

Another strong year in spite of cost headwinds

Fourth quarter of 2021

- Consolidated net sales increased by 16 percent to SEK 890 m (769), of which organic growth amounted to 5 percent, acquisitions with 11 percent and currency effects were neutral.
- Net sales in Product & Solutions amounted to SEK 658 m (584) and in Installation Services to SEK 249 m (205)
- Gross profit increased to SEK 232 m (207), Gross margin decreased to 26.1% (26.9%)
- EBITDA increased to SEK 97 m (93), EBITDA margin decreased to 10.9% (12.1%)
- Operating profit (EBIT) decreased to SEK 59 m (65), EBIT margin decreased to 6.6% (8.4%)
- ROCE increased to 16.6 percent (15.6)
- Cash flow from operating activities amounted to SEK 92 m (183)
- Earnings per share before and after dilution were SEK 1.82 (2.32) and SEK 1.81 (2.30), respectively

January-December 2021

- Consolidated net sales increased by 11 percent to SEK 3,664 m (3,303), of which organic growth amounted to 4 percent, acquisitions with 8 percent and currency had a negative impact of -2 percent
- Net sales in Product & Solutions amounted to SEK 2,818 m (2,570) and in Installation Services to SEK 928 m (833)
- Gross profit increased to SEK 1,041 m (929), Gross margin increased to 28.4% (28.1%)
- EBITDA increased to SEK 515 m (455), EBITDA margin increased to 14.1% (13.8%)
- Operating profit (EBIT) increased to SEK 382 m (337), EBIT margin increased to 10.4% (10.2%)
- Cash flow from operating activities amounted to SEK 220 m (462)
- Earnings per share before and after dilution were SEK 10.71 (10.60) and SEK 10.64 (10.52), respectively
- The board proposes a cash dividend of SEK 6.00 (5.50) per share

Financial key ratios

Amounts in SEKm unless otherwise stated	Q4 2021	Q4 2020	Change	12M 2021	12M 2020	Change
Net sales	890	769	16%	3,664	3,303	11%
Gross profit	232	207	12%	1,041	929	12%
Gross margin %*	26.1%	26.9%	-0.8pp	28.4%	28.1%	0.3pp
EBITDA*	97	93	4%	515	455	13%
EBITDA margin, %*	10.9%	12.1%	-1.2pp	14.1%	13.8%	0.3pp
EBIT	59	65	-9%	382	337	13%
EBIT margin, %*	6.6%	8.4%	-1.8pp	10.4%	10.2%	0.2pp
Return on capital employed, %*	n/a	n/a	n/a	16.6%	15.6%	1.0pp
Net profit	44	56	-21%	256	253	1%
Cash flow from operating activities	92	183	-50%	220	462	-53%
Net debt*	770	274	181%	770	274	181%
Earnings per share before dilution, SEK	1.82	2.32	-22%	10.71	10.60	1%
Earnings per share after dilution, SEK	1.81	2.30	-21%	10.64	10.52	1%

Conference call

A conference call for investors, analysts and media will be held today, 8 February 2022, at 10:00 a.m. CET and can be joined online at www.nordicwaterproofing.com. Presentation materials for the call will be available on the website one hour before the call.

To participate, please dial:

From the United Kingdom: +44 33 33 00 90 35

From Denmark: +45 78 72 32 50

From Sweden: +46 8 50 55 83 55

Unless otherwise stated, figures within parentheses refer to the preceding year or the corresponding period in the preceding year in respect of income statement and/or cash flow items and the end of the preceding year in respect of balance sheet items. *For definitions and reconciliations of financial and alternative key performance indicators, please see page 26 - 27.

Message from the CEO

Another strong year in spite of cost headwinds

Consolidated net sales in the fourth quarter increased by 16 percent compared to the previous year, from SEK 769 million to SEK 890 million. Organic growth was 5 percent, the impact from acquisitions was 11 percent and currency translation effects were neutral. Organic growth of 5 percent is the result of 8 percent in Products & Solutions, all due to sales price increases, and -7 percent in Installation Services in Finland. The latter is to some extent caused by delays on job sites due to component shortages from other suppliers, and a disciplined approach towards not accepting lower margin business.

EBIT for the fourth quarter amounted to SEK 59 million, compared to SEK 65 million for the corresponding period last year. The slightly negative development of the operating result is explained by a drop in profitability in Installation Services while Products & Solutions increased profitability significantly. In Installation Services we have not yet been able to pass on the significant input cost inflation to our customers.

Our Return on Capital Employed at 16.6 percent (15.6) remains significantly above the threshold of 13.0 percent. Operational cash flow has been negatively affected by increased inventory due to securing raw material availability, higher input costs and higher finished product levels to secure our delivery capabilities.

Dramatic increases in input prices have had a negative effect on both business segments. In Products & Solutions we have successfully absorbed these through a series of sales price increases. In Installation Services, we still expect a degree of margin compression to remain in the foreseeable future.

The net sales organic growth of 5 percent (1) in the fourth quarter are explained by good sales in the Products & Solutions operating segment, which organically grew 8 percent (6), all due to sales price increases, while the Installation Services operating segment decreased organically by -7 percent (-11).

In the Products & Solutions operating segment, 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.

In the Installation Services operating segment, where 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.



Martin Ellis,
President and CEO

Jan-Dec 2021

Net sales:
SEK 3,664 m (3,303)

EBITDA:
SEK 515 m (455)
14.1% (13.8%)

EBIT:
SEK 382 m (337)
10.4% (10.2%)

ROCE (R12):
16.6% (15.6%)

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.

We continue to focus on organic growth, profitability, sustainability, and selective acquisitions. Our balance sheet is strong, and we continue to have the capacity to carry out acquisitions. We have a strategic focus to promote sustainable building solutions and enhance our service and product portfolio.

Helsingborg, 8 February 2022



Martin Ellis,
President and CEO

Annual General Meeting 2022 and dividend proposal

The AGM of Nordic Waterproofing Holding AB will be held on 28 April 2022.

The Board of Directors will propose the Annual General Meeting to resolve to pay a cash dividend of SEK 6.00 per share, totaling SEK 143 m. This represents ca 56 percent of the net profit in 2021.

Nomination Committee for the 2022 Annual General Meeting

Information about the nomination committee is published on the Group's website:
www.nordicwaterproofing.com/en/nomination-committee.

Annual report 2021

The 2021 Annual Report will be available on Nordic Waterproofing's website and at the company's headquarters from 29 March 2022.

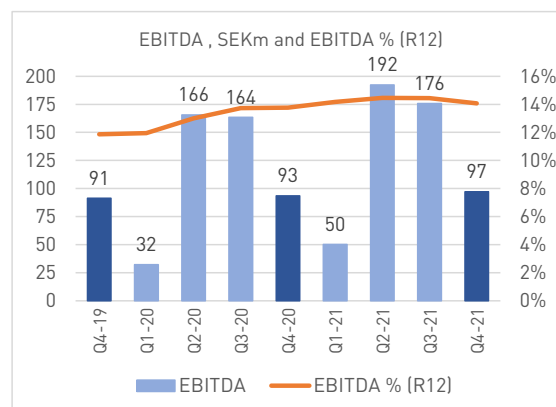
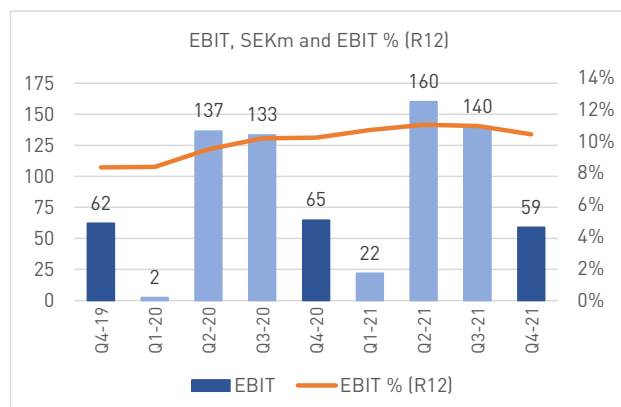
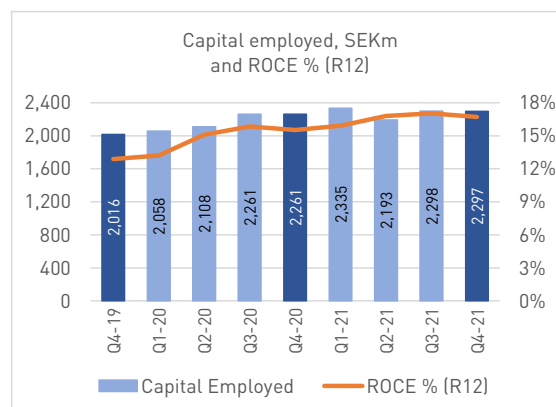
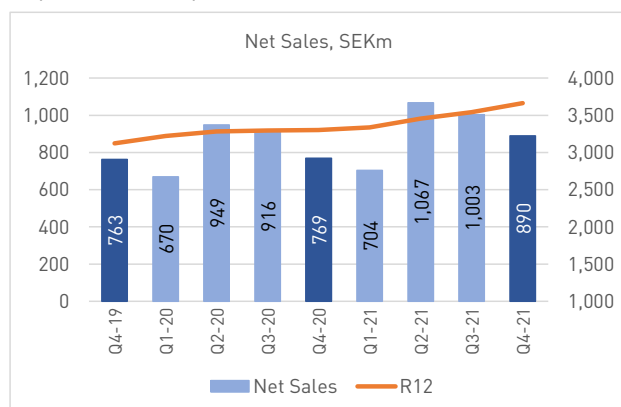
The Group

Net sales

Consolidated net sales for the fourth quarter increased by 16 percent to SEK 890 m (769). Organic growth was 5 percent, all due to sales price increases, impact from acquisitions was 11 percent and currency translation effects were neutral. Net sales for the period January – December increased by 11 percent to SEK 3,664 m (3,303). Organic growth was 4 percent, sales in acquired companies contributed by 8 percent and currency translation effects were negatively affecting net sales by -2 percent.

Analysis of net sales	Q4 2021 (%)	Q4 2021 (SEK m)	12M 2021 (%)	12M 2021 (SEK m)
Previous period		769		3,303
Organic growth	5%	35	4%	140
Structural effects	11%	88	8%	280
Currency effects	0%	-2	-2%	-60
Current period	16%	890	11%	3,664

Sales in Denmark increased by 12 percent in the fourth quarter compared with the corresponding period in the preceding year whereof organic growth was 14 percent and currency changes had a negative impact with -2 percent. In Sweden sales increased by 23 percent. Sales in Norway increased by 31 percent whereof acquisitions contributed with 35 percent, organic development -10 percent and currency changes had a positive impact with 6 percent. In Finland sales increased by 10 percent in the quarter whereof impact from acquisitions was 17 percent, organic development was -6 percent and currency translation effects were negatively affecting by -2 percent. Sales to other countries in Europe increased by 11 percent in the quarter.



Operating profit (EBIT), EBITDA and ROCE

Operating profit (EBIT) for the fourth quarter decreased to SEK 59 m (65) and the EBIT margin decreased to 6.6 percent (8.4).

Operating profit (EBIT) for the period January - December increased to SEK 382 m (337) and the EBIT margin increased to 10.4 percent (10.2).

EBITDA for the fourth quarter increased to SEK 97 m (93) and the EBITDA margin decreased to 10.9 percent (12.1), EBITDA for the period January - December increased to SEK 515 m (455) and the EBITDA margin increased to 14.1 percent (13.8).

Return on capital employed (ROCE) on a rolling 12 months basis was 16.6 percent (15.6) after the fourth quarter, exceeding our long-term financial target of 13.0 percent. The increase is mainly explained by the improved profitability.

Net financial items

Net financial items for the fourth quarter of 2021 amounted to SEK -3 m (8). The difference is mainly explained by updates on earn-outs and valuations for the written put options to buy outstanding shares in not wholly owned subsidiaries.

Net financial items for the period January - December amounted to SEK -47 m (-16). The difference is mainly explained by updates on earn-outs and valuations for the written put options to buy outstanding shares in not wholly owned subsidiaries.

Profit or loss before and after tax

The profit before tax for the fourth quarter amounted to SEK 56 m (72) and profit after tax amounted to SEK 44 m (56). The effective tax rate was 21.9 percent in the quarter.

The profit before tax for the period January - December amounted to SEK 335 m (321) and profit after tax amounted to SEK 256 m (253). The effective tax rate was 23.4 percent.

Risks and uncertainties

Nordic Waterproofing's business is subject to various risks, which can be divided into operating, financial and external risks. Operating risks include liability under warranties and product liability, key employees, disruptions in production, IT systems, intellectual property rights, product development, restructuring, acquisitions and integration, insurance, and corporate governance. Financial risks primarily include changes in exchange rates and interest rates, and risks relating to losses in respect of accounts receivable, liquidity risk, the capacity to raise capital, financial credit risk and risks relating to goodwill. External risks include risks relating to market trends, competition, prices of raw materials, political decisions, legal disputes, tax risks, environmental risks, and weather conditions. Apart from these risks, the consequences of the Covid-19 pandemic are a risk and an uncertainty for the development of our business. Currently the consequences are mainly an increased cost inflation on input materials and an increased shortage of material at work sites.

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

On the 29 April 2020 the Danish Competition and Consumer Authority (Konkurrence- og Forbrugerstyrelsen) decided to finally close the investigation of the roofing felt market. By the decision the Council finally closed the whole matter without taking any further steps in the matter. Related to this, three local competitors have raised claims for financial losses incurred to them. The first case was up in court in December 2021 and verdict is expected on 16 February

2022. It is the opinion Nordic Waterproofing that there are no grounds for these claims and no provisions have been made.

The risks are further described in the Group's 2020 Annual Report.

Cash flow

Cash flow from operating activities during the fourth quarter was SEK 92 m (183). The main explanation to the lower cash flow is the increased inventory due to higher prices on input material and increasing safety stock to secure our capabilities to deliver increased the working capital.

Cash flow from investing activities during the fourth quarter was SEK -23 m (-23).

Cash flow from financing activities during the fourth quarter was SEK -38 m (-28). During the quarter has the full EUR 75 m term loan facility been utilized.

Investments and depreciations

Gross investments excluding acquisitions during the fourth quarter of 2021 amounted to SEK 22 m (23), while depreciation amounted to SEK -15 m (-13). Right-of-use depreciations relating to IFRS 16 amounts to SEK -16 m (-13). Amortizations of intangible assets amounted to SEK -7 m (-5), primarily consisting of amortizations of customer relations in the acquired companies.

Gross investments excluding acquisitions during the 2021 amounted to SEK 82 m (55), while depreciation amounted to SEK -54 m (-49). Right-of-use depreciations relating to IFRS 16 amounts to SEK -54 m (-48). Amortizations of intangible assets amounted to SEK -26 m (-21), primarily consisting of amortizations of customer relations in the acquired companies.

An investment in a new building for SealEco Netherlands for SEK 40 m has been done during 2021.

Financial position and liquidity

Nordic Waterproofing's principal external financing agreement has final maturity date in 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 further extend the existing agreement with +1 year. It contains a EUR 75.0 m (75.0) term loan facility and a EUR 40.0 m (40.0) revolving loan facility, of which EUR 14.4 m is allocated to the Group cash pool overdraft facility. The loan and credit facilities bear variable interest and run without requiring repayment in instalments. The financing agreement contains financial covenants that are monitored and followed up on a quarterly basis. At the end of the fourth quarter Nordic Waterproofing is compliant with the covenants as per the facility agreement.

The consolidated interest-bearing net debt amounted to SEK 677 m at the end of the period, compared with SEK 238 m at the end of 2020. The increase in net debt of SEK 439 m compared to the end of 2020 is mainly explained by a somewhat weaker cash flow from operating activities in 2021, several acquisitions performed and dividend amounting to SEK 239 paid in cash to the shareholders.

Consolidated cash and cash equivalents amounted to SEK 227 m (604) at the end of the period. SEK 0 m (0) of the Group's total overdraft facility of SEK 147 m (141) was utilized at the end of the quarter.

Indebtedness calculated as net interest-bearing debt/EBITDA during the most recent twelve-month period was 1.3x (0.5x) at the end of the period, and the net debt/equity ratio was 0.5x (0.2x).

Pledged assets and contingent liabilities

There were no significant changes during the period.

Employees

The average number of employees during the fourth quarter of 2021 (expressed as full-time equivalents) was 1,304 compared with 1,153 during the same period in the preceding year. The increase is driven by performed acquisitions.

The average number of employees in the parent company has been 1 (0).

Significant events during the period

- On 1 November the board of the company resolved to utilize the authorization from the AGM 2021 to acquire own shares.
- On 2 December it was announced that Nordic Waterproofing Holding AB has repurchased the total amount of 89,102 shares and the share buy-back program has now been finalized.

Significant events after the reporting period

- The 2 February it was announced that Nordic Waterproofing had acquired 100 percent of Gordon Low Ltd in UK, a specialist fabricator and distributor of lining solutions and water proofing membranes.

Financial targets

Nordic Waterproofing's target for the return on capital employed (ROCE) is at least 13 percent. The outcome after the fourth quarter of 2021 on a rolling 12-month basis was 16.6 percent.

The interest-bearing net debt/EBITDA-ratio shall not exceed 3.0 times. The outcome after the fourth quarter of 2021 (R12) was 1.3 times.

The sales growth target to exceed the growth in the Group's current markets through organic growth, in addition to expected growth through selective acquisitions. It is the opinion of the Group that we have outperformed the market growth on our most relevant markets.

The parent Company

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

Incentive programs

The Company has established three incentive programs ("LTIP 2019", "LTIP 2020" and "LTIP 2021"). The total cost, including social security charges, is estimated to be slightly above SEK 10 m for each program, during the period of the program, under the assumption of an average annual growth of operating profit (EBIT) before items affecting comparability of 10-12 percent. No new shares will be issued in the Company due to the programs. However, the Company will acquire treasury shares in order to secure the provision of shares and to secure and cover social security charges. The costs for the programs are expected to have a marginal effect on Nordic Waterproofing Group's key ratios. The maximum number of shares that can be granted under the LTIP 2019, LTIP 2020 and LTIP 2021 are 99,455, 95,088 and 73,919 respectively, considering persons having left the Company.

The LTIP 2018 has ended and distribution of shares to participants in the program has been done during 2021.

Shares and share capital

As per 31 December 2021, the share capital amounted to SEK 24,084 thousand and the total number of issued shares were 24,083,935. The Company has one (1) class of shares. Each share entitles the holder to one vote at general meetings.

As per 31 December 2021, Nordic Waterproofing Holding AB had more than 6,500 shareholders and owns itself 176,334 treasury shares (0.7 percent of the total number of issued shares) following the share buyback program in connection with the long-term incentive programs.

During the quarter, a total number of 89,102 shares has been repurchased. There have not been any changes in number of issued shares and share capital during the fourth quarter of 2021.

As the LTIP 2018 has distributed 88,505 shares to the participants and the repurchase of 89,102 shares the number of treasury shares held has increased from 175,737 to 176,334 shares.

Ownership structure

The number of shareholders has during the quarter increased with ca 400, from 6.100 to ca 6.500.

The largest shareholders in Nordic Waterproofing Holding AB, as per 31 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".

Operating segments

Products & Solutions

Net sales for the fourth quarter of 2021 increased by 13 percent compared with the corresponding period in the preceding year, amounting to SEK 658 m (584). Organic growth was 8 percent, all due to sales price increases, while acquisitions contributed with 5 percent and the currency effects were neutral.

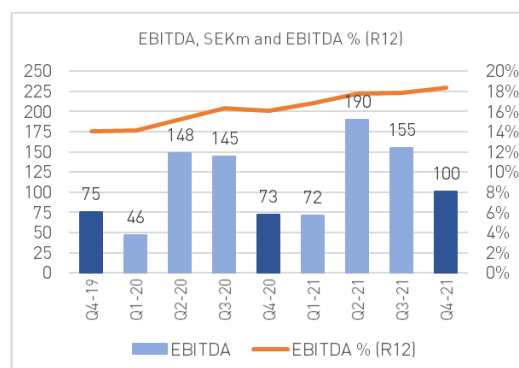
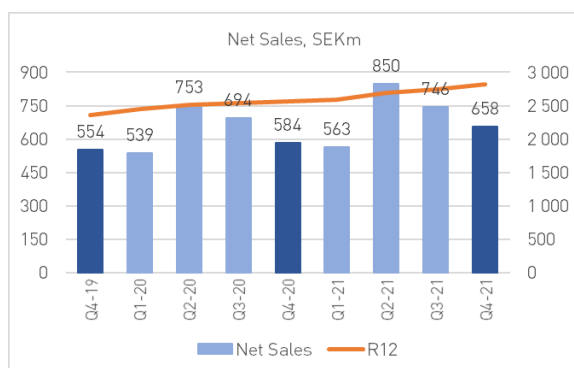
Sales in Denmark increased by 12 percent in the quarter from the corresponding period in the preceding year, whereof 14 percent organic and a negative currency effect of -2 percent. Sales in Finland increased by 59 percent in the fourth quarter, whereof organic increase was 8 percent, acquisitions contributed with 53 percent and currency effects were negative with -2 percent. Sales in Sweden increased by 23 percent while sales in Norway decreased by -4 percent whereof organic sales development was -10 percent and currency effects had a positive impact with 6 percent, Sales in other countries in Europe increased by 11 percent in the quarter.

Net sales for 2021 increased by 10 percent compared with the preceding year, amounting to SEK 2,818 m (2,570). Organic growth was 8 percent while acquisitions contributed with 3 percent and the currency effects had a negative impact of -1 percent.

Analysis of net sales, Product & Solutions	Q4 2021 (%)	Q4 2021 (SEK m)	12M 2021 (%)	12M 2021 (SEK m)
Previous period		584		2,570
Organic growth	8%	46	8%	207
Structural effects	5%	27	3%	79
Currency effects	0%	1	-1%	-38
Current period	13%	658	10%	2,818

Operating profit (EBIT) for Products & Solutions for the fourth quarter 2021 increased and amounted to SEK 72 m (50). The EBIT margin was 10.9 percent (8.5).

EBITDA amounted to SEK 100 m (73) and the EBITDA margin was 15.2 percent (12.4) in the fourth quarter.



Installation Services

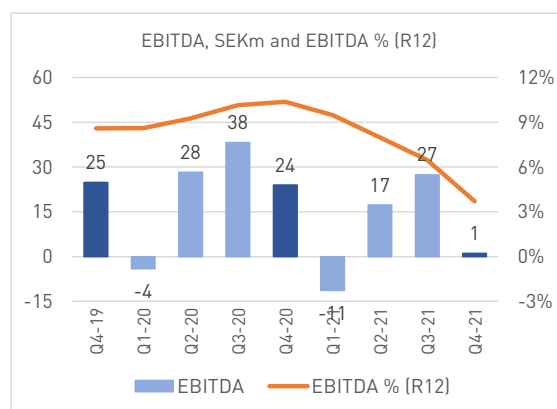
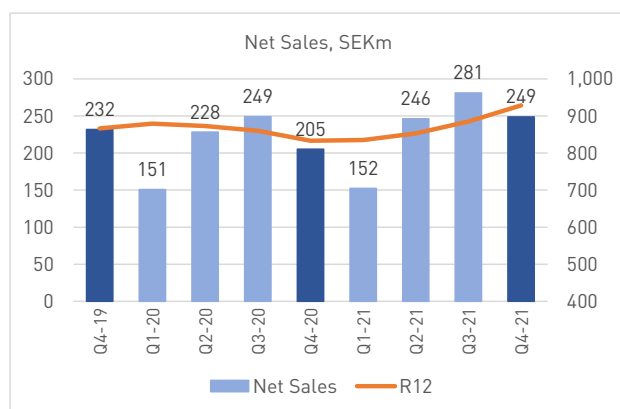
Business in this operating segment is primarily conducted in Finland, through a part-owned company in Norway and through the non-consolidated franchise companies in Denmark. Net sales for the fourth quarter of 2021 increased by 21 percent compared with the corresponding period in the preceding year, amounting to SEK 249 m (205). Organic development was -7 percent, acquisitions contributed with 30 percent and the currency effects were negative with -2 percent.

Sales in Finland increased with 4 percent consisting of -7 percent organic, 13 percent from acquisitions and negative currency effects with -2 percent.

Analysis of net sales, Installation Services	Q4 2021 (%)	Q4 2021 (SEK m)	12M 2021 (%)	12M 2021 (SEK m)
Previous period		205		833
Organic growth	-7%	-14	-10%	-84
Structural effects	30%	61	24%	201
Currency effects	-2%	-3	-3%	-22
Current period	21%	249	11%	928

Operating profit (EBIT) for Installation Services for the fourth quarter amounted to SEK -8 m (19). The EBIT margin was -3.1 percent (9.3) in the quarter.

EBITDA amounted to SEK 1 m (24) and the EBITDA margin was 0.4 percent (11.7) in the fourth quarter.



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

Quarterly data, IFRS and alternative measures

Key figures (SEKm)	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Net sales	890	1,003	1,067	704	769	916	949	670
EBITDA*	97	176	192	50	93	164	166	32
EBITDA margin, %*	10.9%	17.5%	18.0%	7.1%	12.1%	17.9%	17.4%	4.8%
Operating profit (EBIT)	59	140	161	22	65	133	137	2
EBIT margin, %*	6.6%	14.0%	15.0%	3.1%	8.4%	14.6%	14.4%	0.4%
ROCE (R12), %*	16.6%	17.1%	16.8%	15.9%	15.6%	15.9%	15.1%	13.2%
Net profit	44	86	116	11	56	98	109	-9
Cash flow from operating activities	92	101	114	-88	183	250	114	-86
Cashflow from operating activities (R12)*	220	311	461	460	462	433	324	288
Operating cash conversion (R12), %*	43%	61%	92%	97%	103%	96%	76%	75%
Interest-bearing net debt*	677	675	662	463	238	383	619	736
Net debt*	770	766	720	515	274	431	665	793
Earnings per share before dilution, SEK	1.82	3.58	4.84	0.47	2.32	4.10	4.55	-0.37
Earnings per share after dilution, SEK	1.81	3.56	4.80	0.47	2.30	4.07	4.51	-0.37
Net sales by segment (SEKm)	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Products & Solutions	658	746	850	563	584	694	753	539
Installation Services	249	281	246	152	205	249	228	151
Group Items & Eliminations	-17	-25	-29	-12	-21	-28	-32	-20
Total	890	1,003	1,067	704	769	916	949	670
Net sales by country (SEKm)	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Sweden	158	203	221	98	128	169	189	105
Norway	132	144	171	135	101	109	102	85
Denmark	230	227	234	198	206	210	216	179
Finland	243	281	252	131	221	277	268	174
Europe	123	147	188	140	111	148	171	125
Rest of world	4	1	1	2	2	2	2	2
Total	890	1,003	1,067	704	769	916	949	670
EBITDA by segment (SEKm)	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Products & Solutions	100	155	190	72	73	145	148	46
Installation Services	1	27	17	-11	24	38	28	-4
Group Items & Eliminations	-4	-7	-15	-10	-3	-19	-11	-10
Total	97	176	192	50	93	164	166	32
EBIT by segment (SEKm)	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Products & Solutions	72	128	164	49	50	119	125	22
Installation Services	-8	20	12	-16	19	34	24	-8
Group Items & Eliminations	-5	-8	-16	-11	-4	-20	-12	-11
Total	59	140	161	22	65	133	137	2

*For definitions and reconciliations of financial and alternative key performance indicators, please see page 26 - 27.

Management's statement

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

Helsingborg, 8 February 2022

CEO

Martin Ellis
President & CEO

Board of Directors

Mats O. Paulsson
Chairman

Leena Arimo

Steffen Baungard

Allan Jørgensen

Riitta Palomäki

Hannu Saastamoinen

This year-end report has not been reviewed by the company's auditor.

Condensed consolidated key figures

Amounts in SEKm unless otherwise stated	Q4 2021	Q4 2020	12M 2021	12M 2020
Net sales	890	769	3,664	3,303
Gross profit	232	207	1,041	929
EBITDA*	97	93	515	455
Operating profit (EBIT)	59	65	382	337
Net profit	44	56	256	253
Gross margin, %*	26.1%	26.9%	28.4%	28.1%
EBITDA margin, %*	10.9%	12.1%	14.1%	13.8%
EBIT margin, %*	6.6%	8.4%	10.4%	10.2%
Cash flow from operating activities	92	183	220	462
Operating cash conversion, %*	n/a	n/a	43%	102%
Investments in tangible & intangible assets	-25	-20	-84	-55
Total assets	3,158	2,864	3,158	2,864
Capital employed*	2,364	2,261	2,364	2,261
Equity	1,460	1,418	1,460	1,418
Interest-bearing net debt*	677	238	677	238
Interest-bearing net debt/EBITDA, multiple*	n/a	n/a	1.3x	0.5x
Net debt*	770	274	770	274
Net debt/EBITDA, multiple*	n/a	n/a	1.5x	0.6x
Interest coverage ratio, multiple*	15.9x	15.2x	22.3x	15.0x
Equity/assets ratio, %*	46.2%	49.5%	46.2%	49.5%
Net debt/equity ratio, multiple*	0.5x	0.2x	0.5x	0.2x
Return on shareholders' equity, %*	n/a	n/a	18.1%	19.6%
Return on capital employed, %*	n/a	n/a	16.6%	15.6%
Return on capital employed excluding goodwill, %*	n/a	n/a	29.9%	27.8%
Average number of shares before dilution	23,957,001	23,908,198	23,939,094	23,894,198
Average number of shares after dilution	24,083,935	24,083,935	24,083,935	24,083,935
Earnings per share before dilution, SEK	1.82	2.32	10.71	10.60
Earnings per share after dilution, SEK	1.81	2.30	10.64	10.52
Shareholders equity per share before dilution, SEK*	60.94	59.31	60.99	59.35
Shareholders equity per share after dilution, SEK*	60.62	58.88	60.62	58.88
Cash flow from operating activities per share before dilution, SEK*	3.85	7.65	9.18	19.34
Cash flow from operating activities per share after dilution, SEK*	3.82	7.60	9.11	19.19
Number of shares before dilution	23,907,601	23,908,198	23,907,601	23,908,198
Number of shares after dilution	24,083,935	24,083,935	24,083,935	24,083,935

*For definitions and reconciliations of financial and alternative key performance indicators, please see page 26 - 27.

Condensed financial statements

Condensed consolidated statement of profit or loss and other comprehensive income

Amounts in SEKm unless otherwise stated	Q4 2021	Q4 2020	12M 2021	12M 2020
Net sales	889.8	768.7	3,663.5	3,302.8
Cost of goods sold	-657.5	-561.9	-2,622.4	-2,373.6
Gross profit/loss	232.3	206.8	1,041.1	929.2
Selling expenses	-122.2	-103.0	-439.9	-403.6
Administrative expenses	-60.8	-52.4	-244.3	-220.6
Research and development expenses	-1.3	-0.7	-4.7	-4.3
Other operating income	3.6	2.2	11.0	10.0
Other operating expenses	-1.4	-1.4	-2.5	-4.8
Share of profit in associated companies	8.8	13.3	21.0	31.2
Operating profit/loss (EBIT)	59.0	64.8	381.7	337.1
Net finance items	-3.2	7.5	-47.0	-16.3
Profit/loss before tax	55.8	72.3	334.6	320.8
Tax	-12.2	-16.7	-78.3	-67.5
Profit/loss after tax	43.6	55.5	256.4	253.3
Other comprehensive income				
Items that are or may be reclassified to profit/loss for the year				
Translation differences for the year in translation of foreign operations	6.7	-50.6	27.8	-48.1
Gains/losses on raw material hedging, net	0.0	12.1	1.7	-5.0
Tax on gains/losses on comprehensive income	0.0	-2.6	-0.4	1.1
Total other comprehensive income after tax	6.7	-41.2	29.1	-52.0
Total comprehensive income after tax	50.3	14.3	285.5	201.3
Profit/loss for the year, attributable to:				
Owners of the company	45.8	55.7	258.6	255.6
Non-controlling interests	-2.2	-0.2	-2.3	-2.3
Total comprehensive income for the year, attributable to:				
Owners of the company	52.3	14.9	287.1	204.2
Non-controlling interests	-2.0	-0.6	-1.6	-2.9
Average number of shares before dilution	23,957,001	23,908,198	23,939,094	23,894,198
Average number of shares after dilution	24,083,935	24,083,935	24,083,935	24,083,935
Earnings per share before dilution, SEK	1.82	2.32	10.71	10.60
Earnings per share after dilution, SEK	1.81	2.30	10.64	10.52

Condensed consolidated balance sheet

Amounts in SEKm unless otherwise stated	31 Dec 2021	31 Dec 2020
ASSETS		
Intangible assets	1,177.4	1,027.1
Tangible assets	490.8	378.9
Financial assets	121.5	110.4
Deferred tax assets	8.9	6.5
Other non-current assets	11.2	15.7
Total non-current assets	1,809.8	1,538.6
Inventories	609.4	392.4
Trade receivables	366.6	268.8
Receivables for on-going construction contracts	80.6	21.4
Tax assets	2.9	5.4
Other receivables	62.0	32.7
Cash and cash equivalents	226.6	604.3
Total current assets	1,348.0	1,325.0
TOTAL ASSETS	3,157.8	2,863.6
EQUITY AND LIABILITIES		
Share capital	24.1	24.1
Reserves	39.0	10.5
Retained earnings including profit for the year	1,387.9	1,372.2
Equity attributable to owners of the Company	1,451.0	1,406.8
Non-controlling interests	9.0	11.2
Total equity	1,460.0	1,418.0
Non-current interest-bearing liabilities	851.5	801.3
Other non-current liabilities	35.3	32.9
Provisions	6.0	5.3
Deferred tax liabilities	123.2	102.4
Total non-current liabilities	1,016.0	941.8
Current interest-bearing liabilities	52.2	41.3
Trade payable	211.5	151.9
Payables for on-going construction contracts	45.0	19.1
Tax liabilities	50.1	19.9
Other current liabilities	323.0	271.6
Total current liabilities	681.8	503.7
TOTAL EQUITY AND LIABILITIES	3,157.8	2,863.6

Condensed consolidated statement of changes in equity

Specification of changes in equity (SEKm)	31 Dec 2021	31 Dec 2020
<i>Equity attributable to owners of the Company</i>		
Opening balance	1,406.8	1,195.5
Profit for the period	258.6	255.6
Other comprehensive income	28.5	-51.4
Transactions with non-controlling interest	8.3	0.0
Dividend	-239.1	0.0
Repurchase of treasury shares	-20.0	0.0
Provision for long-term incentive programs	7.8	7.5
Organizational changes	0.0	-0.4
Closing balance	1,451.0	1,406.8
<i>Equity attributable to non-controlling interest</i>		
Opening balance	11.2	14.1
Profit for the period	-2.3	-2.3
Other comprehensive income	0.6	-0.6
Acquisitions	7.8	0.0
Transactions with the Group's owners	-8.3	0.0
Closing balance	9.0	11.2
SUM TOTAL EQUITY, CLOSING BALANCE	1,460.0	1,418.0

Condensed consolidated cash flow statement

Amounts in SEKm unless otherwise stated	Q4 2021	Q4 2020	12M 2021	12M 2020
Operating activities				
Operating profit (EBIT)	59.0	64.8	381.7	337.1
Adjustment for non-cash items etc	31.9	34.8	122.7	88.5
Interest received	0.2	2.0	0.5	2.6
Interest paid	-3.3	-4.6	-13.9	-19.1
Dividends received	0.1	-0.8	31.6	23.4
Income tax paid/received	-13.6	-27.8	-42.9	-48.8
Cash flow from operating activities before changes in working capital	74.2	68.3	479.7	383.6
Changes in working capital				
Increase (-)/Decrease (+) in inventories	-87.8	-1.7	-171.2	-21.7
Increase (-)/Decrease (+) in operating receivables	237.6	239.3	-120.0	23.7
Increase (+)/Decrease (-) in operating liabilities	-131.9	-122.5	31.1	76.7
Cash flow from operating activities	92.0	183.4	219.5	462.3
Investing activities				
Acquisition of intangible fixed assets	-4.8	0.0	-5.7	-0.1
Acquisition of tangible fixed assets	-17.2	-19.8	-76.5	-55.0
Divestments of tangible fixed assets	0.0	0.0	0.0	0.0
Acquisition of business, net cash impact	-1.6	0.0	-180.6	0.0
Acquisition of participations in associated companies	-0.7	-0.5	-17.0	-4.7
Divestments of participations in associated companies	2.6	0.0	2.6	0.0
Change in other financial assets	-1.4	-2.3	0.0	4.5
Cash flow from investing activities	-23.2	-22.7	-277.3	-55.3
Financing activities				
Amortization of loans	-20.6	-28.4	-67.7	-66.5
Proceeds from loans	2.4	0.0	11.8	75.0
Purchase of own shares	-20.0	0.0	-20.0	0.0
Dividend	0.0	0.0	-239.1	0.0
Acquisition of participations in non-controlling interest	0.0	0.0	-3.4	0.0
Divestment of participations in non-controlling interest	0.0	0.0	0.0	0.0
Dividend paid to non-controlling interests	0.0	0.0	-4.6	0.0
Cash flow from financing activities	-38.1	-28.4	-322.9	8.5
Cash flow for the period	30.7	132.3	-380.7	415.4
Cash and cash equivalents at the beginning of the period	195.0	476.4	604.3	196.9
Exchange-rate differences in cash and cash equivalents	0.9	-4.4	3.0	-8.0
Cash and cash equivalents at the end of the period	226.6	604.3	226.6	604.3

The parent company's income statement in summary

Amounts in SEKm unless otherwise stated	Q4 2021	Q4 2020	12M 2021	12M 2020
Net sales	1,8	6,5	11,3	6,5
Gross profit/loss	1,8	6,5	11,3	6,5
Administrative expenses	-14,4	-27,0	-29,3	-31,5
Other operating expenses	0,0	0,0	-0,5	-0,1
Operating profit/loss (EBIT)	-12,6	-20,6	-18,4	-25,1
Result from financial items				
Result from shares in subsidiaries	200,0	0,0	200,0	0,0
Other financial items	-0,3	9,3	-4,9	3,7
Net finance items	199,7	9,3	195,1	3,7
Result after financial items	187,1	-11,3	176,6	-21,4
Appropriations	28,1	20,4	28,1	20,4
Profit before tax	215,2	9,1	204,7	-1,0
Tax	-3,4	-1,9	-1,4	0,1
Profit/loss after tax	211,8	7,2	203,4	-0,9

Other comprehensive income in summary

Other comprehensive income	Q4 2021	Q4 2020	12M 2021	12M 2020
Profit for the period	211,8	7,2	203,4	-0,9
Other comprehensive income	0,0	0,0	0,0	0,0
Total other comprehensive income after tax	211,8	7,2	203,4	-0,9

The parent company's balance sheet in summary

Amounts in SEKm unless otherwise stated	31 Dec 2021	31 Dec 2020
ASSETS		
Shares in subsidiaries	903.0	889.0
Total non-current assets	903.0	889.0
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
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		
Share capital	24.1	24.1
Retained earnings including profit for the year	605.5	641.2
Total equity	629.2	665.3
Untaxed reserves	87.9	91.0
Long-term liabilities to credit institue	367.0	365.7
Total non-current liabilities	367.0	365.7
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	3.5	8.5
Total current liabilities	250.4	469.9
TOTAL EQUITY AND LIABILITES	1,334.5	1,591.9

Notes

Note 1 – Accounting principles

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

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

New or amended accounting standards and interpretations to be applied from January 1 2021

Phase 2 of the amendments to IFRS 9, IFRS 7, etc. concerns the benchmark rate reform from 1 January 2021. The Group is affected by the benchmark rate reform primarily in the exposure to IBOR in its external borrowing when hedge accounting is not applied. The exposure to IBOR is limited and the Group follows up the changes and their impact.

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

Note 2 – Seasonality

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

Note 3 – Effects of changes in accounting estimates and judgements

Significant estimates and judgements are described in Note 3 and Note 33 in the Annual Report for 2020. In the Group’s financial reports, an amended assessment has been made of the most probable outcome regarding earn-outs call/put options, as shown in Note 5 Financial instruments in this year-end report. Otherwise, no essential changes have been made to these estimates or judgements which could have a material impact on the year-end report.

Note 4 – Intangible assets

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

Intangible assets, carrying amounts SEKm, unless otherwise stated	Goodwill	Trade- marks	Customer relations	Other	Total
Opening balance, 1 January 2021	926	0	70	31	1027
Investments	0	0	0	6	6
Acquisitions	99	10	46	7	163
Reclassification	0	0	0	0	0
Amortization	0	0	-24	-12	-36
Exchange-rate differences	16	0	1	0	17
Closing balance, 31 December 2021	1,041	11	93	33	1,177

Note 5 – Financial instruments

Financial instruments measured at fair value in the balance sheet consist of call/put options, contingent considerations from acquisitions and financial derivatives used to hedge the price risk arising from highly probable future purchases of bitumen products. Call/put options and contingent considerations are recognized in the balance sheet items "Other non-current liabilities" and "Other current liabilities". The fair value of the call/put options and contingent considerations is based on probability weighted payments discounted at its present value, see further description in the Group's 2020 Annual Report. The fair value measurements belong to level 3 in the fair value hierarchy in IFRS 13. Financial derivatives are recognized in the balance sheet items "Other receivables" and "Other liabilities", and hedge accounting is applied. The fair value of these commodity derivatives has been established through a discount of the difference between the agreed price and future prices at the reporting date for the remaining contract period. As of 31 December 2021, no hedges were in place. At the corresponding period the preceding year, the expected purchases of bitumen for delivery during January 2021 to June 2021 were hedged by means of derivatives, equivalent to 19,000 tons or approximately 46 percent of the expected annual purchasing volume for 2021. The fair value measurements belong to level 2 in the fair value hierarchy in IFRS 13.

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								
Financial assets	12	-	-	109	122	-	-	-
Other non-current assets	11	-	-	-	11	-	-	-
Trade receivables	367	-	-	-	367	-	-	-
Other receivables ²	-	-	-	62	62	-	-	-
Receivables for on-going construction	81	-	-	-	81	-	-	-
Cash and cash equivalents	227	-	-	-	227	-	-	-
Total	697	-	-	171	868	-	-	-
Financial liabilities								
Non-current interest-bearing liabilities	852	-	-	-	852	-	-	-
Other non-current liabilities	1	34	-	-	35	-	-	34
Trade payable	211	-	-	-	211	-	-	-
Current interest-bearing liabilities	52	-	-	-	52	-	-	-
Other current liabilities ²	59	58	-	206	323	-	-	58
Total	1,176	91	-	206	1,473	-	-	91

2020-12-31	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								
Financial assets	8	-	-	93	100	-	-	-
Other non-current assets	16	-	-	-	16	-	-	-
Trade receivables	499	-	-	-	499	-	-	-
Other receivables ²	-	-	-	38	38	-	-	-
Receivables for on-going construction	26	-	-	-	26	-	-	-
Cash and cash equivalents	476	-	-	-	476	-	-	-
Total	1,025	-	-	130	1,155	-	-	-
Financial liabilities								
Non-current interest-bearing liabilities	817	-	-	-	817	-	-	-
Other non-current liabilities	5	36	-	-	41	-	-	36
Trade payable	211	-	-	-	211	-	-	-
Current interest-bearing liabilities	43	-	-	-	43	-	-	-
Other current liabilities ²	113	6	14	212	346	-	14	6
Total	1,189	43	14	212	1,458	-	14	43

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

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

Financial instruments measured at level 3 per 31 December:

MSEK	2021	2020
Opening balance	34	49
Fair value movement in income statement	31	-3
Acquisition	32	0
Paid	-5	-12
Exchange-rate differences	-2	0
Closing balance	91	34

Fair value movement through income statement refers to the remeasurement of the put/call options and contingent considerations. The remeasurement primarily 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. For a description of valuation techniques and input data when valuing financial instruments at fair value, see note 33 in the Annual Report 2020.

Note 6 – Operating segments

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

Information regarding net sales from external customers, EBITDA and operating profit (EBIT) broken down by segment is set out in the tables on pages 9 - 10.

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

Amounts in SEKm unless stated otherwise	Products & Solutions		Installation Services		Group Items and Eliminations		Nordic Waterproofing Group	
	12M 2021	12M 2020	12M 2021	12M 2020	12M 2021	12M 2020	12M 2021	12M 2020
Allocation of revenues external/internal								
Revenues from external customers	2,735	2,470	928	833	0	0	3,664	3,303
Revenues from other segments	83	101	0	0	-83	-101	0	0
Revenues, total	2,818	2,570	928	833	-83	-101	3,664	3,303
Allocation per country								
Denmark	889	811	0	0	0	0	889	811
Sweden	629	554	50	38	0	0	679	592
Norway	432	396	150	1	0	0	583	397
Finland	271	256	718	784	-83	-101	907	940
Europe (excluding Nordic region)	591	547	7	10	0	0	598	556
Other countries	5	7	3	0	0	0	8	8
Total	2,818	2,570	928	833	-83	-101	3,664	3,303
Significant types of income								
Sale of goods	2,347	2,175	0	0	-83	-101	2,264	2,074
Construction contracts	471	395	928	833	0	0	1,399	1,228
Total	2,818	2,570	928	833	-83	-101	3,664	3,303
Time of revenue recognition								
At a certain point in time	2,347	2,175	0	0	-83	-101	2,264	2,074
Over time	471	395	928	833	0	0	1,399	1,228
Total	2,818	2,570	928	833	-83	-101	3,664	3,303
EBITDA	517	412	34	86	-36	-44	515	455
Depreciation & Amortisation	-104	-97	-26	-16	-3	-4	-133	-118
Operating profit (EBIT)	413	315	8	70	-40	-48	382	337
Net finance items							-47	-16
Profit/loss after finance items but before tax (EBT)							335	321
Tax							-78	-68
Profit/loss for the year							256	253
<i>Assets</i>								
Intangible assets (goodwill & customer relations)	956	898	217	124	5	7	1,178	1,027
Property, plant and equipment	425	345	62	30	3	4	491	379
Participations in associated companies	0	0	107	99	0	0	107	99
Inventory	588	384	22	8	0	0	609	392
Other assets	397	288	166	97	-43	-46	520	339
Non-allocated assets					253	627	253	627
Total assets	2,367	1,915	574	358	217	593	3,158	2,864
<i>Liabilities and Equity</i>								
Equity					1,460	1,425	1,460	1,418
Other liabilities	486	380	142	100	-42	-31	585	448
Non-allocated liabilities					1,112	998	1,112	998
Total liabilities and equity	486	380	142	100	2,530	2,392	3,158	2,864
Investments in tangible & intangible assets	0	0	0	0	0	0	0	0

Note 7 – Transactions with related parties

The Group has related party relationships with the associated companies as stated in Note 16 of the 2020 Annual Report. Transactions with related parties are priced on market terms. No transactions have taken place between Nordic Waterproofing and related parties that have materially affected the Group's financial position and results in the fourth quarter of 2021.

As also stated in Note 16 of the 2020 Annual Report, the Group has transactions with key persons in management positions. These transactions comprise salaries, benefits and pension commitments, as well as participation in, and distribution of shares from, the Group's incentive programs. During the second and third quarter 2021 have shares from the LTIP 2018 been distributed free of charge to key persons in management positions.

Note 8 – Acquisitions of businesses

Acquisitions during 12M 2021

During the year, six subsidiary acquisitions and one asset deal have been closed. The summarized purchase prices amounted to SEK 205.5 million 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 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. The acquisition has been reported as a transaction between owners.

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.

Acquisitions after the reporting period

Gordon Low LTD

On the 1 February the Group through SealEco LTD acquired 100 percent of the British company Gordon Low LTD ("Gordon Low"). The acquisition is financed through Nordic Waterproofing's existing credit facilities. 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 Distripond 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.

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

Purchase consideration	12M
SEK m	2021
Cash paid	204.8
Call/put option	30.1
Vendor note and earn-out	2.3
Total purchase consideration	237.2

Acquisition analysis	12M
SEK m, unless otherwise stated	2021
Intangible assets	63.3
Tangible assets	30.4
Financial assets	0.2
Inventories	37.4
Trade and other receivables	56.9
Deferred tax asset	2.1
Cash and 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
Consideration	237.2

Acquisition of business - net cash impact,	12M
SEK m	2021
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 is based on probability weighted payments discounted at its present value. Material non-observable 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.

Definitions

Key performance indicator according to IFRS

Earnings per share	Profit after tax for the period attributable to parent company shareholders divided by the average number of outstanding shares for the period
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Key performance indicators not defined according to IFRS

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.

Capital employed	Total assets less non-interest-bearing provisions and liabilities
EBIT	Operating profit
EBIT margin	EBIT as a percentage of net sales
EBITDA	Operating profit before depreciation, amortization and impairment of tangible and intangible assets
EBITDA margin	Operating profit before depreciation, amortization and impairment of tangible and intangible assets as a percentage of net sales
Equity/assets ratio	Shareholders' equity, including non-controlling interests, as a percentage of total assets
Gross margin	Gross profit as a percentage of net sales
Interest cover ratio	Profit after net financial items plus interest expenses in relation to interest expenses
Interest-bearing net debt	Interest-bearing liabilities less cash and cash equivalents
Interest-bearing net debt/EBITDA	Net interest-bearing debt in relation to EBITDA
Net debt	Interest-bearing and non-interest-bearing liabilities less cash and cash equivalents
Net debt/EBITDA	Net debt in relation to EBITDA
Net debt/equity ratio	Net debt in relation to shareholders' equity
Operating cash conversion	Cash flow from operating activities as a percentage of EBITDA
Organic growth	Net sales growth adjusted for enterprises acquired and sold off and any exchange rate changes. No adjustments have been made for number of working days
R12	The most recent twelve months/rolling twelve-month period
R4Q/4	Average value of the latest four quarter's closing balance
Return on capital employed	EBIT as a percentage of average capital employed, calculated as the average of the last four quarter's closing balances
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
Return on shareholders' equity	Profit after tax attributable to parent company shareholders as a percentage of average shareholders' equity, excluding non-controlling interests
Structural effects	Net sales growth for enterprises acquired and sold off
Currency re-valuation effects	Net sales growth due to change in exchange rates

Reconciliations

Key performance indicators not defined according to IFRS

For a complete file with reconciliations of KPI's, see <https://www.nordicwaterproofing.com/en/financial-definitions/>

	Q4 2021	Q4 2020	12M 2021	12M 2020
Capital employed				
Total assets	3,158	2,864	3,158	2,864
Other non-current liabilities	-35	-33	-35	-33
Provisions	-6	-5	-6	-5
Deferred tax liabilities	-123	-102	-123	-102
Trade payable	-211	-152	-211	-152
Payables for on-going construction contracts	-45	-19	-45	-19
Tax liabilities	-50	-20	-50	-20
Other current liabilities	-323	-272	-323	-272
Capital employed	2,364	2,261	2,364	2,261
EBITDA				
EBIT	59	65	382	337
Depreciation	31	24	108	97
Amortization	7	5	26	21
Impairment	-	-	-	-
EBITDA	97	93	515	455
Interest cover ratio				
Profit/loss before tax	56	72	335	321
Interest expenses	4	5	16	23
Total	60	77	350	344
Interest expenses	4	5	16	23
Interest cover ratio, multiple	15.9x	15.2x	22.3x	15.0x
Interest-bearing net debt				
Non-current interest-bearing liabilities	852	803	852	801
Current interest-bearing liabilities	52	39	52	41
Minus: Cash and cash equivalents	-227	-604	-227	-604
Interest-bearing net debt	677	238	677	238
Net debt				
Non-current interest-bearing liabilities	852	803	852	801
Non-current non-interest-bearing liabilities	35	33	35	33
Current interest-bearing liabilities	52	39	52	41
Current non-interest-bearing liabilities	58	3	58	3
Minus: Cash and cash equivalents	-227	-604	-227	-604
Net debt	770	274	770	274
Return on capital employed (ROCE)				
EBIT (R12)			382	337
Average capital employed (R4Q/4)			2,297	2,168
Return on capital employed (ROCE), %	n/a	n/a	16.6%	15.6%
Return on capital employed (ROCE) excl goodwill				
EBIT (R12)			382	337
Average capital employed (R4Q/4)			2,297	2,168
Goodwill (R4Q/4)			1,022	954
Return on capital employed (ROCE) excl goodwill, %	n/a	n/a	29.9%	27.8%
Return on shareholders' equity				
Profit after tax attributable to parent company shareholders (R12)			259	256
Average shareholders' equity ((OB+CB)/2)			1,429	1,301
Return on shareholders' equity, %	n/a	n/a	18.1%	19.6%



About Nordic Waterproofing Group

Nordic Waterproofing is one of the leading providers in the waterproofing market in northern Europe. The Company provides high-quality products and solutions for waterproofing in Sweden, Finland, Denmark, Norway, Belgium, the Netherlands, Poland, the United Kingdom and Germany. Nordic Waterproofing also provides installation services through wholly owned subsidiaries in Finland, through a part-owned company in Norway and through part-owned franchise companies in Denmark. The Company markets its products and solutions under several brands, all with an extensive heritage, most of which are among the most established and well-recognized brands in waterproofing in their respective markets, such as Matak, Trebolit, Phønix Tag Materialer, Kerabit, Byggpartner, Nortett, SealEco, Distri Pond, SPT-Painting, Taasinge Elementer, RVT, Urban Green and Veg Tech. Nordic Waterproofing Holding AB is listed in the Mid Cap segment on Nasdaq Stockholm with the stock ticker NWG.

Business concept

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

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

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

Financial calendar

Annual report 2021	29 March 2022
Interim report, January-March 2022	26 April 2022
Annual General Meeting 2021	28 April 2022
Interim report, January-June 2022	19 July 2022
Interim report, January-September 2022	25 October 2022

Further information can be obtained from

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This year-end report is information that Nordic Waterproofing Holding AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 8 February 2022, 08:00 a.m. CET.

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

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

