

Stable returns in spite of headwinds from input price inflation and job sites delays

Third quarter of 2021

- Consolidated net sales increased by 10 percent to SEK 1,003 m (916), of which organic growth amounted to 1 percent, acquisitions with 9 percent and currency had a negative impact of -1 percent
- Net sales in Product & Solutions amounted to SEK 746 m (694) and in Installation Services to SEK 281 m (249)
- Gross profit increased to SEK 298 m (283), Gross margin decreased to 29.8% (30.9%)
- EBITDA increased to SEK 176 m (164), EBITDA margin decreased to 17.5% (17.9%)
- Operating profit (EBIT) increased to SEK 140 m (133), EBIT margin decreased to 14.0% (14.6%)
- ROCE increased to 17.1 percent (15.6)
- Cash flow from operating activities amounted to SEK 101 m (250)
- Earnings per share before and after dilution were SEK 3.58 (4.10) and SEK 3.56 (4.07), respectively

January-September 2021

- Consolidated net sales increased by 9 percent to SEK 2,774 m (2,534), 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 2,159 m (1,986) and in Installation Services to SEK 680 m (628)
- Gross profit increased to SEK 809 m (722), Gross margin increased to 29.2% (28.5%)
- EBITDA increased to SEK 418 m (361), EBITDA margin increased to 15.1% (14.3%)
- Operating profit (EBIT) increased to SEK 323 m (272), EBIT margin increased to 11.6% (10.7%)
- Cash flow from operating activities amounted to SEK 127 m (279)
- Earnings per share before and after dilution were SEK 8.89 (8.28) and SEK 8.83 (8.21), respectively

Financial key ratios

Amounts in SEKm unless otherwise stated	Q3 2021	Q3 2020	Change	9M 2021	9M 2020	Change	R12 2021	12M 2020
Net sales	1,003	916	10%	2,774	2,534	9%	3,542	3,303
Gross profit	298	283	6%	809	722	12%	1,016	929
Gross margin %*	29.8%	30.9%	-1.1pp	29.2%	28.5%	0.7pp	28.7%	28.1%
EBITDA*	176	164	7%	418	361	16%	511	455
EBITDA margin, %*	17.5%	17.9%	-0.3pp	15.1%	14.3%	0.8pp	14.4%	13.8%
EBIT	140	133	5%	323	272	19%	387	337
EBIT margin, %*	14.0%	14.6%	-0.6pp	11.6%	10.7%	0.9pp	10.9%	10.2%
Return on capital employed, %*	n/a	n/a	n/a	n/a	n/a	n/a	17.1%	15.6%
Net profit	86	98	-12%	213	198	8%	268	253
Cash flow from operating activities	101	250	-60%	127	279	-54%	311	462
Net debt*	766	431	78%	766	431	78%	766	274
Earnings per share before dilution, SEK	3.58	4.10	-13%	8.89	8.28	7%	11.21	10.60
Earnings per share after dilution, SEK	3.56	4.07	-12%	8.83	8.21	8%	11.14	10.52

A conference call for investors, analysts and media will be held today, 2 November 2021, at 10:00 a.m. CEST 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 92 74

From Denmark: +45 78 15 01 07

From Sweden: +46 8 566 427 07

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 27 – 28.

Message from the CEO

Stable returns in spite of headwinds from input price inflation and job sites delays

Consolidated net sales in the third quarter increased by 10 percent compared to the previous year, from SEK 916 million to SEK 1,003 million. Organic growth was 1 percent, the impact from acquisitions was 9 percent and currency translation effects were -1 percent. Organic growth of 1 percent is the result of +4 percent in Products & Solutions, all due to sales price increases, and -8 percent in Installation Services in Finland. The latter is predominantly caused by delays on job sites due to component shortages, and a disciplined approach towards not accepting lower margin business.

EBIT for the third quarter amounted to SEK 140 million, compared to SEK 133 million for the corresponding period last year. The positive development of the operating result is explained by the implementation of our turnaround plan in the Prefabricated Elements business, in spite of some margin compression due to input price inflation in other parts of our Products & Solutions segment and lower returns in the Installation Services segment. Our Return on Capital Employed at 17.1 percent (15.6) remains significantly above the threshold of 13 percent. Operational cash flow has been negatively affected by the build up of inventory due to both the securing of raw material availability and job sites delays.

Dramatic increases in input prices have had a negative effect on both business segments. In Products & Solutions we are in the process of absorbing these through a series of sales price increases, albeit with a time lag of several weeks. In Installation Services, we expect a degree of margin compression to remain in the foreseeable future.

We have acquired the Finnish company Ripatti during the quarter, bringing the total number of acquisitions this year to 7.

The net sales organic growth of 1 percent (2) in the third quarter are explained by good sales in the Products & Solutions operating segment, which organically grew 4 percent (7) while the Installation Services operating segment decreased organically by -8 percent (-2).

In the Products & Solutions operating segment, the Bitumen-based waterproofing business showed double-digit growth in Sweden while growth in Denmark, Norway and Finland were on a lower level.

SealEco, our synthetic rubber proofing business, had net sales on level with same period previous year. Most major markets show growth while the Distripod-business had a weaker development in the quarter.

The Taasinge group, our prefabricated wooden elements business, had a strong double-digit growth compared to the previous year. The profit improvement program has resulted in a turn-around within the Taasinge Group. In both Denmark and Norway, we have a good level in the order books and are fully booked for 2021. Also Seikat, our Finnish entity within this business, have a strong order book and 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, were organically on level with same period previous year.



Martin Ellis,
President and CEO

Jan-Sep 2021

Net sales:
SEK 2,774 m (2,534)

EBITDA:
SEK 418 m (361)
15.1% (14.3%)

EBIT:
SEK 323 m (272)
11.6% (10.7%)

ROCE (R12):
17.1% (15.6%)

In the Installation Services operating segment, where sales are mainly generated in Finland, net sales decreased organically by -8 percent, mainly because of delays on job sites due to component shortages. The activities within roof maintenance showed good growth.

Our Danish franchisees continue to experience a stable and strong market and during the third quarter had an EBIT contribution somewhat below last year and an order book well exceeding the level of last year.

During the quarter we have closed the acquisitions of Rakennusliike Ripatti Oy, a specialist in metallic façade construction, metal profiling and machining and pre-made eaves system with integrated fall protection under the brand RipRap. This resulting in a total of seven acquisitions so far during 2021.

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, 2 November 2021



Martin Ellis,
President and CEO

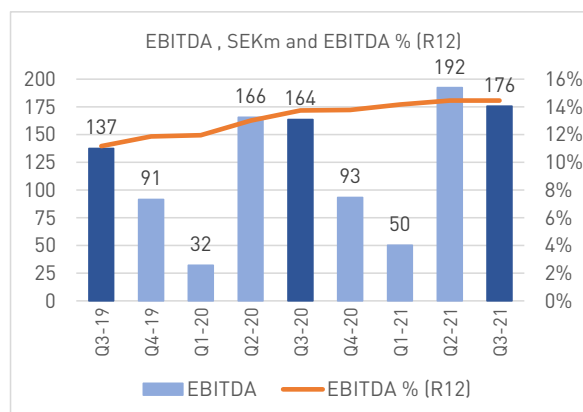
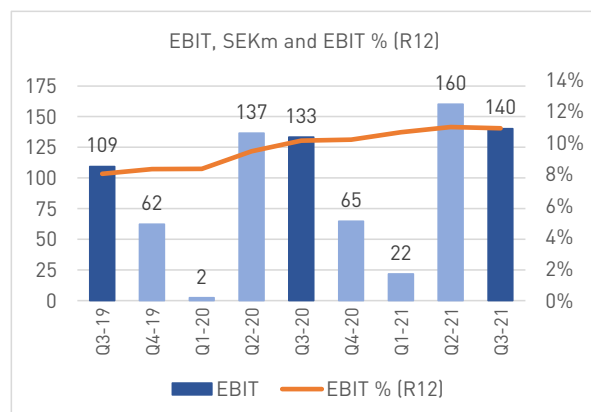
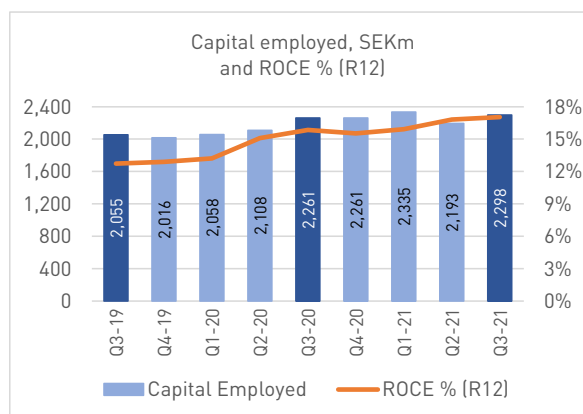
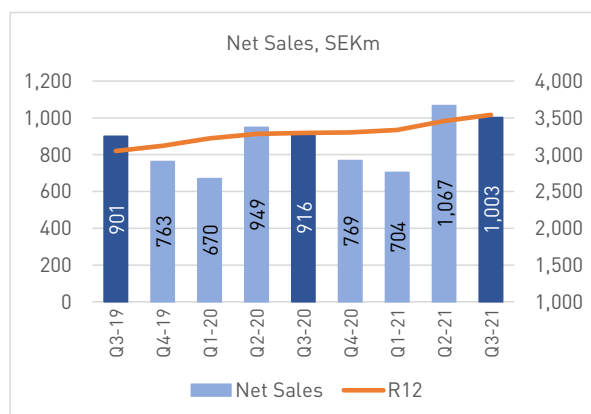
The Group

Net sales

Consolidated net sales for the third quarter increased by 10 percent to SEK 1,003 m (916). Organic growth was 1 percent, impact from acquisitions was 9 percent and currency translation effects were negatively affecting net sales by -1 percent. Net sales for the period January – September increased by 9 percent to SEK 2,774 m (2,534). 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	Q3 2021 (%)	Q3 2021 (SEK m)	9M 2021 (%)	9M 2021 (SEK m)
Previous period		916		2,534
Organic growth	1%	12	4%	105
Structural effects	9%	82	8%	192
Currency effects	-1%	-6	-2%	-58
Current period	10%	1,003	9%	2,774

Sales in Denmark increased by 8 percent in the third quarter compared with the corresponding period in the preceding year. In Sweden sales increased by 20 percent. Sales in Norway increased by 32 percent whereof acquisitions contributed with 30 percent, organic growth 0 percent and currency changes had a positive impact with 2 percent. In Finland sales increased by 1 percent in the quarter. Organic growth decreased with -9 percent, impact from acquisitions was 12 percent and currency translation effects were negatively affecting by -2 percent. Sales to other countries in Europe decreased by -1 percent in the quarter.



Operating profit (EBIT), EBITDA and ROCE

Operating profit (EBIT) for the third quarter increased to SEK 140 m (133) and the EBIT margin decreased to 14.0 percent (14.6).

Operating profit (EBIT) for the period January - September increased to SEK 323 m (272) and the EBIT margin increased to 11.6 percent (10.7).

EBITDA for the third quarter increased to SEK 176 m (164) and the EBITDA margin decreased to 17.5 percent (17.9), EBITDA for the period January - September increased to SEK 418 m (361) and the EBITDA margin increased to 15.1 percent (14.3).

Return on capital employed (ROCE) on a rolling 12 months basis was 17.1 percent (15.6) after the third 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 third quarter of 2021 amounted to SEK -28 m (-10). The difference is mainly explained by updates on earn-outs and valuations for the options to buy outstanding shares in not wholly owned subsidiaries. Net financial items for the period January - September amounted to SEK -44 m (-24). The difference is mainly explained by updates on earn-outs and valuations for the options to buy outstanding shares in not wholly owned subsidiaries.

Profit or loss before and after tax

The profit before tax for the third quarter amounted to SEK 113 m (124) and profit after tax amounted to SEK 86 m (98). The effective tax rate was 23.8 percent in the quarter.

The profit before tax for the period January - September amounted to SEK 279 m (249) and profit after tax amounted to SEK 213 m (198). The effective tax rate was 23.7 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 is 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.

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

Cash flow

Cash flow from operating activities during the third quarter was SEK 101 m (250). The good operating activities with increase in sales and strong EBIT was somewhat off-set in the cash-flow from the increase in working capital. Higher accounts receivable, from strong sales late in the quarter, and higher 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 third quarter was SEK -90 m (-11). The difference between the years is explained by the acquisitions done during the third quarter 2021.

Cash flow from financing activities during the third quarter was SEK -13 m (60). During the quarter has the full EUR 75 m term loan facility been utilized.

Investments and depreciations

Gross investments excluding acquisitions during the third quarter of 2021 amounted to SEK 24 m (12), while depreciation amounted to SEK -14 m (-13). Right-of-use depreciations relating to IFRS 16 amounts to SEK -14 m (-12). Amortizations of intangible assets amounted to SEK -7 m (-5), primarily consisting of amortizations of customer relations in the acquired companies.

Financial position and liquidity

Nordic Waterproofing's principal external financing agreement has final maturity date in June 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 third quarter Nordic Waterproofing is compliant with the covenants as per the facility agreement.

The consolidated interest-bearing net debt amounted to SEK 675 m at the end of the period, compared with SEK 238 m at the end of 2020 and SEK 383 m at the end of corresponding period in the preceding year. The increase in net debt of SEK 437 m compared to the end of 2020 is mainly explained by a somewhat weaker cash flow in 2021, several acquisitions have been performed and a dividend amounting to SEK 239 has been paid in cash to the shareholders.

Consolidated cash and cash equivalents amounted to SEK 195 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 third quarter of 2021 (expressed as full-time equivalents) was 1,383 compared with 1,209 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 14 July 2021, Nordic Waterproofing Group signed an agreement to acquire 76 percent of the Finnish company Rakennusliike Ripatti Oy, a company that specializes in metallic façade construction, metal profiling and machining with operations primarily in southern Finland. The acquisition is expected to have a minor positive effect on Nordic Waterproofing's earnings per share in 2021.
- On 15 September 2021 it was announced that the nomination committee ahead of Nordic Waterproofing Holding AB's 2022 Annual General Meeting has been appointed based on ownership data as per 31 August 2021.

Significant events after the reporting period

- On 1 November the board of the company resolved to utilise the authorization from the AGM 2021 to acquire own shares.

Financial targets

Nordic Waterproofing's target for the return on capital employed (ROCE) is at least 13 percent. The outcome after the third quarter of 2021 on a rolling 12-month basis was 17.1 percent.

The interest-bearing net debt/EBITDA-ratio shall not exceed 3.0 times. The outcome after the third 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 78,211 respectively, considering persons having left the Company.

The LTIP 2018 has ended and distribution of shares to participants in the program began at the end of the quarter. As of 30 September 2021, the Company holds 87,232 (175,737) treasury shares.

Shares and share capital

As per 30 September 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 30 September 2021, Nordic Waterproofing Holding AB had more than 6,100 shareholders and owns itself 87,232 treasury shares (0.4 percent of the total number of issued shares) following the share buyback program in connection with the long-term incentive programs.

There have not been any changes in number of issued shares and share capital during the third quarter of 2021. As the LTIP 2018 is being finalized shares are distributed to the participants and as a consequence the number of treasury shares held has reduced from 175,737 to 87 232 during the quarter.

Ownership structure

The number of shareholders during the quarter is unchanged and amounts to ca 6.100.

The largest shareholders in Nordic Waterproofing Holding AB, as per 30 September 2021, are stated below.

Owner	Number of shares	Capital, %	Votes, %
Svolder	3 742 952	15,5%	15,6%
Swedbank Robur Funds	1 925 641	8,0%	8,0%
Handelsbanken Funds	1 661 750	6,9%	6,9%
Länsförsäkringar Funds	1 066 404	4,4%	4,4%
Mawer Investment Management	1 043 131	4,3%	4,3%
Third AP-fund	1 000 000	4,2%	4,2%
Alcur Funds	940 456	3,9%	3,9%
Carnegie Funds	877 285	3,6%	3,7%
Futur Pension	483 329	2,0%	2,0%
Canaccord Genuity Wealth Management	481 643	2,0%	2,0%
Total 10 largest shareholders	13 222 591	54,9%	55,1%
Other shareholders	10 774 112	44,7%	44,9%
Total number of votes	23 996 703	99,6%	100,0%
Treasury shares	87 232	0,4%	n/a
Total number of shares	24 083 935	100,0%	n/a

Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority. Holdings with depositories are reported as "other shareholders".

Operating segments

Products & Solutions

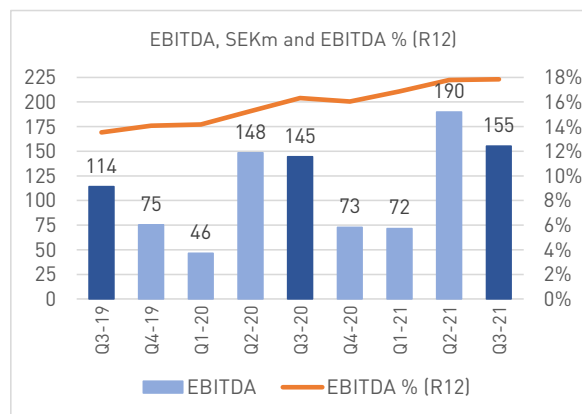
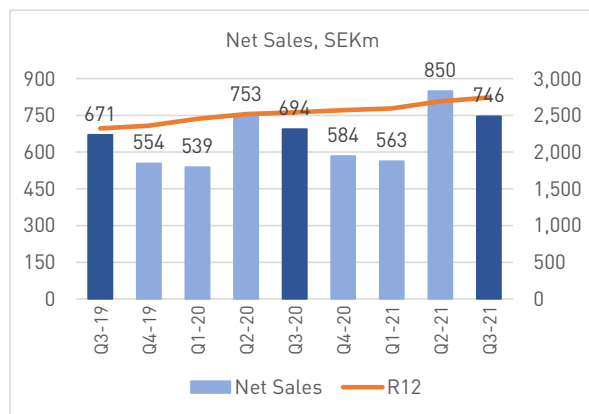
Net sales for the third quarter of 2021 increased by 7 percent compared with the corresponding period in the preceding year, amounting to SEK 746 m (694). Organic growth was 4 percent, while acquisitions contributed with 4 percent and the currency effects were neutral.

Sales in Denmark increased by 8 percent in the quarter from the corresponding period in the preceding year, whereof 10 percent organic and a negative currency effect of -2 percent. Sales in Finland increased by 24 percent in the third quarter, whereof organic increase was 4 percent, acquisitions contributed with 21 percent and currency effects were negative with -2 percent. Sales in Sweden increased by 20 percent while sales in Norway increased by 2 percent. The organic sales development in Norway in local currency was neutral while currency effects had a positive impact with 2 percent, Sales in other countries in Europe decreased by -1 percent in the quarter.

Analysis of net sales, Product & Solutions	Q3 2021 (%)	Q3 2021 (SEK m)	9M 2021 (%)	9M 2021 (SEK m)
Previous period		694		1,986
Organic growth	4%	29	8%	160
Structural effects	4%	25	3%	52
Currency effects	0%	-3	-2%	-39
Current period	7%	746	9%	2,159

Operating profit (EBIT) for Products & Solutions for the third quarter 2021 increased and amounted to SEK 128 m (119). The EBIT margin was 17.2 percent (17.2).

EBITDA amounted to SEK 155 m (145) and the EBITDA margin was 20.8 percent (20.8) in the third quarter.



Installation Services

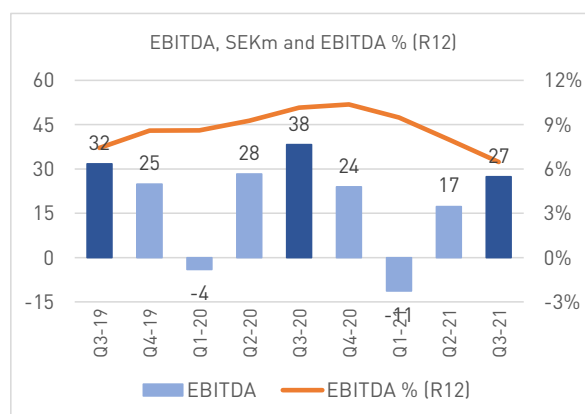
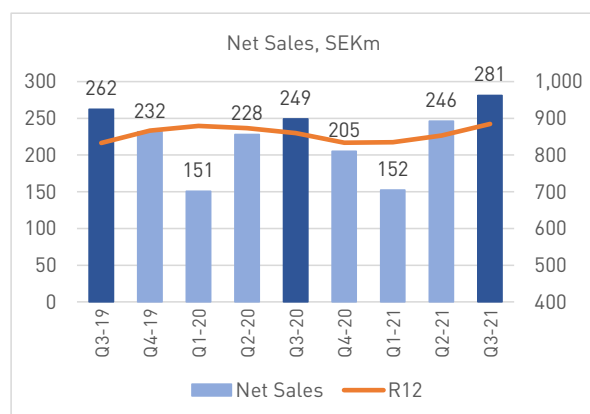
Business in this operating segment is primarily conducted in Finland, through a part-owned company in Norway and through the non-consolidated franchise companies in Denmark. Net sales for the third quarter of 2021 increased by 13 percent compared with the corresponding period in the preceding year, amounting to SEK 281 m (249). Organic development was -8 percent, acquisitions contributed with 23 percent and the currency effects were negative with -1 percent.

Sales in Finland declined with -3 percent consisting of -11 percent organic, 10 percent from acquisitions and negative currency effects with -2 percent.

Analysis of net sales, Installation Services	Q3 2021 (%)	Q3 2021 (SEK m)	9M 2021 (%)	9M 2021 (SEK m)
Previous period		249		628
Organic growth	-8%	-21	-11%	-70
Structural effects	23%	56	22%	140
Currency effects	-1%	-4	-3%	-19
Current period	13%	281	8%	680

Operating profit (EBIT) for Installation Services for the third quarter amounted to SEK 20 m (34). The EBIT margin was 6.9 percent (13.8) in the quarter.

EBITDA amounted to SEK 27 m (38) and the EBITDA margin was 9.7 percent (15.3) in the third quarter.



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

Quarterly data, IFRS and alternative measures

Key figures (SEKm)	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Net sales	1,003	1,067	704	769	916	949	670	763
EBITDA*	176	192	50	93	164	166	32	91
EBITDA margin, %*	17.5%	18.0%	7.1%	12.1%	17.9%	17.4%	4.8%	12.0%
Operating profit (EBIT)	140	161	22	65	133	137	2	62
EBIT margin, %*	14.0%	15.0%	3.1%	8.4%	14.6%	14.4%	0.4%	8.2%
ROCE (R12), %*	17.1%	16.8%	15.9%	15.6%	15.9%	15.1%	13.2%	12.9%
Net profit	86	116	11	56	98	109	-9	61
Cash flow from operating activities	101	114	-88	183	250	114	-86	154
Cashflow from operating activities [R12]*	311	461	460	462	433	324	288	312
Operating cash conversion [R12], %*	61%	92%	97%	103%	96%	76%	75%	84%
Interest-bearing net debt*	675	662	463	238	383	619	736	610
Net debt*	766	720	515	274	431	665	793	665
Earnings per share before dilution, SEK	3.58	4.84	0.47	2.32	4.10	4.55	-0.37	2.56
Earnings per share after dilution, SEK	3.56	4.80	0.47	2.30	4.07	4.51	-0.37	2.54

Net sales by segment (SEKm)	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Products & Solutions	746	850	563	584	694	753	539	554
Installation Services	281	246	152	205	249	228	151	232
Group Items & Eliminations	-25	-29	-12	-21	-28	-32	-20	-22
Total	1,003	1,067	704	769	916	949	670	763

Net sales by country (SEKm)	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Sweden	203	221	98	128	169	189	105	124
Norway	144	171	135	101	109	102	85	99
Denmark	227	234	198	206	210	216	179	190
Finland	281	252	131	221	277	268	174	247
Europe	147	188	140	111	148	171	125	101
Rest of world	1	1	2	2	2	2	2	1
Total	1,003	1,067	704	769	916	949	670	763

EBITDA by segment (SEKm)	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Products & Solutions	155	190	72	73	145	148	46	75
Installation Services	27	17	-11	24	38	28	-4	25
Group Items & Eliminations	-7	-15	-10	-3	-19	-11	-10	-9
Total	176	192	50	93	164	166	32	91

EBIT by segment (SEKm)	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Products & Solutions	128	164	49	50	119	125	22	51
Installation Services	20	12	-16	19	34	24	-8	21
Group Items & Eliminations	-8	-16	-11	-4	-20	-12	-11	-10
Total	140	161	22	65	133	137	2	62

*For definitions and reconciliations of financial and alternative key performance indicators, please see page 27 - 28.

Management's statement

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

Helsingborg, 2 November 2021

CEO

Martin Ellis
President & CEO

Board of Directors

Mats O. Paulsson
Chairman

Leena Arimo

Steffen Baungaard

Allan Jørgensen

Riitta Palomäki

Hannu Saastamoinen

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

Review Report

To the shareholders in Nordic Waterproofing Holding AB

Introduction

We have reviewed the interim report for Nordic Waterproofing Holding AB (publ) for the period January 1–September 30, 2021. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

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

Conclusion

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

Malmö 2 November 2021

Deloitte AB

Jeanette Roosberg
Authorized Public Accountant

Condensed consolidated key figures

Amounts in SEKm

unless otherwise stated

	Q3 2021	Q3 2020	9M 2021	9M 2020	R12 2021	12M 2020
Net sales	1,003	916	2,774	2,534	3,542	3,303
Gross profit	298	283	809	722	1,016	929
EBITDA*	176	164	418	361	511	455
Operating profit (EBIT)	140	133	323	272	387	337
Net profit	86	98	213	198	268	253
Gross margin, %*	29.8%	30.9%	29.2%	28.5%	28.7%	28.1%
EBITDA margin, %*	17.5%	17.9%	15.1%	14.3%	14.4%	13.8%
EBIT margin, %*	14.0%	14.6%	11.6%	10.7%	10.9%	10.2%
Cash flow from operating activities	101	250	127	279	311	462
Operating cash conversion, %*	n/a	n/a	n/a	n/a	61%	102%
Investments in tangible & intangible assets	-23	-12	-59	-35	-79	-55
Total assets	3,218	3,007	3,218	3,007	3,218	2,864
Capital employed*	2,298	2,261	2,298	2,261	2,298	2,261
Equity	1,428	1,401	1,428	1,401	1,428	1,418
Interest-bearing net debt*	675	383	675	383	675	238
Interest-bearing net debt/EBITDA, multiple*	n/a	n/a	n/a	n/a	1.3x	0.5x
Net debt*	766	431	766	431	766	274
Net debt/EBITDA, multiple*	n/a	n/a	n/a	n/a	1.5x	0.6x
Interest coverage ratio, multiple*	26.9x	27.7x	24.3x	14.9x	21.6x	15.0x
Equity/assets ratio, %*	44.4%	46.6%	44.4%	46.6%	44.4%	49.5%
Net debt/equity ratio, multiple*	0.5x	0.3x	0.5x	0.3x	0.5x	0.2x
Return on shareholders' equity, %*	n/a	n/a	n/a	n/a	19.2%	19.6%
Return on capital employed, %*	n/a	n/a	n/a	n/a	17.1%	15.6%
Return on capital employed excluding goodwill, %*	n/a	n/a	n/a	n/a	30.3%	27.8%
Average number of shares before dilution	23,975,346	23,900,724	23,933,125	23,889,531	23,926,893	23,894,198
Average number of shares after dilution	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935
Earnings per share before dilution, SEK	3.58	4.10	8.89	8.28	11.21	10.60
Earnings per share after dilution, SEK	3.56	4.07	8.83	8.21	11.14	10.52
Shareholders equity per share before dilution, SEK*	59.54	58.63	59.65	58.66	59.66	59.35
Shareholders equity per share after dilution, SEK*	59.27	58.19	59.27	58.19	59.27	58.88
Cash flow from operating activities per share before dilution, SEK*	4.19	10.48	5.31	11.66	12.95	19.34
Cash flow from operating activities per share after dilution, SEK*	4.18	10.40	5.29	11.58	12.91	19.19
Number of shares before dilution	23,996,703	23,908,198	23,996,703	23,908,198	23,996,703	23,908,198
Number of shares after dilution	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935

*For definitions and reconciliations of financial and alternative key performance indicators, please see page 27 - 28.

Condensed financial statements

Condensed consolidated statement of profit or loss and other comprehensive income

Amounts in SEKm unless otherwise stated	Q3 2021	Q3 2020	9M 2021	9M 2020	R12 2021	12M 2020
Net sales	1,002.8	915.7	2,773.7	2,534.1	3,542.4	3,302.8
Cost of goods sold	-704.4	-633.0	-1,964.9	-1,811.7	-2,526.8	-2,373.6
Gross profit/loss	298.4	282.6	808.8	722.4	1,015.6	929.2
Selling expenses	-108.4	-97.3	-317.7	-300.7	-420.7	-403.6
Administrative expenses	-57.3	-61.4	-183.5	-168.2	-235.9	-220.6
Research and development expenses	-1.0	-1.1	-3.4	-3.7	-4.1	-4.3
Other operating income	1.8	2.5	7.4	7.8	9.7	10.0
Other operating expenses	-0.2	-0.9	-1.1	-3.4	-2.5	-4.8
Share of profit in associated companies	7.0	8.8	12.2	18.0	25.4	31.2
Operating profit/loss (EBIT)	140.3	133.3	322.7	272.3	387.5	337.1
Net finance items	-27.6	-9.7	-43.9	-23.8	-36.4	-16.3
Profit/loss before tax	112.7	123.7	278.8	248.6	351.1	320.8
Tax	-26.9	-25.6	-66.1	-50.8	-82.9	-67.5
Profit/loss after tax	85.8	98.0	212.7	197.8	268.2	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	8.6	4.4	21.1	2.5	-29.6	-48.1
Gains/losses on raw material hedging, net	-2.1	4.4	1.7	-17.1	13.8	-5.0
Tax on gains/losses on comprehensive income	0.5	-0.9	-0.4	3.7	-2.9	1.1
Total other comprehensive income after tax	7.0	7.8	22.4	-10.9	-18.7	-52.0
Total comprehensive income after tax	92.8	105.8	235.1	186.9	249.5	201.3
Profit/loss for the year, attributable to:						
Owners of the company	85.6	97.9	212.8	199.9	268.5	255.6
Non-controlling interests	0.2	0.1	-0.1	-2.1	-0.3	-2.3
Total comprehensive income for the year, attributable to:						
Owners of the company	92.5	106.3	234.8	189.3	249.7	204.2
Non-controlling interests	0.3	-0.4	0.3	-2.3	-0.2	-2.9
Average number of shares before dilution	23,975,346	23,900,724	23,933,125	23,889,531	23,926,893	23,894,198
Average number of shares after dilution	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935
Earnings per share before dilution, SEK	3.58	4.10	8.89	8.28	11.21	10.60
Earnings per share after dilution, SEK	3.56	4.07	8.83	8.21	11.14	10.52

Condensed consolidated balance sheet

Amounts in SEKm unless otherwise stated	30 Sep 2021	30 Sep 2020	31 Dec 2020
ASSETS			
Intangible assets	1,177.8	1,066.3	1,027.1
Tangible assets	449.7	372.3	378.9
Financial assets	113.0	100.2	110.4
Deferred tax assets	7.9	8.3	6.5
Other non-current assets	10.9	15.7	15.7
Total non-current assets	1,759.3	1,562.8	1,538.6
Inventories	518.6	401.1	392.4
Trade receivables	592.2	498.9	268.8
Receivables for on-going construction contracts	78.4	26.2	21.4
Tax assets	0.5	2.8	5.4
Other receivables	73.5	38.4	32.7
Cash and cash equivalents	195.1	476.4	604.3
Total current assets	1,458.4	1,443.8	1,325.0
TOTAL ASSETS	3,217.7	3,006.6	2,863.6
EQUITY AND LIABILITIES			
Share capital	24.1	30.0	24.1
Treasury shares	0.0	-13.7	0.0
Reserves	32.5	51.1	10.5
Retained earnings including profit for the year	1,352.8	1,322.3	1,372.2
Equity attributable to owners of the Company	1,409.4	1,389.6	1,406.8
Non-controlling interests	18.2	11.8	11.2
Total equity	1,427.6	1,401.3	1,418.0
Non-current interest-bearing liabilities	828.1	816.7	801.3
Other non-current liabilities	40.4	41.3	32.9
Provisions	6.0	6.4	5.3
Deferred tax liabilities	114.2	89.3	102.4
Total non-current liabilities	988.6	953.8	941.8
Current interest-bearing liabilities	42.5	43.1	41.3
Trade payable	281.2	211.1	151.9
Payables for on-going construction contracts	12.6	16.6	19.1
Tax liabilities	56.9	34.9	19.9
Other current liabilities	408.4	345.7	271.6
Total current liabilities	801.6	651.4	503.7
TOTAL EQUITY AND LIABILITIES	3,217.7	3,006.6	2,863.6

Condensed consolidated statement of changes in equity

Specification of changes in equity (SEKm)	30 Sep 2021	30 Sep 2020	31 Dec 2020
<i>Equity attributable to owners of the Company</i>			
Opening balance	1,406.8	1,195.5	1,195.5
Profit for the period	212.8	199.9	255.6
Other comprehensive income	22.0	-10.7	-51.4
Transactions with non-controlling interest	1.0	0.0	0.0
Dividend	-239.1	0.0	0.0
Repurchase of treasury shares	0.0	0.0	0.0
Provision for long-term incentive programs	5.8	4.7	7.5
Organizational changes	0.0	0.0	-0.4
Closing balance	1,409.4	1,389.6	1,406.8
<i>Equity attributable to non-controlling interest</i>			
Opening balance	11.2	14.1	14.1
Profit for the period	-0.1	-2.1	-2.3
Other comprehensive income	0.5	-0.3	-0.6
Acquisitions	7.7	0.0	0.0
Dividend	0.0	0.0	0.0
Shareholder contribution	0.0	0.0	0.0
Transactions with the Group's owners	-1.0	0.0	0.0
Closing balance	18.2	11.8	11.2
SUM TOTAL EQUITY, CLOSING BALANCE	1,427.6	1,401.3	1,418.0

Condensed consolidated cash flow statement

Amounts in SEKm unless otherwise stated	Q3 2021	Q3 2020	9M 2021	9M 2020	R12 2021	12M 2020
Operating activities						
Operating profit (EBIT)	140.3	133.3	322.7	272.3	387.5	337.1
Adjustment for non-cash items etc	41.5	12.7	90.8	53.7	125.6	88.5
Interest received	0.1	0.4	0.3	0.6	2.2	2.6
Interest paid	-3.9	-4.2	-10.6	-14.5	-15.2	-19.1
Dividends received	0.2	0.0	31.5	24.2	30.7	23.4
Income tax paid/received	-7.4	-4.7	-29.2	-21.0	-57.0	-48.8
Cash flow from operating activities before changes in working capital	170.8	137.5	405.5	315.3	473.8	383.6
Changes in working capital						
Increase (-)/Decrease (+) in inventories	-22.3	46.0	-83.4	-20.0	-85.1	-21.7
Increase (-)/Decrease (+) in operating receivables	-38.4	25.0	-357.6	-215.6	-118.3	23.7
Increase (+)/Decrease (-) in operating liabilities	-9.5	41.9	163.0	199.2	40.5	76.7
Cash flow from operating activities	100.6	250.4	127.5	278.9	310.9	462.3
Investing activities						
Acquisition of intangible fixed assets	0.0	1.5	-0.9	-2.0	1.0	-0.1
Acquisition of tangible fixed assets	-24.4	-13.3	-59.3	-33.3	-81.0	-55.0
Divestments of tangible fixed assets	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition of business, net cash impact	-62.0	0.0	-179.0	0.0	-179.0	0.0
Acquisition of participations in associated companies	-1.2	0.0	-16.3	-4.2	-16.9	-4.7
Divestments of participations in associated companies	0.0	0.0	0.0	0.0	0.0	0.0
Change in other financial assets	-2.1	0.3	1.4	6.8	-0.9	4.5
Cash flow from investing activities	-89.6	-11.4	-254.1	-32.6	-276.8	-55.3
Financing activities						
Amortization of loans	-15.0	-13.6	-47.1	-38.1	-75.5	-66.5
Proceeds from loans	2.2	73.2	9.4	75.0	9.4	75.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Dividend	0.0	0.0	-239.1	0.0	-239.1	0.0
Acquisition of participations in non-controlling interest	0.0	0.0	-3.4	0.0	-3.4	0.0
Divestment of participations in non-controlling interest	0.0	0.0	0.0	0.0	0.0	0.0
Dividend paid to non-controlling interests	0.0	0.0	-4.6	0.0	-4.6	0.0
Cash flow from financing activities	-12.9	59.7	-284.8	36.9	-313.2	8.5
Cash flow for the period	-1.8	298.7	-411.4	283.1	-279.1	415.4
Cash and cash equivalents at the beginning of the period	197.7	178.2	604.3	196.9	476.4	196.9
Exchange-rate differences in cash and cash equivalents	-0.9	-0.5	2.1	-3.6	-2.3	-8.0
Cash and cash equivalents at the end of the period	195.0	476.4	195.0	476.4	195.0	604.3

The parent company's income statement and other comprehensive income in summary

Amounts in SEKm unless otherwise stated	Q3 2021	Q3 2020	9M 2021	9M 2020	R12 2021	12M 2020
Net sales	3.3	0.0	9.6	0.0	16.1	6.5
Gross profit/loss	3.3	0.0	9.6	0.0	16.1	6.5
Administrative expenses	-5.0	-4.4	-14.9	-4.4	-37.5	-31.5
Other operating expenses	0.0	0.0	-0.5	-0.1	-0.5	-0.1
Operating profit/loss (EBIT)	-1.7	-4.4	-5.8	-4.6	-26.4	-25.1
Result from financial items						
Result from shares in subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0
Other financial items	-1.8	-0.9	-4.6	-5.6	4.6	3.7
Net finance items	-1.8	-0.9	-4.6	-5.6	4.6	3.7
Result after financial items	-3.6	-5.3	-10.5	-10.2	-21.7	-21.4
Appropriations	0.0	0.0	0.0	0.0	20.4	20.4
Profit before tax	-3.6	-5.3	-10.5	-10.2	-1.3	-1.0
Tax	0.7	1.1	0.2	2.1	0.1	0.1
Profit/loss after tax	-2.8	-4.2	-8.4	-8.1	-1.2	-0.9
Other comprehensive income						
Profit for the period	-2.8	-4.2	-8.4	-8.1	-1.2	-0.9
Other comprehensive income	0.0	0.0	0.0	0.0	0.0	0.0
Total other comprehensive income after tax	-2.8	-4.2	-8.4	-8.1	-1.2	-0.9

The parent company's balance sheet in summary

Amounts in SEKm unless otherwise stated	30 Sep 2021	30 Sep 2020	31 Dec 2020
ASSETS			
Shares in subsidiaries	889.0	889.0	889.0
Total non-current assets	889.0	889.0	889.0
Other current receivables from Group companies	209.2	234.5	148.4
Current tax assets	35.2	14.8	21.6
Other short-term receivables	0.0	1.2	2.1
Cash and cash equivalents	122.1	379.0	530.7
Total current assets	366.5	629.7	703.0
TOTAL ASSETS	1,255.5	1,518.6	1,591.9
EQUITY AND LIABILITIES			
Share capital	24.1	24.1	24.1
Retained earnings including profit for the year	393.7	612.3	641.2
Total equity	417.9	636.4	665.3
Untaxed reserves	91.0	104.8	91.0
Long-term liabilities to credit institue	366.5	368.8	365.7
Total non-current liabilities	366.5	368.8	365.7
Current interest-bearing liabilities	0.6	0.0	0.0
Trade payable	0.1	0.0	0.3
Short-term liabilities to Group companies	375.7	407.1	459.9
Other current liabilities	3.7	1.5	8.5
Total current liabilities	380.1	408.6	469.9
TOTAL EQUITY AND LIABILITIES	1,255.5	1,518.6	1,591.9

Notes

Note 1 – Accounting principles

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

The Group applies IFRS (International Financial Reporting Standards), which have been adopted by the EU. In addition to the financial statements and their connected notes, disclosures in accordance with IAS 34.16A are also presented in other parts of the interim report. The Parent Company applies recommendation RFR 2, Accounting for Legal Entities of the Swedish Financial Reporting Board and Chapter 9 of the Swedish Annual Accounts Act, Interim Reports. The accounting policies applied by the Group and the parent company correspond to the accounting policies applied in the preparation of the most recent annual report 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 Interim report. Otherwise, no essential changes have been made to these estimates or judgements which could have a material impact on the interim report.

Note 4 – Intangible assets

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

Intangible assets, carrying amounts SEKm, unless otherwise stated	Goodwill	Trade- marks	Customer relations	Other	Total
Opening balance, 1 January 2021	926	0	70	31	1027
Investments	0	0	0	0	0
Acquisitions	98	10	46	7	162
Reclassification	0	0	0	1	1
Amortization	0	0	-18	-8	-25
Exchange-rate differences	12	0	1	0	13
Closing balance, 30 September 2021	1,036	11	99	32	1,178

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 30 September 2021, no hedges were in place. At the corresponding period the preceding year, the expected purchases of bitumen for delivery during October 2020 to June 2021 were hedged by means of derivatives, equivalent to 9,800 tons or approximately 25 percent of the expected annual purchasing volume for 2020 and 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.

2021-09-30	At amortized cost	Fair value through profit or loss	Fair Value hedging instruments	Other ¹	Reported value	Fair value		
						Level 1	Level 2	Level 3
Financial assets								
Financial assets	13	-	-	100	113	-	-	-
Other non-current assets	11	-	-	-	11	-	-	-
Trade receivables	592	-	-	-	592	-	-	-
Other receivables ²	-	-	-	73	73	-	-	-
Receivables for on-going construction	78	-	-	-	78	-	-	-
Cash and cash equivalents	195	-	-	-	195	-	-	-
Total	890	-	-	173	1,063	-	-	-
Financial liabilities								
Non-current interest-bearing liabilities	828	-	-	-	828	-	-	-
Other non-current liabilities	1	39	-	-	40	-	-	39
Trade payable	281	-	-	-	281	-	-	-
Current interest-bearing liabilities	42	-	-	-	42	-	-	-
Other current liabilities ²	113	50	-	245	408	-	-	50
Total	1,266	89	-	245	1,601	-	-	89

2020-09-30	At amortized cost	Fair value through profit or loss	Fair Value hedging instruments	Other ¹	Reported value	Fair value		
						Level 1	Level 2	Level 3
Financial assets								
Financial assets	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 30 September:

MSEK	2021	2020
Opening balance	34	49
Fair value movement in income statement	28	3
Acquisition	32	0
Paid	-5	-12
Exchange-rate differences	-2	2
Closing balance	89	43

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	
	9M 2021	9M 2020	9M 2021	9M 2020	9M 2021	9M 2020	9M 2021	9M 2020
Allocation of revenues external/internal								
Revenues from external customers	2,094	1,906	680	628	0	0	2,774	2,534
Revenues from other segments	65	80	0	0	-65	-80	0	0
Revenues, total	2,159	1,986	680	628	-65	-80	2,774	2,534
Allocation per country								
Denmark	659	605	0	0	0	0	659	605
Sweden	475	432	46	31	0	0	521	463
Norway	336	295	115	1	0	0	450	296
Finland	215	211	514	588	-65	-80	664	719
Europe (excluding Nordic region)	470	437	5	8	0	0	475	445
Other countries	5	6	0	0	0	0	5	6
Total	2,159	1,986	680	628	-65	-80	2,774	2,534
Significant types of income								
Sale of goods	1,801	1,707	0	0	-65	-80	1,735	1,628
Construction contracts	359	278	680	628	0	0	1,038	907
Total	2,159	1,986	680	628	-65	-80	2,774	2,534
Time of revenue recognition								
At a certain point in time	1,801	1,707	0	0	-65	-80	1,735	1,628
Over time	359	278	680	628	0	0	1,038	907
Total	2,159	1,986	680	628	-65	-80	2,774	2,534
EBITDA	417	339	33	62	-32	-40	418	361
Depreciation & Amortisation	-75	-74	-18	-12	-3	-4	-95	-89
Operating profit (EBIT)	342	265	16	51	-35	-44	323	272
Net finance items							-44	-24
Profit/loss after finance items but before tax (EBT)							279	249
Tax							-66	-51
Profit/loss for the year							213	198
Assets								
Intangible assets (goodwill & customer relations)	952	929	218	129	5	8	1,178	1,066
Property, plant and equipment	387	339	59	29	3	4	450	372
Participations in associated companies	0	0	98	90	0	0	98	90
Inventory	497	392	22	9	0	0	519	401
Other assets	694	537	210	136	-149	-94	755	579
Non-allocated assets					219	497	219	497
Total assets	2,531	2,197	607	394	78	415	3,218	3,006
Liabilities and Equity								
Equity					1,428	1,401	1,428	1,401
Other liabilities	718	543	134	105	-144	-68	708	580
Non-allocated liabilities					1,082	1,025	1,082	1,025
Total liabilities and equity	718	543	134	105	2,366	2,358	3,218	3,006
Investments in tangible & intangible assets	57	28	2	8	0	0	59	35

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 second 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 9M 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 6.2 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 assets, 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.

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

Purchase consideration	9M
SEK m	2021
Cash paid	203.1
Call/put option	30.1
Vendor note and earn-out	2.3
Total purchase consideration	235.6

Acquisition analysis	9M
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	98.1
Consideration	235.6

Acquisition of business - net cash impact,	9M
SEK m	2021
Cash consideration	203.1
Less cash balances acquired	-28.9
Less redemption of loans	4.8
Net cash impact - investing activities	179.0

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%
- Average EBITDA for 2021-2022
- discount rate of 18,7%

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

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/>

	Q3 2021	Q3 2020	9M 2021	9M 2020	R12 2021	12M 2020
Capital employed						
Total assets	3,218	3,007	3,218	3,007	3,218	2,864
Other non-current liabilities	-40	-41	-40	-41	-40	-33
Provisions	-6	-6	-6	-6	-6	-5
Deferred tax liabilities	-114	-89	-114	-89	-114	-102
Trade payable	-281	-211	-281	-211	-281	-152
Payables for on-going construction contracts	-13	-17	-13	-17	-13	-19
Tax liabilities	-57	-35	-57	-35	-57	-20
Other current liabilities	-408	-346	-408	-346	-408	-272
Capital employed	2,298	2,261	2,298	2,261	2,298	2,261
EBITDA						
EBIT	140	133	323	272	387	337
Depreciation	28	25	77	74	101	97
Amortization	7	5	18	15	23	21
Impairment	-	-	-	-	-	-
EBITDA	176	164	418	361	511	455
Interest cover ratio						
Profit/loss before tax	113	124	279	249	351	321
Interest expenses	4	5	12	18	17	23
Total	117	128	291	266	368	344
Interest expenses	4	5	12	18	17	23
Interest cover ratio, multiple	26.9x	27.7x	24.3x	14.9x	21.6x	15.0x
Interest-bearing net debt						
Non-current interest-bearing liabilities	828	817	828	817	828	801
Current interest-bearing liabilities	42	43	42	43	42	41
Minus: Cash and cash equivalents	-195	-476	-195	-476	-195	-604
Interest-bearing net debt	675	383	675	383	675	238
Net debt						
Non-current interest-bearing liabilities	828	817	828	817	828	801
Non-current non-interest-bearing liabilities	40	41	40	41	40	33
Current interest-bearing liabilities	42	43	42	43	42	41
Current non-interest-bearing liabilities	50	6	50	6	50	3
Minus: Cash and cash equivalents	-195	-476	-195	-476	-195	-604
Net debt	766	431	766	431	766	274
Return on capital employed (ROCE)						
EBIT (R12)					387	337
Average capital employed (R4Q/4)					2,272	2,168
Return on capital employed (ROCE), %	n/a	n/a	n/a	n/a	17.1%	15.6%
Return on capital employed (ROCE) excl goodwill						
EBIT (R12)					387	337
Average capital employed (R4Q/4)					2,272	2,168
Goodwill (R4Q/4)					993	954
Return on capital employed (ROCE) excl goodwill, %	n/a	n/a	n/a	n/a	30.3%	27.8%
Return on shareholders' equity						
Profit after tax attributable to parent company shareholders (R12)					269	256
Average shareholders' equity ((OB+CB)/2)					1,399	1,301
Return on shareholders' equity, %	n/a	n/a	n/a	n/a	19.2%	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

Year-end report, January-December 2021	8 February 2022
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 interim report is information that Nordic Waterproofing Holding AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2 November 2021, 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.

