

## Continued strong organic growth and improved operating profit

### Second quarter of 2016

- Consolidated net sales increased by 9 percent to SEK 522 m (481), of which organic growth amounted to 10 percent. Consolidated net sales were the highest ever for a second quarter.
- Net sales in Product & Solutions amounted to SEK 397 m (377) and Installation Services to SEK 156 m (129)
- Operating profit (EBIT) before items affecting comparability increased by 27 percent and amounted to SEK 84 m (66), which was the highest ever for the Group in a second quarter
- Operating profit (EBIT) amounted to SEK 75 m (59)
- Operating cash flow amounted to SEK 41 m (39)
- Earnings per share before and after dilution were SEK 2.31 (1.62)

### January–June 2016

- Consolidated net sales increased by 6 percent to SEK 846 m (800), of which organic growth amounted to 7 percent. Consolidated net sales were the highest ever for a first half of a year.
- Net sales in Products & Solutions amounted to SEK 656 m (630) and Installation Services to SEK 236 m (206)
- Operating profit (EBIT) before items affecting comparability increased by 38 percent and amounted to SEK 96 m (70), which was the highest ever for the Group in a first half of a year.
- Operating profit (EBIT) amounted to SEK 83 m (80)
- In accordance with the usual seasonal variations, the operating cash flow was negative, in the amount of SEK -10 m (-21)
- Earnings per share before and after dilution were SEK 2.32 (2.03)

### Financial key ratios

Amounts in SEKm unless otherwise stated	Q2 2016	Q2 2015	Change	6M 2016	6M 2015	Change	R12 2016	12M 2015
Net sales	522	481	9%	846	800	6%	1,766	1,720
Gross profit	162	140	16%	255	215	18%	502	462
Gross margin %	31.1%	29.0%	2.1pp	30.2%	26.9%	3.2pp	28.4%	26.9%
EBITDA	80	65	23%	93	91	3%	167	165
EBITDA before items affecting comparability	90	72	24%	107	81	32%	230	204
EBITDA-margin before items affecting comparability, %	17.2%	15.0%	2.2pp	12.6%	10.1%	2.5pp	13.0%	11.9%
EBIT	75	59	26%	83	80	4%	146	143
EBIT before items affecting comparability	84	66	27%	96	70	38%	209	182
EBIT-margin before items affecting comparability, %	16.2%	13.8%	2.4pp	11.4%	8.7%	2.7pp	11.8%	10.6%
Net profit	56	39	43%	56	49	15%	89	82
Operating cash flow	41	39	4%	-10	-21	n/a	224	213
Net debt	200	295	-32%	200	295	-32%	200	141
Earnings per share before and after dilution, SEK	2.31	1.62	42.6%	2.32	2.03	14.6%	3.70	3.40

### Expectations for the financial year 2016 – revised

For the full year 2016, Nordic Waterproofing Group expects the general market development to be similar to 2015 in most of its markets. The Group expects to fulfil its financial target exceeding the growth in its current markets through organic growth. For the same period, the Group expects an increased operating profit (EBIT) before items affecting comparability of at least 10 percent (previously: approximately 10 percent) compared to the full year 2015.

### Grounds for assumptions

The above statements regarding prospects for 2016 are based on the Group's accounting principles, which are in accordance with the IFRS accounting and valuation rules. The statements contain estimates and assumptions that are beyond the Group's control and/or influence. Important underlying assumptions include factors such as the successful implementation of sales initiatives based on the Group's plans and expectations, a positive contribution from the Finnish business, greater presence in the Norwegian market, and positive development in the costs of raw materials.

Unless otherwise stated, figures within parentheses refer to the previous year or the corresponding period the previous year in respect of income statement and/or cash flow items and the end of the previous year or the corresponding period the previous year in respect of balance sheet items.

## Message from the CEO

### Strong sales growth and significant improvement in earnings

Nordic Waterproofing Group's business grew strongly in the second quarter of 2016, which was our first quarter as a listed company in the Mid Cap segment on Nasdaq Stockholm. Consolidated net sales rose by 9 percent and EBIT before items affecting profitability increased by 27 percent compared with the corresponding period in 2015.

This performance, combined with our good first quarter, makes for a record first half year in the history of our Group, with sales up 6 percent and EBIT before items affecting profitability up 38 percent compared with the corresponding period in 2015. Our focus is on continuing to provide best-in-class customer service, product quality and logistics solutions. Our performance is driven by the expertise and high level of motivation among our workforce. We continue to look forward to a good full-year for Nordic Waterproofing Group.

Nordic Waterproofing is one of Northern Europe's leading producers and providers of products and related services for waterproofing, protecting and preserving buildings and infrastructure.

Consolidated net sales in the second quarter of 2016 showed growth of 9 percent compared to the corresponding period in 2015, from SEK 481 m to SEK 522 m, with both of our operating segments contributing. While our Products & Solutions operating segment picked up steam with a sales increase of 5 percent, our Installation Services operating segment reported a particularly strong performance with an increase of 22 percent, following an improving demand picture in Finland. Denmark continues to see a stable favorable demand trend. The Swedish market is continuing its robust development, although we noted a slightly weaker demand in the DIY sales channel, and in our sales of infrastructure project-related products. Our sales in Norway are back on track to a significantly positive growth trend, after a somewhat slower first quarter. The Finnish market has confirmed the early signs of growth seen since the beginning of the year, driven primarily by customers' projects in the Helsinki region.

The Product & Solutions operating segment reported significant growth and an improved margin as the result of an increase in sales volumes combined with a continued focus on cost optimization. The period saw relatively low prices of oil and bitumen, albeit somewhat higher than during the first quarter.

The Installation Services operating segment reported improved results, primarily due to better volumes in our Finnish operations. Our total order book for Installation Services remains at a high level compared to the corresponding period in 2015. The business in this operating segment is primarily conducted in Finland and through franchise companies in Denmark.



**Martin Ellis,**  
*President and CEO*

### Jan-Jun 2016

Net sales:

**SEK 846 m**

EBIT before items  
affecting comparability:

**SEK 96 m**

EBIT margin before  
items affecting  
comparability:

**11.4 %**

In conclusion, we believe that the encouraging results obtained during the first six months of 2016 confirm the validity of our business model. We intend to continue strengthening our positions in our core markets, and evaluating growth opportunities in selected countries and market niches.

Vejen, 23 August 2016

Martin Ellis  
President and CEO

## Conference call

A conference call for investors, analysts and media will be held today at 10:00 a.m. CET and can be joined online at [www.nordicwaterproofing.com](http://www.nordicwaterproofing.com). Presentation material for the call will be available on the website one hour before the call.

To participate, please dial:

From the United Kingdom: +44 20 3008 9808

From Denmark: +45 35 44 55 76

From Sweden: +46 8 566 425 09

## The Group

### Net sales

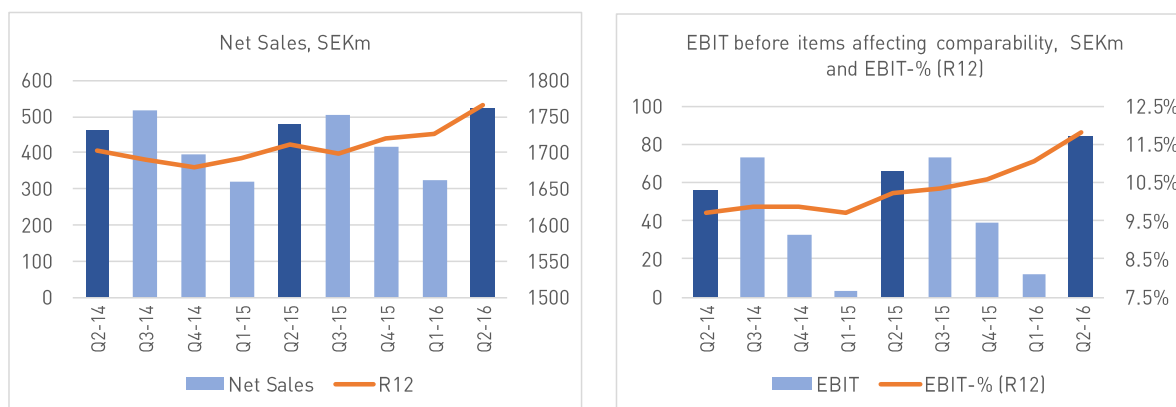
Consolidated net sales for the second quarter increased 9 percent to SEK 522 m (481). Organic growth increased by 10 percent, while currency translation affected net sales negatively by 1 percent. Net sales for the period January-June improved 6 percent to SEK 846 m (800). Organic growth was 7 percent, while currency affected net sales negatively by 1 percent. The negative currency effects, both in the quarter and year-to-date, are primarily attributable to the weaker Norwegian krona compared to the corresponding period in the previous year.

	Q2 2016	Q2 2016	6M 2016	6M 2016
Analysis of net sales	(%)	(SEKm)	(%)	(SEKm)
Previous period		481		800
Organic growth	10%	47	7%	57
Structural effects	0%	0	0%	0
Currency effects	-1%	-6	-1%	-11
Current period	9%	522	6%	846

Sales in Denmark and Finland increased by 18 percent respectively compared to the same period the previous year. Sales in Norway increased by 10 percent (17 percent adjusted for foreign currency translation effects). Sales in Sweden decreased by 4 percent compared to the corresponding quarter the previous year, primarily explained by lower EPDM sales in the Swedish market as well as in the DIY sales channel.

## Operating profit (EBIT)

Operating profit (EBIT) for the second quarter increased to SEK 75 m (59), and the EBIT margin increased to 14.3 percent (12.3). Items affecting comparability amounted to SEK -9 m (-7), where the previous year's EBIT was affected by a positive adjustment in the market value of raw materials derivatives of SEK 3 m. For further information, please see the section entitled "Items affecting comparability". EBIT before items affecting comparability thereby increased to SEK 84 m (66) in the second quarter. The EBIT margin before items affecting comparability increased to 16.2 percent (13.8), which is primarily explained by increase sales volumes, as well as favorable prices of raw materials during the period compared to the same period in the previous year.



## Net financial items and profit before tax

Net financial items during the second quarter was SEK 2 m lower than the same period the previous year and amounted to SEK -6 m (-8). In connection with the Group's IPO, the previous financing agreement was cancelled in advance and replaced with a new agreement. As a consequence, the remaining amount of the prepaid bank agreement costs were expensed negatively affecting financial items during the second quarter by SEK 2 m.

Profit before tax for the second quarter increased to SEK 69 m (51). The increase in profit in comparison with the same period the previous year is primarily attributable to improved gross margin within the Products & Solutions segment due to favorable raw material prices, as well as increased sales volumes in both segments.

## Taxes

Income tax for the second quarter of 2016 increased to SEK -13 m (-12). The Group's effective tax rate for the period amounted to 19 percent (24) and was positively affected by lower tax rates in Denmark and Norway as well as a positive contribution in Finland where no tax cost is recorded due to tax-loss carryforwards. At the same time, it was negatively affected by non-deductible expenses in relation to the Group's IPO.

## Seasonal variations

Nordic Waterproofing's business is affected significantly by seasonal variations in the construction industry, where approximately 60 percent of 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 of primarily finished products during the first six months of the year, which transfers to a stock reduction during the third and fourth quarters as a result of increased activity in the market.

## 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. The costs comprise in particular costs relating to procedures linked to changes in ownership and the executed initial public offering. In addition, the items include restructuring measures 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.

In autumn 2015, Nordic Waterproofing conducted a conversion of the financial statements to IFRS and, as a result, hedge accounting could not be used retroactively in respect of purchases of bitumen. As of December 2015, the Group applies hedge accounting for new contracts, so the previous adjustments for market value that have affected EBIT have been included as items affecting comparability to ensure the reporting is comparable to the principles currently being applied.

Items affecting comparability SEKm, unless otherwise stated	Q2 2016	Q2 2015	6M 2016	6M 2015
Costs related to exit/listing of the Company	-9	-10	-13	-10
Raw material hedge value adjustment (pre-hedge accounting)	0	3	0	22
Restructuring	0	-1	-1	-2
Other	0	0	1	0
<b>Current period</b>	<b>-9</b>	<b>-8</b>	<b>-13</b>	<b>10</b>

In addition to the above affecting the operating profit (EBIT), it should be noted that net financial items were negatively affected in the second quarter by SEK 2 m as costs in connection with the previous loan agreement were expensed.

## Cash flow

Operating cash flow during the second quarter amounted to SEK 41 m (39). Operating cash flow for the period January-June amounted to SEK -10 m (-21). The cash flow followed the usual seasonal variations, and the strong EBITDA was offset by increased net working capital due to increased receivables and inventory build-up ahead of the high season.

Operating cash flow estimated for the most recent twelve-month period (July 2015 to June 2016) improved, amounting to SEK 224 m (200), entailing a strong operating cash conversion of 97 percent (101).

The cash flow from operating activities during the second quarter was SEK 5 m lower than in the corresponding period in the previous year, amounting to SEK 24 m (29). The negative change is explained primarily by increased net trade receivables due to increased sales in the period.

The cash flow from investing activities during the second quarter was at the same level as in the corresponding period the previous year, amounting to SEK -5 m (-5).

The cash flow from financing activities during the second quarter amounted to SEK 31 m (0). The main amount (net SEK 26 m) is related to the exercise or repurchase of warrants when the previous long-term incentive program was finalized as a consequence of the initial public offering of Nordic Waterproofing. Furthermore, the replacement of the financing agreement was implemented and the previous loans, including the Trelleborg vendor note, were repaid.

## Investments and depreciations

Gross investments during the second quarter amounted to SEK 7 m (7). Depreciations amounted to SEK -5 m (-5).

## Financial position and liquidity

Nordic Waterproofing's principal external financing was replaced in connection with the Initial Public Offering in June 2016. The new agreement is valid until June 2021 and contains a EUR 37.5 m term loan facility and a EUR 18 m revolving loan facility, of which EUR 14.4 m is allocated to the Group cash pool. The loan and credit facilities bear variable interest and run without requiring repayment in instalments. The financing agreement contains financial covenants which are monitored and followed up on a quarterly basis. Nordic Waterproofing has fulfilled the terms and conditions of the previous facility agreements every quarter.

Consolidated net debt has continued to decrease due to the strong cash flow. Net debt amounted to SEK 200 m at the end of the period, compared to SEK 295 m at the end of the corresponding period the previous year. Consolidated cash and cash equivalents amounted to SEK 150 m (99) at the end of the period. Since no portion of the Group's SEK 137 m (135) overdraft facility was utilized at the end of the quarter, the total liquidity available was SEK 287 m (234).

Indebtedness calculated as interest-bearing net debt/EBITDA before items affecting comparability during the most recent twelve-month period was 0.9x (1.5x) at the end of the period, and the net debt/equity ratio was 0.2x (0.4x).

## Pledged assets and contingent liabilities

In connection with the new financing agreement and the previous agreement being cancelled, the previously pledged assets were released. As at 30 June 2016 there are no pledged assets.

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

## Employees

The average number of employees during the second quarter of 2016 (expressed as full-time equivalents) was 620, compared to 631 during the same period the previous year.

## Significant risks and uncertainties

A description of significant risks and uncertainties is found in Nordic Waterproofing's 2015 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.

## Material events after the end of the period

No material events have occurred after 30 June 2016.

## 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 profits primarily reflect the net revenues for joint Group services and deductions for salaries, other remuneration and compensation, and similar expenses.

## Incentive programs

There is currently no long-term incentive program in place as the previous program was finalized in June 2016 as a consequence of the initial public offering.

In 2011, the Group introduced a share option program under which senior executives and key individuals were entitled to acquire shares in the Company. The options entitled the option holders to acquire shares in the parent company at a price equal to the market value of the shares when the options were subscribed for, index-linked upwards at a predetermined rate of return. Two classes of options were issued (class 1 and class 2), the difference between the classes consisted of differences in the predetermined rate of return. The options were acquired at market value, which was determined using the Black and Scholes model at the time of subscription. As a consequence of the initial public offering, the options were either exercised or repurchased by the Company in June 2016.

## Shares and share capital

As of 30 June 2016, 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. On 30 June 2016, Nordic Waterproofing Holding A/S had more than 2,500 shareholders.

During second quarter and prior to the initial public offering, bonus shares were issued (200:1), the previous five share classes were cancelled and lost preferential rights were compensated by the issue of 22,389 shares, after which the nominal share value was changed from 0,01 dkr to 1,00 dkr. After the initial public offering the incentive program seized and warrants were either exercised or sold back to the company. In connection to this, 967,884 new shares were issued while 1,105,938 warrants were sold back to the Company giving a net cash inflow of SEK 26 m.

## Ownership structure

As at 30 June 2016, the largest shareholders of Nordic Waterproofing Holding A/S are stated below:

Owner	Number of shares	Capital and votes, %
Axcel	5,582,266	23.2%
Swedbank funds	1,924,195	8.0%
Carnegie funds	1,500,000	6.2%
KIRKBI Invest	984,608	4.1%
Tredje AP-fonden	869,900	3.6%
AMF	660,000	2.7%
Svolder	629,549	2.6%
Länsförsäkringar funds	484,545	2.0%
Spiltan Aktiefond	458,778	1.9%
TR European Growth Trust	400,000	1.7%
<b>Total 10 largest shareholders</b>	<b>13,493,841</b>	<b>56.0%</b>
Other shareholders	10,590,094	44.0%
<b>Total number of shares</b>	<b>24,083,935</b>	<b>100.0%</b>

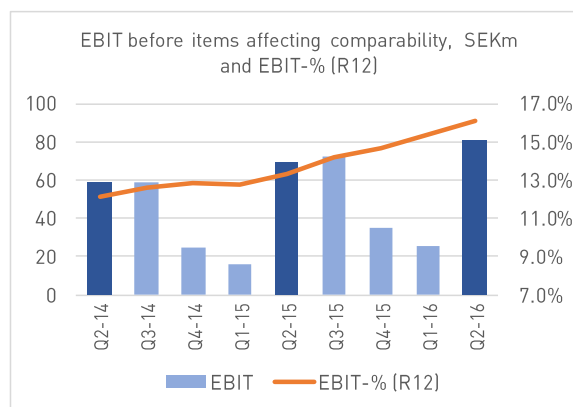
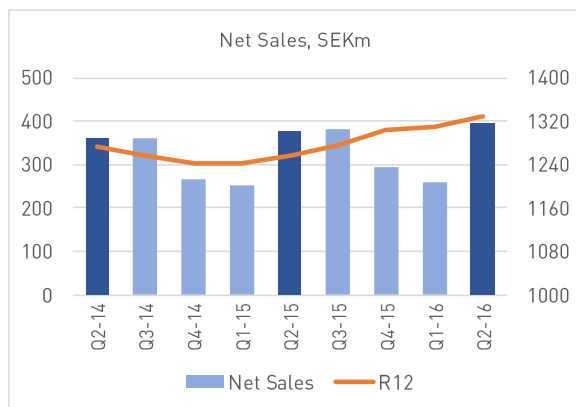
Source: Euroclear and Nordic Waterproofing

## Operating segments

### Products & Solutions

Net sales for the second quarter of 2016 grew by 5 percent compared with the corresponding period in the previous year, increasing to SEK 397 m (377). Sales in Denmark and Finland increased by 18 percent respectively compared to the same period in the previous year, and sales in Norway increased by 10 percent (17 percent adjusted for currency effects). Sales in Sweden decreased by 4 percent. The decrease in Sweden as well as in Europe was primarily explained by lower sales of a specific low margin EPDM product within SealEco, where the Group's competitiveness is limited, but also lower sales in the DIY channel.

Operating profit (EBIT) before items affecting comparability for Products & Solutions for the second quarter increased to SEK 82 m (69). The EBIT margin before items affecting comparability amounted to 20.5 percent (18.3). The improvement during the quarter is explained primarily by lower costs of raw materials, but also by the higher sales volume.



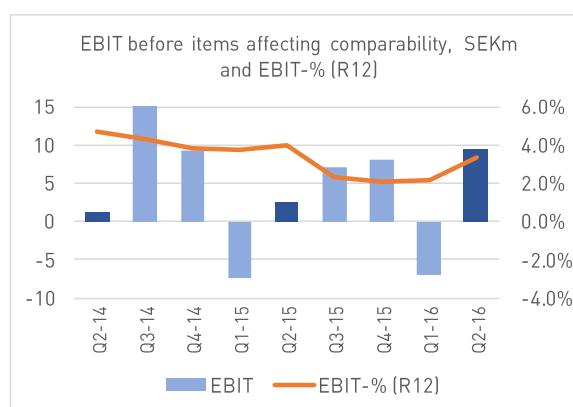
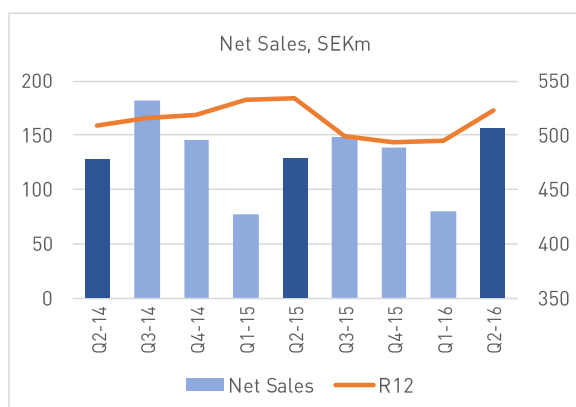
## Installation Services

Net sales for the second quarter of 2016 increased by 22 percent compared with the corresponding period in the previous year, amounting to SEK 156 m (129). Order inflow during the second quarter increased by 15 percent compared to the previous year, and the order book was 35 percent higher at the end of June 2016 compared with the same time in the previous year.

### Order inflow and order book

SEKm, unless otherwise stated	Q2 2016	Q2 2015	Change	6M 2016	6M 2015	Change
Order inflow in the period	152	132	15%	258	191	35%
Order book at end of period	215	159	35%	215	159	35%

Operating profit (EBIT) before items affecting comparability for Installation Services for the second quarter increased to SEK 9 m (3). The EBIT margin before items affecting comparability was 6.0 percent (2.0).





## Quarterly data

Key figures (SEKm)	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Net sales	522	324	415	505	481	319	394	516
Operating profit (EBIT) before items affecting comparability	84	12	39	73	66	3	33	73
EBIT-margin before items affecting comparability, %	16.2%	3.6%	9.5%	14.5%	13.8%	1.0%	8.3%	14.1%
Net profit	56	0	7	26	39	10	-4	50
Operating cashflow	41	-51	125	109	39	-60	113	108
Operating cashflow (R12)	224	223	213	201	200	178	189	150
Operating cash conversion (R12), %	97%	105%	105%	102%	101%	96%	101%	82%
Net debt	200	239	141	221	295	322	259	319
Earnings per share, SEK	2.31	0.01	0.31	1.07	1.62	0.40	-0.18	2.07

Net sales by segment (SEKm)	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Products & Solutions	397	259	293	381	377	253	265	362
Installations Services	156	79	139	148	129	78	146	183
Group Items & Eliminations	-31	-14	-17	-24	-25	-12	-17	-29
Total	522	324	415	505	481	319	394	517

Net sales by country (SEKm)	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Sweden	100	60	80	108	104	54	68	101
Norway	62	29	36	55	56	35	34	52
Denmark	104	75	90	90	89	70	81	83
Finland	188	103	156	186	160	103	160	217
Europe	66	56	51	65	71	55	49	63
Rest of world	2	2	2	1	2	2	1	1
Total	522	324	415	505	481	319	394	516

EBIT before items affecting comparability, by segment (SEKm)	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Products & Solutions	82	25	35	72	69	16	25	59
Installation Services	9	-7	8	7	3	-7	9	17
Group Items & eliminations	-6	-6	-4	-6	-5	-5	-1	-3
Total	84	12	39	73	66	3	33	73

## Management's statement

Today, the Group's Board of Directors and Executive Board have discussed and approved the interim report for the period January-June 2016 of Nordic Waterproofing Holding A/S.

The interim 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 interim report gives a true and fair presentation of the Group's assets, shareholders' equity and liabilities, and financial position as at 30 June 2016, as well as of the results of the Group's activities and cash flow for the period January-June 2016.

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

Vejen, 23 August 2016

## Executive Board

Martin Ellis  
President & CEO

## Board of Directors

Ulf Gundemark  
Chairman

Holger C Hansen  
Deputy Chairman

Christian Frigast

Vilhelm Sundström

Jørgen Jensen

## Condensed consolidated key figures

Amounts in SEKm unless otherwise stated	Q2 2016	Q2 2015	6M 2016	6M 2015	R12 2016	12M 2015
Net sales	522	481	846	800	1,766	1,720
Gross profit	162	140	255	215	502	462
EBITDA	80	65	93	91	167	165
EBITDA before items affecting comparability	90	72	107	81	230	204
Operating profit (EBIT)	75	59	83	80	146	143
Operating profit (EBIT) before items affecting comparability	84	66	96	70	209	182
Net profit	56	39	56	49	89	82
Gross margin, %	31.1%	29.0%	30.2%	26.9%	28.4%	26.9%
EBITDA-margin, %	15.3%	13.5%	11.0%	11.4%	9.5%	9.6%
EBITDA-margin before items affecting comparability, %	17.2%	15.0%	12.6%	10.1%	13.0%	11.9%
EBIT-margin, %	14.3%	12.3%	9.8%	10.0%	8.2%	8.3%
EBIT-margin before items affecting comparability, %	16.2%	13.8%	11.4%	8.7%	11.8%	10.6%
Operating cash flow	41	39	-10	-21	224	213
Operating cash conversion, %	46%	55%	neg	neg	97%	105%
Investments in tangible & intangible assets	-7	-7	-12	-10	-29	-27
Total assets	1,521	1,434	1,521	1,434	1,521	1,345
Capital employed	1,190	1,125	1,190	1,125	1,190	1,071
Equity	840	731	840	731	840	748
Net debt	200	295	200	295	200	141
Net debt/EBITDA before items affecting comparability, multiple	n/a	n/a	n/a	n/a	0.9x	0.7x
Interest coverage ratio, multiple	10.8x	10.1x	10.8x	10.1x	5.8x	5.8x
Equity/assets ratio, %	55.2%	50.9%	55.2%	50.9%	55.2%	55.6%
Net debt/equity ratio, multiple	0.2x	0.4x	0.2x	0.4x	0.2x	0.2x
Return on shareholders' equity, %	n/a	n/a	n/a	n/a	11.4%	11.4%
Return on shareholders' equity before items affecting comparability, %	n/a	n/a	n/a	n/a	19.4%	17.0%
Return on capital employed, %	n/a	n/a	n/a	n/a	12.6%	13.2%
Return on capital employed before items affecting comparability, %	n/a	n/a	n/a	n/a	18.0%	16.9%
Return on capital employed before items affecting comparability excluding goodwill, %	n/a	n/a	n/a	n/a	37.9%	38.7%
Average number of shares before dilution	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935
Average number of shares after dilution	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935
Earnings per share before dilution, SEK	2.31	1.62	2.32	2.03	3.70	3.40
Earnings per share after dilution, SEK	2.31	1.62	2.32	2.03	3.70	3.40
Shareholders equity per share before dilution, SEK	34.87	30.33	34.87	30.33	34.87	31.05
Shareholders equity per share after dilution, SEK	34.87	30.33	34.87	30.33	34.87	31.05
Operating cash flow per share before dilution, SEK	1.70	1.63	-0.41	-0.86	9.31	8.86
Operating cash flow per share after dilution, SEK	1.70	1.63	-0.41	-0.86	9.31	8.86
Number of shares before dilution	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935
Number of shares after dilution	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935

# Financial statements in summary

## Condensed consolidated statement of profit or loss and other comprehensive income

Amounts in SEKm unless otherwise stated	Q2 2016	Q2 2015	6M 2016	6M 2015	R12 2016	12M 2015
Net sales	522.0	481.0	846.1	799.8	1,766.3	1,720.0
Cost of goods sold	-359.8	-341.5	-590.9	-584.4	-1,264.7	-1,258.2
Gross profit	162.3	139.5	255.2	215.4	501.6	461.8
Selling expenses	-56.9	-57.1	-114.1	-109.7	-220.3	-215.8
Administrative expenses	-34.4	-28.6	-60.6	-49.3	-139.6	-128.3
Research and development expenses	-1.8	-1.4	-3.8	-3.2	-6.7	-6.2
Other operating income	2.3	5.1	3.5	25.5	12.6	34.6
Other operating expenses	-0.1	-0.2	-0.8	-0.6	-9.2	-9.0
Share of profit in associated companies	3.3	1.8	3.3	1.7	7.2	5.6
<b>Operating profit (EBIT)</b>	<b>74.6</b>	<b>59.2</b>	<b>82.8</b>	<b>79.9</b>	<b>145.5</b>	<b>142.6</b>
Financial income	0.1	0.1	0.2	0.1	0.6	0.5
Financial expenses	-5.7	-7.9	-11.4	-15.9	-22.9	-27.4
Net financial items	-5.6	-7.8	-11.2	-15.8	-22.3	-26.8
<b>Profit/loss before tax</b>	<b>69.0</b>	<b>51.4</b>	<b>71.6</b>	<b>64.1</b>	<b>123.3</b>	<b>115.8</b>
Tax	-13.3	-12.3	-15.7	-15.3	-34.2	-33.9
<b>Profit/loss after tax</b>	<b>55.7</b>	<b>39.1</b>	<b>55.9</b>	<b>48.8</b>	<b>89.1</b>	<b>81.9</b>
<b>Other comprehensive income</b>						
<b>Items that are or may be reclassified to profit/loss for the year</b>						
Translation differences for the year in translation of foreign operations	6.6	-2.5	9.9	-8.0	0.7	-17.2
Gains/losses on hedging of currency risk in foreign operations	-2.2	0.8	-3.9	5.7	-4.5	5.1
Gains/losses on raw material hedging	0.0	0.0	4.4	0.0	0.0	-4.4
Tax on gains/losses on comprehensive income	0.5	-0.2	-0.1	-1.2	1.0	-0.1
Share of other comprehensive income in associated companies	0.0	0.0	0.0	-0.1	0.1	0.0
<b>Total other comprehensive income after tax</b>	<b>60.6</b>	<b>37.2</b>	<b>66.2</b>	<b>45.1</b>	<b>86.4</b>	<b>65.3</b>
<b>Profit/loss for the period, attributable to:</b>						
Parent company shareholders	55.7	38.9	55.9	48.6	89.1	81.8
Non-controlling interest	0.0	0.1	0.0	0.2	0.0	0.1
<b>Other comprehensive income, attributable to:</b>						
Parent company shareholders	60.6	37.0	66.2	45.1	86.3	65.2
Non-controlling interest	0.0	0.1	0.0	0.1	0.1	0.1
Average number of shares before dilution *	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935
Average number of shares after dilution *	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935
Earnings per share before dilution, SEK	2.31	1.62	2.32	2.03	3.70	3.40
Earnings per share after dilution, SEK	2.31	1.62	2.32	2.03	3.70	3.40

\*: For comparative reasons previous year average number of shares have been re-calculated due to the split in June 2016

## Condensed consolidated balance sheet

Amounts in SEKm unless otherwise stated	30 Jun 2016	30 Jun 2015	31 Dec 2015
<b>ASSETS</b>			
Intangible assets	623.8	614.5	607.1
Tangible assets	186.0	180.8	187.1
Financial assets	28.1	26.2	27.3
Deferred tax assets	0.0	0.2	0.0
Other non-current assets	4.4	3.1	4.1
<b>Total non-current assets</b>	<b>842.2</b>	<b>824.7</b>	<b>825.6</b>
Inventories	186.7	206.5	168.1
Trade receivables	285.7	248.3	128.8
Receivables for on-going construction contracts	31.7	23.3	21.6
Tax assets	0.3	0.0	1.3
Other receivables	24.3	32.1	18.6
Cash and cash equivalents	149.6	99.4	181.3
<b>Total current assets</b>	<b>678.3</b>	<b>609.5</b>	<b>519.7</b>
<b>TOTAL ASSETS</b>	<b>1,520.5</b>	<b>1,434.2</b>	<b>1,345.3</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	30.0	0.1	0.1
Other capital provided	47.4	0.0	0.0
Other reserves	1.0	3.8	-9.3
Retained earnings including profit for the year	762.1	724.1	757.8
<b>Equity attributable to owners of the Company</b>	<b>840.5</b>	<b>728.0</b>	<b>748.6</b>
Non-controlling interests	-0.7	2.5	-0.7
<b>Total equity</b>	<b>839.8</b>	<b>730.5</b>	<b>747.9</b>
Non-current interest-bearing liabilities	349.7	326.5	250.5
Provisions	4.9	0.0	4.9
Deferred tax liabilities	30.0	28.7	29.8
<b>Total non-current liabilities</b>	<b>384.6</b>	<b>355.3</b>	<b>285.2</b>
Current interest-bearing liabilities	0.1	68.4	72.3
Trade payable	140.8	122.4	74.0
Tax liabilities	19.6	27.9	30.7
Other current liabilities	135.7	129.8	135.3
<b>Total current liabilities</b>	<b>296.2</b>	<b>348.4</b>	<b>312.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,520.5</b>	<b>1,434.2</b>	<b>1,345.3</b>

## Condensed consolidated statement of changes in equity

Specification of changes in equity (SEKm)	6M 2016	6M 2015	12M 2015
<i>Equity attributable to owners of the Company</i>			
Opening balance	748.6	683.0	683.0
Total comprehensive income	66.2	45.1	65.2
Transactions with non-controlling interest	0.0	0.0	0.5
New issue	48.6	0.0	0.0
Repurchased warrants	-23.0	0.0	0.0
<b>Closing balance</b>	<b>840.5</b>	<b>728.0</b>	<b>748.6</b>
<i>Equity attributable to non-controlling interest</i>			
Opening balance	-0.7	2.4	2.4
Total comprehensive income	0.0	0.1	0.1
Transactions with the Group's owners	0.0	0.0	-3.3
<b>Closing balance</b>	<b>-0.7</b>	<b>2.5</b>	<b>-0.7</b>
<b>Sum total equity, closing balance</b>	<b>839.8</b>	<b>730.5</b>	<b>747.9</b>

## Condensed consolidated cash flow statement

Amounts in SEKm unless otherwise stated	Q2 2016	Q2 2015	6M 2016	6M 2015	R12 2016	12M 2015
<b>Operating activities</b>						
Operating profit (EBIT)	74.6	59.2	82.8	79.9	145.5	142.6
Adjustment for non-cash items etc	0.8	0.1	3.6	-12.0	9.6	-6.0
Interest received	0.0	0.0	0.0	0.0	0.1	0.1
Interest paid	-6.2	-5.0	-8.3	-9.7	-11.2	-12.7
Dividends received	2.6	1.6	5.4	6.1	6.2	6.9
Income tax paid/received	-4.6	-0.8	-26.9	0.9	-41.0	-13.2
<b>Cash flow from operating activities before changes in working capital</b>	<b>67.2</b>	<b>55.1</b>	<b>56.6</b>	<b>65.2</b>	<b>109.3</b>	<b>117.9</b>
<b>Changes in working capital</b>						
Increase (-)/Decrease (+) in inventories	3.4	-10.3	-15.6	-29.3	21.7	8.0
Increase (-)/Decrease (+) in operating receivables	-101.4	-65.4	-166.9	-125.3	-32.5	9.1
Increase (+)/Decrease (-) in operating liabilities	54.9	49.8	73.7	65.1	26.7	18.1
<b>Cash flow from operating activities</b>	<b>24.1</b>	<b>29.2</b>	<b>-52.2</b>	<b>-24.4</b>	<b>125.2</b>	<b>153.1</b>
<b>Investing activities</b>						
Acquisition of intangible fixed assets	-6.5	0.0	-6.5	0.0	-6.5	0.0
Acquisition of tangible fixed assets	-0.3	-7.4	-5.4	-10.4	-22.4	-27.4
Divestments of tangible fixed assets	0.0	0.0	0.0	0.0	0.3	0.3
Acquisition of participations in associated companies	0.0	0.0	-3.0	0.0	-3.4	-0.3
Divestments of participations in associated companies	0.0	0.0	0.5	0.0	1.0	0.5
Change in other financial assets	2.3	2.5	1.9	-3.6	3.6	-1.9
<b>Cash flow from investing activities</b>	<b>-4.5</b>	<b>-4.8</b>	<b>-12.6</b>	<b>-14.0</b>	<b>-27.4</b>	<b>-28.8</b>
<b>Financing activities</b>						
Amortization of loans	-342.3	-0.2	-342.5	-0.5	-414.2	-72.1
Proceeds from loans	347.6	0.0	347.6	0.0	347.6	0.0
New issue	48.6	0.0	48.6	0.0	48.6	0.0
Dividend/repurchased warrants	-23.0	0.0	-23.0	0.0	-23.0	0.0
Acquisition of participations in equity-accounted investees	0.0	0.0	0.0	0.0	-2.8	-2.8
<b>Cash flow from financing activities</b>	<b>31.0</b>	<b>-0.2</b>	<b>30.8</b>	<b>-0.5</b>	<b>-43.7</b>	<b>-75.0</b>
Cash flow for the period	50.6	24.2	-34.0	-38.8	54.1	49.3
Cash and cash equivalents at the beginning of the period	96.9	75.5	181.3	138.8	181.3	138.8
Exchange-rate differences in cash and cash equivalents	2.0	-0.3	2.3	-0.6	-3.9	-6.8
<b>Cash and cash equivalents at the end of the period</b>	<b>149.6</b>	<b>99.4</b>	<b>149.6</b>	<b>99.4</b>	<b>231.5</b>	<b>181.3</b>

## Notes

### Note 1 – Accounting principles

The quarterly 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 note 1 to Nordic Waterproofing Group's 2015 annual report. No new accounting principles applicable from 2016 have had a significant effect on the Nordic Waterproofing Group.

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 – Risks and uncertainties

Nordic Waterproofing's business is subject to various risks, which can be divided up 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 and environmental risks.

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 2015 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.

### Note 3 – 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 as from December 2015 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 30 June 2016, no purchases of bitumen have been hedged (9,300 tons or approximately 26% of the expected annual purchasing volume were hedged at the end of the same period the previous year). During July 2016, purchases of bitumen for delivery during the January to June 2017 have been hedged by means of derivatives equivalent to 9,000 tons or approximately 25 percent of the expected annual purchasing volume. The fair value measurements belong to level 2 in the fair value hierarchy in IFRS 13. The fair value of the fixed rate vendor loan is determined as the present value of the expected payments, discounted as a rate equal to the relevant EUR 0-coupon rates with addition of an estimated credit spread. Due to the fact that Nordic Waterproofing Group has not entered into any significant financing agreements until recently when the vendor note was repaid, the credit spread which is a significant input to the valuation was based on an estimate not supported by observable data (level 3 measurement in the IFRS 13 hierarchy). The carrying amounts of financial instruments not recognized at fair value constitute a reasonable approximation of their fair values.

Financial instruments SEKm, unless otherwise stated	Carrying amount		Fair value	
	30 Jun 2016	30 Jun 2015	30 Jun 2016	30 Jun 2015
<b>Measurement level 2:</b>				
Assets at fair value	0	1	0	1
Assets at acquisition cost	340	308	340	308
Liabilities at fair value	0	0	0	0
Liabilities at acquisition cost	532	400	532	400
<b>Measurement level 3:</b>				
Liabilities at acquisition cost	0	133	0	149

## Note 4 – 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 and operating profit (EBIT) before items affecting comparability broken down by segment is set out in the tables on page 7 and 8.

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	
	6M 2016	6M 2015	6M 2016	6M 2015	6M 2016	6M 2015	6M 2016	6M 2015
Revenues from external customers	611	593	236	206	0	0	846	800
Revenues from other segments	45	36	0	0	-45	-36	0	0
<b>Revenues, total</b>	<b>656</b>	<b>630</b>	<b>236</b>	<b>206</b>	<b>-45</b>	<b>-36</b>	<b>846</b>	<b>800</b>
<b>EBITDA before items affecting comparability</b>	<b>117</b>	<b>95</b>	<b>3</b>	<b>-4</b>	<b>-13</b>	<b>-10</b>	<b>107</b>	<b>81</b>
Depreciation of property, plant and equipment	-8	-9	0	0	0	0	-9	-10
Amortisation of intangible assets	-1	-2	0	0	0	0	-1	-2
<b>EBIT before items affecting comparability</b>	<b>107</b>	<b>85</b>	<b>2</b>	<b>-5</b>	<b>-13</b>	<b>-10</b>	<b>96</b>	<b>70</b>
Items affecting comparability	-3	21	1	0	-11	-10	-13	10
<b>Operating profit (EBIT)</b>	<b>103</b>	<b>106</b>	<b>4</b>	<b>-5</b>	<b>-24</b>	<b>-21</b>	<b>83</b>	<b>80</b>
Net finance items							-11	-16
<b>Profit/loss after finance items but before tax (EBT)</b>							<b>72</b>	<b>64</b>
Tax							-16	-15
<b>Profit/loss for the year</b>							<b>56</b>	<b>49</b>
<b>Assets</b>								
Intangible assets (goodwill & customer relations)	549	614	69	0	6	0	624	614
Property, plant and equipment	181	173	3	4	2	3	186	181
Participations in associated companies	0	0	18	13	0	0	18	13
Inventory	185	205	2	2	0	0	187	206
Other assets	281	247	112	92	-48	-33	346	307
Non-allocated assets					161	121	161	121
<b>Total assets</b>	<b>1,195</b>	<b>1,240</b>	<b>205</b>	<b>110</b>	<b>122</b>	<b>92</b>	<b>1,521</b>	<b>1,442</b>
<b>Liabilities and Equity</b>								
Equity					840	731	840	731
Other liabilities	240	222	62	58	-21	-28	281	252
Non-allocated liabilities					400	459	400	459
<b>Total liabilities and equity</b>	<b>240</b>	<b>222</b>	<b>62</b>	<b>58</b>	<b>1,219</b>	<b>1,162</b>	<b>1,521</b>	<b>1,442</b>
Investments in tangible & intangible assets	9	7	1	1	2	2	12	10



## Note 5 – Transactions with related parties

The Group has related party relationships with the associated companies stated in Note 34 of the Annual report of 2015. Transactions with related parties are priced on market terms. No transactions have taken place between Nordic Waterproofing and related parties that have materially affected the Group's financial position and results in the second quarter of 2016.

## Financial definitions

Capital employed	Total assets less non-interest-bearing provisions and liabilities
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
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
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



## About Nordic Waterproofing Group

Nordic Waterproofing, in its current form, was established in 2011 by Axcel, by means of a merger of the Swedish and Danish waterproofing subsidiaries of Trelleborg AB's and Lemminkäinen Oy's roof installation businesses. Today, 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. In Finland and in Denmark, through part-owned franchise companies, the Company also provides installation services. The Company markets its products and solutions under nine brands, all with long heritage, most of which are among the most established and well-recognized brands in waterproofing in their respective markets, such as Mataki, Trebolit, Phønix Tag Materialer, Kerabit, Nortett and SealEco. Nordic Waterproofing 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

Interim report, January-September 2016

15 November 2016

Year-end report, January-December 2016

14 February 2017

### Further information can be obtained from

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This information is information that Nordic Waterproofing Holding A/S is obliged to make public pursuant to the Securities Markets Act. The information was submitted for publication at 23 August 2016, 08:00 p.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.

