

A solid quarter and best year ever

Fourth quarter of 2018

- Consolidated net sales increased by 24 percent to SEK 692 m (558), of which organic growth amounted to 6 percent. Acquisitions contributed by 14 percent and currency by 4 percent
- Net sales in Products & Solutions amounted to SEK 516 m (382) and Installation Services to SEK 198 m (192)
- EBITDA before items affecting comparability increased by 16 percent to SEK 66 m (57)
- Operating profit (EBIT) before items affecting comparability increased by 18 percent to SEK 52 m (45)
- Operating profit (EBIT) amounted to SEK 47 m (43)
- Operating cash flow amounted to SEK 89 m (89)
- Earnings per share before and after dilution were SEK 1.03 (0.95)

January–December 2018

- Consolidated net sales increased by 23 percent to SEK 2,680 m (2,187), of which organic growth amounted to 3 percent. Acquisitions contributed by 15 percent and currency by 5 percent
- Net sales in Products & Solutions amounted to SEK 2,023 m (1,568) and Installation Services to SEK 752 m (714)
- EBITDA before items affecting comparability increased by 16 percent to SEK 286 m (248)
- Operating profit (EBIT) before items affecting comparability increased by 8 percent to SEK 224 m (208)
- Operating profit (EBIT) amounted to SEK 212 m (194)
- ROCE before items affecting comparability was 14.8 percent (15.5)
- Operating cash flow amounted to SEK 192 m (164)
- Earnings per share before and after dilution were SEK 6.30 (5.71)
- The Board proposes a cash dividend of SEK 4.00 (3.75) per share

Financial key ratios

| Amounts in SEKm unless otherwise stated | Q4 2018 | Q4 2017 | Change | 12M 2018 | 12M 2017 | Change |
|---|---------|---------|--------|----------|----------|--------|
| Net sales | 692 | 558 | 24% | 2,680 | 2,187 | 23% |
| Gross profit | 174 | 137 | 28% | 680 | 584 | 16% |
| Gross margin % | 25.2% | 24.5% | 0.7pp | 25.4% | 26.7% | -1.3pp |
| EBITDA | 61 | 56 | 9% | 274 | 234 | 17% |
| EBITDA before items affecting comparability | 66 | 57 | 16% | 286 | 248 | 16% |
| EBITDA margin before items affecting comparability, % | 9.6% | 10.3% | -0.7pp | 10.7% | 11.3% | -0.7pp |
| EBIT | 47 | 43 | 9% | 212 | 194 | 10% |
| EBIT before items affecting comparability | 52 | 45 | 18% | 224 | 208 | 8% |
| EBIT margin before items affecting comparability, % | 7.6% | 8.0% | -0.4pp | 8.4% | 9.5% | -1.1pp |
| ROCE before items affecting comparability, % | n/a | n/a | n/a | 14.8% | 15.5% | -0.6pp |
| Net profit | 25 | 23 | 9% | 152 | 138 | 10% |
| Operating cash flow | 89 | 89 | -1% | 192 | 164 | 17% |
| Net debt | 442 | 204 | 117% | 442 | 204 | 117% |
| Earnings per share before and after dilution, SEK | 1.03 | 0.95 | 9% | 6.30 | 5.71 | 10% |

Expectations for financial year 2019

For the financial year 2019, general demand is expected to be similar to that in 2018 in most markets. Nordic Waterproofing expects to meet its financial targets, and the Group's organic net sales growth is expected to exceed the general growth rate in the markets in which the Group operates. In addition to organic growth, the Group also expects to continue growing through selective acquisitions. EBIT before items affecting comparability is expected to increase compared with 2018, assuming normal winter conditions during the fourth quarter.

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 or the corresponding period in the preceding year in respect of balance sheet items. For definitions and reconciliations of financial and alternative key performance indicators, please see page 23-24.

Message from the CEO

A solid quarter and best year ever

I am proud to report our best year ever, in terms of both sales and financial results. Consolidated net sales for the year was SEK 2,680 m, an increase by 23 percent, and EBITDA before items affecting comparability increasing by 16 percent to SEK 286 m.

Consolidated net sales for the fourth quarter rose by 24 percent compared with last year, from SEK 558 m to SEK 692 m. Acquisitions contributed by 14 percent, organic growth was strong at 6 percent and currency exchange rate effects was 4 percent.

At SEK 52 m, EBIT before items affecting comparability was above last year's profit of SEK 45 m, an increase of 18 percent. At the same time, EBITDA increased 16 percent to SEK 66 m compared with SEK 57 m in the corresponding period in the preceeding year.

All of our acquisitions this year - Ugilt, RVT and Veg Tech - have performed well and contributed to the growth of Nordic Waterproofing's sales and results. During the autumn, RVT has finalized its façade element deliveries to Mjöstornet, the highest wooden structure in the world. The mild weather and late winter arrival allowed Veg Tech to deliver green vegetation solutions almost the entire fourth quarter, following the challenges after the warm and unusually dry summer.

The consolidated net sales growth of 24 percent in the fourth quarter was driven by strong sales in roofing and infrastructure in Sweden, Norway and Denmark, but also the prefabricated elements business in Norway. While our Products & Solutions operating segment reported a sales increase of 35 percent, our Installation Services operating segment increased 3 percent.

Within our Products & Solutions segment, Sweden, Norway and Denmark showed a strong development and positively affected by mild weather. The second sales price increases for our bitumen based products which were implemented after summer, have started to show effect in the fourth quarter.

The prefabricated elements business in Norway continues to develop well and enjoys strong order intake, while we have continued to experience some delays from our customers in Denmark. Although deliveries and production efficiency has increased in the quarter, we still experience some challenges in optimizing our production planning.



Martin Ellis,
President and CEO

Jan-Dec 2018

Net sales:

SEK 2,680 m (2,187)

EBITDA before items
affecting comparability:

SEK 286 m (248)

10.7% (11.3%)

EBIT before items
affecting comparability:

SEK 224 m (208)

8.4% (9.5%)

ROCE (R12) before
items affecting
comparability:

14.8% (15.5%)

The profit improvement program within our flat roof installation services business in Finland has continued also during the fourth quarter. Our efforts, including a more selective approach towards roofing projects and the efficient execution of the projects, have shown positive financial effects as of mid-2018. At the same time, we have experienced a somewhat weaker development of our floor coating business, where a profit improvement program has now been started. Our Danish franchise companies continued to perform well also during the fourth quarter, with strong order books and an EBIT contribution above the preceding year.

In 2019 we will continue to focus on organic growth, profitability and selective acquisitions. Organic growth is expected to come particularly from the development of our recent acquisitions, building on our new platforms in prefabricated elements, Taasinge group, and green roofs and surfaces, Veg Tech. Regarding acquisitions, we maintain our focus on small to medium sized companies presenting good synergistic potential with our existing businesses.

Vejen, 12 February 2019



Martin Ellis,
President and CEO

Conference call

A conference call for investors, analysts and media will be held today, 12 February 2019, 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 3300 9263

From Denmark: +45 78 15 01 07

From Sweden: +46 8 566 427 05

Dividend proposal

The Board of Directors will propose that the Annual General Meeting ("AGM") of 24 April 2019 resolve to pay a cash dividend of SEK 4.00 per share, totalling SEK 96 m. This represents around 64 percent of net profit.

2019 Annual General Meeting

The AGM of Nordic Waterproofing Holding A/S will be held in Helsingborg, Sweden on 24 April 2019. Information about the nomination committee is published on the Group's website: www.nordicwaterproofing.com/en/nomination-committee. The 2018 Annual Report will be available on Nordic Waterproofing's website and at the company's operational headquarters from the beginning of April 2019.

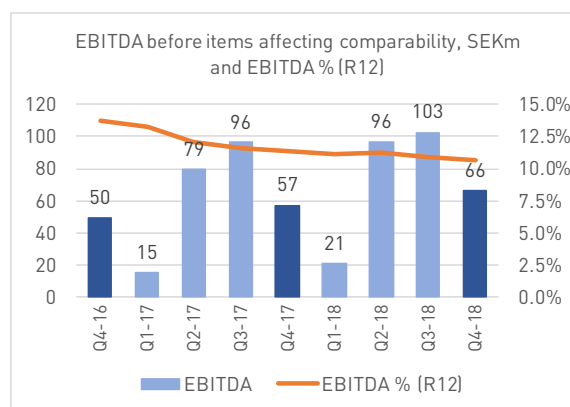
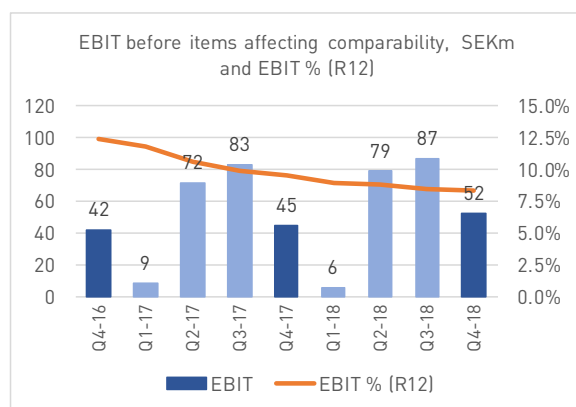
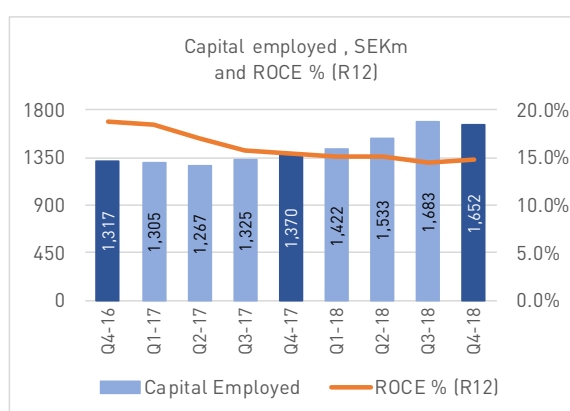
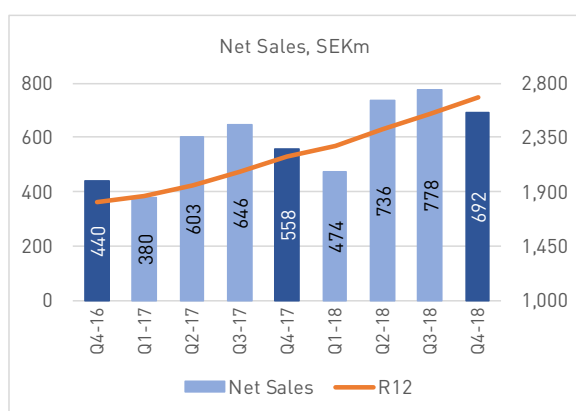
The Group

Net sales

Consolidated net sales for the fourth quarter increased by 24 percent to SEK 692 m (558). Sales in acquired companies contributed by 14 percent. Organic growth was 6 percent and currency translation effects were positive affecting net sales by 4 percent. Net sales for the period January-December increased by 23 percent to SEK 2,680 m (2,187). Acquisitions contributed by 15 percent, while the organic growth was 3 percent. The currency effects for the full year were positive and affected net sales by 5 percent.

| | Q4 2018 (%) | Q4 2018 (SEKm) | 12M 2018 (%) | 12M 2018 (SEKm) |
|------------------------------|-------------|----------------|--------------|-----------------|
| Analysis of net sales | | | | |
| Previous period | | 558 | | 2,187 |
| Organic growth | 6% | 33 | 3% | 68 |
| Structural effects | 14% | 80 | 15% | 332 |
| Currency effects | 4% | 22 | 5% | 93 |
| Current period | 24% | 692 | 23% | 2,680 |

In general, the weather conditions were favorable during the fourth quarter. Following the acquisition of RVT, sales in Norway increased by 116 percent in the fourth quarter compared with the corresponding period in the preceding year. RVT explains 95 percentage units of the increase while organic sales in local currency increased by 12 percent and the effect from the stronger Norwegian krona was 9 percent. In Sweden, sales increased by 52 percent compared with the corresponding period in the preceding year, of which 38 percentage units were related to Veg Tech. Sales in Denmark increased by 21 percent in the quarter, of which 7 percentage units were related to acquisitions. Sales in Finland increased by 3 percent during the quarter compared with the corresponding period in the preceding year.



Operating profit (EBIT), EBITDA and ROCE

Operating profit (EBIT) for the fourth quarter increased to SEK 47 m (43) and the EBIT margin was 6.9 percent (7.8). Operating profit (EBIT) was negatively affected by amortizations of customer relations of SEK 4 m (5) in the acquired companies. Items affecting comparability amounted to SEK -5 m (-1) and consisted of expenses in connection with acquisitions which were discontinued as well as legal costs connected to the competition case in Denmark. The increased sales prices have not fully offset the increased bitumen prices in the beginning of the fourth quarter, hence affecting the profit margin negatively. Operating profit (EBIT) for the period January-December increased to SEK 212 m (194) while the EBIT margin decreased to 7.9 percent (8.9), negatively affected by increased amortizations of order books and customer relations amounting to SEK -27 m (-13) following the acquisitions, as well as by items affecting comparability amounting to SEK -12 m (-14) primarily related to expenses regarding acquisitions (for further information, please see the section entitled "Items affecting comparability").

Operating profit (EBIT) before items affecting comparability increased to SEK 52 m (45) in the fourth quarter. The EBIT margin before items affecting comparability decreased to 7.6 percent (8.0). The operating profit (EBIT) before items affecting comparability for the period January-December increased to SEK 224 m (208). The EBIT margin before items affecting comparability decreased to 8.4 percent (9.5).

EBITDA before items affecting comparability for the fourth quarter increased to SEK 66 m (57) and the EBITDA margin before items affecting comparability decreased to 9.6 percent (10.3). EBITDA before items affecting comparability for the period January-December increased to SEK 286 m (248) and the EBITDA margin before items affecting comparability decreased to 10.7 percent (11.3).

Return on capital employed (ROCE) before items affecting comparability was 14.8 percent (15.5) for the full year, which was below our long-term financial target of 15 percent following the relatively large acquisition of Veg Tech and the increased capital employed, including goodwill and customer relations, following the acquisition.

Net financial items

Net financial items for the fourth quarter of 2018 amounted to SEK -8 m (-10), of which SEK -5 m (-6) is explained by a net fair value adjustment of call/put options for the remaining shares in the acquired companies due to a stronger performance than anticipated at the time of the acquisition. In addition, external interest costs have increased due to the higher leverage following the acquisitions of Ugilt, RVT and Veg Tech during the year. Net financial items for the period January-December amounted to SEK -22 m (-20), of which SEK -7 m (-6) is explained by a net fair value adjustment of call/put options for the remaining shares in the acquired companies.

Profit or loss before and after tax

Profit before tax for the fourth quarter amounted to SEK 39 m (34) and profit after tax amounted to SEK 25 m (23). Income tax for the fourth quarter of 2018 amounted to SEK -15 m (-11). Profit before tax for the period January-December amounted to SEK 190 m (174) and profit after tax amounted to SEK 152 m (138). Income tax for the period January-December 2018 amounted to SEK -39 m (-37), corresponding to an effective tax rate of 20.2 percent (21.0).

Seasonal variations

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 approximately one-fifth 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.

Items affecting comparability

The expenses for 2018 are primarily related to expenses in connection with discontinued acquisitions, as well as legal costs in connection with the competition case in Denmark.

| Items affecting comparability SEKm, unless otherwise stated | Q4 2018 | Q4 2017 | 12M 2018 | 12M 2017 |
|--|-----------|-----------|------------|------------|
| Costs related to acquisitions | -3 | 0 | -9 | -10 |
| Other | -2 | -1 | -3 | -4 |
| Current period | -5 | -1 | -12 | -14 |

Cash flow

Operating cash flow during the fourth quarter was positive in the amount of SEK 89 m (89).

Cash flow from operating activities during the fourth quarter was SEK 5 m lower than in the corresponding period in the preceding year, amounting to SEK 90 m (95).

Cash flow from investing activities during the fourth quarter was negative in the amounts of SEK -41 m (-18). The difference is primarily explained by SEK 6 m higher investments in fixed assets, acquisition of 10% of the shares in Taasinge Elementer A/S by SEK 12 m, and increased participation in associated companies in Denmark by SEK 4 m.

Cash flow from financing activities during the fourth quarter was SEK -18 m (0), explained by the net decrease of utilization of the credit facilities.

Investments and depreciations

Gross investments during the fourth quarter of 2018 amounted to SEK 12 m (12), while depreciation amounted to SEK 10 m (7). Amortizations of intangible assets amounted to SEK 4 m (5), explained primarily by amortizations of customer relations in the acquired companies.

Financial position and liquidity

Nordic Waterproofing's principal external financing agreement is valid until June 2021 and contains a EUR 37.5 m term loan facility and a EUR 42 m revolving loan facility, of which EUR 14.4 m is allocated to the Group cash pool overdraft facility. The revolving loan facility was increased by additionally EUR 20 m in connection with the acquisition of Veg Tech in the beginning of July. 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. Every quarter, Nordic Waterproofing has fulfilled the terms and conditions of the facility agreements.

The consolidated net debt decreased by SEK 51 m during the fourth quarter due to the positive cash flow. Net debt amounted to SEK 442 m at the end of the period, compared with SEK 204 m at the end of the corresponding period in the preceding year. Consolidated cash and cash equivalents amounted to SEK 106 m (157) at the end of the period. Out of the Group's total overdraft facility of SEK 148 m (142), SEK 57 m (0) was utilized at the end of the quarter. Hence, the total cash and cash equivalents available amounted to SEK 197 m (299) at the end of the quarter.

Indebtedness calculated as interest-bearing net debt/EBITDA before items affecting comparability during the most recent twelve-month period was 1.5x (0.8x) at the end of the period, and the net debt/equity ratio was 0.4x (0.2x).

Pledged assets and contingent liabilities

There were no significant changes in contingent liabilities during the period.

Employees

The average number of employees during the fourth quarter of 2018 (expressed as full-time equivalents) was 1,071, compared with 890 during the same period in the preceding year. The increase derives primarily from the acquisitions during 2018.

Significant risks and uncertainties

A description of significant risks and uncertainties is found in Nordic Waterproofing's 2017 Annual Report, as well as in the Prospectus that was issued in connection with the Initial Public Offering in June 2016. There have not been any significant changes in significant risks and uncertainties since the publication of the Annual Report or the Prospectus.

One of Nordic Waterproofing's key bitumen suppliers sources part of its oil from producers operating in Venezuela. Following the Executive Order 13850 by the US Treasury Department's office of Foreign Assets Control ("OFAC"), Nordic Waterproofing's supplier has requested a confirmation that it will be allowed to continue to purchase products from their supplier. OFAC has provided special treatment by singling it out in a new general license issued by OFAC to allow the company to continue its operations. Due to the current political situation in Venezuela, Nordic Waterproofing will continue to be in contact with its suppliers that may be affected of any sanctions.

Nordic Waterproofing conducts operations in the UK through its business unit SealEco and is monitoring the development surrounding Brexit carefully. The operations in the UK are to a certain extent dependent on imports of goods from the production unit in Sweden, but combined with the fact that Nordic Waterproofing's sales in the UK account for less than 2 percent of the Group's total sales, Nordic Waterproofing estimates that an exit from the EU, in one form or another, will not have a significant direct impact on the Group's earnings.

Significant events during the period

On 5 July 2018, Nordic Waterproofing Holding A/S's subsidiary Nordic Waterproofing Group AB completed the acquisition of Veg Tech AB. Nordic Waterproofing initially acquired 83 percent of the shares, and submitted an offer to acquire the remaining shares for the same price per share as the main acquisition. During the third and fourth quarter, all remaining shares have been acquired and as per 31 December Veg Tech is a fully owned subsidiary. Financial details are disclosed in Note 6.

On 20 December 2018, Nordic Waterproofing Group announced that the board of directors has resolved to initiate a share buyback program of maximum 200,000 shares (equivalent to 0.83% of the total number of outstanding shares) for a total amount of up to SEK 18 m until 29 March 2019, in accordance with the authorization granted by the annual general meeting on 20 April 2018. The purpose of the repurchase is to secure deliverance of shares under the Company's incentive programs. As per 31 December, Nordic Waterproofing owns 11,610 (0) treasury shares.

Significant events after the reporting period

No significant events have occurred after 31 December 2018.

Financial targets

Nordic Waterproofing's target for the return on capital employed before items affecting comparability is at least 15 percent. The actual outcome of the return on capital employed before items affecting comparability for the full year of 2018 was 14.8 percent (15.5), falling just below the long-term target due to the relatively large acquisition of Veg Tech in the third quarter and the increased capital employed, including goodwill and customer relations, following the acquisition.

Following the implementation of IFRS 16 (see note 1), the effect on the consolidated income statement is expected not to be significant and the effect on net profit is expected to be marginal. The analysis of the effect on the Group's financial targets is not finalized, however ROCE is expected to be negatively affected by approximately 1.0-1.2 percentage units, and the Net debt/EBITDA-ratio is expected to increase approximately 0.3-0.4 times.

The Parent Company

The Parent Company, Nordic Waterproofing Holding A/S, 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 2018 Annual General Meeting in April resolved to authorize the Board of Directors to establish a Long-Term Incentive Program ("LTIP 2018") offered to a maximum of 27 employees of the Group. The participants shall be allotted, free-of-charge, performance share rights entitling them to allocations of shares in the Company. Performance shares may be granted to the individual participant when targets have been met over a period of three years. The target is measured each year and the outcome is set after three years. Performance shares may only be granted to the individual participant if the participant is still employed by the Company and has not given, or been served, notice during the three-year vesting period. Targets for the participants are based on annual growth of operating profit before items affecting comparability, interest and taxes ("EBIT growth").

The total costs for the 3-year program in accordance with IFRS 2, including social security charges, are estimated to be at most SEK 9 m under the assumption of an average annual growth of operating profit (EBIT) before items affecting comparability of 12 percent.

No new shares will be issued in the Company due to LTIP 2018. However, the Company will acquire 140,736 treasury shares, corresponding to approximately 0.6 percent of the outstanding shares and votes in the Company in order to secure the provision of shares under LTIP 2018 and to secure and cover social security charges. The costs for the incentive program are expected to have a marginal effect on Nordic Waterproofing Group's key ratios.

Shares and share capital

As per 31 December 2018, the share capital amounted to DKK 24,084 thousand and the total number of issued shares was 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 2018, Nordic Waterproofing Holding A/S had more than 3,600 shareholders and owns itself 11,610 treasury shares (0.05% of the total number of issued shares) following the share buyback program in connection with the long-term incentive programs for 2017 and 2018.

There have not been any changes in shares and share capital during the fourth quarter of 2018.

Ownership structure

The largest shareholders in Nordic Waterproofing Holding A/S, as per 31 December 2018, are stated below.

| Owner | Number of shares | Capital and votes, % |
|--------------------------------------|-------------------|----------------------|
| Mawer Investment Management | 2,729,537 | 11.3% |
| Svolder | 2,504,672 | 10.4% |
| Swedbank Robur Funds | 2,187,095 | 9.1% |
| Carnegie Funds | 1,986,505 | 8.2% |
| Catella Funds | 1,310,558 | 5.4% |
| Länsförsäkringar Funds | 1,221,857 | 5.1% |
| Handelsbanken Funds | 850,044 | 3.5% |
| Third AP-Fund | 638,916 | 2.7% |
| Traction | 600,000 | 2.5% |
| AMF Insurance & Funds | 573,199 | 2.4% |
| Total 10 largest shareholders | 14,602,383 | 60.6% |
| Other shareholders | 9,481,552 | 39.4% |
| Total number of shares | 24,083,935 | 100.0% |

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".

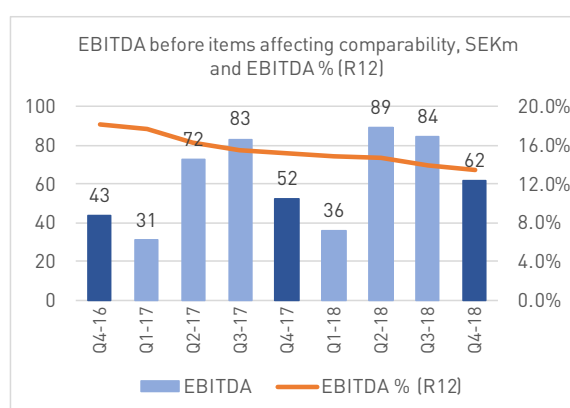
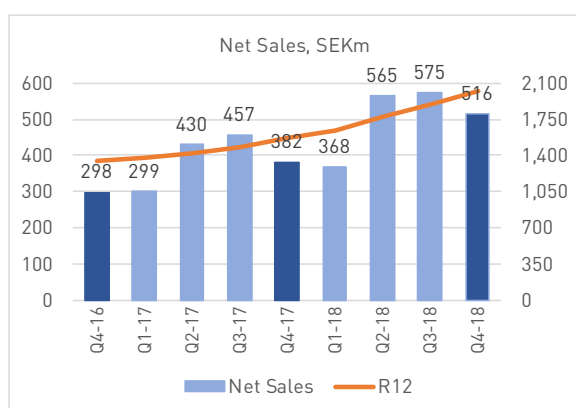
Operating segments

Products & Solutions

Net sales for the fourth quarter of 2018 increased by 35 percent compared with the corresponding period in the preceding year, amounting to SEK 516 m (382). Organic growth was 11 percent, while acquisitions contributed with 21 percent and currency effects with 3 percent. Sales in Norway increased by 116 percent, of which the acquired company RVT contributed with 95 percentage units. Sales in Sweden increased by 52 percent, whereof Veg Tech, which was acquired in July 2018, contributed with 38 percentage units. Sales in Denmark and Finland increased by 21 percent respectively.

| | Q4 2018 (%) | Q4 2018 (SEKm) | 12M 2018 (%) | 12M 2018 (SEKm) |
|---|-------------|----------------|--------------|-----------------|
| Analysis of net sales, Product & Solutions | | | | |
| Previous period | | 382 | | 1,568 |
| Organic growth | 11% | 41 | 5% | 76 |
| Structural effects | 21% | 80 | 21% | 323 |
| Currency effects | 3% | 13 | 3% | 56 |
| Current period | 35% | 516 | 29% | 2,023 |

Operating profit (EBIT) before items affecting comparability for Products & Solutions for the fourth quarter 2018 amounted to SEK 50 m (42). The EBIT margin before items affecting comparability amounted to 9.6 percent (10.9) in the fourth quarter. EBITDA before items affecting comparability amounted to SEK 62 m (52). The EBITDA margin before items affecting comparability amounted to 11.9 percent (13.7) in the fourth quarter.



Installation Services

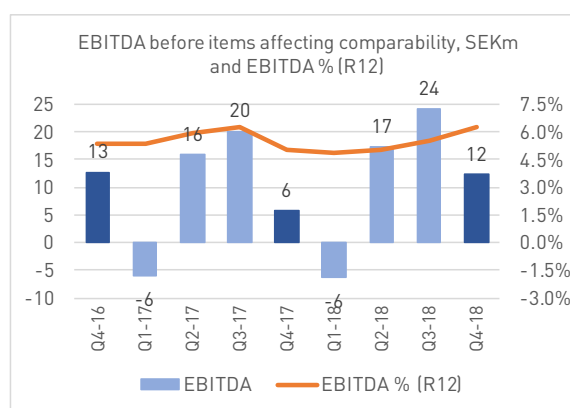
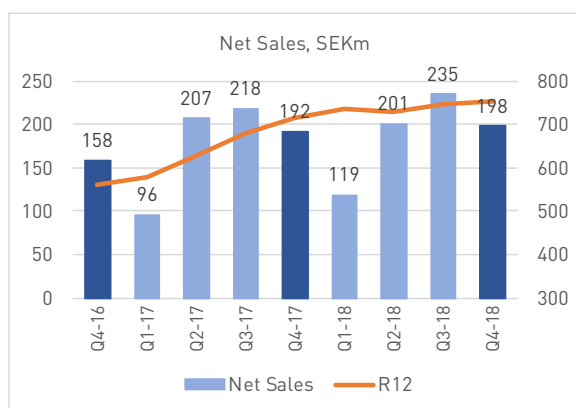
Business in this operating segment is primarily conducted in Finland and through the non-consolidated franchise companies in Denmark. Net sales for the fourth quarter of 2018 increased by 3 percent compared with the corresponding period in the preceding year, amounting to SEK 198 m (192). Organic growth was negative by 2 percent, while the currency effect were positive affecting net sales by 5 percent.

| Analysis of net sales, Installation Services | Q4 2018 (%) | Q4 2018 (SEKm) | 12M 2018 (%) | 12M 2018 (SEKm) |
|--|-------------|----------------|--------------|-----------------|
| Previous period | | 192 | | 714 |
| Organic growth | -2% | -3 | -1% | -7 |
| Structural effects | 0% | 0 | 1% | 9 |
| Currency effects | 5% | 9 | 5% | 37 |
| Current period | 3% | 198 | 5% | 752 |

Order inflow during the fourth quarter decreased by 29 percent compared with the preceding year. The order book was 10 percent higher at the end of December 2018, compared with the corresponding period in the preceding year.

| Order inflow and order book SEKm, unless otherwise stated | Q4 2018 | Q4 2017 | Change | 12M 2018 | 12M 2017 | Change |
|--|---------|---------|--------|----------|----------|--------|
| Order inflow in the period | 118 | 166 | -29% | 535 | 518 | 3% |
| Order book at end of period | 241 | 220 | 10% | 241 | 220 | 10% |

Operating profit (EBIT) before items affecting comparability for Installation Services for the fourth quarter increased to SEK 11 m (4). Our Danish franchise companies continued to perform well in the fourth quarter. The EBIT margin before items affecting comparability increased to 5.3 percent (2.2) in the fourth quarter. EBITDA before items affecting comparability amounted to SEK 12 m (6). The EBITDA margin before items affecting comparability amounted to 6.2 percent (3.0) in the fourth quarter.



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

Quarterly data, IFRS and alternative measures

| Key figures (SEKm) | Q4 2018 | Q3 2018 | Q2 2018 | Q1 2018 | Q4 2017 | Q3 2017 | Q2 2017 | Q1 2017 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
| Net sales | 692 | 778 | 736 | 474 | 558 | 646 | 603 | 380 |
| EBITDA before items affecting comparability | 66 | 103 | 96 | 21 | 57 | 96 | 79 | 15 |
| EBITDA-margin before items affecting comparability, % | 9.6% | 13.2% | 13.1% | 4.4% | 10.3% | 14.9% | 13.2% | 4.0% |
| Operating profit (EBIT) before items affecting comparability | 52 | 87 | 79 | 6 | 45 | 83 | 72 | 9 |
| EBIT-margin before items affecting comparability, % | 7.6% | 11.2% | 10.7% | 1.3% | 8.0% | 12.8% | 11.9% | 2.2% |
| ROCE (R12) before items affecting comparability, % | 14.8% | 14.4% | 15.2% | 15.0% | 15.5% | 15.8% | 16.9% | 18.4% |
| Net profit | 25 | 71 | 59 | -3 | 23 | 65 | 51 | -1 |
| Operating cashflow | 89 | 123 | 41 | -61 | 89 | 103 | -12 | -17 |
| Operating cashflow (R12) | 192 | 192 | 172 | 119 | 164 | 199 | 182 | 243 |
| Operating cash conversion (R12), % | 67% | 69% | 64% | 47% | 66% | 83% | 77% | 99% |
| Net debt | 442 | 493 | 430 | 293 | 204 | 276 | 274 | 125 |
| Earnings per share, SEK | 1.03 | 2.97 | 2.43 | -0.13 | 0.95 | 2.70 | 2.13 | -0.06 |

| Net sales by segment (SEKm) | Q4 2018 | Q3 2018 | Q2 2018 | Q1 2018 | Q4 2017 | Q3 2017 | Q2 2017 | Q1 2017 |
|-----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Products & Solutions | 516 | 575 | 565 | 368 | 382 | 457 | 430 | 299 |
| Installation Services | 198 | 235 | 201 | 119 | 192 | 218 | 207 | 96 |
| Group Items & Eliminations | -22 | -32 | -30 | -12 | -16 | -30 | -34 | -15 |
| Total | 692 | 778 | 736 | 474 | 558 | 646 | 603 | 380 |

| Net sales by country (SEKm) | Q4 2018 | Q3 2018 | Q2 2018 | Q1 2018 | Q4 2017 | Q3 2017 | Q2 2017 | Q1 2017 |
|-----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Sweden | 121 | 140 | 122 | 58 | 80 | 101 | 102 | 65 |
| Norway | 88 | 92 | 86 | 38 | 41 | 55 | 57 | 41 |
| Denmark | 183 | 180 | 192 | 153 | 152 | 151 | 107 | 83 |
| Finland | 214 | 267 | 229 | 146 | 207 | 247 | 234 | 122 |
| Europe | 83 | 98 | 107 | 78 | 77 | 89 | 102 | 66 |
| Rest of world | 3 | 0 | 0 | 1 | 2 | 3 | 0 | 4 |
| Total | 692 | 778 | 736 | 474 | 558 | 646 | 603 | 380 |

| EBITDA before items affecting comparability, by segment (SEKm) | Q4 2018 | Q3 2018 | Q2 2018 | Q1 2018 | Q4 2017 | Q3 2017 | Q2 2017 | Q1 2017 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
| Products & Solutions | 62 | 84 | 89 | 36 | 52 | 83 | 72 | 31 |
| Installation Services | 12 | 24 | 17 | -6 | 6 | 20 | 16 | -6 |
| Group Items & Eliminations | -7 | -6 | -10 | -9 | -1 | -7 | -9 | -10 |
| Total | 66 | 103 | 96 | 21 | 57 | 96 | 79 | 15 |

| EBIT before items affecting comparability, by segment (SEKm) | Q4 2018 | Q3 2018 | Q2 2018 | Q1 2018 | Q4 2017 | Q3 2017 | Q2 2017 | Q1 2017 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
| Products & Solutions | 50 | 70 | 73 | 23 | 42 | 72 | 66 | 25 |
| Installation Services | 11 | 23 | 16 | -8 | 4 | 18 | 15 | -6 |
| Group Items & Eliminations | -8 | -6 | -10 | -9 | -1 | -7 | -9 | -10 |
| Total | 52 | 87 | 79 | 6 | 45 | 83 | 72 | 9 |

Management's statement

Today, the Group's Board of Directors and Executive Board have discussed and approved the year-end report of Nordic Waterproofing Holding A/S for the period January–December 2018.

The year-end report, which has not been audited or reviewed by the company's auditor, is presented in accordance with IAS 34 "Interim Financial Reporting" as approved by the EU and additional Danish requirements relating to the disclosure of information for interim reports of listed companies.

In our opinion, the year-end report gives a true and fair presentation of the Group's assets, shareholders' equity and liabilities, and financial position as at 31 December 2018, as well as of the results of the Group's activities and cash flow for the period January-December 2018.

Furthermore, in our opinion, the review by management provides a true and fair statement of the development of the Group's activities, financial position and profit or loss for the period, and describes the most significant risks and uncertainties faced by the Group.

Vejen, 12 February 2019

Executive Board

Martin Ellis
President & CEO

Board of Directors

Ulf Gundemark
Chairman

Jørgen Jensen

Allan Jørgensen

Riitta Palomäki

Mats O. Paulsson

Kristina Willgård

Condensed consolidated key figures

| Amounts in SEKm unless otherwise stated | Q4 2018 | Q4 2017 | 12M 2018 | 12M 2017 |
|---|------------|------------|------------|------------|
| Net sales | 692 | 558 | 2,680 | 2,187 |
| Gross profit | 174 | 137 | 680 | 584 |
| EBITDA | 61 | 56 | 274 | 234 |
| EBITDA before items affecting comparability | 66 | 57 | 286 | 248 |
| Operating profit (EBIT) | 47 | 43 | 212 | 194 |
| Operating profit (EBIT) before items affecting comparability | 52 | 45 | 224 | 208 |
| Net profit | 25 | 23 | 152 | 138 |
| Gross margin, % | 25.2% | 24.5% | 25.4% | 26.7% |
| EBITDA margin, % | 8.9% | 10.1% | 10.2% | 10.7% |
| EBITDA margin before items affecting comparability, % | 9.6% | 10.3% | 10.7% | 11.3% |
| EBIT margin, % | 6.9% | 7.8% | 7.9% | 8.9% |
| EBIT margin before items affecting comparability, % | 7.6% | 8.0% | 8.4% | 9.5% |
| Operating cash flow | 89 | 89 | 192 | 164 |
| Operating cash conversion, % | n/a | n/a | 67% | 66% |
| Investments in tangible & intangible assets | -18 | -12 | -56 | -23 |
| Total assets | 2,127 | 1,756 | 2,127 | 1,756 |
| Capital employed | 1,653 | 1,370 | 1,653 | 1,370 |
| Equity | 1,106 | 1,010 | 1,106 | 1,010 |
| Net debt | 442 | 204 | 442 | 204 |
| Net debt/EBITDA before items affecting comparability, multiple | n/a | n/a | 1.5x | 0.8x |
| Interest coverage ratio, multiple | 14.0x | 17.1x | 17.3x | 21.6x |
| Equity/assets ratio, % | 52.0% | 57.5% | 52.0% | 57.5% |
| Net debt/equity ratio, multiple | 0.4x | 0.2x | 0.4x | 0.2x |
| Return on shareholders' equity, % | n/a | n/a | 14.5% | 13.9% |
| Return on shareholders' equity before items affecting comparability, % | n/a | n/a | 15.6% | 15.3% |
| Return on capital employed, % | n/a | n/a | 14.0% | 14.4% |
| Return on capital employed before items affecting comparability, % | n/a | n/a | 14.8% | 15.5% |
| Return on capital employed before items affecting comparability excluding goodwill, % | n/a | n/a | 31.7% | 31.0% |
| Average number of shares before and after dilution * | 24,083,935 | 24,083,935 | 24,083,935 | 24,083,935 |
| Earnings per share before and after dilution, SEK | 1.03 | 0.95 | 6.30 | 5.71 |
| Shareholders equity per share before and after dilution, SEK | 45.91 | 41.93 | 45.91 | 41.93 |
| Operating cash flow per share before and after dilution, SEK | 3.69 | 3.71 | 7.96 | 6.81 |
| Number of shares before and after dilution * | 24,083,935 | 24,083,935 | 24,083,935 | 24,083,935 |

Condensed financial statements

Condensed consolidated statement of profit or loss and other comprehensive income

| Amounts in SEKm unless otherwise stated | Q4 2018 | Q4 2017 | 12M 2018 | 12M 2017 |
|---|--------------|-------------|--------------|--------------|
| Net sales | 692.0 | 557.6 | 2,679.7 | 2,186.8 |
| Cost of goods sold | -517.6 | -421.0 | -1,999.9 | -1,602.7 |
| Gross profit/loss | 174.4 | 136.6 | 679.7 | 584.1 |
| Selling expenses | -90.9 | -73.2 | -322.4 | -272.3 |
| Administrative expenses | -45.4 | -26.2 | -161.1 | -130.5 |
| Research and development expenses | -2.0 | -1.6 | -6.7 | -6.5 |
| Other operating income | 5.1 | 1.8 | 7.3 | 6.3 |
| Other operating expenses | -3.6 | -0.8 | -4.5 | -2.5 |
| Share of profit in associated companies | 9.8 | 6.7 | 19.8 | 15.1 |
| Operating profit/loss (EBIT) | 47.5 | 43.4 | 212.1 | 193.7 |
| Net finance items | -8.2 | -9.5 | -21.9 | -19.5 |
| Profit/loss before tax | 39.3 | 33.9 | 190.3 | 174.2 |
| Tax | -14.5 | -11.2 | -38.5 | -36.6 |
| Profit/loss after tax | 24.9 | 22.8 | 151.8 | 137.6 |
| 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 | -8.2 | 22.2 | 32.4 | 19.8 |
| Gains/losses on hedging of currency risk in foreign operations | 0.3 | -4.5 | -6.8 | -4.5 |
| Gains/losses on raw material hedging | -32.9 | -4.2 | 3.2 | -22.1 |
| Tax on gains/losses on comprehensive income | 7.0 | 1.8 | 0.8 | 5.7 |
| Total other comprehensive income after tax | -33.7 | 15.4 | 29.7 | -1.1 |
| Total comprehensive income after tax | -8.9 | 38.1 | 181.4 | 136.5 |
| Profit/loss for the year, attributable to: | | | | |
| Owners of the company | 25.4 | 22.8 | 152.1 | 136.9 |
| Non-controlling interests | -0.5 | 0.0 | -0.3 | 0.7 |
| Total comprehensive income for the year, attributable to: | | | | |
| Owners of the company | -7.9 | 38.1 | 181.7 | 135.8 |
| Non-controlling interests | -0.9 | 0.0 | -0.3 | 0.7 |
| Average number of shares before and after dilution | 24,083,935 | 24,083,935 | 24,083,935 | 24,083,935 |
| Earnings per share before and after dilution, SEK | 1.03 | 0.95 | 6.30 | 5.71 |

Condensed consolidated balance sheet

| Amounts in SEKm unless otherwise stated | 31 Dec 2018 | 31 Dec 2017 |
|---|----------------|----------------|
| ASSETS | | |
| Intangible assets | 975.4 | 796.6 |
| Tangible assets | 268.1 | 209.8 |
| Financial assets | 64.0 | 38.5 |
| Deferred tax assets | 0.0 | 0.0 |
| Other non-current assets | 16.3 | 12.0 |
| Total non-current assets | 1,323.8 | 1,056.8 |
| Inventories | 345.8 | 259.6 |
| Trade receivables | 261.5 | 212.9 |
| Receivables for on-going construction contracts | 54.3 | 43.9 |
| Tax assets | 2.4 | 1.9 |
| Other receivables | 33.5 | 24.3 |
| Cash and cash equivalents | 105.6 | 156.8 |
| Total current assets | 803.2 | 699.3 |
| TOTAL ASSETS | 2,127.0 | 1,756.1 |
| EQUITY AND LIABILITIES | | |
| Share capital | 30.0 | 30.0 |
| Other capital | -0.8 | 0.0 |
| Reserves | 50.9 | 23.0 |
| Retained earnings including profit for the year | 1,010.0 | 956.4 |
| Equity attributable to owners of the Company | 1,090.0 | 1,009.4 |
| Non-controlling interests | 15.6 | 0.5 |
| Total equity | 1,105.6 | 1,009.8 |
| Non-current interest-bearing liabilities | 416.3 | 360.3 |
| Other non-current liabilities | 38.1 | 37.1 |
| Provisions | 5.9 | 5.8 |
| Deferred tax liabilities | 75.2 | 52.6 |
| Total non-current liabilities | 535.4 | 455.9 |
| Current interest-bearing liabilities | 131.0 | 0.0 |
| Trade payable | 129.2 | 90.7 |
| Payables for on-going construction contracts | 15.5 | 0.0 |
| Tax liabilities | 11.7 | 9.4 |
| Other current liabilities | 198.5 | 190.3 |
| Total current liabilities | 485.9 | 290.4 |
| TOTAL EQUITY AND LIABILITIES | 2,127.0 | 1,756.1 |

Condensed consolidated statement of changes in equity

| Specification of changes in equity (SEKm) | 12M 2018 | 12M 2017 |
|--|----------------|----------------|
| <i>Equity attributable to owners of the Company</i> | | |
| Opening balance | 1,009.4 | 963.9 |
| Total comprehensive income | 181.7 | 135.8 |
| Transactions with non-controlling interest | -10.0 | 0.0 |
| Dividend | -90.3 | -90.3 |
| Repurchase of own shares | -0.8 | 0.0 |
| Closing balance | 1,090.0 | 1,009.4 |
| <i>Equity attributable to non-controlling interest</i> | | |
| Opening balance | 0.5 | -0.2 |
| Total comprehensive income | -0.3 | 0.7 |
| Acquisitions | 15.4 | 0.0 |
| Transactions with the Group's owners | 0.0 | 0.0 |
| Closing balance | 15.6 | 0.5 |
| SUM TOTAL EQUITY, CLOSING BALANCE | 1,105.6 | 1,009.8 |

Condensed consolidated cash flow statement

| Amounts in SEKm unless otherwise stated | Q4 2018 | Q4 2017 | 12M 2018 | 12M 2017 |
|--|--------------|--------------|---------------|---------------|
| Operating activities | | | | |
| Operating profit (EBIT) | 47.5 | 43.4 | 212.1 | 193.7 |
| Adjustment for non-cash items etc | 5.4 | 5.9 | 38.9 | 23.7 |
| Interest received | 0.4 | -0.1 | 0.8 | 0.2 |
| Interest paid | -2.7 | -1.9 | -10.6 | -7.6 |
| Dividends received | 0.3 | 0.6 | 12.1 | 10.8 |
| Income tax paid/received | -10.5 | -4.8 | -37.2 | -38.1 |
| Cash flow from operating activities before changes in working capital | 40.4 | 43.1 | 216.1 | 182.6 |
| Changes in working capital | | | | |
| Increase (-)/Decrease (+) in inventories | 9.7 | 3.5 | -31.5 | -45.2 |
| Increase (-)/Decrease (+) in operating receivables | 143.9 | 133.3 | -1.7 | -33.7 |
| Increase (+)/Decrease (-) in operating liabilities | -103.8 | -85.3 | 1.9 | 22.4 |
| Cash flow from operating activities | 90.2 | 94.6 | 184.8 | 126.1 |
| Investing activities | | | | |
| Acquisition of intangible fixed assets | -11.2 | -1.2 | -20.2 | -2.0 |
| Acquisition of tangible fixed assets | -6.8 | -10.9 | -35.5 | -21.2 |
| Divestments of tangible fixed assets | 0.1 | 0.7 | 0.2 | 1.0 |
| Acquisition of business, net cash impact | -12.2 | -6.5 | -228.2 | -123.2 |
| Acquisition of participations in associated companies | -4.4 | 0.0 | -19.4 | -6.6 |
| Divestments of participations in associated companies | 0.0 | -0.2 | 0.0 | 0.2 |
| Change in other financial assets | -6.8 | 0.3 | -8.1 | -7.1 |
| Cash flow from investing activities | -41.2 | -17.9 | -311.2 | -158.8 |
| Financing activities | | | | |
| Amortization of loans | -75.7 | -0.8 | -95.0 | -50.1 |
| Proceeds from loans | 58.9 | 0.4 | 259.3 | 0.4 |
| Prepurchase of own shares | -0.8 | 0.0 | -0.8 | 0.0 |
| Dividend | 0.0 | 0.0 | -90.3 | -90.3 |
| Cash flow from financing activities | -17.6 | -0.4 | 73.2 | -140.0 |
| Cash flow for the period | 31.4 | 76.4 | -53.3 | -172.7 |
| Cash and cash equivalents at the beginning of the period | 74.0 | 78.0 | 156.8 | 328.4 |
| Exchange-rate differences in cash and cash equivalents | 0.2 | 2.4 | 2.1 | 1.0 |
| Cash and cash equivalents at the end of the period | 105.6 | 156.8 | 105.6 | 156.8 |

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, and additional Danish requirements relating to the disclosure of information for quarterly reports by listed companies.

The Group applies IFRS (International Financial Reporting Standards), which have been adopted by the EU, and the Danish Annual Reports Act. The accounting principles are the same as those described in the notes to Nordic Waterproofing Group’s 2017 Annual Report. As of 1 January 2018, the Group applies the new standards IFRS 9 Financial instruments and IFRS 15 Revenue from contract with customers. The transition to the new standards have had no significant effect on the Group.

IFRS 16 Leases, replacing IAS 17 Leases, contains principles for leases and is mandatory for financial years commencing on or after 1 January 2019. It will result in almost all leases being recognised in the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term or low-value leases. The analysis of the effects from IFRS 16 is in its final stage and will be completed during February 2019. The preliminary analysis shows that the Group has three main types of leasing contracts: premises, machinery and vehicles. The Group has decided the use the simplified approach as transition method, which means that the impact of the adoption is adjusted against the opening balance of retained earnings on the date of the initial application (that is 1 January 2019). The effect on the financial statements is expected to be SEK 110-125 m on total assets and liabilities respectively, which is judged to be not significant. The effect on the consolidated income statement is expected not to be significant and the effect on net income is expected to be marginal. The analysis of the effect on the Group’s financial targets following the implementation of IFRS 16 is not yet finalized, however ROCE is expected to be negatively affected by approximately 1,0-1,2 percentage units, and the Net debt/EBITDA-ratio is expected to increase approximately 0,3-0,4 times.

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 – Alternative key ratios

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. Definitions of measures which are not defined according to IFRS and which are not mentioned elsewhere in the interim report are presented in the section “Definitions; Key performance indicators not defined according to IFRS”.

Note 3 – Seasonality

Nordic Waterproofing’s business is affected significantly by seasonal variations in the construction industry. We refer to page 5 for more detailed information.

Note 4 – Items affecting comparability

Items affecting comparability comprise of income statement items that are non-recurring, have a significant impact on profit and are important for understanding the underlying development of the Group. In particular, these costs include acquisition-related transaction and restructuring costs relating to new acquisitions and improvements to the day-to-day business, where the Group is enhancing its operations by means of measures including reorganizations of production facilities and sales units. These expenses consist primarily of personnel costs and other external costs.

Note 5 – 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.

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 described in the Group's 2017 Annual Report and the prospectus issued in connection with the Initial Public Offering in June 2016. Other than these risks and uncertainties, no significant additional risks or uncertainties have arisen.

One of Nordic Waterproofing's key bitumen suppliers sources part of its oil from producers operating in Venezuela. Following the Executive Order 13850 by the US Treasury Department's office of Foreign Assets Control ("OFAC"), Nordic Waterproofing's supplier has requested a confirmation that it will be allowed to continue to purchase products from their supplier. OFAC has provided special treatment by singling it out in a new general license issued by OFAC to allow the company to continue its operations. Due to the current political situation in Venezuela, Nordic Waterproofing will continue to be in contact with its suppliers that may be affected of any sanctions.

Nordic Waterproofing conducts operations in the UK through its business unit SealEco and is monitoring the development surrounding Brexit carefully. The operations in the UK are to a certain extent dependent on imports of goods from the production unit in Sweden, but combined with the fact that Nordic Waterproofing's sales in the UK account for less than 2 percent of the Group's total sales, Nordic Waterproofing estimates that an exit from the EU, in one form or another, will not have a significant direct impact on the Group's earnings.

Note 6 – Acquisitions of businesses

On 4 January 2018, the acquisition of a production plant in Denmark for prefabricated roofing and façade elements, by means of an acquisition of assets, from Ugilt Savværk was finalized. The production plant was acquired by Nordic Waterproofing Holding A/S's subsidiary Taasinge Elementer A/S. The acquisition forms part of the strategy to make Taasinge Elementer a major player in the Nordic market for prefabricated roofing and façade elements. The unit has 40 employees in northern Jutland and sales for 2017 was approximately SEK 50 m. The purchase consideration amounts to SEK 23 m and is being financed through Nordic Waterproofing's available cash and bank balances. The acquisition is consolidated into the Products & Solutions segment as of 4 January 2018.

On 1 March 2018, 75 percent of the shares in the Norwegian Ringsaker Vegg- og Takelementer AS ("RVT") were acquired by Nordic Waterproofing Holding A/S's subsidiary Taasinge Elementer A/S for SEK 38 m on a cash and debt free basis. The company is one of Norway's leading manufacturer of prefabricated façade elements based on wooden frame constructions to the construction industry. RVT has an annual sales of approximately SEK 100 m and 50 employees. The acquisitions forms part of the strategy to make Taasinge Elementer and Nordic Waterproofing a major player in the Nordic market for prefabricated roofing and façade elements. RVT is consolidated within the segment Products & Solutions as from 1 March 2018.

On 5 July 2018, Nordic Waterproofing Holding A/S's subsidiary Nordic Waterproofing Group AB completed the acquisition of Veg Tech AB, one of the leading players within multifunctional vegetation technology in the Nordics with annual sales of approximately SEK 125 m and 45 employees. Nordic Waterproofing initially acquired 83 percent of the shares for SEK 129 per share, corresponding to a consideration of SEK 153 m. The total consideration has been paid in cash, and the acquisition was financed by a new bank loan through an extension of Nordic Waterproofing's current credit facilities and the revolving facility. Furthermore, Nordic Waterproofing submitted an offer to acquire the remaining shares for the same price per share as the main acquisition. As per 31 December, all remaining shares have been acquired corresponding to a consideration of SEK 30 m and Nordic Waterproofing's ownership is 100 percent.

On 16 October 2018, Nordic Waterproofing increased its ownership by 10 percent in Taasinge Elementer A/S, after which Nordic Waterproofing's ownership in Taasinge Elementer A/S amounts to 89 percent.

The acquired companies' net assets on the acquisition date:

| Acquisition analysis SEKm, unless otherwise stated | Jan 2018 Ugilt | Mar 2018 RVT | Jul 2018 Veg Tech |
|---|-------------------|-----------------|----------------------|
| Intangible assets | 2 | 5 | 32 |
| Tangible assets | 7 | 2 | 41 |
| Inventories | 3 | 6 | 37 |
| Trade and other receivables | 0 | 20 | 31 |
| Cash and equivalents | 0 | 28 | 6 |
| Other non-interest bearing liabilities | 0 | -31 | -29 |
| Deferred tax liabilities | -1 | -5 | -14 |
| Net assets and liabilities | 12 | 25 | 105 |
| Non-controlling interests | 0 | -15 | 0 |
| Goodwill | 11 | 36 | 78 |
| Consideration | 23 | 46 | 183 |

The acquisition analysis for Ugilt, RVT and Veg Tech are finalized.

Note 7 – Intangible assets

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

| Intangible assets, carrying amounts SEKm, unless otherwise stated | Goodwill | Customer relations | Order book | Other | Total |
|--|------------|--------------------|------------|-----------|------------|
| Opening balance, 1 January 2018 | 733 | 48 | 6 | 10 | 797 |
| Investments | 3 | 0 | 0 | 20 | 23 |
| Acquisitions | 126 | 32 | 8 | 0 | 165 |
| Amortisation | 0 | -13 | -14 | -3 | -30 |
| Exchange-rate differences | 18 | 2 | 0 | 1 | 21 |
| Closing balance, 31 December 2018 | 879 | 69 | 0 | 28 | 975 |

Note 8 – Financial instruments

Financial instruments measured at fair value in the balance sheet consist of financial derivatives used to hedge the price risk arising from highly probable future purchases of bitumen products. These are recognized in the balance sheet items "Other receivables" and "Other liabilities", and 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 at 31 December 2018, the expected purchases of bitumen for delivery during January to December 2019 were hedged by means of derivatives, equivalent to 30,480 tons or approximately 76 percent of the expected annual purchasing volume (at the corresponding period the preceding year, there were no outstanding hedge agreements). The fair value measurements belong to level 2 in the fair value hierarchy in IFRS 13.

| Financial instruments SEKm, unless otherwise stated | Carrying amount | | Fair value | |
|--|-----------------|----------------|----------------|----------------|
| | 31 Dec 2018 | 31 Dec 2017 | 31 Dec 2018 | 31 Dec 2017 |
| Measurement level 2: | | | | |
| Assets at fair value | 3 | 0 | 3 | 0 |
| Assets at acquisition cost | 354 | 287 | 354 | 287 |
| Liabilities at fair value | 0 | 0 | 0 | 0 |
| Liabilities at acquisition cost | 734 | 491 | 734 | 491 |
| Measurement level 3: | | | | |
| Liabilities at acquisition cost | 10 | 23 | 10 | 23 |
| Liabilities at fair value | 32 | 31 | 32 | 31 |

Note 9 – 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 before items affecting comparability and operating profit (EBIT) before items affecting comparability broken down by segment is set out in the tables on page 12.

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 2018 | 12M 2017 | 12M 2018 | 12M 2017 | 12M 2018 | 12M 2017 | 12M 2018 | 12M 2017 |
| Revenues from external customers | 1,927 | 1,473 | 752 | 714 | 0 | 0 | 2,680 | 2,187 |
| Revenues from other segments | 96 | 95 | 0 | 0 | -96 | -95 | 0 | 0 |
| Revenues, total | 2,023 | 1,568 | 752 | 714 | -96 | -95 | 2,680 | 2,187 |
| EBITDA before items affecting comparability | 270 | 239 | 47 | 36 | -31 | -26 | 286 | 248 |
| Depreciation & Amortisation | -54 | -33 | -6 | -5 | -2 | -2 | -62 | -40 |
| EBIT before items affecting comparability | 216 | 205 | 41 | 31 | -33 | -28 | 224 | 208 |
| Items affecting comparability | -11 | -9 | 0 | -4 | -1 | -1 | -12 | -14 |
| Operating profit (EBIT) | 205 | 196 | 41 | 27 | -34 | -29 | 212 | 194 |
| Net finance items | | | | | | | -22 | -20 |
| Profit/loss after finance items but before tax (EBT) | | | | | | | 190 | 174 |
| Tax | | | | | | | -38 | -37 |
| Profit/loss for the year | | | | | | | 152 | 138 |
| <i>Assets</i> | | | | | | | | |
| Intangible assets (goodwill & customer relations) | 838 | 674 | 127 | 122 | 10 | 0 | 975 | 797 |
| Property, plant and equipment | 256 | 199 | 12 | 9 | 1 | 1 | 268 | 210 |
| Participations in associated companies | 0 | 0 | 55 | 31 | 0 | 0 | 55 | 31 |
| Inventory | 339 | 254 | 7 | 5 | 0 | 0 | 346 | 260 |
| Other assets | 279 | 205 | 106 | 118 | -19 | -29 | 366 | 293 |
| Non-allocated assets | | | | | 117 | 166 | 117 | 166 |
| Total assets | 1,711 | 1,332 | 308 | 286 | 108 | 138 | 2,127 | 1,756 |
| <i>Liabilities and Equity</i> | | | | | | | | |
| Equity | | | | | 1,106 | 1,010 | 1,106 | 1,010 |
| Other liabilities | 309 | 254 | 79 | 74 | -39 | -41 | 349 | 287 |
| Non-allocated liabilities | | | | | 672 | 459 | 672 | 459 |
| Total liabilities and equity | 309 | 254 | 79 | 74 | 1,739 | 1,428 | 2,127 | 1,756 |
| Investments in tangible & intangible assets | 44 | 19 | 6 | 3 | 6 | 1 | 56 | 23 |

Note 10 – Transactions with related parties

The Group has related party relationships with the associated companies stated in Note 12 of the 2017 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 2018.

Definitions

Key performance indicator according to IFRS

| | |
|--------------------|--|
| Earnings per share | Profit after tax for the period attributable to parent company shareholders divided by the average number of outstanding shares for the period |
|--------------------|--|

Key performance indicators not defined according to IFRS

| | |
|--|---|
| Capital employed | Total assets less non-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 |
| Items affecting comparability | Statement items that are non-recurring, have a significant impact on profit and therefore constitute important adjustments for understanding the underlying development of operations |
| Net debt | Interest-bearing liabilities less cash and cash equivalents |
| Net debt/EBITDA before items affecting comparability | Net debt in relation to EBITDA before items affecting comparability |
| Net debt/equity ratio | Net debt in relation to shareholders' equity |
| Operating cash conversion | Operating cash flow as a percentage of EBITDA before items affecting comparability for the period |
| Operating cash flow | EBITDA before items affecting comparability plus dividends from associated companies, less cash flow related from investments in tangible and intangible assets, cash flow from changes in working capital and income from associated companies |
| Organic growth | Net sales growth adjusted for enterprises acquired and sold off and any exchange rate changes. No adjustments have been made for number of working days |
| R12 | The most recent twelve months/rolling twelve-month period |
| Return on capital employed | EBIT as a percentage of average capital employed, calculated as the average of the period's opening and closing balances |
| Return on capital employed before items affecting comparability | Operating profit (EBIT) before items affecting comparability as a percentage of average capital employed, calculated as the average of the period's opening and closing balances |
| Return on capital employed before items affecting comparability and excluding goodwill | Operating profit (EBIT) before items affecting comparability as a percentage of average capital employed, excluding goodwill, calculated as the average of the period's opening and closing balances |
| Return on shareholders' equity | Profit after tax attributable to parent company shareholders as a percentage of average shareholders' equity, excluding non-controlling interests |
| Return on shareholders' equity before items affecting comparability | Profit after tax attributable to parent company shareholders including reversed items affecting comparability as a percentage of average capital employed, excluding non-controlling interests |

Reconciliations

Key performance indicators not defined according to IFRS

| | Q4 2018 | Q4 2017 | 12M 2018 | 12M 2017 |
|--|--------------|--------------|--------------|--------------|
| Capital employed | | | | |
| Total assets | 2,127 | 1,756 | 2,127 | 1,756 |
| Other non-current liabilities | -38 | -37 | -38 | -37 |
| Provisions | -6 | -6 | -6 | -6 |
| Deferred tax liabilities | -75 | -53 | -75 | -53 |
| Trade payable | -129 | -91 | -129 | -91 |
| Payables for on-going construction contracts | -15 | 0 | -15 | 0 |
| Tax liabilities | -12 | -9 | -12 | -9 |
| Other current liabilities | -199 | -190 | -199 | -190 |
| Capital employed | 1,653 | 1,370 | 1,653 | 1,370 |
| EBITDA | | | | |
| EBIT | 47 | 43 | 212 | 194 |
| Depreciation | 10 | 7 | 36 | 27 |
| Amortization | 4 | 5 | 27 | 13 |
| Impairment | - | - | - | - |
| EBITDA | 61 | 56 | 274 | 234 |
| Interest cover ratio | | | | |
| Profit/loss before tax | 39 | 34 | 190 | 174 |
| Interest expenses | 3 | 2 | 12 | 8 |
| Total | 42 | 36 | 202 | 183 |
| Interest expenses | 3 | 2 | 12 | 8 |
| Interest cover ratio, multiple | 14.0x | 17.1x | 17.3x | 21.6x |
| Items affecting comparability | | | | |
| Costs related to acquisitions | -3 | 0 | -9 | -10 |
| Other | -2 | -1 | -3 | -4 |
| Items affecting comparability | -5 | -1 | -12 | -14 |
| Net debt | | | | |
| Non-current interest-bearing liabilities | 416 | 360 | 416 | 360 |
| Current interest-bearing liabilities | 131 | 0 | 131 | 0 |
| Cash and cash equivalents | -106 | -157 | -106 | -157 |
| Net debt | 442 | 204 | 442 | 204 |
| Operating cash flow | | | | |
| EBITDA before items affecting comparability | 66 | 57 | 286 | 248 |
| Share of profit in associated companies | -10 | -7 | -20 | -15 |
| Dividend from associated companies | 0 | 0 | 12 | 11 |
| Change in NWC | 50 | 51 | -31 | -56 |
| Investments in tangible assets & capitalized expenses | -18 | -12 | -56 | -23 |
| Operating cash flow | 89 | 89 | 192 | 164 |
| Return on capital employed, ROCE | | | | |
| EBIT (R12) | | | 212 | 194 |
| Average capital employed (OB+CB/2) | | | 1,512 | 1,344 |
| ROCE, % | n/a | n/a | 14.0% | 14.4% |
| ROCE before items affecting comparability | | | | |
| EBIT (R12) | | | 212 | 194 |
| Items affecting comparability (R12) | | | 12 | 14 |
| Average capital employed (OB+CB/2) | | | 1,512 | 1,344 |
| ROCE before items affecting comparability, % | n/a | n/a | 14.8% | 15.5% |
| ROCE before items affecting comparability excl goodwill | | | | |
| EBIT (R12) | | | 212 | 194 |
| Items affecting comparability (R12) | | | 12 | 14 |
| Average capital employed (OB+CB/2) | | | 1,512 | 1,344 |
| Goodwill (OB+CB/2) | | | 806 | 674 |
| ROCE before items affecting comparability excl goodwill, % | n/a | n/a | 31.7% | 31.0% |
| Return on shareholders' equity, ROSE | | | | |
| Profit after tax attributable to parent company shareholders (R12) | | | 152 | 137 |
| Average shareholders' equity (OB+CB/2) | | | 1,050 | 987 |
| ROSE % | n/a | n/a | 14.5% | 13.9% |
| ROSE before items affecting comparability | | | | |
| Profit after tax attributable to parent company shareholders (R12) | | | 152 | 137 |
| Items affecting comparability (R12) | | | 12 | 14 |
| Average shareholders' equity (OB+CB/2) | | | 1,050 | 987 |
| ROSE before items affecting comparability, % | n/a | n/a | 15.6% | 15.3% |



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 and through part-owned franchise companies in Denmark. The Company markets its products and solutions under several brands, all with an extensive heritage, most of which are among the most established and well-recognized brands in waterproofing in their respective markets, such as Matakı, Trebolit, Phönix Tag Materialer, Kerabit, Nortett, SealEco, SPT-Painting, Taasinge Elementer, RVT and Veg Tech. Nordic Waterproofing Holding A/S 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 2018 | Week commencing 1 April |
| Annual General Meeting, in Helsingborg | 24 April 2019 |
| Interim report, January-March 2019 | 2 May 2019 |
| Interim report, January-June 2019 | 25 July 2019 |
| Interim report, January-September 2019 | 31 October 2019 |

Further information can be obtained from

| | |
|--------------------------------------|-----------------------|
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| Jonas Olin, CFO & Investor Relations | tel: +46 708 29 14 54 |

This information is information that Nordic Waterproofing Holding A/S 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 12 February 2019, 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.

