also ensures that there are efficient systems for follow-up and control of the company's operations and that there is a satisfactory control of the company's compliance with laws and other regulations applicable to the company's operations.

COMPOSITION OF THE BOARD

According to the Articles of Association, Nordic Waterproofing Holding A/S's board of directors shall consist of at least four and no more than eight members elected by the AGM. The extraordinary general meeting on 21 December 2016 resolved that the board shall have six members for the period until the next AGM. Following this resolution, the board comprises Ulf Gundemark (chairman), Christian Frigast, Holger C. Hansen, Jørgen Jensen, Riitta Palomäki and Vilhelm Sundström. All board members have attended Nasdaq's stock market training course for board and management. The average age of the Board members elected by the AGM/EGM was 54 at year-end 2016, and one of the six are woman. For information about the board members' assignments outside the

Group and holdings of shares in Nordic Waterproofing, see pages 38-39.

INDEPENDENCE OF THE BOARD

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

EVALUATION OF BOARD PERFORMANCE

The board of directors regularly evaluates its work through a systematic and structured process with the purpose of developing the board of directors' work methods and efficiency. In addition, the board of directors evaluates the company's IT strategy and its implementation and monitors compliance with the policies, instructions and guidelines established by the board of directors.

The chairman is responsible for carrying out the evaluation and presenting the results to the nomination committee. The purpose of the evaluation is to gather the board members' views on the board's performance, what measures can be taken to improve the efficiency of board work, and whether the board has a well balanced mix of competencies. In 2016, the chairman conducted a self-assessment of the board work performance including CEO/CFO cooperation. This based on the principle of comparing "to be" with "as is" evaluations. The results have been communicated and discussed within the board and senior management as well as the nomination committee.

BOARD MEETINGS

In 2016 the board held 13 scheduled meetings. The CEO and the CFO, who is also the board secretary, take part in the board's meetings. Other executives take part as needed as rapporteurs for special items of business.

BOARD COMMITTEES

AUDIT COMMITTEE

The board of directors has internally established an audit committee, which must comprise three members. The audit committee prepares proposals for the board of directors which either adopts resolutions on the matters or, if appropriate, decides upon proposals for resolutions to be adopted by the shareholders at general meetings. In 2016, the audit committee held five meetings at which minutes were kept. Four meetings are planned for 2017.

The current audit committee consists of three members: Jørgen Jensen (chairman), Holger C. Hansen and Vilhelm Sundström. Its main duties, without having any impact on the duties and responsibilities of the board of directors, are to assist with oversight of:

- the company's financial reporting
- systems of internal control and risk management related to finances
- external audit of the annual report
- control of the auditor's independence, including oversight of non-audit services and
- prepare a recommendation to the board of directors as regards the auditor to be nominated by the board of directors and elected by the annual general meeting.

REMUNERATION AND COMPENSATION

The board of directors has not established a remuneration committee. Instead, the board of directors considers it more appropriate that the entire board of directors performs the remuneration committee's duties. In 2016, the remuneration committee held three meetings at which minutes were kept. Two meetings are planned for 2017. The primary duties of the board of directors as regards remuneration and compensation are as follows:

- Consider and make decisions as to the framework for the remuneration packages of the CEO of the company, including but not limited to salary, salary increases, pension rights and any compensation or terminations payments, ensuring that the contractual terms are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognized.
- Consider and make decisions on issues concerning principles for remuneration and other terms of employment for the executive management, including evaluate whether the remuneration level is in accordance with, and not exceeding, comparable market practice levels at any given time of the CEO including any incentive program shall be in accordance with and not exceed comparable market practice levels at any given time.
- Consider and make decisions on remuneration matters of material importance to the Company, including incentive programmes and payments for the CEO of the Company. The decisions concerning the remuneration of the CEO including any incentive program shall be in accordance with and not exceed comparable market practice levels at any given time.

- Consider and make decisions on the targets (bonus levels and performance targets) for company-operated performance related incentive programmes for executive managers of the Company as well as monitor and evaluate the fulfillment of such targets.
- Monitor and evaluate programmes for variable remuneration, both ongoing and those that have ended during the year, for the executive management
- Monitor and evaluate the application of the guidelines for remuneration that the annual general meeting is legally obliged to establish, as well as the current remuneration structures and levels in the company.
- Oversee the implementation of any pension, retirement, death or disability or life assurance scheme and any incentive schemes for executive managers of the company.
- Review its own terms of reference and effectiveness on the above, on an annual basis.

EXECUTIVE MANAGEMENT

Pursuant to the Danish Companies Act and the Articles of Association, the board of directors appoints and removes the members of an executive management, which is responsible for the day-to-day management of Nordic Waterproofing Holding A/S. The Articles of Association state that an executive management consisting of one to five members must be appointed. Currently, the company has only appointed one member to the executive management: Martin Ellis as CEO (*Dk. administrerende direktør*).

The executive management reports to the board of directors. The executive management's responsibilities are set out in the Danish Companies Act, the Articles of Association, directions and instructions given by the board of directors, and other internal regulations and instructions established by the board of directors. In addition, the executive management is required to comply with the Code and Nasdaq Stockholm's Rule Book for Issuers, as well as other Swedish, Danish and other foreign laws and regulations, as applicable.

The executive management must, inter alia, take any measures necessary to ensure the company's bookkeeping is maintained pursuant to law and that the management of funds is conducted in a sound manner. The executive management must attend board meetings, unless decided otherwise by the board of directors, and must keep the board of directors – through the chairman – regularly informed about matters of importance relating to the day-to-day operations. The

executive management may in specific cases be authorized by the board of directors to carry out management-related measures, which are outside the scope of the company's day-to-day business.

GROUP MANAGEMENT

The executive management is supported by a number of senior officers of the company. Together with the executive management, these senior officers of the subsidiaries constitute the group management team.

Martin Ellis has been CEO of Nordic Waterproofing since October 2015, when Holger C. Hansen was elected to the company's board. Aside from the CEO, the group management team consists of the CFO, four business unit managers for Denmark, Finland, Sweden & Norway and SealEco respectively and the head of Corporate Communications & Investor Relations (IR). The CEO and other members of group management team are presented in more detail in the section entitled "Group management", on pages 40-41.

The group management team conducts management meetings at regular intervals and held twelve meetings in 2016. The meetings are focused on the Group's

strategic and operative development and financial performance. In addition to these meetings, the senior executives work in close daily cooperation regarding various matters.

REMUNERATION FOR MEMBERS OF THE BOARD OF DIRECTORS AND GROUP MANAGEMENT

Board of directors

Fees and other remuneration for members of the board of directors, including the chairman of the board, are determined by the company's shareholders at the annual general meeting based on proposals made by the board of directors and the nomination committee. The shareholders have resolved at a general meeting that fees be payable for the 2016 accounting year as follows: SEK 500,000 to the chairman of the board, SEK 325,000 to the Deputy chairman and SEK 275,000 to all remaining board members. Remuneration for the chairman of the committee amounts to SEK 50,000 and each member of the audit committee is paid SEK 50,000. Axcel's representatives were paid board fees subsequent the listing in June. Members of the board of directors are not entitled to any special benefits when they resign from the board.

REQUIREMENT TO DISCLOSE SHAREHOLDINGS

Since Nordic Waterproofing Holding A/S's registered office is located in Denmark, the Swedish Financial Instruments Trading Act (1991:980) provides that corresponding Danish rules apply as regards the requirement to disclose shareholdings. For the purpose of designating the home member state pursuant to the Transparency Directive (2004/109/EC, as amended), Denmark is the company's home member state.

Pursuant to section 29 of the Danish Securities Trading Act, holders of shares in Danish companies with shares admitted to trading on Nasdaq Stockholm are required to give simultaneous notice to the company and the Danish FSA of the shareholdings in the company immediately, when the shareholding reaches, exceeds or falls below thresholds at intervals of 5, 10, 15, 20, 25, 50 or 90 per cent. and limits of 1/3 or 2/3 of the voting rights or nominal value of the total share capital.

When a company has received a notification, it must publish the content of the notification as soon as possible. Holders of shares in a company mean a natural or legal person who, directly or indirectly, holds (i) shares in the company on behalf of himself and for his own account, (ii) shares in the company on behalf of himself, but for the account of another natural or legal person, or (iii) share certificates, where such holder is considered a shareholder in relation to the underlying securities represented by the certificate.

The notification must be made immediately and during the same trading day (before midnight) of the transaction and in accordance with the provisions of the Executive Order no. 1256 of 4 November 2015 and must state the number of voting rights and shares held directly or indirectly following the transaction. The notification must further state the transaction date on which the threshold was reached or no longer reached and the identity of the shareholder as well as the identity of any natural or legal person with the right to vote on behalf of the shareholder and, in the case of a group structure, the chain of controlled undertakings through which voting rights are effectively held. The information must be notified to the company and simultaneously submitted electronically to the Danish FSA. Failure to comply with the notification requirements is punishable by fine.

Please refer to <http://www.nordicwaterproofing.com/en/information-for-shareholders/> for more information.

Executive management and group management team

The board of directors' policy is that salaries and other benefits be on market terms and adequate to attract sufficiently qualified employees for the relevant positions.

The board of directors determines the remuneration payable to the members of executive management, including the CEO. The salaries for the members of executive management consist of a fixed salary, variable salary and other benefits. The annual salary to the company's CEO amounts to EUR 0.5 million. The CEO, with support from the board of directors, determines the remuneration payable to other members of group management. The salaries to the members of group management consist of a fixed salary and pension, and the possibility to receive variable salary and other benefits. The variable salary to which the company's CEO and CFO and the four heads of business units are entitled is capped at 60 percent of their fixed salary. The members of the executive management and the group management will be offered a salary which is on market terms and based on such person's responsibilities, expertise and performance.

In addition, the shareholders may resolve at the annual general meeting to offer long-term incentive schemes such as equity-based and share price-based incentive schemes. The purpose of these incentive schemes will be to contribute to long-term value growth and provide a shared interest in value growth for shareholders and employees. For more information about the remuneration to the board and group management team, see pages 38-41.

FINANCIAL REPORTING AND INTERNAL CONTROL

The responsibilities of the board of directors and the executive management for financial reporting and internal control is, inter alia, governed by the Danish Accounting Act, the Danish Annual Reports Act, the Danish Companies Act and the Code.

The board of directors regularly considers whether it would be expedient to include additional financial and nonfinancial information in the company's financial reports. The board of directors regularly assesses the material risks associated with the company's operations, the implementation of the company's strategy and the risks associated with the financial reporting, and seeks to ensure that such risks are managed in a proactive and efficient manner.

As part of the company's risk management, various internal control systems

have been established, which are reviewed regularly by the board of directors to ensure that such systems are appropriate and sufficient in the context of the company's business and operations. The company's annual report includes information about the management of operational risks.

The financial reporting and internal controls are aimed at providing the board of directors and executive management with reasonable assurance that:

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

CONFLICT OF INTEREST TRANSACTIONS

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

AUDITING

Pursuant to the Articles of Association, the annual general meeting must appoint a state-authorized public accountant to audit Nordic Waterproofing's accounts. The company's auditor is PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab. For 2016, the total remuneration to the company's auditor amounted to SEK 7.3 million. The total remuneration to other auditors in the Group during the period amounted to SEK 2.2 million.

The auditor is appointed for a term of one year by the shareholders following a proposal by the board of directors following recommendation from the audit committee. The scope of the auditor's duties, including audit and non-audit duties, is agreed annually between the board of directors and the auditor based on recommendations by the audit committee. The company has regular discussions and

regularly exchanges information with the auditor.

The auditor is obliged to attend the annual general meeting and is entitled to attend other general meetings. At the annual general meeting, the auditor is obliged to answer questions raised relating to the annual report. The auditor is also entitled to attend any board meeting at which the annual report of the company is being presented and – under the board's rules of procedure – any other board meetings at which financial statements, on which the auditor must provide a statement, are considered.

INFORMATION POLICY AND INSIDER AND LOGBOOK POLICY

Nordic Waterproofing has prepared an information policy and an insider policy for the purpose of informing employees and other relevant parties at the Company about the laws and regulations applicable to the distribution of information by the Company, and the special requirements imposed on persons who are active in a listed company with regard to, inter alia, price-sensitive information. In this context, the company has established routines for handling the distribution of information which has not been made public.

THE IR FUNCTION

The IR function is headed up by the company's IR and Communications Manager. The primary duties of the IR function are to support the CEO and CFO in relation to the capital markets, to prepare (jointly with the CFO and communication team) quarterly and annual reports, analyst conferences, general meetings and capital market presentations, and to regularly report on IR activities.

External financial information is regularly provided in the form of:

- Interim reports
- Annual report
- Press releases about important news that is assessed to have a potential impact on the share price
- Presentations for financial analysts, investors and the media on the date of publication of the year-end and interim reports
- Meetings with financial analysts, investors and media representatives.

ADDITIONAL INFORMATION

Please visit www.nordicwaterproofing.com for information such as the Articles of Association, the Code of Conduct, and information from previous general meetings as well as media releases.

BOARD OF DIRECTORS



Name	Ulf Gundemark	Holger C. Hansen	Christian Frigast
Position	Chairman of the Board since: 2015. Chairman of the remuneration committee. Member of the nomination committee.	Deputy Chairman since: 2015. Member of the remuneration committee. Member of the audit committee.	Board member since: 2015. Member of the remuneration committee.
Education	Master of Science in Electronics from Chalmers University of Technology, Gothenburg, Sweden.	Bachelor degree of Science in Economics from Copenhagen Business School, Denmark.	Master of Science from the University of Copenhagen, Denmark and a Bachelor in banking from Wharton Business School, University of Pennsylvania, USA.
Year elected	2015	2016	2015
Born	1951	1969	1951
Nationality	Swedish	Danish	Danish
Other assignments	Member of the boards of AQ Group AB, Constructor Group AS, GUMACO AB, Papyrus Holding AB, Ripasso Energy AB, Scandi Standard AB (publ), Solar A/S and Lantmännen ekonomiska förening.	CEO of HCH Consult ApS and a member of the executive board of AH Wood Invest ApS, Hampen Ejendomselskab ApS, HCH Invest ApS, Klipleve Ejendomselskab ApS, Palsgaard Gruppen ApS and Tåsinge Ejendomselskab ApS. Chairman of Clopethan A/S, F. Junckers Industrier A/S, Junckers Holding AS, Scanpharm A/S and HCB Invest ApS, deputy chairman of Lilleheden A/S, and member of the board of Delete Group Oy and Drico Intressenter Holdco AB.	Managing Partner in Axcel, chairman of Axcelfuture, deputy chairman of Pandora A/S and Danish Venture Association and member of the board of Denmark-America Foundation.
Independent in relation to major shareholders	Yes.	No.	No. Representing Axcel.
Independent in relation to the company	Yes.	No. Former CEO of Nordic Waterproofing.	Yes.
Previous experience includes	Chairman of Bridge to China AB, chairman and board member of Lindab International AB and Ripasso Energy Systems AB, and board member of Lönne International AS.	Chairman of Butiksindretning Herning A/S and CEO of Nordic Waterproofing.	Deputy chairman of Torm A/S and member of the board of Vara Esko-Graphics Holding A/S.
Number of shares, own and closely related, 2016*	20,000 shares.	100,704 shares.	23,000 shares.
Board meeting attendance	13 of 13 meetings.	13 of 13 meetings.	12 of 13 meetings.
Audit committee attendance	–	5 of 5 meetings.	–
Remuneration committee attendance	3 of 3 meetings.	3 of 3 meetings.	3 of 3 meetings.
Remuneration 2016¹⁾			
Board	SEK 500,000	SEK 325,000	SEK 160,000
Committee(s)	–	SEK 50,000	–
Total 2016	SEK 500,000	SEK 375,000	SEK 160,000

* Board assignments and holdings in Nordic Waterproofing as stated above reflect the situation as per 31 December 2016.

1) Remuneration paid to the board of directors for the period May 2016-April 2017. The fees paid to the members of the board of directors elected by the Annual General Meeting are approved by the Annual General Meeting based on the proposals of the Nomination Committee. For the 2016 calendar year, remuneration was paid as per Note 11. No consulting fees were paid to Board members. Remuneration excludes travel allowances.



Name	Jørgen Jensen	Riitta Palomäki	Vilhelm Sundström
Position	Board member since: 2015. Member of the remuneration committee. Chairman of the audit committee.	Board member since: 2016.	Board member since: 2015. Member of the remuneration committee. Member of the audit committee.
Education	Master of Science in Economics from Aarhus University, Denmark.	Master of Science in Accounting and ICT from Turku School of Economics and Business Administration, Finland.	Master of Science in Finance and Business Administration from Hanken School of Economics, Helsinki, Finland.
Year elected	2015	2016 at the EGM	2015
Born	1968	1957	1969
Nationality	Danish	Finnish	Swedish
Other assignments	CEO of Widex A/S and board member of several subsidiaries of Widex A/S, board member and CEO of JFJ Invest ApS, and board member of DFDS A/S.	Executive Vice President and CFO of Uponor Oyj, member of the board of directors, chair of the Audit Committee at Componenta Oyj and member of the Supervisory Board and Deputy Chair of the Audit Committee at OP Cooperative.	Partner in Axcel and chairman of JB Gymnasiet Syd AB, JB Gymnasiet Mitt AB, JB Gymnasiet Norr AB, JB Grundskola, Friskola i Lödde AB, Galären utbildningar i Karlskrona AB, Ad Mandatum i Vadstena AB, Culinar Utbildning i Stockholm AB and Matpedagogerna AB, member of the board of Delete Group Oy, Gianduja Invest AB, Instruo Holding AB and JB Education AB.
Independent in relation to major shareholders	Yes.	Yes.	No. Representing Axcel.
Independent in relation to the company	Yes.	Yes.	Yes.
Previous experience includes	Chairman of Alto Danmark A/S and several companies in the Nilfisk Group.	CFO of Kuusakoski Group and various managerial positions in Konecranes and ABB.	Chairman of ASTAR AB, Kompetensutvecklingsinstitutet Sverige AB, SAD2 Invest AB and Quenocird Holding AB, and CEO of Axcel Management AB.
Number of shares, own and closely related, 2016*	20,976 shares.	0 shares.	0 shares.
Board meeting attendance	13 of 13 meetings.	n.a. ²⁾	13 of 13 meetings.
Audit committee attendance	5 of 5 meetings.	-	5 of 5 meetings.
Remuneration committee attendance	3 of 3 meetings.	-	3 of 3 meetings.
Remuneration 2016¹⁾			
Board	SEK 275,000	-	SEK 160,000
Committee(s)	SEK 100,000	-	SEK 30,000
Total 2016	SEK 375,000	-	SEK 190,000

* Board assignments and holdings in Nordic Waterproofing as stated above reflect the situation as per 31 December 2016.

1) Remuneration paid to the board of directors for the period May 2016-April 2017. The fees paid to the members of the board of directors elected by the Annual General Meeting are approved by the Annual General Meeting based on the proposals of the Nomination Committee.

For the 2016 calendar year, remuneration was paid as per Note 11. No consulting fees were paid to board members. Remuneration excludes travel allowances.

2) Riitta Palomäki was elected in December 2016 and has not attended any board meeting in 2016.

GROUP MANAGEMENT



Name	Martin Ellis	Jonas Olin	Mats Lindborg	Esa Mäki ²⁾
Position	Executive Board President and CEO.	Chief Financial Officer (CFO).	Head of Nordic Waterproofing Sweden & Norway.	Head of Nordic Waterproofing Finland.
Education	Diploma from HEC Paris Business School, France. In addition, attended Stern Business School in New York, US and Getulio Vargas Business School in Sao Paulo, Brazil.	Bachelor of Science in economics and business accounting, Lund University, Sweden.	Four year technical high school diploma in Building and Civil Engineering from Erik Dahlbergs Gymnasium in Jönköping, Sweden.	Master of Science in building economics and a Bachelor in building construction technology from Tampere University, Finland.
Born	1956	1972	1964	1969
Nationality	British	Swedish	Swedish	Finnish
Previous experience includes	CEO of Nordic Waterproofing (2011-2012) and Chairman of Nordic Waterproofing (2011-2015) and 30 years of experience as CEO and other leading positions, including Icopal (CEO) and Saint Gobain (President of the Building Materials Division).	20 years of experience as CFO, controller and auditor, including Trelleborg Waterproofing, Abdon Finax, IKEA Industry and Mazars.	30 years of experience with sales and marketing including Trelleborg Waterproofing.	CEO of Nesco Group (2012-2016) and various managerial positions of Icopal Finland and other companies in the building material industry.
Number of shares, own and closely related ¹⁾	316,270 shares.	45,010 shares.	58,414 shares.	0 shares.
Joined NWG	2011	2007	1986	2017
In current position since	2015	2011	2011	2017

PRINCIPLES FOR REMUNERATION

The following are the principles for remuneration of senior executives adopted by the 2016 Annual General Meeting:

Members of the Company's board of directors and Executive Management receive a fixed annual remuneration. In addition, members of the board of directors and Executive Management may receive incentive-based remuneration consisting of cash bonus (including cash bonuses based on development in the share price (phantom shares or similar)) – on both an ongoing, single-based and event-based basis.

CASH BONUS REMUNERATION

Cash bonus schemes may consist of an annual bonus, which the individual member of the board of directors and the executive management can receive if specific targets of the Company and other possible personal targets for the relevant year are met. The maximum cash bonus shall be equivalent to 60 percent of the fixed base salary of each eligible participant from the board of

directors and the executive management. Payment of bonus is only relevant when conditions and targets have been fully or partly met (as agreed). If no targets are met, no bonus is paid out.

Targets for the board of directors shall be agreed upon by the board of directors and the nomination committee. Targets for the executive management shall be agreed upon the board of directors and the executive management.

Other bonus schemes that may lead to cash bonuses of up to 60 percent of the base salary may be made in special cases. Such schemes shall typically be made so as to take effect upon the occurrence of a specific event. Subject to the restrictions of applicable law, specific events can be the acquisition of a controlling interest in a company, the completion of a takeover bid, or the completion or reaching of other significant transactions or objectives.

¹⁾ Holdings in Nordic Waterproofing as stated above reflect the situation as per 31 December 2016.

²⁾ Will join NWG on 1 April 2017.



Name	Paul Erik Rask	Thomas Zipfel	Anders Antonsson
Position	Head of Nordic Waterproofing Denmark.	Head of SealEco.	Head of Investor Relations.
Education	Bachelor in Business Administration from Aarhus University, a Master of Science in Business and Economics from Aalborg University and an Executive Master of Business Administration from the Scandinavian International Management Institute in Copenhagen, Denmark. In addition, Paul Erik Rask has studied the Advanced Management Programme at INSEAD.	Master of Science in electronics engineering from Industrie und Handelskammer in Bochum, Germany. In addition, he has studied an Executive Marketing Program and Executive Management Program at IFL, Stockholm School of Economics, Sweden.	B Sc. in media and literature, Lund University, Sweden.
Born	1962	1961	1964
Nationality	Danish	Swedish	Swedish
Previous experience includes	30 years of experience of leading positions and sales and marketing, including Trelleborg Phønix A/S.	20 years of experience of managing positions, including Trelleborg Waterproofing.	More than 25 years experience of corporate communications and investor relations, including Northland Resources and Intrum Justitia.
Number of shares, own and closely related ¹⁾	89,104 shares.	83,504 shares.	0 shares.
Joined NWG	1992	2009	Interim since 2015
In current position since	2000	2011	2015

REMUNERATION OF GROUP MANAGEMENT

SEK million		Fixed salary	Annual variable salary	Other benefits	Total	Pension	Total including pension
CEO	2016	4.9	2.9	0	7.8	0	7.8
	2015	1.2	0.7	0	1.8	0	1.8
Group Management, others (6 persons)	2016	8.8	6.1	0.7	15.6	2.3	17.9
	2015	7.4	4.1	0.7	12.1	2.3	14.4
Total	2016	13.7	9.0	0.7	23.4	2.3	25.7
	2015	8.5	4.8	0.7	13.9	2.3	16.2

1) Holdings in Nordic Waterproofing as stated above reflect the situation as per 31 December 2016.

THE NWG SHARE

Nordic Waterproofing Holding A/S (“NWG”) is listed on Nasdaq Stockholm since 10 June 2016. The NWG share is included in the Nasdaq OMX Mid Cap index, and in the Nordic and Swedish industry indexes for Construction & Materials.

The market capitalization of Nordic Waterproofing at year-end 2016 was approximately SEK 2,083 million.

SHARE PRICE AND TRADING

During the company’s period from 10 June to 31 December 2016, 18,563,510 NWG shares were traded on Nasdaq Stockholm for a combined value of SEK 1,103 million, equal to around 77.1 percent of the total number of NWG shares on Nasdaq Stockholm at the end of the period.

The highest quoted bid price during the period from 10 June to 31 December 2016 was SEK 98.75 on 11 October and the lowest bid price was SEK 66.00 on 28 June. The share price on 31 December 2016 was SEK 86.50 (last price paid). During the period from 10 June to 31 December 2016, Nordic Waterproofing’s share price increased by 21.8 percent, while OMX Mid Cap rose 13.3 percent.

SHARE CAPITAL AND CAPITAL STRUCTURE

Nordic Waterproofing Holding A/S’s share capital at 31 December 2016 amounted to DKK 24,083,935. The total number of shares is 24,083,935. Equal to a quota value per share of DKK 1.00.

DIVIDEND POLICY

Nordic Waterproofing’s long-term intention is a dividend payout of more than 50 percent of its net profit. The payout decision will be based on the company’s financial position, investment needs, liquidity position as well as general economic and business conditions. Neither the Danish Companies Act nor Nordic Waterproofing’s Articles of Association contain any restrictions regarding the right to dividends for shareholders outside Sweden. Aside from any limitations related to banking or clearing activities in the affected jurisdictions, payments to foreign shareholders will be carried out in the same manner as to shareholders in Sweden. No transfer of

value to the shareholders took place during 2016.

The ambition is for future cash flows to continue to be used for repayment of debt and share dividends, but also to create financial flexibility for complementary acquisitions. For 2016, the Board proposes a dividend of SEK 3.75 per share, which is equal to 58 percent of net profit for the year. Based on the share price of NWG shares at the end of 2016, the dividend yield for 2016 was 4.3 percent. The total dividend payment of SEK 90.3 million is to be resolved on by the Annual General Meeting and disbursement is handled by VP Securities A/S and Euroclear Sweden AB. The right to dividends is granted to those persons who are listed as shareholders in the share register maintained by VP Securities A/S on the record date resolved by the AGM.

ARTICLES OF ASSOCIATION

Nordic Waterproofing’s Articles of Association contain a Central Securities Depository (CSD) provision and the

company’s shares are affiliated with VP Securities A/S, which means that VP Securities A/S administers the company’s share register and registers the shares to owners. All shares grant equal entitlement to participate in the company’s profits and an equal share in any surplus arising on liquidation.

SHAREHOLDERS

The majority of the total share capital as of 31 December 2016, was owned by Swedish institutions, mutual funds and private investors.

At 31 December 2016 Nordic Waterproofing Holding A/S had more than 2,700 shareholders. The 10 largest shareholders accounted for 52.7 percent of the votes and of the share capital. The Nordic Waterproofing board of directors held a total of 164,680 NWG shares. The holdings of the individual members appear on the pages 38-39. The group management held a total of 592,302 NWG shares. The holdings of the individual members appear on the pages 40-41.

KEY DATA PER SHARE

SEK	2016
Earnings before and after dilution	6.49
Earnings excl. items affecting comparability	7.21
Shareholders’ equity	40.02
Dividend*	3.75
Dividend as a % of earnings per share	57.8%
Total dividend, SEK million	90.3
Yield, %	4.3%
Market price, 31 December, last paid price, SEK	86.50
P/E ratio	13.33
Number of shares	
At 31 December	24,083,935
Average	24,083,935

* According to the board of directors proposal.



INDIVIDUALS WITH AN INSIDER POSITION

The members of the board, the Group’s management Team, the authorized public accountant, a number of employees/ contract personnel in Nordic Waterproofing and individuals with certain functions in the Group’s subsidiaries, who have a position that can normally be assumed to provide access to non-publicized share price sensitive information, have been registered as insiders in Nordic Waterproofing. These individuals are obligated to report changes in their transactions of financial instruments in Nordic Water-

proofing according to the Market Act on Reporting Obligations for Certain Holdings of Financial Instruments.

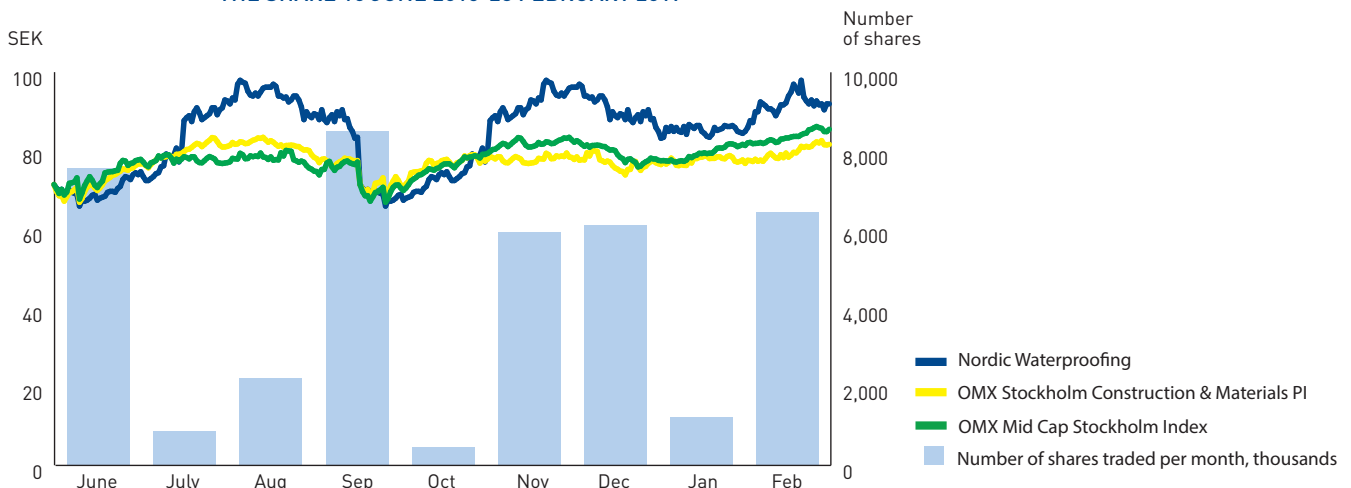
Listed companies are required to record a logbook of individuals who are employed or contracted by the company and have access to insider information relating to the company. These can include statutory insiders, and other individuals who have insider information without being registered as insiders.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

INVESTOR RELATIONS

Nordic Waterproofing aims to be informative and accessible to all shareholders. For results and other key announcements we provide information on a timely basis to both retail and institutional shareholders. The Nordic Waterproofing corporate website contains a wealth of material for shareholders, including the current share price, press releases and dividends. The website can be accessed at www.nordicwaterproofing.com.

Nordic Waterproofing maintains a silent period of at least 30 days prior to the

THE SHARE 10 JUNE 2016-28 FEBRUARY 2017



Sources: Euroclear, Nasdaq Stockholm, Six Financials and Nordic Waterproofing.

publication of its quarterly financial reports. During this period, representatives of the Group will not meet with financial media, analysts or investors.

KEY INVESTOR RELATIONS ACTIVITIES DURING THE YEAR INCLUDED

- June 2016 – IPO roadshow in Copenhagen, Frankfurt, Helsinki, London, Oslo, New York and Stockholm.
- August 2016 – Half-year results presentation and call.
- Q2 results roadshow, Stockholm.

- September 2016 – Investor conferences, Stockholm.
- November 2016 – Q3 interim report and call.
- Q3 results roadshow, Stockholm and London.
- December 2016 – Extraordinary Meeting, Helsingborg.

2017 ANNUAL GENERAL MEETING

The Annual General Meeting of Nordic Waterproofing Holding A/S will be held at IVA Konferenscenter, Grev Turegatan 16

in Stockholm, Sweden, on 27 April 2017, at 10:00 a.m. CET.

ANALYSTS

The following analysts regularly monitor Nordic Waterproofing's development:

- ABG Sundal Collier: Anders Idborg (anders.idborg@abgsc.se)
- Carnegie: Kenneth Toll Johansson (kenneth.toll.johansson@carnegie.se) and Agnieszka Vilela (agnvil@carnegie.se)

INVESTOR CONTACT

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SHARE DATA

Marketplace	Nasdaq Stockholm
Date of listing	10 June 2016
Segment	Mid Cap
Sector	Construction & Materials
Ticker symbol	NWG
ISIN code	DK0060738409
Currency	SEK
Standard trading unit	1 share
No. of shares outstanding	24,083,935 shares
Highest closing price paid in 2016	SEK 98.00 (22 September)
Lowest closing price paid in 2016	SEK 66.00 (27 June)
Last price paid 2016	SEK 86.50 (30 December)
Share price growth in 2016	21.8 percent

TEN LARGEST SHAREHOLDERS AT 31 DECEMBER 2016

Owner	No. of shares	Percentage of votes and capital
Axcel*	3,400,422	14.1
Swedbank funds	1,924,195	8.0
Carnegie Småbolag	1,875,000	7.8
Svolder Aktiebolag	1,042,582	4.3
Lannebo Småbolag	1,000,000	4.2
Catella funds	877,908	3.6
AMF Aktiefond Småbolag	695,000	2.9
Länsförsäkringar Småbolag Sverige	684,441	2.8
Handelsbanken funds	603,492	2.5
KIRKBI Invest	599,772	2.5
Total, ten largest shareholders	12,702,812	52.7
Other shareholders	11,381,123	47.3
Total	24,083,935	100.0

* Axcel IV K/S, Axcel IV K/S 2, AX Management Invest K/S and AX Management Invest II K/S.

SIZE CATEGORIES AT 31 DECEMBER 2016

Range	Number of shareholders	Number of shares	% of votes and capital
1–1,000	2,249	503,889	2.1
1,001–5,000	275	644,521	2.7
5,001–10,000	51	374,816	1.6
10,001–50,000	79	1,892,473	7.9
50,001–100,000	18	1,315,979	5.5
100,001–500,000	30	6,114,593	25.3
500,001–Highest	12	13,237,664	55.0
Total	2,714	24,083,935	100.0

PRESS RELEASES 2016/2017

- 14 February 2017: Full-year report 2016
- 31 January 2017: Nordic Waterproofing acquires Finland's SPT-Painting
- 24 January 2017: Nordic Waterproofing acquires leading EPDM prefabricator in the Netherlands
- 16 January 2017: Esa Mäki appointed new Head of Nordic Waterproofing Finland
- 21 December 2016: Bulletin from Nordic Waterproofing Holding A/S' Extraordinary General Meeting
- 8 December 2016: Axcel and KIRKBI completes sale of Nordic Waterproofing Holding A/S shares
- 25 November 2016: Notice of Extra General Meeting of Nordic Waterproofing Holding A/S
- 15 November 2016: Interim Report, January–September 2016
- 23 August 2016: Interim Report, January–June 2016
- 10 June 2016: Offering price in Nordic Waterproofing's IPO set at SEK 71 per share. Trading on Nasdaq Stockholm commences.

CONTENTS

FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Consolidated statement of profit or loss	46
Consolidated statement of other comprehensive income	46
Consolidated statement of financial position.....	47
Consolidated statement of cash flows	48
Consolidated statement of changes in equity	49
Parent company statement of profit or loss	77
Parent company statement of financial position	77
Parent company statement of changes in equity.....	78

LIST OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting policies.....	50
2. Significant accounting judgements, estimates and assumptions.....	55
3. Significant types of income.....	56
4. Operating segments.....	56
5. Business combinations.....	58
6. Other operating income.....	58
7. Other operating expenses.....	58
8. Employees and personnel expenses.....	58
9. Audit fees and expenses.....	60
10. Net finance items.....	60
11. Taxes.....	61
12. Operating costs by nature.....	62
13. Earnings per share.....	62
14. Goodwill.....	63
15. Other intangible assets.....	64
16. Property, plant and equipment.....	65
17. Participation in associated companies.....	66
18. Other investments.....	67
19. Other receivables.....	67
20. Inventory.....	67
21. Construction contracts.....	67
22. Trade receivables.....	67
23. Prepaid expenses and accrued income.....	67
24. Cash and cash equivalents.....	67
25. Equity	67
26. Interest-bearing liabilities.....	68
27. Pensions.....	68
28. Other liabilities.....	69
29. Accrued expenses.....	69
30. Financial risks and finance policies.....	69
31. Operating leases.....	73
32. Investment commitments.....	73
33. Pledged assets and contingent liabilities.....	73
34. Related parties.....	74
35. Group companies and subsidiaries.....	75
36. Statement of cash flows.....	75
37. Events after the reporting date.....	76
38. Information on the Parent Company.....	76

LIST OF NOTES TO THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

1. Significant accounting principles.....	78
2. Taxes.....	78
3. Proposed distribution of profit.....	78
4. Investment in subsidiaries.....	78
5. Equity.....	79
6. Contingent liabilities.....	79
7. Audit fees and expenses.....	79
8. Subsequent events.....	79
9. Related parties.....	79



CONSOLIDATED STATEMENT OF PROFIT OR LOSS

SEK million	Note	2016	2015
Net sales	3, 4	1,813.1	1,720.0
Cost of goods sold	12	-1,272.6	-1,258.2
Gross profit/loss		540.4	461.8
Selling expenses	12	-229.6	-215.8
Administrative expenses	12	-116.0	-128.3
Research and development expenses	12	-6.6	-6.2
Other operating income	6	8.3	34.6
Other operating expenses	7, 12	-2.7	-9.0
Share of profit in associated companies	17	12.5	5.6
Operating profit/loss	4, 8, 9	206.3	142.6
Finance income		5.9	0.5
Finance costs		-19.1	-27.4
Net finance items	10	-13.2	-26.8
Profit/loss before tax		193.1	115.8
Tax	11	-36.9	-33.9
PROFIT/LOSS FOR THE YEAR		156.3	81.9
Attributable to:			
Owners of the Company		156.2	81.8
Non-controlling interests		0.1	0.1
		156.3	81.9
Earnings per share before and after dilution (SEK)	13	6.49	3.40

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

SEK million	Note	2016	2015
Profit/loss for the year		156.3	81.9
Other comprehensive income			
Items that may be reclassified to profit/loss for the year			
Exchange differences for the year in translation of foreign operations		18.2	-17.2
Gains/losses on hedging of currency risk in foreign operations		-7.1	5.1
Gains/losses on raw material hedging		26.5	-4.4
Tax on gains/losses on comprehensive income		-4.2	-0.1
Other comprehensive income for the year		33.4	-16.6
Total comprehensive income for the year		189.7	65.3
Comprehensive income for the year attributable to:			
Owners of the Company		189.6	65.2
Non-controlling interests		0.1	0.1
COMPREHENSIVE INCOME FOR THE YEAR		189.7	65.3

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK million	Note	2016	2015
Assets			
Goodwill	14	616.0	598.4
Other intangible assets	15	16.2	8.7
Property, plant and equipment	16	180.1	187.1
Investments in associated companies	17	19.5	16.6
Receivables from associated companies		5.2	8.9
Other investments	18	1.9	1.8
Deferred tax assets	11	0.0	0.0
Other non-current receivables		5.1	4.1
Total non-current assets		844.0	825.6
Inventory	20	173.6	168.1
Trade receivables	22	149.7	118.0
Receivables for on-going construction contracts	21	24.7	21.6
Receivables from associated companies		7.1	10.8
Current tax assets		0.9	1.3
Other current receivables	19	27.9	12.7
Prepaid expenses and accrued income	23	11.6	5.9
Cash and cash equivalents	24	328.4	181.3
Total current assets		724.0	519.7
TOTAL ASSETS		1,568.0	1,345.3
Equity			
	25		
Share capital		30.0	0.1
Reserves		24.1	-9.3
Retained earnings including profit for the year		819.5	757.8
Proposed dividend for the financial year		90.3	0.0
Equity attributable to owners of the company		963.8	748.6
Non-controlling interests		-0.2	-0.7
TOTAL EQUITY		963.6	747.9
Liabilities			
Non-current interest-bearing liabilities	26	352.9	250.5
Provisions		4.9	4.9
Deferred tax liabilities	11	40.3	29.8
Total non-current liabilities		398.0	285.2
Current interest-bearing liabilities	26	0.5	72.3
Trade payable		66.0	74.0
Tax liabilities		9.9	30.7
Other current liabilities	28	20.2	17.3
Accrued expenses	29	109.8	118.0
Total current liabilities		206.3	312.2
TOTAL LIABILITIES		604.3	597.4
TOTAL EQUITY AND LIABILITIES		1,568.0	1,345.3

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

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK million	Note	2016	2015
Operating activities			
Operating profit/loss		206.3	142.6
Adjustment for non-cash items etc	36	7.2	-6.0
Interest received		0.1	0.1
Interest paid		-11.5	-12.7
Dividends received		13.4	6.9
Income tax paid		-53.5	-13.2
Cash flow from operating activities before working capital changes		161.9	117.9
Cash flow from working capital changes			
Increase (-)/Decrease (+) in inventories		-1.0	8.0
Increase (-)/Decrease (+) in trade receivable		-24.0	-0.7
Increase (-)/Decrease (+) in other operating receivables		-0.6	9.9
Increase (+)/Decrease (-) in trade payable		-10.2	-1.8
Increase (+)/Decrease (-) in other operating liabilities		1.8	19.9
Cash flow from operating activities		128.1	153.1
Investing activities			
Acquisition of intangible assets		-10.4	0.0
Acquisition of property, plant and equipment		-10.0	-27.4
Disposal of property, plant and equipment		0.0	0.3
Acquisition of participations in associated companies		-3.2	-0.3
Disposal of participations in associated companies		0.8	0.5
Increase in receivables in associated companies		0.0	-3.3
Decrease in receivables in associated companies		4.9	2.9
Increase in other non-current receivables		-1.2	-1.9
Proceeds from other financial investments		0.1	0.4
Cash flow from investing activities		-18.9	-28.8
Financing activities			
Acquisition of participations in non-controlling interests		0.4	-2.8
Proceeds from loans and borrowings		347.6	0.0
Repayment of borrowings		-343.0	-72.1
Dividends paid to non-controlling interests		0.0	0.0
New issue through exercised warrants		48.6	0.0
Dividend/repurchased warrants		-23.0	0.0
Cash flow from financing activities		30.7	-75.0
Cash flow for the year		139.8	49.3
Cash and cash equivalents at beginning of year		181.3	138.8
Exchange-rate differences in cash and cash equivalents		7.2	-6.8
Cash and cash equivalents at year-end		328.4	181.3

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK million	Equity attributable to Parent Company shareholders						Non-con- trolling interests	Total equity
	Share capital	Reserves for hedging	Trans- lation reserve	Dividend	Retained earnings	Total		
Equity as at 1 January 2015	0.1	0.0	7.3	0.0	675.5	683.0	2.4	685.4
Total comprehensive income for the year								
Profit/loss for the year	-	-	-	-	81.8	81.8	0.1	81.9
Other comprehensive income for the year	-	-4.4	-12.1	-	-	-16.5	0.0	-16.5
Tax on gains/losses on comprehensive income	-	1.0	-1.1	-	-	-0.1	-	-0.1
Total comprehensive income for the year	0.0	-3.4	-13.2	0.0	81.8	65.2	0.1	65.3
Transactions with the Group's owners								
Total contributions from and distribution to owners	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Changes in participating interest in subsidiaries								
Transactions with non-controlling interests	-	-	-	-	0.5	0.5	-3.3	-2.8
Total changes in participating interest in subsidiaries	0.0	0.0	0.0	0.0	0.5	0.5	-3.3	-2.8
Total transactions with the Group's owners	0.0	0.0	0.0	0.0	0.5	0.5	-3.3	-2.8
Equity as at 31 December 2015	0.1	-3.4	-5.9	0.0	757.8	748.6	-0.7	747.9

SEK million	Equity attributable to Parent Company shareholders						Non-con- trolling interests	Total equity
	Share capital	Reserves for hedging	Trans- lation reserve	Dividend	Retained earnings	Total		
Equity as at 1 January 2016	0.1	-3.4	-5.9	0.0	757.8	748.6	-0.7	747.9
Total comprehensive income for the year								
Profit/loss for the year	-	-	-	-	156.2	156.2	0,1	156.3
Other comprehensive income for the year	-	26.5	11.1	-	-	37.6	-	37.6
Tax on gains/losses on comprehensive income	-	-5.8	1.6	-	-	-4.2	-	-4.2
Total comprehensive income for the year	0.0	20.7	12.7	0.0	156.2	189.6	0,1	189.7
Transactions with the Group's owners								
Repurchased warrants	-	-	-	-	-23.0	-23.0	-	-23.0
Bonus issue of shares	28.6	-	-	-	-28.6	0.0	-	0.0
New issue of shares	1.2	-	-	-	47.4	48.6	-	48.6
Proposed dividend for the financial year	-	-	-	90.3	-90.3	0.0	-	0.0
Total contributions from and distribution to owners	29.8	0.0	0.0	90.3	-94.5	25.6	0.0	25.6
Changes in participating interest in subsidiaries								
Transactions with non-controlling interests	-	-	-	-	-	0.0	0.4	0.4
Total changes in participating interest in subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.4
Total transactions with the Group's owners	29.8	0.0	0.0	90.3	-94.5	25.6	0.4	26.1
Equity as at 31 December 2016	30.0	17.3	6.8	90.3	819.5	963.8	-0.2	963.6

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 D 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 2016 and for the comparative information as per 31 December 2015.

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

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

Assets and liabilities are recognized 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.

Non-current assets and disposal groups held for sale are recognized, with some exceptions, as of the classification of such assets at the lower of the carrying amount at the time of reclassification and the fair value less cost of disposal.

FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The Parent Company's functional currency is Danish kroner (DKK) while the presentation currency for the Group is Swedish kronor (SEK) due to the Group's primary stakeholders. The financial statements are presented in SEK rounded off to the nearest hundred thousand, unless otherwise stated. This rounding off process may mean that the total sum of the sub-items in one or more rows or columns does not match the total sum for the row or column.

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.

The Group has applied all new and amended standards and interpretations effective for 2016. The application of these new and amended standards and interpretations has had no impact on recognition and measurement.

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. IFRS 15 will replace IAS 18, which covers contracts for goods and services, and IAS 11, which covers construction contracts, as of 1 January 2018. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption. Management is currently assessing the effects of applying the new standard on the Group's financial statements. Based on the analysis performed to date, Management does not expect any significant changes to the accounting policies for revenue recognition. The Group will adopt IFRS 15 when it becomes mandatory. IFRS 16 specifies how to recognize, 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 and IFRS 16 and other new or revised IFRS with future application,

is currently being analyzed by management, hence the final conclusion has not yet 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.

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 recognized 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 recognized directly in the profit/loss for the year.

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

Contingent considerations are recognized 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 recognized in the profit/loss for the year.

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 recognized in profit/loss for the year.

Remaining holdings are valued at fair value and changes in value are recognized 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 recognized at a cost that corresponds to the

NOTE 1 CONTINUED

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.

Associated companies

Associated companies are companies over which the Group has a significant, but not a controlling influence over the operational and financial governance, usually through an interest of between 20 and 50 percent of the number of votes. The vast majority of the associated companies in the Group are customers 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 recognized according to the equity method in the consolidated accounts. The equity method means that the value recognized 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, amortization, impairment losses and reversals of acquired surpluses or deficits is recognized in "Share of profit in associated companies". These shares in profit less dividends received from the associated companies comprise the main change in the carrying amount of participations in associated companies. The Group's share of other comprehensive income in associated companies is recognized 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 recognized 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 recognized losses in the associated company exceeds the carrying amount of the participations in the Group, the value of the participations is reduced to zero.

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 recognized 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 unrealized profits or losses that arise from intra-Group transactions between Group companies, are eliminated in their entirety when preparing the consolidated accounts. Unrealized profits that arise from transactions with associated companies are eliminated insofar as they correspond to the Group's participating interest in the company. Unrealized losses are eliminated in the same manner as unrealized 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 recognized in the profit/loss for the year. Non-monetary assets and liabilities that are recognized at historical cost are translated to the exchange rate on the transaction date. Non-monetary assets and liabilities recognized at fair value are translated to the functional currency at the exchange rate prevailing at the time of the fair value measurement.

Financial statements of foreign operations

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

Net investment in a foreign operation

Monetary long-term receivables or liabilities attributable to a foreign operation for which settlement is not planned or will not likely occur within the foreseeable future are in practice a part of the company's net investment in the foreign operation. An exchange-rate difference that arises on the monetary long-term receivable or monetary long-term liability is recognized in other comprehensive income and accumulated in a special reserve, called a translation reserve. Upon the divestment of a foreign operation, the accumulated exchange-rate differences attributable to monetary long-term receivables or liabilities are included in the accumulated translation differences that are reclassified from the translation reserve in equity to profit/loss for the year.

REVENUES

Sales of goods

Revenues for the sale of goods are recognized 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 recognized 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

NOTE 1 CONTINUED

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 recognized 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 recognized 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 recognized 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.

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 recognized 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 recognized in profit/loss for the year. Interest income on financial instruments is recognized according to the effective interest method (see below). Dividend income is recognized when the right to receive a dividend has been established. The results from the disposal of a financial instrument are recognized when the risks and benefits associated with ownership of the instrument have been transferred to the buyer and the Group no longer has control over the instrument.

Financial expenses consist of interest expenses on loans, 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 recognized in profit/loss for the year. Borrowing expenditures are recognized 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 recognized net in operating profit if they are attributable to operating-related items or in net finance items if they are attributable to finance items. 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 recognized in profit/loss for the year except when underlying transactions have been recognized in other comprehensive income or in equity whereby the associated tax effect is recognized in other comprehensive income or in equity. Current tax is tax that shall be paid or received with regard to the current year, with the application of the tax rates that are enacted or practically enacted at the balance sheet date. Current tax also

includes adjustments of current tax attributable to earlier periods. Deferred tax is calculated using the balance sheet method based on temporary differences between carrying amounts and amounts for tax purposes of assets and liabilities. 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 realized or settled. Deferred tax is calculated with the application of the tax rates and tax regulations that are enacted or practically enacted at the reporting date. Deferred tax assets concerning deductible temporary differences and tax-loss carry-forwards are only recognized insofar as it is likely that they will be able to be utilized. The value of deferred tax assets is reduced when it is no longer assessed to be likely that they can be utilized.

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

FINANCIAL INSTRUMENTS

Financial instruments that are recognized 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 recognized in the statement of financial position when the company becomes a party to the instrument's contractual terms. A receivable is recognized 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 recognized in the statement of financial position when an invoice has been sent. A liability is recognized 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 recognized when an invoice has been received.

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 recognized 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 recognized 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 recognized 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.

Derivatives are initially recognized at cost and at fair value subsequently. Both realized and unrealized gains and losses are recognized in the income statement unless the derivatives are part of hedging of future transactions. Value adjustments of derivatives for hedging of future transactions are recognized directly in other comprehensive income. As hedged transactions are realized, gains or losses are recognized in the hedging instrument from other comprehensive income in the same item as the hedged items. Any non-effective part of the financial instrument in question is recognized in the income statement.

NOTE 1 CONTINUED

Derivatives are recognized under other receivables or other payables.

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 and liabilities at fair value through profit or loss

The category comprises derivative financial assets and liabilities of which some are designated as hedging instruments as described below.

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 amortized cost. Amortized cost is determined based on the effective interest rate that was calculated at the time of acquisition. Trade receivable are recognized in the amount expected to be received, i.e. less doubtful receivables.

Other financial liabilities

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

Derivatives and hedging activities

Derivatives are initially recognized 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 recognized assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

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 recognized in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss within other 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 recognized 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 recognized 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 recognized 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 recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

Net investment hedges

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

Loans in foreign currency are used as hedging instruments.

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

PROPERTY, PLANT AND EQUIPMENT

Owned assets

Property, plant and equipment are recognized in the Group at cost less accumulated depreciation and any impairment losses. The cost includes the purchase price and expenditures directly attributable to the asset to 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 recognized 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 recognized 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 recognized as a non-current or current liability. The leased assets are depreciated over the respective asset's useful life while the lease payments are recognized as interest and repayment of the liabilities.

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

NOTE 1 CONTINUED

Subsequent expenditures

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

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

Depreciation policies

Depreciation is applied straight-line over the asset's estimated useful life; land is not depreciated. Leased assets are also depreciated over the estimated useful life or, if it is shorter, over the agreed term of the lease. The Group applies component depreciation, which means that the components' estimated useful 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 recognized 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 recognized as an asset in the statement of financial position if the product or process is technically and commercially usable, the company may reliably calculate the expenditure 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, amortization on patents and licences, borrowing expenses in accordance with IAS 23. Other expenditures for development are recognized in profit/loss for the year as an expense when they arise. Development expenditures recognized in the statement of financial position are initially measured at cost less accumulated amortization and any impairment losses.

Other intangible assets

Other intangible assets acquired by the Group are recognized at cost less accumulated amortization and any impairment losses. Other intangible assets primarily comprise acquired customer relationships. Customer relationships are amortized 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. Amortization of software is applied straight-line over the useful life, although a maximum of 5 years, and is included in the statement of profit or loss item Administrative expenses.

INVENTORY

Inventory is valued at the lower of cost and net realizable 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 realizable 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 recognized assets are assessed every balance sheet date to determine if there is an indication of impairment requirements. IAS 36 is applied regarding impairment of assets other than financial assets, which are recognized according to 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 recognized when an asset's or cash-generating unit's (group of units) carrying amounts exceed the recoverable amount. An impairment loss is recognized as an expense in profit/loss for the year. Once an impairment requirement has been identified for a cash-generating unit (group of units), the impairment loss is primarily allocated to goodwill. Then a proportional impairment loss is applied to the other assets included in the unit (group of units).

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

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 recognized 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

NOTE 1 CONTINUED

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

Impairment losses on loans and receivables recognized 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 recognized 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 recognized as an expense when the related services are received.

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

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 recognized 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.

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 recognized as an expense over the vesting period. The proceeds received have increased retained earnings. The share option programme was terminated in connection with the listing process.

Benefits upon termination

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

Provisions

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

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

Restructuring

A provision for restructuring is recognized 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 recognized 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 recognized as a liability or provision on the grounds that it is not likely that an outflow of resources will be required or cannot be calculated with sufficient reliability.

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.

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 recognized in the period the change is made if the change only affects this period, or in the period the change is made and future periods if the change affects both the current period and future periods.

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

Some assumptions regarding the future and some estimates and assessments at the reporting date are of particular importance to the

NOTE 2 CONTINUED

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 recognized 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 Vejen, 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 ongoing 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

SEK million	2016	2015
Net sales include revenues from:		
Sale of goods	1,252.7	1,226.5
Installation services, roof contracting	560.3	493.5
Total	1,813.1	1,720.0

NOTE 4 OPERATING SEGMENTS

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 organized 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 and 2016, the chief operating decision maker followed up the segments' operating profit (EBIT) before items affecting comparability.

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.

NOTE 4 CONTINUED

2016	Products & Solutions	Installation Services	Group items and eliminations	Group
Revenues from external customers	1,252.7	560.3	0.0	1,813.1
Revenues from other segments	88.3	0.0	-88.3	0.0
Revenues, total	1,341.0	560.3	-88.3	1,813.1
EBITDA before items affecting comparability	243.4	30.1	-25.4	248.1
Depreciation & amortization	-22.2	-1.0	-1.4	-24.6
EBIT before items affecting comparability	221.3	29.1	-26.8	223.6
Items affecting comparability	-4.2	1.4	-14.4	-17.3
Operating profit (EBIT)	217.1	30.5	-41.3	206.3
Net finance items				-13.2
Profit/loss after finance items (EBT)				193.1
Tax				-36.9
Profit/loss for the year				156.3
Assets				
Intangible assets	556.0	69.9	6.3	632.2
Property, plant and equipment	175.5	3.1	1.5	180.1
Participations in associated companies	0.0	19.5	0.0	19.5
Inventory	172.0	1.7	0.0	173.6
Other assets	131.3	81.5	13.3	226.1
Non-allocated assets			336.4	336.4
Total assets	1,034.8	175.6	357.6	1,568.0
Liabilities and equity				
Equity			963.6	963.6
Other liabilities	165.2	54.1	-18.5	200.8
Non-allocated liabilities			403.5	403.5
Total liabilities and equity	165.2	54.1	1,348.7	1,568.0
Investments in property, plant and equipment	16.9	0.9	2.7	20.4
2015				
Revenues from external customers	1,226.5	493.5	0.0	1,720.0
Revenues from other segments	77.4	0.0	-77.4	0.0
Revenues, total	1,303.9	493.5	-77.4	1,720.0
EBITDA before items affecting comparability	211.7	11.6	-19.2	204.2
Depreciation & amortization	-20.1	-1.2	-0.6	-22.0
EBIT before items affecting comparability	191.6	10.4	-19.8	182.2
Items affecting comparability	8.1	-1.3	-46.4	-39.5
Operating profit (EBIT)	199.7	9.1	-66.2	142.6
Net finance items				-26.8
Profit/loss after finance items (EBT)				115.8
Tax				-33.9
Profit/loss for the year				81.9
Assets				
Intangible assets	540.3	66.7	0.0	607.1
Property, plant and equipment	177.5	3.0	6.6	187.1
Participations in associated companies	0.0	16.6	0.0	16.6
Inventory	166.5	1.6	0.0	168.1
Other assets	127.5	63.8	-18.1	173.1
Non-allocated assets			193.3	193.3
Total assets	1,011.8	151.7	181.8	1,345.3
Liabilities and equity				
Equity			747.9	747.9
Other liabilities	172.6	50.0	-8.5	214.1
Non-allocated liabilities			383.2	383.2
Total liabilities and equity	172.6	50.0	1,122.7	1,345.3
Investments in property, plant and equipment	21.0	0.8	5.6	27.4

NOTE 4 CONTINUED

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

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

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

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 million	2016	2015
Costs related to current owners exit of the Company	-13.9	-36.4
Costs related to change of CEO	0.0	-10.7
Raw material hedge value adjustment (pre-hedge accounting)	0.0	21.8
Provision product introduction	0.0	-7.5
Acquisition-related costs (incl restructuring)	0.0	0.0
Restructuring	-1.1	-5.1
Other	-2.2	-1.7
Total	-17.3	-39.5

Revenues from external customers SEK million	2016	2015
Denmark	374.6	338.0
Sweden	328.4	344.9
Norway	192.9	182.1
Finland	660.8	604.5
Europe (excluding Nordic region)	249.4	242.5
Other countries	7.0	7.9
Total	1,813.1	1,720.0

Non-current assets SEK million	2016	2015
Denmark	204.8	192.3
Sweden	372.0	375.4
Norway	32.6	32.4
Finland	182.0	173.2
Europe (excluding Nordic region)	20.9	20.8
Total	812.3	794.1

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 percent of consolidated sales. A maximum of approximately 4.0 percent of consolidated sales were attributable to a single customer.

NOTE 5 BUSINESS COMBINATIONS

On 9 August 2016, the Swiss company SealEco AG was formed and SealEco AB acquired 51 percent of the shares.

NOTE 6 OTHER OPERATING INCOME

SEK million	2016	2015
Royalty	7.6	6.5
Capital gains	0.5	0.0
Change in fair value of commodity derivatives	0.2	28.0
Total	8.3	34.6

NOTE 7 OTHER OPERATING EXPENSES

SEK million	2016	2015
Change in fair value of commodity derivatives	-0.2	-6.2
Exchange losses on operating receivables/liabilities	0.0	-2.3
Other	-2.5	-0.5
Total	-2.7	-9.0

NOTE 8 EMPLOYEES AND PERSONNEL EXPENSES

Expenses for employee benefits SEK million	2016	2015
Salaries and benefits, etc.	331.8	321.6
Pension expenses, defined-contribution plans	11.1	9.4
Social security contributions	72.1	64.7
Total	415.0	395.7

NOTE 8 CONTINUED

Average number of employees FTE (Full Time Equivalents)	2016	of which men	2015	of which men
Parent Company				
Denmark	1	100%	0	0%
Total Parent Company	1	100%	0	0%
Subsidiaries				
Denmark	80	73%	76	71%
Sweden	113	79%	115	81%
Norway	21	76%	20	75%
Finland	374	93%	383	92%
Other	41	73%	40	70%
Total in subsidiaries	629	86%	634	85%
Group total	630	86%	634	85%

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 Million	2016	2015
Remuneration to the Board and CEO of Nordic Waterproofing Holding A/S:		
Remuneration of Board members	1.6	0.5
Salaries and benefits, etc to CEO and Group management team	7.8	1.8
	9.4	2.3
Remuneration to the Board, CEO and other senior executives in Nordic Waterproofing Group 1 AB with subsidiaries:		
Remuneration of Board members	0.0	1.0
Salaries and benefits, etc to CEO and Group management team	15.6	28.6
Pension expenses, defined-contribution plans	2.3	2.4
	17.9	32.0
Total remuneration to the Board, CEO and other senior executives in the Group	27.3	34.4

2016	Fixed salary	Variable salary	Pension	Other benefits	Total
Chairman of the board: Ulf Gundemark	0.5	-	-	-	0.5
Boardmember: Holger C. Hansen	0.4	-	-	-	0.4
Boardmember: Christian Frigast	0.2	-	-	-	0.2
Boardmember: Vilhelm Sundström	0.2	-	-	-	0.2
Boardmember: Jørgen Jensen	0.4	-	-	-	0.4
CEO: Martin Ellis	4.9	2.9	-	-	7.8
Other senior executives (5 persons)	8.8	6.1	2.3	0.7	17.9
Total	15.3	9.0	2.3	0.7	27.3

2015	Fixed salary	Variable salary	Pension	Other benefits	Total
Chairman of the board (Oct-Dec): Ulf Gundemark	0.5	-	-	-	0.5
Chairman of the board (Jan-Sept): Martin Ellis	0.7	-	-	-	0.7
Boardmember: Christian Frigast	-	-	-	-	0.0
Boardmember: Vilhelm Sundström	-	-	-	-	0.0
Boardmember: Jørgen Jensen	0.3	-	-	-	0.3
Boardmember: Thomas Lau Schleicher	-	-	-	-	0.0
CEO (Oct-Dec): Martin Ellis	1.2	0.7	-	-	1.8
CEO (Jan-Sept): Holger C. Hansen*	12.7	3.6	0.1	0.2	16.6
Other senior executives (5 persons)	7.4	4.1	2.3	0.7	14.4
Total	22.8	8.3	2.4	0.9	34.4

* The fixed salary includes a one-time termination payment of SEK 10.7 million.

NOTE 8 CONTINUED

PRINCIPLES FOR REMUNERATION OF THE BOARD

The Chairman of the Board receives a fixed fee of SEK 500 thousand per year, the Deputy Chairman SEK 325 thousand per year and the remaining Board members receives SEK 275 thousand per year. Committee members receives an additional SEK 50 thousand.

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 of the CEO in the Group's operating Parent Company amounted in 2016 to SEK 7.8 million (7.7) [excluding the one-time termination fee in 2015 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, however following the IPO as per 10 June 2016, 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 10 June 2018.

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 provided senior executives and key employees the right to acquire shares in the company. The options conferred 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 were issued in two classes (class 1 and class 2), where the difference between the classes 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. The share option programme was terminated in connection with the listing process.

The share price at the exercise date was SEK 33.02 for the warrants in class 1 and 58.83 SEK for the warrants in class 2.

NOTE 9 AUDIT FEES AND EXPENSES

SEK million	2016	2015
PwC		
Statutory audit	2.1	1.8
Other assurance engagements	1.4	0.0
Tax consulting	1.7	0.2
Other services	2.1	2.4
Total	7.3	4.4
Other auditors		
Statutory audit	0.3	0.2
Tax consulting	1.0	0.1
Other services	1.0	0.0
Total	2.2	0.3

NOTE 10 NET FINANCE ITEMS

SEK million	2016	2015
Interest income	0.1	0.1
Dividend	0.1	0.3
Net exchange-rate changes	5.6	0.0
Other financial income	0.1	0.1
Finance income	5.9	0.5
Interest expenses on loans at amortized cost	-17.2	-24.2
Net exchange-rate changes	0.0	-0.6
Other financial expenses	-1.9	-2.6
Finance costs	-19.1	-27.4
Net finance items	-13.2	-26.8

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

Interest expenses include period-allocated arrangement fee for liabilities to credit institutions in an amount of SEK 3.6 million (2.6).

NOTE 11 TAXES

RECOGNIZED IN THE STATEMENT OF PROFIT OR LOSS AND STATEMENT OF OTHER COMPREHENSIVE INCOME

SEK million	2016	2015
Current tax expense (-)/tax revenue(+)		
Tax expense for the period	-32.7	-27.0
Adjustment of tax attributable to earlier years	0.0	0.0
	-32.7	-27.0
Deferred tax expense (-) /tax revenue(+)		
Deferred tax for temporary differences	-4.2	-6.9
Deferred tax resulting from changes in tax rates	0.0	0.0
	-4.2	-6.9
Total reported tax expense in the Group	-36.9	-33.9

Reconciliation of effective tax

SEK million	2016	%	2015	%
Profit/loss before tax	193.1		115.8	
Tax according to current tax rate for the Parent Company	-42.5	22.0	-27.2	23.5
Effect of other tax rates for foreign subsidiaries	-0.6	0.3	0.9	-0.8
Non-deductible expenses	-3.5	1.8	-8.1	7.0
Non-taxable revenues	0.3	-0.2	0.1	-0.1
Result from participations in associated companies	2.7	-1.4	1.3	-1.1
Increase in loss carry-forwards without corresponding capitalization of deferred tax	0.0	-	-0.7	0.6
Utilization of earlier, non-capitalized loss carry-forwards	2.9	1.5	0.0	-
Effect of changed tax rates/and tax regulations	0.6	-0.3	0.0	-
Other	3.2	-1.6	-0.2	0.2
Reported effective tax	-36.9	19.1	-33.9	29.2

RECOGNIZED IN THE BALANCE SHEET

Deferred tax assets and liabilities

Recognized deferred tax assets and liabilities

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

SEK million	Deferred tax 2016		
	Asset	Liability	Net
Property, plant and equipment	0.1	12.1	-12.1
Intangible assets	0.1	1.5	-1.4
Inventory	0.9	0.5	0.5
Other current receivables	0.0	4.8	-4.8
Untaxed reserves	0.0	22.4	-22.4
Other	0.0	0.2	-0.2
Tax assets/liabilities	1.2	41.5	-40.3
Offset	-1.2	-1.2	0.0
Tax assets/liabilities, net	0.0	40.3	-40.3

SEK million	Deferred tax 2015		
	Asset	Liability	Net
Property, plant and equipment	0.0	10.4	-10.4
Intangible assets	0.0	2.4	-2.4
Inventory	1.0	0.0	1.0
Other current liabilities	1.0	0.0	1.0
Untaxed reserves	0.0	17.1	-17.1
Other	0.3	2.1	-1.9
Tax assets/liabilities	2.2	32.0	-29.8
Offset	-2.2	-2.2	0.0
Tax assets/liabilities, net	0.0	29.8	-29.8

NOTE 11 CONTINUED

NON-RECOGNIZED DEFERRED TAX ASSETS

Total unrecognized deferred tax assets amount to SEK 11.4 million (13.6). Tax loss carry-forwards for which deferred tax assets have not been

recognized in the income statement and balance sheet amount to SEK 11.4 million (13.6), of which SEK 3.9 million expires 2021 and the remaining amount between 2022-2025.

CHANGE IN DEFERRED TAX IN TEMPORARY DIFFERENCES AND LOSS CARRY-FORWARDS

SEK million	Balance as per 1 Jan 2016	Recognized in profit/loss for the year	Recognized in other compre- hensive income	Acquisition/ Divestment of business	Balance as per 31 Dec 2016
Property, plant and equipment	-10.4	-1.5	-0.2	-	-12.1
Intangible assets	-2.4	1.3	-0.2	-	-1.4
Inventory	1.0	-0.5	-	-	0.5
Other current receivables	0.0	-	-4.8	-	-4.8
Other current liabilities	1.0	-	-1.0	-	0.0
Untaxed reserves	-17.1	-5.3	-	-	-22.4
Other	-1.9	1.9	-0.2	-	-0.2
Total	-29.8	-4.2	-6.3	0.0	-40.3

SEK million	Balance as per 1 Jan 2015	Recognized in profit/loss for the year	Recognized in other compre- hensive income	Acquisition/ Divestment of business	Balance as per 31 Dec 2015
Property, plant and equipment	-10.9	0.5	0.1	-	-10.4
Intangible assets	-3.5	0.8	0.3	-	-2.4
Inventory	0.0	1.0	-	-	1.0
Other current liabilities	4.8	-4.8	1.0	-	1.0
Untaxed reserves	-13.3	-3.8	-	-	-17.1
Other	-1.3	-0.5	-	-	-1.9
Total	-24.3	-6.9	1.3	0.0	-29.8

NOTE 12 OPERATING COSTS BY NATURE

SEK million	2016	2015
Material costs and goods for resale	833.8	821.8
Change in inventory of finished goods and work in progress	-8.4	13.9
Employee benefits	415.0	395.7
Depreciation/amortization	24.5	22.0
Other external costs	359.9	355.1
Other operating expenses	2.7	9.0
Total	1,627.5	1,617.5

NOTE 13 EARNINGS PER SHARE

SEK	2016	2015
Earnings per share before and after dilution	6.49	3.40

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 million	2016	2015
Profit/loss attributable to Parent Company shareholders, before and after dilution	156.2	81.8

WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES, BEFORE AND AFTER DILUTION

In shares	2016	2015
Total number of shares, 1 January	23,093,662	23,093,662
Effect of new share issues	990,273	0
Weighted average number of shares during the year, before and after dilution	24,083,935	23,093,662

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

NOTE 14 GOODWILL

SEK million	2016	2015
Accumulated cost		
Opening balance	598.4	614.1
Acquisitions	0.0	0.0
Exchange-rate differences for the year	17.6	-15.7
Closing balance	616.0	598.4
Carrying amounts		
At 1 January	598.4	614.1
At 31 December	616.0	598.4

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 million	Carrying amount	
	2016	2015
Products & Solutions	546.1	531.7
Installation Services	69.9	66.7
Total	616.0	598.4

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 percent (2) per year. The cash flows have been present value calculated with a discount rate before tax of 10.1 percent (10.2) for Products & Solutions and 9.1 percent (9.6) for Installation Services, respectively.

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

Important variables	Estimation method
Sales growth	Forecasts of future sales are based on assessments of sales volumes and prices. Forecasts of the development of volumes and prices in future years are based on current market situations in the various submarkets and on an assessment of how they are expected to develop in the near future. The forecast largely agrees with external information sources (approx. 2 percent) and prior experiences, with the difference that the prevailing market situation and thereby tough competition 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

SEK million	Software	R&D	Capitalized expenses for ongoing IT- and R&D-projects	Customer relationships	Total
Accumulated cost					
Opening balance, 1 January 2015	1.9	0.0	0.0	21.0	22.9
Investments for the year	0.0	0.0	0.0	0.0	0.0
Reclassification	0.0	0.0	0.0	0.0	0.0
Exchange-rate differences for the year	0.0	0.0	0.0	-1.8	-1.8
Closing balance, 31 December 2015	1.9	0.0	0.0	19.2	21.1
Accumulated amortization and impairment					
Opening balance, 1 January 2015	-1.9	0.0	0.0	-8.5	-10.4
Amortization for the year	0.0	0.0	0.0	-3.0	-3.0
Reclassification	0.0	0.0	0.0	0.0	0.0
Exchange-rate differences for the year	0.0	0.0	0.0	1.0	1.0
Closing balance, 31 December 2015	-1.9	0.0	0.0	-10.5	-12.4
Carrying amounts					
At 1 January 2015	0.0	0.0	0.0	12.5	12.5
At 31 December 2015	0.0	0.0	0.0	8.7	8.7

SEK million	Software	R&D	Capitalized expenses for ongoing IT- and R&D-projects	Customer relationships	Total
Accumulated cost					
Opening balance, 1 January 2016	1.9	0.0	0.0	19.2	21.0
Investments for the year	0.0	0.0	0.0	0.0	0.0
Reclassification	6.5	0.2	3.7	0.0	10.4
Exchange-rate differences for the year	0.0	0.0	0.0	1.9	1.9
Closing balance, 31 December 2016	8.4	0.2	3.7	21.1	33.4
Accumulated amortization and impairment					
Opening balance, 1 January 2016	-1.9	0.0	0.0	-10.5	-12.4
Amortization for the year	-0.6	-0.1	0.0	-2.9	-3.6
Reclassification	0.0	0.0	0.0	0.0	0.0
Exchange-rate differences for the year	0.0	0.0	0.0	-1.2	-1.2
Closing balance, 31 December 2016	-2.5	-0.1	0.0	-14.6	-17.2
Carrying amounts					
At 1 January 2016	0.0	0.0	0.0	8.7	8.7
At 31 December 2016	5.8	0.1	3.7	6.5	16.2

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 million	2016	2015
Cost of goods sold	3.0	3.0
Administrative expenses	0.6	0.0
Total	3.6	3.0

NOTE 16 PROPERTY, PLANT AND EQUIPMENT

SEK million	Land and buildings	Machinery	Equipment & tools	Construction in progress	Total
Accumulated cost					
Opening balance, 1 January 2015	102.2	101.9	35.3	7.5	246.8
Investments for the year	0.0	5.5	2.0	20.0	27.4
Divestments and disposals	0.0	0.0	-0.2	0.0	-0.2
Reclassification	0.1	6.2	1.5	-7.9	0.0
Exchange-rate differences for the year	-2.2	-1.3	-0.9	0.0	-4.4
Closing balance, 31 December 2015	100.1	112.3	37.6	19.5	269.5

Accumulated depreciation and impairment					
Opening balance, 1 January 2015	-15.0	-35.6	-14.2	0.0	-64.8
Depreciation for the year	-3.3	-11.4	-4.3	0.0	-19.0
Exchange-rate differences for the year	0.4	0.5	0.4	0.0	1.4
Closing balance, 31 December 2015	-17.8	-46.5	-18.1	0.0	-82.4

Carrying amounts					
At 1 January 2015	87.2	66.2	21.1	7.5	182.0
At 31 December 2015	82.2	65.8	19.5	19.5	187.1

SEK million	Land and buildings	Machinery	Equipment & tools	Construction in progress	Total
Accumulated cost					
Opening balance, 1 January 2016	100.1	112.3	37.6	19.5	269.5
Investments for the year	0.2	5.4	6.1	8.9	20.7
Divestments and disposals	0.0	0.0	0.0	0.0	-0.1
Reclassification	0.0	11.5	3.6	-25.3	-10.2
Exchange-rate differences for the year	2.7	1.3	0.6	0.2	4.8
Closing balance, 31 December 2016	103.0	130.4	47.9	3.4	284.7

Accumulated depreciation and impairment					
Opening balance, 1 January 2016	-17.8	-46.5	-18.1	0.0	-82.4
Depreciation for the year	-3.2	-13.4	-4.4	0.0	-20.9
Exchange-rate differences for the year	-0.6	-0.4	-0.3	0.0	-1.3
Closing balance, 31 December 2016	-21.6	-60.3	-22.7	0.0	-104.6

Carrying amounts					
At 1 January 2016	82.2	65.8	19.5	19.5	187.1
At 31 December 2016	81.4	70.2	25.1	3.4	180.1

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

SEK million	2016	2015
Cost of goods sold	18.0	16.9
Selling expenses	0.9	0.9
Administrative expenses	2.1	1.2
Research and development expenses	0.0	0.0
Total	20.9	19.0

FINANCE LEASES

In 2010, a finance lease was signed regarding energy optimization 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.

SEK million	2016	2015
Carrying amount of assets under finance lease	2.4	3.0

NOTE 17 PARTICIPATIONS IN ASSOCIATED COMPANIES

The Group has assessed that no significant holdings in any individual associated company exist. 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.

SEK million	2016	2015
Carrying amount at beginning of the year	16.6	19.1
Acquisitions of associated companies	3.2	0.3
Divestment of associated companies	-0.5	-0.5
Dividend for the year	-13.4	-6.9
Share of profit in associated companies	12.5	5.6
Reclassification	-1.0	0.0
Reversed impairment losses	1.8	0.0
Translation difference for the year	0.3	-0.9
Carrying amount at the end of the year	19.5	16.6
Share of profit in associated companies	12.5	5.6
Other comprehensive income	0.0	0.0
Total comprehensive income	12.5	5.6

SPECIFICATION OF HOLDINGS OF PARTICIPATIONS IN ASSOCIATED COMPANIES

Associated company	Domicile	2016 Voting and capital share in %	2015 Voting and capital share in %
Takkonsulten i Helsingborg AB	Helsingborg, Sweden	25%	25%
AB Tätskiktsgarantier i Norden	Sundsvall, Sweden	50%	50%
Polarkate Oy	Helsinki, Finland	25%	0%
Phønix Tag Esbjerg A/S	Esbjerg, Denmark	40%	40%
Phønix Tag Vejle A/S	Vejle, Denmark	40%	40%
Phønix Tag Nordsjælland A/S	Fredensborg, Denmark	40%	40%
JK Tagentreprise ApS	Rødovre, Denmark	40%	0%
Phønix Tag Nordjylland A/S	Ålborg, Denmark	40%	40%
Phønix Tag Holbæk-Næstved A/S	Næstved, Denmark	40%	40%
Phønix Tag Fyn A/S	Odense, Denmark	40%	40%
Phønix Tag Århus A/S	Århus, Denmark	40%	40%
Hetag Tagdækning Sjælland A/S (dormant)	Taastrup, Denmark	100%	100%
Phønix Tag København A/S	Copenhagen, Denmark	40%	66%
Hetag Tagdækning Syd A/S	Hedensted, Denmark	40%	40%
Hetag Tagdækning Nord A/S	Risskov, Denmark	40%	40%
Nordisk Tagdækning A/S	Hvidovre, Denmark	40%	40%
Garantiselskabet Dansk Tagdækning A/S	Copenhagen, Denmark	50%	50%

NOTE 18 OTHER INVESTMENTS

SEK million	2016	2015
Financial assets available for sale		
Shares and participations	1.9	1.8

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

SEK million	2016	2015
VAT receivables	3.0	5.0
Pledged margins for commodity derivatives	0.0	1.8
Fair value, commodity derivatives	22.1	0.0
Balance on tax account	1.7	2.1
Other receivables	1.1	3.7
Total	27.9	12.7

NOTE 20 INVENTORY

SEK million	2016	2015
Raw materials and consumables	45.4	42.8
Finished goods and goods for resale	128.2	125.3
Total	173.6	168.1

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 ONGOING CONSTRUCTION CONTRACTS

SEK million	2016	2015
Performed revenues on incomplete contracts	345.8	282.9
Invoicing on incomplete contracts	-321.1	-261.3
Total	24.7	21.6

NOTE 22 TRADE RECEIVABLES

Trade receivable are recognized after consideration is taken to bad debt losses arising during the year that amounted to SEK -0.3 million (-0.9).

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

NOTE 23 PREPAID EXPENSES AND ACCRUED INCOME

SEK million	2016	2015
Prepaid sales and marketing expenses	1.1	1.0
Prepaid energy costs	0.2	0.3
Insurance	1.0	0.6
Rent	1.7	1.1
Supplier bonuses	2.8	0.0
Other	4.7	2.9
Total	11.6	5.9

NOTE 24 CASH AND CASH EQUIVALENTS

SEK million	2016	2015
The following subcomponents are included in cash and cash equivalents:		
Cash and bank balances	328.4	181.3
Total as per balance sheet	328.4	181.3
Total as per cash flow statement	328.4	181.3

NOTE 25 EQUITY

SHARE CAPITAL AND NUMBER OF SHARES

Stated in number of shares	2016	2015
Issued as at 1 January	11,546,831	11,546,831
Issue of bonus shares, May 2016	2,297,819,369	-
Change of the nominal value of each share, May 2016	-2,286,272,538	-
Elimination of liquidation preference	22,389	-
Exercise of warrants, June 2016	967,884	-
Issued as at 31 December – paid	24,083,935	11,546,831

Number of shares by class:

Class A shares	24,083,935	5,182,493
Class B shares	-	52,349
Class C shares	-	4,118,226
Class D shares	-	41,598
Class E shares	-	2,152,165
Total	24,083,935	11,546,831

All shares have a quotient value of DKK 1.00 (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 had a preference to dividends in an amount of SEK 1.5 million before dividends could be paid to shares in Class E. This liquidation preference was terminated by issuance of 22,389 shares before the listing of the company took place in June 2016.

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.

NOTE 25 CONTINUED

Hedging reserve

The hedging reserve includes unrealized fair value gains and losses on hedging instruments.

RETAINED EARNINGS INCLUDING PROFIT FOR THE YEAR

Retained earnings including profit for the year include profits earned in the Group. Earlier reservations to the statutory reserve, excluding transferred share premium reserves, are included in this equity item. The item also includes other equity contributed by the shareholders. This includes premiums paid in connection with new share issues.

CAPITAL MANAGEMENT

The Group strives to maintain a strong financial position that contributes to retaining the confidence of creditors and the market, which constitutes a basis for continued development of the business. The Group defines managed capital as total recognized equity.

The financial targets for Nordic Waterproofing Group, which are valid as from 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, 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 2016, why leverage has decreased substantially and amounts to 0.1x EBITDA (0.7) as per the end of the reporting period.

NOTE 26 INTEREST-BEARING LIABILITIES

SEK million	2016	2015
Non-current liabilities		
Bank loans	352.9	118.3
Vendor loan, Trelleborg AB	0.0	131.7
Finance lease liabilities	0.0	0.5
Total	352.9	250.5

The non-current part of bank loans has been reduced by SEK 3.6 (0.5) million with regard to period-allocated arrangement costs for bank loans.

SEK million	2016	2015
Current liabilities		
Current part of bank loans	0.0	71.4
Current part of finance lease liabilities	0.5	0.9
Total	0.5	72.3

The current part of bank loans has been reduced by SEK 0.0 (0.3) million with regard to period-allocated arrangement costs for bank loans.

FINANCE LEASE LIABILITIES

Finance lease liabilities fall due for payment as per below:

SEK million	Minimum lease payments	Interest	Capital amount
	2016	2016	2016
Within one year	0.6	0.1	0.5
Between one and five years	0.0	0.0	0.0
After more than five years	0.0	0.0	0.0
Total	0.6	0.1	0.5

SEK million	2015	2015	2015
Within one year	1.1	0.2	0.9
Between one and five years	0.5	0.1	0.5
After more than five years	0.0	0.0	0.0
Total	1.6	0.3	1.4

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 2016 financial year, the company has not had access to information that makes it possible to recognize this plan as a defined-benefit plan. The pension plan according to ITP is secured through insurance in Alecta is therefore recognized as a defined-contribution plan. The year's fees for pension insurance taken out in Alecta amount to SEK 5.6 million (5.1). Alecta's surplus can be distributed to the policyholders and/or the beneficiaries. At the end of 2016, Alecta's surplus in the form of the collective solvency level amounted to 149 percent (153). 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 million	2016	2015
	11.1	9.4

¹⁾ This includes SEK 5.6 million (5.1) for ITP plans financed in Alecta, see above.

Next year's expected contributions to defined-benefits plans covered by several employers, but recognized as if the plan was a defined-contribution plan amount to approximately SEK 5.6 million.

NOTE 28 OTHER LIABILITIES

SEK million	2016	2015
Personnel-related liabilities	6.0	3.4
VAT liabilities	5.3	3.8
Fair value, commodity derivatives	0.0	4.4
Other liabilities	8.9	5.6
Total	20.2	17.3

NOTE 29 ACCRUED EXPENSES

SEK million	2016	2015
Personnel-related expenses	79.3	68.5
Interest expenses	1.2	8.6
Customer bonuses	13.4	11.5
IPO-related expenses	0.0	13.7
Other	16.0	15.7
Total	109.8	118.0

NOTE 30 FINANCIAL RISKS 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 centralized 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 unfavorable 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.

In connection with the IPO in June 2016, the Group's principal external financing was replaced by a new agreement valid until June 2021. On 31 December 2016, the Group's non-current interest-bearing liabilities comprises of a EUR 37.5 million term loan facility. On 31 December 2015, the Group's non-current interestbearing liabilities primarily comprised of a bank loan in an amount of SEK 192.7 million and of a loan from Trelleborg AB, of SEK 131.7 million, raised in connection with the acquisition of operations from Trelleborg AB in the formation of the Nordic Waterproofing Group in 2011. The bank loan and the debt to Trelleborg AB were repaid in June 2016.

The loan facility bears variable interest and runs without requiring repayment in instalments.

The financing agreement contains financial covenants regarding the net debt/EBITDA ratio as well as interest coverage ratio. The covenants are monitored and followed up on a quarterly basis. At the reporting date, the Group fulfilled all covenants.

The Group's bank loans are raised in EUR and in SEK.

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 unutilized credit facilities of at least SEK 40 million. If the liquidity reserve falls below, or is expected to fall below, this amount the Board shall be informed. At the reporting date, cash and cash equivalents amounted to SEK 328.4 million (181.3). In addition, there were unutilized credit facilities in the form of overdraft facilities of EUR 14.4 million (14.4), corresponding to SEK 137.8 million (131.5).

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.

NOTE 30 CONTINUED

2016		Contractual payments of capital amounts and interest				
SEK million	Nominal amounts	Jan-June 2017	July-Dec 2017	2018	2019 to 2022	After 2022
Interest-bearing liabilities						
Non-current interest-bearing liabilities:						
Bank loans	352.9	-	-	-	352.9	-
Vendor loan, Trelleborg AB	-	-	-	-	-	-
Finance lease liabilities	-	-	-	-	-	-
Current interest-bearing liabilities:						
Bank loans	-	-	-	-	-	-
Finance lease liabilities	0.5	0.5	-	-	-	-
Interest	26.2	2.9	2.9	5.8	14.6	-
Non-interest-bearing liabilities						
Trade payable	66.0	66.0	-	-	-	-
Other current liabilities:						
Derivatives	-	-	-	-	-	-
Accrued interest expenses	1.4	1.4	-	-	-	-
Total	446.9	70.8	2.9	5.8	367.5	0.0
Less bank balances	-328.4	-328.4				
Net	118.5	-257.6	2.9	5.8	367.5	0.0

2015		Contractual payments of capital amounts and interest				
SEK million	Nominal amounts	Jan-June 2016	July-Dec 2016	2017	2018 to 2021	After 2021
Interest-bearing liabilities						
Non-current interest-bearing liabilities:						
Bank loans	118.8	-	-	-	118.8	-
Vendor loan, Trelleborg AB	131.7	-	-	-	131.7	-
Finance lease liabilities	0.5	-	-	-	-	-
Current interest-bearing liabilities:						
Bank loans	74.0	-	74.0	-	-	-
Finance lease liabilities	0.9	0.5	0.5	-	-	-
Interest	62.0	3.3	3.0	4.0	51.7	-
Non-interest-bearing liabilities						
Trade payable	74.0	74.0	-	-	-	-
Other current liabilities:						
Derivatives	3.3	3.3	-	-	-	-
Accrued interest expenses	8.6	-	-	-	8.6	-
Total	473.7	81.0	77.4	4.0	310.8	0.0
Less bank balances	-181.3	-181.3				
Net	292.4	-100.3	77.4	4.0	310.8	0.0

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.

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 0.2 million (0.1) 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 2016, 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

NOTE 30 CONTINUED

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 recognized in other comprehensive income and accumulated in a special reserve, called a translation reserve. In 2016 the translation differences amounted to SEK 18.2 million (-17.2).

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 199.8 million (155.3) compared to outstanding loans in EUR of SEK 151.8 million (324.5). The part of exchange rate gains/losses on the loans in EUR related to the hedge of translation exposure is recognized in other comprehensive income, while the remaining part of the exchange rate gains/losses is recognized 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 recognized in other comprehensive income amounted to SEK -7.1 million (5.1).

The net translation differences, which mainly related to Denmark and Norway, amounted to SEK 11.0 million (-12.1). At the reporting date the accumulated translation differences after tax recognized in the translation reserve amounted to SEK 12.3 million (-5.9).

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

Sensitivity analysis, currency risk

The Group has a significant exposure in EUR against SEK in that Group's bank loans are raised in EUR. A 10 percent strengthening/weakening of the EUR against the SEK would have affected the Group's net financial items by SEK +/- 2.4 million (14.3), given the net liabilities that were outstanding on the reporting date (less cash holdings). Hereof SEK +/- 15.2 million (15.5) will effect other comprehensive income due to the hedge arrangements mentioned above and as set out in the below schedule:

SEK million	2016	2015
Bank loan and vendor loan in EUR	151.8	324.5
Bank balances in EUR	-328.4	-181.3
Net liabilities in EUR	-176.6	143.2
Part of bank loan designated as net investment hedge instrument	151.8	155.3
The effect on the profit and loss statement and comprehensive income can be summarized as follows (illustrating a 10 percent weakening of the EUR against SEK):		
Profit and loss statement		
Exchange gain on bank and vendor loan	15.2	32.4
Exchange loss on cash holdings	-32.8	-18.1
Hedge part of gain on bank and vendor loan	-15.2	-15.5
Net effect on profit and loss statement	-32.8	-1.2
Other comprehensive income		
Translation loss on subsidiaries in EUR countries (Finland, Belgium and the Netherlands)	-20.0	-15.5
Hedge part of gain on bank and vendor loan	15.2	15.5
Net effect on comprehensive income	-4.8	0.0
Total effect profit and loss statement and comprehensive income	-37.6	-1.2

An increase/decrease of DKK and NOK compared to SEK by 10 percent will result in translation differences of SEK 11.8 million (6.3) and SEK 3.6 million (2.0) 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 2016, these materials accounted for 59 percent (64 percent) 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 percent increase/decrease in the price of bitumen would have impacted the statement of profit and loss in an amount of SEK +/-10.4 million (13.1) 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 +/- 3.4 million (3.0).

As at 31 December 2016, the expected purchases of bitumen for delivery during January to September 2017 were hedged, in total equivalent to 30,000 tons or approximately 80 percent of the expected annual purchasing volume (9,000 tons or approximately 25 percent of the expected annual purchasing volume were hedged at the end of 2015).

A 10 percent increase/decrease in the price of bitumen would have impacted the fair value of outstanding derivative instruments in an amount of SEK +/- 8.1 million (1.1), which would have affected other comprehensive income for 2016.

NOTE 30 CONTINUED

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 2016, no single customer accounted for more than 4.0 percent (4.6) of consolidated sales, and the five largest customers accounted for 14.1 percent (12.9) 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

SEK million	2016	2015
Trade receivable not overdue	111.9	96.4
Overdue 1-30 days	24.8	14.3
Overdue 31-90 days	8.4	5.1
Overdue > 90 days	4.6	2.2
Carrying amount	149.7	118.0

RESERVE FOR DOUBTFUL RECEIVABLES

SEK million	2016	2015
Opening balance	-2.1	-4.1
Reversal of previously applied impairment losses	0.2	0.0
Write-off of previous credit losses	0.3	2.9
Credit losses for the year	-0.3	-0.9
Exchange-rate differences for the year	0.0	0.1
Closing balance	-1.8	-2.1

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, repaid during 2016, was 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 at 31 December 2015 had not entered into any significant financing agreements recently, the credit spread which is a significant input to the valuation was based on an estimate not supported by observable data (level 3 measurement in the IFRS 13 hierarchy).

SEK million	2016	2015
Fair value of vendor loan	0.0	155.4
Carrying amount of vendor loan (including rolled-up interest)	0.0	140.3

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.

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.

SEK million	Financial assets at fair value through profit or loss	
	2016	2015
Financial assets at fair value		
Other current receivables		
Commodity derivatives	22.1	0.0
Total financial assets at fair value	22.1	0.0

SEK million	Loans and receivables	
	2016	2015
Financial assets not measured at fair value		
Non-current receivables from associated companies	5.2	8.9
Current receivables from associated companies	7.1	10.8
Receivables for ongoing construction contracts	24.7	21.6
Other current receivables	27.9	12.7
Accounts receivable	149.7	118.0
Total financial assets not measured at fair value	214.6	171.9
Total financial assets	236.7	171.9

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 million	Financial liabilities at fair value through profit or loss	
	2016	2015
Financial liabilities at fair value		
Other current liabilities		
Commodity derivatives*	0.0	4.4
Total financial liabilities at fair value	0.0	4.4

SEK million	Financial liabilities at amortized cost	
	2016	2015
Financial liabilities not measured at fair value		
Non-current interest-bearing liabilities	352.9	250.5
Current interest-bearing liabilities	0.5	72.3
Trade payable	66.0	74.0
Other current liabilities	21.4	17.3
Accrued interest expenses	1.2	8.6
Total financial liabilities not measured at fair value	441.8	422.6
Total financial liabilities	441.8	427.0

* Cash flow hedge.

NOTE 30 CONTINUED

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:

SEK million	2016	2015
Within one year	23.4	21.6
Between one and five years	43.0	30.1
After more than five years	0.1	1.0
Total	66.5	52.8

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:

SEK million	2016	2015
Minimum lease fees	24.9	23.6
Variable fees	0.1	0.0
Total leasing costs	25.0	23.6

No leased assets have been subleased.

NOTE 32 INVESTMENT COMMITMENTS

During 2016, the Group has reached agreements to acquire fixed assets for SEK 4.4 million (4.7).

NOTE 33 PLEDGED ASSETS AND CONTINGENT LIABILITIES

SEK million	2016	2015
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	-	21.1
Floating charge of EUR 36,500 thousand		
Plant and equipment	-	3.4
Inventory	-	34.7
Current receivables	-	16.3
Other	-	1.8
Total	-	56.2
Share pledge of Nordic Waterproofing Group AB		
Shares in subsidiaries	-	940.4
Total carrying amount of assets pledged as collateral	-	1,017.7
Contingent liabilities		
Guarantees for the benefit of subsidiaries	40.7	38.8
Guarantees for the benefit of associated companies	40.2	38.2
Total contingent liabilities	80.8	77.0

NOTE 33 CONTINUED

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 4.25 million (4.25) (corresponding to SEK 40.7 million (38.8) at the reporting date), and a total of DKK 16.2 million (16.2) (corresponding to SEK 20.8 million (19.8) 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 1.9 million (1.8)) 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 19.3 million (18.4), and a guarantee for leasing vehicles corresponding to SEK 0.0 million (0.0).

On 20 November 2014, the Danish Competition and Consumer Authority ("the DCCA") conducted an inspection on the premises of amongst others Nordic Waterproofing A/S. The inspection was carried out due to the company's involvement in the trade organization Danske Tagpapfabrikanterers BrancheForening and especially in the independent trade council Tagpapbranchens Oplysningsråd (hereafter "TOR"). The inspection was carried out as part of the DCCA's examination of the roofing felt industry in Denmark.

On 17 September 2015 the DCCA submitted its "Notice of Concerns – Restrictions of competition on the market for roofing felt" and on 21 December 2016 it has submitted its "Statement of Objections – Restriction of competition on the Danish market for roofing felt and roof foil" for consultation with the company.

It is evident from the Statement of Objections that, in the DCCA's opinion, the involved parties via TOR have violated the prohibition against

anti-competitive agreements by entering into an agreement and/or concerted practice for the purpose of foreclosing the Danish market for roofing felt and roof foil against competing companies and products as well as limiting the product range.

The company does not agree with the DCCA's assessment and has expressed this by submitting its comments to the Statement of Objections, which are expected to be reviewed by the Danish Competition Council at the end of April 2017.

If the Danish Competition Council should comply with the DCCA's recommendation and decides that Nordic Waterproofing A/S has violated the competition rules, then there is a certain risk of a fine or a civil action claiming damages. A potential fine will be calculated based on the new Danish fine guidelines, which have not been applied until now. The claimed violation outlined in the Statement of Objections would according to a legal assessment probably constitute a "serious violation". According to the present fine guidelines, the basic amount for such a violation would range from DKK 4-20 million.

Due to the fact that the company disagree with the DCCA's assessment, the substantial uncertainties and the fact that the investigation is pending, no provisions for this have been made in the annual report.

Furthermore, on 9 March 2016 Nordic Waterproofing A/S received a draft writ of summons from a competitor in which is stated a claim of approximately DKK 53.5 million regarding the above-mentioned pending investigation. Since the investigation is still in progress as the management in Nordic Waterproofing Group does not agree with the DCCA's preliminary assessment, and since the management does not find the claim to be substantiated/legitimate, no provisions for this have 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 percent of the number of votes. The interest can temporarily exceed 50 percent, 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 percent 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 Phoenix Tag and Hetag Tagdækning.

COMPILATION OF RELATED PARTY TRANSACTIONS

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	2016	164.8	0.0	13.5	12.3	0.0
Associated companies	2015	142.6	0.0	7.3	19.7	0.0

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. No further transactions or commitments exist that cover key persons in senior positions.

NOTE 35 GROUP COMPANIES AND SUBSIDIARIES

The Group consists of 24 subsidiaries. These subsidiaries are owned through a majority of the votes in the respective subsidiary.

HOLDINGS IN SUBSIDIARIES

Subsidiary (domicile, country)	2016	2015
	Voting and capital share in %	Voting and capital share in %
Nordic Waterproofing Group 1 AB (Stockholm, Sweden)	100%	100%
Nordic Waterproofing Group AB (Stockholm, Sweden)	100%	100%
Nordic Waterproofing Holding DK ApS (Vejen, Denmark)	100%	100%
Hetag Tagmaterialer A/S (Hedensted, Denmark)	100%	100%
Nordic Waterproofing A/S (Vejen, Denmark)	100%	100%
Hetag Tagdaekning Vest A/S (Hedensted, Denmark)	100%	100%
Tagselskabet af 1 maj 2014 A/S i likv. (Hedensted, Denmark)	100%	100%
Nordic Waterproofing AB (Trelleborg, Sweden)	100%	100%
Nordic Waterproofing AS (Askim, Norway)	100%	100%
Nordic Waterproofing Oy (Helsinki, Finland)	100%	100%
Al-Katot Oy (Helsinki, Finland)	100%	100%
KerabitPro Oy (Helsinki, Finland)	100%	100%
Nordic Waterproofing Property Oy (Helsinki, Finland)	100%	100%
Nordic Waterproofing SpZoo (Lodz, Poland)	100%	100%
SealEco AB (Värnamo, Sweden)	100%	100%
SealEco AG (Herzogenbuchsee, Switzerland)	51%	-
SealEco BV (Lemelerveld, Netherlands)	51%	51%
SealEco Su Yalitim Teknolojileri A.Ş. (Nilüfer, Turkey)	100%	100%
SealEco GmbH (Marsberg, Germany)	100%	100%
SealEco Holding Belgium NV (Brecht, Belgium)	100%	100%
SealEco Belgium NV (Brecht, Belgium)	100%	100%
SealEco Ltd (London, United Kingdom)	100%	100%
SealEco Contracts Ltd (London, United Kingdom)	100%	100%
SealEco NV (Brecht, Belgium)	100%	100%

NOTE 36 STATEMENT OF CASH FLOWS

Cash and cash equivalents	2016	2015
SEK million		
<i>The following subcomponents are included in cash and cash equivalents:</i>		
Cash and bank balances	328.4	181.3
Total as per statement of financial position	328.4	181.3
Total as per statement of cash flows	328.4	181.3

Adjustment for non-cash items	2016	2015
SEK million		
Depreciation/amortization	24.5	22.0
Changes in value of financial instruments	0.0	-21.8
Participations in associated company earnings	-12.5	-5.6
Reversed impairment losses	-1.8	0.0
Provisions	0.0	4.9
Exchange-rate differences	-1.5	-5.4
Other items	-1.5	0.0
Total	7.2	-6.0

NOTE 37 EVENTS AFTER THE REPORTING DATE

On 24 January 2017, the acquisition was completed of 67 percent of the shares and votes in the Dutch company EPDM Systems B.V. ("EPDM Systems") by Nordic Waterproofing Holding A/S's subsidiary SealEco AB for SEK 12 million, of which SEK 12 million was paid in cash on the transaction of ownership. Nordic Waterproofing has a call option and the minority shareholder (the CEO of EPDM Systems) has a put option for the remaining 33 percent of the shares. The option gives SealEco AB the right to buy, and the minority shareholder the right to sell, the shares to Nordic Waterproofing after 1st of January 2022. No portion of the goodwill is expected to be tax deductible. Acquisition-related costs amounted to SEK 1 million in the form of consulting fees in connection with the acquisition process. These consulting expenses have been recognized as administrative expenses in the consolidated statement of profit or loss and other comprehensive income and are excluded from operating result (EBIT) before items affecting comparability of the Nordic Waterproofing Group. EPDM Systems is a Dutch prefabricator of EPDM-based waterproofing and will belong to operating segment Products & Solutions.

On 31 January 2017, the acquisition was completed of 100 percent of the shares and votes in the Finnish company SPT-Painting Oy ("SPT") by Nordic Waterproofing Holding A/S's subsidiary Nordic Waterproofing Oy for SEK 31 million, of which SEK 31 million was paid in cash on the transaction of ownership. It has also been agreed that an earn-out may be paid within two years after the acquisition was completed depending on the financial performance of SPT. No portion of the goodwill is expected to be tax deductible. Acquisition-related costs amounted to SEK 1.5 million in the form of consulting fees in connection with the acquisition process. These consulting expenses have been recognized as administrative expenses in the consolidated statement of profit or loss and other comprehensive income and are excluded from operating result (EBIT) before items affecting comparability of the Nordic Waterproofing Group.

SPT operates in the floor coating market and will belong to operating segment Installation Services.

THE ACQUIRED COMPANIES' NET ASSETS ON THE ACQUISITION DATE:

Preliminary acquisition analysis		
SEK million	Jan 2017 EPDM Systems B.V.	Jan 2017 SPT-Painting Oy
Tangible assets	1.2	2.7
Inventories	12.5	10.0
Trade and other receivables	7.8	0.0
Cash and equivalents	0.0	3.9
Other non-interest bearing liabilities	-6.3	-6.2
Interest bearing liabilities	-4.6	-4.6
Net assets and liabilities	10.7	5.9
Non-controlling interest	-3.5	0.0
Goodwill	5.2	24.6
Consideration transferred	12.3	30.5

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, DK-6600 Vejlen, Denmark, while the address of the Group's operational head office is Drottninggatan 11, SE-252 21 Helsingborg, Sweden.

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

Axcel IV K/S, Copenhagen, Denmark
 Axcel IV K/S 2, Copenhagen, Denmark
 Carnegie funds, Stockholm, Sweden
 Swedbank Robur funds, Stockholm, Sweden

PARENT COMPANY STATEMENT OF PROFIT OR LOSS

SEK million	Note	2016	2015
Net sales		4.8	0.0
Administrative expenses		-23.1	-19.0
Operating profit/loss		-18.4	-19.0
Finance income		28.1	8.1
Finance costs		-1.9	0.0
Net finance items		26.2	8.1
Profit/loss before tax		7.9	-10.9
Tax	2	2.4	0.6
PROFIT/LOSS FOR THE YEAR		10.3	-10.3

Proposed distribution of profit, see Note 3.

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

SEK million	Note	2016	2015
Assets			
Investments in subsidiaries	4	509.4	484.5
Total non-current assets		509.4	484.5
Other current receivables from Group companies		3.5	0.0
Current tax assets		2.4	0.7
Cash and cash equivalents		35.5	13.9
Total current assets		41.5	14.6
TOTAL ASSETS		550.8	499.1
Equity			
Share capital		30.0	0.1
Retained earnings including profit for the year		423.5	481.8
Proposed dividend for the financial year		90.3	0.0
TOTAL EQUITY	5	543.8	482.0
Liabilities			
Trade payable		0.6	0.0
Accrued expenses		6.5	17.1
Total current liabilities		7.1	17.1
TOTAL LIABILITIES		7.1	17.1
TOTAL EQUITY AND LIABILITIES		550.8	499.1

Information on the Parent Company's pledged assets and contingent liabilities, see Note 6.

Information on the fees paid to the auditors, see Note 7.

Information on subsequent events, see Note 8.

Information on remuneration of the Executive Board and Board of Directors, see Note 8 in the Consolidated financial statements.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK million	Share capital	Dividend	Retained earnings	Total
Equity as at 1 January 2016	0.1	0.0	481.9	482.0
Repurchased warrants	-	-	-23.0	-23.0
Bonus issue of shares	28.6	-	-28.6	0.0
New issue of shares	1.2	-	47.4	48.6
Profit/loss of the year	-	-	10.3	10.3
Proposed dividend for the financial year	-	90.3	-90.3	0.0
Exchange differences for the year in translation of foreign operations	-	-	25.8	25.8
Equity as at 31 December 2016	30.0	90.3	423.5	543.8

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 applying to entities in reporting class D.

Investment in subsidiaries are measured at cost.

Nordic Waterproofing Holding A/S applies an exemption whereby the Parent Company is not required to prepare a separate cash flow statement. See the consolidated cash flow statement for the Group.

For other accounting principles refer to Note 1, Accounting principles, in the notes for the consolidated financial statements.

NOTE 2 TAXES

SEK million	2016	2015
Current tax expense (-)/tax revenue (+)		
Tax expense for the period	2.4	0.6
Adjustment of tax attributable to earlier years	0.0	0.0
	2.4	0.6
Deferred tax expense (-)/tax revenue (+)		
Deferred tax for temporary differences	0.0	0.0
Deferred tax resulting from changes in tax rates	0.0	0.0
	0.0	0.0
Total reported tax expense	2.4	0.6

NOTE 3 PROPOSED DISTRIBUTION OF PROFIT

SEK million	2016	2015
Proposed dividends	90.3	0.0
Retained earnings	-80.0	-10.3
Total	10.3	-10.3

NOTE 4 INVESTMENT IN SUBSIDIARIES

SEK million	2016	2015
Accumulated cost		
Opening balance, 1 January	484.5	503.8
Exchange-rate differences for the year	24.8	-19.3
Closing balance, 31 December	509.4	484.5

Holdings in subsidiaries

Refer to Note 35 in the notes for the consolidated financial statements.

Nordic Waterproofing Holding A/S holds 100 percent of the shares in Nordic Waterproofing Group 1 AB, which had a result for 2016 of SEK 88.6 million and a shareholders equity at 31 December 2016 of SEK 691.3 million.

NOTE 5 EQUITY

SHARE CAPITAL AND NUMBER OF SHARES

	2016	2015
Stated in number of shares		
Issued as at 1 January	11,546,831	11,546,831
Issue of bonus shares, May 2016	2,297,819,369	-
Change of the nominal value of each share, May 2016	-2,286,272,538	-
Elimination of liquidation preference	22,389	-
Exercise of warrants, June 2016	967,884	-
Issued as at 31 December – paid	24,083,935	11,546,831
Number of shares by class:		
Class A shares	24,083,935	5,182,493
Class B shares	-	52,349
Class C shares	-	4,118,226
Class D shares	-	41,598
Class E shares	-	2,152,165
Total no. of shares	24,083,935	11,546,831

All shares have a quotient value of DKK 1.00 (0.01).

Holder of ordinary shares are entitled to dividends determined in arrears and the shareholding entitles to voting rights at the AGM with one vote per share. Shares in Classes A-D had a preference to dividends in an amount of SEK 1.5 million before dividends could be paid to shares in Class E. This liquidation preference was terminated by issuance of 22,389 shares before the listing of the company took place in June 2016.

NOTE 6 CONTINGENT LIABILITIES

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 7 AUDIT FEES AND EXPENSES

SEK million	2016	2015
PwC		
Statutory audit	0.5	0.2
Other assurance engagements	0.4	0.0
Tax consulting	0.4	0.0
Other services	2.3	1.2
Total	3.6	1.4

NOTE 8 SUBSEQUENT EVENTS

Refer to Note 37 Events after the reporting date in the notes for the consolidated financial statements.

NOTE 9 RELATED PARTIES

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, DK-6600 Vejen, Denmark, while the address of the Group's operational head office is Drottninggatan 11, SE-252 21 Helsingborg, Sweden.

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

Axcel IV K/S, Copenhagen, Denmark
 Axcel IV K/S 2, Copenhagen, Denmark
 Carnegie funds, Stockholm, Sweden
 Swedbank Robur funds, Stockholm, Sweden

STATEMENT BY THE EXECUTIVE BOARD AND THE BOARD OF DIRECTORS

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Nordic Waterproofing Holding A/S for the financial year 2016.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act. The financial statements of Nordic Waterproofing Holding A/S have been prepared in accordance with the Danish Financial Statements Act. The management review is also prepared in accordance with the Danish disclosure requirements for listed companies.

In our opinion, the consolidated financial statements and the financial statements give a true and fair view of the financial position at 31 December 2016 of the Group and the company and of the results of the Group and company's operations and consolidated cash flows for the financial year 1 January-31 December 2016.

In our opinion, the management 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 approved at the Annual General Meeting.

Vejen, 4 April 2017

EXECUTIVE MANAGEMENT

Martin Ellis
CEO

BOARD OF DIRECTORS

Ulf Gundemark
Chairman

Holger C. Hansen
Deputy Chairman

Christian Frigast

Jørgen Jensen

Riitta Palomäki

Vilhelm Sundström

INDEPENDENT AUDITORS' REPORT

To the shareholders of Nordic Waterproofing Holding A/S

OUR OPINION

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2016 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2016 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

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 2016 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2016 in accordance with the Danish Financial Statements Act.

What we have audited

Nordic Waterproofing Holding A/S' Consolidated Financial Statements for the financial year 1 January to 31 December 2016 comprise the consolidated profit or loss statement and statement of comprehensive income, the consolidated balance sheet, the consolidated cash flow statement, the consolidated statement of changes in equity, and the notes to the consolidated financial statements, including summary of significant accounting policies.

Nordic Waterproofing Holding A/S' Parent Company Financial Statements for the financial year 1 January to 31 December 2016 comprise the profit or loss statement, the balance sheet, the statement of changes in equity and the notes to the financial statements, including summary of significant accounting policies.

Collectively referred to as the "financial statements".

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

Independence

We are independent of the Group in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in Denmark. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2016. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Valuation of goodwill, Group</p> <p>The balance of goodwill at 31 December 2016 was SEK 616 million. The main goodwill arose in 2011 in connection with the establishment of the Group.</p> <p>Conditions giving rise to our focus on this area included the significant level of judgement in respect of factors such as:</p> <ul style="list-style-type: none"> • The determination of CGU's; • Budgeted future revenue and costs; • Discount rates; and • Terminal growth rate. <p>Management have identified goodwill related to both segments "Products & Solutions" and "Installation Services" as having sensitivity to impairment due to the fact that change in projected cash flows could result in the carrying value of SEK 616 million exceeding its recoverable amount.</p> <p>Refer to Note 2 (Significant accounting judgements, estimates and assumptions) and 14 (Goodwill).</p>	<p>We evaluated management's goodwill assessment process and assessed management's determination of the Group's CGU's based on our understanding of the nature of the Group's business. We compared this to the internal reporting of the Group to assess how earnings are monitored and reported.</p> <p>We obtained the Group's value in use model and agreed amounts to a combination of the 2017 budget and the 2018 – 2019 business plan.</p> <p>We assumed the accuracy of previous Group forecasting to inform our evaluation of forecasts included in the value in use model.</p> <p>We performed sensitivity analysis on both CGU's in main areas being the budgeted future revenue, costs and terminal growth rate assumptions.</p> <p>We assessed the Group's disclosures of the quantitative and qualitative considerations in relation to the valuation of goodwill, by comparing these disclosures to our understanding of the matter.</p>
<p>Contingent liabilities, Group</p> <p>On 21 December 2016 the Danish Competition and Consumer Authority forwarded a so called "Statement of objections" to Nordic Waterproofing A/S. It appears from the statement of objections that the Danish Competition and Consumer Authority finds that the company have breached the prohibition against restrictive agreements and/or coordinated practices for the purpose of protecting the Danish roofing felt and foil market against competing.</p> <p>If the Competition and Consumer Authority succeeds herein the company may be fined, just as there is risk of secondary damages.</p> <p>The outcome of the case cannot be predicted with certainty, but a decision that goes against the company's expectations could have an adverse effect on the consolidated financial position and results of operations and cash flows.</p> <p>We focused on this area, because of the significant level of judgement and uncertainty related to this contingent liability.</p> <p>Refer to Note 2 (Significant accounting judgements, estimates and assumptions) and 33 (Pledged assets and contingent liabilities).</p>	<p>We inquired with both Management and financial staff in respect of the potential risks related to the competition case, inspected relevant correspondence, inspected the minutes of the meetings of the Audit Committee and Supervisory Board, requested external legal conformation letter and obtained a representation letter from the Company.</p> <p>We also assessed the disclosure regarding contingent liabilities as contained in Note 33 Pledged assets and contingent liabilities.</p> <p>We used professional skepticism by challenging Management's judgement comparing responses to our inquiries with relevant correspondence, other audit evidence obtained and our general knowledge of the Group and its activities.</p>

STATEMENT ON MANAGEMENT'S REVIEW

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

MANAGEMENT'S RESPONSIBILITY FOR THE 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 further requirements in the Danish Financial Statements Act and for the preparation of 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Vejle, 4 April 2017

Lars Almskou Ohmeyer
State Authorised Public Accountant

Morten Elbæk Jensen
State Authorised Public Accountant

FINANCIAL DEFINITIONS

Key performance indicator according to IFRS

EARNINGS PER SHARE

Profit after tax for the period attributable to Parent Company shareholders divided by the average number of outstanding shares for the period.

Key performance indicators not defined according to IFRS

CAPITAL EMPLOYED

Total assets less non-interestbearing provisions and liabilities.

EBIT

Operating profit.

EBIT MARGIN

EBIT as a percentage of net sales.

EBITDA

Operating profit before depreciation, amortization and impairment of tangible and intangible assets.

EBITDA MARGIN

Operating profit before depreciation, amortization and impairment of tangible and intangible assets as a percentage of net sales.

EQUITY/ASSETS RATIO

Shareholders' equity, including non-controlling interests, as a percentage of total assets.

GROSS MARGIN

Gross profit as a percentage of net sales.

INTEREST COVER RATIO

Profit after net financial items plus interest expenses in relation to interest expenses.

ITEMS AFFECTING COMPARABILITY

Statement items that are non-recurring, have a significant impact on profit and therefore constitute important adjustments for understanding the underlying development of operations.

NET DEBT

Interest-bearing liabilities less cash and cash equivalents

NET DEBT/EBITDA BEFORE ITEMS AFFECTING COMPARABILITY

Net debt in relation to EBITDA before items affecting comparability.

NET DEBT/EQUITY RATIO

Net debt in relation to shareholders equity.

OPERATING CASH CONVERSION

Operating cash flow as a percentage of EBITDA before items affecting comparability for the period.

OPERATING CASH FLOW

EBITDA before items affecting comparability plus dividends from associated companies, less cash flow related from investments intangible and intangible assets, cash flow from changes in working capital and income from associated companies.

ORGANIC GROWTH

Net sales growth adjusted for enterprises acquired and sold off and any exchange rate changes. No adjustments have been made for number of working days.

R12

The most recent twelve months/rolling twelve-month period

RETURN ON CAPITAL EMPLOYED

EBIT as a percentage of average capital employed, calculated as the average of the period's opening and closing balances.

RETURN ON CAPITAL EMPLOYED BEFORE ITEMS AFFECTING COMPARABILITY

Operating profit (EBIT) before items affecting comparability as a percentage of average capital employed, calculated as the average of the period's opening and closing balances.

RETURN ON CAPITAL EMPLOYED BEFORE ITEMS AFFECTING COMPARABILITY AND EXCLUDING GOODWILL

Operating profit (EBIT) before items affecting comparability as a percentage of average capital employed, excluding goodwill, calculated as the average of the period's opening and closing balances.

RETURN ON SHAREHOLDERS EQUITY

Profit after tax attributable to Parent Company shareholders as a percentage of average shareholders equity, excluding non-controlling interests.

RETURN ON SHAREHOLDERS' EQUITY BEFORE ITEMS AFFECTING COMPARABILITY

Profit after tax attributable to Parent Company shareholders including reversed items affecting comparability as a percentage of average capital employed, excluding non-controlling interests.

GLOSSARY

BITUMEN

Bitumen, also known as asphalt, is a sticky, black and highly viscous liquid or semi-solid form of petroleum which constitutes the waterproofing component in roof felt.

EPDM

EPDM rubber (ethylene propylene diene monomer M-class rubber) a type of synthetic rubber, is an elastomer characterized by a wide range of applications.

FLAT ROOF

Roofing with a gradient of less than approximately 14°.

PITCHED-ROOF

Roofing with a gradient of more than approximately 14°.

PVC

Polyvinyl chloride is the world's third-most widely produced synthetic plastic polymer, after polyethylene and polypropylene. PVC comes in two basic forms: rigid (sometimes abbreviated as RPVC) and flexible.

SBS

Styrene-Butadiene-Styrene, an elastomeric compound which is added to bitumen to increase the flow characteristics and improves the low-temperature flexibility and fatigue resistance of roof felt.

TPO

Thermoplastic olefin (TPO), or olefinic thermoplastic elastomers refer to polymer/filler blends usually consisting of some fraction of a thermoplastic, an elastomer or rubber, and a filler.

NORDIC WATERPROOFING ON THE INTERNET, IN YOUR MOBILE AND ON YOUR TABLET

Keep track of Nordic Waterproofing's performance via the Group's website at www.nordicwaterproofing.com.

ANNUAL REPORT

Nordic Waterproofing only distributes a paper version of the Annual Report to those who have specifically requested a copy. If you wish to receive a paper copy of the Annual Report, it can be ordered on the company's website.

NEWS ABOUT PRODUCTS AND SOLUTIONS

At www.nordicwaterproofing.com you can follow the development and successes of the various products and solutions that we offer our customers.

SUBSCRIBE TO INFORMATION

Via e-mail, you can choose to subscribe to our financial reports, press releases and share information.

FINANCIAL PRESENTATIONS – WATCH LIVE ON DEMAND

Watch presentations in conjunction with quarterly reports or other event. The majority of presentations can be followed live or watched later on our website.

INFORMATION ABOUT THE 2017 ANNUAL GENERAL MEETING

The Annual General Meeting of Nordic Waterproofing Holding A/S will be held on Thursday, 27 April 2017, at 10:00 a.m. CET at IVA Konferenscenter, Grev Turegatan 16, in Stockholm, Sweden.

PROGRAM, CET

09:30 a.m. Registration and light refreshments
09:45 a.m. Meeting hall opens
10:00 a.m. Annual General Meeting commences

NOTICE OF AGM

The complete notification of the 2017 Annual General Meeting will be available at www.nordicwaterproofing.com/en/shareholder-meetings/.

Shareholders who wish to participate and vote at the Meeting must be entered in the share register maintained by VP Securities A/S by Thursday, 20 April 2017 and notify the company of their intention to participate, with any advisers, not later than on the same date.

Shareholders whose shares have been registered in the name of a trustee, must have temporarily registered the shares in their own name by Thursday, 20 April 2017.

Please note that there is specific information for shareholders who hold their shares through Euroclear Sweden AB.

FINANCIAL CALENDAR 2017

8 April-8 May	Silent period
27 April	Annual General Meeting
9 May	Interim Report, January-March 2017
14 July-14 August	Silent period
15 August	Interim Report, January-June 2017
6 October-6 November	Silent period
7 November	Interim Report, January-September 2017

Nordic Waterproofing Group is one of Europe's leading producers and suppliers of waterproofing products and services for buildings and infrastructure. We are known in the market through brands such as AL-Katot, Hetag Tagmaterialer, Kerabit, KerabitPro, Mataki, Nortett, Phønix Tag Materialer, SealEco and Trebolit.

Our production facilities are located in Denmark, Finland and Sweden. In 2016, the Group had revenues of SEK 1,813 million, with more than 630 employees and operations in nine countries.

NORDIC WATERPROOFING

