

ANNUAL REPORT 2020



Sustainable waterproofing
and building solutions

NORDIC 
WATERPROOFING
We make waterproofing easy

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FINANCIAL CALENDAR 2021

April 27	Interim Report, January–March 2021
April 29	Annual General Meeting
July 20	Interim Report, January–June 2021
November 2	Interim Report, January–September 2021

SUSTAINABLE WATERPROOFING AND BUILDING SOLUTIONS

Nordic Waterproofing is one of the leading providers in the waterproofing market in Northern Europe. The Group develops, manufactures and distributes a full range of products and solutions for the protection of buildings and infrastructure. Ease of installation, energy and environmental optimisation are key components of the offer.

FOUNDED
IN
2011

LISTED
ON NASDAQ
2016
STOCKHOLM, MID CAP

OPERATIONS
IN
10
COUNTRIES

NUMBER OF
EMPLOYEES
1,147

SALES IN 2020
(SEK M)
3,303

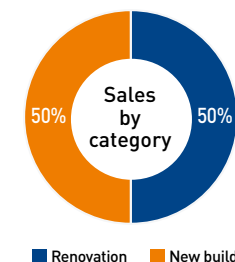
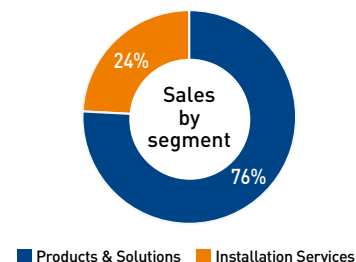
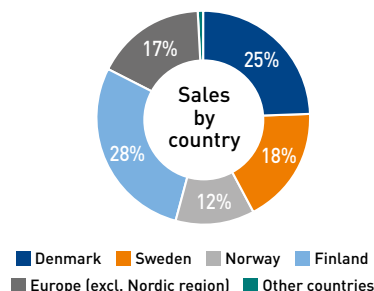
PRODUCTS & SOLUTIONS

76% of net sales for 2020



INSTALLATION SERVICES

24% of net sales for 2020



THE YEAR IN BRIEF

- The impact of the Covid-19 pandemic has been limited in our operations
- The mild winter combined with healthy demand in all market segments led to a positive volume growth, increased profitability and a positive cash flow
- Continued positive contribution from performance improvement measures in Installation Services in Finland
- Sales growth in the prefabricated element business, however, still an insufficient profitability. An implemented profit improvement program has begun to take effect
- No major acquisitions made in 2020 due to the current pandemic but two partial acquisitions were carried out;
 - In June, 24% was acquired in the Finnish company Playgreen Oy, a company whose principal Operation is installation of solar panels, and in November further 9% was acquired after which Nordic Waterproofing's holding is 33%.
- During the year, the Group's units within bitumen broadened their supplier base
- During the year, the Group's parent company changed its domicile from Denmark to Sweden

NOTABLE EVENTS AFTER YEAR END

- After the year end, four more acquisitions were made;
 - 51% of Gauris B.V., a Dutch company that distributes and prefabricates waterproofing materials in the segments dams, pools, roofs, water storage, environmental solutions and public environments.
 - 70% of the Norwegian company Byggpartner AS which performs installation and maintenance of waterproofing products in the area around Oslo.
 - 84% of the Finnish Seikat Oy, prefabricated wooden roof elements for industrial properties, warehouses, public and commercial buildings.
 - 100% of the Swedish company Urban Green AB which provides green solutions for urban environments.

MARKET SITUATION AND OUTLOOK UNCHANGED

- Continued consolidation in building materials retail in all Nordic countries, which mainly has effect on the operations in Sweden and Norway.
- Continued strong competition in the market for pitched roofs where Nordic Waterproofing has successfully increased market shares in Norway and Sweden. A somewhat more conservative expectations of the Finnish market development.
- A continued strong market for prefabricated facade elements in both Denmark and Norway.

KEY FIGURES* (SEKm)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full year 2020	Full year 2019
Net sales	670	949	916	769	3,303	3,122
EBITDA	32	166	164	93	455	371
EBITDA margin, %	4.8%	17.4%	17.9%	12.1%	13.8%	11.9%
Operating profit (EBIT)	2	137	133	65	337	260
EBIT margin, %	0.4%	14.4%	14.6%	8.4%	10.2%	8.3%
ROCE (R12), %*	13.2%	15.1%	15.9%	15.6%	15.6%	12.9%
Net profit for the period	-9	109	98	56	253	196
Cash flow from operating activities	-86	114	250	183	462	312
Operating cash conversion (R12), %*	75%	76%	96%	103%	102%	84%
Net debt*	793	665	431	274	274	665
Earnings per share before dilution, SEK	-0.37	4.55	4.10	2.32	10.60	8.19

NET SALES BY SEGMENT (SEKm)

Products & Solutions	539	753	694	584	2,570	2,358
Installation Services	151	228	249	205	833	867
Group Items & Eliminations	-20	-32	-28	-21	-101	-103
Total	670	949	916	769	3,303	3,122

NET SALES BY COUNTRY (SEKm)

Sweden	105	189	169	128		
Norway	85	102	109	101		
Denmark	179	216	210	206		
Finland	174	268	277	221		
Europe	125	171	148	111		
Rest of world	2	2	2	2		
Total	670	949	916	769		

Please see following page 5 for multi year figures.

* Alternative key performance measures marked with * is are either new or has changed definition compared to the Annual report 2019. For definitions, see p. 91.

MULTI-YEAR OVERVIEW

Profit/loss (SEKm unless otherwise stated)	2020	chg %	2019	2018	2017	2016	2015	2014	2013
Net sales	3,303	6%	3,122	2,680	2,187	1,813	1,720	1,679	1,668
EBITDA	455	23%	371	274	234	231	165	143	141
Operating profit (EBIT)	337	30%	260	212	194	206	143	122	122
Net financial items	-16	-41%	-28	-22	-20	-13	-27	-25	-30
Profit/loss for the year before tax	321	38%	233	190	174	193	116	96	92
Tax on profit/loss for the year	-68	83%	-37	-39	-37	-37	-34	-19	-21
Net profit/loss for the year	253	29%	196	152	138	156	82	77	71
Net profit/loss for the year, mothercompany's owners	255.6	29%	197.9	152.1	136.9	156.2	81.8	77.6	71.0
Earnings per share before dilution, SEK/share	10.60	29%	8.19	6.30	5.71	6.49	3.40	3.19	2.95
Earnings per share after dilution, SEK/share	10.52	29%	8.13	6.30	5.71	6.49	3.40	3.19	2.95
Balance sheet (SEKm)	2020	chg %	2019	2018	2017	2016	2015	2014	2013
Total assets	2,864	13%	2,536	2,127	1,756	1,568	1,345	1,345	1,238
Net investments in property, plant and equipment	45	0%	45	36	20	10	27	15	24
Capital employed	2,261	12%	2,016	1,653	1,370	1,317	1,071	1,083	1,021
Capital employed excluding goodwill	1,214	14%	1,065	774	637	701	472	469	431
Equity	1,418	17%	1,210	1,106	1,010	964	748	683	596
Net debt*	274	-59%	665	485	259	25	141	259	361
Cash flows (SEKm)	2020	chg %	2019	2018	2017	2016	2015	2014	2013
- from operating activities	462	48%	312	185	126	128	153	158	85
- from investing activities	-55	-61%	-142	-311	-159	-19	-29	-20	-16
- from financing activities	8	n/a	-80	73	-140	31	-75	-61	-51
Total cash flow for the period	415	n/a	90	-53	-173	140	49	78	18
Ratios	2020	chg	2019	2018	2017	2016	2015	2014	2013
EBITDA margin, %	13.8%	1.9pp	11.9%	10.2%	10.7%	12.7%	9.6%	8.5%	8.5%
EBIT margin, %	10.2%	1.9pp	8.3%	7.9%	8.9%	11.4%	8.3%	7.2%	7.3%
Operating cash conversion, %*	102%	17.4pp	84%	68%	54%	55%	93%	111%	60%
Net debt/EBITDA, multiple*	0.6x	-1.1x	1.8x	1.8x	1.1x	0.1x	0.9x	1.8x	2.6x
Net debt/equity ratio, multiple*	0.2x	-0.3x	0.5x	0.4x	0.3x	0.0x	0.2x	0.4x	0.6x
Solvency: equity/assets ratio, %	50%	2pp	48%	52%	57%	61%	56%	51%	48%
Return on shareholders' equity, %	19.5%	2.2pp	17.3%	14.5%	13.9%	18.2%	11.4%	12.1%	12.7%
Return on capital employed, %*	15.6%	2.7pp	12.9%	13.5%	14.7%	16.9%	12.9%	11.4%	11.9%
"Return on capital employed excluding goodwill, %**"	27.8%	3.2pp	24.5%	29.0%	30.6%	34.0%	28.7%	26.1%	27.7%
Number of employees (FTE)	1 147	3%	1 116	1 033	830	630	634	644	635
Average number of shares before dilution, millions	23.9	-1%	23.9	24.1	24.1	24.1	24.1	24.1	24.1
Average number of shares after dilution, millions	24.1	0%	24.1	24.1	24.1	24.1	24.1	24.1	24.1

* Alternative key figures marked with * are either new or have a changed definition compared with the annual report 2019. For definitions, see p. 91.

STRONG POSITION FOR CONTINUED GROWTH

I am pleased to report yet another record year for our Group, in particular in view of the challenges seen from the Covid-19 pandemic. Solid sales growth, increased profitability and a strong financial position confirm the validity of our business model of intense customer focus and workplace excellence.

2020 IN NUMBERS

Consolidated net sales for full-year 2020 amounted to SEK 3,303 m, an increase of 6 percent, and EBITDA rose by 23 percent to SEK 455 m. Earnings per share for full-year 2020 were SEK 10.60 (8.19). The operating cash flow of SEK 462 m (312) was the result of increased earnings and improved capital efficiency. The Board of Directors accordingly proposes a dividend of SEK 5.50 per share (0.00) together with an extra dividend of SEK 4.50, since no dividend was distributed during 2020, in total SEK 10.00.

SALES GROWTH IN MOST UNITS

Based on continued favourable demand levels for our products and services in the countries we serve, as well as market share gains in most of our businesses, we have achieved sales growth in all of our business units except Veg Tech and the Installation Services segment.

INCREASED PROFITABILITY

We have increased profitability in most of our operations in 2020, thus achieving a jump of 29 percent in operating profit and a ROCE of 15.6 percent. At the same time, there remains additional room for improvement in our Norwegian waterproofing business, in our Veg

Tech business as well as in our prefabricated roof and facade elements business.

SUSTAINABILITY

This continues to be a key focus area for us at Nordic Waterproofing. In terms of positioning and developing our portfolio to provide innovative solutions that contribute towards making construction sustainable and reduce CO₂ footprints, we have made significant acquisitions over the last years and will continue to extend our relevant products and services. In parallel we continuously reduce the environmental footprint of our legacy bituminous waterproofing products. It is worth remembering that the latter uses already today most input materials that are either waste from refineries (bitumen) or made from recycled plastic bottles (polyethylene carrier/fleece). The unmatched longevity of our products is of course another important contributor towards a positive environmental impact.

ACQUISITIONS AND GROWTH STRATEGY

During 2020 we acquired a minority position in Playgreen Oy, a company in Finland active in installing solar panels.

Our major acquisition in 2019 Distri Pond, a Belgian specialist supplier of ponds and green

infrastructure, performed very well with an organic growth above 30 percent.

Our acquisition strategy remains focused on targets that offer sustainable and environmentally efficient building solutions. For 2021 we are determined to increase our acquisition activities and already in the beginning of the year we announced two acquisitions. We continue to actively search for suitable targets, while maintaining a disciplined approach to the current high multiple environment in some markets.

We intend to generate sales growth through extending the reach of our acquired businesses and by offering sustainable building solutions that benefit from above average demand growth.

OUTLOOK

The underlying demand was continued strong in most of our markets in the beginning of 2021

but the Covid-19 global pandemic has brought continued uncertainty in foreseeing our business' development. The weather during the first quarter 2021, with more snow on most of our markets, has caused less installation work compared to the same period previous year. Our strong financial position with a solid balance sheet following strong results and cashflows from previous years gives us a strong position to enter an uncertain 2021. Right now, safety of our colleagues is continued top priority and of course to keep up continued service to our customers wherever possible.

CONCLUSION

After another successful year, I want to thank all our customers for their trust and support, and all my colleagues in Nordic Waterproofing for their outstanding contribution to our Group's performance.



Martin Ellis, President and CEO of Nordic Waterproofing Holding A/S

FOUR REASONS TO INVEST IN NORDIC WATERPROOFING

STRONG MARKET POSITION

Nordic Waterproofing has a strong market position with established brands in the Nordic region.



Read more on page 9

SUSTAINABLE AND DURABLE SOLUTIONS

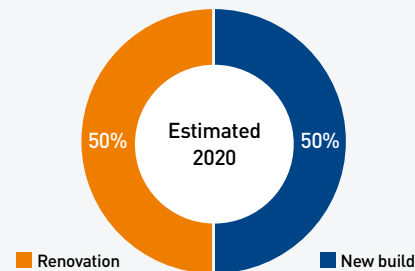
Nordic Waterproofing contributes to a sustainable society by preserving buildings and infrastructure with long lasting products.



Read more on the pages 27–34

LOW CYCLICAL SENSITIVITY

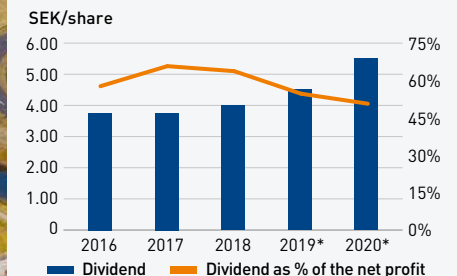
Nordic Waterproofing's offers are in demand throughout a business cycle, both in construction as in renovations.



Read more on page 10

STRONG POSITIVE CASH FLOW WITH HIGH YIELD

Nordic Waterproofing's dividend policy stipulates an annual dividend of more than 50 percent of net income.



*Proposed dividend by the Board of Directors' to the AGM

Read more on page 14

DRIVING FORCES IN THE WATERPROOFING AND CONSTRUCTION MARKET

Nordic Waterproofing's ability to grow and create value in its home markets is affected by a number of external factors and drivers.

1

DEMOGRAPHICS AND ECONOMICS

GDP trend and political factors

The waterproofing and construction market in general follows the GDP trend. A strong GDP growth benefits the broad construction industry with more construction starts and higher volumes, weaker periods mean greater focus on maintenance and renovations. In periods of lower activity, public funding for construction projects has been common to stimulate the economy. Higher uncertainty in the geopolitical situation can lead to a change in the approach to state support and financing, but also to postponements and delays as well as changes in strategies. The GDP growth may also be affected by pandemics such as Covid 19.

The EU's set climate target of zero emissions by 2050 and the EU's Green Deal is expected to also drive the need for investments for increased sustainability in properties with a focus on reducing the climate footprint and energy efficiency.

The demographic development, with an increase in young and old age groups, means that the demand for community properties is expected to increase significantly in the coming decades.

Maintenance and renovation

Maintenance and renovation of properties, especially the waterproofing layers, are less

cyclical thus not normally affected by a recession. Neglected maintenance, especially of the waterproofing layers, leads to costly consequences, which is an important driving force in ensuring ongoing monitoring and maintenance. A growing property portfolio thus leads to a growing market. According to the European Commission, about 11 percent of the EU building stock undergoes some form of renovation annually, of which 0.4-1.2 percent undergoes some form of renovation that affects energy performance.

The EU's Green Deal is also aimed at renovating existing properties with new financing solutions within the EU's investment program to improve the energy efficiency. According to assessors, the rate at which buildings are renovated with regard to energy performance must at least double in order to reach the set climate targets.

Urbanisation

Continued urbanization driven by housing shortages, also leads to an increase in commercial and community properties. In the Nordic countries, the public sector accounts for a significant share of construction investment, which contributes to a more levelled demand in a recession.

The renovation market is an important driving force decreasing Nordic Waterproofings cyclical sensitivity.



2

SUSTAINABILITY AND RESPONSIBILITY

Sustainability

The World Economic Forum has listed following as the most significant risks in terms of probability and impact; extreme weather, failed climate action and lost biodiversity.

There is a growing demand for sustainable building and infrastructure solutions, defined as green building materials. The focus is on a reduced climate footprint, increased endurance to climate change (from increased precipitation and flood risks), industrial symbiosis (reuse of materials) and energy-efficient and renewable materials.

Biodiversity and an improved microclimate are important components in cities, which benefits the human health and well-being while strengthening the biodiversity. This can be achieved through green infrastructure, ie green roofs, vegetation solutions and interconnecting green areas.

Renewable electricity production with increased solar cell installations also drives demand for installation services and technical solutions.

Financing for sustainable investments

In addition to publicly funded investment programs, green bonds are a growing phenomenon, often issued by real estate companies, of which one purpose is aimed at measures that increase the sustainability of real estate. This may involve energy efficiency or climate adaptation.

Competition for talent

Being able to attract and retain well-educated and competent employees is crucial for the competitiveness of many industries, including the construction industry. Employees with broad experience and different backgrounds create conditions for new insights and methods as well as strong customer relationships.

Taking responsibility

Issues relating to responsibility of the environmental impact, business ethics and control of both the own organization and the external supply chain are becoming increasingly important and are a decisive factor in how different stakeholders assess the business.

3

TECHNICAL DEVELOPMENT

Building materials with better durability performance

There is a constant development in increasing the sustainability performance of building materials. The development is also aimed at lower climate footprints and better insulation properties.

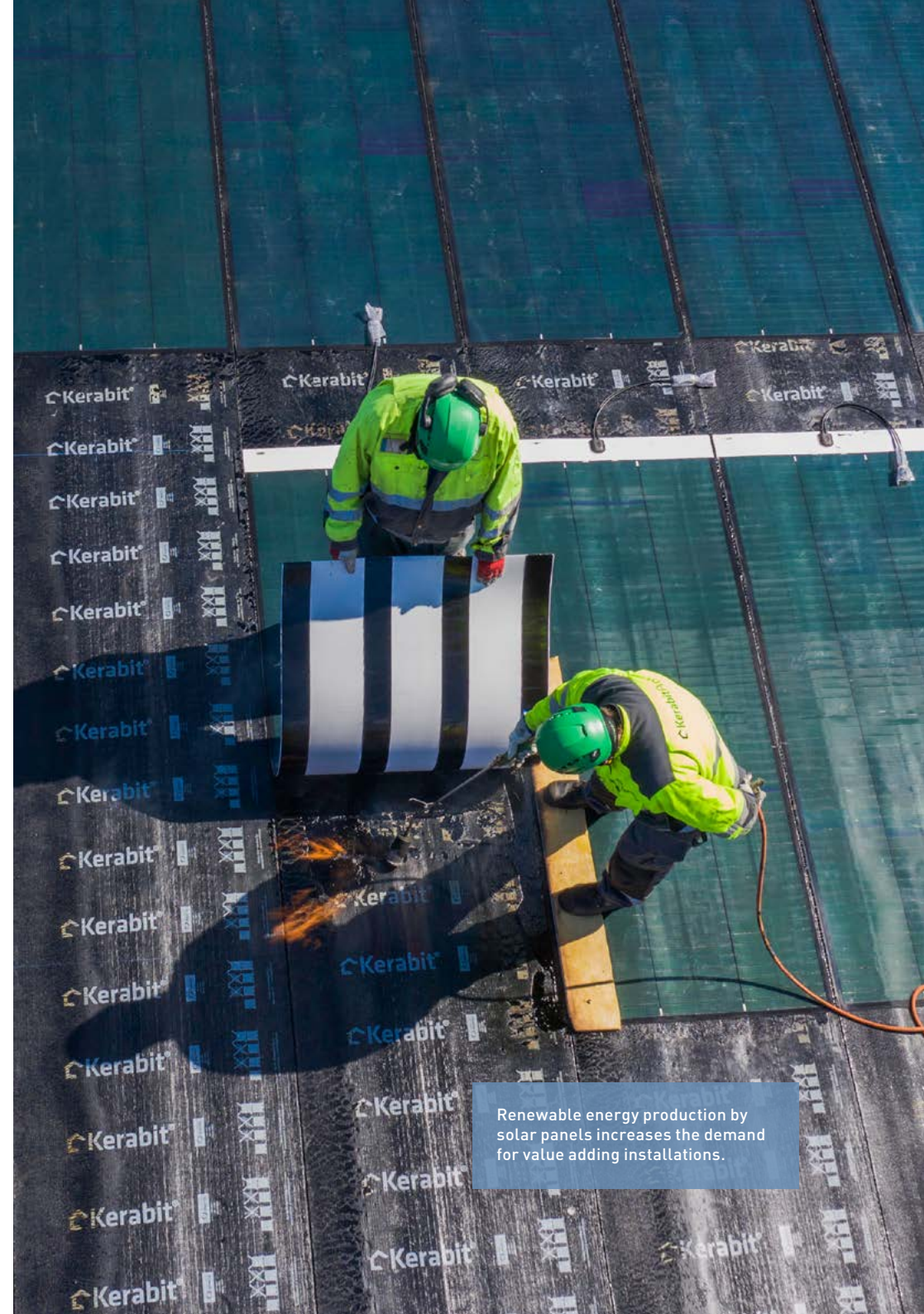
Digitization

The construction industry has begun a significant and necessary digitization process, which will continue for years to come. The digitization

affects all parts of the value chain, from purchasing, design and manufacturing to how products are marketed and the development of new services in the construction and maintenance market. This means shorter lead times, less stock and lower costs, as well as an increased need for skills development for employees, designers and customers.

Prefabrication

Cost and sustainability requirements drive the demand for prefabricated building elements.



Renewable energy production by solar panels increases the demand for value adding installations.



Nordic Waterproofing operates primarily in the market for waterproofing, which is growing with complementary and value-adding services that also contribute to better sustainability.

THE MARKET: INCREASING DEMAND FOR SYSTEMS AND RELATED SERVICES

Nordic Waterproofing is active in three segments of the construction market; waterproofing, prefabricated elements and green infrastructure. The segments can also be divided into traditional building materials and green building materials, where the traditional also are constantly evolving towards increased durability.

WATERPROOFING - FOCUS ON SYSTEM SOLUTIONS FOR OPTIMIZED CONSTRUCTION

The waterproofing market is consolidated, and the market shares tend to remain stable over time. In addition, the market requires local production, as transport costs account for a significant part of the total costs (high weight in relation to the value of the product), and expected short delivery times, which presup-

poses that manufacturers have reliable and efficient logistics solutions.

The production processes in the industry is to a high degree automated, which reduces competition from low cost labour countries. The different waterproofing markets are also characterized by differences in building regulations and building traditions.

The roofs dominate

The offered roof solutions are mainly intended for houses with flat roofs but also pitched. This market is developing in line with the general construction market, with lower variations in different economic conditions as a result of a larger element of renovation and maintenance assignments in installing waterproofing.

The Group's markets can also be divided according to type of building, such as residential and commercial properties. It is estimated about 70 percent of the value of the total waterproofing market in the Nordic region can be attributed to commercial properties and constructions (eg bridges). Commercial and community properties have to a greater extent low-sloping roofs compared with residential properties. The Nordic market for new production has increased by about

20 percent over the past five years, but is estimated to have a lower growth the coming years.

PREFAB - INCREASING CONSTRUCTION COSTS ON SITE DRIVE THE PREFAB MARKET

The costs of construction on site are increasing, which is why time is a critical factor where the climate and season also pose a risk of delays. Construction with prefabricated elements is therefore an increasing trend. In addition, construction is increasing with prefabricated elements with wooden frames for larger buildings such as offices, factories and warehouses, retail, multi-storey buildings and community buildings. The increase is driven by a growing demand for more sustainable materials as well as productivity and thus cost savings.

Experience shows that the total cost of a building with a prefabricated wooden frame is 7-10 percent less compared to traditional construction with concrete.

Building regulations and building design

The construction industry is characterized by the fact that the building regulations are national, which creates different product solutions and reference conditions.

GREEN INFRASTRUCTURE IS SIGNIFICANTLY INCREASING

The market for green infrastructure is largely driven by demands from authorities for increased biodiversity in urban areas, but also by the insight of increased value in the form of a more pleasant and environmentally friendly environment for new development and renovation. This is reflected in the fact that the majority of construction projects of larger buildings have elements of green roofs and where the sedum roofs in particular are increasing.

RENOVATION CREATES STABILITY

Renovation is less affected than new construction by the general economic climate. Renovation and new construction are estimated to account approximately for 50 percent each

of the Nordic construction market. The Nordic renovation market did not decrease during the economic downturn in 2007–2009, while the new construction market decreased by 27 percent. Exposure to the renovation market strengthens thus the Group's operations.

The market for prefabricated elements has a greater economic dependence on new construction. In a recession, however, renovations are increasing. The distribution between renovation and new construction is 10 and 90 percent respectively of the sales value.

The renovation market is driven by:

- Composition and age of the property holdings.
- Renovation of buildings is usually cheaper than new construction. In addition, lack of maintenance can potentially lead to large costs due to e.g. water damage, which makes renovation decisions crucial.
- The requirement for increased energy performance in existing buildings. Not least the large housing stock built during the 1960s and 1970s has a great need for better insulated roofs and facades.

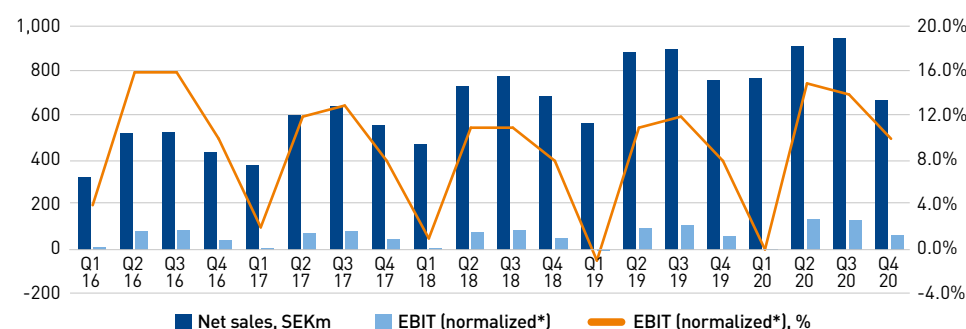
SEASONAL VARIATIONS

Nordic Waterproofing's operations are affected by seasonal variations, with January, February and December being the weakest months. In the financial year 2020, sales during these three months accounted for just under 18 per cent, while the other nine months accounted for 82 per cent, which is in line with the five-year average. The decline during the winter months is explained by cold and challenging weather conditions and its impact on the construction industry. In general, there will be some stock-piling during the winter months, which will lead

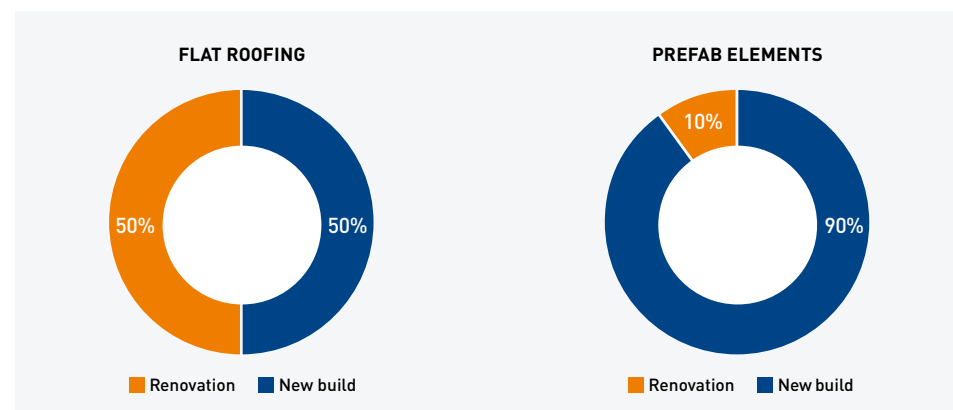
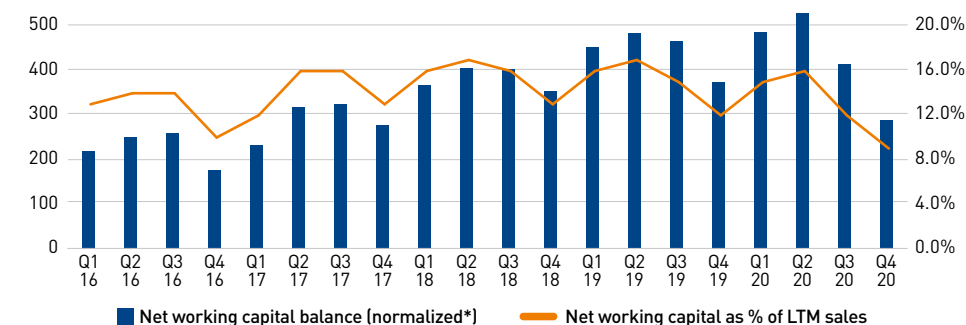
to a reduction in stock during the summer months as a result of the increased activity in the market. If winter arrives early, it may result in the postponing of several planned projects, which in turn has a negative effect on the year's results. The same applies if the winter is long and the season starts in late spring.

For risks and sensitivity analysis, please see Note 34 on page 79.

Seasonal variations in net sales and profitability



Seasonal variations in working capital



DIGITAL CHANNELS

The development in methods of digital design and the construction industry's business models are of increasing importance. Most obvious is the development within the Group's prefabricated operations, where customers to a large extent use a continuous flow of information for the construction designs, assembly instructions and material specifications. In addition, the production is increasingly automated by robots.

Building information models, or BIM, is the digital channel that is of most importance in the design processes streamlining. The technology is mainly used in the prefabricated segment, but Nordic Waterproofing has invested in development and marketing to increase knowledge about waterproofing and its various properties helping designers, architects and other prescribers to choose the optimal material and solution in the specific project.

Nordic Waterproofing also meets the industry's increased expectations of a digital presence. Digital sales channels are an important complement to the builders' merchants and professional roofers. By being able to offer the different customer categories several different contact channels - such as digital sales channels (e-commerce, apps, information on own and third-party websites), but also trade fairs, physical stores, and personal meetings - customers are given increased opportunities to choose the channel that best suits their needs.

The Group's long-standing investment in training for roofers is increasingly taking place in instructional videos adapted for digital channels. The training material contains both detailed product information as well as recommended methods for installing the waterproofing products and for maintaining roofs and other building parts.

COMPETITORS

Waterproofing

In addition to Nordic Waterproofing, following major private manufacturers of waterproofing products are present on the Nordic market: Icopal, which is part of the BMI Group, in turn part of American Standard Industries, Finnish Katepal and Norwegian Protan and Isola. The limited number of local manufacturers in the Nordic market has a relatively fragmented customer base.

In the European market for EPDM products, Nordic Waterproofing's brand SealEco has competitors such as Firestone, Carlisle and Duraproof, of which Firestone and Carlisle are estimated to be the largest and second largest supplier with SealEco as the third largest.

Prefab

Within the prefabricated operations, it is mainly the construction companies' own operations with partially prefabricated or site-built frames and facade elements that are the alternative to finished elements / modules that are delivered on time to the construction site. There are few direct competitors to Taasinge Elements and RVT in the Nordic market. In Denmark there is Roust Træ and in Norway the roof manufacturer Lett-Tak and within wall and larger house modules, there are manufacturers such as Optimera, Jatak and Støren Treindustri.

Green infrastructure

Growers of plants for green infrastructure mainly act nationally as the plants are adapted for the same plant zone. Industrial cultivation takes place from for B2B deliveries and requires larger areas. VegTech is an industrial grower with a strong market position in Scandinavia; leading in Sweden where other players include Urban green and Svenska naturtak, one of the top two in Norway where Seduma may be mentioned and one of the top three in Denmark where Nature Impact may be mentioned. The market is fragmented, including the smaller players such as nurseries that sell to private individuals.



NWG's subsidiary RVT has supplied wall and roof prefabricated elements to Bærum municipality's dementia resident Carpe Diem.



TØNDER TOWN HALL – NOMINATED FOR A RENOVATION AWARD

Phønix Tag was responsible for a new roof in the renovation of Tønder's town hall in Denmark. The roof is covered with two layers of roofing felt as well as sedum and solar cells from Phønix Tag Energi.

The town hall, which underwent a renovation and extension, was nominated for the Danish "Renoverprisen" 2016, a prize that is awarded annually to pay tribute to Denmark's best renovation project.

ROOF THAT CLEANS THE AIR

Trebolit Elastolit NOXOUT is a waterproof product for roofs that neutralizes nitric oxide particles. NOXOUT is coated with titanium dioxide, which together with the sun's UV light converts the NO_x particles and thus purifies the air.

Nitrogen oxides (NO_x) are air pollutants in the form of exhaust fumes from vehicles and industry which are harmful to humans and the environment. Trebolit Elastolit NOXOUT is coated with a slate that acts like a catalyst, which reduces the concentration of nitric oxide in the air.

With the help of UV light on the NOXOUT slate, the nitrogen oxides are converted into nitrate, which instead becomes nutrients for plants. A catalyst, in this case Titanium dioxide (TiO_2), accelerates the reduction of NO_x considerably and enables the reactions to take place at a much lower temperature and much faster.

An area of 1,000 m^2 NOXOUT roof neutralizes NO_x particles corresponding to approximately 17,500 miles of driving.



UV light in combination with titanium oxide converts nitric oxide, NO_x , to nitrate, NO_3

MISSION, BUSINESS CONCEPT AND CORE VALUES

Nordic Waterproofing's strategic focus is to generate value for its customers, prioritizing strong relationships at all stages, all the way to the end users. The focus is on organic growth, profitability, and selective acquisitions. The Group's companies have a strong position in a market where quality and sustainability are decisive factors in creating profitability and opportunities to drive development.

MISSION

To develop and supply easy-to-use, reliable and sustainable solutions for the protection of buildings and infrastructure, in order to enhance the quality of life and preserve the environment.

BUSINESS CONCEPT

Nordic Waterproofing develops, manufactures and distributes innovative products and solutions for waterproofing, protecting and preserving buildings and other structures.

- Our products and solutions are supplied with the highest level of service and are characterized by the best available quality, extremely long durability, adaptation to local conditions, smart logistics, ease of installation, energy and environmental optimization.
- Good customer service is based on our employees' responsiveness and ability to understand and anticipate our customers' needs.

OUR VALUES

Enthusiasm

We show enthusiasm for what we do, always. Whenever we take on a responsibility, we make sure we follow it through with the highest quality possible, and with accuracy to the last detail. We show pride in our individual responsibilities and never move on until we can look at our customer, fellow colleagues or a newly developed product and say: "it cannot be done better than this". We reward passion and enthusiasm, enabling people to grow within the company.

Reliability

Our customers trust us as a partner, as well as the products and solutions we offer. We care for that trust and do everything we can to maintain it. We nurture this by taking responsibility for ensuring that our product development, services and customer relations are characterized by first class reliability.

Efficiency

We are a large organization, with a well-developed, flexible and efficient logistics system. We also retain the characteristics of a small company. This is because we have created, and actively maintain, a simple structure, within which we operate. For the benefit of our customers, we cultivate a highly decentralized corporate culture geared toward efficiency and strategic targets. We trust our people's own professional judgement and promote quick decision making to help our customers, and their often challenging, time schedules.

TARGETS

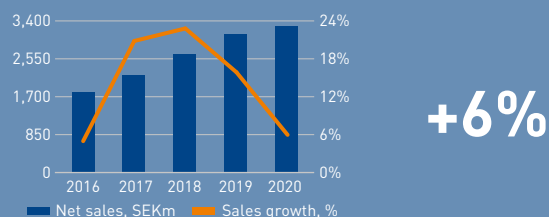
The Group has well-defined financial and strategic targets that determine the bottom line. They create value for several stakeholders over time: owners, customers, employees and the community.

FINANCIAL TARGETS

The Board of Directors of Nordic Waterproofing updated the Group's profitability and capital structure targets with effect from May 2, 2019. These targets are well established and integrated into the decentralized organization's business units.

>SALES GROWTH

Nordic Waterproofing's goal is to exceed the growth experienced in the Group's current markets through organic growth. In addition, the Group expects to grow through selective acquisitions.

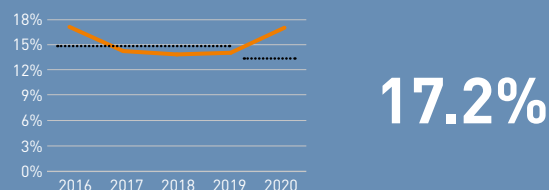


OUTCOME 2020

Net sales increased with 6 percent to 3,303 m [3,122] whereof the organic growth was 7 percent.

>13% PROFITABILITY

Generate a return on capital employed (ROCE) exceeding 13 percent.

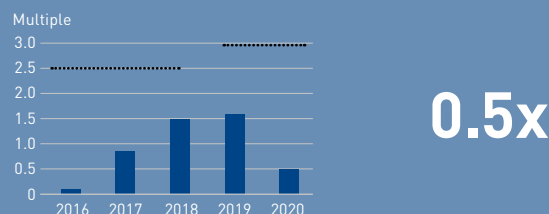


OUTCOME 2020

The return of Capital Employed during 2020 was 15.6 [14.2] percent and the EBIT-margin was 10.2 percent [8.3].

<3X CAPITAL STRUCTURE

Net debt/EBITDA multiple, Net debt in relation to EBITDA (R12M basis) shall not exceed a multiple of 3.

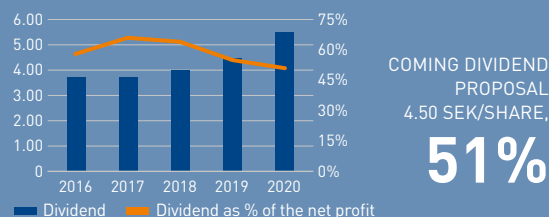


OUTCOME 2020

At the end of 2020 was the debt, calculated as interest-bearing net debt / EBITDA during the last 12 months, at a multiple of 0.5 [1.6] and the net debt / equity was at a multiple of 0.2 [0.5].

>50% IN DIVIDEND

The dividend policy states an annual dividend exceeding 50 percent of the net profit. The proposed dividend will be based on the Group's financial position, investment needs, liquidity position, as well as general economic and business conditions.



OUTCOME 2020

The Board will suggest the AGM on 29 April 2021 to decide to distribute an ordinary cash dividend of SEK 5.50 [0,00] per share, in total SEK 132 m. This corresponds to ca 51 percent of the net profit for the year. Furthermore, the Board will suggest an extra cash dividend of SEK 4.50 per share, in total SEK 107 m because no dividend was distributed during 2020.

For definitions, see page 91.



The roof of the Katuaq culture center in Nuuk on Greenland is protected against the harsh Greenlandic weather.

STRATEGY: A FOCUS ON SUSTAINABLE BUILDING SOLUTIONS

Based on our fundamental interest in sustainability, we have built up a market leading assortment of products developed for the building envelope and solid skills in manufacturing and installation.

STRATEGIC TARGETS

In addition, a set of well-defined financial and operational targets, Nordic Waterproofing seeks to generate value for its various stakeholders over time through the following strategic targets:

- Enhance our product and service offering for our existing customers.
- Apply geographic leverage to newly acquired product and service categories.
- Benefit from mega trends in the construction industry: sustainable building solutions, energy efficiency, renewable energy sources, and site efficiency through increased exposure to prefabrication.

- Forward integration to increase exposure to end customers. By widening and enhancing our products and services with new product categories, we foresee that the Group will increasingly become a one stop shop opportunity for customers seeking comprehensive solutions for building and infrastructure protection.
- We intend to maintain our acquisition focus on small to medium sized companies presenting good synergistic potential with our existing businesses.

SOLID POSITION IN OUR LEGACY BUSINESS Strengths

We consider the following market characteristics to be favourable.

Mature and consolidated industry

The waterproofing market is consolidated, and the market shares tend to remain stable over time. The industry requires local production, since transportation costs account for a considerable proportion of the total costs (high weight in proportion to the value of the product) and since customers expect short delivery times (requiring manufacturers to have reliable and efficient logistic solutions).

Production processes in the industry involve a high level of automation, reducing competition from countries able to take advantage of lowcost labour. The various waterproofing markets are characterized by differences in construction regulations and traditions.

Long-term reliability is of crucial importance

Customers generally seek proven and well-established products and materials from strong brands with a long tradition of quality and expertise, since long-term reliability is of crucial importance. The Group's well-reputed brands,

combined with partnerships, training programmes, technical service and highly motivated employees have contributed to the creation of long-term relationships with customers.

High-quality waterproofing is crucial

Flawless waterproofing is key for a safe and sustainable building, and failure in choice of material, quality and installation could have farreaching consequences. Waterproofing products and solutions are crucial to the construction process and account for a small fraction of the total construction cost. Thus, construction companies are sourcing the roofing from qualified installers who have the necessary understanding of the best material for the building or structure.

Stable demand for bitumen products

We have noted a continued preference for bitumen as the most suitable waterproofing material. Accordingly, bitumen remains the primary choice of material in Nordic Waterproofing's markets.

TWO OPERATION SEGMENTS

Nordic Waterproofing's operations are divided into two operating segments.

Products & Solutions

The total market value of products and solutions in the Nordic region is estimated at approx SEK 5 billion. The segment's products and solutions on the market can be divided into:

- Roofing products, including waterproofing for flat roofs, made mainly of bitumen (roofing felt) and PVC, but also of EPDM (rubber membranes) and TPO (thermoplastic olefin, a synthetic plastic material), as well as roofing accessories such as fasteners.
- Construction products, including various types of membranes for buildings, such as sublayers (moisture, wind and vapor barrier) made of bitumen and EPDM.
- Green infrastructure, including dams and reservoirs.
- Prefabricated elements including facade elements, floors, walls and sandwich walls.

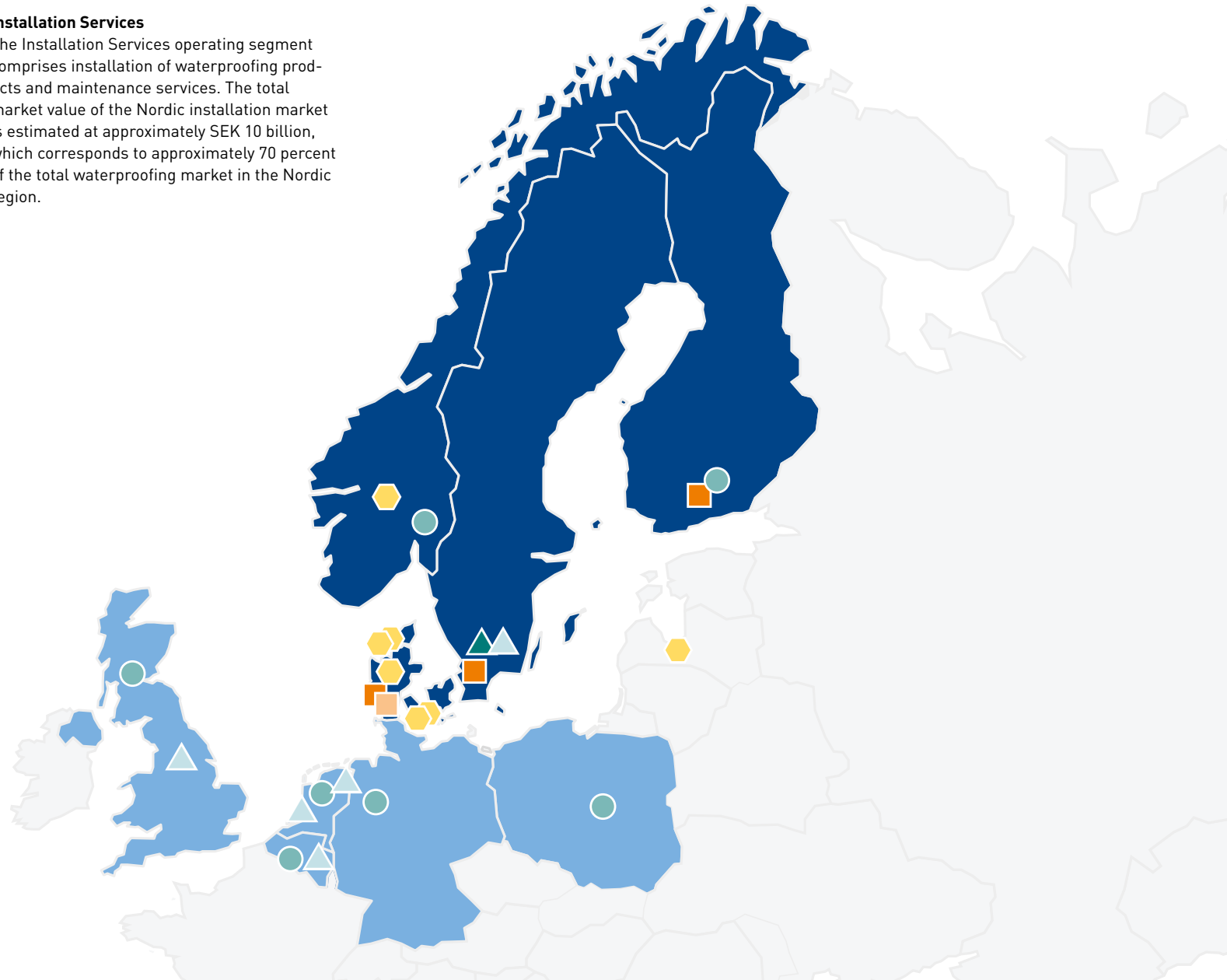
Manufacturing takes place indoors in a controlled environment, which is a prerequisite for managing high and consistent quality in production and for meeting increasing demands for a better working environment and more advanced technology.

Installation Services

The Installation Services operating segment comprises installation of waterproofing products and maintenance services. The total market value of the Nordic installation market is estimated at approximately SEK 10 billion, which corresponds to approximately 70 percent of the total waterproofing market in the Nordic region.

GEOGRAPHIC PRESENCE

- Bitumen manufacturing units and sales offices
- Manufacturing unit for liquid bitumen and sales office
- ▲ EPDM manufacturing unit and sales office
- ▲ EPDM prefabrication units
- Production units for prefabricated facade and roof elements
- Sales offices
- Predominantly bitumen market
- Predominantly EPDM market



BUSINESS AND REVENUE MODEL

Marketing and sales take place primarily at national level. The customer groups vary depending mainly on the size of the projects.

Direct sales to contractors

Since flat roofing waterproofing installation require special expertise, related materials are mainly sold to installation companies. This link to end-users accounts for approximately 70 percent of the Products & Solutions operating segment's sales. The installation market is fragmented and consists predominantly of small, local companies.

Sales via builders' merchants

The builders' merchants level of the distribution chain is relatively consolidated, consisting mainly of large building material chains with a regional or national presence and offering waterproofing products as a small part of a wide product range.

Approximately 30 percent of the Products & Solutions operating segment's sales of roofing products in the Nordic region are made through builders' merchants.

Construction company customers

Construction companies are either large general contractors with a global, national or regional presence or smaller contractor companies (builders and carpenters). Construction companies that operate at both the regional and global level include Sweden's JM, NCC, Skanska and Peab; Denmark's MT Højgaard, HusCompagniet and Hoffman; and Norway's Veidekke. With regard to flat roofing waterproofing products, these companies secure direct agreements with installation companies, delivering a complete package of roofing solutions, for example Nordic Waterproofing's Installation Services.

The Group's operations in prefabricated floor, wall and roof elements, also bring new customer categories in the segment of medium-sized and large construction companies, major architectural firms and other procuring companies.

The Group's specialists in the fast-growing floor covering market have a customer base consisting mainly of medium and large construction and industrial companies, as well as shipyards and their subcontractors.

Direct sales to end-users

End-users consist of property owners who use waterproofing products on their properties. This level of the distribution chain is fragmented and includes private real estate companies, such as Kungsleden, Castellum, Hufvudstaden and Carlsberg Ejendomme, but also Copenhagen Airport and government-owned real

estate companies, such as Akademiska Hus; as well as private real estate companies.

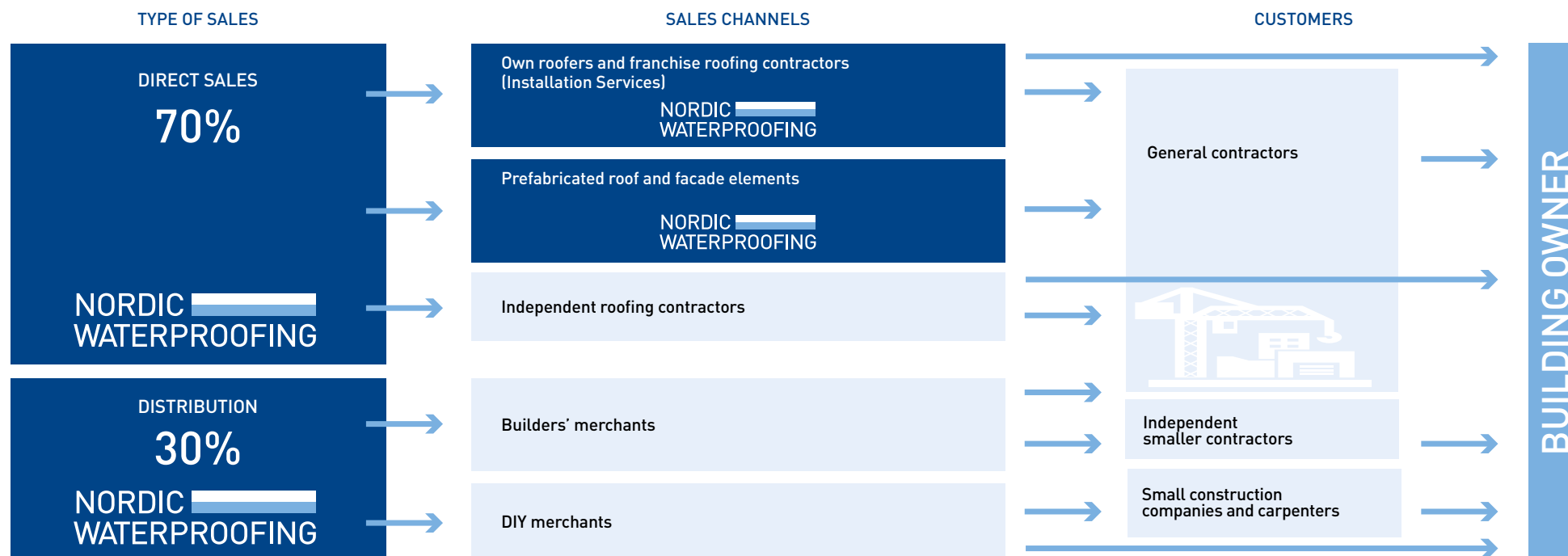
Prefabricated elements

Prefab elements are currently sold and marketed mainly directly to medium and large construction companies in Denmark and Norway.

Marketing is largely aimed towards architects and building engineers through seminars and conferences. Nordic Waterproofings has the potential to expand the market to the other Nordic countries.

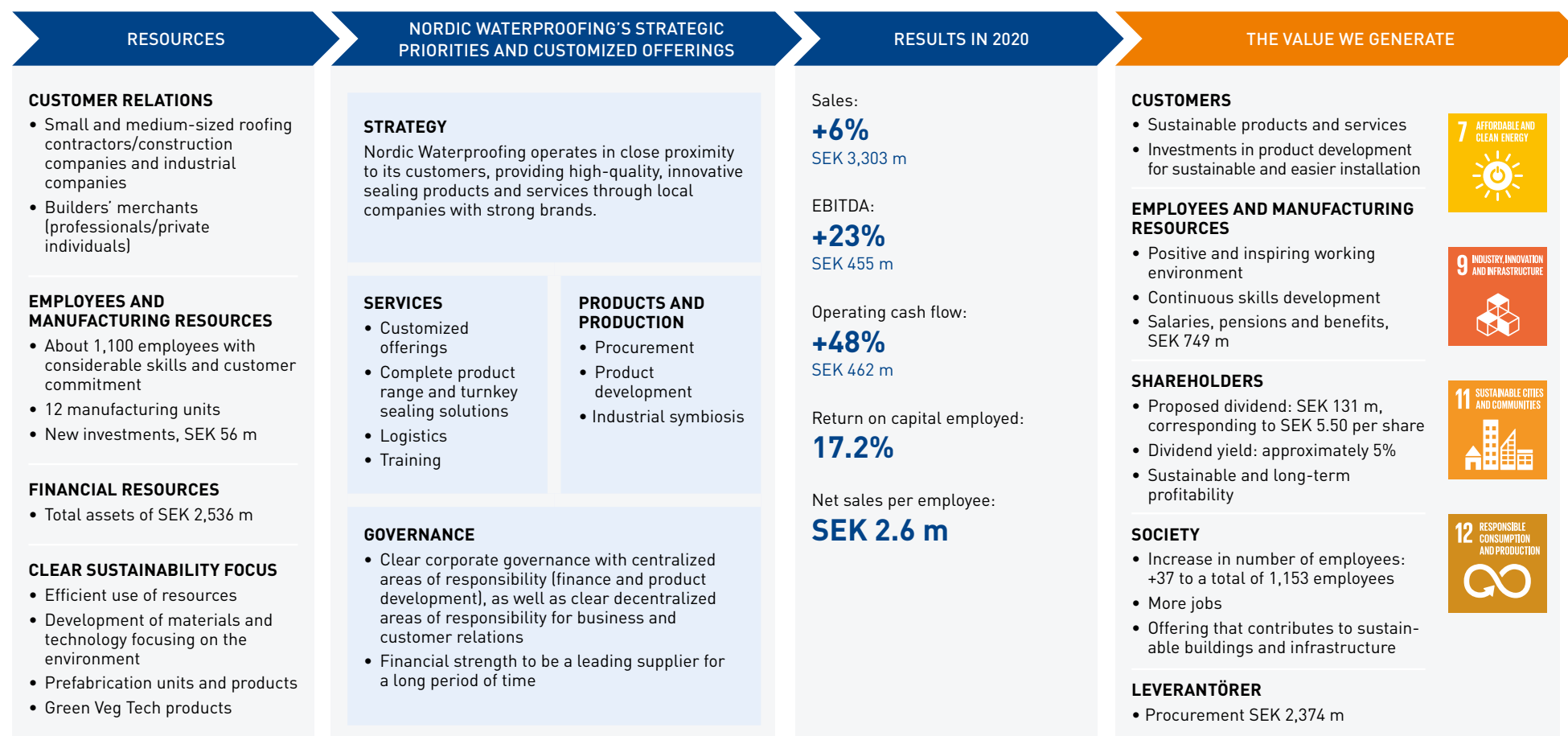
Green infrastructure

Green infrastructure, ie plant-based surfaces for roofs and facades as well as for green spaces in urban areas, has to a great extent the same sales channels as other waterproofing products. The client / specifier also consists of contracting authorities such as municipal administrations.



FOCUS ON THE CUSTOMERS AND SUSTAINABILITY DRIVES OUR BUSINESS MODEL

With a combination of competent employees, innovative strength and robust financing, Nordic Waterproofing contributes to develop, manufacture and sell innovative and sustainable products and solutions.





THE HARBOR BASIN IS SECURED AGAINST HEAVY METALS LEAKAGE

The Skellefteå harbor in the northern Sweden is being expanded and new land areas are being created by infilling to increase the harbor's capacity to accommodate and allowing larger vessels. Dredging of the harbor basin is an important part of the project as the size and draft of the vessels is increasing.

The dredging masses are reused to infill seawalls creating two basins, separated by an intermediate seawall. The walls and basin are covered with EPDM rubber membranes creating a sealed basin. The EPDM rubber membrane is waterproof and is extremely important, as the infilling include iron sand, a by-product from the Rönnskärverket whose heavy metals risk being leaked. The EPDM rubber membrane is soft, flexible and of a viscoelastic material that can withstand compressive loads, even on uneven surfaces. Hot air welding of joints under water is not possible but the fabric gets sealed under pressure. SealEco is the only EPDM rubber membrane supplier that offers prefabricated rubber membranes in large panels with varying sizes tailored to the customer's requirements, from 300-1,500 m². The project was made possible thanks to the properties of SealEco's products. The fact that large panels could be delivered in tailor made dimensions made the installation considerably easier in terms of handling and logistics. Minimization of the number of joints made the entire project quality-assured.

The total area is 41,080 m², divided into 60 panels in different widths between 8-21 meters and lengths between 30-130 meters, folded and rolled up on metal pipes according to the customer's wishes.

MORE ROOFS CAN BE USED – TWO SOLUTIONS FOR SOLAR CELL INSTALLATIONS



INTEGRATED SOLAR CELLS - KERABIT AURINKOKATTO

The Finnish subsidiary Kerabit has, among other things, delivered a solar cell solution of 32 kWp to the Technical Museum in Helsinki. The museum had specific requirements as the building is a building of cultural heritage restricting both the bearing capacity as well as appearance. The solution is Kerabit Aurinkokatto / solar panels. These are so-called CIGS panels are made of thin film for installation on ceilings that should not be exposed to greater weight. The solar panels are integrated in the roof's water-proofing layer and thus form part of the protection at the same time as they meet the aesthetic requirements for an unchanged roof. The system, which weighs only about 7 kg / m², is significantly lighter compared to more traditional panel systems and is ideal as a solar panel solution for existing buildings.



MAINTAINED WATERPROOFING LAYER WITHOUT DRILLING HOLES - KERABIT SOLAR

The Kerabit Solar roof bracket system is designed for mounting traditional solar panels without the brackets having to be fastened in the bitumen layer, leaving the roof intact. The brackets are also designed to distribute the weight of the solar panels over a larger area.

OPERATING SEGMENT: PRODUCTS & SOLUTIONS

– EXTEND THE LIFECYCLE OF BUILDINGS AND INFRASTRUCTURE

The operating segment Products & Solutions offers sealing and waterproofing products and solutions for buildings and infrastructure, prefabricated wooden roof and facade elements and green infrastructure.

EFFECTIVE WATERPROOFING IS FUNDAMENTAL

The biggest threat to the sustainability of a building is the external climate, especially rain and humidity, but also wind and extreme temperatures. When a water damage has occurred, expensive renovation costs are often required. An efficient and durable waterproofing is therefore a prerequisite for both a new construction as maintenance of existing buildings.

Nordic Waterproofing offers a wide range of waterproofing products designed for the demanding climate in the Nordic region, that are adapted to different types of roofs; flat to sloping.

Development of products as well as safe handling and installation

Nordic Waterproofing has a well-adapted range of products. There is a constant development to meet the customers' demand for improvements in the working environment (handling of products and methods of installation) and environmental impact in production, including reuse and reduction of waste. The Group also works constantly to strengthen relationships with those who use the Group's products

Flat roofs

– Primarily commercial properties

The Group's products have unique technical qualities and can be adapted to different environments, types of property and surfaces.

The products are mainly made of bitumen (roofing felt) and EPDM (rubber membrane) with up to 50 years durability.

Installation of waterproofing for flat roofs is demanding and is usually performed by professional roofing contractors, including Nordic Waterproofing's wholly owned roofing contractors in Finland and Norway and part-owned franchise companies in Denmark.

Pitched roofs

– mainly residential buildings

Products installed on pitched roofs are more visible than products used for flat roofs. The design and appearance of the products are therefore important factors for the customer. These products are sold primarily to building suppliers and are usually installed by private individuals and independent smaller contractors or carpenters.

Accessories – for complete solutions

As a provider of complete roofing solutions, Nordic Waterproofing also offers a broad range of essential accessories that complement the Group's products, such as plastic sheets, foundations, moisture barriers and roof safety. The accessories are sourced from several suppliers and often constitute an important factor in the complete solution. Accessories are sold both through building suppliers and directly to contractors.



Nordic Waterproofing's products also protect infrastructure such as bridges.



Building products

Building products, such as chemicals for roof installation and repairs, as well as protection against radiation from radon and sealing of roof lanterns, are highly technical and therefore often require customer support and training. Nordic Waterproofing produces building products in-house, but also sells building products purchased from subcontractors and sold mainly under the Group's own brands.

Rubber membranes - in addition to buildings also for ponds and reservoirs

Rubber membranes of EPDM or butyl rubber are primarily intended to be used for water-proofing roofs and facades, and as geomembranes in building foundations, ponds, and reservoirs. The product range consists of waterproof and airtight systems providing long-term efficiency for up to 50 years.

The products are primarily adapted to the customer's needs and at the Group's units, the rubber membranes are prefabricated into large, easy to install sheets. The products are sold primarily to customers in Belgium, Germany, the Netherlands, Poland, Sweden, and the UK.

SOLAR ENERGY SOLUTIONS

Nordic Waterproofing also acts as a contractor designing and installing solar cells in Denmark and can, through the acquisition of 25 percent of Playgreen Finland Oy, offer the same services in Finland.

GREEN INFRASTRUCTURE

The Group offers solutions for green infrastructure, ie plant-based surfaces for roofs and facades as well as for green spaces in urban areas, by Veg Tech in Sweden and Norway and by Phønix Tag and Hetag in Denmark.

Bio-based green surfaces contribute to biodiversity by protecting roof membranes,

providing better building insulation against cold and hot temperatures system, by absorbing large parts of the city's noise, dust, and air pollution, thus improving both the micro and macro climates. Plant-covered roofs can absorb up to 50 – 80 percent of the rainwater falling on the roof, reducing, or delaying the flow of rainwater into the drainage and preventing sewers from becoming overloaded.

The wholly owned Swedish company Veg Tech also offers solutions for green infrastructure especially in urban areas, from parks to nature parks and open water.

PREFABRICATED ELEMENTS WITH HIGH VALUE ADDED

Nordic Waterproofing's subsidiaries Taasinge Elementer in Denmark and RVT in Norway add a high added value by manufacturing prefabricated building elements. The prefabricated elements are a sustainable solution being based on a wooden frame. All production is project-based where the elements are developed in close dialogue with builders and architects for the best design and solution.

The elements comprise roofs, facades and interior walls as well as floors and are ready for installation with insulation, windows and doors, external and internal surface layer as well as being prepared for electrical wiring and ventilation. The prefabricated elements are mainly produced for larger buildings such as offices, plants and warehouses, retail, multi-storey residential buildings, community properties, swimming and sports halls, etc.

Assembly takes place in an indoor environment in a controlled climate. The project-based production means that each order is unique and therefore the production is difficult to automate and is largely carried out by carpenters and installers. The production time from design to delivery is typically 8 – 12 weeks.



RVT in Norway supplied the facade elements in solid wood for the JJK coffee distillery in Vestby, south of Oslo.

PRODUCTION CLOSE TO THE CUSTOMERS

Manufacturing close to the markets and customers is an important part of the supply chain. Nordic Waterproofing manufactures waterproofing products at four production units for bitumen and EPDM based products in Denmark, Finland and Sweden, four prefabrication units for EPDM products in Belgium, the Netherlands, the UK and Sweden and six units for prefab elements in Denmark, Norway and Latvia. The Group also has cultivation areas in Sweden and Norway.

The Group owns the recipes for its bitumen and EPDM products. Ongoing optimizations are also part of Nordic Waterproofing's intellectual property rights. Production volumes are based on both forecasts and orders. The Group's production is supplemented by products manufactured by subcontractors, such as plastic films, foundations and moisture barriers.

PURCHASING - A CENTRALIZED FUNCTION

Nordic Waterproofing's purchases are handled on a national basis that share market information and best practices within the Group. Market-specific products and materials are purchased by the local purchasing functions in order to increase flexibility and ensure that local needs are met.

Purchasing of the most important input materials bitumen, polyester, fiberglass and SBS takes place at group level to achieve economies of scale and strengthen the Group's negotiating position. The Group applies dual sourcing with more than one supplier to secure the inflow.



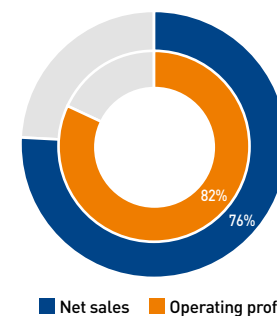
Utilized roof space on residential buildings in Aarhus, Denmark.



The Västra hamnen in Malmö.

KEY FIGURES PRODUCTS & SOLUTIONS, SEKm	2020	2019	Change in percent
Net sales	2,570	2,358	9%
EBITDA	412	332	24%
Operating profit (EBIT)	315	239	32%
Number of employees (FTE)	732	678	8%

SHARE OF GROUP'S NET SALES AND OPERATING PROFIT



SALES AND PROFIT GROWTH IN 2020



OPERATING SEGMENT:

INSTALLATION SERVICES

– BRINGS THE GROUP'S PRODUCTS CLOSER TO THE MARKET

The Installation Services operating segment offers installation, maintenance and assembly of the Group's own roofing products for commercial properties and housing. In addition to roofing and installation, services are offered to property owners who want to extend the life span of their roofs and ensure that the buildings' climate shells meet established energy values.

WHOLLY OWNED SUBSIDIARIES

In Finland, installations are carried out through wholly owned subsidiaries under the brands AL-Katot and KerabitPro, with district offices throughout Finland. LA Kattohuolto is a roofing and service company that contributes to a range of services aimed at both private individuals and customers of other companies in the segment.

Nordic Takvård in Sweden, the same service offer as the Finnish roofing and service company LA Kattohuolto.

Nordic Waterproofing acquired 70% of Byggpartner AS a Norwegian roofing contractor.

MINORITY-OWNED FRANCHISE COMPANIES IN DENMARK

In Denmark, installations are offered via franchise companies under the brands Phønix Tag and Hetag Tagdækning. The franchise companies are owner managed companies, in which Nordic Waterproofing has minority interests. The franchise companies are an important sales channel with access to Nordic Waterproofing's products and knowledge.

INSTALLATION OF SOLAR PANELS

Nordic Waterproofing also offers installation of solar panels on both commercial and private

properties in Denmark and in Finland through the acquisition of 25 percent of Playgreen Finland Oy.

CUSTOMIZED FLOOR COATING

The Finnish company SPT-Painting operates within the fast-growing market for liquid sealing membranes and coverings for floors, also known as "coatings", and provides floor installation services to customers in the construction, shipbuilding, and industrial segments. The customer base consists primarily of medium and large construction and industrial companies and shipyards as well as their subcontractors.

AN IMPORTANT SALES CHANNEL CLOSE TO THE CUSTOMER'S NEEDS

Installation Services is an important sales channel for the Group's waterproofing products and solutions. Added value is created through direct contact with the end-users, resulting in greater understanding of the end-customer's needs and at the same time educating the market of the importance of using high-quality products. The link to end users provides control of the entire value chain, which also protects the Group's market position and brands.



The business segment offer a wide range of roof installations.

Wholly-owned subsidiaries in Finland



Minority-owned franchise companies in Denmark



Wholly owned subsidiary in Sweden

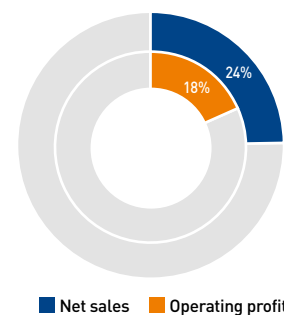




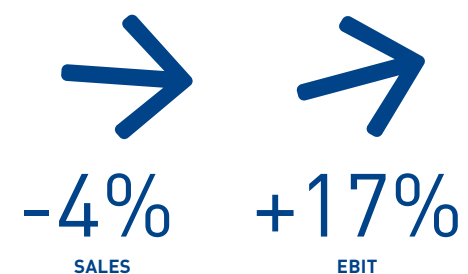
In addition to the production of waterproofing, added value is created through installations.

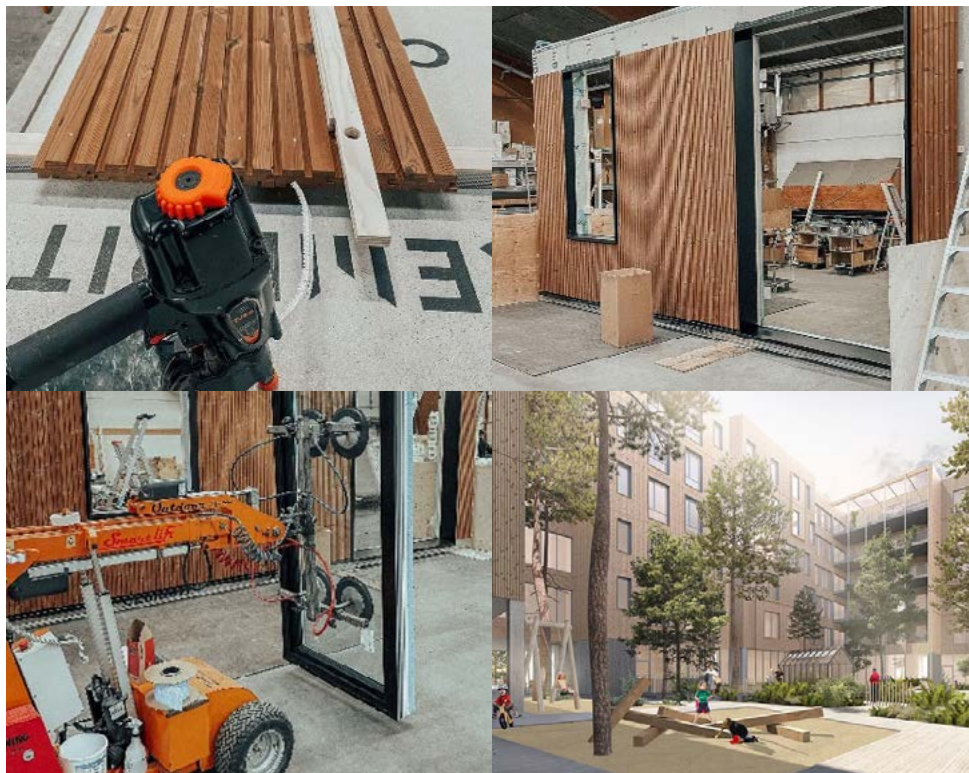
KEY FIGURES INSTALLATION SERVICES, SEKm	2020	2019	Change in percent
Net sales	833	867	-4%
EBITDA	86	74	16%
Operating profit (EBIT)	70	60	17%
Number of employees (FTE)	405	426	-5%

SHARE OF GROUP'S NET SALES AND OPERATING PROFIT



SALES AND PROFIT GROWTH IN 2020





GREEN PLANT SYSTEMS FOR THE FOYER, WINNER OF THE SWEDEN GREEN BUILDING AWARDS

The foyer is an office building situated next door to the central station in Malmö, Sweden. In the autumn of 2019, the Group company Veg Tech installed sedum roofs and created the Foyer's roof garden with including root protection, drainage layers to various Swedish plants from the wild to attract pollinators. The roof garden, also called a biotope roof, has well-planned areas with different corridors and living areas where benches and armchairs invite to a coffee break and networking for those who work and live in the building. The foyer was named winner of the category BREEAM building of the year in the autumn of 2020.

This is the jury's motivation: With a central location in Malmö, the property owner's ambition was to create a green and inviting neighborhood with several meeting places where people enjoy working and living. The characteristic of the Foyer is a committed cooperation between client and contractor, with a strong focus on building an organization together that supports the implementation and follow-up of the certification.



A NURSING HOME IN COPENHAGEN

Taasinge has been commissioned to deliver 8,300 m² of facade elements to the Betty III project, a nursing home that is under construction in Fredriksberg in Copenhagen. The façade elements have been prefabricated, complete with surface layers and mounted windows and doors. To achieve the strongest possible connection between the surroundings and the building, the facades are clad with wood where the warm color and structure also are drawn all the way into the interior creating a flow between outside and inside.

"Abel prefabricated element... A design form with visions - especially at a time when we now, and in the future will relate to sustainability." as a consultant to the developer puts it.





Bitumen-based roofing felt has a lifespan for up to 50 years as an effective protection.

SUSTAINABILITY REPORT

For Nordic Waterproofing, the link between successful business and responsible enterprise is self-evident. The Group's products contribute to long-term sustainability, its sustainability efforts generate new business opportunities, reduce costs and risks, and enable the Group to meet the demands and expectations of various stakeholders.

Nordic Waterproofing's business concept is based on sustainability - to protect, preserve and contribute to durability, better energy performance, CO₂-neutral alternatives and increased biodiversity through green infrastructure. Customer and end user demand is thus a given driving force for the Group's operations.

SUSTAINABILITY STRATEGY

The actual sustainability work takes primarily place on a national level by the subsidiaries that are closest to the market with a proactive offer for regional preferences. Policies such as environment, code of conduct and whistleblower policy have been developed at Group level.

The Group signed the UN Global Compact in 2012. A specific code of conduct for suppliers has been established based on the UN Global Compact.

Denmark is the first country to carry out a stakeholder dialogue for a materiality analysis. This will provide the basis for an even more goal-oriented sustainability work. Other main markets intend to follow suit.



THE GLOBAL SUSTAINABLE DEVELOPMENT GOALS

The UN's Global 17 Sustainable Development Goals in Agenda 2030 make a clear and useful framework for meeting the global challenges and have had a major impact on the society. At the same time, the goals are an impetus to innovations and business opportunities in the area of sustainability. Private and public organizations have an important role to play and the business community is expected to contribute with responsible business, transparent reporting of their own goals and results, and the development of products and services that contribute to a sustainable development.

Nordic Waterproofing supports and contributes to several of the UN's sustainability goals. The Group has chosen to give special priority to four of these goals where the business is judged to have the greatest opportunity to contribute:

- 7 Sustainable energy for all - Increase the share of renewable energy in the world
- 9 Sustainable industry, innovation and infrastructure - Build resilient infrastructure, promote inclusive and sustainable industrialization and promote innovation
- 11 Sustainable cities and communities
 - Make cities and homes inclusive, safe, resilient, and sustainable
- 12 Sustainable consumption and production
 - Sustainable management and use of natural resources

SIGNED THE UN GLOBAL COMPACT

The Group has a Code of Conduct based on the 10 principles of the UN Global Compact that the subsidiaries are expected to follow in their sustainability work.

Extreme weather including heavy precipitation increases the need of protecting buildings and to manage large amounts of stormwater.

MANUFACTURING AND ENVIRONMENT

WATERPROOFING FOR THE CONSERVATION OF BUILDINGS HAS FEW FOSSIL-FREE OPTIONS

With regard to waterproofing for flat roofs, 85 percent have bitumen-based waterproofing in the Nordic region. Nordic Waterproofing also manufactures EPDM rubber membranes and offers PVC and TPO plastics. Together, these four materials accounts for 95 percent of all building waterproofing. Currently, there are no materials at the same cost level based on completely fossil-free alternatives.

INPUTS

The most important inputs in Nordic Waterproofing's production are bitumen, polymers (rubber compounds and plastics), environmentally certified wood and plants.

Bitumen – a residual product ...

Bitumen is a residual product that follows in the industrial refining of crude oil when producing different fuels. Bitumen production requires thus a lower energy consumption in the production itself, however, heat energy is required in the processing of waterproofing products.

... with a long-life cycle ...

Today's bitumen-based waterproofing, blended with elastomers and polymer for increased flexibility, has a life cycle of up to 50 years, where design and installation also affects. When renovating the waterproofing, the old layer normally is kept, and a new layer is added.

... and which doesn't harm man and nature

As bitumen is a hydrocarbon not intended for combustion but for use in structural materials, no greenhouse gases are emitted. The remaining constituents of bitumen-based waterproofing (fillers, polymers, slates, sand, etc.) are either inert (not inclined to form chemical compounds) or have low propensity for chemical reaction. This means that they pose minimal danger to man or nature throughout their life cycle, provided that it isn't burnt. Bitumen is insoluble in water, non-biodegradable and therefore the ideal material for collecting and holding water (collection ponds, irrigation water, polluted water etc.). In order to reduce use of polyester in the liners, a large part consists of recycled polyester from PET bottles.

Reduced material utilization...

Product development is also focused on reducing the thickness of roofing felt (and thus the amount of bitumen) while maintaining function through better blending recipes.

... and increased proportion of sustainable materials

Sustainable materials are a growing part of Nordic Waterproofing's operations. Both green infrastructure and wood-based building elements have a positive environmental effect due to their CO₂-binding properties. Wood as a building material is a natural raw material that has a significantly lower emission level compared to other building materials.

Green infrastructure contributes to biodiversity while protecting the underlying waterproofing membranes, the building gets a better insulation against extreme temperatures and absorbs some of the city's noise, dust and air pollution while improving both the micro and macro climates. Green roofs also act as barriers in large amounts of precipitation. They can absorb up to 50-80 percent of the precipitation, which reduces or delays the runoff of rainwater to the stormwater system. Growing plants for green infrastructure

also requires no major energy consumption. In addition, biochar is used as a nutrient in the crops. It has been added from Vegtech's bio-based boiler through so-called pyrolysis.

Reduced CO₂ emissions are also possible in bitumen-based products. Nordic Waterproofing's Finnish brand Kerabit has developed Kerabit Nature. Its fossil bitumen has been partially replaced by bitumen extracted from tall oil, CTO. The positive CO uptake through the tall oil raw material makes Kerabit Nature CO-neutral (bitumen already has low 0.2 kg CO equivalents / kg) Kerabit Nature is available as for both top and bottom layers.

Development is also taking place for application of roofing felt without gas burners, which both reduces CO₂ emissions and reduces the risk of fire.

Recycling

Roofing felt is normally left on the roof when applying with a new layer during renovation. NWG's subsidiaries also have agreements with recycling companies that recycle bitumen to be used for road paving. EPDM rubber can only be reused as a filler material as it is vulcanized and cannot be melted down.

PRODUCTS ARE ENVIRONMENTALLY CLASSIFIED

Nordic Waterproofing's products are classified in various sustainability assessments of construction products made on a national level. In Sweden e.g., both Matak's and Trebolit's products are listed in several environmental assessments – the Swan, Sweden Green Building Council's Eco-building label, Building Products Assessment, Sunda Hus and Green BASTA-label (based on EU legislation REACH). Similar ratings are made in the other markets of the Group, e.g. DGNB in Denmark, BBA in UK and Dubokeur in the Netherlands.





Constant product development is an important link in reducing the material consumption.

Efficient energy use

A significant part of the Group's energy consumption, as well as its climate impact, is related to the use of natural gas or biogas as well as purchased electricity and district heating (indirect energy and direct energy). Reporting takes place from production units and offices at all business units except Installation Services, which mainly includes roofing services. Energy consumed by company cars, trucks and suppliers is not included.

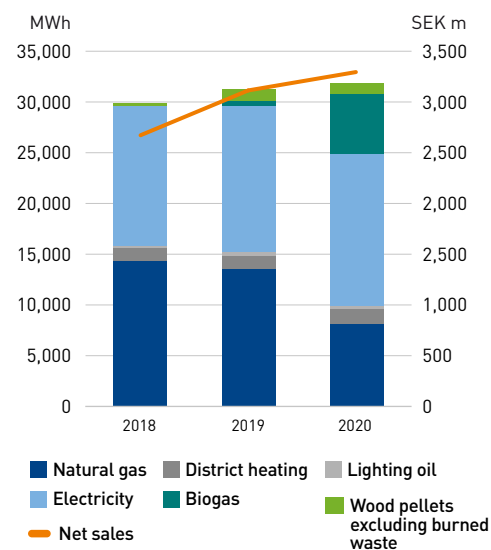
Energy consumption in 2020 increased by 2.3 percent compared to the previous year. Net sales for the same period increased by 6 percent, which is one of the reasons for the increased energy consumption. The calculation of the Group's carbon dioxide emissions (CO₂) in scope 1 and 2 (direct emissions from controlled sources and emissions from the generation of electricity and district heating) is based on each

unit's total average energy mix. The group's combined carbon dioxide emissions amounted to 4,564 tonnes (6,237), a decrease of 26.7 percent, compared to the sales which increased by 6 percent.

Green electricity and biogas

As each country's energy mix differs, national initiatives are taken to introduce more renewable types of energy. Sweden, for example, signed an agreement in 2019 on the purchase of green electricity (renewable energy sources) and a transition from natural gas to biogas in the production of bitumen-based products was made at the end of 2019. This reduced CO₂ emissions by almost 1,100 tonnes of CO₂e compared to 2019. Denmark has taken the same initiative with green electricity and will switch to biogas in production from 2021, which will mean a reduction of about 750 tonnes of CO₂e compared to consumption in 2020.

ENERGY CONSUMPTION PER ENERGY SOURCE



CLIMATE, TONS CO ₂ e	2020	2019	diff.
Scope 1 emissions total	2,536	3,587	-29.31%
whereof Natural gas	1,637	2,751	-40.48%
whereof Lighting oil	42	81	-48.47%
whereof Fuels	853	755	13.08%
(whereof Emissions from biomass which are not absorbed during growth)	3		
Scope 2 emissions total	2,028	2,650	-23.45%
whereof Electricity	1,949	2,617	-25.51%
whereof District heating	79	33	141.09%
CO₂ Total	4,564	6,237	-26.82%

PRODUCTION

The business affects the external environment mainly through noise and direct and indirect emissions. The Group's production requires resources such as raw materials, water, energy, and chemicals. All subsidiaries are covered by the Group's environmental policy, which covers energy consumption, emissions, and the use of raw materials. Where applicable, there is a local policy as a complement. All production units apply environmental management systems, and each production facility has set environmental goals. Operations in Finland and Sweden are certified according to ISO 14001.

TRANSPORTS

Most of the waterproofing products have a high weight in relation to their value. The general solution is therefore to reduce the distance between the production plant and the destina-

tion by having national production facilities. Most of the transports are carried out by a third party purchased by Nordic Waterproofing.

**Statutory sustainability report,
as stated in the Annual Accounts Act.**

1. Business concept	page 18
2. Policies	page 32-33
3. Environment	page 29-31
4. Personnel and social conditions	page 32-34
5. Respect for human rights	page 33
6. Anti-corruption	page 33
7. Significant risks	page 45-47

AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

To the general meeting of the shareholders in Nordic Waterproofing Holding AB (publ), corporate identity number 556839-3168.

ENGAGEMENT AND RESPONSIBILITY

It is the board of directors who is responsible for the statutory sustainability report for the year 2020 on pages 18, 29-34, 45-47 and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially

different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

OPINION

A statutory sustainability report has been prepared.

Malmö April 6, 2021
Deloitte AB

Jeanette Roosberg
Authorized Public Accountant



Installation of wood-based roof elements at Thurø school in Svendborg, Denmark.

THE EU'S GREEN DEAL

The EU has previously adopted climate targets for 2020 and 2030 according to the UNFCCC, with a decrease by 20 percent by 2020 and by 40 percent by 2030 compared to 1990 of EU's total emissions.

The EU has now set aims to become climate neutral by 2050. This aim takes place under the name The EU's Green Deal. It's planned to be done through legislation and an action plan that will promote more efficient use of resources by converting to a clean, circular economy and restoring lost biodiversity, as well as reducing pollution.

The plan states which investments are needed and which financing tools are available. It explains how to ensure a fair and inclusive

transition. The action areas include further energyefficient buildings. This means a doubling of the pace of renovation in terms of energy efficiency compared to the current 0.4-1.2 percent of the property portfolio in the EU to achieve the EU's energy and climate goals.

The EU will also provide financial and technical support to those most affected by the transition to a green economy. The support will be channeled through the so-called fair adjustment mechanism. It will contribute at least EUR 100 billion in 2021-2027 to the hardest hit regions. It is unclear at present how much support may go to the construction sector in the Nordic region.

SOCIAL ENTERPRISE

The Group has a decentralized organizational structure with local management responsible for employee recruitment and dialogue.

The Group had an average of 1,153 (1,033) full-time employees in 2020. During the summer season, the workforce in the operating segment Installation Services increases by more than 100 people. Human resources issues are decentralized and differ regionally even though Nordic Waterproofing is often one of the larger employers in smaller communities.

COMPETENCE PROVISION IS MADE LOCALLY

An important part of the strategy for a decentralized group lies in attracting the right expertise locally. Nordic Waterproofing is often in smaller communities a major employer. Locally recruited staff results in motivated employees and a lower staff turnover. The Group has broadened its recruitment activities, complementing traditional recruitment days by offering apprenticeships and seeking new fora in which the companies believe appropriate skills can be found. Roofing contractors have been experiencing continued personnel short-

ages and difficulties recruiting new skilled labourers. In order to increase access to potential staff, Nordic Waterproofing supports educational programmes in roof installation and offers trainee positions for future professionals, increasing its attractiveness in the market.

SKILLS DEVELOPMENT AND MOTIVATION

Ongoing skills development focusing, for example, on productivity and broader production skills, increases the organization's flexibility. The Group's philosophy is that skills development is primarily achieved through continuous learning in day-to-day work. This is complemented by training initiatives for a large number of employees, as well as for external roofers/contractors seeking further training in the industry. To monitor employee satisfaction and commitment, performance reviews are conducted alongside regular employee surveys.



OCCUPATIONAL HEALTH AND SAFETY

Nordic Waterproofing's operations include factories, warehouses, and offices. The Finnish operations also include roofing services. Employee safety is always the highest priority and all subsidiaries have a work environment policy. The production plant in Finland is certified in accordance with the OHSAS 18001 work environment management system.

Each workplace and environment have their own specific risks and, accordingly, each subsidiary is responsible for systematically managing health and safety efforts. This includes gathering information about and assessing site-specific risks and reporting accidents to the Group. The process of reducing the occurrence of incidents and accidents is achieved by analyzing the underlying causes. Each individual site shall report to the Group level, all occupational injuries and illnesses resulting in at least eight hours of absence caused by accidents, defined as Lost Work Cases (LWC).

In 2020, focused efforts continued to reduce accidents within the Group. The number of occupational injuries, LWC, which resulted in

at least eight hours of absence, decreased by 20 percent to 52 (65), mainly attributable to reduced numbers accidents in Finland. Finland accounts for the largest the number due to installation operations that still is the Group's riskiest area. Serious accidents (bodily injuries, eg bone fractures) increased at the same time to 18 (6), of which 13 was attributable to Finland.

Efforts to prevent accidents are continuing in 2021. An important part of this will involve integrating newly acquired companies into our systematic efforts, but also, continue to raise awareness and knowledge among all employees who are contributing to our operations. All of the companies within the Group that have production sites have contracted external Occupational Health Care services to support their employees, such as in the case of rehabilitation.

DIVERSITY AND EQUAL TREATMENT

Historically, the roofing industry has been a male-dominated industry regardless of personnel category. Nordic Waterproofing works to achieve its goal to have a balanced mix of ethnicity, age and gender, taking into account

the type of activity being conducted. Improved diversity and inclusion have the potential to further drive Nordic Waterproofing's development and results, both at team level and individually.

The companies within the Group work continuously to attract, develop and retain talented young people regardless of gender or other characteristics. Independent of gender or other aspects of diversity, each individual is offered equal opportunities in terms of career paths. The operations as a whole also work towards a more balanced mix in terms of ethnicity and gender. To reach the goal to increase the awareness of its operations and being a good employer, Group companies leveraging several online platforms and channels to build relationships with new stakeholders.

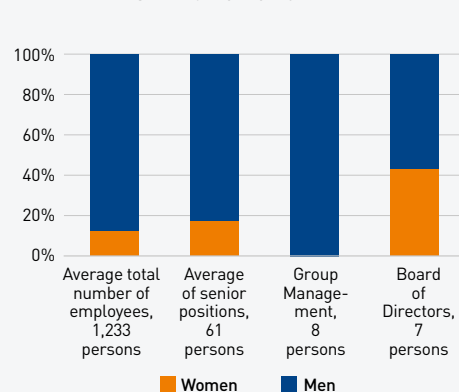
Today, local management teams comprise a total of 61 individuals (61), of which 17 percent (23) are women. Nordic Waterproofing Holding A/S's Board of Directors consists of four men and three women. Accordingly, the proportion of women on the Board of Directors is 33 percent, meeting the target of the Group's Diversity policy.

THE CODE OF CONDUCT IS THE BASIS FOR ALL ACTIVITIES

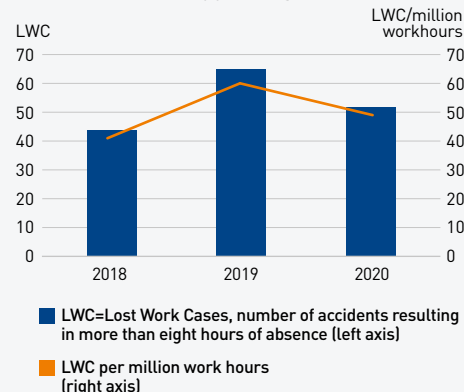
Nordic Waterproofing aims to maintain a working environment characterized by responsibility and empowerment, ethics and morality, openness and teamwork. Combined with a focus on customers and their needs, these values enable the Group to meet its targets and strategic priorities. An important part of a safe working environment is to ensure that no one is exposed to discrimination or sexual harassment. Nordic Waterproofing's workplaces should be characterized by respect for diversity and different qualities, knowledge and skills, regardless of gender, religion, ethnic background, age, race or sexual orientation.

The Group's Code of Conduct, which includes the areas of environment, work environment and business ethics, is the basis for all activities within the Group and applies to all employees and the Group's Board of Directors without exception. The Code of Conduct and the training materials are available in all nine languages used within the Group.

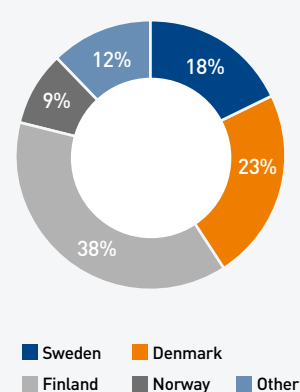
DISTRIBUTION OF GENDER



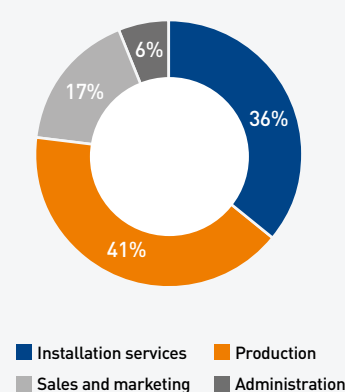
ACCIDENTS



EMPLOYEES BY COUNTRY



EMPLOYEES BY FUNCTION





APPRENTICESHIP PROGRAM FOR SCHOOL-DROPOUTS IN DENMARK

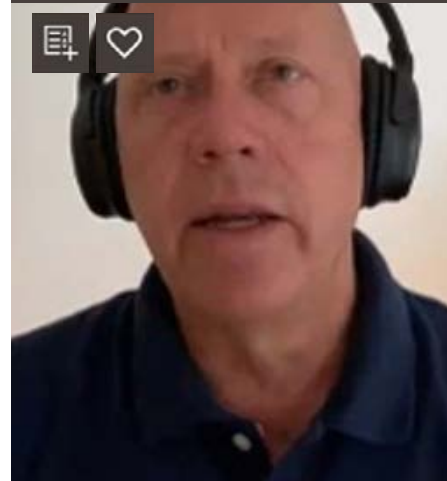
Phønix Tag Materialer in Vejen, Denmark, has taken an initiative for a trainee program of roofers. The students are mainly young with several defeats in their life who get a chance to get closer to the labor market and a daily life where they both learn and contribute. The goal of the training is to get an apprenticeship with a roofing company. This will give them a fresh start and hopefully a new and lasting direction in life, where the roofing profession will be the way into adulthood.

The background to the project is the labor shortage that prevails in the roofing industry. The Apprenticeship program is a joint project with several partners; roofing contractors, municipalities, employment services, trade unions, and the Danish Ministry of Labor.

The first 26 students began in March 2020 and the program was inaugurated by the Danish Minister of Labor Mr Troels Lund Poulsen.

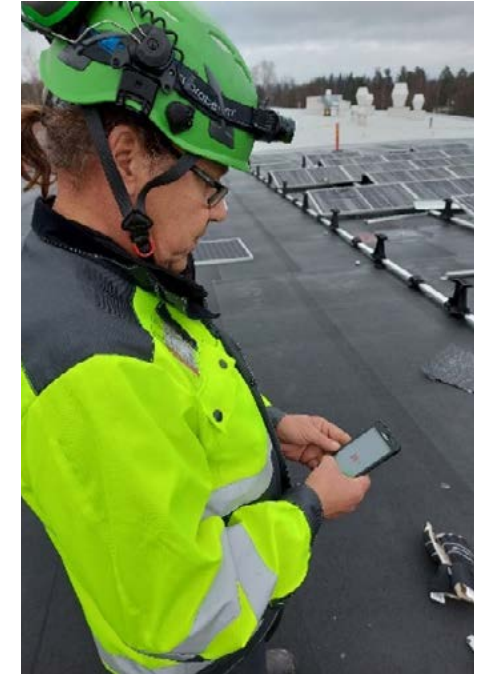
"Coffee with Paul-Erik"

3 0



VIRTUAL FIKA

In Denmark, the project "Coffee with Paul-Erik" has been initiated due to the corona pandemic. Employees in the Danish organization can have a coffee once a month with the business area manager Paul-Erik Rask via the video function Teams on the Internet. Paul-Erik gives information about the business and all online can talk to him.



SOCIAL MEDIA TO KEEP THE ORGANIZATION IN TOUCH

There are various examples of how companies in the Group use social media to keep in touch with employees.

In Finland, roofers who are out in the field have an app through which they can easily get information and talk to colleagues and the management.

CORPORATE GOVERNANCE

Nordic Waterproofing Holding AB is a Swedish public limited liability company, with company registration number , and is governed by the provisions of the Swedish Companies Act. The registered office of the company is situated in Helsingborg, Sweden. The company's shares are listed on Nasdaq Stockholm, Mid Cap. This report on Nordic Waterproofing's corporate governance for 2020 is issued in accordance with the Swedish Annual Accounts Act and the Swedish Code of Corporate Governance.

THE SHARE AND SHAREHOLDERS

Nordic Waterproofing Holding AB, with the ticker NWG, has been listed on Nasdaq Stockholm, Mid Cap segment since 10 June 2016. On 26 November 2020, Nordic Waterproofing Holding AB was merged with the Group's former Danish parent company Nordic Waterproofing Holding A / S in a cross-border reverse vertical merger with the previously wholly owned subsidiary Nordic Waterproofing Holding AB as the remaining unit. The former Danish parent company has been listed since 10 June 2016 and was delisted on 25 November 2020.

The number of shares on December 31, 2020 amounted to 24,083,935. Each share entitles to one vote. The number of shareholders as of the same date was approximately 5,500, which is approximately 1,700 more compared with the number at the end of 2019 for the Group's parent company. The largest shareholder on December 31, 2020 was Svolder with 3,169,197 shares, which represented 13.3 percent of the votes and 13.2 percent of the share capital in the company. The company held 175,737 own shares at the end of 2020.

Further details on Nordic Waterproofing's share and the company's shareholders are available in the section "The share and ownership information", on pages 48-49 and on the company's website.

CORPORATE GOVERNANCE FRAMEWORK

Nordic Waterproofing Holding AB aims to maintain an appropriate corporate governance framework to ensure active, reliable and profitable business management. The corporate governance is based upon applicable Swedish legislation and other external rules and instructions, including the Swedish Company Act, Nasdaq Stockholm's Rulebook, the Swedish Securities Council on good practices in the stock market, the Swedish Code of Corporate Governance (the Code), and internal guidelines including Articles of Association, instructions, policies and guidelines.

APPLICATION OF THE SWEDISH CODE OF CORPORATE GOVERNANCE

The code applies to all Swedish companies whose shares are listed on a regulated market in Sweden and shall be applied from the time of listing of a company's shares on Nasdaq Stockholm. Nordic Waterproofing Group deviated from Article 2.1 of the Code in 2020, when at the time of the 2020 Annual General Meeting the Group's parent company was a Danish legal entity and Danish law requires the Board to nominate an auditor.

Furthermore, the Code stipulates that the company's auditor shall examine whether a corporate governance report has been prepared and that certain disclosures in the corporate governance report is consistent with the other

parts of the annual report. This review is performed for the first time in connection with this annual report.

1 GENERAL MEETINGS AND SHAREHOLDERS' INITIATIVES

Under the Swedish Companies Act, the Annual General Meeting (AGM) is the company's highest decision-making body. The Annual General Meeting may resolve upon every issue for Nordic Waterproofing which does not specifically fall within the scope of the exclusive powers of another corporate body. At the Annual General Meeting, shareholders exercise their voting rights. At the Annual General Meeting, the shareholders vote on matters such as approval of the Annual Report, appropriation of Company profits or losses, resolutions to discharge the members of the Board of Directors and the Executive Board from liability for the financial year, the appointment of members of the Board of Directors, the appointment of an auditor, and remuneration for the Board of Directors and the auditor. At the Annual General Meeting, shareholders also have the opportunity to ask questions regarding the Group's operations.

The Annual General Meeting must be held in such time that the Annual Report, to be adopted by the Board of Directors and thereafter submitted to the General Meeting for approval, can be submitted to the Swedish Business Authority within four months after

the expiry of the financial year. Due to the covid 19 situation the AGM has been postponed and will be held at the latest eight weeks after that the Swedish Ministry of Health has lifted the executive order on banning assemblies.

Shareholders who wish a matter to be addressed at the Annual General Meeting must submit a written request to the Board of Directors no later than six weeks prior to the date of the Annual General Meeting. In addition to the Annual General Meeting, Extraordinary General Meetings may be convened to deal with other specific matters. Extraordinary General Meetings must be held upon request from the Board of Directors or the auditor elected by the General Meeting. In addition, shareholders that individually or collectively hold ten percent (or more) of the share capital can make a written request to the Board of Directors that an Extraordinary General Meeting shall be held to deal with a specific matter. Extraordinary General Meetings to consider specific matters must be convened within two weeks of receipt of a request to such effect. In accordance with the Articles of Association, all General Meetings must be convened by the Board of Directors giving written notice between four and six weeks prior to the meeting. As regards the Annual General Meeting, the date of the intended meeting must be published no later than eight weeks prior to the date of such meeting and state the deadline for shareholder proposals.

Notice of General Meetings must, observing the form and substance required under the Swedish Companies Act, be published through advertising in Post- och Inrikes Tidningar and on www.nordicwaterproofing.com. Furthermore, a written notice of the Annual General Meeting must be sent by e-mail to all shareholders who have requested such.

At the same time, it shall also be announced in the Swedish daily newspaper Svenska Dagbladet that notice has been given. The notice is expected to specify the time and place of the General Meeting and contain the agenda of the business to be addressed at the General Meeting.

If a proposal to amend the Articles of Association is to be addressed at the General Meeting, a summary of such proposal must be included in the notice. For certain material amendments, the specific wording must be set out in the notice.

General meetings must be held in the City of Stockholm or the Municipality of Helsingborg in Sweden. Decisions made by the Annual General Meeting are published in a press release after the meeting and the minutes of the meeting are published on the company's website.

Annual General Meeting 2020

Due to the covid-19 pandemic, the 2020 Annual General Meeting of Nordic Waterproofing Holding A/S (at that time the Group's parent company) was postponed, it was planned April 29 but was held on June 15 in Helsingborg, with 46.1 percent of the votes represented. The AGM approved the annual report for 2019 and authorized the board to approve on a dividend of SEK 4.50 per share until the next AGM in accordance with the board's proposal and decided on fees to the board and auditor. Furthermore, discharge was given to the board and executive management, the company's board was elected (Ulf Gundemark, chairman of the board, had declined re-election, Mats O. Paulsson was elected chairman of the board, Steffen Baungaard,

Allan Jørgensen, Riitta Palomäki, Kristina Willgård were re-elected and Leena Arimo and Hannu Saastamoinen were re-elected) and auditor was elected (re-election of Deloitte Statsautoriseret Revisionspartnerselskab) for the period extending to the next Annual General Meeting. Furthermore, the AGM resolved, among other things, on a mandate to increase the share capital (valid until the 2021 AGM) and to acquire treasury shares at most 10 percent of the number of shares outstanding in the company at any given time, and authorization to decide on the introduction of a long-term performance-based compensation program (LTIP 2020).

Extraordinary General Meeting August 12, 2020

On August 12, 2020, an Extraordinary General Meeting was held in Nordic Waterproofing Group 1 AB (under a name change to Nordic Waterproofing Holding AB at the time). The AGM resolved to increase the share capital to SEK 24,083,935 and to implement a split of existing shares amounting to 24,083,935. Nordic Waterproofing Holding A/S and a number of governing documents were adopted which were in accordance with those that applied to the Group's parent company. It was also noted that the auditing company Deloitte AB is the auditor in the company with the authorized public accountant Jeanette Roosberg as the principal auditor.

Extraordinary General Meetings October 15, 2020

On October 15, 2020, Extraordinary General Meetings were held in Nordic Waterproofing Holding A/S, with 36.3% of the votes represented, and Nordic Waterproofing Holding AB, with 100.0% of the votes represented. The AGMs approved the cross-border reverse merger between the companies in accordance with the joint merger plan, dated and announced September 11, 2020. The decision was supported unanimously by all shareholders at the AGMs.

2 NOMINATION COMMITTEE

Nordic Waterproofing Holding AB's shareholders have resolved to establish a Nomination Committee and to adopt rules of procedure for the Nomination Committee.

According to the current rules of procedure for the Nomination Committee, the Nomination Committee shall consist of four members representing the largest shareholders in the company, as per the last banking day in August in the year before the Annual General Meeting, who wish to participate in the Nomination Committee. In addition to these four members, the Chairman of the Board must also be a member of the Nomination Committee. (for the 2021 Annual General Meeting, the record date for appointing members to the Nomination Committee is 31 December 2020).

The instructions for the Nomination Committee follow the Code as regards the appointment of members.

The main duties of the Nomination Committee are to nominate candidates for the positions of Chairman of the Board and other members of the Board, and to submit proposals for fees and other remuneration to be paid to each of the members of the Board. Since October 20, 2020, the Nomination Committee ahead of Annual General Meeting 2020 consists of the following five persons:

- Ulf Hedlundh, appointed by Svolder AB and chairman of the Nomination Committee
- Joachim Spetz, appointed by Swedbank Robur Funds
- Viktor Henriksson, appointed by Carnegie Funds
- Anna Sundberg, appointed by Handelsbanken Fonder
- Mats O Paulsson, Chairman of the Board of Nordic Waterproofing Holding A / S and Nordic Waterproofing Holding AB.

At the time of the Nomination Committee's appointment, it represented 35.4 percent of the voting rights for all shares in Nordic Waterproofing Holding A/S and on December 31, 2020, these represented 35.5 percent of the voting rights for all shares in Nordic Waterproofing Holding AB. The Nomination Committee observes the rules that apply to board members' independence as well as versatility and breadth in accordance with the Swedish Code of Corporate Governance. The Nomination Committee has stated that it has applied Rule 4.1 of the Code as a diversity policy.

In addition, each member of the Nomination Committee has considered potential conflicts of interest before accepting the assignment, as stated in the Code. On the company's website, www.nordicwaterproofing.com, a special section "The Nomination Committee" can be found with further information about the Nomination Committee and its proposals to the Annual General Meeting.

Independence of the Nomination committee

According to the Code, the majority of the members of the Nomination Committee are to be independent in relation to the company and company management. In addition, at least one of these must also be independent in relation to the largest shareholder in the company in terms of voting rights. Of the appointed members, all are independent in relation to the company and its management, and the majority are independent in relation to the company's largest shareholder in terms of voting power. Meetings of the Nomination Committee ahead of Annual General Meeting 2020 has held four meetings. No fees have been paid for work on the Committee.

The Nomination Committee's meetings

The Nomination Committee prior to the 2021 Annual General Meeting has held ## meetings. No fee has been paid for the Nomination Committee's work.

3 BOARD OF DIRECTORS

The Board of Directors is the highest decision-making body after the General Meeting. The responsibilities of the Board of Directors are set out in the Swedish Companies Act, the Articles of Association, and the Board's rules of procedure adopted by the Board of Directors. In addition, the Board of Directors must comply with the Code and Nasdaq Stockholm's Rule Book for Issuers, as well as other Swedish, Danish and other foreign laws and regulations, as applicable. Members of the Board of Directors (other than employee representatives, if any) are appointed annually by the shareholders at the Annual General Meeting for the period until the next Annual General Meeting. The Articles of Association state that the Board of Directors (not including any employee representatives) must consist of a minimum of four members and a maximum of eight members. The Board of Directors currently consists of six ordinary members. The composition of the Board complies with the Code's requirements for independence in relation to both the company, its management and the company's major shareholders.

The members of the Board are presented in closer detail on pages 41–42.

Under Swedish law, members of the Board of Directors may be removed at any time by the shareholders in a General Meeting, by a simple majority of votes. Pursuant to the Code, no more than one member of the Board of Directors may be a member of the Executive Board of the company or a subsidiary. Furthermore, such Board member may not be the Chairman or the Deputy Chairman of the Board of Directors. Similarly, under the Swedish Companies Act, the majority of the members of the Board of Directors must be members who are not also members of Executive Board, and a Board member who is also a member of the Executive Board cannot be Chairman or Deputy Chairman of the Board of Directors.

Pursuant to the Swedish Companies Act, the Board of Directors is responsible for Nordic

Waterproofing's overall and strategic management. In addition to performing overall management duties and strategic management duties and ensuring proper organization of the company's business, the Board of Directors must, inter alia, ensure that:

- The bookkeeping and financial reporting procedures are satisfactory, having regard to the circumstances of the company.
- Adequate risk management and internal control procedures have been established.
- The Board of Directors receives requisite regular information about the company's financial position.
- The Executive Board performs its duties properly and as directed by the Board of Directors.
- The financial resources of the company are adequate at all times, and that the company has sufficient liquidity to meet its current and future liabilities as they fall due. The company is therefore required to continuously assess its financial position and ensure that the existing capital resources are adequate. The Board of Directors has adopted, and regularly evaluates, a number of governing documents including the rules of procedure for the Board of Directors, Executive Board instructions, financial manual, treasury policy, IT policy, information security policy, diversity policy, code of conduct and whistleblower policy, information policy and insider and log book policy.

Adopted governance documents are implemented in the organization through the business unit managers. In addition, the Board of Directors regularly adopts and evaluates the Nordic Waterproofing's business plan, including goals, strategies, risks and budget, and reviews the company's website and ensures that such website has a special corporate governance section containing a copy of, among other things, the most recent corporate governance report. The Board of Directors also ensures that there

are efficient systems for follow-up and control of the company's operations and that there is a satisfactory control of the company's compliance with laws and other regulations applicable to the company's operations.

Composition of the board

The Annual General Meeting on June 15, 2020, resolved that the Board of Directors of Nordic Waterproofing Holding A / S (a corresponding election was made at an Extraordinary General Meeting on 12 August 2020 for Nordic Waterproofing Holding AB) shall have seven members elected by the Annual General Meeting until the end of the next Annual General Meeting. Accordingly the Board consists of Mats O. Paulsson (Chairman), Leena Arimo, Steffen Baungaard, Allan Jørgensen, Riitta Palomäki, Hannu Saastamoinen and Kristina Willgård. The average age of the members elected by the Annual General Meeting at the turn of the year was 58 years and three of the seven members are women. For information on the Board members' assignments outside the Group and holdings of shares in Nordic Waterproofing, see pages 41–42.

Independence of the Board of Directors

In accordance with the Code, the majority of the Board members elected by the Annual General Meeting shall be independent in relation to Nordic Waterproofing and its management and at least two of these shall also be independent in relation to the company's major shareholders. Of the Board's seven members, all are independent in relation to the company and its management and in relation to the company's major shareholders.

Evaluation of Board performance

The Board of Directors regularly evaluates its work through a systematic and structured process with the purpose of developing the Board of Directors' work methods and efficiency. In addition, the Board of Directors evaluates the company's IT strategy and its implementa-

tion and monitors compliance with the policies, instructions and guidelines established by the Board of Directors. The Chairman is responsible for carrying out the evaluation and presenting the results to the Nomination Committee.

The purpose of the evaluation is to gather the Board members' views on the Board's performance, what measures can be taken to improve the efficiency of Board work, and whether the Board has a well-balanced mix of competencies. The evaluation provides the basis for the work of the Nomination Committee ahead of the Annual General Meeting. In 2020, the Chairman conducted a self-assessment of the Board work performance including the collaboration between the CEO and CFO. This is based on the principle of comparing "to be" with "as is" evaluations. The results have been communicated and discussed within the Board and senior management as well as the Nomination Committee.

Board meetings

The Board of Nordic Waterproofing Holding A/S held 14 meetings in 2020, while the Board of Nordic Waterproofing Holding AB held 5 meetings. The CEO and the CFO, who is also the Board secretary, attend the Board's meetings. Other executives take part as needed as rapporteurs for special items of business.

BOARD COMMITTEES

4 REMUNERATION COMMITTEE

Effective from 2017, the Board of Directors has established a Remuneration Committee. In 2020, the Remuneration Committee held three meetings at which minutes were kept. Three meetings are planned for 2021. The Remuneration Committee consists of two members: Mats O. Paulsson (chairman) and Steffen Baungaard. The Remuneration Committee's main function is to:

- Consider and make decisions as to the framework for the remuneration of the CEO of the company, including but not limited to salary, salary increases, pension rights and any compensation or termination payments, ensuring that the contractual terms are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognized.
- Consider and make decisions on issues concerning principles for remuneration and other terms of employment for the Executive Board, including evaluating whether the remuneration level of the CEO is in accordance with, and not exceeding, comparable market practice levels at any given time, including any incentive programmes.
- Consider and make decisions on remuneration matters of material importance to the company, including incentive programmes and payments for the CEO of the company. The decisions concerning the remuneration of the CEO, including any incentive programme shall be in accordance with, and not exceed, comparable market practice levels at any given time.
- Consider and make decisions on the targets (bonus levels and performance targets) for company-operated performance related incentive programmes for executive managers of the Company, as well as monitoring and evaluating the fulfilment of such targets.
- Monitor and evaluate programmes for variable remuneration, both ongoing and those that have ended during the year, for the Executive Board.
- Monitor and evaluate the application of the guidelines for remuneration that the Annual General Meeting is legally obliged to establish, as well as the current remuneration structures and levels in the company.
- Oversee the implementation of any pension, retirement, fatality, disability or life assurance scheme and any incentive schemes for executive managers of the company.

- Review its own terms of reference and effectiveness on the above, on an annual basis.

5 AUDIT COMMITTEE

The Board of Directors has internally established an Audit Committee, which must comprise three members. The Audit Committee consists of: Riitta Palomäki (Chairman), Allan Lindhard Jørgensen and Kristina Willgård. The Audit Committee prepares proposals for the Board of Directors which either adopts resolutions on the matters or, if appropriate, decides upon proposals for resolutions to be adopted by the shareholders at General Meetings. In 2020, the Audit Committee held four meetings at which minutes were kept. Four meetings are planned for 2021. The current Audit Committee is to assist with oversight of:

- The company's financial reporting.
- Systems of internal control and risk management
- related to finances.
- External audit of the Annual Report.
- Control of the auditor's independence, including oversight of non-audit services.
- Preparing a recommendation to the Board of Directors as regards the auditor to be nominated by the Board of Directors and elected by the Annual General Meeting.

6 CORPORATE EXECUTIVE OFFICER

Pursuant to the Swedish Companies Act, the board appoints and dismisses a managing director, who is responsible for its ongoing management of Nordic Waterproofing Holding AB. The Board has appointed Martin Ellis as CEO.

The CEO reports to the Board. The CEO's responsibilities are regulated in the Swedish Companies Act, the Articles of Association, instructions from the Board and other internal rules and instructions established by the Board.

In addition, the CEO must comply with the Code and Nasdaq Stockholm's regulations for issuers, as well as other applicable Swedish and other foreign laws and regulations.

The CEO shall, among other things, take the measures necessary for the company's accounting to be carried out in accordance with law and for the asset management to be handled in a secure manner. The CEO may in individual cases be authorized by the Board to take administrative measures, which are outside the current administration.

7 GROUP MANAGEMENT

The Executive Board is supported by a number of senior officers of the company. Together with the Executive Board, these senior officers of the subsidiaries, constitute the Group Management team. Martin Ellis has been the CEO of Nordic Waterproofing since October 2015. In addition to the CEO, Group Management consists of the CFO and the seven business unit managers (Denmark, Finland, Norway, Sweden, SealEco, Taasinge Elementer and Veg Tech). In 2020, Jonas Olin left the Group and was replaced in the role of CFO by Per-Olof Schrewelius and Petter Holth left the Group Management, where responsibility for the Norway business unit was taken over by Mats Lindborg. The President and other members of Group Management are presented in detail on pages 43-44.

The Group Management team conducts management meetings at regular intervals and held twelve meetings in 2020. The meetings are focused on the Group's strategic and operative development and financial performance. In addition to these meetings, the senior executives work in close daily cooperation regarding various matters

REMUNERATION FOR BOARD MEMBERS AND GROUP MANAGEMENT

Board of Directors

Fees and other remuneration for members of the Board of Directors, including the Chairman

of the Board, are determined by the company's shareholders at the Annual General Meeting based on proposals made by the Nomination Committee.

The Annual General Meeting has resolved that fees be payable for the 2020 accounting year as follows: SEK 500,000 to the Chairman of the Board and SEK 275,000 to each of the other Board members. Remuneration for the Chairman of the Audit Committee amounts to SEK 100,000 and each member of the Audit Committee is paid SEK 50,000. Remuneration for the Chairman of the Remuneration Committee amounts to SEK 50,000 and each member of the Remuneration Committee is paid SEK 25,000. Board members are not entitled to any special benefits on resigning from the Board of Directors.

Executive Board and Group Management team

The Board of Directors' policy is that salaries and other benefits be on market terms and adequate to attract sufficiently qualified employees for the relevant positions. The Board of Directors determines the remuneration payable to the members of CEO. The salaries for the CEO consist of a fixed salary, variable salary and other benefits. The annual salary of the company's CEO amounts to EUR 0.525 m, together with a variable portion of at most 60 percent of annual salary.

The CEO, supported by the Board of Directors, determines the remuneration payable to other members of Group Management. The salaries to the members of Group Management consist of a fixed salary and pension, and the possibility to receive variable salary and other benefits. The variable salary to which the company's CEO and CFO and the six business unit heads are entitled is capped at normally 60 percent of their fixed salary.

The members of the Executive Board team and Group Management will be offered a salary which is on market terms and based on each individual's responsibilities, expertise and performance. In addition, the Annual General

Meeting may resolve to offer long-term incentive schemes such as equity-based and share price-based incentive schemes. The purpose of these incentive schemes will be to contribute to long-term value growth and provide a shared interest in value growth for shareholders and employees. For further information on remuneration to the Board of Directors and Group Management, see pages 41-42, and pages 43-44, Note 7.

The long-term performance-based remuneration programmes (LTIP 2018, LTIP 2019 and LTIP 2020 respectively) aim at strengthening Nordic Waterproofing's ability to retain the most talented individuals in key positions, and at stimulating participants to increase their efforts by linking their financial interests and perspectives with those of shareholders. LTIP 2018, LTIP 2019 and LTIP 2020 will run over a period of three years, with the outcome being dependent on the fulfilment of various financial performance requirements. To obtain the maximum allocation of rights to performance shares in LTIP 2020, EBIT growth over the period 1 January 2020 to 31 December 2022 must correspond to an annual average of 10 percent. More information on LTIP 2018, LTIP 2019 and LTIP 2020, is provided on page 63.

8 INTERNAL CONTROL AND FINANCIAL REPORTING

The responsibilities of the Board of Directors and the Executive Board for financial reporting and internal control is, among other things, governed by the Accounting Act, the Annual Reports Act, the Companies Act and the Code.

The Board of Directors regularly considers whether it would be expedient to include additional financial and non-financial information in the company's financial reports. The Board of Directors regularly assesses the material risks associated with the company's operations, the implementation of the company's strategy and the risks associated with the financial reporting and seeks to ensure that

such risks are managed in a proactive and efficient manner.

As part of the company's risk management, various internal control systems have been established, which are reviewed regularly by the Board of Directors to ensure that such systems are appropriate and sufficient in the context of the company's business and operations. The company's Annual Report includes information about the management of operational risks. The financial reporting and internal controls are aimed at providing the Board of Directors and Executive Board with reasonable assurance that:

- reporting by the Executive Board is reliable and in compliance with internal policies and procedures and gives a true and fair view of the company's financial performance and financial position
- material risks are identified and minimized
- internal controls are in place to support the quality and efficiency of the business processes and to safeguard the company's business and assets and
- business is conducted in compliance with applicable laws, regulations and internal policies.

CONFLICT OF INTEREST TRANSACTIONS

Under the Swedish Companies Act, no member of the Board of Directors or Executive Board may participate in the transaction of business that involves any agreement between the company and that member, or legal proceedings against that member, or the transaction of business that involves any agreement between the company and a third party, or legal proceedings against a third party, if the member has a material interest in such business and that material interest could conflict with the interests of the company.

9 AUDITING

Pursuant to the Articles of Association, the Annual General Meeting shall appoint an authorized auditor who shall audit Nordic Waterproofing's accounts. The auditor for the Danish parent company was Deloitte Statsautoriseret Revisionspartnerselskab with Nikolaj Thomsen as chief auditor. The auditor for Nordic Waterproofing Holding AB is Deloitte AB with Jeanette Roosberg as principal. Jeanette Roosberg is currently also the auditor of the Swedish subsidiaries.

The total remuneration to the company's auditor in 2020 amounted to SEK 5.6 m (3.2).

The total remuneration to other auditors in the Group during the period amounted to 0.8 MSEK (4.1). Further information can be found in note 36.

The auditor is appointed for a term of one year by the shareholders following a proposal by the and Nomination Committee following recommendation from the Board of Directors and the Audit Committee. The scope of the auditor's duties, including audit and non-audit duties, is agreed annually between the Board of Directors and the auditor based on recommendations by the Audit Committee.

The company has regular discussions and regularly exchanges information with the auditor. To ensure that the dealings of the Board and Audit Committee's treatment are conducted in a structured manner, and to meet the Board's information requirements, Nordic Waterproofing's auditors met the Audit Committee on two occasions in 2020.

The auditor is obliged to attend the Annual General Meeting and is entitled to attend other General Meetings, and has attended one Board meeting. At the Annual General Meeting, the auditor is obliged to answer questions raised relating to the Annual Report. The auditor is also entitled to attend, and has attended, the Board meeting at which the Annual Report of the company is presented and – under the

Board's rules of procedure – any other Board meetings at which financial statements are considered, on which the auditor must provide a statement.

INFORMATION POLICY AND INSIDER AND LOGBOOK POLICY

Nordic Waterproofing has prepared an information policy and an insider policy for the purpose of informing employees and other relevant parties at the company about the laws and regulations applicable to the distribution of information by the company, and the special requirements imposed on persons who are active in a listed company with regard to, among other things, price-sensitive information. In this context, the company has established routines for handling the distribution of information.

THE IR FUNCTION

The IR function is headed by the company's CFO. Its primary duties are to prepare quarterly and Annual Reports, analyst conferences, General Meetings and capital market presentations, and to regularly report on IR activities. External financial information is regularly provided in the form of:

- Interim reports
- Annual Report
- Regulatory, as well as non-regulatory press releases
- Presentations for financial analysts, investors and the media on the date of publication of the year-end and interim reports
- Meetings with financial analysts, investors and media representatives.

ADDITIONAL INFORMATION

Visit www.nordicwaterproofing.com for information such as the Articles of Association, the Code of Conduct, and information from previous General Meetings as well as media releases.

THE WORK OF THE BOARD OF DIRECTORS 2020

The board shall conduct at least six meetings per year. In 2020, a total of 14 meetings (12) were held in Nordic Waterproofing Holding A/S and five (one) in Nordic Waterproofing Holding AB, one of which was as the NWG Group's parent company. The Board's work follows an annual cycle, making it possible for the Board to fulfill its tasks in the best possible way. At the beginning of the year, the year-end report and the annual report as well as the matters to be presented at the Annual General Meeting are discussed. At the end of the year, the budget for the coming year is considered. The Group's results are reported every quarter and interim reports are approved for publication.

PRINCIPLES FOR REMUNERATION

The following are the principles for remuneration of senior executives adopted by the 2020

Annual General Meeting:

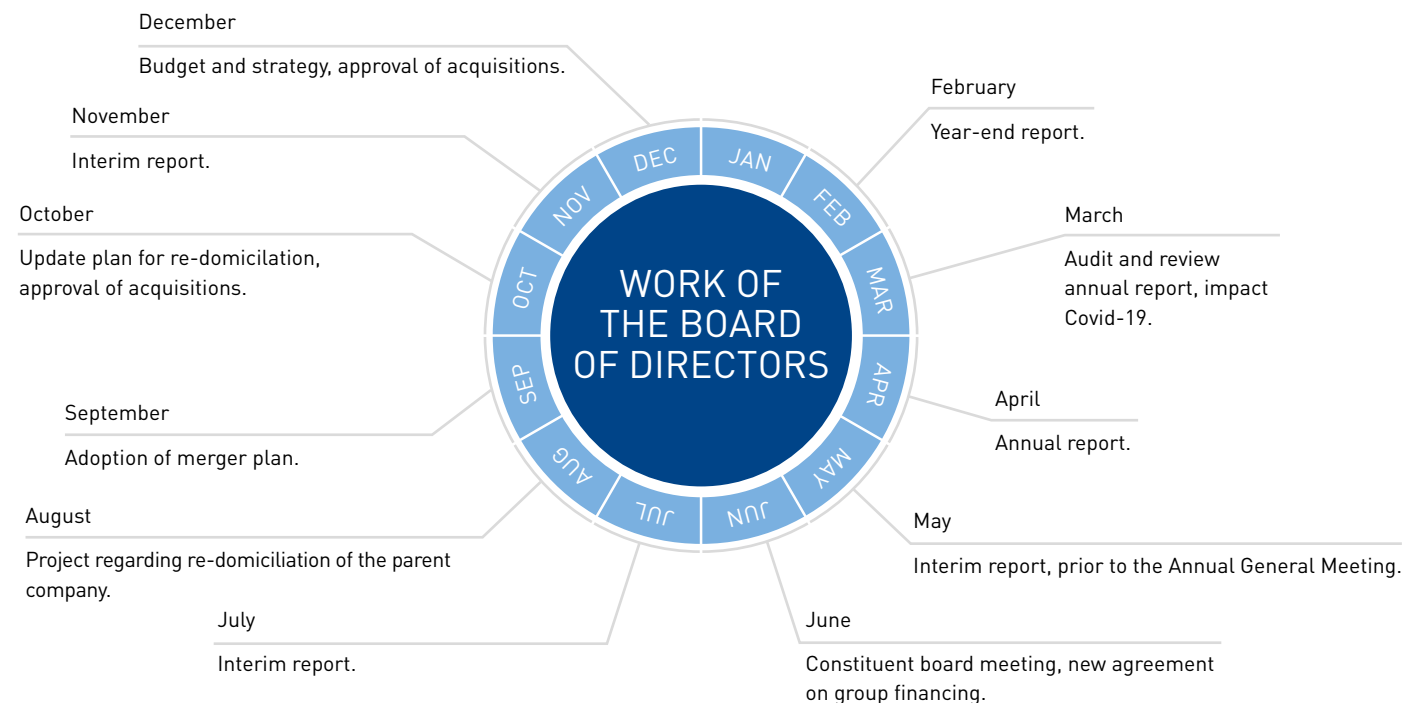
Members of the company's Board of Directors and Executive Board receive a fixed annual remuneration. In addition, members of the Board of Directors and Executive Board may receive incentive-based remuneration consisting of cash bonus (including cash bonuses based on development in the share price) – on an ongoing, one-off and eventbased basis.

CASH BONUS REMUNERATION

Cash bonus schemes may consist of an annual bonus, which the individual member of the Board of Directors and the executive Executive Board can receive if specific targets of the company and other possible personal targets for the relevant year are met. The cash bonus shall be equivalent to at most 100 percent of the fixed base salary of each eligible participant from the Board of Directors and the Executive

Board. Payment of bonus is only relevant when conditions and targets have been fully or partly met (as agreed). If no targets are met, no bonus is paid out. Targets for the Board of Directors shall be agreed upon by the Board of Directors and the Nomination Committee.

Targets for the Executive Board shall be agreed upon by the Board of Directors and the CEO. Other bonus schemes that may lead to cash bonuses of up to 100 percent of the base salary may be made in special cases. Such schemes shall typically be made so as to take effect upon the occurrence of a specific event. Subject to the restrictions of applicable law, specific events can be the acquisition of a controlling interest in a company, the completion of a takeover bid, or the completion or reaching of other significant transactions or objectives.

**AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT**

To the general meeting of the shareholders in Nordic Waterproofing Holding AB (publ) corporate identity number 556839-3168.

ENGAGEMENT AND RESPONSIBILITY

It is the board of directors who is responsible for the corporate governance statement for the financial year 2020 on pages XX and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

OPINIONS

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Malmö April 6, 2021
Deloitte AB

Jeanette Roosberg
Authorized public accountant

BOARD



Name	Mats O. Paulsson	Leena Arimo	Steffen Baungaard	Allan Lindhard Jørgensen
Position	Chairman since 2020. Chairman of the Remuneration Committee.	Board member since 2020.	Board member since 2019. Member of the Remuneration Committee.	Board member since 2018. Member of the Audit Committee.
Year elected	2017	2020	2019	2018
Born	1958	1963	1967	1965
Nationality	Swedish	Finnish	Danish	Danish
Other assignments ¹⁾	Chairman of the Boards of Caverion Oy, Nordisk Bergteknik AB and Sveviva AB. Board member in BE Group AB and Bösarps Grus & Torrbbruk AB.	CFO of the Finnish subsidiary to the listed Swedish installation and the real estate service group Bravida.	Chairman of the board of Brøndum Holding A/S. Vice chairman of Arkil Holding A/S. Board member in Huscompagniet A/S, DEKO A/S, Carl Ras A/S, Frederikshøj Ejendomme A/S and M.B Packaging A/S.	CEO of Dovista A/S. Chairman of the Boards of Velfac A/S, Rational Vinduer A/S, and Svenska Fönster AB. Board member of OH Industri A/S, and Pankas A/S.
Previous assignments ¹⁾	CEO of Bravida AB, CEO of Strabag Scandinavia AB and CEO of Peab Industri AB. Member of the boards of Acando AB, Elda Acquisition AB, Paroc Oy, Ramirent Plc, BTH Bygg AB, KEWAB, Mark & Energibyggarna AB and Win Group AB.	CFO of divisions within Lemminkäinen and CEO at Lemcon Networks.	Group CEO of HusCompagniet A/S, Koncerndirektør NCC Danmark A/S and Sales director VELFAC A/S.	Board member of Huscompagniet A/S, CEO of Kemp & Lauritzen A/S, COO of NCC AB, CEO of Eurodan-huse A/S, chief accountant with Eurodan-huse A/S, auditor with PricewaterhouseCoopers A/S.
Education	Master of Science in Engineering from Lund University of Technology, Sweden.	Master's degree from Helsinki University of Technology, Finland.	Master of Business Economics at Copenhagen Business School, Building constructor at BTH, Copenhagen and various leadership courses (Harvard and IMD).	Bachelor of Commerce, Accounting, Copenhagen Business School, Denmark.
Independent in relation to major shareholders	Yes	Yes	Yes	Yes
Independent in relation to the company	Yes	Yes	Yes	Yes
Shareholding in Nordic Waterproofing ¹⁾	15,000 shares	0 shares. Has not traded in the NWG share during 2020.	0 shares. Has not traded in the NWG share during 2020.	0 shares. Has not traded in the NWG share during 2020.
Participation in Board meetings ²⁾	19 of 19 meetings	11 of 11 meetings	17 of 17 meetings	17 of 17 meetings
Audit Committee attendance ²⁾	2 of 2 meetings	-	-	5 of 5 meetings
Remuneration committee attendance ²⁾	1 of 1 meeting	-	1 of 1 meeting	-
Fees in 2020 ³⁾				
Board assignments	SEK 396,875	SEK 148,958	SEK 275,000	SEK 275,000
Committee assignments	SEK 50,000	-	SEK 13,542	SEK 50,000
Total 2020	SEK 446,875	SEK 148,958	SEK 288,542	SEK 325,000

1) Own shares and shares held by closely related parties. Board assignments and holdings in Nordic Waterproofing as stated above reflect the situation as per 28 February 2021. This information is updated regularly at www.nordicwaterproofing.com.

2) The number of board meetings refers to the total number of meetings in Nordic Waterproofing Holding A / S and AB

3) The fees paid to the members of the Board of Directors elected by the Annual General Meeting are approved by the Annual General Meeting based on the proposals of the Nomination Committee. For the 2020 calendar year, remuneration was paid as per Note 7. No consulting fees were paid to Board members. Remuneration excludes travel allowances.

BOARD



Name	Riitta Palomäki	Hannu Saastamoinen	Kristina Willgård
Position	Board member since 2016. Chairman of the Audit Committee.	Board member since 2020.	Board member since 2017. Member of the Audit Committee.
Year elected	2016	2020	2017
Born	1957	1960	1965
Nationality	Finnish	Finnish	Swedish
Other assignments ¹⁾	Member of the Board of Directors, Chair of the Audit Committee at OP Financial Group.	Senior advisor Investment AB Latour in Finland. Owner and CEO of Sandbacka Advisory Services Oy.	CEO of AddLife AB, Chairman of the Board of AddLife Development AB, Board member of Mediplast AB, Biolin Scientific AB, and Biomedica Medizinprodukte GmbH, and assignments as member and shareholder in Willgård AB.
Previous assignments ¹⁾	Board member, Chair of the Audit Committee and member of the Remuneration Committee at HKScan Oyj, Executive Vice President and CFO of Uponor Oyj, Board member and Chair of the Audit Committee of Componenta Oyj, CFO of Kuusakoski Group, various managerial positions at Konecranes and ABB Finland.	CEO Swegon Group AB 2013-2020. Senior positions in among other Munters, Hire Group, TAC Swedish, Carrier Refrigeration and Electrolux.	CFO of Addtech AB, Finance Director at Ericsson AB, CFO of Netwise AB, CFO of Acando AB and auditor at Arthur Andersen, among other managerial positions. Board member of Serneke Group AB.
Education	Master of Science in Accounting and ICT from Turku School of Economics and Business Administration, Finland.	Master's degree from Helsinki Business School.	Master of Science of Economics, Lund University, Sweden.
Independent in relation to major shareholders	Yes	Yes	Yes
Independent in relation to the company	Yes	Yes	Yes
Shareholding in Nordic Waterproofing ¹⁾	5,000 shares.	0 shares. Has not traded in the NWG share during 2020.	0 shares. Has not traded in the NWG share during 2020.
Participation in Board meetings ²⁾	17 of 17 meetings	11 of 11 meetings	16 of 17 meetings
Audit Committee attendance ²⁾	5 of 5 meetings	-	3 of 3 meetings
Remuneration committee attendance ²⁾	-	-	1 of 1 meeting
Fees in 2020 ³⁾			
Board assignments	SEK 275,000	SEK 148,958	SEK 275,000
Committee assignments	SEK 100,000	-	SEK 38,542
Total 2020	SEK 375,000	SEK 148,958	SEK 313,542

1) Own shares and shares held by closely related parties. Board assignments and holdings in Nordic Waterproofing as stated above reflect the situation as per 28 February 2021.

This information is updated regularly at www.nordicwaterproofing.com.

2) The number of board meetings refers to the total number of meetings in Nordic Waterproofing Holding A / S and AB

3) The fees paid to the members of the Board of Directors elected by the Annual General Meeting are approved by the Annual General Meeting based on the proposals of the Nomination Committee. For the 2020 calendar year, remuneration was paid as per Note 7. No consulting fees were paid to Board members. Remuneration excludes travel allowances.

GROUP MANAGEMENT



Position	Martin Ellis	Per-Olof Schrewelius	Bengt-Erik Karlberg	Mats Lindborg
Employed since	President and CEO.	Chief Financial Officer (CFO).	Head of Veg Tech.	Head of Nordic Waterproofing Sweden.
In current position since	2011	2020	2005	1986
Born	2015	2020	2018 ²⁾	2011
Nationality	1956	1963	1969	1964
Education	British	Swedish	Swedish	Swedish
Utbildning	Diploma from HEC Paris Business School, France. In addition, attended Stern Business School in New York, US and Getulio Vargas Business School in Sao Paulo, Brazil.	MSc in Business Administration and Economics from Lund University.	Development Engineer (B.Sc.) Halmstad University, Sweden. Trained reserve officer in the Royal Swedish Air Force.	Four-year technical high school diploma in Building and Civil Engineering from Erik Dahlbergs Gymnasium in Jönköping, Sweden.
Selection of previous positions	CEO of Nordic Waterproofing and Chairman of the Board of Nordic Waterproofing. 30 years of experience as CEO and other leading positions, including at Icopal (CEO) and Saint Gobain (President of the Building Materials Division).	Over 20 years of experience from different CFO and Finance Manager positions in various industries including medical technology and engineering.	More than 20 years of senior management experience, including at Veg Tech and Mekra Lang.	30 years of experience in sales and marketing positions, including at Trelleborg Waterproofing.
Shareholding in Nordic Waterproofing ¹⁾	184,680 shares.	9,000 shares.	17,000 shares.	11,934 shares.

1) Own and related parties' shares. The above shareholding in Nordic Waterproofing reflect the situation as of February 28, 2021. The information is updated regularly at www.nordicwaterproofing.com

2) Bengt-Erik Karlberg left his position on March 18, 2021.

GROUP MANAGEMENT



Position	Esa Mäki	Paul Erik Rask	Martin Tholstrup	Thomas Zipfel
Employed since	Head of Nordic Waterproofing Finland.	Head of Nordic Waterproofing Denmark.	Head of Taasinge Elementer.	Head of SealEco.
In current position since	2017	1992	2015	2009
Born	2017	2011	2017	2011
Nationality	1969	1962	1976	1961
Education	Finnish	Danish	Danish	Swedish and German
Utbildning	Master of Science in building economics and a Bachelor in building construction technology from Tampere University, Finland.	Bachelor in Business Administration from Aarhus University and an Executive Master of Business Administration from the Scandinavian International Management Institute in Copenhagen. Has also studied the Advanced Management Programme at INSEAD.	Carpenter from Svendborg Erhvervsskole, Denmark and an AP degree in Construction Technology from Erhvervsakademiet Lillebælt, Denmark.	Master of Science in electronics engineering from Industrie und Handelskammer in Bochum, Germany. In addition, he has studied an Executive Marketing Program and Executive Board Program at IFL, Stockholm School of Economics, Sweden.
Selection of previous positions	CEO of Nesco Group and various managerial positions at Icopal Finland and other companies in the building material industry.	30 years of experience of leading positions and sales and marketing, including at Trelleborg Phønix A/S.	CEO of AtticGroup A/S and AtticGroup AB, and 20 years of experience from development, sales and prefabrication within the construction industry.	20 years of experience of managing positions, including at Trelleborg Waterproofing.
Shareholding in Nordic Waterproofing ¹⁾	11,872 shares.	16,374 shares.	10,890 shares.	1,726 shares.

1) Own and related parties' shares. The above shareholding in Nordic Waterproofing reflect the situation as of February 28, 2021. The information is updated regularly at www.nordicwaterproofing.com

REMUNERATION OF GROUP MANAGEMENT

SEK m		Fixed salary	Variable salary	Incentive program	Pension	Other benefits	Total
CEO	2020	5.4	3.2	2.1	0.0	0.0	10.6
	2019	5.6	3.3	1.8	0.0	0.0	10.7
Group Management	2020	13.8	7.1	4.2	2.9	0.4	28.5
	2019	14.1	5.7	3.4	2.9	1.3	27.4
Total	2020	19.2	10.3	6.3	2.9	0.4	39.1
Total	2019	19.7	9.0	5.2	2.9	1.3	38.1

RISKS AND RISK MANAGEMENT

All business operations are associated with risks. Risks that are managed well can lead to opportunities and value being generated, while risks that are not managed properly can cause damage and losses.

Demand for Nordic Waterproofing's products and solutions varies by market. The Group focuses on maintaining an exposure to market segments that generally offer a favourable balance between parts of the construction industry that dominate in the earlier and later stages of the economic cycle, as well as towards private individuals and industrial players between which demand is well balanced. Seasonal effects occur and are particularly apparent in the Installation Services operating segment. Read more about seasonal effects on page 10.

RISKS OF CONFIDENCE

As a leading player in the Nordic waterproofing market, the expectations of Nordic Waterproofing are rigorous. There is a risk for the Group that the behaviour of individual employees or business decisions could erase the trust that has been built up over a long time. It is essential to prevent and minimize the risk of such events and behaviours adversely affecting confidence and trust in the Group and its brands. For this reason, the Group conducts continuous training in the Code of Conduct and product safety.

CRISIS MANAGEMENT

Nordic Waterproofing's crisis management is decentralized, meaning that events should be resolved locally, as close as possible to the origin of the incident. The crisis organization now in place at the Group level shall ensure that those involved within Nordic Waterproofing have the knowledge and skills required to manage various incidents. If major incidents occur that could affect the Group as a whole, the Group's crisis organization, including the Board of Directors, is to be informed and should assess how the event should be managed.

RESPONSIBILITY AND REVIEW

The capacity to identify, evaluate, manage and monitor risks is an important part of the management and control of Nordic Waterproofing's business operations. The purpose is for the Group's targets to be achieved through well-considered risk taking within defined limits. Risks and opportunities are regularly reviewed and reported to the Executive Board and the Board of Directors for appropriate responses and actions.

Responsibility for risk work lies with the managers of each of Nordic Waterproofing's different business units. Responsibility refers both to ongoing efforts with operational and other relevant risks, to advance and develop work in the area of risk. A bottom-up risk assessment is conducted annually in each business unit. A risk matrix with the ten greatest risks – their probability, consequences and measures for reducing or preventing those risks – is then consolidated from each business unit up to the Group level, forming the basis for a list of the Group's shared risks.

Financial risk management is administered by the Group CFO who is responsible for the Group's external banking relationships, liquidity management, net financial items, interest-bearing liabilities and assets, and for Group-wide payment systems and netting of currency positions. The centralization of financial management entails considerable economies of scale and lower financing costs, while ensuring strict management of the Group's financial risks and improved internal control. Read more about Nordic Waterproofing's significant risks and risk management on pages 79-81.

MAJOR RISKS AT NORDIC WATERPROOFING

RISK		DESCRIPTION	DEVELOPMENT
Market	Development of the construction market	The waterproofing market is a relatively small niche within the construction market and generally follows the fluctuations in the construction industry. Demand for Nordic Waterproofing's products and services may fall because of lower construction activity.	Demand from the construction industry remained strong in 2020, despite the global covid-19 pandemic. We estimate that Nordic Waterproofing's distribution of sales is approximately 50 percent for renovation and 50 percent for new construction, which gives us a good balance to cope throughout the business cycle.
	Competition	By developing their products, improving their production methods or offering their products at lower prices, Nordic Waterproofing's competitors could cause customers to prefer their products. Synthetic materials, such as PVC and TPO, which account for a small proportion of the Group's turnover, may increase in popularity at the expense of bitumen.	Nordic Waterproofing is constantly monitoring the development in its market. The overall demand for bitumen and EPDM products, and other materials supplied via Nordic Waterproofing's local representatives, is stable in the Group's market.
Operational	Unforeseen problems in connection with acquisitions	Unforeseen business-related problems associated with the acquired companies or the integration processes may take longer or be costlier than anticipated, and expected synergies could fail to, or only partially, materialize. Thus, the value of assets relating to the acquisitions – goodwill – may not be realized and may need to be written down.	The Group has stated plans to grow through acquisitions and has implemented a number in recent years. The acquisition processes are led by a group experienced executives contributing to a structured integration process including the Group's Code of Conduct as an important part.
	Seasonality	Irregular seasonal variations, e.g. an earlier winter season, may affect building activities.	The Group maintains an agile organization to meet the challenges posed by the Nordic winter and summer weather conditions.
	Disruption in production	The Group's manufacturing and installation operations could suffer stoppages or disruptions in the form of, for example, fire, engine breakdowns, failures in IT systems, disputes with labour organizations, weather conditions or natural disasters.	The bitumen manufacturing units in Denmark, Finland and Sweden are maintained routinely and, once a year, production is stopped for systematic servicing. In addition, Nordic Waterproofing has spare capacities in its production units, allowing for a shorter accidental stop.
	Environmental permits	The production facilities in Denmark, Finland and Sweden are subject to mandatory reporting obligations and require permits. The operations affect the external environment primary through noise and emissions.	The Group has all necessary permits for its operations and is monitoring any changes in the environmental regulations and permit regulations in each relevant country.
	IT system and process failure	The Group's IT systems can be disrupted by software failures, computer viruses, hacking, sabotage and physical damage, for example.	A central organization is continually monitoring the system's status and carrying out monthly updates to protect the Group's IT systems. No major disruptions were reported in 2020.
	Supplier relationships	Access to alternative suppliers from whom bitumen and rubber components can be purchased is considered crucial in the event that partnerships with the Group's primary suppliers were to come to an end. The supply agreement for rubber products contains minimum volume commitments for the Group, reducing the option to purchase rubber compounds from alternative suppliers and adapt to lower demand.	The Group has integrated the risk minimization and dependencies in the purchasing process. Potential suppliers are evaluated and a more flexible dual sourcing is used where possible. At the end of 2019, Nynäs, an important bitumen supplier, applied for a corporate restructuring, why the Group chose to supplement with additional suppliers to secure deliveries of bitumen. Nynäs' reconstruction was completed in 2020. No delivery problems were noted in 2020.
	Raw material costs	There is a risk that the Group will be unable to compensate for an increase in the cost of input goods by imposing a higher price on a customer or that this compensation will only be obtained after a period of time, which will have an adverse effect on the Group's results and financial position.	The Group is exposed to commodity price volatility and may decide to hedge the price levels for a certain period of time and/or respond by raising the price of its products. In 2020, spot prices for bitumen were volatile as a result of volatility in the market price of oil. The Group had more stable prices through hedge agreements during three of the year's quarters.
	Political risks	The Group may have suppliers who procure their raw materials from areas that may be affected by political turbulence or, for example, through an executive order from the US Treasury Department's Office of Foreign Assets Control ("OFAC") may no longer continue to purchase their raw materials from its supplier.	Nynäs, an important supplier of bitumen for the Group, changed its supply of raw materials and ownership structure in 2020, thereby canceling the executive order issued by OFAC.
	Effects of Brexit	Nordic Waterproofing conducts operations in the UK through its business unit SealEco. 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.	The development surrounding Brexit was continuously monitored in order to mitigate potential negative effects. Brexit took place in January 2021 and the Group has not noted any significant negative impact.

MAJOR RISKS AT NORDIC WATERPROOFING

RISK		DESCRIPTION	DEVELOPMENT
Legal	Competition law	Competition authorities have the power to take legal action and may require a party to cease applying terms and conditions or prices in agreements that are found to be anti-competitive.	Nordic Waterproofing A/S and other suppliers of waterproofing products were the subject of an investigation by the Danish Competition and Consumer Authority (KFST), which was completed in 2020 without further action by the authorities.
	Changes to regulations	Changes in stimuli to encourage the construction of new-buildings, e.g. legislation, regulations and rules affecting town planning, zoning plans and land development, as well as building permit/planning permission regulations, may change in the future. Furthermore, changes may occur in the regulations for contributions, such as the ROT deductions in Sweden and household allowances in Finland.	Nordic Waterproofing's products are well established in all relevant markets and the Group is exposed to a limited extent to changes in the subsidies in different countries.
	Intellectual property rights	The Group has developed products that lack patent protection that may be more important to the Group and its competitive position on the market than what has previously been considered to be commercially reasonable. There is also a risk that the Group will be unable to defend trademarks and patents granted.	The Group has assigned an external party and established routines to register and maintain its patents, trade marks and other intellectual property.
	Compliance risks	With 1,116 employees in ten countries there is an inherent risk that any Nordic Waterproofing employee is involved in unethical behavior in terms of bribery, corruption, fraud or other illegal or unethical behaviour. The same goes for the Group's suppliers.	In 2018, the Group's Code of Conduct and Whistleblower policy was implemented. The adherence to these will be followed up annually in the annual performance reviews. In 2019 a Code of Conduct for Suppliers was introduced.
Financial	Currency risks	The Group is exposed to currency risk in the form of transactions and currency conversions. Transaction exposure arises in connection with acquisitions and sales of goods and services in currencies other than the local currency of the relevant subsidiary. The translation exposure constitutes the risk represented by the translation difference in the form of the change in equity.	The Group has significant cash flows in foreign currencies (DKK, EUR and NOK) that arise in the ordinary course of the Group's business. Inflows and outflows of those foreign currencies are naturally well balanced and any net transaction exposure is therefore considered insignificant.
	Credit risks	Credit risks may occur in relationships with customers failing to perform their obligations.	In each country, Nordic Waterproofing has a large number of customers, most with low outstanding credit. The Group maintains a close relationship with its customers and any delays are monitored and rectified as soon as possible. No major credit loss was reported in 2020.
	Commodity price risk	Commodity price risk is the risk that changes in the price of raw materials will unexpectedly impact the Group's income statement, balance sheet or cash flow. Nordic Waterproofing is primarily exposed to the risk of price changes of four types of raw materials: bitumen, SBS, polyester and EPDM. The greatest exposure available is in bitumen whose price in the short term is the most volatile.	In 2020, the Group's results were positively impacted by lower raw material prices than in 2019, the risk of being financially affected by developments in commodity prices can be considered to be unchanged. In 2020, commodity prices for bitumen were hedged by forward contracts for the first, third and fourth quarters of the year.
	Interest rate risk	Interest rate risk is the risk that a change in market interest rates will have a negative impact on the Group's income statement or balance sheet. The Group's bank loans carry variable interest rates in the form of EURIBOR 3M or STIBOR 3M plus a margin.	In 2020, the Group has signed a new agreement for its long-term financing with lower margins, which reduced this risk. The Group's covenants have also developed positive, which has led to a lower interest cost.
Sustainability	Environmental and occupational health and safety risks	The Group is exposed to environmental and production risks, such as major fires with both production stoppages and environmental impact as a consequence. Group operations, especially the installation businesses which involve roof laying, are also subjected to risks of accidents, with very severe injuries or even deadly outcomes as a consequence.	With regard to fires in proprietary production, this is followed up for each individual business unit in an annual assessment with preventive action programmes and testing of emergency contingencies. The follow-up is reported to Group Management. The Group continuously trains personnel with the aim of minimizing risks and accidents. Best practice comparisons are made between the different countries' organizations.
	Human rights	The Group has both common supply chains, and supply chains specific for our business units. We evaluate our suppliers but there is a risk that there are breaches of labour and human rights lower in the value chain.	In 2018, we initiated a project looking further into the possible impacts of our business. A Supplier Code of Conduct was introduced in 2019.

THE SHARE AND OWNERSHIP INFORMATION

SHARE PRICE AND TRADING

The closing price for the NWG share on 30 December 2020 was 164.00 SEK [96.20], corresponding to a market capitalization of approximately SEK 3,950 m [2,317]. In 2020, a total of 15,196,378 NWG shares were traded on the Nasdaq Stockholm exchange for an average price of SEK 104.75 [85.75] per share.

The average number of shares traded per trading day was 60,786 [35,934]. The highest price paid during the period 1 January to 31 December 2020 was SEK 173.40 [103.40] on 28 December and the lowest price paid was SEK 57.60 [69.30] on March 19. The share price on 30 December 2020 was SEK 164.00 [96.20] (last price paid). During the period from 1 January to 31 December 2020, Nordic Waterproofing's share price increased by 69.9 [34.9] percent, while the OMX Mid Cap index increased by 36.4 [32.4] percent.

SHAREHOLDERS

On 31 December 2020, most of the total share capital was owned by Swedish institutions and mutual funds 57.5 [57.9] percent and private investors 11.6 [10.2] percent.

At 31 December 2020 Nordic Waterproofing Holding A/S had approx. 5,500 [3,800] shareholders. The ten largest shareholders accounted for 61.7 [64.8] percent of the votes and 61.3 percent [64.6] of the share capital.

The Nordic Waterproofing Board of Directors held a total of 20,000 [54,000] NWG shares. The holdings of the individual members appear on pages 41-42. Group Management held a total of 263,476 [633,698] NWG shares. The holdings of the individual members appear on pages 43-44. Nordic Waterproofing held 175,737 [200,000] treasury shares as per 31 December 2020.

As part of the long-term performance-based incentive programmes LTIP 2018, LTIP 2019 and LTIP 2020 the company may repurchase shares with the purpose of ensuring the supply of shares through the exercise of performance shares in LTIP 2018, LTIP 2019 and LTIP 2020. Additional information on LTIP 2020 is provided on page 63, Note 7.

SHARE CAPITAL AND CAPITAL STRUCTURE

Nordic Waterproofing Holding AB's share capital at 31 December 2020 amounted to

SEK 24,083,935. The total number of shares is 24,083,935. The quota value per share is SEK 1.00.

INDIVIDUALS WITH AN INSIDER POSITION

The members of the Board and the Group's management Team, who have a position that can normally be assumed to provide access to non-publicized share price sensitive information, have been registered as PDMR's (Persons Discharging Managerial Responsibilities) in Nordic Waterproofing. Listed companies are required to record a logbook of individuals who are employed or contracted by the company and have access to insider information relating to the company. These can include statutory insiders, and other individuals who have insider information without being registered as insiders. Nordic Waterproofing records a logbook for each financial report or press release containing insider information.

DIVIDEND POLICY AND DIVIDEND FOR 2020

For 2020, the Board proposes a dividend of SEK 5.50 [0.00] per share, which is equal to 51 [0] percent of net profit for the year. Further proposes the board an extra dividend to SEK 4.50 per share as no dividend was paid during 2020. Based on the share price of NWG shares at the end of 2020, the dividend yield for 2020 was 3.4 percent [4.7, if the proposed 4.50 is taken into account]. The total dividend payment of SEK 239 m is to be resolved on by the Annual General Meeting and disbursement is handled by Euroclear Sweden AB.

Entitlement to dividends is granted to those persons who are listed as shareholders in the share register maintained by Euroclear Sweden AB on the record date resolved by the Annual General Meeting.

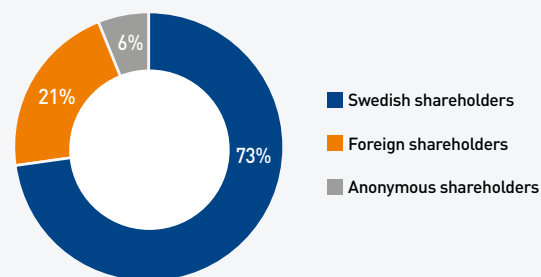
Nordic Waterproofing's long-term intention is a dividend payout of more than 50 percent of its net profit. The payout decision will be based on the company's financial position, investment needs, liquidity position as well as general economic and business conditions. Neither the Swedish Companies Act nor Nordic Waterproofing's Articles of Association contain any restrictions regarding the right to dividends for shareholders outside Sweden. Aside from any limitations related to banking or clearing activities in the affected jurisdictions, payments to foreign shareholders will be carried out in the same manner as to shareholders in Sweden.

The ambition is for future cash flows to continue to be used for repayment of debt and share dividends, but also to create financial flexibility for complementary acquisitions.

INVESTOR RELATIONS

Nordic Waterproofing aims to be informative and accessible to all shareholders. For results and other key announcements, we provide information on a timely basis to both retail and institutional shareholders. The Nordic Waterproofing corporate website contains a wealth of material for shareholders, including the current share price, press releases and dividends. The website can be accessed at www.nordicwaterproofing.com. Nordic Waterproofing maintains a quiet period from the first day following the last day of the quarter until the publication of the Group's quarterly financial reports. During this period, representatives of the Group will not meet with financial media, analysts or investors.

GEOGRAPHIC DISTRIBUTION OF SHAREHOLDERS AS PER 31 DECEMBER 2020, VOTES, %



KEY INVESTOR RELATIONS ACTIVITIES DURING THE YEAR

Nordic Waterproofing has because of it prevailing pandemic not arranged visit at our facilities. However, several have presentations made via electronic media during the year, for example:

- February - Presentation of the year-end report 2019, web cast
- March - Capital Goods seminar
- May - Presentation of the first quarter, web cast, investor meetings
- June - Annual General Meeting 2020, Helsingborg, Sweden, investor meetings
- July - Presentation of the second quarter, web cast
- August - Small Cap Seminar
- September - Investor Day seminar
- November - Presentation of the third quarter, web cast,
- November - Sustainability seminar, investor meetings, Digital stock exchange day
- December - Investor meetings

THE FOLLOWING ANALYSTS MONITOR NORDIC WATERPROOFING'S DEVELOPMENT

ABG Sundal Collier/Introduce: Erik Cassel (erik.cassel@abgsc.se) och Karl Bokvist (karl.bokvist@abgsc.se) Carnegie: Kenneth Toll Johansson (kenneth.toll.johansson@carnegie.se)

SEK	2020	2019
Earnings after dilution	10.52	8.13
Shareholders' equity	58.88	50.23
Dividend	5.50*	4.50**
Dividend as a % of earnings per share	51%	55%
Total dividend, SEK m	132	107
Yield, %	3.4%	4.7%
Market price, 31 December, last paid price, SEK	164.00	96.20
P/E ratio	15.6	11.8
Number of shares		
At 31 December	24,083,935	24,083,935
Average	24,083,935	24,083,935

*Proposed dividend for 2020

**Proposed dividend for the AGM 2021 regarding 2019

INFORMATION ABOUT ANNUAL GENERAL MEETING 2020

The Annual General Meeting of Nordic Waterproofing Holding AB will take place on Thursday, April 29.

NOTIFICATION TO ATTEND THE ANNUAL GENERAL MEETING

The complete notification convening the Annual General Meeting will be available on the company's website www.nordicwaterproofing.com under the headline Corporate Governance.

To attend the meeting and have the right to vote shareholders must be partly introduced into it by Euroclear Sweden AB kept the share register at the latest seven days before the Annual General Meeting and notify the company their application for participation not later than the same day.

Shareholders who have had their nominee registers shares must be submitted no later than seven days before the Annual General Meeting have temporarily registered the shares in their own name.

PROPOSALS TO ANNUAL GENERAL MEETING 2021

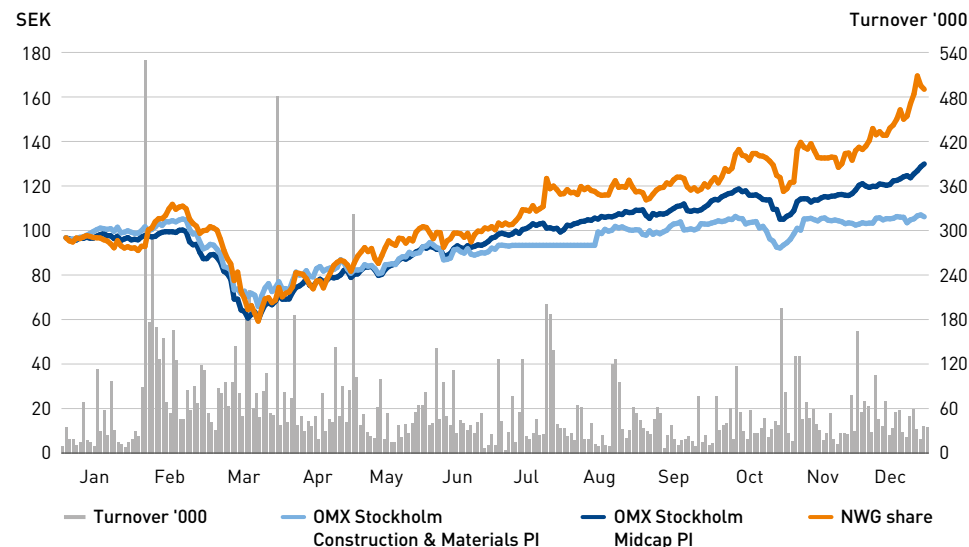
The Board of Directors and the CEO propose that shareholders be paid a cash dividend of

SEK 45.50 per share (0.00) as well as an extra dividend of SEK 4.50 per share as no dividend was distributed during 2020.

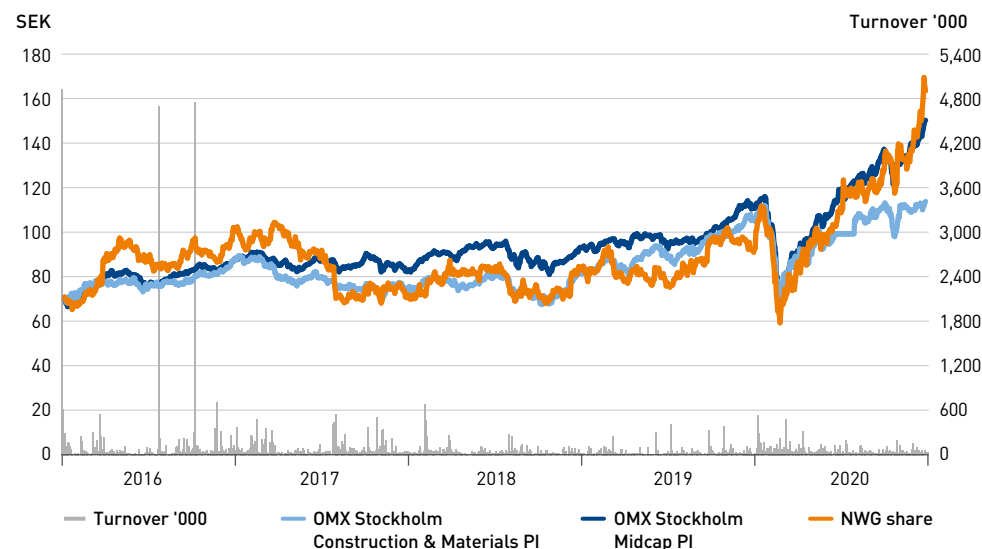
IR CONTACT

Per-Olof Schrewelius, CFO and investor relations. Phone: 46 70 782 79 58
e-mail: pos@nordicwaterproofing.com

NORDIC WATERPROOFING'S SHARE TREND 2020



NORDIC WATERPROOFING'S SHARE TREND 2016-2020



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BOARD OF DIRECTORS' REPORT

- The Net sales for 2020 increased to SEK 3,303 M (3,122). Of the change of a total of 6 percent (16), 7 percent (7) was related to organic growth
- Operating profit (EBIT) increased to SEK 337 M (260), an increase of 29 percent
- The Board proposes a dividend of SEK 5.50 (0.00) and an extra dividend of SEK 4.50 as no dividend was paid during 2020

The Board of Directors and the CEO of Nordic Waterproofing Holding AB, org. No. 556839-3168, registered in Sweden with its registered office in Helsingborg, hereby submits the annual report for the financial year 2020.

Nordic Waterproofing Holding AB is the parent company of the Nordic Waterproofing Group. The Nordic Waterproofing share is listed on Nasdaq, Stockholm, Mid Cap under the short name NWG.

THE OPERATIONS

Nordic Waterproofing is active in the waterproofing market in Northern Europe. We offer high-quality products and solutions for roof waterproofing layers in Sweden, Finland, Denmark, Norway, Belgium, the Netherlands, Poland, the United Kingdom and Germany, among others. Nordic Waterproofing also provides installation services through wholly owned subsidiaries in Finland and through partly owned franchise companies in Denmark. Nordic Waterproofing has a strong brand portfolio and a broad customer base which, combined with 17 production and prefabrication units, 15 sales offices and a number of district offices in Finland and franchise companies for installation services in Denmark, constitutes the European platform from which Nordic Waterproofing can deliver its complete waterproofing solutions. The complete solution for waterproofing layers refers to all products and services required to create a satisfactory waterproofing solution.

Nordic Waterproofing's operations are divided into two operating segments: Products & Solutions and Installation Services. The Group provides a wide range of waterproofing products that are adapted to different types of roofs and are designed for the demanding climate in the Nordic region.

In the Products & Solutions operating segment, we mainly offer own-manufactured products and solutions for flat and pitched roofs, but also offer subcontracted products as a complement to our own-produced products. The operations are conducted in the Nordic region and in Northern Europe. Nordic Waterproofing offers its customers turnkey installation services in Sweden, Denmark and Finland, which include the construction of the entire roof as well as individual roofing services.

The Installation Services operating segment is fully integrated into our business and consists mainly of installation and maintenance with our own roof products for commercial properties and homes.

Nordic Waterproofing has a decentralized organizational structure with local management teams in each business unit, which is supported by a strong central management and group functions, such as the finance function and the research and development function, which creates efficiency within the Group and local flexibility. Each business unit is a profit center responsible for local production. The decentralized management model contributes to close local customer relationships, participation, and shorter lead time between the information and decision-making processes. At the same time, the central functions contribute to maximizing synergies throughout the Group. In the Products & Solutions operating segment, the various business units Sweden & Norway, Finland, Denmark, SealEco, Taasinge and Veg Tech, as well as the Finland business unit within Installation Services, are running their operations independently.

FINANCIAL GOALS AND GOAL FULFILLMENT 2020

Nordic Waterproofing's ambition is to create value for the society and the environment, but the Group's financial targets also aims to create value for shareholders and other stakeholders based on a business model with clear financial targets. The three financial targets growth, profitability and debt/equity ratio are approved by the Board, which will contribute to our fourth target; the dividend policy. The underlying objective of the targets is to create long-term value for our shareholders, strengthen our financial position and enable the Group's future strategic investments. In the spring of 2019, the Board chose to revise the Group's financial

targets, among other things to take into account the effects from the implementation of IFRS 16 (Leasing Agreement). This resulted in the following financial targets adopted by the Board for the Group:

Financial targets	Outcome 2020
Exceed the growth experienced in the Group's current markets through organic growth. In addition, the Group expects to grow through selective acquisitions.	In 2020, the group's organic growth was 7%, which exceeded the growth in our main markets. Growth through acquisitions was limited because of the ongoing pandemic.
Generate a return on capital employed (ROCE) exceeding 13 percent.	For 2020, the return on capital employed (ROCE) was 15.6%.
Net debt/EBITDA multiple, Net debt in relation to EBITDA (R12M basis) shall not exceed a multiple of 3.	At the end of 2020, the ratio was 0.6 times.
The dividend policy states an annual dividend exceeding 50 percent of the net profit. The proposed dividend will be based on the Group's financial position, investment needs, liquidity position, as well as general economic and business conditions.	Due to the uncertain market situation in 2020, no dividend was paid. For the 2021 Annual General Meeting, the Board has proposed an cash dividend of SEK 5.50 (51% of the profit for the year 2020) and an extra cash dividend of SEK 4.50 (55% of the profit for the year 2019).

COMPANY ACQUISITIONS AND DIVESTMENTS

In June, 24% in the Finnish company Playgreen Oy was acquired, a company active in the installation of solar panels, and in November another 9% was acquired, after which Nordic Waterproofing's holding is 33%.

In December, an additional 12% was acquired in the Norwegian Ringsaker Vegg- og Takelementer AS (RVT), after this acquisition Nordic Waterproofing's holding is 87%.

No divestments were made during the year.

In addition to the acquisitions, the Group's legal structure has also been affected by two liquidations, which were part of re-structuring the Group's holdings in Belgium.

For further information on acquisitions made during the year, see Note 14.

THE MERGER LEADS TO

A NEW PARENT COMPANY FOR THE GROUP

During November 2020, the former Danish parent company Nordic Waterproofing Holding A / S was merged with the wholly owned Swedish subsidiary Nordic Waterproofing Holding AB and with the latter as the surviving unit. The merger was made with an exchange of shares 1: 1 and the shareholders' acquisition value remained unchanged per share. As a consequence, the Danish company was delisted from Nasdaq Stockholm mid cap on November 26, and the new Swedish parent company was listed on November 30.

STAFF AND STAFF DEVELOPMENT

For 2020, the average number of employees within the Nordic Waterproofing Group was 1,147 (1,116), an increase of 31. The number of employees at the end of the year was 1,105 (1,052), an increase of 53 compared with the previous year. Acquisitions have not affected this development. The average number of employees in Sweden was 220 (191), which corresponded to 18 percent (17) of all employees within the Group. For further information on the average number of employees and personnel costs, see Note 7.

Nordic Waterproofing continuously works to have a uniform corporate culture within the organization and works for professionalism through group-wide guidelines and principles, such as an implemented code of conduct. With the aim of ensuring a solid platform for the operations and at the same time utilizing the employees' strengths in the most effective way, the Group has processes and tools for employee interviews, job descriptions, succession planning and competence development.

GUIDELINES FOR REMUNERATION TO THE SENIOR MANAGEMENT

The guidelines of remuneration to senior management decided by the Annual General Meeting are set out in Note 7. The guidelines in their entirety are available on the Group's website.

LONG-TERM INCENTIVE PROGRAMS

The company has three ongoing incentive programs ("LTIP 2018", "LTIP 2019" and "LTIP 2020"). The total cost, including social security contributions, is estimated to approximately SEK 10 million for each program over the term of the programs, provided that operating profit (EBIT) before items affecting comparability increases by an average of 10-12 percent. No new shares will be issued because of the programs. However, the company will acquire own shares to ensure the allotment of shares and to secure and cover social security contributions. As of December 31, 2020, the company holds 175,737 (200,000) own shares.

In 2020, the program "LTIP 2017" was completed. The target fulfillment of the program was 39% of the maximum outcome and during the third quarter 24,263 shares were distributed to 15 participants in the program.

See also note 7.

SUSTAINABILITY REPORT

The sustainability is the basis for Nordic Waterproofing's operations. During 2020, the progress of sustainability has continued and can be read in the Group's sustainability report on pages 27-34. The auditor's opinion regarding the statutory sustainability report can be found on page 31. On page 31 there is a page index with references to where information on the various topics for the sustainability report according to the Annual Accounts Act (1995: 1554) can be found in the annual report.

ENVIRONMENT, HEALTH, SAFETY, AND DIVERSITY

Nordic Waterproofing takes environmental considerations into account in all decisions that are deemed to have a direct or indirect impact on the environment. All Nordic Waterproofing's subsidiaries are covered by the Group's environmental policy, which covers energy consumption, emissions and the use of raw materials. Where applicable, there is a local policy as a complement. All production units apply environmental management systems, and each production unit has environmental goals set. The operations in Finland and Sweden are certified in accordance with ISO 14001. In addition, the Company works actively to reduce waste and energy consumption through efficient production at

the Company's plants, as well as increased reuse of materials and energy from production waste that cannot be reduced or avoided.

Nordic Waterproofing's production is subject to notification or permit requirements in accordance with each country's environmental and permit regulations. Nordic Waterproofing's manufacturing in Värnamo municipality has, together with Trelleborg Sealing Profiles Sweden AB, received permission from the environmental assessment delegation within the County Administrative Board that according to ch. Section 6 of the Environmental Code produces a maximum of 25,000 tonnes of rubber products per year. The prefabrication in Värnamo is run in a separate facility, but the business does not entail any change from an environmental point of view. For the Company's operations in Höganäs, a voluntary permit in accordance with the Environmental Code has been obtained from the County Administrative Board for the manufacture of bitumen-based waterproofing layers. In Denmark, Nordic Waterproofing has received two environmental permits for its production operations in Vejen; one permit is from 1989 and the other permit is from 2006. In Finland, an environmental permit has been obtained for the production operations in Lojo. The Finnish environmental permit is valid until further notice.

The Group's employees are informed about the environment, health and safety issues and are involved in the process of continuous improvement. Nordic Waterproofing maintains good health and safety standards wherever the Company operates and works to minimize the risks and effects of accidents. The safety of the employees has the highest priority and all subsidiaries have a work environment policy. The Finnish plant is certified according to the work environment management system OHSAS 18001. The company applies zero tolerance to alcohol and drugs.

The company has a stated policy where the aspects of the environment, health and safety must be considered in the development of both products and processes. In addition, the effects on the environment, health and safety are considered when choosing the chemical substances used in the products and processes.

Nordic Waterproofing aims at achieving a balance regarding ethnicity, age and gender, taking into account the type of operations conducted.

CORPORATE GOVERNANCE

The Corporate Governance Report is on pages 35-40.

RISKER OCH RISKHANTERING

The Risks and Risk Management section is on pages 45-47 and Note 34 financial risks.

DISPUTES

On April 29, 2020, the Danish Competition Authority ("KFST") decided that the ongoing investigation of the roofing felt market would be suspended without finding any breach of competition law or other irregularities. The decision was made based on investigations and legal analysis and in the light of the Competition Council's assessment of the case and its evidence.

The previous decision of the inquiry has resulted in three civil proceedings which have not been dealt with pending KFST's decision. As it is the original decision of KFST that is the basis for the civil proceedings, the decision of KFST is expected to interrupt the investigation without finding any violation of competition law to be an important factor in the assessment in the further civil proceedings.

Since KFST decided to suspend the investigation, and despite the civil law cases not being closed, it can be concluded that there are no significant grounds for the allegations. In addition, it should be noted that Nordic Waterproofing A / S considers that the allegations made are unfounded and unjustified.

THE SHARE CAPITAL

As of December 31, 2020, the share capital amounted to SEK 24,083,935 divided into 24,083,935 shares of only one series. All shares have a quota value of SEK 1.00.

Nordic Waterproofing Holding AB holds 175,737 own shares (200,000), which corresponds to 0.7 percent (0.8) of the total number of the shares. The number of outstanding shares is 23,908,198 (23,883,935).

All shares have the same right to dividends and surpluses in the event of liquidation and are entitle to one vote at Nordic Waterproofing Holding AB's Annual General Meeting. Shares in own custody do not, however, entitle to dividends. According to the Company's Articles of Association, the issued share capital may not be less than SEK 20 million and not exceed SEK 80 million and the number of shares must not be less than SEK 20,000,000 and not exceed SEK 80,000,000.

The Group had a market capitalization of SEK 3,950 M (2,317) and approximately 5,500 shareholders (3,800) as of December 30, 2020. The largest shareholder at the turn of the year was Svalder with 13.3 (13.0) percent of the number of outstanding shares. This is followed by Swedbank Robur funds 8.9 percent (9.2), Mawer Investment Management 8.4 percent (9.1), Carnegie funds 6.8 percent (7.1) and Handelsbanken's funds 6.5 percent (5.6).) and. The five largest owners together hold 43.9 percent (44.0) of the outstanding shares. The ten largest holdings constitute 61.7 percent (64.8) of the shares, own holdings not included.

There are no restrictions on how many shares a shareholder can represent at a general meeting. The company is not aware of any agreements between shareholders that may entail restrictions on their right to transfer the shares.

The Articles of Association state that the members of the Board are elected at the Annual General Meeting. The appointment and dismissal of board members is otherwise regulated by the provisions of the Swedish Companies Act and the Swedish Code of Corporate Governance. The Swedish Companies Act further states that amendments to the Articles of Association shall, where applicable, be decided at general meetings.

DIVIDEND**Dividend policy**

The Board has decided on a dividend policy stating that the proposed dividend shall correspond to at least 50 percent of the company's profit after tax, considering the company's financial position, acquisition opportunities and long-term financial needs.

PROPOSED APPROPRIATION OF PROFIT FOR THE FINANCIAL YEAR 2020

The Board of Directors of Nordic Waterproofing Holding AB proposes that the Annual General Meeting on April 29, 2021 resolves on an cash dividend of SEK 5.50 per share, which is in line with the company's dividend policy and provides a dividend of a total of SEK 132 million. Furthermore, the Board proposes that the Annual General Meeting on April 29, 2021 decide on an extra dividend of SEK 4.50 per share, which gives a dividend of SEK 107 million. A total of SEK 10 per share and SEK 239 million. The record date for the right to a dividend is proposed to be 4 May 2021, whereby dividends are expected to be paid to shareholders on May 7, 2021.

At the disposal of the Annual General Meeting:

SEK	2020
Balanced profits	642,130,781
Results for the year (incl. Merger results)	-893,464
Retained earnings at the end of the year	641,237,317

The Board of Directors proposes that profits be used as follows:

SEK	2020
SEK 10.00 per share will be distributed to shareholders	239,081,980
Balanced on a new account	402,155,337
Total	641,237,317

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

SEK m	Note	2020	2019
Net sales	4, 5	3,302.8	3,121.6
Cost of goods sold	6	-2,373.6	-2,308.3
Gross profit		929.2	813.3
Selling expenses	6	-403.6	-391.6
Administrative expenses	6	-220.6	-185.6
Research and development expenses	6	-4.3	-5.6
Other operating income	9	10.0	10.5
Other operating expenses	6, 9	-4.8	-4.5
Share of profit in associated companies	12	31.2	23.8
Operating profit	4, 7, 36	337.1	260.3
Financial income		9.1	1.0
Financial expenses		-25.4	-28.7
Net finance items	10	-16.3	-27.7
Profit before tax		320.8	232.6
Tax	11	-67.5	-36.9
Profit for the year		253.3	195.8
Attributable to:			
Shareholders of the Parent Company		255.6	197.9
Non-controlling interests		-2.3	-2.1
		253.3	195.8
Earnings per share before dilution (SEK)	30	10.60	8.19
Earnings per share after dilution (SEK)	30	10.52	8.13

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

SEK m	Note	2020	2019
Profit for the year		253.3	195.8
OTHER COMPREHENSIVE INCOME			
Items that are or may be reclassified to profit for the year			
Exchange differences for the year in translation of foreign operations		-48.1	13.2
Gains/losses on hedging of currency risk in foreign operations		0.0	-2.3
Gains/losses on raw material hedging		-5.0	0.1
Tax on gains/losses on other comprehensive income		1.1	0.5
Other comprehensive income for the year		-52.0	11.4
Total comprehensive income for the year		201.3	207.2
Comprehensive income for the year attributable to:			
Shareholders of the Parent Company		204.2	209.0
Non-controlling interests		-2.9	-1.8
Comprehensive income for the year		201.3	207.2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK m	Note	2020	2019
ASSETS			
Goodwill	17	926.4	951.8
Other intangible assets	17	100.8	133.2
Property, plant and equipment	18	378.9	388.9
Investments in associated companies	12	99.2	91.4
Receivables from associated companies		9.1	8.8
Other investments	27	2.1	2.2
Deferred tax assets	11	6.5	0.8
Other non-current receivables		15.7	21.4
Total non-current assets		1,538.6	1,598.4
Inventory	20	392.4	382.5
Trade receivables	21	262.8	265.0
Receivables for on-going construction contracts	22	21.4	51.5
Receivables from associated companies		6.0	8.5
Current tax assets		5.4	1.5
Other current receivables	23	10.8	16.2
Prepaid expenses and accrued income	24	22.0	15.8
Cash and cash equivalents	28	604.3	196.9
Total current assets		1,325.0	937.9
Total assets		2,863.6	2,536.2

SEK m	Note	2020	2019
EQUITY			
Share capital		24.1	30.0
Reserves		10.5	61.9
Retained earnings including profit for the year		1,372.2	1,103.6
Equity attributable to shareholders of the Parent Company		1,406.8	1,195.5
Non-controlling interests		11.2	14.1
Total equity	29	1,418.0	1,209.6
LIABILITIES			
Non-current interest-bearing liabilities	31	801.3	762.7
Other non-current liabilities	32	32.9	43.2
Provisions		5.3	5.8
Deferred tax liabilities	11	102.4	91.1
Total non-current liabilities		941.8	902.8
Current interest-bearing liabilities	31	41.3	44.2
Trade payables		151.9	130.1
Payables for on-going construction contracts	22	19.1	20.3
Current tax liabilities		19.9	5.7
Other current liabilities	25	55.8	51.0
Accrued expenses and prepaid income	26	215.8	172.4
Total current liabilities		503.7	423.8
Total liabilities		1,445.6	1,326.6
Total equity and liabilities		2,863.6	2,536.2

Information on the Group's contingent liabilities, see Note 35.

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK m	Note	2020	2019
OPERATING ACTIVITIES			
Operating profit		337.1	260.3
Adjustment for non-cash items etc	37	88.5	89.7
Interest received		2.6	0.8
Interest paid		-19.1	-22.4
Dividends received		23.4	18.9
Income tax paid		-48.8	-40.5
Cash flow from operating activities before working capital changes		383.6	306.8
CASH FLOW FROM WORKING CAPITAL CHANGES			
Increase (-)/Decrease (+) in inventories		-21.7	-4.9
Increase (-)/Decrease (+) in trade receivable		-6.5	10.2
Increase (-)/Decrease (+) in other operating receivables		30.2	1.1
Increase (+)/Decrease (-) in trade payable		27.0	-18.0
Increase (+)/Decrease (-) in other operating liabilities		49.7	17.0
Cash flow from operating activities		462.3	312.2
INVESTING ACTIVITIES			
Acquisition of intangible assets		-0.1	-19.5
Acquisition of property, plant and equipment		-55.0	-41.0
Disposal of property, plant and equipment		0.0	1.8
Acquisition of business, net cash impact	14	0.0	-53.1
Acquisition of participations in associated companies		-4.7	-31.2
Disposal of participations in associated companies		0.0	1.0
Increase in receivables in associated companies		0.0	0.0
Decrease in receivables in associated companies		4.5	0.0
Increase in other non-current receivables		0.0	0.0
Proceeds from other financial investments		0.0	0.0
Cash flow from investing activities		-55.3	-142.0

SEK m	Note	2020	2019
FINANCING ACTIVITIES			
Proceeds from loans and borrowings	37	75.0	370.5
Repayment of borrowings	37	-66.5	-340.2
Repurchased own shares		0.0	-14.8
Dividends paid		0.0	-95.5
Dividends paid to non-controlling interests		0.0	-0.7
Cash flow from financing activities		8.5	-80.0
Cash flow for the year		415.4	90.2
Cash and cash equivalents at beginning of year		196.9	105.6
Exchange-rate differences in cash and cash equivalents		-8.0	1.1
Cash and cash equivalents at year-end		604.3	196.9

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK m	Equity attributable to Parent Company shareholders					Non-controlling interests	Total equity
	Share capital	Reserves for hedging	Translation reserve	Retained earnings	Total		
Equity as at 1 January 2019	30.0	2.5	50.1	1,007.3	1,090.0	15.6	1,105.6
TOTAL COMPREHENSIVE INCOME FOR THE YEAR							
Profit for the year	–	–	–	197.9	197.9	-2.1	195.8
Other comprehensive income for the year	–	0.1	10.5	–	10.6	0.4	10.9
Tax on gains/losses on comprehensive income	–	–	0.5	–	0.5	–	0.5
Total comprehensive income for the year	0.0	0.1	11.0	197.9	209.0	-1.8	207.2
TRANSACTIONS WITH THE GROUP'S OWNERS							
Provision for long-term incentive program	–	–	–	6.9	6.9	–	6.9
Repurchased own shares	–	–	–	-14.8	-14.8	–	-14.8
Paid dividend	–	–	–	-95.5	-95.5	–	-95.5
Total contributions from and distribution to owners	0.0	0.0	0.0	-103.5	-103.5	0.0	-103.5
CHANGES IN PARTICIPATING INTERESTS IN SUBSIDIARIES							
Transactions with non-controlling interests	–	–	–	–	0.0	0.3	0.3
Total changes in participating interest in subsidiaries	0.0	0.0	0.0	0.0	0.0	0.3	0.3
Total transactions with the Group's owners	0.0	0.0	0.0	-103.5	-103.5	0.3	-103.2
Equity as at 31 December 2019	30.0	2.6	61.1	1,101.8	1,195.5	14.1	1,209.6

SEK m	Equity attributable to Parent Company shareholders					Non-controlling interests	Total equity
	Share capital	Reserves for hedging	Translation reserve	Retained earnings	Total		
Equity as at 1 January 2020	30.0	2.6	61.1	1,101.8	1,195.5	14.1	1,209.6
TOTAL COMPREHENSIVE INCOME FOR THE YEAR							
Profit for the year	–	–	–	255.6	255.6	-2.3	253.3
Other comprehensive income for the year	–	-5.0	-47.5	–	-52.5	-0.6	-53.1
Tax on gains/losses on comprehensive income	–	1.1	–	–	1.1	–	1.1
Total comprehensive income for the year	0.0	-3.9	-47.5	255.6	204.2	-2.9	201.3
TRANSACTIONS WITH THE GROUP'S OWNERS							
Provision for long-term incentive program	–	–	–	7.6	7.6	–	7.6
Paid dividend	–	–	–	–	0.0	–	0.0
Merger/liquidation results	-5.9	–	–	5.5	-0.4	–	-0.4
Reclassification from 2019	–	–	-1.7	1.7	0.0	–	0.0
Total contributions from and distribution to owners	-5.9	0.0	-1.7	14.9	7.2	0.0	7.2
CHANGES IN PARTICIPATING INTERESTS IN SUBSIDIARIES							
Transactions with non-controlling interests	–	–	–	–	0.0	–	0.0
Total changes in participating interest in subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total transactions with the Group's owners	-5.9	0.0	-1.7	14.9	7.2	0.0	7.2
Equity as at 31 December 2020	24.1	-1.4	11.9	1,372.3	1,406.9	11.2	1,418.1

* The number of shares are unchanged in comparison to last year.

NOTES

NOTE 1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Corporate Groups and the International Financial Reporting Standards (IFRS) and IFRIC interpretations, as approved by the EU. In addition, the Group applies interpretations from IFRS Interpretations Committee (IFRIC).

The accounting policies in this note and in the following notes have been applied to the financial statement prepared as at 31 December 2020.

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

Assets and liabilities are recognized at historical cost, except for some financial assets and liabilities that are valued at fair value. Financial assets and liabilities that are valued at fair value consist of derivative instruments. Non-current assets and disposal groups held for sale are recognized, with some exceptions, as of the classification of such assets at the lower of the carrying amount at the time of reclassification and the fair value less cost of disposal.

FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The Parent Company's functional currency and the presentation currency for the Group is Swedish kronor (SEK) due to the Group's primary stakeholders. This means that the financial statements are presented in SEK. All amounts are rounded 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.

CONSOLIDATION POLICIES AND BUSINESS COMBINATIONS

Transactions eliminated upon consolidation

The intra-Group receivables and liabilities, revenues and expenses that arise from intra-Group transactions between Group companies, are eliminated in their entirety when preparing the consolidated accounts.

FOREIGN CURRENCIES

Transactions in foreign currencies

Transactions in foreign currencies are translated to the functional currency at the exchange rate prevailing on the transaction date.

The functional currency is the currency in the primary economic environments in which the companies conduct their activities. Monetary assets and liabilities in foreign currencies are translated to the functional currency at the exchange rate on the reporting date. Exchange-rate differences that arise in the translations are recognized in the profit/loss for the year. Non-monetary assets and liabilities that are recognized at historical cost are translated to the exchange rate on the transaction date. Non-monetary assets and liabilities recognized at fair value are translated to the functional currency at the exchange rate prevailing at the time of the fair value measurement.

Financial statements of foreign operations

Assets and liabilities in foreign operations, including goodwill and other consolidated surpluses and deficits, are translated from the foreign operation's functional currency to the Group's presentation currency, Swedish kronor (SEK), at the exchange rate prevailing on the reporting date. Revenues and expenses in a foreign operation are translated to SEK at an average exchange rate that constitutes an approximation of the exchange rates existing at the respective transaction date. Translation differences that arise in the currency translation of foreign operations are recognized in other comprehensive income and accumulated in a special reserve, called a translation reserve. When a controlling influence, significant influence or joint controlling influence ceases for a foreign operation, the accumulated translation differences attributable to the operation are realised, whereby they are reclassified from the translation reserve in equity to profit/loss for the year.

Net investment in a foreign operation

Monetary long-term receivables or liabilities attributable to a foreign operation for which settlement is not planned or will not likely occur within the foreseeable future are in practice a part of the company's net investment in the foreign operation. An exchange-rate difference that arises on the monetary long-term receivable or monetary long-term liability is recognized in other comprehensive income and accumulated in a special reserve, called a translation reserve. Upon the divestment of a foreign operation, the accumulated exchange-rate differences attributable to monetary long-term receivables or liabilities are included in the accumulated translation differences that are reclassified from the translation reserve in equity to profit/loss for the year.

IMPAIRMENT LOSSES

The Group's recognized assets are assessed every balance sheet date to determine if there is an indication of impairment requirements. IAS 36 is applied regarding impairment of assets other than financial assets, which are recognized according to IFRS 9, inventory and deferred tax assets. For exempt assets as per the above, the carrying amount is assessed according to the respective standard.

Impairment of property, plant and equipment and intangible assets and participations in associated companies

If there is an indication of impairment requirements, the asset's recoverable amount is calculated (see below). For goodwill, other intangible assets with indefinite useful lives and intangible assets not yet completed for use, the recoverable amount is also calculated annually. If it is not possible to establish significant independent cash flows for an individual asset, and its fair value less costs of disposal cannot be used, the assets are grouped in impairment testing at the lowest level where it is possible to identify significant independent cash flows - a so-called cash-generating unit.

An impairment loss is recognized when an asset's or cash-generating unit's (group of units) carrying amounts exceed the recoverable amount. An impairment loss is recognized as an expense in profit/loss for the year. Once an impairment requirement has been identified for a cash-generating unit (group of units), the impairment loss is primarily allocated to goodwill. Then a proportional impairment loss is applied to the other assets included in the unit (group of units).

The recoverable amount is the higher of fair value less costs of disposal and value in use. In the calculation of the value in use, future cash flows are discounted with a discount factor that takes into account risk-free interest and the risk associated with the specific asset.

Impairment of financial assets

At each reporting occasion, the company evaluates if there is objective evidence that a financial asset or group of assets requires impairment. Objective evidence is comprised of observable conditions that have occurred and have a negative impact on the possibility to recover the cost.

The impairment requirements of trade receivable are determined based on historical experience of customer bad debts on similar receivables. Trade receivables with impairment requirements are recognized at the present value of expected future cash flows. Receivables with a short duration are, however, not discounted.

Reversal of impairment losses

An impairment loss on assets that are included in the area of application of IAS 36 is reversed if there is both an indication that the impairment requirement no longer exists and a change has occurred in the assumptions that formed the basis for the calculations of the recoverable amount. An impairment of goodwill is, however, never reversed. A reversal is only applied insofar as the asset's carrying amount after the reversal does not exceed the carrying amount that would have been recognized, less depreciation/amortization where applicable, if no impairment loss had been applied.

Impairment losses on loans and receivables recognized at amortized cost are reversed if the previous reasons for the impairment losses no longer exist and full payment from the customer is expected to be received.

PROVISIONS

A provision differs from other liabilities in that there is uncertainty about the payment date or the amount to settle the provision. A provision is recognized in the statement of financial position when there is an existing legal or constructive obligation as a result of an event that has occurred, and it is likely that an outflow of financial resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are made in the amount that is the best estimate of what will be required to settle the existing obligation on the reporting date. Where the effect of when in time payment is made is material, provisions are calculated by discounting the expected future cash flow using an interest rate before tax that reflects current market assessments of the time value of money and, if applicable, the risks associated with the liability.

NOTE 2 CHANGES IN ACCOUNTING POLICIES

NEW IFRS THAT HAVE BEEN APPLIED DURING THE FINANCIAL YEAR

No new standards have entered into force during 2020 that are judged to have a significant effect on the Group's financial statements.

NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS TO BE APPLIED AFTER 2020

No new or amended standards and interpretations issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRIC) and which enter into force for financial years beginning after 1 January 2021 have been applied in the preparation of this financial report.

Phase 2 of the amendments to IFRS 9, IFRS 7 and others relating to the interest rate benchmark reform applies from 1 January 2021. In short, the amendments mean that it enables companies to reflect the effects of switching from interest rate benchmarks' such as "STIBOR" to other interest rate benchmarks' without giving rise to accounting effects that would not be useful information for users of financial reports. The Group is affected by the interest rate benchmark reform mainly in the exposure to "IBOR" in its external borrowing. The principles of modification of financial liabilities allow for an exception which means that modifications that are a direct effect of the reference interest rate reform are reported by updating the effective interest rate instead of leading to recalculation of reported amounts. All other modifications are reported in accordance with existing principles for modifications and cancellations in IFRS 9. The change to new reference interest rates may have an effect on interest rate calculations on certain loans.

Other amended standards and new interpretations are not considered to have a significant effect on the Group's financial reporting.

NOTE 3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

ASSESSMENTS AND ESTIMATES IN THE FINANCIAL STATEMENTS

Preparing the financial statements in accordance with IFRS requires management to make assessments and estimates as well as assumptions that affect the application of the accounting principles and the carrying amounts of assets, liabilities, revenues and expenses. The actual outcome may deviate from these estimates and assessments.

The estimates and assumptions are regularly reviewed. Changes in estimates are recognized in the period the change is made if the change only affects this period, or in the period the change is made and future periods if the change affects both the current period and future periods.

Assessments made by corporate management in the application of IFRS that have a material impact on the financial state-

ments and estimates made that may entail material adjustments in the subsequent year's financial statements are described in more detail below.

Some assumptions regarding the future and some estimates and assessments at the reporting date are of particular importance to the valuation of the assets and the liabilities in the statement of financial position. The areas where the risk of material value changes in the subsequent year is significant due to the assumptions or estimates having to be changed are discussed below.

IMPAIRMENT TESTING OF GOODWILL

The value of recognized goodwill is tested at least once a year with regard to possible impairment requirements. The testing requires an assessment of the value in use of the cash-generating unit, or group of cash-generating units, to which the goodwill is attributable. This requires that several assumptions regarding future conditions and estimates of parameters are made. A description of these are provided in Note 17.

OTHER

As described in Note 35, on 31 May 2017, the Danish Competition Council decided that Nordic Waterproofing A/S, Icopal Danmark ApS, Danske Tagpapfabrikanter Brancheforening and TOR had violated the Danish Competition Act. Nordic Waterproofing A/S and the other parties disputed the Council's decision and brought the case before the Danish Competition Appeals Board. On 12 September 2018, the Appeals Board decided to remit the case to the Council for re-evaluation. On 29 April 2020, KFST decided that the investigation of the roofing felt market would be suspended without finding any breach of competition law or other irregularities. The initial decision has resulted in three civil proceedings which have not been dealt with pending KFST's decision. As it is the original decision of KFST that is the basis for the civil proceedings, the decision of KFST is expected to interrupt the investigation without finding any violation of competition law to be an important factor in the assessment in the further civil proceedings. There are at present no substantive basis for the claims made. Additionally, it should be noted that Nordic Waterproofing A/S does not consider the claims raised to be substantiated and justified.

NOTE 4 OPERATING SEGMENTS

ACCOUNTING POLICIES

An operating segment is a part of the Group that conducts operations from which it can generate revenue and incur expenses and for which independent financial information is available.

An operating segment's profit or loss is also monitored by the company's highest executive decision-maker to evaluate the profit or loss and to be able to allocate resources to the operating segment.

The Group's operations are divided into operating segments based on what parts of the business the company's highest executive decision-maker follows up on, the so-called "management approach". The Group's operations are organised in the manner that Group management follows up the earnings that the Group's various goods and services generate. As Group management follows up on the results of operations and decides on the distribution of resources based on the goods and services the

Group provides and sells, they constitute the Group's operating segments. At 31 December 2020, the highest executive decision-maker followed up on the segments' operating profit (EBIT).

The following operating segments have been identified:

- **Products & Solutions:** includes sales of both own produced and externally sourced products and services associated therewith.
- **Installation Services:** includes the Group's wholly and partially owned contracting operations.

Directly attributable items and items that can be reasonably and reliably allocated to the segments have been included in the

operating segments' profit/loss, assets and liabilities. The items recognized in the operating segments' profit/loss, assets and liabilities are valued in accordance with the profit/loss, assets and liabilities that the company's Group management monitors. The same accounting principles are applied in both internal segment reporting as in the external reporting.

Non-allocated items comprise net finance items and tax expenses. Assets and liabilities that have not been allocated to segments are deferred tax assets and deferred tax liabilities, financial investments and financial liabilities.

Sales between the operating segments have occurred at market-based prices.

2020 SEK m	Products & Solutions	Installation Services	Group items and eliminations	Group
Revenue from external customers	2,469.6	833.2	0.0	3,302.8
Revenue from other segments	100.5	0.0	-100.5	0.0
Revenue, total	2,570.2	833.2	-100.5	3,302.8
EBITDA	412.1	86.4	-43.7	454.7
Depreciation & amortization	-96.9	-16.5	-4.2	-117.6
Operating profit (EBIT)	315.1	69.9	-47.9	337.1
Net finance items				-16.3
Profit after finance items but before tax (EBT)				320.8
Tax				-67.5
Profit for the year				253.3
ASSETS				
Intangible assets	897.9	122.7	6.5	1,027.1
Property, plant and equipment	344.5	30.1	4.3	378.9
Participations in associated companies	0.0	99.2	0.0	99.2
Inventory	384.4	7.9	0.0	392.4
Other assets	287.6	96.7	-45.6	338.6
Non-allocated assets			627.4	627.4
Total assets	1,914.4	356.6	592.6	2,863.6
LIABILITIES AND EQUITY				
Equity			1,418.4	1,418.4
Other liabilities	380.0	99.6	-31.1	448.5
Non-allocated liabilities			997.7	997.7
Total liabilities and equity	380.0	99.6	2,384.9	2,863.9
Investments in property, plant and equipment and other intangible assets	48.4	7.9	0.0	56.3

2019 SEK m	Products & Solutions	Installation Services	Group items and eliminations	Group
Revenue from external customers	2,255.3	866.4	0.0	3,121.6
Revenue from other segments	103.2	0.0	-103.2	0.0
Revenue, total	2,358.5	866.4	-103.2	3,121.6
EBITDA	331.9	74.4	-35.7	370.6
Depreciation & amortization	-92.9	-14.7	-2.7	-110.3
Operating profit (EBIT)	239.0	59.7	-38.4	260.3
Net finance items				-27.7
Profit after finance items but before tax (EBT)				232.6
Tax				-36.9
Profit for the year				195.8
ASSETS				
Intangible assets	944.8	130.1	10.1	1,085.0
Property, plant and equipment	354.6	29.0	5.3	388.9
Participations in associated companies	0.0	91.4	0.0	91.4
Inventory	376.9	5.6	0.0	382.5
Other assets	308.9	97.2	-27.8	378.3
Non-allocated assets			210.1	210.1
Total assets	1,985.2	353.3	197.7	2,536.2
LIABILITIES AND EQUITY				
Equity			1,209.6	1,209.6
Other liabilities	329.2	88.8	-38.3	379.7
Non-allocated liabilities			946.9	946.9
Total liabilities and equity	329.2	88.8	2,118.2	2,536.2
Investments in property, plant and equipment and other intangible assets	54.7	8.4	1.6	64.7

NOTE 5 SIGNIFICANT TYPES OF INCOME**ACCOUNTING POLICIES****Sale of goods**

Sale of goods is considered a performance obligation and revenue is recognized when the performance obligation is fulfilled and the customer takes control of the product, i.e. at a certain point in time (usually in connection with the physical delivery to the customer). Revenue is measured at the fair value of the consideration received, or expected to be received, less discounts provided.

The goods are often sold with volume discounts based on accumulated sales over a predefined period, together with cash discounts. A liability is reported for expected volume discounts.

Construction contracts

Revenue from construction contracts is considered a performance obligation by transferring goods and services to the customer over time. Revenue from construction contracts exists in both operating segments and is recognized in profit/loss for the year based on the stage of completion on the reporting date, i.e. over time. The stage of completion is determined on the basis of contract expenditures incurred relative to the total estimated expenditures, as this best reflects the value creation of the work performed. Expenses comprise expenses directly and indirectly attributable to the construction work. When the outcome of a construction contract cannot be estimated reliably, revenue is recognized only to the extent of contract expenses incurred and subject to recoverability being probable. If the contract expenses are expected to exceed contract revenue, the expected loss is recognized immediately.

If revenue from a construction contract exceeds the invoicing, a receivable for on-going construction contracts is recognized.

If the invoicing exceeds the delivered services, a payable for ongoing construction contracts is recognized. See Note 22.

Significant types of income

SEK m	2020		
	Products and Solutions	Installation Services	Group
Sale of goods	2 074,4	0.0	2,074.4
Construction contracts	395,2	833.2	1,228.4
Total	2 469,6	833.2	3,302.8

Time of revenue recognition

SEK m	2020		
	Products and Solutions	Installation Services	Group
At a certain point in time	2,074.4	0.0	2,074.4
Over time	395.2	833.2	1,228.4
Total	2,469.6	833.2	3,302.8

Significant types of income

SEK m	2019		
	Products and Solutions	Installation Services	Group
Sale of goods	1,865.7	0.0	1,865.7
Construction contracts	389.6	866.4	1,256.0
Total	2,255.3	866.4	3,121.6

Time of revenue recognition

SEK m	2019		
	Products and Solutions	Installation Services	Group
At a certain point in time	1,865.7	0.0	1,865.7
Over time	389.6	866.4	1,256.0
Total	2,255.3	866.4	3,121.6

GEOGRAPHIC AREAS

Revenues from external customers SEK m	2020	2019
Denmark	810.9	698.9
Sweden	591.6	535.2
Norway	396.8	411.5
Finland	939.5	978.0
Europe (excluding Nordic region)	556.3	491.7
Other countries	7.7	6.3
Total	3,302.8	3,121.6

Non-current assets SEK m	2020	2019
Denmark	391.7	411.9
Sweden	516.3	529.3
Norway	74.2	86.3
Finland	275.9	286.7
Europe (excluding Nordic region)	246.9	159.7
Total	1,505.1	1,473.9

Revenue from external customers has been attributed to individual countries according to the country the customer is domiciled in. Non-current assets have been allocated to individual countries according to the owning company's domicile.

INFORMATION ON MAJOR CUSTOMERS

No single customer accounted for more than 10 percent of the consolidated sales. A maximum of approximately 1.9 percent (2.0) of the consolidated sales were attributable to a single customer.

NOTE 6 OPERATING COSTS BY NATURE

SEK m	2020	2019
Material costs and goods for resale	1,473.7	1,468.5
Change in inventory of finished goods and work in progress	14.2	-37.3
Employee benefits	762.0	748.7
Depreciation & amortization	117.6	112.2
Other external costs	633.3	599.0
Other operating expenses	4.8	4.5
Total	3,005.6	2,895.6

NOTE 7 EMPLOYEES AND PERSONNEL EXPENSES**ACCOUNTING POLICIES****Remuneration of employees****Short-term employee benefits**

Short-term employee benefits are calculated without discounting and recognized as an expense when the related services are received.

A liability is recognized for the anticipated cost for profit-sharing and bonus payments when the Group has a current legal or constructive obligation to make such payments as a result of services being received from employees and the obligation can be reliably calculated.

Benefits upon termination

An expense for benefits in connection with the termination of personnel is recognized at the earliest time of when the company can no longer withdraw the offer to the employees or when the company recognizes expenses for restructuring. The benefits that are estimated to be settled after 12 months are recognized at their present value. Benefits that are not expected to be fully settled within 12 months are recognized according to long-term employee benefits.

Expenses for employee benefits SEK m	2020	2019
Salaries and benefits, etc.	632.8	608.7
Pension expenses, defined-contribution plans	26.4	22.8
Social security contributions	102.9	117.2
Total	762.0	748.7

Average number of employees FTE (Full Time Equivalents)	2020	of which men	2019	of which men
PARENT COMPANY				
Sweden/Denmark	0	0%	1	100%
Total in Parent Company	0	0%	1	100%
SUBSIDIARIES				
Denmark	261	85%	260	84%
Sweden	220	75%	191	76%
Norway	98	92%	95	92%
Finland	455	93%	466	93%
Other	113	85%	103	83%
Total in subsidiaries	1 147	88%	1,115	87%
Group total	1 147	88%	1,116	87%

FTE is defined as average number of employees after re-calculation to full-time equivalents.

2020	Fixed salary	Variable salary	Incentive program ¹	Pension	Other benefits	Total
Chairman of the Board: Ulf Gundemark (until June 2020)	0,3	-	-	-	-	0,3
Chairman of the Board: Mats O. Paulsson (from June 2020)	0,4	-	-	-	-	0,4
Board member: Leena Arimo (from June 2020)	0,2	-	-	-	-	0,2
Board member: Steffen Baungaard	0,3	-	-	-	-	0,3
Board member: Allan Lindhard Jørgensen	0,3	-	-	-	-	0,3
Board member: Riitta Palomäki	0,4	-	-	-	-	0,4
Board member: Hannu Saastamoinen (from June 2020)	0,2	-	-	-	-	0,2
Board member: Kristina Willgård	0,3	-	-	-	-	0,3
President and CEO: Martin Ellis	5,4	3,2	2,1	-	-	10,6
Other senior executives (7 persons)	13,8	7,1	4,2	2,9	0,4	28,5
Total	21,5	10,3	6,3	2,9	0,4	41,4

¹ Expensed in 2020. Payment is to be made in the second quarter, 2021 to 2023, on condition that the individual is employed in the Group on December 31 of the preceding year.

2019	Fixed salary	Variable salary	Incentive program ²	Pension	Other benefits	Total
Chairman of the Board: Ulf Gundemark	0,5	-	-	-	-	0,5
Board member: Steffen Baungaard	0,2	-	-	-	-	0,2
Board member: Jørgen Jensen (until March 2019)	0,3					0,3
Board member: Allan Lindhard Jørgensen	0,1					0,1
Board member: Riitta Palomäki	0,4	-	-	-	-	0,4
Board member: Mats O. Paulsson	0,3	-	-	-	-	0,3
Board member: Kristina Willgård	0,3	-	-	-	-	0,3
President and CEO: Martin Ellis	5,6	3,3	1,8	-	-	10,7
Other senior executives (8 persons)	14,1	5,7	3,4	2,9	1,3	27,4
Total	21,8	9,0	5,2	2,9	1,3	40,2

² Expensed in 2019. Payment is to be made in the second quarter, 2020 to 2022, on condition that the individual is employed in the Group on December 31 of the preceding year.

SALARIES AND OTHER BENEFITS, PENSION EXPENSES AND PENSION OBLIGATIONS FOR KEY MANAGEMENT IN THE GROUP

SEK m	2020	2019
Remuneration to the Board and CEO of Nordic Waterproofing Holding AB:		
Remuneration of Board members	2.3	2.1
Salaries and benefits to CEO	8.6	8.9
	10.9	11.0
Remuneration to Group management in Nordic Waterproofing Group AB with subsidiaries:		
Salaries and benefits	22.1	21.1
Pension expenses, defined-contribution plans	2.9	2.9
	25.1	24.0
Total remuneration to the Board, CEO and Group management team in the Group	36.0	35.0

The proportion of women is 0 percent (0) in Group Management and 43 percent (29) on the Board of Directors.

PRINCIPLES FOR REMUNERATION OF THE BOARD

The Chairman of the Board receives a fixed fee of SEK 500 t per year, and the remaining Board members receive SEK 275 t per year. The Chairman of the Audit committee receives an additional SEK 100 t per year and the Audit committee members receive SEK 50 t per year. The Chairman of the Remuneration committee receives an additional SEK 50 t per year and the Remuneration committee members receive SEK 25 t per year.

PRINCIPLES FOR THE REMUNERATION OF THE PRESIDENT AND CEO Remuneration

Remuneration of the CEO is decided by the Board. The amount of the remuneration shall be market based and based on factors such as expertise, experience and performance. The remuneration consists of a fixed salary and, in addition to this, a variable salary and non-monetary benefits. The variable salary shall be based on the achievement of quantitative and qualitative targets. Total remuneration of the President and CEO amounted in 2020 to SEK 8.6 m (8.9).

Periods of notice and severance pay

Upon termination of the CEO by the company, a period of notice of 24 months applies. If the CEO resigns, a period of notice of 12 months applies instead.

Pension benefits

The employment contract for the CEO ends without prior cancellation at the time of the CEO's retirement. No pension premiums for the CEO have been reserved, but are taken into account in the determination of the fixed remuneration.

PRINCIPLES FOR REMUNERATION OF OTHER MEMBERS OF GROUP MANAGEMENT
Remuneration

Remuneration is decided by the CEO with assistance from the Board. The level of remuneration for the individual executive shall be based on factors such as position, expertise, experience and performance. Remuneration consists of a fixed salary and pension and shall also be able to consist of a variable salary and non-monetary benefits. The variable salary shall be based on the achievement of qualitative and quantitative targets.

Periods of notice and severance pay

Other members of the Group management team have a 12-month period of notice upon termination by the company and a 6-month period of notice upon resignation.

Pension benefits

Other members of the Group management team have the right to retire at the age of 67, and are entitled to pension benefits in accordance with the company's pension policy.

INCENTIVE PROGRAMS

The 2017, 2018 and 2019 Annual General Meetings resolved to authorize the Board of Directors to establish a Long-Term Incentive Program ("LTIP 2017", "LTIP 2018" and "LTIP 2019") offered to the CEO and other senior executives of the Group. The participants shall be allotted, free-of-charge, performance share rights entitling them to allocations of shares in the Company. Each right converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the right. The right carry neither rights to dividends nor voting rights. 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 cost, including social security charges, is estimated to be at most SEK 10.3 m for each program

under the assumption of an average annual growth of operating profit (EBIT) before items affecting comparability of 10-12 percent. The fair value of share rights is estimated at the grant date using a simplified model taking expected EBIT growth into consideration. No new shares will be issued in the Company due to the programs. However, the Company will acquire treasury shares in order to secure the provision of shares and to secure and cover social security charges. The costs for the programs are expected to have a marginal effect on Nordic Waterproofing Group's key ratios. For 2020, the Group's earnings were charged with SEK 9.8 m (5.2) and at 31 December the Group owns 175,737 (200,000) own shares. During 2020, the LTIP 2017 program was terminated and 24 263 shares were allotted to senior executives. Of these, 8,410 shares were distributed to the company's CEO and 7,367 to other members of Group Management. The maximum number of shares that can be granted under the LTIP 2018, LTIP 2019 and LTIP 2020 are 96,161, 102,342 and 108,993, respectively, adjusted for people who have quit since the programs started.

NOTE 8 PENSIONS
ACCOUNTING POLICIES
Defined contribution plans

The pension plans where the company's obligations are limited to the contributions the company has committed to pay are classified as defined contribution plans. In such cases, the size of the employee's pension depends on the contributions the company pays to the plan or to an insurance company and the capital returns that the contributions provide. Consequently, it is the employee that bears the actuarial risk (that the compensation is less than expected) and the investment risk (that the invested assets will be inadequate to provide the anticipated compensation). The company's commitments in respect of contributions to defined contribution plans are recognized as an expense in profit/loss for the year as they are earned by the employees performing services for the company during a period. The Group only has defined contribution pensions.

Commitments for retirement pensions and family pensions for white-collar employees in Sweden are secured through insurance with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10, this is a defined-benefit plan that comprises multiple employers. For the 2019 financial year, the company has not had access to information that makes it possible to recognize this plan as a defined-benefit plan. The pension plan according to ITP is secured through insurance in Alecta and is therefore recognized as a defined-contribution plan. The year's fees for pension insurances taken out in Alecta amount to

SEK 8.8 m (9.1). Alecta's surplus can be distributed to the policy-holders and/or the beneficiaries. At the end of 2019, Alecta's surplus in the form of the collective solvency level amounted to 148 percent (148). The collective solvency level is comprised of the market value of Alecta's assets as a percentage of the insurance commitments calculated according to Alecta's actuarial assumptions, which is not in accordance with IAS 19.

DEFINED-CONTRIBUTION PLANS

In Sweden, the Group has defined-contribution pension plans for workers that are entirely paid by the companies. Outside Sweden, there are defined-contribution plans that are partially paid for by the subsidiaries and partially covered through fees that the employees pay. Payment to these plans takes place on a running basis in accordance with the rules of the respective plan.

Expenses for defined-contribution plan ¹⁾

SEK m	2020	2019
	26.4	22.0

¹⁾ This includes SEK 8.8 m (9.1) for ITP plans financed in Alecta, see above.

Next year's expected contributions to defined-benefits plans covered by several employers, but recognized as if the plan was a defined-contribution plan, amount to approximately SEK 8.8 m.

NOTE 9 OTHER OPERATING INCOME AND EXPENSES

ACCOUNTING POLICIES

Royalty included in other operating income is related to sales to associated companies for using brands and concepts. Royalty income is recognized in profit/loss for the year at the time the associated companies recognize the sales to their customers.

Other operating income SEK m	2020	2019
Royalty	6.6	6.2
Capital gains	0.4	0.4
Exchange gains on operating receivables/ liabilities	3.1	3.9
Total	10.0	10.5

Other operating expenses SEK m	2020	2019
Exchange losses on operating receivables/ liabilities	-4.2	-4.1
Other	-0.6	-0.4
Total	-4.8	-4.5

NOTE 10 FINANCIAL INCOME AND EXPENSES

ACCOUNTING POLICIES

Financial income consists of interest income on invested funds, dividend income, gains upon a change in value of financial assets valued at fair value through profit or loss and such gains on hedging instruments that are recognized in profit/loss for the year. Dividend income is recognized when the right to receive a dividend has been established. The results from the disposal of a financial instrument are recognized when the risks and benefits associated with ownership of the instrument have been transferred to the buyer and the Group no longer has control over the instrument.

Financial expenses consist of interest expenses on loans, losses upon a value change in financial assets valued at fair value through profit or loss, impairment of financial assets and such losses on hedging instruments that are recognized in profit/loss for the year. Exchange-rate gains and losses are recognized net in operating profit if they are attributable to operating-related items or in net finance items if they are attributable to finance items.

SEK m	2020	2019
Interest income	2.6	0.8
Net exchange-rate changes	6.5	0.1
Other financial income	0.0	0.1
Financial income	9.1	1.0
Interest expenses on loans at amortized cost	-20.7	-21.6
Fair value adjustment put/call options	2.5	-1.8
Net exchange-rate changes	0.0	0.0
Other financial expenses	-7.2	-5.3
Financial expenses	-25.4	-28.7
Net finance items	-16.3	-27.7

All interest income and expenses are attributable to items valued at amortized cost.

Interest expenses include period-allocated arrangement fee for liabilities to credit institutions in an amount of SEK 3.9 m (2.3).

NOTE 11 TAXES

ACCOUNTING POLICIES

Income taxes comprise current tax and deferred tax. Income taxes are recognized in profit/loss for the year except when underlying transactions have been recognized in other comprehensive income or in equity whereby the associated tax effect is recognized in other comprehensive income or in equity. Current tax is tax that shall be paid or received with regard to the current year, with the application of the tax rates that are enacted or practically enacted at the balance sheet date. Current tax also includes adjustments of current tax attributable to earlier periods. Deferred tax is calculated using the balance sheet method based on temporary differences between carrying amounts and amounts for tax purposes of assets and liabilities. The valuation of deferred tax is based on how underlying assets or liabilities are expected to be realized or settled. Deferred tax is calculated with the application of the tax rates and tax regulations that are enacted or practically enacted at the reporting date.

Deferred tax assets concerning deductible temporary differences and tax-loss carry-forwards are only recognized insofar as it is likely that they will be able to be utilized.

Potential additional income tax that arises upon dividends is recognized at the same time as when the dividend is recognized as a liability.

RECOGNIZED IN THE STATEMENT OF PROFIT OR LOSS

SEK m	2020	2019
CURRENT TAX EXPENSE (-)/ TAX REVENUE (+)		
Tax expense for the period	-57.2	-36.9
Adjustment of tax attributable to earlier years	-2.1	0.0
	-59.4	-36.9
DEFERRED TAX EXPENSE (-)/ TAX REVENUE (+)		
Deferred tax for temporary differences	-7.8	0.0
Deferred tax resulting from changes in tax rates	-0.3	0.0
	-8.1	0.0
Total reported tax expenses in the Group	-67.5	-36.9

Reconciliation of effective tax SEK m	2020	%	2019	%
Profit/loss before tax	320.8		232.6	
Tax according to current tax rate for the Parent Company	-68.7	21.4	-51.2	22.0
Effect of other tax rates for foreign subsidiaries	-1.1	0.3	2.3	-1.0
Non-deductible expenses	-5.9	1.8	-1.9	0.8
Non-taxable revenue	0.0	-0.0	0.1	0.0
Result from participations in associated companies	6.8	-2.1	5.3	-2.3
Increase in loss carry-forwards without corresponding capitalization of deferred tax	0.0	-	-0.5	0.2
Utilisation of earlier, non-capitalized loss carry-forwards	0.7	-0.2	8.1	-3.5
Effect of changed tax rates/and tax regulations	0.0	-	0.0	0.0
Other	0.5	-0.2	0.9	-0.4
Reported effective tax	-67.5	21.0	-36.9	15.8

RECOGNIZED IN THE BALANCE SHEET

Deferred tax assets and liabilities

Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are primarily long term and pertain to the following:

SEK m	Deferred tax 2020		
	Asset	Liability	Net
Property, plant and equipment	0.7	14.3	-13.6
Intangible assets	0.0	29.5	-29.5
Inventory	3.6	1.3	2.3
Other current assets	0.4	14.9	-14.5
Untaxed reserves	0.0	43.8	-43.8
Tax loss carry-forwards	3.9	0.0	3.9
Other	0.0	0.7	-0.7
Tax assets/liabilities	8.6	104.5	-95.9
Offset	-2.1	-2.1	0.0
Tax assets/liabilities, net	6.5	102.4	-95.9

SEK m	Deferred tax 2019		
	Asset	Liability	Net
Property, plant and equipment	0.3	14.3	-14.0
Intangible assets	0.3	27.3	-27.0
Inventory	2.5	1.2	1.3
Other current assets	0.0	14.6	-14.6
Untaxed reserves	0.0	41.3	-41.3
Tax loss carry-forwards	5.9	0.0	5.9
Other	1.0	1.7	-0.7
Tax assets/liabilities	10.0	100.3	-90.3
Offset	-9.2	-9.2	0.0
Tax assets/liabilities, net	0.8	91.1	-90.3

Unrecognized deferred tax assets

Total unrecognized deferred tax assets amount to SEK 0.0 m (0.7), hereof tax loss carry-forwards for which deferred tax assets have not been recognized in the income statement and balance sheet amount to SEK 0.0 m (0.7), of which SEK 0.0 m expires within 1–5 years.

Change in deferred tax in temporary differences and tax loss carry-forwards

SEK m	Balance as per 1 Jan 2020	Recognized in profit/loss for the year	Recognized in other comprehensive income	Translation differences	Acquisition/Divestment of business	Balance as per 31 Dec 2020
Property, plant and equipment	-14.0	0.4	-	-	-	-13.6
Intangible assets	-27.0	-4.3	-	1.8	-	-29.5
Inventory	1.3	1.0	-	-	-	2.3
Other current assets	-14.6	-0.8	1.1	-0.2	-	-14.5
Other current liabilities	0.0	-	-	-	-	-
Untaxed reserves	-41.3	-2.5	-	-	-	-43.8
Tax loss carry-forwards	5.9	-2.0	-	-	-	3.9
Other	-0.7	0.1	-	-	-	-0.6
	-90.4	-8.0	1.1	1.6	-	-95.9

SEK m	Balance as per 1 Jan 2019	Recognized in profit/loss for the year	Recognized in other comprehensive income	Acquisition/Divestment of business	Balance as per 31 Dec 2019
Property, plant and equipment	-18.3	4.3	-	-	-14.0
Intangible assets	-9.9	-5.9	-	-11.2	-27.0
Inventory	1.5	-0.2	-	-	1.3
Other current assets	-10.7	-3.9	-	-	-14.6
Other current liabilities	0.0	-	-	-	0.0
Untaxed reserves	-37.4	-3.9	-	-	-41.3
Tax loss carry-forwards	0.0	5.9	-	-	5.9
Other	-0.4	-0.3	-	-	-0.7
	-75.2	-3.9	0.0	-11.2	-90.3

NOTE 12 PARTICIPATIONS IN ASSOCIATED COMPANIES

ACCOUNTING POLICIES

Associated companies

Associated companies are companies over which the Group has a significant, but not a controlling, influence over the operational and financial governance, usually through an interest of between 20 and 50 percent of the number of votes. The vast majority of the associated companies in the Group are customers of the Danish subsidiaries, and also franchisees where they have access to the concepts and brands Phønix Tag and Hetag Tagdækning.

As of the date that significant influence is obtained, participations in associated companies are recognized according to the equity method in the consolidated accounts. The equity method means that the value of the shares recognized in the Group corresponds to the Group's share of the associated companies' equity and consolidated goodwill and other potential remaining value of consolidated surpluses and deficits. In the consolidated profit/loss for the year, the Group's share of the associated companies' profit or loss adjusted for any depreciation, amortization, impairment losses and reversals of acquired surpluses or deficits is recognized in "Share of profit in associated companies". These shares in profit less dividends received from the associated companies comprise the main change in the carrying amount of participations in associated companies.

Any difference in the acquisition between the cost of the holding and the owner company's share of the fair value of the associated company's identifiable assets and liabilities is recognized according to the same policies as in the acquisition of subsidiaries.

Transaction costs that arise are included in the cost.

When the Group's share of recognized losses in the associated company exceeds the carrying amount of the participations in the Group, the value of the participations is reduced to zero. The equity method is applied until the date that significant influence ends.

The Group has assessed that no significant holdings in any individual associated company exist. Specified below, a summary of financial information for insignificant holdings in associated companies is shown, based on the amounts included in the consolidated financial statements.

SEK m	2020	2019
Carrying amount at the beginning of the year	91.4	55.3
Acquisitions of associated companies	4.9	31.2
Divestment of associated companies	-0.8	-1.0
Dividend for the year	-23.4	-18.9
Share of profit in associated companies	31.2	23.8
Reclassification	0.0	0.0
Reversed impairment losses	0.0	0.0
Translation differences for the year	-4.1	1.0
Carrying amount at the end of the year	99.2	91.4
Share of profit in associated companies	31.2	23.8
Other comprehensive income	0.0	0.0
Total comprehensive income	31.2	23.8

Specification of holdings of participations in associated companies

Associated companies	Domicile	2020 Voting and capital share in %	2019 Voting and capital share in %
Playground Finland Oy	Vantaa, Finland	33%	-
Holdingbolaget WKG AB	Skärholmen, Sweden	24%	-
Hagmans Tak Sverige AB	Karlskoga, Sweden	20%	-
AB Tåtskiktsgarantier i Norden	Sundsvall, Sweden	50%	50%
Hetag Byens Tag A/S	Faaborg-Midtfyn, Denmark	40%	40%
Hetag JK Tagentreprise A/S	Herlev, Denmark	40%	40%
Hetag Nordjysk Tag A/S	Brønderslev-Dronninglund, Denmark	70%	70%
Hetag Tagdækning Nord A/S	Aarhus, Denmark	40%	40%
Hetag Tagdækning Syd A/S	Hedensted, Denmark	40%	40%
IFA Tagdækning A/S	Guldborgsund, Denmark	40%	40%

Associated companies	Domicile	2020 Voting and capital share in %	2019 Voting and capital share in %
Morsø Tagdækning ApS	Morsø, Denmark	40%	40%
Nordisk Tagdækning A/S	Roskilde, Denmark	40%	40%
Phønix Tag Energi A/S	Favrskov, Denmark	40%	40%
Phønix Tag Esbjerg A/S	Esbjerg, Denmark	40%	40%
Phønix Tag Fyn A/S	Faaborg-Midtfyn, Denmark	40%	40%
Phønix Tag Grønland ApS	Sermersooq, Denmark	40%	40%
Phønix Tag Holbæk-Næstved A/S	Næstved, Denmark	40%	40%
Phønix Tag København A/S	Furesø, Denmark	40%	40%
Phønix Tag Nordjylland A/S	Aalborg, Denmark	40%	40%
Phønix Tag Nordsjælland A/S	Furesø, Denmark	40%	40%
Phønix Tag Storentreprise ApS	Hedensted, Denmark	40%	40%
Phønix Tag Svendborg A/S	Svendborg, Denmark	40%	40%
Phønix Tag Sønderjylland A/S	Aabenraa, Denmark	40%	40%
Phønix Tag Vejle A/S	Hedensted, Denmark	40%	40%
Phønix Tag Århus A/S	Favrskov, Denmark	40%	40%
Garantiselskabet Dansk Tagdækning ApS	Rudersdal, Denmark	50%	50%

NOTE 13 GROUP COMPANIES AND SUBSIDIARIES

ACCOUNTING POLICIES

Subsidiaries

Subsidiaries are companies that stand under a controlling influence from the Parent Company. A controlling influence exists if the Parent Company has influence over the investment object, is exposed to or has the right to variable returns from its engage-

ment and can use its influence over the investment to affect the returns. In the assessment as to whether a controlling influence exists, potential shares that entitle the holder to votes are taken into account as well as whether de facto control exists.

The financial statements of subsidiaries are included in the consolidated accounts as of the acquisition date until the date that the controlling influence ends. If the subsidiary's accounting policies do not correspond with the Group's accounting policies, adaptation has been made to conform to the Group's accounting policies. Losses attributable to non-controlling interests are also distributed if non-controlling interests will be negative.

When acquiring less than 100 percent of the equity interests of a subsidiary, the Group may enter into arrangements under which Nordic Waterproofing has an obligation to acquire the minority shareholders' shares at a predetermined price at a future point in time (put options). Further, Nordic Waterproofing may have the right to acquire the shares (call options) on similar terms. Such arrangements are generally treated as if the option had been exercised resulting in accounting for purchase of 100 percent of the equity interest. The put option liability is treated as contingent consideration and measured at fair value with changes in fair value recognised in financial items.

Business combinations conducted after the transition to IFRS

Subsidiaries are reported using the acquisition method. This means that the acquisition of a subsidiary is viewed as a transaction through which the Group indirectly acquires the subsidiary's assets and assumes its liabilities at fair value. In the acquisition analysis, the fair value is determined on the acquisition date of the acquired identifiable assets and assumed liabilities, as well as any non-controlling interests. Transaction costs that arise are recognized directly in profit/loss for the year.

In business combinations where transferred considerations exceeds the fair value of acquired assets and assumed liabilities, the difference is reported as goodwill. When the difference is negative, the negative goodwill is recognized directly in the profit/loss for the year.

Contingent considerations are recognized at fair value at the acquisition date. Contingent considerations are revalued at every reporting date and the change is recognized in the profit/loss for the year.

In step-by-step acquisitions, goodwill is determined on the date that a controlling influence arises. Earlier holdings are valued at fair value and changes in value are recognized in profit/loss for the year.

Holdings in subsidiaries

The Group consists of 37 subsidiaries. These subsidiaries are owned through a majority of the votes in the respective subsidiary. Since the merger 2020-11-27, Nordic Waterproofing Holding AB is the Parent company in the group, see note 12 for the Parent company.

Subsidiary (domicile, country)	2020 Voting and capital share in %	2019 Voting and capital share in %
Nordic Waterproofing Group AB (Stockholm, Sweden)	100%	100%
Distri Pond Invest NV (Laakdal, Belgium)	100%	100%
Vervas Invest NV (Laakdal, Belgium)	100%	100%
Distri Pond NV (Laakdal, Belgium)	100%	100%
Pond Technics & Training BVBA (Laakdal, Belgium)	100%	100%
Nordic Takvård AB (Helsingborg, Sweden)	100%	100%
Nordic Waterproofing Holding DK ApS (Vejen, Denmark)	100%	100%
Hetag Tagmaterialer A/S (Hedensted, Denmark)	100%	100%
Nordic Waterproofing A/S (Vejen, Denmark)	100%	100%
Hetag Tagdækning Sjælland A/S (Vejen, Denmark)	100%	100%
Hetag Tagdækning Vest A/S (Vejen, Denmark)	100%	100%
Taasinge Elementer A/S (Svendborg, Denmark)	89%	89%
LV Elements SIA (Riga, Latvia)	100%	100%
Nordic Build A/S (Svendborg, Denmark)	100%	100%
Ringsaker Vegg- og Takelementer AS (Ringsaker Norway)	75%	75%
TE Montage A/S (Svendborg, Denmark)	90%	90%
Nordic Waterproofing AB (Trelleborg, Sweden)	100%	100%
Nordic Waterproofing AS (Askim, Norway)	100%	100%
Nordic Waterproofing Oy (Helsinki, Finland)	100%	100%
AL-Katot Oy (Helsinki, Finland)	100%	100%
KerabitPro Oy (Helsinki, Finland)	100%	100%
LA Kattohuolto Oy (Muurame, Finland)	100%	100%
Nordic Waterproofing Property Oy (Helsinki, Finland)	100%	100%
SPT-Painting Oy (Lappeenranta, Finland)	100%	100%
Nordic Waterproofing SpZoo (Lodz, Poland)	100%	100%
SealEco AB (Värnamo, Sweden)	100%	100%
SealEco BV (Dalfsen, Netherlands)	67%	67%
SealEco AG (Herzogenbuchsee, Switzerland)	51%	51%
SealEco Su Yalitim Teknolojileri A.Ş. (Nilüfer, Turkey)	100%	100%
SealEco GmbH (Marsberg, Germany)	100%	100%
SealEco Holding Belgium NV (Brecht, Belgium) Liquidated 2020-12-30	100%	100%
SealEco Belgium NV (Brecht, Belgium)	100%	100%
SealEco Ltd (London, United Kingdom)	100%	100%
SealEco Contracts Ltd (London, United Kingdom)	-	-
SealEco NV (Brecht, Belgium) Liquidated 2020-12-30	100%	100%
Veg Tech AB (Alvesta, Sweden)	100%	100%
Blomstertak AS (Ås, Norway)	60%	60%
Nordiska Gröntak AB (Alvesta, Sweden)	100%	100%
Veg Tech A/S (Gentofte, Denmark)	100%	100%
Veg Tech Oy (Kyrkslätt, Finland)	100%	100%

NOTE 14 ACQUISITIONS

ACQUISITIONS DURING 2020

The Group has not made any acquisitions of subsidiaries during 2020.

ACQUISITIONS DURING 2021

Byggpartner AS

On 28 January 2021 the Group through Nordic Waterproofing AS acquired 70% of the shares in the Norwegian company Byggpartner AS. The purchase price amounted to SEK 40,5 million and was financed through Nordic Waterproofing's existing credit facilities. Byggpartner AS headquartered in Sandefjord and performs installation and maintenance of waterproofing products in the area around Oslo. Byggpartner has 56 employees and an annual turnover of ca NOK 180 m. The acquisition will strengthen Nordic Waterproofing Holding's position and improve the service offering on the Norwegian market.

Gauris B.V.

On 4 February 2021 the Group through SealEco AB acquired 51% of the shares in the Dutch company Gauris B.V. The purchase price amounted to SEK 2,5 million and was financed through Nordic Waterproofing's existing credit facilities. Nordic Waterproofing has a call option and the minority shareholder has a put option for the remaining 49 percent of the shares. The option gives SealEco AB the right to buy, and the minority shareholder the right to sell, the shares after 1 February 2031. For accounting purposes, the combined call and put option has been classified as a financial liability, and consequently, no non-controlling interest has been recognized. Gauris is a trading and prefabricating company for lining, supplying the segments ponds, pools, roofing, water storage, environmental solutions and civil projects. They offer almost all kind of lining products like EPDM, FPP, LDPE, HDPE, FPO/TPO, geotextiles and PVC with the Netherlands as their main market. Gauris has 7 employees and an annual turnover of ca EUR 1 m. The acquisition of Gauris is an opportunity for continued growth in existing operations and at the same time expand operations within Distripod, which was acquired in 2019, to more markets than Belgium.

Seikat Oy

On 10 March 2021 the Group through Nordic Waterproofing Oy signed an agreement to acquire 84% of the Finnish company Seikat Oy on April 1 2021. The purchase was financed within Nordic Waterproofing's existing credit facilities. The company is headquartered in Ylistaro and designs, manufactures, markets and installs

Purchase consideration SEK m	Jan 2021 Byggpartner AS	Feb 2021 Gauris B.V.	2021 Others	2021 Total
Cash consideration	36.1	2.5	-	38.6
Vendor note and earn-out	4.5	-	-	4.5
Total purchase consideration	40.5	2.5	-	43.1

The acquired companies' net assets on the acquisition date:

Acquisition analysis SEK m	Jan 2021 Byggpartner AS	Feb 2021 Gauris B.V.	2021 Others	2021 Total
Intangible assets				-
Tangible assets	2.0	1.6	-	3.6
Inventory	2.2	1.2	-	3.4
Trade and other receivables	24.8	0.7	-	25.5
Deferred tax asset	8.4	0.6	-	9.0
Cash and cash equivalents	9.7	0.3	-	10.0
Other non-interest bearing liabilities	-23.3	-1.4	-	-24.7
Skulder avseende pågående entreprenad	-1.1	-	-	-1.1
Interest bearing liabilities	-	-5.2	-	-5.2
Deferred tax liabilities	-1.3			-1.3
Net assets and liabilities	21.3	-2.0	-	19.3
Non-controlling interests	-6.4	-	-	-6.4
Goodwill	25.6	4.6	-	30.2
Total purchase consideration	40.5	2.5	-	43.1

Acquisition of business – net cash impact SEK m	Jan 2021 Byggpartner AS	Feb 2021 Gauris B.V.	2021 Others	2021 Total
Cash consideration	36.1	2.5	-	38.6
Less cash balances acquired	-9.7	-0.3	-	-10.0
Net cash impact – investing activities	26.4	2.2	-	28.6

The acquisition analysis is preliminary, meaning that the fair value and the final purchase price allocation analysis has not been conclusively determined for all items. The final analysis is expected to decrease goodwill and increase intangible assets with customer relations.

long-span (15 – 24 meters) wooden prefabricated roof panels to industrial buildings, warehouses, public and commercial buildings. Seikat has 21 employees and an annual turnover of ca EUR 4 m. The acquisition is part of NW's strategy of promoting sustainable, wood-based building solutions. At the time of the publication of the report, the presentation of the acquisition was incomplete.

Urban Green

On 18 March 2021 the Group through Nordic Waterproofing Group AB signed an agreement to acquire 100% of the Swedish company

Urban Green AB. The purchase was financed through Nordic Waterproofing's existing credit facilities. The company is headquartered in Stockholm and has production in Vistanda, Småland and provides roofing contracts for green urban environments. Urban Green has 27 employees and an annual turnover of approximately SEK 50 m. The acquisition is part of Nordic Waterproofing's strategy to promote sustainable solutions by creating green environments and roof landscapes. At the time of the publication of the report, the presentation of the acquisition was incomplete.

On 26 February 2019, Nordic Waterproofing Holding A/S's subsidiary Nordic Waterproofing Group AB, acquired 100 percent of the shares in Distri Pond Invest NV. The purchase consideration was SEK 63 m on cash and debt-free basis, and was primarily financed through an extension of Nordic Waterproofing's existing credit facilities. Intangible assets include the value of existing customer relationships at the date of the acquisition amounting to approximately SEK 42 m which will be amortized, and thus affecting operating profit (EBIT) during approximately five years following the acquisition. Goodwill includes the value of market knowledge and synergies from the transaction. No portion of the goodwill is expected to be tax deductible. Acquisition-related costs amounted to SEK 0.5 m in the form of consulting fees in connection with the acquisition process. These consulting expenses have been recognized as administrative expenses in the consolidated statement of profit or loss.

The acquired business contributed net sales of SEK 94 m and net profit of SEK 4 m to the Group for the period from 27 February to 31 December 2019.

If the acquisition had occurred on 1 January 2019, consolidated proforma net sales and profit for the year ended 31 December 2019 would have been SEK 3,133 m and SEK 196 m. These amounts have been calculated using the subsidiary's results and adjusting them for:

- differences in accounting policies between the Group and the subsidiary, and
- the additional amortization that would have been charged assuming the fair value adjustments to intangible assets had applied from 1 January 2019, together with consequential tax effects.

Purchase consideration SEK m	Feb 2019 Distri Pond	2019 Other	2019 Total
Cash consideration	52.0	6.3	58.3
Vendor note and earn-out	11.5	0.0	11.5
Total purchase consideration	63.5	6.3	69.8

The acquired companies' net assets on the acquisition date:

Acquisition analysis SEK m, unless otherwise stated	Feb 2019 Distri Pond	2019 Other	2019 Total
Intangible assets	41.8	0.1	41.9
Tangible assets	11.7	0.5	12.2
Inventory	27.3	0.0	27.3
Trade and other receivables	20.2	0.0	20.2
Cash and cash equivalents	5.2	0.0	5.2
Other non-interest bearing liabilities	-28.8	0.0	-28.8
Interest bearing liabilities	-59.7	0.0	-59.7
Deferred tax liabilities	-13.4	0.0	-13.4
Net assets and liabilities	4.3	0.6	4.9
Non-controlling interests	0.0	-0.3	-0.3
Goodwill	59.2	6.0	65.2
Total purchase consideration	63.5	6.3	69.8

Acquisition of business – net cash impact SEK m	Feb 2019 Distri Pond	2019 Other	2019 Total
Cash consideration	52.0	6.3	58.3
Less cash balances acquired	-5.2	0.0	-5.2
Net cash impact – investing activities	46.8	6.3	53.1

NOTE 15 INFORMATION ON THE PARENT COMPANY

In November, the former Danish parent company Nordic Waterproofing Holding A/S merged with the wholly owned Swedish subsidiary Nordic Waterproofing Holding AB and with the latter as a surviving entity, see the parent company's accounting principles and note 12 regarding the parent company for information on the merger. The parent company is a Swedish company with organization number 556839-3168 with its registered office in Helsingborg.

The address of the company's registered office and the Group's operational head office is Rönnowsgatan 12, 252 25 Helsingborg, Sweden.

The following capital owners are listed in the company's shareholders' register as owners of at least 5 percent of the votes or the capital:

Svolder, Stockholm, Sweden
 Swedbank Robur Funds, Stockholm, Sweden
 Mawer Investment Management, Calgary, Canada
 Carnegie Funds, Stockholm
 Handelsbanken Funds, Stockholm
 Länsförsäkringar Funds, Stockholm
 Alcur Funds, Stockholm

NOTE 16 RELATED PARTIES

RELATED PARTY RELATIONSHIPS

The Group has related party relationships with the associated companies stated in Note 12. The Parent Company also has a related party relationship with its subsidiaries; see Note 13.

Associated companies are companies over which the Group has a significant, but not a controlling influence over the operational and financial governance, usually through an interest of between 20 and 50 percent of the number of votes. The vast majority of the associated companies in the Group are customers to the Danish subsidiaries, and also franchisees where they have access to the concepts and brands Phønix Tag and Hetag Tagdækning.

COMPILATION OF RELATED PARTY TRANSACTIONS

SEK m	2020	2019
Sale of goods/services and royalties to related parties	253.1	231.6
Purchases of goods/services from related parties	-1.0	0.0
Other (e.g. interest, dividends)	23.4	18.9
Receivables from related parties at 31 December	15.1	17.3
Liabilities to related parties at 31 December	0.0	0.0

Transactions with related parties in the table above refer to related party transactions with associated companies and are priced on market-based terms.

TRANSACTIONS WITH KEY PERSONS IN MANAGEMENT POSITIONS

Transactions with key persons in management positions are presented in Note 7. These transactions comprise salaries, benefits and pension commitments, as well as participation in the Group's incentive program. No further transactions or commitments exist that cover key persons in senior positions.

NOTE 17 INTANGIBLE ASSETS

ACCOUNTING POLICIES

Goodwill

Goodwill is valued at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and impairment tested at least once a year. Goodwill that has arisen in the acquisition of associated companies is included in the carrying amount for participations in associated companies.

For goodwill in acquisitions that took place before 1 January 2012, the Group has not applied IFRS retroactively in the transition to IFRS, but rather the carrying amount at that date constitutes in continuation the Group's cost after impairment testing.

Customer relationships

Customer relationships acquired by the Group are recognized at cost less accumulated amortization and any impairment losses. Customer relationships are amortized straight-line over the expected useful lives, normally 5–7 years, and are included in the statement of profit or loss item Cost of goods sold.

Order book

The order book included in other intangible assets relates to earnings in acquired order book. It is amortized straight-line over 12 months and is included in the statement of profit or loss item Cost of goods sold.

Research and development

Expenditures for development, where research results or other knowledge is applied to achieve new or improved products or processes, are recognized as an asset in the statement of financial position if the product or process is technically and commercially usable, the company may reliably calculate the expenditure that will be activated, and the company has adequate resources to complete the development, that will provide economic benefits in the future. The carrying amount includes all directly attributable expenditures, e.g. for materials and services, compensation to employees, registration of a legal right, amortization on patents and licences, borrowing expenses in accordance with IAS 23. Development expenditures recognized in the statement of financial position are initially measured at cost less accumulated amortization and any impairment losses.

Other intangible assets

Other intangible assets acquired by the Group are recognized at cost less accumulated amortization and any impairment losses. Software that has been developed or extensively adapted on behalf of the Group is also included among other intangible assets. Amortization of software is applied straight-line over the useful life, although a maximum of 5 years, and is included in the statement of profit or loss item Administrative expenses.

Impairment testing of goodwill

The value of recognized goodwill is tested at least once a year with regard to possible impairment requirements. The testing requires an assessment of the value in use of the cash-generating unit, or group of cash-generating units, to which the goodwill is attributable. This requires that several assumptions regarding future conditions and estimates of parameters are made. A description of these are provided below.

Consolidated goodwill consists of strategic business values that has arisen in business acquisitions. The main goodwill arose in 2011 in connection with the establishment of the Group, which is earlier than the date of transition to IFRS. Therefore, goodwill for instance comprises of customer relations, brands, the franchise concept and royalty and is allocated to segments in accordance with the agreed acquisition prices for the respective company and business.

Effective as of 1 January 2012, the Group's contracting operations were incorporated. In connection with this incorporation, goodwill was allocated between the segments in relation to expected discounted cash flows.

SEK m	Goodwill	Customer relationships	Order book	Capitalized expenses for ongoing projects	Other	Total
2020						
Opening net book amount	951.8	92.2	0.0	12.5	28.5	1,085.0
Acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Investments	0.0	0.0	0.0	0.0	0.0	0.0
Reclassification	0.0	0.0	0.0	0.0	0.9	0.9
Amortization	0.0	-20.3	0.0	0.0	-9.8	-30.1
Exchange-rate differences	-25.4	-2.1	0.0	-0.4	-0.8	-28.7
Closing net book amount	926.4	69.8	0.0	12.1	18.8	1,027.1
AT 31 DECEMBER 2020						
Cost	926.4	144.0	19.3	12.1	42.9	1,144.7
Accumulated amortization and impairment	0.0	-74.2	-19.3	0.0	-24.1	-117.6
Net book amount	926.4	69.8	0.0	12.1	18.8	1,027.1

SEK m	Goodwill	Customer relationships	Order book	Capitalized expenses for ongoing projects	Other	Total
2019						
Opening net book amount	878.5	69.2	0.0	15.8	11.9	975.4
Acquisitions	65.2	41.9	0.0	0.0	0.0	107.1
Investments	0.0	0.0	0.0	7.9	11.6	19.5
Reclassification	0.0	0.0	0.0	-11.4	11.4	0.0
Amortization	0.0	-19.1	0.0	0.0	-6.5	-25.6
Exchange-rate differences	8.1	0.2	0.0	0.2	0.1	8.6
Closing net book amount	951.8	92.2	0.0	12.5	28.5	1,085.0
AT 31 DECEMBER 2019						
Cost	951.8	146.2	19.3	12.5	42.8	1,172.5
Accumulated amortization and impairment	0.0	-53.9	-19.3	0.0	14.3	-87.5
Net book amount	951.8	92.3	0.0	12.5	28.5	1,085.0

IMPAIRMENT TESTING FOR CASH-GENERATING UNITS CONTAINING GOODWILL

The company has identified the following cash-generating units that contain goodwill:

SEK m	2020	2019
Products & Solutions	813.4	834.4
Installation Services	113.0	117.4
Total	926.4	951.8

The recoverable amount for the respective segment has been based on its value in use. This value is based on forecast cash flows established in company management's business forecast for the upcoming three years. The cash flows have then been assumed to grow by 1 percent (2) per year. The cash flows have been present value calculated with a discount rate before tax of 10.4 percent (7.6) for Products & Solutions and 10.4 percent (7.2) for Installation Services, respectively.

A sensitivity analysis shows that a need for impairment of goodwill for segment Products & Solutions does not arise until the discount rate increases by more than 7.7 percent or if the growth would be -12 percent. The corresponding figure for segment Installation Services is an increase in the discount rate by 17.9 percent or a growth of -48 percent.

Important assumptions in the business forecast that affect the estimate of the cash flows are presented below. The important assumptions used and the types of assessments made for the respective segments are similar to each other, even if cost structure and margin levels differ. The description below therefore applies to both segments.

Important variables	Estimation method
Sales growth	Forecasts of future sales are based on assessments of sales volumes and prices. Forecasts of the development of volumes and prices in future years are based on current market situations in the various submarkets and on an assessment of how they are expected to develop in the near future. The forecast largely agrees with external information sources (approx. 2 percent) and prior experiences, with the difference that the prevailing market situation and thereby tough competition sets pressure on volumes and prices for Installation Services.
Prices on input goods	Significant input goods are comprised of petroleum-based products. The price trend on these has been negative and based on the expected future development on the commodities market, today's development has been extrapolated and forecasts in five years to increase to a level in excess of today's levels, which have historically been affected by the so-called supercycle for commodities. The forecast agrees with external information sources.
Personnel costs	The forecast for personnel costs is based on expected inflation, some real salary growth (historical average) and planned efficiency enhancements to the company's production (according to a set 3-year plan). The forecast agrees with earlier experiences and external information sources.

Testing has not led to any impairment losses and company management assesses that no reasonably possible changes in important assumptions would mean that the recoverable amount would drop below the carrying amount.

The Group's customer relationships and order book have occurred in connection with business acquisitions.

Amortizations are included in the following items in the consolidated statement of profit or loss:

SEK m	2020	2019
Net sales	3.1	2.0
Cost of goods sold	21.3	19.9
Administrative expenses	5.6	3.7
Total	30.1	25.6

NOTE 18 PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICIES

Owned assets

Property, plant and equipment are recognized in the Group at cost less accumulated depreciation and any impairment losses. The cost includes the purchase price and expenditures directly attributable to the asset to get it in place and in the condition to be used in accordance with the purpose of the acquisition.

Property, plant and equipment that consist of components with different useful lives are treated as separate components of property, plant and equipment.

The carrying amount of an item of property, plant and equipment is taken off the statement of financial position upon disposal or divestment or when no future financial benefits are expected from the use or disposal/divestment of the asset. Gains or losses that arise upon divestment or disposal of an asset comprise the difference between the selling price and the asset's carrying amount less direct selling expenses. Gains and losses are recognized as other operating income/expenses.

Subsequent expenditures

Subsequent expenditures are capitalized only if it is likely that the future financial benefits associated with the asset will flow to the company and the cost can be reliably calculated. All other subsequent expenditures are expensed in the period they arise.

A subsequent expenditure is capitalized if the expenditure pertains to replacements of identified components or parts thereof. The expenditure is also capitalized if a new component has been created. Any non-depreciated carrying amounts on replaced components, or parts of components, are disposed of and expensed in connection with the replacement. Repairs are continuously expensed.

Depreciation policies

Depreciation is applied straight-line over the asset's estimated useful life; land is not depreciated. Leased assets are also depreciated over the estimated useful life or, if it is shorter, over the agreed term of the lease. The Group applies component depreciation, which means that the components' estimated useful lives form the basis of depreciation.

Estimated useful lives:

Office buildings:

Framework, facades, roofs and windows 25–57 years

Other 25–57 years

Industrial buildings:

Framework, facades, roofs 25–57 years

Other 25–57 years

Plant and machinery 5–10 years

Equipment, tools, fixtures and fittings 5 years

Applied depreciation methods, residual values and useful lives are reviewed at the end of every year.

Leased assets

Assets leased are recognized as right-of-use assets in the statement of financial position and are initially recognized at the value of the lease liability, with addition of lease payments made on or before the initial date of the lease and initial direct costs. The right-of-use asset is recognized in subsequent periods at cost less depreciation and impairment. Right-of-use assets are depreciated over their anticipated useful life, or if it is shorter, over the agreed lease term. If a lease transfers ownership rights at the end of the lease term or if the cost includes the probable exercise of a call option, the right-of-use asset is depreciated over its useful life. Depreciation commences on the start date of the lease. Variable lease payments that are not dependent on an index or price are not included in the measurement of right-of-use assets.

SEK m	Land and buildings	Machinery	Equipment & tools	Right-of-use assets - buildings	Right-of-use assets - other	Construction in progress	Total
2020							
Opening net book amount	126.2	111.4	26.5	96.8	19.0	9.0	388.9
Acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investments	1.1	23.7	9.6	28.2	16.4	20.7	99.6
Divestments and disposals	0.0	-0.2	-1.2	-6.7	-1.2	0.0	-9.3
Reclassification	0.2	4.2	6.0	0.0	0.0	-11.4	-0.9
Depreciation	-7.2	-26.2	-7.5	-35.4	-13.1	0.0	-89.3
Exchange-rate differences	-2.4	-2.1	-0.5	-4.3	-0.7	-0.2	-10.1
Closing net book amount	118.0	110.8	33.0	78.6	20.4	18.1	378.9
At 31 December 2020							
Cost	162.8	265.0	77.4	149.3	44.7	18.1	717.4
Accumulated depreciation	-44.8	-154.2	-44.5	-70.7	-24.4	0.0	-338.5
Net book amount	118.0	110.8	33.0	78.6	20.4	18.1	378.9

SEK m	Land and buildings	Machinery	Equipment & tools	Right-of-use assets - buildings	Right-of-use assets - other	Construction in progress	Total
2019							
Opening net book amount	124.6	103.2	27.0	117.4	25.3	13.3	410.8
Acquisitions	0.0	1.1	2.0	8.2	0.9	0.0	12.2
Investments	4.9	20.7	2.2	5.9	3.8	13.2	50.7
Divestments and disposals	0.0	-1.4	-0.4	-1.8	0.0	0.0	-3.6
Reclassification	1.6	15.4	0.9	0.0	0.0	-17.9	0.0
Depreciation	-6.3	-28.2	-5.5	-35.3	-11.3	0.0	-86.6
Exchange-rate differences	1.4	0.6	0.3	2.3	0.4	0.4	5.4
Closing net book amount	126.2	111.4	26.5	96.8	19.0	9.0	388.9
At 31 December 2019							
Cost	163.8	239.4	63.5	132.1	30.3	9.0	638.1
Accumulated depreciation	-37.6	-128.0	-37.0	-35.3	-11.3	0.0	-249.2
Net book amount	126.2	111.4	26.5	115.8	19.0	9.0	388.9

Depreciations are included in the following items in the consolidated statement of profit or loss:

SEK m	2020	2019
Cost of goods sold	59.6	56.5
Selling expenses	10.7	12.2
Administrative expenses	19.0	17.9
Total	89.3	86.6

NOTE 19 LEASES**ACCOUNTING POLICIES**

Expenses for short-term leases and for leases in which the underlying asset is of low value are recognized in profit/loss for the year straight-line over the term of the lease.

Amounts for leases recognized in profit/loss:

SEK m	2020	2019
Depreciation of right-of-use assets	48.5	46.6
Interest expenses for lease liabilities	2.3	3.1
Fees for short-term leases	0.2	2.6
Fees for low-value leases	0.1	0.1
Total	51.1	52.4

For depreciation and the carrying amount of right of use assets at the end of the reporting period per underlying asset class see Note 18. For maturity analysis of leasing liabilities see Note 34.

NOTE 20 INVENTORY**ACCOUNTING POLICIES**

Inventory is valued at the lower of cost and net realisable value. The cost of inventory is calculated using the first-in, first-out policy (FIFO) and includes expenses arising in the acquisition of the inventory assets and their transport to their current location and condition. For manufactured goods and work in progress, the cost includes a reasonable share of indirect expenses based on a normal capacity.

The net realisable value is the estimated selling price of the operating activities, less estimated costs for completion and to achieve a sale.

SEK m	2020	2019
Raw materials and consumables	117.4	87.9
Finished goods and goods for resale	275.0	294.6
Total	392.4	382.5

All inventory items are recognized as cost of goods sold at the time of the sale or scrapping of products. No additional write-downs have been made other than the physical scrapping of products identified as being obsolete.

NOTE 21 TRADE RECEIVABLES**ACCOUNTING POLICIES**

Trade receivables are financial assets that are non-derivatives, have determined or determinable payments and are not listed in an active market. Trade receivables are valued at amortized cost. Trade receivables are recognized by the amount expected to be received, i.e. less expected credit losses.

The provision for expected credit losses is valued to an amount that corresponds to the expected credit loss for the remaining maturity period. The estimate of the expected credit loss is mainly based on an individual assessment of the receivable in question together with information about historical losses for similar assets and counterparties, taking into consideration potential future events.

The Group has usual short-term payment terms.

Trade receivables are recognized after consideration is taken to credit losses arising during the year that amounted to SEK -8.2 m (-1.0).

AGE ANALYSIS

SEK m	2020	2019
Trade receivable not overdue	213.1	209.9
Overdue 1–30 days	25.8	40.4
Overdue 31–90 days	16.1	8.1
Overdue > 90 days	16.1	8.8
Total	271.2	267.2
Provision for expected credit losses	-8.5	-2.2
Carrying amount	262.8	265.0

PROVISION FOR EXPECTED CREDIT LOSSES

SEK m	2020	2019
Opening balance	-2.2	-6.0
Reversal of previously applied impairment losses	0.5	2.0
Write-off of previous credit losses	0.5	3.0
Credit losses for the year	-8.2	-1.0
Exchange-rate differences for the year	0.9	-0.2
Closing balance	-8.5	-2.2

NOTE 22 RECEIVABLES FOR ON-GOING CONSTRUCTION CONTRACTS**ACCOUNTING POLICIES**

Receivables for on-going construction contracts are projects where higher accumulated income is recognized than invoiced income.

SEK m	2020	2019
Generated revenue for on-going construction contracts	751.1	798.7
Invoicing on on-going construction contracts	-748.7	-767.5
Total	2.4	31.2

SEK m	2020	2019
Receivables for on-going construction contracts	21.4	51.5
Payables for on-going construction contracts	-19.1	-20.3
Total	2.4	31.2

The contract assets and liabilities are related to construction contracts with a duration of less than twelve months.

NOTE 23 OTHER CURRENT RECEIVABLES**ACCOUNTING POLICIES**

Current receivables essentially consist of amounts expected to be recovered within 12 months of the reporting date.

SEK m	2020	2019
VAT receivables	5.4	6.0
Fair value, commodity derivatives	0.0	3.3
Balance on tax account	2.5	3.0
Other receivables	2.8	3.9
Total	10.8	16.2

NOTE 24 PREPAID EXPENSES AND ACCRUED INCOME**ACCOUNTING POLICIES**

Prepaid expenses are payments for the period which represent costs for subsequent periods. Accrued income is revenue during the period in which the payment is made in later periods.

SEK m	2020	2019
Sales and marketing expenses	5.9	4.1
Energy costs	0.5	0.2
IT	2.0	0.9
Insurance	3.0	2.9
Supplier bonuses	3.6	2.1
Other	7.0	5.6
Total	22.0	15.8

NOTE 25 OTHER CURRENT LIABILITIES**ACCOUNTING POLICIES**

Current liabilities essentially consist of amounts expected to be paid within 12 months of the reporting date.

SEK m	2020	2019
Personnel-related liabilities	16.0	12.6
VAT liabilities	33.8	22.7
Fair value, commodity derivatives	1.7	0.0
Short-term vendor note and additional purchase price liability	2.9	11.6
Other liabilities	1.4	4.1
Total	55.8	51.0

NOTE 26 ACCRUED EXPENSES AND PREPAID INCOME**ACCOUNTING POLICIES**

Accrued expenses are costs where payments are made in later periods. Prepaid income is payments during the period that constitute income for subsequent periods.

SEK m	2020	2019
Personnel-related expenses	134.8	115.9
Interest expenses	2.2	5.5
Customer bonuses	32.2	15.8
Warranties	16.3	12.0
Other	30.4	23.2
Total	215.8	172.4

NOTE 27 OTHER INVESTMENTS

SEK m	2020	2019
Financial assets		
Shares and participations	2.1	2.2

This item is essentially comprised of shares in unlisted companies. The company has deemed that the fair value of the shares could not be estimated with sufficient reliability. Therefore, and due to immateriality, the shares have been valued at cost.

NOTE 28 CASH AND CASH EQUIVALENTS**ACCOUNTING POLICIES**

Cash and cash equivalents consist of cash funds and immediately available balances at banks and equivalent institutes and short-term liquid investments with a duration from the time of acquisition of less than three months, which are only subject to an insignificant risk of value fluctuations.

SEK m	2020	2019
The following subcomponents are included in cash and cash equivalents:		
Cash and bank balances	604.3	196.9
Total as per balance sheet	604.3	196.9
Total as per cash flow statement	604.3	196.9

NOTE 29 EQUITY**SHARE CAPITAL AND NUMBER OF SHARES**

Stated in number of shares	2020	2019
Issued at 1 January	24,083,935	24,083,935
Issued at 31 December	24,083,935	24,083,935
Number of shares by class:		
Class A shares	24,083,935	24,083,935
Total	24,083,935	24,083,935

All shares have a quotient value of SEK 1.00 (DKK 1.00). Holders of ordinary shares are entitled to dividends determined in arrears and the shareholding entitles to voting rights at the General Meeting with one vote per share.

Total treasury shares, in order to secure the long-term incentive programs, were 175,737 (200,000), corresponding to 0.7 (0.8) percent of the total share capital, at 31 December 2020.

PROPOSED APPROPRIATION OF PROFIT

For proposed appropriation of profit, see the Board of Directors proposal on page 53.

RESERVES**Translation reserve**

The translation reserve includes all exchange-rate differences that arise in the translation of financial statements from foreign operations that have prepared their financial statements in a currency other than the currency that the consolidated financial statements are presented in. The Group presents its financial statements in SEK.

In addition, the translation reserve consists of exchange-rate differences that arise in the revaluation of liabilities that have been taken up as hedging instruments by a net investment in a foreign operation.

Hedging reserve

The hedging reserve includes unrealised fair value gains and losses on hedging instruments.

RETAINED EARNINGS INCLUDING PROFIT FOR THE YEAR

Retained earnings including profit for the year include profits earned in the Group. Earlier reservations to the statutory reserve, excluding transferred share premium reserves, are included in this equity item. The item also includes other equity contributed by the shareholders. This includes premiums paid in connection with new share issues.

CAPITAL MANAGEMENT

The Group strives to maintain a strong financial position that contributes to retaining the confidence of creditors and the market, which constitutes a basis for continued development of the business. The Group defines managed capital as total recognized equity.

The financial targets for Nordic Waterproofing Group, which are valid as from May 2019, include a dividend policy and targets for the capital structure. Nordic Waterproofing aims to have an annual dividend of more than 50 percent of its net profit. The pay-out decision will be based on the Company's financial position, investment needs, liquidity position as well as general economic and business conditions. The interest-bearing net debt in relation to EBITDA (measured on a rolling twelve months basis), excluding temporary deviations, shall not exceed 3.0 times. No dividend, SEK 0 m (95.5) has been paid to the owners during 2020, why leverage is lower and amounts to 0.5 x EBITDA (1.6x) as per the end of the reporting period.

NOTE 30 EARNINGS PER SHARE

SEK m	2020	2019
Earnings per share before dilution	10.60	8.19
Earnings per share after dilution	10.52	8.13

The calculation of the numerator and denominator used in the above calculations of earnings per share is presented below.

PROFIT/LOSS FOR THE YEAR ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS, BEFORE AND AFTER DILUTION

SEK m	2020	2019
Profit/loss attributable to Parent Company shareholders, before and after dilution	255.6	197.9

WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES, BEFORE AND AFTER DILUTION

In shares	2020	2019
Total number of shares, 1 January	24,083,935	24,083,935
Weighted average number of shares during the year, before dilution	23,894,198	23,906,146
Weighted average number of shares during the year, after dilution	24,083,935	24,083,935

NOTE 31 INTEREST-BEARING LIABILITIES**ACCOUNTING POLICIES**

Borrowings are valued at amortized cost. Borrowings are classified as interest-bearing non-current or current liabilities in the balance sheet.

SEK m	2020	2019
NON-CURRENT LIABILITIES		
Bank loans	745.8	697.1
Lease liabilities	55.4	65.6
Total	801.3	762.7

The non-current part of bank loans has been reduced by SEK 4.5 m (0.9) with regard to period-allocated arrangement costs for bank loans.

SEK m	2020	2019
CURRENT LIABILITIES		
Current part of bank loans	0.0	0.0
Cash credit	0.0	0.0
Lease liabilities	41.3	44.2
Total	41.3	44.2

NOTE 32 OTHER NON-CURRENT LIABILITIES**ACCOUNTING POLICIES**

Non-current liabilities essentially consist of amounts expected to be recovered or paid after 12 months of the reporting date.

SEK m	2020	2019
Long-term call/put option liabilities	30.9	34.3
Long-term additional purchase price liabilities	0.5	3.5
Other liabilities	1.6	5.4
Total	32.9	43.2

Other non-current liabilities primarily consist of contingent liabilities in relation to acquired companies.

NOTE 33 FINANCIAL INSTRUMENTS

ACCOUNTING POLICIES

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments that are recognized in the statement of financial position include cash and cash equivalents, loan receivables, trade receivables, other investments and derivatives on the asset side. On the liabilities side, there are trade payables, borrowings and derivatives.

Recognition in and derecognition from the statement of financial position

A financial asset or liability is recognized in the statement of financial position when the company becomes a party to the instrument's contractual terms. A receivable is recognized when the company has performed and a contractual obligation exists for the counterpart to pay, even if an invoice has not yet been sent. Trade receivables are recognized in the statement of financial position when an invoice has been sent. A liability is recognized when the counter-party has performed and a contractual obligation exists to pay, even if an invoice has not yet been received. Trade payables are recognized when an invoice has been received.

A financial asset and a financial liability are offset and reported in a net amount in the statement of financial position only when there is a legal right to offset the amounts and there is an intention to settle the items with a net amount or to simultaneously realise the asset and settle the liability.

Acquisitions and disposals of financial assets are recognized on the transaction date. The transaction date is the date the company commits to acquire or dispose the asset.

Financial instruments that are not accounted for at fair value are initially recognized at cost corresponding to the instrument's fair value plus transaction expenses for all financial instruments except with regard to those belonging to the category of financial assets at fair value through profit or loss, which are recognized at fair value excluding transaction expenses. A financial instrument is classified at initial recognition based in part on the purpose for which the instrument was acquired. The classification determines how the financial instrument is valued after initial recognition as described below.

Derivatives are initially recognized at cost and subsequently at fair value. Both realised and unrealised gains and losses are

recognized in the income statement unless the derivatives are part of the hedging of future transactions. Value adjustments of derivatives for hedging of future transactions are recognized directly in other comprehensive income. As hedged transactions are realised, gains or losses are recognized in the hedging instrument from other comprehensive income in the same item as the hedged items. Any non-effective part of the financial instrument in question is recognized in the income statement.

Derivatives are recognized under other receivables or other payables.

Cash and cash equivalents consist of cash funds and immediately available balances at banks and equivalent institutes and short-term liquid investments with a duration from the time of acquisition of less than three months, which are only subject to an insignificant risk of value fluctuations.

Financial assets and liabilities at fair value through profit or loss

The category comprises derivative financial assets and liabilities of which some are designated as hedging instruments as described below.

Loans and receivables

Loans and receivables are financial assets that are non-derivatives, have determined or determinable payments and are not listed on an active market. These assets are valued at amortized cost. Trade receivables are recognized in the amount expected to be received, i.e. less expected credit losses.

Other financial liabilities

Borrowings and other financial liabilities, such as trade payables, are included in this category. These liabilities are valued at amortized cost.

The categories to which the Group's financial assets and liabilities belong are presented in Note 34 Financial risks and finance policy. Recognition of finance income and expenses is also addressed above.

Derivatives and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The group designates certain derivatives as either:

- hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the hedging instruments designated to hedge accounting have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss within other operating income or other operating expenses.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for instance when the forecast purchase that is hedged takes place). The gain or loss relating to the effective portion of forward contracts hedging prices of raw materials is recognized in profit or loss within cost of goods sold.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

The hedging that the Group has made refers to hedging the cost of bitumen. The purchase cost for bitumen consists of a fixed part and a variable part linked to an oil price index. The variable part is hedged periodically through derivatives on this oil price index. The effectiveness of the hedge is monitored by comparing the hedged volumes at the time of hedging with actually purchased volumes. During 2020, the hedge was 100% for the periods when hedging was done.

Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Loans in foreign currencies are used as hedging instruments. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss within other operating income or other operating expenses.

Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT CATEGORY

The table below presents the carrying amounts for financial assets and liabilities by measurement category.

SEK m	Financial assets at fair value through profit or loss	
	2020	2019
FINANCIAL ASSETS AT FAIR VALUE		
Other current receivables		
Commodity derivatives	0.0	3.3
Total financial assets at fair value	0.0	3.3
SEK m	Financial assets at amortized cost	
	2020	2019
FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE		
Non-current receivables from associated companies	9.1	8.8
Other non-current receivables	15.7	21.4
Current receivables from associated companies	6.0	8.5
Receivables for on-going construction contracts	21.4	51.5
Other current receivables	2.8	12.9
Accounts receivable	262.8	265.0
Total financial assets not measured at fair value	317.8	368.1
Total financial assets	317.8	371.4

SEK m	Financial liabilities at fair value through profit or loss	
	2020	2019
FINANCIAL LIABILITIES AT FAIR VALUE		
Other non-current liabilities		
Long-term call/put option liabilities	30.9	34.3
Long-term additional purchase price liabilities	0.5	3.5
Other current liabilities		
Short-term vendor note and additional purchase price liabilities	2.9	11.6
Commodity derivatives	1.7	0.0
Total financial liabilities at fair value	35.9	49.4

The fair values were calculated based on cash flows discounted using a risk adjusted discount rate (WACC).

The decrease in short-term liabilities is mainly related to the payment of the earn-out liability regarding Distri Pond.

SEK m	Financial liabilities at amortized cost	
	2020	2019
FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE		
Non-current interest-bearing liabilities	803.1	762.7
Current interest-bearing liabilities	39.4	44.2
Trade payables	151.9	130.1
Other current liabilities	51.8	39.4
Accrued interest expenses	2.2	1.9
Total financial liabilities not measured at fair value	1,048.5	978.3
Total financial liabilities	1,084.4	1,027.7

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 as well as contingent consideration and call/put options. These are recognized in the balance sheet items Other receivables and Other liabilities.

In general, the carrying amounts of financial instruments measured at amortised costs are a reasonable approximation of their fair values. Long-term financial liabilities and receivables have floating interest rates which are repriced on a frequent basis.

FAIR VALUE HIERARCHY

The Group has commodity derivatives classified as level 2 in the fair value hierarchy whereas contingent consideration and options are classified as level 3. The Group has no level 1 instruments.

The classification in the hierarchy depends on the degree to which the fair value is observable. Level 2 measurements are those derived from inputs other than quoted prices included within level 1 that are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 measurements are those derived from valuation techniques that include inputs that are not based on observable market data (unobservable inputs).

Financial instruments measured at level 3 per 31 December:

SEK m	2020	2019
Opening balance	49.4	42.6
Fair value movement in income statement	-2.5	1.8
Purchases	0.0	11.5
Paid	-12.4	-6.8
Exchange-rate differences	-0.3	0.4
Closing balance	34.2	49.4

VALUATION METHODS AND TECHNIQUES

Commodity derivatives

Future cash flows are estimated based on forward prices (from observable forward prices at the end of the reporting period) discounted at a rate that reflects the credit risk of various counterparties.

Contingent considerations

The fair value of the contingent consideration is based on probability weighted payments discounted at its present value. Material non-observable input comprise:

- 4 percent of estimated gross profit for the period up until 2021,
- 0.5-1.5 percent of estimated net sales related to royalty payments for the period up until 2034,
- EBITDA for 2020, and
- a discount rate of 10 percent.

The estimated fair value increases the higher the growth in gross profit, net sales and EBITDA and a lower discount rate. A 2% increase (decrease) in the discount rate would not have any significant impact on the fair value of the contingent considerations.

Call/put options

The fair value of options is based on probability weighted payments discounted at its present value. Material non-observable input comprise:

- growth in EBIT or EBITDA up until 2024, and
- a discount rate of 8 percent.

The estimated fair value increases the higher the growth in EBIT, EBITDA and lower discount rate. A 2% increase (decrease) in the discount rate would not have any significant impact on the fair value of the call/put options.

NOTE 34 FINANCIAL RISKS AND FINANCE POLICY**TREASURY POLICY AND FINANCIAL RISK MANAGEMENT**

The Group's treasury policy for the management of financial risks has been established by the Board and forms a framework of guidelines and rules in the form of risk mandates and limits for financing activities. The CFO is responsible for compliance with the policy and for reporting any deviations to the CEO, who in turn informs the Board. The Board updates and establishes the policy once a year, or more often if circumstances require.

The management of financial risks within Nordic Waterproofing is centralised to the Group's finance function ("Group Finance"), which also serves as the Group's internal bank.

The Board has identified the following financial risks as the most significant to the Group: raw material price risk, liquidity and financing risk, interest rate risk, currency risk and credit risk.

Speculation in financial instruments and risks are not allowed at any point.

RAW MATERIAL PRICE RISK

Raw material price risk consists of the risk that changes in the price of raw materials have an unexpected impact on the consolidated statement of profit or loss, statement of financial position or statement of cash flows. Nordic Waterproofing is primarily exposed to the risk of price fluctuations on four kinds of raw materials: bitumen, SBS, polyester and EPDM. In 2019, these materials accounted for 48 percent (54) of the Group's total raw materials costs. The largest exposure is in bitumen where the price is the most volatile in the short term.

Risk management

As stated in the risk management policies the price risk must at any point in time be monitored and Nordic Waterproofing seeks to reduce price risk by entering into fixed price contracts or using

hedging instruments. Bitumen can be hedged for the coming 24 months, and within this period, the CEO has the possibility to hedge between 0 and 100 % of the expected forecast purchases of raw materials. Hedge agreements exceeding 6 months require approval from the Chairman of the Board.

As at 31 December 2020, the expected purchases of bitumen for delivery during the first and second quarter in 2021 amounted to 19,000 tons or approximately 46 percent of the expected annual purchasing volume. This volume has been hedged using derivatives. At the corresponding period the preceding year, the expected purchases of bitumen for delivery during January to March and October to December 2020 were hedged by means of derivatives, equivalent to 15,400 tons (approximately 39 percent of the expected annual purchasing volume).

Sensitivity analysis, bitumen price

A 10 percent decrease/increase in the price of bitumen would have impacted the statement of profit and loss in an amount of SEK +/- 16.3 m (19.3) without taking into consideration the effect of fair value changes on any outstanding bitumen derivative contracts. Expressed as changes in the underlying Brent price, a 10 USD per barrel decrease/increase would have impacted the statement of profit and loss by approximately SEK +/- 22.0 m (20.5).

A 10 percent decrease/increase in the price of bitumen would have impacted the fair value of outstanding derivative instruments with an amount of SEK +/- 4.6 m (7.6), which would have affected other comprehensive income for 2020. The sensitivities are based on recognized bitumen derivatives as per 31 December.

Hedge accounting (cash flow hedging)

As mentioned above, the group has entered into commodity price derivatives in order to hedge the price fluctuations related to the expected purchase of bitumen for the coming 12 months. Thus, the derivatives impact consolidated income statement during 2021 once they are settled and given no ineffectiveness is recognised. The derivatives have an underlying price reference to Brent (previous year HSF0) which have a high correlation to bitumen.

During the year, ineffectiveness recognised in the consolidated income statement amounted to SEK 0.0 m (0.0). Potential sources to ineffectiveness primarily relate to differences in timing of payment of the physical delivery and settlement of the derivative.

The fair value movement recognized in other comprehensive income used in the effectiveness test is SEK -5.0 m (0.1).

Movements in other comprehensive income related to the hedging reserve are as follow:

SEK m	2020	2019
Opening balance	2.6	2.5
Fair value movement	-5.0	0.1
Tax movements	1.1	0.0
Closing balance	-1.4	2.6

LIQUIDITY AND FINANCING RISK

Financing risk is defined in the finance policy as the risk that loans cannot be refinanced when necessary, that financing cannot be obtained or that refinancing is only possible at unfavourable terms. It is incumbent on Group Finance to continuously forecast the Group's liquidity requirements and to continuously maintain contracts with relevant credit institutions to maintain access to competitive financing.

Nordic Waterproofing's principal external financing agreement is valid until June 2023. On 31 December 2020, the Group's non-current interest-bearing liabilities is comprised by a EUR 75.0 m (73.0) term loan facility. The loan facility bears variable interest and runs without requiring repayment in instalments.

The financing agreement contains financial covenants regarding the net debt/EBITDA ratio as well as interest coverage ratio. The covenants are monitored and followed up on a quarterly basis. At the reporting date, the Group fulfilled all covenants.

The Group's bank loans are raised in EUR and in SEK.

For all the Group's bank loans, interest terms were updated during the fourth quarter of 2020, which is why essentially the book value can be assumed to correspond to fair value.

With the aim of managing the liquidity risk, the finance policy prescribes that the Group shall have a liquidity reserve consisting of cash and bank balances, current investments and unutilised credit facilities of at least SEK 40.0 m. If the liquidity reserve falls below, or is expected to fall below, this amount the Board shall be informed. At the reporting date, cash and cash equivalents amounted to SEK 604.3 m (196.9). No portion, SEK 0.0 m (0.0), of the Group's total credit facilities in the form of overdraft facilities of EUR 14.4 m (14.4), corresponding to SEK 144.5 m (150.2), was utilized at the end of 2020.

The table on page 80 shows the maturity structure for the Group's financial liabilities including derivative liabilities. For each period, due dates are presented for capital amounts and payment of interest. For liabilities with variable interest, the future interest payments have been estimated based on the variable spot rate that applied on the reporting date.

INTEREST RATE RISK

Interest rate risk consists of the risk that a change of market rates has a negative impact on the consolidated statement of

profit or loss or statement of financial position. The Group's bank loans run with variable interest in the form of EURIBOR 3M or STIBOR 3M plus a margin.

Sensitivity analysis, interest rate risk

The sensitivities are based on recognized financial assets and liabilities as per 31 December and do not take repayments or new financing activities during the year into consideration.

An increase/decrease of EURIBOR 3M or STIBOR 3M by 100 interest rate points would have increased/decreased the Group's annual interest expenses and affecting equity by approximately SEK 1.4 m [5.0] based on the size of the bank loans and finance lease liabilities less bank balances at the reporting date.

CURRENCY RISK

Currency risk consists of the risk of negative impact on the consolidated statement of profit or loss, statement of financial position or statement of cash flows as a result of exchange-rate changes. Exposure to currency risk can be divided into transaction exposure and translation exposure.

Transaction exposure

Transaction exposure is the risk of a negative impact on the consolidated profit due to changes in exchange rates that affect the value of a commercial transaction in a foreign currency relative to the functional currency for the Group company making the transaction. The Group has significant cash flows in foreign currencies (DKK, EUR, NOK and USD) that arise in the ordinary course of the Group's business. However, inflows and outflows of those foreign currencies are naturally offset and any net transaction exposure is therefore considered insignificant. Accordingly, no hedging is applied.

Translation exposure

Translation exposure arises in the translation of the statements of financial position and statements of profit or loss for foreign subsidiaries to SEK, which is the Group's presentation currency. The translation exposure is related to the subsidiaries in Finland, Belgium, the Netherlands, Denmark and Norway as the functional currencies for these subsidiaries are EUR, DKK and NOK.

A strengthened SEK compared to EUR, DKK and NOK will lead to negative translation differences and a weakened SEK will lead to positive translation differences. In accordance with the accounting policies these translation differences are recognized in other comprehensive income and accumulated in a special reserve, called a translation reserve. In 2019, the translation differences amounted to SEK -48.1 m [12.8].

2020 SEK m	Nominal amounts	Contractual payments of capital amounts and interest				
		Jan–Jun 2021	Jul–Dec 2021	2022	2023 to 2026	After 2026
INTEREST-BEARING LIABILITIES						
Non-current interest-bearing liabilities						
Bank loans – term loan facility	745.4	–	–	–	745.4	–
Bank loans – revolving loan facility	0.0	–	–	–	–	–
Bank loans - other	0.9	0.9	–	–	–	–
Lease liabilities	55.0	–	–	21.0	26.1	7.8
Current interest-bearing liabilities						
Lease liabilities	41.3	20.6	20.6	–	–	–
Interest	27.9	7.6	5.1	10.1	5.1	–
NON-INTEREST-BEARING LIABILITIES						
Non-current non-interest-bearing liabilities						
Long-term call/put option liabilities	30.9	–	–	29.9	1.0	–
Long-term additional purchase price liabilities	0.5	–	–	–	0.5	–
Other long-term liabilities	1.6	–	–	0.3	1.4	–
Current non-interest-bearing liabilities						
Short-term vendor note and additional purchase price liabilities	2.9	2.9	–	–	–	–
Trade payables	151.9	151.9	–	–	–	–
Accrued interest expenses	2.5	2.5	–	–	–	–
Other current liabilities	0.3	–	0.3	–	–	–
Total	1 060.9	186.5	25.9	61.3	779.4	7.8
Less bank balances	-604.3	-604.3	–	–	–	–
Net	456.6	-417.8	25.9	61.3	779.4	7.8

2019 SEK m	Nominal amounts	Contractual payments of capital amounts and interest				
		Jan–Jun 2020	Jul–Dec 2020	2021	2022 to 2025	After 2025
INTEREST-BEARING LIABILITIES						
Non-current interest-bearing liabilities						
Bank loans – term loan facility	644.1	–	–	644.1	–	–
Bank loans – revolving loan facility	46.5	–	–	46.5	–	–
Bank loans - other	6.5	–	–	6.5	–	–
Lease liabilities	65.6	–	–	38.4	27.2	–
Current interest-bearing liabilities						
Lease liabilities	44.2	22.1	22.1	–	–	–
Interest	26.2	6.6	6.6	13.1	–	–
NON-INTEREST-BEARING LIABILITIES						
Non-current non-interest-bearing liabilities						
Long-term call/put option liabilities	34.3	–	–	25.0	9.3	–
Long-term additional purchase price liabilities	3.5	–	–	–	3.5	–
Other long-term liabilities	5.4	–	–	3.5	1.9	–
Current non-interest-bearing liabilities						
Short-term vendor note and additional purchase price liabilities	11.6	11.6	–	–	–	–
Trade payables	130.1	130.1	–	–	–	–
Accrued interest expenses	3.2	3.2	–	–	–	–
Other current liabilities	1.1	–	1.1	–	–	–
Total	1,022.3	173.6	29.8	777.1	41.9	0.0
Less bank balances	-196.9	-196.9	–	–	–	–
Net	825.4	-23.3	29.8	777.1	41.9	0.0

At the reporting date, the accumulated translation differences after tax recognized in the translation reserve amounted to SEK 34.0 m (19.8).

The treasury policy does not allow for translation exposures to be hedged using currency derivatives.

Sensitivity analysis, currency risk

The sensitivities are based on recognized financial assets and liabilities as per 31 December. The Group has a significant exposure in DKK, EUR and NOK against SEK, of which the exposure in EUR is the most significant. The Group's exposure in EUR against SEK is affected by part of the Group's bank loans being raised in EUR. A 10 percent strengthening/weakening of the EUR against the SEK would have affected the Group's net financial items and affecting equity by SEK +/- 9.1 m (3.6), given the net liabilities that were outstanding on the reporting date (less cash holdings). Other comprehensive income would have been affected by translation differences of SEK +/- 42.4 m (37.4).

A 10 percent strengthening/weakening of the DKK against the SEK would have affected the Group's net financial items and affecting equity by SEK +/- 13.9 m (3.3), given the cash holdings on the reporting date, and other comprehensive income would have been affected by translation differences of SEK +/- 41.3 m (38.8).

A 10 percent strengthening/weakening of the NOK against the SEK would have affected the Group's net financial items and affecting equity by SEK +/- 0.9 m (0.8), given the cash holdings on the reporting date, and other comprehensive income would have been affected by translation differences of SEK +/- 0.4 m (0.4).

CREDIT RISK

Commercial credit risk

Commercial credit risk is comprised of the risk of losses if any of the Group's customers become insolvent and cannot fulfil their undertakings. Credit risk is managed locally at the respective business unit through internal procedures and controls for the evaluation and check of credit ratings from external credit rating companies. If deemed viable in relation to risk exposure, credit insurance can be used.

In 2020, no single customer accounted for more than 1.9 percent (2.0) of consolidated sales, and the five largest customers accounted for 8.4 percent (8.3) of consolidated sales.

On the reporting date, there is no significant concentration of credit exposure. The maximum credit risk exposure is apparent from the carrying amount for receivables in the statement of financial position.

The commercial credit risk is presented in Note 21.

Financial credit risk

The financial activities in the Group entail an exposure to credit risks. The Group's exposure to financial credit risk is primarily comprised of receivables from banks in the form of bank balances. In addition to this, exposure arises through receivables from counter-parties linked to positive market values on derivative contracts entered into.

NOTE 35 CONTINGENT LIABILITIES

ACCOUNTING POLICIES

A contingent liability is disclosed when there is a possible commitment that originates from events occurred and the existence of which is confirmed only by one or more uncertain future events beyond the Group's control, or when there is a commitment that is not recognized as a liability or provision on the grounds that it is not likely that an outflow of resources will be required or cannot be calculated with sufficient reliability.

SEK m	2020	2019
CONTINGENT LIABILITIES		
Guarantees for the benefit of subsidiaries	118.7	95.9
Guarantees for the benefit of associated companies	65.0	49.0
Total contingent liabilities	183.7	144.9

Security in the form of guarantee commitments has been made for the benefit of Group companies' completion guarantees for contractor projects of SEK 118.7 m (95.9) at the reporting date.

A security in total of DKK 20.2 m (20.1) (corresponding to SEK 27.2 m (28.1) at the reporting date) has been made for the benefit of the Danish associated companies' credit commitments. These guarantees are, however, limited per company and amount to a maximum of DKK 3.0 m (3.0) (corresponding to SEK 4.1 m (4.2)) for an individual associated company. In addition to this, Group companies have guaranteed completion guarantees regarding associated companies' project corresponding to a maximum of DKK 15.0 m (15.0) (corresponding to SEK 20.2 m (21.0) at the reporting date).

On 31 May 2017, the Danish Competition Council decided that Nordic Waterproofing A/S, Icopal Danmark ApS, Danske Tagpapfabrikanter Brancheforening and TOR had violated the Danish Competition Act. The alleged violation consisted in a so-called restrictive agreement in the form of an industry standard, "TOR-anvisninger", and the associated approval scheme, "TOR Godkendt".

Nordic Waterproofing A/S and the other parties disputed the Council's decision and brought the case before the Danish Competition Appeals Board. On 12 September 2018, the Appeals Board decided to remit the case to the Council for re-evaluation. According to the Appeals Board, the Council had failed to demonstrate with the requisite certainty that Nordic Waterproofing A/S and the other parties had violated the Danish Competition Act. In addition, the Appeals Board stated that technical standards normally have positive economic effects.

On 29 April 2020, KFST decided that the investigation of the roofing felt market would be suspended without finding any breach of competition law or other irregularities. The decision was made on the basis of further investigations and legal analysis and in the light of the Competition Council's assessment of the case and its evidence. The initial decision has resulted in three civil proceedings which have not been dealt with pending KFST's decision. As it is the original decision of KFST that is the basis for the civil proceedings, the decision of KFST is expected to interrupt the investigation without finding any violation of competition law to be an important factor in the assessment in the further civil proceedings.

In the light of the Appeal Board's decision to remit the case to the Competition Council, it may be concluded that even though the civil proceedings are still pending, there are at present no substantive basis for the claims made. Additionally, it should be noted that Nordic Waterproofing A/S does not consider the claims raised substantiated and justified.

NOTE 36 AUDIT FEES AND EXPENSES

SEK m	2020	2019
	Deloitte	Deloitte
Statutory audit	4.1	3.1
Other assurance services	1.1	0.3
Tax consulting	0.1	0.1
Other services	0.3	0.1
Total	5.6	3.6
	Other	Other
Statutory audit	0.6	0.5
Tax consulting	0.0	0.0
Other services	0.2	0.1
Total	0.8	0.6

The above specification for 2020, includes a fee of SEK 1.0 million, which pertains to Deloitte's statutory audit, other assurance services and general review of the merger of the former Danish parent company Nordic Waterproofing Holding A / S with the wholly owned Swedish subsidiary Nordic Waterproofing Holding AB and with the latter as the surviving unit.

NOTE 37 STATEMENT OF CASH FLOWS

ACCOUNTING POLICIES

The statement of cash flows shows how income and changes in balance sheet items affect cash and cash equivalents, i.e. the cash generated or used in the period.

Cash from operating activities converts income statement items from the accrual basis of accounting to cash basis. As such, starting with operating profit/loss, non-cash items are reversed and actual payments included. Further, change in working capital is taken into account as this shows the development in money tied up in the balance sheet.

Cash from investing activities shows payments related to the purchase and sale of long-term investments. This includes fixed assets such as purchase and construction of new production sites, intangible assets and financial assets.

Cash from financing activities reports repayment of loans, finance leases, and payment of dividends.

Cash and cash equivalents consist of cash and bank balances.

The statement of cash flows is presented in accordance with the indirect method commencing with operating profit/loss for the year.

Cash flows in foreign currencies are translated to SEK at the average exchange rate for the respective month.

Cash and cash equivalents SEK m	2020	2019
The following subcomponents are included in cash and cash equivalents:		
Cash and bank balances	604.3	196.9
Total as per statement of financial position	604.3	196.9
Total as per statement of cash flows	604.3	196.9
Adjustment for non-cash items		
SEK m	2020	2019
Depreciation/amortization	119.4	112.7
Participations in associated company earnings	-30.2	-24.2
Reversed impairment losses	0.0	0.0
Exchange-rate differences	-1.6	4.6
Other items	0.9	-3.4
Total	88.5	89.7

RECONCILIATION OF DEVELOPMENT OF LOANS AND BORROWINGS TO FINANCING ACTIVITIES IN THE CASH FLOW STATEMENT:

SEKm	2019-12-31	Changes in accounting principles	Cashflow	Acquisitions/ Divestments	Translation differences	Changes in fair value valuation	Other	2020-12-31
Non-current financial liabilities	697,1	-	62,3	-	-9,8	-	-3,8	745,8
Current financial liabilities	0,0	-	-	-	-	-	-	0,0
Leasing liabilities	109,8	-	-53,8	-	-4,8	-	45,5	96,7
Total financial liabilities	806,9	-	8,5	0,0	-14,6	0,0	41,7	842,5

SEKm	2018-12-31	Changes in accounting principles	Cashflow	Acquisitions/ Divestments	Translation differences	Changes in fair value valuation	Other	2019-12-31
Non-current financial liabilities	416,3	-	208,1	54,9	17,8	-	-	697,1
Current financial liabilities	131,0	-	-132,4	-	1,3	-	-	0,0
Leasing liabilities	-	137,1	-45,5	9,1	2,6	-	6,4	109,8
Total financial liabilities	547,3	137,1	30,3	64,0	21,7	0,0	6,4	806,8

NOTE 38 EVENTS AFTER THE REPORTING DATE

Nordic Waterproofing has the construction industry as its primary customer group. Sales are primarily affected by the activity in Northern Europe, where the Nordic countries represent the majority of the Group's external sales in 2020. Nordic Waterproofing's assessment is that the business as per end-March 2021 has not experienced any material negative impact related to the outbreak of Covid-19.

On January 28, it was announced that Nordic Waterproofing had acquired 70 percent of the Norwegian Byggpartner AS, a company that performs installation and maintenance of waterproofing products with its main operations in the area around Oslo. The acquisition is expected to have a minor positive effect on Nordic Waterproofing's earnings per share in 2021.

On February 4, it was announced that Nordic Waterproofing had acquired 51 percent of the Dutch company Gauris B.V., a company that distributes waterproofing layers for dams and pools, among other things. The acquisition is not expected to have a material impact on Nordic Waterproofing's earnings per share in 2021.

On March 10, it was announced that Nordic Waterproofing signed an agreement to acquire 84% of the Finnish company Seikat Oy on April 1 2021. The company designs, manufactures, markets and installs long-span (15 – 24 meters) wooden prefabricated roof panels to industrial buildings, warehouses, public and commercial buildings. The acquisition is expected to have a minor positive effect on Nordic Waterproofing's earnings per share in 2021.

On March 18, it was announced that Bengt-Erik Karlberg left his position in the Nordic Waterproofing Group Management team and his position as CEO for Veg Tech AB.

On March 18, it was announced that Nordic Waterproofing signed an agreement to acquire 100% of the Swedish company Urban Green AB which provides roofing contracts for green urban environments. The acquisition is expected to have a minor positive effect on Nordic Waterproofing's earnings per share in 2021.

The Annual General Meeting of Nordic Waterproofing Holding AB will be held on Thursday, April 29. The Board of Directors has proposed to the Annual General Meeting to pay a dividend of SEK 5.50 per share for the 2020 financial year and an extra dividend of SEK 4.50 per share as no dividend was distributed during 2020.

PARENT COMPANY STATEMENT OF PROFIT OR LOSS

SEK m	Note	2020	2019
Net sales		6.5	0.0
Gross profit/loss		6.5	0.0
Administrative expenses	2	-31.5	-0.5
Operating profit/loss (EBIT)		-25.1	-0.5
Result from financial items			
Result from shares in subsidiaries		0.0	35.0
Financial income	3	17.3	10.3
Financial expenses	4	-13.6	-18.5
Net finance items		3.7	26.8
Result after financial items		-21.4	26.3
Appropriations	5	20.4	83.2
Profit before tax		-1.0	109.5
Tax	6	0.1	-16.0
Profit for the year		-0.9	93.4
Other comprehensive income		0.0	0.0
Comprehensive income for the year		-0.9	93.4

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

SEK m	Note	2020	2019
ASSETS			
Non-current assets			
Investments in subsidiaries	7	889.0	889.0
Total non-current assets		889.0	889.0
Current assets			
Other current receivables from Group companies		148.4	246.6
Current tax assets		21.6	0.0
Other short-term receivables		2.1	2.6
Prepaid expenses and accrued income		0.0	-
Other current receivables		172.2	249.2
Cash and cash equivalents		530.7	129.3
Total current assets		703.0	378.5
TOTAL ASSETS		1,591.9	1,267.4
EQUITY AND LIABILITIES			
Equity			
Share capital		24.1	0.1
Retained earnings including profit for the year	12	641.2	644.4
Total equity		665.3	644.5
Untaxed reserves	8	91.0	104.8
Non-current liabilities			
Long-term liabilities to credit institute	9	365.7	297.1
Total non-current liabilities		365.7	297.1
Current liabilities			
Trade payables		0.3	0.0
Short-term liabilities to Group companies		459.9	218.3
Tax liabilities		1.0	0.8
Accrued expenses and prepaid income	10	8.5	2.0
Total current liabilities		469.9	221.0
TOTAL EQUITY AND LIABILITIES		1,591.9	1,267.4

Information on the Parent Company's contingent liabilities, see Note 7.

Information on the fees paid to the auditors, see Note 8.

Information on subsequent events, see Note 9.

Information on remuneration of the Executive Board and Board of Directors, see Note 7 in the Consolidated financial statements.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEKm	Restricted equity	Non-restricted equity	Total equity
	Share capital	Retained earnings	
Opening balance, January 1, 2019	0.1	656.0	656,1
Dividend	-	-105.0	-105,0
Profit/loss for the year	-	93.4	93,4
Closing balance, December 31, 2019	0.1	644.4	644,5

SEKm	Restricted equity	Non-restricted equity	Total equity
	Share capital	Retained earnings	
Opening balance, January 1, 2020	0.1	644.4	644,5
Stock issue	24.1	-24.1	0,0
Dividend	-	-	-
Merger result	-	21.7	21,7
Profit/loss for the year	-	-0.9	-0,9
Closing balance, December 31, 2020	24.1	641.2	665,3

SUMMARY CASH FLOW STATEMENT PARENT COMPANY

SEK m	2020	2019
OPERATING ACTIVITIES		
Operating profit (EBIT)	-25.1	-0.5
Adjustment for non-cash items etc	-2.3	-9.3
Interest received	9.6	10.3
Interest paid	-9.7	-9.2
Dividends received	0.0	35.0
Income tax paid/received	-16.1	-14.0
Cash flow from operating activities before changes in working capital	-43.7	12.2
CHANGES IN WORKING CAPITAL		
Increase (-)/Decrease (+) in operating receivables	0.5	0.1
Increase (+)/Decrease (-) in operating liabilities	6.9	0.6
Cash flow from operating activities	7.4	0.7
FINANCING ACTIVITIES		
Amortization of loans	0.0	-57.4
Proceeds from loans	74.8	114.2
Dividend	0.0	-105.0
Borrowing from Group companies	362.9	164.5
Cash flow from financing activities	437.7	116.3
Cash flow for the period	401.5	129.2
Cash and cash equivalents at the beginning of the period	129.3	0.1
Cash and cash equivalents at the end of the period	530.7	129.3
	2020	2019
SPECIFICATION OF NON-CASH ITEMS		
Unrealized exchange differences	1.5	-7.0
Allocated arrangement fees	-3.9	-2.3
	-2.3	-9.3

NOTE 1 ACCOUNTING PRINCIPLES

The annual report have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2, Accounting for Legal Entities. Statements issued by the Swedish Financial Reporting Board have also been applied. It can be added that the parent company does not hold any leases. The accounting policies applied are presented in the relevant parts of the Group's accounting policies, with the following additions for the Parent Company.

SHAREHOLDERS' CONTRIBUTIONS TO SUBSIDIARIES AND GROUP CONTRIBUTIONS

Shareholder contributions are recognised directly in equity of the recipient, and capitalised in shares and participations of the contributor, to the extent that impairment is not required. Nordic Waterproofing Holding AB recognises Group contributions both paid and received as appropriations.

PARTICIPATIONS IN SUBSIDIARIES

Participations in subsidiaries are recognised in the Parent Company using the cost method, less any impairment.

FINANCIAL INSTRUMENTS

Due to the relationship between accounting and taxation, the requirements for financial instruments under IFRS 9 are not applied in the Parent Company as a legal entity. The Parent Company applies the cost method in accordance with the Swedish Annual Accounts Act. Accordingly, non-current assets in the Parent Company are measured at cost and current assets according to the lowest value principle, with the application of impairment for expected credit losses according to IFRS 9 for assets that are debt instruments. For all other financial assets, impairment is based on the asset's market value. The Parent Company's financial guarantees consist of guarantees on behalf of Group companies. The Parent Company applies the exception of not recognising financial guarantee contracts on behalf of subsidiaries, associated companies and joint ventures under the requirements of IFRS 9, but recognises financial guarantee contracts as provisions on the balance sheet when the company has an obligation for which payment is probable, otherwise the obligation is recognised as a contingent liability.

MERGER

During the year, the parent company Nordic Waterproofing A/S, Corporate ID No 33395361, has been merged with the subsidiary Nordic Waterproofing Holding AB, Corporate ID No 556839-3168,

which is now the parent company in the Group. The downstream merger is reported according to the group value method. Income statement and balance sheet in the previous parent company are included as per 2020-12-31 in Nordic Waterproofing Holding AB's income statement and balance sheet. The income statement and balance sheet of the previous parent company Nordic Waterproofing Holding A/S as of the merger date on 27th of November 2020 are shown in note 12.

For other accounting principles, refer to Note 1 and to the accounting policies in the notes for the consolidated financial-statements.

NOTE 2 AUDIT FEES AND EXPENSES

SEKm	2020	2019
	Deloitte	Deloitte
Statutory audit	0.9	0.1
Other assurance services	0.7	-
Tax consulting	-	-
Other services	0.1	-
Total	1.7	0.1

The above specification for 2020, includes a fee of SEK 1.0 million, which pertains to Deloitte's statutory audit, other assurance services and general review of the merger of the former Danish parent company Nordic Waterproofing Holding A / S with the wholly owned Swedish subsidiary Nordic Waterproofing Holding AB and with the latter as the surviving unit.

NOTE 3 FINANCIAL INCOME

SEKm	2020	2019
Interest income from subsidiaries	9.6	10.3
Unrealized exchange differences	7.7	-
Total	17.3	10.3

NOTE 4 FINANCIAL EXPENSES

SEKm	2020	2019
Interest expenses to credit institutes	-7.6	-9.2
Interest expenses to subsidiaries	0.0	0.0
Allocated arrangement fees	-3.9	-1.6
Unrealized exchange differences	-	-5.4
Other financial expenses	-2.1	-2.3
Tota	-13.6	-18.5

NOTE 5 APPROPRIATIONS

SEKm	2020	2019
Tax allocation reserves	13.8	-24.8
Group contributions	6.6	108.0
Total	20.4	83.2

NOTE 6 TAXES

SEKm	2020	2019
Tax expense for the period	0.0	-16.0
Tax due to changed taxation	0.1	-
Current tax	0.1	-16.0
Deferred tax for temporary differences	-	-
Deferred tax	-	-
Total reported tax expenses	0.1	-16.0

RECONCILIATION OF EFFECTIVE TAX

Profit/loss before tax	-1	109
Tax according to current tax rate	0.2	-23.4
Non-deductible costs	-1.3	-0.1
Other - tax effect of merger	1.2	7.5
Reported effective tax	0.1	-16.0

NOTE 7 SHARES IN SUBSIDIARIES

SEKm	2020	2019
ACCUMULATED COST		
Opening balance, 1 January	889.0	889.0
Closing balance, 31 December	889.0	889.0

Refer to note 13 for the consolidated financial statement.

Nordic Waterproofing Holding AB holds 100% of the shares in Nordic Waterproofing Group AB.

NOTE 8 UNTAXED RESERVES

SEKm	2020	2019
Tax allocation reserve regarding the taxation of 2015	-	13.8
Tax allocation reserve regarding the taxation of 2016	4.9	4.9
Tax allocation reserve regarding the taxation of 2017	18.5	18.5
Tax allocation reserve regarding the taxation of 2018	21.6	21.6
Tax allocation reserve regarding the taxation of 2019	21.2	21.2
Tax allocation reserve regarding the taxation of 2020	24.8	24.8
Tax allocation reserve regarding the taxation of 2021	-	-
Total	91.0	104.8

NOTE 9 INTERESTBEARING LIABILITIES

SEKm	2020	2019
Long-term liabilities		
Long-term liabilities to Credit institutes	370.3	300.0
Allocated arrangement fees	-4.5	-2.9
Total	365.7	297.1

The finance agreement has a final maturity date in June 2023 with a 1+1 year extension option.

The loan and credit facilities bear variable interest and run without requiring repayment in instalments. See Note 34 for the Group.

NOTE 10 ACCRUED EXPENSES AND PREPAID INCOME

SEKm	2020	2019
Accrued wages and vacation pay liability	3.8	-
Accrued social costs	1.2	-
Accrued interest expenses	1.5	1.9
Other items	2.1	0.1
Total	8.5	2.0

NOTE 11 RELATED PARTIES

Nordic Waterproofing Holding AB is the Parent company of the Group. The Parent company is a Swedish company with the corporate identity number 556839-3168 domiciled in Helsingborg. The address to the companies and the Group's registered office is Rönnowsgatan 12, 252 25 Helsingborg, Sweden. The following capital owners are listed in the company's shareholder's register as owners of at least 5% of the votes or the capital: Svolder Stockholm, Swedbank Robur fonder Stockholm, Mawer Investment Management Calgary Canada, Carnegie fonder Stockholm, Länsförsäkringar fonder Stockholm, Handelsbanken fonder Stockholm and Alcur Fonder Stockholm.

OWNERSHIP STRUCTURE

The number of shareholders has during the quarter increased with ca 1.000, from ca 4.490 to ca 5.470.

The largest shareholders in Nordic Waterproofing Holding AB, as per 30 December 2020, are stated below.

Owner	Number of shares	Capital, %	Votes, %
Svolder	3,169,197	13.2%	13.3%
Swedbank Robur Funds	2,117,589	8.8%	8.9%
Mawer Investment Management	1,999,470	8.3%	8.4%
Carnegie Funds	1,634,528	6.8%	6.8%
Handelsbanken Funds	1,562,159	6.5%	6.5%
Länsförsäkringar Funds	1,402,255	5.8%	5.9%
Alcur Funds	1,281,667	5.3%	5.4%
Tredje AP-fund	1,138,707	4.7%	4.8%
Prior & Nilsson funds	790,227	3.3%	3.3%
Canaccord Genuity Wealth Management	497,643	2.1%	2.1%
Total 10 largest shareholders	15,593,442	64.7%	65.2%
Other shareholders	8,314,756	34.5%	34.8%
Total number of votes	23,908,198	99.3%	100.0%
Treasury shares	175,737	0.7%	n/a
Total number of shares	24,083,935	100.0%	n/a

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

NOTE 12 MERGER

During the year, the Parent Company Nordic Waterproofing A / S, CIN 33395361, merged with the subsidiary Nordic Waterproofing Holding AB, CIN 556839-3168, which is now the parent company in the Group. For accounting principles regarding the merger, see Note 1 for the Parent Company. The income statements and balance sheets of Nordic Waterproofing Holding A / S as of the merger date on 27 November 2020 are shown below.

SEKm	
Net sales	5.8
Administrative expenses	-10.7
Operating profit/loss (EBIT)	-4.9
Profit/loss before tax	-4.9
Tax	0.0
Profit/loss after tax	-4.9
Other comprehensive income	0.0
Comprehensive income for the period	-4.9
Shares in subsidiaries	472.8
Total non-current assets	472.8
Other current receivables from Group companies	12.1
Current tax assets	5.4
Total current assets	17.5
TOTAL ASSETS	490.3
EQUITY AND LIABILITIES	
Equity including profit/loss for the year	490.1
Total equity	490.1
Other current liabilities	0.2
Total current liabilities	0.2
TOTAL EQUITY AND LIABILITIES	490.3

STATEMENT BY THE EXECUTIVE BOARD AND THE BOARD OF DIRECTORS

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Nordic Waterproofing Holding AB for the financial year 1 January – 31 December 2020.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Swedish Annual Accounts Act, and the Parent Company Financial Statements have been prepared in accordance with the Swedish Annual Accounts Act. Management's Review has been prepared

in accordance with the Swedish disclosure requirements for listed companies.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for the financial year 1 January – 31 December 2020.

In our opinion, Management's Review gives a true and fair statement of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Helsingborg, April 6, 2021

EXECUTIVE BOARD

Martin Ellis
President and CEO

THE BOARD OF DIRECTORS

Mats O. Paulsson
Chairman

Allan Lindhard Jørgensen

Lena Arimo

Steffen Baungaard

Riitta Palomäki

Kristina Willgård

Hannu Saastamoinen

AUDITORS REPORT

To the general meeting of the shareholders of Nordic Waterproofing Holding AB (publ),
corporate identity number 556839-3168

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Nordic Waterproofing Holding AB (publ) for the financial year 2020-01-01 – 2020-12-31. The annual accounts and consolidated accounts of the company are included on pages 50-87 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act.

The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual general meeting of shareholders adopts the income statement and balance sheet for the parent company and the statement of comprehensive income and balance sheet for the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other information

As the former parent company in the Group, Nordic Waterproofing A / S, has been merged with Nordic Waterproofing Holding AB in 2020, the audit of the comparative figures for 2019 for the Group was performed by another auditor who submitted an audit report dated 2 April 2020 with unmodified opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts, but we do not provide a separate opinion on these matters.

Carrying value of goodwill

Description of risk

The Group reports goodwill of SEK 926 million. The assessment of the value of goodwill depends on future returns and profitability in the cash-generating units to which the goodwill relates and is tested at least annually. Management bases its impairment test on a number of commitments and assessments such as sales growth, operating margin development and capital cost (WACC). Incorrect assessments and assumptions can have a significant impact on the Groups earnings and financial position. For further information, see notes 3 and 17 in the financial statements.

Our audit procedures

Our audit included, but is not limited to, the following audit procedures;

- Review and assessment of the procedures and internal controls for impairment testing of goodwill;
- Review that assumptions made are reasonable, that the valuation model is consistently applied, that integrity exists in inputs on which calculations are based; and
- Review of the completeness of relevant notes to the financial statements.

During the audit our valuation experts participated.

Contingent liabilities

Description of risk

On 31 May 2017 the Danish Competition Council decided that Nordic Waterproofing A/S, Icopal Danmark ApS, Danske Tagpapfabrikanter Brancheforening and TOR had violated the Danish Competition Act. Nordic Waterproofing A/S and the other parties disputed the Council's decision and brought the case before the Danish Competition Appeals Board. On 12 September 2018, the Appeals Board decided to remit the case to the Council for re-evaluation.

On April 29, 2020, KFST decided to investigate the market for the roofing felt would be interrupted without finding any breach of competition law or other irregularities. The decision was made on the basis of further investigations and legal analysis and in the light of the Competition Council's assessment of the case and its evidence. The initial decision has resulted in three civil proceedings which have not been dealt with pending KFST's decision. Since it is the original decision of KFST that forms the basis of the civil proceedings, the decision of KFST is expected to terminate the investigation without finding any violation of competition law to be an important factor in the assessment of further civil proceedings.

However, the outcome of civil cases cannot be predicted with certainty, but decisions that go against the company's expectations can have a negative effect on the Group's financial position and its results and cash flows. Based on this do we consider contingent liabilities to be a key audit matter. See note 3 and note 35 (Contingent liabilities).

Our audit procedures

Our audit included, but was not limited to, the following review measures;

- We have challenged the company management and financial staff regarding the possible risks that are attributable to the competition matter, reviewed relevant correspondence, read minutes from the meetings of the audit committee and the board;
- We have received a statement from the company's external lawyer;
- We have reviewed the information regarding contingent liabilities provided in Note 35, Contingent liabilities.

Other Information than the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the other information. The other information consists of the remuneration report and pages 1-49 and 91-93 in this document, but does not include the annual report, the consolidated accounts and our auditor's report regarding these.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is

materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Nordic Waterproofing Holding AB (publ) for the financial year 2020-01-01 – 2020-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Deloitte AB was appointed auditor of Nordic Waterproofing Holding AB by the annual general meeting of the shareholders on the April 23 2020 and has been the company's auditor since the 28 March 2019.

Malmö, 6 April 2021

Deloitte AB

Signature on Swedish original
Jeanette Roosberg
Authorized Public Accountant

FINANCIAL DEFINITIONS

Capital employed

Total assets less non-interest bearing provisions and liabilities.

Relevant to demonstrate the proportion of the Company's assets that are related to the business.

EBIT (earnings before interest and taxes)

Operating profit.

Relevant to assess the Company's profitability.

EBIT margin

EBIT as a percentage of net sales.

Relevant to assess the Company's efficiency and value creation.

EBITDA (earnings before interest, taxes, depreciation and amortization)

Operating profit before depreciation, amortization and impairment of tangible and intangible assets.

Relevant to assess the Company's efficiency, excluding depreciation and amortization and acquisition-related items.

EBITDA-margin

Operating profit before depreciation, amortization and impairment of tangible and intangible assets as a percentage of net sales.

Relevant to assess the Company's efficiency and value creation.

Equity/assets ratio

Shareholders' equity, including non-controlling interests, as a percentage of total assets.

Relevant to assess the Company's abilities to fulfill its financial obligations.

Net debt

Interest bearing and non-interest bearing liabilities less cash and cash equivalents

Measurement to demonstrate the Company's total indebtedness.

Net debt/EBITDA

Net debt in relation to EBITDA.

Relevant to illustrate the financial risk and to follow-up the indebtedness of the Company.

Net debt/equity ratio

Net debt in relation to shareholders equity.

Relevant to describe the Company's financial risk.

Operating Cash Conversion

Cash flow from operating activities as a percentage of EBITDA.

Relevant to illustrate how efficient the company is at creating a real cash flow from its operations.

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.

Relevant to demonstrate underlying growth in local currency.

Return an capital employed

EBIT as a percentage of average capital employed, calculated as the average of the last four quarter's closing balances.

Relevant to assess the Company's efficiency and value creation.

Return an capital employed excluding goodwill

Operating profit (EBIT) as a percentage of average capital employed, excluding goodwill, calculated as the average of the latest four quarter's closing balances.

Relevant in order to assess the Company's efficiency and value creation without taking goodwill into account.

GLOSSARY

BIM (Building Information Modeling)

BIM is a process of creating and using an intelligent 3D model to inform and convey project decisions. BIM solutions can project, visualize, simulate and collaborate, resulting in greater clarity for all stakeholders throughout the life cycle of the project. BIM makes it easier to achieve project and business goals.

Bitumen

Bitumen, also known as asphalt, is a sticky, black and highly viscous liquid or semi-solid

form of petroleum which constitutes the waterproofing component in roof felt.

EPDM

EPDM rubber (ethylene propylene diene monomer M-class rubber) a type of synthetic rubber, is an elastomer characterized by a wide range of applications.

Flat roof

Roofing with a gradient of less than approximately 14°.

FTE

Full Time Equivalent.

Pitched-roof

Roofing with a gradient of more than approximately 14°.

PVC

Polyvinyl chloride is the world's third-most widely produced synthetic plastic polymer, after polyethylene and polypropylene. PVC comes in two basic forms: rigid (sometimes abbreviated as RPVC) and flexible.

SBS

Styrene-Butadiene-Styrene, an elastomeric compound which is added to bitumen to increase the flow characteristics and improves

the low-temperature flexibility and fatigue resistance of roof felt.

TPO

Thermoplastic olefin (TPO), or olefinic thermoplastic elastomers refer to polymer/filler blends usually consisting of some fraction of a thermoplastic, an elastomer or rubber, and a filler.

NORDIC WATERPROOFING ON THE INTERNET, IN YOUR MOBILE AND ON YOUR TABLET

Keep track of Nordic Waterproofing's performance via the Group's website at www.nordicwaterproofing.com.

ANNUAL REPORT

Nordic Waterproofing only distributes a paper version of the Annual Report to those who have specifically requested a copy. If you wish to receive a paper copy of the Annual Report, it can be ordered on the company's website.

NEWS ABOUT PRODUCTS AND SOLUTIONS

At www.nordicwaterproofing.com you can follow the development and successes of the various products and solutions that we offer our customers.

SUBSCRIBE TO INFORMATION

Via e-mail, you can choose to subscribe to our financial reports, press releases and share information.

FINANCIAL PRESENTATIONS – WATCH LIVE ON DEMAND

Watch presentations in conjunction with quarterly reports or other events. The majority of presentations can be followed live or watched later on our website.

FINANCIAL CALENDAR 2021

April 27	Interim Report, January–March 2021
April 29	Annual General Meeting
July 20	Interim Report, January–June 2021
November 2	Interim Report, January–September 2021

INFORMATION ABOUT ANNUAL GENERAL MEETING 2021

The Annual General Meeting of Nordic Waterproofing Holding AB, will take place on Thursday, April 29.

NOTIFICATION TO ATTEND THE ANNUAL GENERAL MEETING

The complete notification convening the Annual General Meeting will be available on the company's website www.nordicwaterproofing.com/en/shareholder-meetings/.

To participate in the meeting and to be able to exercise their voting rights, shareholders must be included in the share register maintained by Euro-clear Sweden AB by Thursday, seven days at the latest prior to the Annual General Meeting, and notify the company of their intention to participate by the same day.

Shareholders who have registered their shares with a trustee must have temporarily registered their shares in their own name seven days prior to the Annual General Meeting.

PROPOSALS TO ANNUAL GENERAL MEETING 2021

The Board of Directors and the CEO propose that shareholders be paid a cash dividend of SEK 5.50 per share (0.00) and an extra dividend of SEK 4.50 per share since no dividend was paid during 2020.

Nordic Waterproofing Holding AB is a Swedish public limited liability company domiciled in Helsingborg, Sweden. Corporate registration number: 556839-3168. LEI code: 549300T8MZ5GQREJW94.

The Annual Report is published in Swedish and English. The Swedish language version is the original and in the case of discrepancies between the versions, the Swedish version shall prevail. For environmental reasons, Nordic Waterproofing does not print the 2020 Annual Report. The Annual Report is available in its entirety at the company's website www.nordicwaterproofing.com. The 2020 Annual Report was published in April 2021.

All values are expressed in Swedish kronor. Kronor is abbreviated to SEK

and millions of kronor to SEK million. Unless otherwise stated, figures in parentheses relate to the preceding financial year, 2019.

This report contains future-oriented information based on Nordic Waterproofing's current expectations. No guarantee can be provided that these expectations will prove correct. Accordingly, results could differ materially from those implied in the forward-looking statements as a result of, among other factors, changes in economic, market and competitive conditions, change in the regulatory environment and other government actions, fluctuations in exchange rates and other factors.

This annual report was produced in collaboration with Stakeholder communication (contents) and Carlund & Co (graphic production), Sweden.

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, Germany and Latvia. Nordic Waterproofing also provides installation services through wholly-owned subsidiaries. In Finland, through a part-owned company in Norway and through part-owned franchise companies in Denmark. The Company markets its products and solutions under several brands, all with an extensive heritage, most of which are among the most established and well-recognized brands in waterproofing in their respective markets, such as Matak, Trebolit, Phønix Tag Materialer, Kerabit, Byggpartner, SealEco, Distri Pond, SPT-Painting, Taasinge Elementer, RVT, Urban Green and Veg Tech. Nordic Waterproofing is listed in the Mid Cap segment on Nasdaq Stockholm with the stock ticker NWG. In 2020 the Group had Net sales of SEK 3,303 m and 1,147 employees in 10 countries.

NORDIC WATERPROOFING

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