

ANNUAL REPORT

2021

WE MAKE WATERPROOFING EASY

NORDIC 
WATERPROOFING

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FOUNDED IN
2011

LISTED ON NASDAQ

2016

STOCKHOLM, MID CAP

OPERATIONS IN

10

COUNTRIES

NUMBER OF EMPLOYEES

1,272

SALES IN 2021 (SEK m)

3,664

FINANCIAL
CALENDAR 2021

April 26, 2022

Interim report,
January-March 2022

April 28, 2022

AGM 2022

July 19, 2022

Interim report,
January-June 2022

October 25, 2022

Interim report,
January-September 2022

Nordic Waterproofing at a glance

Sustainable waterproofing and building solutions

NORDIC
WATERPROOFING

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

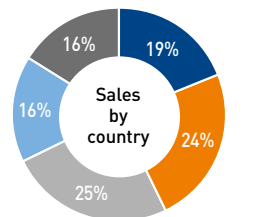
PRODUCTS & SOLUTIONS

75% of net sales for 2021

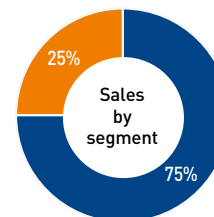


INSTALLATION SERVICES

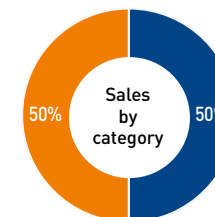
25% of net sales for 2021



■ Sweden ■ Denmark ■ Finland
■ Norway ■ Europe (excl. Nordic region)



■ Products & Solutions
■ Installation Services



■ Renovation
■ New build

Sustainability highlights

Nordic Waterproofing's products contribute to long-term sustainability at the same time as the sustainability work creates new business opportunities.

- Our business concept contributes to durable buildings and infrastructures
- In 2021 we defined the targets for our sustainability work for the future:
 - to be CO₂ neutral within scope 1 and 2 in 2030
 - to recycle all self-generated waste in 2030
 - to be completely CO₂ neutral within scope 1-3 in 2050
- Our plants for roofing membranes in Denmark and Sweden only use renewable electricity and biogas.
- We continually improve our solutions for green infrastructure and wooden-based building elements. The acquisition of Urban Green is highlighting this.
- We are in close dialogues with our stakeholders and did a materiality analysis for the Danish operation in 2021.
- Our share of CO₂-absorbing wood-based facade and roof elements in the Group's turnover increasing.
- The appointment of Susanne Højholt as CSO (Chief Sustainability Officer) further increases our firepower in this critical area.



Accommodation in Danish Svendborg built according to the DGNB Gold standard with EPD documented roofs.

The Year In Brief

- The Covid-19 pandemic continued to have a limited impact on our operations
- The year has been characterized by high increases for input prices, which we have largely been able to absorb through increased prices, albeit sometimes with a certain time lag. This has led to slightly lower margins in certain segments and to significantly higher inventory values.
- Products & Solutions had good demand with good sales growth and increased profitability.
 - The markets for waterproofing have developed well, both for bitumen and EPDM products.
 - Good sales growth for prefabricated wooden elements with greatly improved profitability.
 - Weaker growth for green infrastructure with reduced profitability.
- Installation Services had a weaker year with reduced organic sales and lower profitability, the latter driven by winter harsher conditions, increased input prices and delays on construction sites
- The Group acquired the majority of seven businesses during 2021:
 - Byggpartner AS, Norway: installation and maintenance of waterproofing products
 - Gauris B.V., The Netherlands: distribution and prefabrication of waterproofing for eg dams
 - Seikat Oy, Finland: prefabricated wooden roof elements
 - Urban Green AB, Sweden: green solutions for urban environments
 - E. Voutilainen Oy, Finland: installation and maintenance of floating floor coverings

- Rakennusliike Ripatti Oy, Finland: facade cladding, profiled sheet metal and prefabricated eaves systems
- Tagcon (property store), Denmark: triangle strips for roofs
- The Group has appointed Susanne Höjholt as Chief Sustainability Officer (CSO) to strengthen the Group's sustainability work.

NOTABLE EVENTS AFTER YEAR END

- On 1 February 2022, Gordon Low Ltd (UK) was acquired, a leader in special manufacturing and distribution waterproofing for ponds and other waterproofing solutions.
- The Group's two operations in green infrastructure, Veg Tech and Urban Green, are merged and a joint organization is established.
- The Russian war on Ukraine can be expected to have limited impact on the Group's sales but have a disruptive impact on the supply chain through shortage of materials and a significant input cost inflation.

MARKET SITUATION AND OUTLOOK UNCHANGED

- Continued consolidation within building materials retail chains and roofing operations in all the Nordic countries.
- Continued strong competition in the market for low-sloping roofs, where Nordic Waterproofing has successfully increased its market shares in the Nordic region. Market development has been somewhat weaker in Finland, but is expected to develop on a par with other Nordic markets.
- Continued strong market for prefabricated facade elements in Denmark, Norway and Finland.

KEY FIGURES (SEK m)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Full year 2021	Full year 2020
Net sales	704	1,067	1,003	890	3,664	3,303
EBITDA*	50	192	176	97	515	455
EBITDA margin, %*	7.1%	18.0%	17.5%	10.9%	14.1%	13.8%
Operating profit (EBIT)	22	161	140	59	382	337
EBIT margin, %*	3.1%	15.0%	14.0%	6.6%	10.4%	10.2%
ROCE (R12), %*	15.9%	16.8%	17.1%	16.6%	16.6%	15.6%
Net profit for the period	11	116	86	44	256	253
Cash flow from operating activities	-88	114	101	92	220	462
Operating cash conversion (R12), %*	97%	92%	61%	43%	43%	102%
Net debt*	515	720	766	770	770	274
Earnings per share before dilution, SEK	0.47	4.84	3.58	1.82	10.71	10.60

NET SALES BY SEGMENT (SEK m)

Products & Solutions	563	850	746	658	2,818	2,570
Installation Services	152	246	281	249	928	833
Group Items & Eliminations	-12	-29	-25	-17	-83	-101
Total	704	1,067	1,003	890	3,664	3,303

NET SALES BY COUNTRY (SEK m)

Sweden	98	221	203	158	679	592
Norway	135	171	144	132	583	397
Denmark	198	234	227	230	889	811
Finland	131	252	281	243	907	940
Europe	140	188	147	123	598	556
Rest of world	2	1	1	4	8	8
Total	704	1,067	1,003	890	3,664	3,303

* Alternative key figures not defined in accordance with IFRS are marked with *. For definitions, see p. 105-106. For derivation see <https://www.nordicwaterproofing.com/sv/finanssiella-definitioner/>. Please see next page for a multi-year overview.

Multi-year overview

Profit/loss (SEK m unless otherwise stated)	2021	chg %	2020	2019	2018	2017	2016	2015	2014
Net sales	3,664	11%	3,303	3,122	2,680	2,187	1,813	1,720	1,679
EBITDA*	515	13%	455	371	274	234	231	165	143
Operating profit (EBIT)	382	13%	337	260	212	194	206	143	122
Net financial items	-47	189%	-16	-28	-22	-20	-13	-27	-25
Profit/loss for the year before tax	335	4%	321	233	190	174	193	116	96
Tax on profit/loss for the year	-78	16%	-68	-37	-39	-37	-37	-34	-19
Net profit/loss for the year	256	1%	253	196	152	138	156	82	77
Net profit/loss for the year, Parent Company owners	259	1%	256	198	152	137	156	82	78
Earnings per share before dilution, SEK/share	10.71	1%	10.60	8.19	6.30	5.71	6.49	3.40	3.19
Earnings per share after dilution, SEK/share	10.64	1%	10.52	8.13	6.30	5.71	6.49	3.40	3.19
Balance sheet (SEK m)	2021	förändring %	2020	2019	2018	2017	2016	2015	2014
Total assets	3,158	10%	2,864	2,536	2,127	1,756	1,568	1,345	1,345
Net investments in property, plant and equipment	77	39%	55	45	36	20	10	27	15
Capital employed*	2,364	5%	2,261	2,016	1,653	1,370	1,317	1,071	1,083
Capital employed excluding goodwill*	1,275	5%	1,214	1,065	774	637	701	472	469
Equity	1,460	3%	1,418	1,210	1,106	1,010	964	748	683
Net debt*	770	181%	274	665	485	259	25	141	259
Cash flows (SEK m)	2021	förändring %	2020	2019	2018	2017	2016	2015	2014
- from operating activities	220	-53%	462	312	185	126	128	153	158
- from investing activities	-277	401%	-55	-142	-311	-159	-19	-29	-20
- from financing activities	-323	n/a	8	-80	73	-140	31	-75	-61
Total cash flow for the period	-381	n/a	415	90	-53	-173	140	49	78
Ratios	2021	förändring	2020	2019	2018	2017	2016	2015	2014
EBITDA margin, %*	14.1%	1.9pp	13.8%	11.9%	10.2%	10.7%	12.7%	9.6%	8.5%
EBIT margin, %*	10.4%	1.9pp	10.2%	8.3%	7.9%	8.9%	11.4%	8.3%	7.2%
Operating cash conversion, %*	43%	17.4pp	102%	84%	68%	54%	55%	93%	111%
Net debt/EBITDA, multiple*	1.5x	-1.1x	0.6x	1.8x	1.8x	1.1x	0.1x	0.9x	1.8x
Net debt/equity ratio, multiple*	0.5x	-0.3x	0.2x	0.5x	0.4x	0.3x	0.0x	0.2x	0.4x
Solvency: equity/assets ratio, %*	46%	-2pp	50%	48%	52%	57%	61%	56%	51%
Return on shareholders' equity, %*	18.1%	-2.2pp	19.5%	17.3%	14.5%	13.9%	18.2%	11.4%	12.1%
Return on capital employed, %*	16.6%	2.7pp	15.6%	12.9%	13.5%	14.7%	16.9%	12.9%	11.4%
Return on capital employed excluding goodwill, %*	29.9%	3.2pp	27.8%	24.5%	29.0%	30.6%	34.0%	28.7%	26.1%
Number of employees (FTE)	1,272	11%	1,147	1,116	1,033	830	630	634	644
Average number of shares before dilution, millions	23.9	-1%	23.9	23.9	24.1	24.1	24.1	24.1	24.1
Average number of shares after dilution, millions	24.1	0%	24.1	24.1	24.1	24.1	24.1	24.1	24.1

* Alternative key figures not defined in accordance with IFRS are marked with *. For definitions, see p. 105-106. For derivation see <https://www.nordicwaterproofing.com/en/financial-definitions/>

Renewed focus on acquisitions in 2021

I am pleased to report another record year for the Group, given the challenges that followed from sharp input price increases and potential supply chain disruptions. Another year of strong sales growth, increased profitability and a strong financial position confirms the strength of our business model, our customer focus and ability to deliver. In line with our strategy to grow through acquisitions, we completed seven acquisitions during the year.

2021 IN FIGURES

The Group's net sales for the full year 2021 amounted to SEK 3,664 m (3,303), an increase of 11 percent (6) mostly due to price increases required to compensate for input cost inflation. EBITDA increased by 13 percent to SEK 515 (455) m. Earnings per share for the full year 2021 amounted to SEK 10.71 (10.60). Operating cash flow amounted to SEK 219 M (462), the decrease being mainly driven by a voluntary inventory build-up to guarantee our supply capability for our customers, and an increase in working capital related to higher sales. The Board of Directors proposes a dividend of SEK 6.00 (5.50) per share.

SALES GROWTH IN MOST BUSINESS UNITS

Continued strong demand levels for our waterproofing products and services, as well as market share gains in some areas have sustained our sales volumes. The secular trends in favour of wood based prefabricated roof and facade elements and green infrastructure have continued to create significant growth opportunities.

INCREASED PROFITABILITY

We have increased the profitability of most of our operations during 2021 and thus achieved a record ROCE

level of 16.6% (15.6%). At the same time, we aim for further improvements especially in our prefabricated roof and facade element operations and green infrastructure businesses.

SUSTAINABILITY

Sustainability remains a key focus area for Nordic Waterproofing, both in terms of optimising existing operations, and of prioritising sustainable building solutions in our acquisition strategy. We continuously reduce the environmental footprint of our established bitumen-based waterproofing products. It is worth remembering that the latter already today consists for the most part of inputs that are either residual products from refineries (bitumen) or from recycled plastic bottles. Of course, the unsurpassed durability of our products is another important contributor to a positive environmental impact.

A majority of our recent acquisitions has been geared towards wood based, CO₂-capturing construction elements, green infrastructure and photovoltaic solutions.

The appointment in 2021 of Susanne Höjholt as CSO (Chief Sustainability Officer) further increases our firepower in this critical area.

ACQUISITION AND GROWTH STRATEGY

In 2021, we made a total of seven acquisitions in five different countries in areas important for the Group's continued development. In 2022, our acquisition pipeline remains strong, and we have made one acquisition already in the first quarter. At the same time, given current geopolitical difficulties, and coming out of a relatively high multiples environment, we will continue to stress a highly disciplined approach in making acquisitions. Concurrently, we intend to create sales growth by expanding geographically by applying successful concepts across all countries in which we are present.

OUTLOOK

The Russian war on Ukraine can be expected to have limited impact on the Group's sales. We have no subsidiaries in either country, which together represented less than 0.4% of our Group's sales. However, we are

actively preparing for potential supply disruptions due to shortage of certain raw materials as well as some additional input cost inflation. Our financial position with a strong balance sheet after positive results and cash flows from previous years gives us a strong position when we enter an uncertain 2022, the impact from the Russian war on Ukraine on the economic development in our home markets being hard to predict. The safety of our colleagues remains the highest priority while we continue to ensure we can offer our customers products and service services in the most timely and reliable fashion possible.

CONCLUSION

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



Four reasons to invest in Nordic Waterproofing

STRONG MARKET POSITION

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



Read more on page 18

SUSTAINABLE AND DURABLE SOLUTIONS

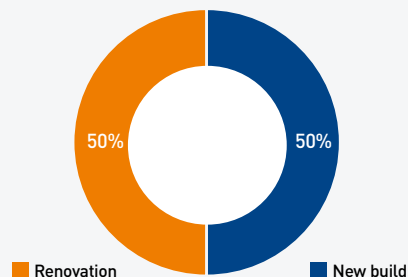
Nordic Waterproofing contributes to a sustainable society by preserving buildings and infrastructure with long lasting products.



Read more on the pages 31-39

LOW CYCLICAL SENSITIVITY

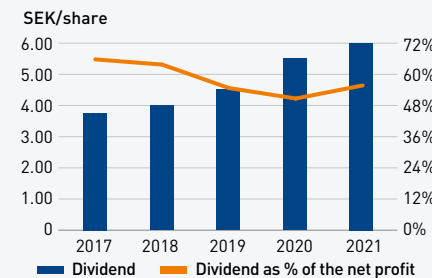
Nordic Waterproofing's offers are in demand throughout a business cycle, both in construction as in renovations.



Read more on page 21

STRONG POSITIVE CASH FLOW WITH HIGH YIELD

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



Read more on page 10

The roofs at the Friends Arena in Stockholm are protected by products from Nordic Waterproofing.



Eco-friendly roof protects the winning house

The Pyörre concept house is based on a circular economy and is to most extent reusable and is adapted for low carbon dioxide emissions throughout the life cycle. The house was named the best house at the housing fair Lohja Housing Fair 2021 in Finland by the fair visitors, as well as having the best decoration and the second-best courtyard.

Our part of the project was to contribute with our sustainability profiled roof products Kerabit Nature (as a base) and Kerabit Nature LESSNOX (as a top membrane) and Kerabit Aurinkokatto, flexible solar cells.

Aulis Lundell Oy and the architect Matti Kuittinen are responsible for the implementation of the low-carbon circular economy model house Pyörre for Lohja.

KERABIT NATURE

Kerabit Nature is a CO₂-neutral waterproofing layer whose fossil-based bitumen has partially been replaced by bitumen extracted from pine oil, CTO. The pine oil contributes to making Kerabit Nature CO₂-neutral thanks to its positive CO₂-uptake (bitumen already has low 0.2 kg CO equivalents / kg). Kerabit Nature is available as for both top and bottom layers.

LESSNOX

LESSNOX waterproofing layer reduces nitric oxide (NOx) particles in the air. These are articles that pollute the air and are harmful to the environment. The slate surface layer of the sealing layer is coated with titanium dioxide, which breaks down the NOx particles into nitrate much faster which then can be absorbed by plants as a nutritional supplement.

KERABIT AURINKOKATTO®

A unique thin film panel solution that can be integrated into a bitumen membrane roof. Unlike conventional solar systems, the solar panels are installed without separate structural construction which also minimizes the risks of wind and storm damage.

Mission, Business Concept and Core values

Nordic Waterproofing's strategic focus is to generate value for its customers, prioritizing strong relationships at all stages, all the way to the end users. The focus is on organic growth, profitability, and selective acquisitions. The Group's companies have a strong position in a market where quality and sustainability are decisive factors in creating profitability and opportunities to drive development.

MISSION

To develop and supply easy-to-use, reliable and sustainable solutions for the protection of buildings and infrastructure, in order to enhance the quality of life and preserve the environment.

NORDIC
WATERPROOFING

BUSINESS CONCEPT

Nordic Waterproofing develops, manufactures and distributes innovative products and solutions for waterproofing, protecting and preserving buildings and other structures.

- Our products and solutions are supplied with the highest level of service and are characterized by the best available quality, extremely long durability, adaptation to local conditions, smart logistics, ease of installation, energy and environmental optimization.
- Good customer service is based on our employees' responsiveness and ability to understand and anticipate our customers' needs.

OUR VALUES

Enthusiasm

We show enthusiasm for what we do, always. Whenever we take on a responsibility, we make sure we follow it through with the highest quality possible, and with accuracy to the last detail. We show pride in our individual responsibilities and never move on until we can look at our customer, fellow colleagues or a newly developed product and say: "it cannot be done better than this". We reward passion and enthusiasm, enabling people to grow within the company.

Reliability

Our customers trust us as a partner, as well as the products and solutions we offer. We care for that trust and do everything we can to maintain it. We nurture this by taking responsibility for ensuring that our product development, services and customer relations are characterized by first class reliability

Efficiency

We are a large organization, with a well-developed, flexible and efficient logistics system. We also retain the characteristics of a small company. This is because we have created, and actively maintain, a simple structure, within which we operate. For the benefit of our customers, we cultivate a highly decentralized corporate culture geared toward efficiency and strategic targets. We trust our people's own professional judgement and promote quick decision making to help our customers, and their often challenging, time schedules.

TARGETS

The Group has well-defined financial and strategic targets that determine the bottom line. They create value for several stakeholders over time: owners, customers, employees and the community.

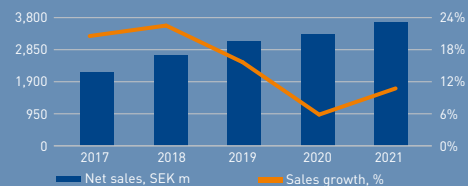
>SALES GROWTH

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

FINANCIAL TARGETS

The Board of Directors of Nordic Waterproofing updated the Group's profitability and capital structure targets with effect from May 2, 2019. These targets are well established and integrated into the decentralized organization's business units

OUTCOME



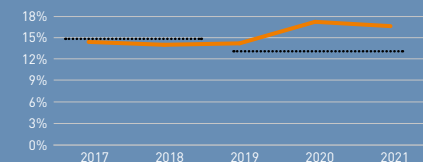
+11%

OUTCOME 2021

Net sales increased by 11 percent to 3,664 m (3,303) of which organic growth amounted to 5 percent (7).

>13% PROFITABILITY

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



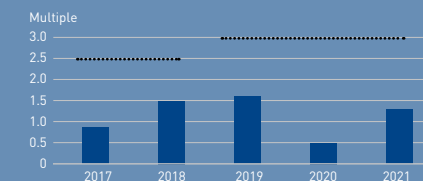
16.6%

OUTCOME 2021

The return on capital employed was 16.6 (15.6) percent and the EBIT margin was 10.4 percent (10.2).

<3X CAPITAL STRUCTURE

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



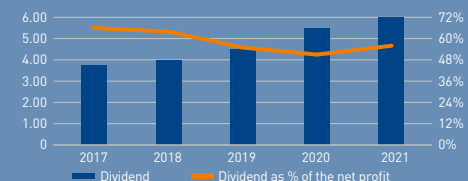
1.3x

OUTCOME 2021

At the year end, was the debt, calculated as interest-bearing net debt / EBITDA during the last twelve-month period, at a multiple of 1.3 (0.5) and the net debt / equity at a multiple of 0.5x (0.2).

>50% IN DIVIDEND

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



COMING DIVIDEND PROPOSAL
6.00 SEK/SHARE,
56%

OUTCOME 2021

The Board will suggest the AGM on April 28, 2022, to decide to distribute an ordinary cash dividend of SEK 6.00 (5.50) per share, in total SEK 143 m. This corresponds to 56 percent of the net profit for the year.

SUSTAINABILITY TARGET

CARBON DIOXIDE NEUTRAL SCOPE 1 & 2 IN 2030
CARBON DIOXIDE NEUTRAL SCOPE 1, 2 & 3 IN 2050

CO2e, tons	2021*	2020	Target		Comment
			2030	2050	
Products & solutions	2,083	2,535			Mainly due to transition in to biogas
Installations	1,593	n/a			
Scope 1	3,676	2,535			
Products & solutions	1,421	2,028			Mainly due to the transition to renewable electricity in Denmark
Installations	254	n/a			
Scope 2	1,676	2,028			
Scope 1 & 2 totalt	5,352	4,563	CO₂-neutral		
Products & solutions	183,680	n/a			
Installations	14,252	n/a			
Scope 3 emissions total	197,831	n/a			
Products & solutions	187,184	n/a			
Installations	16,099	n/a			
Scope 1-3 totalt	203,183	n/a	CO₂-neutral		

* Base line year of compilation of the entire Group's total greenhouse gas emissions

EXPLANATION

Scope 1 - direct greenhouse gas emissions, i.e. of which the business has direct control. This applies, for example, to greenhouse gas emissions from the company's own vehicles and machinery.

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

Scope 3 - indirect greenhouse gas emissions, in addition to purchased energy, which occur outside the business's own operations. These emissions usually divided into upstream or downstream, depending on whether they occur before or after the Group's own operations. Upstream are e.g. material consumption, employee commuting, business travel, production of equipment and downstream are e.g. processing, use and final processing of sold products.

SUSTAINABILITY TARGET

ALL WASTE RECYCLED IN 2030

Waste (tons)	2021	2020	Target 2030	Change	Comment 2021
Recycling/Reuse	3,747	2,168	100%	73%	More focus on recycling
Energy recovery (incl incineration)	2,079	2,829	0%	-27%	
Landfill	558	600	0%	-7%	
Total	6,384	5,597		14%	Total increase mainly due to complete collection of numbers from all business units



The production of bitumen-based roofing felt has changed into biogas in Denmark and Sweden and will change in 2022 in Finland.



Juha Haapaniemi, second from left, together with the other in Seikat's management team.

A development that is even faster than expected

Seikat offers long-span wooden prefabricated elements, mainly for roofs, from designing to installation. The company was established 2013 in Ylistaro, Finland and has a good position in the market with effective and well-controlled operations. The company was acquired in 2021.

"Seikat has had a good growth for several years and we had reached a threshold in expanding our business. We realized that we needed a bigger owner making it possible to grow in a faster rate. Nordic Waterproofing has turned out to be that owner creating a win-win situation for both of us. Their good understanding of our business has shortened the decision process and the expansion is even faster than expected. Our market reach has significantly expanded thanks to their added sales channels. We have also developed our products and are now building an additional production site to increase our output." Says Juha Haapaniemi, one of the founders and head of project sales and product development

Now we can plan on a long term

Gauris was founded in 2018 by Annemieke Aal and Martijn Riewald. The company has a broad offering with several materials for ponds, pools and water storage solutions. Gauris has grown and taken market share through both direct and internet sales through their web-shop, offering not only products but also advice, training, technical support, and installations. Nordic Waterproofing Holding AB's Swedish subsidiary SealEco AB has acquired 51 percent of the shares in Gauris.

"Gauris has had a good growth since we founded the company in 2018. The demand was good, and we saw an opportunity to grow at a faster rate. However, this wasn't possible as an independent company why being a part of Nordic Waterproofing was a natural step to increase the speed of our development," says Annemieke Aal and Martijn Riewald, founders of Gauris. "Our offer and experience in combination with Distripod, our Belgian equivalent, has been a perfect match. You don't have to solve all problems by yourself, instead you have a partner to share your experience and knowledge with. Being a part of Nordic Waterproofing's rubber business in SealEco gives you the possibility to plan on a long term."



The founders Martijn Riewald and Annemieke Aal.

Strategy:

A focus on sustainable building solutions

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

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

INCREASED FOCUS ON SUSTAINABILITY

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

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

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

NORDIC REGION HOME MARKET FOR CONSTRUCTION PRODUCTS AND INSTALLATION SERVICES

The Nordic region is the home market for construction products such as bitumen-based waterproofing, pre-

fabricated elements, green infrastructure and installation services.

NORTHERN EUROPE MARKET FOR EPDM RUBBER PRODUCTS

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

GROWTH STRATEGIES

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

Organic growth

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

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

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

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



Wooden truss elements supplied by Seikat.

Growth through acquisitions

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

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

Since the company was listed in 2016, the Group's sales have doubled through organic growth and acquired companies. In 2021, the following companies were acquired, whose total turnover amounted to approximately SEK 320 m (stated in parentheses):

- Byggpartner AS, Norway: installation and maintenance of waterproofing products (NOK 180 m in turnover 2020)
- Gauris B.V., The Netherlands: distribution and prefabrication of waterproofing for eg dams (EUR 1 m in turnover 2020)
- Seikat Oy, Finland: prefabricated wooden roof elements (EUR 4 m in turnover 2020)
- Urban Green AB, Sweden: green solutions for urban environments (SEK 50 m in turnover 2020)
- E. Voutilainen Oy, Finland: installation and maintenance of floating floor coverings (EUR 1.9 m in turnover 2020)
- Rakennusliike Ripatti Oy, Finland: facade cladding, profiled sheet metal and prefabricated eaves systems (EUR 7 m in turnover 2020)
- Tagcon (asset deal), Denmark: triangle strips for roofs (DKK 6 m in turnover 2020)

TWO OPERATION SEGMENTS

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

Products & Solutions

The total market value of products and solutions in the Nordic region is estimated at approx SEK 5 billion. The segment's products and solutions on the market can be divided into:

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

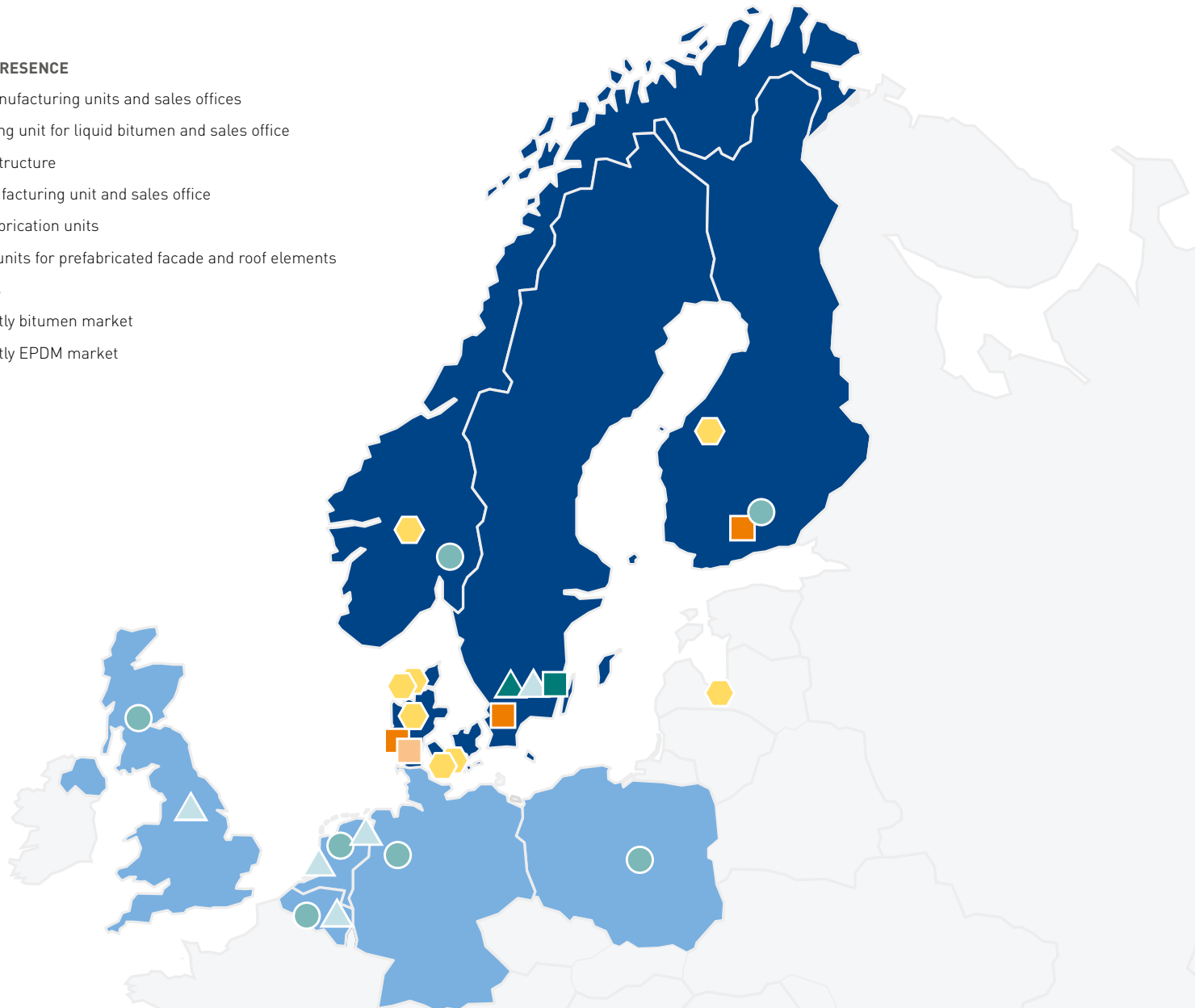
Manufacturing takes mainly place indoors in a controlled environment, which is a prerequisite for managing high and consistent quality in production and for meeting increasing demands for a better working environment and more advanced technology.

Installation Services

The Installation Services operating segment comprises installation of waterproofing products and maintenance services. The total market value of the Nordic installation market is estimated at approximately SEK 10 billion, which corresponds to approximately 70 percent of the total waterproofing market in the Nordic region.

GEOGRAPHIC PRESENCE

- Bitumen manufacturing units and sales offices
- Manufacturing unit for liquid bitumen and sales office
- Green infrastructure
- ▲ EPDM manufacturing unit and sales office
- ▲ EPDM prefabrication units
- Production units for prefabricated façade and roof elements
- Sales offices
- Predominantly bitumen market
- Predominantly EPDM market



BUSINESS AND REVENUE MODEL

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

Direct sales to contractors

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

Sales via builders' merchants

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

small part of a wide product range.

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

Construction company customers

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

The Group's operations in prefabricated floor, wall and roof elements, also bring new customer categories in the segment of medium-sized and large construction companies, major architectural firms and other procuring companies.

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

Direct sales to end-users

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

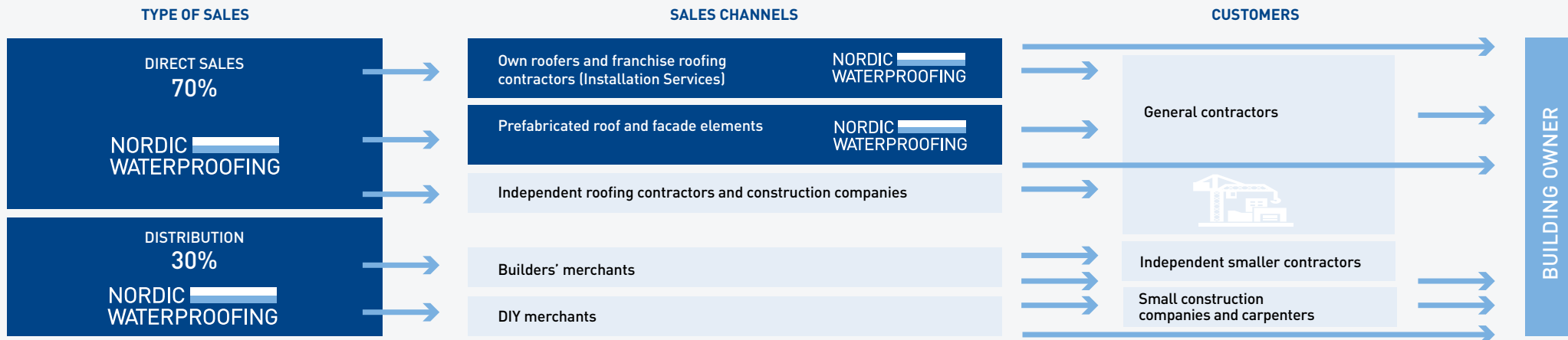
estate companies, such as Akademiska Hus; as well as private real estate companies.

Prefabricated elements

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

Green infrastructure

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





A continued growth secured

Nordic Waterproofing Group acquired in July 2021 75 percent of the Finnish company Rakennusliike Ripatti Oy. The company is a specialist in metallic façade construction, metal profiling and machining and pre-made eaves system with integrated fall protection under the brand RipRap. It has 30 employees and 20 additional subcontractors. The annual turnover was in 2020 EUR 7 m.

“When my brother and I started to discuss the future of our family-owned business, founded by our father in 1978, we wanted to secure its future. We had realized that we couldn’t expect that our children, now still young, would be willing to take on the task. For that reason, we started to look for a buyer of our company that would have the understanding and capacity to do it. We had gotten to know Nordic Waterproofing’s Finnish subsidiary Kerabit as a serious player within the same business when working at the same building sites. We perceived them as well-suited and started to approach them as one of chosen possible acquirers.

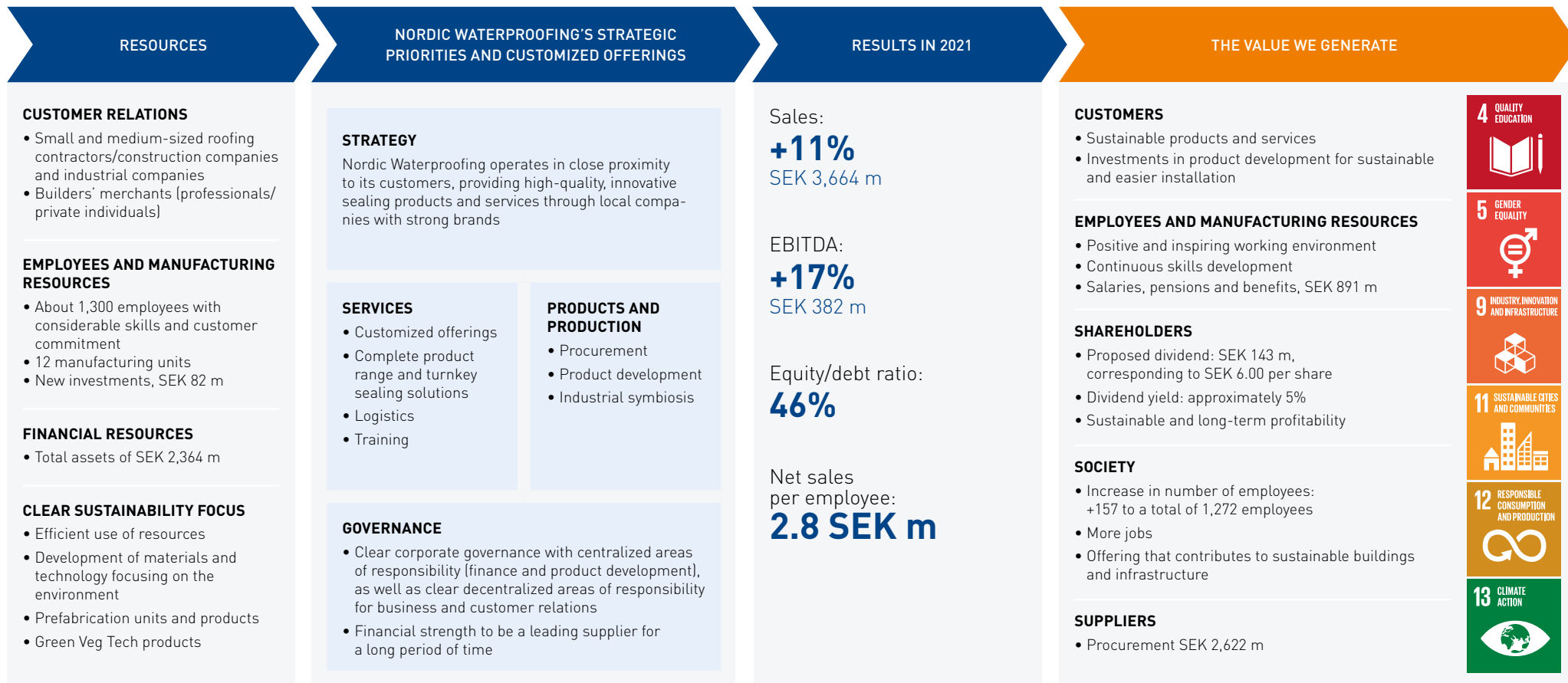
The gut feeling and the trust we got for Esa Mäki, head of Nordic Waterproofing Finland has been proven. With Nordic Waterproofing the match has been good, our company that has had a good growth for several years and Nordic Waterproofing’s capacity and reach to the Finnish market with our installations services as well as the Nordic region for our product RipRap.

The integration process is also being helped by having the manager Perttu Jauhiainen of Al-Katot, one of Nordic Waterproofing’s previous acquisitions, as a mentor. I and my brother now look forward to a continued positive development for both our company and our employees.”

Kimmo Ripatti, CEO of Ripatti.

Focus on the customers and sustainability drives our business model

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



Clear driving forces continue to create demand

Nordic Waterproofing significantly contributes to a safer environment where the focus is on protecting and preserving buildings and infrastructure.

THREE GLOBAL MEGATRENDS

Following three global megatrends have a positive effect on NWG's operations and, above all, create opportunities for the Group's range of products and services, but also challenges for the operations' own impact.

- THE DIGITAL TRANSITION

The construction industry is in a significant and necessary digitization process throughout the value chain. A transition that is expected to last for several years. Digitization affects all parts of the value chain, from purchasing, design and manufacturing to how products are marketed and the development of new services in the construction and maintenance market. It means shorter lead times, lower inventories, and costs as well as an increased need for skills development for employees, designers and customers.

The development is also noticeable within the Group's operations for prefabricated wall and facade elements, where customers largely use a continuous flow of information for construction designs, assembly instructions and specifications of materials. In addition, an increasing part of the production will be handled by robots.

The production of waterproofing layers is also increasingly automated. It includes, among other things, AI (artificial intelligence) which is applied for quality monitoring and temperature control.

An important channel in the customers' design phase is also Building Information Models, or BIM. The technology is established in the prefabricated segment and is increasingly applied in waterproofing layers and its various properties so that designers, architects, and other prescribers can choose the optimal material and solution for the specific project.

Training for roofers is increasingly taking place in instructional videos adapted for digital channels. It provides detailed product information as well as recommended methods for installing waterproofing products and for maintaining roofs and other building components.

- ENERGY AND ECOLOGICAL TRANSFORMATION

The World Economic Forum's (WEF) Global Risk Report 2021 covers economic, environmental, geopolitical, societal and technological risks. NWG's range of products and services is primarily affected by three of the top ten risks:

Failed climate action - in particular reducing greenhouse gas emissions

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

Loss of biodiversity

These risks are addressed on several levels, from supranational down to the level of individual companies and consumers.



Extreme weather has the highest likelihood to occur according to the World Economic Forum.

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

The green transition - a major driving force

The core of the NWG's offering is to protect and preserve buildings, both existing and in new construction.

The EU's climate goal of zero emissions by 2050 and the EU's green deal are major driving forces that drive the need for investments for increased sustainability also in properties with a focus on reducing the climate footprint and increase the energy efficiency.

The EU's green deal is also aimed at renovating existing properties with new financing solutions within the EU's investment program to improve energy efficiency. It is deemed that the pace in which buildings are renovated in terms of energy performance must at least double in order to reach the climate goals.

The biodiversity and an improved microclimate are important components in cities, which benefits human health and well-being while strengthening the biodiversity. This can be achieved through a green infrastructure, i.e., green roofs, vegetation solutions and interconnecting green areas.

Renewable energy production with increased solar cell installations also drives the demand for installation services and technical solutions.

Depletion of natural resources

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

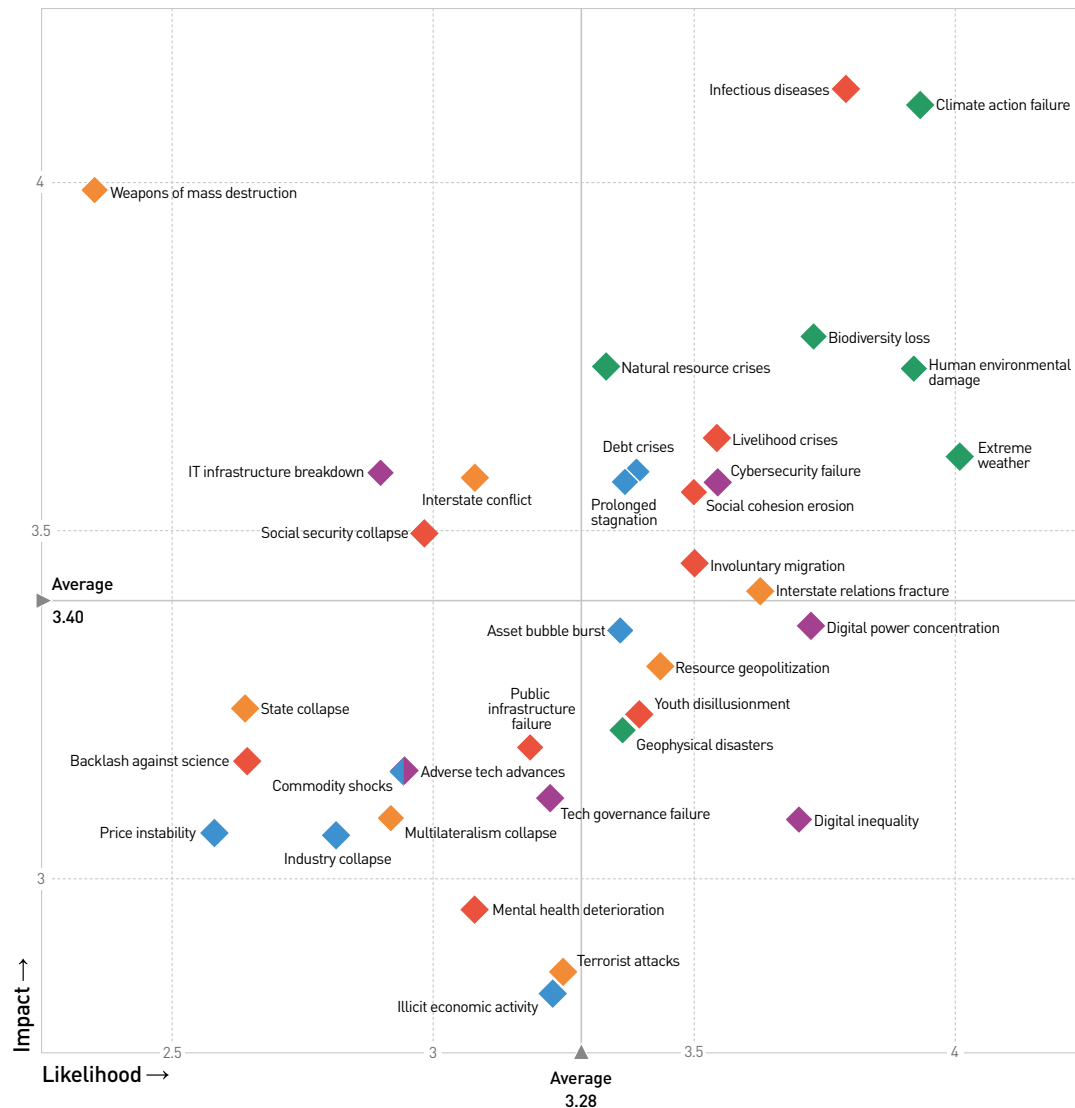
- DEMOGRAPHY AND URBANIZATION

The urbanization trend in the Nordic region is more complex today and has a different pattern now. Cities grow faster than the shrinkage of the rural area. As an example, refugee immigration to Sweden increased sharply during the years 2013–2017, which meant that the population increased in almost all municipalities. The immigration from abroad increases the degree of urbanization without a migration from rural areas.

A continued urbanization also leads to more commercial and community properties. Changed consumption patterns drive the construction of logistics centers and warehouses. In the Nordic countries, the public sector accounts for a significant share of construction investment, which contributes to a continued demand in a recession. More and more minors and elderly are expected to drive demand for community properties and will increase significantly in the coming decades.

Competition for talent

Being able to attract and retain well-educated and competent employees is crucial for the competitiveness of many industries, including the construction industry. Employees with broad experience and different backgrounds create conditions for new insights and methods as well as strong customer relationships.



- Riskkategorier**
- ◆ Economic
 - ◆ Environmental
 - ◆ Geopolitical
 - ◆ Societal
 - ◆ Technological

- Top Risks by likelihood**
1. Extreme weather
 2. Climate action failure
 3. Human environmental damage
 4. Infectious diseases
 5. Biodiversity loss
 6. Digital power concentration
 7. Digital inequality
 8. Interstate relations fracture
 9. Cybersecurity failure
 10. Livelihood crises

- Top Risks by impact**
1. Infectious diseases
 2. Climate action failure
 3. Weapons of mass destruction
 4. Biodiversity loss
 5. Natural resource crises
 6. Human environmental damage
 7. Livelihood crises
 8. Extreme weather
 9. Debt crises
 10. IT infrastructure breakdown

Source: World Economic Forum, The Global Risks Report 2021

THE MARKET - INCREASING DEMAND FOR SYSTEMS AND RELATED SERVICES

GDP development and political factors

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

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

Waterproofing - focus on system solutions for optimized construction

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

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

The roofs dominate

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

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

Prefab - increasing construction costs on site drive the prefab market

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

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

Building regulations and building design

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

Green infrastructure is significantly increasing

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

Renovation creates stability

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

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

The renovation market is driven by:

- Composition and age of the property holdings.
- Renovation of buildings is usually cheaper than new construction. In addition, lack of maintenance can potentially lead to large costs due to e.g. water damage, which makes renovation decisions crucial.

- The requirement for increased energy performance in existing buildings. Not least the large housing stock built during the 1960s and 1970s has a great need for better insulated roofs and facades.

STRONG MARKET POSITION IN A COMPETITIVE MARKET

Nordic Waterproofing faces different competitors depending on the product area.

Waterproofing

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

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

Prefab

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

Green infrastructure

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

Installation services

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

STRENGTHS

The following factors are to the benefit of the Group:

Mature and consolidated industry

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

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

Long-term trust is crucial

Customers are looking for proven and well-established products and materials from strong brands with a long

tradition of quality and knowledge as long-term durability is crucial.

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

High quality product portfolio

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

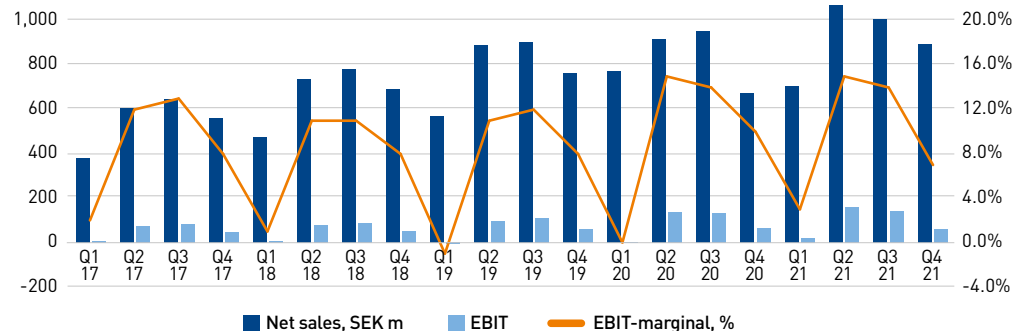
SEASONAL VARIATIONS

Nordic Waterproofing's operations are affected by seasonal variations, with January, February and December being the weakest months. In the financial year 2021, sales during these three months accounted for just under 19 per cent, while the other nine months accounted for 81 per cent, which is in line with the five-year average. The decline during the winter months is explained by cold and challenging weather conditions and its impact on the construction industry.

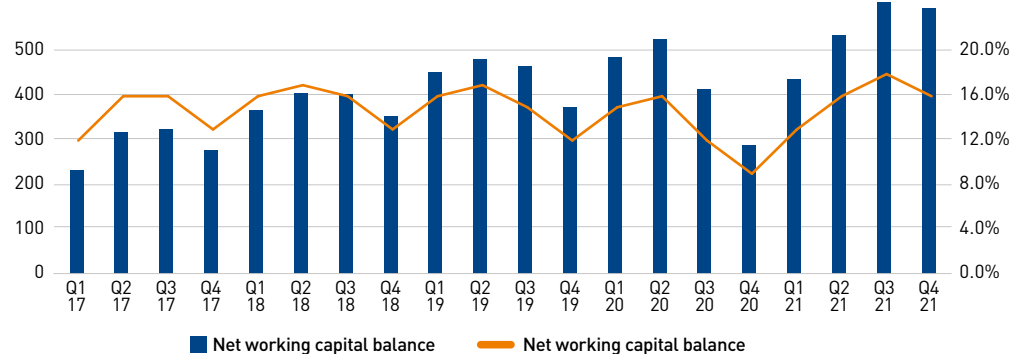
In general, there will be some stockpiling during the winter months, which will lead to a reduction in stock during the summer months because of the increased activity in the market. If winter arrives early, it may result in the postponing of several planned projects, which in turn has a negative effect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

For risks and sensitivity analysis, please see Note 33 on page 91.

Seasonal variations in net sales and profitability



Seasonal variations in working capital





Roof and ground protection at a unique museum – the house of HC Andersen

The world-famous Japanese architect Kengo Kuma has designed House of H.C. Andersen, an multi experience museum in Odense. Kuma's designs for the 5,600 m² project do not hold a single square. Everything is organic with round pavilions, winding paths and a myriad of level differences. Two thirds of the museum is established as a multi adventure universe underground and at street level an adventure garden, connected to the underground via submerged, "secret" garden sections.

Phønix Tag was contracted for the roofing on the houses above ground as well as insulation and membranes above the underground spaces. Veg Tech was responsible for the delivery of the sedum roofs.

Product & solutions

– Extend the lifecycle of buildings and infrastructure

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

EFFECTIVE WATERPROOFING IS FUNDAMENTAL

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

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

DEVELOPMENT OF PRODUCTS AS WELL AS SAFE HANDLING AND INSTALLATION

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

FLAT ROOFS – PRIMARILY COMMERCIAL PROPERTIES

Koncernens produkter har unika tekniska kvaliteter och kan på ett enkelt sätt anpassas för olika miljöer, fastighetstyper och underlag.

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

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

PITCHED ROOFS – MAINLY RESIDENTIAL BUILDINGS

Products installed on pitched roofs are more visible than products used for flat roofs. The design and appearance of the products are therefore important factors for the customer. These products are sold primarily to building suppliers and are usually installed by private individuals and independent smaller contractors or carpenters.



Infrastructure such as bridges are also protected.



ACCESSORIES – FOR COMPLETE SOLUTIONS

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

BUILDING PRODUCTS

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

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

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

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

SOLAR ENERGY SOLUTIONS

Nordic Waterproofing also acts as a contractor designing and installing solar cells in Denmark and can, through the acquisition of 33 percent of Playgreen Finland Oy, offer the same services in Finland.

GREEN INFRASTRUCTURE

The Group offers solutions for green infrastructure, ie plant-based surfaces for roofs and facades as well as for green spaces in urban areas, by Veg Tech and Urban Green in Sweden and Norway and by Phønix Tag and Hetag in Denmark.

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

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

PREFABRICATED ELEMENTS WITH HIGH VALUE ADDED

Nordic Waterproofing's subsidiaries Taasinge Elementer in Denmark, Seikat in Finland and RVT in Norway add a high added value by manufacturing prefabricated building elements. The prefabricated elements are a sustainable solution being based on a wooden frame. All production is project-based where the elements are developed in close dialogue with builders and architects for the best design and solution.



Newly built houses in the Danish village Ryslinge with prefabricated elements from Taasinge.

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

Assembly takes place in an indoor environment in a controlled climate. The project- based production means that each order is unique and therefore the production is difficult to automate and is largely carried out by carpenters and installers. The production time from design to delivery is typically 8 –12 weeks.

PRODUCTION CLOSE TO THE CUSTOMERS

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

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

PURCHASING - A CENTRALIZED FUNCTION

Nordic Waterproofing's purchases are handled on a national basis that share market information and best

practices within the Group. Market-specific products and materials are purchased by the local purchasing functions in order to increase flexibility and ensure that local needs are met.

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

DEVELOPMENT 2021

The Bitumen-based waterproofing business showed double-digit growth in Sweden and Denmark, growth in Finland was on a lower level while Norway had a minor negative development.

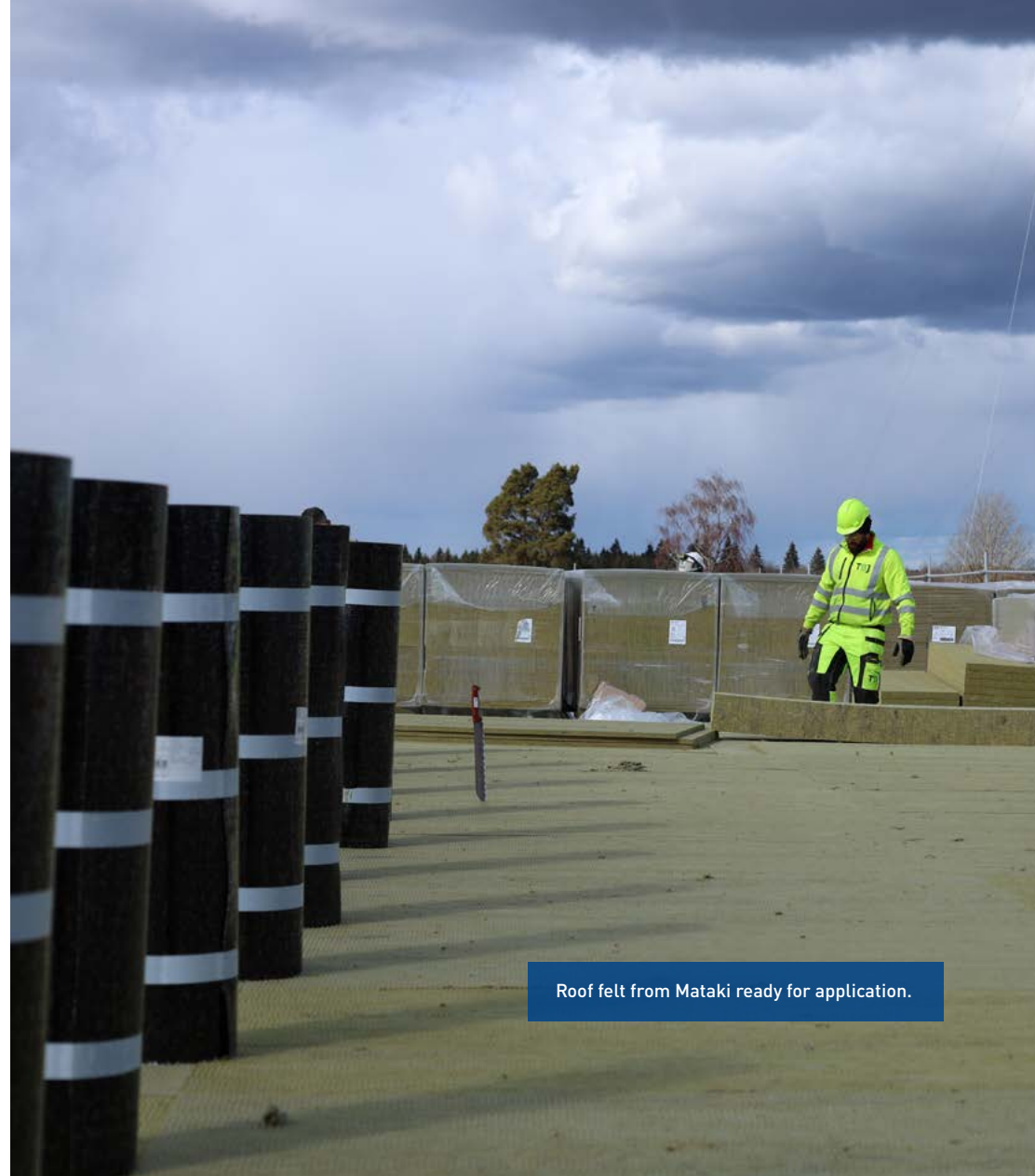
SealEco, our synthetic rubber proofing business, had double-digit growth in net sales. Most major markets show a continued strong demand.

The Taasinge group, our prefabricated wooden elements business, had slightly lower sales than last year due to the Norwegian entity. In both Denmark and Norway, we have strong order books. Seikat, our recently acquired Finnish entity within this business, are fully booked into the second quarter 2022.

The sales development for our green urban environment businesses, sold under the brands Veg Tech and Urban Green, showed positive organic development compared with the same period previous year.

ACQUIRED COMPANIES IN 2021

- Gauris B.V. in the Netherlands, distributor of EPDM rubber for ponds and pools (EUR 1 m)
- Seikat Oy in Finland, manufacturer of prefabricated wooden roof elements for warehouses, public and industrial and commercial properties (EUR 4 m)
- Urban Green AB in Sweden, leading supplier of bio-based green surfaces for roof landscapes (SEK 50 m)



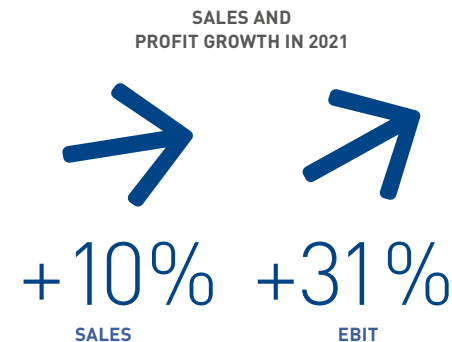
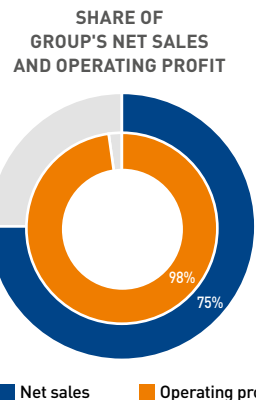
Roof felt from Matakki ready for application.



Sedum roof at the Chalmers technical University of Gothenburg.

PRODUCTS & SOLUTIONS

KEY FIGURES PRODUCTS & SOLUTIONS, SEK m	2021	2020	Change in percent
Net sales	2,818	2,570	10%
EBITDA	517	412	25%
Operating profit (EBIT)	413	315	31%
Number of employees (FTE)	808	732	10%





Water supply calibrated for the tourist season by the Adriatic Sea can be filled up during the winter

The Mateša Reservoir, just off the Croatian coast of Istria, is lined with EPDM rubber membrane. The reservoir has a size of 17.4 ha and holds a volume of 865.00 m³. It supplies a total of 555 hectares of agricultural land with olive groves, vineyards, and vegetable crops.

The reservoir is unique as it is filled with excess water tap water during the winter months, water that would otherwise flow into the sea because Istria's water supply is dimensioned according to summer consumption.

INSTALLATION SERVICES

– Brings the group’s products closer to the market

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

WHOLLY OWNED SUBSIDIARIES IN FINLAND

Installations are carried out through wholly owned subsidiaries under the brands AL-Katot and KerabitPro, with district offices throughout Finland. LA Kattohuolto is a roofing and service company that contributes to a range of services aimed at both private individuals and customers of other companies in the segment.

During 2021 Rakennusliike Ripatti was acquired, a company marketing and selling metallic façade construction, metal profiling and machining and pre-made eaves system with integrated fall protection under the brand RipRap.

MINORITY-OWNED FRANCHISE COMPANIES IN DENMARK ...

In Denmark, installations are offered via franchise companies under the brands Phønix Tag and Hetag Tagdækning. The franchise companies are owner managed companies, in which Nordic Waterproofing has minority interests. The franchise companies are an important sales channel with access to Nordic Waterproofing’s products and knowledge.

... IN THE NORWEGIAN MARKET ...

In 2021, Byggpartner was acquired, which performs installation and maintenance of waterproofing products in the area around Oslo.

... AND IN THE SWEDISH MARKET

Nordic Waterproofing also offers maintenance and installation services on the Swedish market through Nordic Takvård, with the same service offer as LA Kattohuolto in Finland.

INSTALLATION OF SOLAR PANELS

Nordic Waterproofing also offers installation of solar panels on both commercial and private properties in Denmark and in Finland through the acquisition of 25 percent of Playgreen Finland Oy.

CUSTOMIZED FLOOR COATING

The Finnish company SPT-Painting operates within the fast-growing market for liquid sealing membranes and coverings for floors, also known as “coatings”, and provides floor installation services to customers in the construction, shipbuilding, and industrial segments.



Finnish Kerabit Pro is the largest roof installer in Nordic Waterproofing.

Wholly-owned subsidiaries in Finland		Minority-owned franchise companies in Denmark	Wholly owned subsidiary in Sweden and Norway
 LA-KATTOHUOLTO.FI			
			
			

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

AN IMPORTANT SALES CHANNEL CLOSE TO THE CUSTOMER'S NEEDS

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

DEVELOPMENT IN 2021

Sales are mainly generated in Finland, net sales decreased organically by -7 percent, to some extent due to job sites delays and due to avoiding low margin business.

Our Danish franchisees continue to experience a stable and strong market. In the fourth quarter the EBIT contribution was somewhat below last year, and the order book was well exceeding the level of last year.

ACQUIRED COMPANIES IN 2021

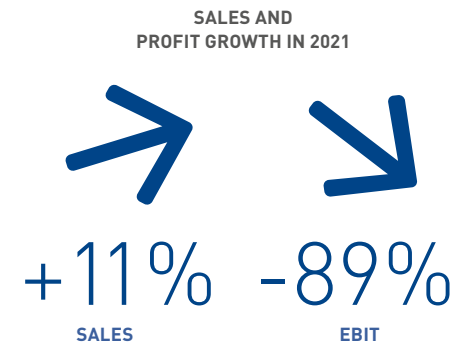
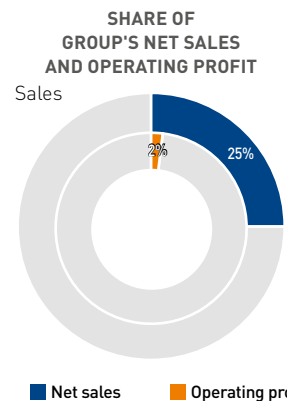
- Byggpartner AS, Norway: installation and maintenance of waterproofing products (NOK 180 m in turnover 2020)
- E. Voutilainen Oy, Finland: installation and maintenance of floating floor coverings (EUR 1.9 m in turnover 2020)
- Rakennusliike Ripatti Oy, Finland: facade cladding, profiled sheet metal and prefabricated eaves systems (EUR 7 m in turnover 2020)



Independent installers get help from digital channels such as the Danish Takhåndbogen, including documentation.

INSTALLATION SERVICES

KEY FIGURES INSTALLATION SERVICES, SEK m	2021	2020	Change in percent
Net sales	928	833	11%
EBITDA	34	86	-60%
Operating profit (EBIT)	8	70	-89%
Number of employees (FTE)	456	404	13%



Sustainability report

Nordic Waterproofing's products contribute to long-term sustainability at the same time as the sustainability work creates new business opportunities.

Office building of the year in Denmark 2021 - DLG's domicile in Snoghøj, Fredericia.

The Group's business concept is based on sustainability, enabling customers to protect, preserve and contribute to the durability of buildings and infrastructures. The Group also contributes with environment and climate-saving products; better energy performance, CO₂-neutral alternatives and increased biodiversity through green infrastructure.

REPORTING AND EXTERNAL ACCOUNTING

The sustainability report is designed as the company considers relevant and in accordance with the Swedish statutory Annual Accounts Act. A list on all requirements' page references can be found on page 35.

GOVERNANCE

The Board is ultimately responsible for the Group's sustainability including definition of targets and by continuously monitoring the Group's sustainability

focus. The operational sustainability organization is led by a steering group consisting of the business area managers and led by the CSO (Chief Sustainability Officer). The function was created in 2021 as Susanne Højholt was appointed.

The actual sustainability work takes place primarily at the national level by the subsidiaries who are closest to the market with a proactive development adapted for regional preferences.

MATERIALITY ANALYSIS CARRIED OUT IN DENMARK

Denmark is the first country to have conducted a stakeholder dialogue and a materiality analysis. Other countries are in the process. The next step is to make an aggregated materiality analysis for the Group. This will form the basis for even more goal-oriented sustainability work. Other main markets intend to do the same work.

THE EU TAXONOMY - A PERSPECTIVE

The EU taxonomy for sustainable investments is one of the measures taken in the EU action plan in financing a sustainable growth. It provides the opportunity to identify and compare investments that contributes to achieve a sustainable economy. The idea is to form the basis for future standards and labeling of sustainable financial products. Nordic Waterproofing is to some extent covered by the regulation.

In 2019, the European Commission presented a new growth strategy, the European Green Deal, with the aim of reducing net greenhouse gas emissions to zero by 2050 and supporting economic growth through the most efficient and sustainable use of natural resources.

Regulation (EU) 2020/852 of the European Parliament and of the Council (the Taxonomy regulation) was introduced as a common classification system for

sustainable economic activity. The purpose is to scale up sustainable investments and redirect capital flows to technologies and companies that are considered sustainable. Nordic Waterproofing views the implementation of the Taxonomy regulation as very positive.

It has been a clearly stated strategy for us to grow in sustainable construction solutions, which was one of the reasons why the acquisitions in prefabricated roof and wall elements as well as green solutions for urban environments were implemented.

To be eligible according to the regulation, a significant contribution through internal measures must be made by Nordic Waterproofing. The contribution can be made through phasing out fossil fuels, and / or by making it easier for other stakeholders, for example products produced with lower CO₂ emissions such as prefabricated elements in wood.

EU taxonomy is still evolving, and it is important to note that current regulation does not cover all sustainable market activities. In the transition to zero carbon dioxide emissions, the emphasis is on the most carbon-intensive industries and/or the areas with the highest potential for improvement. Nordic Waterproofing is mainly a supplier of waterproofing solutions, which are not explicitly mentioned in the current regulation as a component in building solutions. Thus the Group has only a few relevant economic activity categories to report.

Nordic Waterproofing's annual report for 2021 provides comprehensive information on the Group's sustainability results, including details on greenhouse gas emissions and climate impact in addition to the regulatory requirements in the climate economy and the EU taxonomy in general. As the legislation is still evolving and is expected to expand in to other areas that are relevant to our products and operations, the future taxonomy will accordingly be updated.

ACTIVITIES ELIGIBLE WITH BY THE TAXONOMY

All operations of the Group have been evaluated and assessed as to whether they are eligible with the taxonomy definitions or not. In principle, the entire Group's operations can be considered to fall under the section 3.5 Manufacture of energy-efficient equipment for buildings.

The Group's operations within bitumen and EPDM based waterproofing constitute parts of a building with established limit values for the complete building but not for the parts provided by us. Our products are currently not considered to be covered by the taxonomy definitions.

Our manufacturing of prefabricated roof and wall elements in wood, established limit values are met by our operations and have been included in the calculations.

The same applies to our urban green solutions, thus also considered to be covered by the taxonomy and are included in the calculations.

Accounting principles

In addition to EU Regulation (EU) 2020/852 (published 6.7.2021), Article 10 states that non-financial corporations shall only report the proportion of economic activities that are covered by the taxonomy and are not covered by their total turnover, capital and operating expenditures and relevant qualitative information for the reporting for the financial year 2021.

One of the main targets of the EU taxonomy is to prevent "green washing". This is respected by Nordic Waterproofing. We have taken a conservative stance when reporting taxonomy-eligible data, which does not include items that are not specifically mentioned in the taxonomy.

The taxonomy stipulates that companies comment on how double counting has been avoided in the taxonomy-supported economic activities. This has been done based on our cost structures and ensures that the cost elements are separate for each business, which has been facilitated by the limited amount of transactions made between different businesses.

Turnover

Turnover include external sales from operations covered by the taxonomy. The denominator is Nordic Waterproofing's total turnover during the financial year

2021 and the numerator includes turnover of prefabricated roof and wall elements of wood as well as of products and services for green urban environments.

Capital expenditure

Capital expenditure include capital expenditures in activities that are covered by the taxonomy. The denominator is the Group's total capital expenditure in tangible fixed assets. Investments in activities covered by the taxonomy are included in the numerator.

Operating expenditure

Operating expenditure refer to expenditure within activities that are covered by the taxonomy and include all direct non-capitalized costs that relate to research and development (R&D), building renovation measures, short-term lease, maintenance and repair, as well as direct expenditures relating to the day-to-day servicing of assets, i.e. not the total operating expenses, but only expenses associated with maintaining the value of assets linked to eligible products.

Based on the above, this means that operating expenditures does not correspond to total operating expenditures, but only, as mentioned above, expenditures associated with the continuous and appropriate functioning of the asset. This means, for example, that the cost of electricity can be included in opex in cases where the electricity is required for maintenance or service of the tangible fixed asset. However, electricity used in production cannot be included.

SHARE OF ACTIVITIES COVERED BY THE EU TAXONOMY

	Total		Eligible activities		Non-eligible activities	
	SEK m	%	SEK m	%	SEK m	%
Turnover	3,664	19%	689	81%	2,975	
Capital expenditure	79	14%	11	86%	68	
Operating expenditures	36	28%	10	72%	26	



SUSTAINABILITY TARGETS

Group-wide sustainability targets were decided in 2021. To make the starting point more complete, the data collection process for the sustainability goals from 2021 has become significantly more systematic for all operations. The comparability with previous years may therefore differ. Another factor that complicates comparability between the years is the incorporation of acquired companies.

Fully carbon dioxide neutral

Nordic Waterproofing must be completely carbon dioxide neutral within scope 1 & 2 in 2030 and completely carbon dioxide neutral within scope 1-3 in 2050.

All waste recycled in 2030

Nordic Waterproofing will recycle all self-generated waste to keep 100 percent of the products' CO₂ in the life cycle. No waste will go to landfill in 2030. The waste will be converted into a resource by finding recycling methods to keep CO₂ in the product (eg road paving and filling, sound absorber).

The outcome of the targets is reported in the Business concept, goals and strategies, on page 11.

POLICIES

Policies such as environment, code of conduct and whistleblower policy have been developed at Group level.

CODE OF CONDUCT POLICY

The Group's code of conduct is based on the ten principles of the UN Global Compact and are expected to be followed by the subsidiaries. The policy covers human rights, labor law, the environment and anti-corruption.

A specific code of conduct for suppliers has been established, which is also based on the UN Global Compact.

THE VALUE CHAIN IS CENTRAL TO THE SUSTAINABILITY STRATEGY

To contribute to a higher degree of sustainability, in both new construction as well as renovation, focus is placed on the Group's value chain, sourcing, production, application and maintenance. The work is focused on reducing the footprint of CO₂ and material consumption at all levels.

The importance of documented life cycle analyzes is increasing for the customers. The number of products will continuously increase with documentation of EPD (Environmental Product Declaration) or environmental certification systems such as DGNB or BREEAM. The target is that 85 percent of our offer will be covered by environmental declarations and/or EPD.

Waterproofing for building protection has few fossil-free alternatives

Waterproofing for low-sloping roofs is by 85 percent covered by bitumen-based waterproofing in the Nordic region. Nordic Waterproofing also manufactures EPDM rubber membranes and offers sealing by PVC and TPO plastic. Together, these four materials account for 95 percent of all waterproofing for low-sloping roofs. There are currently no materials based on completely fossil-free alternatives that is on the same performance and cost level.

Inputs

The most important inputs in the production are bitumen, polymers (rubber compounds and plastics), environmentally certified wood and plants.

Reduced material and time consumption...

The product development is also focused on reducing the thickness of roofing felt (and thus the amount of bitumen) while maintaining function through better mixing recipes. Digital aids are also essential in the



design work of prefabricated elements and for control and quality monitoring in production.

... and an increased proportion of sustainable materials

Sustainable materials are a growing part of Nordic Waterproofing's operations. Both green infrastructure and wood-based building elements have a positive environmental impact due to their CO₂-binding properties. Wood as a building material is a natural raw material with a significantly lower emission level compared with other building materials.

Green infrastructure contributes to biodiversity while protecting the underlying waterproofing membranes, insulating the building better against extreme temperatures and absorbs some of the city's noise, dust and air pollution while improving both the micro and macro climates. Green roofs also act as barriers in heavy precipitation. Up to 50-80 percent of the precipitation can be absorbed, reducing or detaining the run-off of rainwater.

Growing plants for green infrastructure requires no major energy consumption. In addition, biochar is used as a nutrient in the crops. It has been added from Vegtech's bio-based boiler through so-called pyrolysis.

Reduced CO₂ emissions are also possible in bitumen-based products. The Group's Finnish brand Kerabit has developed Kerabit Nature. Its fossil bitumen has partially been replaced by bitumen extracted from tall oil, CTO. The positive CO₂ uptake by the tall oil raw material makes Kerabit Nature CO₂-neutral (bitumen already has low 0.2 kg CO₂ equivalents / kg) Kerabit Nature is available for both top and bottom layers.

Development is also focused in the installation of roofing felt without gas burners, thus reducing both CO₂ emissions and the risk of fire.

Recycling

The Group also focuses on completely recycling all residual material and waste in order to reduce material consumption and retain CO₂.

The challenge is mainly fossil-based materials such as bitumen and EPDM rubber. Roofing felt is normally left on the roof when applying a new layer when renovating. EPDM rubber can only be reused as a filler material as it is vulcanized and cannot be melted. There is currently no established method, why various recycling methods are developed and evaluated.

EPD DECLARATIONS FOR SMARTER ENVIRONMENTAL CHOICES

Before a new construction takes place, a life cycle analysis (LCA) is assessed to get an overall picture of its environmental impact. The prerequisite for a correct LCA is that the constituent materials have an established EPD, (Environmental Product Declaration, an information system for factually describing the environmental properties of products and services in a life cycle perspective). Nordic Waterproofing has initiated EPDs which continuously will cover further products.

EFFICIENT ENERGY USE

A significant part of the Group's energy consumption, as well as its climate impact, is related to the use of natural or biogas as well as purchased electricity and district heating (indirect and direct energy). Reporting takes place from production units and offices at all business units. Beginning 2021 energy consumed by company cars, trucks and suppliers is also included.

Energy consumption in 2021 increased by 20 percent compared to the previous year. Net sales for the same period increased by 11 percent. The data collection process for energy, CO₂-emissions and waste has become significantly more systematic for all operations. A comparison with the previous year's data is therefore not fair. The calculation of the Group's CO₂ emissions in scopes 1 and 2 (direct emissions from controlled sources and emissions from the generation of electricity and district heating) is based on each unit's total average energy mix.

Please refer to the table on following page 35.

Green electricity and biogas

As each country's energy mix differs, national initiatives are taken to introduce more renewable energy. Sweden e.g. signed an agreement in 2019 on the purchase of green electricity (renewable energy sources) and a transition from natural gas to biogas in the production of bitumen-based products was made at the end of 2019. Thus, CO₂ emissions were reduced by almost 1,100 tons of CO₂e compared to 2019. Denmark has taken the same initiative with green electricity and switched to biogas in 2021 reducing 750 tons of CO₂e compared to consumption in 2020. Finland will change into biogas in 2022, with an estimated yearly reduction of 1 000 tons.



CASE

Recycled tires are reused in Prelasti green

Prelasti green is an EPDM rubber with a lower climate footprint thanks to the reuse of materials from recycled car tires. 42% recycled material in the form of carbon black is used to increase wear resistance in elastomers (rubber). This makes it 20% lower CO₂ emissions in the production at the same time as the properties remain the same.

Prelasti Green gives reliable protection and sealing for flat roofs, with or without a green layer on top. EcoSeal also offers a water-based adhesive without any harmful solvent.



PRODUCTION

The business affects the external environment mainly through noise and direct and indirect emissions. The Group's production requires resources such as raw materials, water, energy, and chemicals. All subsidiaries are covered by the Group's environmental policy, which covers energy consumption, emissions, and the use of raw materials. Where applicable, there is a local policy as a complement. All production units apply environmental management systems, and each production facility has set environmental goals. Operations in Finland and Sweden are certified according to ISO 14001.

TRANSPORTS

Most of the waterproofing products have a high weight in relation to their value. The general solution is therefore to reduce the distance between the production plant and the destination by having national production facilities. Most of the transports are carried out by a third party purchased by Nordic Waterproofing.

Climate, tons CO ₂ e	2021	2020	Comment
Scope 1			
Natural gas	1,017	1,637	Decrease due to natural gas no longer reported at NW DK (switched to biogas)
Biogas	2	1	
Light heating oil	277	42	Increase due to including more Finish companies
Emissions from biomass which are not absorbed during growth	52	3	More complete data
Fuels for forklifts	952	118	More complete data
Fuels for company cars/vans	1,532	735	More complete data
Scope 1 emissions total	3,676	2,536	
Scope 2 emissions total	1,676	2,028	
Electricity	1,385	1,949	Decrease mainly due to switch to renewable in Denmark
District heating	289	79	More complete data
Cooling	2	n/a	
CO₂ Scope 1 & 2 Total	5,352	4,564	Increase due to reporting from the entire Group
Energy, MWh	2021	2020	Comment
Electricity	19,809	14,931	
District heating	3,251	1,518	More complete data
Cooling	4		
Natural gas	4,994	8,118	Decrease due to natural gas switched to biogas
Biogas	7,989	5,985	Increase due to NWDKs swift to biogas end of 2020
Light heating oil	1,043	289	Increase due to including more Finish companies
Wood pellets	3,391	1,112	
Total	40,478	31,952	

Group-wide sustainability targets were decided in 2021. To make the starting point more complete, the data collection process for the sustainability goals from 2021 has become significantly more systematic for all operations. The comparability with previous years may therefore differ. Another factor that complicates comparability between the years is the incorporation of acquired companies.

STATUTORY SUSTAINABILITY REPORT, AS STATED IN THE ANNUAL ACCOUNTS ACT

- | | |
|---|---|
| 1. Business concept page 17 | 5. Respect for human rights page 38 |
| 2. Policies page 33 | 6. Anti-corruption page 38 |
| 3. Environment page 31-35 | 7. Significant risks page 50-53 |
| 4. Personnel and social conditions page 37-38 | |

Auditor's Report on the statutory sustainability report

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

ENGAGEMENT AND RESPONSIBILITY

It is the board of directors who is responsible for the statutory sustainability report for the year 2021 on pages 17, 31-38, 50-53 and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

OPINION

A statutory sustainability report has been prepared. Malmö March 28, 2022
Deloitte AB

Jeanette Roosberg
Authorized Public Accountant



UN'S 17 GOALS FOR SUSTAINABLE DEVELOPMENT

The Group signed the UN Global Compact in 2012.

The UN's goals in Agenda 2030 are clear and constitute a useful framework for meeting the global challenges and have a major impact on the society. At the same time, the goals are a driving force for innovations and business opportunities in sustainability.

Private and public organizations play an important role. The business community is expected to contribute with responsible business, transparent reporting of its own goals and achieved results, but above all and to develop and offer products and services that contribute to a sustainable development.

Nordic Waterproofing supports and contributes to several of the UN's sustainability goals. The Group has chosen to give special priority to five of these goals.

The business is judged to have the greatest opportunity to contribute to the following relevant sub-goals:

- 4 Quality education
- 5 Gender equality
- 5.5 Ensure women's full and effective participation and equal opportunities for leadership
- 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure
- 11 Make cities and human settlements inclusive, safe, resilient and sustainable

- 11.5 Mitigate the negative effects of natural disasters
- 11.6 Reducing the environmental impact of cities
- 11.7 Create safe and inclusive green areas for all
- 12 Ensure sustainable consumption and production patterns
- 12.2 Achieve the sustainable management and efficient use of natural resources
- 12.4 Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle
- 12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse
- 13 Combat climate change and its impacts
- 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters

CODE OF CONDUCT

The Group's code of conduct is based on the ten the principles of the UN Global Compact, which all subsidiaries are expected to follow. It covers human rights, labor law, the environment and anti-corruption.

BITUMEN – A RESIDUAL PRODUCT ...

Bitumen is a residual product that follows in the industrial refining of crude oil when producing different fuels. Bitumen production requires thus a lower energy consumption in the production itself, however, heat energy is required in the processing of waterproofing products.

... with a long-life cycle ...

Today's bitumen-based waterproofing, blended with elastomers and polymer for increased flexibility, has

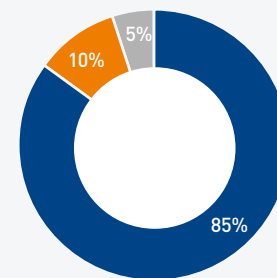
a life cycle of up to 50 years, where design and installation also affects. When renovating the waterproofing, the old layer normally is kept, and a new layer is added.

... and which doesn't harm man or nature

As bitumen is a hydrocarbon not intended for combustion but for use in structural materials, no greenhouse gases are emitted. The remaining constituents of bitumen-based waterproofing (fillers, polymers, slates, sand, etc.) are either inert (not inclined to

form chemical compounds) or have low propensity for chemical reaction. This means that they pose minimal danger to man or nature throughout their life cycle, provided that it isn't burnt. Bitumen is insoluble in water, non-biodegradable and therefore the ideal material for collecting and holding water (collection ponds, irrigation water, polluted water etc.). In order to reduce use of polyester in the liners, a large part consists of recycled polyester from PET bottles.

BITUMEN APPLICATIONS



■ Tarmac ■ Roofs ■ Others

Social enterprise

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

The Group had an average of 1,272 (1,147) full-time employees in 2021. During the summer season, the workforce in the operating segment Installation Services increases by more than 100 people.

COMPETENCE PROVISION IS MADE LOCALLY

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

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

INTRODUCTION PROGRAM AND EMPLOYEE SURVEYS

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

SKILLS DEVELOPMENT AND MOTIVATION

Ongoing skills development focusing, for example, on productivity and broader production skills, increases the organization's flexibility. The Group's philosophy is that skills development is primarily achieved through continuous learning in day-to-day work. This is complemented by training initiatives for a large number of employees, as well as for external roofers/contractors seeking further training in the industry. To monitor employee satisfaction and commitment, performance reviews are conducted alongside regular employee surveys.

OCCUPATIONAL HEALTH AND SAFETY

Employee safety is always the highest priority, and all subsidiaries have a work environment policy. Nordic Waterproofing's operations include production units, warehouses, and offices. The Finnish, Norwegian and Danish (via franchise) operations also include roofing services. The production unit in Finland is certified according to the work environment management system OHSAS 18001.

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

Finland accounts for the largest number due to installations that are still the Group's most risky area. At the same time, serious accidents (bodily injuries, eg bone fractures) decreased to 3 (18). Newly acquired companies are integrated into the Group's systematic work, but also through education raise the awareness and knowledge of the new employees who have entered our operations when the pace of production and installation increases. All manufacturing companies within the Group use external occupational health care services to support their employees, including rehabilitation.

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

In 2021, the regions have continued to be affected by the ongoing Covid-19 pandemic. We have given priority to the well-being and health of our employees and other stakeholders and have taken the precautionary measures prescribed by the local authorities, at the least. Those who had the opportunity worked from home.



DIVERSITY AND EQUAL TREATMENT

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

The companies within the Group work continuously to attract, develop and retain talented young people regardless of gender or other characteristics. Independent of gender or other aspects of diversity, each individual is offered equal opportunities in terms of career paths. The operations as a whole also work towards a more balanced mix in terms of ethnicity and gender. To reach the target to increase the awareness

of its operations and being a good employer, Group companies leveraging several online platforms and channels to build relationships with new stakeholders.

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

THE CODE OF CONDUCT IS THE BASIS FOR ALL ACTIVITIES

Nordic Waterproofing aims to maintain a working environment characterized by responsibility and empowerment, ethics and morality, openness and

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

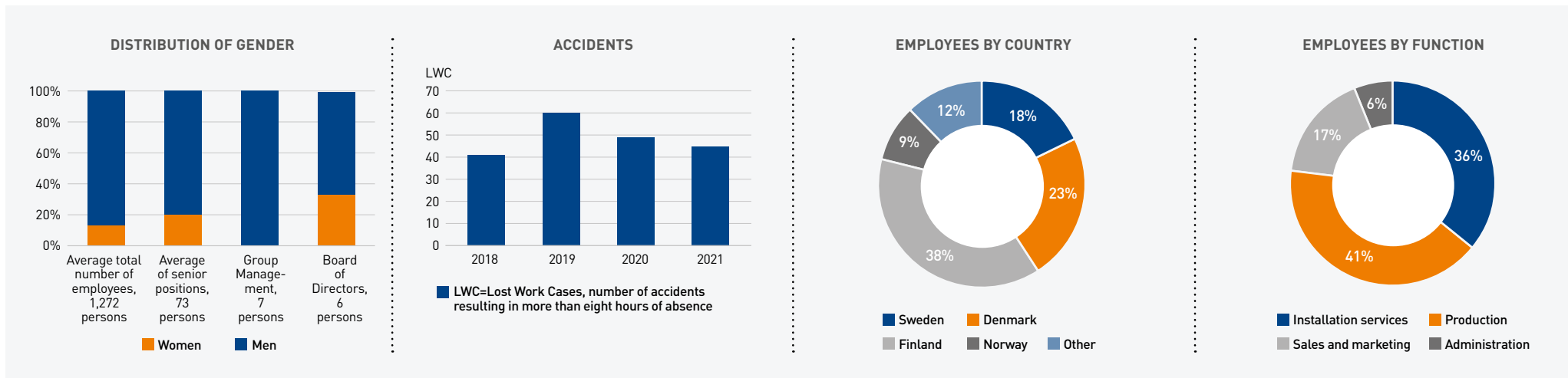
The Group’s Code of Conduct, which includes the areas of human rights, environment, work environment and business ethics, including anti corruption, is the basis for all activities within the Group and applies to all employees and the Group’s Board of Directors without exception. The Code of Conduct was reconfirmed in 2021 and the training materials are available in all nine languages used within the Group.

WHISTLEBLOWER

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

OUR CORE VALUES

The Group has defined the following core values; enthusiasm reliability and efficiency. They are described more detailed on page 9.





Roofer training nominated Dansk Industri's DI award

Every year, the Danish DI prize is awarded to a member company who has made a special contribution within one theme that is relevant to business and society. In 2021 a company that had done a special effort to create equal opportunities at the workplace was awarded.

Phoenix Tag Materials in Vejen has taken the initiative to a trainee training of roofers where the students are mainly young adults with several defeats in the baggage are given a chance to get closer to the labor market and an everyday life. The goal of the education is to get an apprenticeship with a roofer company. Thus it gives them a fresh start and hopefully a new and lasting direction in life, where the profession as a roofer becomes the road to adulthood.

The background to the project is the labor shortage prevailing in the roofing industry. The training takes place in collaboration with several partners; business, municipalities, employment services, trade unions, and the Danish Ministry of Labor.

Corporate Governance

Nordic Waterproofing Holding AB is a Swedish public limited liability company, with company registration number 556839-3168, and is governed by the provisions of the Swedish Companies Act. The registered office of the company is situated in Helsingborg, Sweden. The company's shares are listed on Nasdaq Stockholm, Mid Cap. This report on Nordic Waterproofing's corporate governance for 2021 is issued in accordance with the Swedish Annual Accounts Act and the Swedish Code of Corporate Governance.

THE SHARE AND SHAREHOLDERS

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

The number of shares on December 31 2021 amounted to 24,083,935. Each share entitles to one vote. The number of shareholders as of the same date was approximately 6,500, which is approximately 1,000 more compared with the number at the end of 2020 for the Group's parent company. The largest shareholder on December 31 2021 was Svolder with 3,742,952 shares, which represented 15.7 percent of the votes and 15.5 percent of the share capital in the company. The company held 176,334 own shares at the end of 2021. Further details on Nordic Waterproofing's share and the company's shareholders are available in the section "The share and ownership information", on pages 54-55 and on the company's website.

CORPORATE GOVERNANCE FRAMEWORK

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

APPLICATION OF THE SWEDISH CODE OF CORPORATE GOVERNANCE

The code applies to all Swedish companies whose shares are listed on a regulated market in Sweden and shall be applied from the time of listing of a company's shares on Nasdaq Stockholm. Nordic Waterproofing Group has not noted any deviations to the Code during 2021.

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

1 GENERAL MEETINGS AND SHAREHOLDERS' INITIATIVES

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

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

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

The AGM for 2022 is scheduled to be held on 28 April. Shareholders who wish a matter to be addressed at the Annual General Meeting must submit a written request to the Board of Directors no later than six weeks prior to the date of the Annual General Meeting.

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

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

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

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

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

Annual General Meeting 2021

Due to the covid-19 pandemic, the 2021 Annual General Meeting of Nordic Waterproofing Holding AB was held with participation via postal voting only. The AGM was held on April 29 in Helsingborg, with 34.8 percent of the votes represented. The AGM approved the annual report for 2020 and decided upon a dividend of 5.50 SEK/share for the fiscal year 2020 and an extra dividend of 4.50 per share for the fiscal year 2019 and decided on fees to the board and auditor. Furthermore, discharge was given to the board and executive management. The company's board was elected. Mats O. Paulsson was re-elected chairman of the board, Leena Arimo, Steffen Baungaard, Allan Jørgensen, Riitta Palomäki, and Hannu Saastamoinen were re-elected (Kristina Willgård had declined to be re-elected) and auditor was elected (re-election of Deloitte AB) for the period extending to the next Annual General Meeting. Furthermore, the AGM resolved, among other things, on a mandate to increase the share capital (valid until the 2022 AGM) and to acquire treasury shares at most 10 percent of the number of shares outstanding in the company at any given time, and authorization to decide on the introduction of a long-term performance-based compensation program (LTIP 2021).

Extraordinary General Meeting June 24 2021

On June 24 2021 an Extraordinary General Meeting was held in Nordic Waterproofing Holding AB. The AGM resolved to authorise distribution of shares to the participants in the LTIP's 2018, 2019 and 2020.

2 NOMINATION COMMITTEE

Nordic Waterproofing Holding AB's shareholders have resolved to establish a Nomination Committee and to adopt rules of procedure for the Nomination Committee. According to the current rules of procedure for the Nomination Committee, the Nomination Committee shall consist of four members representing the largest

shareholders in the company, as per the last banking day in August in the year before the Annual General Meeting, who wish to participate in the Nomination Committee. In addition to these four members, the Chairman of the Board shall be co-opted on the Nomination Committee.

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

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

Since September 15 2021, the Nomination Committee ahead of Annual General Meeting 2022 consists of the following four persons:

- Ulf Hedlundh, appointed by Svolder AB and chairman of the Nomination Committee
- Joachim Spetz, appointed by Swedbank Robur Funds
- Anna Sundberg, appointed by Handelsbanken Funds
- Erik Kjellgren, appointed by Länsförsäkringar funds

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

At the time of the Nomination Committee's appointment, it represented 36.1 percent of the voting rights for all shares in Nordic Waterproofing Holding AB and on December 31, 2021, these represented 34.9 percent of the voting rights for all shares in Nordic Waterproofing Holding AB. Since the formation of the Nomination Committee changes have occurred among the largest shareholders and AP3 and Alcur funds have been entitled to, and been offered, a position in the Committee but declined.

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

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

Independence of the Nomination committee

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

The Nomination Committee's meetings

The Nomination Committee prior to the 2022 Annual General Meeting has held 3 meetings. No fee has been paid for the Nomination Committee's work.

3 BOARD OF DIRECTORS

The Board of Directors is the highest decision-making body after the General Meeting. The responsibilities of the Board of Directors are set out in the Swedish Companies Act, the Articles of Association, and the Board's rules of procedure adopted by the Board of Directors. In addition, the Board of Directors must comply with the Code and Nasdaq Stockholm's Rule Book for Issuers, as well as other Swedish and other foreign laws and regulations, as applicable. Members of the Board of Directors (other than employee representatives, if any) are appointed annually by the shareholders at the Annual General Meeting for the period until the next

Annual General Meeting. The Articles of Association state that the Board of Directors (not including any employee representatives) must consist of a minimum of four members and a maximum of eight members.

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

The members of the Board are presented in closer detail on pages 46-47.

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

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

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

The company is therefore required to continuously assess its financial position and ensure that the existing capital resources are adequate.

The Board of Directors has adopted, and regularly evaluates, a number of governing documents including the rules of procedure for the Board of Directors, Executive Board instructions, financial manual, treasury policy, IT policy, information security policy, diversity policy, code of conduct and whistle-blower policy, information policy and insider and log book policy.

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

Composition of the board

The Annual General Meeting on April 29, 2021, resolved that the Board of Directors of Nordic Waterproofing Holding AB shall have six members elected by the Annual General Meeting until the end of the next Annual General Meeting. Accordingly, the Board consists of Mats O. Paulsson (Chairman), Leena Arimo, Steffen Baungaard, Allan Jørgensen, Riitta Palomäki and Hannu Saastamoinen. The average age of the members elected by the Annual General Meeting at the turn of the year was 59 years and two of the six members' assignments outside the Group and holdings of shares in Nordic Waterproofing, see pages 46-47.

Independence of the Board of Directors

In accordance with the Code, the majority of the Board members elected by the Annual General Meeting shall

be independent in relation to Nordic Waterproofing and its management and at least two of these shall also be independent in relation to the company's major shareholders. Of the Board's six members, all are independent in relation to the company and its management and in relation to the company's major shareholders.

Evaluation of Board performance

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

The purpose of the evaluation is to gather the Board members' views on the Board's performance, what measures can be taken to improve the efficiency of Board work, and whether the Board has a well-balanced mix of competencies. The evaluation provides the basis for the work of the Nomination Committee ahead of the Annual General Meeting. In 2021, the Chairman conducted a self-assessment of the Board work performance including the collaboration with the CEO and CFO. This is based on the principle of comparing "to be" with "as is" evaluations. The results have been communicated and discussed within the Board and senior management as well as the Nomination Committee.

Board meetings

The Board of Nordic Waterproofing Holding AB held 12 meetings during 2021. The CEO and the CFO, who is also the Board secretary, attend the Board's meetings. Other executives take part as needed as rapporteurs for special items of business.

BOARD COMMITTEES

4 REMUNERATION COMMITTEE

Effective from 2017, the Board of Directors has established a Remuneration Committee. In 2021, the Remuneration Committee held two meetings at which minutes were kept. Two meetings are planned for 2022.

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

- Consider and make decisions as to the framework for the remuneration of the CEO of the company, including but not limited to salary, salary increases, pension rights and any compensation or termination payments, ensuring that the contractual terms are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognized.
- Consider and make decisions on issues concerning principles for remuneration and other terms of employment for the Executive Board, including evaluating whether the remuneration level of the CEO is in accordance with, and not exceeding, comparable market practice levels at any given time, including any incentive programmes.
- Consider and make decisions on remuneration matters of material importance to the company, including incentive programmes and payments for the CEO of the company. The decisions concerning the remuneration of the CEO, including any incentive programme shall be in accordance with, and not exceed, comparable market practice levels at any given time.
- Consider and make decisions on the targets (bonus levels and performance targets) for company-operated performance related incentive programmes for executive managers of the Company, as well targets.

- Monitor and evaluate programmes for variable remuneration, both ongoing and those that have ended during the year, for the Executive Board.
- Monitor and evaluate the application of the guidelines for remuneration that the Annual General Meeting is legally obliged to establish, as well as the current remuneration structures and levels in the company.
- Oversee the implementation of any pension, retirement, fatality, disability or life assurance scheme and any incentive schemes for executive managers of the company.
- Review its own terms of reference and effectiveness on the above, on an annual basis.

5 AUDIT COMMITTEE

The Board of Directors has internally established an Audit Committee, which must comprise three members. The current Audit Committee consists of three Members: Riitta Palomäki (Chairman), Leena Arimo and Allan Lindhard Jørgensen. 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 2021, the Audit Committee held five meetings at which minutes were kept. Five meetings are planned for 2022. The Audit Committee is, without limiting the responsibility and tasks of the Board, to assist with oversight of:

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

6 CORPORATE EXECUTIVE OFFICER

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

The Board has appointed Martin Ellis as CEO.

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

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

7 GROUP MANAGEMENT

The Executive Board is supported by a number of senior officers of the company. Together with the Executive Board, these senior officers of the subsidiaries, constitute the Group Management team. Martin Ellis has been the CEO of Nordic Waterproofing since October 2015. In addition to the CEO, Group Management consists of the CFO and the five business unit managers (Denmark, Finland, Norway and Sweden, SealEco and Taasinge Elementer). In 2021 has Bengt-Erik Karlberg left the Group and the Mats Lindborg, Head of Norway and Sweden, is now responsible for the Veg Tech area. The President and other members of Group Management are presented in detail on pages 48-49.

The Group Management team conducts management meetings at regular intervals and held twelve meetings in 2021. 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 BOARD MEMBERS 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 Nomination Committee.

The Annual General Meeting has resolved that remuneration for the 2021 accounting year as follows: SEK 600,000 to the Chairman of the Board and SEK 290,000 to each of the other Board members. Remuneration for the Chairman of the Audit Committee amounts to SEK 100,000 and each member of the Audit Committee is paid SEK 50,000. Remuneration for the Chairman of the Remuneration Committee amounts to SEK 50,000 and each member of the Remuneration Committee is paid SEK 25,000. Board members are not entitled to any special benefits on resigning from the Board of Directors.

Executive Board and Group Management team

The Board of Directors' policy is that salaries and other benefits be on market terms and adequate to attract sufficiently qualified employees for the relevant positions. The Board of Directors determines the remuneration payable to the members of CEO. The salaries for the CEO consist of a fixed salary, variable salary and other benefits. The annual salary of the company's CEO amounts to EUR 0.55 m, together with a variable portion of at most 60 percent of annual salary.

The CEO, supported by the Board of Directors, determines the remuneration payable to other members of Group Management. The salaries to the members of Group Management consist of a fixed salary and pension, and the possibility to receive variable salary and other benefits. The variable salary to which the company's CEO and CFO and the five business unit heads are entitled is capped at normally 60 percent of their fixed salary.

The members of the Executive Board team and Group Management will be offered a salary which is on market terms and based on each individual's responsibilities, expertise and performance. In addition, the Annual General Meeting may resolve to offer long-term incentive schemes such as equity-based and share price-based incentive schemes. The purpose of these incentive schemes will be to contribute to long-term value growth and provide a shared interest in value growth for shareholders and employees. For further information on remuneration to the Board of Directors and Group Management, see pages 46-47, and pages 48-49, Note 7.

The long-term performance-based remuneration programmes (LTIP 2019, LTIP 2020 and LTIP 2021 respectively) aim at strengthening Nordic Waterproofing's ability to retain the most talented individuals in key positions, and at stimulating participants to increase their efforts by linking their financial interests and perspectives with those of shareholders. LTIP 2019, LTIP 2020 and LTIP 2021 will run over a period of three years, with the outcome being dependent on the fulfilment of various financial performance requirements. To obtain the maximum allocation of rights to performance shares in LTIP 2021, EBIT growth over the period 1 January 2021 to 31 December 2023 must correspond to an annual average of 10 percent. More information on LTIP 2019, LTIP 2020 and LTIP 2021, is provided on page 58

8 INTERNAL CONTROL AND FINANCIAL REPORTING

INTERNAL AUDIT

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

REGARDING FINANCIAL REPORTING

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

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

The Board regularly assesses the material risks associated with the Company's operations and the execution of the Company's strategy as well as the risks associated with financial reporting and strives to ensure that such risks are managed in a proactive and effective manner.

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

The financial reporting and internal controls are aimed at providing the Board of Directors and Executive Board with reasonable assurance that:

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

CONTROL ENVIRONMENT

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

The internal control structure is also based on a management system based on Nordic Waterproofing's organisation with clear financial roles, responsibilities and delegation of powers. Operational decisions are made at company level, while decisions on strategy, overall financial issues, acquisitions and major invest-

ments are made by Nordic Waterproofing's Board of Directors and Group Management. The governing documents relating to accounting and financial reporting constitute the most important parts of the control environment in terms of financial reporting. These documents are updated on an ongoing basis, and at least once a year, in case of changes to, for example, accounting standards and legislation.

RISK ASSESSMENT

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

CONFLICT OF INTEREST TRANSACTIONS

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

9 AUDITING

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

The total remuneration to the company's auditor in 2021 amounted to SEK 4.1 m (5.6).

The total remuneration to other auditors in the Group during the period amounted to SEK 1.3 m (0.8). Further information can be found in note 35.

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

The company has regular discussions and regularly exchanges information with the auditor. To ensure that the dealings of the Board and Audit Committee's treatment are conducted in a structured manner, and to meet the Board's information requirements, Nordic Waterproofing's auditors met the Audit Committee on four occasions and the full board on one occasion in 2021.

The auditor is obliged to attend the Annual General Meeting and is entitled to attend other General Meetings. At the Annual General Meeting, the auditor is obliged to answer questions raised relating to the Annual Report. The auditor is also entitled to attend, and has attended, the Board meeting at which the Annual Report of the company is presented and – under the Board's rules of procedure – any other

Board meetings at which financial statements are considered, on which the auditor must provide a statement.

INFORMATION POLICY AND INSIDER AND LOGBOOK POLICY

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

THE IR FUNCTION

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

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

ADDITIONAL INFORMATION

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

THE WORK OF THE BOARD OF DIRECTORS 2021

The board shall conduct at least six meetings per year. In 2021, a total of 12 meetings (15) were held in Nordic Waterproofing Holding AB. The Board's work follows an annual cycle, making it possible for the Board to fulfill its tasks in the best possible way. At the beginning of the year, the year-end report and the annual report as well as the matters to be presented at the Annual General Meeting are discussed. At the end of the year, the budget for the coming year is considered. The Group's results are reported every quarter and interim reports are approved for publication.

PRINCIPLES FOR REMUNERATION

The following are the principles for remuneration of senior executives adopted by the 2021 Annual General Meeting:

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

CASH BONUS REMUNERATION

Cash bonus schemes may consist of an annual bonus, which the individual member of the Executive Board can receive if specific targets of the company and other possible personal targets for the relevant year are met. The cash bonus shall be equivalent to at most 100 percent of the fixed base salary of each eligible participant from the Executive Board.

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

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

Auditor's report on the corporate governance statement

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

ENGAGEMENT AND RESPONSIBILITY

It is the board of directors who is responsible for the corporate governance statement for the financial year 2021 on pages 40-45 and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

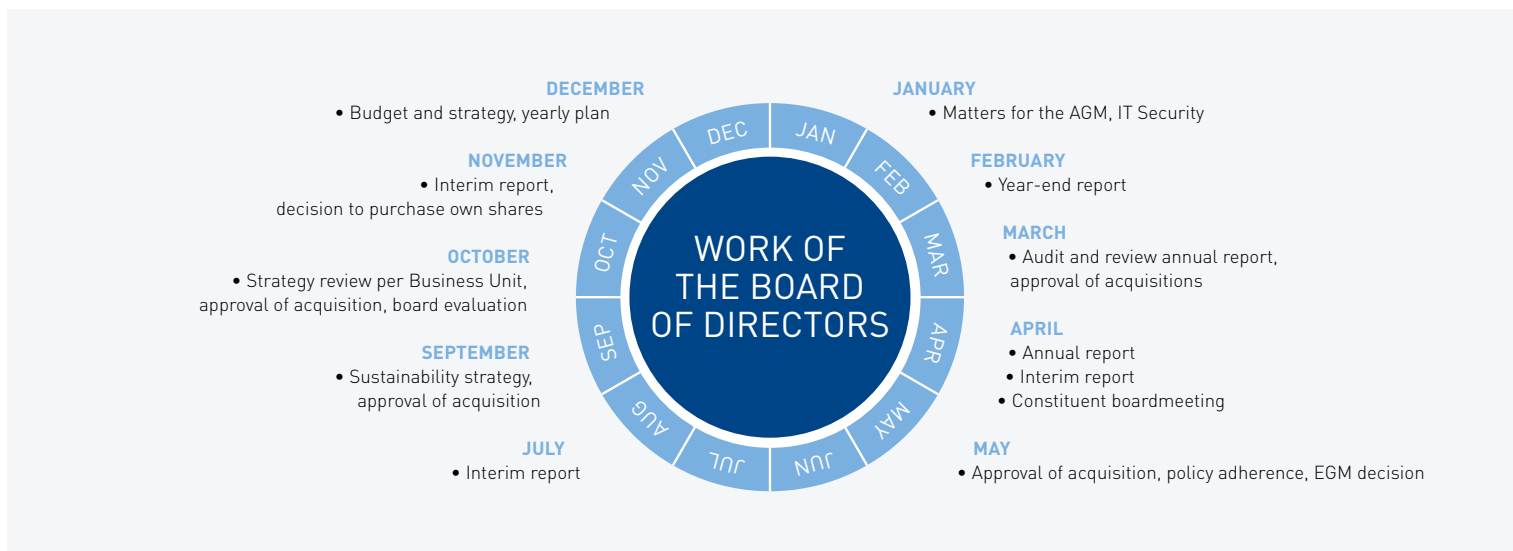
Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International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

OPINIONS

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

Malmö March 28, 2022
Deloitte AB

Jeanette Roosberg
Authorized public accountant



Board



Name	Mats O. Paulsson	Leena Arimo	Steffen Baungaard	Allan Lindhard Jörgensen
Position	Chairman of the Board since 2020. Chairman of the remuneration committee.	Board member. Member of the Audit Committee.	Board member. Member of the remuneration committee.	Board member. Member of the Audit Committee.
Year elected	2017	2020	2019	2018
Born	1958	1963	1967	1965
Nationality	Swedish	Finnish	Danish	Dansk
Other assignments ¹⁾	Chairman of the board of directors of Caverion Oy, Nordisk Bergteknik AB and Svevia AB. Member of the board of directors of BE Group AB and Bösarps Grus och Torrbruk AB.	CFO of the Finnish subsidiary of the listed Swedish group Bravida, which provides installation and service of systems in properties and facilities.	Chairman of the board of Brøndum Holding A/S, DEKO A/S, MB Packaging A/S and Frederikshøj Ejendomme A/S. Vice chairman of Arkil Holding A/S. Board member of MT Højgaard Holding A/S, Carl Ras A/S och EBK Huse A/S.	CEO of Dovista A/S. Chairman of the Boards of Velfac A/S, Rational Vinduer A/S, and Svenska Fönster AB. Board member of OH Industri A/S and Pankas A/S.
Previous assignments ¹⁾	CEO of Bravida AB, CEO of Strabag Scandinavia AB and CEO of Peab Industri AB. +Member of the board of directors of Acando AB, Elda Acquisition AB, Paroc Oy, Ramirent Plc, BTH Bygg AB, KEWAB, AKEAB, Mark & Energibyggarna AB and Win Group AB.	CFO of divisions within Lemminkäinen and CEO at Lemcon Networks.	Group CEO of Huscompagniet 2008-2019 as well as CEO/Senior Executive Vice President of NCC Denmark 1998-2008	Board member of Huscompagniet A/S, CEO of Kemp & Lauritzen A/S, COO of NCC AB, CEO of Eurodan-huse A/S, chief accountant with Eurodan-huse A/S, auditor with PricewaterhouseCoopers A/S.
Education	Master of Science in Engineering from Lund University of Technology, Sweden.	Master's degree from Helsinki University of Technology, Finland.	Master of Business Economics at Copenhagen Business School, Building constructor at BTH, Copenhagen and various leadership courses (Harvard and IMD).	Bachelor of Commerce, Accounting, Copenhagen Business School, Denmark.
Independent in relation to major shareholders	Yes	Yes	Yes	Yes
Independent in relation to the company	Yes	Yes	Yes	Yes
Shareholding in Nordic Waterproofing ¹⁾	15,000	0 shares. Has not traded in the NWG share during 2021.	0 shares. Has not traded in the NWG share during 2021.	0 shares. Has not traded in the NWG share during 2021.
Participation in Board meetings	12 of 12 meetings	12 of 12 meetings	12 of 12 meetings	12 of 12 meetings
Audit Committee attendance	-	3 of 3 meetings	-	4 of 5 meetings
Remuneration committee attendance	2 of 2 meetings	-	2 of 2 meetings	-
Fees in 2021 ²⁾				
Board assignments	566,667	285,000	285,000	285,000
Committee assignments	50,000	33,333	25,000	50,000
Total 2021	616,667	318,333	310,000	335,000

1) Own shares and shares held by closely related parties. Board assignments and holdings in Nordic Waterproofing as stated above reflect the situation as per 31 January 2022. This information is updated regularly at www.nordicwaterproofing.com.

2) 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 calendar year 2021, remuneration was paid as per Note 7. No consulting fees were paid to Board members. Remuneration excludes travel allowances.

Board



Name	Riitta Palomäki	Hannu Saastamoinen
Position	Board member. Chairwoman of the Audit Committee.	Board member. Member of the remuneration committee.
Year elected	2016	2020
Born	1957	1960
Nationality	Finnish	Finnish
Other assignments ¹⁾	Member of the Board of Directors, Chair of the Audit Committee and Member of the Risk Committee at OP Financial Group.	Chairman of the board of Rototec Group AB and MTC Flextek OY. Board member of M&G BV, Veho Group Oy and Bemsiq Ab.
Previous assignments ¹⁾	Board member, Chair of the Audit Committee and member of the Remuneration Committee at HKScan Oyj, Executive Vice President and CFO of Uponor Oyj, Board member and Chair of the Audit Committee of Componenta Oyj, CFO of Kuusakoski Group, various managerial positions at Konecranes and ABB Finland.	CEO Swegon Group AB 2013-2020. Senior positions in among other Munters, Hire Group, TAC Swedish, Carrier Refrigeration and Electrolux.
Education	Master of Science in Accounting and ICT from Turku School of Economics and Business Administration, Finland.	Master's degree from Helsinki School of Business, Finland.
Independent in relation to major shareholders	Yes	Yes
Independent in relation to the company	Yes	Yes
Shareholding in Nordic Waterproofing ¹⁾	5,000	0 shares. Has not traded in the NWG share during 2021.
Participation in Board meetings	12 of 12 meetings	12 of 12 meetings
Audit Committee attendance	5 of 5 meetings	-
Remuneration committee attendance	-	1 of 1 meeting
Fees in 2021 ²⁾		
Board assignments	285,000	285,000
Committee assignments	100,000	16,667
Total 2021	385,000	301,667

1) Own shares and shares held by closely related parties. Board assignments and holdings in Nordic Waterproofing as stated above reflect the situation as per 31 January 2022. This information is updated regularly at www.nordicwaterproofing.com.

2) 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 calendar year 2021, remuneration was paid as per Note 7. No consulting fees were paid to Board members. Remuneration excludes travel allowances.

Group Management



Name	Martin Ellis	Palle Schrewelius	Mats Lindborg	Esa Mäki
Position	President and CEO.	Chief Financial Officer (CFO) and Head of Investor Relations.	Head of Nordic Waterproofing Sweden and Norway	Head of Nordic Waterproofing Finland.
Employed since	2011	2020	1986	2017
In current position since	2015	2020	2011	2017
Born	1956	1963	1964	1969
Nationality	Brittish	Swedish	Swedish	Finnish
Education	Diploma from HEC Paris Business School, France. In addition, attended Stern Business School in New York, US, and Getulio Vargas Business School in Sao Paulo, Brazil.	MSc in Business Administration and Economics from Lund University.	Four-year technical high school diploma in Building and Civil Engineering from Erik Dahlbergs Gymnasium in Jönköping, Sweden.	Master of Science in building economics and a Bachelor in building construction technology from Tampere University, Finland.
Selection of previous positions	CEO of Nordic Waterproofing and Chairman of the Board of Nordic Waterproofing. 30 years of experience as CEO and other leading positions, including at Icopal (CEO) and Saint Gobain (President of the Building Materials Division).	Over 25 years of experience from different CFO and Finance Manager positions in various industries at, among others, Alligator Bioscience AB, the Getinge group and the Sandvik group.	30 years of experience in sales and marketing positions, including at Trelleborg Waterproofing.	CEO of Nesco Group and various managerial positions at Icopal Finland and other companies in the building material industry.
Shareholding in Nordic Waterproofing ¹⁾	211,402	9,000	12,868	15,384

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

Group Management



Name	Paul Erik Rask	Martin Tholstrup	Thomas Zipfel
Position	Head of Nordic Waterproofing Denmark.	Affärsenhetschef, Taasinge Elementer.	Head of SealEco.
Employed since	1992	2015	2009
In current position since	2000	2017	2011
Born	1962	1976	1961
Nationality	Danish	Danish	Swedish
Education	Bachelor in Business Administration from Aarhus University and an Executive Master of Business Administration from the Scandinavian International Management Institute in Copenhagen. Has also studied the Advanced Management Programme at INSEAD.	Carpenter from Svendborg Erhvervsskole, Denmark, and an AP degree in Construction Technology from Erhvervsakademiet Lillebælt, Denmark.	Master of Science in electronics engineering from Industrie und Handelskammer in Bochum, Germany. Executive Marketing Program and Executive Management Program at IFL, Stockholm School of Economics, Sweden.
Selection of previous positions	30 years of experience of leading positions and sales and marketing, including at Trelleborg Phønix A/S.	CEO of AtticGroup A/S and AtticGroup AB, and 20 year experience from development, sales and prefabrication within the construction industry.	20 years of experience of managing positions, including at Trelleborg Waterproofing
Shareholding in Nordic Waterproofing ¹⁾	16,374	16,815	8,848

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

REMUNERATION OF GROUP MANAGEMENT

SEK m		Fixed salary	Variable salary	Incentive program	Other benefits	Total	Pension	Total incl pensions
CEO	2021	5.6	3.3	2.1	0.0	11.0	0.0	11.0
	2020	5.4	3.2	2.1	0.0	10.6	0.0	10.6
Group Management	2021	14.8	6.0	2.7	0.4	23.9	3.8	27.6
	2020	13.8	7.1	4.2	0.4	25.5	3.6	29.1
Total		20.4	9.3	4.8	0.4	34.9	3.8	38.6
Total		19.2	10.3	6.3	0.4	36.1	3.6	39.7

Risks and risk management

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

Demand for Nordic Waterproofing's products and solutions varies by market. The Group focuses on maintaining an exposure to market segments that generally offer a favourable balance between parts of the construction industry that dominate in the earlier and later stages of the economic cycle, as well as towards private individuals and industrial players between which demand is well balanced. Seasonal effects occur and are particularly apparent in the Installation Services operating segment. Read more about seasonal effects on page 21.

RISKS OF CONFIDENCE

As a leading player in the Nordic waterproofing market, the expectations of Nordic Waterproofing are rigorous. There is a risk for the Group that the behaviour of individual employees or business decisions could erase the trust that has been built up over a long time. It is essential to prevent and minimize the risk of such events and behaviours adversely affecting confidence and trust in the Group and its brands. For this reason, the Group conducts continuous training in the Code of Conduct and product safety.

CRISIS MANAGEMENT

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

RESPONSIBILITY AND REVIEW

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

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

Financial risk management is administrated by the Group CFO who is responsible for the Group's external banking relationships, liquidity management, net financial items, interestbearing liabilities and assets, and for Groupwide payment systems and netting of currency positions. The centralization of financial management entails considerable economies of scale and lower financing costs, while ensuring strict management of the Group's financial risks and improved internal control. Read more about Nordic Waterproofing's significant risks and risk management on pages 91-93.

MAJOR RISKS AT NORDIC WATERPROOFING

RISK	DESCRIPTION	DEVELOPMENT DURING 2021	
Market	Development of the construction market	The waterproofing market is a relatively small niche within the construction market and generally follows the fluctuations in the construction industry. Demand for Nordic Waterproofing's products and services may fall because of lower construction activity.	Demand from the construction industry remained strong in 2021, despite the global covid-19 pandemic. We estimate that Nordic Waterproofing's distribution of sales is approximately 50 percent for renovation and 50 percent for new construction, which gives us a good balance to cope throughout the business cycle.
	Competition	By developing their products, improving their production methods or offering their products at lower prices, Nordic Waterproofing's competitors could cause customers to prefer their products. Synthetic materials, such as PVC and TPO, which account for a small proportion of the Group's turnover, may increase in popularity at the expense of bitumen.	Nordic Waterproofing is constantly monitoring the development in its market. The overall demand for bitumen and EPDM products, and other materials supplied via Nordic Waterproofing's local representatives, is stable in the Group's market.
Operational	Unforeseen problems in connection with acquisitions	Unforeseen business-related problems associated with the acquired companies or the integration processes may take longer or be costlier than anticipated, and expected synergies could fail to, or only partially, materialize. Thus, the value of assets relating to the acquisitions – goodwill – may not be realized and may need to be written down.	The Group has stated plans to grow through acquisitions and has implemented a number in recent years. The acquisition processes are led by a group experienced executives contributing to a structured integration process including the Group's Code of Conduct as an important part. During 2021 seven acquisitions have been made which has increased this risk compared to last year.
	Seasonality	Irregular seasonal variations, e.g. an earlier winter season, may affect building activities.	The Group maintains an agile organization to meet the challenges posed by the Nordic winter and summer weather conditions.
	Disruption in production	The Group's manufacturing and installation operations could suffer stoppages or disruptions in the form of, for example, fire, engine breakdowns, failures in IT systems, disputes with labour organizations, weather conditions or natural disasters.	The manufacturing units are maintained routinely and, once a year, production is stopped for systematic servicing. In addition, Nordic Waterproofing has spare capacities in its production units, allowing for a shorter accidental stop.
	Environmental permits	The production facilities in Denmark, Finland and Sweden are subject to mandatory reporting obligations and require permits. The operations affect the external environment primarily through noise and emissions.	The Group has all necessary permits for its operations and is monitoring any changes in the environmental regulations and permit regulations in each relevant country.
	IT system and process failure	The Group's IT systems can be disrupted by software failures, computer viruses, hacking, sabotage and physical damage, for example.	A central organization is continually monitoring the system's status and carrying out monthly updates to protect the Group's IT systems. During the year, protection against unauthorised intrusion has been expanded and tests carried out to determine any weaknesses. No major disruptions were reported in 2021.
	Supplier relationships	Access to alternative suppliers from whom bitumen and rubber components can be purchased is considered crucial in the event that partnerships with the Group's primary suppliers were to come to an end. The supply agreement for rubber products contains minimum volume commitments for the Group, reducing the option to purchase rubber compounds from alternative suppliers and adapt to lower demand.	The Group has integrated the risk minimization and dependencies in the purchasing process. Potential suppliers are evaluated and a more flexible dual sourcing is used where possible. During 2021, there has been a shortage of different raw materials and the Group's long-term and good relationship with critical suppliers has been an important component for securing deliveries. Some delivery problems were noted in 2021, in particular for products for our operations in Distripod.
	Access to input material	There is a risk that the Group's suppliers will not be able to provide inputs as a consequence of, for example, operational disruptions, increased demand or lack of their input materials.	During 2021, the Group has at times had a shortage of certain input materials, in particular this has negatively affected the operations within Distripod and in Installation Services.
	Political risks	The Group may have suppliers who procure their raw materials from areas that may be affected by political turbulence or, for example, through an executive order from the US Treasury Department's Office of Foreign Assets Control (OFAC) may no longer continue to purchase their raw materials from its supplier.	During the year, the Group has not had any negative consequences as a result of political risk.
Effects of Russia's war with Ukraine	Russia has initiated a war against Ukraine. Nordic Waterproofing has no operations of its own in Russia or Ukraine and sales to these markets were limited in 2021. The conflict affects our operations through difficulties in accessing inputs and strong cost inflation. The Group manages this risk primarily by terminating all purchasing relationships that are directly or indirectly dependent on goods or services from Russia.	The conflict only escalated into a war in 2022. The sanctions imposed on Russia after their attack on Ukraine in the beginning of 2022 can have an impact on the access to input materials for NWG.	

MAJOR RISKS AT NORDIC WATERPROOFING

RISK	DESCRIPTION	DEVELOPMENT DURING 2021
Legal	Competition law Competition authorities have the power to take legal action and may require a party to cease applying terms and conditions or prices in agreements that are found to be anti-competitive.	In 2021, none of the Group's business units were subject to an investigation by competition authorities.
	Disputes with stakeholders Nordic Waterproofing conducts business with many different stakeholders and has several competitors in each business. There is a risk that disagreements cannot be resolved but will be settled by rulings in court or by arbitrators.	Nordic Waterproofing A/S and other suppliers of waterproofing products were the subject of an investigation by the Danish Competition and Consumer Authority (KFST), which in 2020 was terminated without further action from the authorities. Some competitors have chosen to pursue this in a civil case and have claimed compensation for the damage they consider to have suffered. In addition to these matters, the Group has no material ongoing disputes.
	Changes to regulations Changes in stimuli to encourage the construction of new-buildings, e.g. legislation, regulations and rules affecting town planning, zoning plans and land development, as well as building permit/planning permission regulations, may change in the future. Furthermore, changes may occur in the regulations for contributions, such as the ROT deductions in Sweden and household allowances in Finland.	Nordic Waterproofing's products are well established in all relevant markets and the Group is exposed to a limited extent to changes in the subsidies in different countries.
	Intellectual property rights The Group has developed products that lack patent protection that may be more important to the Group and its competitive position on the market than what has previously been considered to be commercially reasonable. There is also a risk that the Group will be unable to defend trademarks and patents granted.	The Group has assigned an external party and established routines to register and maintain its patents, trade marks and other intellectual property.
	Compliance risks With 1,300 employees in ten countries there is an inherent risk that any Nordic Waterproofing employee is involved in unethical behavior in terms of bribery, corruption, fraud or other illegal or unethical behaviour. The same goes for the Group's suppliers.	The Group has for several years established an internal Code of Conduct, a Code of Conduct for Suppliers and a Whistleblowing Policy. Its compliance is monitored annually in the annual performance review.

MAJOR RISKS AT NORDIC WATERPROOFING

RISK	DESCRIPTION	DEVELOPMENT DURING 2021	
Financial	Currency risks	The Group is exposed to currency risk in the form of transactions and currency conversions. Transaction exposure arises in connection with acquisitions and sales of goods and services in currencies other than the local currency of the relevant subsidiary. The translation exposure constitutes the risk represented by the translation difference in the form of the change in equity.	The Group has significant cash flows in foreign currencies (DKK, EUR and NOK) that arise in the ordinary course of the Group's business. Inflows and outflows of those foreign currencies are naturally well balanced and any net transaction exposure is therefore considered insignificant.
	Credit risks	Credit risks may occur in relationships with customers failing to perform their obligations.	In each country, Nordic Waterproofing has a large number of customers, most with low outstanding credit. The Group maintains a close relationship with its customers and any delays are monitored and rectified as soon as possible. Due to the ongoing pandemic, there was a particular focus in 2021 on monitoring outstanding credits. No major credit loss was reported in 2021.
	Commodity price risk	Commodity price risk is the risk that changes in the price of raw materials will unexpectedly impact the Group's income statement, balance sheet or cash flow. Nordic Waterproofing is primarily exposed to the risk of price changes of four types of raw materials: bitumen, SBS, polyester and EPDM. There is a risk that the Group will not be able to compensate for an increased cost of inputs by introducing a higher price towards the customer, or that such compensation can only be achieved after a period of negative impact on the Group's earnings and position.	The Group is exposed to commodity price volatility and may decide to hedge the price levels for a certain period of time and/or respond by raising the price of its products. In 2021, spot prices for bitumen were volatile as a result of the movements in the market price for oil, the Group had more stable commodity prices through hedge agreements during the first two quarters of the year. Raw material costs rose sharply on most raw materials and most of our operations were able to compensate by making price increases, sometimes with a certain delay leading to short-term lower margins.
	Financing risks	Financing risk means that the Group cannot finance its operations, for example by the Group's lenders terminate the credit agreement, suppliers no longer willing to deliver on credit or that there is no available capital from external investors.	In 2021, the Group extended the agreement for its long-term financing for another year, reducing this risk. The Group works actively with its relationships with major investors and the stock market in general to have established contacts if an external capital raising need to be made.
	Interest rate risk	Interest rate risk is the risk that a change in market interest rates will have a negative impact on the Group's income statement or balance sheet. The Group's bank loans carry variable interest rates in the form of EURIBOR 3M or STIBOR 3M plus a margin.	During 2021, the Group's covenants in the financing agreement have been at a stable level with large scope to the respective limit value, which has led to a continued low interest cost.
Sustainability	Environmental risks	The Group is exposed to environmental and production risks, such as major fires with both production stoppages and environmental impact as a consequence.	With regard to fires in proprietary production, this is followed up for each individual business unit in an annual assessment with preventive action programmes and testing of emergency contingencies. The follow-up is reported to Group Management. The Group has not been subjected to any incidents that have led to a negative environmental impact.
	Occupational safety and health risks	Group operations, especially the installation businesses which involve roof laying, are subjected to risks of accidents, with very severe injuries or even deadly outcomes as a consequence.	The Group continuously trains personnel with the aim of minimizing risks and accidents. Best practice comparisons are made between the different countries' organizations. In 2021, a particular focus has been on reducing accidents in the workplace that lead to absences and the work environment risks of working from home and not in the same way as before regularly meeting colleagues.
	Human rights	The Group has both common supply chains, and supply chains specific for our business units. We evaluate our suppliers but there is a risk that there are breaches of labour and human rights lower in the value chain.	The Group continuously evaluates the possible effects the Group's operations may cause. A Supplier Specific Code of Conduct is established which clarifies that the Group only accepts suppliers who respect human rights, including no discrimination.

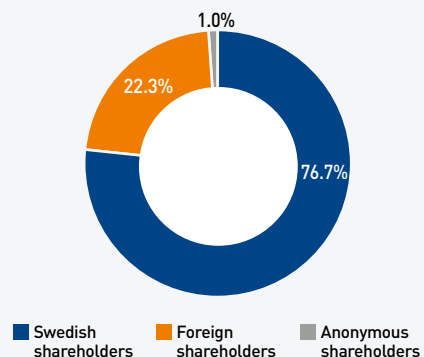
The share and ownership information

SHARE PRICE AND TRADING

The closing price for the NWG share on 30 December 2021 was 223.00 SEK (164.00), corresponding to a market capitalization of approximately SEK 5,371 m (3,950). In 2021, a total of 10,165,838 (15,196,378) NWG shares were traded on the Nasdaq Stockholm exchange for an average price of SEK 192.04 (104.75) per share.

The average number of shares traded per trading day was 40,181 (60,786). The highest price paid during the period 1 January to 31 December 2021 was SEK 271.00 (173.40) on 1 November and the lowest price paid was SEK 144.60 (57.60) on 28 January. During the period from 1 January to 31 December 2021, Nordic Waterproofing's share price increased by 36.0 (69.9) percent, while the OMX Mid Cap index increased by 34.1 (36.4) percent.

GEOGRAPHIC DISTRIBUTION OF SHAREHOLDERS AS PER 31 DECEMBER 2021, VOTES, %



SHAREHOLDERS

On 31 December 2021, most of the total share capital was owned by Swedish institutions and mutual funds, 59.7 (57.5) percent, foreign institutional owners, 20.2 (18.6) percent and private investors 12.8 (11.6) percent. At 31 December 2021 Nordic Waterproofing Holding A/S had approx. 6,500 (5,500) shareholders. The ten largest shareholders accounted for 56.1 (61.7) percent of the votes and 55.7 percent (61.3) of the share capital.

The Nordic Waterproofing Board of Directors held a total of 20,000 (20,000) NWG shares. The holdings of the individual members appear on pages 46-47. Group Management held a total of 290,691 (263,476) NWG shares. The holdings of the individual members appear on pages 48-49. Nordic Waterproofing held 176,334 (175,737) treasury shares as per 31 December 2021.

As part of the long-term performancebased incentive programmes (LTIP 2019, LTIP 2020 and LTIP 2021) the company may repurchase shares with the purpose of ensuring the supply of shares through the exercise of performance shares. Additional information on LTIP 2021 is provided on page 58, Note 7.

SHARE CAPITAL AND CAPITAL STRUCTURE

Nordic Waterproofing Holding AB's share capital at 31 December 2021 amounted to SEK 24,083,935. The total number of shares is 24,083,935. The quota value per share is SEK 1.00.

INDIVIDUALS WITH AN INSIDER POSITION

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

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

DIVIDEND POLICY AND DIVIDEND FOR 2021

For 2021, the Board proposes a dividend of SEK 6.00 (5.50) per share, which is equal to 56 (51) percent of net profit for the year. Based on the share price of NWG shares at the end of 2021, the dividend yield for 2021 was 2.7 percent (3.4). The total dividend payment of SEK 143 m (239) is to be resolved on by the Annual General Meeting and disbursement is handled by Euroclear Sweden AB.

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

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

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

carried out in the same manner as to shareholders in Sweden.

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

INVESTOR RELATIONS

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

KEY INVESTOR RELATIONS ACTIVITIES DURING THE YEAR

Nordic Waterproofing has because of it prevailing pandemic not arranged visit at our facilities. However, several have presentations made via electronic media during the year, for example:

- February - Presentation of the year-end report 2020, web cast
- March - Carnegie Capital Goods seminar, EPB Bolagsdag, investor meetings
- April - Presentation of the first quarter, web cast, Annual General Meeting 2021, investor meetings

- May – Investor meetings
- June – SHB Mid & small cap seminar, investor meetings
- July – Presentation of the second quarter, web cast
- August – Nordea Small and Mid Cap Days, investor meetings
- September – Carnegie Nordic Small and Mid Cap Seminar, ABG Investor Day seminar, investor meetings
- November – Presentation of the third quarter, web cast, EPB Temadag Bygg, investor meetings
- December – Investor meetings

THE FOLLOWING ANALYSTS MONITOR NORDIC WATERPROOFING'S DEVELOPMENT

ABG Sundal Collier/Introduce: Max Bacco

(max.bacco@abgsc.se) and

Karl Bokvist (karl.bokvist@abgsc.se)

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

and Kenneth Toll Johansson

(kenneth.toll.johansson@carnegie.se)

INFORMATION ABOUT

ANNUAL GENERAL MEETING 2022

The Annual General Meeting of Nordic Waterproofing Holding AB will take place on Thursday, April 28.

NOTIFICATION TO ATTEND

THE ANNUAL GENERAL MEETING

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

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

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

PROPOSALS TO ANNUAL GENERAL MEETING 2021

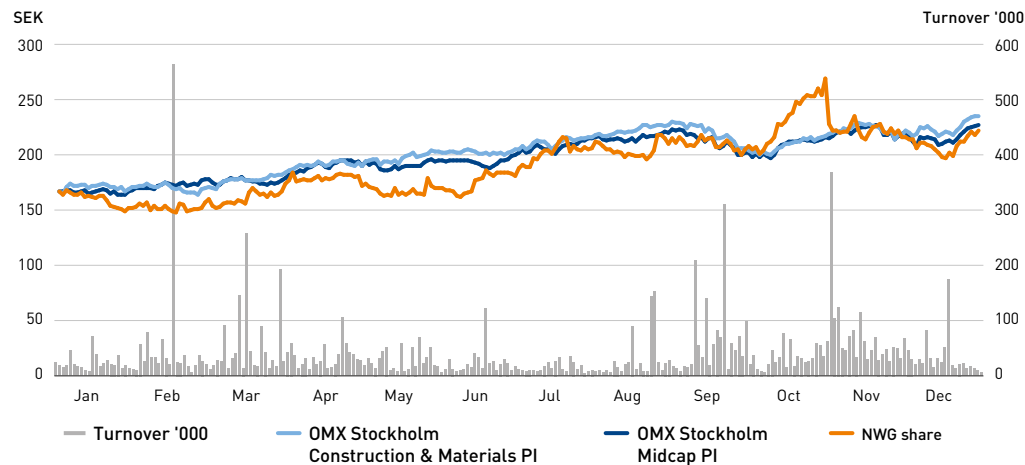
The Board of Directors and the CEO propose that shareholders be paid a cash dividend of SEK 6.00 per share (5.50).

IR CONTACT

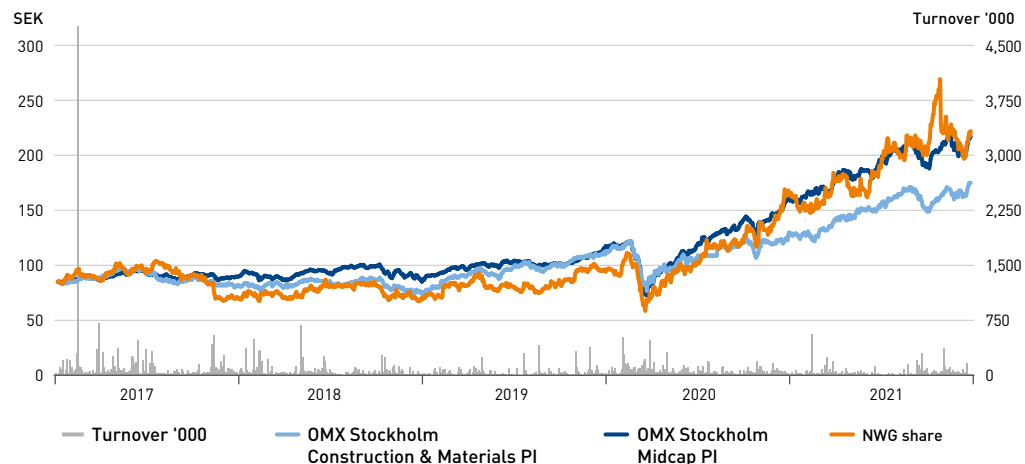
Palte Schrewelius, CFO and investor relations. Telefon: +46 70 782 79 58 e-mail: pos@nordicwaterproofing.com

SEK	2021	2020
Earnings per share after dilution	10.71	10.58
Equity per share after dilution	60.62	58.88
Dividend per share	6.00	5.50
Dividend as a % of earnings per share	56%	51%
Total dividend, SEK m	143	132
Yield, %	2.7%	3.4%
Market price, 31 December, last paid price, SEK	223.00	164.00
P/E ration	20.8	15.6
Number of shares, at 31 December	24,083,935	24,083,935
Number of shares, average	24,083,935	24,083,935

NORDIC WATERPROOFING'S SHARE TREND 2021



NORDIC WATERPROOFING'S SHARE TREND 2017-2021



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Board of Directors' Report

- The Net sales for 2021 increased to SEK 3,644 m (3,303). Of the change of a total of 11 percent (6), 4 percent (7) was related to organic growth, acquisitions with 8 percent (0) and currency had a negative impact of -2 percent (-4).
- Operating profit (EBIT) increased to SEK 382 m (337), an increase of 13 percent (29).
- The Board proposes a dividend of SEK 6.00 (5.50) per share.

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

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

THE OPERATIONS

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

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

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

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

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

FINANCIAL GOALS AND GOAL FULFILLMENT 2021

Nordic Waterproofing's ambition is to create value for the society and the environment, but the Group's financial targets also aims to create value

for shareholders and other stakeholders based on a business model with clear financial targets. The three financial targets growth, profitability and debt/equity ratio are approved by the Board, which will contribute to our fourth target; the dividend policy. The underlying objective of the targets is to create long-term value for our shareholders, strengthen our financial position and enable the Group's future strategic investments. In the spring of 2019, the Board chose to revise the Group's financial targets, among other things to take into account the effects from the implementation of IFRS 16 (Leasing Agreement). This resulted in the following financial targets adopted by the Board for the Group:

Financial targets	Outcome 2021
Exceed the growth experienced in the Group's current markets through organic growth. In addition, the Group expects to grow through selective acquisitions.	In 2021, the group's organic growth was 4%, which exceeded the growth in our main markets. Growth through acquisitions was 8 percent.
Generate a return on capital employed (ROCE) exceeding 13 percent.	For 2021, the return on capital employed (ROCE) was 16.6%.
Net debt/EBITDA multiple, Net debt in relation to EBITDA (R12M basis) shall not exceed a multiple of 3.	At the end of 2021, the ratio was 1.3 times.
The dividend policy states an annual dividend exceeding 50 percent of the net profit. The proposed dividend will be based on the Group's financial position, investment needs, liquidity position, as well as general economic and business conditions.	During 2021 a dividend was paid of SEK 5.50 per share and a dividend of SEK 4,50 per share concerning 2019. For the 2022 Annual General Meeting, the Board has proposed a cash dividend of SEK 6.00 (56% of the profit for the year 2021).

COMPANY ACQUISITIONS AND DIVESTMENTS

During 2021, Nordic Waterproofing completed six acquisitions of subsidiaries and one business acquisition.

No divestment were made during the year.

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

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

STAFF AND STAFF DEVELOPMENT

For 2021, the average number of employees within the Nordic Waterproofing Group was 1,272 (1,147), an increase of 125. The number of employees at the end of the year was 1,249 (1,105), an increase of 144 compared with the previous year. Acquisitions has mainly affected this development. The average number of employees in Sweden was 220 (220), which corresponded to 18 percent (18) of all employees within the Group. For further information on the average number of employees and personnel costs, see Note 7.

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

GUIDELINES FOR REMUNERATION TO THE SENIOR MANAGEMENT

The latest guidelines of remuneration to senior management decided by the Annual General Meeting are set out in Note 7. The guidelines in their entirety are available on the Group's website. The Board has proposed to the 2022 Annual General Meeting to adopt an update of the Guidelines for remuneration to senior executives. This is to also include remuneration to board members, in all other respects these are substantially unchanged from previous guidelines.

LONG-TERM INCENTIVE PROGRAMS

The company has three ongoing incentive programs ("LTIP 2019", "LTIP 2020" and "LTIP 2021"). The total cost, including social security contributions, is estimated to approximately SEK 10-12 m for each program over the term of the programs, provided that operating profit (EBIT) before items affecting comparability increases by an average of 10-12 percent. No new shares will be issued because of the programs. However, the company will acquire own shares to ensure the allotment of shares and to secure and cover social security contributions. As of December 31, 2021, the company holds 176,334 (175,737) own shares.

In 2021, the program "LTIP 2018" was completed. The target fulfillment of the program was 100% of the maximum outcome and during the third quarter 88,505 shares were distributed to 17 participants in the program.

See also note 7.

SUSTAINABILITY REPORT

The sustainability is the basis for Nordic Waterproofing's operations. In accordance with The Swedish Annual Accounts Act, Chapter 6 §11, Nordic Waterproofing has chosen to prepare the statutory sustainability report as a separate report from the Board of Directors's report. On page 35 there is a page index with references to where information on the various topics for the sustainability report can be found in the annual report. The auditor's opinion regarding the statutory sustainability report can be found on page 35.

ENVIRONMENT, HEALTH, SAFETY, AND DIVERSITY

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

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

Nordic Waterproofing's production is subject to notification or permit requirements in accordance with each country's environmental and permit regulations. Nordic Waterproofing's manufacturing in Värnamo municipality has, together with Trelleborg Sealing Profiles Sweden AB, received permission from the environmental assessment delegation within the County Administrative Board that according to ch. Section 6 of the Environmental Code produces a maximum of 25,000 tons of rubber products per year. The prefabrication in Värnamo is run in a separate facility, but the business does not entail any change from an environmental point of view. For the Company's operations in Höganäs, a voluntary permit in accordance with the Environmental Code has been obtained from the County Administrative Board for the manufacture of bitumen-based waterproofing layers. In Denmark, Nordic Waterproofing has received two environmental permits for its production operations in Vejen; one permit is from 1989 and the other permit is from 2006. In Finland, an environmental permit has been obtained for the production operations in Lojo. The Finnish environmental permit is valid until further notice.

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

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

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

CORPORATE GOVERNANCE

The Corporate Governance Report is on pages 40-45.

RISKS AND RISK MANAGEMENT

The Risks and Risk Management section is on pages 50-53 and Note 33 financial risks.

THE WAR OF RUSSIA AGAINST UKRAINE

The ongoing conflict between Russia and Ukraine is having an impact on our operations. We have no subsidiaries in these countries and sales to these markets were only 0.4% of our sales in 2021. The sharp price increases and deteriorating availability of inputs can be expected to affect our business. Our financial position with a strong balance sheet after positive results and cash flows from previous years gives us a strong position as we enter an uncertain 2022. The safety of our colleagues remains a top priority while we continue to ensure that we can offer our customers products and services as much as possible.

DISPUTES

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

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

A decision was announced in the first of these three civil proceedings on 16 February 2022 when the judgment in the case against Eurotag Danmark A / S was announced. The court ruled in favor of Nordic Waterproofing. The following two civil proceedings are expected to be dealt with in 2022. As before, Nordic Waterproofing considers that the allegations made are unfounded and unjustified.

THE SHARE CAPITAL

As of December 31, 2021, the share capital amounted to SEK 24,083,935 divided into 24,083,935 shares of only one series. All shares have a quota value of SEK 1.00.

Nordic Waterproofing Holding AB holds 176,334 own shares (175,737), which corresponds to 0.7 percent (0.7) of the total number of the shares. The number of outstanding shares is 23,907,601 (23,908,198).

All shares have the same right to dividends and surpluses in the event of liquidation and are entitled to one vote at Nordic Waterproofing Holding AB's Annual General Meeting. Shares in own custody do not, however, entitle to dividends. According to the Company's Articles of Association, the issued share capital may not be less than SEK 20 m and not exceed SEK 80 m and the number of shares must not be less than SEK 20,000,000 and not exceed SEK 80,000,000.

The Group had a market capitalization of SEK 5,371 m (3,950) and approximately 6,500 shareholders (5,500) as of December 30, 2021. The largest shareholder at the turn of the year was Svalder with 15.5 (13.3) percent of the number of outstanding shares. This is followed by Swedbank Robur funds 8.0 percent (8.9), Handelsbanken's fund 7.0 percent (6.5), Third AP funds 5.0 percent (4.4) and Alcur funds 4.8 percent (4.6). The five largest owners together hold 40.4 percent (43.9) of the outstanding shares. The ten largest holdings constitute 55.6 percent (61.7) of the shares, own holdings not included.

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

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

DIVIDEND

Dividend policy

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

PROPOSED APPROPRIATION OF PROFIT FOR THE FINANCIAL YEAR 2021

The Board of Directors of Nordic Waterproofing Holding AB proposes that the Annual General Meeting on April 28, 2022 resolves on a cash dividend of SEK 6.00 per share, which is in line with the company's dividend policy and provides a dividend of a total of SEK 143 m after taking own shares into consideration.

The record date for the right to a dividend is proposed to be 2 May 2022, whereby dividends are expected to be paid to shareholders on May 5, 2022.

At the disposal of the Annual General Meeting:

SEK	2021
Balanced profits	402,155,337
Results for the year	203,357,690
Retained earnings at the end of the year	605,513,027

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

SEK	2021
SEK 6.00 per share will be distributed to shareholders	143,445,606
Balanced on a new account	462,067,421
Total	605,513,027

Consolidated statement of profit or loss

SEK m	Note	2021	2020
Net sales	4, 5	3,663.5	3,302.8
Cost of goods sold	6	-2,622.4	-2,373.6
Gross profit		1,041.1	929.2
Selling expenses	6	-439.9	-403.6
Administrative expenses	6	-244.3	-220.6
Research and development expenses	6	-4.7	-4.3
Other operating income	9	11.0	10.0
Other operating expenses	6, 9	-2.5	-4.8
Share of profit in associated companies	12	21.0	31.2
Operating profit	4, 7, 35	381.7	337.1
Financial income		4.4	9.1
Financial expenses		-51.4	-25.4
Net finance items	10	-47.0	-16.3
Profit before tax		334.6	320.8
Tax	11	-78.3	-67.5
Profit for the year		256.4	253.3
Attributable to:			
Shareholders of the Parent Company		258.6	255.6
Non-controlling interests		-2.3	-2.3
		256.4	253.3
Earnings per share before dilution (SEK)	29	10.71	10.60
Earnings per share after dilution (SEK)	29	10.64	10.52

Consolidated statement of other comprehensive income

SEK m	Note	2021	2020
Profit for the year		256.4	253.3
OTHER COMPREHENSIVE INCOME			
Items that are or may be reclassified to profit for the year			
Exchange differences for the year in translation of foreign operations		27.8	-48.1
Gains/losses on raw material hedging		1.7	-5.0
Tax on gains/losses on other comprehensive income		-0.4	1.1
Other comprehensive income for the year		29.1	-52.0
Total comprehensive income for the year		285.5	201.3
Comprehensive income for the year attributable to:			
Shareholders of the Parent Company		287.1	204.2
Non-controlling interests		-1.6	-2.9
Comprehensive income for the year		285.5	201.3

COMMENTS

Net sales increased by 11 percent to SEK 3,664 m (3,303). The organic growth amounted to 4 percent, acquisitions with 8 percent and currency had a negative impact of -2 percent. The organic growth was strong in Products and Solution by 8 percent while the organic development for Installation Services was -10 percent. Above all, the organic growth was strong in the Swedish and Danish markets.

Gross profit increased to SEK 1,041 m (929). Gross margin increased to 28.4% (28.1%). Above all, the margin was maintained within Product and Solutions where we succeeded well in compensate for the sharply increased costs of input material through price increases and that the area for prefabricated wall and ceiling elements improved their margins.

Operating profit increased to SEK 382 m (337) and operating margin increased to 10.4% (10.2%).

Net financial items decreased to SEK -47 m (-16) as a result of the fair value measurement of earn-outs and written put/call options to purchase outstanding shares in not wholly owned subsidiaries.

The Group's profit after tax improved to SEK 256 m (253), a lower increase than the improvement in operating profit, which is explained by a poorer net financial item and a slightly higher tax expense.

Consolidated statement of financial position

SEK m	Note	2021	2020
ASSETS			
Goodwill	17	1,041.3	926.4
Other intangible assets	17	136.0	100.8
Property, plant and equipment	18	490.8	378.9
Investments in associated companies	12	107.0	99.2
Receivables from associated companies		12.3	9.1
Other investments	26	2.2	2.1
Deferred tax assets	11	8.9	6.5
Other non-current receivables		11.2	15.7
Total non-current assets		1,809.8	1,538.6
Inventory	20	609.4	392.4
Trade receivables	21	346.7	262.8
Receivables for on-going construction contracts	5	80.6	21.4
Receivables from associated companies		19.9	6.0
Current tax assets		2.9	5.4
Other current receivables	22	29.6	10.8
Prepaid expenses and accrued income	23	32.4	22.0
Cash and cash equivalents	27	226.6	604.3
Total current assets		1,348.0	1,325.0
Total assets		3,157.8	2,863.6

SEK m	Note	2021	2020
EQUITY			
Share capital		24.1	24.1
Reserves		39.0	10.5
Retained earnings including profit for the year		1,387.9	1,372.3
Equity attributable to shareholders of the Parent Company		1,451.0	1,406.9
Non-controlling interests		9.0	11.2
Total equity	28	1,460.0	1,418.1
LIABILITIES			
Non-current interest-bearing liabilities	30	851.5	801.3
Other non-current liabilities	31	35.3	32.9
Provisions		6.0	5.3
Deferred tax liabilities	11	123.2	102.4
Total non-current liabilities		1,016.0	941.8
Current interest-bearing liabilities	30	52.2	41.3
Trade payables		211.5	151.9
Payables for on-going construction contracts	5	45.0	19.1
Current tax liabilities		50.1	19.9
Other current liabilities	24	115.1	55.8
Accrued expenses and prepaid income	25	207.8	215.8
Total current liabilities		681.8	503.7
Total liabilities		1,697.8	1,445.6
Total equity and liabilities		3,157.8	2,863.6

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

COMMENTS

The Group's non-current assets increased by SEK 271 m compared to last year which is explained by an increase in intangible assets as a result of the acquisitions made during the year and an increase in tangible fixed assets from the mentioned acquisitions and an investment in pre-fabricated unit in the Netherlands for SealEco products.

Inventory has increased by SEK 217 m which is explained by increases for input materials and increased volumes of both raw materials and finished goods to ensure our delivery ability. Trade receivables has increased as a consequence of increased operation and sales at the end of the year.

The Group has a continued strong balance sheet with total equity amounting to SEK 1,460 m (1,418) and an equity / asset ratio of 46.2 percent (49.5).

Consolidated statement of cash flows

SEK m	Note	2021	2021
OPERATING ACTIVITIES			
Operating profit		381.7	337.1
Adjustment for non-cash items etc	36	122.7	88.5
Interest received		0.5	2.6
Interest paid		-13.9	-19.1
Dividends received		31.6	23.4
Income tax paid		-42.9	-48.8
Cash flow from operating activities before working capital changes		479.7	383.6
CASH FLOW FROM WORKING CAPITAL CHANGES			
Increase (-)/Decrease (+) in inventories		-171.2	-21.7
Increase (-)/Decrease (+) in trade receivable		-37.6	-6.5
Increase (-)/Decrease (+) in other operating receivables		-82.4	30.2
Increase (+)/Decrease (-) in trade payable		33.5	27.0
Increase (+)/Decrease (-) in other operating liabilities		-2.4	49.7
Cash flow from operating activities		219.5	462.3
INVESTING ACTIVITIES			
Acquisition of intangible assets		-5.7	-0.1
Acquisition of property, plant and equipment		-76.5	-55.0
Disposal of property, plant and equipment		0.0	0.0
Acquisition of business, net cash impact	14	-180.6	0.0
Acquisition of participations in associated companies		-17.0	-4.7
Disposal of participations in associated companies		2.6	0.0
Increase in receivables in associated companies		-4.9	0.0
Decrease in receivables in associated companies		1.3	4.5
Increase in other non-current receivables		0.0	0.0
Proceeds from other financial investments		3.6	0.0
Cash flow from investing activities		-277.3	-55.3

SEK m	Note	2021	2021
FINANCING ACTIVITIES			
Acquisition of participations in non-controlling interests		-3.4	0.0
Proceeds from loans and borrowings	36	11.8	75.0
Repayment of borrowings	36	-67.7	-66.5
Repurchased own shares		-20.0	0.0
Dividends paid		-239.1	0.0
Repayment of written call/put options to non-controlling interests		-4.6	0.0
Cash flow from financing activities		-322.9	8.5
Cash flow for the year		-380.7	415.4
Cash and cash equivalents at beginning of year		604.3	196.9
Exchange-rate differences in cash and cash equivalents		3.0	-8.0
Cash and cash equivalents at year-end		226.6	604.3

COMMENTS

The Group's cash flow from operating activities, before changes in working capital, strongly increased to SEK 480 m (384).

The negative changes in working capital for cash flow, with increased capital tied up in inventories and trade receivables, lead to the cash flow from operating activities decreased to SEK 220 m (462).

Cash flow from investing activities decreased to SEK -277 m (-55) as a result of the acquisitions made in 2021 and an increased level of investments in fixed assets with a prefabrication unit in the Netherlands for SealEco products as the single largest investment.

Cash flow from financing activities decreased to SEK -323 m (8), which is primarily driven by the dividend of a total of SEK 10 per share that was distributed to the shareholders during 2021.

The total cash flow for the year amounted to SEK -381 m (415).

Consolidated statement of changes in equity

SEK m	Equity attributable to Parent Company shareholders					Non-controlling interests	Total equity
	Share capital	Reserves for hedging	Translation reserve	Retained earnings	Total		
Equity as at 1 January 2020	30.0	2.6	61.1	1,101.8	1,195.5	14.1	1,209.6
TOTAL COMPREHENSIVE INCOME FOR THE YEAR							
Profit for the year	-	-	-	255.6	255.6	-2.3	253.3
Other comprehensive income for the year	-	-5.0	-47.5	-	-52.5	-0.6	-53.1
Tax on gains/losses on comprehensive income	-	1.1	-	-	1.1	-	1.1
Total comprehensive income for the year	0.0	-3.9	-47.5	255.6	204.2	-2.9	201.3
TRANSACTIONS WITH THE GROUP'S OWNERS							
Provision for long-term incentive program	-	-	-	7.6	7.6	-	7.6
Paid dividend	-	-	-	-	0.0	-	0.0
Merger/liquidation results	-5.9	-	-	5.5	-0.4	-	-0.4
Reclassification from 2019	-	-	-1.7	1.7	0.0	-	0.0
Total contributions from and distribution to owners	-5.9	0.0	-1.7	14.9	7.2	0.0	7.2
CHANGES IN PARTICIPATING INTERESTS IN SUBSIDIARIES							
Transactions with non-controlling interests	-	-	-	-	0.0	-	0.0
Total changes in participating interest in subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total transactions with the Group's owners	-5.9	0.0	-1.7	14.9	7.2	0.0	7.2
Equity as at 31 December 2020	24.1	-1.4	11.9	1,372.3	1,406.9	11.2	1,418.1

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

SEK m	Equity attributable to Parent Company shareholders					Non-controlling interests	Total equity
	Share capital	Reserves for hedging	Translation reserve	Retained earnings	Total		
Equity as at 1 January 2021	24.1	-1.4	11.9	1,372.3	1,406.9	11.2	1,418.1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR							
Profit for the year	-	-	-	258.6	258.6	-2.3	256.4
Other comprehensive income for the year	-	1.7	27.1	-	28.8	0.6	29.5
Tax on gains/losses on comprehensive income	-	-0.4	-	-	-0.4	-	-0.4
Total comprehensive income for the year	0.0	1.4	27.1	258.6	287.1	-1.6	285.5
TRANSACTIONS WITH THE GROUP'S OWNERS							
Provision for long-term incentive program	-	-	-	7.8	7.8	-	7.8
Repurchased own shares	-	-	-	-20.0	-20.0	-	-20.0
Paid dividend	-	-	-	-239.1	-239.1	-	-239.1
Total contributions from and distribution to owners	0.0	0.0	0.0	-251.3	-251.3	0.0	-251.3
CHANGES IN PARTICIPATING INTERESTS IN SUBSIDIARIES							
Transactions with non-controlling interests	-	-	-	8.3	8.3	-0.5	7.8
Total changes in participating interest in subsidiaries	0.0	0.0	-	8.3	8.3	-0.5	7.8
Total transactions with the Group's owners	0.0	0.0	-	-243.0	-243.0	-0.5	-243.5
Equity as at 31 December 2020	24.1	0.0	39.0	1,387.9	1,451.0	9.0	1,460.0

COMMENTS

Total equity at the end of the year amounted to SEK 1,460 m (1418). During the year has profit for the year of SEK 259 m (256), other comprehensive income including tax of SEK 29 m (-52) and transactions with shareholders of SEK -244 m (7) affected equity. Effects from translation differences as a result of the statement of profit or loss and balance sheet for all Group companies being translated into the Group's reporting currency increased the total equity by SEK 27 m (-48). During the year, a dividend of SEK -239 m (0) was distributed to the parent company's shareholders, which corresponds to 51 percent of the profit for the year 2020 and 55 percent of the profit for the year 2019. During the year, treasury shares were repurchased of SEK -20 m (0) to ensure allotment of shares as well as to secure and cover social security charges in the company's incentive program for senior executives. Non-controlling interests increased total equity by SEK 7.6 m (0.0). Equity per share after dilution amounted to SEK 60.62 (58.88). Return on capital employed amounted to 16.6 percent (15.6).

Notes

NOTE 1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

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

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

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

CONSOLIDATION POLICIES AND BUSINESS COMBINATIONS

Transactions eliminated upon consolidation

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

FOREIGN CURRENCIES

Transactions in foreign currencies

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

Financial statements of foreign operations

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

Net investment in a foreign operation

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

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

IMPAIRMENT LOSSES

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

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

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

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

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

Reversal of impairment losses

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

PROVISIONS

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

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

NOTE 2 CHANGES IN ACCOUNTING POLICIES

NEW IFRS THAT HAVE BEEN APPLIED DURING THE FINANCIAL YEAR

Phase 2 of the amendments to IFRS 9, IFRS 7 and others relating to the interest rate benchmark reform applies from 1 January 2021. In short, the amendments mean that it enables companies to reflect the effects of switching from interest rate benchmarks' such as "STIBOR" to other interest rate benchmarks' without giving rise to accounting effects that

would not be useful information for users of financial reports. The Group is affected by the interest rate benchmark reform mainly in the exposure to "IBOR" in its external borrowing. The principles of modification of financial liabilities allow for an exception which means that modifications that are a direct effect of the reference interest rate reform are reported by updating the effective interest rate instead of leading to recalculation of reported amounts. All other modifications are reported in accordance with existing principles for modifications and cancellations in IFRS 9. The change to new reference interest rates may have an effect on interest rate calculations on certain loans.

In April 2021, the IFRS Interpretations Committee issued its final agenda decision on the accounting treatment of configuration or customisation costs in a cloud computing arrangement (IAS 38 Intangible Assets). In this agenda decision, the Interpretations Committee examined whether, applying IAS 38, the configuration and customisation of software shall be recognised as an intangible asset and, if an intangible asset is not recognised, how these configuration and customisation costs are to be recognised. NWG's accounting principles will be updated to comply with this agenda decision in the next update. If implementation includes only costs incurred to prepare the supplier's application software in a Software as a Service arrangement for its intended use and NWG does not control the software being configured, then the costs are not capitalised. This change is not expected to led to any capitalised implementation expenses being booked as operative expenses.

NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS TO BE APPLIED AFTER 2021

No new or amended standards and interpretations issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRIC) and which enter into force for financial years beginning after 1 January 2022 have been applied in the preparation of this financial report.

In April 2021, the IFRS Interpretations Committee issued its final agenda decision on the accounting treatment of configuration or customisation costs in a cloud computing arrangement (IAS 38 Intangible Assets). In this agenda decision, the Interpretations Committee examined whether, applying IAS 38, the configuration and customisation of software shall be recognised as an intangible asset and, if an intangible asset is not recognised, how these configuration and customisation costs are to be recog-

nised. NWG's accounting principles will be updated to comply with this agenda decision in the next update. If implementation includes only costs incurred to prepare the supplier's application software in a Software as a Service arrangement for its intended use and NWG does not control the software being configured, then the costs are not capitalised. This change did not led to any capitalised implementation expenses being booked as operative expenses.

Resolved amendments to be applied from 1 January 2022: IFRS 3, IAS 16, IAS 37 and annual improvements 2018–2020 (amendment). None of these changes are judged to have a significant effect on the Group's financial accounts.

Resolved amendments to be applied from 1 January 2023: IFRS 17 Insurance Contracts replaces IFRS 4 Insurance Contracts. The new rules will affect the financial reports and key figures for all companies that issue insurance contracts or investment contracts with a discretionary part. The standard is not considered to have any effect on the Group's financial reports.

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

NOTE 3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

ASSESSMENTS AND ESTIMATES IN THE FINANCIAL STATEMENTS

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

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

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

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

IMPAIRMENT TESTING OF GOODWILL

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 17.

REVENUE RECOGNITION

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

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

of performance obligations, as they reflect the process in the work performed as the customer receives control of the services performed.

ACCOUNTS RECEIVABLE – EXPECTED CREDIT LOSSES

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

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

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

ACQUISITIONS

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

OTHER

As described in Note 35, on 31 May 2017, the Danish Competition Council decided that Nordic Waterproofing A/S, Icopal Danmark ApS, Danske Tagpapfabrikanter Brancheforening and TOR had violated the Danish Com-

petition Act. Nordic Waterproofing A/S and the other parties disputed the Council's decision and brought the case before the Danish Competition Appeals Board. On 12 September 2018, the Appeals Board decided to remit the case to the Council for re-evaluation. On 29 April 2020, KFST decided that the investigation of the roofing felt market would be suspended without finding any breach of competition law or other irregularities.

The initial decision has resulted in three civil proceedings which have not been dealt with pending KFST's decision. As it is the original decision of KFST that is the basis for the civil proceedings, the decision of KFST is expected to interrupt the investigation without finding any violation of competition law to be an important factor in the assessment in the further civil proceedings. A decision was announced in the first of these three civil proceedings on 16 February 2022 when the judgment in the case against Eurotag Danmark A / S was announced. The court ruled in favor of Nordic Waterproofing. The following two civil proceedings are expected to be dealt with in 2022. As before, Nordic Waterproofing considers that the allegations made are unfounded and unjustified.

NOTE 4 OPERATING SEGMENTS

ACCOUNTING POLICIES

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

The Group's operations are divided into operating segments based on what parts of the business the company's highest executive decision-maker follows up on, the so-called "management approach". The Group's operations are organised in the manner that Group management follows up the earnings that the Group's various goods and services generate. As Group management follows up on the results of operations and decides on the distribution of resources based on the goods and services the Group provides and sells, they constitute the Group's operating segments. At 31 December 2021, the highest executive decision-maker followed up on the segments' operating profit (EBIT).

The following operating segments have been identified:

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

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

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

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

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

2020 SEK m	Products & Solutions	Installation Services	Group items and eliminations	Group
Revenue from external customers	2,469.6	833.2	0.0	3,302.8
Revenue from other segments	100.5	0.0	-100.5	0.0
Revenue, total	2,570.2	833.2	-100.5	3,302.8
EBITDA	412.1	86.4	-43.7	454.7
Depreciation & amortization	-96.9	-16.5	-4.2	-117.6
Operating profit (EBIT)	315.1	69.9	-47.9	337.1
Net finance items				-16.3
Profit after finance items but before tax (EBT)				320.8
Tax				-67.5
Profit for the year				253.3
ASSETS				
Intangible assets	897.9	122.7	6.5	1,027.1
Property, plant and equipment	344.5	30.1	4.3	378.9
Participations in associated companies	0.0	99.2	0.0	99.2
Inventory	384.4	7.9	0.0	392.4
Other assets	287.6	96.7	-45.6	338.6
Non-allocated assets			627.4	627.4
Total assets	1,914.4	356.6	592.6	2,863.6
LIABILITIES AND EQUITY				
Equity			1,418.4	1,418.4
Other liabilities	380.0	99.6	-31.1	448.5
Non-allocated liabilities			997.7	997.7
Total liabilities and equity	380.0	99.6	2,384.9	2,863.9
Investments in property, plant and equipment and other intangible assets	48.4	7.9	0.0	56.3

GEOGRAPHIC AREAS**Revenues from external customers**

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

Revenues from external customers

SEK m	2020		Group
	Products and Solutions	Installation Services	
Denmark	810.8	0.1	810.9
Sweden	553.8	37.7	591.6
Norway	395.8	1.1	396.8
Finland	155.3	784.2	939.5
Europe (excluding Nordic region)	546.6	9.7	556.3
Other countries	7.3	0.4	7.7
Total	2,469.6	833.2	3,302.8

Non-current assets

SEK m	2021	2020
Denmark	408.9	391.7
Sweden	542.8	516.3
Norway	116.1	74.2
Finland	374.8	275.9
Europe (excluding Nordic region)	226.0	246.9
Total	1,668.5	1,505.1

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

INFORMATION ON MAJOR CUSTOMERS

No single customer accounted for more than 10 percent of the consolidated sales. A maximum of approximately 2.4 percent (1.9) of the consolidated sales were attributable to a single customer.

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

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

Transaction price - Volume discounts

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

Payment terms

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

Construction contracts

Revenue from construction contracts is considered a performance obligation by transferring goods and services to the customer over time. Revenue from construction contracts exists in both operating segments and is

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

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

Payment terms

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

Significant types of income

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

Time of revenue recognition

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

Significant types of income

SEK m	2020		Group
	Products and Solutions	Installation Services	
Sale of goods	2,074.4	0.0	2,074.4
Construction contracts	395.2	833.2	1,228.4
Total	2,469.6	833.2	3,302.8

Time of revenue recognition

SEK m	2020		Group
	Products and Solutions	Installation Services	
At a certain point in time	2,074.4	0.0	2,074.4
Over time	395.2	833.2	1,228.4
Total	2,469.6	833.2	3,302.8

CONTRACT ASSETS

Receivables for on-going construction contracts

SEK m	2021	2020
Opening balance 1 January	21.4	51.5
Acquisition/Divestment of business	9.7	-
Revenue accrued during the year, not yet invoiced	34.6	40.8
Revenue accrued during the year, invoiced during the year	922.2	779.7
Invoiced revenue	-933.2	-846.4
Reclassification	27.7	-2.2
Exchangerate differences for the year	-1.8	-2.0
Outgoing balance 31 December	80.6	21.4

CONTRACT LIABILITIES

Payables for on-going construction contracts

SEK m	2021	2020
Opening balance 1 January	19.1	20.3
Acquisition/Divestment of business	1.2	-
Invoiced revenue	211.8	87.4
Revenue recognised during the year, invoiced during the year	-196.1	-66.9
Revenue recognised during the year, invoiced in previous years	-19.9	-19.8
Reclassification	28.3	-
Exchangerate differences for the year	0.8	-1.9
Outgoing balance 31 December	45.0	19.1

Customer bonuses

SEK m	2021	2020
Opening balance 1 January	32.2	15.8
Acquisition/Divestment of business	0.0	-
Gross increase during the period	111.2	175.9
Paid to/settle with customer	-127.8	-159.2
Contracts cancelled during the year	0.0	-
Reclassification	0.0	-
Exchangerate differences for the year	-0.2	-0.3
Outgoing balance 31 December	15.4	32.2

Expected revenue recognition for remaining performance obligations in 2020

	2021	2022	2023	2024	≥ 2025	Total
Revenue	251.6	94.6	17.0	0.0	0.0	363.3

Expected revenue recognition for remaining performance obligations in 2021

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

NOTE 6 OPERATING COSTS BY NATURE

SEK m	2021	2020
Material costs and goods for resale	1,794.3	1,473.7
Change in inventory of finished goods and work in progress	-137.5	14.2
Employee benefits	890.5	762.0
Depreciation & amortization	139.6	117.6
Other external costs	624.5	633.3
Other operating expenses	2.5	4.8
Total	3,313.9	3,005.6

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

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

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

Benefits upon termination

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

Expenses for employee benefits

SEK m	2021	2020
Salaries and benefits, etc.	712.9	632.8
Pension expenses, defined-contribution plans	71.5	63.8
Social security contributions	106.2	102.9
Total	890.5	799.4

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

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

Average number of employees FTE (Full Time Equivalents)	2021	of which men	2020	of which men
PARENT COMPANY				
Sweden/Denmark	1	100%	0	0%
Total in Parent Company	1	100%	0	0%
SUBSIDIARIES				
Denmark	235	83%	261	85%
Sweden	214	82%	220	75%
Norway	153	92%	98	92%
Finland	459	92%	455	93%
Other	151	88%	113	85%
Total in subsidiaries	1,212	88%	1,147	88%
Group total	1,213	88%	1,147	88%

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

2020	Fixed salary	Variable salary	Incentive program ¹	Pension	Other benefits	Total
Chairman of the Board: Ulf Gundemark (until June 2020)	0.3	-	-	-	-	0.3
Chairman of the Board: Mats O. Paulsson (from June 2020)	0.4	-	-	-	-	0.4
Board member: Leena Arimo (from June 2020)	0.2	-	-	-	-	0.2
Board member: Steffen Baungaard	0.3	-	-	-	-	0.3
Board member: Allan Lindhard Jørgensen	0.3	-	-	-	-	0.3
Board member: Riitta Palomääki	0.4	-	-	-	-	0.4
Board member: Hannu Saastamoinen (from June 2020)	0.2	-	-	-	-	0.2
Board memeber: Kristina Willgård	0.3	-	-	-	-	0.3
President and CEO: Martin Ellis	5.4	3.2	2.1	-	-	10.6
Other senior executives (7 persons)	13.8	7.1	4.2	3.6	0.4	29.1
Total	21.5	10.3	6.3	3.6	0.4	42.1

¹ Expensed in 2020. Payment is to be made in the second quarter, 2021 to 2023, on condition that the individual is employed in the Group on December 31 of the preceding year.

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

SEK m	2021	2020
Remuneration to the Board and CEO of Nordic Waterproofing Holding AB:		
Remuneration to Board members	2.4	2.3
Salaries and benefits to CEO (of which tantiem)	11.0 (3.3)	8.5 (3.2)
Pension expenses, defined-contribution plans	0.0	0.0
Salaries and benefits to other employees (of which tantiem)	2.7 (1.0)	0.0 (0.0)
Pension expenses, defined-contribution plans	0.8	0.0
	16.9	10.9
Remuneration to Group management in Nordic Waterproofing Group AB with subsidiaries:		
Salaries and benefits (of which tantiem)	20.3 (6.0)	22.1 (7.1)
Pension expenses, defined-contribution plans	3.8	2.9
	24.1	25.1
Total remuneration to the Board, CEO and Group management team in the Group	41.0	36.0

The proportion of women is 0 percent (0) in Group Management and 29 percent (43) on the Board of Directors.

PRINCIPLES FOR REMUNERATION OF THE BOARD

The Chairman of the Board receives a fixed fee of SEK 600,000 per year, and the remaining Board members receive SEK 290,000 per year. The Chairman of the Audit committee receives an additional SEK 100,000 per year and the Audit committee members receive SEK 50,000 per year. The Chairman of the Remuneration committee receives an additional SEK 50,000 per year and the Remuneration committee members receive SEK 25,000 per year.

PRINCIPLES FOR THE REMUNERATION OF THE PRESIDENT AND CEO

Remuneration

Remuneration of the CEO is decided by the Board. The amount of the remuneration shall be market based and based on factors such as

expertise, experience and performance. The remuneration consists of a fixed salary and, in addition to this, a variable salary and non-monetary benefits. The variable salary shall be based on the achievement of quantitative and qualitative targets. Total remuneration of the President and CEO amounted in 2021 to SEK 11.0 m (8.6).

Periods of notice and severance pay

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

Pension benefits

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

PRINCIPLES FOR REMUNERATION OF OTHER MEMBERS OF GROUP MANAGEMENT

Remuneration

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

Periods of notice and severance pay

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

Pension benefits

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

INCENTIVE PROGRAMS

The 2018 -2021 Annual General Meetings resolved to authorize the Board of Directors to establish a Long-Term Incentive Program ("LTIP 2018", "LTIP 2019", "LTIP 2020" and "LTIP 2021") offered to the CEO and other senior executives of the Group. The participants shall be allotted, free-of-charge, performance share rights entitling them to allocations of shares in the Company. Each right converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the right. The right carry neither rights to dividends nor voting rights. Performance shares may be granted to the individual participant when targets have been met over a period of three years. The target is measured each year and the outcome is set after three years. Performance shares may only be granted to the individual participant if the participant is still employed by the Company and has not given, or been served, notice during the three-year vesting period. Targets for the participants are based on annual growth of operating profit before items affecting comparability, interest and taxes ("EBIT growth").

The total cost, including social security charges, is estimated to be at most SEK 10.3 m for each program under the assumption of an average annual growth of operating profit (EBIT) before items affecting comparability of 10-12 percent. The fair value of share rights is estimated at the grant date using a simplified model taking expected EBIT growth into consideration.

No new shares will be issued in the Company due to the programs. However, the Company will acquire treasury shares in order to secure the provision of shares and to secure and cover social security charges. The costs for the programs are expected to have a marginal effect on Nordic Waterproofing Group's key ratios. For 2021, the Group's earnings were charged with SEK 11.2 m (9.8) and 176,334 (175,737) treasury shares were acquired as of 31 December 2021. The maximum number of shares that can be granted under the LTIP 2019, LTIP 2020 and LTIP 2021, adjusted for employees that have left the company, are 99,455, 95,088 and 71,919, respectively.

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

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

For salaried employees in Sweden, the ITP 2 plan's defined-benefit pension commitments for retirement and family pensions (or family pensions) are secured through insurance with Alecta. In accordance with a statement from the Swedish Financial Reporting Board, UFR 10 'Reporting of ITP 2 plans financed through insurance with Alecta', this is a defined-contribution plan that covers several employers. For the 2021 financial year, the company has not had access to information that would make it possible to report the proportionate share of the plan's commitments, plan assets and costs, which means that it was not possible to report the plan as a defined-benefit plan. The ITP 2 pension plan that is secured through insurance from Alecta is therefore reported as a defined-contribution plan. The premium for the defined-benefit retirement and family pension is calculated on an individual basis and is dependent on salary, previously earned pension and expected remaining length of service. The expected fees for the next reporting period for the ITP 2 insurance policies with Alecta amounts to SEK 8.9 m (2020: SEK 8.8 m). The Group's share of total premiums for the plan and the Group's share of the total number of active members of the plan are 0.004 percent respective 0.010 percent (2020: 0.003 respective 0.010 percent).

The collective consolidation level is the market value of Alecta's assets as a percentage of the insurance commitments calculated using Alecta's actuarial methods and assumptions, which are not in agreement with IAS 19. The collective consolidation level should normally be allowed to vary between 125 and 175 per cent. If Alecta's collective consolidation level falls below 125 per cent or exceeds 175 per cent, measures will be taken with the aim of creating conditions for the consolidation level to return to the normal interval. At a low level of consolidation, one potential measure could be to raise the contractual price of new policies and increase existing benefits. At a high level of consolidation, one potential measure could be to reduce premiums. At the end of 2021, Alecta's surplus at the collective consolidation level amounted to 172 per cent (2020: 148 per cent).

DEFINED-CONTRIBUTION PLANS

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

Expenses for defined-contribution plan¹⁾

SEK m	2021	2020
	71.4	63.8

¹⁾ This includes SEK 8.9 m (8.8) for ITP plans financed in Alecta, see above.

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

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

Other operating income SEK m	2021	2020
Royalty	7.3	6.6
Capital gains	1.0	0.4
Exchange gains on operating receivables/ liabilities	2.7	3.1
Total	11.0	10.0

Other operating expenses SEK m	2021	2020
Exchange losses on operating receivables/ liabilities	-1.7	-4.2
Other	-0.9	-0.6
Total	-2.5	-4.8

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

Financial income consists of interest income on invested funds, dividend income, gains upon a change in value of financial assets valued at fair value through profit or loss, gains upon change in value of written put/call options valued at fair value through profit or loss and such gains on hedging instruments that are recognized in profit/loss for the year.

Dividend income is recognized when the right to receive a dividend has been established. The results from the disposal of a financial instrument are recognized when the risks and benefits associated with ownership of the instrument have been transferred to the buyer and the Group no longer has control over the instrument.

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

SEK m	2021	2020
Interest income	0.5	2.6
Net exchange-rate changes	0.2	6.5
Other financial income	0.0	0.0
Financial income	0.7	9.1
Interest expenses on loans at amortized cost	-13.0	-20.7
Interest expenses on leases recognized in accordance with IFRS 16	-2.7	0.0
Fair value adjustment put/call options	-30.9	2.5
Net exchange-rate changes	0.0	0.0
Other financial expenses	-1.2	-7.2
Financial expenses	-47.7	-25.4
Net finance items	-47.0	-16.3

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

Interest expenses include period-allocated arrangement fee for liabilities to credit institutions in an amount of SEK 1.8 m (3.9).

NOTE 11 TAXES**ACCOUNTING POLICIES**

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

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

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

RECOGNIZED IN THE STATEMENT OF PROFIT OR LOSS

SEK m	2021	2020
CURRENT TAX EXPENSE (-)/ TAX REVENUE (+)		
Tax expense for the period	-75.4	-57.2
Adjustment of tax attributable to earlier years	0.1	-2.1
	-75.2	-59.4
DEFERRED TAX EXPENSE (-)/ TAX REVENUE (+)		
Deferred tax for temporary differences	-3.6	-7.8
Deferred tax resulting from changes in tax rates	0.6	-0.3
	-3.0	-8.1
Total reported tax expenses in the Group	-78.3	-67.5

Reconciliation of effective tax SEK m	2021	%	2020	%
Profit/loss before tax	334.6		320.8	
Tax according to current tax rate for the Parent Company	-68.9	20.6	-68.7	21.4
Effect of other tax rates for foreign subsidiaries	-10.2	3.0	-1.1	0.3
Non-deductible expenses	-2.0	0.6	-5.9	1.8
Non-taxable revenue	0.3	-0.1	0.0	-0.0
Result from participations in associated companies	4.5	-1.4	6.8	-2.1
Increase in loss carry-forwards without corresponding capitalization of deferred tax	-0.8	0.3	0.0	-
Utilisation of earlier, non-capitalized loss carry-forwards	0.2	-0.1	0.7	-0.2
Effect of changed tax rates/and tax regulations	0.0	-	0.0	-
Other	-1.3	0.4	0.5	-0.2
Reported effective tax	-78.3	23.4	-67.5	21.0

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

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

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

SEK m	Deferred tax 2020		
	Asset	Liability	Net
Property, plant and equipment	0.7	14.3	-13.6
Intangible assets	0.0	29.5	-29.5
Inventory	3.6	1.3	2.3
Other current assets	0.4	14.9	-14.5
Untaxed reserves	0.0	43.8	-43.8
Tax loss carry-forwards	3.9	0.0	3.9
Other	0.0	0.7	-0.7
Tax assets/liabilities	8.6	104.5	-95.9
Offset	-2.1	-2.1	0.0
Tax assets/liabilities, net	6.5	102.4	-95.9

Unrecognized deferred tax assets

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

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

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

SEK m	Balance as per 1 Jan 2020	Recognized in profit/loss for the year	Recognized in other comprehensive income	Translation differences	Acquisition/ Divestment of business	Balance as per 31 Dec 2020
Property, plant and equipment	-14.0	0.4	-	-	-	-13.6
Intangible assets	-27.0	-4.3	-	1.8	-	-29.5
Inventory	1.3	1.0	-	-	-	2.3
Other current assets	-14.6	-0.8	1.1	-0.2	-	-14.5
Other current liabilities	-0.7	0.1	-	-	-	-0.6
Untaxed reserves	-41.3	-2.5	-	-	-	-43.8
Tax loss carry-forwards	5.9	-2.0	-	-	-	3.9
Other	0.0	-	-	-	-	0.0
	-90.4	-8.0	1.1	1.6	0.0	-95.9

NOTE 12 PARTICIPATIONS IN ASSOCIATED COMPANIES

ACCOUNTING POLICIES

Associated companies

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

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

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

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

Transaction costs that arise are included in the cost.

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

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

SEK m	2021	2020
Carrying amount at the beginning of the year	99.2	91.4
Acquisitions of associated companies	19.0	4.9
Divestment of associated companies	-2.6	-0.8
Dividend for the year	-31.6	-23.4
Share of profit in associated companies	21.0	31.2
Translation differences for the year	2.0	-4.1
Carrying amount at the end of the year	107.0	99.2
Share of profit in associated companies	21.0	31.2
Other comprehensive income	0.0	0.0
Total comprehensive income	21.0	31.2

FINANCIAL INFORMATION IN SUMMARY FOR INSIGNIFICANT HOLDINGS IN ASSOCIATED COMPANIES

SEK m	Fixed assets		Current assets		Current liabilities		Long-term liabilities	
	2021	2020	2021	2020	2021	2020	2021	2020
Associated companies	5,751	5,349	395,122	370,131	270,344	229,097	24,586	19,094
Total	5,751	5,349	395,122	370,131	270,344	229,097	24,586	19,094

SEK m	Revenues		Profit for the year		Dividends	
	2021	2020	2021	2020	2021	2020
Associated companies	1,455,505	1,384,826	52,821	74,706	82,374	54,650
Total	1,455,505	1,384,826	52,821	74,706	82,374	54,650

Specification of holdings of participations in associated companies

Associated companies	Domicile	2021 Voting and capital share in %	2020 Voting and capital share in %
Playgreen Finland Oy	Vantaa, Finland	33%	33%
Holdingbolaget W&R AB	Skärholmen, Sweden	-	24%
Hagmans Tak Sverige AB	Karlskoga, Sweden	20%	20%
AB Tätskiktsgarantier i Norden	Sundsvall, Sweden	50%	50%
AB Tätskiktsgarantier i Norden	Karlskoga, Sweden	48%	-
Hagmans Tak Mälardalen AB	Åhus, Sweden	48%	-
Hetag Byens Tag A/S	Faaborg-Midtfyn, Danmark	40%	40%
Hetag JK Tagentreprise A/S	Herlev, Denmark	40%	40%
Hetag Nordjysk Tag A/S	Brønderslev- Dronninglund, Denmark	70%	70%
Hetag Tagdækning Nord A/S	Aarhus, Denmark	40%	40%
Hetag Tagdækning Syd A/S	Hedensted, Denmark	40%	40%
IFA Tagdækning A/S	Guldborgsund, Denmark	60%	40%
Morsø Tagdækning ApS	Morsø , Denmark	40%	40%
Nordisk Tagdækning A/S	Roskilde, Denmark	40%	40%
Phønix Tag Energi A/S	Favrskov, Denmark	40%	40%
Phønix Tag Esbjerg A/S	Esbjerg, Denmark	40%	40%
Phønix Tag Fyn A/S	Faaborg-Midtfyn, Denmark	40%	40%
Phønix Tag Grønland ApS	Sermersooq, Denmark	40%	40%
Phønix Tag Holbæk-Næstved A/S	Næstved, Denmark	40%	40%
Phønix Tag København A/S	Furesø, Denmark	40%	40%
Phønix Tag Nordjylland A/S	Aalborg, Denmark	40%	40%
Phønix Tag Nordsjælland A/S	Furesø, Denmark	40%	40%
Phønix Tag Størentreprise ApS	Hedensted, Denmark	40%	40%
Phønix Tag Svendborg A/S	Svendborg, Denmark	40%	40%
Phønix Tag Sønderjylland A/S	Aabenraa, Denmark	40%	40%
Phønix Tag Vejle A/S	Hedensted, Denmark	40%	40%
Phønix Tag Århus A/S	Favrskov, Denmark	40%	40%
Garantiselskabet Dansk Tagdækning ApS	Rudersdal, Denmark	-	50%
Associated Company: HTD Fælles Holding ApS	Herlev Danmark	50%	-

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

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

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

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

Business combinations conducted after the transition to IFRS

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

Subsidiary (domicile, country)	2021 Voting and capital share in %	2020 Voting and capital share in %
Nordic Waterproofing Group AB (Stockholm, Sweden)	100%	100%
Distri Pond Invest NV (Laakdal, Belgium)	100%	100%
Vervas Invest NV (Laakdal, Belgium)	100%	100%
Distri Pond NV (Laakdal, Belgium) Merger 2021-01-01	-	100%
Pond Technics & Training BVBA (Laakdal, Belgium)	100%	100%
Nordic Takvård AB (Helsingborg, Sweden)	100%	100%
Nordic Waterproofing Holding DK ApS (Vejen, Denmark)	100%	100%
Hetag Tagmaterialer A/S (Hedensted, Denmark)	100%	100%
Nordic Waterproofing A/S (Vejen, Denmark)	100%	100%
Hetag Tagdækning Sjælland A/S (Vejen, Denmark)	100%	100%
Hetag Tagdækning Vest A/S (Vejen, Denmark)	100%	100%
Taasinge Elementer A/S (Svendborg, Denmark) ¹	90%	89%
LV Elements SIA (Riga, Latvia)	100%	100%
Nordic Build A/S (Svendborg, Denmark)	100%	100%
Ringsaker Vegg- og Takelementer AS (Ringsker Norway)	87%	75%
TE Montage A/S (Svendborg, Denmark)	90%	90%
Nordic Waterproofing AB (Trelleborg, Sweden)	100%	100%
Nordic Waterproofing AS (Askim, Norway)	100%	100%
Byggpartner AS (Sandefjord, Norway)	85%	-
Nordic Waterproofing Oy (Helsinki, Finland)	100%	100%
AL-Katot Oy (Helsinki, Finland)	100%	100%
KerabitPro Oy (Helsinki, Finland)	100%	100%
LA Kattohuolto Oy (Muurame, Finland)	100%	100%
Nordic Waterproofing Property Oy (Helsinki, Finland)	100%	100%
SPT-Painting Oy (Lappeenranta, Finland)	100%	100%
Seikat OY (Ylistaro, Finland) ¹	84%	-
E. Voutilainen Oy (Imatra, Finland) ¹	80%	-
Ripatti Oy (Nurmijärvi, Finland) ¹	75%	-
Nordic Waterproofing SpZoo (Lodz, Poland)	100%	100%
SealEco AB (Värnamo, Sweden)	100%	100%
SealEco BV (Dalfsen, Netherlands) ¹	67%	67%
SealEco AG (Herzogenbuchsee, Switzerland)	51%	51%
SealEco Su Yalitim Teknolojileri A.Ş. (Nilüfer, Turkey)	100%	100%
Gauris B.V (Heerenveen, Netherlands) ¹	51%	-
SealEco GmbH (Marsberg, Germany)	100%	100%
SealEco Holding Belgium NV (Brecht, Belgium) Liquidated 2020-12-30	-	100%
SealEco NV (former SealEco Belgium NV) (Brecht, Belgium)	100%	100%
SealEco Ltd (London, United Kingdom)	100%	100%
SealEco NV (Brecht, Belgium) Liquidated 2020-12-30	-	100%
Veg Tech AB (Alvesta, Sweden)	100%	100%
Blomstertak AS (Ås, Norway)	60%	60%
Nordiska Gröntak AB (Alvesta, Sweden)	100%	100%
Veg Tech A/S (Gentofte, Denmark)	100%	100%
Veg Tech Oy (Kyrkslätt, Finland)	100%	100%
Urban Green AB (Stockholm, Sweden)	100%	-

¹ Refers to subsidiaries where written call/put options exist on equal terms.

The subsidiaries are consolidated to 100% in the group despite a lower ownership through application of the anticipated acquisition method.

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

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

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

Holdings in subsidiaries

The Group consists of 45 subsidiaries. These subsidiaries are owned through a majority of the votes in the respective subsidiary. Since the merger 2020-11-27, Nordic Waterproofing Holding AB is the Parent company in the group, see note 12 for the Parent company.

NOTE 14 ACQUISITIONS

ACQUISITIONS DURING 2021

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

Byggpartner AS

On 28 January 2021 the Group through Nordic Waterproofing AS acquired 70 per cent of the shares in the Norwegian company Byggpartner AS. Non-controlling interests have been valued at the holding's proportionate share of the fair value of identifiable net assets. Byggpartner AS headquartered in Sandefjord and performs installation and maintenance

of waterproofing products in the area around Oslo. Byggpartner has 56 employees and an annual turnover of ca NOK 180 m. The acquisition will strengthen Nordic Waterproofing Holding's position and improve the service offering on the Norwegian market. Byggpartner is reported in the segment Installation Services. During the second quarter, an additional 15 percent of the shares in Byggpartner AS were acquired to a purchase price of SEK 3.6 m. The acquisition has been reported as a transaction between owners. Before the acquisition, the recognized value for the non-controlling interest of 30% amounted to SEK 11.4 m. The Group recognised a decrease in non-controlling interest of SEK -5.7 m and an increase of equity attributable to Parent Company shareholders amounting to SEK 2.1 m.

Gauris B.V.

On 4 February 2021 the Group through SealEco AB acquired 51 per cent of the shares in the Dutch company Gauris B.V. Nordic Waterproofing has a call option and the minority shareholder has a put option for the remaining 49 percent of the shares. The option gives SealEco AB the right to buy, and the minority shareholder the right to sell, the shares after 1 February 2031. For accounting purposes, the combined call and put option has been classified as a financial liability, and consequently, no non-controlling interest has been recognized. The liability regarding the call/put option is recognized at fair value as long-term liability level 3 and changes in fair value are reported among financial items in the income statement.

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

Urban Green AB

On 18 March 2021 the Group through Nordic Waterproofing Group AB signed an agreement to acquire 100 per cent of the Swedish company Urban Green AB. The company is headquartered in Stockholm and has production in Vislanda, Småland and provides roofing contracts for green

urban environments. Urban Green has 27 employees and an annual turnover of approximately SEK 50 m. The acquisition is part of Nordic Waterproofing's strategy to promote sustainable solutions by creating green environments and roof landscapes. Urban Green is reported in the segment Products and Solutions.

Seikat Oy

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

E. Voutilainen Oy

On 20 May 2021 the Group through Nordic Waterproofing Oy acquired 80 per cent of the Finnish company E. Voutilainen Oy. The purchase was financed within Nordic Waterproofing's existing credit facilities. Nordic Waterproofing has a binding agreement to purchase the remaining 20 percent in 2023. For accounting purposes, the forward-purchase debt has been classified as a financial liability, and consequently, no non-controlling interest has been recognized. The liability regarding the forward-purchase debt is recognized at fair value as long-term liability level 3 and changes in fair value are reported among financial items in the income statement. The company is headquartered in Imatra and performs installation and maintenance of liquid floor coating in mainly Eastern Finland. E. Voutilainen has ca 15 employees and an annual turnover of ca EUR 1.9 m. The acquisition will, together with our SPT Painting Oy, strengthen our position in the Finnish market. E. Voutilainen is reported in the segment Installation Services.

Rakennusliike Ripatti Oy

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

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

Tagcon.DK ApS

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

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

The acquired companies' net assets on the acquisition date:

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

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

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

Contingent considerations

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

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

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

Call/put options

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

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

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

ACQUISITIONS DURING 2020

The Group has not made any acquisitions of subsidiaries during 2020.

ACQUISITIONS DURING 2022

On the 1 February the Group through SealEco LTD acquired 100 percent of the British company Gordon Low LTD ("Gordon Low"). The acquisition is financed through Nordic Waterproofing's existing credit facilities. The company is headquartered in Bedfordshire and is a leading specialist fabricator and distributor of pond liners and other waterproof membranes for the aquatic, landscaping, commercial water containment and agriculture sector. Gordon Low has ca 20 employees and an annual turnover of GBP 5 m. Through the acquisition, the Group can expand the business of ponds and pools with Distripod products to more markets than Benelux. Gordon Low will be reported in the segment Products and Solutions. At the time of the publication of the report, the presentation of the acquisition was incomplete.

Purchase consideration	2022
SEK m	Total
Cash consideration	26.2
Call/put option	0.0
Vendor note and earn-out	0.0
Total purchase consideration	26.2

The acquired companies' net assets on the acquisition date:

Acquisition analysis	2022
SEK m	Total
Intangible assets	0.0
Tangible assets	0.5
Inventory	9.5
Trade and other receivables	7.1
Deferred tax asset	0.0
Cash and cash equivalents	7.7
Provisions	0.0
Other non-interest bearing liabilities	-4.9
Interest bearing liabilities	0.0
Deferred tax liabilities	0.0
Net assets and liabilities	19.8
Non-controlling interests	0.0
Goodwill	6.4
Total purchase consideration	26.2

Acquisition of business – net cash impact	2022
SEK m	Total
Cash consideration	26.2
Less cash balances acquired	-7.7
Less redemption of loans	0.0
Net cash impact – investing activities	18.6

NOTE 15 INFORMATION ON THE PARENT COMPANY

In November 2020, the former Danish parent company Nordic Waterproofing Holding A/S merged with the wholly owned Swedish subsidiary Nordic Waterproofing Holding AB and with the latter as a surviving entity, see the parent company's accounting principles and note 12 regarding the parent company for information on the merger. The parent company is a Swedish

company with organization number 556839-3168 with its registered office in Helsingborg.

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

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

Svolder, Stockholm, Sweden
 Swedbank Robur Funds, Stockholm, Sweden
 Handelsbanken Funds, Stockholm
 Third AP-fund, Stockholm
 Alcur Funds, Stockholm

NOTE 16 RELATED PARTIES

RELATED PARTY RELATIONSHIPS

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

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

COMPILATION OF RELATED PARTY TRANSACTIONS

SEK m	2021	2020
Sale of goods/services and royalties to related parties	290.1	253.1
Purchases of goods/services from related parties	-1.4	-1.0
Other (e.g. interest, dividends)	31.6	23.4
Receivables from related parties at 31 December	32.2	15.1
Liabilities to related parties at 31 December	0.0	0.0

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

TRANSACTIONS WITH KEY PERSONS IN MANAGEMENT POSITIONS

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

NOTE 17 INTANGIBLE ASSETS

ACCOUNTING POLICIES

Goodwill

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

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

Trademarks

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

Customer relationships

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

Order book

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

Developed technology

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

Research and development

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

Other intangible assets

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

Impairment testing of goodwill

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 below.

Consolidated goodwill consists of strategic business values 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.

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

SEK m	Goodwill	Trademarks	Customer relationships	Order book	Technologies	Capitalized expenses for ongoing projects	Other	Total
2020								
Opening net book amount	951.8	0.0	92.2	0.0	0.0	12.5	28.5	1,085.0
Acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reclassification	0.0	0.0	0.0	0.0	0.0	0.0	0.9	0.9
Amortization	0.0	0.0	-20.3	0.0	0.0	0.0	-9.8	-30.1
Exchange-rate differences	-25.4	0.0	-2.1	0.0	0.0	-0.4	-0.8	-28.7
Closing net book amount	926.4	0.0	69.8	0.0	0.0	12.1	18.8	1,027.1
AT 31 DECEMBER 2020								
Cost	926.4	0.0	144.0	19.3	0.0	12.1	42.9	1,144.7
Accumulated amortization and impairment	0.0	0.0	-74.2	-19.3	0.0	0.0	-24.1	-117.6
Net book amount	926.4	0.0	69.8	0.0	0.0	12.1	18.8	1,027.1

IMPAIRMENT TESTING FOR CASH-GENERATING UNITS CONTAINING GOODWILL

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

SEK m	2021	2020
Products & Solutions	879.4	813.4
Installation Services	162.0	113.0
Total	1,041.4	926.4

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 1 percent (1) per year. The cash flows have been present value calculated with a discount rate before tax of 5.1 percent (10.4) for Products & Solutions and 5.1 percent (10.4) for Installation Services, respectively.

A sensitivity analysis shows that a need for impairment of goodwill for segment Products & Solutions does not arise until the discount rate increases by more than 12.1 percent or if the growth would be -19.1 percent. The corresponding figure for segment Installation Services is an increase in the discount rate by 15.3 percent or a growth of -30.0 percent.

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

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

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

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

SEK m	2021	2020
Net sales	3.2	3.1
Cost of goods sold	26.3	21.3
Administrative expenses	6.7	5.6
Total	36.2	30.1

NOTE 18 PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICIES

Owned assets

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

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

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

Subsequent expenditures

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

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

Depreciation policies

Depreciation is applied straight-line over the asset's estimated useful life; land is not depreciated. Leased assets are also depreciated over the estimated useful life or, if it is shorter, over the agreed term of the lease.

The Group applies component depreciation, which means that the components' estimated useful lives form the basis of depreciation.

Estimated useful lives:

Office buildings:

Framework, facades, roofs and windows 25–57 years

Other 25–57 years

Industrial buildings:

Framework, facades, roofs 25–57 years

Other 25–57 years

Plant and machinery 5–10 years

Equipment, tools, fixtures and fittings 5 years

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

Leased assets

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

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

SEK m	Land and buildings	Machinery	Equipment & tools	Right-of-use assets - buildings	Right-of-use assets - other	Construction in progress	Total
2020							
Opening net book amount	126.2	111.4	26.5	96.8	19.0	9.0	388.9
Acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investments	1.1	23.7	9.6	28.2	16.4	20.7	99.6
Divestments and disposals	0.0	-0.2	-1.2	-6.7	-1.2	0.0	-9.3
Reclassification	0.2	4.2	6.0	0.0	0.0	-11.4	-0.9
Depreciation	-7.2	-26.2	-7.5	-35.4	-13.1	0.0	-89.3
Exchange-rate differences	-2.4	-2.1	-0.5	-4.3	-0.7	-0.2	-10.1
Closing net book amount	118.0	110.8	33.0	78.6	20.4	18.1	378.9
At 31 December 2020							
Cost	162.8	265.0	77.4	149.3	44.7	18.1	717.4
Accumulated depreciation	-44.8	-154.2	-44.5	-70.7	-24.4	0.0	-338.5
Net book amount	118.0	110.8	33.0	78.6	20.4	18.1	378.9

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

SEK m	2021	2020
Cost of goods sold	72.3	59.6
Selling expenses	9.3	10.7
Administrative expenses	22.0	19.0
Total	103.6	89.3

NOTE 19 LEASES

ACCOUNTING POLICIES

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

Amounts for leases recognized in profit/loss:

SEK m	2021	2020
Depreciation of right-of-use assets	55.4	48.5
Interest expenses for lease liabilities	2.7	2.3
Fees for short-term leases	0.4	0.2
Fees for low-value leases	0.3	0.1
Total	58.8	51.1

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

NOTE 20 INVENTORY

ACCOUNTING POLICIES

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

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

SEK m	2021	2020
Raw materials and consumables	196.9	117.4
Finished goods and goods for resale	412.5	275.0
Total	609.4	392.4

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

NOTE 21 TRADE RECEIVABLES

ACCOUNTING POLICIES

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

The Group applies the simplified approach for calculating expected credit losses on trade receivables. The Group reports a provision for the trade receivables expected lifetime, which is expected to be less than one year, at each reporting date. The simplified approach is based on a matrix based on historical credit loss levels combined with forward-looking factors such as macroeconomic factors. Historical credit loss levels are based on customers payment history for a period of five years before 31 December 2021. Historical losses are adjusted with forward-looking information on GDP and unemployment developments that may affect customers ability to pay receivables.

For information on common payment terms, see Note 5.

Trade receivables are recognized after consideration is taken to credit losses arising during the year that amounted to SEK -5.5 m (-8.2).

AGE ANALYSIS

SEK m	2021	2020
Trade receivable not overdue	257.0	213.1
Overdue 1-30 days	69.9	25.8
Overdue 31-90 days	10.9	16.1
Overdue > 90 days	21.2	16.1
Total	359.0	271.2
Provision for expected credit losses	-12.2	-8.5
Carrying amount	346.7	262.8

PROVISION FOR EXPECTED CREDIT LOSSES

SEK m	2021	2020
Opening balance	-8.5	-2.2
Acquisition/Divestment	-1.8	0.0
Reversal of previously applied impairment losses	3.7	0.5
Write-off of previous credit losses	0.0	0.5
Credit losses for the year	-5.5	-8.2
Exchange-rate differences for the year	-0.2	0.9
Closing balance	-12.2	-8.5

NOTE 22 OTHER CURRENT RECEIVABLES

ACCOUNTING POLICIES

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

SEK m	2021	2020
VAT receivables	11.0	5.4
Fair value, commodity derivatives	0.0	0.0
Balance on tax account	3.6	2.5
Other receivables	15.0	2.8
Total	29.6	10.8

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

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

SEK m	2021	2020
Sales and marketing expenses	4.2	5.9
Energy costs	0.5	0.5
IT	3.0	2.0
Insurance	4.3	3.0
Supplier bonuses	5.6	3.6
Other	14.8	7.0
Total	32.4	22.0

NOTE 24 OTHER CURRENT LIABILITIES**ACCOUNTING POLICIES**

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

SEK m	2021	2020
Personnel-related liabilities	18.0	16.0
VAT liabilities	32.1	33.8
Fair value, commodity derivatives (note 32)	0.0	1.7
Short-term vendor note and additional purchase price liability (note 32)	2.5	2.9
Short-term put option liability (note 32)	55.0	0.0
Other liabilities	7.6	1.4
Total	115.1	55.8

NOTE 25 ACCRUED EXPENSES AND PREPAID INCOME**ACCOUNTING POLICIES**

Accrued expenses are costs where payments are made in later periods. Prepaid income is payments during the period that constitute income for subsequent periods. For accounting policies regarding interests expenses, see Note 32. Customer bonuses constitute contract liabilities, for more information see Note 5.

SEK m	2021	2020
Personnel-related expenses	137.4	134.8
Interest expenses (note 32)	1.7	2.2
Customer bonuses (note 5)	15.4	32.2
Warranties	12.7	16.3
Other	40.6	30.4
Total	207.8	215.8

NOTE 26 OTHER INVESTMENTS

SEK m	2021	2020
Financial assets		
Shares and participations (note 32)	2.2	2.1

Shares and participations are equity instruments that are reported at fair value through profit or loss. This item is essentially comprised of shares in unlisted companies. The company has assessed that the fair value of the shares corresponds to the carrying amount. For more information, see Note 32.

NOTE 27 CASH AND CASH EQUIVALENTS**ACCOUNTING POLICIES**

Cash and cash equivalents are recognized at amortized cost, see Note 32. For cash and cash equivalents, the reserve is assessed based on the banks' probability of bankruptcy and forward-looking factors. Due to short maturities and high creditworthiness, the provisions amount to insignificant amounts. Cash and cash equivalents consist of cash funds and immediately available balances at banks and equivalent institutes and short-term liquid investments with a duration from the time of acquisition of less than three months, which are only subject to an insignificant risk of value fluctuations.

SEK m	2021	2020
The following subcomponents are included in cash and cash equivalents:		
Cash and bank balances (note 32)	226.6	604.3
Total as per balance sheet	226.6	604.3
Total as per cash flow statement	226.6	604.3

NOTE 28 EQUITY**SHARE CAPITAL AND NUMBER OF SHARES**

Stated in number of shares	2021	2020
Issued at 1 January	24,083,935	24,083,935
Issued at 31 December	24,083,935	24,083,935
Number of shares by class:		
Class A shares	24,083,935	24,083,935
Total	24,083,935	24,083,935

All shares have a quotient value of SEK 1.00 (1.00 SEK). Holders of ordinary shares are entitled to dividends determined in arrears and the shareholding entitles to voting rights at the General Meeting with one vote per share.

Total treasury shares, in order to secure the long-term incentive programs, were 176,334 (175,737), corresponding to 0.7 (0.7) percent of the total share capital, at 31 December 2021.

PROPOSED APPROPRIATION OF PROFIT**At the disposal of the Annual General Meeting:**

SEK	2021
Balanced profits	402,155,337
Results for the year	203,357,690
Retained earnings at the end of the year	605,513,027

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

SEK	2021
SEK 6.00 per share will be distributed to shareholders	143,445,606
Balanced on a new account	462,067,421
Total	605,513,027

RESERVES**Translation reserve**

The translation reserve includes all exchange-rate differences that arise in the translation of financial statements from foreign operations that have prepared their financial statements in a currency other than the currency that the consolidated financial statements are presented in. The Group presents its financial statements in SEK.

Hedging reserve

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

RETAINED EARNINGS INCLUDING PROFIT FOR THE YEAR

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

CAPITAL MANAGEMENT

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

The financial targets for Nordic Waterproofing Group, which are valid as from 2016, include a dividend policy and targets for the capital structure. Nordic Waterproofing aims to have an annual dividend of more than 50 percent of its net profit. The pay out decision will be based on the Company's financial position, investment needs, general economic and business conditions liquidity position as well as as general economic and business conditions. The interest-bearing net debt in relation to EBITDA (measured on a rolling-twelve months basis), excluding temporary deviations, shall not exceed 3.0 times. Dividend of SEK 239 (0) m has been

paid to the owners during 2021. The proposal contains to pay a cash dividend of SEK 131 m, which represent ca 51% of the net profit in 2020 and also to pay an extra cash dividend of SEK 108 m corresponding to 55% of the net profit for 2019, why leverage has decreased and amounts to 1.3 EBITDA (0.5x) as per the end of the reporting period.

NOTE 29 EARNINGS PER SHARE

SEK m	2021	2020
Earnings per share before dilution	10.71	10.60
Earnings per share after dilution	10.64	10.52

The calculation of the numerator and denominator used in the above calculations of earnings per share is presented below.

PROFIT/LOSS FOR THE YEAR ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS, BEFORE AND AFTER DILUTION

SEK m	2021	2020
Profit/loss attributable to Parent Company shareholders, before and after dilution	258.6	255.6

WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES, BEFORE AND AFTER DILUTION

In shares	2021	2020
Total number of shares, 1 January	24,083,935	24,083,935
Weighted average number of shares during the year, before dilution	23,939,094	23,894,198
Weighted average number of shares during the year, after dilution	24,083,935	24,083,935

NOTE 30 INTEREST-BEARING LIABILITIES**ACCOUNTING POLICIES**

Borrowings are valued at amortized cost. Borrowings are classified as interest-bearing non-current or current liabilities in the balance sheet.

SEK m	2021	2020
NON-CURRENT LIABILITIES		
Bank loans	751.1	745.8
Lease liabilities	100.5	55.4
Total	851.5	801.3

The non-current part of bank loans has been reduced by SEK 4.5 m (4.5) with regard to period-allocated arrangement costs for bank loans.

SEK m	2021	2020
CURRENT LIABILITIES		
Current part of bank loans	0.0	0.0
Cash credit	0.0	0.0
Lease liabilities	52.2	41.3
Total	52.2	41.3

NOTE 31 OTHER NON-CURRENT LIABILITIES**ACCOUNTING POLICIES**

Non-current liabilities essentially consist of amounts expected to be recovered or paid after 12 months of the reporting date. For accounting policies regarding put/call options and additional purchase price liabilities, see Note 32.

SEK m	2021	2020
Long-term call/put option liabilities Note 32]	31.9	30.9
Long-term additional purchase price liabilities (note 32)	1.9	0.5
Other liabilities	1.4	1.6
Total	35.3	32.9

Other non-current liabilities primarily consist of contingent liabilities in relation to acquired companies.

NOTE 32 FINANCIAL INSTRUMENTS

ACCOUNTING POLICIES

Financial instruments – classifications and valuation

A financial asset or liability is initially recognized in the balance sheet when the company becomes a party to the contractual conditions of the instrument. A financial asset is derecognized from the balance sheet when all benefits and risks associated with ownership have been transferred.

A financial liability is derecognized from the balance sheet when the obligations of the contract have been met, or otherwise extinguished.

Financial instruments are initially measured at fair value and, subsequently, at fair value or accumulated amortized cost, depending on their classification. Financial instrument classified at amortized cost are initially measured at fair value plus transaction costs. Financial instrument classified at fair value are initially measured at an amount corresponding to the instrument's fair value, transaction costs are expensed directly.

A financial instrument is classified at initial recognition based on the purpose for which the instrument was acquired. The classification determines how the financial instrument is measured after the first reporting date as described below.

All financial derivatives are measured at fair value. The purchase and sale of financial assets is recognized on the transaction date, which is the date the Group undertakes to purchase or sell the asset. From January 1, 2018, the Group applies the policy of recognizing a loss allowance for financial assets and receivables classified at amortized cost.

Cash and cash equivalents

Cash and cash equivalents consist of the Group's available balances with banks and corresponding institutions.

Classification of financial instruments

Financial assets

Debt instruments

Classification of financial assets that are debt instruments is based on the Group's business model for the management of the asset and the characteristics of the asset's contractual cash flows.

Instruments are classified at:

- amortized cost
- fair value through other comprehensive income, or
- fair value through profit and loss

Financial assets classified at amortized cost are initially measured at fair value plus transaction costs. Accounts receivables are initially recognized at the invoice amount. After initial recognition, the assets are measured according to the effective interest method. Assets classified at amortized cost are held under the business model of collecting contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The assets are covered by a reserve for expected credit losses (loss allowance).

The Group does not have any assets classified at fair value through other comprehensive income.

Fair value through profit and loss is all other debt instruments that are not measured at amortized cost or fair value through other comprehensive income. Financial instruments in this category are initially measured at fair value. Changes in the fair value are recognized in profit and loss. The Group's debt instruments are classified at amortized cost, except for debt instruments held for trading. During the year, no debt instruments were reported at fair value.

Equity instruments

Classified at fair value through profit and loss.

Derivative

Derivative instruments are recognized in the balance sheet as of the contract date and are valued at fair value, both initially and in subsequent remeasurements. Derivatives that are not identified as hedging instruments are classified in the balance sheet as financial assets and liabilities valued at fair value via the income statement. Gains and losses as a result of changes in fair value are recognized in the financial items in the income statement in the period in which they arise.

Financial liabilities

Financial liabilities are recognized at amortized cost or fair value through profit and loss. A financial liability is valued at fair value through profit and loss if it is classified as held for trade, a derivative that is not identified as a hedging instrument, an additional purchase consideration in an acquisition classified as a financial liability or if it is initially classified as a financial liability which is measured at fair value through profit and loss. Financial liabilities measured at fair value through profit and loss are measured continuously to fair value with changes in fair value recognized in the profit and loss. Other financial liabilities are measured at amortized cost according to the effective interest method.

Hedge accounting

The Group designates certain derivatives as either:

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

Derivative instruments are mainly used to protect the Group's exposure against fluctuations in the raw material price of bitumen and loans in foreign currency for hedging net investments in foreign subsidiaries.

The Group applies hedge accounting according to IFRS 9 for financial instruments intended to hedge future commercial cash flows for commodity prices and net investments in foreign currency. The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the hedging instruments designated to hedge accounting have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

Hedges are designed so that they can be expected to be effective, meaning that an economic relationship is expected to exist by the hedging instrument offsetting changes in fair value or the cash flow of the hedged item. This economic relationship is established mainly through qualitative analysis of critical terms in the hedging relationship. If changes in circumstances affect the hedging relationship such that the critical terms no longer match, the Group uses quantitative methods (the dollar offset method) to evaluate effectiveness. Sources of hedge ineffectiveness are stated below under each type of hedge. The Group determines the hedge ratio between the hedging instrument and the hedge item, based on the hedge ratios existing for the actual hedges. The hedge quote is 1:1 for all of the Group's hedging relationships where hedge accounting is applied.

Changes in the fair value of hedging instruments not meeting the requirements for hedge accounting are recognized directly in profit and loss.

Cash flow hedges - Commodity price risk

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

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for instance when the forecast purchase that is hedged takes place). The gain or loss relating to the effective portion of forward contracts hedging prices of raw materials is recognized in profit or loss within cost of goods sold.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

The hedging that the Group has made refers to hedging the cost of bitumen. The purchase cost for bitumen consists of a fixed part and a variable part linked to an oil price index. The variable part is hedged periodically through derivatives on this oil price index. The effectiveness of the hedge is monitored by comparing the hedged volumes at the time of hedging with actually purchased volumes.

Hedging of net investments

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Loans in foreign currencies are used as hedging instruments. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss within other operating income or other operating expenses. Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

Provision for expected credit losses

The Group's financial assets and receivables, except for those classified at fair value through profit and loss, are subject to impairment for expected credit losses. Impairment for credit losses under IFRS 9 includes forward-looking factors and a loss allowance is established when there is exposure

to credit risk, already in connection with initial recognition. Expected credit losses reflect the present value of all deficits in cash flows attributable to payment cancellations. The need for impairment is taken into account for different maturities depending on the type assets and on any credit deterioration since the initial recognition. Expected credit losses reflect an unbiased and probability-weighted amount that considers range of possible outcomes based on reasonable and supportable forward-looking information.

The simplified approach is applied to accounts receivable and receivables for on-going contract assets. A loss allowance, according to the simplified approach, is recognized for the expected lifetime of the receivable or asset. Refer to Note 21 for accounts receivable. Regarding receivables for on-going contract assets, no provision was reported during the year as the amount was not deemed to be significant. The Group continuously assesses the need for impairment on an ongoing basis and at the end of each reporting period.

The Group has defined a receivable as credit-impaired if the receivable is more than 180 days overdue for payment, in which case an individual assessment and provision is made. For cash and cash equivalents, the provision is assessed based on the banks' probability of bankruptcy and forwards-looking factors. Due to short maturities and high creditworthiness, the provisions amount to insignificant amounts.

The financial assets in the balance sheet are recognized at amortized cost, i.e., net of gross value and loss allowance. Changes in the loss allowance are recognized in profit in loss in EBIT regarding accounts receivables and as a financial expense or financial income regarding other loss allowances.

The Group's credit exposure is stated in Note 33 and in Note 21.

OFFSETTING OF FINANCIAL INSTRUMENTS

A financial asset and a financial liability, in addition to derivatives, are set off and reported with a net amount in the balance sheet only when there is a legal right to set off the amounts and that there is an intention to settle the items with a net amount or to simultaneously realize the asset and settle the liability. Financial assets and liabilities are not netted in the balance sheet.

CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT CATEGORY

The table below presents the carrying amounts for financial assets and liabilities by measurement category.

The fair values were calculated based on cash flows discounted using a risk adjusted discount rate. The increase in short-term liabilities refers to the fair value remeasurement of the put/call option debt from the acquisition of SealEco B.V. (at the time of the acquisition named EPDM Systems B.V.). The increase is attributable to a change in the assessment of forecasted EBITDA growth.

Financial instruments measured at fair value in the balance sheet consist of financial derivatives used to hedge the price risk arising from highly probable future purchases of bitumen products as well as contingent consideration and call/put options. These are recognized in the balance sheet items Other receivables and Other liabilities. In general, the carrying amounts of financial instruments measured at amortised costs are a reasonable approximation of their fair values. Long-term financial liabilities and receivables have floating interest rates which are repriced on a frequent basis.

FAIR VALUE HIERARCHY

The Group has commodity derivatives classified as level 2 in the fair value hierarchy whereas contingent consideration and options are classified as level 3. The Group has no level 1 instruments. The classification in the hierarchy depends on the degree to which the fair value is observable. Level 2 measurements are those derived from inputs other than quoted prices included within level 1 that are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 measurements are those derived from valuation techniques that include inputs that are not based on observable market data (unobservable inputs).

Financial instruments measured at level 3 as per 31 December:

SEK m	2021	2020
Opening balance	34.2	49.4
Fair value movement in income statement	30.9	-2.5
Purchases	32.4	0.0
Paid	-4.6	-12.4
Exchange rate differences	-1.6	-0.3
Closing balance	91.3	34.2

2021-12-31	At amortized cost	Fair value through profit or loss	Fair Value hedging instruments	Other ¹	Reported value	Fair value		
						Level 1	Level 2	Level 3
FINANCIAL ASSETS								
Non-current financial receivables from associated companies	12.3	-	-	-	12.3	-	-	-
Other investments	-	2.2	-	-	2.2	-	-	2.2
Other non-current receivables	11.2	-	-	-	11.2	-	-	-
Trade receivables	346.7	-	-	-	346.7	-	-	-
Receivables for on-going constructions contracts	80.6	-	-	-	80.6	-	-	-
Receivables from associated companies	19.9	-	-	-	19.9	-	-	-
Other current receivables	15.5	-	-	14.1	29.6	-	-	-
Cash and cash equivalents	226.6	-	-	-	226.6	-	-	-
Total	712.8	2.2	0.0	14.1	729.1	-	-	2.2
FINANCIAL LIABILITIES								
Non-current interest-bearing liabilities	851.5	-	-	-	851.5	-	-	-
Other non-current liabilities	1.4	33.8	-	-	35.3	-	-	33.8
Current interest-bearing liabilities	52.2	-	-	-	52.2	-	-	-
Trade payables	211.5	-	-	-	211.5	-	-	-
Other current liabilities	57.6	57.5	-	-	115.1	-	-	57.5
Accrued expenses and prepaid income	1.7	-	-	205.6	207.4	-	-	-
Total	1,176.0	91.35	-	205.6	1,473.0	-	-	91.3

2020-12-31	At amortized cost	Fair value through profit or loss	Fair Value hedging instruments	Other ¹	Reported value	Verkligt värde		
						Level 1	Level 2	Level 3
FINANCIAL ASSETS								
Non-current financial receivables from associated companies	9.1	-	-	-	9.1	-	-	-
Other investments	-	2.1	-	-	2.1	-	-	2.1
Other non-current receivables	15.7	-	-	-	15.7	-	-	-
Trade receivables	262.8	-	-	-	262.8	-	-	-
Receivables for on-going constructions contracts	21.4	-	-	-	21.4	-	-	-
Receivables from associated companies	6.0	-	-	-	6.0	-	-	-
Other current receivables	2.8	-	-	8.0	10.8	-	-	-
Cash and cash equivalents	604.3	-	-	-	604.3	-	-	-
Total	922.0	2.1	0.0	8.0	932.1	-	-	2.1
FINANCIAL LIABILITIES								
Non-current interest-bearing liabilities	801.3	-	-	-	801.3	-	-	-
Other non-current liabilities	1.6	31.3	-	-	32.9	-	-	31
Current interest-bearing liabilities	41.3	-	-	-	41.3	-	-	-
Trade payables	151.9	-	-	-	151.9	-	-	-
Other current liabilities	51.2	2.9	1.7	0.0	55.8	-	2	3
Accrued expenses and prepaid income	2.2	-	-	213.6	215.8	-	-	-
Total	1,049.5	34.2	1.7	213.6	1,299.0	-	1.7	34.2

VALUATION METHODS AND TECHNIQUES

Commodity derivatives

Future cash flows are estimated based on forward prices (from observable forward prices at the end of the reporting period) discounted at a rate that reflects the credit risk of various counterparties.

Contingent considerations

The fair value of the contingent consideration is based on probability weighted payments discounted at its present value.

Material non-observable input comprise:

- 4 percent of estimated gross profit for the period up until 2022,
- 0.5-1.5 percent of estimated net sales related to royalty payments for the period up until 2034,
- EBITDA for 2021, and
- a discount rate of 10 percent.
- EBITDA that exceeds 5 percent of net sales for 2021 and 2022, respectively, but a maximum of 4,620 TNOK.
- a discount rate of 17.9 percent."

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

Call/put options

The fair value of options is based on probability weighted payments discounted at its present value.

Material non-observable input comprise:

- growth in EBIT or EBITDA up until 2024, and
- a discount rate of 8 percent.
- growth in EBITDA up until 2030, and
- a discount rate of 8 percent.
- average EBITDA for 2021-2022
- discount rate of 0 percent
- Average EBITDA for 2021-2022
- discount rate of 18,7 percent

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

NOTE 33 FINANCIAL RISKS AND FINANCE POLICY

TREASURY POLICY AND FINANCIAL RISK MANAGEMENT

The Group's treasury policy for the management of financial risks has been established by the Board and forms a framework of guidelines and rules in the form of risk mandates and limits for financing activities. The CFO is responsible for compliance with the policy and for reporting any deviations to the CEO, who in turn informs the Board. The Board updates and establishes the policy once a year, or more often if circumstances require.

The management of financial risks within Nordic Waterproofing is centralised to the Group's finance function ("Group Finance"), which also serves as the Group's internal bank.

The Board has identified the following financial risks as the most significant to the Group: raw material price risk, liquidity and financing risk, interest rate risk, currency risk and credit risk.

Speculation in financial instruments and risks are not allowed at any point.

RAW MATERIAL PRICE RISK

Raw material price risk consists of the risk that changes in the price of raw materials have an unexpected impact on the consolidated statement of profit or loss, statement of financial position or statement of cash flows. Nordic Waterproofing is primarily exposed to the risk of price fluctuations on four kinds of raw materials: bitumen, SBS, polyester and EPDM. In 2021, these materials accounted for 52 percent (48) of the Group's total raw materials costs. The largest exposure is in bitumen where the price is the most volatile in the short term.

Risk management

As stated in the risk management policies the price risk must at any point in time be monitored and Nordic Waterproofing seeks to reduce price risk by entering into fixed price contracts or using hedging instruments. Bitumen can be hedged for the coming 24 months, and within this period, the CEO has the possibility to hedge between 0 and 100 % of the expected forecast purchases of raw materials. Hedge agreements exceeding 6 months require approval from the Chairman of the Board.

As at 31 December 2021, the expected purchases of bitumen for delivery during 2022 and forward are not hedged. The opinion of the NWG management is that the fluctuations of the price on bitumen can be managed through price increases to our customers and therefore the risk for eroding margins for this reason is limited. At the corresponding period the preceding year, the expected purchases of bitumen for delivery during January to June 2021 were hedged by means of derivatives, equivalent to 19,000 tons (approximately 46 percent of the expected annual purchasing volume).

Sensitivity analysis, bitumen price

A 10 percent decrease/increase in the price of bitumen would have impacted the statement of profit and loss in an amount of SEK +/- 21.6 m (16.3). Expressed as changes in the underlying Brent price, a 10 USD per barrel decrease/increase would have impacted the statement of profit and loss by approximately SEK +/- 22.0 m (22.0).

A 10 percent decrease/increase in the price of bitumen would have impacted the fair value of outstanding derivative instruments with an amount of SEK +/- 0.0 m (4.6), which would have affected other comprehensive income for 2021. The sensitivities are based on recognized bitumen derivatives as per 31 December.

Hedge accounting (cash flow hedging)

As mentioned above, the group has entered into commodity price derivatives during 2020 which has come due during 2021 in order to hedge the price fluctuations related to the expected purchase of bitumen for the coming 6 months. Thus, the derivatives impact consolidated income statement during 2021 once they are settled and given no ineffectiveness is recognised. The derivatives have an underlying price reference to Brent (previous year HSFO) which have a high correlation to bitumen

During the year, ineffectiveness recognised in the consolidated income statement amounted to SEK 0.0 m (0.0). Potential sources to ineffectiveness primarily relate to differences in timing of payment of the physical delivery and settlement of the derivative.

The fair value movement recognized in other comprehensive income used in the effectiveness test is SEK 1.7 m (-5.0).

Movements in other comprehensive income related to the hedging reserve are as follow:

SEK m	2021	2020
Opening balance	-1.4	2.6
Fair value movement	1.7	-5.0
Tax movements	-0.4	1.1
Closing balance	0.0	-1.4

LIQUIDITY AND FINANCING RISK

Financing risk is defined in the finance policy as the risk that loans cannot be refinanced when necessary, that financing cannot be obtained or that refinancing is only possible at unfavourable terms. It is incumbent on Group Finance to continuously forecast the Group's liquidity requirements and to continuously maintain contracts with relevant credit institutions to maintain access to competitive financing.

The Group's principal external financing agreement is valid until June 2024. An option to extend the existing agreement with one year was utilised during the second quarter of 2021. The agreement has an option to extend the existing agreement with +1 year. On 31 December 2021, the Group's non-current interest-bearing liabilities comprises of a EUR 75,0 (75.0) m term loan facility. 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.

For all the Group's bank loans, interest terms were updated during the fourth quarter of 2021, which is why essentially the book value can be assumed to correspond to fair value.

With the aim of managing the liquidity risk, the finance policy prescribes that the Group shall have a liquidity reserve consisting of cash and bank balances, current investments and unutilised credit facilities of at least SEK 40 m. 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 226.6 m (604.3). No portion, SEK 0.0 (0.0), of the Group's total credit facilities in the form of overdraft facilities of EUR 14.4 m (14.4), corresponding to SEK 147.3 m (144.5), was utilized at the end of 2021.

The table on page 92 shows the maturity structure for the Group's financial liabilities including derivative liabilities. For each period, due dates are presented for capital amounts and payment of interest. For liabilities with variable interest, the future interest payments have been estimated based on the variable spot rate that applied on the reporting date.

INTEREST RATE RISK

Interest rate risk consists of the risk that a change of market rates has a negative impact on the consolidated statement of profit or loss or state-

ment of financial position. The Group's bank loans run with variable interest in the form of EURIBOR 3M or STIBOR 3M plus a margin.

Sensitivity analysis, interest rate risk

The sensitivities are based on recognized financial assets and liabilities as per 31 December and do not take repayments or new financing activities during the year into consideration.

An increase/decrease of EURIBOR 3M or STIBOR 3M by 100 interest rate points would have increased/decreased the Group's annual interest

expenses and affecting equity by approximately SEK 6.8 m (1.4) 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.

2021 SEK m	Nominal amounts	Contractual payments of capital amounts and interest				
		Jan-Jun 2022	Jul-Dec 2022	2023	2024 to 2027	After 2027
INTEREST-BEARING LIABILITIES						
Non-current interest-bearing liabilities						
Bank loans – term loan facility	781.1	5.1	5.1	10.2	760.7	-
Bank loans – revolving loan facility	0.0	-	-	-	-	-
Bank loans - other	0.0	-	-	-	-	-
Lease liabilities	101.4	-	-	40.7	49.9	10.7
Current interest-bearing liabilities						
Lease liabilities	52.8	26.4	26.4	-	-	-
NON-INTEREST-BEARING LIABILITIES						
Non-current non-interest-bearing liabilities						
Long-term call/put option liabilities	46.3	-	-	15.7	7.9	22.7
Long-term additional purchase price liabilities	1.7	-	-	0.4	1.3	-
Other long-term liabilities	1.4	-	-	0.0	1.4	-
Current non-interest-bearing liabilities						
Short term put option liability	55.0	55.0	-	-	-	-
Short-term vendor note and additional purchase price liabilities	2.5	-	2.5	-	-	-
Trade payables	211.5	211.5	-	-	-	-
Accrued interest expenses	2.5	2.5	-	-	-	-
Other current liabilities	0.1	-	0.1	-	-	-
Total	1,261.6	300.5	34.2	67.0	826.5	33.5
Less bank balances	-226.6	-226.6	-	-	-	-
Net	1,035.0	73.9	34.2	67.0	826.5	33.5

2020 SEK m	Nominal amounts	Contractual payments of capital amounts and interest				
		Jan-Jun 2021	Jul-Dec 2021	2022	2023 to 2026	After 2026
INTEREST-BEARING LIABILITIES						
Non-current interest-bearing liabilities						
Bank loans – term loan facility	781.1	5.1	5.1	10.2	760.7	-
Bank loans – revolving loan facility	0.0	-	-	-	-	-
Bank loans - other	0.4	0.4	-	-	-	-
Lease liabilities	54.9	-	-	21.5	26.1	7.3
Current interest-bearing liabilities						
Lease liabilities	42.2	21.1	21.1	-	-	-
NON-INTEREST-BEARING LIABILITIES						
Non-current non-interest-bearing liabilities						
Long-term call/put option liabilities	33.4	-	-	32.4	1.0	-
Long-term additional purchase price liabilities	0.7	-	-	-	0.7	-
Other long-term liabilities	1.6	-	-	0.3	1.4	-
Current non-interest-bearing liabilities						
Short-term vendor note and additional purchase price liabilities	2.6	-	2.6	-	-	-
Trade payables	151.9	151.9	-	-	-	-
Accrued interest expenses	2.5	2.5	-	-	-	-
Other current liabilities	0.3	-	0.3	-	-	-
Total	1,071.7	181.0	29.1	64.4	789.9	7.3
Less bank balances	-604.3	-604.3	-	-	-	-
Net	467.4	-423.3	29.1	64.4	789.9	7.3

Transaction exposure

Transaction exposure is the risk of a negative impact on the consolidated profit due to changes in exchange rates that affect the value of a commercial transaction in a foreign currency relative to the functional currency for the Group company making the transaction. The Group has significant cash flows in foreign currencies (DKK, EUR, NOK and USD) that arise in the ordinary course of the Group's business. However, inflows and outflows of those foreign currencies are naturally offset and any net transaction exposure is therefore considered insignificant. Accordingly, no hedging is applied.

Translation exposure

Translation exposure arises in the translation of the statements of financial position and statements of profit or loss for foreign subsidiaries to SEK, which is the Group's presentation currency. The translation exposure is related to the subsidiaries in Finland, Belgium, the Netherlands, Denmark and Norway as the functional currencies for these subsidiaries are EUR, DKK and NOK. A strengthened SEK compared to EUR, DKK and NOK will lead to negative translation differences and a weakened SEK will lead to positive translation differences. In accordance with the accounting policies these translation differences are recognized in other comprehensive income and accumulated in a special reserve, called a translation reserve. In 2021, the translation differences amounted to SEK 27.8 m [-48.1].

At the reporting date, the accumulated translation differences after tax recognized in the translation reserve amounted to SEK 39.0 m [34.0].

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

Sensitivity analysis, currency risk

The sensitivities are based on recognized financial assets and liabilities as per 31 December. The Group has a significant exposure in DKK, EUR and NOK against SEK, of which the exposure in EUR is the most significant. The Group's exposure in EUR against SEK is affected by part of the Group's bank loans being raised in EUR. A 10 percent strengthening/weakening of the EUR against the SEK would have affected the Group's net financial items and affecting equity by SEK +/- 17.9 m (9.1), given the net liabilities that were outstanding on the reporting date (less cash holdings). Other comprehensive income would have been affected by translation differences of SEK +/- 43.9 m [42.4].

A 10 percent strengthening/weakening of the DKK against the SEK would have affected the Group's net financial items and affecting equity by SEK +/- 0.7 m (13.9), given the cash holdings on the reporting date, and other comprehensive income would have been affected by translation differences of SEK +/- 46.2 m [41.3].

A 10 percent strengthening/weakening of the NOK against the SEK would have affected the Group's net financial items and affecting equity by SEK +/- 1.6 m (0.9), given the cash holdings on the reporting date, and other comprehensive income would have been affected by translation differences of SEK +/- 0.1 m (0.4).

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 2021, no single customer accounted for more than 2.4 percent (1.9) of consolidated sales, and the five largest customers accounted for 8.8 percent (8.4) of consolidated sales.

On the reporting date, there is no significant concentration of credit exposure. The maximum credit risk exposure is apparent from the carrying amount for receivables in the statement of financial position.

The commercial credit risk is presented in Note 21.

Financial credit risk

The financial activities in the Group entail an exposure to credit risks. The Group's exposure to financial credit risk is primarily comprised of receivables from banks in the form of bank balances. In addition to this, exposure arises through receivables from counter-parties linked to positive market values on derivative contracts entered into.

NOTE 34 CONTINGENT LIABILITIES**ACCOUNTING POLICIES**

A contingent liability is disclosed when there is a possible commitment that originates from events occurred and the existence of which is confirmed only by one or more uncertain future events beyond the Group's control, or when there is a commitment that is not recognized as a liability or provision on the grounds that it is not likely that an outflow of resources will be required or cannot be calculated with sufficient reliability.

SEK m	2020	2019
CONTINGENT LIABILITIES		
Guarantees for the benefit of subsidiaries	160.9	118.7
Guarantees for the benefit of associated companies	56.6	65.0
Total contingent liabilities	217.6	183.7

Security in the form of guarantee commitments has been made for the benefit of Group companies' completion guarantees for contractor projects of SEK 160.9 m (118.7) at the reporting date.

A security in total of DKK 26.1 m (20.2) (corresponding to SEK 35.9 m (27.2) at the reporting date) has been made for the benefit of the Danish associated companies' credit commitments. These guarantees are, however, limited per company and amount to a maximum of DKK 6.5 m (3.0) (corresponding to SEK 8.9 m (4.1)) for an individual associated company. In addition to this, Group companies have guaranteed completion guarantees regarding associated companies' project corresponding to a maximum of DKK 15.0 m (15.0) (corresponding to SEK 20.6 m (20.2) at the reporting date).

On 31 May 2017, the Danish Competition Council decided that Nordic Waterproofing A/S, Icopal Danmark ApS, Danske Tagpapfabrikanter's Brancheforening and TOR had violated the Danish Competition Act. The alleged violation consisted in a so-called restrictive agreement in the form of an industry standard, "TOR-anvisningerne", and the associated approval scheme, "TOR Godkendt".

Nordic Waterproofing A/S and the other parties disputed the Council's decision and brought the case before the Danish Competition Appeals Board. On 12 September 2018, the Appeals Board decided to remit the case to the Council for re-evaluation. According to the Appeals Board, the Council had failed to demonstrate with the requisite certainty that Nordic Waterproofing A/S and the other parties had violated the Danish Competition Act. In addition, the Appeals Board stated that technical standards normally have positive economic effects.

On 29 April 2020, KFST decided that the investigation of the roofing felt market would be suspended without finding any breach of competition law or other irregularities. The decision was made on the basis of further investigations and legal analysis and in the light of the Competition Council's assessment of the case and its evidence. The initial decision has resulted in three civil proceedings which have not been dealt with pending KFST's decision. As it is the original decision of KFST that is the basis for the civil proceedings, the decision of KFST is expected to interrupt the investigation without finding any violation of competition law to be an important factor in the assessment in the further civil proceedings.

In the light of the Appeal Board's decision to remit the case to the Competition Council, it may be concluded that even though the civil proceedings are still pending, there are at present no substantive basis for the claims made. A decision was announced in the first of these three civil proceedings on 16 February 2022 when the judgment in the case against Eurotag Danmark A / S was announced. The court ruled in favor of Nordic Waterproofing. The following two civil proceedings are expected to be dealt with in 2022. As before, Nordic Waterproofing considers that the allegations made are unfounded and unjustified and no cash outflow is expected, after which no provision has been made.

NOTE 35 AUDIT FEES AND EXPENSES

SEK m	2021	2020
	Deloitte	Deloitte
Statutory audit	3.9	4.1
Other assurance services	0.2	1.1
Tax consulting	0.0	0.1
Other services	0.0	0.3
Total	4.1	5.6
	Other	Other
Statutory audit	0.6	0.6
Tax consulting	0.0	0.0
Other services	0.0	0.2
Total	0.6	0.8

The above specification for 2020, includes a fee of SEK 1.0 m, which pertains to Deloitte's statutory audit, other assurance services and general review of the merger of the former Danish parent company Nordic Waterproofing Holding A / S with the wholly owned Swedish subsidiary Nordic Waterproofing Holding AB and with the latter as the surviving unit.

NOTE 36 STATEMENT OF CASH FLOWS**ACCOUNTING POLICIES**

The statement of cash flows shows how income and changes in balance sheet items affect cash and cash equivalents, i.e. the cash generated or used in the period.

Cash from operating activities converts income statement items from the accrual basis of accounting to cash basis. As such, starting with operating profit/loss, non-cash items are reversed and actual payments included. Further, change in working capital is taken into account as this shows the development in money tied up in the balance sheet.

Cash from investing activities shows payments related to the purchase and sale of long-term investments. This includes fixed assets such as purchase and construction of new production sites, intangible assets and financial assets.

Cash from financing activities reports repayment of loans, finance leases, and payment of dividends.

Cash and cash equivalents consist of cash and bank balances.

The statement of cash flows is presented in accordance with the indirect method commencing with operating profit/loss for the year.

Cash flows in foreign currencies are translated to SEK at the average exchange rate for the respective month.

Cash and cash equivalents		
SEK m	2021	2020
The following subcomponents are included in cash and cash equivalents:		
Cash and bank balances	226.6	604.3
Total as per statement of financial position	226.6	604.3
Total as per statement of cash flows	226.6	604.3
Adjustment for non-cash items		
SEK m	2021	2020
Depreciation/amortization	139.8	119.4
Participations in associated company earnings	-21.1	-30.2
Reversed impairment losses	0.0	0.0
Exchange-rate differences	3.2	-1.6
Other items	0.9	0.9
Total	122.7	88.5

NOTE 37 EVENTS AFTER THE REPORTING DATE

On the 2 February the Group through SealEco LTD acquired 100 percent of the British company Gordon Low LTD, a leading specialist fabricator and distributor of pond liners and other waterproof membranes for the aquatic, landscaping, commercial water containment and agriculture sector. The acquisition is expected to have a minor positive effect on Nordic Waterproofing's earnings per share in 2022.

A decision was announced in the first of these three civil proceedings on 16 February 2022 when the judgment in the case against Eurotag Danmark A/S was announced. The court ruled in favor of Nordic Waterproofing. The following two civil proceedings are expected to be dealt with in 2022. As before, Nordic Waterproofing considers that the allegations made are unfounded and unjustified.

The Russian war on Ukraine can be expected to have limited impact on the Group's sales but have a disruptive impact on the supply chain through shortage of materials and a significant input cost inflation.

The Annual General Meeting of Nordic Waterproofing Holding AB will be held on Thursday, April 28. The Board of Directors has proposed to the Annual General Meeting to pay a dividend of SEK 6.00 per share for the 2021 financial year.

RECONCILIATION OF DEVELOPMENT OF LOANS AND BORROWINGS TO FINANCING ACTIVITIES IN THE CASH FLOW STATEMENT:

SEK m	2020-12-31	Changes in accounting principles	Cashflow	Acquisitions/ Divestments	Translation differences	Changes in fair value valuation	Other	2021-12-31
Non-current financial liabilities	745.8	-	-3.1	2.9	5.6	-	-0.1	751.1
Current financial liabilities	0.0	-	-0.8	0.8	-	-	-	0.0
Leasing liabilities	96.7	-	-52.0	29.9	2.5	-	75.5	152.5
Total financial liabilities	842.5	0.0	-55.9	33.5	8.1	0.0	75.4	903.6

SEK m	2019-12-31	Changes in accounting principles	Cashflow	Acquisitions/ Divestments	Translation differences	Changes in fair value valuation	Other	2020-12-31
Non-current financial liabilities	697.1	-	62.3	-	-9.8	-	-3.8	745.8
Current financial liabilities	0.0	-	-	-	-	-	-	0.0
Leasing liabilities	109.8	-	-53.8	-	-4.8	-	45.5	96.7
Total financial liabilities	806.9	0.0	8.5	0.0	-14.6	0.0	41.7	842.5

Parent company statement of profit or loss

SEK m	Note	2021	2020
Net sales		11.3	6.5
Gross profit/loss		11.3	6.5
Administrative expenses	2	-29.7	-31.5
Operating profit/loss (EBIT)		-18.4	-25.1
Result from financial items			
Result from shares in subsidiaries		200.0	0.0
Financial income	3	8.9	17.3
Financial expenses	4	-13.9	-13.6
Net finance items		195.1	3.7
Result after financial items		176.6	-21.4
Appropriations	5	28.1	20.4
Profit before tax		204.7	-1.0
Tax	6	-1.4	0.1
Profit/loss after tax		203.4	-0.9

Parent company statement of other comprehensive income

SEK m	2021	2020
Other comprehensive income		
Profit for the period	203.4	-0.9
Other comprehensive income	0.0	0.0
Comprehensive income for the period	203.4	-0.9

Parent company statement of financial position

SEK m	Note	2021	2020
ASSETS			
Non-current assets			
Shares in subsidiaries	7	903.0	889.0
Total non-current assets		903.0	889.0
Current assets			
Other current receivables from Group companies		249.3	148.4
Current tax assets		14.8	21.6
Other short-term receivables		1.6	2.1
Prepaid expenses and accrued income		0.0	-
Other current receivables		265.7	172.2
Cash and cash equivalents		165.8	530.7
Total current assets		431.5	703.0
TOTAL ASSETS		1,334.5	1,591.9
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital		24.1	24.1
Total restricted equity		24.1	24.1
<i>Non-restricted equity</i>			
Retained earnings including profit for the year	12	605.1	641.2
Total non-restricted equity		605.1	641.2
Total equity		629.2	665.3
Untaxed reserves	8	87.9	91.0
Non-current liabilities			
Long-term liabilities to credit institue	9	367.0	365.7
Long-term liabilities to Group companies		0.0	0.0
Total non-current liabilities		367.0	365.7
Current liabilities			
Trade payable		0.1	0.3
Short-term liabilities to Group companies		246.8	459.9
Tax liabilities		0.0	1.0
Other current liabilities		0.2	0.0
Accrued expenses and prepaid income	10	3.3	8.5
Total current liabilities		250.4	469.9
TOTAL EQUITY AND LIABILITIES		1,334.5	1,591.9
SUMMA EGET KAPITAL OCH SKULDER		1,334.5	1,591.9

Information on the Parent Company's contingent liabilities, see Note 34 in the Consolidated financial statements.

Information on the fees paid to the auditors, see Note 2.

Information on subsequent events, see Note 37 in the Consolidated financial statements.

Information on remuneration of the Executive Board and Board of Directors, see Note 7 in the Consolidated financial statements.

Parent company statement of changes in equity

SEK m	Restricted equity	Non-restricted equity	Total equity
	Share capital	Retained earnings	
Opening balance, January 1, 2020	0.1	644.4	644.5
Stock issue	24.1	-24.1	0.0
Dividend	-	-	-
Merger result	-	21.7	21.7
Profit/loss for the year	-	-0.9	-0.9
Closing balance, December 31, 2020	24.1	641.2	665.3

SEK m	Restricted equity	Non-restricted equity	Total equity
	Share capital	Retained earnings	
Opening balance, January 1, 2021	24.1	641.2	665.3
Dividend	-	-239.1	-239.1
Repurchase own shares	-	-20.0	-20.0
Provision for long-term incentive program	-	19.6	19.6
Profit/loss for the year	-	203.4	203.4
Closing balance, December 31, 2021	24.1	605.1	629.2

Summary cash flow statement parent company

SEK m	2021	2020
OPERATING ACTIVITIES		
Operating profit (EBIT)	-18.4	-25.1
Adjustment for non-cash items etc	0.0	-2.3
Interest received	8.9	9.6
Interest paid	-8.3	-9.7
Dividends received	200.0	0.0
Income tax paid/received	4.5	-16.1
Cash flow from operating activities before changes in working capital	186.6	-43.7
CHANGES IN WORKING CAPITAL		
Increase (-)/Decrease (+) in operating receivables*	-75.4	35.4
Increase (+)/Decrease (-) in operating liabilities*	-217.2	335.0
Cash flow from operating activities	-105.9	326.6
FINANCING ACTIVITIES		
Amortization of loans	0.0	0.0
Proceeds from loans	0.0	74.8
Repurchase of own shares	-20.0	0.0
Dividend	-239.1	0.0
Borrowing from Group companies*	0.0	0.0
Cash flow from financing activities	-259.0	74.8
Cash flow for the period	-365.0	401.5
Cash and cash equivalents at the beginning of the period	530.7	129.3
Cash and cash equivalents at the end of the period	165.8	530.7
	2021	2020
SPECIFICATION OF NON-CASH ITEMS		
Incentive program	5.5	0.0
Unrealized exchange differences	-3.7	1.5
Allocated arrangement fees	-1.8	-3.9
	0.0	-2.3

* At the preparation of 2020 and the 2019 cash flow analysis, intra-group liabilities and receivables were classified as intra-group borrowing. The intra-group receivables and liabilities mainly relate to the Group's cash pool and other intra-group receivables and liabilities of an operational nature. In the annual report, the comparative figures for the 2020 cash flow analysis have thus been reclassified from financing activities under the line intra-group borrowing to cash flow from changes in working capital under the lines Increase / decrease of operating receivables and operating liabilities, respectively. The above correction has no effect on the parent company's other financial reports.

NOTE 1 ACCOUNTING PRINCIPLES

The annual report have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2, Accounting for Legal Entities. Statements issued by the Swedish Financial Reporting Board have also been applied. It can be added that the parent company does not hold any leases. The accounting policies applied are presented in the relevant parts of the Group's accounting policies, with the following additions for the Parent Company.

SHAREHOLDERS' CONTRIBUTIONS TO SUBSIDIARIES AND GROUP CONTRIBUTIONS

Shareholder contributions are recognised directly in equity of the recipient, and capitalised in shares and participations of the contributor, to the extent that impairment is not required. Nordic Waterproofing Holding AB recognises Group contributions both paid and received as appropriations.

PARTICIPATIONS IN SUBSIDIARIES

Participations in subsidiaries are recognised in the Parent Company using the cost method, less any impairment.

FINANCIAL INSTRUMENTS

Due to the relationship between accounting and taxation, the requirements for financial instruments under IFRS 9 are not applied in the Parent Company as a legal entity. The Parent Company applies the cost method in accordance with the Swedish Annual Accounts Act. Accordingly, non-current assets in the Parent Company are measured at cost and current assets according to the lowest value principle, with the application of impairment for expected credit losses according to IFRS 9 for assets that are debt instruments. For all other financial assets, impairment is based on the asset's market value. The Parent Company's financial guarantees consist of guarantees on behalf of Group companies. The Parent Company applies the exception of not recognising financial guarantee contracts on behalf of subsidiaries, associated companies and joint ventures under the requirements of IFRS 9, but recognises financial guarantee contracts as provisions on the balance sheet when the company has an obligation for which payment is probable, otherwise the obligation is recognised as a contingent liability.

MERGER

During 2020, the parent company Nordic Waterproofing A/S, Corporate ID No 33395361, has been merged with the subsidiary Nordic Waterproofing Holding AB, Corporate ID No 556839-3168, which is now the parent company in the Group. The downstream merger is reported according to the group value method. Income statement and balance sheet in the previous parent company are included as per 2020-12-31 in Nordic Waterproofing Holding AB's income statement and balance sheet. The income statement and balance sheet of the previous parent company Nordic Waterproofing Holding A/S as of the merger date on 27th of November 2020 are shown in note 12.

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

NOTE 2 AUDIT FEES AND EXPENSES

SEK m	2021		2020	
	Deloitte		Deloitte	
Statutory audit	0.8		0.9	
Other assurance services	-		0.7	
Tax consulting	-		-	
Other services	0.1		0.1	
Total	0.9		1.7	

The above specification for 2020, includes a fee of SEK 1.0 m, which pertains to Deloitte's statutory audit, other assurance services and general review of the merger of the former Danish parent company Nordic Waterproofing Holding A / S with the wholly owned Swedish subsidiary Nordic Waterproofing Holding AB and with the latter as the surviving unit.

NOTE 3 FINANCIAL INCOME

SEK m	2021	2020
Interest income from subsidiaries	8.9	9.6
Unrealized exchange differences	0.0	7.7
Total	8.9	17.3

NOTE 4 FINANCIAL EXPENSES

SEK m	2021	2020
Interest expenses to credit institutes	-5.4	-7.6
Interest expenses to subsidiaries	0.0	0.0
Allocated arrangement fees	-1.8	-3.9
Unrealized exchange differences	-3.7	0.0
Other financial expenses	-2.9	-2.1
Total	-13.9	-13.6

NOTE 5 APPROPRIATIONS

SEK m	2021	2020
Tax allocation reserves	3.1	13.8
Group contributions	25.0	6.6
Total	28.1	20.4

NOTE 6 TAXES

SEK m	2021	2020
Tax expense for the period	-1.4	0.0
Tax due to changed taxation	0.0	0.1
Current tax	-1.4	0.1
Deferred tax for temporary differences	-	-
Deferred tax	-	-
Total reported tax expenses	-1.4	0.1
RECONCILIATION OF EFFECTIVE TAX		
Profit/loss before tax	205	-1
Tax according to current tax rate	-42.2	0.2
Non-deductible costs	-0.1	-1.3
Non-taxable revenue	41.2	0.0
Other - tax effect of merger	-0.3	1.2
Reported effective tax	-1.4	0.1

NOTE 7 SHARES IN SUBSIDIARIES

SEK m	2021	2020
ACCUMULATED COST		
Opening balance, 1 January	889.0	889.0
Shareholders contribution	14.0	0.0
Closing balance, 31 December	903.0	889.0

Refer to note 13 for the consolidated financial statement.

Nordic Waterproofing Holding AB holds 100% of the shares in Nordic Waterproofing Group AB.

NOTE 8 UNTAXED RESERVES

SEK m	2021	2020
Tax allocation reserve regarding the taxation of 2016	-	4.9
Tax allocation reserve regarding the taxation of 2017	18.5	18.5
Tax allocation reserve regarding the taxation of 2018	21.6	21.6
Tax allocation reserve regarding the taxation of 2019	21.2	21.2
Tax allocation reserve regarding the taxation of 2020	24.8	24.8
Tax allocation reserve regarding the taxation of 2021	-	-
Tax allocation reserve regarding the taxation of 2022	1.8	-
Total	87.9	91.0

NOTE 9 INTERESTBEARING LIABILITIES

SEK m	2021	2020
Long-term liabilities		
Long-term liabilities to Credit institutes	371.6	370.3
Allocated arrangement fees	-4.6	-4.5
Total	367.0	365.7

The finance agreement has a final maturity date in June 2024. The agreement has an option to further extend the existing agreement with +1 year.

The loan and credit facilities bear variable interest and run without requiring repayment in instalments. See Note 33 for the Group.

NOTE 10 ACCRUED EXPENSES AND PREPAID INCOME

SEK m	2021	2020
Accrued wages and vacation pay liability	0.3	3.8
Accrued social costs	0.2	1.2
Accrued interest expenses	1.2	1.5
Other items	1.6	2.1
Total	3.3	8.5

NOTE 11 RELATED PARTIES

Nordic Waterproofing Holding AB is the Parent company of the Group. The Parent company is a Swedish company with the corporate identity number 556839-3168 domiciled in Helsingborg. The address to the companies and the Group's registered office is Rönnowsgatan 12, 252 25 Helsingborg, Sweden. The following capital owners are listed in the company's shareholder's register as owners of at least 5% of the votes or the capital: Svolder Stockholm, Swedbank Robur Funds Stockholm, Third AP-fund Stockholm, Handelsbanken Funds Stockholm and Alcur Funds Stockholm.

OWNERSHIP STRUCTURE

The number of shareholders has increased with ca 1,000, from ca 5,500 to ca 6,500.

The largest shareholders in Nordic Waterproofing Holding AB, as per 30 December 2021, are stated below.

Owner	Number of shares	Capital, %	Votes, %
Svolder	3,742,952	15.5%	15.7%
Swedbank Robur Funds	1,925,641	8.0%	8.1%
Handelsbanken Funds	1,687,788	7.0%	7.1%
Third AP-fund	1,200,000	5.0%	5.0%
Alcur Funds	1,164,987	4.8%	4.9%
Länsförsäkringar Funds	1,044,108	4.3%	4.4%
Carnegie Funds	939,191	3.9%	3.9%
Oddo BHF Asset Management	616,070	2.6%	2.6%
Danske Invest (Lux)	555,000	2.3%	2.3%
Avanza Pension Fund	507,093	2.1%	2.1%
Total 10 largest shareholders	13,382,830	55.6%	56.0%
Other shareholders	10,524,771	43.7%	44.0%
Total number of votes	23,907,601	99.3%	100.0%
Treasury shares	176,334	0.7%	n/a
Total number of shares	24,083,935	100.0%	n/a

Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority. Holdings with depositories are reported as "other shareholders".

NOTE 12 MERGER

During 2020, the Parent Company Nordic Waterproofing A / S, CIN 33395361, merged with the subsidiary Nordic Waterproofing Holding AB, CIN 556839-3168, which is now the parent company in the Group. For accounting principles regarding the merger, see Note 1 for the Parent Company. The income statements and balance sheets of Nordic Waterproofing Holding A / S as of the merger date on 27 November 2020 are shown below.

SEK m	
Net sales	5.8
Administrative expenses	-10.7
Operating profit/loss (EBIT)	-4.9
Profit/loss before tax	-4.9
Tax	0.0
Profit/loss after tax	-4.9
Other comprehensive income	0.0
Comprehensive income for the period	-4.9
Shares in subsidiaries	472.8
Total non-current assets	472.8
Other current receivables from Group companies	12.1
Current tax assets	5.4
Total current assets	17.5
TOTAL ASSETS	490.3
EQUITY AND LIABILITIES	
Equity including profit/loss for the year	490.1
Total equity	490.1
Other current liabilities	0.2
Total current liabilities	0.2
TOTAL EQUITY AND LIABILITIES	490.3

NOTE 13 PROPOSED APPROPRIATION OF PROFIT**PROPOSED APPROPRIATION OF PROFIT**

At the disposal of the Annual General Meeting:

SEK	2021
Balanced profits	402,155,337
Results for the year	203,357,690
Retained earnings at the end of the year	605,513,027

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

SEK	2021
SEK 6.00 per share will be distributed to shareholders	143,445,606
Balanced on a new account	462,067,421
Total	605,513,027

Statement by the executive board and the board of directors

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Nordic Waterproofing Holding AB for the financial year 1 January – 31 December 2021.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Swedish Annual Accounts Act, and the Parent Company Financial Statements have been prepared in accordance with the Swedish Annual Accounts Act. Management's Review has been

prepared in accordance with the Swedish disclosure requirements for listed companies.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for the financial year 1 January – 31 December 2021.

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

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

Helsingborg, March 28, 2022

EXECUTIVE BOARD

Martin Ellis
President and CEO

THE BOARD OF DIRECTORS

Mats O. Paulsson
Chairman

Allan Lindhard Jørgensen

Leena Arimo

Steffen Baungaard

Riitta Palomäki

Hannu Saastamoinen

Our audit report was submitted on 28 March 2022,
Deloitte AB

Jeanette Rosberg
Authorized Public Accountant

Auditors report

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

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Nordic Waterproofing Holding AB (publ) for the financial year 2021-01-01 - 2021-12-31. The annual accounts and consolidated accounts of the company are included on pages 56 -101 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the

Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Carrying value of goodwill

Description of risk

The Group reports goodwill of SEK 1 041 million. The assessment of the value of goodwill depends on future returns and profitability in the cash-generating units to which the goodwill relates and is tested at least annually. Management bases its impairment test on a number of commitments and assessments such as sales growth, operating margin development and capital cost (WACC). Incorrect assessments and assumptions can have a significant impact on the Groups earnings and financial position. For further information, see notes 3 and 17 in the financial statements.

Our audit procedures

Our audit included, but is not limited to, the following audit procedures;

- Review and assessment of the procedures and internal controls for impairment testing of goodwill;
- Review that assumptions made are reasonable, that the valuation model is consistently applied, that integrity exists in inputs on which calculations are based; and
- Review of the completeness of relevant notes to the financial statements.

During the audit our valuation experts participated.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2-55 and 105-107. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

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

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar This description forms part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Nordic Waterproofing Holding AB (publ) for the financial year 2021-01-01 - 2021-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other

matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibilities for the audit of the management's administration is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description forms part of the auditor's report.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Nordic Waterproofing Holding AB (publ) for the financial year 2021.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report #[a50b8f676ec8f3277643bf31cbd870b2775d626ed2f78f267f4e28da450a45e9] has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Nordic Waterproofing Holding AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also

includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e., if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

Deloitte AB, was appointed auditor of Nordic Waterproofing Holding AB (publ) by the general meeting of the shareholders on 2021-04-29 and has been the company's auditor since 2019-04-24.

Malmö March 28, 2022
Deloitte AB

Jeanette Roosberg
Authorized public accountant

Financial definitions

The Group presents certain financial measures in the year-end report which are not defined according to IFRS. The Group considers these measures to provide valuable supplementary information for investors and the Company's management as they enable the assessment of relevant trends. Nordic Waterproofing's definitions of these measures may differ from other companies' definitions of the same terms. These financial measures should therefore be seen as a supplement rather than as a replacement for measures defined according to IFRS. For a complete file with reconciliations of KPI's, see <https://www.nordicwaterproofing.com/en/financial-definitions/>

KEY FIGURES	DEFINITIONS	REASON FOR USE OF MEASURE
Capital employed	Total assets less non-interest-bearing provisions and liabilities	Relevant to demonstrate the proportion of the Company's assets that are related to the business.
Currency re-valuation effects	Net sales growth due to change in exchange rates	Relevant in order to assess how the sales develops from changed currency rates only.
EBIT (earnings before interest and taxes)	Operating profit.	Relevant to assess the Company's profitability.
EBIT margin	EBIT as a percentage of net sales.	Relevant to assess the Company's efficiency and value creation.
EBITDA (earnings before interest, taxes, depreciation and amortization)	Operating profit before depreciation, amortization and impairment of tangible and intangible assets.	Relevant to assess the Company's efficiency, excluding depreciation and amortization and acquisition-related items.
EBITDA margin	Operating profit before depreciation, amortization and impairment of tangible and intangible assets as a percentage of net sales.	Relevant to assess the Company's efficiency and value creation.
Equity/assets ratio	Shareholders' equity, including non-controlling interests, as a percentage of total assets.	Relevant to assess the Company's abilities to fulfill its financial obligations.
FTE	Full Time Equivalent.	Relevant to assess the Company's efficiency.
Gross margin	Gross profit as a percentage of net sales.	Relevant to assess the Company's efficiency and value creation.
Interest cover ratio	Profit after net financial items plus interest expenses in relation to interest expenses.	Relevant to assess the company's ability to cover its own interest expenses.
Interest-bearing net debt	Interest-bearing liabilities less cash and cash equivalents.	Measurement to assess the Company's total interestbearing indebtedness.
Interest-bearing net debt/EBITDA	Net interest-bearing debt in relation to EBITDA.	Relevant to illustrate the financial risk and to follow-up the interestbearing indebtedness of the Company.
Net debt	Interest-bearing and non-interest-bearing liabilities less cash and cash equivalents.	Measurement to demonstrate the Company's total indebtedness.
Net debt/EBITDA	Net debt in relation to EBITDA.	Relevant to illustrate the financial risk and to follow-up the indebtedness of the Company.
Net debt/equity ratio	Net debt in relation to shareholders' equity.	Relevant to describe the Company's financial risk.
Operating cash conversion	Cash flow from operating activities as a percentage of EBITDA.	Relevant to illustrate how efficient the company is at creating a real cash flow from its operations.
Organic growth	Net sales growth adjusted for enterprises acquired and sold off and any exchange rate changes. No adjustments have been made for number of working days.	Relevant to demonstrate underlying growth in local currency.

Financial definitions

KEY FIGURES	DEFINITIONS	REASON FOR USE OF MEASURE
R12	The most recent twelve months/rolling twelve-month period.	Relevant to evaluate a KPI over a longer period than one quarter.
R4Q/4	Average value of the latest four quarter's closing balance.	Relevant to evaluate a KPI over a yearly business cycle.
Return on capital employed	EBIT as a percentage of average capital employed, calculated as the average of the last four quarter's closing balances.	Relevant to assess the Company's efficiency and value creation.
Return on capital employed excluding goodwill	Operating profit (EBIT) as a percentage of average capital employed, excluding goodwill, calculated as the average of the latest four quarter's closing balances.	Relevant in order to assess the Company's efficiency and value creation without taking goodwill into account.
Return on shareholders' equity	Profit after tax attributable to parent company shareholders as a percentage of average shareholders' equity, excluding non-controlling interests.	Relevant in order to assess how the Company uses its assets to create profit in the company.
Structural effects	Net sales growth for enterprises acquired and sold off.	Relevant in order to assess how the sales develops without impact from structural changes.

Glossary

TERM	EXPLANATION
BIM (Building Information Modeling)	BIM is a process of creating and using an intelligent 3D model to inform and convey project decisions. BIM solutions can project, visualize, simulate and collaborate, resulting in greater clarity for all stakeholders throughout the life cycle of the project. BIM makes it easier to achieve project and business goals.
Bitumen	Bitumen, also known as asphalt, is a sticky, black and highly viscous liquid or semi-solid form of petroleum which constitutes the waterproofing component in roof felt.
EPDM	EPDM rubber (ethylene propylene diene monomer M-class rubber) a type of synthetic rubber, is an elastomer characterized by a wide range of applications.
Flat roof	Roofing with a gradient of less than approximately 14°.
FTE	Full Time Equivalent.

TERM	EXPLANATION
Pitched-roof	Roofing with a gradient of more than approximately 14°.
PVC	Polyvinyl chloride is the world's third-most widely produced synthetic plastic polymer, after polyethylene and polypropylene. PVC comes in two basic forms: rigid (sometimes abbreviated as RPVC) and flexible.
SBS	Styrene-Butadiene-Styrene, an elastomeric compound which is added to bitumen to increase the flow characteristics and improves the low-temperature flexibility and fatigue resistance of roof felt.
TPO	Thermoplastic olefin (TPO), or olefinic thermoplastic elastomers refer to polymer/filler blends usually consisting of some fraction of a thermoplastic, an elastomer or rubber, and a filler.

Nordic Waterproofing on the internet, in your mobile and on your tablet

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

ANNUAL REPORT

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

NEWS ABOUT PRODUCTS AND SOLUTIONS

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

SUBSCRIBE TO INFORMATION

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

Nordic Waterproofing Holding AB is a Swedish public limited liability company domiciled in Helsingborg, Sweden. Corporate registration number: 556839-3168. LEI code: 549300T8MZ5GGREJW94.

The Annual Report is published in Swedish and English. The Swedish language version is the original and in the case of discrepancies between the versions, the Swedish version shall prevail. For environmental reasons, Nordic Waterproofing does not print the 2021 Annual Report. The Annual Report is available in its entirety at the company's website www.nordicwaterproofing.com. The 2021 Annual Report was published in March 2022.

All values are expressed in Swedish kronor. Kronor is abbreviated to SEK and millions of kronor to SEK m. Unless otherwise stated, figures in parentheses relate to the preceding financial year, 2020.

FINANCIAL PRESENTATIONS – WATCH LIVE ON DEMAND

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

FINANCIAL CALENDAR 2022

April 26	Interim Report, January–March 2022
April 28	Annual General Meeting
July 19	Interim Report, January–June 2022
October 25	Interim Report, January–September 2022

This report contains future-oriented information based on Nordic Waterproofing's current expectations. No guarantee can be provided that these expectations will prove correct. Accordingly, results could differ materially from those implied in the forward-looking statements as a result of, among other factors, changes in economic, market and competitive conditions, change in the regulatory environment and other government actions, fluctuations in exchange rates and other factors.

This annual report was produced in collaboration with Stakeholder communication (contents) and Carlund & Co (graphic production), Sweden.

INFORMATION ABOUT

ANNUAL GENERAL MEETING 2022

The Annual General Meeting of Nordic Waterproofing Holding AB, will take place on Thursday, April 28.

NOTIFICATION TO ATTEND THE ANNUAL GENERAL MEETING

The complete notification convening the Annual General Meeting will be available on the company's website www.nordicwaterproofing.com/en/shareholder-meetings/

To participate in the meeting and to be able to exercise their voting rights, shareholders must be included in the share register maintained by Euroclear Sweden AB by Thursday, seven days at the latest prior to the Annual General Meeting, and notify the company of their intention to participate by the same day.

Shareholders who have registered their shares with a trustee must have temporarily registered their shares in their own name seven days prior to the Annual General Meeting.

PROPOSALS TO ANNUAL GENERAL MEETING 2021

The Board of Directors and the CEO propose that shareholders be paid a cash dividend of SEK 6.00 per share (5.50).

Nordic Waterproofing is one of the leading providers in the waterproofing market in northern Europe. The Company provides high-quality products and solutions for waterproofing in Sweden, Finland, Denmark, Norway, Belgium, the Netherlands, Poland, the United Kingdom, Germany and Latvia. Nordic Waterproofing also provides installation services through wholly-owned subsidiaries In Finland, through a part-owned company in Norway and through part-owned franchise companies in Denmark. The Company markets its products and solutions under several brands, all with an extensive heritage, most of which are among the most established and well-recognized brands in waterproofing in their respective markets, such as Matakı, Trebolit, Phønix Tag Materialer, Kerabit, Byggpartner, SealEco, Distri Pond, SPT-Painting, Taasinge Elementer, RVT, Urban Green and Veg Tech. Nordic Waterproofing is listed in the Mid Cap segment on Nasdaq Stockholm with the stock ticker NWG. In 2021 the Group had Net sales of SEK 3,664 m and 1,272 employees in 10 countries.

NORDIC WATERPROOFING

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