

INTERIM REPORT JANUARY – SEPTEMBER 2016

JULY – SEPTEMBER 2016

- Order intake increased by 7 per cent, or 9 per cent adjusted for acquisition and currency.
- Sales increased 13 per cent to 28,8 (25,6) MEUR, or 15 per cent adjusted for acquisition and currency.
- Operating profit increased to 6,1 (5,4) MEUR.
- Operating margin increased to 21,2 (21,1) per cent.
- Profit after tax increased to 4,0 (3,5) MEUR.
- Earnings per share was 0,20 (0,18) EUR.

JANUARY – SEPTEMBER 2016

- Order intake increased by 12 per cent, or 13 per cent adjusted for acquisition and currency.
- Sales increased 11 per cent to 83,9 (75,8) MEUR, or 11 per cent adjusted for acquisition and currency.
- Operating profit increased to 15,9 (15,8) MEUR. Result has been influenced by cost for starting up the new paint line and increased market investments.
- Operating margin decreased to 19,0 (20,8) per cent.
- Profit after tax was 9,9 (9,4) MEUR.
- Earnings per share was 0,50 (0,47) EUR.

TROAX GROUP FIGURES

| MEUR | 3 Months | 3 Months | 9 Months | 9 Months | 12 Months | 12 Months | 12 Months |
|-----------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------------|--------------------|
| | Jul-Sep 2016 | Jul-Sep 2015 | Jan-Sep 2016 | Jan-Sep 2015 | Jan-Dec 2015 | 1.) Jan-Dec 2014 | Oct/Sep 2015/16 |
| Order intake | 27,1 | 25,4 | 86,7 | 77,1 | 104,4 | 96,5 | 114,0 |
| Sales | 28,8 | 25,6 | 83,9 | 75,8 | 103,7 | 91,2 | 111,8 |
| Gross profit | 12,3 | 10,8 | 34,8 | 32,3 | 44,6 | 38,3 | 47,1 |
| Gross margin, % | 42,7 | 42,2 | 41,5 | 42,6 | 43,0 | 42,0 | 42,1 |
| Operating profit | 6,1 | 5,4 | 15,9 | 15,8 | 22,4 | 14,9 | 22,5 |
| Operating margin, % | 21,2 | 21,1 | 19,0 | 20,8 | 21,6 | 16,3 | 20,1 |
| Adjusted operating profit | 6,1 | 5,4 | 15,9 | 15,8 | 22,4 | 16,3 | 22,5 |
| Adjusted operating margin, % | 21,2 | 21,1 | 19,0 | 20,8 | 21,6 | 17,9 | 20,1 |
| Profit after tax | 4,0 | 3,5 | 9,9 | 9,4 | 13,7 | 8,7 | 14,2 |
| Adjusted EBITDA | 6,6 | 5,9 | 17,6 | 17,4 | 24,6 | 18,6 | 24,8 |
| Adjusted EBITDA margin, % | 22,9 | 23,0 | 21,0 | 23,0 | 23,7 | 20,4 | 22,2 |
| Earnings per share after dilution in € | 0,20 | 0,18 | 0,50 | 0,47 | 0,69 | 0,44 | 0,71 |
| Closing rate SEK/EUR | 9,63 | 9,40 | 9,63 | 9,40 | 9,14 | 9,52 | 9,63 |
| Earnings per share after dilution in SEK. 2.) | 1,93 | 1,65 | 4,77 | 4,42 | 6,26 | 4,14 | 6,84 |

1.) The 2014 Column includes Satech figures, as if the acquisition was completed 1st January 2014.

2.) Earnings per share after dilution in SEK, is calculated based on result in Euro and Closing rate SEK/EUR.

CEO COMMENTS

During the third Quarter 2016, Troax showed an increased strength in the development of orders received. This increased by 7 per cent (9 per cent excluding currency and acquisitions). The development in Continental Europe and UK are especially positive. We have not seen any effect of Brexit in the UK so far. In the Nordic areas, the opportunities for bigger machine guarding projects, have been somewhat weak in recent months. The comparison for New Markets is influenced by some bigger orders coming from the Far East in the 3rd quarter of 2015. The order book is still on a good and healthy level.

Sales invoiced increased in the quarter by 13 per cent, compared with the same period last year (excluding acquisition and currency the increase is 15 per cent). The progress was positive in all markets except for Nordic region. Totally, the Group has increased to a turnover level of approximately 112 MEUR on a rolling 12 months' basis.

The result has improved during the quarter, mainly because of good sales volumes, but also due to the fact that the main extra costs for the new paint line in its inauguration phase are now over. The market investments are continuing according to plan. This year, we have not had any major currency effect in the result this quarter, the comparison with last year is only marginally effected.

The operating result therefore becomes 6,1 (5,4) MEUR, which corresponds to a profit margin of 21,2 per cent to be compared with 21,1 per cent last year. The Net result has also developed in a positive way, and amounts to 4,0 MEUR for the quarter (3,5 MEUR).

The result per share, after the third quarter is 0,50 EURO to be compared with 0,47 EURO last year. Operating profit is year to date higher than last year.

The Working Capital is on a similar level as last year. Work in Progress, has been reduced and is now at a normal level for the Group. We have continued with good cash generation during the quarter and the net debt is now 45,7 MEUR.

Thomas Widstrand, President and CEO

THE GROUP SUMMARY

JULY - SEPTEMBER

Total Order intake increased during the third quarter. Order intake amounted to 27,1 (25,4). During the period, order intake increased by 7 per cent, adjusted for acquisition and currency the increase was 9 per cent. Continental Europe and the United Kingdom increased their order intake.

Net sales amounted to 28,8 (25,6) MEUR, an increase of 13 per cent, or 15 per cent adjusted for acquisitions and currency. All markets, except the Nordic region, increased their net sales.

Adjusted operating result amounted to 6,1 (5,4) MEUR, corresponding to an operating margin of 21,2 (21,1) per cent. The increase in result is explained by higher sales volumes.

JANUARY - SEPTEMBER

Total Order intake increased during the period. Order intake amounted to 86,7 (77,1) MEUR and was higher than sales. During the period, order intake increased by 12 per cent, adjusted for acquisition and currency the increase was 13 per cent. All markets increased their order intake.

Net sales amounted to 83,9 (75,8) MEUR, an increase of 11 per cent, or 11 per cent adjusted for acquisitions and currency. All markets increased their Net sales.

Adjusted operating result amounted to 15,9 (15,8) MEUR, corresponding to an operating margin of 19,0 (20,8) per cent.

FINANCIAL NET

The group financial net was -1,0 (-0,9) MEUR in the quarter.

TAXES

Taxes increased to 1,1 (1,0) MEUR in the quarter.

NET RESULT

Net result for the quarter amounted to 4,0 (3,5) MEUR. Mainly explained by higher sales but with higher cost for implementing new paint line and higher investments in market, together with less positive currency effect.

CASH FLOW, WORKING CAPITAL AND NET DEBT

Cash flow from operating activities was 3,4 (4,2) MEUR. Net debt was 45,7 (49,2) MEUR at the end of the period. Net debt to EBITDA was 1,8 to be compared with the company's financial targets of less 2,5.

INVESTMENTS

In the quarter Troax invested 0,5 (1,7) MEUR. The decrease is primarily due to the investment of the new paint line in Hillerstorp last year.

REGIONAL DEVELOPMENT

Troax operations are reported as one segment. As secondary information Order intake and Sales are reported based on geographical regions.

Nordic – Sweden, Denmark, Norway and Finland

Continental Europe – Europe excluding Nordic and United Kingdom

United Kingdom – Great Britain and Ireland

New Markets – rest of the world including all distributors directly connected to Sweden.

| Order intake MEUR | 3 Months | | | 9 Months | | | 12 Months | | |
|-------------------------------------|-----------------|-----------------|-----------|-----------------|-----------------|------------|--------------------|-----------------|-----------|
| | Jul-Sep 2016 | Jul-Sep 2015 | Diff | Jan-Sep 2016 | Jan-Sep 2015 | Diff | Oct/Sep 2015/16 | Jan-Dec 2015 | Diff |
| Continental Europe | 15,3 | 13,0 | 18% | 46,9 | 41,3 | 14% | 61,8 | 56,2 | 10% |
| Nordic region | 4,4 | 4,7 | -6% | 15,1 | 15,0 | 1% | 21,1 | 20,9 | 1% |
| United Kingdom | 5,0 | 4,4 | 14% | 14,9 | 13,4 | 11% | 18,9 | 17,4 | 9% |
| New Markets | 3,0 | 3,3 | -9% | 10,0 | 7,4 | 35% | 12,0 | 9,5 | 26% |
| Total excl Currency and Acq. | 27,7 | 25,4 | 9% | 86,9 | 77,1 | 13% | 113,8 | 104,0 | 9% |
| Currency effect | -0,9 | 0,0 | -4% | -1,7 | 0,0 | -2% | -1,7 | 0,0 | -2% |
| Acquisitions | 0,3 | 0,0 | 1% | 1,5 | 0,0 | 2% | 1,8 | 0,4 | 1% |
| Total Order intake | 27,1 | 25,4 | 7% | 86,7 | 77,1 | 12% | 113,9 | 104,4 | 9% |

| Total Sales MEUR | 3 Months | | | 9 Months | | | 12 Months | | |
|-------------------------------------|-----------------|-----------------|------------|-----------------|-----------------|------------|--------------------|-----------------|-----------|
| | Jul-Sep 2016 | Jul-Sep 2015 | Diff | Jan-Sep 2016 | Jan-Sep 2015 | Diff | Oct/Sep 2015/16 | Jan-Dec 2015 | Diff |
| Continental Europe | 15,9 | 13,8 | 15% | 46,0 | 41,4 | 11% | 60,5 | 56,0 | 8% |
| Nordic region | 4,5 | 4,6 | -2% | 14,6 | 14,3 | 2% | 20,9 | 20,5 | 2% |
| United Kingdom | 5,6 | 4,5 | 24% | 14,5 | 13,2 | 10% | 18,6 | 17,4 | 7% |
| New Markets | 3,5 | 2,7 | 30% | 9,0 | 6,9 | 30% | 11,6 | 9,4 | 23% |
| Total excl Currency and Acq. | 29,5 | 25,6 | 15% | 84,1 | 75,8 | 11% | 111,6 | 103,3 | 8% |
| Currency effect | -0,9 | 0,0 | -4% | -1,7 | 0,0 | -2% | -1,7 | 0,0 | -2% |
| Acquisitions | 0,2 | 0,0 | 1% | 1,5 | 0,0 | 2% | 1,9 | 0,4 | 1% |
| Total Sales | 28,8 | 25,6 | 13% | 83,9 | 75,8 | 11% | 111,8 | 103,7 | 8% |

ABOUT TROAX

Troax is the leading global supplier of indoor perimeter protection ("metal-based mesh panel solutions") for the market segments: Machine guarding, Warehouse partitioning and Property Protection. Troax develops high quality and innovative safety solutions to protect people, property and processes.

Troax Group AB (publ), Reg. No. 556916-4030, has a global organisation with an unparalleled sales force and efficient logistics setup, enabling local presence and short delivery times in 33 countries. In 2015 Troax net sales amounted to around 103 MEUR and the number of employees amounted to about 440 persons. The Company's head office is located in Hillerstorp, Sweden. www.troax.com

THE GROUP – SUMMARY

| MEUR | 3 Months | 3 Months | 9 Months | 9 Months | 12 Months | 12 Months |
|----------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------------|
| | Jul-Sep 2016 | Jul-Sep 2015 | Jan-Sep 2016 | Jan-Sep 2015 | Jan-Dec 2015 | 1.) Jan-Dec 2014 |
| Sales | 28,8 | 25,6 | 83,9 | 75,8 | 103,7 | 91,2 |
| Cost of goods sold | -16,5 | -14,8 | -49,1 | -43,5 | -59,1 | -52,9 |
| Gross profit | 12,3 | 10,8 | 34,8 | 32,3 | 44,6 | 38,3 |
| Sales expenses | -4,5 | -4,0 | -14,0 | -12,6 | -17,0 | -15,5 |
| Administrative expenses | -1,5 | -1,3 | -4,7 | -4,5 | -6,3 | -7,6 |
| Other operating income and expenses | -0,2 | -0,1 | -0,2 | 0,6 | 1,1 | -0,3 |
| Operating profit | 6,1 | 5,4 | 15,9 | 15,8 | 22,4 | 14,9 |
| Financial income and expenses | -1,0 | -0,9 | -2,8 | -3,4 | -4,1 | -4,4 |
| Result after financial expenses | 5,1 | 4,5 | 13,1 | 12,4 | 18,3 | 10,5 |
| Taxes | -1,1 | -1,0 | -3,2 | -3,0 | -4,6 | -1,8 |
| Net result for the period | 4,0 | 3,5 | 9,9 | 9,4 | 13,7 | 8,7 |
| Earnings per share before dilution | 0,20 € | 0,18 € | 0,50 € | 0,90 € | 0,88 € | 5,94 € |
| Number of shares after dilution in thousands | 20 000 | 20 000 | 20 000 | 10 467 | 15 510 | 929 |
| Earnings per share after dilution | 0,20 € | 0,18 € | 0,50 € | 0,47 € | 0,69 € | 0,44 € |
| Number of shares after dilution in thousands | 20 000 | 20 000 | 20 000 | 20 000 | 20 000 | 20 000 |

Number of shares increased to total 20 million in connection with the IPO, 27th of March 2015.

STATEMENT OF COMPREHENSIVE INCOME

| | 3 Months | 3 Months | 9 Months | 9 Months | 12 Months | 12 Months |
|--------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------------|
| | Jul-Sep 2016 | Jul-Sep 2015 | Jan-Sep 2016 | Jan-Sep 2015 | Jan-Dec 2015 | 1.) Jan-Dec 2014 |
| Net result for the period | 4,0 | 3,5 | 9,9 | 9,4 | 13,7 | 8,7 |
| Other comprehensive income: | | | | | | |
| Items that may be reclassified to the income statement | | | | | | |
| Translation differences | -1,0 | -2,1 | -4,2 | 0,6 | 2,9 | -4,7 |
| Tax related to items that may be reclassified | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 |
| | -1,0 | -2,1 | -4,2 | 0,6 | 2,9 | -4,7 |
| Items that will not be reclassified to the income statement | | | | | | |
| Actuarial gains and losses on defined-benefit pension commitment | -0,4 | 0,0 | -0,2 | 0,0 | 0,2 | -0,6 |
| Tax related to items that may be reclassified | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,1 |
| | -0,4 | 0,0 | -0,2 | 0,0 | 0,2 | -0,5 |
| Other comprehensive income, net of tax | -1,4 | -2,1 | -4,4 | 0,6 | 3,1 | -5,2 |
| Total comprehensive income for the period | 2,6 | 1,4 | 5,5 | 10,0 | 16,8 | 3,5 |
| Adjusted operating result | | | | | | |
| | | | | | | |
| Operating result | 6,1 | 5,4 | 15,9 | 15,8 | 22,4 | 14,9 |
| Extra ordinary cost in connection with Acquisitions | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,4 |
| Extra ordinary cost in connection with IPO | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 1,0 |
| Extra ordinary cost in connection capital gain property | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | -0,2 |
| Extra ordinary cost Satech Jan-June 2014 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,2 |
| | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 1,4 |
| Adjusted operating result | 6,1 | 5,4 | 15,9 | 15,8 | 22,4 | 16,3 |
| Depreciations | 0,5 | 0,5 | 1,7 | 1,6 | 2,2 | 2,3 |
| Adjusted EBITDA | 6,6 | 5,9 | 17,6 | 17,4 | 24,6 | 18,6 |

1.) The 2014 Column includes Satech figures, as if the acquisition was completed 1st January 2014.

STATEMENT OF FINANCIAL POSITION

| MEUR | 2016 30-sep | 2015 30-sep | 2015 31-dec | 2014 31-dec |
|--------------------------------------------------|----------------|----------------|----------------|----------------|
| Assets | | | | |
| Intangible assets | 80,5 | 81,3 | 83,6 | 80,7 |
| Tangible assets | 18,3 | 17,5 | 18,4 | 15,6 |
| Financial fixed assets | 0,5 | 2,1 | 0,5 | 0,4 |
| Total fixed assets | 99,3 | 100,9 | 102,5 | 96,7 |
| Inventories | 8,0 | 7,6 | 8,0 | 6,5 |
| Current receivables | 24,5 | 23,4 | 22,8 | 20,0 |
| Cash and cash equivalents | 10,7 | 7,4 | 10,8 | 13,2 |
| Total current assets | 43,2 | 38,4 | 41,6 | 39,7 |
| TOTAL ASSETS | 142,5 | 139,3 | 144,1 | 136,4 |
| Equity and liabilities | | | | |
| Equity | 59,0 | 53,2 | 60,0 | 43,2 |
| Long-term liabilities | 64,4 | 64,9 | 64,5 | 73,2 |
| Current liabilities | 19,1 | 21,2 | 19,6 | 20,0 |
| TOTAL EQUITY AND LIABILITIES | 142,5 | 139,3 | 144,1 | 136,4 |
| Net debt = Loan (Bond) less cash and equivalents | 45,7 | 49,2 | 45,8 | 53,4 |

STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO THE PARENT COMPANY'S SHAREHOLDERS

| | | | | |
|-------------------------------------------|-------------|-------------|-------------|-------------|
| Opening balance | 60,0 | 43,2 | 43,2 | 45,9 |
| Reduction of the share capital | - | - | - | -9,8 |
| New share issue | -6,5 | - | - | - |
| Non cash-issue | - | - | - | 3,6 |
| Total comprehensive income for the period | 5,5 | 10,0 | 16,8 | 3,5 |
| Closing balance | 59,0 | 53,2 | 60,0 | 43,2 |

CASH FLOW

| MEUR | 3 Months 2016 30-sep | 3 Months 2015 30-sep | 9 Months 2016 30-sep | 9 Months 2015 30-sep | 12 Months 2015 31-dec | 12 Months 2014 31-dec |
|-----------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|-----------------------------|
| Operating profit | 6,1 | 5,4 | 15,9 | 15,8 | 22,4 | 13,8 |
| Interest received and paid, tax paid and adjustments | -1,6 | -2,2 | -4,6 | -4,8 | -4,5 | -3,4 |
| Changes in working capital | -1,1 | 1,0 | -2,2 | -1,8 | -4,6 | 0,8 |
| Cash flow from operating activities | 3,4 | 4,2 | 9,1 | 9,2 | 13,3 | 11,2 |
| Net investments | -0,5 | -1,7 | -2,5 | -5,0 | -5,7 | -18,2 |
| Cash flow after investing activities | 2,9 | 2,5 | 6,6 | 4,2 | 7,6 | -7,0 |
| Financing activities | 0,0 | 0,1 | -6,7 | -10,0 | -10,0 | 5,7 |
| Cash flow for the period | 2,9 | 2,6 | -0,1 | -5,8 | -2,4 | -1,3 |
| Cash and cash equivalents at the start of the period | 7,6 | 4,7 | 11,1 | 13,2 | 13,2 | 15,5 |
| Translation difference in cash and cash equivalents | 0,2 | 0,1 | -0,3 | 0,0 | 0,0 | -1,0 |
| Cash and cash equivalents at the end of the period | 10,7 | 7,4 | 10,7 | 7,4 | 10,8 | 13,2 |

PARENT COMPANY - SUMMARY

| INCOME STATEMENT | 3 Months | 3 Months | 9 Months | 9 Months | 12 Months | 12 Months |
|--------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Jul-Sep 2016 | Jul-Sep 2015 | Jan-Sep 2016 | Jan-Sep 2015 | Jan-Dec 2015 | Jan-Dec 2014 |
| MEUR | | | | | | |
| Administrative expenses | -0,1 | 0,5 | -0,3 | 0,2 | -0,2 | -1,1 |
| Other operating income and expenses | 0,0 | 0,0 | -0,2 | 0,0 | 0,3 | 0,0 |
| Operating profit | -0,1 | 0,5 | -0,5 | 0,2 | 0,1 | -1,1 |
| Financial income and expenses | -0,9 | -3,0 | -2,7 | -3,0 | -3,8 | 2,0 |
| Result after financial expenses | -1,0 | -2,5 | -3,2 | -2,8 | -3,7 | 0,9 |
| Year-end appropriations | 0,0 | 0,0 | 0,0 | 0,0 | 9,2 | -0,9 |
| Profit before tax | -1,0 | -2,5 | -3,2 | -2,8 | 5,5 | 0,0 |
| Taxes | 0,2 | 0,5 | 0,7 | 0,6 | -1,2 | 0,0 |
| Net result for the period | -0,8 | -2,0 | -2,5 | -2,2 | 4,3 | 0,0 |
| | | | | 0 | 0 | 0 |
| | | | | 0 | 0 | 0 |
| STATEMENT OF COMPREHENSIVE INCOME | | | | | | |
| Net result for the period | -0,8 | -2,0 | -2,5 | -2,2 | 4,3 | 0,0 |
| Other comprehensive income, net of tax | -0,2 | 1,3 | -0,8 | 1,3 | 0,1 | 0,3 |
| Total comprehensive income for the period | -1,0 | -0,7 | -3,3 | -0,9 | 4,4 | 0,3 |

STATEMENT OF FINANCIAL POSITION

| | 30-sep 2016 | 30-sep 2015 |
|-------------------------------------|----------------|----------------|
| MEUR | | |
| Assets | | |
| Financial fixes assets | 87,7 | 87,7 |
| Total fixed assets | 87,7 | 87,7 |
| Current receivables | 5,7 | 4,7 |
| Cash and cash equivalents | 0,0 | 0,0 |
| Total current assets | 5,7 | 4,7 |
| TOTAL ASSETS | 93,4 | 92,4 |
| Equity and liabilities | | |
| Equity | 30,9 | 34,2 |
| Long-term liabilities | 61,7 | 57,5 |
| Current liabilities | 0,8 | 0,7 |
| TOTAL EQUITY AND LIABILITIES | 93,4 | 92,4 |

CASH FLOW

| | 30-sep 2016 | 30-sep 2015 |
|---------------------------------------------|----------------|----------------|
| MEUR | | |
| Operating profit | -0,5 | 0,2 |
| Interest, paid, tax paid, adjustments | -2,8 | -2,4 |
| Changes in working capital | 6,8 | 2,1 |
| Cash flow from operating activities | 3,5 | -0,1 |
| | 0,0 | 0,0 |
| Net investments | 0,0 | 0,0 |
| Cash flow after investing activities | 3,5 | -0,1 |
| | | |
| Financing activities | -3,5 | 0,1 |
| Cash flow for the period | 0,0 | 0,0 |
| Cash at the start of the period | 0,0 | 0,1 |
| Translation difference | 0,0 | 0,0 |
| Cash at the end of the period | 0,0 | 0,0 |

FINANCIAL TARGETS

Troax Group`s financial targets connected to the company`s strategic initiative are presented below. All expressed opinions in this part are future orientated.

| | |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Growth | Troax`s objective is to exceed the growth in the company`s current markets through organic growth, as well as selective acquisitions. |
| Profitability | Troax`s target is to have an operating margin in excess of 20 per cent. |
| Financial Structure | Net debt in relation to EBITDA, excluding temporary deviations, shall not exceed 2.5 times |
| Dividend | Troax`s target is to pay approximately 50 per cent of its net profit in dividends. The dividend proposal shall take into account Troax`s long-term development potential, its financial position and its investment needs. |

The financial targets represent future oriented information. Future oriented information shall not be considered as guarantees for future result or development. The actual result may and can materially vary from what is expressed in the future oriented information.

OTHER INFORMATION

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, the Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2, Accounting for Legal Entities. The Accounting principles that have been applied coincide with those accounting principles used for preparing the latest Annual Report.

RISK AND RISK ASSESSMENT

Exposure to risk is a natural part of business activity which is reflected in the Troax approach to risk assessment. The aim is to identify and prevent and reduce the risks and limit the damages these risks might cause. The most essential risk for the Group is related to how the general business cycle effects demand.

SEASONAL VARIATIONS

Seasonal variations have some impact on Troax business. Sales are normally in general stable between the quarters but can fluctuate between the months in the quarter. Sales can be somewhat lower in the summer months (July-August) and from December to January. In periods of high production, the company normally ties up more money in Working Capital. Cash is then released from working capital after a high season when manufactured goods are installed and the customer's receivables paid.

TRANSACTIONS

No special transaction to report.

EMPLOYEES

At the end of the period the Group had 478 (434) employees. Temporary staff accounts for 17 of the increase of 44.

OTHER EVENTS DURING THE QUARTER

There are no significant other events to report in the quarter.

OTHER EVENTS AFTER THE QUARTER

There is no significant information to report after the fourth quarter.

AUDIT

This report has been reviewed by the auditors.

NEXT REPORT

Year-end report period January – December, 14th of February 2017.

SHAREHOLDERS MEETING

The Annual General Meeting will be held at Troax in Hillerstorp on the 10th May 2017, at 15:00hrs. Shareholders who wish to add topics to be handled during the Shareholders Meeting can send their suggestions to the Chairman, Troax Group AB, attention "Topic for the Shareholders Meeting", Box 89, 330 33 Hillerstorp, Sweden.

The topics must arrive at least seven weeks prior to the meeting, and by the 22nd March 2017 at the latest, enabling them to be presented in the notice to the meeting.

ELECTION COMMITTEE

At the AGM on the 10th May 2016 it was decided that the Election Committee for the 2017 AGM should consist of the following:

- Anders Mörck (chairman) – Investmentaktiebolaget Latour
- Jarl Särilvik – Nordea Fonder
- Ulf Hedlund – Svolder AB
- Jan Svensson – Chairman of the Board

If a shareholder who is represented on the nomination committee ceases to be one of the Company's three largest shareholders during the year, the member appointed to represent such shareholder shall resign from the nomination committee. Instead, a new shareholder among the three largest shareholders shall be entitled to independently and in its sole discretion appoint a member of the nomination committee. However, no marginal changes in shareholding and no changes in shareholding which occur later than three months prior to the annual general meeting shall lead to a change in the composition of the nomination committee.

The Election Committee will prepare proposals to the AGM 2017 for:

- Chairman for the AGM;
- Candidates for the post of chairman and other directors of the board;
- Fees and other remuneration to each director;
- Fees to members of committees within the Board;
- Election and remuneration of the Company auditor;
- Candidates for the members of the nomination committee; and
- Principles for the nomination committee.

Shareholders who wish to leave suggestions for the Election Committee can send them to Troax Group AB (publ), Attention: Election Committee Anders Mörck, Box 89, 330 33 Hillerstorp, Sweden.

PHONE CONFERENCE

Invitation to presentation of the third quarter result:

Thomas Widstrand, CEO presents the result on a phone conference on the 7th of November 2016 at 13:00 CET. The conference will be held in English. For more information, please refer to

<http://www.troax.com/en/news>.



Hillerstorp 7-11-2016

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This information is information that Troax Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 12:00 CET on 7th of November 2016.

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