Always By Your Side.

Interim Report Polygon AB

January - September 2017

Sales

+ 3%

125.0 million (121.7)

Adjusted EBITA

- 6%

8.8 million (9.3)

THIRD QUARTER 2017

- Sales amounted to EUR 125.0 million, with organic growth of 2.0%. Recurring jobs coming from an increased share of wallet have compensated for last year's high level of jobs caused by extreme weather.
- The backlog at the end of the period was slightly below the high level at the equivalent point last year.
- Adjusted EBITA amounted to EUR 8.8 million (9.3).
- Operating profit before amortization (EBITA) was EUR 8.4 million (9.1). Items affecting comparability were booked in an amount of EUR 0.4 million (0.2) in the quarter.
- The acquisition of Polygon Nord AS (franchise in Norway) with yearly sales of EUR 5.4 million was closed in September and consolidated. Skadegruppen AS in Norway with yearly sales of EUR 27.1 million was signed in Q3, approved by the competition authorities in October and will be consolidated in Q4.
- After quarter end two more acquisitions were signed (Denmark and Germany).

JANUARY - SEPTEMBER 2017

- Sales growth for the period was 8.2%. Both the second and third quarter showed moderate growth due to a lack of major events. Organic growth excluding currency effects was 8.7%.
- Adjusted EBITA amounted to EUR 23.7 million (21.8), an increase of 8.7%. Development in Continental Europe and North America was strong. Adjusted EBITA margin was equal to last year at 6.3%.
- Operating profit before amortization (EBITA) was EUR 22.4 million (21.2). Items affecting comparability were booked in an amount of EUR 1.3 million (0.6) in the first nine months of the year.
- Cash flow from operating activities was EUR 18.4 million (15.1). The liquidity buffer amounted to EUR 42.1 million (Dec. 2016: 46.4).
- Two add-on acquisitions in the Nordic region were closed and consolidated during the period (Sweden and Norway). The acquisition of Skadegruppen AS in Norway was signed within the quarter and subsequently closed in November for consolidation in Q4.
- The Board of Directors was further strengthened in February with the appointment of Nadia Meier-Kirner.

GROUP KEY FIGURES

EUR million	Q3		Q1-3		12 Months	
	2017	2016	2017	2016	LTM	2016
Sales of services	125.0	121.7	377.6	349.0	513.9	485.3
EBITDA	**10.9**	**11.5**	**29.6**	**28.2**	**41.0**	**39.6**
EBITDA,%	*8.7*	*9.5*	*7.8*	*8.1*	*8.0*	*8.2*
Adjusted EBITDA	**11.3**	**11.7**	**30.9**	**28.9**	**43.4**	**41.4**
Adjusted EBITDA, %	*9.0*	*9.6*	*8.2*	*8.3*	*8.5*	*8.5*
EBITA	**8.4**	**9.1**	**22.4**	**21.2**	**31.5**	**30.3**
EBITA, %	*6.7*	*7.5*	*5.9*	*6.1*	*6.1*	*6.2*
Adjusted EBITA	**8.8**	**9.3**	**23.7**	**21.8**	**34.0**	**32.1**
Adjusted EBITA, %	*7.0*	*7.6*	*6.3*	*6.3*	*6.6*	*6.6*
EBIT	**7.2**	**7.9**	**18.9**	**17.2**	**26.8**	**25.1**
EBIT, %	*5.8*	*6.5*	*5.0*	*4.9*	*5.2*	*5.2*
Earnings per share (EUR)	0.38	0.76	0.72	1.62	0.93	1.83
Cash flow from operating activities	10.1	8.0	18.4	15.1	36.4	33.2
Net debt	150.5	99.3	150.5	99.3	150.5	144.6
Full time employees	3,011	2,882	3,011	2,882	3,038	2,909

Always By Your Side.

Comments from the CEO

We meet our Q3 expectations

I am very pleased to report another quarter with positive organic growth and especially considering the fact that we had expected to end up with a negative growth as a result of last year's very strong 8%. This was boosted by a high number of weather-related orders following the heavy summer rains in central Europe. Our increased share of wallet, with recurring volumes from existing customers, has more than compensated for the loss of last year's incidental project business during Q3. Our underlying performance is even better, given the fact that we are currently experiencing somewhat weaker activity levels in the Nordic region. It is evident that the trust we have gained from our customers following recent years´ business improvements is resulting in higher market shares. Polygon has meanwhile continued to invest in the expansion of its sales force, as well as an increased focus on account management. With our Q3 performance we are able to maintain our year to date growth at a solid 8%.

Our adjusted EBITA ended very close to an exceptional Q3 in 2016. Compared to 2015, which was a comparable "weather" year until Q3, the adjusted EBITA result has increased by nearly 100%. This demonstrates the improvement in our underlying business. The combination of a healthy backlog and an increasing order intake, positively affected by the US hurricane business in Texas and Florida is expected to have a positive effect on a traditionally strong final quarter.

External growth has had a limited impact so far, but we have recently signed a number of acquisitions, which will affect total growth in 2018. The moves in Norway and Denmark will lead to Polygon becoming the largest property damage control company in the Nordic region and will further strengthen our European leadership position. Our country management teams continue to produce interesting pipe-lines in a generally fragmented market. As mentioned in our last report, we have expanded the executive team to be able to support our countries with their connected integration activities.

We have performed a large-scale strategic study during the first half of 2017, which has confirmed our agenda for the coming years. We will continue our efforts to safeguard our strong culture of entrepreneurial leadership, whilst increasing our focus on optimizing service delivery and process control. Other strategic initiatives include continued investment in the digital transformation of our industry, the expansion of cross-border large loss capabilities, development of the property management segment and increased growth through acquisitions. We have recently shown that we have the capability to identify and close acquisition targets both in our core services as well as closely related specialist services. We intend to continue our efforts to continue to grow through low risk add-on acquisitions in our existing territories.

Short-term outlook

Last year's financial performance was boosted by torrential summer rains and ensuing floods in continental Europe. We remain very confident that our current run rate will meet the high numbers seen during H2 last year. The recent order increases the aftermath of the hurricanes in the US, in combination with healthy backlog levels, are good indicators for a strong Q4. In order to be prepared for future demands from our growing customer base we have continued to invest in capital expenditures.

Market development

There are several trends in the property damage restoration market that are benefiting larger players like Polygon, such as procurement centralization, the customer preference for one-stop-shops and the more complex requirements for front-end IT systems. Global warming is gradually increasing rainfall levels and extreme weather conditions, which will consequently increase water damages.

Subsequent events

The acquisition of Dansk Bygningskontrol A/S, with annual sales of EUR 28.6 million, was signed in October and is conditional on approval from the competition authorities in Denmark. An additional acquisition in Germany, Von Der Lieck GmbH & Co, was also signed in October, with annual sale of EUR 3.7 Million.

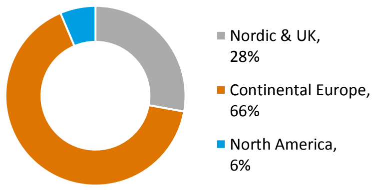
The undersigned gives his assurance that this interim report provides a true and fair overview of the business activities, financial position and results of the Parent Company and the Group and describes the significant risks and uncertainties to which the Parent Company and its subsidiaries are exposed.

Stockholm, 9 November 2017

Evert Jan Jansen
President and CEO

Financial information

Sales by segment LTM (%)



Sales and profit for the third quarter of 2017

Sales amounted to EUR 125.0 million, up by 2.7% compared to the same quarter of last year. The low level of extreme weather incidents in Europe continued in the third quarter. Hurricanes affecting the US had some effects in the month of September. The successful increase in share of wallet and new framework agreements in several countries have compensated for the low activity level in the PDR market.

Continental Europe continued its strong performance with growth of over 4.4% in the quarter, driven by continuous robust performance in Germany. North America reported growth of 15.9%, while the Nordics & UK showed negative growth of 4.5% (in comparable currencies, growth was 20.9% for North America and negative 2.9% for the Nordics & UK). In local currency, the UK had growth of 5.2% while the Nordic countries reported negative growth of 9.9%.

The backlog was slightly below last year, which was very high after the floods in large parts of Europe.

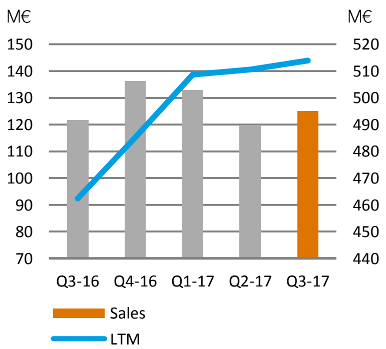
Adjusted EBITA, at EUR 8.8 million, was EUR 0.5 million below last year. The Continental Europe segment once again managed to leverage the sales increase and improved its adjusted EBITA by 45.6%. North America, driven by the US, reported profit growth of 119.4% with positive effects from the hurricanes, while profit in the Nordics & UK was down by 53.2% due to weak development in the Nordic countries. Pressure on the gross margin in the Nordic region, in the wake of low sales, is the main reason behind this development. The measures initiated in the second quarter to cut costs and improve project execution in the Nordics will continue.

Operating profit before amortization (EBITA) was EUR 8.4 million (9.1). Items affecting comparability were booked in an amount of EUR 0.4 million (0.2) in the quarter.

Net financial expenses for the period amounted to EUR 3.6 million (3.7), of which EUR 2.9 million (3.4) refers to net interest expenses and EUR 0.7 million to exchange rate losses (0.3). The decrease in net interest expenses is due to the reduction in shareholder loans through an increase in the Bond by EUR 60.0 million in late 2016.

The profit before tax amounted to EUR 3.7 million (4.2) and the net profit was EUR 2.0 million (4.3).

Sales development



Sales and profit for January – September 2017

Sales amounted to EUR 377.6 million, up by 8.2% compared to the same period of last year. Growth was on par with the second quarter following a very strong first quarter (growth of 21.4%). Aside from the hurricanes, which will boost sales in the US, the level of weather-related jobs was low compared to last year.

Continental Europe reported growth of 12.2% and North America had growth of 8.7%, while the Nordics & UK showed negative development. The Nordic & UK segment has suffered from both a mild winter and a dry spring/summer. The UK continued to grow despite a lack of weather-related jobs (7.1%). In comparable currencies, the Group grew by 9.0%. The effects from acquisitions are negligible.

Adjusted EBITA was 8.7% better than last year, with the main improvements in the first quarter. The Continental Europe segment has benefitted from sales growth and improved its adjusted EBITA by 60.1%. North America improved its adjusted EBITA by 83.1%, driven by the US. The two past years' investments in the US combined with lower fixed costs after restructuring are paying off. Adjusted EBITA in the Nordics & UK was weak, -38.6% compared to last year, as a result of a generally low claims level, increased competition and low margins on projects in Norway. The negative deviation versus last year is attributable in full to the development in the Nordic countries.

Operating profit before amortization (EBITA) was EUR 22.4 million (21.2). Items affecting comparability were booked in an amount of EUR 1.3 million (0.6) in the period. The main amount is attributable to a strategy review conducted by external consultants and restructuring.

Net financial expenses for the period amounted to EUR 12.8 million (7.9), of which EUR 8.7 million (7.1) was attributable to net interest expenses and EUR 4.1 million (0.8) to negative exchange rate changes. The increase in the Bond by EUR 60.0 million in late 2016 has resulted in higher net interest expenses and most of the exchange rate losses have arisen from unrealized exchange rate deviations in USD that occurred in the second quarter.

Profit before tax amounted to EUR 6.1 million (9.3) and net profit was EUR 3.9 million (9.2).

Cash flow and financing

Cash flow from operating activities for the third quarter was EUR 10.1 million (8.0) and was positively impacted by lower working capital mainly brought about by lower work in progress compared to the same period of last year. Cash flow for the first three quarters of the year was EUR 18.4 million (15.1) and showed the same trend as the quarter compared to the same period of last year and year-end 2016.

Total interest-bearing net debt amounted to EUR 150.5 million (December 2016: 144.6). The Group's liquidity buffer is EUR 42.1 million (December 2016: 46.4), consisting of cash and cash equivalents of EUR 32.3 million (December 2016: 36.6) and unutilized contracted RCF commitments of EUR 9.8 million. (December 2016: 9.8). A subsequent issue of EUR 60.0 million 3M EURIBOR +5.00% notes was completed in Q4 2016 under the terms and conditions of the up to EUR 180.0 million senior secured floating rate notes originally dated 14 April 2014.

Polygon Sweden acquired Villaklimat OBM AB with annual sales of EUR 2.0 million at the end of the first quarter. Polygon Norway AS acquired Polygon Nord AS on 25 September and annual sales for this company amount to EUR 5.4 million.

Equity amounted to EUR 57.6 million (December 2016: 53.4).

Capital expenditure

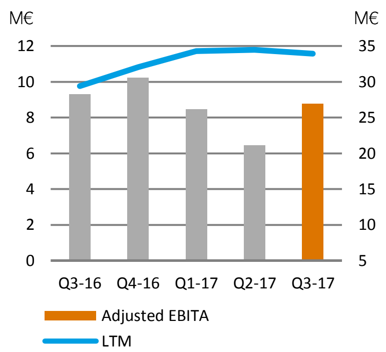
Capital expenditure in the third quarter amounted EUR 4.4 million (4.8). As in previous quarters, this was driven by a focus on Temporary Climate Solutions (TCS), upgrading of facilities for large loss projects and equipment to handle the increased number of jobs and investments in the new field force IT systems. Capital expenditure of EUR 14.2 million for the first nine months is an increase of EUR 1.1 million compared to the same period of last year.

Parent Company

The consolidated figures in this report are presented at the consolidated level for Polygon AB. The Parent Company, Polygon AB (corporate identity number 556816-5855), directly and indirectly holds 100% of the shares in all subsidiaries in the Group, except for the company in Denmark, in which the non-controlling interest is 24.2%. The net loss for Polygon AB for the third quarter amounted to EUR 1.4 million (profit EUR 1.3 million).

Significant risks and uncertainties

Adjusted EBITA



Around 75% of Polygon's business consists of property damage control, which follows a seasonal pattern of predictable demand. The remaining 25% is related to more extreme and less predictable events caused by weather and fire. The frequency of property damage can vary depending on circumstances beyond Polygon's control, the outdoor temperature and the weather. Since part of Polygon's cost structure is fixed, the proceeds of the operations are unpredictable to some degree and vary from time to time.

Polygon is to a large extent dependent on its key customers, the insurance companies, and must maintain mutually beneficial relationships with them in order to compete effectively. Our top ten customers represent about one third of Polygon's sales, with the newest customer on the top ten list having a seven-year relationship.

For further details about the Group's risks and uncertainties, please refer to the 2016 Annual Report and prospectus regarding listing of the EUR 60,000,000 senior secured floating rate notes issued by Polygon AB (publ).

Polygon's view is that there have not been any significant changes during the reporting period with regard to the risks and uncertainties that were presented in the Annual Report.

Related party transactions

The Group is under the controlling influence of Polygon Holding AB, the Parent Company of Polygon AB. Polygon Holding AB is under the controlling influence of MuHa No2 LuxCo S.á.r.l. There have been no material transactions with companies in which MuHa No2 LuxCo S.á.r.l has significant or controlling influence.

Other

The Board of Directors of Polygon AB (publ) or any of its subsidiaries may from time to time resolve to purchase notes issued by Polygon AB (publ), which are listed on Nasdaq Stockholm, on the market or in any other manner. Any purchase of notes will be made in accordance with the terms and conditions of the notes and the applicable laws and regulations.

Accounting policies

The interim report for the Group has been prepared in accordance with IAS 34 Interim Reporting. The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act. The Group applies the International Financial Reporting Standards (IFRS) as adopted by the EU and the Swedish Annual Accounts Act.

The accounting policies applied in this interim report are the same as those applied in the consolidated annual accounts for 2016. More detailed accounting policies can be found on pages 11-16 of the Annual Report for 2016.

A number of standards and changes in standards are effective from 1 January 2018. Polygon does not intend to apply these in advance. During the year, work with the new IFRS 15 Revenue from Contracts with Customers throughout the Group has intensified and guidelines and instructions have been prepared and distributed. The one-time effect of the implementation of this standard is not possible to estimate with sufficient reliability at this point however the calculation of this effect will be finalized during Q4. The Group will use the full retrospective approach and with this restate the year 2017.The evaluation of the impact of IFRS 9 Financial Instruments is underway and the investigation so far shows that there are not likely to be any significant effects on the Group´s profit.

The term "IFRS" used in this document refers to the application of IAS and IFRS as well as the interpretations of these standards published by the IASB's Standards Interpretation Committee (SIC) and the International Reporting Interpretations Committee (IFRIC).

Segment reporting

The segment information is presented based on the company management's perspective, and operating segments are identified based on the internal reporting to Polygon's chief operating decision maker.

EUR thousands	Q3		Q1-3		Full Year
	2017	2016	2017	2016	2016
Sales of services					
Nordic & UK	31,876	33,394	102,213	102,887	143,702
Continental Europe	83,697	80,149	250,900	223,596	310,946
North America	9,457	8,159	24,560	22,588	30,714
Intercompany sales	-15	-19	-27	-51	-80
Total	**125,015**	**121,683**	**377,646**	**349,020**	**485,282**
Adjusted EBITA					
Nordic & UK	922	1,969	2,699	4,399	8,118
Continental Europe	4,972	3,414	15,434	9,638	14,513
North America	1,843	840	3,277	1,790	2,559
Shared	1,034	3,071	2,304	5,991	6,862
Adjusted EBITA	**8,771**	**9,294**	**23,714**	**21,818**	**32,052**
Items affecting comparability (IAC)	-371	-157	-1,346	-627	-1,761
EBITA	**8,400**	**9,137**	**22,368**	**21,191**	**30,291**
Amortization of acqusition related tangible and intangible assets	-1,169	-1,217	-3,485	-4,020	-5,189
Operating profit	**7,231**	**7,920**	**18,883**	**17,171**	**25,102**
Net financial items	-3,563	-3,685	-12,804	-7,888	-8,385
Profit after financial items	**3,668**	**4,235**	**6,079**	**9,283**	**16,717**

Consolidated income statement

EUR thousands	Q3		Q1-3		Full Year
	2017	2016	2017	2016	2016
Sales of services	125,015	121,683	377,646	349,020	485,282
Cost of sales	-94,249	-90,152	-285,746	-261,263	-361,207
Gross profit	**30,766**	**31,531**	**91,900**	**87,757**	**124,075**
Administrative and selling expenses	-23,100	-23,341	-71,500	-69,253	-96,433
Other operating expenses	-435	-270	-1,517	-1,333	-2,540
Operating profit	**7,231**	**7,920**	**18,883**	**17,171**	**25,102**
Financial income	60	28	124	133	125
Financial expenses	-3,623	-3,713	-12,928	-8,021	-8,510
Profit after financial items	**3,668**	**4,235**	**6,079**	**9,283**	**16,717**
Group contribution given	-	-	-	-	-4,000
Profit before income taxes	**3,668**	**4,235**	**6,079**	**9,283**	**12,717**
Income taxes	-1,671	48	-2,154	-95	-2,274
Profit for the period	**1,997**	**4,283**	**3,925**	**9,188**	**10,443**
Profit attributable to:					
Owners of the parent company	2,118	4,242	4,015	9,064	10,246
Non-controlling interests	-121	41	-90	124	197
Total	**1,997**	**4,283**	**3,925**	**9,188**	**10,443**

Consolidated statement of comprehensive income

EUR thousands	Q3		Q1-3		Full Year
	2017	2016	2017	2016	2016
Profit for the period	**1,997**	**4,283**	**3,925**	**9,188**	**10,443**
Comprehensive income					
Items that can not be reclassified to profit or loss					
Actuarial gains and losses on defined benefit plans	-	-1,905	188	-1,905	-776
Tax	-	419	-41	419	138
Items that can be subsequently reclassified to profit or loss					
Exchange differences on transactions of foreign operations	-62	100	302	-28	-367
Total comprehensive income, net of tax	**1,935**	**2,897**	**4,374**	**7,674**	**9,438**
Total comprehensive income attributable to:					
Owners of the parent company	2,056	2,856	4,464	7,550	9,241
Non-controlling interests	-121	41	-90	124	197
Total	**1,935**	**2,897**	**4,374**	**7,674**	**9,438**
Number of shares	5,600	5,600	5,600	5,600	5,600
Earnings per share (EUR)	0.38	0.76	0.72	1.62	1.83

Alternative performance measures

EUR thousands	Q3		Q1-3		Full Year
	2017	2016	2017	2016	2016
Adjusted EBITDA breakdown					
Operating profit (EBIT)	7,231	7,920	18,883	17,171	25,102
Add back amortization of acquisition related tangible and intangible assets	1,169	1,217	3,485	4,020	5,189
Operating profit before amortization (EBITA)	8,400	9,137	22,368	21,191	30,291
Add back depreciation	2,512	2,383	7,186	7,042	9,348
Operating profit before depreciation (EBITDA)	10,912	11,520	29,554	28,233	39,639
Add back items affecting comparability (IAC)	371	157	1,346	627	1,761
Operating profit before depreciation and IAC (Adjusted EBITDA)	**11,283**	**11,677**	**30,900**	**28,860**	**41,400**
Adjusted EBITA breakdown					
Operating profit (EBIT)	7,231	7,920	18,883	17,171	25,102
Add back amortization of acquisition related tangible and intangible assets	1,169	1,217	3,485	4,020	5,189
Operating profit before amortization (EBITA)	8,400	9,137	22,368	21,191	30,291
Add back items affecting comparability (IAC)	371	157	1,346	627	1,761
Operating profit before amortization and IAC (Adjusted EBITA)	**8,771**	**9,294**	**23,714**	**21,818**	**32,052**

Consolidated balance sheet

EUR thousands	30 Sep 2017	30 Sep 2016	31 Dec 2016
ASSETS			
Non-current assets			
Goodwill	104,709	103,619	104,181
Other intangible assets	43,280	46,460	45,561
Property, plant and equipment	37,928	30,850	33,251
Deferred tax assets	22,685	22,316	23,424
Total non-current assets	**208,602**	**203,245**	**206,417**
Current assets			
Work in progress	20,032	22,303	29,613
Trade receivables	78,246	75,294	72,235
Receivables from parent company	314	330	347
Prepaid expenses	4,794	5,266	5,843
Cash and cash equivalents	32,285	24,847	36,585
Total current assets	**135,671**	**128,040**	**144,623**
TOTAL ASSETS	**344,273**	**331,285**	**351,040**
EQUITY AND LIABILITIES			
Equity			
Issued capital	58	58	58
Other contributed capital	10,771	6,771	10,771
Other capital reserves	-923	-512	-1,225
Retained earnings	46,827	42,826	42,664
Equity attributable to owners of the parent company	**56,733**	**49,143**	**52,268**
Non-controlling interests	852	1,032	1,105
Total equity	**57,585**	**50,175**	**53,373**
Non-current liabilities			
Provisions	5,277	5,816	5,119
Deferred tax liabilities	21,346	21,424	21,890
Shareholder loans	5,085	57,744	5,085
Non-current interest-bearing liabilities	177,838	118,533	176,197
Total non-current liabilities	**209,546**	**203,517**	**208,291**
Current liabilities			
Provisions	870	1,197	1,611
Trade payables	30,678	35,650	42,893
Current interest-bearing liabilities	4,237	1,392	3,309
Other liabilities	14,094	13,714	14,096
Accrued expenses	27,263	25,640	27,467
Total current liabilities	**77,142**	**77,593**	**89,376**
TOTAL EQUITY AND LIABILITIES	**344,273**	**331,285**	**351,040**

Net debt

EUR thousands	30 Sep 2017	30 Sep 2016	31 Dec 2016
Defined benefit plans	4,950	5,595	5,035
Other long-term loans, interest bearing	177,838	118,533	176,197
Cash and bank	-32,285	-24,847	-36,585
Net debt	**150,503**	**99,281**	**144,647**

Consolidated statement of cash flow

EUR thousands	Q3		Q1-3		Full Year
	2017	2016	2017	2016	2016
Operating activities					
Operating profit	7,231	7,920	18,883	17,171	25,102
Adjustments for non-cash items before tax	3,390	3,248	9,128	9,777	13,999
Income tax paid	-1,335	-207	-2,173	-810	-1,427
Cash flow from operating activities before changes in working capital	**9,286**	**10,961**	**25,838**	**26,138**	**37,674**
Cash flow from changes in working capital					
Changes in operating receivables	-2,401	-2,695	-1,727	-10,251	-7,557
Changes in work in progress	-597	-5,614	10,138	-5,190	-12,380
Changes in operating liabilities	3,803	5,386	-15,877	4,441	15,436
Cash flow from operating activities	**10,091**	**8,038**	**18,372**	**15,138**	**33,173**
Investing activities					
Acquisition of subsidiary, net of cash acquired	-1,976	-	-2,460	-	-
Purchase of property, plant and equipment	-3,795	-4,298	-12,358	-10,788	-14,955
Purchase of intangible fixed assets	-587	-533	-1,823	-2,281	-2,622
Sale of non-current assets	-	4	1	4	4
Cash flow used in investing activities	**-6,358**	**-4,827**	**-16,640**	**-13,065**	**-17,573**
Cash flow before financing activities	**3,733**	**3,211**	**1,732**	**2,073**	**15,600**
Cash flow from financing activities					
New borrowings	-	-	-	-	57,262
Dividend	4	-	4	-	-2,192
Dividend to non-controlling interests	-	-	-163	-130	-130
Repayment of borrowings	-	-	-	-	-52,960
Financial income received	56	28	120	133	125
Financial expenses paid	-2,282	-1,851	-6,918	-4,835	-8,081
Net cash flow from financing activities	**-2,222**	**-1,823**	**-6,957**	**-4,832**	**-5,976**
Cash flow for the period	**1,511**	**1,388**	**-5,225**	**-2,759**	**9,624**
Cash and cash equivalents, opening balance	30,537	23,086	36,585	26,529	26,529
Translation difference in cash and cash equivalents	237	373	925	1,077	432
Cash and cash equivalents, closing balance	**32,285**	**24,847**	**32,285**	**24,847**	**36,585**

Consolidated statement of changes in equity

EUR thousands	Attributable to the owners of the parent company						
	Share capital	Other contributed capital	Other capital reserved	Retained earnings	Total	Non-controlling interests	Total equity
Closing balance, 31 December 2015	**58**	**6,771**	**-858**	**35,248**	**41,219**	**1,038**	**42,257**
Dividend	-	-	-	-	-	-130	-130
Profit for the period	-	-	-	9,064	9,064	124	9,188
Other comprehensive income	-	-	346	-1,486	-1,140	-	-1,140
Closing balance, 30 September 2016	**58**	**6,771**	**-512**	**42,826**	**49,143**	**1,032**	**50,175**
Shareholder´s contribution	-	4,000	-	-	4,000	-	4,000
Dividend	-	-	-	-2,192	-2,192	-	-2,192
Profit for the period	-	-	-	1,182	1,182	73	1,255
Other comprehensive income	-	-	-713	848	135	-	135
Closing balance, 31 December 2016	**58**	**10,771**	**-1,225**	**42,664**	**52,268**	**1,105**	**53,373**
Dividend	-	-	-	-	-	-163	-163
Profit for the period	-	-	-	4,015	4,015	-90	3,925
Other comprehensive income	-	-	302	148	450	-	450
Closing balance, 30 September 2017	**58**	**10,771**	**-923**	**46,827**	**56,733**	**852**	**57,585**

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Income statement, Parent Company

EUR thousands	Q3		Q1-3		Full Year
	2017	2016	2017	2016	2016
Sales of services	858	841	2,269	2,413	3,087
Gross profit	**858**	**841**	**2,269**	**2,413**	**3,087**
Administrative and selling expenses	-657	-828	-2,053	-2,329	-3,015
Other operating income/expenses	-168	-	-168	18	18
Operating profit	**33**	**13**	**48**	**102**	**90**
Financial income	894	2,298	2,679	5,445	5,304
Financial expenses	-2,478	-1,310	-8,502	-4,592	-7,317
Profit after financial items	**-1,551**	**1,001**	**-5,775**	**955**	**-1,923**
Group contribution received	-	-	-	-	7,300
Group contribution given	-	-	-	-	-4,000
Profit before income taxes	**-1,551**	**1,001**	**-5,775**	**955**	**1,377**
Taxes	124	254	-	254	-210
Profit for the period	**-1,427**	**1,255**	**-5,775**	**1,209**	**1,167**

Statement of comprehensive income

EUR thousands	Q3		Q1-3		Full Year
	2017	2016	2017	2016	2016
Profit for the period	-1,427	1,255	-5,775	1,209	1,167
Comprehensive income	-	-	-	-	-
Comprehensive income after tax	-1,427	1,255	-5,775	1,209	1,167
Total comprehensive income	**-1,427**	**1,255**	**-5,775**	**1,209**	**1,167**

Statement of financial position, Parent Company

EUR thousands	30 Sep 2017	30 Sep 2016	31 Dec 2016
ASSETS			
Non-current assets			
Participations in subsidiaries	185,902	130,627	185,902
Receivables from subsidiaries	64,067	64,019	64,462
Deferred tax assets	-	254	-
Total non-current assets	**249,969**	**194,900**	**250,364**
Current assets			
Receivables from parent company	882	672	347
Other receivables	134	97	217
Prepaid expenses	12	12	12
Receivables from subsidiaries	28,342	28,187	36,018
Total current assets	**29,370**	**28,968**	**36,594**
TOTAL ASSETS	**279,339**	**223,868**	**286,958**
EQUITY AND LIABILITIES			
Equity			
Issued capital	58	58	58
Share premium reserve	6,771	6,771	6,771
Unrestricted equity	91,911	95,920	97,686
Total equity	**98,740**	**102,749**	**104,515**
Non-current liabilities			
Deferred tax liabilities	178	-	179
Non-current interest-bearing liabilities	177,365	118,631	176,207
Total non-current liabilities	**177,543**	**118,631**	**176,386**
Current liabilities			
Payables to subsidiaries	4	2	2,402
Trade payables	30	16	315
Other current liabilities	210	190	156
Accrued expenses	2,812	2,280	3,184
Total other current liabilities	**3,056**	**2,488**	**6,057**
TOTAL EQUITY AND LIABILITIES	**279,339**	**223,868**	**286,958**

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Financial instruments

Polygon is exposed to a number of financial market risks that the Group is responsible for managing under the finance policy approved by the Board of Directors. The overall objective is to have cost-effective funding in the Group companies. The financial risks in the Group are mainly managed through a weekly exchange of non-euro cash into euros and, to a limited extent, through the use of financial instruments. The main exposures for the Group are liquidity risk, interest rate risk and currency risk.

Derivatives are valued at fair value according to level 2 with additional considerations according to level 3, in compliance with IFRS 13. Other financial instruments are valued at the carrying amount.

Interest swaps are subject to ISDA agreements which allow netting, in case of any failure. On the closing day there was currency hedging but no interest swaps.

The significant financial assets and liabilities are shown below. According to Polygon's assessment, there is no significant difference between the carrying amounts and fair values.

EUR thousands	30 Sep 2017		30 Sep 2016		31 Dec 2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Assets						
Trade receivables	74,812	74,812	72,730	72,730	70,079	70,079
Other current assets	3,886	3,886	2,611	2,611	2,248	2,248
Receivables from parent company	314	314	330	330	347	347
Cash and cash equivalents	32,285	32,285	24,847	24,847	36,585	36,585
Total	**111,297**	**111,297**	**100,518**	**100,518**	**109,259**	**109,259**
Liabilities						
Non-current interest-bearing liabilities	177,838	180,004	118,533	120,018	176,197	180,014
Other interest-bearing liabilities	5,085	5,085	57,744	57,744	5,085	5,085
Trade payables	30,678	30,678	35,650	35,650	42,893	42,893
Other current liabilities	13,865	13,865	13,430	13,430	13,859	13,859
Accrued expenses	2,299	2,299	3,237	3,237	1,742	1,742
Total	**229,765**	**231,931**	**228,594**	**230,079**	**239,776**	**243,593**
Derivatives for hedging purposes						
Currency hedging derivatives	-55	-55	-	-	113	113
Total	**-55**	**-55**	**-**	**-**	**113**	**113**

Contingent liabilities

EUR thousands	30 Sep 2017	30 Sep 2016	31 Dec 2016
Pledged assets and contingent liabilities			
Pledged assets			
Shares in subsidiaries	185,902	130,627	185,902
Total assets pledged	**185,902**	**130,627**	**185,902**
Contingent liabilities	**None**	**None**	**None**

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Definitions

Sales	Sales net of VAT and discounts
Gross profit	Sales minus cost of goods sold
EBITDA	Earnings before interest, tax, depreciation and amortization
Adjusted EBITDA	Earnings before interest, tax, depreciation and amortization before IAC
EBITA	Earnings before interest, tax and amortization of acquisition related tangible and intangible assets
Adjusted EBITA	Earnings before interest, tax and amortization of acquisition related tangible and intangible assets before IAC
EBIT	Earnings before interest and tax
Operating margin	EBIT as a percentage of sales
EBITDA, Adjusted EBITDA, EBITA, Adjusted EBITA margin	As percentage of sales
Net financial expenses	Financial income minus financial expenses including exchange rate differences related to financial assets and liabilities
Net debt	Interest-bearing debt (including pension and leasing debts) minus cash and cash equivalents
Earnings per share	Profit for the period attributable to owners of the company/average number of shares during the period
Items affecting comparability (IAC)	Items attributable to capital gains/losses, impairment, restructuring, redundancy costs and other material non-recurring items
Capital expenditures	Resources used to acquire intangible and property, plant and equipment that are capitalized
Organic growth	Business expansion generated within the existing company excluding the impact of foreign exchange
Adjusted organic growth	Business expansion generated within the existing company excluding the impact of foreign exchange and adjusted to comparable business
LTM	Last twelve months

Amounts in brackets in this report refer to the corresponding period during the previous year.

The Group´s key figures are presented in million EUR, rounded off to the nearest thousand, unless otherwise stated. All individual figures (including totals and sub-totals) are rounded off to the nearest thousand. From a presentation standpoint, certain individual figures may therefore differ from the computed totals.

Polygon presents certain financial performance measures that are not defined in the interim report in accordance with IFRS. Polygon believes that these measures provide useful supplemental information to investors and the company's management when they allow evaluation of trends and the company's performance. As not all companies calculate the performance measures in the same way, these are not always comparable to measures used by other companies. These performance measures should not be seen as a substitute for measures defined under IFRS.

The definition of items affecting comparability (IAC) has been further specified to also include other material non-recurring items that have been reported.

Financial calendar 2017

This report was published on the Group's website on 9 November 2017.

Interim Report

Q4 2017 will be published on 9 February 2018

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